



# CHINA ENVIRONMENTAL TECHNOLOGY AND BIOENERGY HOLDINGS LIMITED 中科生物控股有限公司

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

Stock Code 股份代號: 1237



# 2019

ANNUAL REPORT  
年報





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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Ms. Xie Qingmei (*Chairlady*)

Mr. Wu Zheyang (*Chief Executive Officer*)

#### Non-executive Director

Mr. Wu Dongping

#### Independent Non-executive Directors

Mr. Lam Hin Chi

Prof. Jin Zhongwei

Prof. Su Wenqiang

### AUDIT COMMITTEE

Mr. Lam Hin Chi (*Chairman*)

Prof. Su Wenqiang

Prof. Jin Zhongwei

### REMUNERATION COMMITTEE

Prof. Jin Zhongwei (*Chairman*)

Prof. Su Wenqiang

Mr. Lam Hin Chi

### NOMINATION COMMITTEE

Prof. Jin Zhongwei (*Chairman*)

Prof. Su Wenqiang

Mr. Lam Hin Chi

### RISK MANAGEMENT COMMITTEE

Mr. Lam Hin Chi (*Chairman*)

Prof. Su Wenqiang

Prof. Jin Zhongwei

### COMPANY SECRETARY

Ms. Lee Kin Yee, *CPA*

### AUTHORISED REPRESENTATIVES

Mr. Wu Zheyang

Ms. Lee Kin Yee

### 董事會

#### 執行董事

謝清美女士 (*主席*)

吳哲彥先生 (*行政總裁*)

#### 非執行董事

吳冬平先生

#### 獨立非執行董事

藍顯賜先生

金重為教授

蘇文強教授

### 審計委員會

藍顯賜先生 (*主席*)

蘇文強教授

金重為教授

### 薪酬委員會

金重為教授 (*主席*)

蘇文強教授

藍顯賜先生

### 提名委員會

金重為教授 (*主席*)

蘇文強教授

藍顯賜先生

### 風險管理委員會

藍顯賜先生 (*主席*)

蘇文強教授

金重為教授

### 公司秘書

李建儀女士 · *CPA*

### 授權代表

吳哲彥先生

李建儀女士

# Corporate Information (Continued)

## 公司資料(續)

### AUDITORS

BDO Limited  
Certified Public Accountants

### LEGAL ADVISOR

Winston & Strawn

### PRINCIPAL BANKERS

Agricultural Bank of China, Zhangping Branch  
China Construction Bank, Zhangping Branch  
Bank of China, Zhangping Branch

### REGISTERED OFFICE

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office No. 5  
15/F, 6 Wilmer street  
Sai Ying Pun  
Hong Kong

### HEAD OFFICE IN THE PRC

Fushan Industrial District  
Zhangping, Fujian, the PRC

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 核數師

香港立信德豪會計師事務所有限公司  
執業會計師

### 法律顧問

溫斯頓律師事務所

### 主要往來銀行

中國農業銀行漳平支行  
中國建設銀行漳平支行  
中國銀行漳平支行

### 註冊辦事處

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

### 香港主要營業地點

香港  
西營盤  
威利麻街6號  
15樓05室

### 中國總部

中國福建省漳平市  
富山工業區

### 開曼群島主要股份過戶登記處

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

# Corporate Information (Continued)

## 公司資料(續)

### **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen’s Road East  
Wan Chai  
Hong Kong

### **WEBSITE**

[www.merrygardenholdings.com](http://www.merrygardenholdings.com)

### **STOCK CODE**

1237

### **香港股份過戶登記分處**

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東 183 號  
合和中心  
17 樓 1712–1716 號舖

### **網站**

[www.merrygardenholdings.com](http://www.merrygardenholdings.com)

### **股份代號**

1237



# Financial Summary (Continued)

## 財務概要(續)

(In RMB'000 unless otherwise stated) (除另有指示外，以人民幣千元列示)

### Notes:

1. Current ratio is the ratio of current assets to current liabilities.
2. Quick ratio is calculated by dividing current assets (excluding inventories) by current liabilities.
3. Inventory turnover days is calculated by dividing average inventories by cost of inventories and multiplying the resulting value by 365 days.
4. Trade receivables turnover days is calculated by dividing average trade receivables (excluding VAT) by turnover and multiplying the resulting value by 365 days.
5. Turnover days on prepayment for raw materials is calculated by dividing average prepayment for raw materials by cost of inventories (excluding staff costs, depreciation and research and development costs) and multiplying the resulting value by 365 days.

### 附註：

1. 流動比率為流動資產對流動負債的比率。
2. 速動比率按流動資產(不包括存貨)除以流動負債計算。
3. 存貨周轉天數按平均存貨除以存貨成本再乘以365天計算。
4. 貿易應收款項周轉天數按平均貿易應收款項(不包括增值稅)除以營業額再乘以365天計算。
5. 原材料預付款周轉天數按平均原材料預付款除以存貨成本(不包括員工成本、折舊及研發成本)再乘以365天計算。

# Financial Summary (Continued)

## 財務概要(續)

(In RMB'000 unless otherwise stated) (除另有指示外，以人民幣千元列示)

A summary of the results and the assets, liabilities and equity of the Group for the last five financial years is depicted below:

本集團最近五個財政年度之業績與資產、負債及權益概要列示如下：

### RESULTS

### 業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	<b>694,052</b>	634,686	462,191	442,328	639,999
Cost of sales	銷售成本	<b>(685,428)</b>	(566,161)	(430,018)	(394,506)	(517,542)
Gross profit	毛利	<b>8,624</b>	68,525	32,173	47,822	122,457
Other revenue	其他收入	<b>19,856</b>	9,480	15,777	29,308	32,908
Other net (loss)/gain	其他(虧損)/收益淨額	<b>(4,700)</b>	(180,023)	(14,884)	(21,877)	(7,030)
Selling and distribution expenses	銷售及分銷開支	<b>(25,565)</b>	(22,329)	(17,600)	(20,219)	(22,671)
Administrative expenses	行政開支	<b>(48,330)</b>	(49,194)	(47,249)	(46,546)	(55,554)
Expected credit loss on financial assets	金融資產的預期信貸虧損	<b>(12,774)</b>	(642)	-	-	-
(Loss)/profit from operations	經營(虧損)/溢利	<b>(62,889)</b>	(174,183)	(31,783)	(11,512)	70,110
Share of profits/(losses) of associates	分佔聯營公司溢利/(虧損)	<b>(1,815)</b>	282	(204)	(129)	20
Finance costs	融資成本	<b>401</b>	(8,895)	(6,216)	(9,037)	(16,627)
(Loss)/profit before taxation	除稅前(虧損)/溢利	<b>(64,303)</b>	(182,796)	(38,203)	(20,678)	53,503
Income tax expenses	所得稅開支	<b>(168)</b>	(2,135)	(2,353)	(1,617)	(9,701)
(Loss)/profit for the year	年內(虧損)/溢利	<b>(64,471)</b>	(184,931)	(40,556)	(22,295)	43,802
(Loss)/earnings per share — Basic and diluted (RMB) (Note)	每股(虧損)/盈利 — 基本及攤薄 (人民幣)(附註)	<b>(0.104)</b>	(0.299)	(0.067)	(0.044)	0.131*

Note: On 22 October 2019, the Company has effected a share consolidation of every five shares into one consolidated share. Earning per share for the comparative periods has been adjusted on a basis of five shares into one consolidated share accordingly.

附註：於二零一九年十月二十二日，本公司已將每五股股份合併為一股合併股份。比較期間的每股盈利已根據五股為一股合併股份的基準進行調整。

\* The earning per share for the year ended 31 December 2014 has been revised as RMB0.366.

\* 截至二零一四年十二月三十一日止年度之每股盈利已更正為人民幣0.366元。



# Financial Summary (Continued)

## 財務概要(續)

(In RMB'000 unless otherwise stated) (除另有指示外，以人民幣千元列示)

### ASSETS, LIABILITIES AND EQUITY

### 資產、負債及權益

		As at 31 December 於十二月三十一日				
		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total Assets	資產總額	<b>981,445</b>	1,167,881	1,493,483	1,623,282	1,624,667
Total Liabilities	負債總額	<b>95,812</b>	217,333	362,893	494,565	489,157
Total Equity	權益總額	<b>885,633</b>	950,548	1,130,590	1,128,717	1,135,510

# Chairlady's Statement

## 主席報告

Dear Shareholders,

On behalf of the board ("the Board") of directors ("the Directors") of the Company, I hereby announce the results of the Company and its subsidiaries ("the Group") for the year ended 31 December 2019 ("the Year").

### FINANCIAL PERFORMANCE

During the Year, the revenue of the Group amounted to approximately RMB694.0 million, representing a moderate growth of 9.4% as compared with the year ended 31 December 2018. The adverse impact of US-China trade tensions surfaced in 2019, the Group recorded the loss of RMB64.5 million for the Year, representing a significant decrease as compared to the loss of approximately RMB184.9 million recorded for the year ended 31 December 2018. The Board considered that the decrease was mainly attributable to no significant additional impairment of assets is necessary for the year ended 31 December 2019 as compared to the recognition of impairment of assets amounted to approximately RMB139.3 million for the year ended 31 December 2018; and (ii) excluding the effect of the recognition of impairment of assets for the year ended 31 December 2018, the Group recorded an increase in loss for the year ended 31 December 2019, mainly due to the increase in trade tariff imposed by the United States on certain China exported goods from 10% to 25% effective May 2019, resulting in the further decline of profit margin of the wooden products exported to the United States by the Group.

### BUSINESS PERFORMANCE

Amid lingering US-China trade tensions and weaker global economic growth, the Group experienced another challenging year in 2019. The Office of the United States Trade Representative announced further increase in trade tariff imposed on certain China exported goods from 10% to 25% effective May 2019, resulting in the further decline of profit margin of the wooden products exported to the United States by the Group during the Year. As the North American market remains the largest income stream of the Group, the escalated US-China trade tensions have adversely impacted the performance of the Group in 2019. Adding to the headwinds from external environment, the weakest economic growth in nearly three decades recorded in the Mainland China, with its GDP grew an annual 6.1% in 2019, further weighed down the Group's business performance as a result of sluggish domestic demand. Nevertheless, turnover from the Australasia market continued to edge up due to increasing market acceptance of the Group's timber houses and their related parts and structures, offsetting the negative impact from the North American and PRC markets to some extent.

各位股東：

本人謹代表本公司董事(「董事」)會(「董事會」)，向各股東宣佈本公司及其附屬公司(「本集團」)截至二零一九年十二月三十一日止年度(「本年度」)的業績。

### 財務表現

於本年度，本集團的收入較截至二零一八年十二月三十一日止年度輕微增加9.4%至約人民幣694.0百萬元。美中貿易緊張局勢的不利影響在二零一九年逐漸浮現，本集團於本年度錄得虧損人民幣64.5百萬元，較截至二零一八年十二月三十一日止年度錄得虧損約人民幣184.9百萬元大幅減少。董事會認為減少的主要原因是相對於截至二零一八年十二月三十一日止年度的資產減值確認約人民幣139.3百萬元，截至二零一九年十二月三十一日止年度再無重大額外的資產減值需要確認；(ii)不包括截至二零一八年十二月三十一日止年度的資產減值確認的影響，本集團截至二零一九年十二月三十一日止年度的虧損增加，主要是由於自2019年5月起美國對若干中國出口商品徵收之貿易關稅從10%提高至25%，導致本集團向美國出口的木製品的利潤率進一步下降。

### 業務表現

在中美貿易緊張局勢纏綿和全球經濟增長疲軟的背景下，集團在二零一九年又是充滿挑戰的一年。美國貿易代表辦公室宣佈，自二零一九年五月起，對若干中國出口商品至關稅將從10%進一步提高到25%，導致本集團本年度向美國出口的木製品的利潤率進一步下降。由於北美市場仍然是集團最大的收入來源，中美貿易緊張局勢升級對集團二零一九年的業績產生了不利影響。加之外部環境的不利影響，中國大陸在二零一九年的國民生產總值年增長只有6.1%，時近三十年來最弱的經濟增長。由於內需疲弱，進一步壓低了集團的業務表現。然而，由於澳大利亞市場對本集團木屋及其相關部件及構件的接受程度增加，在一定程度上抵銷了北美和中國市場的負面影響。

# Chairlady's Statement (Continued)

## 主席報告(續)

### PROSPECTS

On 15 January 2020, the first signs of a truce between the US-China trade dispute were seen when two countries finally signed the phase one trade deal. However, the uncertainty remained elevated as the U.S. Department of Commerce announced the initiation of new antidumping duty and countervailing duty investigations (the "Investigations") to determine whether wood mouldings and millwork products from Brazil and China are being dumped in the United States, and to determine if producers in China are receiving unfair subsidies on 29 January 2020. Certain of the Group's wood products exported to the United States were under the scope of such Investigations. Looking ahead, there are multiples external and domestic headwinds facing the Group's profitability. On the external front, adding headwinds faced by heightened uncertainties and risks arising from the global economic slowdown, the recent coronavirus (COVID-19) outbreak has already brought considerable human suffering and major economic disruption, the Group expects that the adverse on confidence, financial markets and disruption to supply chain will surface during the first half of 2020. The Group sees fragile business and consumer confidence could dampen capital expenditure, as well as building and construction activities in the North American, European and Australasia markets. On the other hand, multiple challenges faced by China, including further economic slowdown, weakened housing market, rising corporate leverage and household debt burden further clouded the Group's business prospects in the PRC market. With these considerations aforementioned, it is expected that the Group's profitability will be inevitably affected worldwide, putting tremendous pressure on the returns on assets and inventories. The Group will continue enhance the business resilience by closely monitoring the initiation of new antidumping duty from the United States and the development of other overseas markets such as Australia, assessing the impact on the Group and identifying necessary and decisive measures in diversifying the business risks ahead.

### APPRECIATION

On behalf of the Board, I would like to extend my sincere thanks for the support and trust from our shareholders and business partners. I would also like to thank our employees for your efforts and contributions to the Group over the Year.

**Xie Qingmei**  
Chairlady

### 展望

二零二零年一月十五日，中美最終簽署第一階段貿易協議，中美貿易爭端之間終見停戰。然而，隨著美國商務部於二零二零年一月二十九日宣佈啟動新的反傾銷稅和反補貼稅調查(「調查」)，以確定來自巴西和中國的木模製品和木製品是否正在美國傾銷，以及中國的生產者是否在收受不公平的補貼，不確定性仍然很高。本集團向美國出口的某些木製品屬於此類調查的範圍。展望未來，本集團的盈利能力面臨多種外部和國內不利因素。在外部方面，由於全球經濟增速放緩帶來的不確定性和風險加劇的不利因素，最近的冠狀病毒(COVID-19)爆發已經給人類帶來了沉重的苦難和重大的經濟破壞，本集團預計，其對信心，金融市場和供應鏈的破壞將在二零二零年上半年浮出水面。本集團認為，脆弱的商業和消費者信心可能會抑制資本支出，以及北美、歐洲和澳大利西亞市場的建築和建築活動。另一方面，中國面臨的多重挑戰，包括進一步的經濟放緩，房地產市場疲軟，企業槓桿上升和家庭債務負擔增加，進一步籠罩了本集團在中國市場的業務前景。考慮到上述因素，預計該集團的盈利能力將不可避免地在全球範圍內受到影響，從而給資產和存貨的回報帶來巨大壓力。本集團將繼續密切監察美國對新反傾銷稅的發起以及澳大利亞等其他海外市場的發展，評估對本集團的影響，並確定必要的決定性措施以分散未來的業務風險，從而繼續增強業務彈性。

### 致謝

本人謹此代表董事會衷心感謝一直以來支持及信任本集團的每一位股東及業務夥伴，同時亦感謝每一位員工於本年度為本集團付出的辛勞及貢獻。

**謝清美**  
主席

# Management Discussion and Analysis

## 管理層討論與分析

### BUSINESS REVIEW

#### Segment review

During the Year, the performance of our business segments are as follows:

### 業務回顧

#### 分部回顧

於本年度，我們各經營分部之表現如下：

	Segment revenue derived from external customers		Change	% to total segment revenue derived from external customers		Reportable segment (loss)/profit (Note 1)	
	2019	2018		2019	2018	2019	2018
	二零一九年	二零一八年		二零一九年	二零一八年	二零一九年	二零一八年
	RMB'000	RMB'000	%	%	%	RMB'000	RMB'000
	人民幣千元	人民幣千元	百分比	百分比	百分比	人民幣千元	人民幣千元
Manufacturing and sales of wooden products	687,132	618,872	11.0	99.0	97.5	(73,719)	(186,107)
Retail business	29	1,254	(97.7)	0.0	0.2	(730)	(1,622)
Manufacturing and sales of renewable energy products	6,891	14,560	(52.7)	1.0	2.3	942	2,512
	<b>694,052</b>	634,686	9.4	<b>100.0</b>	100.0	<b>(73,507)</b>	(185,217)

The Group's core business segments are comprised of production and sales of wooden products; retail business; and manufacturing and sales of renewable energy products. During the Year, revenue from these three business segments amounted to approximately RMB687.1 million, RMB0.3 million and RMB6.9 million (2018: approximately RMB618.9 million, RMB1.3 million and RMB14.6 million), accounting for 99.0%, 0.0% and 1.0% of the total revenue (2018: 97.5%, 0.2% and 2.3%).

本集團核心業務為以下分部：生產及銷售木製品、零售業務、以與戶外木製品有關之項目生產及銷售再生能源產品。本年度，三個業務分部各自產生的收入分別為約人民幣687.1百萬元、人民幣0.3百萬元及人民幣6.9百萬元（二零一八年：約人民幣618.9百萬元、人民幣1.3百萬元及人民幣14.6百萬元），分別佔總收入99.0%、0.0%及1.0%。（二零一八年：97.5%、0.2%及2.3%）。

Note 1: Reportable segment (loss)/profit has excluded the after tax effect of government subsidies.

附註1：可呈報分部(虧損)/溢利已撇除政府補貼之稅後影響。

# Management Discussion and Analysis (continued)

## 管理層討論與分析(續)

Manufacturing and sales of wooden products remains to be the Group's largest business segment, contributing 99.0% of the Group's revenue. The revenue derived from such business increased by 11.0%. The overall increase in revenue from this segment is mainly driven by increase in demand from North America and Australasia clients.

Global growth momentum moderated further during the Year, and the disruptive impact of US import tariffs on global trade and supply chains continued to exacerbate. The Office of the United States Trade Representative announced further increase in trade tariff imposed on certain China exported goods from 10% to 25% effective May 2019, resulting in the further decline of profit margin of the wooden products exported to the United States by the Group during the Year. The Group's export business to the United States still accounts for a significant proportion of the Group's total business volume. Therefore, manufacturing and sales of wooden products segment recorded loss of RMB73.7 million during the Year.

The revenue and profit contribution from retail business remains insignificant during the Year, the Group sees this segment as a strategic stepping stone in making into the PRC household product market, and will adapt to new business direction whenever appropriate.

The Group's renewable energy business focuses on the recycling of leftover sawdust from the production of our wooden products into biomass pellet fuel. Against the backdrop of slowing Chinese economy and the fierce domestic competition in the renewable energy market, the Group's renewable energy business recorded a decrease of 52.7% in revenue to approximately RMB6.9 million during the Year, with its profit down to RMB0.9 million (2018: revenue of RMB14.6 million and profit of RMB2.5 million).

生產及銷售木製品仍是本集團最大的業務分部，佔本集團收入的99.0%。此類業務所得收入增加11.0%。該分部收入整體增加主要由於澳大利西亞及北美洲客戶之需求增加所致。

本年度全球增長動力進一步放緩，美國進口關稅對全球貿易和供應鏈的破壞性影響繼續加劇。美國貿易代表辦公室宣佈，自2019年5月起，對某些中國出口商品徵收的關稅將從10%進一步提高到25%，導致本年度本集團出口到美國的木製產品的利潤率進一步下降。本集團對美國的出口業務仍佔集團總業務量的很大比例。因此，本年度生產及銷售木製品分部錄得虧損人民幣73.7百萬元。

儘管本期間零售業務分部的收入及溢利貢獻仍然不大，本集團認為本分部是本集團擴大其於中國傢俱產品市場份額的策略性墊腳石並將於適當時調整其業務方向。

本集團再生能源業務專注於回收木製品生產過程中產生的廢屑，然後將其轉化為生物質顆粒燃料。由於再生能源市場的國內競爭激烈，本期間本集團的再生能源業務錄得收益下降52.7%至約人民幣6.9百萬元，而其溢利降至人民幣0.9百萬元(二零一八年：收益為人民幣14.6百萬元及溢利為人民幣2.5百萬元)。

# Management Discussion and Analysis (Continued)

## 管理層討論與分析(續)

### MARKET REVIEW

During the Year, the distribution of revenue from our global markets are as follows:

### 市場回顧

於本年度，我們來自全球市場之收入分佈如下：

		Revenue			% to total revenue	
		收入			佔總收入百分比	
		2019	2018	Change	2019	2018
		二零一九年	二零一八年	變動	二零一九年	二零一八年
		RMB'000	RMB'000	%	%	%
		人民幣千元	人民幣千元	百分比	百分比	百分比
The PRC	中國	<b>111,639</b>	146,119	(23.6)	<b>16</b>	23
North America	北美洲	<b>334,388</b>	260,111	28.6	<b>48</b>	41
Europe	歐洲	<b>45,112</b>	30,349	48.6	<b>6</b>	5
Asia Pacific (Exclusive of the PRC)	亞太區 (不包括中國)	<b>4,551</b>	10,162	(55.2)	<b>1</b>	2
Australasia	澳大利西亞	<b>198,362</b>	187,945	5.5	<b>29</b>	29
		<b>694,052</b>	634,686	9.4	<b>100</b>	100

The North American market remains the largest income stream of the Group, accounting for 48% of the total revenue of the Group (2018: 41%). During the Year, revenue from the North American market grew by 28.6% to RMB334.4 million (2018: RMB260.1 million). As US-China trade tension evolved during the Year, the imposition of tariffs of up to 25% to the Group's products exported to the United States resulted in adverse effect to the profitability despite growth in revenue in this market. On 29 January 2020, the U.S. Department of Commerce announced the initiation of new antidumping duty and countervailing duty investigations to determine whether wood mouldings and millwork products from Brazil and China are being dumped in the United States, and to determine if producers in China are receiving unfair subsidies. Certain of the Group's wood products exported to the United States were under the scope of such investigations. Therefore, the Group will closely monitor the development on the investigations, evaluate the impact to the Group and seek for necessary and decisive actions to minimise the negative impact.

北美市場仍然是集團最大的收入來源，佔集團總收入的48%（二零一八年：41%）。於本年度，來自北美市場的收入增長28.6%至人民幣334.4百萬元（二零一八年：人民幣260.1百萬元）。隨著年內中美貿易緊張局勢的演變，儘管該市場的收入有所增長，但對本集團出口至美國的產品被徵收高達25%的關稅仍對盈利能力產生不利影響。二零二零年一月二十九日，美國商務部宣佈啟動新的反傾銷稅和反補貼稅調查，以確定來自巴西和中國的木線條和木製品是否正在美國傾銷，並確定中國的生產商是否正在接收不公平的補貼。該集團出口到美國的某些木製品均屬於此類調查範圍。因此，本集團將密切監察有關調查的發展，評估對本集團的影響，並尋求必要和果斷的行動以盡量減少負面影響。

# Management Discussion and Analysis (continued)

## 管理層討論與分析(續)

China economy's growth rate continued to hover at the weakest in nearly three decades in 2019, with its GDP grew an annual 6.1% during the Year. The economic outlook in China remains highly uncertain with both pressures on the external sector and domestic demand. Due to the slowest economic growth pace, the Group's revenue from the PRC market fell by 23.6% to RMB111.6 million (2018: RMB146.1 million), and accounted for 16% of the total revenue (2018: 23%), which is still the third largest revenue source of the Group.

The Australasia market continued to be the second largest income stream of the Group, accounting for 29% (2018:29%) of the Group's total revenue. Income from the Australasia market recorded a steady growth of 5.5% to RMB198.4 million (2018: RMB187.9 million) due to the successful expansion to timber houses and their related parts and structure products in the region. The construction of more condominiums and residential houses in the country is expected to drive the Group's business in the coming year.

二零一九年，中國國民生產總值年增長6.1%，經濟增速繼續徘徊在近三十年來的最低點。由於外部和國內需求的壓力，中國的經濟前景仍然高度不確定。由於經濟增長速度放緩，本集團來自中國市場的收入下降23.6%至人民幣111.6百萬元(二零一八年為人民幣146.1百萬元)，佔總收入的16%(二零一八年：23%)，仍然是集團的第三大收入來源。

澳洲市場仍然是集團第二大收入來源，佔集團總收入的29%(二零一八年：29%)。由於成功擴大該地區木屋及相關部件及構件，來自澳大利亞市場的收入錄得穩定增長5.5%至人民幣198.4百萬元(二零一八年：人民幣187.9百萬元)。預計該區未來一年將在該國建造更多的公寓和住宅，以推動該集團的業務發展。

### FINANCIAL REVIEW

#### Revenue and gross profit margin by product category

#### 財務回顧

#### 收入及毛利率(按產品分類劃分)

		Revenue			% to total revenue		Gross margin	
		2019	2018	Change	2019	2018	2019	2018
		二零一九年	二零一八年	變動	二零一九年	二零一八年	二零一九年	二零一八年
		RMB'000	RMB'000	%	%	%	%	%
		人民幣千元	人民幣千元	百分比	百分比	百分比	百分比	百分比
Timber houses and their related parts and structures	木屋及其相關部件及構件	567,862	496,211	14.4	81.8	78.2	0.6	11.7
Leisure household products	休閒傢俱產品							
Outdoor and indoor furniture	室內外傢俱產品	24,931	13,075	90.7	3.6	2.1	-0.5	16.2
Recreational products	遊戲類產品	32,205	14,697	119.1	4.6	2.3	1.1	4.3
Landscape garden products	園藝類產品	7,229	13,474	-46.3	1.1	2.1	2.2	16.9
Pet-home designs	寵物屋產品	7,781	11,441	-32.0	1.1	1.8	11.4	10.2
		72,146	52,687	36.9	10.4	8.3	1.7	11.7
Trading of timber	木材貿易	47,153	71,228	-33.8	6.8	11.2	6.7	-0.1
Renewable energy products	再生能源產品	6,891	14,560	-52.7	1.0	2.3	12.3	18.0
<b>Total</b>	<b>總計</b>	<b>694,052</b>	<b>634,686</b>	<b>9.4</b>	<b>100.0</b>	<b>100.0</b>	<b>1.2</b>	<b>10.8</b>

# Management Discussion and Analysis (Continued)

## 管理層討論與分析(續)

Revenue from timber houses and their related parts and structures remained the largest income stream of the Group in 2019. Revenue from such category increased by 14.4% to RMB567.9 million (2018: RMB496.2 million), representing 81.8% of total sales for the Year (2018: 78.2%), attributable to the sustain growth recorded in the North America and Australasia market.

Overall revenue from the leisure household products drastically increased by 36.9% to RMB72.1 million (2018: RMB52.7 million), among those, the revenue from outdoor and indoor furniture and recreational products significantly increased by 90.7% and 119.1% respectively to RMB24.9 million and RMB33.2 million. All other leisure household products recorded a decrease in revenue as a result of softened market demand from European market.

Due to the escalated US-China trade disputes during the Year, the Group recorded a decrease turnover of 33.8% from trading of timber to RMB97.2 million (2018: RMB71.7 million).

During the Year, the Group's renewable energy business decreased by 52.7% to approximately RMB6.9 million (2018: RMB6.0 million), due to the sluggish economic growth and increasingly fierce competition in the domestic renewable energy market.

### Other revenue

During the Year, other revenue increased to RMB19.9 million (2018: RMB9.5 million) mainly due to the increase in government subsidies to RMB18.2 million (2018: RMB7.0 million).

### Other net loss

The Group recorded other net loss of RMB4.7 million for the Year (2018: other net loss RMB180.0 million). Mainly attributable to the impairment of property, plant and equipment and lease prepayment recognized in last year amounted to RMB162.5 million.

於二零一九年，木屋及其相關部件及構件收入仍為本集團的最大收益來源。該分類的收益增加14.4%至人民幣567.9百萬元(二零一八年：人民幣496.2百萬元)，相當於本期間總銷售額的81.8%(二零一八年：78.2%)，乃由於北美洲市場錄得增長。

休閒傢俱產品的總收入大幅上升36.9%至人民幣72.1百萬元(二零一八年：人民幣52.7百萬元)。當中來自室內外傢俱產品及遊戲類產品分別明顯上升90.7%及119.1%至人民幣24.9百萬元及人民幣33.2百萬元，所有其他休閒傢俱產品之收入均錄得下跌，主要由於歐洲市場需求疲軟所致。

由於美中貿易糾紛升級，本集團來自木材貿易的營業額錄得下跌33.8%至人民幣97.2百萬元(二零一八年：人民幣71.7百萬元)。

於本年度，本集團來自再生能源業務的收入由於國內再生能源市場的競爭加劇而下降52.7%至約人民幣6.9百萬元(二零一八年：人民幣6.0百萬元)。

### 其他收入

於本年度，其他收入增至人民幣19.9百萬元(二零一八年：人民幣9.5百萬元)，主要由於政府補貼增加至人民幣18.2百萬元(二零一八年：人民幣7.0百萬元)。

### 其他虧損淨額

本集團於本期間錄得其他虧損淨額人民幣4.7百萬元(二零一八年：其他虧損淨額人民幣180.0百萬元)，主要由於去年確認物業、廠房及設備及租賃預付款減值人民幣162.5百萬元所致。



# Management Discussion and Analysis (continued)

## 管理層討論與分析(續)

### Selling and distribution expenses

Our selling and distribution expenses incurred during the Year were RMB25.6 million (2018: RMB22.3 million) which was a result of the increase in turnover and number of shipments during the Year.

### Administrative expenses

Our administrative expenses incurred during the Year amounted to RMB48.3 million (2018: RMB49.2 million) as a result of effective cost control measures taken by the Group.

### Finance costs

Our finance costs decreased to approximately RMB1.8 million (2018: RMB8.9 million), which was primarily due to decrease in bank borrowings during the Year.

### Income tax expenses

The Group recorded an income tax expense of RMB0.2 million (2018: RMB2.1 million) mainly due to the tax provision for the profit obtained in the Group's renewable energy business during the Year.

### Dividend

The Board does not recommend a final dividend for the Year (2018: Nil).

### Liquidity and capital resources

The Group principally meets its working capital and other liquidity requirements through operating cash flows and proceeds from bank borrowings. The Group anticipates that it can sufficiently meet funding needs for working capital and capital expenditure. As at 31 December 2019, the Group had current assets of RMB455.0 million (31 December 2018: RMB618.4 million), of which bank deposits and cash (including pledged deposits) were RMB83.6 million (31 December 2018: RMB56.1 million).

The Group's cash is generally deposited with banks and denominated mostly in RMB. As at 31 December 2019, total available banking facilities of the Group amounted to RMB151.7 million (31 December 2018: RMB237.2 million), no banking facilities were utilised as at 31 December 2019 (31 December 2018: utilised banking facilities is RMB91.2 million) and these were mainly denominated in RMB and USD. All of the Group's banking facilities were subject to the fulfilment of certain covenants, as are commonly found in lending arrangements with financial institutions.

### 銷售及分銷開支

於本期間產生的銷售及分銷開支為人民幣25.6百萬元(二零一八年：人民幣22.3百萬元)，主要由於年內營業額及出貨量增加所致。

### 行政開支

本年度我們的行政開支為人民幣48.3百萬元(二零一八年：人民幣49.2百萬元)，主要由於本集團採取有效至成本控制所致。

### 融資成本

我們的融資成本降至約人民幣1.8百萬元(二零一八年：人民幣8.9百萬元)，主要由於本期間銀行借款減少所致。

### 所得稅開支

我們的所得稅開支為人民幣0.2百萬元(二零一八年：人民幣2.1百萬元)，主要是由於本年度就本集團再生能源業務所得之利潤計提稅務撥備所致。

### 股息

董事會不建議派發本年度的末期股息(二零一八年：無)。

### 流動資金及資本來源

本集團主要透過營運現金流及銀行借款的所得款項滿足營運資金及其他資金需求。本集團預計其可充分滿足營運資金及資本開支之資金需求。於二零一九年十二月三十一日，本集團擁有流動資產人民幣455.0萬元(二零一八年十二月三十一日：人民幣618.4百萬元)，其中銀行存款及現金(包括已抵押存款)為人民幣83.6百萬元(二零一八年十二月三十一日：人民幣56.1百萬元)。

本集團的現金一般存置於銀行並大部分以人民幣計值。於二零一九年十二月三十一日，本集團的可動用銀行融資總額為人民幣151.7百萬元(二零一八年十二月三十一日：人民幣237.2百萬元)，於二零一九年十二月三十一日，本集團沒有銀行融資額度被動用(二零一八年十二月三十一日：銀行融資額度已被動用人民幣91.2百萬元)並主要以人民幣及美元計值。本集團所有銀行融資須達成與金融機構所訂借貸安排中常見之契約。

# Management Discussion and Analysis (Continued)

## 管理層討論與分析(續)

As at 31 December 2019, the ratio of total borrowings to total assets and net borrowings to total equity of the Group were 1.8% and -7.4%, respectively (31 December 2018: 9.3% and 5.5% respectively), while current ratio and quick ratio were 5.1:1 and 2.6:1 respectively (31 December 2018: 3.1:1 and 1.4:1 respectively).

### Pledge of assets

As at 31 December 2019, the Group pledged its land use rights and buildings held for own use with net book value of RMB126.5 million (31 December 2018: pledged its buildings held for own use, plant and machinery, construction in progress and lease prepayments of RMB142.6 million) and deposits with banks of RMB7.6 million (31 December 2018: RMB18.1 million) mainly for the purpose of securing bank loans and financial derivative contracts issued by banks to the Group.

### Capital expenditure

During the Year, the Group's total expenditure in respect of property, plant and equipment and non-current prepayments for acquisitions of property, plant and equipment amounted to RMB10.5 million (2018: RMB19.9 million).

## CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

Save as disclosed in note 29 to the consolidated financial statements, there were no significant capital commitments for the Group. There were no significant contingent liabilities for the Group as at 31 December 2019.

於二零一九年十二月三十一日，本集團的借貸總額與總資產比率及借貸淨額與總權益比率分別為1.8%及-7.4%（二零一八年十二月三十一日：分別為9.3%及5.5%）。流動比率及速動比率分別為5.1:1及2.6:1（二零一八年十二月三十一日：分別為3.1:1及1.4:1）。

### 資產抵押

於二零一九年十二月三十一日，本集團已抵押賬面淨值人民幣126.5百萬元的使用權及持作自用樓宇（二零一八年十二月三十一日：廠房及機器、租賃預付款、持作自用樓宇及在建工程人民幣142.6百萬元）以及人民幣7.6百萬元（二零一八年十二月三十一日：人民幣18.1百萬元）的銀行存款，主要用於取得銀行向本集團發出之銀行貸款及金融衍生工具合約。

### 資本開支

於本年度，本集團有關物業、廠房及設備的總開支及有關收購物業、廠房及設備的非即期預付款為人民幣10.5百萬元（二零一八年：人民幣19.9百萬元）。

## 資本承擔及或然負債

除綜合財務報表附註29所披露者外，本集團並無任何重大資本承擔。於二零一九年十二月三十一日，本集團概無任何重大或然負債。

# Management Discussion and Analysis (continued)

## 管理層討論與分析(續)

### **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS**

During the Year, there were no significant investments, material acquisitions or disposals of subsidiaries by the Company. The Group currently has no plan to make any substantial investments in or acquisitions of capital assets, but will continue to seek out potential investment or acquisition opportunities according to the Group's development needs.

### **FOREIGN CURRENCY RISKS**

The Group's sales are mainly denominated in USD and RMB while our cost of sales and operating expenses are mainly denominated in RMB. Therefore, the Group's profit margin would be affected if RMB appreciates against USD as the Group may not be able to reflect the appreciation in selling prices to overseas customers that were determined in USD. In response to this, the Group manages fluctuations in the exchange rate of RMB against USD by entering into foreign currency forward contracts mainly denominated in USD and RMB with banks when sales contracts were entered with overseas customers.

With the increasing level of our overseas purchases, the Group also manages foreign exchange risk by matching the cash inflow from our export sales denominated in USD with the cash outflow from our import of timber denominated in USD.

At 31 December 2019, the Group had foreign currency forward contracts with their fair values recognised as derivative financial instruments (assets) of RMB310,000 (2018: RMB2,736,000) and derivative financial instruments (liabilities) of RMB699,000 (2018: RMB2,546,000). The changes in fair value of the foreign currency forward contracts were recognised in the consolidated statement of profit or loss. All of the foreign currency forward contracts are to be settled within one year.

### **重大投資、重大收購及出售附屬公司、重大投資或收購資本資產的未來計劃**

於本年度，本公司並無重大投資、重大收購或出售附屬公司。本集團現時並無計劃作出任何重大投資或收購資本資產，但會按本集團發展需要，繼續物色潛在投資或收購機會。

### **貨幣風險**

本集團的銷售主要以美元及人民幣計值，而銷售成本及經營開支則主要以人民幣計值。由於本集團可能無法在向海外客戶銷售時，將人民幣兌美元的升值反映於以美元釐定的售價中，故如人民幣升值，溢利率將受影響。為此，本集團在與海外客戶訂立銷售合約的同時透過與銀行訂立主要以美元及人民幣計值的遠期外幣合約以管理人民幣兌美元的匯率波動。

隨著本集團的海外採購增加，本集團亦透過以美元計值的出口銷售現金流入配合以美元計值的木材進口現金流出管理外匯風險。

於二零一九年十二月三十一日，本集團外幣遠期合約的公平值按衍生金融工具(資產)人民幣310,000元(二零一八年：人民幣2,736,000元)及衍生金融工具(負債)人民幣699,000元(二零一八年：人民幣2,546,000元)確認。外幣遠期合約的公平值變動乃於綜合損益表中確認。所有外幣遠期合約均在一年內結算。

# Management Discussion and Analysis (Continued)

## 管理層討論與分析(續)

### USE OF NET PROCEEDS FROM THE GLOBAL OFFERING, PLACING AND SUBSCRIPTION

The shares of the Company were listed on the Main Board of the Stock Exchange on 6 July 2012. Net proceeds from the global offering were approximately HK\$144.3 million (after deducting the underwriting commission and relevant expenses).

On 26 June 2014, the Company issued 200,000,000 new ordinary shares of HK\$0.01 each at HK\$0.80 per share by way of placing (the "June 2014 Placement"). On 7 October 2014, the Company issued 165,000,000 new ordinary shares of HK\$0.01 each at HK\$0.93 per share by way of placing (the "October 2014 Placement"). On 5 August 2015, the Company issued 272,600,000 new ordinary shares of HK\$0.01 each at HK\$0.55 per share by way of placing (the "August 2015 Subscription"). On 21 December 2015, the Company issued 857,945,000 new ordinary shares of HK\$0.01 each at HK\$0.20 per share by way of Open Offer (the "December 2015 Open Offer"). On 10 February 2017, the Company issued 514,500,000 new ordinary shares of HK\$0.01 each at HK\$0.13 per share by way of subscription (the "February 2017 Subscription"). The net proceeds from the issue of new shares under the June 2014 Placement, October 2014 Placement, August 2015 Subscription, December 2015 Open Offer, February 2017 Subscription after deducting related transaction costs, were HK\$155.0 million, HK\$148.0 million, HK\$149.7 million, HK\$170.0 million, HK\$66.7 million respectively.

### 全球發售、配售及認購事項所得款項淨額的用途

本公司的股份於二零一二年七月六日在聯交所主板上市。全球發售的所得款項淨額(經扣除包銷佣金及相關開支後)約為144.3百萬港元。

於二零一四年六月二十六日，本公司透過配售方式按每股0.80港元發行200,000,000股每股面值0.01港元的新普通股(「二零一四年六月配售」)。於二零一四年十月七日，本公司透過配售方式按每股0.93港元發行165,000,000股每股面值0.01港元的新普通股(「二零一四年十月配售」)。於二零一五年八月五日，本公司透過配售方式按每股0.55港元發行272,600,000股每股面值0.01港元的新普通股(「二零一五年八月認購事項」)。於二零一五年十二月二十一日，本公司透過公開發售方式按每股0.20港元發行857,945,000股每股面值0.01港元的新普通股(「二零一五年十二月公開發售」)。於二零一七年二月十日，本公司透過認購事項按每股0.13港元發行514,500,000股每股面值0.01港元的新普通股(「二零一七年二月認購」)。經扣除相關交易費用後，根據自二零一四年六月配售、二零一四年十月配售、二零一五年八月認購事項、二零一五年十二月公開發售、二零一七年二月認購事項發行新股份的所得款項淨額分別為155.0百萬港元、148.0百萬港元、149.7百萬港元、170.0百萬港元及66.7百萬港元。

# Management Discussion and Analysis (continued)

## 管理層討論與分析(續)

As at 31 December 2019, the aforesaid proceeds were utilised except for proceeds from December 2015 Open Offer. All the unutilised proceeds were deposited in licensed banks in Hong Kong and the PRC. A breakdown of the use of net proceeds is set forth in the table below:

於二零一九年十二月三十一日，所有上述所得款項已獲動用，惟二零一五年十二月公開發售的所得款項除外。所有未動用所得款項已存置於香港及中國的註冊銀行。所得款項淨額之使用情況已列載於下表：

	The financing of the acquisition of automated production machinery and equipment 購置自動化 生產機器及 設備的融資 HK\$' million 百萬港元	Increasing and enhancing our research and development activities 提升及加強 本公司的 研發活動 HK\$' million 百萬港元	General working capital 一般營運 資金 HK\$' million 百萬港元	Total 總額 HK\$' million 百萬港元	
<b>From December 2015 Open Offer</b>	<b>來自二零一五年十二月公開發售</b>				
Amount of net proceeds	所得款項淨額	119.0	17.0	34.0	170.0
Percentage to total net proceeds	佔所得款項總淨額百分比	70.0%	10.0%	20.0%	100.0%
Utilised amount as at 31 December 2019	於二零一九年十二月三十一日已動用金額	116.0	17.0	34.0	167.0
Unutilised amount as at 31 December 2019	於二零一九年十二月三十一日未動用金額	3.0	-	-	3.0

## HUMAN RESOURCES

As at 31 December 2019, we employed a total of 464 (2018: 426) full-time employees, mainly in the PRC and Hong Kong which included management staff, product designers, technicians, salespersons and workers. The Group's total expenses on the remuneration of employees (including full-time and part-time employees) for the Year were RMB35.3 million (2018: RMB35.5 million), representing 5.1% (2018: 5.6%) of the revenue of the Group. The Group has been consistently increasing production process automation, strengthening the training of staff with an emphasis on high-technique processing with a mission on the continuous development and enhancing of competitiveness. The Group offered highly competitive salary packages, as well as discretionary bonuses and contribution to social insurance to its employees.

## 人力資源

於二零一九年十二月三十一日，本集團於中國及香港共聘用464名(二零一八年：426名)全職員工，當中包括管理人員、產品設計人員、技術人員、銷售人員及工人。於本年度，本集團就僱員(包括全職及兼職員工)薪酬的總開支為人民幣35.3百萬元(二零一八年：人民幣35.5百萬元)，佔本集團收入的5.1%(二零一八年：5.6%)。本集團一直透過提高工序自動化，加強員工培訓以及專注高技術加工，維持員工的持續發展及提高員工競爭力。本集團為僱員提供具競爭力的薪酬組合，並有酌情花紅以及會為僱員繳納社會保險供款。

# Management Discussion and Analysis (Continued)

## 管理層討論與分析(續)

The Group's emolument policies are formulated based on the performance of individual employee which will be reviewed periodically. Apart from the provident fund scheme (operation in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or social insurance (including retirement pension insurance, medical insurance, unemployment insurance, injury insurance and maternity insurance for the PRC employees), discretionary bonuses are also awarded to employees and directors according to the assessment of individual performance. Since the adoption of the share option scheme on 15 June 2012 and up to 31 December 2019, no options have been granted.

### EVENTS AFTER THE REPORTING PERIOD

#### Subscription of new shares for capitalization of debenture

On 22 December 2019, the Company entered into the subscription agreements with Mr. Han Hong and Mr. Han Jin (together as "Subscribers"), pursuant to which Subscribers have conditionally agreed to subscribe for an aggregate of 123,533,400 new shares at the subscription price of HK\$0.12 by capitalising partial amounts of debenture together with accrued interest thereon in the amount of HK\$14,824,000 (equivalent to RMB13,280,000) owed by the Company to Subscribers. The subscription has been completed on 14 February 2020.

本集團的薪酬政策乃按個別僱員的表現而制訂，並將定期檢討。除公積金計劃(根據強制性公積金計劃條例的條文為香港僱員執行)或社會保險(包括中國僱員的退休養老保險、醫療保險、失業保險、工傷保險及生育保險)外，本集團亦將根據對個別僱員表現的評估向僱員及董事發放酌情花紅。自購股權計劃於二零一二年六月十五日獲採納以來至二零一九年十二月三十一日止，本集團概無授出任何購股權。

### 報告期後事項

#### 就債券資本化認購新股份

於二零一九年十二月二十二日，本公司與韓宏女士及韓金先生(統稱為「認購人」)訂立認購協議，據此，認購人有條件同意以資本化本公司欠認購人的債券之部分金額及其應計利息14,824,000港元之方式按認購價0.12港元認購合共123,533,400股新股。認購已於二零二零年二月十四日完成。

# Management Discussion and Analysis (continued)

## 管理層討論與分析(續)

### Antidumping duty and countervailing duty investigations

On 29 January 2020, the U.S. Department of Commerce announced the initiation of new antidumping duty and countervailing duty investigations (the “Investigations”) to determine whether wood mouldings and millwork products from Brazil and China are being dumped in the United States, and to determine if producers in China are receiving unfair subsidies. Certain of the Group’s wood products exported to the United States were under the scope of such Investigations. The Group will closely monitor the development on the Investigations, evaluate the impact to the Group and seek for necessary and decisive actions to minimise the negative impact. The Company has obtained a legal opinion from an independent solicitors firm and such opinion is of the view that the implementation of the antidumping duty and countervailing duty and the rates of such duties are subjected to the final determination of the U.S. Department of Commerce. It is not practicable to determine whether the Group will be subjected to such duties. Further, such opinion suggested that the Group will not be subjected to any antidumping duty and countervailing duty for its products sold to the United States before 31 December 2019 under the Investigation, therefore no provision for penalties or fines has been made by the Group and the Group has no contingent liabilities as at the balance sheet date.

### Outbreak of Coronavirus Disease 2019 in January 2020

Since the outbreak of Coronavirus Disease 2019 (“COVID-19”) in January 2020, the prevention and control of the COVID-19 has been going on throughout the country. Subject to the development and spread of COVID-19 subsequent to the end of the reporting period, further changes in economic conditions may have an impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will keep continuous attention on the situation of the COVID-19 and proactively take action with an attempt to minimise its impact on the Group’s financial position and operating results.

### 反傾銷稅和反補貼稅調查

於二零二零年一月二十九日，美國商務部宣布啟動新的反傾銷稅和反補貼稅調查(「調查」)，以確定來自巴西和中國的木模製品和木製品是否正在美國傾銷，以及中國的生產者是否在收受不公平的補貼。本集團向美國出口的某些木製品屬於此類調查的範圍。本集團將密切監察有關調查的發展，評估對本集團的影響，並尋求必要及果斷的行動以盡量減少負面影響。本公司已從一家獨立律師事務所獲得法律意見，該意見認為反傾銷稅和反補貼稅的執行以及其稅率須由美國商務部最終決定。因此現時評估本集團是否將要承擔該等稅項並不可行。此外，該意見表明，在該調查之下本集團無需就二零一九年十二月三十一日之前出售至美國之產品承擔任何反傾銷稅和反補貼稅，因此於資產負債表日，本集團並未計提任何罰款準備，本集團亦無或有負債。

### 二零二零年一月爆發2019年冠狀病毒

自二零二零年一月爆發2019年冠狀病毒病(「COVID-19」)以來，在全國範圍內一直在預防和控制COVID-19。在報告期末之後，視COVID-19的發展和傳播而定，經濟狀況的進一步變化可能會對本集團的財務業績產生影響，截至本報告日期，其影響程度尚無法估計。本集團將繼續關注COVID-19的狀況，並積極採取行動，以盡量減少對本集團財務狀況和經營成果的影響。

# Corporate Governance Report

## 企業管治報告

The Board is committed to maintaining a high standard of corporate governance. The Board believes that a high standard of corporate governance will provide a framework for the Company to formulate its business strategies and policies, and manage and lower the associated risks through effective internal control procedures. It will also enhance the transparency of the Company and strengthen the accountability to its shareholders and creditors.

The Company has adopted the code provisions set out in the Corporate Governance Code (“the Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”) and certain recommended best practices. The Company has complied with all the applicable code provisions in the Code throughout the Year except for the deviations disclosed under the sections headed “The Board” and “Accountability and Audit” in this report.

### THE BOARD

The Board oversees the management of the business and affairs of the Company. The Directors are accountable for making decisions objectively in the best interest of the shareholders as a whole.

The Board is responsible for making decisions on all major aspects of the Company’s affairs, including the approval and monitoring of key policy matters, overall strategies, business plans and annual budgets, internal control and risk management systems, material transactions, major capital expenditure, appointment of Directors and other significant financial and operational matters.

The Board may delegate aspects of its management and administration functions to the management. In particular, the day-to-day management of the Company is delegated to the chief executive officer of the Group, Mr. Wu Zheyuan, and his management team.

Mr. Wu Dongping is the father of Mr. Wu Zheyuan. Save and except this, there is no relationship (including financial, business, family or other material relevant relationship) between Board members and between the Chairman and the Chief Executive Officer.

董事會承諾維持高水平的企業管治。董事會相信，高水平的企業管治將為本公司提供框架，以制定其業務策略及政策。以有效的內部監控程序管理及降低相關風險，提高本公司的透明度，並增強對其股東及債權人的問責。

本公司已採納香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載的企業管治守則(「守則」)所載的守則條文及若干建議最佳常規。於本年度，本公司一直遵守守則中的所有適用守則條文，惟於本報告「董事會」及「問責及審核」一節披露的偏離者除外。

### 董事會

董事會監督本公司業務及事務的管理。董事負責作出客觀決定以符合股東整體最佳利益。

董事會負責就本公司所有重大事務作出決策，包括批准及監察主要政策事宜、整體策略、業務計劃及年度預算、內部監控及風險管理系統、重大交易、重大資本支出、委任董事及其他重大財務及營運事宜。

董事會可向管理層轉授其管理及行政職能。尤其本公司的日常管理已轉授予本集團的行政總裁吳哲彥先生及其管理團隊。

吳冬平先生為吳哲彥先生的父親。除此之外，董事會成員之間及主席及行政總裁之間概無關係(包括財務、業務、家庭或其他重大相關關係)。



# Corporate Governance Report (continued)

## 企業管治報告(續)

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

The Board is expected to meet regularly and at least four times a year. The Directors have full access to the information of the Group and independent professional advice at all times whenever deemed necessary by the Directors.

With respect to regular meetings of the Board, the Directors will be given written notice of the meeting at least 14 days in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, the Directors are given as much notice as is reasonable and practicable in the circumstances.

Details of directors' attendance at Board meetings, Committee meetings and 2018 Annual General Meeting held during the year are set out in the following table:

本公司於本年度內一直符合上市規則的規定，委任最少三名獨立非執行董事，而其中最少一名獨立非執行董事具備適當專業資格、會計或相關財務管理的專業知識。於本年度內任何時間，獨立非執行董事均佔董事會至少三分之一。

董事會須定期舉行會議，並每年至少舉行四次。董事可在彼等認為必要的情況下隨時全面獲得本集團資料及獨立專業意見。

就董事會的定期會議而言，董事將於會議前至少14日收到會議的書面通知，並於會議前不少於三日獲得議程及補充董事會文件。就其他會議而言，董事獲得該等情況下屬合理及切實可行的通知。

下表列示各董事於本年度出席董事會會議，各董事委員會會議及二零一八年股東週年大會的詳情：

Name of Directors	董事名稱	Meeting attendance/number of meetings					Risk Management Committee Meeting
		2018 Annual General Meeting 二零一八年股東週年大會	Board Meeting 董事會會議	Audit Committee Meeting 審計委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	
<b>Executive Directors</b>							
Ms. Xie Qingmei (Chairlady)	謝清美女士(主席)	1/1	2/2	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Wu Zheyuan (Chief Executive Officer)	吳哲彥先生(行政總裁)	0/1	2/2	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
<b>Non-executive Director</b>							
Mr. Wu Dongping	吳冬平先生	0/1	2/2	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
<b>Independent non-executive Directors</b>							
Mr. Lam Hin Chi	藍顯賜先生	1/1	2/2	2/2	2/2	2/2	2/2
Prof. Jin Zhongwei	金重為教授	1/1	2/2	2/2	2/2	2/2	2/2
Prof. Su Wenqiang	蘇文強教授	1/1	2/2	2/2	2/2	2/2	2/2

# Corporate Governance Report (continued)

## 企業管治報告(續)

Pursuant to code provision A.1.1 of the Code, the Board meetings should be held at least four times a year at approximately quarterly intervals. The Board only held two regular meetings during the Year to approve the interim results of 2019 and annual results of 2018 whilst other matters of the Board were dealt with by written resolutions or ad hoc Board meeting.

### CORPORATE GOVERNANCE

The Board has carried out its duties and responsibilities as set out in code provision D.3 in the Code, including the development of policies and practices on corporate governance, monitoring the training and continuous professional development of Directors and senior management, reviewing the compliance with the Code, disclosure in this report and legal and regulatory requirements of the Group.

### THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Ms. Xie Qingmei, an executive director of the Company is the chairlady of the Board.

Mr. Wu Zheyuan is the chief executive officer of the Company. Further details are disclosed in the section headed "The Board" of this report.

### DIRECTORS AND DIRECTORS' INDEPENDENCE

As at the date of this report, the Board consists of two executive Directors and four non-executive Directors. Three of the non-executive Directors are independent. Further details of the composition of the Board are disclosed in the section headed "The Board" of this report.

### NON-EXECUTIVE DIRECTORS

The non-executive Directors are expected to participate in the activities of the Board, particularly in the establishment of a selection process to ensure a mix of competent directors and officers; adoption of a system of internal checks and balances; scrutiny of the Company's performance in achieving agreed corporate goals and objectives; and ensuring that the exercise of Board authority is within the powers conferred to the Board under its articles of association (the "Articles") and applicable laws, rules and regulations.

根據守則之守則條文第A.1.1條，董事會會議應每年召開至少四次，大約每季一次。本年度，董事會僅召開兩次定期會議以批准二零一九年中期業績及二零一八年度業績，而董事會其他事宜則以書面決議案或臨時董事會會議處理。

### 企業管治

董事會已履行其於守則的守則條文第D.3條所載的職責及責任，包括制定企業管治政策及常規、監察董事及高級管理層的培訓及持續專業發展、檢討本集團對守則、本報告內的披露事項以及法律及監管規定的合規情況。

### 主席及行政總裁

本公司執行董事謝清美女士獲委任為董事會主席。

吳哲彥先生為本公司的行政總裁。有關進一步詳情於本報告「董事會」一節內披露。

### 董事及董事的獨立性

於本報告日期，董事會由二名執行董事及四名非執行董事組成。該等非執行董事中三名是獨立人士。董事會組成的進一步詳情於本報告「董事會」一節內披露。

### 非執行董事

非執行董事預期將參加董事會活動，尤其是設立遴選程序，以確保具才幹的董事及高級人員合作無間；採納內部審查及平衡的制度；審閱本公司於達成既定企業目標及目的時的表現；以及確保董事會乃在根據其組織章程細則（「細則」）及適用法律、規則及法規所賦予董事會的職權範圍內行使其權限。

# Corporate Governance Report (continued)

## 企業管治報告(續)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance and business. Their skills, expertise and number in the Board ensure that strong independent views and judgement are brought in the Board's deliberations and that such views and judgement carry weight in the Board's decision-making process. Their presence and participation also enable the Board to maintain high standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of shareholders of the Company and the Company.

Each independent non-executive Director gives the Company an annual confirmation of his independence. The Company considers such Directors to be independent under the guidelines set out in Rule 3.13 of the Listing Rules.

Each Director, upon reasonable request, is given access to independent professional advice in circumstances he may deem appropriate and necessary for the discharge of his duties to the Company, at the expense of the Company.

### APPOINTMENTS, RE-ELECTION AND ROTATION OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from 15 June 2018, which may be terminated by not less than three months' notice in writing served by either party on the other. Each of the non-executive Directors and the independent non-executive Directors have been appointed for a term of three years commencing from 15 June 2018. None of the Directors has entered into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Pursuant to the Articles, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. A retiring Director shall be eligible for re-election.

### 獨立非執行董事

獨立非執行董事均為優秀專業人士，在會計、財務、商業領域擁有廣泛的專業知識及經驗。彼等之技術、專業知識及董事會人數確保給予董事會有力的獨立意見及判斷作細心考慮，而有關意見及判斷在董事會的決策過程中乃舉足輕重。彼等之出席及參與亦有助董事會維持高度遵守財務及其他強制性呈報規定，並提供足夠審查及平衡，以保障本公司股東及本公司的利益。

各獨立非執行董事向本公司發出其獨立性的年度確認書。根據上市規則第3.13條所載之指引，本公司認為有關董事均屬獨立。

各董事於合理要求時可就彼可能認為屬合適及必要的情況取得獨立專業意見，以履行彼於本公司的職責，費用由本公司承擔。

### 董事的委任、重選及輪值退任

執行董事已各自與本公司訂立服務合約，自二零一八年六月十五日起計，為期三年，可由一方向另一方發出不少於三個月的書面通知予以終止。非執行董事及獨立非執行董事各自的任期由二零一八年六月十五日起計，為期三年。董事概無與本集團任何成員公司訂立服務合約，惟不包括於一年內屆滿或可由僱主於一年內免付賠償(法定賠償除外)予以終止的合約。

根據細則，於各股東週年大會上，其當時的三分之一董事須輪值退任，惟每名董事須至少每三年於股東週年大會上輪值退任一次。退任董事符合資格膺選連任。

# Corporate Governance Report (continued)

## 企業管治報告(續)

### NOMINATION POLICY

The Company has adopted a Nomination Policy for the Nomination Committee to consider and make recommendations to Shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies.

### Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- (1) reputation for integrity;
- (2) accomplishment and experience in the business in which the Group is engaged in;
- (3) commitment in respect of available time and relevant interest;
- (4) diversity in all its aspects, including but not limited to race, gender, age (18 years or above), educational background, professional experience, skills and length of service;
- (5) qualifications which include professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- (6) the number of existing directorships and other commitments that may demand the attention of the candidate;
- (7) requirement for the Board to have Independent Non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in Rules 3.13 of the Listing Rules;
- (8) Board Diversity Policy of the Company and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and
- (9) such other perspectives appropriate to the Company's business.

### 提名政策

本公司已為提名委員會採納提名政策，以考慮及推薦股東於股東大會上選舉董事或委任填補臨時空缺的董事。

### 甄選標準

於評估建議候選人適合與否時，提名委員會將使用下列因素作為參考：

- (1) 誠信聲譽；
- (2) 本集團所從事業務方面的成就及經驗；
- (3) 可投入的時間及對相關利益的承擔；
- (4) 各方面的多元化，包括但不限於種族、性別、年齡(18歲或以上)、教育背景、專業經驗、技能及服務任期；
- (5) 資歷，包括與本公司業務及企業策略相關的專業資格、技能、知識及經驗；
- (6) 現有董事人數以及其他可能需要候選人關注的承擔；
- (7) 董事會根據上市規則有關委任獨立非執行董事的規定，以及候選人參照上市規則第3.13條所載的獨立指引是否被視為獨立；
- (8) 本公司的董事會成員多元化政策以及董事會為實現董事會成員多元化而採納的任何可計量目標；及
- (9) 其他適用於本公司業務的有關因素。

# Corporate Governance Report (continued)

## 企業管治報告(續)

### Director Nomination Procedure

Subject to the provisions in the Articles of Association of the Company and the Listing Rules, if the Board recognizes the need for an additional Director or a member of senior management, the following procedure will be followed:

- (1) The Nomination Committee and/or Board will identify potential candidates based on the criteria as set out in the selection criteria, possibly with assistance from external agencies and/or advisors;
- (2) The Nomination Committee and/or the Company Secretary of the Company will then provide the Board with the biographical details and details of the relationship between the candidate and the Company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by the Listing Rules, the Companies Law of the Cayman Islands and other regulatory requirements for any candidate for appointment to the Board;
- (3) The Nomination Committee would then make recommendation to the Board on the proposed candidate(s) and the terms and conditions of the appointment;
- (4) The Nomination Committee should ensure that the proposed candidate(s) will enhance the diversity of the Board, being particularly mindful of gender balance;
- (5) In the case of the appointment of an Independent Non-executive Director, the Nomination Committee and/or the Board should obtain all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors set out in Rules 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time; and
- (6) The Board will then deliberate and decide on the appointment based upon the recommendation of the Nomination Committee.

### 董事提名程序

根據本公司組織章程細則及上市規則的規定，如董事會認為有需要新增一名董事或一名高級管理人員，則會遵循下列程序：

- (1) 提名委員會及／或董事會將根據甄選標準所載標準確定潛在候選人，並可能需要外部機構及／或顧問的協助；
- (2) 本公司提名委員會及／或公司秘書隨後將向董事會提供候選人的履歷詳情、候選人與本公司及／或董事之間關係詳情、所擔任董事職務、技能與經驗、需要大量時間投入的其他職位以及上市規則、開曼群島公司法及其他監管規定就董事會任命候選人要求的其他詳情；
- (3) 提名委員會隨後將建議候選人以及任職的條款及條件向董事會提出建議；
- (4) 提名委員會應確保建議候選人將增強董事會成員的多元化，尤其需關注性別平衡；
- (5) 如任命一名獨立非執行董事，提名委員會及／或董事會應獲取與擬任董事有關的所有資料，使董事會可根據上市規則第3.13條(經聯交所可能不時作出修訂)所載因素充分評估董事的獨立性；及
- (6) 董事會隨後將根據提名委員會之推薦建議審議及決定任命。

# Corporate Governance Report (continued)

## 企業管治報告(續)

According to the Articles and in the opinion of the Board, Mr. Wu Zheyuan, Mr. Wu Dongping and Prof. Su Wen Qiang shall retire at the forthcoming annual general meeting. Except for Mr. Wu Dongping, who will not offer himself for re-election, all of the above retiring Directors, being eligible, will offer themselves for re-election at the same meeting.

Where vacancies arise at the Board, candidates will be proposed and put forward to the Board by the Nomination Committee (as defined below) as set out below under the section headed "Nomination Committee" of this report.

### REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

Remuneration for executive Directors and senior management is determined in accordance with performance, professional experiences and the prevailing market practices. The remuneration of non-executive Directors is subject to regular assessment by the Remuneration Committee (as defined below).

### TRAINING, INDUCTION AND CONTINUING DEVELOPMENT OF DIRECTORS

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

According to the code provision A.6.5 of the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the Directors.

The Directors confirm that they have complied with the relevant code provision. The Company had received from each of the Directors the record of training the Directors received.

根據細則及董事會的意見，吳哲彥先生、吳冬平先生及蘇文強教授將於應屆股東週年大會上退任。除吳冬平先生將不再膺選連任外，上述全體退任董事均符合資格且願意在該大會上膺選連任。

倘董事會出現空缺，提名委員會(定義見下文)將如本報告下文「提名委員會」一節所載向董事會提呈建議的候選人。

### 董事及高級管理層的薪酬政策

執行董事及高級管理層的薪酬乃根據表現、專業經驗及現行市場慣例釐定。非執行董事的薪酬須由薪酬委員會(定義見下文)定期檢討。

### 董事的培訓、就任及持續發展

各新委任董事於首次獲委任時均會獲全面、正式及為其度身訂做的就任指引，以確保彼等適當了解本公司的業務及運作，並全面知悉彼等根據上市規則及相關監管規定的職責及責任。

根據守則的守則條文第A.6.5條，全體董事均須參加持續專業發展，以發展及更新彼等的知識及技能，以確保彼等向董事會作出知情及恰當的貢獻。本公司須負責安排及資助合適培訓，適當重申董事的角色、職能及職責。

董事確認彼等已遵守相關守則條文。本公司已接獲各董事參加培訓的記錄。

# Corporate Governance Report (continued)

## 企業管治報告(續)

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. After making specific enquiry to all the Directors, the Company confirms that all the Directors have complied with the standards as stipulated in the Model Code throughout the Year.

### BOARD COMMITTEES

The Board has set up four Board committees, namely, the audit committee, the remuneration committee, the nomination committee and the risk management committee (collectively the "Board Committees"), for overseeing particular aspects of the Company's affairs.

The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

#### Audit Committee

The Audit Committee comprises all independent non-executive Directors, namely, Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang. Mr. Lam Hin Chi is the chairman of the Audit Committee.

Under its terms of reference, the Audit Committee shall assist the Board in fulfilling its corporate governance and overseeing responsibilities in relation to financial reporting, risk management and internal control systems and internal and external audit functions. The Audit Committee is further authorised by the Board to investigate any activity within its terms of reference, and is tasked with recommending to the Board appropriate actions emanating from such investigations. The Audit Committee has unrestricted access to personnel, records, internal and external auditors, risk assessment and assurance and senior management, as may be appropriate in the discharge of its functions.

### 董事進行證券交易

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則(「標準守則」)為本公司董事進行證券交易的行為守則。經向全體董事作出具體查詢後,本公司確認,全體董事於本年度一直遵守標準守則所載的標準。

### 董事會委員會

董事會已成立四個董事會委員會,分別為審計委員會、薪酬委員會、提名委員會及風險管理委員會(統稱「董事會委員會」),以監督本公司特定範疇的事宜。

董事會委員會獲提供充足資源以履行其職責及可於適當情況下尋求獨立專業意見,費用由本公司支付。

#### 審計委員會

審計委員會由全體獨立非執行董事組成,包括藍顯賜先生、金重為教授及蘇文強教授。藍顯賜先生為審計委員會主席。

根據其職權範圍,審計委員會將協助董事會履行其企業管治及監督有關財務申報、風險管理及內部監控制度以及內部及外聘核數職能。董事會進一步授權審計委員會按其職權範圍調查任何活動,並負責從有關調查向董事會建議合適行動。審計委員會在履行其職能時可於適當情況下不受限制地接觸員工、記錄、內部及外聘核數師、風險評估及保證及高級管理人員。

# Corporate Governance Report (continued)

## 企業管治報告(續)

During the Year, the Audit Committee discharged its responsibilities by:

- (1) making recommendations to the Board on the reappointment of the external auditor and approval of the remuneration and terms of engagement of the external auditor;
- (2) monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and discussing with the external auditor the nature and scope of the audit and reporting obligations;
- (3) implementing the Company's policy on the engagement of an external auditor to supply non-audit services;
- (4) reviewing, and monitoring the integrity of, the financial statements of the Company and the Company's interim report to ensure that the information presents a true and balanced assessment of the Company's financial position;
- (5) reviewing the Company's financial controls, internal control and risk management systems to ensure that management has discharged its duty to have effective systems;
- (6) reviewing the Company's financial and accounting policies and practices;
- (7) reviewing the external auditor's management letter, material queries raised by the external auditor to the management, if any, in respect of the accounting records, financial accounts or systems of control and the management's response to such queries; and
- (8) reporting to the Board on the matters set out in the Code on the Audit Committee.

The Audit Committee is authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary in the performance of its functions. The Audit Committee is provided with sufficient resources by the Company to discharge its duties. The Audit Committee's specific terms of reference are available on request to any shareholder of the Company and are posted on the Stock Exchange's website and the Company's website, [www.merrygardenholdings.com](http://www.merrygardenholdings.com).

於本年度內，審計委員會履行其職責如下：

- (1) 就外聘核數師的重新委任向董事會提供建議，以及批准外聘核數師的薪酬及聘用條款；
- (2) 按適用標準監察外聘核數師是否獨立客觀及核數程序是否有效；與外聘核數師討論核數性質、範疇及有關申報責任；
- (3) 執行本公司委聘外聘核數師提供非核數服務的政策；
- (4) 審閱本公司的財務報表及本公司的中期報告，並監察其完整性，以確保有關資料真實而平衡地評估本公司的財務狀況；
- (5) 檢討本公司的財務監控、內部監控及風險管理制度，以確保管理層已履行職責建立有效的系統；
- (6) 檢討本公司的財務、會計政策及實務；
- (7) 審閱外聘核數師給予管理層的函件、外聘核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問(如有)及管理層作出的回應；及
- (8) 就守則所載有關審計委員會的事宜向董事會匯報。

審計委員會獲董事會授權，若其認為在履行其職能時有需要，可徵詢外部法律或其他獨立專業意見，並邀請具有相關經驗及專業知識的外部人士出席。審計委員會獲本公司供給充足資源以履行其職責。本公司任何股東均可要求查閱審計委員會的特定職權範圍，而職權範圍已載於聯交所網站及本公司網站，網址為 [www.merrygardenholdings.com](http://www.merrygardenholdings.com)。



# Corporate Governance Report (continued)

## 企業管治報告(續)

During the Year, the Audit Committee together with management has reviewed the Code, the accounting principles and practices adopted by the Group and discussed the Group's internal control and financial reporting matters, including a review of the annual results for the year ended 31 December 2018 and the interim results for the six months ended 30 June 2019, with recommendation to the Board for approval. The Audit Committee has also recommended to the Board that, subject to shareholders' approval at the forthcoming annual general meeting, BDO Limited be re-appointed as the external auditors of the Company.

於本年度內，審計委員會已連同管理層檢討本集團採納的守則、會計原則及慣例，以及討論本集團的內部監控及財務申報事宜，包括審閱截至二零一八年十二月三十一日止年度的年度業績及截至二零一九年六月三十日止六個月的中期業績，並已建議董事會批准。審計委員會亦已建議董事會續聘香港立信德豪會計師事務所有限公司為本公司外聘核數師，惟須經股東於應屆股東週年大會上批准。

### Remuneration Committee

The Remuneration Committee comprises all independent non-executive Directors, namely, Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang. Prof. Jin Zhongwei is the chairman of the Remuneration Committee.

### 薪酬委員會

薪酬委員會由全體獨立非執行董事組成，包括藍顯賜先生、金重為教授及蘇文強教授。金重為教授為薪酬委員會主席。

The major duties of the Remuneration Committee are as follows:

薪酬委員會的主要職責如下：

- |  |   |
|--|---|
| <p>(a) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;</p> <p>(b) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;</p> <p>(c) to make recommendations to the Board of the remuneration of non-executive Directors;</p> <p>(d) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;</p> <p>(e) to review and approve management's remuneration proposals by reference to the Board's corporate goals and objectives;</p> | <p>(a) 就本公司全體董事及高級管理層的薪酬政策及架構，以及為制定薪酬政策設立正式及具透明度的程序向董事會提出建議；</p> <p>(b) 獲授權負責釐定個別執行董事及高級管理層的薪酬待遇，包括實物利益、退休金權利及補償款項（包括因喪失或終止職務或委任應付的任何補償）；</p> <p>(c) 就非執行董事的薪酬向董事會提出建議；</p> <p>(d) 考慮同類公司支付的薪金、付出的時間及承擔的責任以及本集團內其他職位的僱用條件；</p> <p>(e) 參考董事會的企業目標及宗旨，以檢討及批准管理層的薪酬建議；</p> |
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# Corporate Governance Report (continued)

## 企業管治報告(續)

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| <p>(f) to review and approve compensation payable to the executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;</p> <p>(g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and</p> <p>(h) to ensure that no Director or any of his associates is involved in deciding his own remuneration.</p> | <p>(f) 檢討及批准向執行董事及高級管理層就任何喪失或終止職務或委任支付的補償，以確保其與合約條款一致，且為公平及不會過量；</p> <p>(g) 檢討及批准因董事行為不當而解除或罷免有關董事職務所涉及的補償安排，以確保其與合約條款一致，且為合理及適當；及</p> <p>(h) 確保任何董事或其任何聯繫人概無參與釐定彼等本身的薪酬。</p> |
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The Remuneration Committee's specific terms of reference are available on request to any shareholder of the Company and are posted on the Stock Exchange's website and the Company's website, [www.merrygardenholdings.com](http://www.merrygardenholdings.com).

本公司任何股東均可要求查閱薪酬委員會的特定職權範圍，而職權範圍已載於聯交所網站及本公司網站，網址為[www.merrygardenholdings.com](http://www.merrygardenholdings.com)。

During the Year, the Remuneration Committee has reviewed the remuneration policy and structure of the executive Directors and senior management of the Company, and offered advice on the same to the Board. The Remuneration Committee also resolved to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

於本年度內，薪酬委員會已檢討本公司執行董事及高級管理層的薪酬政策及架構，並就此向董事會提出建議。薪酬委員會亦議決向董事會建議個別執行董事及高級管理人員的薪酬待遇。

### Nomination Committee

The Nomination Committee comprises all independent non-executive Directors, namely, Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang. Prof. Jin Zhongwei is the chairman of the Nomination Committee.

### 提名委員會

提名委員會由全體獨立非執行董事組成，包括藍顯賜先生、金重為教授及蘇文強教授。金重為教授為提名委員會主席。

The major duties of the Nomination Committee are as follows:

提名委員會的主要職責如下：

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| <p>(a) to review the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;</p> <p>(b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;</p> | <p>(a) 最少每年檢討董事會的架構、規模及組成（包括技能、知識及經驗），並就任何建議變動向董事會提出建議以配合本公司的企業策略；</p> <p>(b) 物色合適資格的人選出任董事會成員，並挑選提名出任董事的人選或就挑選提名出任董事的人選向董事會提出建議；</p> |
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# Corporate Governance Report (continued)

## 企業管治報告(續)

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| (c) to assess the independence of independent non-executive Directors; and   | (c) 評估獨立非執行董事的獨立性；及                            |
| (d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Group. | (d) 就委任或重新委任董事及董事(尤其是本集團主席及行政總裁)的繼任計劃向董事會提出建議。 |

Where vacancy on the Board exists, the Nomination Committee will carry out a selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations, and select or make recommendations to the Board on the selection of candidates for directorship.

倘董事會出現空缺，提名委員會將進行遴選程序，參考建議候選人的技能、經驗、專業知識、人格及付出的時間、本公司的需求及其他相關法定規定及規例，並挑選董事候選人或就挑選董事候選人向董事會提出建議。

The Nomination Committee's specific terms of reference are available on request to any shareholder of the Company and are posted on the Stock Exchange's website and the Company's website, [www.merrygardenholdings.com](http://www.merrygardenholdings.com).

本公司任何股東均可要求查閱提名委員會的特定職權範圍，而職權範圍已載於聯交所網站及本公司網站，網址為[www.merrygardenholdings.com](http://www.merrygardenholdings.com)。

During the Year, the Nomination Committee has reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board, conducted performance evaluations to assess whether the non-executive Directors have spent enough time in fulfilling their duties, assessed the independence of independent non-executive Directors, and had been keeping under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

於本年度內，提名委員會已檢討董事會的架構、人數及組成(包括技能、知識和經驗方面)，進行表現評估以評核非執行董事是否有投放足夠時間履行其職責，評核獨立非執行董事的獨立性，以及不斷檢討組織機構的領導能力需求(包括執行及非執行)，以確保組織機構能夠持續在市場有效競爭。

# Corporate Governance Report (continued)

## 企業管治報告(續)

### Board Diversity Policy

The Board has adopted a board diversity policy (the “Policy”) which sets out the approach to achieve a sustainable and balanced development of the Company and to enhance the quality of performance of the Company. The Policy aims at achieving diversity on the Board.

#### Measurable Objectives and Selection

In designing the Board’s composition, a number of perspectives which include race, gender, age, cultural and educational background, industry experience, technical and professional experience, knowledge, skills, length of service, personal integrity and time commitments of the proposed candidates will be taken into consideration. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the candidates will bring to the Board. Candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Board currently consists of one female member. The Board will take opportunity to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders’ expectation and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity. The Board also aspires to having an appropriate proportion of Directors who have direct experience in the Group’s core markets, with different ethnic backgrounds, and reflecting the Group’s strategy.

#### Implementation and Monitoring

The Nomination Committee will monitor the implementation of the board diversity policy and report to the Board annually.

### 董事會成員多元化政策

董事會已採納董事會成員多元化政策(「政策」)，而政策載列本公司取得持續平衡發展及本公司提升表現素質的方針。政策旨在於董事會上實現成員多元化。

#### 可計量目標及甄選

於制定董事會成員之組合時，本公司將從多方角度考慮，包括建議候選人的種族、性別、年齡、文化及教育背景、行業經驗、技術及專業經驗、知識、技能、服務任期、個人誠信和時間投入。本公司亦將不時計及與其本身業務模式及具體需要有關的因素。最終決定乃基於候選人將為董事會帶來的價值及所作的貢獻。本公司將以客觀條件考慮人選時並充分顧及董事會成員多元化的裨益。

董事會目前僅包括一名女性成員。董事會將在選擇合適的董事會成員候選人並提出建議時，把握機會提高女性成員的比例。董事會將確保經參照持份者的期望以及國際及當地推薦的最佳做法後取得適當的多元性別平衡，從而實現帶領董事會走向性別均等的最終目標。董事會亦期望於本集團核心市場擁有直接經驗並來自不同種族背景的董事佔有適當的比例，從而反映本集團的策略。

#### 實施及監控

提名委員會將監控董事會成員多元化政策的實施情況及每年向董事會作出匯報。

# Corporate Governance Report (continued)

## 企業管治報告(續)

### Risk Management Committee

The Risk Management Committee comprises all independent non-executive Directors, namely Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang. Mr. Lam Hin Chi is the chairman of the Risk Management Committee.

The major duties of the Risk Management Committee are as follows:

- (a) to review the Group risk, capital and liquidity management framework, the Group's risk appetite, its risk policies and standards, and supporting risk limits, including the parameters used and the methodology adopted, and the processes used for identifying and assessing risks;
- (b) to review material risk exposures of the Group, including market, credit, insurance, operational, liquidity, and economic and regulatory capital risks against the Group's risk measurement methodologies and management actions to monitor and control such exposures;
- (c) to review the standard for accurate and timely monitoring of large exposures and certain risk types of critical importance, and the Group's capability to identify and manage new risk types;
- (d) to receive reports and recommendations from management on the Group's attitude to and tolerance of risk, including financial and non-financial risks;
- (e) to oversee the Group's processes and policies for determining risk tolerance and review management's measurement and effectiveness of, and compliance with, approved Group risk tolerance levels and policies and standards, and the resultant action in respect of policy breaches;
- (f) to review the risks inherent in strategic transactions and business plans and provide the Board with input on the risk/reward trade offs implicit within those plans; and
- (g) to review the Group's capability to identify and manage new risk types, and the Group's stress tests to ensure they are rigorous and the Group responds adequately to the results.

### 風險管理委員會

風險管理委員會由全體獨立非執行董事藍顯賜先生、金重為教授及蘇文強教授組成。藍顯賜先生為風險管理委員會主席。

風險管理委員會的主要職責如下：

- (a) 檢討本集團風險、資金及流動資金管理架構、本集團的風險承受能力、風險政策及標準和相關的風險限制，包括採用的參數及方法以及用於識別及評估風險的程式；
- (b) 根據本集團風險計量方法及管理層行動檢討本集團的重大風險狀況，包括市場、信貸、保險、營運、流動資金及經濟及監管資本風險，以監督及控制該等風險；
- (c) 檢討準確及時監控重大風險及特定關鍵風險類型的標準及本集團識別及管理新風險類型的能力；
- (d) 接收管理層就本集團對風險（包括財務及非財務風險）的態度及承受能力提交的報告及建議；
- (e) 監督本集團釐定風險承受能力的程式及政策，檢討本集團核准的風險承受能力水平、政策及標準的管理層指標及成效和遵守情況，以及就違反政策事項採取的相關行動；
- (f) 檢討策略性交易及業務計劃固有的風險，並向董事會提供該等計劃所隱含的風險／回報權衡的意見；及
- (g) 檢討本集團識別及管理新風險類型的能力及本集團的壓力測試，以確保測試是嚴謹的及對測試結果作出充分回應。

# Corporate Governance Report (continued)

## 企業管治報告(續)

The Risk Management Committee's specific terms of reference are available on request to any shareholder of the Company and are posted on the Stock Exchange's website and the Company's website, [www.merrygardenholdings.com](http://www.merrygardenholdings.com).

During the Year, the Risk Management Committee has evaluated and assessed the effectiveness and adequacy of the Terms of Reference of the Risk Management Committee.

### ACCOUNTABILITY AND AUDIT

#### Financial reporting

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company to ensure that these financial statements give a true and fair presentation in accordance with the International Financial Reporting Standards.

The statement by the auditor about their reporting responsibilities is set out in the independent auditor's report on pages 61 to 69.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Pursuant to Code provision C.1.2, the Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

The Company has deviated from C.1.2 in that while the management has updated most of the Directors on a monthly basis about the business operation and performance of the Company, not all the Directors received such updates as the monthly updates were conducted on-site at the Group's factory in China. Members of the Board who did not attend such on-site meetings did not receive the updates. However, the management would provide detailed updates to all the Directors on a half-yearly and yearly basis. In the event there are any significant updates to be provided, the management will update all the Directors as early as practicable for discussion and resolution. The Company also has in place a system for every Director to make enquiries with the senior management about the business operation of the Group and to give suggestions or feedback in the event such Director is not able attend the monthly on-site updates session.

風險管理委員會的特定職權範圍可應本公司股東要求查閱及刊載於聯交所網站及本公司網站 ([www.merrygardenholdings.com](http://www.merrygardenholdings.com))。

於年內，風險管理委員會已評估風險管理委員會職權範圍的有效性及充足性。

#### 問責及審核

##### 財務報告

董事承認彼等須負責編製本公司的財務報表，以確保此等財務報表已按照國際財務報告準則的規定真實公平地呈列。

核數師的報告責任聲明載於第61至69頁的獨立核數師報告。

董事概不知悉任何與可能導致本公司持續經營能力嚴重存疑的事件或情況有關的重大不明朗因素。

根據守則條文第C.1.2條，管理層每月須向董事會全體成員提供最新資料，列載有關發行人表現、狀況及前景的公正及易明的詳細評估，讓董事會全體及各董事可根據上市規則第3.08條及第13章履行職務。

雖然管理層每月向大多數董事提供有關本公司業務營運及表現的更新資料，但由於每月的更新乃於本集團中國的工廠現場進行，因此並非全體董事收到相關更新資料，本公司偏離第C.1.2條。未出席現場會議的董事會成員並無收到更新資料。然而，管理層會每半年及按年向全體董事提供詳細的更新資料。尚需提供任何重要的更新資料，管理層會於可行情況下盡早向全體董事提供更新資料以便進行討論及決議。本公司亦制定制度，如各董事未能出席每月現場更新會議，則須向高級管理層查詢本集團業務營運相關事項並提出建議或反饋。

# Corporate Governance Report (continued)

## 企業管治報告(續)

### INDEPENDENT AUDITOR

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

The remuneration paid or payable to the independent auditor of the Company for audit services for the Year were approximately HKD1,134,000.

The remuneration paid or payable to the independent auditor of the Company for non-audit services for the Year were nil.

### COMPANY SECRETARY

Since 6 July 2018, the Company has engaged Modern Assurance And Business Services Limited, an external service provider, and Ms. Lee Kin Yee has been appointed as the Company's company secretary. Its primary contact person at the Company is Mr. Wu Zheyuan, an executive director of the Company.

### INVESTOR RELATIONS

There are no significant changes in the Articles and the memorandum of association of the Company during the Year.

Pursuant to article 58 of the Articles, members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### 獨立核數師

審計委員會檢討及監察獨立核數師的獨立性、客觀性及審核過程的效率。其每年接獲獨立核數師的函件，確認彼等的獨立性及客觀性，並會與獨立核數師的代表開會，審議審核範圍、批准費用，以及將由彼提供的非審核服務(如有)的範圍及適當性。審計委員會亦就獨立核數師的委任及留任向董事會提出建議。

就本公司於本年度所獲的審計服務已付或應付本公司獨立核數師的薪酬約為港元1,134,000元。

就本年度非核數服務已付或應付予本公司獨立核數師之薪酬為零。

### 公司秘書

自二零一八年七月六日起，本公司已委聘Modern Assurance And Business Services Limited(外部服務提供商)，而李建儀女士已獲委任為本公司的公司秘書。其於本公司的主要聯絡人為本公司執行董事吳哲彥先生。

### 投資者關係

本公司的細則及組織章程大綱於本年度並無重大變動。

根據細則第58條，股東於任何時間內均有權向董事會或本公司的公司秘書遞交請求書，要求董事會就處理請求書所述任何事宜召開股東特別大會，惟股東於遞交請求書之日須持有不少於本公司已繳足資本之十分之一(於本公司股東大會上具表決權者)，而該大會須於請求書遞交日期後兩個月內舉行。如董事會於請求書遞交日期起計21日內未有召開該大會，則該等請求者可按相同方式自行召開大會，而本公司須向請求者償付因董事會未能召開大會令請求者須支付的所有合理開支。

# Corporate Governance Report (continued)

## 企業管治報告(續)

### RISK MANAGEMENT AND INTERNAL CONTROL

During the Year, the Board complied with the Code provisions on risk management and internal control as set out in the Code. The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Group. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and risk controls for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board has overseen the Company's risk management and internal control systems on an ongoing basis. A year end review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems has been conducted annually and the systems are considered to be effective and adequate. The Company also has an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest.

### 風險管理及內部監控

於本年度，董事會已遵守守則所載有關風險管理及內部控制的守則條文。董事會有整體責任評估及釐定為達致本集團戰略目標所願承擔的風險性質及程度，並維持本集團合適及有效的風險管理及內部監控制度。該等制度乃為管理未能達致業務目標的風險而設，並僅可就不會有重大的失實陳述或損失作出合理而非絕對的保證。

本公司管理層已於營運、財務及風險監控領域設立一套全面政策、準則及程序，以保障資產不會在未經授權的情況下被使用或處置；妥善保存會計記錄；及確保財務資料的可靠性，從而達致滿意程度的保證，防止發生欺詐及錯誤事宜。

董事會一直持續監察本公司的風險管理及內部監控制度，每年對本公司及其附屬公司的風險管理及內部監控制度是否有效進行年末審閱，並認為該等制度有效運作及足夠。本公司亦具備內部審核職能，以分析及獨立評估該等制度是否足夠及有效，並設有程序以確保資料保密及管理實質或潛在的利益衝突。本公司已設計嚴密的內部架構，防止不當使用內幕資料及避免利益衝突。



# Corporate Governance Report (continued)

## 企業管治報告(續)

The Company has established and maintained procedures and internal controls for the handling and dissemination of inside information. The Company has adopted a code of conduct for dealing in the securities of the Company by the Directors in accordance with Appendix 10 of the Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the Listing Rules will be announced on the respective websites of the Stock Exchange and the Company in due course.

本公司已建立並維持處理及傳播內幕消息的程序及內部控制。本公司已根據上市規則附錄十採納董事買賣本公司證券之行為守則。本集團其他可能擁有本公司內幕消息的僱員亦須遵守有關交易限制。任何可能構成內幕消息的內幕消息及任何資料將即時識別、評估並上報董事會，以供董事會決定是否須予披露。內幕消息及其他根據上市規則須予披露的資料將於適當時在聯交所及本公司各自的網站上公佈。

### SENDING ENQUIRIES TO THE BOARD AND PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

### 向董事會查詢及於股東大會上提呈動議之程序

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

股東或投資者如欲提出查詢或建議，可透過下列方式聯絡本公司：

Tel: (852) 3904 1867  
Postal Address: Office No. 5, 15/F, 6 Wilmer street,  
Sai Ying Pun, Hong Kong  
(For the attention of the Board of Directors)

電話：(852) 3904 1867  
郵寄地址：香港西營盤  
威利麻街6號15樓05室  
(註明收件人為董事會)

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

股東如欲於股東大會上提呈動議，須將有關動議的書面通知連同詳細聯絡資料遞交本公司上述主要營業地點。

# Directors' Report

## 董事會報告

The Directors have pleasure in submitting their annual report together with the audited financial statements for the Year.

### PRINCIPAL ACTIVITIES

The principal activity of Company is investment holding and the principal activities of its subsidiaries are set out in note 16 to the consolidated financial statements.

### BUSINESS REVIEW

A fair review of the Group's business and its outlook are set out in the sections of Chairlady's Statement and Management Discussion and Analysis. Certain financial key performance indicators are provided in the section of Financial Summary. The Group has no material important event affecting the Company that have occurred since the end of the Year.

The Group complies with the requirements under the Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the "SFO") for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance and ordinances relating to occupational safety for the interest of employees of the Group.

The Group respects the environment and is committed to minimizing its carbon footprint as a socially responsible enterprise. Carbon footprint is defined as the total amount of direct and indirect emissions of Green House Gases (GHGs) expressed in terms of the equivalent amount of Carbon Dioxide of (CO<sub>2</sub>) emission. Non-hazardous wastes produced from the Group mainly consist of used paper such as office papers and marketing materials. To minimize the impact on carbon footprint and the environment, the Group implements the following practices to use paper efficiently:

- Duplex printing is set as the default mode for most network printers;
- Employees are reminded to practice photocopying wisely;
- Employees are encouraged to use both sides of paper;
- Paper is separated from other waste for easier recycling; and
- Boxes and trays are placed beside photocopiers as containers to collect single-sided paper for reuse purpose.
- 將大部分網絡印表機預設為雙面列印模式；
- 提醒員工影印時採取明智措施；
- 鼓勵員工使用紙張的兩面；
- 將紙張與其他廢棄物分隔以方便回收；及
- 於影印機旁放置紙箱及紙盤收集單面紙張以供循環再用。

董事欣然提呈年報連同本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，而其附屬公司的主要業務則載於綜合財務報表附註16。

### 業務回顧

本集團業務及其前景的公平回顧載於主席報告及管理層討論與分析一節。若干財務主要表現指標載於財務概要一節。自年末起本集團並無重大已發生影響本公司的重要事件。

本集團遵守公司條例、上市規則及證券及期貨條例(「證券及期貨條例」)下有關資料披露及企業管治的規定。本集團亦遵守僱傭條例及有關基於本集團僱員利益的職業安全條例。

作為香港一間社會責任企業，本集團尊重環境並致力減低碳足跡。碳足跡的定義為直接及間接排放的溫室氣體(GHGs)總量，以二氧化碳(CO<sub>2</sub>)排放等量為單位表示。本集團所產生的無害廢棄物主要包括廢紙，如辦公室用紙及營銷物料。為減低對碳足跡及環境的影響，本集團實施以下行動以提升用紙效益：

## Directors' Report (continued)

### 董事會報告(續)

Electricity consumption is identified as having an adverse impact on the environment and natural resources. A typical commercial building uses more energy for lighting than for other electric equipment. The Group is determined to reduce energy consumption and implement conservation practices to reduce the effect of carbon footprint. Air conditioning and light zone arrangements reduce unnecessary electricity usage; employees enforce good practices in maintenance of lighting and electric equipment to ensure they are kept in good and proper condition to maximize efficiency.

#### Key Risk Factors

The following lists out the key risks and uncertainties facing the Group.

#### Impact of Local and International Regulations

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes. As far as the Board and management are aware, the Group has complied with all related laws and regulations in all material aspects which may have significant impact on the Group during the Year.

#### Third-Party Risks

The Group has been relying on third-party service providers in parts of business to improve performance and efficiency of the Group. While gaining the benefits from external service providers, the management realizes that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputed third-party providers and closely monitors their performance.

電力消耗被視為可對環境及天然資源造成負面影響。一般商業樓宇的照明耗電量較其他電力設備為高。本集團致力減少能源消耗及推行保護為本的行動，從而減低對碳足跡的影響。空調及照明區安排可減少不必要的耗電量；僱員遵循良好做法維修照明及電力設備以確保設備維持良好正常狀態，繼而發揮最大效能。

#### 主要風險因素

本集團面臨的主要風險及不確定因素載列如下。

#### 本地及海外法規的影響

本集團的業務營運亦須遵守政府政策規定、監管機構所制訂的相關法規及指引。倘本集團未能遵守有關規則及規定，則可能引致監管機構懲處、修訂或暫停業務營運。本集團密切監察政府政策、法規及市場的變動以及就評估該等變動的影響進行研究。據董事會及管理層知悉，本集團於本年度已於所有重大方面遵守所有可能對本集團產生重大影響的相關法律法規。

#### 第三方風險

本集團部分業務一直倚賴第三方服務供應商，從而改善本集團的表現及提升效率。儘管本集團受惠於外聘服務供應商，惟管理層認為，該營運上的倚賴或會令本集團易受突如其來的劣質服務或服務出現失誤所影響，包括聲譽受損、業務中斷及蒙受金錢損失。為解決該等不明朗因素，本集團僅聘用聲譽良好的第三方服務供應商，並密切監察其表現。

# Directors' Report (Continued)

## 董事會報告(續)

### Key Relationships with Employees, Customers and Suppliers

The Group recognizes the accomplishment of the employees by providing comprehensive benefit packages career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents occurred during the Year.

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

The Group values the views and opinions of all customers through various means and channels, including usage of market research to understand customer trends and needs and regular analyze on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

### RESULTS & DIVIDENDS

Results of the Group for the Year are set out in the consolidated statement of profit or loss on page 70. Other movements in reserves are set out in the consolidated statement of changes in equity on page 74.

The Board does not recommend the payment of a final dividend for the Year (2018: Nil).

### 與僱員、客戶及供應商的主要關係

本集團為僱員提供全面優厚福利、事業發展機會及就個別需要提供適當的內部培訓，以表揚僱員的貢獻。本集團為所有僱員提供一個健康而安全的工作環境。於本年度，概無出現罷工或因職場意外而導致的個案。

本集團與供應商建立合作關係，有效及高效地滿足我們客戶的需要。雙方部門緊密合作，確保招標及採購過程公開、公平及公正。本集團於開展項目前已向供應商清楚說明本集團的規定及標準。

本集團重視所有客戶的觀點及意見，並通過不同方法及渠道(包括運用市場研究)了解客戶趨勢及需要，並定期分析客戶反饋。本集團亦進行全面測試及檢驗，以確保向客戶提供優質產品及服務。

### 業績及股息

本集團本年度的業績載於第70頁的綜合損益表。其他儲備變動則載於第74頁的綜合權益變動表。

董事會不建議派發本年度的末期股息(二零一八年：無)。

# Directors' Report (continued)

## 董事會報告(續)

### DIVIDEND POLICY

The Company has adopted a dividend policy ("Dividend Policy"), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company (the "Shareholders") to allow Shareholders to share the Company's profits and for the Company to retain adequate reserves for future growth.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia, the Group's financial results, the general financial condition of the Group, the Group's current and future operations, the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants, liquidity position and capital requirement of the Group, surplus received from the Company's subsidiaries and any other factors that the Board deem appropriate. The Company's ability to pay dividends is also subject to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all relevant applicable laws, rules and regulations in the Cayman Islands, Hong Kong and the Memorandum and Articles of Association of the Company. The Company does not have any pre-determined distribution ratio. The Group's dividend distribution record in the past may not be used as a reference or basis to determine the amount of dividends that may be declared or paid by the Company in the future.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 7 of this annual report.

### 股息政策

本公司已採納股息政策(「股息政策」)，據此，本公司可向本公司股東(「股東」)宣派及派發股息，使股東能分享本公司之溢利成果，同時使本公司能為未來增長保留充足儲備。

董事會擁有絕對酌情權決定派付任何股息的建議，而任何末期股息之宣派均須經股東批准，方可作實。在建議派發任何股息時，董事會亦將考慮(其中包括)本集團財務業績，本集團整體財政狀況，本集團目前及未來營運，本集團之債務權益比率、資本回報率及相關財務契諾水平，本集團流動資金狀況及資本需求，本公司附屬公司所帶來之盈餘及董事會認為屬適當之任何其他因素。本公司能否派付股息亦須受香港聯合交易所有限公司證券上市規則之規定及所有相關開曼群島、香港及本公司組織章程細則之適用法律、規則及規例。本公司並無制定任何預定分派比率。本公司過去的股息分派記錄不得用作釐定本公司日後可能宣派或派付的股息金額的參考或依據。

董事會將持續檢討股息政策，並保留其唯一及絕對酌情權利隨時更新、修訂及／或修改股息政策。股息政策絕不會構成本公司須派付任何特定金額的股息之具法律約束力承諾，並／或令本公司有義務隨時或不時宣派股息。

### 財務概要

本集團過往五個財政年度的業績及資產與負債概要載於本年報第7頁。

# Directors' Report (Continued)

## 董事會報告(續)

### SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 28(a) to the consolidated financial statements.

### DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's aggregate amounts of reserves available for distribution were approximately RMB643,882,000 (2018: RMB665,168,000), of which nil (2018: Nil) has been proposed as a final dividend for the year.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or applicable laws of the Cayman Islands where the Company was incorporated.

### PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment are set out in note 11 to the consolidated financial statements.

### BANK LOANS AND DEBENTURES

Details of the Group's bank loans and debentures are set out in notes 24 and 26 to the consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the Group's five largest customers accounted for approximately 45.8% (2018: 38.9%) of the Group's total revenue and the Group's largest customer for the year accounted for approximately 17.6% (2018: 10.4%) of the Group's total revenue. The Group's five largest suppliers accounted for approximately 51.0% (2018: 58.8%) of the Group's total purchases, while the largest supplier for the year accounted for approximately 13.2% (2018: 16.9%) of the Group's total purchases.

To the knowledge of the Directors, none of the Directors or their respective close associates or any of the shareholders of the Company who owns more than 5% of the Company's issued share capital has any interest in any of the Group's five largest customers or suppliers.

### 股本

本公司於本年度的股本變動詳情載於綜合財務報表附註28(a)。

### 可供分派儲備

於二零一九年十二月三十一日，本公司可供分派儲備合共約為人民幣643,882,000元(二零一八年：人民幣665,168,000元)，其中並無金額(二零一八年：無)已獲建議作為年內末期股息。

### 優先購買權

細則或開曼群島(本公司註冊成立所在地)的適用法例內概無載列任何有關優先購買權的條文。

### 物業、廠房及設備

物業、廠房及設備的變動載於綜合財務報表附註11。

### 銀行貸款及債券

本集團的銀行貸款及債券詳情載於綜合財務報表附註24及26。

### 主要客戶及供應商

本年度，本集團五大客戶佔本集團總收入約45.8%(二零一八年：38.9%)，而本年度最大客戶佔本集團總收入約17.6%(二零一八年：10.4%)。本集團五大供應商佔本集團總採購額約51.0%(二零一八年：58.8%)，而本年度最大供應商佔本集團總採購額約13.2%(二零一八年：16.9%)。

就各董事所知，概無任何董事或彼等各自的緊密聯繫人或任何擁有5%以上本公司已發行股本的本公司股東於本集團五大客戶或供應商中擁有任何權益。

# Directors' Report (continued)

## 董事會報告(續)

### EMPLOYEES

As at 31 December 2019, the Group had 464 (2018: 426) employees in total. The table below shows a breakdown of the Group's employees by their responsibilities:

### 僱員

於二零一九年十二月三十一日，本集團共有464名僱員(二零一八年：426名)。下表為按職責劃分的本集團僱員明細：

		2019 二零一九年
Management, Finance & Administration	管理、財務及行政	41
Sales & Marketing	銷售及營銷	16
Design, Research & Development	設計及研發	50
Production	生產	333
Quality Control	品質監控	24
Total	總計	464

Total staff costs for the Year amounted to approximately RMB35,264,000 (2018: RMB35,476,000) and the details are set out in note 6(b) to the consolidated financial statements. Remuneration for employees is based upon their qualification, experience, job nature, performance and market condition.

於本年度的總員工成本約為人民幣35,264,000元(二零一八年：人民幣35,476,000元)，詳情載於綜合財務報表附註6(b)。僱員薪酬乃基於彼等的資歷、經驗、工作性質、表現及市況而釐定。

The Group has established various welfare plans including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by the Group pursuant to the rules and regulations of the PRC and the existing policy requirements of the local government. The Group also maintains the employee short-term health insurance and unforeseen injury insurance. In addition, the Group provides staff quarters to its employees.

本集團已遵照中國規章及法規以及地方政府現行政策規定，為本集團聘用的僱員設立多項福利計劃，包括提供養老金、醫療保險、失業保險及其他相關保險。本集團亦購有僱員短期健康保險及不可預見的工傷保險。此外，本集團為其僱員提供員工宿舍。

Directors and qualified employees of the Company may be granted share options to subscribe for shares in the Company in accordance with the terms and conditions of the Share Option Scheme (as defined below).

根據購股權計劃(定義見下文)的條款及條件，本公司董事及合資格僱員可能獲授購股權以認購本公司股份。

# Directors' Report (Continued)

## 董事會報告(續)

### DIRECTORS

Throughout the Year, the composition of the Board was as follows:

#### Executive Directors:

Ms. Xie Qingmei  
Mr. Wu Zheyang

#### Non-executive Director:

Mr. Wu Dongping

#### Independent Non-executive Directors:

Mr. Lam Hin Chi  
Prof. Jin Zhongwei  
Prof. Su Wenqiang

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

#### Indemnity of Directors

The Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year.

### 董事

於本年度內，董事會的成員如下：

#### 執行董事：

謝清美女士  
吳哲彥先生

#### 非執行董事：

吳冬平先生

#### 獨立非執行董事：

藍顯賜先生  
金重為教授  
蘇文強教授

董事的詳情載於本年報「董事會及高級管理層」一節。

#### 董事彌償

本公司有為董事及職員安排適當的董事及職員責任保險及基於董事利益的獲准許彌償條文目前生效及於年內生效。



# Directors' Report (continued)

## 董事會報告(續)

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules, will be as follows:

#### Interest in shares

### 董事及高級行政人員於股份、相關股份及債券的權益及淡倉

於二零一九年十二月三十一日，董事或本公司高級行政人員在本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例的有關條文其將被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須記入該條所述登記冊或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

#### 股份權益

Name of Director	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholding interest (%)
董事姓名	身份/權益性質	股份數目	持股概約百分比(%)
Mr. Wu Zheyang 吳哲彥先生	Interest in controlled corporation/ Long position (Note) 受控制法團的權益/好倉(附註)	89,929,482	12.13%
	Beneficial owner/Long position 實益擁有人/好倉	2,200,588	0.30%
Ms. Xie Qingmei 謝清美女士	Beneficial owner/Long position 實益擁有人/好倉	1,926,676	0.26%

Note: Mr. Wu Zheyang is deemed to be interested in the shares held by Green Seas Capital Limited, his wholly-owned company.

附註：吳哲彥先生被視為於其全資擁有的公司Green Seas Capital Limited持有的股份中擁有權益。

## Directors' Report (Continued)

### 董事會報告(續)

Save as disclosed above, none of the Directors and chief executive of the Company had interests or in short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any associated corporation defined under the SFO which would have to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules as at 31 December 2019.

#### **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

No contracts of significance to which the Company, its holding company, or any of its subsidiaries was a party and in which a Director or the Controlling Shareholders (as defined below) of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the Year.

#### **DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

None of the Directors or their respective close associates has any competing interests which need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

除上述披露者外，於二零一九年十二月三十一日，董事及本公司高級行政人員概無於本公司或任何相聯法團(定義見證券及期貨條例)的股份、股本衍生工具相關股份或債券中擁有根據證券及期貨條例第XV部第7及第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的有關條文其將被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須記入該條所述登記冊或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的權益或淡倉。

#### **董事及控股股東於重大合約的權益**

於本年度或年末，概不存在由本公司、其控股公司或其任何附屬公司作為訂約方，而本公司董事或控股股東(定義見下文)直接或間接擁有重大權益的重大合約。

#### **董事於競爭業務的權益**

概無董事或彼等各自的緊密聯繫人擁有任何根據上市規則第8.10條須予披露的競爭權益。

# Directors' Report (continued)

## 董事會報告(續)

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

As at 31 December 2019, the following persons (other than a director or chief executive of the Company), who had interests or short positions in the shares or the underlying shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

#### Interest in shares

### 主要股東於本公司股份及相關股份的權益及淡倉

於二零一九年十二月三十一日，下列人士（並非董事或本公司高級行政人員）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須予披露的權益或淡倉，或根據證券及期貨條例第336條須記入該條所述登記冊的權益或淡倉：

#### 股份權益

Name	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholding interest (%)
名稱／姓名	身份／權益性質	股份數目	持股概約百分比(%)
Green Seas Capital Limited	Beneficial owner/Long position (Note 1) 實益擁有人／好倉(附註1)	89,929,482	12.13%
Hong Kong Run De Holdings Limited 香港潤得控股有限公司	Beneficial owner/Long position (Note 2) 實益擁有人／好倉(附註2)	86,000,000	11.60%
福建沃若石油化工有限公司	Interest in controlled corporation/ Long position (Note 2) 受控制法團的權益／好倉(附註2)	86,000,000	11.60%
Mr. Lin Jian 林健先生	Interest in controlled corporation/ Long position (Note 2) 受控制法團的權益／好倉(附註2)	86,000,000	11.60%
Hong Kong Guoyuan Group Capital Holdings Limited 香港國元集團金融控股有限公司	Beneficial owner/Long position (Note 3) 實益擁有人／好倉(附註3)	140,350,000	18.59%

# Directors' Report (Continued)

## 董事會報告(續)

Name	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholding interest (%)
名稱/姓名	身份/權益性質	股份數目	持股概約百分比(%)
上海荊勳工業設備控股有限公司	Interest in controlled corporation/ Long position (Note 3) 受控制法團的權益/好倉(附註3)	140,350,000	18.59%
Mr. Wang Xin 汪新先生	Interest in controlled corporation/ Long position (Note 3) 受控制法團的權益/好倉(附註3)	140,350,000	18.59%
Mr. Han Jin 韓金先生	Beneficial owner/Long position 實益擁有人/好倉	61,883,860	8.35%
Ms. Han Hong 韓宏女士	Beneficial owner/Long position 實益擁有人/好倉	64,152,860	8.66%

Note:

- The entire issued share capital of Green Seas Capital Limited is legally and beneficially owned by Mr. Wu Zheyuan, who is deemed to be interested in the Shares held by Green Seas Capital Limited.
- The entire issued share capital of Hong Kong Run De Holdings Limited is legally and beneficially owned by 福建沃若石油化工有限公司. The 98% issued share capital of 福建沃若石油化工有限公司 is legally and beneficially owned by Mr. Lin Jian, who is deemed to be interested in the shares held by Hong Kong Run De Holdings Limited.
- The entire issued share capital of Hong Kong Guoyuan Group Capital Holdings Limited is legally and beneficially owned by 上海荊勳工業設備控股有限公司. The 98% issued share capital of 上海荊勳工業設備控股有限公司 is legally and beneficially owned by Mr. Wang Xin, who is deemed to be interested in the shares held by Hong Kong Guoyuan Group Capital Holdings Limited.

附註：

- Green Seas Capital Limited的全部已發行股本由吳哲彥先生合法及實益擁有，吳哲彥先生被視為於Green Seas Capital Limited持有的股份中擁有權益。
- 香港潤得控股有限公司的全部已發行股本由福建沃若石油化工有限公司合法及實益擁有，福建沃若石油化工有限公司的98%已發行股本由林健先生合法及實益擁有，林健先生被視為於香港潤得控股有限公司持有的股份中擁有權益。
- 香港國元集團金融控股有限公司的全部已發行股本由上海荊勳工業設備控股有限公司合法及實益擁有，上海荊勳工業設備控股有限公司的98%已發行股本由汪新先生合法及實益擁有，汪新先生被視為於香港國元集團金融控股有限公司持有的股份中擁有權益。

Save as disclosed above, the Directors are not aware of any person, other than the Directors whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, who had an interest or short positions in the shares or underlying shares that were required to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or recorded pursuant to Section 336 of Part XV of the SFO as of 31 December 2019.

除上文披露者外，於二零一九年十二月三十一日，董事概不知悉任何人士(權益已於上文「董事及高級行政人員於股份、相關股份及債券的權益及淡倉」一節載列的董事除外)於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須予披露，或須根據證券及期貨條例第XV部第336條登記的權益或淡倉。

# Directors' Report (continued)

## 董事會報告(續)

### SHARE OPTION SCHEME

Pursuant to a resolution passed by all the shareholders on 15 June 2012, the Company has conditionally adopted the share option scheme (the "Share Option Scheme") for the purpose of recognising and acknowledging the contributions the eligible participants had or may have made to the Group. The Board may, at its discretion, grant options pursuant to the Share Option Scheme to the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the Company's subsidiaries and employees of the Group and any other persons (including consultants or advisers) whom the Board considers, in its absolute discretion, have contributed or will contribute to the Group. The Directors were authorised to grant options to subscribe for shares of the Company and to allot, issue and deal with the ordinary shares pursuant to the exercise of options granted under the Share Option Scheme and to take all such steps as may be necessary and/or desirable to implement and give effect to the Share Option Scheme. The maximum number of shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue immediately following completion of the Global Offering (as defined in the Company's prospectus dated 25 June 2012), being 100,000,000 shares, excluding any shares that may be issued under the options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company), unless otherwise approved by the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time.

### 購股權計劃

根據全體股東於二零一二年六月十五日通過的決議案，本公司已有條件採納一項購股權計劃（「購股權計劃」），以肯定及嘉許曾經或可能對本集團作出貢獻的合資格參與人士。根據購股權計劃，董事會可酌情向董事（包括執行董事、非執行董事及獨立非執行董事）、本公司附屬公司之董事、本集團僱員及董事會全權酌情認為曾經或將對本集團作出貢獻的任何其他人士（包括專家顧問或顧問）授出購股權。董事獲授權授出購股權以認購本公司股份，及配發、發行及處置根據購股權計劃所授出購股權獲行使而發行的普通股，以及採取對實行購股權計劃及使之生效而言為必需及／或合宜的一切步驟。根據購股權計劃及任何其他本公司購股權計劃而可授予的購股權的最高股份數目，合共不得超過緊隨全球發售（定義見本公司日期為二零一二年六月二十五日的招股章程）完成後已發行股份總數的10%，即100,000,000股股份，不包括任何根據購股權計劃（或本公司任何其他購股權計劃）的條款已失效的購股權而可發行的股份，惟獲本公司股東在股東大會上另行批准及／或上市規則不時另有其他規定者除外。

## Directors' Report (Continued)

### 董事會報告(續)

Unless otherwise approved by the shareholders of the Company in general meeting, the number of shares that may be granted to an eligible participant under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) shall not exceed 1% of the shares in issue of the Company within any 12-month period. Any grant of options to a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by our independent non-executive Directors. Unless otherwise approved by the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules, the number of shares that may be granted to a substantial shareholder or any independent non-executive Director or their respective associates under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) shall not exceed 0.1% of the shares in issue, having an aggregate value in excess of HK\$5 million, within any 12-month period.

There is no minimum period for which an option must be held before it can be exercised, and the period during which an option may be exercised will be determined by the Board in its absolute discretion, however, no options shall be exercised 10 years after they have been granted. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the shares on the daily quotation sheet of the Stock Exchange; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date.

From the date that the Share Option Scheme became effective and unconditional and up to the date of this annual report, no share options were granted under the Share Option Scheme.

As at the date of this annual report, the total number of ordinary shares available for issue under the Share Option Scheme is 74,120,040, representing 10% of the issued shares of the Company.

除非獲本公司股東於股東大會上另行批准，否則可基於購股權計劃及任何其他本公司購股權計劃向一名合資格參與者授出的股份數目(包括已行使及未行使購股權)，不得超過本公司在任何一个12個月期間的已發行股份的1%。任何向董事、本公司高級行政人員或主要股東(定義見上市規則)或其任何各自的聯繫人(定義見上市規則)授予的購股權須獲獨立非執行董事的批准。除非本公司股東在股東大會上另行批准及/或上市規則另有規定，否則根據購股權計劃及任何其他本公司購股權計劃可授予主要股東或任何獨立非執行董事或其各自的聯繫人的股份數目(包括已行使及未行使購股權)，不得超過任何一个12個月期間已發行股份的0.1%或合共價值超過5百萬港元。

概無訂有購股權在行使前必須持有的最短期限，而購股權可行使的期間將由董事會全權酌情決定，然而，購股權於授出10年後便不得行使。有關特定購股權的認購價不得低於下列最高者：(a) 於聯交所每日報價表所報的官方股份收市價；(b) 緊接授出日期前五個營業日聯交所每日報價表所報的官方股份平均收市價；及(c) 股份面值。購股權計劃將自其獲採納日期起生效並將自該日起10年期間內一直有效。

自購股權計劃生效及成為無條件起直至本年報日期，概無根據購股權計劃授出購股權。

於本年報日期，購股權計劃項下可供發行的普通股份總數為74,120,040股，佔本公司已發行股份的10%。

# Directors' Report (continued)

## 董事會報告(續)

Save as the Share Option Scheme, at no time during the Year was the Company, its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement to enable Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other than the Share Option Scheme as disclosed in this report, no equity-linked agreements that will or may result in the Company issuing shares, or that require the Company to enter into any agreement that will or may result in the Company issuing shares, here entered into by the Company during the Year or subsisted at the end of the Year.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchase, sold or redeemed any of the Company's listed securities during the Year.

### **PUBLIC FLOAT**

Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of an issuer's total issued share capital must at all times be held by the public. Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficiency of public float at all times during the Year.

### **CONTINUING CONNECTED TRANSACTIONS**

During the Year, there is no transaction of the Group constituted non-exempt continuing connected transaction for the Company under the Listing Rules (2018: Nil).

### **RELATED PARTY TRANSACTIONS**

Details of the significant related party transactions undertaken in the normal course of business are provided under note 31 to the consolidated financial statements, and none of which constitutes a non-exempt connected transaction as defined under the Listing Rules.

除購股權計劃外，本公司、其附屬公司、控股公司或同系附屬公司均於本年度內任何時間，概無參與任何安排使董事可透過購買本公司或其他法人團體股份或債權證而獲取利益。

除本報告所披露的購股權計劃外，本公司於本年度並無訂立且於年度結束時並無存在任何股本掛鈎協議將或可能導致本公司發行股份，或需要本公司訂立任何將會或可能導致本公司發行股份的協議。

### **購買、出售或贖回已上市證券**

於本年度，本公司及其任何附屬公司概無購買、出售或贖回任何本公司已上市證券。

### **公眾持股量**

上市規則第8.08(1)(a)條規定，公眾必須在任何時間內持有發行人的已發行股本總額至少25%。基於本公司可公開取得的資料及就董事所知，本公司於本年度內一直維持足夠的公眾持股量。

### **持續關連交易**

根據上市規則，於本年度，本集團概無交易構成本公司不獲豁免的持續關連交易(二零一八年：無)。

### **關聯方交易**

在日常業務過程中進行重大關聯方交易的詳情載於綜合財務報表附註31，當中概無交易構成上市規則所界定的不獲豁免關連交易。

# Directors' Report (Continued)

## 董事會報告(續)

### DEED OF NON-COMPETITION

The Company entered into a deed of non-competition (the "Deed of Non-Competition") with Mr. Wu Zheyuan and Green Seas Capital Limited (collectively referred to as the "Controlling Shareholders") on 15 June 2012 so as to better safeguard the Group from any potential competition and to formalise the principles for the management of potential conflicts between them and to enhance our corporate governance in connection with the listing of the Company's shares on the Stock Exchange.

The independent non-executive Directors have reviewed compliance by the Controlling Shareholders and confirm that based on confirmations and information provided by each of the Controlling Shareholders, they were in compliance with the Deed of Non-Competition during the Year.

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

### MANAGEMENT CONTRACTS

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

### DONATIONS

During the Year, the Group supported a wide variety of charitable activities in Hong Kong and the PRC. Donations of approximately RMB253,000 (2018: RMB192,000) were made by the Group to various charitable organisations.

### TAX RELIEF AND EXEMPTION

The Company is not aware that any holders of securities of the Company are entitled to any tax relief or exemption by reason of their holding of such securities.

### 不競爭契據

本公司已於二零一二年六月十五日與吳哲彥先生及Green Seas Capital Limited (統稱「控股股東」) 訂立不競爭契據(「不競爭契據」), 以更好地保障本集團免受任何潛在競爭, 並規範針對彼等之間潛在衝突的管理原則, 以及就本公司股份於聯交所上市加強本集團的企業管治。

獨立非執行董事已審閱控股股東的合規情況, 並確認基於各控股股東所提供的確認書及資料, 彼等於本年度內已遵守不競爭契據。

獨立非執行董事毋須在本年度內審閱有關遵守及執行不競爭契據的任何事宜。

### 管理合約

本年度, 本集團概無就全部或任何主要部分業務的管理訂立管理合約。

### 捐贈

本年度, 本集團為中港兩地的多項慈善活動提供資助, 向各慈善組織捐贈約人民幣253,000元(二零一八年: 人民幣192,000元)。

### 稅務減免

本公司並不知悉本公司證券之任何持有人因其持有有關證券而享有任何稅務減免。

\* For identification purpose only



# Directors' Report (continued)

## 董事會報告(續)

### AUDITOR

KPMG resigned as auditors of the Company on 16 November 2016 and BDO Limited has been appointed as the auditors of the Company on 8 December 2016.

BDO Limited will retire and, being eligible, offer themselves for re-appointment. A resolution for the reappointment of BDO Limited as auditor of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Xie Qingmei**

*Chairlady*

Hong Kong, 30 March 2020

### 核數師

畢馬威已於二零一六年十一月十六日辭任本公司核數師以及香港立信德豪會計師事務所有限公司已於二零一六年十二月八日獲委任為本公司核數師。

香港立信德豪會計師事務所有限公司將會退任，並符合資格且願意應聘連任。續聘香港立信德豪會計師事務所有限公司為本公司核數師的決議案將於應屆股東週年大會上提呈。

代表董事會

主席

**謝清美**

香港，二零二零年三月三十日

# Board of Directors and Senior Management

## 董事會及高級管理層

Biographies of each member of the board of directors and senior management team of the Company during the Year and/or as at the date of this report are set out below:

### EXECUTIVE DIRECTORS

**Wu Zheyang (Mr. Wu)**, aged 40, is an executive Director and chief executive officer of the Company. Mr. Wu was appointed as a Director on 17 October 2011. He joined Fujian Zhangping Kimura Forestry Products Co. Ltd ("Zhangping Kimura") as a workshop director since 1997 and obtained knowledge and experiences in the timber products industry including the production process, research and development works and the invention process of new timber products. Mr. Wu became the general manager in May 2000 and the director and legal representative of Zhangping Kimura in January 2006.

Mr. Wu graduated from Sichuan University in June 2009 with a Diploma in business administration (Distance education). Mr. Wu is the visiting professor of Central South University of Forestry and Technology and Fujian Agriculture and Forestry University. Mr. Wu is a son of Mr. Wu Dongping.

**Xie Qingmei (Ms. Xie)**, aged 52, was appointed as an executive Director on 15 June 2012 and as the Chairlady on 23 May 2016. Ms. Xie is primarily responsible for procurement matters in respect of the Group. She has over 15 years of experience in corporate management and procurement. Ms. Xie joined the Group in 1999, and she has been a deputy general manager of Zhangping Kimura since 2001 and a director of Zhangping Kimura since 2006. Ms. Xie was in charge of the sales department of Zhangping Kimura as well as supervising procurement from June 1999 to December 2000, and has been running the procurement department of Zhangping Kimura since 2003.

於本年度內及／或本報告日期本公司各董事會及高級管理層成員的履歷如下：

### 執行董事

**吳哲彥(吳先生)**，40歲，本公司執行董事兼行政總裁。吳先生於二零一一年十月十七日獲委任為董事。彼自一九九七年起加入福建省漳平木村林產有限公司(「漳平木村」)擔任車間主任，並獲得木材產品行業(包括生產流程、研發工程及新木材產品的開發流程)的知識及經驗。吳先生於二零零零年五月擔任總經理，並於二零零六年一月擔任漳平木村的董事兼法人代表。

吳先生於二零零九年六月畢業於四川大學，獲得工商管理文憑(遠距教育)。吳先生為中南林業科技大學及福建農林大學客座教授。吳先生為吳冬平先生之子。

**謝清美(謝女士)**，52歲，於二零一二年六月十五日獲委任為執行董事及於二零一六年五月二十三日獲委任為主席。謝女士主要負責本集團的採購事宜，彼在企業管理及採購方面擁有逾15年的豐富經驗。謝女士於一九九九年加入本集團，分別自二零零一年及二零零六年起一直擔任漳平木村副總經理及漳平木村董事。謝女士自一九九九年六月起至二零零零年十二月止負責漳平木村銷售部並兼管採購事宜，且自二零零三年開始負責管理漳平木村的採購部門。

# Board of Directors and Senior Management (continued)

## 董事會及高級管理層(續)

### NON-EXECUTIVE DIRECTOR

**Wu Dongping**, aged 64, is a non-executive Director of the Company since 15 June 2012 and is also the founder of our Group. Mr. Wu Dongping was the chief engineer of Zhangping Kimura from February 2006 to November 2010. Before the founding of the Group, Mr. Wu Dongping was the chairman and the general manager of Zhangping Kimura from December 1995 to January 2006 and the director of Zhangping Textile Machinery Factory in Fujian (福建省漳平市紡織器材廠) from December 1992 to November 1995, respectively. Mr. Wu Dongping has been a member of the Technical Committee of Structural Use of Wood under the National Committee of Standardisation Technology of Timber (全國木材標準化技術委員會結構用木材分技術委員會). He was elected as a member of The 4th Preservation Committee of Wood Industry Institute, Chinese Society of Wood Industry (中國林學會木材工業分會木材研究所保護研究會第四屆委員會) in April 2007 and was elected to the position of vice president of the China Wood Preservation Industry Association (中國木材保護工業協會) in October 2011. Mr. Wu Dongping has over 20 years of experience in the fields of wood processing, preservation and timber structures. Mr. Wu Dongping has participated in, on behalf of our Group, the drafting of two PRC national and forestry industry standards, and has been involved in the reviewing of PRC national and forestry industry standards.

Mr. Wu Dongping is the father of Mr. Wu.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Lam Hin Chi (Mr. Lam)**, aged 56, was appointed as an independent non-executive Director of the Company since 15 June 2012. Mr. Lam is a fellow member of The Association of Chartered Certified Accountants, and The Institute of Chartered Accountants in England and Wales and associates member of The Chartered Institute of Management Accountants, and The Hong Kong Institute of Certified Public Accountants, respectively. Mr. Lam graduated from The Hong Kong Polytechnic University with a Professional Diploma in Management Accountancy and a Bachelor of Arts degree (Honours) in Accountancy. Mr. Lam has over 30 years of experience in finance, audit and accounting. Mr. Lam was a senior personnel of a number of companies listed on the Main Board of the Stock Exchange.

Mr. Lam is currently an executive director of Qianhai Health Holdings Limited (stock code: 911) and an independent non-executive director of VSTECS Holdings Limited (stock code: 856), which are listed on the Main Board of the Stock Exchange.

### 非執行董事

**吳冬平**，64歲，本集團的創辦人，自二零一二年六月十五日起為本公司非執行董事。吳冬平先生自二零零六年二月起至二零一零年十一月止於漳平木村擔任總工程師一職。在創立本集團前，吳冬平先生曾分別自一九九五年十二月起至二零零六年一月止期間擔任漳平木村董事長兼總經理，並自一九九二年十二月起至一九九五年十一月止期間擔任福建省漳平市紡織器材廠廠長。吳冬平先生為全國木材標準化技術委員會結構用木材分技術委員會委員。彼於二零零七年四月當選中國林學會木材工業分會木材研究所保護研究會第四屆委員會委員，並於二零一一年十月當選為中國木材保護工業協會副會長。吳冬平先生在木材加工、保護及木結構技術領域擁有超過20年的經驗。吳冬平先生曾兩次代表本集團參與起草國家行業標準及林業行業標準，並參與國家行業標準及林業行業標準的審議工作。

吳冬平先生為吳先生的父親。

### 獨立非執行董事

**藍顯賜(藍先生)**，56歲，自二零一二年六月十五日起獲委任為本公司獨立非執行董事。藍先生分別為英國特許公認會計師公會及英格蘭及威爾斯特許會計師公會資深會員，亦為英國特許管理會計師公會及香港會計師公會會員。藍先生畢業於香港理工大學，獲管理會計學專業文憑及會計學(榮譽)文學士學位。藍先生在財務、審計及會計範疇有超過30年經驗。藍先生曾為多間在聯交所主板上市的公司的高級人員。

藍先生現為前海健康控股有限公司(股份代號：911)之執行董事及偉仕佳杰控股有限公司(股份代號：856)之獨立非執行董事，該等公司於聯交所主板上市。

## Board of Directors and Senior Management (Continued)

### 董事會及高級管理層(續)

**Professor Jin Zhongwei (Professor Jin)**, aged 82, was appointed as an independent non-executive Director of the Company since 15 June 2012. He is an expert in wood preservation with over 40 years of experience in wood preservation. Professor Jin graduated from Nanjing Forestry College in 1961 and majored in forestry products chemical processing. He studied wood preservation and modification technologies in the United States as a government-appointed scholar from 1981 to 1983, and was a visiting scholar at Oregon State University and Mississippi State University from 1994 to 1995 respectively.

**Professor Su Wenqiang (Professor Su)**, aged 64, was appointed as an independent non-executive Director of the Company since 15 June 2012. Professor Su has more than 30 years of experience in the research of forestry and timber products. Professor Su was awarded as Model Member of the Communist Party (優秀共產黨員) from 2006 to 2007, and was appointed as various positions in timber industry, e.g., council member of Standing Committee of the Heilongjiang Province Chemistry Society (黑龍江省化工學會理事會) (in December 2004), committee member of Wood Science Institute of the Chinese Society of Forestry (中國林學會木材科學分會) (in April 2010), member of Board of Experts of Standardisation Committee of China Timber and Wood Products Distribution Association Wood Preservation Committee (中國木材與木製品流通協會木材防腐專業委員會專家指導委員會) (in December 2009), member of Board of Experts Committee of Standardisation Committee of China Wood Preservation Industry Association (中國木材保護工業協會專家委員會) (in October 2011), committee member of the Wood Preservation Research Committee of the Wood Science Institute of the Chinese Society of Forestry (中國林學會木材科學分會木材保護研究會委員會) (in April 2007) and editor of editorial committee of Biomass Chemical Engineering published by Institute of Chemical Industry of Forest Products (中國林業科學研究院林產化學工業研究所《生物質化學工程》) (in December 2010). Professor Su graduated from Northeast Forestry University in July 1982, major in professional chemical processing of forestry products (林產化學加工工程專業), and obtained a Doctorate Degree in December 2008.

**金重為教授(金教授)**，82歲，自二零一二年六月十五日起獲委任為本公司獨立非執行董事。彼為木材保護領域專家，在木材保護研究領域擁有逾40年的經驗。金教授於一九六一年畢業於南京林業學院，主修林業產品化學加工。彼曾於一九八一年至一九八三年期間以公派學者身份赴美國進修學習木材保護與改性技術，於一九九四年至一九九五年分別擔任美國俄勒岡州立大學和密西西比州立大學訪問學者。

**蘇文強教授(蘇教授)**，64歲，於二零一二年六月十五日起獲委任為本公司的獨立非執行董事。蘇教授於林學及木製品研究領域有超過30年資歷。蘇教授於二零零六年至二零零七年期間，榮獲優秀共產黨員的稱號，並獲委任木材行業的多個職位，例如黑龍江省化工學會理事會理事(於二零零四年十二月)、中國林學會木材科學分會委員會委員(於二零一零年四月)、中國木材與木製品流通協會木材防腐專業委員會專家指導委員會委員(於二零零九年十二月)、中國木材保護工業協會專家委員會委員(於二零一一年十月)、中國林學會木材科學分會木材保護研究會委員會委員(於二零零七年四月)及中國林業科學研究院林產化學工業研究所《生物質化學工程》編輯委員會編委(於二零一零年十二月)。蘇教授於一九八二年七月畢業於東北林業大學，主修林產化學加工工程專業，並於二零零八年十二月獲得博士學位。

# Board of Directors and Senior Management (continued)

## 董事會及高級管理層(續)

### SENIOR MANAGEMENT

**Chen Tianfu (Mr. Chen)**, aged 54, is the chief financial officer of our Group. Since joining our Group in 2009, Mr. Chen has been responsible for our Group's accounting and financial management affairs. Prior to joining our Group, Mr. Chen was in charge of the financial departments of Jiangxi Sanhua Real Estate Co. Ltd. (江西三華置業有限公司) and Fujian Dufeng Sugar Factory (福建省度峰糖廠) respectively. Mr. Chen has over 20 years of experience in corporate financial management and possesses the qualifications of an accountant in the PRC. Mr. Chen graduated from Fujian Quanzhou Supply and Sales School (福建省泉州供銷學校) in 1986 majoring in financial accounting with a secondary vocational school diploma.

### COMPANY SECRETARY

**Ms. Lee Kin Yee (Ms. Lee)**, aged 36, was appointed as the company secretary of the Company on 6 July 2018. Ms. Lee is a director of Modern Assurance And Business Services Limited and she holds a Bachelor Degree of Business Administration from Lingnan University. She is a member of the Hong Kong Institute of Certified Public Accountants and has over 10 years of experience in the field of accounting, auditing and company secretarial services.

### 高級管理層

**陳天福(陳先生)**，54歲，為本集團首席財務官。陳先生自二零零九年起加入本集團至今，一直負責本集團的會計及財務管理事務。陳先生在加入本集團前，曾於江西三華置業有限公司及福建省度峰糖廠擔任財務部門負責人職務。陳先生在企業財務管理方面擁有逾20年經驗，擁有中國會計師資格。陳先生於一九八六年畢業於福建省泉州供銷學校主修財務會計，並取得中專文憑。

### 公司秘書

**李建儀(李女士)**，36歲，於二零一八年七月六日獲委任為本公司之公司秘書。李女士為Modern Assurance And Business Services Limited之董事並持有嶺南大學工商管理學士學位。彼為香港會計師公會會員，並於會計、審核及公司秘書服務範疇擁有逾10年經驗。

# Independent Auditor's Report

## 獨立核數師報告

### TO THE SHAREHOLDERS OF CHINA ENVIRONMENTAL TECHNOLOGY AND BIOENERGY HOLDINGS LIMITED

(incorporated in Cayman Islands with limited liability)

#### OPINION

We have audited the consolidated financial statements of China Environmental Technology and Bioenergy Holdings Limited (“the Company”) and its subsidiaries (together “the Group”) set out on pages 70 to 216, 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

#### BASIS FOR OPINION

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

### 致中科生物控股有限公司股東

(於開曼群島註冊成立的有限公司)

#### 意見

吾等已審核載列於第70至216頁中科生物控股有限公司(「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表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表的附註，包括主要會計政策概要。

吾等認為，綜合財務報表已根據國際財務報告準則(「國際財務報告準則」)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要求妥為編製。

#### 意見的基礎

吾等根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「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審核意見提供基礎。

# Independent Auditor's Report (continued)

## 獨立核數師報告(續)

### 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.

### Assessment of impairment of property, plant and equipment

The carrying amount of the property, plant and equipment as at 31 December 2019 was approximately RMB495,794,000. The Group had reported a continued loss in the current year. Management considered that there was indicator of potential impairment on property, plant and equipment.

Management performed an impairment assessment when an indicator of impairment was identified. Management determined the recoverable amounts based on the higher of fair value less costs of disposal and value in use. When performing an impairment assessment, management used the fair value less costs of disposal and compared the aggregate carrying values of property, plant and equipment, to determine the impairment loss which should be recognised for the year, if any.

Based on the result of the assessment, it is concluded that there is impairment in respect of property, plant and equipment amounting to approximately RMB638,000.

We identified the assessment of potential impairment of property, plant and equipment as a key audit matter because the impairment assessments prepared by management are complex and contain certain judgemental and subjective assumptions which may be inherently uncertain and could be subject to management bias.

The determination of fair value less costs of disposal requires the exercise of significant management judgement in determining the assumptions and parameters adopted. Refer to Notes 11 and the accounting judgements and estimates set out in Note 3(v) to the consolidated financial statements.

### 關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核於本期間的綜合財務報表中最重要的事項。吾等在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

### 物業、廠房及設備減值評估

貴集團於二零一九年十二月三十一日的物業、廠房及設備的賬面值為人民幣495,794,000元。貴集團於本年度錄得持續虧損。管理層認為物業廠房及設備存在潛在減值的跡象。

管理層於有跡象表明減值已予以識別時進行減值評估。管理層根據公平值減出售成本及所使用價值中的較高者釐定可收回款項。於進行減值評估時，管理層運用公平值減出售成本並比較物業、廠房及設備與租賃預付款的總賬面值，釐定應於年內確認的減值虧損(如有)。

根據評估結果，得出物業、廠房及設備的減值約為人民幣638,000元。

吾等識別對物業、廠房及設備以及租賃預付款的評估為一項關鍵審核事項，原因為管理層所進行的減值評估屬複雜及包含若干判斷及客觀假設(可能涉及固有不確定性並受管理層偏見所限)。

公平值減出售成本的釐定要求於釐定所採納的假設及參數時行使重大管理層判斷。請參閱綜合財務報表附註11以及附註3(v)所載會計判斷及估計。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

Our response:

Our procedures in relation to assess the impairment of property, plant and equipment included the following:

- Understanding and evaluating management's impairment assessment on property, plant and equipment;
- Engaging our internal valuation specialists to assist us in evaluating management's impairment assessment methodology, the key assumptions applied and calculations contained with reference to the requirements of the prevailing accounting standards;
- Assessing the independent valuer's qualifications, experience and expertise and considered their objectivity and independence;
- Comparing data in the discounted cash flow forecasts with the relevant data, including forecast revenue, forecast cost of sales, forecast other income and forecast other expenses, in the profit forecasts prepared by management;
- Comparing the compound annual growth rates and long term growth rates adopted in the discounted cash flow forecasts with historical performance;
- Engaging our internal valuation specialists to assist us in assessing the discount rates applied in the discounted cash flow forecasts with reference to the range adopted by other companies in the same industry;
- Comparing the revenue and operating costs included in the prior year's discounted cash flow forecasts with the current year's performance to assess the historical accuracy of management's forecasting process and considering the nature of any significant differences; and
- Performing sensitivity analysis of the key assumptions adopted in the discounted cash flow forecasts and assessing the impact of changes in the key assumptions on the conclusions reached by management and whether there were any indicators of management bias.

吾等之應對：

吾等有關對物業、廠房及設備以及租賃預付款的評估程序包括以下各項：

- 瞭解及評估管理層對物業、廠房及設備以及租賃預付款的減值評估；
- 聘請吾等內部估值專家協助吾等評估管理層的減值評估方法、所應用的關鍵假設及參考現行會計準則規定的計算；
- 評估獨立估值師的資格、經驗及專業才能並考慮彼等的客觀性及獨立性；
- 比較貼現現金流量預測的數據與管理層所編製的溢利預測內的相關數據(包括預測收益、預測銷售成本、預測其他收入及預測其他開支)；
- 將複合年增長率及貼現現金流量預測所採納的長期增長率與歷史表現進行比較；
- 聘請吾等之內部估值專家協助吾等評估貼現現金流量預測所應用的貼現率(參考同行業其他公司所採納的範圍)；
- 比較於過往年度的貼現現金流量預測內列賬的收益及經營成本與當前年度的表現，以評估過往管理層預測程序的準確性並考慮任何重大異同的本質；及
- 對貼現現金流量預測所採納的關鍵假設進行敏感度分析，並評估關鍵假設變動對管理層所得結論的影響及是否存在任何管理層偏見。



# Independent Auditor's Report (continued)

## 獨立核數師報告(續)

### Valuation of inventories

The Group held inventories before impairment amounting to RMB247,269,000 as at 31 December 2019. Inventories are carried at the lower of cost and net realisable value. The cost of inventories may not be recoverable if those inventories are aged and damaged, if they have become obsolete, or if their selling prices have declined.

Management has carried out inventory review at the end of the reporting period in accordance with the Group's accounting policies. Management has concluded that there is net written-down of RMB4,495,000 in respect of the inventories for the year ended 31 December 2019 and aggregate amount of impairment to RMB21,863,000 as at 31 December 2019. This conclusion was based on inventories are carried at the lower of cost and net realisable value.

We have identified valuation of inventories as a key audit matter because of its significance to the consolidated financial statements and the determining the net realisable values involved significant management judgement. (Refer to note 2(o) to the consolidated financial statements and the Group's critical accounting estimates and assumptions in relation to the net realisable value of inventories set out in notes 3(i))

Our response:

- Assessing and evaluating the inventory ageing analysis of the Group at year end, and subsequent usage and sales of inventory after year end;
- Testing inventories to assess if they are stated at the lower of cost or net realisable value by comparing the actual sales value to the book value for those selected samples of finished goods and raw material; and
- Assessing the sufficiency of the write down on inventories made by management with reference to the inventory ageing analysis and the subsequent transaction prices of the inventories, on a sample basis.

### 存貨估值

貴集團於二零一九年十二月三十一日持有存貨人民幣247,269,000元。存貨按成本與可變現淨值之較低者列賬。倘該等存貨破舊、過時，或彼等售價下降，則存貨成本可能不可收回。

根據 貴集團會計政策，管理層於報告期末進行存貨審閱。管理層作出結論，就於截至二零一九年十二月三十一日止年度存貨淨撇減人民幣21,863,000元。該結論乃基於按成本與可變現淨值的較低者列賬。

吾等已因存貨估值對綜合財務報表之重要性而將其識別為關鍵審核事項，並釐定可變現淨值涉及重大管理層判斷。(請參閱綜合財務報表附註2(o)及附註3(i)所載 貴集團有關存貨可變現淨值之關鍵會計估計及假設)

吾等之應對：

- 評核及評估 貴集團於年末之存貨賬齡分析及於年末後存貨之後續使用及銷售；
- 透過比較製成品及原材料經選擇樣本之實際銷售價值及賬面值，測試存貨以評估彼等是否按成本或可變現淨值之較低者列賬；及
- 評估管理層按樣本基礎經參考存貨賬齡分析及存貨後續交易價格作出撇減存貨之充足性。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### Impairment assessment of trade receivables

As at 31 December 2019, the gross amount of the Group's trade receivables totalled RMB108,187,000, against which a loss allowance of RMB20,893,000 was made. The carrying value of the Group's trade receivables represented approximately 9% of the total assets as at 31 December 2019.

The Group's loss allowance is measured at an amount equal to lifetime expected credit loss ("ECL") based on management's estimated loss rates for each category of trade receivables. The estimated loss rates take into account the ageing of the trade receivables, overdue balances, information regarding the ability and intent of the debtor to pay and historical data on default rates.

Management is required to apply judgement in assessing the loss allowance for trade receivables under the ECL model. The ability of the debtors to repay the Group depends on shared credit risk characteristics of trade receivables groups and market conditions which involves inherent uncertainty.

The collectability of the Group's trade receivables and the valuation of the loss allowance for trade receivables is a key audit matter due to the inherent uncertainty in assessing if trade receivables will be recovered and significant management judgment exercised in assessing the ECLs. (Refer to note 19 to the consolidated financial statements and the Group's critical accounting estimates and assumptions in relation to the impairment of trade receivables set out in note 3(ii).)

### 貿易應收款項的減值評估

於二零一九年十二月三十一日，貴集團的貿易應收款項總額合計人民幣108,187,000元，對此作出人民幣20,893,000元的虧損撥備。於二零一九年十二月三十一日，貴集團貿易應收款項的賬面值相當於總資產約9%。

貴集團的虧損撥備乃根據管理層估計的各類貿易應收款項虧損比率，按相等於全期預期信貸虧損（「預期信貸虧損」）的金額計量。估計虧損比率考慮貿易應收款項的賬齡、逾期結餘、有關債務人支付能力及意圖的資料以及違約率的過往記錄。

管理層按預期信貸虧損模式評估貿易應收款項的虧損撥備時須運用判斷。債務人對貴集團的還款能力視乎貿易應收款項組別的共同信貸風險特點以及涉及固有不明朗因素的市況而定。

貴集團貿易應收款項的可收回及貿易應收款項的虧損撥備估值為關鍵審核事項，乃由於評估貿易應收款項是否可收回及於評估預期信貸虧損時行使的重要管理層判斷存在固有不確定性。（參閱綜合財務報表附註19及附註3(ii)所載有關貴集團貿易應收款項減值的關鍵會計估計及假設。）

# Independent Auditor's Report (continued)

## 獨立核數師報告(續)

Our response:

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and the calculation of the ECLs;
- Assessing the trade receivables ageing report by group based on shared credit risk characteristics and the days past due by comparing the details of individual items with underlying invoices on a sample basis;
- Obtaining an understanding of the basis of management's approach to measuring ECLs of trade receivable balances and assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rate are appropriately adjusted based on current economics conditions and forward-looking information; and
- Comparing cash receipts from debtors subsequent to the financial year end relating to trade receivable balances at 31 December 2019 with bank statements and relevant underlying documentation on a sample basis.

### OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Group's 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.

吾等之應對：

- 了解並評估有關信貸控制、債務催收及計算預期信貸虧損的主要內部控制的設計、實施及運作的有效性；
- 抽樣將個別項目的詳情與相關發票進行比較，根據共享信貸風險特征及逾期天數分組評估貿易應收款項的賬齡報告；
- 瞭解管理層計量貿易應收款項結餘的預期信貸虧損的方法基準，及透過審查管理層所用之構成相關判斷的資料評估其虧損撥備估計的合理性，包括檢測歷史違約率的準確性、估計歷史虧損率是否已根據當前經濟狀況及前瞻性資料作出適當調整；及
- 抽樣將二零一九年十二月三十一日的貿易應收款項結餘有關之於財政年度結束後自債務人所收取的現金與銀行對賬單及相關基礎文件進行比較。

### 年報之其他資料

董事須對其他資料承擔責任。其他資料包括載於貴集團年報的資料，惟不包括綜合財務報表及吾等的核數師報告。

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。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRSs 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.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

### 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. This report is made solely to you, as a body, in accordance with the terms of our 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露要求，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。

董事亦負責監督 貴集團財務報告流程。審計委員會協助董事就此履行彼等職責。

### 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此等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，並發出載有吾等意見的核數師報告，並按照委聘之條款僅向整體股東報告，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。

# Independent Auditor's Report (continued)

## 獨立核數師報告(續)

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

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：

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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。
- 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。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

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

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

From the matters communicated with the directors, 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.

### **BDO Limited**

*Certified Public Accountants*

### **Wan Che Bun**

*Practising Certificate No. P05804*

Hong Kong, 30 March 2020

• 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。

吾等與審計委員會就(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。

吾等亦向審計委員會作出聲明，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)。

從與董事溝通的事項中，吾等釐定對本期綜合財務報表的審計至關重要的事項，因而構成關鍵審核事項。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。

### **香港立信德豪會計師事務所有限公司**

*執業會計師*

### **尹子斌**

*執業證書編號 P05804*

香港，二零二零年三月三十日

# Consolidated Statement of Profit or Loss

## 綜合損益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度  
(Expressed in Renminbi) (以人民幣列示)

		Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
<b>Revenue</b>	<b>收入</b>	4	<b>694,052</b>	634,686
Cost of sales	銷售成本		<b>(685,428)</b>	(566,161)
<b>Gross profit</b>	<b>毛利</b>		<b>8,624</b>	68,525
Other revenue	其他收入	5(a)	<b>19,856</b>	9,480
Other net loss	其他虧損淨額	5(b)	<b>(4,700)</b>	(180,023)
Selling and distribution expenses	銷售及分銷開支		<b>(25,565)</b>	(22,329)
Administrative expenses	行政開支		<b>(48,330)</b>	(49,194)
Expected credit loss on financial assets	金融資產的預期信貸虧損	19	<b>(12,774)</b>	(642)
<b>Loss from operations</b>	<b>經營虧損</b>		<b>(62,889)</b>	(174,183)
Finance costs	融資成本	6(a)	<b>(1,815)</b>	(8,895)
Share of profits of associates	分佔聯營公司溢利		<b>401</b>	282
<b>Loss before taxation</b>	<b>除稅前虧損</b>	6	<b>(64,303)</b>	(182,796)
Income tax expense	所得稅開支	7(a)	<b>(168)</b>	(2,135)
<b>Loss for the year</b>	<b>年內虧損</b>		<b>(64,471)</b>	(184,931)
<b>Loss per share</b>	<b>每股虧損</b>			Restated
Basic and diluted (RMB)	基本及攤薄(人民幣)	10	<b>(0.104)</b>	(0.299)

The notes on pages 76 to 216 form part of these consolidated financial statements.

第76頁至第216頁的附註為本綜合財務報表的一部分。

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度  
(Expressed in Renminbi) (以人民幣列示)

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
<b>Loss for the year</b>	<b>年內虧損</b>	<b>(64,471)</b>	(184,931)
<b>Other comprehensive income, net of tax</b>	<b>其他全面收益(扣除稅項)</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益表的項目：</i>		
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表產生的匯兌差額	<b>(258)</b>	7,731
<i>Item that will not be reclassified subsequently to profit or loss:</i>	<i>其後不會重新分類至損益表的項目：</i>		
Equity investment designated at fair value through other comprehensive income: — Changes in fair value	指定為按公平值計入其他全面收益的股權投資： — 公平值變動	<b>(186)</b>	(687)
<b>Other comprehensive income for the year, net of tax</b>	<b>年內其他全面收益(扣除稅項)</b>	<b>(444)</b>	7,044
<b>Total comprehensive income for the year</b>	<b>年內全面收益總額</b>	<b>(64,915)</b>	(177,887)



# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日  
(Expressed in Renminbi) (以人民幣列示)

			2019	2018
			二零一九年	二零一八年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	11	<b>495,794</b>	462,194
Lease prepayments	租賃預付款	12	–	44,183
Non-current prepayments for acquisitions of property, plant and equipment	收購物業、廠房及設備的非即期預付款	13	<b>11,074</b>	14,329
Interests in associates	於聯營公司的權益	14	<b>15,666</b>	24,716
Other financial assets	其他金融資產	15	<b>3,048</b>	3,267
Deferred tax assets	遞延稅項資產	17	<b>890</b>	831
			<b>526,472</b>	549,520
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	18	<b>225,406</b>	345,487
Current portion of lease prepayments	租賃預付款的即期部分	12	–	1,017
Trade and other receivables	貿易及其他應收款項	19	<b>145,931</b>	215,773
Pledged deposits	已抵押存款	20	<b>7,612</b>	18,084
Cash and cash equivalents	現金及現金等價物	21(a)	<b>76,024</b>	38,000
			<b>454,973</b>	618,361
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	22	<b>44,838</b>	57,300
Contract liabilities	合約負債	23	<b>4,213</b>	23,133
Bank loans	銀行貸款	24	–	91,152
Lease liability	租賃負債的即期部分	25	<b>187</b>	–
Debenture	債券	26	<b>13,279</b>	–
Current taxation	即期稅項		<b>26,717</b>	26,277
			<b>89,234</b>	197,862
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>365,739</b>	420,499

# Consolidated Statement of Financial Position (Continued)

## 綜合財務狀況表(續)

At 31 December 2019 於二零一九年十二月三十一日  
(Expressed in Renminbi) (以人民幣列示)

			<b>2019</b>	2018
		<i>Note</i>	<b>二零一九年</b>	二零一八年
		<i>附註</i>	<b>RMB'000</b>	RMB'000
			<b>人民幣千元</b>	人民幣千元
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>892,211</b>	970,019
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Lease liabilities	租賃負債的非即期部分	25	<b>32</b>	-
Debentures	債券	26	<b>4,756</b>	17,620
Deferred tax liabilities	遞延稅項負債	17	<b>1,790</b>	1,851
			<b>6,578</b>	19,471
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>885,633</b>	950,548
<b>EQUITY</b>	<b>權益</b>			
Share capital	資本	28(b)	<b>25,544</b>	25,544
Reserves	儲備		<b>860,089</b>	925,004
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>885,633</b>	950,548

Approved and authorised for issue by the board of directors on 30 March 2020.

於二零二零年三月三十日獲董事會批准及授權刊發。

**Wu Zheyang**  
**吳哲彥**  
Chief Executive Officer  
行政總裁

**Xie Qingmei**  
**謝清美**  
Chairlady  
主席

# 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  
(Expressed in Renminbi) (以人民幣列示)

		Attributable to equity holders of the Company 本公司權益持有人應佔						
		Share capital 股本 RMB'000 人民幣千元 (note 28(b)) (附註28(b))	Share premium 股份溢價 RMB'000 人民幣千元 (note 28(c)(i)) (附註28(c)(i))	Exchange reserve 匯兌儲備 RMB'000 人民幣千元 (note 28(c)(ii)) (附註28(c)(ii))	Statutory reserve 法定儲備 RMB'000 人民幣千元 (note 28(c)(iii)) (附註28(c)(iii))	Fair value reserve 公平值儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total equity 總額 RMB'000 人民幣千元
<b>At 31 December 2017 as originally presented</b>	<b>於二零一七年十二月三十一日(原列)</b>	25,544	677,305	6,746	54,784	-	366,211	1,130,590
Initial application of IFRS 9	首次應用國際財務報告準則第9號	-	-	-	-	1,343	(3,498)	(2,155)
<b>Restated at 1 January 2018</b>	<b>於二零一八年一月一日經重列</b>	25,544	677,305	6,746	54,784	1,343	362,713	1,128,435
<b>Changes in equity for 2018:</b>	<b>二零一八年權益變動:</b>							
Loss for the year	年內虧損	-	-	-	-	-	(184,931)	(184,931)
Other comprehensive income	其他全面收益	-	-	7,731	-	(687)	-	7,044
Total comprehensive income	全面收益總額	-	-	7,731	-	(687)	(184,931)	(177,887)
Appropriations to statutory reserve	撥往法定儲備	-	-	-	323	-	(323)	-
<b>At 31 December 2018 and 1 January 2019</b>	<b>於二零一八年十二月三十一日及二零一九年一月一日</b>	25,544	677,305	14,477	55,107	656	177,459	950,548
<b>Changes in equity for 2019:</b>	<b>二零一九年權益變動:</b>							
Loss for the year	年內虧損	-	-	-	-	-	(64,471)	(64,471)
Other comprehensive income	其他全面收益	-	-	(258)	-	(186)	-	(444)
Total comprehensive income	全面收益總額	-	-	(258)	-	(186)	(64,471)	(64,915)
At 31 December 2019	於二零一九年十二月三十一日	25,544	677,305	14,219	55,107	470	112,988	885,633

# Consolidated Cash Flow Statement

## 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  
(Expressed in Renminbi) (以人民幣列示)

		Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
<b>Operating activities</b>	<b>經營活動</b>			
Cash generated from operations	經營業務所得現金	21(b)	<b>129,411</b>	23,930
Income tax refunded	已退還所得稅		<b>185</b>	338
<b>Net cash generated from operating activities</b>	<b>經營活動所得現金淨額</b>		<b>129,596</b>	24,268
<b>Investing activities</b>	<b>投資活動</b>			
Payment for the purchase of property, plant and equipment	就購買物業、廠房及設備付款		<b>(10,529)</b>	(20,006)
Interest received	已收利息		<b>347</b>	797
Decrease in pledged deposits	已抵押存款減少		<b>10,472</b>	60,864
Dividend income received	已收股息收入		<b>531</b>	461
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		<b>561</b>	1,037
<b>Net cash generated from investing activities</b>	<b>投資活動所用現金淨額</b>		<b>1,382</b>	43,153
<b>Financing activities</b>	<b>融資活動</b>			
Proceeds from new bank loans	新增銀行貸款所得款項		<b>87,471</b>	354,053
Repayments of bank loans	償還銀行貸款		<b>(178,623)</b>	(496,088)
Interest paid	已付利息		<b>(1,803)</b>	(8,876)
Repayments of lease liability	償還租賃負債		<b>(158)</b>	–
<b>Net cash used in financing activities</b>	<b>融資活動所用現金淨額</b>		<b>(93,113)</b>	(150,911)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等價物增加/(減少)淨額</b>		<b>37,865</b>	(83,490)
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日的現金及現金等價物</b>		<b>38,000</b>	113,501
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動的影響</b>		<b>159</b>	7,989
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日的現金及現金等價物</b>	21(a)	<b>76,024</b>	38,000

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 1. GENERAL INFORMATION

China Environmental Technology and Bioenergy Holdings Limited (“the Company”) was incorporated in the Cayman Islands on 17 October 2011 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company was listed on the Stock Exchange on 6 July 2012.

The consolidated financial statements for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as “the Group”). The consolidated financial statements were authorised for issue by the Directors on 30 March 2020.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual IFRSs, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

### 1. 一般資料

中科生物控股有限公司(「本公司」)於二零一一年十月十七日根據開曼群島法例第22章公司法(一九六一年法例第3號，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司於二零一二年七月六日在聯交所上市。

截至二零一九年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。綜合財務報表獲董事於二零二零年三月三十日授權刊發。

### 2. 重大會計政策

#### (a) 合規聲明

此等財務報表乃按照一切適用國際財務報告準則(「國際財務報告準則」)以及香港公司條例規定編製，國際財務報告準則為國際會計準則委員會(「國際會計準則委員會」)頒佈的一切適用個別國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋。此等財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)的適用披露條文。本集團採納的重大會計政策摘要載列如下。

國際會計準則委員會已頒佈若干新訂及經修訂國際財務報告準則，且於本集團及本公司的本會計期間首次生效或可供提早採用。首次應用與本集團相關的此等新訂及經修訂國際財務報告準則所引致本會計期間及過往會計期間的任何會計政策變動已於此等財務報表內反映，有關資料載列於附註2(c)。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (b) Basis of preparation of the consolidated financial statement

These consolidated financial statements are presented in RMB, rounded to the nearest thousand. The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that unlisted equity securities and derivative financial instruments are stated at their fair value (see note 2(h) and 2(m)).

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

Judgements made by management in the application of IFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 3.

### 2. 重大會計政策(續)

#### (b) 財務報表編製基準

此等綜合財務報表乃以人民幣呈報，並四捨五入至最接近千元。編製財務報表所採用的計量基準為歷史成本法，惟非上市股本證券及衍生金融工具乃以公平值列賬(見附註2(h)及2(m))。

根據國際財務報告準則，於編製財務報表時，管理層必須作出影響政策應用及資產、負債、收入及費用呈報金額的判斷、估計及假設。該等估計及相關假設乃根據過往經驗及在各種情況下被視為合理的各種其他因素為基礎，有關結果作為對無法自其他來源獲得的資產及負債的賬面值作出判斷的依據。實際結果可能有別於該等估計。

該等估計及相關假設會持續予以審閱。如會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂僅會在該期間內確認；如會計估計的修訂對現時及未來期間均產生影響，則會在作出該修訂期間和未來期間內確認。

管理層採納國際財務報告準則時所作對綜合財務報表有重大影響的判斷以及估計不明朗因素的主要來源在附註3中討論。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (c) Adoption of new/revised IFRSs — effective 1 January 2019

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group and the Company:

Amendments to IAS 9	Prepayment features and negative compensation
Amendments to IAS 19	Plan amendment, curtailment or settlement
Amendments to IAS 28	Long-term interests in associates and joint ventures
Amendments to IFRSs	Annual improvements to IFRSs 2015–2017 cycle
IFRS 16	Leases
IFRIC 23	Uncertainty over income tax treatments

The impact of the adoption of IFRS 16 Leases has been summarised in below. The other new or amended IFRSs that are effective from 1 January 2019 did not have any material impact on the Group's accounting policies.

### 2. 重大會計政策(續)

#### (c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效

國際會計準則理事會已頒佈以下於本集團及本公司的本會計期間首次生效的國際財務報告準則修訂本：

國際財務報告準則第9號	具負補償之提前還款特性的修訂
國際會計準則第19號	計劃修訂、縮減或結算的修訂
國際會計準則第28號	於聯營公司及合營企業的長期權益的修訂
國際財務報告準則的修訂	國際財務報告準則二零一五年至二零一七年週期的年度改進
國際財務報告準則第16號	租賃
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

採納國際財務報告準則第16號的影響於下文概述。其他於二零一九年一月一日起生效的新訂或經修訂香港財務報告準則對本集團的會計政策並無任何重大影響。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

- (c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

#### IFRS 16 — Leases

IFRS 16 replaces IAS 17, Leases, and the related interpretations, IFRIC 4, Determining whether an arrangement contains a lease, SIC 15, Operating leases — incentives, and SIC 27, Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low value assets. The lessor accounting requirements are brought forward from IAS 17 substantially unchanged.

The Group has initially applied IFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under IAS 17. Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

### 2. 重大會計政策(續)

- (c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

#### 國際財務報告準則第16號 — 租賃

國際財務報告準則第16號取代國際會計準則第17號，租賃，及相關詮釋、國際財務報告詮釋委員會詮釋第4號，釐定安排是否包含租賃、常務詮釋委員會詮釋第15號，經營租賃 — 優惠及常務詮釋委員會詮釋第27號，評估涉及租賃法律形式的交易實質。其就承租人引入單一會計模式，並規定承租人就所有租賃確認使用權資產及租賃負債，惟租期為十二個月或以下的租賃(「短期租賃」)及低價值資產的租賃除外。出租人的會計規定則大致保留國際會計準則第17號的規定。

本集團已自二零一九年一月一日起首次應用國際財務報告準則第16號。本集團已選用經修訂追溯法，並因而確認首次應用的累積影響作為對於二零一九年一月一日權益期初餘額的調整。本集團概無重列比較資料，並繼續根據國際會計準則第17號呈報。有關過往會計政策變動的性質及影響及所採用的過渡性選擇的進一步詳情載列如下：



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

##### (a) Changes in accounting policies

###### (i) *New definition of a lease*

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

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

### 2. 重大會計政策(續)

#### (c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

##### (a) 會計政策變動

###### (i) *租賃的新定義*

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

對於包含租賃部分和一個或多個其他租賃或非租賃部分的合同，承租人應根據租賃部分的相對獨立價格和總價將合同中的對價分配給每個租賃部分非租賃組成部分的獨立價格，除非承租人採用實際的權宜之計，允許承租人根據基礎資產的類別進行選擇，而不是將非租賃組成部分與租賃組成部分分開，而是考慮每個租賃組成部分和任何相關的非租賃組成部分作為單個租賃組成部分。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

(a) Changes in accounting policies (Continued)

(i) New definition of a lease (Continued)

The Group applies the new definition of a lease in IFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under IAS 17 continue to be accounted for as leases under IFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

(a) 會計政策變動(續)

(i) 租賃的新定義(續)

國際財務報告準則第16號內租賃的新定義僅適用於本集團於二零一九年一月一日或之後訂立或變更的合約。就於二零一九年一月一日之前訂立的合約而言，本集團已採用過渡性可行的權宜方法以豁免屬租賃或包含租賃的現有安排的過往評估。

因此，先前根據國際會計準則第17號評估為租賃的合約繼續根據國際財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排的合約則繼續入賬列為未生效合約。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

(a) Changes in accounting policies (Continued)

(ii) Lease accounting

IFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by IAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under IAS 17, other than those short-term leases and leases of low-value assets. As for as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in note 11.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component. The Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理方法

國際財務報告準則第16號剔除先前國際會計準則第17號要求承租人將租賃分類為經營租賃或融資租賃的規定。反之，當本集團為承租人，其須將所有租賃資本化，包括先前根據國際會計準則第17號分類為經營租賃的租賃，惟該等短期租賃及低價值資產租賃除外。就本集團而言，該等新的資本化租賃主要與物業、廠房及設備有關。

對於合同包含租賃部分和一個或多個其他租賃或非租賃部分，承租人應根據合同中非租賃部分的相對獨立價格將合同中的對價分配給每個租賃部分。而非將每個租賃組成部分和所有關聯的非租賃組成部分作為單個租賃組成部分。本集團已選擇不將非租賃組成部分和每個租賃組成部分以及任何相關的非租賃組成部分作為所有租賃的單個租賃組成部分。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

(a) Changes in accounting policies (Continued)

(ii) Lease accounting (Continued)

Under IFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but IFRS 16 provides accounting policy choices for an entity to choose not to capitalize (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

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

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理方法(續)

根據國際財務報告準則第16號，所有租賃(無論是經營租賃還是融資租賃)都必須在合併財務狀況表中資本化為使用權資產和租賃負債，但是國際財務報告準則第16號提供了主體的會計政策選擇不資本化(i)短期租賃和／或(ii)基礎資產的價值較低的租賃。本集團選擇不就開始日租賃期少於12個月的租賃及低值資產確認使用權資產和租賃負債。與這些租賃有關的租賃付款已在租賃期內按直線法列支。

當租賃已資本化，租賃負債初步按租期應付租賃付款現值確認，並按租賃中所隱含的利率貼現，或倘該利率不能輕易釐定，則以相關遞增借款利率貼現。於初步確認後，租賃負債按攤銷成本計量，而利息開支則採用實際利率法計量。租賃負債的計量並不包括不依賴指數或利率的可變租賃付款，因此可變租賃付款於其產生的會計期間在損益中扣除。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

**(a) Changes in accounting policies (Continued)**

*(ii) Lease accounting (Continued)*

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

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

**(a) 會計政策變動(續)**

*(ii) 承租人會計處理方法(續)*

於資本化租賃時確認的使用權資產初步按成本計量，其中包括租賃負債的初始金額，加上於開始日期或之前作出的任何租賃付款以及任何所產生的初始直接成本。倘適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或該資產所在工地而產生的估計成本，按其現值貼現並扣減任何所收的租賃優惠。

使用權資產隨後按成本減累計折舊及減值虧損列賬。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

(a) Changes in accounting policies (Continued)

(ii) Lease accounting (Continued)

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

Under IFRS 16, the Group is required to account for all leasehold properties as investment properties when these properties are held to earn rental income and/or for the capital appreciation ("leasehold investment properties"). The adoption of IFRS 16 does not have a significant impact on the Group's consolidated financial statements as the Group has no leasehold property that is held to earn rental income and/or for the capital appreciation.

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理方法(續)

倘指數或利率變化引致未來租賃付款出現變動，或本集團預期根據剩餘價值擔保應付的估計金額產生變化，或就本集團是否合理確定將行使購買、續租或終止選擇權的有關重新評估產生變化，則租賃負債將重新計量。倘以這種方式重新計量租賃負債，則應當對使用權資產的賬面值進行相應調整，而倘使用權資產的賬面值已調減至零，則應於損益列賬。

根據國際財務報告準則第16號，倘租賃物業乃為賺取租金收入及／或為資本增值而持有，則本集團須將所有該等租賃物業以投資物業入賬(「租賃投資物業」)。由於本集團並無持有租賃物業作賺取租金收入及／或為資本增值，因此採納國際財務報告準則第16號對本集團財務報表並無重大影響。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

**(a) Changes in accounting policies (Continued)**

*(iii) Lessor accounting*

The Group leases out properties to earn rental income for the year ended 31 December 2019 as the lessor of operating lease. The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under IAS 17.

Under IFRS 16, when the Group acts as an intermediate lessor in a sublease arrangement, the Group is required to classify the sublease as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying assets. The adoption of IFRS 16 does not have a significant impact on the Group's consolidated financial statements in this regard.

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

**(a) 會計政策變動(續)**

*(iii) 出租人會計處理方法*

截至二零一九年十二月三十一日止年度本集團作為經營租賃的出租人出租多項物業以賺取租金。適用於本集團作為出租人的會計政策與國際會計準則第17號項下的會計政策基本保持不變。

根據國際財務報告準則第16號，當本集團作為轉租協議中間出租人，本集團須參考原租約產生的使用權資產而非參考相關資產，將轉租分類為融資租賃或經營租賃。就此而言，採納國際財務報告準則第16號並無對本集團的財務報表造成重大影響。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

**(b) Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies**

*(i) Classification*

Classification of interest in leasehold land and buildings held for own use in accordance with IAS 16, Property, plant and equipment, the Group chooses to apply either the cost model or the revaluation model as its accounting policy for items of property, plant and equipment held for own use on a class-by-class basis. In applying this policy, the Group has concluded that its registered ownership interests in leasehold properties and the right to use other properties leased under tenancy agreements are two separate groupings of assets which differ significantly in their nature and use. Accordingly, they are regarded by the Group as separate classes of asset for subsequent measurement policies in accordance with the above accounting policies. Specifically, registered ownership interests are carried under the revaluation model, while rights to use properties under tenancy agreements are carried at depreciated cost.

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

**(b) 應用上述會計政策時作出的重大會計判斷及存在的估計不明朗因素的來源**

*(i) 分類*

持作自用的租賃土地及樓宇的權益根據國際會計準則第16號，物業、廠房及設備分類，本集團選擇逐類採用成本模式或重估模式作為其持有的物業、廠房及設備項目的會計政策。於應用該政策時，本集團推斷其於租賃物業中的註冊所有權權益及根據租賃協議租賃的其他物業的使用權為兩個獨立的資產組合，其性質及用途存在顯著差異。因此，根據上述會計政策，本集團將其視為後續計量政策的獨立資產類別。具體而言，註冊擁有人權益根據重估模式列賬，而在租賃協議項下的使用財產的權利按折舊成本列賬。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

**(b) Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies (Continued)**

*(i) Classification (Continued)*

In making this judgement, the Group has taken into account that, as the registered owner of a leasehold property, the Group is able to benefit fully from any changes in the valuation of these properties whether as holding gains or by selling the property interest to others, as well as being able to use the properties in its operation free of paying market rents. In contrast, the shorter term tenancy agreements are typically for periods of no more than 10 years and are subject to other restrictions, in particular on transferability of the Group's tenancy rights to others. These shorter term tenancy agreements are executed in order to retain operational flexibility and to reduce the Group's exposure to the property market fluctuation.

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

**(b) 應用上述會計政策時作出的重大會計判斷及存在的估計不明朗因素的來源(續)**

*(i) 分類(續)*

於作出此判斷時，本集團已考慮到，作為租賃物業的註冊擁有人，本集團能夠從該等物業的估值變動中獲益(不論是持有收益或將物業權益出售予他人)以及能夠於經營時使用有關物業，毋須支付市值租金。相反，短期租賃協議通常不超過10年，並受其他限制，特別是本集團租賃權的可轉讓性。簽立該等短期租賃協議旨在保持運營靈活性並減少本集團面對物業市場波動的風險。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

**(b) Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies (Continued)**

*(ii) Determining the lease term*

As explained in the above accounting policies, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

**(b) 應用上述會計政策時作出的重大會計判斷及存在的估計不明朗因素的來源(續)**

*(ii) 釐定租賃期*

誠如上述會計政策所闡述，租賃負債以租賃期內應付租賃付款的現值進行初步確認。於開始日期釐定包含本集團可行使的續租權的租賃租期時，本集團會評估行使續租權之可能性，並考慮到所有能形成經濟誘因促使本集團行使續租權之相關事實及情況（包括有利條款、已作出之租賃裝修及該相關資產對本集團經營之重要性）。倘發生重大事件或情況出現重大變動而該等事件或變動受本集團控制，則將重新評估租賃期。租賃期的任何延長或縮短均會影響於未來年度確認的租賃負債及使用權資產金額。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

#### (c) Transitional impact

The Group has applied IFRS 16 using the modified retrospective approach with a date of initial application of 1 January 2019, under which the cumulative effect of initial application is recognised as at 1 January 2019. As a result, the comparative information presented in 2018 has not been restated and continues to be reported under IAS 17 and related interpretations as allowed by the transition provision in IFRS 16.

At the date of transition to IFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019.

The Group has elected to recognise all the right-of-use assets at 1 January 2019 for leases previously classified as operating leases under IAS 17 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position immediately before the date of initial application. For all these right-of-use assets, the Group has applied IAS 36 Impairment of Assets at 1 January 2019 to assess if there was any impairment as on that date.

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

#### (c) 過渡影響

本集團已採用經修訂的追溯法應用國際財務報告準則第16號，首次應用日期為二零一九年一月一日，根據該準則，初始應用的累計影響於二零一九年一月一日確認。因此，二零一八年提供的比較信息已根據國際財務報告準則第16號的過渡條款允許並未重列，並繼續根據國際會計準則第17號和相關解釋進行報告。

於過渡至國際財務報告準則第16號當日(即二零一九年一月一日)，本集團就先前分類為經營租賃的租賃按餘下租賃付款現值釐定餘下租期及計量租賃負債，並已使用二零一九年一月一日之相關增量借貸利率進行貼現。

本集團已選擇於二零一九年一月一日以相等於租至金確認所有先前根據國際會計準則第17號分類為經營租賃的租賃的使用權資產，並於首次應用日期前按予該等租賃有關而已於中和財務狀況表確認的任何預付或應計租賃付款調整。對於所有等使用權資產，本集團已於二零一九年一月一日應用國際會計準則第36號資產減值評估該日期是否存在任何減值。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

##### (c) Transitional impact (Continued)

The Group has applied the following practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; and (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 January 2019) and accounted for those leases as short-term leases.

As mentioned above, the Group has applied IFRS 16 using modified retrospective approach from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the simplified transition approach in the standard. The reclassifications and the adjustments arising from IFRS 16 are therefore recognised in the opening balances on 1 January 2019.

The following tables summarised the impact of transition to IFRS 16 on consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows (increase/(decrease)):

### 2. 重大會計政策(續)

#### (c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

##### (c) 過渡影響(續)

本集團已採用以下實際權宜方法：(i)對具有合理相似特徵的租賃組合採用單一折現率；(ii)對租賃期限在首次應用之日(二零一九年一月一日)起十二個月內終止的租賃採取豁免並不確認使用權資產和租賃負債，並將該等租賃作為短期租賃入賬；(iii)於二零一九年一月一日，在使用權資產的計量中不包括初始直接成本；(iv)如果合同包含延期或終止租賃的選擇權，則使用事後判斷法確定租賃條款。

如上所述，本集團自二零一九年一月一日起採用經修訂的追溯法採納國際財務報告準則第16號，但按該標準的簡化過渡方法所允許未有重報二零一八年報告期的比較數據。因此，國際財務報告準則第16號產生的重分類和調整在二零一九年一月一日的期初餘額中確認。

下表概述於二零一八年十二月三十一日及二零一九年一月一日本集團綜合財務狀況表採納國際財務報告準則第16號之影響：

RMB'000  
人民幣千元

#### Consolidated statement of financial position as at 1 January 2019

Right-of-use assets presented in property, plant and equipment  
Lease prepayments  
Current-portion of lease prepayments  
Lease liability

#### 於二零一九年一月一日的 綜合財務狀況表

於物業，廠房及設備內列示之  
使用權資產  
租賃預付款  
租賃預付款的即期部分  
租賃負債

45,559  
(44,183)  
(1,017)  
359

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

(c) **Transitional impact** (Continued)

The following table reconciles the operating lease commitments as disclosed in note 28(b) as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

		<b>1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元</b>
<b>Operating lease commitments at 31 December 2018</b>	<b>於二零一八年十二月三十一日的經營租賃承擔</b>	<b>584</b>
Less: commitments relating to leases exempt from capitalisation:	減：有關豁免資本化的租賃承擔：	
— short-term leases and other leases with remaining lease term ending on or before 31 December 2019	— 短期租賃及剩餘租期於二零一九年十二月三十一日或之前屆滿的其他租賃	<b>(205)</b>
Future interest expenses	未來利息支出	<b>(20)</b>
<b>Total lease liabilities recognised at 1 January 2019</b>	<b>於二零一九年一月一日確認的租賃負債總額</b>	<b>359</b>

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position at 31 December 2018.

先前分類為經營租賃的與租賃相關的使用權資產按等同於剩餘租賃負債確認的金額確認，並按於二零一八年十二月三十一日之財務狀況表中確認的租賃相關的任何預付或累計租賃款項金額予以調整。

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

(c) **過渡影響**(續)

下表載列於二零一八年十二月三十一日的經營租賃承擔與於二零一九年一月一日確認的租賃負債的年初結餘之對賬：

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

**(c) Transitional impact (Continued)**

The Group presents right-of-use assets that do not meet the definition of investment property in “property, plant and equipment” and presents lease liabilities separately in the consolidated statement of financial position.

The analysis of the net book value of the Group’s right-of-use assets by class of underlying assets at the end of the reporting period and at the date of transition to IFRS 16 is as follows:

		<b>At 31 December 2019 於二零一九年 十二月三十一日 RMB’000 人民幣千元</b>	At 1 January 2019 於二零一九年 一月一日 RMB’000 人民幣千元
Included in “Property, plant and equipment”:	計入「物業、廠房及設備」:		
Other properties leased for own use, carried at depreciated cost	按折舊成本列賬的租賃以供自用的其他物業	<b>214</b>	359
Lease payments for land use rights	土地使用權之租賃付款	<b>44,183</b>	45,200

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

**(c) 過渡影響(續)**

本集團將不符合「物業、廠房及設備」中投資物業定義的使用權資產及租賃負債於財務狀況表單獨呈列。

下列為本集團按相關資產類別劃分之使用權資產於結算日及過渡至國際財務報告準則第16號當日之賬面淨值分析：

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

#### (d) Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period and at the date of transition to IFRS 16 are as follows:

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

#### (d) 租賃負債

下列為本集團於結算日及過渡至國際財務報告準則第16號當日之租賃負債剩餘合約期限：

		At 31 December 2019 於二零一九年十二月三十一日		At 1 January 2019 於二零一九年一月一日	
		Present		Present	
		value of the minimum lease payments	Total minimum lease payments	value of the minimum lease payments	Total minimum lease payments
		最低租賃 付款的現值	最低租賃 付款總額	最低租賃 付款的現值	最低租賃 付款總額
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within 1 year	一年內	187	194	145	158
After 1 year but within 2 years	一年以上兩年以內	32	32	214	221
		219	226	359	379
Less: total future interest expenses	減：日後利息開支總額		(7)		(20)
<b>Present value of lease liabilities</b>	<b>租賃負債的現值</b>		<b>219</b>		<b>359</b>

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Adoption of new/revised IFRSs — effective 1 January 2019 (Continued)

**(d) Lease liabilities (Continued)**

Current and non-current portion of lease liabilities as at 31 December 2019 is represented in note 25.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position as at 31 December 2019 is 5.13% p.a.

(d) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

### 2. 重大會計政策(續)

(c) 採納新訂／經修訂國際財務報告準則 — 自二零一九年一月一日起生效(續)

**(d) 租賃負債(續)**

於二零一九年十二月三十一日，租賃負債的流動和非流動部分在附註25中列示。

截至二零一九年十二月三十一日，在合併財務狀況表中確認的適用於租賃負債的加權平均承租人增量借款利率為5.13%。

(d) 業務合併及綜合基準

綜合財務報表包括本集團之財務報表。集團公司間交易及內部公司結餘以及未實現之溢利於編制綜合財務報表時悉數對銷。未實現虧損亦作對銷，除非是項交易提供資產轉移減值證據，亦在損益中確認虧損。

年內已購入或出售的附屬公司業績分別由收購之日起或直至出售之日(倘適用)計入綜合全面收益表。如必要，則會對附屬公司的財務報表作出調整，以使其會計政策與本集團其他成員公司所使用者一致。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (d) Business combination and basis of consolidation (Continued)

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

### 2. 重大會計政策(續)

#### (d) 業務合併及綜合基準(續)

附屬公司或業務收購採用收購法入賬。收購成本按所轉讓資產、所產生負債及本集團(作為收購方)所發行的股權於收購日期的公平值總額計量。所收購可識別資產及所承擔負債則主要按收購日期的公平值計量。本集團先前所持被收購方的股權以收購日期的公平值重新計量，而所產生收益或虧損則於損益確認。本集團可按每宗交易選擇按公平值或按應佔被收購方可識別資產淨值的比例計量代表目前於附屬公司所有權權益的非控股權益。除非國際財務報告準則規定須採用其他計量基準，否則所有其他非控股權益均以公平值計量。所產生收購相關成本將予支銷，除非該等成本於發行權益工具時產生，在此情況下，則自權益扣除相關成本。

將由收購方轉讓之任何或然代價按收購日期之公平值確認。其後對代價之調整於調整源自於計量期(最長為收購日期起計12個月)內所取得有關於收購日期之公平值之新資料時，方於商譽確認。被分類為資產或負債之或然代價所有其他其後調整乃於損益中確認。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (d) Business combination and basis of consolidation (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

### 2. 重大會計政策(續)

#### (d) 業務合併及綜合基準(續)

當本集團失去對一家附屬公司的控制權，出售溢利或虧損為按以下兩者間的差額計算：(i) 已收代價公平值與任何保留權益公平值的總額；及(ii) 資產(包括商譽)過往賬面值以及附屬公司及任何非控股權益負債。先前於其他全面收益確認與附屬公司有關的金額按在相關資產或負債已出售情況下所規定的相同方式列賬。

收購後，代表目前於附屬公司所有權權益的非控股權益賬面值為初步確認時的該等權益金額，另加有關非控股權益其後應佔的權益變動。全面收入總額撥歸有關非控股權益，即使此會導致該等非控股權益出現虧絀結餘。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (e) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(n)).

### 2. 重大會計政策(續)

#### (e) 附屬公司

附屬公司指本集團控制的實體。當本集團對參與該實體業務的浮動回報承擔風險或享有權利以及能透過對該實體行使權力影響該等回報時，即本集團對該實體擁有控制權。於評估本集團是否擁有該權力時，僅會考慮本集團或其他人士持有的實質權力。

於附屬公司的投資自控制權開始當日計入綜合財務報表，直至控制權終止當日為止。集團內公司間的結餘、交易及現金流量，以及集團內公司間交易所產生的任何未變現溢利，在編製綜合財務報表時均全數抵銷。集團內公司間交易所產生的未變現虧損則僅在無出現減值證據的情況下以與抵銷未變現溢利的相同的方法抵銷。

於本公司的財務狀況表中，於附屬公司的投資按成本減減值虧損列賬(見附註2(n))。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (f) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(m)(i)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

### 重大會計政策(續)

#### (f) 聯營公司

聯營公司指本集團或本公司擁有重大影響力，但並無單獨或共同控制其管理事宜(包括參與財務及營運決策)之實體。

於聯營公司的投資在綜合財務報表中以權益法入賬。根據權益法，投資初步按成本入賬，並就本集團應佔被投資公司收購當日可識別資產淨值之公平值超出投資成本的部分(如有)作出調整。此後，該投資因本集團所佔被投資公司資產淨值份額於收購後的變動及與投資有關之任何減值虧損作出調整(見附註2(m)(i))。收購當日超出成本的任何部分、本集團年內應佔被投資公司收購後的稅後業績以及任何減值虧損於綜合損益表確認，而本集團應佔被投資公司收購後的稅後其他全面收益項目於綜合損益及其他全面收益表內確認。

當本集團應佔聯營公司的虧損超出應佔權益時，本集團的權益將調減至零，並且不再確認其他虧損，惟倘本集團須承擔法定或推定責任，或代表被投資公司付款則除外。就此而言，本集團的權益是按權益法計算的投資賬面值加上實質上屬於本集團對聯營公司投資淨額一部分的本集團長期權益。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (f) Associates (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Group's statement of financial position, investments in associates are stated at cost less impairment losses (see note 2(m)(i)).

#### (g) Goodwill

- (i) The aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the group's previously held equity interest in the acquiree; over
- (ii) The net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(n)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

### 重大會計政策(續)

#### (f) 聯營公司(續)

本集團與其聯營公司交易所產生的未變現損益，以本集團所佔被投資公司的權益為限抵銷，惟倘有證據顯示未變現虧損是由於所轉讓資產出現減值所致，則即時於損益確認。

於本集團的財務狀況表，於聯營公司的投資乃按成本減減值虧損(見附註2(m)(i))基準列賬。

#### (g) 商譽

- (i) 轉讓代價的公平值、於被收購方的任何非控股權益數額與集團先前所持被收購方股權的公平值的總和；與
- (ii) 於收購日期計量的被收購方可識別資產及負債的公平淨值。

當第(ii)項大於第(i)項，則此差額即時於損益賬按溢價收購收益確認。

商譽按成本減累計減值虧損列賬。業務合併產生的商譽被分配至預期透過合併的協同效應獲利的各現金產生單位或現金產生單位組別，並每年進行減值測試(見附註2(n))。

於年內的現金產生單位出售時，計算出售損益時計及已收購商譽的任何應估金額。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (h) Derivative financial instruments and other financial assets

Derivative financial instruments and other financial assets are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

#### (i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(n)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(z)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

### 2. 重大會計政策(續)

#### (h) 衍生金融工具

衍生金融工具初步按公平值確認。公平值於各報告期末重新計量。重新計量至公平值所產生的損益即時於損益表內確認。

#### (i) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬(見附註2(n))。

物業、廠房及設備的自建項目成本包括材料成本、直接工資、拆卸及搬遷項目以及恢復資產所在地原貌的成本的初步估計(如有關)及適當比例的生產間接費用及借貸成本(見附註2(z))。

物業、廠房及設備項目報廢或出售時產生的盈虧乃按出售所得款項淨額與項目的賬面值之間的差額釐定，盈虧於報廢或出售日期於損益表內確認。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (i) Property, plant and equipment (Continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over the estimated useful lives as follows:

— Buildings	The shorter of the unexpired term of lease and their estimated useful lives, being no more than 20 years after the date of completion
— Leasehold improvement	Over the unexpired term of lease but no more than 5 years
— Plant and machinery	10 years
— Furniture, fittings and equipment	5 years
— Motor vehicles	5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

#### (j) Construction in progress

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is stated at cost less impairment losses (see note 2(n)). Cost comprises direct costs of construction and installation during the construction period. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

No depreciation is provided in respect of the construction in progress until it is substantially completed and ready for its intended use.

### 2. 重大會計政策(續)

#### (i) 物業、廠房及設備(續)

於下述估計可使用年內使用直線法計算折舊，以撇銷物業、廠房及設備項目的成本減其估計剩餘價值(如有)計算：

— 樓宇	以未滿租約期與估計可使用年期較短者計算(即於竣工日期後不超過20年)
— 租賃物業裝修	以未滿租賃期限但不超過5年計算
— 廠房及機器	10年
— 傢俬、裝置及設備	5年
— 汽車	5年

資產的可使用年期及其剩餘價值(如有)每年均被檢討一次。

#### (j) 在建工程

在建工程指建造中的物業、廠房及設備以及待安裝的設備，按成本扣除減值虧損列賬(見附註2(n))。成本包括建造期間的直接建造及安裝成本。在資產大致上可作擬定用途時，該等成本將停止資本化，在建工程則撥入物業、廠房及設備項目內。

在建工程在大致竣工及可作擬定用途前，並不計提任何折舊。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (k) Lease prepayments

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

#### (l) Leasing

##### (a) Accounting policies applied from 1 January 2019

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

### 2. 重大會計政策(續)

#### (k) 租賃預付款

根據經營租賃持有的自用租賃土地的付款，是指獲得承租人佔用的房地產的長期權益的前期付款。這些付款均按成本列示，並在租賃期內按直線法攤銷為支出。

#### (l) 租賃

##### (a) 自二零一九年一月一日起應用的會計政策

所有租賃(不論為經營租賃或融資租賃)須於財務狀況表資本化為使用權資產及租賃負債，惟存在會計政策供實體選擇，可選擇不將(i)屬短期租賃的租賃及/或(ii)相關資產為低價值的租賃進行資本化。本集團已選擇不就低價值資產以及於開始日期租賃期少於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (l) Leasing (Continued)

##### (a) Accounting policies applied from 1 January 2019 (Continued)

###### *Right-of-use asset*

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Depreciation is calculated using the straight-line method over the lease term.

### 2. 重大會計政策(續)

#### (l) 租賃(續)

##### (a) 自二零一九年一月一日起應用的會計政策(續)

###### *使用權資產*

使用權資產須按成本確認並將包括：(i)租賃負債之初步計量金額(見下文有關租賃負債入賬之會計政策)；(ii)於開始日期或之前作出之任何租賃付款減任何已收取之租賃優惠；(iii)承租人產生之任何初步直接成本及(iv)承租人在租賃條款及條件規定之情況下拆除及移除相關資產時將產生之估計成本，惟該等成本乃因生產存貨而產生者除外。本集團應用成本模型計量使用權資產。根據成本模型，本集團按成本減任何累計折舊及任何減值虧損計量使用權並就租賃負債的任何重新計量作出調整。折舊是在租賃期內使用直線法計算。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (l) Leasing (Continued)

##### (a) Accounting policies applied from 1 January 2019 (Continued)

###### Leased liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

### 2. 重大會計政策(續)

#### (l) 租賃(續)

##### (a) 自二零一九年一月一日起應用的會計政策(續)

###### 租賃負債

租賃負債應按於租賃開始日期未付之租賃付款之現值確認。租賃付款將按租賃隱含利率(倘該利率可輕易釐定)貼現。倘該利率無法輕易釐定，本集團將採用本集團之增量借款利率。

以下在租賃期內之相關使用權資產付款(於租賃期開始日並未支付)已被視為租賃付款：(i) 固定付款減應收的任何租賃激勵；(ii) 取決於指數或利率的可變租賃付款，在開始日期使用指數或利率進行初始計量；(iii) 預期承租人根據殘值擔保應支付的金額；(iv) 如果承租人有合理確定的理由行使購股權，則行使購股權的行使價；以及(v) 如果租賃期限反映承租人行使了終止租賃權的承租人，則支付終止租賃的罰款。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (l) Leasing (Continued)

##### (a) Accounting policies applied from 1 January 2019 (Continued)

###### *Leased liability (Continued)*

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

###### *Accounting as a lessor*

The Group has leased out its investment property to a number of tenants. 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 recognised as an expense on the straight-line basis over the lease term.

### 2. 重大會計政策(續)

#### (l) 租賃(續)

##### (a) 自二零一九年一月一日起應用的會計政策(續)

###### *租賃負債(續)*

於開始日期後，本集團將透過下列方式計量租賃負債：(i)增加賬面值以反映租賃負債之利息；(ii)減少賬面值以反映作出之租賃付款；及(iii)重新計量賬面值以反映任何重估或租賃修改，如指數或利率變動導致日後租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產之評估變動。

###### *作為出租人之會計處理*

本集團已出租其灘塗予若干租戶。經營租賃的租金收入於相關租期內按直線法於損益中確認。磋商及安排經營租賃所產生的初始直接成本被附加於租賃資產的賬面值及於租期內按直線法確認為開支。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (l) Leasing (Continued)

##### (b) Accounting policies applied until 31 December 2018

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

##### *The Group as lessor*

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the 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 recognised as an expense on the straight-line basis over the lease term.

##### *The Group as lessor*

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

### 2. 重大會計政策(續)

#### (l) 租賃(續)

##### (b) 應用至二零一八年十二月三十一日的會計政策

當租賃條款實質上將所有權的絕大部分風險及回報轉移至承租人，則分類為融資租賃。所有其他租賃被分類為經營租賃。

##### *本集團作為出租人*

根據融資租賃應收承租人款項按本集團對租賃的淨投資額記錄為應收款項。融資租賃收入已分配至會計期間，以便反映了本集團有關租賃的未償還淨投資的固定定期收益率。

經營租賃租金收入於相關租約期間按直線法於損益確認。商討及安排經營租賃時產生的起始直接成本加入租賃資產的賬面值，並於租約期間按直線法確認為開支。

##### *本集團作為承租人*

根據融資租賃持有的資產最初按其公允價值或最低租賃付款額的現值(如果較低)確認為資產。相應的租賃承諾顯示為負債。租賃付款在資本和利息之間進行分析。利息部分在租賃期間從損益中扣除，並進行計算，使其代表租賃負債的恆定比例。資本成分減少了應付給出租人的餘額。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (l) Leasing (Continued)

##### (b) Accounting policies applied until 31 December 2018 (Continued)

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

#### (m) Financial Instruments

##### (i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### 2. 重大會計政策(續)

#### (l) 租賃(續)

##### (b) 應用至二零一八年十二月三十一日的會計政策(續)

根據經營租賃應付的租金總額於租約期間按直線法於損益確認，惟倘具另一有系統基準更能代表所消耗租賃資產經濟利益的時間模式則除外。已收租賃優惠於租約期間確認為租金開支總額的組成部分。

為進行租賃分類之目的，物業租賃之土地和建築物元素已被分開考慮。

#### (m) 金融工具

##### (i) 金融資產

按公平值計入損益(「按公平值計入損益」)的金融資產(並不包含重大融資部分的貿易應收款項除外)初步按公平值加上或與其收購或發行直接相關的交易所計量。並無重大融資部分的貿易應收款項初步按交易價格計量。

所有常規方式買賣的金融資產概於交易日(即本集團承諾買賣該資產之日)予以確認。常規方式買賣乃指遵循一般法規或市場慣例在約定時間內交付資產的金融資產買賣。

確定具有嵌入衍生工具之金融資產之現金流量是否僅為支付本金及利息時，需從金融資產之整體進行考慮。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (m) Financial Instruments (Continued)

##### (i) Financial assets (Continued)

###### Debt instruments

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

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

**Fair value through other comprehensive income ("FVOCI"):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through OCI. Debt investments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

### 2. 重大會計政策(續)

#### (m) 金融工具(續)

##### (i) 金融資產(續)

###### 債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及該項資產之現金流量特點。本集團將其債務工具分類為三種計量類別：

**攤銷成本：**為收取合約現金流量而持有，且現金流量僅為支付本金及利息之資產按攤銷成本計量。按攤銷成本計量的金融資產隨後使用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益中確認。終止確認的任何收益於損益中確認。

**按公平值計入其他全面收入**（「按公平值計入其他全面收入」）：持作收回合約現金流量及出售金融資產之資產，如該等資產現金流量僅指支付本金及利息，則按公平值計入其他全面收入計量。按公平值計入其他全面收入的債務工具隨後按公平值計量。使用實際利率法計算的利息收入、匯兌收益及虧損以及減值於損益中確認。其他收益及虧損淨額於其他全面收入中確認。於終止確認時，其他全面收入中累計的收益及虧損重新分類至損益。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (m) Financial Instruments (Continued)

##### (i) Financial assets (Continued)

###### Debt instruments (Continued)

Fair value through profit or loss ("FVTPL"): Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

### 2. 重大會計政策(續)

#### (m) 金融工具(續)

##### (i) 金融資產(續)

###### 債務工具(續)

按公平值計入損益(「按公平值計入損益」): 按公平價值計入損益的金融資產包括持作買賣的金融資產，於初步確認時指定按公平價值計入損益的金融資產，或強制要求按公平價值計量的金融資產。倘為於近期出售或購回而收購金融資產，則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產，不論其業務模式如何，均按公平價值計入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公平價值計入其他全面收入分類，但於初步確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公平價值計入損益。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (m) Financial Instruments (Continued)

##### (i) Financial assets (Continued)

###### Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables, contract assets, financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### 2. 重大會計政策(續)

#### (m) 金融工具(續)

##### (i) 金融資產(續)

###### 股本工具

於初步確認並非持作買賣用途的股本投資時，本集團可不可撤回地選擇於其他全面收益中呈列投資公平值的後續變動。該選擇乃按投資逐項作出。按公平值計入其他全面收入的股本投資按公平值計量。股息收入於損益內確認，除非股息收入明確表示收回部分投資成本。其他收益及虧損淨額於其他全面收入確認且不會重新分類至損益。所有其他股本工具分類為按公平值計入損益，據此，公平值、股息及利息收入的變動均於損益確認。

本集團就貿易應收款項、按攤銷成本計量的金融資產及按公平值計入其他全面收入計量的債務工具確認預期信貸虧損「預期信貸虧損」的虧損撥備。預期信貸虧損按以下方式之一計量：(1)12個月的預期信貸虧損：於報告日期後十二個月內可能發生的違約事件而導致的預期信貸虧損；及(2)整個存續期預期信貸虧損：金融工具在整個預計存續期內所有可能發生的違約事件而導致的預期信貸虧損。於估計預期信貸虧損時所考慮的最長期間為本集團面臨信貸風險的最長合約期間。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (m) Financial Instruments (Continued)

##### (i) Financial assets (Continued)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables and contract assets using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

### 2. 重大會計政策(續)

#### (m) 金融工具(續)

##### (i) 金融資產(續)

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損按根據合約應付本集團之所有合約現金流量與本集團預期將收取之所有現金流量間之差額計量。該差額其後按資產原有實際利率相近之比率貼現。

本集團已選擇使用國際財務報告準則第9號的簡化方法計量貿易應收款項及支付予供應商之按金的虧損撥備並根據整個存續期預期信貸虧損計算預期信貸虧損。本集團已根據本集團過往信貸虧損經歷而建立撥備模型，並因應債務人的特定前瞻性因素及經濟環境而作出調整。

對於其他債務金融資產，預期信貸虧損乃基於12個月的預期信貸虧損。然而，倘信貸風險自開始以來大幅增加，撥備將以整個存續期預期信貸虧損為基準。

當釐定金融資產之信貸風險自初步確認起是否顯著增加及於估計預期信貸虧損時，本集團會考慮相關及毋須付出過多成本或努力即可獲得的合理及有理據的資料。有關資料包括根據本集團過往經驗及已知信貸評估得出的定量及定性資料分析，並包括前瞻性資料。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (m) Financial Instruments (Continued)

##### (i) Financial assets (Continued)

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) a breach of contract such as a default or past due event.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit-impaired financial assets interest income is calculated based on the gross carrying amount.

##### (ii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

### 2. 重大會計政策(續)

#### (m) 金融工具(續)

##### (i) 金融資產(續)

本集團認為金融資產於下列情況下屬信貸減值：(1) 借款人不可能在本集團無追索權採取行動(例如：變現抵押品(如持有))的情況下向本集團悉數履行其信貸義務；或(2) 違反合約，如違約或逾期事件。

信貸減值金融資產的利息收入乃按金融資產的攤銷成本(即賬面總值減虧損撥備)計算。就非信貸減值金融資產而言，其利息收入乃根據賬面總值計算。

##### (ii) 金融負債

本集團視乎金融負債產生的目的將其金融負債分類。按公平值計入損益的金融負債初步按公平值計量及按攤銷成本計量的金融負債初步按公平值減所產生的直接應佔成本計量。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (m) Financial Instruments (Continued)

##### (ii) Financial liabilities (Continued)

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

### 2. 重大會計政策(續)

#### (m) 金融工具(續)

##### (ii) 金融負債(續)

*按公平值計入損益的金融負債*

按公平值計入損益的金融負債包括持作買賣的金融負債及於初步確認時指定按公平值計入損益的金融負債。

倘金融負債之收購目的為於短期內銷售，則分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟獲指定為有效對沖工具則除外。持作買賣負債收益或虧損於損益確認。

倘一份合約包含一項或多項嵌入式衍生工具，則整份混合合約或會指定為按公平值計入損益之金融負債，惟倘嵌入式衍生工具不會對現金流量造成重大變動或明確禁止將嵌入式衍生工具分開則除外。

倘符合下列條件，金融負債或會於初步確認時指定為按公平值計入損益：(i)此舉將消除或大幅減少因按不同基準計量負債或確認其收益或虧損所產生之不一致處理方法；(ii)該等負債屬受管理且根據明文規定之風險管理策略按公平值基準評估表現之一組金融負債之一部分；或(iii)該金融負債包含須分開記錄之嵌入式衍生工具。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (m) Financial Instruments (Continued)

##### (ii) Financial liabilities (Continued)

*Financial liabilities at fair value through profit or loss (Continued)*

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the consolidated statement of profit or loss does not include any interest charged on these financial liabilities.

*Financial liabilities at amortised cost*

Financial liabilities at amortised cost including trade and other payables, borrowings, certain preference shares and the debt element of convertible loan note issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

### 2. 重大會計政策(續)

#### (m) 金融工具(續)

##### (iii) 金融負債(續)

*按公平值計入損益的金融負債(續)*

初步確認後，按公平值計入損益的金融資產按公平值計量，而公平值的變動則於出現變動期間於損益中確認，惟本集團本身信貸風險產生的於其他全面收入呈列且其後並無重新分類至損益表的收益及虧損除外。於損益表確認的公平值收益或虧損淨額並不包括任何向該等金融負債所扣除的任何利息。

*按攤銷成本計量的金融負債*

按攤銷成本計量的金融負債包括貿易及其他應付款項、借款、若干優先股及本集團發行之可轉換貸款票據之債務部分，其後使用實際利率法按攤銷成本計量。有關利息開支於損益確認。

收益或虧損於終止確認負債時透過攤銷於損益中確認。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (m) Financial Instruments (Continued)

##### (iii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

##### (iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

### 2. 重大會計政策(續)

#### (m) 金融工具(續)

##### (iv) 實際利息法

實際利息法為計算金融資產或金融負債攤銷成本以及分配相關期間的利息收入或利息開支的方法。實際利率為透過金融資產或負債預期年期或(如用)較短期間準確折現估計未來現金收款或付款的利率。

##### (v) 終止確認

當就金融資產之未來現金流量的合約權利屆滿時，或金融資產已轉讓且該轉讓符合國際財務報告準則第9號之終止確認規定，本集團會終止確認該項金融資產。

當相關合約中訂明之責任獲解除、註銷或到期時，會終止確認金融負債。

倘由於重新磋商金融負債之條款，本集團向債權人發行其自身股本工具以支付全部或部分之金融負債，則已發行之股本工具為已付代價並於抵銷金融負債或其部分日期按彼等之公平值初步確認及計量。倘已發行股本工具之公平值不能可靠計量，則股本工具將計量以反映所抵銷金融負債之公平值。所抵銷金融負債或其部分之賬面值與已付代價之差額於年內損益中確認。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (n) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- lease prepayments included in right-of-use assets;
- leased properties included in right-of-use assets;
- goodwill;
- non-current prepayments for acquisitions of property, plant and equipment; and
- investments in subsidiaries in the Company's statement of financial position.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another IFRS, in which case the impairment loss is treated as a revaluation decrease under that IFRS.

### 2. 重大會計政策(續)

#### (n) 資產減值(金融資產除外)

於各報告期末，本集團檢視以下資產的賬面值以決定有否跡象顯示該等資產出現減值虧損或之前確認的減值虧損不再存在或可能已減少：

- 物業、廠房及設備；
- 包括在使用權資產之租賃預付款；
- 包括在使用權資產之租賃物業；
- 商譽；
- 收購物業、廠房及設備的非即期預付款；及
- 本公司財務狀況表內附屬公司投資。

倘資產的可收回金額(即公平值減出售成本與使用價值兩者中的較高者)估計低於其賬面值，則將該資產的賬面值減低至其可收回金額。減值虧損即時確認為開支，除非相關資產以另一項國際財務報告準則項下的重估金額入賬，在該情況下，減值虧損將被視為國際財務報告準則項下的重估減幅。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (n) Impairment of assets (other than financial assets) (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another IFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that IFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, 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 cash generating unit.

#### (o) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

### 2. 重大會計政策(續)

#### (n) 資產減值(非金融資產)(續)

倘減值虧損於其後撥回，資產的賬面值增加至其可收回金額的經修訂估計值，惟增加後的賬面值不能超過倘該資產過往年度並無確認減值虧損而原應釐定的賬面值。減值虧損的撥回即時確認為收入，除非相關資產以另一項國際財務報告準則項下的重估金額入賬，在該情況下，減值虧損撥回將被視為國際財務報告準則項下的重估增幅。

使用價值乃根據預期將源自資產的估計未來現金流量釐定，按使用可反映金錢時間值的現行市場評估以及有關資產或現金產生單位的特定風險的稅前貼現率貼現。

#### (o) 存貨

存貨以成本及可變現淨值兩者中之較低者入賬。

成本乃採用加權平均成本公式計算，並包括所有採購成本、兌換成本及將存貨運至現址和變成現狀之其他成本。

可變現淨值乃日常業務過程中之估計售價減估計完成成本及估計銷售所需之成本。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (o) Inventories (Continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### (p) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less ECLs (see note 2(m)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less ECLs (see note 2(m)(i)).

#### (q) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using an effective interest method.

### 2. 重大會計政策(續)

#### (o) 存貨(續)

存貨出售時，該等存貨之賬面值於確認有關收益的期間確認為開支。存貨撇減至可變現淨值的金額及所有存貨虧損一概在撇減或虧損產生期間確認為開支。任何撇減存貨的任何撥回確認為在作出撥回期間已確認為開支之存貨金額減少。

#### (p) 貿易及其他應收款項

貿易及其他應收款項先按公平值確認，其後採用實際利息法按攤銷成本減呆賬減值撥備入賬(見附註2(m)(i))，但如應收款項為向關聯方提供的並無固定償還期的免息貸款或其貼現影響並不重大則除外。在該等情況下，應收款項將按成本減預期信貸虧損入賬(見附註2(m)(i))。

#### (q) 計息借貸

計息借貸初步按公平值減應佔交易成本的方式確認。在初步確認後，計息借貸以攤銷成本連同初步確認金額與於借款期內在損益表內確認的贖回價值之間的差額，以及用實際利息法計算的任何利息及應付費用列賬。



# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (r) Trade and other payables

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

#### (s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

#### (t) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

#### (u) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

### 2. 重大會計政策(續)

#### (r) 貿易及其他應付款項

貿易及其他應付款項初始按公平值確認，其後按攤銷成本入賬，但如貼現影響並不重大，則按成本入賬。

#### (s) 現金及現金等價物

現金及現金等價物包括銀行結餘及手頭現金、銀行及其他金融機構活期存款，以及可即時轉換為已知金額現金的短期及高流通性投資，其價值變動風險並不重大，並在購入起計三個月內到期。

#### (t) 僱員福利

工資、年度花紅、帶薪年假、定額供款退休計劃的供款及非貨幣福利成本於僱員提供相關服務年度內計付。倘推延付款或結算且影響重大時，則按有關金額的現值列賬。

#### (u) 所得稅

年內所得稅包括即期稅項及遞延稅項資產及負債的變動。即期稅項及遞延稅項資產及負債的變動乃於損益表內確認，惟與於其他綜合收益確認或直接於權益確認的項目有關者則除外，在該等情況下有關稅額分別於其他綜合收益確認或直接於權益確認。

即期稅項乃年內應課稅收入的預期應繳稅項(稅率為於報告期間結束時已頒佈或實質頒佈的稅率)及以往年度應繳稅項的任何調整。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (u) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

### 2. 重大會計政策(續)

#### (u) 所得稅(續)

遞延稅項資產及負債分別源自可扣稅及應課稅暫時差額，即財務申報的資產及負債的賬面值與彼等稅基的差額。遞延稅項資產亦源自未動用稅項虧損及未動用稅項抵免。

除若干少數例外情況外，將於可能有日後應課稅溢利抵銷可動用資產時確認所有遞延稅項負債及遞延稅項資產。在現有可扣稅暫時差額有關同一稅務主管機構及同一課稅實體，並預期在可扣稅暫時差額預計撥回的同一期間或遞延稅項資產所產生稅項虧損可撥回或結轉的期間撥回的情況下，可支持因可扣稅暫時差額而產生的遞延稅項資產的未來應課稅溢利，會包括由現有應課稅暫時差額撥回而產生的部分。如該等差額與相同稅務機關及相同稅務實體有關，並預期可於動用稅項虧損或稅項抵免期間撥回，則釐定現有應課稅暫時差額是否足以確認源自未動用稅項虧損及稅項抵免的遞延稅項資產時，亦採納相同準則。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (u) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided that they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

### 2. 重大會計政策(續)

#### (u) 所得稅(續)

確認遞延稅項資產及負債的少數例外情況包括就稅項目的不可扣減商譽、不影響會計或應課稅溢利的資產或負債的初次確認所產生的暫時差異(如不屬於業務合併的一部分)以及有關於附屬公司投資的暫時性差異，如屬應課稅差異，則僅限於本集團可以控制撥回的時間且在可預見的將來不大可能撥回的差異，如屬可扣稅差異，則僅限於很可能在將來撥回的差異。

已確認的遞延稅項金額乃按照資產及負債賬面值的預期變現或清償方式，根據於報告期間結束時已頒佈或實質頒佈的稅率計算。遞延稅項資產及負債不予貼現。

遞延稅項資產的賬面值會於各報告期間結束時進行檢討，並在不再可能產生足夠的應課稅溢利以使用有關的稅務利益時作調減。若可能存在足夠的應課稅溢利供利用，則任何該等扣減將被撥回。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (u) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

### 2. 重大會計政策(續)

#### (u) 所得稅(續)

即期稅項結餘及遞延稅項結餘與其變動將分開列示，且不會對銷。倘本公司或本集團有法定行使權以即期稅項資產抵銷即期稅項負債，且符合下列附帶條件，則即期稅項資產及遞延稅項資產可分別抵銷即期稅項負債及遞延稅項負債：

- 對於即期稅項資產及負債，本公司或本集團計劃按淨額結算或同時變現資產及清償負債；或
- 對於遞延稅項資產及負債，則該等資產及負債須與同一稅務機關就以下其中一項徵收的所得稅有關：
  - 同一課稅實體；或
  - 計劃在預期須清償或收回大額遞延稅項負債或資產的每個未來期間，按淨額或同時變現即期稅項資產與清償即期稅項負債的不同課稅實體。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (v) Provisions and contingent liabilities

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

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

#### (w) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

### 2. 重大會計政策(續)

#### (v) 撥備及或然負債

當本公司或本集團因過往事件而須承擔法律或推定責任，而履行該責任可能會導致經濟利益外流，並可作出可靠的估計時，則須就該等時間或數額不定的負債計提撥備。倘金額涉及重大時間價值，則有關撥備按履行責任的預期開支的現值列賬。

倘不大可能發生經濟利益流出，或相關金額未能可靠估計，則須披露有關責任為或然負債，惟不可能發生經濟利益流出者除外。當潛在責任須視乎一項或多項未來事件是否發生方可確定是否存在，則該等責任亦披露為或然負債，惟經濟利益流出發生機會甚微者除外。

#### (w) 收益確認

客戶合約收益在貨物或服務控制權按本集團預期有權就該等貨物或服務獲取的代價(不包括代表第三方收取的該等金額)的金額轉讓予客戶時確認。收益不包括增值稅或其他銷售稅，並經扣減任何貿易折讓。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (w) Revenue recognition (Continued)

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- 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.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

#### (i) Sale of goods

The principal activities of the Group are manufacturing and sales of outdoor wooden products, retail sales of outdoor wooden products through self-operated retail shops and manufacturing and sales of renewable energy products.

The Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question. There is generally only one performance obligation. Invoices are usually payable within 90–180 days.

### 2. 重大會計政策(續)

#### (w) 收益確認(續)

視乎合約條款及適用於合約的法律，貨物或服務的控制權可隨時間或於某一時間點轉移。倘本集團在履約過程中滿足下列各項，則貨物或服務的控制權隨時間轉移：

- 提供客戶同時收取及消耗的所有利益；
- 本集團履約時創建並提升客戶所控制的資產；或
- 並無創建對本集團有替代用途的資產，且本集團可強制執行其權利收回至今已完履約部分的款項。

倘貨物或服務的控制權隨時間轉移，收益會參考整個合約期間完成履約義務的進度進行確認。否則，收益於客戶獲得貨物或服務的控制權時的某一時間點確認。

#### (i) 銷售貨品

本集團的主要業務為生產及銷售戶外木製品、透過自營零售店零售戶外木製品以及生產及銷售再生能源產品。

本集團的收益來自銷售貨品，其收益於貨品控制權轉移至客戶時確認。這通常是將貨物交付給客戶之時。識別點控制轉移所需的判斷有限：一旦將產品實際交付至協定地點，本集團不再實質上擁有此產品，一般將擁有現時收取款項的權利（交付時一次性付款），但不保留有關貨品的重大風險及回報。通常僅會有一項履約責任。賬單通常於90–180日內支付。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (w) Revenue recognition (Continued)

##### (ii) Other income

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

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

##### (iii) Contract assets and liabilities

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. 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.

#### (x) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset. An unconditional government grant is recognised in profit or loss as other revenue when the grant becomes receivable.

### 2. 重大會計政策(續)

#### (w) 收益確認(續)

##### (ii) 其他收入

銀行存款的利息收入於應計時以實際利息法確認。

非上市投資的股息收入於股東收取付款的權利確定時確認。

##### (iii) 合約資產及負債

合約資產指本集團就向客戶換取本集團已轉讓的貨品或服務收取代價的權利(尚未成為無條件)。相反，應收款項指本集團收取代價的無條件權利，即只需隨時間推移代價即須到期支付。

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

#### (x) 政府補貼金

倘可合理確定能夠收取政府補貼金，而本集團將遵守當中所附帶條件，則政府補貼金將於財務狀況表內確認。補償本集團所產生開支的補貼金會於產生開支的同一期間，有系統地於損益賬中確認為收入。補償本集團資產成本的補貼金確認為遞延收入，於相關資產可用年期內系統地於損益內確認。當補貼金可收取時無條件政府補貼金於損益內確認為其他收益。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (y) Translation of foreign currencies

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of operations with functional currency other than Renminbi are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of transactions. Statement of financial position items including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation with functional currency other than Renminbi, the cumulative amount of the exchange differences relating to that operation with functional currency other than Renminbi is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

### 2. 重大會計政策(續)

#### (y) 外幣兌換

期內進行的外幣交易乃按適用於交易日期的匯率換算。以外幣計值的貨幣資產及負債乃按適用於報告期間結束時的匯率換算。匯兌收益及虧損於損益表內確認。

以外幣按歷史成本計量的非貨幣資產及負債乃按適用於交易日期的匯率換算。

功能貨幣並非人民幣的經營業績乃按與於交易日期的匯率相若的匯率換算為人民幣。財務狀況表項目(包括於二零零五年一月一日或之後合併海外業務產生的商譽)乃按於報告期間結束時匯率換算為人民幣。有關匯兌差額於其他綜合收入確認及於匯兌儲備的權益內獨立累計。

在出售以人民幣以外的功能貨幣計值的業務時，與該業務有關的匯兌差額累計金額乃於確認出售損益時由權益重新分類至損益。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (z) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

#### (aa) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- i. has control or joint control over the Group;
  - ii. has significant influence over the Group; or
  - iii. is a member of the key management personnel of the Group or the Group's parent.

### 2. 重大會計政策(續)

#### (z) 借貸成本

直接涉及收購、建造及生產資產(即必須於一定時間後方能投入作擬定用途或出售的資產)的借貸成本均會資本化作為該資產的部分成本。其他借貸成本於其產生期間確認為開支。

借貸成本乃於產生資產的開支、產生借貸成本及有關籌備資產作其擬定用途或出售所需的活動進行時資本化作為達標資產的部分成本。當所有有關籌備達標資產作其擬定用途或出售所需的活動大致上中斷或完成時，即暫時中止或停止資本化借貸成本。

#### (aa) 關聯方

- (a) 倘一名人士符合下列條件，則該名人士或其近親與本集團有關聯：
- i. 控制或共同控制本集團；
  - ii. 對本集團有重大影響；或
  - iii. 為本集團或本集團母公司的主要管理層成員。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (aa) Related parties (Continued)

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

### 2. 重大會計政策(續)

#### (aa) 關聯方(續)

- (b) 倘一間實體符合下列任何條件，則該實體與本集團有關聯：
- i. 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
  - ii. 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司的集團旗下成員公司的聯營公司或合營企業)。
  - iii. 兩間實體均為同一第三方的合營企業。
  - iv. 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司，反之亦然。
  - v. 實體為本集團或與本集團有關聯的實體就僱員福利設立的離職福利計劃。
  - vi. 實體受(a)所述人士控制或受共同控制。
  - vii. (a)(i)所述人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
  - viii. 實體或構成集團一部分的任何集團成員公司為集團或集團母公司提供主要管理人員服務。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (aa) Related parties (Continued)

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- i. that person's children and spouse or domestic partner;
- ii. children of that person's spouse or domestic partner; and
- iii. dependents of that person or that person's spouse or domestic partner.

#### (bb) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### 2. 重大會計政策(續)

#### (aa) 關聯方(續)

- (b) 倘一間實體符合下列任何條件，則該實體與本集團有關聯：(續)

某名人士的近親指在與該實體進行交易的過程中預計會影響該名人士或受其影響的家庭成員並包括：

- i. 該人士的子女及配偶或同居夥伴；
- ii. 該名人士的配偶或同居夥伴的子女；及
- iii. 該名人士或該名人士的配偶或同居夥伴的家屬。

#### (bb) 分部呈報

經營分部及財務報表所呈報的各分部項目金額，乃根據就分配資源予本集團各業務及地區分部及評估其表現而定期提供予本集團最高層管理人員的財務資料而確定。

就財務申報而言，個別重要營運分部不會聚合呈報，除非有關分部具有類似經濟特徵以及在產品及服務性質、生產程序性質、客戶類型或類別、分銷產品或提供服務所採用的方式及監管環境性質方面類似。倘獨立而言並非屬重要的營運分部共同擁有上述大部分特徵，則可聚合呈報。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 3. ACCOUNTING JUDGEMENTS AND ESTIMATES

#### Key sources of estimation uncertainty

The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the consolidated financial statements.

#### (i) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and distribution expenses. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles or changes in market conditions. Management reassesses these estimations at the end of the reporting period to ensure inventory is shown at the lower of cost and net realisable value.

#### (ii) Impairment of trade receivables

The impairment of trade receivables are based on assumptions about risk of default and expected credit loss rates. Management adopts judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, existing market conditions including forward looking estimates at the end of the reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables and impairment losses in the periods in which such estimate has been changed.

### 3. 會計判斷及估計

#### 估計不明朗因素的主要來源

本集團相信，下列關鍵會計政策涉及編製綜合財務報表所用的最重大判斷及估計。

#### (i) 存貨可變現淨值

存貨可變現淨值為日常業務過程中的估計售價減估計完工成本及分銷成本。該等估計乃基於現行市況及銷售類似性質產品的過往經驗進行。其可能因競爭對手為應對重大的產業週期或市況變動而作出的行動發生重大變動。管理層於報告期間結束時重新評估該等估計，以確保存貨以成本及可變現淨值中的較低者列賬。

#### (ii) 貿易應收款項的減值

貿易應收款項的減值乃以有關違約風險及預期信貸虧損率的假設為基準。管理層於作出該等假設及選擇計算相關減值虧損的輸入數據時應用判斷，該判斷大致以客戶可得歷史數據、現行市場狀況(包括報告期末的前瞻性估計)為基準。

倘有關預期與原估計有所不同，則相關差異將對相關估計變動期間的貿易應收款項及減值虧損的賬面值造成影響。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 3. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

#### (iii) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The management reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

#### (iv) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. Management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of these transactions are reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets, if any, are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

### 3. 會計判斷及估計(續)

估計不明朗因素的主要來源(續)

#### (iii) 折舊

物業、廠房及設備項目乃經計及估計剩餘價值後於資產的估計使用年期內按直線基準折舊。管理層會定期審閱資產的估計使用年期，以釐定任何報告期間內所記錄的折舊開支金額。使用年期乃根據本集團的類似資產的過往經驗及經計及預計技術變動計算。倘實際情況與過往估計存在重大差異，則會調整未來期間的折舊開支。

#### (iv) 所得稅

釐定所得稅撥備涉及對若干交易未來稅項優惠的判斷。管理層會審慎評估交易的稅項影響及相應建立的稅項撥備。該等交易的稅項優惠會定期被檢視，以計及稅務法的所有變更。遞延稅項資產乃就可扣除暫時差額作出確認。由於該等遞延稅項資產僅可在可能獲得未來應課稅溢利時確認，故管理層須評估未來應課稅溢利的可能性。倘未來應課稅溢利可能有助於遞延稅項資產收回，則會不斷審閱管理層評估及確認額外遞延稅項資產(如有)。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 3. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (v) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to profit or loss.

### 3. 會計判斷及估計(續)

#### 估計不明朗因素的主要來源(續)

##### (v) 物業、廠房及設備減值

倘有事件或情況變動顯示賬面值可能不可收回時，本集團會審閱物業、廠房及設備的減值。可收回金額已按使用價值計算或公平值減出售成本釐定。該等計算要求使用判斷及估計。

管理層須判斷資產減值範疇，尤其是評估：(i)是否已發生可能顯示有關資產價值或不可收回的事件；(ii)可收回金額(即公平值減出售成本及按於業務中持續使用資產估計的未來現金流量淨現值兩者中的較高者)能否支持該項資產的賬面值；及(iii)於編製現金流量預測中應用的適當主要假設，包括該等現金流量預測是否使用適當貼現率貼現。倘管理層用以評估減值的假設(包括現金流量預測中採用的貼現率或增長率假設)改變，則可能會對減值測試中所使用的淨現值產生重大影響，因而影響本集團的財務狀況及經營業績。若預計表現及相應未來現金流量預測出現重大不利變動，則可能須在損益中扣除減值開支。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 3. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (vi) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures a number of items at fair value:

- Financial instruments (note 33(f)).

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

### 3. 會計判斷及估計(續)

#### 估計不明朗因素的主要來源(續)

##### (vi) 公平值計量

計入本集團財務報表之多項資產及負債須按公平值計量，及/或作出公平值披露。

本集團金融及非金融資產及負債之公平值計量盡可能使用市場可觀察輸入數據及數值。釐定公平值計量所使用之輸入數據乃基於於估值方法中所使用輸入數據的可觀察程度分為不同的等級(「公平值等級」):

- 第一級：相同項目於活躍市場所報價格(未經調整)；
- 第二級：第一級輸入數據以外直接或間接可觀察輸入數據；
- 第三級：不可觀察輸入數據(即無法自市場數據衍生)。

分類為上述等級的項目乃基於所使用對該項目公平值計量產生重大影響之最低等級輸入數據確定。等級之間項目轉撥於其產生期間確認。

本集團按公平值計量多個項目：

- 金融工具(附註33(f))。

有關上述項目公平值計量的更多詳細資料，請參閱適用附註。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 4. REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are manufacturing and sales of outdoor wooden products, retail sales of outdoor wooden products through self-operated retail shops and manufacturing and sales of renewable energy products.

Revenue from contracts with customers within the scope of IFRS 15:

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Sales of outdoor wooden products	銷售戶外木製品	<b>687,132</b>	618,872
Retail sales of wooden products	零售木製品	<b>29</b>	1,254
Sales of renewable energy products	銷售再生能源產品	<b>6,891</b>	14,560
		<b>694,052</b>	634,686

#### Information about major customers

For the year ended 31 December 2019, revenues from one (2018: one) customer of the Group's sales of outdoor wooden products amounted to RMB121,947,000 (2018: RMB66,120,000), which represent 10% or more of the Group's revenues.

### 4 收入及分部呈報(續)

#### (a) 收入

本集團的主要業務為生產及銷售戶外木製品、透過自營零售店零售戶外木製品以及生產及銷售再生能源產品。

於國際財務報告準則第15號範圍內的客戶合約收益：

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Sales of outdoor wooden products	銷售戶外木製品	<b>687,132</b>	618,872
Retail sales of wooden products	零售木製品	<b>29</b>	1,254
Sales of renewable energy products	銷售再生能源產品	<b>6,891</b>	14,560
		<b>694,052</b>	634,686

#### 有關主要客戶的資料

截至二零一九年十二月三十一日止年度，來自本集團銷售戶外木製品的一名(二零一八年：一名)客戶的收入為人民幣121,947,000元(二零一八年：人民幣66,120,000元)，佔本集團收入的10%或以上。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 4. REVENUE AND SEGMENT REPORTING

(Continued)

#### (a) Revenue (Continued)

##### Revenue from contracts with customers

Disaggregation of revenue information

In the following table, revenue is disaggregated by primary geographical markets, major products and timing of revenue recognition.

### 4 收入及分部呈報(續)

#### (a) 收入(續)

客戶合約收益

收入分類資料

下表按主要地理市場、主要產品及收入確認時間分類收入。

		2019 二零一九年			
		Manufacturing and sales of wooden products 生產及銷售 木製品 RMB'000 人民幣千元	Retail business 零售業務 RMB'000 人民幣千元	Manufacturing and sales of renewable energy products 生產及銷售 再生能源產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Primary geographical markets</b> 主要地理市場					
The PRC (place of domicile)	中國(住所地)	104,719	29	6,891	111,639
North America	北美洲	334,388	-	-	334,388
Europe	歐洲	45,112	-	-	45,112
Asia Pacific (exclusive of the PRC)	亞太區(不包括中國)	4,551	-	-	4,551
Australasia	澳大利西亞	198,362	-	-	198,362
		687,132	29	6,891	694,052
<b>Major products</b> 主要產品					
Wooden products	木製品	687,132	29	-	687,161
Renewable energy products	再生能源產品	-	-	6,891	6,891
		687,132	29	6,891	694,052
<b>Timing of revenue recognition</b> 收入確認時間					
Product transferred at a point in time	產品轉移時的某個時間點	687,132	29	6,891	694,052

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 4. REVENUE AND SEGMENT REPORTING

(Continued)

#### (a) Revenue (Continued)

##### Revenue from contracts with customers (Continued)

Disaggregation of revenue information (Continued)

### 4 收入及分部呈報(續)

#### (a) 收入(續)

##### 客戶合約收益(續)

收入分類資料(續)

		2018 二零一八年			
		Manufacturing and sales of wooden products 生產及銷售 木製品 RMB'000 人民幣千元	Retail business 零售業務 RMB'000 人民幣千元	Manufacturing and sales of renewable energy products 生產及銷售 再生能源產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Primary geographical markets</b> 主要地理市場					
The PRC (place of domicile)	中國(住所地)	130,305	1,254	14,560	146,119
North America	北美洲	260,111	-	-	260,111
Europe	歐洲	30,349	-	-	30,349
Asia Pacific (exclusive of the PRC)	亞太區(不包括中國)	10,162	-	-	10,162
Australasia	澳大利西亞	187,945	-	-	187,945
		618,872	1,254	14,560	634,686
<b>Major products</b> 主要產品					
Wooden products	木製品	618,872	1,254	-	620,126
Renewable energy products	再生能源產品	-	-	14,560	14,560
		618,872	1,254	14,560	634,686
<b>Timing of revenue recognition</b> 收入確認時間					
Product transferred at a point in time	產品轉移時的某個時間點	618,872	1,254	14,560	634,686

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 4. REVENUE AND SEGMENT REPORTING

(Continued)

#### (a) Revenue (Continued)

##### Revenue from contracts with customers (Continued)

##### Disaggregation of revenue information (Continued)

The following table provides information about trade receivables and contract liabilities from contracts with customers.

		<b>31 December 2019</b>	31 December 2018
		<b>二零一九年 十二月三十一日</b>	二零一八年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Trade receivables (note 19)	貿易應收款項(附註19)	<b>87,294</b>	121,888
Contract liabilities (note 23)	合約負債(附註23)	<b>(4,213)</b>	(23,133)

The contract liabilities mainly relate to the advance consideration received from customers. RMB23,133,000 of the contract liabilities as of 31 December 2018 has been recognised as revenue for the year ended 31 December 2019 from performance obligations satisfied due to the received orders before 31 December 2018 has been fulfilled.

As at 31 December 2019, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB4,285,000. This amount represents revenue expected to be recognised in the future from completed purchase orders from customers. The Group will recognise the expected revenue in future when or as the goods is transferred to customers, which is expected to occur in the next 12 months.

### 4 收入及分部呈報(續)

#### (a) 收入(續)

##### 客戶合約收益(續)

##### 收入分類資料(續)

下表載列客戶合約收益所得貿易應收款項及合約負債的資料。

		<b>31 December 2019</b>	31 December 2018
		<b>二零一九年 十二月三十一日</b>	二零一八年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元

合約負債主要涉及自客戶收取的預付款。由於在二零一八年十二月三十一日之前收到的訂單已完成，於二零一八年十二月三十一日之人民幣23,133,000元合約負債已從已履行履約責任中確認為截至二零一九年十二月三十一日止年度的收入。

於二零一九年十二月三十一日，分配至本集團現有合同餘下的履約義務的交易價格總額為人民幣4,285,000元。此金額代表預計將來從完成確認的收入客戶的採購訂單。本集團將在日後或當貨物轉移給客戶時確認預期的收入，該收入預期在未來12個月內發生。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 4. REVENUE AND SEGMENT REPORTING

(Continued)

#### (b) Segment reporting

In a manner consistent with how the Group manages its business and the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified three reportable segments, namely Manufacturing and sales of wooden products, Retail business and Manufacturing and sales of renewable energy products. No operating segments have been aggregated to form the above reportable segments.

- Manufacturing and sales of wooden products: manufacturing and sales of outdoor wooden products to both domestic and overseas customers, and trading of timber.
- Retail business: retail sales of outdoor wooden products through self-operated retail shops.
- Manufacturing and sales of renewable energy products: manufacturing and sales of biomass pellet fuel to both domestic and overseas customers.

### 4 收入及分部呈報(續)

#### (b) 分部呈報

按照與本集團管理其業務一致的方式，及與就資源分配及表現評估向本集團最高管理層內部呈報資料一致的方式，本集團已確定三個可呈報分部，即生產及銷售木製品、零售業務以及生產及銷售再生能源產品。本集團並無聚合經營分部以構成上述可呈報分部。

- 生產及銷售木製品：向國內外客戶生產及銷售戶外木製品及木材貿易。
- 零售業務：透過自營零售店零售戶外木製品。
- 生產及銷售再生能源產品：生產及銷售生物質顆粒燃料予國內外客戶。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 4. REVENUE AND SEGMENT REPORTING

(Continued)

#### (b) Segment reporting (Continued)

##### (i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Reportable segment revenue represents the revenue derived from the Group's external customers by Manufacturing and sales of wooden products, Retail business and Manufacturing and sales of renewable energy products, respectively.

The measure used for reportable segment profit/(loss) is "profit/(loss) after taxation (excluding the after tax effect of government subsidies)" of Manufacturing and sales of wooden products, Retail business and Manufacturing and sales of renewable energy products, respectively.

A measurement of segment assets and liabilities is not provided regularly to the Group's most senior executive management and accordingly, no segment assets or liabilities information is presented.

### 4 收入及分部呈報(續)

#### (b) 分部呈報(續)

##### (i) 分部業績

為評估分部表現及於各分部間分配資源，本集團高級管理層按下列基準監察來自各可呈報分部的業績：

可呈報分部收入分別指生產及銷售木製品、零售業務以及生產及銷售再生能源產品而自本集團外部客戶所得的收入。

就可呈報分部溢利／(虧損)採用的計量單位為生產及銷售木製品、零售業務以及生產及銷售再生能源產品的「除稅後溢利／(虧損)(不包括政府補貼之稅後影響)」。

分部資產及負債的計量乃不定期向本集團最高管理層提供，故並無呈報分部資產或負債資料。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 4. REVENUE AND SEGMENT REPORTING

(Continued)

#### (b) Segment reporting (Continued)

##### (i) Segment results (Continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2019 and 2018 is set out below:

### 4 收入及分部呈報(續)

#### (b) 分部呈報(續)

##### (i) 分部業績(續)

於截至二零一九年及二零一八年十二月三十一日止年度，就資源分配及分部表現評估向本集團最高管理層提供的有關本集團可呈報分部的資料載列如下：

		2019 二零一九年			
		Manufacturing and sales of wooden products	Retail business	Manufacturing and sales of renewable energy products	Total
		生產及銷售 木製品	零售業務	生產及 銷售再生 能源產品	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue derived from the Group's external customers	源自本集團外部客戶的收入	687,132	29	6,891	694,052
Inter-segment revenue	分部間收入	6,396	190	2,857	9,443
<b>Reportable segment revenue</b>	<b>可呈報分部收入</b>	<b>693,528</b>	<b>219</b>	<b>9,748</b>	<b>703,495</b>
Reportable segment (loss)/profit ((loss)/profit after taxation (excluding the after tax effect of government subsidies))	可呈報分部(虧損)/溢利(除稅後(虧損)/溢利(不包括政府補貼之稅後影響))	(73,719)	(730)	942	(73,507)
Depreciation charge on owned property, plant and equipment	持有之物業、廠房及設備之折舊	(20,656)	(394)	(507)	(21,557)
Depreciation charge on land use rights included within right-of-use assets	包含於使用權資產之土地使用權之折舊	(1,017)	-	-	(1,017)
Changes in fair value of derivative financial instruments — unrealised	衍生金融工具公平值變動—未變現	(389)	-	-	(389)
Gain on disposal of a subsidiary	出售附屬公司之收益	-	-	17	17
Impairment of property, plant and equipment	物業、廠房及設備減值	(638)	-	-	(638)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備減值之虧損	(1,817)	(8)	-	(1,825)
Written-off of interest in an associate	於聯營公司之權益撇銷	(456)	-	-	(456)
Written-off of inventories, net	存貨撇銷淨額	(4,495)	-	-	(4,495)

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 4. REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(i) Segment results (Continued)

### 4 收入及分部呈報(續)

(b) 分部呈報(續)

(i) 分部業績(續)

		2018 二零一八年			
		Manufacturing and sales of wooden products 生產及銷售 木製品 RMB'000 人民幣千元	Retail business 零售業務 RMB'000 人民幣千元	Manufacturing and sales of renewable energy products 生產及 銷售再生 能源產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue derived from the Group's external customers	源自本集團外部客戶的收入	618,872	1,254	14,560	634,686
Inter-segment revenue	分部間收入	11,764	-	2,208	13,972
<b>Reportable segment revenue</b>	<b>可呈報分部收入</b>	<b>630,636</b>	<b>1,254</b>	<b>16,768</b>	<b>648,658</b>
Reportable segment (loss)/profit ((loss)/profit after taxation (excluding the after tax effect of government subsidies))	可呈報分部(虧損)/溢利(除稅後(虧損)/溢利(不包括政府補貼之稅後影響))	(186,107)	(1,622)	2,512	(185,217)
Depreciation charge on owned property, plant and equipment	持有之物業、廠房及設備之折舊	(32,790)	(436)	(507)	(33,733)
Amortisation of lease payment	租賃預付款之攤銷	(1,635)	-	-	(1,635)
Changes in fair value of derivative financial instruments — unrealised	衍生金融工具公平值變動 — 未變現	190	-	-	190
Impairment of property, plant and equipment	物業、廠房及設備減值	(139,251)	-	-	(139,251)
Impairment of lease prepayments	租賃預付款項減值	(23,263)	-	-	(23,263)
Write-off of inventories	存貨撇銷	(7,931)	-	-	(7,931)

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 4. REVENUE AND SEGMENT REPORTING

(Continued)

#### (b) Segment reporting (Continued)

##### (ii) Reconciliations of reportable segment revenue and reportable segment loss

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收入</b>		
Reportable segment revenue	可呈報分部收入	<b>703,495</b>	648,658
Elimination of inter-segment revenue	抵銷分部間收入	<b>(9,443)</b>	(13,972)
Consolidated revenue	綜合收入	<b>694,052</b>	634,686
<b>Loss</b>	<b>虧損</b>		
Reportable segment loss derived from the Group's external customers	源自本集團外部客戶的可呈報分部虧損	<b>(73,507)</b>	(185,217)
Government subsidies (net of tax)	政府補貼(扣除稅項)	<b>15,490</b>	5,849
Depreciation on right-of-use assets included within leased properties	包含在租賃物業之使用權資產之折舊	<b>150</b>	-
Unallocated head office and corporate expenses	未分配總辦事處及公司開支	<b>(6,304)</b>	(5,563)
Consolidated loss after taxation	綜合除稅後虧損	<b>(64,471)</b>	(184,931)

### 4 收入及分部呈報(續)

#### (b) 分部呈報(續)

##### (ii) 可呈報分部收入與可呈報分部虧損的對賬



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 4. REVENUE AND SEGMENT REPORTING

(Continued)

#### (b) Segment reporting (Continued)

##### (iii) Geographical information

Revenue from external customers

The geographical location of customers is based on the location at which the goods were delivered.

### 4 收入及分部呈報(續)

#### (b) 分部呈報(續)

##### (iii) 地域資料

源自外部客戶收入

客戶的地理位置以貨品交付地點為準。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
The PRC (place of domicile)	中國(住所地)	111,639	146,119
North America	北美洲	334,388	260,111
Europe	歐洲	45,112	30,349
Asia Pacific (exclusive of the PRC)	亞太區(不包括中國)	4,551	10,162
Australia	澳大利西亞	198,362	187,945
		<b>582,413</b>	488,567
		<b>694,052</b>	634,686

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 5. OTHER REVENUE AND OTHER NET LOSS

#### (a) Other revenue

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest income on bank deposits	銀行存款利息收入	347	797
Government subsidies	政府補貼	18,223	7,022
Dividend income	股息收入	531	461
Rental income	租金收入	62	290
Others	其他	693	910
		<b>19,856</b>	<b>9,480</b>

The Group received unconditional government subsidies of RMB18,223,000 (2018: RMB5,859,000) for the year ended 31 December 2019 in respect of operating and research and development activities. These government subsidies were granted to Fujian Zhangping Kimura Forestry Products Co, Ltd. ("Zhangping Kimura") and Unicreed Industry & Trade Co., Ltd. There were no unfulfilled conditions or contingencies attaching to these government grants.

The Group recognised government subsidies as deferred income which compensated the Group for the cost of its land use right and the cost of infrastructure development. Deferred income of RMB1,163,000 was amortised in profit or loss as other revenue for the year ended 31 December 2018, which was on a systematic basis over the useful life of the relevant assets. All deferred income was offset against impairment of property, plant and equipment and lease payments as at 31 December 2018.

### 5. 其他收入及其他虧損淨額

#### (a) 其他收入

截至二零一九年十二月三十一日止年度，本集團收取無條件政府補貼人民幣18,223,000元(二零一八年：人民幣5,859,000元)。福建省漳平木村林產有限公司(「漳平木村」)及揚帆同創工貿有限公司獲授此等政府補貼。該等政府補貼並無未滿足的條件或有事項。

本集團確認政府補貼為遞延收入作為補償本集團土地使用權成本及基礎設施開發成本。截至二零一八年十二月三十一日止年度，政府補貼(遞延收入)人民幣1,163,000元已確認為其他收入，此乃按有關資產的可使用年期有系統地確認。於二零一八年十二月三十一日，所有遞延收入已抵銷物業、廠房及設備之減值。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 5. OTHER REVENUE AND OTHER NET LOSS

(Continued)

(b) Other net loss

### 5. 其他收入及其他虧損淨額(續)

(b) 其他虧損淨額

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Net foreign exchange gain/(loss)	匯兌收益／(虧損)淨額	<b>6,749</b>	(5,346)
Changes in fair value of derivative financial instruments — realised	衍生金融工具公平值變動 — 已變現	<b>(4,542)</b>	(4,036)
Changes in fair value of derivative financial instruments — unrealised	衍生金融工具公平值變動 — 未變現	<b>(389)</b>	190
Gain on disposal of a subsidiary	出售附屬公司收益	<b>17</b>	—
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備 之(虧損)／收益	<b>(1,825)</b>	1
Impairment of property, plant and equipment	物業、廠房及設備減值	<b>(638)</b>	(139,251)
Impairment of lease prepayments	租賃預付款項減值	—	(23,263)
Write-off of interest in an associate	於聯營公司之權益撇銷	<b>(456)</b>	—
Write-off of inventories	存貨撇銷	<b>(4,495)</b>	(7,931)
Others	其他	<b>879</b>	(387)
		<b>(4,700)</b>	(180,023)

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

#### (a) Finance costs

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Interest expense on bank loans and debentures	銀行貸款及債券的利息開支	<b>1,802</b>	8,895
Interest expense on lease liabilities	租賃負債的利息開支	<b>13</b>	-
		<b>1,815</b>	8,895

#### (b) Staff costs

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	<b>34,111</b>	33,979
Contributions to defined contribution retirement schemes	定額供款退休計劃供款	<b>1,153</b>	1,497
		<b>35,264</b>	35,476

Pursuant to the relevant labour rules and regulations in the PRC, the Group's entities in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organised by the local authorities whereby the entities are required to make contributions to the Schemes based on a percentage of the eligible employees' salaries during the years ended 31 December 2019 and 2018. Contributions to the Schemes vest immediately. Under the Schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

### 6. 除稅前虧損

除稅前虧損經扣除下列各項後得出：

#### (a) 融資成本

	<b>2019</b>	2018
	<b>二零一九年</b>	二零一八年
	<b>RMB'000</b>	RMB'000
	<b>人民幣千元</b>	人民幣千元
Interest expense on bank loans and debentures	<b>1,802</b>	8,895
Interest expense on lease liabilities	<b>13</b>	-
	<b>1,815</b>	8,895

#### (b) 員工成本

	<b>2019</b>	2018
	<b>二零一九年</b>	二零一八年
	<b>RMB'000</b>	RMB'000
	<b>人民幣千元</b>	人民幣千元
Salaries, wages and other benefits	<b>34,111</b>	33,979
Contributions to defined contribution retirement schemes	<b>1,153</b>	1,497
	<b>35,264</b>	35,476

根據中國的有關勞動法則及法規，本集團位於中國的實體參加地方當局籌辦的定額供款退休福利計劃（「該計劃」），據此，有關實體須於截至二零一九年及二零一八年十二月三十一日止年度按合資格僱員薪酬的一定百分比向該計劃作出供款。對該計劃作出的供款即時歸屬。根據有關計劃，現有及退休僱員的退休福利由相關計劃管理機構支付，除年度供款外，本集團無進一步責任。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 6. LOSS BEFORE TAXATION (Continued)

#### (c) Other items

### 6. 除稅前虧損(續)

#### (c) 其他項目

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of inventories recognised as expenses (note (i))	確認為存貨成本之費用 (附註(i))	<b>685,428</b>	566,161
Depreciation charge (note 11)	折舊(附註11)		
— Owned property, plant and equipment	— 自有物業、廠房及設備折舊	<b>21,557</b>	33,733
— Right-of-use assets included within (note (ii)):	— 包含在以下項目之使用權資產(附註(ii)):		
— Land use rights	— 租賃預付款	<b>1,017</b>	—
— Leased properties	— 物業	<b>150</b>	—
Low-value assets leases expenses	低值資產租賃費用	<b>116</b>	—
Amortisation of lease prepayments (note 12)	租賃預付款攤銷(附註12)	—	1,635
Operating lease charges for properties	物業經營租約支出	—	451
Research and development expenses	研發成本	<b>21,418</b>	22,969
Auditor's remuneration	核數師酬金	<b>1,016</b>	1,066

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 6. LOSS BEFORE TAXATION (Continued)

#### (c) Other items (Continued)

Notes:

- (i) Cost of inventories includes RMB40,845,000 (2018: RMB52,223,000) for the year ended 31 December 2019 relating to staff costs and depreciation, which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.
- (ii) The Group has initially applied IFRS 16 using the modified retrospective approach with a date of initial application of 1 January 2019, under which the cumulative effect of initial application is recognised as at 1 January 2019. After initial recognition at 1 January 2019, the Group as lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information has not been restated.

### 6. 除稅前虧損(續)

#### (c) 其他項目(續)

附註：

- (i) 截至二零一九年十二月三十一日止年度，存貨成本包括人民幣40,845,000元（二零一八年：人民幣52,223,000元）涉及員工成本及折舊，有關金額亦已計入於上文或附註6(b)就每類該等開支單獨披露的總金額內。
- (ii) 本集團已於首次應用日期二零一九年一月一日採用經修訂的追溯法應用國際財務報告準則第16號，據此初始應用的累計影響於二零一九年一月一日確認。於二零一九年一月一日初步確認後，本集團作為承租人須確認使用權資產的折舊，而不是先前的政策以直線法確認租賃期內在經營租賃下發生的租金支出。在這種方法下，比較信息並未重列。

### 7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

#### (a) Taxation in the consolidated statement of profit or loss represents:

### 7. 綜合損益表內的所得稅

#### (a) 綜合損益表內的稅項指：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Current tax — PRC corporate income tax</b>	<b>即期稅項 — 中國企業所得稅</b>		
Provision for the year	年內撥備	263	182
Over-provision for prior year	與過往年度有關的超額撥備	(8)	(210)
<b>Deferred tax (credit)/expenses</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences (note 17)	產生及轉回暫時差異(附註17)	(87)	2,163
		<b>168</b>	2,135

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

### 7. 綜合損益表內的所得稅(續)

(b) 按適用稅率計算的稅項開支與會計溢利的對賬：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss before taxation	除稅前虧損	<b>(64,303)</b>	(182,796)
Notional tax on loss before taxation, calculated at the rates applicable in the tax jurisdictions concerned (note (i) & (ii))	除稅前虧損的名義稅項，按有關稅務司法權區適用的稅率計算 (附註(i)及(ii))	<b>(9,189)</b>	(42,522)
Effect of non-taxable income	毋須課稅收入之影響	<b>(1)</b>	(1)
Effect of income reduction (note (iv))	收入減少之影響 (附註(iv))	<b>(244)</b>	(419)
Effect of non-deductible expenses	非扣減支出之稅項影響	<b>2,649</b>	43,174
Effect of research and development expenses bonus deduction (note (iii))	研發開支加計扣除額之影響 (附註(iii))	<b>(1,606)</b>	(4,307)
Tax losses not recognised	未確認之稅項虧損	<b>8,567</b>	6,420
Over-provision in prior year	與過往年度有關的超額撥備	<b>(8)</b>	(210)
Actual tax expense	實際稅項支出	<b>168</b>	2,135

Notes:

- i. The Group's PRC subsidiaries are subject to PRC corporate income tax at the statutory rate of 25% unless otherwise specified.

Taxation for subsidiaries in other jurisdictions is charged at the appropriate current rates of taxation ruling in relevant jurisdictions respectively.

No provision was made for Hong Kong Profits Tax as the Group did not earn any assessable profits subject to Hong Kong Profits Tax during the years ended 31 December 2019 and 2018.

附註：

- i. 本集團的中國附屬公司須按25%法定稅率繳納中國企業所得稅，另有指明者除外。

於其他司法權區的附屬公司的稅項分別按有關司法權區的現行適當稅率計算。

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無賺取須繳納香港利得稅的任何應課稅溢利，故並無就香港利得稅計提撥備。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

#### (b) Reconciliation between tax expense and accounting profit at applicable tax rates:

Notes: (Continued)

- ii. Zhangping Kimura applied and was approved for the High and New Technology Entities (“HNTE”) qualification under the PRC Corporate Income Tax Law and its relevant regulations during 2019, and therefore is entitled to the preferential income tax rate of 15% for a period of three years from 2019 to 2021. The qualification was renewed during the year and the preferential income tax rate of 15% was then extended for a period of three years from 2019 to 2021.
- iii. According to the PRC Corporate Income Tax Law and its relevant regulations, qualified research and development expenses are subject to income tax deductions at 175% (2018: 175%) on the amount actually incurred.
- iv. Income reduction as stated in Article 33 of the Enterprise Income Tax Law shall refer to the treatment that where an enterprise uses the resources stipulated in the Catalogue for Comprehensive Utilization of Resources Qualified for Enterprise Income Tax Preferential Treatment as its major raw materials to produce products that are not restricted or prohibited by the State and satisfy the relevant State and industrial criteria and only 90% of the income derived shall be calculated in its total income.
- v. According to the PRC Corporate Income Tax Law and its relevant regulations, dividends receivable by non-PRC resident corporate investors from PRC resident enterprises are subject to withholding income tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008.

Since the Group can control the quantum and timing of distribution of profits of the Group’s subsidiaries in the PRC, deferred tax liabilities are only recognised to the extent that such profits are expected to be distributed through dividend payment by the Group’s PRC subsidiaries in the foreseeable future. As at 31 December 2018, temporary differences relating to the undistributed profits of the Group’s PRC subsidiaries to overseas holding company amounted to RMB259,463,000 (2018: RMB278,746,000) and deferred tax liabilities of RMB25,946,000 (2018: RMB27,875,000) have not been recognised.

- vi. In addition to the amount charged to the other comprehensive income, deferred tax of RMB33,000 (2018: RMB121,000) relating to the change in fair value of the financial assets for the year ended 31 December 2019 has been credited to other comprehensive income.

### 7. 綜合損益表內的所得稅(續)

#### (b) 按適用稅率計算的稅項開支與會計溢利的對賬：

附註：(續)

- ii. 漳平木村已於二零一九年根據中國企業所得稅法及其相關法規申請並獲得高新技術企業(「高新技術企業」)的認證資格，故於二零一九年至二零二一年三年期間有權享有 15% 的優惠所得稅稅率。
- iii. 根據中國企業所得稅法及其相關法規，合資格研發開支可按實際產生金額的 175%(二零一八年：175%)扣除所得稅。
- iv. 《企業所得稅法》第 33 條所述的應課稅收入寬減指企業以《資源綜合利用企業所得稅優惠目錄》規定的資源作為主要原材料，生產國家非限制及禁止並符合國家及行業相關標準的產品取得的收入，僅按 90% 計入收入總額。
- v. 根據中國企業所得稅法及其相關法規，非中國居民投資者從中國居民企業源自二零零八年一月一日起賺取的溢利的應收股息須按 10% 的稅率繳納預扣稅，惟稅務條約或安排作出減免則另作別論。

由於本集團可以控制本集團在中國的子公司利潤分配的時間和時間，因此僅在預期本集團的中國子公司在可預見的未來通過股息支付分配利潤的前提下確認遞延所得稅負債。於二零一九年十二月三十一日，與本集團中國附屬公司未分配利潤至海外控股公司有關的暫時差額為人民幣 259,463,000 元(二零一八年：人民幣 278,746,000 元)及遞延稅項負債人民幣 25,946,000 元(二零一八年：人民幣 27,875,000 元)未被確認。

- vi. 除計入其他全面收益的金額外，截至二零一九年十二月三十一日止年度有關金融資產公平值變動的遞延稅項人民幣 33,000 元(二零一八年：人民幣 121,000 元)已計入其他綜合收益。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

### 8. 董事薪酬

根據香港公司條例第383(1)節及公司(披露董事利益資料)規例第2部披露規定，董事薪酬如下：

		2019 二零一九年				
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
		董事袍金	薪金、津貼及實物利益	酌情花紅	退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Executive directors</b>	<b>執行董事</b>					
Wu Zheyuan	吳哲彥	1,280	52	-	4	1,336
Xie Qingmei	謝清美	57	1	4	-	62
		1,337	53	4	4	1,398
<b>Non-executive director</b>	<b>非執行董事</b>					
Wu Dongping	吳冬平	144	-	12	-	156
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Lam Hin Chi	藍顯賜	106	-	-	-	106
Jin Zhongwei	金重為	106	-	-	-	106
Su Wenqiang	蘇文強	106	-	-	-	106
		318	-	-	-	318
		1,799	53	16	4	1,872

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 8. DIRECTORS' REMUNERATION (Continued)

### 8. 董事薪酬(續)

		2018 二零一八年				
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
		董事袍金	薪金、津貼及實物利益	酌情花紅	退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Executive directors</b>	<b>執行董事</b>					
Wu Zheyang	吳哲彥	738	4	31	4	777
Xie Qingmei	謝清美	47	1	9	-	57
		785	5	40	4	834
<b>Non-executive director</b>	<b>非執行董事</b>					
Wu Dongping	吳冬平	143	-	11	-	154
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Lam Hin Chi	藍顯賜	102	-	-	-	102
Jin Zhongwei	金重為	102	-	-	-	102
Su Wenqiang	蘇文強	102	-	-	-	102
		306	-	-	-	306
		1,234	5	51	4	1,294

During the years ended 31 December 2019 and 2018, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 9 below as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2019 and 2018.

於截至二零一九年及二零一八年十二月三十一日止年度，本集團概無向董事或下文附註9所載的任何最高薪酬人士支付或應付任何款項，作為吸引彼等加盟本集團或於加盟本集團後的獎金，或作為離職補償。於截至二零一九年及二零一八年十二月三十一日止年度，董事概無根據任何安排放棄或同意放棄任何薪酬。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2018: two) are directors for the year ended 31 December 2019, whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other three (2018: three) individuals are as follows:

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Salaries and other emoluments	薪金及其他薪酬	<b>425</b>	573
Discretionary bonuses	酌情花紅	<b>38</b>	27
Retirement scheme contributions	退休計劃供款	<b>6</b>	17
		<b>469</b>	617

The emoluments of the three individuals (2018: three individuals) with the highest emoluments are within the following bands:

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>Number of</b>	Number of
		<b>individuals</b>	individuals
		<b>人數</b>	人數
Nil to RMB1,000,000	零至人民幣 1,000,000 元	<b>3</b>	3
		<b>3</b>	3

### 9. 最高薪酬人士

截至二零一九年十二月三十一日止年度，五名最高薪酬人士中，二名(二零一八年：二名)為董事，彼等的薪酬於附註8披露。餘下三名(二零一八年：三名)人士的薪酬總額如下：

三名(二零一八年：三名)最高薪酬人士的薪酬介乎下列範圍：

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 10. LOSS PER SHARE

The calculation of basic and dilute loss per share for the year ended 31 December 2019 is based on the loss attributable to equity shareholders of the Company of RMB64,471,000 (2018: RMB184,931,000) and weighted average of 617,667,000 shares (2018: 617,667,000 shares adjusted for the effect of the share consolidation on 22 October 2019) in issue during the year ended 31 December 2019, calculated as follows:

### 10. 每股虧損

截至二零一九年十二月三十一日止年度的每股基本及攤薄虧損乃按截至二零一九年十二月三十一日止年度的本公司權益持有人應佔虧損人民幣64,471,000元(二零一八年：人民幣184,931,000元)，以及截至二零一九年十二月三十一日止年度的617,667,000股已發行股份(二零一八年：617,667,000股股份按於二零一九年十月二十二日之股份合併之影響調整)的加權平均數計算，載列如下：

		Number of share 股份數目	
		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股 (Restated) (經重列)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	就每股基本及攤薄虧損而言的普通股加權平均數	<b>617,667</b>	617,667

Weighted average of 617,667,000 shares for the year ended 31 December 2019 and 2018 (restated) are derived from 3,088,335,000 ordinary shares in issue as at 1 January 2018 after taking into account the effects of the share consolidation which was effective on 22 October 2019.

截至二零一九年及二零一八年十二月三十一日止年度(經重列)之加權平均股數617,667,000股是由於二零一八年一月一日之已發行股份3,088,335,000股再計及於二零一九年十月二十二日起生效之股份合併之影響所計出。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 11. PROPERTY, PLANT AND EQUIPMENT

### 11. 物業、廠房及設備

		Buildings	Leasehold improvement	Plant and machinery	Furniture, fittings and equipment	Motor vehicles	Construction in progress	Subtotal	Right-of-use asset	Total
		樓宇	物業裝修	廠房及機器	傢俬、裝置及設備	汽車	在建工程	小計	使用權資產	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>COST</b>	<b>成本：</b>									
<b>At 1 January 2018</b>	<b>於二零一八年一月一日</b>	520,478	5,839	135,309	6,274	8,057	59,972	735,929	-	735,929
Additions	添置	-	6	2,026	26	2,852	15,096	20,006	-	20,006
Disposals	出售	-	-	(12,052)	(209)	(1,165)	-	(13,426)	-	(13,426)
Transfers	轉撥	40,493	-	5,136	61	-	(45,690)	-	-	-
<b>At 31 December 2018 and 1 January 2019</b>	<b>於二零一八年十二月三十一日及二零一九年一月一日</b>	560,971	5,845	130,419	6,152	9,744	29,378	742,509	-	742,509
Adoption of IFRS 16	採納國際財務報告準則第16號	-	-	-	-	-	-	-	83,561	83,561
<b>At 1 January 2019 (restated)</b>	<b>於二零一九年一月一日 (經重列)</b>	560,971	5,845	130,419	6,152	9,744	29,378	742,509	83,561	826,070
Additions	添置	-	-	4,140	1	3,449	6,194	13,784	-	13,784
Disposals	出售	-	-	(228)	(100)	(3,660)	-	(3,988)	-	(3,988)
Transfers	轉撥	5,878	-	902	-	-	(6,780)	-	-	-
Exchange alignment	匯兌調整	-	3	-	-	-	-	3	8	11
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	566,849	5,848	135,233	6,053	9,533	28,792	752,308	83,569	835,877
<b>ACCUMULATED DEPRECIATION</b>	<b>累計折舊及減值：</b>									
<b>At 1 January 2018</b>	<b>於二零一八年一月一日</b>	46,207	5,732	42,517	4,231	6,073	-	104,760	-	104,760
Charge for the year	年內支出	20,423	84	11,762	546	918	-	33,733	-	33,733
Elimination on disposals	於出售時抵銷	-	-	(7,005)	(156)	(1,090)	-	(8,251)	-	(8,251)
Impairment losses	減值虧損	142,690	-	6,995	145	243	-	150,073	-	150,073
<b>At 31 December 2018 and 1 January 2019</b>	<b>於二零一八年十二月三十一日及二零一九年一月一日</b>	209,320	5,816	54,269	4,766	6,144	-	280,315	-	280,315
Adoption of IFRS 16	採納國際財務報告準則第16號	-	-	-	-	-	-	-	38,002	38,002
<b>At 1 January 2019 (restated)</b>	<b>於二零一九年一月一日 (經重列)</b>	209,320	5,816	54,269	4,766	6,144	-	280,315	38,002	318,317
Charge for the year	年內支出	9,544	29	10,753	454	777	-	21,557	1,167	22,724
Elimination on disposals	於出售時抵銷	-	-	(147)	(88)	(1,367)	-	(1,602)	-	(1,602)
Impairment loss	減值虧損	-	-	177	-	39	-	216	422	638
Exchange alignment	匯兌調整	-	3	-	-	-	-	3	3	6
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	218,864	5,848	65,052	5,132	5,593	-	300,489	39,594	340,083
<b>NET BOOK VALUE</b>	<b>賬面淨值：</b>									
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	347,985	-	70,181	921	3,940	28,792	451,819	43,975	495,794
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	351,651	29	76,150	1,386	3,600	29,378	462,194	-	462,194

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 11. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The net book value of construction in progress consists of an amount of RMB15,694,000 (2018: RMB15,392,000) relating to the Group's new manufacturing complex which will be depreciated once the property is complete and available for use. The estimated cost to completion of the property, and to which the Group is contractually committed, is RMB48,660,000 (2018: RMB48,660,000).

Buildings which are held for own use are situated in the PRC. At 31 December 2019, buildings with net book value of RMB108,102,000 (2018: RMB59,631,000) were pledged to banks for certain banking facilities granted to the Group (see note 24).

At 31 December 2018, plant and machinery with net book value of RMB59,029,000 and construction in progress with net book value of RMB4,757,000 were pledged to a bank for certain banking facilities granted to the Group. These two pledged assets were released during the year.

For the year ended 31 December 2019, two of the subsidiaries of the Group were subjected to impairment review. An impairment loss of RMB638,000 (2018: net impairment loss of RMB139,251,000 after netting off of deferred income at RMB16,038,000) was recognised in other net loss to write the carrying amount of the property, plant and equipment down to its recoverable amount of RMB495,794,000 (2018: RMB462,194,000).

### 11. 物業、廠房及設備(續)

在建工程之賬面淨值為人民幣15,694,000元(二零一八年：人民幣15,392,000元)，與本集團之新生產基地有關，該物業完工並可供使用後將折舊。本集團訂約承擔之物業竣工估計成本為人民幣48,660,000元(二零一八年：人民幣48,660,000元)。

位於中國之樓宇持有作自用。於二零一九年十二月三十一日，賬面淨值為人民幣108,102,000元(二零一八年：人民幣59,631,000元)之宇已抵押予銀行，作為本集團獲授的若干銀行授信額度之抵押(見附註24)。

於二零一八年十二月三十一日，賬面淨值人民幣59,029,000元之廠房及機器及賬面淨值人民幣4,757,000元的在建工程已抵押予銀行，作為本集團獲授的若干銀行授信額度之抵押。該兩項已抵押資產已於年內解除。

截至二零一九年十二月三十一日止年度，本集團其中兩間附屬公司須進行減值檢討。減值虧損人民幣638,000元(二零一八年：扣除遞延收入人民幣16,038,000元後淨減值虧損139,251,000元)於其他收益及虧損中確認，以將物業、廠房及設備賬面值撇減至其可收回金額人民幣495,794,000元(二零一八年：462,194,000元)。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 11. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The recoverable amount was based on the fair value less cost of disposal of the property, plant and equipment estimated by reference to the market value for the existing use of the property, plant and equipment and the costs to reproduce or replace in new condition the property, plant and equipment being valued in accordance with current construction costs for similar property, plant and equipment, with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. The fair value less cost of disposal of the property, plant and equipment is classified as a level 3 measurement.

#### Right-of-use assets

### 11. 物業、廠房及設備(續)

可收回金額乃經參考根據同類物業、廠房及設備當時之市場價格將該物業、廠房及設備按新狀況下重新興建或重置之估值成本以公平值減出售物業、廠房及設備成本估計，並經扣除據可觀察之條件或陳舊狀況(不論是外在、功能或經濟方面之陳舊)所證明之應計折舊。公平值減物業、廠房及設備之出售成本分類為第三級計量。

#### 使用權資產

	<b>Leased properties</b>	<b>Land use rights</b>	<b>Total</b>
	<b>租賃物業</b>	<b>土地使用權</b>	<b>總計</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
	<b>人民幣千元</b>	<b>人民幣千元</b>	<b>人民幣千元</b>
At 1 January 2019	<b>359</b>	<b>45,200</b>	<b>45,547</b>
Amortisation	<b>(150)</b>	<b>(1,017)</b>	<b>(1,167)</b>
Impairment loss	<b>-</b>	<b>(422)</b>	<b>(422)</b>
Exchange alignment	<b>5</b>	<b>-</b>	<b>5</b>
At 31 December 2019	<b>214</b>	<b>43,761</b>	<b>43,975</b>

At 31 December 2019, land use rights with an aggregate carrying amount of RMB18,376,000 (2018: RMB19,200,000) were pledged as securities for certain banking facilities granted to the Group (see note 24).

於二零一九年十二月三十一日，賬面總值為人民幣18,376,000元(二零一八年：人民幣19,200,000元)的土地使用權已作為授予本集團的若干銀行融資的抵押品(見附註24)。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 12. LEASE PREPAYMENTS

### 12. 租賃預付款

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
<b>Cost:</b>	<b>成本：</b>		
At 1 January	於一月一日	<b>83,202</b>	83,202
Adoption of IFRS 16	採納國際財務報告準則第16號	<b>(83,202)</b>	-
At 1 January (restated) and at 31 December	於十二月三十一日	-	83,202
<b>Accumulated amortisation and impairment:</b>	<b>累計攤銷及減值：</b>		
At 1 January	於一月一日	<b>38,002</b>	7,888
Adoption of IFRS 16	採納國際財務報告準則第16號	<b>(38,002)</b>	-
At 1 January (restated)	於十二月三十一日	-	7,888
Charge for the year	年內支出	-	1,635
Impairment losses	減值虧損	-	28,479
At 31 December	於十二月三十一日	-	38,002
<b>Net book value:</b>	<b>賬面淨值：</b>		
At 31 December	於十二月三十一日	-	45,200
<b>Represented by:</b>	<b>即：</b>		
Current portion	即期部分	-	1,017
Non-current portion	非即期部分	-	44,183
		-	45,200

The lease prepayments represent costs of obtaining the land use rights in respect of land located in the PRC and the capitalised costs relating to dredging and leveling of land. The carrying amount as at 1 January 2019 was restated and transferred to property, plant and equipment (note 11) in accordance with the adoption of IFRS 16.

租賃預付款指獲得位於中國的土地的土地的使用權的成本，以及與梳理和平整土地有關的資本化成本。根據國際財務報告準則第16號的採納，於二零一九年一月一日的賬面值已重列並轉撥至物業、廠房及設備(附註11)。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 13. NON-CURRENT PREPAYMENTS FOR ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT

The amount mainly represented prepayments for construction in progress and plant and machinery. An analysis of non-current prepayments for acquisitions of property, plant and equipment is as follows:

### 13. 收購物業、廠房及設備的非即期預付款

該金額主要指在建工程及樓宇預付款。收購物業、廠房及設備的非即期預付款分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Prepayment for construction of manufacturing complex	建造綜合製造廠的預付款	9,031	9,031
Prepayment for other constructions and property, plant and equipment	其他建築以及物業、廠房及設備的預付款	2,043	5,298
		<b>11,074</b>	14,329

### 14. INTERESTS IN ASSOCIATES

### 14. 於聯營公司權益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Share of net assets	應佔資產淨值	15,666	24,716

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 14. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's interests in the associates are as follows:

### 14. 於聯營公司權益(續)

本集團於聯營公司的權益詳情如下：

Name of associate	Place of establishment and operation	Proportion of ownership interest		Principal activity
		Group's effective interest	Held by subsidiaries	
聯營公司名稱	成立及經營地點	本集團的實際權益	由附屬公司持有	主要活動
Jiangxi Lvyuan Trading Co., Ltd. ("Lvyuan") 江西綠源貿易有限公司(「綠源」)	The PRC 中國	45%	45%	Trading of imported timber 買賣進口木材
Longyan Deliyuan Biomass Energy Co., Ltd. ("Deliyuan") 龍岩市得利源生物能源有限公司(「得利源」)	The PRC 中國	45%	45%	Research & development and sales of biomass energy 生物質能源的研發及銷售
Fujian Longyan Zhangping Weston Wood Component and Material Company Limited ("Weston Wood") 福建省龍岩市漳平威斯頓木結構材料有限公司(「威斯頓」)	The PRC 中國	45%	45%	Manufacture and sale of wooden products 木製品製造及銷售

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 14. INTERESTS IN ASSOCIATES (Continued)

On 31 October 2019, Xiamen Zhonglisheng Trading Co., Ltd. ("Zhonglisheng"), an associate of the Group with 45% effective interest, was de-registered resulting in loss on write off of interest in an associate of RMB456,000 (note 5(b)).

Lvyuan, Deliyuan and Weston Wood are accounted for using the equity method in the consolidated financial statements.

Summary of financial information of the associates:

### 14. 於聯營公司權益(續)

於二零一九年十月三十一日，本集團擁有實際權益45%之聯營公司廈門中利盛貿易有限公司(「中利盛」)已註銷，導致註銷一間聯營公司的權益虧損人民幣456,000元(附註5(b))。

綠源、得利源、威斯頓於綜合財務報表內採用權益法入賬。

該聯營公司的財務資料摘要：

		Lvyuan 綠源		Deliyuan 得利源		Zhonglisheng 中利盛		Weston Wood 威斯頓	
		2019	2018	2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產	-	-	-	-	N/A	-	2,527	3,467
Current assets	流動資產	5,441	5,872	9,985	9,986	N/A	10,019	8,531	13,874
Non-current liabilities	非流動負債	-	-	-	-	N/A	-	-	-
Current liabilities	流動負債	-	(186)	(1)	(1)	N/A	(15)	(6,049)	(13,404)
Net assets	資產淨值	5,441	5,686	9,984	9,985	N/A	10,004	5,009	3,937
Reconciliation to the Group's interests in associates:	與本集團於聯營公司權益之對賬								
Group's share of net assets of the associates	本集團應佔聯營公司的資產淨值	2,448	2,559	4,493	4,493	N/A	4,502	2,254	1,772
Revenue	收入	230	1,606	-	-	N/A	-	44,617	47,464
Profit or loss from continuing operations	持續經營的(虧損)/溢利	(243)	(355)	(1)	(1)	N/A	(2)	1,075	810

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 15. OTHER FINANCIAL ASSETS

### 15. 其他金融資產

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Equity instruments measured at FVOCI (note a, b)	按公平值計入其他全面收益計量的股本工具(附註a, b)	<b>3,048</b>	3,267

(a) The above financial assets represent investment in equity securities of a PRC local bank in Zhangping City, Fujian Province. The Group holds 5.0% of equity interest in the PRC local bank.

(a) 上述金融資產指於中國福建省漳平市地方銀行的股本證券投資。

(b) The equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

(b) 股本投資乃不可撤回地指定為按公平值計入其他全面收益列賬，原因為本集團認為該等資產屬策略性質。

The dividend income received related to the equity securities not included in the table above for the year ended 31 December 2019 was RMB532,000 (2018: RMB461,000).

已收取與股本證券有關的股息收入為人民幣532,000元(二零一八年：人民幣461,000元)，並未計入上文截至二零一九年十二月三十一日止年度的表格。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 16. INTERESTS IN SUBSIDIARIES

Details of the subsidiaries are set out below. The class of shares held is ordinary unless otherwise stated.

### 16. 於附屬公司的權益

有關附屬公司的詳情載列如下。除另有註明外，所持有的股份均為普通股。

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立 地點及日期	Particulars of issued and paid up/ registered capital 已發行及繳足資本/ 註冊資本的詳情	Attributable equity interest held by the Company 本公司所持 應佔股權		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Green Oceans Investment Holdings Limited	The British Virgin Islands ("BVI") 7 November 2011	10 shares of USD1 each	100%	–	Investment holding
Green Oceans Investment Holdings Limited	英屬處女群島 (「英屬處女群島」) 二零一一年十一月七日	10股每股1美金的股份			投資控股
King Wood (Hong Kong) Holding Limited 木村(香港)控股有限公司	Hong Kong 5 August 2010 香港 二零一零年八月五日	10,000 shares of HKD1 each 10,000股 每股1港元的股份	–	100%	Sales of outdoor wooden products 銷售戶外木製品
Fujian Zhangping Kimura Forestry Products Co., Ltd. (notes (i) and (iii)) 福建省漳平木村林產有限公司 (附註(i)及(iii))	The PRC 17 December 1995 中國 一九九五年十二月十七日	Registered capital of RMB600,000,000 註冊資本 人民幣380,000,000元	–	100%	Manufacturing and sales of outdoor wooden products 生產及銷售戶外木製品
Merry Garden (Shanghai) Household Co., Ltd. (notes (ii) and (iii)) 美麗家園(上海)家居有限公司 (附註(ii)及(iii))	The PRC 24 February 2012 中國 二零一二年二月二十四日	Registered capital of RMB1,000,000 註冊資本 人民幣1,000,000元	–	100%	Retail sales of outdoor wooden products through self-operated retail shops 透過自營零售店零售戶外木製品
Merry Garden (Xiamen) Household Co., Ltd. (notes (ii) and (iii)) 美麗家園(廈門)家居有限公司 (附註(ii)及(iii))	The PRC 14 November 2012 中國 二零一二年十一月十四日	Registered capital of RMB5,000,000 註冊資本 人民幣5,000,000元	–	100%	Retail sales of outdoor wooden products through self-operated retail shops 透過自營零售店零售戶外木製品

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 16. INTERESTS IN SUBSIDIARIES (Continued)

### 16. 於附屬公司的權益(續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立 地點及日期	Particulars of issued and paid up/ registered capital 已發行及繳足資本/ 註冊資本的詳情	Attributable equity interest held by the Company 本公司所持 應佔股權		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Zhangping Merry Garden Import and Export Co. Ltd. ("MG Import and Export") (notes (ii) and (iii)) 漳平市美麗家園進出口有限公司 (「美麗家園進出口」) (附註(ii)及(iii))	The PRC 27 February 2013 中國 二零一三年二月二十七日	Registered capital of RMB30,000,000 註冊資本 人民幣30,000,000元	–	100%	Trading of timber and sales of outdoor wooden products 木材貿易及銷售戶外木製品
Merry Garden Holdings Limited (note (v)) 美麗家園控股有限公司 (附註(v))	Hong Kong 3 August 2016 香港 二零一六年八月三日	1 share of HKD1 each 1股每股1港元的股份	–	100%	Investment holding 投資控股
Zhangping Merry Garden Biomass Energy Development Ltd. (notes (ii) and (iv)) 漳平市美麗家園生物質能源開發有限公司(附註(ii)及(iv))	The PRC 31 March 2014 中國 二零一四年三月三十一日	Registered capital of RMB20,000,000 註冊資本 人民幣30,000,000元	–	100%	Manufacturing and sales of renewable energy products 生產及銷售再生能源產品
Unicreed Holdings Limited 揚帆同創集團有限公司	Hong Kong 20 January 2011 香港 二零一一年一月二十日	10,000 shares of HKD1 each 10,000股 每股5,653.39港元的股份	–	100%	Investment holding 投資控股
Unicreed industry & trade Co., Ltd. (formerly known as Unicreed (China) Electronics Company Limited) (notes (i) and (iii)) 揚帆同創工貿有限公司 (前稱揚帆同創(中國)電子有限公司)(附註(i)及(iii))	The PRC 10 June 2011 中國 二零一一年六月十日	Registered capital of USD7,850,000 註冊資本 7,850,000美元	–	100%	Manufacturing and sales of outdoor wooden products 生產及銷售電子產品

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 16. INTERESTS IN SUBSIDIARIES (Continued)

On 8 March 2019, the Company's subsidiary, Green Oceans Investment Holdings Limited, transferred all shareholding in Merry Garden Biomass Energy Holdings Limited to a third party for cash consideration of HK\$10,000 (equivalent to approximately RMB9,000). Gain on disposal of a subsidiary amounting to RMB17,000 was recognised (note 27).

On 30 September 2019, the Administration for Industry and Commerce of Zhangping approved the liquidation of Zhangping Kimura Merry Garden Wooden Structure Design and Installation Co., Ltd., an indirect wholly owned subsidiary of the Company.

Notes:

- (i) These entities are wholly foreign-owned enterprises established in the PRC.
- (ii) These entities are limited liability companies established in the PRC and are wholly-owned subsidiaries of Zhangping Kimura.
- (iii) The English translation of the company names is for reference only. The official names of these companies are in Chinese.
- (iv) This entity is a limited liability company established in the PRC and is a wholly-owned subsidiary of MG Import and Export.
- (v) This entity is a limited liability company established in Hong Kong and is a wholly-owned subsidiary of King Wood (Hong Kong) Holding Limited.

### 16. 於附屬公司的權益(續)

於二零一九年三月八日，本公司之附屬公司Green Oceans Investment Holdings Limited已以現金代價港幣10,000元(相當於約人民幣9,000元)轉讓Merry Garden Biomass Energy Holdings Limited之所有股權予一第三方，並已確認出售附屬公司之收益人民幣17,000元(附註27)。

漳平市工商行政管理局於二零一九年九月三十日批准清算本公司之間接全資子公司漳平木村美麗花園木結構設計安裝有限公司。

附註：

- (i) 該等實體為於中國成立的外商獨資企業。
- (ii) 該等實體為於中國成立的有限公司及漳平木村的全資附屬公司。
- (iii) 該等公司的英譯名稱僅供參考，其正式名稱以中文為準。
- (iv) 該實體為一間於中國成立之有限公司且為美麗家園進出口的全資附屬公司。
- (v) 該實體為於香港成立的有限公司及木村(香港)控股有限公司的全資附屬公司。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 17. DEFERRED TAXATION

#### (a) Deferred tax assets and liabilities recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

### 17. 遞延稅項

#### (a) 已確認的遞延稅項資產及負債

年內於綜合財務狀況表中已確認的遞延稅項資產/(負債)部分及變動如下：

		Deferred income	Unrealised profits on inventories	Unrealised gain/loss on derivative financial instruments	PRC dividend withholding tax	Interest capitalisation	Impairment under ECL model	Fair value adjustments of equity investment through other comprehensive income	Total
		遞延收入	存貨的未變現溢利	衍生金融工具的未變現收益/(虧損)	中國股息預扣稅	利息資本化	預期信貸虧損模式減值	計入其他全面收入的股本投資的公平值調整	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Deferred tax arising from:</b>	<b>遞延稅項來自：</b>								
At 1 January 2018	於二零一八年一月一日	4,301	5	1,678	(1,707)	(3,889)	-	-	388
Effect of adoption of IFRS 9	採納國際財務報告準則第9號之影響	-	-	-	-	-	871	(237)	634
At 1 January 2018 (restated)	於二零一八年一月一日 (經重列)	4,301	5	1,678	(1,707)	(3,889)	871	(237)	1,022
(Charged)/credited to profit or loss (note 7(a))	(扣除自)/計入損益表 (附註7(a))	(4,301)	(5)	(1,706)	-	3,889	(40)	-	(2,163)
Credited to other comprehensive income	計入其他全面收入	-	-	-	-	-	-	121	121
<b>At 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>	-	-	(28)	(1,707)	-	831	(116)	(1,020)
At 1 January 2019	於二零一九年一月一日	-	-	(28)	(1,707)	-	831	(116)	(1,020)
Credited to profit or loss (note 7(a))	計入損益表 (附註7(a))	-	-	87	-	-	-	-	87
Credited to other comprehensive income	計入其他全面收入	-	-	-	-	-	-	33	33
<b>At 31 December 2019</b>	<b>於二零一九年 十二月三十一日</b>	-	-	59	(1,707)	-	831	(83)	(900)



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 17. DEFERRED TAXATION (Continued)

#### (a) Deferred tax assets and liabilities recognised (Continued)

Reconciliation to consolidated statement of financial position:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net deferred tax asset recognised in the consolidated statement of financial position 於綜合財務狀況表中確認的遞延稅項資產淨值	890	831
Net deferred tax liabilities recognised in the consolidated statement of financial position 於綜合財務狀況表中確認的遞延稅項負債淨值	(1,790)	(1,851)
	<b>(900)</b>	(1,020)

### 17. 遞延稅項(續)

#### (b) 已確認的遞延稅項資產及負債(續)

於綜合財務狀況表中對賬如下：

#### (b) Deferred tax assets and liabilities not recognised

A deferred tax asset has not been recognised for the following:

#### (b) 未確認的遞延稅項資產及負債

以下之遞延稅項資產未被確認：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unused tax losses: 未動用稅務虧損		
At 1 January 於一月一日	74,025	48,345
Unused tax losses recognised, net 已確認之未動用稅項虧損淨額	56,147	25,680
At 31 December 於十二月三十一日	<b>130,172</b>	74,025

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 17. DEFERRED TAXATION (Continued)

#### (b) Deferred tax assets and liabilities not recognised (Continued)

No deferred tax asset has been recognised in respect of certain unused tax losses due to the unpredictability of future profit streams. The unused tax losses will expire in 1 to 5 years. The deductible temporary differences can be carried forward indefinitely. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

### 18. INVENTORIES

#### (a) Inventories in the consolidated statement of financial position comprise:

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Raw materials	原材料	<b>140,321</b>	165,793
Work in progress	在製品	<b>22,599</b>	34,915
Finished goods	製成品	<b>62,486</b>	144,779
		<b>225,406</b>	345,487

A provision of RMB3,254,000 made in prior years against the carrying value of finished goods have been reversed. This reversal arose due to the sales of impaired finished goods during the year.

### 17. 遞延稅項(續)

#### (b) 未確認的遞延稅項資產及負債(續)

由於未來利潤流的不可預測性，因此未確認某些未使用稅項虧損的遞延稅項資產。未使用的稅收損失將在1-5年內到期。可抵扣的暫時性差異可以無限期結轉。由於不太可能有應納稅所得額對沖此等可抵扣暫時性差異，因此尚未就此等可抵扣暫時性差異確認任何遞延所得稅資產。

### 18. 存貨

#### (a) 於綜合財務狀況表中的存貨包括：

於去年就製成品之賬面值確認之撥備人民幣3,254,000元已撥回，該撥回是由於年內出售已減值製成品所致。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 18. INVENTORIES (Continued)

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

### 18. 存貨(續)

(b) 已確認為開支並計入損益的存貨額分析如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Carrying amount of inventories sold 已售存貨的賬面值	<b>685,428</b>	566,161

### 19. TRADE AND OTHER RECEIVABLES

### 19. 貿易及其他應收款項

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables 貿易應收款項及應收票據	<b>108,095</b>	120,761
Trade receivables from associates 應收聯營公司的貿易款項	<b>92</b>	9,246
Less: Loss allowance 減：虧損撥備	<b>(20,893)</b>	(8,119)
Total trade receivables 貿易應收款項總額	<b>87,294</b>	121,888
Prepayment for raw materials 原材料預付款	<b>47,267</b>	71,134
Derivative financial instruments (note 33(f)) 衍生金融工具(附註33(f))	<b>310</b>	2,736
Amount due from a related company (note 31(c)) 應收關聯公司款項(附註31(c))	<b>71</b>	71
Amounts due from associates 應收聯營公司款項	<b>5</b>	1,973
Amount due from a director 應收一名董事款項	<b>-</b>	30
Other receivables 其他應收款項	<b>11,369</b>	18,326
Less: Loss allowance 減：虧損撥備	<b>(385)</b>	(385)
Total other receivables 其他應收款項總額	<b>58,637</b>	93,885
Trade and other receivables 貿易及其他應收款項	<b>145,931</b>	215,773

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 19. TRADE AND OTHER RECEIVABLES (Continued)

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

Financial assets at amortised cost represent the wealth management products acquired from the banks to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Amounts due from a related company and associates are interest free, unsecured and repayable on demand.

The ageing analysis of trade receivables based on invoice date and net of loss allowances as of the end of reporting period, is as follows:

### 19. 貿易及其他應收款項(續)

預計所有貿易及其他應收款項將於一年內收回或確認為開支。

以攤餘成本計量的金融資產是指從銀行購買以持有以收集合同現金流量的理財產品，其中這些現金流量僅代表本金和利息的支付，以攤餘成本計量。

應收一家關連公司及聯營公司款項為免息，無抵押及應要求償還。

於報告期末，按發票日期並扣除虧損撥備的貿易應收款項賬齡分析如下：

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Within 1 month	1個月內	<b>49,821</b>	45,592
1 to 2 months	1至2個月	<b>14,185</b>	25,581
2 to 3 months	2至3個月	<b>9,516</b>	6,562
Over 3 months	3個月以上	<b>13,772</b>	44,153
		<b>87,294</b>	121,888

Trade receivables are normally due within 90 days to 180 days from the date of billing. Further details of the Group's credit policy are set out in note 33(a).

The Group recognised impairment loss based on the accounting policy stated in Note 2(m)(i).

貿易應收款項一般於出具發票日期起計90日至180日內到期。本集團信貸政策的進一步詳情載於附註33(a)。

本集團根據附註2(m)(i)所述的會計政策確認減值損失。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 19. TRADE AND OTHER RECEIVABLES (Continued)

The below table reconciled the impairment losses of trade receivables for the year:

### 19. 貿易及其他應收款項(續)

年內貿易及其他應收款項減值虧損對賬如下：

		Amount due from a related company	Amounts due from associates	Other receivables	Total	
	Trade receivables	應收 關聯公司款項	應收 聯營公司款項	其他應收款項	總計	
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Balance at 31 December 2017 under IAS 39	根據國際會計準則第39號 於二零一七年 十二月三十一日的結餘	3,493	-	-	-	3,493
Impact of initial application of IFRS 9	首次應用國際財務報告準則 第9號的影響	3,578	2	3	786	4,369
Balance at 1 January 2018 under IFRS 9	根據國際財務報告準則第9號 於二零一八年一月一日的 結餘	7,071	2	3	786	7,862
Impairment losses recognised during the year	年內已確認減值虧損	1,048	-	(3)	(403)	642
At 31 December 2018	於二零一八年 十二月三十一日	8,119	2	-	383	8,504
Impairment losses recognised during the year, net	年內已確認減值淨虧損	12,774	-	-	-	12,774
At 31 December 2019	於二零一九年 十二月三十一日	20,893	2	-	383	21,278

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 19. TRADE AND OTHER RECEIVABLES (Continued)

The following significant increase in trade receivables past due over 90 days contributed to the increase in the net loss allowance amounting to RMB12,774,000 during the year ended 31 December 2019.

In determining the ECL for other receivables, the Group has made individual assessment on the recoverability of other receivable based on historical settlement records, past experience and forward-looking information. The Group considers the consistently low recoverability of other receivables during the year resulting in increase of expected loss rates in note 33(a).

### 20. PLEDGED DEPOSITS

Pledged deposits with banks have been placed as security for banking facilities issued by banks to the Group (see note 24).

### 21. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the consolidated statement of financial position and consolidated cash flow statement comprise:

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Deposits with banks and other financial institutions	銀行及其他金融機構存款	<b>30,000</b>	6,846
Cash at banks and in hand	銀行及手頭現金	<b>46,024</b>	31,154
		<b>76,024</b>	38,000

At 31 December 2019, cash and cash equivalents in the amount of RMB22,318,000 (2018: RMB27,462,000) are denominated in RMB and are deposited in the PRC in the ordinary course of business. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

### 19. 貿易及其他應收款項(續)

由於逾期90天以上之貿易應收款大幅增加導致截至二零一九年十二月三十一日止年度的淨虧損準備增加至人民幣12,774,000元。

在確定其他應收款的預期信用損失時，本集團根據歷史結算記錄，以往經驗和前瞻性資訊對其他應收款的可收回性進行了單獨評估。本集團認為年內其他應收款的回收率一直較低，導致附註33(a)中的預期損失率上升。

### 20. 已抵押存款

抵押予銀行的存款已用作銀行向本集團發出銀行融資的抵押(見附註24)。

### 21. 現金及現金等價物

(a) 於綜合財務狀況表及綜合現金流量表內的現金及現金等價物包括：

於二零一九年十二月三十一日，為數人民幣22,318,000元(二零一八年：人民幣27,462,000元)的現金及現金等價物乃以人民幣計值，並於日常業務過程中存放於中國。人民幣並非可自由兌換的貨幣，從中國匯出資金須受中國政府頒佈的外匯管制法例及法規所限制。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 21. CASH AND CASH EQUIVALENTS (Continued)

(b) Reconciliation of profit before taxation to cash generated from operations:

### 21. 現金及現金等價物(續)

(b) 除稅前溢利與經營業務所得現金對賬：

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Note 附註		
Loss before taxation	除稅前虧損		<b>(64,303)</b>	(182,796)
Adjustments for:	就以下各項作出調整：			
Interest expense on bank borrowings and debenture	銀行借款及債券利息	6(a)	<b>1,802</b>	8,895
Interest expense on lease liability	租賃負債的利息	6(a)	<b>13</b>	-
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	6(c)	<b>21,557</b>	33,733
Depreciation of land use right included within right-of-use assets	包括在使用權資產的土地使用權之折舊	6(c)	<b>1,017</b>	-
Depreciation of leased properties included within right-of-use assets	包括在使用權資產的租賃物業之折舊	6(c)	<b>150</b>	-
Amortisation of lease prepayments	租賃預付款攤銷	6(c)	-	1,635
Amortisation of deferred income	遞延收入攤銷		-	(1,163)
Changes in fair value of derivative financial instruments	衍生金融工具公平值變動	5(b)	<b>579</b>	(190)
Interest income	利息收入	5(a)	<b>(347)</b>	(797)
Dividend income	股息收入	5(a)	<b>(531)</b>	(461)
Net loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備收益淨額	5(b)	<b>1,825</b>	(1)
Share of profits of associates, net of tax	應佔聯營公司溢利，扣除稅項		<b>(401)</b>	(282)
Impairment losses on property, plant and equipment	物業、廠房及設備減值		<b>638</b>	139,251
Impairment losses on lease prepayments	租賃預付款減值虧損		-	23,263
Expected credit loss on financial assets	金融資產預期信貸虧損		<b>12,774</b>	642
Provision for impairment loss on inventories	存貨減值撥備		<b>4,495</b>	-
Provision for onerous contracts	虧損合同撥備		<b>293</b>	-
Write-off of interest in an associate	於聯營公司權益之撇銷		<b>456</b>	-
Write-off of payables and amount due to a related company	應付款及應付關聯公司之撇銷		<b>(493)</b>	-
Changes in working capital:	營運資金變動：			
Decrease/(increase) in inventories	存貨減少/(增加)		<b>115,586</b>	(14,369)
Decrease/(increase) in trade and other receivables	貿易及其他應收款項減少/(增加)		<b>54,642</b>	(2,131)
Decrease in trade and other payables	貿易及其他應付款項減少		<b>(1,494)</b>	(4,432)
(Decrease)/increase in contract liabilities	合約負債(減少)/增加		<b>(18,847)</b>	23,133
Cash generated from operations	經營業務所得現金		<b>129,411</b>	23,930

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 22. TRADE AND OTHER PAYABLES

### 22. 貿易及其他應付款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade payables	貿易應付款項	13,039	12,018
Amounts due to associates	應付聯營公司款項	14,281	23,276
Derivative financial instruments (note i)	衍生金融工具(附註 i)	699	2,546
Amount due to a director	應付一名董事款項	13	12
Amount due to a related company (note 31(c))	應付關聯公司款項 (附註 31(c))	-	283
Other payables and accruals (note ii)	其他應付款項及應計費用 (附註 ii)	16,806	19,165
		<b>44,838</b>	57,300

Note:

- i. At 31 December 2019, the Group has foreign currency forward contracts with their fair values recognised as derivative financial instruments (liabilities) of RMB699,000 (2018: RMB2,546,000). The changes in fair value of the foreign currency forward contracts are recognised in the consolidated statement of profit or loss. All of the foreign currency forward contracts are to be settled within one year.
- ii. Balance mainly represents salaries, wages, bonus and other accrued benefits, and payables for the acquisition of property, plant and equipment.

All of the above balances are expected to be settled within one year or repayable on demand.

Amounts due to associates, a director and a related company are interest free, unsecured and repayable on demand.

附註：

- i. 於二零一九年十二月三十一日，本集團有遠期外匯合約(其公允值已確認為衍生金融工具(負債))人民幣699,000元(二零一八年：人民幣2,546,000元)。遠期外匯合約之公允值變動已於綜合損益表中確認。所有遠期外匯合約將於一年內結算。
- ii. 結餘主要指薪金、工資、花紅及其他應計福利以及購買物業、廠房及設備的應付款項。

所有上述結餘預計將於一年內償付或按的要求償還。

應付聯營公司、董事和關聯公司的款項為免息，無抵押且應要求償還。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 22. TRADE AND OTHER PAYABLES (Continued)

(a) A maturity analysis of the trade payables is as follows:

The maturity analysis of the trade payables balance is as follows:

	<b>2019</b>	2018
	<b>二零一九年</b>	二零一八年
	<b>RMB'000</b>	RMB'000
	<b>人民幣千元</b>	人民幣千元
Due within 1 month or on demand 1個月內到期償付或按要求償付	<b>9,017</b>	9,669
Due after 1 month but within 3 months 1個月後但3個月內到期償付	<b>4,022</b>	2,349
	<b>13,039</b>	12,018

### 23. CONTRACT LIABILITIES

The contract liabilities represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the Group transfers goods to the customer.

The contract liabilities represented receipt in advance from customers for goods that have not yet been transferred to the customers. As at 31 December 2019 and 2018, the contract liabilities mainly included the receipt in advance received from sales of wooden products. The contract liabilities decreased by RMB18,848,000 during the year ended 31 December 2019 primarily due to the decrease in sales with receipt in advance.

### 22. 貿易及其他應付款項(續)

(a) 貿易應付款項的到期日分析如下：

貿易應付款項結餘的到期日分析如下：

	<b>2019</b>	2018
	<b>二零一九年</b>	二零一八年
	<b>RMB'000</b>	RMB'000
	<b>人民幣千元</b>	人民幣千元
Due within 1 month or on demand 1個月內到期償付或按要求償付	<b>9,017</b>	9,669
Due after 1 month but within 3 months 1個月後但3個月內到期償付	<b>4,022</b>	2,349
	<b>13,039</b>	12,018

### 23. 合約負債

	<b>31 December</b>	31 December
	<b>2019</b>	2018
	<b>二零一九年</b>	二零一八年
	<b>十二月三十一日</b>	十二月三十一日
	<b>RMB'000</b>	RMB'000
	<b>人民幣千元</b>	人民幣千元

Contract liabilities 合約負債	<b>4,213</b>	23,133
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合約負債指截至報告期末分配至未完成履約責任的交易價格總額。本集團預期分配至未完成履約責任的交易價格將於本集團向客戶轉移貨品時確認為收益。

合約負債指預收尚未向客戶轉移貨物的客戶款項。於二零一九年及二零一八年十二月三十一日，合約負債主要包括銷售木製品收到的預收款項。截至二零一九年十二月三十一日止年度，合約負債增加人民幣18,848,000元，主要由於銷售預收款項增加所致。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 23. CONTRACT LIABILITIES (Continued)

During the year ended 31 December 2019, all brought-forward contract liabilities at the beginning of the financial period were fully recognised as revenue.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

#### Sales deposits

When the Group receives a deposit before the delivery of goods, this will give rise to contract liabilities at the start of a contract, until the revenue recognised exceeds the amount of the deposit. The amount of the sales deposit, if any, was negotiated on a case by case basis with customers.

### 23. 合約負債(續)

截至二零一九年十二月三十一日止年度，財政期初的所有承前合約負債均已悉數確認為收入。

對經確認合約資產金額構成影響的一般支付條款如下：

#### 銷售按金

當本集團在交付貨物之前收到按金時，按金將於合約開始時產生合約負債，直到確認的收入超過按金額。銷售按金的金額(如有)乃根據具體情況與客戶協商而定。

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
At 1 January	於一月一日	<b>23,133</b>	10,094
Amounts included in contract liabilities that was recognised as revenue during the year	於年內確認為收益的合約負債內列賬的款項	<b>(23,133)</b>	(10,094)
Cash received in advance of performance and not recognised as revenue during the year	就表現預收及於年內並未確認為收益的現金	<b>4,213</b>	23,133
At 31 December	於十二月三十一日	<b>4,213</b>	23,133

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 24. BANK LOANS

At 31 December 2018, the Group had secured bank loans which were repayable within 1 year or on demand of RMB91,152,000. The secured bank loans were fully repaid during the year and no bank loan is carried forward as at 31 December 2019.

The secured banking facilities were secured by the following assets with carrying values as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Pledged deposits (note 20)	已抵押存款(附註20)	7,613	18,084
Buildings (note 11)	樓宇(附註11)	108,102	59,631
Plant and machinery (note 11)	廠房及機器(附註11)	-	59,029
Construction in progress (note 11)	在建工程(附註11)	-	4,757
Land use rights (note 11)	土地使用權(附註11)	18,376	-
Lease prepayments (note 12)	租賃預付款(附註12)	-	19,200
		<b>134,091</b>	160,701

During 2019 and 2018, all of the Group's banking facilities were subject to the fulfilment of certain covenants, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants.

The Group had sixteen secured bank loans with carrying amounts of RMB91,152,000 at 31 December 2018 with maturity date during 2019. The loan agreements contained certain covenants on profit for which the Group did not meet the profit making requirement during year 2018.

### 24. 銀行貸款

於二零一八年十二月三十一日，本集團有抵押銀行貸款須於一年內償還或應要求償還人民幣91,152,000元。該有抵押銀行貸款已於年內悉數償還，而於二零一九年十二月三十一日並無結轉銀行貸款。

有抵押銀行融資以下列資產的賬面值作抵押：

於二零一九年及二零一八年，本集團的所有銀行融資均受履行與金融機構訂立的借貸安排中一般常見的若干契約所規限。倘本集團違反契約，則已提取的信貸將須按要求償還。本集團定期監控確保其遵守有關契約。

本集團擁有於二零一九年到期的十六筆有抵押銀行貸款，其賬面值於二零一八年十二月三十一日為人民幣91,152,000元。貸款協議載有若干關於本集團未達致二零一八年利潤要求的有關利潤的契約。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 24. BANK LOANS (Continued)

The Company complied with its obligation to pay and repaid the principals when they fell due. The Bank considered it not necessary at present to exercise its rights given by the loan agreements upon the Group not meeting the abovementioned covenant prior to the respective maturity dates of the loans in 2018.

Except for the above, the Company has fulfilled the covenants relating to drawn down facilities during 2019 and 2018. Details of the Group's management of liquidity risk are set out in note 33(b).

As at 31 December 2019, the Group has banking facilities with the aggregate amount of RMB151,712,000 (2018: RMB237,200,000) and no facility has been utilised (2018: utilised facilities amounting to RMB91,152,000). The Group has no intention to cancel the banking facilities which will be utilised in the foreseeable future.

### 25. LEASE LIABILITY

The Group leases an office premise in Hong Kong. Following the adoption of IFRS 16 by the Company on 1 January 2019, the lease liability in respect of the lease was recognised at the beginning of the lease period. The movement in lease liability during the year is as follows:

### 24. 銀行貸款(續)

本公司遵守其付款責任並將於本金到期時進行償還。儘管本集團於二零一八年未能於有關貸款到期日前達成前述契約，但銀行認為目前毋須行使貸款協議賦予其的權利。

除上述者外，於二零一九年及二零一八年，本公司已達成有關提取融資的契約。有關本集團管理流動資金風險的詳情載於附註33(b)。

於二零一九年十二月三十一日，本集團擁有銀行授信額度合計人民幣151,712,000元(二零一八年：人民幣237,200,000元)，並無任何授信額度被動用(二零一八年：已動用的授信額度為人民幣91,152,000元)。本集團無意取消在可預見未來將使用之銀行融資。

### 25. 租賃負債

本集團在香港租賃一間辦公室。本公司於二零一九年一月一日採用國際財務報告準則第16號後，有關租賃之租賃負債在租賃期開始時確認。本年度之租賃負債變動情況如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Balance at 1 January	於一月一日的結餘	359	-
Interest charged	利息	13	-
Rental paid	已支付租金	(158)	-
Exchange difference	匯兌差異	5	-
Balance at 31 December	於十二月三十一日的結餘	219	-
<b>Represented by:</b>	<b>即：</b>		
Current portion	即期部分	187	-
Non-current portion	非即期部分	32	-
		<b>219</b>	<b>-</b>

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 26. DEBENTURES

The Group entered into agreements with two individual third parties issuing unsecured debentures with principal amounting to HK\$20,000,000 during year 2018. Its carrying amount was approximately at HK\$20,000,000 and HK\$20,000,000 at 31 December 2019 and 2018 respectively. The debentures are bearing interest at 3% per annum, unsecured and repayable on 29 August 2022.

### 26. 債券

本集團已與兩名第三方個人訂立協議，發行本金額20,000,000港元的無抵押債券。相關債券按年息3%計算，為無抵押且應於二零二二年八月二十九日償還。

		<b>Group and Company</b>	
		<b>本集團及本公司</b>	
		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Balance at 1 January	於一月一日的結餘	<b>17,620</b>	16,790
Interest expenses	利息開支	<b>549</b>	527
Interest paid	已支付利息	<b>(528)</b>	(508)
Exchange difference	匯兌差異	<b>394</b>	811
Balance at 31 December		<b>18,035</b>	17,620
<b>Represented by:</b>			
	<b>即：</b>		
Current portion	即期部分	<b>13,279</b>	-
Non-current portion	非即期部分	<b>4,756</b>	17,620
		<b>18,035</b>	17,620

Interest expense on the debenture is calculated by applying the interest rate of 3% per annum (2018: 3%) to the carrying amount of debentures.

債券的利息支出是通過將每年3%的利率(二零一八年：3%)應用於債券之賬面值計算。

On 22 December 2019, the Company entered into the subscription agreements with debenture holders, to capitalise partial amounts of debenture together with accrued interest thereon in the amount of HK\$14,824,000 (equivalent to RMB13,279,000) by issuing an aggregate of 123,533,400 new shares at HK\$0.12 (note 37). The capitalisation has been completed on 14 February 2020. Amount of RMB13,279,000 is then reallocated to current liabilities as at 31 December 2019.

於二零一九年十二月二十二日，本公司與債券持有人訂立認購協議，通過以每股0.12港元發行合共123,533,400股新股，將部分債券及其應計利息14,824,000港元(折合人民幣13,279,000元)資本化(附註37)。資本化已於二零二零年二月十四日完成。於二零一九年十二月三十一日，人民幣13,279,000元已重新分配至流動負債。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 27. DISPOSAL OF A SUBSIDIARY

On 8 March 2019, the Company entered into an agreement to dispose the entire issued share capital of a subsidiary, Merry Garden Biomass Energy Holdings Limited, for a cash consideration of HK\$10,000 (equivalent to approximately RMB9,000). The net liabilities disposed of, the resulting gain on disposal and the net cash inflow in respect of the above transaction were as follows:

### 27. 出售附屬公司

於二零一九年三月八日，本公司訂立協議以現金代價10,000港元(相等於約人民幣9,000元)出售附屬公司美麗花園生物質能源控股有限公司之全部已發行股本。有關上述交易的出售負債淨值，所產生的出售收益以及現金流入淨額如下：

		2019 二零一九年 RMB'000 人民幣千元
<b>Net liabilities disposed of:</b>	<b>出售負債淨值：</b>	
Amount due from an intermediate holding company	應收一家直接控股公司	— <sup>#</sup>
Cash and cash equivalents	現金及現金等價物	37
Amount due to ultimate holding company	應付最終控股公司	(2)
Amount due to a fellow subsidiary	應付一家同系子公司	(43)
		(8)
<b>Gain on disposal:</b>	<b>出售收益：</b>	
Consideration received	已收代價	9
Net liabilities disposed of	已出售淨負債	8
Cumulative currency translation reserve in respect of the subsidiary disposed of reclassified from equity to profit or loss on disposal	與被出售子公司有關之累計貨幣折算儲備從權益重分類至出售損益	— <sup>#</sup>
		17
<b>Net cash outflow:</b>	<b>現金淨流出：</b>	
Total consideration	總代價	9
Less: Cash and cash equivalents disposed of	減：已出售之現金及現金等價物	(37)
		(28)

<sup>#</sup> Balances less than RMB1,000

<sup>#</sup> 餘額低於人民幣1,000元

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 28. CAPITAL, RESERVES AND DIVIDENDS

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

#### (a) Movements in components of equity

##### The Company

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
<b>Balance at 31 December 2017 as originally</b>	<b>於二零一七年十二月三十一日 (原列)</b>	25,544	678,732	20,426	(28,631)	696,071
Initial application of IFRS 9	初次應用國際財務報告準則第9號	-	-	-	(31,888)	(31,888)
<b>Balance at 1 January 2018 under IFRS 9:</b>	<b>按國際財務報告準則第9號 於二零一八年一月一日結餘</b>	25,544	678,732	20,426	(60,519)	664,183
Loss for the year	年內虧損	-	-	-	(5,297)	(5,297)
Other comprehensive income	其他全面收益	-	-	31,826	-	31,826
Total comprehensive income for the year	年內全面收益總額	-	-	31,826	(5,297)	26,529
<b>Balance at 31 December 2018</b>	<b>於二零一八年十二月三十一日的結餘</b>	25,544	678,732	52,252	(65,816)	690,712
Loss for the year	年內虧損	-	-	-	(36,090)	(36,090)
Other comprehensive income	其他全面收益	-	-	14,804	-	14,804
Total comprehensive income for the year	年內全面收益總額	-	-	14,804	(36,090)	(21,286)
<b>Balance at 31 December 2019</b>	<b>於二零一九年十二月三十一日的結餘</b>	25,544	678,732	67,056	(101,906)	669,426

### 28. 資本、儲備及股息

有關本集團綜合權益各部分的期初及期末餘額對賬載列於綜合權益變動表。本公司權益單獨部分於年初及年末的變動詳情如下：

#### (a) 權益部分的變動

##### 本公司

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 28. CAPITAL, RESERVES AND DIVIDENDS

(Continued)

#### (b) Share capital

##### Authorised and issued share capital

		2019 二零一九年		2018 二零一八年	
		Number of shares 股份數目 (‘000) 千股	Amount 金額 HK\$’000 千港元	Number of shares 股份數目 (‘000) 千股	Amount 金額 HK\$’000 千港元
<b>Authorised:</b>	<b>法定：</b>				
Ordinary shares of HK\$0.01 each at 1 January and 31 December	於一月一日及十二月三十一日 每股面值0.01港元的普通股	10,000,000	100,000	10,000,000	100,000

		2019 二零一九年		2018 二零一八年	
		Number of shares 股份數目 (‘000) 千股	Amount 金額 HK\$’000 千港元	Number of shares 股份數目 (‘000) 千股	Amount 金額 HK\$’000 千港元
<b>Ordinary shares, issued and fully paid:</b>	<b>普通股、發行及繳足：</b>				
At 1 January and 31 December	於一月一日	3,088,335	30,883	3,088,335	30,883
Equivalent to (RMB’000)	相當於(人民幣千元)		25,544		25,544



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 28. CAPITAL, RESERVES AND DIVIDENDS

(Continued)

#### (c) Nature and purpose of reserves

##### (i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issue of the shares of the Company.

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

##### (ii) Exchange reserve

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of the entities with functional currency other than Renminbi. The reserve is dealt with in accordance with the accounting policy set out in note 2(y).

##### (iii) Statutory reserve

Transfers from retained profits to PRC statutory reserve are made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

The subsidiaries in the PRC are required to appropriate 10% of its after-tax profit, as determined in accordance with the PRC accounting rules and regulations, to statutory general reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

### 28. 資本、儲備及股息(續)

#### (c) 儲備性質及目的

##### (i) 股份溢價

股份溢價指本公司的股份面值與發行本公司股份所收取所得款項之間的差額。

根據開曼群島公司法，本公司股份溢價賬內的基金可供分派予本公司的股東，惟緊隨建議分派股息日期後，本公司須能夠償付一般業務過程中到期的債務。

##### (ii) 匯兌儲備

匯兌儲備包括以人民幣以外的功能貨幣換算各間實體財務報表所產生的所有外幣差額。該儲備乃根據附註2(y)所載的會計政策處理。

##### (iii) 法定儲備

自保留盈利轉撥至中國法定儲備乃根據相關中國規則及規例以及本公司在中國成立的附屬公司的組織章程細則進行，並已獲相關董事會批准。

中國的附屬公司須撥出10%的除稅後溢利(其乃根據中國會計規則及規例釐定)至一般法定儲備，直至儲備結餘達註冊資本的50%為止。轉撥至儲備須在向股東分派股息前進行。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 28. CAPITAL, RESERVES AND DIVIDENDS

(Continued)

#### (c) Nature and purpose of reserves (Continued)

##### (iii) Statutory reserve (Continued)

Statutory general reserve can be used to make good prior years' losses, if any, and may be converted into paid-up capital provided that the balance after such conversion is not less than 25% of the registered capital.

#### (d) Distributable reserves

The aggregate amounts of reserves available for distribution to equity shareholders of the Company were RMB643,882,000 (2018: RMB665,168,000).

After the end of the reporting period, the directors proposed no final dividend (2018: proposed no final dividend).

#### (e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurate with the level of risk and by securing access to financing at a reasonable cost.

The Group defined "capital" as including all components of equity. Trade balances arise in the course of ordinary business are not regarded by the Group as capital. On this basis, the amount of capital employed by the Group at 31 December 2019 were RMB811,378,000 (2018: RMB931,829,000).

### 28. 資本、儲備及股息(續)

#### (c) 儲備性質及目的(續)

##### (iii) 法定儲備(續)

一般法定儲備可用於補償過往年度虧損(如有)，並可轉換至繳足股本，惟有關轉換後的結餘不得低於註冊資本的25%。

#### (d) 可分派儲備

可向本公司權益持有人分派之儲備總額為人民幣643,882,000元(二零一八年：人民幣665,168,000元)。

於報告期間結束後，董事並無建議派發末期股息(二零一八年：不建議派發末期股息)。

#### (e) 資本管理

本集團管理資本的主要目標是透過與風險程度匹配的產品及服務定價及透過按合理成本取得融資，保障本集團持續經營的能力，以便其能繼續為股東帶來回報及為其權益持有者帶來利益。

本集團將「資本」定義為包括所有權益部分。本集團在一般業務過程中產生的貿易結餘及短期銀行貸款不被視為資本。按此基準，本集團於二零一九年十二月三十一日擁有的資本金額為人民幣811,378,000元(二零一八年：人民幣931,829,000元)。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 28. CAPITAL, RESERVES AND DIVIDENDS

(Continued)

#### (e) Capital management (Continued)

The Group manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustment to the capital structure in light of changes in economic conditions affecting the Group.

Except for the banking facilities which require the fulfilment of certain covenants as disclosed in note 24, neither the Company nor any of the subsidiaries are subject to externally imposed capital requirements in either prior or current year.

### 29. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2019 not provided for in these consolidated financial statements were as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contracted for (note (i))	已訂約(附註(i))	23,642	23,374
		<b>23,642</b>	<b>23,374</b>

Note:

- (i) Capital commitments are mainly related to construction of manufacturing complex and acquisition of plant and machinery for Zhangping Kimura and Unicreed.

### 28. 資本、儲備及股息(續)

#### (e) 資本管理

本集團管理其資本架構，以維持更高股東回報間的結餘，該等回報可能具有更高的借貸及健全資本狀況所具有的優勢及保障，並就影響本集團的經濟狀況變動對資本架構進行調整。

除須達成附註24所披露的若干契約的銀行信貸外，於過往年度或本年度，本公司或任何附屬公司均毋須在外部施加資本需求。

### 29. 承擔

於此等綜合財務報表內未作出撥備且於二零一九年十二月三十一日尚未償還的資本承擔如下：

附註：

- (i) 資本承擔主要有關為漳平木村及揚帆同創建設廠房以及購買設備。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in Group's liabilities arising from financing activities.

### 30. 融資活動產生的負債之對賬

下表詳述本集團融資活動產生的負債之變化。

		<b>Bank loans</b>	<b>Debentures</b>	<b>Lease liability</b>	<b>Total</b>
		銀行貸款	債券	租賃負債	總計
		(note 24)	(note 26)	(note 25)	
		(附註24)	(附註26)	(附註25)	
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>At 1 January 2018</b>	<b>於二零一八年一月一日</b>	233,187	16,790	–	249,977
Cash flows	現金流量	(142,035)	(508)	–	(142,543)
Non-cash flows	非現金流量				
— Interest expenses	— 利息開支	–	527	–	527
— Effects of foreign exchange	— 匯兌影響	–	811	–	811
<b>At 31 December 2018 and 1 January 2019</b>	<b>於二零一八年十二月 三十一日及二零一九年 一月一日</b>	91,152	17,620	–	108,772
<b>Adoption of IFRS 16</b>	<b>採納國際財務報告準則 第16號</b>	–	–	359	359
<b>At 1 January 2019 (restated)</b>	<b>於二零一九年一月一日 (經重列)</b>	91,152	17,620	359	109,131
Cash flows	現金流量	(91,152)	(528)	(158)	(91,838)
Non-cash flows	非現金流量				
— Interest expenses	— 利息開支	–	549	13	562
— Effects of foreign exchange	— 匯兌影響	–	394	5	399
<b>At 31 December 2019</b>	<b>於二零一九年 十二月三十一日</b>	–	18,035	219	18,254

Note: The cash flows from borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the consolidated cash flow statements.

附註：在綜合現金流量表中，來自借款的現金流量補足借款所得款項淨額及償還借款。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 31. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed in notes 8, 9, 14, 19 and 22 of these consolidated financial statements, the Group entered into the following significant related party transactions during the years presented.

#### (a) Name and relationship with related parties

During the years presented, the directors are of the view that related parties of the Group include the following entities:

#### Name of party 關聯方名稱

#### Relationships 關係

Zhangping Jiupengxi Ecological Tourism Development Company Limited ("Jiupengxi")\*  
漳平市九鵬溪生態旅遊發展有限責任公司(「九鵬溪」)

A private company controlled by Wu Zheyuan.  
Wu Zheyuan is a director of the Company.  
吳哲彥控制的私營公司。吳哲彥為本公司董事。

Green Seas Capital Limited

A private company controlled by Wu Zheyuan.  
Wu Zheyuan is a director of the Company.

Green Sea Capital Limited

吳哲彥控制的私營公司。吳哲彥為本公司董事。

Jiangxi Lvyuan Trading Co., Ltd.\*  
江西綠源貿易有限公司

An associate of the Group.  
本集團之聯營公司。

Longyan Deliyuan Biomass Energy Co., Ltd.\*  
龍岩市得利源生物能源有限公司

An associate of the Group.  
本集團之聯營公司。

Xiamen Zhonglisheng Trading Co., Ltd.\*#  
廈門中利盛貿易有限公司

An associate of the Group.  
本集團之聯營公司。

Fujian Longyan Zhangping Weston Wood Component and Material Company Limited\*  
福建省龍岩市漳平威斯頓木結構材料有限公司

An associate of the Group.  
本集團之聯營公司。

# On 31 October 2019, Xiamen Zhonglisheng Trading Co., Ltd. was deregistered.

# 於二零一九年十月三十一日，廈門中利盛貿易有限公司已註銷。

\* The English translation of the name is for reference only. The official name of these related parties is in Chinese.

\* 名稱的英文翻譯僅供參考。該等關聯方的法定名稱為中文。

### 31. 重大關聯方交易

除此等綜合財務報表附註8、9、14、19及22所披露的關聯方資料外，本集團於所示年度訂立下列重大關聯方交易。

#### (a) 關聯方名稱及與關聯方的關係

於所示年度，董事認為，本集團的關聯方包括下列實體：

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 31. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

#### (b) Significant related party transactions

Particulars of significant related party transactions during the years presented are as follows:

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Sales of wooden products to Lvyuan	向綠源銷售木製品	<b>112</b>	622
Sales of wooden products to Weston Wood	向威斯頓銷售木製品	<b>17,855</b>	18,363
Other revenue from Weston Wood	來自威斯頓的其他收益	<b>6</b>	178
Purchase of raw materials from Weston Wood	向威斯頓採購原材料	<b>40,392</b>	48,098

The directors confirm that the above sales and purchase transactions are entered into with trading terms similar to those with third parties.

董事確認，上述買賣交易乃以與彼等與第三方訂立的類似交易條款訂立。

#### (c) Amounts due (to)/from related companies

		RMB'000
		人民幣千元
<b>Amount due to Jiupengxi</b>	<b>應付九鵬溪款項</b>	
Balance at	結餘於	
— 1 January 2018	— 二零一八年一月一日	(283)
— 31 December 2018 and 1 January 2019	— 二零一八年十二月三十一日 及二零一九年一月一日	(283)
<b>— 31 December 2019</b>	<b>— 二零一九年十二月三十一日</b>	-

The amount due (to)/from a related company was arisen from normal sales transactions. It was unsecured, interest-free and expected to be settled according to credit term which is similar to that with third parties.

應付關聯公司款項乃源自一般銷售交易。該等款項為無抵押、免息及預期將根據其與第三方類似的信用條款償付。

### 30. 重大關聯方交易(續)

#### (b) 重大關聯方交易

所示年度內重大關聯方交易的詳情如下：

#### (c) 應(付)／收關聯公司款項

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 31. MATERIAL RELATED PARTY (Continued) TRANSACTIONS (Continued)

#### (c) Amounts due (to)/from related companies

Amount due from Green Seas Capital Limited	
Balance at	
— 1 January 2018	
— 31 December 2018 and 1 January 2019	
— 31 December 2019	
Maximum balance outstanding	
— during 2019	
— during 2018	

The amount due to related company was unsecured, interest-free and repayable on demand.

#### (d) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	2,116	1,891
Retirement scheme contributions	退休計劃供款	10	20
		<b>2,126</b>	1,911

Total remuneration was included in "staff costs" (see note 6(b)).

### 31. 重大關聯方交易(續)

#### (c) 應(付)／收關聯公司款項(續)

RMB'000  
人民幣千元

應收 Green Seas Capital Limited 款項	
結餘於	
— 二零一八年一月一日	67
— 二零一八年十二月三十一日及 二零一九年一月一日	71
— 二零一九年十二月三十一日	71
最高未償還結餘	
— 於二零一九年	71
— 於二零一八年	71

應收關聯公司款項為無抵押、免息及按要償還。

#### (d) 主要管理層人員薪酬

本集團主要管理層人員薪酬(包括附註8及附註9分別披露的已付本公司董事及若干最高薪僱員的款項)如下：

總薪酬乃計入「員工成本」(見附註6(b))。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 31. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

#### TRANSACTIONS (Continued)

#### (e) Applicability of the Listing Rules relating to connected transactions

None of the above related party transactions fall under the definition of connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

### 31. 重大關聯方交易(續)

#### (e) 關連交易適用之上市規則

上述關聯方交易均不屬於上市規則第14A章所界定的關連交易或不獲豁免關連交易。

### 32. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts and fair values of the Group's financial instruments are as follows:

### 32. 按類別劃分的金融資產及金融負債概要

本集團金融工具的賬面值及公平值如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Financial assets</b>	<b>金融資產</b>		
<i>Loans and receivables:</i>	<i>貸款及應收款項：</i>		
Trade and other receivables	貿易及其他應收款項	<b>101,984</b>	141,903
Pledged deposits	已抵押存款	<b>7,612</b>	18,084
Cash and cash equivalents	現金及現金等價物	<b>76,024</b>	38,000
<i>Financial assets at fair value through other comprehensive income:</i>	<i>指定為按公平值計入其他全面收益之金融資產：</i>		
Equity investments	股本投資	<b>3,048</b>	3,267
<i>Financial assets at fair value through profit or loss:</i>	<i>按公平值計入損益之金融資產：</i>		
Derivative financial instruments	衍生金融工具	<b>310</b>	2,736
Other financial assets	其他金融資產	<b>791</b>	-
<b>Financial liabilities</b>	<b>金融負債</b>		
<i>Amortised costs:</i>	<i>攤銷成本：</i>		
Trade and other payables	貿易及其他應付款項	<b>43,544</b>	54,754
Bank loans	銀行貸款	-	91,152
Debentures	債券	<b>18,035</b>	17,620
Lease liabilities	租賃負債	<b>219</b>	-
<i>Financial liabilities at fair value through profit or loss:</i>	<i>按公平值計入損益之金融負債：</i>		
Derivative financial instruments	衍生金融工具	<b>699</b>	2,546



# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate, currency and commodity price arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

#### (a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. Management has a credit policy in place and the exposure to these credit risks is monitored on an ongoing basis.

In respect of cash and cash equivalents, the Group only places deposits with major financial institutions, which management believe are of high credit rating.

In respect of trade and other receivables, the Group usually requires upfront payment for sales of goods to new customers. For export sales, the Group generally requests settlement by letter of credit issued by financial institutions or by wire transfer for certain customers with good trading history. Individual credit evaluations are performed on all new customers requiring credit over a certain amount and are also performed on existing customers on a periodic basis. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and may take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group offers 90 days of credit to export sales customers with good trading history and offers 180 days of credit to the existing domestic sales customers. Generally, debtors with significant overdue balances are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

### 33. 金融風險管理及公平值

在本集團的正常業務過程中會產生信貸風險、流動資金風險、利率風險、貨幣風險及商品價格風險。

本集團所承擔的此等風險及本集團管理此等風險所採用金融風險管理政策及慣例於下文闡述。

#### (a) 信貸風險

本集團的信貸風險主要來自貿易及其他應收款項以及現金及現金等價物。管理層已制訂信貸政策，並持續監察所面對的此等信貸風險。

本集團的現金及現金等價物僅存於管理層認為擁有高信貸評級的主要金融機構。

就貿易及其他應收款項而言，本集團通常要求新客戶就銷售貨物支付預付款。就出口銷售而言，本集團通常要求以金融機構開具的信用證或電匯（就若干經營歷史良好的客戶而言）結算。本集團對所有要求若干信貸額度的新客戶均會進行個別信用評估，亦定期對現有客戶進行個別信用評估。此等評估專注於客戶過往的到期支付記錄以及當前的支付能力，或會考慮客戶特定資料以及客戶經營所在地的經濟環境。本集團向具良好貿易記錄的出口銷售客戶授出90日的信貸期及對現有國內銷售客戶授出180日的信貸期。一般而言，結餘嚴重逾期者，須首先結清應收款項的所有未償還結餘，才會獲授進一步的信貸。一般而言，本集團並無自客戶處取得抵押品。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (a) Credit risk (Continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2019, 0.7% (2018: 5.0%), of the total trade and other receivables was due from the Group's largest customer and 21% (2018: 13%), was due from the five largest customers.

The Group applies the simplified and general approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade receivables and 12-month expected credit losses for other receivables and amounts due from associates.

### 33. 金融風險管理及公平值(續)

#### (a) 信貸風險(續)

本集團所面對的信貸風險，主要受各客戶的個別特徵所影響，而並非來自客戶所經營的行業或所在的國家，因此當本集團面對個別客戶的重大風險時，將產生高度集中的信貸風險。於二零一九年十二月三十一日，貿易及其他應收款項總額中有0.7%（二零一八年：5.0%）為應收本集團最大客戶的款項，而21%（二零一八年：13%）則為應收五大客戶的款項。

本集團應用簡化及一般方法就國際財務報告準則第9號所規定的預期信貸虧損計提撥備，國際財務報告準則第9號允許使用貿易應收款項的全期預期虧損撥備及其他應收款項、應收關聯公司款項及應收聯營公司款項的12個月預期信貸虧損撥備。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (a) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, other receivables and amounts due from associates:

		<b>As at 31 December 2019</b>		
		<b>於二零一九年十二月三十一日</b>		
		<b>Expected</b>	<b>Gross</b>	<b>Loss</b>
		<b>loss rate (%)</b>	<b>carrying</b>	<b>allowance</b>
		<b>預期虧損率</b>	<b>amount</b>	<b>excluding</b>
		<b>(%)</b>	<b>excluding</b>	<b>specific</b>
			<b>specific</b>	<b>debtors</b>
			<b>debtors</b>	<b>debtors</b>
			<b>不包括特定</b>	<b>不包括特定</b>
			<b>應收款項的</b>	<b>應收款項的</b>
			<b>賬面值總額</b>	<b>虧損撥備</b>
			<b>RMB'000</b>	<b>RMB'000</b>
			<b>人民幣千元</b>	<b>人民幣千元</b>
<b>Trade receivables</b>	<b>貿易應收款項</b>			
Current	即期	0.95%	78,391	(750)
Less than 1 month past due	逾期少於1個月	3.19%	1,326	(42)
1 to 3 months past due	逾期1至3個月	6.88%	23	(2)
More than 3 months but less than 12 months past due	逾期3個月以上但少於12個月	19.03%	300	(57)
More than 12 months past due	逾期12個月以上	36.89%	11,686	(4,311)
			91,726	(5,162)
<b>Other receivables</b>	<b>其他應收款項</b>	5.21%	7,349	(383)
<b>Amount due from a related company</b>	<b>應收關聯公司款項</b>	3.04%	71	(2)
<b>Amounts due from associates (Note)</b>	<b>應收聯營公司款項 (附註)</b>	3.04%	5	—*

\* Less than RMB1,000

\* 低於人民幣1,000元

Note: The balance excluded prepayment to associates for raw materials.

附註：餘額不包含預付聯營公司之材料款。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

		As at 31 December 2018 於二零一八年十二月三十一日		
		Expected loss rate (%) 預期虧損率 (%)	Gross carrying amount excluding specific debtors 不包括特定 應收款項的 賬面值總額 RMB'000 人民幣千元	Loss allowance excluding specific debtors 不包括特定 應收款項的 虧損撥備 RMB'000 人民幣千元
<b>Trade receivables</b>	<b>貿易應收款項</b>			
Current	即期	0.82%	90,319	(741)
Less than 1 month past due	逾期少於1個月	2.27%	9,775	(222)
1 to 3 months past due	逾期1至3個月	6.12%	5,191	(318)
More than 3 months but less than 12 months past due	逾期3個月以上但少於12個月	12.43%	17,115	(2,127)
More than 12 months past due	逾期12個月以上	29.61%	4,114	(1,218)
			126,514	(4,626)
<b>Other receivables</b>	<b>其他應收款項</b>	3.04%	12,597	(383)
<b>Amount due from a related company</b>	<b>應收關聯公司款項</b>	3.04%	71	(2)
<b>Amounts due from associates (Note)</b>	<b>應收聯營公司款項 (附註)</b>	3.04%	6	—*

\* Less than RMB1,000

\* 低於人民幣1,000元

Note: The balance excluded prepayment to associates for raw materials.

附註：餘額不包含預付聯營公司之材料款。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (a) Credit risk (Continued)

Expected loss rates are based on historical debts recovery rates over the past 2 years. The rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other are considered indicators of no reasonable expectation of recovery.

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Debt financial assets other than trade receivables determine the ECL based on the 12-months ECLs. The expected loss rates are simply based on the historical debts recovery rate and adjusted by forward looking factors including future economy conditions.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose it to credit risk.

### 33. 金融風險管理及公平值(續)

#### (a) 信貸風險(續)

預期損失率基於過去兩年中的歷史債務回收率。該回收率經調整以反映歷史數據收集期間的經濟狀況，當前狀況以及本集團對應收款預期壽命的經濟狀況的看法。

於計量預期信貸虧損時，貿易應收款項因具有共同信貸風險特徵而已按綜合基準進行評估，並已按逾期天數進行分類。

貿易應收款項於無法合理預期可收回時予以撇銷(即取消確認)。未能自發票日期起180日內付款及未向本集團承諾以替代付款安排付款即被視為無法合理預期收回款項的指標。

既無逾期亦無減值的應收款項涉及近期並無違約記錄的大量客戶。

除應收賬款以外的債務金融資產根據12個月的預期信用損失確定了預期信用損失。預期損失率僅基於歷史債務回收率，並通過包括未來經濟狀況在內的前瞻性因素進行調整。

最高信貸風險指綜合財務狀況表內扣除任何減值撥備後的各項金融資產的賬面值。本集團並未就其面臨的信貸風險提供任何擔保。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (a) Credit risk (Continued)

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 19.

#### (b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at 31 December 2019 of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company are required to settle these liabilities.

### 33. 金融風險管理及公平值(續)

#### (a) 信貸風險(續)

有關本集團就貿易應收款項面臨的信貸風險的進一步定量披露載於附註19。

#### (b) 流動資金風險

本集團的政策為定期監察其流動資金需求，確保符合貸款契約的規定，以確保本集團維持足夠的現金儲備及從主要金融機構取得充足的承諾貸款額，進而滿足其短期及長期流動資金所需。

下表詳列本集團及本公司非衍生金融負債於二零一九年十二月三十一日的剩餘合約到期日，該金融負債乃基於合約未貼現現金流量(包括使用合約利率或(倘浮動)於報告期間結束時現行利率計算的利息付款)以及本集團及本公司被要求結算此等負債的最早日期而計算。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

(b) 流動資金風險(續)

		2019 二零一九年			Total contractual undiscounted cash flow	Carrying amount at 31 December
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	訂約未貼現 現金流量總額	於十二月三十一日 的賬面值
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Debentures	債券	13,279	528	5,383	19,190	18,035
Trade and other payables	貿易及其他應收款	43,544	-	-	43,544	43,544
Derivative financial instruments	衍生金融工具	699	-	-	699	699
Lease liabilities	租賃負債	187	32	-	219	219
		<b>57,709</b>	<b>560</b>	<b>5,383</b>	<b>63,652</b>	<b>62,497</b>
		2018 二零一八年			Total contractual undiscounted cash flow	Carrying amount at 31 December
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	訂約未貼現 現金流量總額	於十二月三十一日 的賬面值
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Bank loans	銀行貸款	92,263	-	-	92,263	91,152
Debentures	債券	526	526	18,575	19,627	17,620
Trade and other payables	貿易及其他應付款項	54,754	-	-	54,754	54,754
Derivative financial instruments	衍生金融工具	2,546	-	-	2,546	2,546
		<b>150,089</b>	<b>526</b>	<b>18,575</b>	<b>169,190</b>	<b>166,072</b>

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (a) below.

#### (i) Interest rate profile

The following table details the interest rate profile of the Group's total borrowings at 31 December 2019 and 2018:

		2019 二零一九年		2018 二零一八年	
		Effective interest rate	Amount	Effective interest rate	Amount
		實際利率	金額	實際利率	金額
		%	RMB'000	%	RMB'000
			人民幣千元		人民幣千元
<b>Fixed rate borrowings:</b>	<b>定息借款：</b>				
RMB, EUR and USD bank loans	人民幣、歐元及美元 銀行貸款	-	-	1.35%-5.12%	91,152
Unsecured debentures	無抵押債券	3.13%	18,035	3.13%	17,620
Lease liabilities	租賃負債	5.13%	219	-	-
<b>Total net borrowings</b>	<b>總借款淨額</b>		<b>18,254</b>		108,772
Net fixed rate borrowings as a percentage of total net borrowings	定息借款淨額佔總 借款淨額的百分比		<b>100%</b>		100%

### 32. 金融風險管理及公平值(續)

#### (c) 利率風險

本集團的利率風險主要來自借款。按浮動利率及固定利率計息的借款分別為本集團帶來現金流量利率風險及公平值利率風險。如管理層所監察，本集團的利率狀況載於下文(i)。

#### (i) 利率狀況

下表詳列於二零一九年及二零一八年十二月三十一日本集團借款總額的利率狀況：



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (c) Interest rate risk (Continued)

##### (ii) Sensitivity analysis

At 31 December 2019 and 2018, the Group's total borrowings are fixed rate borrowings therefore sensitivity analysis is considered not necessary.

#### (d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in USD, AUD and NZD, currencies other than the functional currency of the entity to which they relate.

The Group is also exposed to currency risk associated with the bank borrowings as the Group's borrowings are denominated in RMB, USD, HKD and EURO.

### 32. 金融風險管理及公平值(續)

#### (c) 利率風險(續)

##### (ii) 敏感度分析

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團的借款總為固定利率借款，因此無需進行敏感度分析。

#### (d) 貨幣風險

本集團面對的貨幣風險，主要為以實體功能貨幣以外與其相關的貨幣(美元、澳元及新西蘭元)計值的銷售及採購(產生應收款項、應付款項及現金結餘)而衍生的貨幣風險。

由於本集團的借款乃以人民幣、美元、港元及歐元計值，因此本集團亦面臨銀行借款相關的貨幣風險。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (d) Currency risk (Continued)

During the years presented, the Group entered into foreign currency forward contracts with major state-owned banks in the PRC mainly to acquire RMB to mitigate against currency risk on receivables denominated in USD, HKD and EURO. All of the forward exchange contracts have maturities of less than one year.

At 31 December 2019, the Group had foreign currency forward contracts with their fair values recognised as derivative financial instruments (assets) of RMB310,000 (2018: RMB2,736,000) and derivative financial instruments (liabilities) of RMB699,000 (2018: RMB2,546,000) and are included within "Trade and other receivables" (note 19) and "Trade and other payables" (note 22) respectively. The changes in fair value of the foreign currency forward contracts were recognised in the consolidated statement of profit or loss (note 5(b)).

#### (i) Exposure to currency risk

The following table details the Group's exposure at 31 December 2019 to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the end of reporting period. Differences resulting from the translation of the financial statements of the entities with functional currency other than RMB into the Group's presentation currency are excluded.

The Company does not have any significant financial assets or liabilities denominated in currencies other than its functional currency and it is not exposed to significant currency risk.

### 32. 金融風險管理及公平值(續)

#### (d) 貨幣風險(續)

所示年度內，本集團與中國的大型國有銀行訂立外幣遠期合約買入人民幣以降低以美元、港元及歐元計值的應收賬款的貨幣風險。所有遠期外匯合約的到期時間均為一年以內。

於二零一九年十二月三十一日，本集團外幣遠期合約的公平值按衍生金融工具(資產)人民幣310,000元(二零一八年：人民幣2,736,000元)及衍生金融工具(負債)人民幣699,000元(二零一八年：人民幣2,546,000元)確認，並分別計入「貿易及其他應收款項」(附註19)及「貿易及其他應付款項」(附註22)。外幣遠期合約的公平值變動乃於綜合損益表中確認(附註5(b))。

#### (i) 貨幣風險

下表詳列本集團於二零一九年十二月三十一日因實體以功能貨幣以外的貨幣計值相對應的已確認資產或負債而產生的貨幣風險。為方便呈列，風險額以人民幣列示，使用報告期間結束時的利率換算，惟將以人民幣以外的功能貨幣列賬的實體財務報表換算成本集團的呈列貨幣產生的差額則除外。

本公司並無任何重大金融資產或負債以其功能貨幣以外的貨幣計值，亦無承受重大貨幣風險。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (d) Currency risk (Continued)

##### (i) Exposure to currency risk (Continued)

		2019 二零一九年						
		USD	Euros	AUD	CHF	JPY	NZD	RMB
		美元	歐元	澳元	瑞士法郎	日圓	新西蘭元	人民幣
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and other receivables	貿易及其他應收款項	48,306	-	17,047	-	-	9,219	-
Cash and cash equivalents	現金及現金等價物	16,753	114	25	1	1	-	95
Pledged deposits	已抵押存款	62	-	-	-	-	-	-
Trade and other payables	銀行貸款	(1,235)	-	-	-	-	-	-
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險總額	63,886	114	17,072	1	1	9,219	95

		2018 二零一八年						
		USD	Euros	AUD	CHF	JPY	NZD	RMB
		美元	歐元	澳元	瑞士法郎	日圓	新西蘭元	人民幣
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and other receivables	貿易及其他應收款項	49,302	-	5,804	-	-	-	-
Cash and cash equivalents	現金及現金等價物	9,733	116	58	1	1	-	292
Pledged deposits	已抵押存款	4,669	-	-	-	-	-	-
Bank loans	銀行貸款	(6,952)	-	-	-	-	-	-
Trade and other payables	貿易及其他應付款項	(28,958)	-	-	-	-	-	-
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險總額	27,794	116	5,862	1	1	-	292

##### (ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. Other components of equity would not be affected by changes in the foreign exchange rates.

##### (ii) 敏感度分析

下表列示所有其他風險變數不變的情況下，本集團的除稅後溢利（及保留溢利）因報告期間結束時匯變動（本集團須就此變動承受重大風險）而產生的即時變動。權益的其他部分將不受外幣匯率變動的影響。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

### 32. 金融風險管理及公平值(續)

(d) 貨幣風險(續)

(ii) 敏感度分析(續)

		2019 二零一九年		2018 二零一八年	
		Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax and retained profits
		外幣匯率 上升/(下降)	除稅後溢利 及保留溢利 上升/(下降)	外幣匯率 上升/(下降)	除稅後溢利 及保留溢利 上升/(下降)
			RMB'000 人民幣千元		RMB'000 人民幣千元
USD	美元	5% (5)%	2,709 (2,709)	5% (5)%	1,182 (1,182)
Euros	歐元	5% (5)%	5 (5)	5% (5)%	(5) (5)
NZD	新西蘭元	5% (5)%	385 (385)	5% (5)%	- -
AUD	澳元	5% (5)%	726 (726)	5% (5)%	250 (250)
CHF	瑞士法郎	5% (5)%	-* -*	5% (5)%	-* -*
JPY	日圓	5% (5)%	-* -*	5% (5)%	-* -*
RMB against HK\$	人民幣兌港元	5% (5)%	4 (4)	5% (5)%	12 (12)

\* less than RMB1,000

\* 少於人民幣 1,000 元

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (d) Currency risk (Continued)

##### (ii) Sensitivity analysis (Continued)

Results of the analysis as presented above represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis at 31 December 2018 has been performed on the same basis.

#### (e) Commodity price risk

The major raw materials used in the production of the Group's products include, fir and pinewood. The Group is exposed to fluctuations in the prices of these raw materials which are influenced by the global market as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group historically has not entered into any commodity derivative instruments to hedge the potential commodity price changes. The Group monitors its commodity price risk by widening its supply base and performs bulk purchase when the price of raw materials is low.

### 32. 金融風險管理及公平值(續)

#### (d) 貨幣風險(續)

##### (ii) 敏感度分析(續)

上文呈列的分析結果指本集團各實體的除稅後溢利及權益以各自的功能貨幣計值於為呈列目的而按報告期間結束時的匯率兌換成人民幣後的即時影響總額。

敏感度分析假設外幣匯率變動已應用至重新計算本集團持有的金融工具，而該等金融工具使本集團於報告期間結束時面對外匯風險。分析不包括兌換海外業務財務報表至本集團呈列貨幣時可能出現的差額。於二零一八年十二月三十一日，分析已按相同的基準進行。

#### (e) 商品價格風險

用於生產本集團產品所用主要原材料包括杉木及松木。本集團面臨該等原材料價格波動的風險，而該等原材料的價格受全球市場及區域性供求狀況的影響。原材料價格的波動可能對本集團的財務表現產生不利影響。本集團不曾訂立任何商品衍生工具對沖潛在商品價格變動。本集團透過拓寬供應基礎及在原材料價格較低時進行批量採購的方式監管商品價格風險。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (f) Fair values

##### (i) Financial instruments not measured at fair value

Financial instruments not measured at fair value include loans and receivables, cash and cash equivalents, trade and other receivables, pledged deposits, trade payables and other payables, debentures and bank loans.

Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables, pledged deposits, trade payables and other payables, debentures and bank loans approximates fair value.

##### (ii) Financial instruments measured at fair value

###### *Fair value hierarchy*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

### 32. 金融風險管理及公平值(續)

#### (f) 公平值

##### (i) 未按公平值計量的金融工具

未按公平值計量的金融工具包括貸款及應收款項、現金及現金等價物、貿易及其他應收款項、已抵押存款、貿易及其他應付款項、債券及銀行貸款。

基於其短期性質，現金及現金等價物、貿易及其他應收款項、已抵押存款、貿易及其他應付款項、債券及銀行貸款之賬目值與其公平值相若。

##### (ii) 按公平值列賬的金融工具

###### *公平值等級制度*

下表呈列本集團金融工具於報告期間結束時按經常性基準計量的公平值，並分類為香港財務報告準則第13號：公平值計量定義的三級公平值架構。將公平值計量分類的等級乃經參考如下估值方法所用輸入數據的可觀察性及重要性後釐定：

- 第一級估值：僅使用第一級輸入數據(即於計量日同類資產或負債於活躍市場之未經調整報價)計量的公平值

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (f) Fair values (Continued)

#### (ii) Financial instruments measured at fair value (Continued)

##### Fair value hierarchy (Continued)

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

#### (f) 公平值(續)

#### (ii) 按公平值列賬的金融工具(續)

##### 公平值等級制度(續)

- 第二級估值：使用第二級輸入數據(即未能達到第一級的可觀察輸入數據)且並未使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據為無市場數據的輸入數據
- 第三級估值：採用重大不可觀察數據計量的公平值

		31 December 2019 二零一九年十二月三十一日			
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets at fair value through profit or loss — Derivative financial instruments (note 19)	按公平值計入損益之金融資產 — 衍生金融工具 (附註19)	-	310	-	310
Financial assets at fair value through other comprehensive income — Unlisted equity securities (note 15)	按公平值計入其他全面收益之金融資產 — 非上市股本證券 (附註15)	-	-	3,048	3,048
		-	310	3,048	3,358
Financial liabilities at fair value through profit or loss — Derivative financial instruments (note 22)	按公平值計入損益之金融資產 — 衍生金融工具 (附註22)	-	699	-	699

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (f) Fair values (Continued)

#### (ii) Financial instruments measured at fair value (Continued)

Fair value hierarchy (Continued)

### 33. 金融風險管理及公平值(續)

#### (f) 公平值(續)

#### (ii) 按公平值列賬的金融工具(續)

公平值等級制度(續)

		31 December 2018 二零一八年十二月三十一日			
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產				
— Derivative financial instruments (note 19)	— 衍生金融工具 (附註 19)	-	2,736	-	2,736
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產				
— Unlisted equity securities (note 15)	— 非上市股本證券 (附註 15)	-	-	3,267	3,267
		-	2,736	3,267	6,003
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債				
— Derivative financial instruments (note 22)	— 衍生金融工具 (附註 22)	-	2,546	-	2,546

During the years ended 31 December 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

截至二零一九年及二零一八年十二月三十一日止年度，第一級與第二級工具間並無轉移，亦無轉入第三級或自第三級轉出。本集團的政策為於公平值等級的各級在報告期間結束時發生轉移時確認有關轉移。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

### 33. 金融風險管理及公平值(續)

#### (f) Fair values (Continued)

#### (ii) Financial instruments measured at fair value (Continued)

##### Valuation techniques and inputs used in Level 2 fair value measurements

As at 31 December 2019, the Group's derivative financial instruments assets and liabilities amounting to RMB310,000 and RMB699,000 respectively (2018: derivative financial instrument assets and liabilities of RMB2,736,000 and RMB2,546,000 respectively) (note 19 and 22) were carried at fair value, and these instruments fall into Level 2 of the fair value hierarchy described above.

The fair value of forward exchange contracts in Level 2 is determined by discounting the contractual forward price and deducting the current spot rate. The discount rate used is derived from the relevant government yield curve as at the end of reporting period plus an adequate constant credit spread.

##### Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of the Group's unlisted equity securities at 31 December 2019 and 2018 has been arrived at on the basis of valuation carried out by Knight Frank Asset Appraisal Limited, a firm of independent professionally qualified valuers not connected with the Group. The unlisted equity securities are categorised into level 3 of fair value measurement.

#### (f) 公平值(續)

#### (ii) 按公平值列賬的金融工具(續)

##### 第二級公平值計量使用的估值技術及輸入數據

於二零一九年十二月三十一日，本集團的衍生金融工具資產及負債分別為人民幣310,000元及人民幣699,000元(二零一八年：資產及負債分別為人民幣2,736,000元及人民幣2,546,000元)(附註19及22)按公平值列賬，該等工具屬於上述第二級公平值等級。

第二級的遠期外匯合約公平值乃透過貼現合約遠期價格及扣除現有即期利率而釐定。所使用貼現率按於報告期間結束時相關政府債券孳息率加足夠固定信貸息差而計算得出。

##### 第三級公平值計量使用的估值技術及輸入數據

本集團非上市股本證券於二零一九年及二零一八年十二月三十一日的公平值乃根據萊坊資產評估有限公司(一家與本集團並無關連的獨立專業合資格估值師行)進行的估值達致。非上市股本證券分類為公平值計量第三級。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (f) Fair values (Continued)

#### (ii) Financial instruments measured at fair value (Continued)

Valuation techniques and inputs used in Level 3 fair value measurements (Continued)

Financial assets at fair value through other comprehensive income	Fair value at 31 December 2019 於二零一九年十二月三十一日 的公平值	Valuation technique 估值技術	Unobservable input 不可觀察輸入數據	Relationship of inputs to fair value Range 範圍	Relationship of inputs to fair value 輸入數據與公平值的關係
按公平值計入其他全面收益的金融資產	RMB'000 人民幣千元				
— Unlisted equity securities — 非上市股本證券	3,048	Market comparable companies 市場可比公司	Discount for lack of marketability 缺乏市場流通性折讓	30%	The higher the discount the lower the fair value 折讓越高，公平值越低

The fair values of unlisted equity securities are determined using the price/book ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. The directors are of the view that the impact of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount was insignificant.

非上市股本證券的公平值乃採用因缺乏市場流通性折讓而調整的可資比較上市公司的市賬率釐定。公平值計量與缺乏市場流通性折讓呈負相關。董事認為倘該等輸入數據變更為不同金額，則公平值計量對不可觀察輸入數據變動的影響甚微。

### 32. 金融風險管理及公平值(續)

#### (f) 公平值(續)

#### (ii) 按公平值列賬的金融工具(續)

第三級公平值計量使用的估值技術及輸入數據(續)

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 33. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (f) Fair values (Continued)

#### (ii) Financial instruments measured at fair value (Continued)

Valuation techniques and inputs used in Level 3 fair value measurements (Continued)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

		Financial assets at FVOCI 按公平值計入其他全面收益之 金融資產	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unlisted equity securities: At 1 January/restated at 1 January	非上市股本證券： 於一月一日重列/於一月一日	3,267	4,075
Total gains or losses: — in other comprehensive income before tax	收益或虧損總額： — 於其他全面收益	(219)	(808)
At 31 December	於十二月三十一日	3,048	3,267

#### (iii) Fair value of financial assets and liabilities not carried at fair value

The carrying values of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2019 and 31 December 2018.

#### (f) 公平值(續)

#### (ii) 按公平值列賬的金融工具(續)

第三級公平值計量使用的估值技術及輸入數據(續)

基於重大不可觀察輸入數據(第三級)按公平值列賬的金融工具的對賬如下：

#### Financial assets at FVOCI

#### 按公平值計入其他全面收益之

#### 金融資產

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
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#### (iii) 未按公平值列賬的金融資產及負債的公平值

本集團按成本或攤銷成本列賬的金融工具賬面值與彼等於二零一九年十二月三十一日及二零一八年十二月三十一日的公平值並無重大差異。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 34. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

### 34. 公司層面財務狀況表

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註			
<b>Non-current assets</b>		<b>非流動資產</b>		
Property, plant and equipment		物業、廠房及設備	214	–
Interests in subsidiaries	16	於附屬公司的權益	688,704	707,307
			<b>688,918</b>	707,307
<b>Current assets</b>		<b>流動資產</b>		
Deposits and prepayments		按金及其他預付款	144	373
Amounts due from subsidiaries		應收附屬公司款項	50	1,729
Cash and cash equivalents		現金及現金等價物	326	323
			<b>559</b>	2,425
<b>Current liabilities</b>		<b>流動負債</b>		
Other payables		其他應付款項	1,603	1,400
Debenture	26	債券	13,279	–
Lease liability		租賃負債	187	–
Amounts due to subsidiaries		應付子公司	215	–
			<b>15,385</b>	1,400
<b>Net current (liabilities)/assets</b>		<b>流動資產淨值</b>	<b>(14,742)</b>	1,025
<b>Total assets less current liabilities</b>		<b>資產總值減流動資產</b>	<b>674,214</b>	708,332
<b>Non-current liabilities</b>		<b>非流動負債</b>		
Debentures	26	債券	4,756	17,620
Lease liability		租賃負債	32	–
			<b>4,788</b>	17,620
<b>Net assets</b>		<b>資產淨值</b>	<b>669,426</b>	690,712
<b>Equity</b>		<b>權益</b>		
Share capital		資本	25,544	25,544
Reserves	28(b)	儲備	643,882	665,168
<b>Total equity</b>	28(a)	<b>權益總額</b>	<b>669,426</b>	690,712

Approved and authorised for issue by the board of directors on 30 March 2020.

於二零二零年三月三十日獲董事會批准及授權刊發。

**Wu Zheyang**  
吳哲彥  
Chief Executive Officer  
行政總裁

**Xie Qingmei**  
謝清美  
Chairlady  
主席

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 35. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2019, the directors consider the immediate and ultimate controlling party of the Group to be Green Seas Capital Limited, which is incorporated in BVI. This entity does not produce financial statement available for public use.

### 36. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2019 and which have not been adopted in the consolidated financial statements. These include the following which may be relevant to the Group.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and consolidated financial statements.

### 35. 直接及最終控股方

董事認為，於二零一九年十二月三十一日，本集團直接及最終控股方為Green Seas Capital Limited，該公司於英屬處女群島註冊成立。此實體並無編製公開財務報表。

### 36. 截至二零一九年十二月三十一日止年度已頒佈尚未生效的修訂、新訂準則及詮釋的可能影響

截至此等綜合財務報表頒佈之日，國際會計準則理事會已頒佈多項修訂及新訂準則，其於截至二零一九年十二月三十一日止年度尚未生效，且並未於綜合財務報表內採納，當中包括下列可能與本集團有關的各項。

本集團尚未能闡述該等新訂及經修訂財務報告準則會否對其經營業績及財務狀況產生重大影響。

#### Effective for accounting periods beginning on or after 於下列日期開始或之後 的會計期間生效

Amendments to IFRS 3, Definition of a Business	1 January 2020
國際財務報告準則第3號之修訂，業務之定義	二零二零年一月一日
Amendments to IAS 1 and IAS 8, Definition of Material	1 January 2020
國際會計準則第1號及國際會計準則第8號之修訂，重大之定義	二零二零年一月一日
IFRS 17, Insurance contracts	1 January 2021
國際財務報告準則第17號，保險合約	二零二一年一月一日
Amendments to IAS 1, Classification of Liabilities as Current or Non-current	1 January 2022
國際會計準則第1號之修訂，負債分數為流動負債或非流動負債	二零二二年一月一日
Amendments to IFRS 10 and IAS 28 (2011), Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined*
國際財務報告準則第10號及國際會計準則第28號(2011)之修訂，投資者及其聯營公司或合資企業間的資產出售或投入	待定*

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 36. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)

#### Amendments to IFRS 3 — Definition of a Business

The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business.

#### Amendments to IAS 1 and IAS 8 — Definition of Material

The amendments provide a new definition of material. It states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects the amendments have no significant impact on the Group's consolidated financial statements.

### 36. 截至二零一九年十二月三十一日止年度已頒佈尚未生效的修訂、新訂準則及詮釋的可能影響(續)

#### 國際財務報告準則第3號 — 業務之定義

修訂闡明，要想將一套綜合的活動和資產視為一項業務，它必須至少包括一項投入和一個實質性過程，這些活動和資產應共同大大有助於創造產出的能力。業務可以存在而無需包括創建輸出所需的所有輸入和流程。修訂刪除對市場參與者是否有能力收購業務並繼續產生產出的評估。取而代之的是，重點放在獲得的投入和獲得的實質性過程是否一起對創造產出的能力有重大貢獻。修訂還縮小了產出的定義，以側重於向客戶提供的商品或服務，投資收入或來自正常活動的其他收入。此外，這些修訂為評估所購過程是否具有實質性提供了指導，並引入了可選的公允價值集中度測試，以簡化對所購活動和資產是否不是企業的評估。

#### 國際會計準則第1號及國際會計準則第8號之修訂 — 重大之定義

修訂為重大提供了新的定義。修訂指出，如果省略、遺漏或模糊資訊，將能合理預期通用財務報表的主要用戶基於這些財務報表做出的決策將受到影響，則該資訊為重大。修訂澄清，重要性將取決於資訊的性質或大小。如果可以合理預期資訊的錯誤陳述會影響主要用戶的決策，則該錯誤陳述是重大的。本集團預期有關修訂不會對本集團的合併財務報表造成重大影響。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 36. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)

#### IFRS 17 — Insurance Contracts

IFRS 17 will replace IFRS 4 as a single principle-based standard for the recognition, measurement, presentation and disclosure of insurance contracts in the financial statements of the issuers of those contracts.

#### Amendments to IAS 1 — Classification of Liabilities as Current or Non-current

The amendments modify one of the criteria in IAS 1 that results in a liability being classified as current. Any of the criteria being satisfied results in the liability being classified as current. The first three criteria are unchanged, and require an entity to classify a liability as current when: (a) it expects to settle the liability in its normal operating cycle; (b) it holds the liability primarily for the purpose of trading; and (c) the liability is due to be settled within twelve months after the reporting date.

IAS 1 was amended that if an entity does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period then the liability must be classified as current. This amendment emphasises that the classification of a liability is not dependent on an entity's intentions. It is dependent on the rights that the entity has in relation to the timing of the settlement of the liability.

### 36. 截至二零一九年十二月三十一日止年度已頒佈尚未生效的修訂、新訂準則及詮釋的可能影響(續)

#### 國際財務報告準則第17號 — 保險合約

國際財務報告準則第17號將取代國際財務報告準則第4號作為基於原則的單一標準用於識別、衡量、展示和披露保險合同發行人財務報表中之保險合同。

#### 國際會計準則第1號之修訂 — 負債分類為流動負債或非流動負債

該修訂修改了國際會計準則第1號中的一項準則，該準則導致負債被歸類為流動負債。滿足任何條件都將負債歸類為流動負債。前三個標準沒有改變，並要求主體在以下情況下將負債分類為流動負債：(a)預期在正常運營週期中清算負債；(b)它主要是出於交易目的而承擔該責任；(c)該負債應於報告日期後十二個月內償還。

國際會計準則第1號進行了修訂，如果主體在報告期末無權將負債的清算推遲至報告期後至少十二個月，則該負債必須歸類為流動負債。該修正案強調，負債的分類不取決於主體的意圖。它取決於實體與債務清償時間有關的權利。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 36. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)

#### Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and consolidated financial statements.

### 37. EVENTS AFTER THE REPORTING PERIOD

#### Subscription of new shares for capitalization of debenture

On 22 December 2019, the Company entered into the subscription agreements with Mr. Han Hong and Mr. Han Jin (together as "Subscribers"), pursuant to which Subscribers have conditionally agreed to subscribe for an aggregate of 123,533,400 new shares at the subscription price of HK\$0.12 by capitalising partial amounts of debenture together with accrued interest thereon in the amount of HK\$14,824,000 (equivalent to RMB13,279,000) (note 26) owed by the Company to Subscribers. The subscription has been completed on 14 February 2020. More details of the subscription can be found in the announcement of the Company dated 22 December 2019.

### 36. 截至二零一九年十二月三十一日止年度已頒佈尚未生效的修訂、新訂準則及詮釋的可能影響(續)

#### 國際財務報告準則第10號及國際會計準則第28號之修訂 — 投資者及其聯營公司或合資企業間的資產出售或投入

該等修訂釐清當實體向聯營公司或合營企業出售或出資時應確認的損益範圍。當交易涉及企業時，損益被全額確認；反之，當交易涉及不構成企業的資產時，損益僅在不相關投資者在合資企業或聯營企業中的權益範圍內確認。

本集團尚無法說明該等新聲明是否會導致本集團之會計政策和合併財務報表發生重大變化。

### 37. 報告期後事項

#### 就債券資本化認購新股份

於二零一九年十二月二十二日，本公司與韓宏女士及韓金先生(統稱為「認購人」)訂立認購協議，據此，認購人有條件同意以資本化本公司欠認購人的債券之部分金額及其應計利息14,824,000港元(相當於人民幣13,279,000元)(附註26)之方式按認購價0.12港元認購合共123,533,400股新股。認購已於二零二零年二月十四日完成。認購之詳細資料可參閱本公司於二零一九年十二月二十九日之公告。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

### 37. EVENTS AFTER THE REPORTING PERIOD

(Continued)

#### Antidumping duty and countervailing duty investigations

On 29 January 2020, the U.S. Department of Commerce announced the initiation of new antidumping duty and countervailing duty investigations (the “Investigations”) to determine whether wood mouldings and millwork products from Brazil and China are being dumped in the United States, and to determine if producers in China are receiving unfair subsidies. Certain of the Group’s wood products exported to the United States were under the scope of such Investigations. The Group will closely monitor the development on the Investigations, evaluate the impact to the Group and seek for necessary and decisive actions to minimise the negative impact. Furthermore, the legal opinion from a lawyer, an independent third party, has been issued on 30 March 2020. It states that the outcome of the Investigations is uncertain when the Investigations is in the initial stage and the Group has not yet been served by U.S. Department of Commerce. Furthermore, it stated that the Group has no obligation for any penalty or fine arising from the result of Investigation for sales to the United States before 31 December 2019. As a result, provision for antidumping penalty is considered not necessary.

#### Outbreak of Coronavirus Disease 2019 in January 2020

Since the outbreak of Coronavirus Disease 2019 (“COVID-19”) in January 2020, the prevention and control of the COVID-19 has been going on throughout the country. Subject to the development and spread of COVID-19 subsequent to the end of the reporting period, further changes in economic conditions may have an impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will keep continuous attention on the situation of the COVID-19 and proactively take action with an attempt to minimise its impact on the Group’s financial position and operating results.

### 37. 報告期後事項(續)

#### 反傾銷稅和反補貼稅調查

於二零二零年一月二十九日，美國商務部宣佈啟動新的反傾銷稅和反補貼稅調查(「調查」)，以確定來自巴西和中國的木模製品和木製品是否正在美國傾銷，以及中國的生產者是否在收受不公平的補貼。本集團向美國出口的某些木製品屬於此類調查的範圍。本集團將密切監察有關調查的發展，評估對本集團的影響，並尋求必要及果斷的行動以盡量減少負面影響。本公司已從一家獨立律師事務所獲得法律意見，該意見認為反傾銷稅和反補貼稅的執行以及其稅率須由美國商務部最終決定。因此現時評估本集團是否將要承擔該等稅項並不可行。此外，該意見表明，在該調查之下本集團無需就二零一九年十二月三十一日之前出售至美國之產品承擔任何反傾銷稅和反補貼稅，因此於資產負債表日，本集團並未計提任何罰款準備。

#### 二零二零年一月爆發2019年冠狀病毒

自二零二零年一月爆發2019年冠狀病毒病(「COVID-19」)以來，在全國範圍內一直在預防和控制COVID-19。在報告期末之後，視COVID-19的發展和傳播而定，經濟狀況的進一步變化可能會對本集團的財務業績產生影響，截至本報告日期，其影響程度尚無法估計。本集團將繼續關注COVID-19的狀況，並積極採取行動，以盡量減少對本集團財務狀況和經營成果的影響。



**China Environmental Technology And  
Bioenergy Holdings Limited  
中科生物控股有限公司**