

The background of the entire page is white, decorated with numerous colorful, semi-transparent geometric shapes. These shapes include horizontal bars, parallelograms, and trapezoids in shades of magenta, yellow, light blue, and light purple. Some shapes are layered on top of others, creating a sense of depth and movement. A prominent red diagonal shape cuts across the middle of the page, serving as a background for the company's name and other text.

CIRTEK HOLDINGS LIMITED 常達控股有限公司

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: 1433

2019 ANNUAL REPORT 年度報告

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CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. CHAN Sing Ming Barry (*Chairman*)
Ms. LAW Miu Lan Candy (*Chief Executive Officer*)
Mr. CHAN Tsz Fung

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Chor Ki Dick
Mr. LEE Tak Cheong
Dr. WONG Chi Wing

AUDIT COMMITTEE

Dr. WONG Chi Wing (*Chairman*)
Mr. LEE Tak Cheong
Mr. LAM Chor Ki Dick

REMUNERATION COMMITTEE

Mr. LEE Tak Cheong (*Chairman*)
Ms. LAW Miu Lan Candy
Dr. WONG Chi Wing

NOMINATION COMMITTEE

Mr. CHAN Sing Ming Barry (*Chairman*)
Mr. CHAN Tsz Fung
Dr. WONG Chi Wing
Mr. LEE Tak Cheong
Mr. LAM Chor Ki Dick

COMPANY SECRETARY

Mr. CHAN Wai Shing Kevin

REGISTERED OFFICE

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL OFFICE

1/F, Wing Ming Industrial Centre
15 Cheung Yue Street
Lai Chi Kok, Kowloon
Hong Kong

執行董事

陳醒明先生(*主席*)
羅妙蘭女士(*行政總裁*)
陳梓峰先生

獨立非執行董事

林楚祺先生
李德昌先生
王志榮博士

審核委員會

王志榮博士(*主席*)
李德昌先生
林楚祺先生

薪酬委員會

李德昌先生(*主席*)
羅妙蘭女士
王志榮博士

提名委員會

陳醒明先生(*主席*)
陳梓峰先生
王志榮博士
李德昌先生
林楚祺先生

公司秘書

陳偉成先生

註冊辦事處

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

總辦事處

香港
九龍荔枝角
長裕街15號
永明工業中心1樓

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporate Limited
Level 10
HSBC Main Building
1 Queen's Road Central
Hong Kong

Dah Sing Bank Limited
Shop B, G/F
Everbright Centre
108 Gloucester Road
Hong Kong

AUDITOR

Ernst & Young

SHARE REGISTRAR

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

COMPLIANCE ADVISER

Elstone Capital Limited
Suite 1612, 16/F
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

WEBSITES

<http://www.cirtek.com>

STOCK CODE

1433

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中1號
滙豐總行大廈
10樓

大新銀行集團有限公司
香港
告士打道108號
光大中心
地下B號舖

核數師

安永會計師事務所

股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

合規顧問

千里碩融資有限公司
香港
干諾道中168-200號
信德中心西翼
16樓1612室

網站

<http://www.cirtek.com>

股份代號

1433

FINANCIAL HIGHLIGHTS

財務摘要

CONSOLIDATED RESULTS

綜合業績

		For the year ended 31 December			
		截至12月31日止年度			
		2019	2018	2017	2016
		2019年	2018年	2017年	2016年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Revenue	收益	352,937	371,883	305,021	241,628
Income tax expenses	所得稅開支	(11,434)	(8,020)	(8,020)	(6,361)
Profit for the year	年內溢利	26,482	33,735	25,748	19,556
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	25,331	31,940	24,208	19,229

		As at 31 December			
		於12月31日			
		2019	2018	2017	2016
		2019年	2018年	2017年	2016年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Total assets	資產總值	286,400	270,846	235,683	172,639
Total liabilities	負債總額	142,430	154,130	151,770	99,509
Equity attributable to owners of the Company	本公司擁有人應佔溢利	143,970	116,716	83,913	73,130

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

This year was an extraordinary year for Cirtek Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to the “**Group**”) as we reached the major milestone of successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in March 2020. The listing signified the dawn of a new phase for the Group and powered our forward momentum, renewing our energy to pursue growth in a challenging operating environment, and gaining us exposure in the international capital market.

The global economy has been in a synchronized slowdown due to the growth momentum of major economies has moderated further. Although US – Mainland trade tensions have eased somewhat lately, there may still be twists and turns in US – Mainland trade relations. Together with and the outbreak of the new coronavirus, it will certainly bring myriad challenges to the global economy in the coming year. With all the unfavorable factors and more prudent and conservative business strategies adopted by the clients, the Group will continue to enhance its sales effort, the quality of its production and its internal controls, and will strive to implement stringent cost controls to cope with the challenging global market conditions.

The Group's 2019 profit for the year attributable to owners of the Company amounted to HK\$25,331,000 (2018: HK\$31,940,000). The decrease of profit was mainly attributable to (i) increase in headcount and its labor costs, (ii) increase in the listing expenses; and (iii) an increase in administrative expenses as a result of the increased in depreciation mainly related to an increase in monthly rental of our new Hong Kong office in April 2018. Basic earnings per share was HK\$1.69 cents (2018: HK\$2.13 cents). The board (the “**Board**”) of directors (the “**Directors**”) of the Company does not recommend any final dividend for the year ended 31 December 2019.

In order to diversify the Group's business foundation and maximize the interests of the Group and the shareholders of the Company (the “**Shareholders**”), the Group will continue to explore for suitable and appropriate business opportunities.

With an eye on the growing trend of technology-enabled printing products, we have enriched our product mix with more value-added information technology-related services in order to provide a wider and more technologically-advanced range of products to our clients. In coming year, the Group will develop the RFID (Radio Frequency Identification) technique in our printing products. In becoming one of the premier printing companies to introduce information technology-related services that enhance customer engagement. We hope that we can obtain first mover advantage and lay the foundation for further business growth.

各位股東：

本年對於常達控股有限公司(「本公司」)及其附屬公司(統稱為「本集團」)而言為無與倫比的一年，乃由於我們於2020年3月達到於香港聯合交易所有限公司(「聯交所」)主板成功上市的重大里程碑。上市為本集團新階段的開始，賦予我們前進的動力，令我們於充滿挑戰的營運環境中重新得力以追求增長，並令我們可面向國際資本市場。

由於主要經濟體的增長勢頭進一步緩和，全球經濟正同步放緩。雖然美國與內地的貿易糾紛於最近有所緩解，惟美國與內地的貿易關係仍可能出現波折。加上新型冠狀病毒爆發，其於來年必定為全球經濟帶來無數挑戰。在所有不利因素下以及客戶採取更審慎及保守的業務策略下，本集團將繼續加強其銷售工作、其生產品質及其內部監控，並將致力實施嚴格的成本監控，以應對挑戰重重的全球經濟狀況。

本集團於2019年的本公司擁有人應佔年內溢利為25,331,000港元(2018年：31,940,000港元)。溢利減少乃主要由於(i)員工人數及其勞工成本上升；(ii)上市開支上升；及(iii)行政開支因折舊增加而上升，主要與新香港辦事處於2018年4月的月租上升有關。每股基本溢利為1.69港仙(2018年：2.13港仙)。本公司董事(「董事」)會(「董事會」)並不建議派付截至2019年12月31日止年度的任何末期股息。

為多元化發展本集團的業務基礎以及將本集團及本公司股東(「股東」)的利益最大化，本集團將繼續探索合適及適當的業務機會。

有見及高科技印刷產品的增長趨勢，我們將於產品組合加入更多增值資訊科技相關服務，以向客戶提供更廣泛及更先進的產品。來年，本集團將於我們的印刷產品開發RFID(無線射頻識別)技術。我們志在成為其中一間優質印刷公司，並引入資訊科技相關服務，以提升客戶契合。我們希望我們能獲得先發優勢，並為進一步的業務增長埋下根基。

CHAIRMAN'S STATEMENT

主席報告

Apart from the new printing technique development, we will increase our production capacity through construction of a new production facility and purchase of machinery in Bangladesh, to grasp the business opportunities arising from growth in the local and peripheral demand for apparel labels and trim products. In addition, we will boost our efficiency and increase profitability through effective management across our technology, operations and marketing activities, and continued collaboration with our customers and suppliers, and in turn, allowing us to overcome challenges amidst the volatility of the global market. We will also continue to seek opportunities to realise sustainable growth of our business and increase Shareholders' value by increasing the production capacity and customer base.

On behalf of the Board, I would like to extend my sincere gratitude to our shareholders, investors, business partners, management and all the staff members for their increasing support and dedication to the Group. We will continue to provide the market with innovative and high-quality printing products and adopt the most stringent controls and adaptable strategies to drive the Group's business development in the long term. This will enable us to achieve better results and create greater value for customers, investors and Shareholders.

On behalf of the Board

Mr. Chan Sing Ming Barry

Chairman and Executive Director

Hong Kong, 30 March 2020

除新印刷技術發展外，我們將透過於孟加拉建設新生產設施及購買機器以擴展產能，並把握本地及周邊對服裝標籤及裝飾產品的需求之增長。此外，我們將透過有效管理科技、營運及營銷活動，以提升效率及增加盈利能力，並與客戶及供應商持續合作，繼而令我們面對全球市場波動下仍能戰勝挑戰。我們亦將繼續尋求機會，以變現業務的可持續增長以及透過提升產能及客戶群以增加股東價值。

本人謹代表董事會向股東、投資者、業務夥伴、管理層及全體員工對本集團的不懈支持及奉獻致以衷心謝意。我們將繼續為市場提供創新優質的印刷產品，並採取最嚴格的控制及合適策略以推動本集團長期的業務發展。此舉將有助我們取得更為理想的成績並為客戶、投資者及股東創造更大價值。

代表董事會

主席兼執行董事

陳醒明先生

香港，2020年3月30日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK

On 12 March 2020 (the “**Listing Date**”), the Company has successfully completed its global offering (the “**Global Offering**”) and listed (the “**Listing**”) on the Stock Exchange. The Listing remarks a significant milestone to the business development of the Group. On behalf of the Board, I would like to express our sincerest gratitude to all our shareholders and business partners for the continuous support for the Company.

Looking ahead to the current year, due to the outbreak of the novel coronavirus (“**COVID-19**”), the Group’s operational and financial performance, as well as the apparel labels and trim products manufacturing market in general are expected to be affected by the pandemic in the first half of 2020. However, we believe that there will still be a positive growth in the apparel labels and trim products manufacturing market for 2020, and the Group continues to overcome the challenges amidst changes in the global market environments by boosting our efficiency and increasing our profitability through more effective management across our technology, operations and marketing activities, and continued collaboration with our customers and suppliers.

The Directors and staff of the Group would thrive their best on the continuous development of the Group’s business so as to create more benefits for the Shareholders and the society.

REVIEW OF OPERATION

The Group is principally engaged in the manufacturing and sales of apparel labels and trim products, such as hang tags, woven labels, printed labels and heat transfer products. The Group has been serving worldwide trim and packaging needs and most of the Group’s products were ultimately used as hang tags and labels on finished garments of the garment brand companies.

During the year, the revenue of the Group has decreased slightly by approximately 5.1% while comparing with corresponding period for 2018 due to the global economic downturn which led to lower demand of apparel related products. The Group will continue to seek opportunities to realise sustainable growth of its business and to increase its shareholders’ value by increasing its production capacity and customer base.

Through the net proceeds of approximately HK\$74.9 million raised under the Global Offering, the Group will be able to increase the production capacity in Bangladesh by the construction of a new production facility in Bangladesh (the “**New Bangladesh Factory**”) and the purchase of machinery for the New Bangladesh Factory. The expansion will help the Group capture business opportunities arose from the growth in the demand for apparel labels and trim products in Bangladesh.

前景

於2020年3月12日(「上市日期」)，本公司成功完成其全球發售(「全球發售」)並於聯交所上市(「上市」)。上市標誌着本集團業務發展的重大里程碑。本人謹代表董事會就全體股東及業務夥伴對本公司的持續支持致以真摯謝意。

展望本年度，由於爆發新型冠狀病毒(「COVID-19」)，故本集團的營運及財務表現以及服裝標籤及裝飾產品生產市場整體而言於2020年上半年將會受流行病所影響。然而，我們相信我們於2020年在服裝標籤及裝飾產品生產市場將仍然會錄得正面增長，透過於科技、營運及營銷活動實施更高效的管理以及持續與客戶及供應商合作，本集團於面對全球市場環境變動的情況下憑藉促進效率及提升盈利能力將可繼續戰勝挑戰。

董事及本集團的員工將於本集團業務的持續發展中盡最大努力，以為股東及社會爭取更多利益。

業務回顧

本集團主要從事生產及銷售服裝標籤及裝飾產品，例如吊牌、織唛、印唛及熱轉印產品。本集團一直滿足全世界的裝飾及包裝需求，而本集團大部分產品最終用於服裝品牌公司的成品服裝之吊牌及標籤。

年內，本集團的收益較2018年同期輕微減少約5.1%，乃由於全球經濟放緩導致服裝相關產品的需求較低。本集團將繼續尋找機會，以變現其業務的可持續增長，並透過提升產能及客戶群增加股東價值。

透過根據全球發售籌集的所得款項淨額約74,900,000港元，本集團將能透過於孟加拉建設新生產設施(「新孟加拉廠房」)及為新孟加拉廠房購買機器增加於孟加拉的產能。擴展將有助本集團把握產生自孟加拉服裝標籤及裝飾產品的需求增長所產生的業務機遇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Revenue

The Group's revenue decreased by approximately HK\$18.9 million to approximately HK\$352.9 million for the year ended 31 December 2019. The decrease in revenue was mainly due to (i) the decrease in sales to Customer A of approximately HK\$8.8 million and (ii) the decrease in average sales price of the Group's products to approximately HK\$0.25 per piece for the year ended 31 December 2019 from approximately HK\$0.28 per piece for the corresponding period in 2018, which was partially offset by the increase in sales volume by approximately 4.8% for the year ended 31 December 2019 as compare to the corresponding period in 2018 as a result of the general increase in both the number of purchase orders from our customers as well as the size of the purchase orders.

Gross profit and gross profit margin

Gross profit increased by approximately HK\$12.4 million to approximately HK\$174.8 million for the year ended 31 December 2019. The increase in gross profit was mainly due to (i) the depreciation of Renminbi against Hong Kong dollars during the period which led to lower cost of raw materials consumed and direct labour in terms of Hong Kong dollars; and (ii) decrease in subcontracting fee, which was partially offset by the decrease in revenue for the period.

As a result of the foregoing, our gross profit margin increased from approximately 43.7% during the year ended 31 December 2018 to approximately 49.5% for the year ended 31 December 2019.

Administrative expenses

Administrative expenses mainly included staff costs, depreciation, legal and professional fee. The increase in administrative expenses by approximately HK\$7.0 million to HK\$83.8 million for the year ended 31 December 2019 was mainly due to (i) an increase in staff cost mainly because of an increase in headcount in accounting and finance, and product development teams in Hong Kong and larger pension scheme contributions for the period; and (ii) an increase in depreciation mainly related to an increase in monthly rental of our new Hong Kong office in April 2018.

Selling and distribution expenses

Selling and distribution expenses mainly included staff cost, consultancy and commission expenses, travelling and entertainment. The increase in selling and distribution expenses by approximately HK\$3.7 million to HK\$44.1 million for the year ended 31 December 2019 was mainly because of increase in staff cost mainly due to the increase in headcount.

收益

本集團的收益減少約18,900,000港元至截至2019年12月31日止年度約352,900,000港元。收益減少乃主要由於(i)向客戶A的銷售減少約8,800,000港元及(ii)本集團產品的平均售價由2018年同期每件約0.28港元減少至截至2019年12月31日止年度每件約0.25港元，部分被截至2019年12月31日止年度的銷量較2018年同期上升約4.8%所抵銷，乃由於客戶的採購訂單數目及採購訂單的規模整體增加。

毛利及毛利率

毛利增加約12,400,000港元至截至2019年12月31日止年度約174,800,000港元。毛利率上升乃主要由於(i)期內人民幣兌港元貶值，導致以港元計的所用原材料成本及直接勞工成本較低；及(ii)分包費用減少，部分被期內收益減少所抵銷。

由於上文所述，毛利率由截至2018年12月31日止年度約43.7%上升至截至2019年12月31日止年度約49.5%所致。

行政開支

行政開支主要包括員工成本、折舊以及法律及專業費用。行政開支增加約7,000,000港元至截至2019年12月31日止年度的83,800,000港元，乃主要由於(i)員工成本主要由於香港的會計及財務以及產品開發團隊的員工數目上升及期內退休計劃供款較高而增加；及(ii)折舊增加，主要與新香港辦事處的月租於2018年4月增加有關。

銷售及分銷開支

銷售及分銷開支主要包括員工成本、顧問及佣金開支、差旅及酬酢。銷售及分銷開支增加約3,700,000港元至截至2019年12月31日止年度的44,100,000港元，乃主要由於員工成本主要因員工人數上升而增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other expenses

Other expenses mainly included (i) net foreign exchange losses; (ii) net recognition/(reversal) of impairment losses on trade receivables; (iii) loss on disposal of items of property, plant and equipment; and (iv) others.

Other expenses increased by approximately HK\$0.6 million to HK\$0.9 million for the year ended 31 December 2019.

Other income and gains

Other income and gains mainly included income from net foreign exchange gains, write-back of trade payables, sales of scrap materials, government grant, freight and transportation income and others. For the year ended 31 December 2019, the other income and gains increased by approximately HK\$2.1 million to HK\$5.7 million.

Listing expenses

The Listing expenses comprise professional and other expenses in relation to the Listing. Listing expenses increased by approximately HK\$7.0 million to HK\$11.0 million for the year ended 31 December 2019.

Finance costs

Our finance costs comprise interest on bank loans and interest on lease liabilities. Finance costs amounted to approximately HK\$2.7 million for the year ended 31 December 2019 (31 December 2018: HK\$2.8 million).

Income tax expense

Income tax expense increased by approximately HK\$3.4 million to approximately HK\$11.4 million for the year ended 31 December 2019. The increase in income tax expenses was mainly due to higher estimated assessable profits of one of the Group's PRC companies.

Liquidity and capital resources

The net assets of the Group amounted to approximately HK\$144.0 million as at 31 December 2019 (31 December 2018: HK\$116.7 million). The increase in net assets was primarily due to the profit generated from the operation during the current year.

The Group derives its working capital mainly from cash and cash equivalents and net cash generated from operating activities. The Directors expect that the Group will rely on the internally generated funds and utilise the net proceeds from the Listing allocated for working capital purpose to satisfy its working capital requirements.

其他開支

其他開支主要包括(i)匯兌虧損淨額；(ii)貿易應收款項的減值虧損確認／(撥回)淨額；(iii)出售物業、廢房及設備項目的虧損；及(iv)其他。

其他開支增加約600,000港元至截至2019年12月31日止年度的900,000港元。

其他收入及收益

其他收入及收益主要包括匯兌收益淨額、撥回貿易應付款項、銷售廢棄材料、政府補助、貨運及運輸收入以及其他。其他收入及收益增加約2,100,000港元至截至2019年12月31日止年度的5,700,000港元。

上市開支

上市開支包括有關上市的专业及其他開支。上市開支增加約7,000,000港元至截至2019年12月31日止年度的11,000,000港元。

融資成本

融資成本包括銀行貸款利息及租賃負債利息。截至2019年12月31日止年度，融資成本約為2,700,000港元(2018年12月31日：2,800,000港元)。

所得稅開支

所得稅開支增加約3,400,000港元至截至2019年12月31日止年度約11,400,000港元。所得稅開支增加乃由於本集團其中一間中國公司的估計應課稅溢利較高所致。

流動資金及資本資源

於2019年12月31日，本集團的資產淨值約為144,000,000港元(2018年12月31日：116,700,000港元)。資產淨值增加乃主要由於本年度的經營所得溢利所致。

本集團主要自現金及現金等價物以及經營活動所得的現金淨額產生其營運資金。董事預期在並無不可預見的情況下，本集團將倚賴內部產生的資金及動用上市中撥作營運資金用途的所得款項淨額，以滿足其營運資金要求。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 December 2019, the cash and bank balances of the Group amounted to approximately HK\$43.8 million (31 December 2018: HK\$23.0 million). The increase in cash and bank balances was primarily due to (i) the operating cash inflow and (ii) less purchase of items of property, plant and equipment during the year ended 31 December 2019 as compared to the prior year. For the HK\$43.8 million, approximately HK\$8.2 million was denominated in Hong Kong Dollars, approximately HK\$23.6 million was denominated in US Dollars, and approximately HK\$7.4 million was denominated in Renminbi. The Group's cash in US Dollars and Renminbi was held to support its core operational needs.

As at 31 December 2019, the Group's net current assets were approximately HK\$41.5 million (31 December 2018: HK\$4.0 million). The current ratio, being current assets over current liabilities, was approximately 1.4 as at 31 December 2019 (31 December 2018: 1.0).

As at 31 December 2019, the Group had approximately HK\$20.7 million (2018: HK\$12.7 million) interest-bearing bank borrowings. As at 31 December 2019, the Group had banking facilities of approximately HK\$24.6 million on aggregate, of which approximately HK\$20.7 million was utilised and approximately HK\$3.9 million was unutilised. The Group is not committed to draw down the unutilised amount.

The Group's certain lease liabilities are guaranteed by personal guarantee provided by the Company's controlling shareholders amounted to HK\$54.6 million as at 31 December 2018 which decrease to HK\$41.8 million as at 31 December 2019. Such personal guarantee has been replaced by corporate guarantees upon the Listing.

The gearing ratio is approximately 43.5% and 57.7% for the years ended 31 December 2019 and 31 December 2018, respectively.

For the year ended 31 December 2019, the Group recorded approximately HK\$11.1 million in capital expenditures, which was primarily for the purchase of machineries.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group currently does not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business.

Permanent changes in foreign exchange rates would have an impact on consolidated financial statements. The Board will closely monitor the changes of the rate of exchange and government policies from time to time.

於2019年12月31日，本集團的現金及銀行結餘約為43,800,000港元(2018年12月31日：23,000,000港元)。現金及銀行結餘增加乃主要由於(i)經營現金流入及(ii)截至2019年12月31日止年度較過往年度購買較少物業、廠房及設備項目。就43,800,000港元而言，約8,200,000港元以港元計值、約23,600,000港元以美元計值及約7,400,000港元以人民幣計值。本集團以美元及人民幣計值的現金乃持作支持其核心營運需求。

於2019年12月31日，本集團的流動資產淨值約為41,500,000港元(2018年12月31日：4,000,000港元)。於2019年12月31日，流動比率(即流動資產除以流動負債)約為1.4(2018年12月31日：1.0)。

於2019年12月31日，本集團共有約20,700,000港元(2018年：12,700,000港元)的計息銀行借款。於2019年12月31日，本集團的銀行融資總額約為24,600,000港元，其中約20,700,000港元已被動用，而約3,900,000港元則尚未動用。本集團並無承諾提取未動用金額。

本集團若干租賃負債乃由本公司控股股東提供的個人擔保所擔保，於2018年12月31日為54,600,000港元，並減少至2019年12月31日的41,800,000港元。該個人擔保已於上市後由公司擔保取代。

截至2019年12月31日及2018年12月31日止年度，資產負債比率分別約為43.5%及57.7%。

截至2019年12月31日止年度，本集團錄得約11,100,000港元的資本開支，主要用作購買機器。

外匯風險

本集團現時並無為日常業務過程中產生的有關外匯交易以及其他金融資產及負債的波動採用衍生金融工具作對沖。

外匯匯率之恆常變動可能對本集團之綜合財務報表構成影響。董事會將不時密切監察外匯匯率及政府政策之變動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTINGENT LIABILITIES

As at 31 December 2019, the Group had no material contingent liabilities (31 December 2018: nil).

EVENTS AFTER THE REPORTING PERIOD

The following significant events took place subsequent to 31 December 2019:

- (i) Pursuant to the resolutions in writing of the Shareholders passed on 21 February 2020, the Directors were authorised to allot and issue a total of 1,499,999,750 shares credited as fully paid at par to each of the holders of the Company's shares whose names appear on the register of members of the Company at the close of business on 21 February 2020 in proportion of their shareholdings by way of capitalisation of the sum of HK\$14,999,997.50 standing to the credit of the share premium account of the Company.
- (ii) The Company's shares were listed on the Main Board of the Stock Exchange and 500,000,000 ordinary shares were issued at HK\$0.25 per share on the Listing Date in connection with the Listing as detailed in the prospectus of the Company dated 28 February 2020 (the "**Prospectus**").
- (iii) The recent escalation of COVID-19 to a global pandemic in March 2020 has an adverse impact on market sentiment and posed challenge to the whole world. The Group will continue to closely monitor the development of the pandemic and take all possible reasonable measures to mitigate the effect on the Group's operations.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus and this annual report, the Group (i) did not hold any significant investments in equity interest in any other companies; (ii) did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures; and (iii) has no definite future plans for material investments and capital assets.

OUR EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, we had a total of 1,075 employees in all regions.

The Company's employee benefit expense (excluding directors' remuneration), including salaries, bonuses and other employee's benefits, amounted to approximately HK\$116.5 million and approximately HK\$111.1 million for the year ended 31 December 2019 and 2018, respectively. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

或然負債

於2019年12月31日，本集團並無任何重大或然負債(2018年12月31日：無)。

報告期後事項

以下重大事件於2019年12月31日後發生：

- (i) 根據股東於2020年2月21日通過的書面決議案，董事獲授權將本公司股份溢價賬項下的進賬額14,999,997.50港元撥充資本，藉以向於2020年2月21日營業時間結束時名列本公司股東名冊的各本公司股份持有人按其持股比例配發及發行合共1,499,999,750股按面值入賬並列為繳足的股份。
- (ii) 本公司股份於聯交所主板上市，並就詳情於本公司日期為2020年2月28日的招股章程(「招股章程」)載述的上市而於上市日期按每股股份0.25港元的價格發行500,000,000股普通股。
- (iii) COVID-19近期於2020年3月升溫成為全球流行病，對市場氣氛造成不利影響，並對全世界構成挑戰。本集團將繼續密切監察流行病的發展，並會採取所有可行措施減輕對本集團營運構成的影響。

重大投資以及重大投資及資本資產的未來計劃

除招股章程及本年報披露者外，本集團(i)並無於任何其他公司持有任何重大股權投資；(ii)並無任何有關附屬公司、聯營公司及合營企業的重大收購及出售；及(iii)並無就重大投資及資本資產訂有確定的未來計劃。

僱員及薪酬政策

於2019年12月31日，我們於所有地區共有1,075名僱員。

截至2019年及2018年12月31日止年度，本公司的僱員福利開支(不包括董事酬金)(包括薪金、花紅及其他僱員福利)分別約為116,500,000港元及約111,100,000港元。薪酬待遇一般參考市場條款及個人資歷而釐定。薪金及工資一般按績效評估及其他相關因素而每年檢討。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintaining a high standard of corporate governance practices and procedures. The corporate governance principle of the Company emphasizes accountability and transparency and is adopted in the best interests of the Company and the Shareholders. In addition the Company will strive to continuously improve these practices and cultivate an ethical corporate culture.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions as set out on in the Code of Corporate Governance (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Company has complied with all the applicable code provisions in the CG Code since the Listing Date up to the date of this report.

BOARD COMPOSITION AND BOARD PRACTICES

The Board is composed of 6 Directors, of which 3 are executive Directors and 3 are independent non-executive Directors. All the independent non-executive Directors have appropriate professional qualifications, experience or related industry expertise. The Directors’ biography and relevant relationships amongst them are set out in the Directors’ and Senior Management’s Profiles section under Report of the Directors on pages 26 to 30 of this annual report.

Review will be made regularly by the Board to ensure that it has a balance of skills and experience appropriate for the requirement of the Group. Also, a balanced composition of executive Directors is maintained to ensure independence and effective management. The Company has satisfied the Listing Rules in having one of the independent non-executive Directors with appropriate accounting qualifications and expertise to sit in the Audit Committee.

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 and Appendix 16(12B) of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The Company considers all independent non-executive Directors to be independent.

Independent non-executive Directors are identified in all corporate communications. An updated list of the Directors identifying the independent non-executive Directors and the roles and functions of the Directors is maintained on the websites of the Company and the Stock Exchange.

本公司致力於維持高水平之企業管治常規及程序。本公司之企業管治原則著重問責性及透明度，及其採納符合本公司及股東之最佳利益。此外，本公司將致力於不斷改善該等常規及建立企業道德文化。

企業管治常規守則

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所載之企業管治守則(「企業管治守則」)內列載之適用守則條文。本公司自上市日期起直至本報告日期，一直遵守企業管治守則之所有適用守則條文。

董事會組成及董事會常規

董事會由6名董事組成，其中3名為執行董事及3名為獨立非執行董事。所有獨立非執行董事均具有適當專業資格、經驗或相關行業之專業知識。董事履歷及彼等之間的相關關係載於本年報第26至30頁董事會報告之董事及高級管理履歷。

董事會會定期作出檢討，以確保其擁有本集團所需的均衡技能與經驗。此外，維持執行董事之均衡組合，以確保其獨立性及有效管理。本公司符合上市規則有關審核委員會內有一名具備適當會計資格及專業知識之獨立非執行董事之規定。

各獨立非執行董事已根據上市規則第3.13條及附錄16(12B)作出獨立性之年度確認。本公司認為，全體獨立非執行董事均符合上市規則第3.13條所載之獨立性指引，且根據該指引條款屬於獨立人士。本公司認為全體獨立非執行董事均屬獨立。

所有公司通訊均列明獨立非執行董事身份。本公司網站及聯交所網站登載最新董事名單，註明獨立非執行董事身份以及列明董事之角色和職能。

CORPORATE GOVERNANCE REPORT

企業管治報告

When selecting potential candidates for directors, skills, experience, expertise, their devotion of time, potential conflicts of interests are key factors of consideration. The Nomination Committee was set up to make recommendations to the Board on the selection and nomination of candidates for directorship. Majority of members of the Nomination Committee are independent non-executive Directors.

The Board is accountable to the Shareholders and is responsible for the formulation of the Group's strategy, overseeing the management of the business and affairs of the Group.

Key and important decisions are fully discussed at the board meetings. All Directors have been fully consulted about any matters proposed for inclusion in the agenda. The Chairman has delegated the responsibility for drawing up the agenda for each board meeting to the company secretary of the Company (the "Company Secretary"). With the support of the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at board meetings and receive adequate and reliable information in a timely manner.

Board meetings are scheduled to be held at regular intervals. The Board would meet more frequently as and when required.

All the Directors are covered by the Director's & Officer's Liability Insurance, which is also part of our best practices.

The attendance record of the Directors at the board meetings since the Listing Date up to the date of this report is as follows:

甄選董事潛在候選人時之主要考慮因素為有關人選之技能、經驗、專業知識、可投入時間及潛在利益衝突等。本公司已設立提名委員會，就遴選及提名董事候選人向董事會提供建議。提名委員會之大部分成員為獨立非執行董事。

董事會向股東負責，並負責制訂本集團之策略，監督本集團業務及事務之管理工作。

關鍵及重要決策須於董事會會議進行全面討論。就擬納入會議議程之任何事項，向所有董事作出充分諮詢。主席已授權本公司的公司秘書（「公司秘書」）負責擬訂每次董事會會議之議程。主席亦會在公司秘書協助下，務求確保所有董事就董事會會議上提出之事項獲適當簡報，並及時獲得足夠及可靠之資訊。

董事會定期舉行會議。董事會於有需要的時候召開更多會議。

所有董事均由董事及高級職員責任險承保，其亦為我們最佳實踐的一部分。

自上市日期起及直至本報告日期，董事出席董事會會議之記錄如下：

Attendance Board meetings 出席率 董事會會議

Executive Directors		執行董事	
Mr. Chan Sing Ming Barry		陳醒明先生	1/1
Ms. Law Miu Lan Candy		羅妙蘭女士	1/1
Mr. Chan Tsz Fung		陳梓峰先生	1/1
Independent Non-executive Directors		獨立非執行董事	
Mr. Lam Chor Ki Dick		林楚祺先生	1/1
Mr. Lee Tak Cheong		李德昌先生	1/1
Dr. Wong Chi Wing		王志榮博士	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

Notice of at least fourteen days is given to the Directors for regular meetings, while Board papers are sent to the Directors not less than three days before the scheduled date of a board or board committee meeting. The Directors can attend meetings in persons or through other means of electronic communication. The Company Secretary ensures that the procedure and all applicable rules and regulations are strictly and fully complied with. Minutes of board meetings and board committee meetings are kept by the Company Secretary and are available for inspection at any reasonable time on reasonable notice by any Directors.

Directors have full access to information on the Group and are able to obtain independent professional advice whenever necessary.

TRAINING AND SUPPORT FOR DIRECTORS

Every newly appointed Director will meet with other Directors and key management executives, and will receive a comprehensive, formal and tailored induction on the first occasion of his appointment. Subsequently, he will receive briefings and other professional development necessary to ensure that he has a proper understanding of the operations and business of the Company and he is fully aware of his responsibility with the Company.

All Directors are encouraged to participate in continuous professional development to refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Directors are also invited to participate in the Company events to familiarize themselves with the operations of the Company and create opportunity to communicate with other management members of the Company.

The records of training as received by each Director for the year ended 31 December 2019 are summarized as follows:

定期會議須最少事前14日向董事發出通知，而董事會文件須於董事會或董事委員會會議原訂召開日期前不少於3日送呈董事。董事可親自或透過其他電子通訊方式出席會議。公司秘書確保嚴格全面遵守有關程序以及所有適用規則及規例。董事會會議及董事委員會會議之會議記錄由公司秘書保管，任何董事只要在合理時間並發出合理通知後，均可查閱會議記錄。

董事可充分取閱本集團資料，並在有需要的時候徵詢獨立專業意見。

董事之培訓及支援

各新任董事將與其他董事及主要管理行政人員會面，並將於委任的首次場合接受全面、正式及專門而設之就職指引。其後，彼將得到所需簡報及其他專業發展培訓，確保其對本公司營運及業務有恰當了解，並完全明白彼於本公司之責任。

本公司鼓勵全體董事參與持續專業發展培訓以更新彼等的知識及技能，確保其在了解及切合所需之情況下對董事會作出貢獻。董事獲邀參與本公司活動，以熟悉本公司運作，亦創造機會與本公司其他管理成員溝通。

每名董事於截至2019年12月31日止年度接受培訓之記錄概述如下：

Type of trainings 培訓類型

Executive Directors		執行董事	
Mr. Chan Sing Ming Barry	陳醒明先生		A
Ms. Law Miu Lan Candy	羅妙蘭女士		A
Mr. Chan Tsz Fung	陳梓峰先生		A
Independent Non-executive Directors		獨立非執行董事	
Mr. Lam Chor Ki Dick	林楚祺先生		A
Mr. Lee Tak Cheong	李德昌先生		A
Dr. Wong Chi Wing	王志榮博士		A

A: reading materials relating to general business, regulatory updates on the Listing Rules and board practices

A: 研讀有關一般業務、上市規則最新監管以及董事會常規之資料

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE POLICY AND DUTIES

The Board is responsible for performing the duties on corporate governance functions as set out below:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors set out in Appendix 10 of the Listing Rules. The Chairman of the Audit Committee is the person to be notified for securities dealings by Directors and a designated form is used for notification and acknowledgement purpose.

All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standards of dealings and its code of conduct regarding the directors' securities transaction since the Listing Date up to the date of this report and there was no event of non-compliance.

Senior management of the Company is also required to comply with the guidelines on similar terms as set out in the Model Code.

企業管治政策及職責

董事會負責履行企業管治職能之職責，載列如下：

- (i) 制定及檢討本公司之企業管治政策及常規；
- (ii) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (iii) 檢討及監察本公司符合法律及監管規定方面之政策及常規；
- (iv) 制定、檢討及監察適用於僱員及董事之行為守則及合規手冊(如有)；及
- (v) 檢討本公司遵守企業管治守則及企業管治報告之披露。

證券交易之標準守則

本公司已採納上市規則附錄10所載關於董事進行證券交易之標準守則。審核委員會主席乃董事進行證券交易須知會之人士，並有指定表格作通知及確認之用。

經本公司作出具體查詢後，所有董事已確認，自上市日期起及直至本報告日期，彼等遵守所規定之交易標準及有關董事進行證券交易之行為守則以及並無違規事項。

本公司高級管理人員亦須遵守與標準守則所載類似條款之指引。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL

The Company places great importance on internal control and risk management to safeguard the assets of the Company and the interests of shareholders. The Board has overall responsibility for the system of internal control and for reviewing its effectiveness. The Audit Committee assists the Board in meeting its responsibilities for maintaining an effective system of internal control. The Audit Committee reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed through the assistance of the Company's Internal Control Consultant.

The Internal Control Consultant assesses risk exposure, formulates audit plan and ensures that the audit programs cover key internal control areas of operating subsidiaries on a rotational basis for the review by the Audit Committee.

The Internal Control Consultant reports her findings and recommendations to management of the Company and the Audit Committee. The Internal Control Consultant also monitors the follow-up actions agreed upon in response to her recommendations and reports to the Audit Committee the progress of implementation of those recommendations.

With the assistance of the Audit Committee and the Company's Internal Control Consultant, the Board is satisfied that the overall financial, operational and compliance controls, and risk management of the Group continues to be effective.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. The Directors ensure that the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on pages 35 to 40 of this annual report.

AUDITOR'S REMUNERATION

For the year ended 31 December 2019, the auditors of the Company received approximately HK\$1,611,000 (2018: HK\$736,000) for their audit service. Non-audit service which covered taxation service provided to the Group was approximately HK\$608,000 (2018: HK\$103,000) in the same year.

內部監控

本公司非常重視內部監控及風險管理，以保障本公司資產及股東利益。董事會全面負責內部監控制度，並檢討其成效。審核委員會協助董事會履行其維持有效內部監控制度之責任。審核委員會檢討本集團評估其監控環境之程序及風險評估程序，以及透過本公司內部監控顧問之協助管理業務及監控風險之方法。

內部監控顧問評估風險、制訂審核計劃並確保審核程序按輪替基準涵蓋營運附屬公司之重要內部監控範圍，有關審核程序須呈交審核委員會審閱。

內部監控顧問向本公司管理層及審核委員會匯報其發現事項及建議。內部監控顧問亦監察因應其建議而協定之跟進行動，並向審核委員會報告該等建議之實施進度。

在審核委員會及本公司內部監控顧問協助下，董事會信納整體財務、營運及合規監控以及本集團之風險管理仍然有效。

董事對財務報表之責任

董事確認彼等對編製本集團之財務報表負有責任。董事確保本集團財務報表之編製符合法例規定及適用之會計準則。

本公司核數師有關其對本集團財務報表申報責任之聲明，載於本年報第35至40頁之獨立核數師報告內。

核數師酬金

截至2019年12月31日止年度，本公司核數師就其核數服務收取約1,611,000港元(2018年：736,000港元)。同年，其向本集團提供之非核數服務(涵蓋稅務服務)約為608,000港元(2018年：103,000港元)。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee comprises 2 Independent Non-executive Directors and 1 executive Director. They are Mr. Lee Tak Cheong (Committee Chairman), Dr. Wong Chi Wing and Ms. Law Miu Lan Candy. The Committee's authority and duties are set out in written terms of reference which are posted on the websites of the Company and the Stock Exchange.

The policy and structure for all remuneration of directors and the senior management were reviewed by the Committee. Remuneration, including basic salary and performance bonus. Annual salary adjustment and performance bonus are subject to review and approval by the Committee.

No individual directors and senior managers are allowed to determine his or her own remuneration.

The Committee met once since the Listing Date up to the date of this report with a 100% attendance by all Committee members.

During the year, the works performed by the Committee included the following:

- the review of the performance and remuneration packages of directors and senior management; and
- the review of the remuneration policy of the Group.

NOMINATION COMMITTEE

The Nomination Committee comprises two executive Directors, Mr. Chan Sing Ming Barry (Committee Chairman) and Mr. Chan Tsz Fung and three independent non-executive Directors, Dr. Wong Chi Wing, Mr. Lee Tak Cheong and Mr. Lam Chor Ki Dick. The defined terms of reference of the Committee are set out in writing and are posted on the websites of the Company and the Stock Exchange.

The Committee is responsible for making recommendation to the Board for selection and nomination of directors, and the succession planning of directors and senior management. The Committee also reviews the size, structure and composition of the Board with reference to the Company's board diversity policy and assesses the independence of independent non-executive Directors.

The Committee met once since the Listing Date and up to the date of this report with a 100% attendance by all Committee members.

薪酬委員會

薪酬委員會由兩名獨立非執行董事及一名執行董事組成，分別為李德昌先生(委員會主席)、王志榮博士及羅妙蘭女士。委員會之職權及職責載於書面職權範圍內，而其登載於本公司及聯交所網站。

董事及高級管理人員之所有薪酬政策及結構由該委員會檢討。薪酬包括基本薪金及表現花紅。年度薪金調整及表現花紅由該委員會檢討及批准。

概不允許任何董事或高級管理人員參與釐定其本人之薪酬。

該委員會自上市日期起及直至本報告日期舉行一次會議，所有委員會成員出席率達100%。

於本年度，委員會執行的工作包括以下事項：

- 審閱董事及高級管理層的表現及薪酬待遇；及
- 審閱本集團的薪酬政策。

提名委員會

提名委員會由兩名執行董事陳醒明先生(委員會主席)及陳梓峰先生以及三名獨立非執行董事王志榮博士、李德昌先生及林楚祺先生組成。委員會所定書面職權範圍載於本公司及聯交所網站。

該委員會負責就遴選及提名董事以及董事及高級管理人員之接任計劃向董事會提供推薦意見。該委員會亦會根據本公司之董事會成員多元化政策審閱董事會之人數、架構及組成，並評估獨立非執行董事是否獨立。

該委員會自上市日期起及直至本報告日期舉行一次會議，所有委員會成員出席率達100%。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, the works performed by the Committee included the following:

- the recommendation of the retiring directors for re-election at the annual general meeting;
- the review of composition of the Board; and
- the assessment of independence of the independent Non-executive Directors.

The Board adopted the board diversity policy which sets out the approach to achieve and maintain diversity of the Board to enhance quality of its performance. The policy aims to achieve diversity through the consideration of a number of factors including but not being limited to skills, regional and industry experience, background, age, race, gender and other qualities. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments are based on merit, in the content of the talents, skills and experience, and taking into account diversity.

The Nomination Committee will report annually on the composition of the Board under diversified perspective, and monitor the implementation of this policy to ensure its effectiveness. It will discuss any revisions that may be required and recommend such revisions to the Board for consideration and approval.

NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a nomination policy ("**Nomination Policy**") which sets out the selection criteria and process in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board members have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business.

於本年度，該委員會執行之工作包括：

- 建議退任董事於股東週年大會重選連任；
- 檢討董事會人員組成；及
- 評估獨立非執行董事是否獨立。

董事會已採納董事會成員多元化政策，其制定方針以達致及維持董事會成員多元化，藉此提升董事會表現。該政策旨在透過考慮多項因素，包括但不限於技能、地區及行業經驗、背景、年齡、種族、性別及其他品質，實現董事會多元化。此等差異將在決定董事會之最佳人員組成時予以考慮。董事會所有委任將以人選在才能、技能及經驗方面之長處作決定，同時考慮成員是否多元化。

提名委員會將每年報告在董事會多元化層面之人員組成，並監察該政策之執行，確保其行之有效。該委員會將會討論任何需對該政策作出之修訂，並向董事會提出修訂建議，供其考慮及批准。

提名政策

董事會已將其甄選及委任董事之職責及權限委派予本公司提名委員會。

本公司已採納提名政策（「**提名政策**」），當中列明本公司董事提名及委任之相關甄選標準及過程，旨在確保董事會具有切合本公司業務所需之均衡技能、經驗及多元觀點。

CORPORATE GOVERNANCE REPORT

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The Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Reputation for integrity;
- Accomplishment, experience and reputation in the business and industry;
- Commitment in respect of available time and relevant interest;
- Compliance with the criteria of independence, in case for the appointment of an independent non-executive director, as prescribed under Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange;
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; and
- Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time as appropriate.

The Nomination Policy also sets out the procedure for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors. They are Dr. Wong Chi Wing (Committee Chairman), Mr. Lee Tak Cheong and Mr. Lam Chor Ki Dick. The defined terms of reference of the Committee are set out in writing and are posted on the websites of the Company and the Stock Exchange.

The primary duties of the Audit Committee include reviewing the effectiveness of Company's internal control and the Company's internal audit function, risk management system and regulatory compliance, the review of the Company's financial information and compliance, making recommendations to the Board on the appointment and removal of external auditor and assessing its independence and performance.

提名政策載有評估建議候選人合適與否及可為董事會帶來之潛在貢獻的因素，包括但不限於以下各項：

- 誠信聲譽；
- 於業務及行業之成就、經驗及聲譽；
- 可投入的時間及對相關利益的承擔；
- 遵守聯交所證券上市規則第3.13條就委任獨立非執行董事所規定之獨立性準則；
- 於所有方面之多元性，包括但不限於性別、年齡(18歲或以上)、文化及教育背景、種族、專業經驗、技能、知識及服務任期；及
- 提名委員會或董事會可能不時釐定屬適當之任何其他相關因素。

提名政策亦載有新董事甄選及委任及於股東大會上重選董事之程序。

提名委員會將在適當時候檢討提名政策，以確保提名政策之有效性。提名委員會將討論任何可能需作出之修訂，並向董事會提出任何該等修訂建議以供審批。

審核委員會

審核委員會由三名獨立非執行董事組成，分別為王志榮博士(委員會主席)、李德昌先生及林楚祺先生。委員會所定書面職權範圍載於本公司及聯交所網站。

審核委員會之主要職責包括審閱本公司內部監控之有效性及本公司之內部審核職能、風險管理系統及監管合規性、審閱本公司財務資料及合規情況、就委任及罷免外聘核數師向董事會提出建議以及評估其獨立性及表現。

CORPORATE GOVERNANCE REPORT

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Since the Listing Date and up to the date of this report, the Committee held one meeting and the attendance record is as follows:

該委員會自上市日期起及直至本報告日期舉行一次會議，出席記錄如下：

Attendance 出席率

Dr. Wong Chi Wing	王志榮博士	1/1
Mr. Lee Tak Cheong	李德昌先生	1/1
Mr. Lam Chor Ki Dick	林楚祺先生	1/1

The works performed by the Committee during the year included the following:

於本年度，該委員會執行之工作包括：

- reviewing with the auditor on key audit and accounting matters, and updates on regulatory rules in the auditor’s Audit Committee Report and the draft audited financial statements for the financial year ended 31 December 2019
 - reviewing the financial statements for the year ended 31 December 2019 focusing on business highlights, any change of accounting policies and practices, and compliance with accounting standards and listing rules requirements
 - reviewing with the auditor the scope of their audit, their communication plan, their independence, developments affecting the Company’s business, their risk assessment and updates of accounting standards and listing rules as affecting the Company for the financial year ended 31 December 2019
 - reviewing the audit plan, audit progress report and significant audit findings with management at all committee meetings
 - reviewing with management on implementation of the recommendations on internal control made by the Internal Control Consultant
 - reviewing the risk management and internal control of the Group
- 連同核數師審閱重大審核及會計事宜及於核數師之審核委員會報告之監管規則之最新資訊，以及截至2019年12月31日止財政年度之經審核財務報表初稿
 - 審閱截至2019年12月31日止年度之財務報表，側重於業務撮要、會計政策及慣例之變動、遵守會計準則及上市規則之規定
 - 連同核數師審閱審核範圍、溝通計劃、獨立性、影響本公司業務之發展狀況、風險評估及截至2019年12月31日止財政年度影響本公司之會計準則及上市規則最新資料
 - 與管理層於所有委員會會議上審閱審核計劃、審核進度報告及重大審核發現
 - 與管理層審閱有關由內部監控顧問提出有關內部監控之建議之實施
 - 審閱本集團之風險管理及內部監控

The Committee is satisfied with the review of the work of external auditors, their audit fees, results of their audits and has recommended to the Board their re-appointment for the financial year ending on 31 December 2020 at the forthcoming annual general meeting (“AGM”).

該委員會信納外聘核數師工作之審閱、審核費、審核結果，並已向董事會建議應屆股東週年大會（「股東週年大會」）上截至2020年12月31日止財政年度外聘核數師續聘事宜。

COMPANY SECRETARY

The Company Secretary is a full time employee of the Group and has day-to-day knowledge of the Company’s affairs. During the financial year ended 31 December 2019, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules which requires the Company Secretary to take no less than 15 hours of relevant professional training. The biographical details of the Company Secretary are set out in the section of “DIRECTORS’ AND SENIOR MANAGEMENT’S PROFILES” in this annual report.

公司秘書

公司秘書為本公司全職僱員，對本公司事務有日常認知。截至2019年12月31日止財政年度，公司秘書妥為遵守上市規則第3.29條項下之相關專業培訓規定，該條規定公司秘書須參與不少於15小時之相關專業培訓。公司秘書之履歷詳情載於本年報「董事及高級管理層簡介」一節。

DIVIDEND POLICY

The Company has adopted a dividend policy (“**Dividend Policy**”), pursuant to which the Company may declare and distribute dividends to the Shareholders. A decision to declare and pay any dividends would require the approval of the Board and will be at their discretion. The Board may from time to time determine and pay to the Shareholders such interim dividends as it considers appropriate. The Board may recommend the payment of final dividends which are required to be approved by the Shareholders of the Company in general meetings.

COMMUNICATION WITH SHAREHOLDERS

The Company recognizes the importance of communication with the Shareholders, both individual and institutional as well as potential investors. The Company adopted a Shareholders Communication Policy with an aim of ensuring that the Shareholders are provided with timely information about the Company and enabling them to engage actively with the Company and to exercise their rights in an informed manner.

The AGM also provides a good opportunity for communication between the Board and the Shareholders. The Chairman of the Board, the Chairman of the respective Committees as well as the external auditors are normally present to answer questions as raised by the Shareholders. Notice of the AGM and the related circular are sent to the Shareholders at least 20 clear business days before the meeting.

Votes of the Shareholders at general meeting will be taken by poll in accordance with the Listing Rules. Detailed procedures for conducting a poll will be explained to the Shareholders at the beginning of the general meeting to ensure that the Shareholders are familiar with the voting procedures. Each issue will be proposed by a separate resolution by the Chairman of the general meeting. The poll results will be posted on the websites of the Company and the Stock Exchange on the same day of the general meeting. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting (“**EGM**”).

Procedures and right for the Shareholders to convene EGM

- An EGM shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company (the “**Eligible Shareholder(s)**”) having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an EGM 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.

股息政策

本公司已採納股息政策(「**股息政策**」)，據此，本公司可向股東宣派及派發股息。宣派及派付任何股息之決定需經董事會批准，並將由其酌情決定。董事會可不時釐定並向股東派付其認為適當的中期股息。董事會可建議派付末期股息，惟須經本公司股東於股東大會上批准。

與股東溝通

本公司明白與股東(包括個人及機構)及潛在投資者保持良好溝通之重要性。本公司已採納股東溝通政策，以確保向股東提供本公司之及時資訊及讓其積極參與本公司事務，使其在知情情況下行使權利。

股東週年大會亦提供董事會與股東溝通之良好機會。董事會主席、相關委員會主席及外聘核數師一般均會出席大會，並解答股東提出之問題。股東週年大會通告及相關通函須於大會前最少20個營業日寄予股東。

股東於股東大會的投票將根據上市規則以投票表決方式進行。將在股東大會開始時向股東解釋進行投票的詳細程序，以確保股東熟悉投票程序。每項問題將由股東大會主席以單獨決議案提呈。投票結果將於股東大會同日刊登於本公司及聯交所網站。除股東週年大會外，每次股東大會均稱為股東特別大會(「**股東特別大會**」)。

股東召開股東特別大會的程序及權利

- 股東特別大會須應一名或多名股東的請求召開，該等股東於提出請求當日須持有本公司繳足股本不少於十分之一且擁有在股東大會上投票的權利(「**合資格股東**」)。有關請求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關請求所指明之任何事務而召開股東特別大會，而有關會議須在送交該請求後兩個月內舉行。

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- The requisition must state clearly the names of the Eligible Shareholders concerned, specify the objects of the meeting, and be signed by the Eligible Shareholders concerned. The Eligible Shareholders must prove their shareholdings in the Company to the satisfaction of the Company.
- The requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the amended and restated memorandum and articles of association of the Company (the “**Articles of Association**”) to all the registered Shareholders. On the contrary, if the requisition has been verified as not in order or the Shareholders concerned have failed to deposit sufficient money to meet the Company’s expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM.
- If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles of Association, shareholders who wish to move a resolution may by means of requisition convene an EGM.

Specific enquiries and suggestions by the Shareholders can be sent in writing to the Board or the Company Secretary at the Company’s registered office. Shareholders are encouraged to access to the Company website at <http://www.cirtek.com> for all relevant information including Company’s announcements, press releases, financial highlights, the Company’s constitutional documents and detailed procedures for the Shareholders to convene meetings.

INVESTOR RELATIONS

The Company has a proactive policy for promoting investor relations and communications by maintaining a regular dialogue with investors and other stakeholders. The Company’s website at <http://www.cirtek.com> also features a dedicated Investor Relations section to facilitate communication with the Shareholders and investors. Corporate information and other relevant financial and non-financial information are made available electronically and in a timely manner.

Save for the adoption of the Articles of Association upon the Listing, since the Listing Date and up to the date of this annual report, there had been no significant changes in the constitutional documents of the Company. The Articles of Association is available on the websites of the Company and the Stock Exchange.

— 請求必須載明相關合資格股東的姓名、召開大會的事由，並由相關合資格股東簽署。合資格股東必須證明彼等於本公司的持股量足以令本公司信納。

— 請求將由本公司香港股份過戶登記分處核實，在確定請求為適當及符合程序後，董事會將根據本公司經修訂及重列的組織章程大綱及細則（「**組織章程細則**」）的規定向所有登記股東發出充分通知，藉以召開股東特別大會。反之，若請求經核實為不符合程序或有關股東未能繳存足夠款項撥付本公司上述用途的開支，有關合資格股東將獲通知該結果，因此，董事會將不會要求召開股東特別大會。

— 如董事會在有關送交日期起計21日內未有進行安排召開有關會議，則請求人（或多名請求人）可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而產生的所有合理費用須由本公司償付。

根據開曼群島公司法（經修訂），概無條文批准股東於股東大會動議新決議案。然而，根據組織章程細則，有意動議決議案的股東可以請求方式召開股東特別大會。

倘股東有特別查詢或建議，可以書面方式寄予董事會或公司秘書，地址為本公司註冊辦事處。本公司鼓勵股東訪問本公司網站 <http://www.cirtek.com>，以便了解所有相關資料，包括本公司的公告、新聞稿、財務摘要、本公司章程文件及股東召開會議的詳細程序。

投資者關係

本公司的政策為通過與投資者及其他利益相關者保持定期對話，積極推動投資者關係及溝通。本公司網站 <http://www.cirtek.com> 亦登載專門的投資者關係部分，以促進與股東及投資者的溝通。企業資料以及其他相關財務及非財務資料以電子方式及時提供。

除於上市後採納組織章程細則外，自上市日期起及直至本年報日期，本公司章程文件並無重大變動。組織章程細則於本公司及聯交所網站刊載。

REPORT OF THE DIRECTORS

董事會報告

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was investment holding.

The principal activities of the Group during the year were manufacture and sale of apparel products, such as hang tags, woven labels, printed labels and heat transfer products. There were no significant changes in the nature of the Group's principal activities during the year.

BUSINESS REVIEW

A discussion and review in the business activities of the Group, including a description of the principal risks and uncertainties faced by the Group and an indication of the likely future development of the Group's business, are set out in the sections headed "Chairman's statement" and "Management Discussion and Analysis" on pages 5 to 6 and pages 7 to 11 of this annual report, respectively. Certain key performance indicators, a discussion on the Group's environment policies and performance and its compliance with the relevant laws and regulations, and an account of the Group's relationship with its key stakeholders are included in the "Management Discussion and Analysis". The Company will also publish its standalone Environmental, Social and Governance Report for the year ended 31 December 2019 on the websites of the Stock Exchange in due course. These discussions form part of this "Report of the Directors".

In addition, the financial risk management objectives and policies of the Group are shown in note 34 to the financial statements.

RESULTS AND DIVIDENDS

The Group's profit for the year and the Company's and the Group's financial positions at that date are set out in the financial statements on pages 41 to 112.

For the year ended 31 December 2019, a special dividend of HK\$10.0 million was declared by the Company and the same was paid to the then shareholders in February 2020 prior to the Listing.

Save for the above, the Board does not recommend any final dividend for the year ended 31 December 2019. (2018: Nil.)

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

Net proceeds from the initial public offering were approximately HK\$74.9 million after deducting all the direct costs associated with the Listing. Up to the date of this annual report, none of the net proceeds was used.

As disclosed in announcement of offer price and allotment results, dated 11 March 2020, the Company intends to use such net proceeds for the purposes and in the amounts set out below:

- (i) approximately HK\$68.8 million or 91.9% of the net proceeds from the Global Offering will be used for increasing the production capacity in Bangladesh by (a) the construction of the New Bangladesh Factory; and (b) purchasing machinery for the New Bangladesh Factory; and

董事謹提呈截至2019年12月31日止年度之董事會報告及本集團經審核財務報表。

主要業務

本公司於本年度的主要業務為投資控股。

本集團於本年度的主要業務為製造及銷售服裝產品，例如吊牌、織嘜、印嘜及熱轉印產品。本集團主要業務性質於本年度內並無重大變動。

業務回顧

有關本集團業務活動之討論及回顧(包括本集團面對之主要風險及不明朗因素之概述及本集團業務之可能未來發展情況說明)分別載於本年報第5至6頁及第7至11頁之「主席報告」及「管理層討論及分析」章節。若干關鍵表現指標、本集團環保政策及表現與其遵守相關法例及法規情況之討論以及本集團與主要利益相關者之關係載於「管理層討論及分析」內。本公司亦將適時於聯交所網頁刊發其截至2019年12月31日止年度的獨立環境、社會及管治報告。該等討論構成本「董事會報告」之一部分。

此外，本集團的財務風險管理目標及政策載於財務報表附註34。

業績及股息

本集團本年度溢利以及本公司與本集團於該日之財務狀況載於第41至112頁之財務報表。

截至2019年12月31日止年度，本公司已宣派10,000,000港元的特別股息，並已於上市前在2020年2月派付予當時的股東。

除上文所述者外，董事會並不建議就截至2019年12月31日止年度派付任何末期股息(2018年：無)。

本公司首次公開發售之所得款項用途

經扣除與上市有關的所有直接成本後，全球發售的所得款項淨額估計約為74,900,000港元。直至本年報日期，尚未動用所得款項淨額。

誠如本公司日期為2020年3月11日的分配結果公告所披露，本公司擬將所得款項淨額按下列金額用於下列用途：

- (i) 全球發售的所得款項淨額約68,800,000港元或91.9%將用於透過(a)建設新孟加拉廠房；及(b)為新孟加拉廠房購買機器增加我們於孟加拉的產能；及

REPORT OF THE DIRECTORS

董事會報告

(ii) approximately HK\$6.1 million or 8.1% of the net proceeds from the Global Offering will be used for the Group's working capital and general corporate purpose.

SUMMARY FINANCIAL INFORMATION

A summary of the Group's financial information for the last four financial years is set out on page 4 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 27 to the financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors are interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group pursuant to Rule 8.10 of the Listing Rules during the year.

CONNECTED TRANSACTIONS

As the Company was not listed on the Stock Exchange as of 31 December 2019, provisions relating to disclosure of connected transactions under Chapter 14A of the Listing Rules were not applicable to the Company during the year. The related party transactions are disclosed in note 31 to the consolidated financial statements.

MANAGEMENT CONTRACTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's securities during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which could oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and in note 28 to the financial statements, respectively.

(ii) 全球發售的所得款項淨額約6,100,000港元或8.1%將用於本集團的營運資金及一般公司用途。

財務資料概要

本集團於過往四個財政年度的財務資料概要載於本年報第4頁。

物業、廠房及設備

本集團於本年度內物業、廠房及設備之變動詳情載於財務報表附註14。

股本

本公司股本於本年度內之變動詳情載於財務報表附註27。

董事於競爭業務中的權益

年內，除本集團業務外，概無董事於根據上市規則第8.10條直接或間接與本集團業務競爭或可能競爭的任何業務中擁有權益。

關連交易

由於本公司於截至2019年12月31日尚未於聯交所上市，故上市規則第14A章項下有關披露關聯交易的規定於年內並不適用於本公司。關聯方交易於綜合財務報表附註31披露。

管理合約

於年內，概無訂立或存在有關本公司全部或任何重大部分業務的管理及行政合約。

購買、贖回或出售本公司上市證券

本公司及其任何附屬公司於本年度內概無購買、贖回或出售本公司之任何證券。

優先購買權

組織章程細則或開曼群島法律並無有關規定本公司須按比例向現有股東發售新股份的優先購買權條文。

儲備

本集團及本公司於本年度內儲備之變動詳情分別載於綜合權益變動表及財務報表附註28。

REPORT OF THE DIRECTORS

董事會報告

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company had no reserve available for distribution to the Shareholders (31 December 2018: Nil), calculated in accordance with the provisions of the Companies Law of the Cayman Islands. In addition, the Company's share premium account, in the amount of HK\$200,290,000 may be distributed in the form of fully paid bonus shares.

SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) was approved and adopted by the Company on 21 February 2020. The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares under the Scheme: (a) any employee or proposed employee (whether full-time or part-time and including any executive Director), consultants or advisers of, or, to the Company, any of the subsidiaries or any entity (the “**Invested Entity**”) in which the Company holds an equity interest (collectively, the Company, any of the subsidiaries or the Invested Entity are referred to as the “**Relevant Parties**”); (b) any non-executive Directors (including independent non-executive Directors) of, any supplier of goods or services to, any customer of and any person or entity that provides research, development or other technological support to, the Relevant Parties; and (c) any Shareholders or any shareholder of any of its subsidiaries or any Invested Entity or any holder of any securities issued by the Relevant Parties. For the purposes of the Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants.

The maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the issued share capital of the Company from time to time. No options may be granted under any schemes of the Company or the subsidiary of the Company if such grant will result in the maximum number being exceeded. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue (i.e. 200,000,000 as at the date of this annual report). Options lapsed in accordance with the terms of the Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

The total number of Shares issued and to be issued upon exercise of all options granted under Scheme and any other share option schemes of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the Shares then in issue. Any further grant of the Options in excess of this limit is subject to Shareholders' approval in a general meeting. Each grant of option under the Scheme to a Director, chief executive or substantial Shareholder, or to any of their associates, is subject to approval in advance by the independent non-executive Directors. In addition, any grant of option grant of option under the Scheme to a substantial Shareholder or an independent non-executive Director, or to any of their associates, in excess of 0.1% of the Shares in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to Shareholders' approval in advance in a general meeting.

可分派儲備

於2019年12月31日，根據開曼群島公司法條文所計算，本公司概無可供分派予股東的儲備(2018年12月31日：無)。此外，本公司的股份溢價賬200,290,000港元可以悉數繳足股款的紅股形式分派。

購股權計劃

本公司於2020年2月21日批准及採納購股權計劃(「該計劃」)。該計劃的目的在於容許本公司向獲挑選的參與者授出購股權，作為其對本集團作出貢獻的獎勵或回報。

董事可全權酌情邀請屬於下列參與者類別的任何人士接納購股權，以認購該計劃項下的股份：(a)本公司、其任何附屬公司或本公司於其中擁有股權的任何實體(「投資實體」)的任何僱員或擬定僱員(無論全職或兼職，包括任何執行董事)、顧問或諮詢人(本公司、任何附屬公司或投資實體均統稱為「有關人士」)；及(b)任何貨品或服務供應商的任何非執行董事(包括獨立非執行董事)及向有關人士提供研究、開發或其他技術支援的任何人士或實體；及(c)任何股東或其任何附屬公司的股東或任何投資實體或有關人士發行的任何證券之任何持有人。就該計劃而言，購股權可授予屬於上述任何參與者類別的一名或多名人士全資擁有的任何公司。

倘授出購股權將導致超過該最高數目，則不可根據本公司或其附屬公司的任何計劃授出購股權。因根據該計劃及本公司任何其他計劃授出的所有購股權獲行使而可能發行的股份總數不得超過已發行受股份的10%(於本年報日期即200,000,000股)。就計算10%限額而言，根據該計劃或任何其他計劃的條款而失效之購股權將不會計算在內。

於根據該計劃及本集團任何其他購股權計劃(包括已行使及尚未行使的購股權)授出的所有購股權獲行使後而於任何12個月期間內向各參與者已發行及將發行的股份總額不得超過當時已發行股份的1%。授予任何超過此限額之購股權須獲得股東於股東大會上批准。根據該計劃向董事、主要行政人員或主要股東或其任何聯營公司每次授出購股權均須待獲得獨立非執行董事事先批准後方可作實。此外，根據該計劃於任何12個月期間向主要股東或獨立非執行董事或其任何聯營公司授出超過於任何時候的已發行股份的0.1%或總價值(基於本公司股份於授出日期的價格)超過5,000,000港元之任何購股權均須待獲得董事於股東大會事先批准後方可作實。

REPORT OF THE DIRECTORS

董事會報告

An option may be accepted by a participant within 28 days from the date of the grant of the option. The Directors may, at their absolute discretion, fix any minimum period for which an option must be held, any performance targets that must be achieved and any other conditions that must be fulfilled before the options can be exercised upon the grant of an option to a participant.

The subscription price of a Share in respect of any option granted under the Scheme, subject to any adjustments made in accordance with the Share Option Scheme, shall be such price as the Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of (i) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days (as defined in the Listing Rules) immediately preceding the date of grant of the option (which must be a business day (as defined in the Listing Rules)); (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day (as defined in the Listing Rules)); and (iii) the nominal value of the Shares. A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an option.

The Scheme is effective for a period of 10 years commencing on the Listing Date.

No share options were granted under the Scheme during the year. Share options do not confer rights to the holders to dividends or to vote at Shareholders' meetings.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 21.6% of the total sales for the year and sales to the largest customer included therein amounted to 11.0%. Purchases from the Group's five largest suppliers accounted for approximately 9.8% of the total purchases for the year and purchase from the largest supplier included therein amounted to 3.0%.

None of the Directors of the Company or any of their associates or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

DIRECTORS

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

Executive Directors:
Mr. Chan Sing Ming Barry
Ms. Law Miu Lan Candy
Mr. Chan Tsz Fung

Independent non-executive Directors:
Mr. Lam Chor Ki Dick
Mr. Lee Tak Cheong
Dr. Wong Chi Wing

參與者可自授出購股權要約日期起計28日內接納購股權。董事可於授出購股權予參與者時全權酌情釐定持有購股權的必要最短期間、必須達致的表現目標及購股權可予行使前必須達成的任何其他條件。

根據該計劃授出的任何購股權相關股份的認購價，應由董事會全權酌情釐定(可根據購股權計劃作出調整)，惟該價格不得低於下列各項的最高者：(i)股份於緊接授出購股權日期(必須為營業日)前五個營業日(定義見上市規則)在聯交所每日報價表所示的平均收市價；(ii)股份於授出購股權日期(必須為營業日(定義見上市規則))在聯交所每日報價表所示收市價；及(iii)股份的面值。接納授出購股權要約時須支付1.00港元的代價。

該計劃自上年日期起10年期內有效。

年內，並無根據該計劃授出購股權。購股權並無賦予持有人獲派股息或於股東大會上投票之權利。

主要客戶及供應商

於回顧年內，本集團向五大客戶作出之銷售額佔本年度銷售總額約21.6%，而其中向最大客戶作出之銷售額為11.0%。本集團向五大供應商作出之購貨額佔本年度購貨總額約9.8%，而其中向最大供應商作出之購貨額為3.0%。

概無本公司董事或彼等之任何聯繫人或任何股東(就董事所知擁有本公司已發行股本超過5%者)於本集團五大客戶及供應商中擁有任何實益權益。

董事

於本年度內及截至本報告日期的董事如下：

執行董事：
陳醒明先生
羅妙蘭女士
陳梓峰先生

獨立非執行董事：
林楚祺先生
李德昌先生
王志榮博士

REPORT OF THE DIRECTORS

董事會報告

In accordance with article 108(a) of the Articles of Association, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring director shall be eligible for re-election. The Company at the general meeting at which a director retires may fill the vacated office.

Each of Mr. Chan Tsz Fung and Mr. Lee Tak Cheong will retire at the AGM and all of them, being eligible, will offer themselves for re-election at the AGM.

The Company has received annual confirmations of independence from Mr. Lam Chor Ki Dick, Mr. Lee Tak Cheong and Dr. Wong Chi Wing, and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES

Executive Directors

Mr. Chan Sing Ming Barry (陳醒明), aged 60, was appointed as our managing director in February 1992 and appointed as our Director on 25 January 2019 and re-designated as our executive Director on 21 February 2020. Mr. Barry Chan is responsible for our Group's overall management, corporate development and strategic planning. He obtained a higher certificate in fashion and clothing manufacture from The Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in November 1984.

Mr. Barry Chan has over 38 years of experience in the apparel labels and trim products manufacturing industry.

Ms. Law Miu Lan Candy (羅妙蘭), aged 57, was appointed as our assistant managing director in September 1994, our Chief Executive Officer and Director on 17 May 2019 and was re-designated as our executive Director on 21 February 2020. Ms. Candy Law is responsible for our Group's overall management, operation and strategic planning. She obtained a higher certificate in fashion and clothing manufacture from The Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in November 1984.

Ms. Candy Law has over 35 years of experience in the apparel labels and trim products manufacturing industry.

Mr. Chan Tsz Fung (陳梓峰), aged 30, joined our Group in October 2013 as an operations assistant and is currently a product development manager of Charming Printing Limited, a subsidiary of the Group ("Charming Printing"). He was appointed as our Director on 17 May 2019 and was re-designated as our executive Director on 21 February 2020. Mr. Chan has over five years of experience in the apparel labels and trim products manufacturing industry. He is primarily responsible for overseeing the product development, marketing and strategic planning of our Group, in particular our Group's sales and marketing activities in Europe. He studied diploma of engineering at Deakin University from February 2011 to February 2012. He is the son of Mr. Barry Chan and Ms. Candy Law, our executive Directors.

根據組織章程細則第108(a)條，當時在任的三分之一董事（或倘人數並非三或三的倍數，則為最接近但不少於三分之一的人數）須輪值退任，惟每名董事（包括該等以特定任期獲委任者）須至少每三年輪值退任一次。退任董事符合資格重選連任。本公司可在董事退任的股東大會上填補空缺職位。

陳梓峰先生及李德昌先生各自將於股東週年大會上退任，且所有人均合資格於股東週年大會上重選連任。

本公司已接獲林楚祺先生、李德昌先生及王志榮博士的年度獨立確認書，且於本報告日期仍認為彼等屬獨立。

董事及高級管理層履歷

執行董事

陳醒明先生，60歲，於1992年2月獲委任為董事總經理，並於2019年1月25日獲委任為董事及於2020年2月21日調任為執行董事。陳醒明先生負責本集團的整體管理、公司發展及戰略規劃。彼於1984年11月取得香港理工大學（前稱香港理工學院）的時裝及製衣高級文憑。

陳醒明先生於服裝標籤及裝飾產品製造行業擁有逾38年經驗。

羅妙蘭女士，57歲，於1994年9月獲委任為助理董事總經理以及於2019年5月17日獲委任為行政總裁兼董事，並於2020年2月21日調任為執行董事。羅妙蘭女士負責本集團的整體管理、營運及戰略規劃。彼於1984年11月取得香港理工大學（前稱香港理工學院）的時裝及製衣高級文憑。

羅妙蘭女士於服裝標籤及裝飾產品製造行業擁有逾35年經驗。

陳梓峰先生，30歲，於2013年10月加入本集團，職位為營運助理，目前為本集團附屬公司集美印刷有限公司（「集美印刷」）的產品開發經理。彼於2019年5月17日獲委任為董事，並於2020年2月21日調任為執行董事。陳梓峰先生於服裝標籤及裝飾產品製造行業擁有逾五年經驗。彼主要負責監察本集團的產品開發、營銷及戰略規劃，尤其是本集團於歐洲的銷售及營銷活動。於2011年2月至2012年2月，彼於迪肯大學修讀工程文憑。彼為執行董事陳醒明先生及羅妙蘭女士的兒子。

REPORT OF THE DIRECTORS

董事會報告

Independent Non-executive Directors

Mr. Lam Chor Ki Dick (林楚祺), aged 54, was appointed as an independent non-executive Director on 21 February 2020. He graduated from the Hong Kong Baptist University with a bachelor's degree in business administration in November 1990. He then obtained the master of arts in electronic business from the City University of Hong Kong in November 2003.

From July 1990 to October 2000, Mr. Lam held various accounting and finance positions in a number of companies including AIA Group Limited, Inchcape Marketing Ltd., LeaRonald (S.E.Asia) Ltd., Elite Business Machines Mfg. Co. Ltd., Dong Ying Computer Label & Embroidery Company Limited and AFG Company Limited. From November 2000 to January 2005, Mr. Lam served as a financial controller at Lexmark International (China) Co., Ltd., a company principally engages in the provision of printing and imaging products and software solutions services. From January 2005 to December 2005, he worked as a financial controller at Fellowes Consulting LLC Dongguan Representative Office, a company principally manufactures paper shredders. From January 2006 to November 2008, Mr. Lam worked as a director at Electrical Components International Inc., a company principally manufactures wire harness, with his last position being a finance and administrative director and was the director of business administration at ECI (Huizhou). From December 2008 to October 2010, Mr. Lam served as an operation controller at Shakespeare (Hong Kong) Ltd., a company principally manufactures sports hardware. From November 2010 to January 2012, he served as a consultant at Resources Global Professionals (HK) Limited, a consultancy firm. Mr. Lam has served as a vice president of the asian operation department in ECI (Huizhou) since February 2012.

Mr. Lee Tak Cheong (李德昌), aged 49, was appointed as our independent non-executive Director on 21 February 2020. Mr. Lee graduated from the University of Hong Kong with a bachelor's degree in engineering in November 1993. He then obtained a postgraduate diploma in quality management from the Hong Kong Polytechnic University in November 2000. In December 2003, Mr. Lee obtained a master's degree in business administration from The Chinese University of Hong Kong.

From April 2004 to December 2007, Mr. Lee worked as a general manager overseeing factory management at Mansfield Manufacturing Co. Ltd., a company primarily engaged in metal stamping business. From December 2007 to June 2009, he served as a general manager at Top Link Industrial Co. Ltd., a company primarily manufactures electric powered tools. From September 2009 to August 2014, Mr. Lee started working as a general manager at Charming Printing and was promoted as an operational director in April 2012. From October 2014 to the present, Mr. Lee has been serving as a director overseeing the business management at Dreamcubics 3D Printing Limited, a company primarily sells 3D printers and provides 3D printing service.

獨立非執行董事

林楚祺先生，54歲，於2020年2月21日獲委任為獨立非執行董事。彼於1990年11月畢業於香港浸會大學，並取得工商管理學士學位。彼其後於2003年11月取得香港城市大學的文學碩士(電子商業)學位。

於1990年7月至2000年10月，林先生於多間公司擔任不同會計及財務職位，包括友邦保險控股有限公司、英之傑商務拓展有限公司、勵樂(東南亞)有限公司、Elite Business Machines Mfg. Co. Ltd.、東英電腦織嘜刺綉有限公司及AFG Company Limited。於2000年11月至2005年1月，林先生於利盟國際(中國)有限公司(為一間主要從事提供印刷及影像產品以及軟件解決方案服務的公司)擔任財務總監。於2005年1月至2005年12月，彼於Fellowes Consulting LLC Dongguan Representative Office(為一間主要從事生產碎紙機的公司)擔任財務總監。於2006年1月至2008年11月，林先生於Electrical Components International Inc.(為一間主要從事生產配線的公司)擔任董事，最後職位為財務及行政主管，並為ECI (Huizhou)的業務行政主管。於2008年12月至2010年10月，林先生擔任莎士比亞(香港)有限公司(為一間主要從事生產運動硬件的公司)的營運總監。於2010年11月至2012年1月，彼於顧問公司Resources Global Professionals (HK) Limited擔任顧問。林先生自2012年2月起擔任ECI (Huizhou)的亞洲營運部副總裁。

李德昌先生，49歲，於2020年2月21日獲委任為獨立非執行董事。李先生於1993年11月畢業於香港大學，取得工程學士學位。彼其後於2000年11月取得香港理工大學的質量管理研究生文憑。於2003年12月，李先生取得香港中文大學的工商管理碩士學位。

於2004年4月至2007年12月，李先生擔任茂森精藝金屬製造有限公司(為一間主要從事金屬沖壓業務的公司)的總經理，負責監察廠房管理。於2007年12月至2009年6月，彼擔任特力實業有限公司(為一間主要生產電動工具的公司)的總經理。於2009年9月至2014年8月，李先生開始擔任集美印刷的總經理，並於2012年4月晉升為營運總監。由2014年10月至今，李先生一直擔任夢立方三維打印有限公司(為一間主要銷售立體打印機及提供立體打印服務的公司)的董事，負責監察其業務管理。

REPORT OF THE DIRECTORS

董事會報告

Dr. Wong Chi Wing (王志榮), aged 56, was appointed as our independent non-executive Director on 21 February 2020. He graduated from the Chinese University of Hong Kong with a bachelor's degree in science in December 1986. In addition, Dr. Wong obtained (i) a master's degree in business administration from the City University of Hong Kong in November 1995; (ii) a master's degree of science in electronic commerce from the City University of Hong Kong in November 2003; and (iii) a doctorate degree in business administration from the City University of Hong Kong in February 2011. Dr. Wong has been a fellow of Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) since July 2000.

From May 2002 to March 2007, Dr. Wong served as a vice president at PCCW Solutions (formerly known as Unihub Limited), a company primarily engages in the provision of information technology services. From May 2010 to August 2014, Dr. Wong was the managing director at Accenture Consulting for Greater China, a company primarily provides management consulting and strategy expertise services. Since March 2015, Dr. Wong has served as a managing partner at Big Data Elite Asia Limited and GCE Consulting Limited, both of which are consulting companies, primarily providing advisory and training services in relation to big data, digital transformation, FinTech and strategic management. Since July 2016, Dr. Wong serves as an independent non-executive director at Autotoll Limited, a company primarily provides electronic toll clearing facilities in Hong Kong. Since September 2018, he serves as an independent non-executive director at SCUD Group Limited, a company listed on the Main Board (Stock code: 1399) and which primarily manufactures and sells lithium-ion battery products. Dr. Wong also serves as the Deputy President, Chairman of New Economy Committee and Chairman of Training & Accreditation Committee of The Hong Kong Independent Non-Executive Director Association Limited since October 2019.

Senior Management

Mr. Chew Yong Hock (周榮福), aged 61, was appointed as the sales and marketing director of Charming Printing in July 2012. Mr. Chew obtained a higher stage certificate in salesmanship and sales management from The London Chamber of Commerce and Industry in spring 1984. Mr. Chew has more than 29 years of experience in the apparel labels and trim products manufacturing industry.

Mr. So Shing Chuen (蘇成全), aged 56, was appointed as our general manager in October 2017. Mr. So obtained a diploma in chemical technology from The Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in November 1986. He then obtained a higher certificate in manufacturing engineering of plastics from The Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in November 1990. In November 1991, Mr. So was awarded an endorsement certificate in management services at The Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic). He then obtained a bachelor's degree in manufacturing engineering from the City University of Hong Kong in November 1997. In November 2004, he received a master of science automation systems and management from the City University of Hong Kong. Mr. So resigned from his position as our general manager due to job changes with effect from 9 April 2020.

王志榮博士，56歲，於2020年2月21日獲委任為獨立非執行董事。彼於1986年12月畢業於香港中文大學，取得理學士學位。此外，王博士(i)於1995年11月取得香港城市大學工商管理碩士學位；(ii)於2003年11月取得香港城市大學電子商貿理學碩士學位；及(iii)於2011年2月取得香港城市大學工商管理博士學位。王博士自2000年7月起為香港會計師公會(英文前稱為Hong Kong Society of Accountants)資深會員。

於2002年5月至2007年3月，王博士擔任電訊盈科企業方案(前稱優創有限公司，為一間主要從事提供資訊科技服務的公司)的副總裁。於2010年5月至2014年8月，王博士為Accenture Consulting for Greater China(為一間主要從事提供管理諮詢及策略專才服務的公司)的董事總經理。自2015年3月起，王博士擔任亞洲大數據精英諮詢有限公司及環球華人精英諮詢有限公司(兩間公司均為主要從事提供與大數據、數字化轉型、金融科技及策略管理有關的諮詢及培訓服務的諮詢公司)的執行事務合夥人。自2016年7月起，王博士擔任快易通有限公司(為一間主要於香港提供電子道路收費設施的公司)的獨立非執行董事。自2018年9月起，彼亦擔任飛毛腿集團有限公司*(SCUD Group Limited)(為一間主板上市公司(股份代號：1399)，主要生產及銷售鋰離子電池產品)的獨立非執行董事。王博士自2019年10月起擔任香港獨立非執行董事協會有限公司的常務副會長、新經濟委員會主席及培訓認證委員會主席。

高級管理層

周榮福先生，61歲，於2012年7月獲委任為集美印刷的銷售及營銷主管。周先生於1984年春季取得倫敦工商會的推銷術及銷售管理高級證書。周先生於服裝標籤及裝飾產品製造行業擁有逾29年經驗。

蘇成全先生，56歲，於2017年10月獲委任為總經理。蘇先生於1986年11月取得香港理工大學(前稱香港理工學院)的化學科技文憑。彼其後於1990年11月取得香港理工大學(前稱香港理工學院)的塑膠製造工程高級文憑。於1991年11月，蘇先生獲授香港理工大學(前稱香港理工學院)管理服務專修證書。彼其後於1997年11月取得香港城市大學的製造工程學士學位。於2004年11月，彼獲授香港城市大學的自動化系統及管理理學碩士學位。蘇先生因工作變動而辭任總經理職位，自2020年4月9日起生效。

REPORT OF THE DIRECTORS

董事會報告

Mr. Richard Phillip Ringeisen, aged 61, was appointed as the president of Charming US in February 2011 and is the director of Charming US. Mr. Ringeisen studied at the Western Michigan University from 1979 to 1980. Prior to joining our Group, Mr. Ringeisen worked as a western region sales manager at US Label Corporation, a company primarily sells and markets apparel identification products, from 1999 to 2001. Mr. Ringeisen worked as a sales manager in the western region of the United States at Alkahn Labels Inc, a company primarily engaged in the sales business, from 2001 to 2003. Mr. Ringeisen then worked as a vice president at 28 Packaging Inc, a company primarily engaged in the sales and marketing business from 2003 to 2008. He later worked as a vice president at Integra Trim, a company primarily engaged in the sales and marketing business from 2008 to 2010 where he was responsible for overseeing and managing the sales business of the company.

Mr. Liao Wenwei (廖文偉), aged 51, was appointed as the general manager of Charming China in August 2009. He obtained a diploma in business administration from the Huizhou University in July 1997. From April 1992 to July 2000, Mr. Liao worked as a salesman at Huizhou Jiangbei Building Material Company* (惠州市江北建材公司), a company primarily engaged in the trading business, with his last position being a manager. Mr. Liao then worked as a factory manager at Boluo County Shiwan Chuangmei Printing Factory* (博羅縣石灣創美印刷廠) from August 2000 to July 2009.

Company Secretary

Mr. Chan Wai Shing Kevin (陳偉成), aged 45, was appointed as the finance and accounts manager of Charming Printing in February 2016 and the company secretary on 17 May 2019. Mr. Chan obtained a diploma in accounting from Hong Kong Shue Yan University (formerly known as Shue Yan College) in July 1998. He was then awarded a diploma in operating business in China and a diploma in professional management for China business from the City University of Hong Kong in April 2004 and October 2004, respectively. Mr. Chan has been a fellow member of the Association of Chartered Certified Accountants since August 2008 and a member of The Institute of Chartered Secretaries and Administration since February 2010.

In view of Mr. Chan's experience in legal and company secretarial functions and with stock exchange rules and regulations, our Directors believe that Mr. Chan has the appropriate expertise for the purposes of Rule 3.28 of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determined by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to directors' duties, responsibilities and performance and the results of the Group.

Richard Phillip Ringeisen 先生，61歲，於2011年2月獲委任為Charming US的總裁，並為Charming US的董事。Ringeisen先生於1979年至1980年在西密歇根大學就讀。於加入本集團前，Ringeisen先生於1999年至2001年在US Label Corporation（為一間主要銷售及營銷服裝識別產品的公司）擔任西岸銷售經理。Ringeisen先生於2001年至2003年在美國西岸的Alkahn Labels Inc（為一間主要從事銷售業務的公司）擔任銷售經理。Ringeisen先生其後於2003年至2008年擔任28 Packaging Inc（為一間主要從事銷售及營銷業務的公司）的副總裁。彼其後於2008年至2010年擔任Integra Trim（為一間主要從事銷售及營銷業務的公司）的副總裁，彼負責監察及管理該公司的銷售業務。

廖文偉先生，51歲，於2009年8月獲委任為常美中國的總經理。彼於1997年7月取得惠州大學的工商管理文憑。於1992年4月至2000年7月，廖先生為惠州市江北建材公司（為一間主要從事貿易業務的公司）的推銷員，最後職位為經理。廖先生其後於2000年8月至2009年7月擔任博羅縣石灣創美印刷廠的工廠經理。

公司秘書

陳偉成先生，45歲，彼於2016年2月獲委任為集美印刷的財務及會計經理，並於2019年5月17日獲委任為公司秘書。陳先生於1998年7月取得香港樹仁大學（前稱樹仁學院）的會計文憑。彼其後分別於2004年4月及2004年10月獲香港城市大學頒授中國營商實務文憑及中國企業專修文憑。陳先生自2008年8月起一直為英國特許公認會計師公會資深會員，而自2010年2月起，彼一直為英國特許秘書及行政人員公會會員。

鑒於陳先生於法律及公司秘書職能方面以及聯交所規則及規例之經驗，董事相信就上市規則第3.28條而言，陳先生擁有適當之專業知識。

董事之服務合約

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

董事酬金

董事袍金須於股東大會上獲股東批准。其他酬金則由董事會參照董事職責及表現以及本集團之業績予以釐定。

REPORT OF THE DIRECTORS

董事會報告

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and subject to the provisions of the Companies Law of the Cayman Islands, every Director or other officer of the Company shall be entitled to be indemnified out of assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements, or contracts of significance to the business of the Group to which the Company or any of the Company's subsidiaries was a party during the year.

DISCLOSURE OF INTERESTS

A. Directors' and chief executive's interests and/or short positions in shares and underlying shares of the Company

The shares of the Company were only listed on the Main Board of the Stock Exchange on 12 March 2020 and therefore, the respective Division 7 and 8 of Part XV of the Securities and Futures Ordinance ("SFO") and the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the "Model Code") were not applicable as at 31 December 2019.

As at the date of this report, the interests and short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

獲准許的彌償保證條文

根據組織章程細則及開曼群島公司法條文，本公司的每名董事或其他高級職員均有權就或因履行其職責而承受或產生的所有虧損或負債，自本公司資產獲得彌償。本公司已為本集團董事及高級職員投購適當的董事及高級職員責任險。

董事於交易、安排或合約之權益

董事或董事之關連實體概無於本公司或本公司任何附屬公司於年內訂約的對本集團業務而言屬重大的任何交易、安排或合約中，直接或間接擁有重大權益。

權益披露

A. 董事及行政總裁於本公司股份及相關股份之權益及／或淡倉

本公司的股份於2020年3月12日方於聯交所主板上市，因此，相關的證券及期貨條例（「證券及期貨條例」）第XV部第7及8分部以及上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）於2019年12月31日並不適用。

於本報告日期，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份及相關股份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之權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有之權益或淡倉），或記錄於本公司根據證券及期貨條例第352條須存置之登記冊之權益及淡倉，或根據標準守則須知會本公司及聯交所之權益及淡倉如下：

REPORT OF THE DIRECTORS

董事會報告

Long positions in shares of the Company or any of its associated corporations 於本公司或其任何相聯法團股份之好倉

Name of director	Company/ name of associated company	Nature of interest and capacity	Number and class of securities	Approximate percentage of the Company's/ the associate company's total issued share capital 佔本公司/ 聯營公司 全部已發行股本 的概約百分比
董事姓名	本公司／聯營公司名稱	權益性質及身份	證券數目及類別	
Chan Sing Ming Barry 陳醒明	The Company 本公司	Interest in a controlled corporation (Note 1) (Note 2) 受控制法團權益 (附註1)(附註2)	1,404,000,000 shares 1,404,000,000股 股份	70.2%
	Charming International Limited ("Charming International")	Beneficial owner 實益擁有人	51 shares of US\$1.00 each 51股 每股1.00美元的股份	51.0%
Law Miu Lan Candy 羅妙蘭	The Company 本公司	Interest in a controlled corporation (Note 1) (Note 2) 受控制法團權益 (附註1)(附註2)	1,404,000,000 shares 1,404,000,000股 股份	70.2%
	Charming International	Beneficial owner 實益擁有人	49 shares of US\$1.00 each 49股 每股1.00美元的股份	49.0%
Chan Tsz Fung 陳梓峰	-	Beneficial owner 實益擁有人	12,000,000 shares 12,000,000股 股份	0.6%

Notes:

- Each of Mr. Barry Chan and Ms. Candy Law owns as to 51% and 49% of the issued share capital of Charming International which, in turn, holds 1,404,000,000 Shares. Accordingly, Mr. Barry Chan and Ms. Candy Law are deemed to be interested in 1,404,000,000 Shares held by Charming International by virtue of the disclosure requirements of the SFO.
- Mr. Barry Chan is the spouse of Ms. Candy Law. Accordingly, Mr. Barry Chan and Ms. Candy Law are deemed to be interested in the Shares held by each other by virtue of the SFO.

附註：

- 陳醒明先生及羅妙蘭女士各自擁有 Charming International 的 51% 及 49% 已發行股本，而 Charming International 則持有 1,404,000,000 股股份。因此，根據證券及期貨條例的披露規定，陳醒明先生及羅妙蘭女士被視為於 Charming International 持有的 1,404,000,000 股股份中擁有權益。
- 陳醒明先生為羅妙蘭女士之配偶。因此，根據證券及期貨條例，陳醒明先生及羅妙蘭女士被視作擁有各自持有之股份之權益。

REPORT OF THE DIRECTORS

董事會報告

Short positions in shares of the Company or any of its associated corporations

As at 31 December 2019, the shares were not listed on the Main Board of the Hong Kong Stock Exchange. The respective Division 2 and 3 of Part XV of the SFO and Section 336 of the SFO were not applicable.

Saved as disclosed above, as at the date of this report, none of the Directors and/or chief executives of the Company nor their associates had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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 each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

B. Substantial shareholders' and other persons' interests and/or short positions in the shares and underlying shares of the Company

As at the date of this report, the following persons (other than the Directors or the chief executive of the Company) have interests of 5% or more in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company

Name of shareholder	Capacity/ nature of interest	Number of shares	Approximate percentage of the Company's total issued share capital 佔本公司全部 已發行股本的 概約百分比
股東姓名／名稱	身份／權益性質	股份數目	
Charming International	Beneficial interest (Note) 實益權益(附註)	1,404,000,000	70.2%

Note:

Each of Mr. Barry Chan and Ms. Candy Law owns as to 51% and 49% of the issued share capital of Charming International which, in turn, holds 1,404,000,000 Shares. Accordingly, Mr. Barry Chan and Ms. Candy Law are deemed to be interested in 1,404,000,000 Shares held by Charming International by virtue of the disclosure requirements of the SFO.

於本公司或其任何相聯法團股份之淡倉

於2019年12月31日，股份尚未於香港聯交所主板上市。相關的證券及期貨條例(「證券及期貨條例」)第XV部第2及3分部以及證券及期貨條例第336條並不適用。

除上文所披露者外，於本報告日期，概無董事及／或本公司行政總裁及其聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有或被視為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任何權益或淡倉(包括根據證券及期貨條例彼等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條須記入本公司須存置的登記冊的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

B. 主要股東及其他人士於本公司股份及相關股份之權益及／或淡倉

於本報告日期，以下人士(不包括本公司董事或行政總裁)於本公司股份及相關股份中擁有記入本公司根據證券及期貨條例第336條須存置之權益登記冊之5%或以上權益：

於本公司普通股之好倉

附註：

陳醒明先生及羅妙蘭女士各自擁有Charming International的51%及49%已發行股本，而Charming International則持有1,404,000,000股股份。因此，根據證券及期貨條例的披露規定，陳醒明先生及羅妙蘭女士被視為於Charming International持有的1,404,000,000股股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

Short positions in shares of the Company or any of its associated corporations

As at the date of this report, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and/or short positions in shares and underlying shares of the Company" above, had registered an interest or a short position in the shares or underlying shares of the Company as recorded in the register of interests required to be kept pursuant to Section 336 of the SFO.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 3A.19 of the Listing Rules, the Company has appointed Elstone Capital Limited ("**Elstone**") as the compliance adviser. As notified by Elstone, compliance adviser of our Company, neither Elstone nor any of its close associates (as defined in the Listing Rules) and none of the directors or employees of Elstone had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to the Listing Rules as at the date of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDITORS

The Company has appointed Ernst & Young as the auditor of the Company for the year ended 31 December 2019. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming AGM.

By Order of the Board
Chan Sing Ming Barry
Chairman and Executive Director

Hong Kong, 30 March 2020

於本公司或其任何相聯法團股份之淡倉

於本報告日期，除本公司董事及行政總裁(彼等之權益載於上文「董事及行政總裁於本公司股份及相關股份之權益及／或淡倉」一節)之外，概無其他人士於本公司股份或相關股份中擁有記入本公司根據證券及期貨條例第336條須存置的權益登記冊中的權益或淡倉。

合規顧問之權益

根據上市規則第3A.19條，本公司已委聘千里碩融資有限公司(「**千里碩**」)為合規顧問。誠如本公司合規顧問千里碩所告知，於本報告日期，千里碩及其任何緊密聯繫人(定義見上市規則)以及千里碩董事或僱員概無於本公司或本集團任何成員公司之股本(包括期權或認購有關證券之權利(如有))中擁有根據上市規則須知會本公司之任何權益。

公眾持股量充足

根據本公司公開可得資料及據董事所知，於本報告日期，本公司已發行股本總額的至少25%由公眾人士持有。

核數師

本公司已委任安永會計師事務所為本公司截至2019年12月31日止年度的核數師。一項有關續聘其為本公司核數師的決議案將於應屆股東週年大會上提呈。

承董事會命
主席兼執行董事
陳醒明

香港，2020年3月30日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the shareholders of Cirtek Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
香港中環添美道1號
中信大廈22樓

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OPINION

We have audited the consolidated financial statements of Cirtek Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 41 to 112, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We 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.

致常達控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

吾等已審核列載於第41至112頁的常達控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此等綜合財務報表包括於2019年12月31日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映貴集團於2019年12月31日的綜合財務狀況及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。

意見基礎

吾等已根據香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核。吾等於該等準則下承擔的責任已於本報告核數師就審計綜合財務報表須承擔的責任中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，吾等獨立於貴集團，並已履行守則中的其他道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

吾等的審計如何處理關鍵審計事項

Impairment assessment on trade receivables

貿易應收款項的減值評估

As at 31 December 2019, the Group recorded trade receivables of approximately HK\$48,675,000 before impairment of HK\$348,000. Under HKFRS 9, the Group accounted for the impairment on trade receivables with a forward-looking expected credit losses ("ECL") approach. The measurement on the Group's trade receivables under the ECL approach was estimated by management through the application of judgements and use of highly subjective assumptions. The impact of current economic factors, and forward-looking factors specific to the debtors were also considered in management's assessment of the likelihood of recovery from customers.

於2019年12月31日，於計及348,000港元的減值前，貴集團錄得貿易應收款項約48,675,000港元。根據香港財務報告準則第9號，貴集團根據前瞻性預期信貸虧損（「預期信貸虧損」）方法對貿易應收款項減值進行會計處理。貴集團的貿易應收款項根據預期信貸虧損模式的計量乃由管理層透過應用判斷及使用高度主觀的假設而估計。管理層對自客戶收款的可能性之評估亦考慮與債務人相關之現時經濟因素及前瞻性因素之影響。

關鍵審計事項

關鍵審計事項是根據吾等的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。該等事項於吾等審計整體綜合財務報表及出具意見時處理。吾等不會對該等事項提供單獨的意見。吾等對下述每一事項於審計中是如何處理的描述亦以此為背景。

吾等已履行本報告核數師就審計綜合財務報表須承擔的責任部分闡述的責任，包括與該等事項相關的責任。相應地，吾等的審計工作包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的審計程序。吾等執行審計程序的結果，包括處理下述事項所執行的程序，為綜合財務報表審計意見提供基礎。

Our audit procedures included assessing the controls over the monitoring of trade receivables; evaluating the methodologies, inputs and assumptions used by the Group in calculating the ECLs; understanding and discussing with management for judgement used under the ECL approach; assessing historical loss pattern and reviewing subsequent settlements after the year end; and assessing the current economic condition and forward-looking information by checking to the economic indicators.

吾等的審計程序包括評估對監察貿易應收款項的控制；評估貴集團於計算預期信貸虧損時所用的方法、輸入數據及假設；了解及與管理層討論預期信貸虧損方法項下所使用的判斷；評估過往虧損模式及審閱年末後的其後結算；及透過檢查經濟指標評估目前經濟狀況及前瞻性資料。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter

關鍵審計事項

Due to the significance of trade receivables and the application of significant judgement and estimates, we considered it as a key audit matter.

由於貿易應收款項的重要性以及應用重大判斷及估計，吾等認為其屬關鍵審計事項。

The related disclosures are included in notes 4 and 18 to the consolidated financial statements.

相關披露載於綜合財務報表附註4及18。

Provision for inventories

存貨撥備

As at 31 December 2019, the Group recorded inventories of approximately HK\$44,565,000 and no provision for inventories was recorded. The write-down of inventories to net realisable value was estimated by management through the application of judgement and the use of highly subjective assumptions.

於2019年12月31日，貴集團錄得存貨約44,565,000港元及並無錄得存貨撥備。管理層透過運用判斷及高度主觀假設來估計撇減存貨至可變現淨值。

The related disclosures are included in notes 3, 4 and 17 to the consolidated financial statements.

相關披露載於綜合財務報表附註3、4及17。

How our audit addressed the key audit matter

吾等的審計如何處理關鍵審計事項

Our audit procedures included obtaining an understanding of management's controls over identifying and valuing obsolete, damaged, slow-moving, excess and other inventory items whose costs may not be fully recoverable; evaluating the methodologies, inputs and assumptions used by the Group in calculating the provision; and assessing the provision by reviewing subsequent sales and usage after the year end and checking the historical sales records.

吾等的審計程序包括獲悉管理層對於識別及估值陳舊、損毀、滯銷、過剩以及其他未能全部收回成本的存貨之控制；評估貴集團計算減值時所用的方法、輸入值及假設；及透過審閱年結日後其後銷售及與歷史銷售記錄作出比較，來評估減值撥備是否充足。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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.

年報內的其他資料

貴公司董事須對其他資料承擔責任。其他資料包括包括年報中所包含的資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表作出的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，在此過程中考慮其他資料是否與綜合財務報表或吾等於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。倘若吾等基於已完成的工作認為其他資料存在重大錯誤陳述，吾等須報告該事實。吾等就此並無任何事項須報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公允的綜合財務報表，以及落實董事認為所必需的有關內部監控，以確保有關綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，貴公司董事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(倘適用)。除非貴公司董事有意將貴集團清盤或停止營運，或別無其他實際的替代方案，否則董事須採用持續經營為會計基礎。

貴公司董事在審核委員會的協助下履行職責，監督貴集團的財務報告流程。

核數師就審計綜合財務報表須承擔的責任

吾等的目標為合理核證整體上綜合財務報表是否存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含吾等意見的核數師報告。吾等僅向閣下(作為整體)報告，除此之外，本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理核證屬高層次的核證，但不能保證根據香港核數準則進行的審核於某一重大錯誤陳述存在時總能發現。錯誤陳述可以由於欺詐或錯誤引起，倘個別或整體於合理預期情況下可影響使用者依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

獨立核數師報告

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

在根據香港核數準則進行審核的過程中，吾等運用專業判斷，於整個審核過程中保持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯報風險，因應該等風險設計及執行審核程序，獲得充足及適當的審核憑證為吾等的意見提供基礎。由於欺詐涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯報風險高於未能發現由於錯誤而導致的重大錯報風險。
- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對 貴集團的內部控制的有效性發表意見。
- 評估所用會計政策是否恰當，以及董事所作出的會計估算及相關披露是否合理。
- 總結董事採用持續經營會計基礎是否恰當，並根據已獲取的審核憑證，確定是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘若吾等總結認為有重大不確定因素，吾等須於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則吾等應當發表非標準無保留意見。吾等的結論為基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況或會導致 貴集團不再具有持續經營的能力。
- 評估綜合財務報表的整體呈列、架構及內容（包括披露資料）以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足、適當的審核憑證，以就綜合財務報表發表意見。吾等負責指導、監督及執行 貴集團的審核工作。吾等為審核意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Ip Hing Lam.

Ernst & Young

Certified Public Accountants
Hong Kong

30 March 2020

吾等與審核委員會溝通計劃的審計範圍、時間安排、重大審計發現等，包括吾等在審計中識別出的內部控制的任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的相關道德要求，並與其溝通有可能合理地被認為會影響吾等獨立性的所有關係及其他事宜以及適用的相關保障措施。

從與審核委員會溝通的事項中，吾等確定該等對本期綜合財務報表的審核最為重要的事項，因而構成關鍵審計事項。吾等在核數師報告中描述此等事項，除非法律法規不允許公開披露此等事項，或在極端罕見的情況下，如果合理預期在吾等報告中談及某事項造成的負面後果超過產生的公眾利益，吾等決定不應在報告中談及該事項。

出具本獨立核數師報告的審核項目合夥人為葉慶霖。

安永會計師事務所

執業會計師
香港

2020年3月30日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 December 2019
截至2019年12月31日止年度

		Notes 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
REVENUE	收益	6	352,937	371,883
Cost of sales	銷售成本		(178,168)	(209,473)
Gross profit	毛利		174,769	162,410
Other income and gains	其他收入及收益	6	5,701	3,642
Selling and distribution expenses	銷售及分銷開支		(44,053)	(40,343)
Administrative expenses	行政開支		(83,808)	(76,849)
Other expenses	其他開支		(928)	(305)
Finance costs	融資成本	8	(2,735)	(2,770)
Listing expenses	上市開支	7	(11,030)	(4,030)
PROFIT BEFORE TAX	除稅前溢利	7	37,916	41,755
Income tax expenses	所得稅開支	11	(11,434)	(8,020)
PROFIT FOR THE YEAR	年內溢利		26,482	33,735
Attributable to:	以下人士應佔：			
Owners of the Company	本公司擁有人		25,331	31,940
Non-controlling interests	非控股權益		1,151	1,795
			26,482	33,735
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔每股盈利		HK cents 港仙	HK cents 港仙
-Basic and diluted	-基本及攤薄	13	1.69	2.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December 2019
截至2019年12月31日止年度

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
PROFIT FOR THE YEAR	年內溢利	26,482	33,735
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收益／(虧損)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	於其後期間將會重新分類至損益的其他全面收益／(虧損)：		
Exchange differences:	匯兌差額：		
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	772	(932)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額	27,254	32,803
Attributable to:	以下人士應佔：		
Owners of the Company	本公司擁有人	26,178	31,056
Non-controlling interests	非控股權益	1,076	1,747
		27,254	32,803

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019
於2019年12月31日

		Notes 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	76,559	83,675
Prepayments and deposits	預付款項及按金	19	1,307	1,892
Right-of-use assets	使用權資產	15	58,486	67,857
Total non-current assets	非流動資產總值		136,352	153,424
CURRENT ASSETS	流動資產			
Inventories	存貨	17	44,565	41,468
Trade receivables	貿易應收款項	18	48,327	41,668
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	19	12,972	10,189
Due from the ultimate holding company	應收最終控股公司款項	20	22	–
Due from a director	應收一名董事款項	21	290	1,088
Cash and cash equivalents	現金及現金等價物	22	43,807	22,958
Tax recoverable	可收回稅項		65	51
Total current assets	流動資產總值		150,048	117,422
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	23	35,381	30,495
Other payables and accruals	其他應付款項及應計費用	24	32,557	34,723
Interest bearing bank borrowings	計息銀行借款	25	18,257	12,737
Dividend payable	應付股息	12	–	10,500
Due to directors	應付董事款項	21	403	8,655
Lease liabilities	租賃負債	15	11,626	15,195
Tax payable	應付稅項		10,353	1,146
Total current liabilities	流動負債總額		108,577	113,451
NET CURRENT ASSETS	流動資產淨值		41,471	3,971
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		177,823	157,395
NON-CURRENT LIABILITIES	非流動負債			
Other payables	其他應付款項	24	841	993
Interest bearing bank borrowings	計息銀行借款	25	2,469	–
Lease liabilities	租賃負債	15	30,209	39,360
Deferred tax liabilities	遞延稅項負債	26	334	326
Total non-current liabilities	非流動負債總額		33,853	40,679
Net assets	資產淨值		143,970	116,716
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	27	–*	–
Reserves	儲備	28	143,970	112,762
Non-controlling interests	非控股權益		143,970	112,762
Total equity	權益總額		143,970	116,716

* Less than HK\$500

* 少於500港元

CHAN Sing Ming Barry 陳醒明
Chairman and Executive Director 主席及執行董事

LAW Miu Lan Candy 羅妙蘭
Executive Director 執行董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2019
截至2019年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔						Non-controlling interest 非控股權益	Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Merger reserve 合併儲備	Exchange fluctuation reserve 外匯波動儲備	Retained profits 保留溢利	Total 總計		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
		(note 27) (附註27)	(note 28(c)) (附註28(c))	(note 28(a)) (附註28(a))	(note 28(b)) (附註28(b))				
At 1 January 2018	於2018年1月1日	-	-	2,920	(5,489)	84,275	81,706	2,207	83,913
Profit for the year	年內溢利	-	-	-	-	31,940	31,940	1,795	33,735
Other comprehensive loss for the year	年內其他全面虧損								
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	(884)	-	(884)	(48)	(932)
Total comprehensive income for the year	年內全面收益總額	-	-	-	(884)	31,940	31,056	1,747	32,803
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	-	-	2,920*	(6,373)*	116,215*	112,762	3,954	116,716
Profit for the year	年內溢利	-	-	-	-	25,331	25,331	1,151	26,482
Other comprehensive income for the year	年內其他全面收益								
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	847	-	847	(75)	772
Total comprehensive income for the year	年內全面收益總額	-	-	-	847	25,331	26,178	1,076	27,254
Issue of a new share upon incorporation of the Company	註冊成立本公司後發行1股新股份	-#	-	-	-	-	-#	-	-#
Acquisition of subsidiaries under common control pursuant to the Reorganisation	根據重組收購共同控制的附屬公司	-	201,488	(196,458)	-	-	5,030	(5,030)	-
At 31 December 2019	於2019年12月31日	-#	201,488*	(193,538)*	(5,526)*	141,546*	143,970	-	143,970

* These reserve accounts comprise the consolidated reserves of HK\$143,970,000 (2018: HK\$112,762,000) in the consolidated statement of financial position.

* 於綜合財務狀況表，該等儲備賬分別包括綜合儲備143,970,000港元(2018年：112,762,000港元)。

Less than HK\$500

少於500港元

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2019
截至2019年12月31日止年度

	Notes 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動之現金流量		
Profit before tax	除稅前溢利	37,916	41,755
Adjustments for:	就以下各項作出調整：		
Finance costs	融資成本	2,735	2,770
Interest income	利息收入	(7)	(8)
Loss/(gain) on disposal of items of property, plant and equipment, net	出售物業、廠房及設備項目的虧損／(收益)淨額	(87)	248
Loss on disposal of items of right-of-use assets	出售使用權資產項目的虧損	58	77
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17,326	15,088
Depreciation of right-of-use assets	使用權資產折舊	11,224	10,909
Impairment losses on trade receivables	貿易應收款項的減值虧損	833	9
Write-back of trade payables	撥回貿易應付款項	–	472
Amortisation of government grant	政府補助攤銷	(135)	(95)
		69,863	71,225
Increase in inventories	存貨增加	(3,409)	(4,836)
Increase in trade receivables	貿易應收款項增加	(7,712)	(433)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(2,624)	(2,338)
Increase in an amount due to the ultimate holding company	應收最終控股公司款項增加	(22)	–
Increase in trade payables	貿易應付款項增加	6,188	662
Increase/(decrease) in other payables and accruals	其他應付款項及應計費用增加／(減少)	(959)	1,776
Cash generated from operations	經營所得現金	61,325	66,056
Hong Kong profits tax paid	已付香港利得稅	–	(8,458)
Overseas taxes paid	已付海外稅項	(1,731)	(1,517)
Net cash flows from operating activities	經營活動所得現金流量淨額	59,594	56,081
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
Interest received	已收利息	7	8
Purchases of items of property, plant and equipment, including related prepayments	購買物業、廠房及設備項目(包括相關預付款項)	(11,072)	(39,052)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目的所得款項	87	166
Proceeds from disposal of items of right-of-use assets	出售使用權資產項目的所得款項	72	–
Payment to acquire right-of-use assets	收購使用權資產的付款	–	(1,878)
Repayment from a director	一名董事還款	796	–
Advance to a director	向一名董事墊款	–	(348)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(10,110)	(41,104)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2019
截至2019年12月31日止年度

		Note	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量			
New bank loans	新增銀行貸款		20,320	8,458
Repayment of bank loans	償還銀行貸款		(12,331)	(14,138)
Interest paid	已付利息		(2,735)	(2,770)
Principal portion of lease payments	租金付款的資本部分		(15,096)	(13,993)
Dividend paid	已付股息		(10,500)	(4,500)
Repayment to directors	向董事還款		(8,207)	–
Advances from directors	董事墊款		–	934
Net cash flows used in financing activities	融資活動所用現金流量淨額		(28,549)	(26,009)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額		20,935	(11,032)
Cash and cash equivalents at beginning of year	年初現金及現金等價物		22,958	34,209
Effect of foreign exchange rate changes, net	匯率變動的影響淨額		(86)	(219)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物		43,807	22,958
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析			
Cash and bank balances	現金及銀行結餘	22	43,807	22,958

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019
2019年12月31日

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at 1/F, Wing Ming Industrial Centre, 15 Cheung Yue Street, Lai Chi Kok, Kowloon, Hong Kong.

Subsequent to the end of the reporting period, the Company made an offer to the public for subscription of its new shares (the “Share Offer”) in connection with the listing of the Company’s shares (the “Listing”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Dealings in the Company’s shares on the Stock Exchange commenced on 12 March 2020.

The Company is an investment holding company. During the year, the Group’s subsidiaries were principally engaged in the manufacturing and sale of printing products.

Charming International Limited (“Charming International”), a company incorporated in the British Virgin Islands (the “BVI”) on 2 January 2019, is the immediate holding company of the Company, and in the opinion of the Directors, which is also the ultimate holding company of the Company.

1. 公司及集團資料

本公司為於開曼群島註冊成立的有限公司。本公司的註冊辦事處地址為PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands。本公司的主要營業地點為香港九龍荔枝角長裕街15號永明工業中心1樓。

於報告期末後，本公司就本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市（「上市」）向公眾提呈認購其新股份的要約（「股份發售」）。本公司股份於2020年3月12日開始於聯交所買賣。

本公司為一間投資控股公司。於年內，現時組成本集團的附屬公司從事生產及銷售印刷產品。

Charming International Limited（「Charming International」，一間於2019年1月2日在英屬處女群島（「英屬處女群島」）註冊成立的公司）為本公司的直接控股公司，董事認為該公司亦為本公司的最終控股公司。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019
2019年12月31日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information of subsidiaries

Particulars of the Company's subsidiaries are as follows:

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊地點及營運地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Charming Printing Limited 集美印刷有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100 (2018: 95%) (2018年: 95%)	Sale of printing products 銷售印刷產品
Charming Printing (Boluo) Ltd.^ (note (a)) 博羅縣常美印刷有限公司^(附註(a))	People's Republic of China ("PRC") 中華人民共和國(「中國」)	US\$6,234,178 6,234,178美元	-	100	Manufacturing of printing products 生產印刷產品
Charming Trim & Packaging (VN) Co., Ltd^	Vietnam 越南	US\$3,500,000 3,500,000美元	-	100	Manufacturing of printing products 生產印刷產品
Charming Trim & Packaging Company Limited	Hong Kong 香港	HK\$2 2港元	-	100	Sale of printing products 銷售印刷產品
Charming Trim & Packaging (BD) Ltd^	Bangladesh 孟加拉	BDT50,000,000 50,000,000 孟加拉塔卡	-	100	Manufacturing of printing products 生產印刷產品
Charming Trim (BD) Co. Ltd^	Bangladesh 孟加拉	BDT5,000,000 5,000,000 孟加拉塔卡	-	100	Sale of printing products 銷售印刷產品
Charming Trim India Private Limited^	India 印度	INR100,000 100,000印度盧比	-	100	Sale of printing products 銷售印刷產品

1. 公司及集團資料(續)

附屬公司的資料

本公司附屬公司的詳情載列如下：

NOTES TO FINANCIAL STATEMENTS
財務報表附註

1. CORPORATE AND GROUP INFORMATION (Continued)

Information of subsidiaries (Continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊地點及營運地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Charming Trim & Packaging (PVT.) Limited [^]	Pakistan 巴基斯坦	PKR100,000 100,000 巴基斯坦盧比	-	100	Sale of printing products 銷售印刷產品
Charming Trim & Packaging, Inc [^]	United States of America 美利堅合眾國	US\$10,000 10,000美元	-	100 (2018: 80%) (2018年: 80%)	Sale of printing products 銷售印刷產品
Lowatag Limited*	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Charming Europe BVBA**	Belgium 比利時	EUR50 50歐元	-	100 (2018: 75%) (2018年: 75%)	Provision of customer services 提供客戶服務
Charming Printing (SZ) Ltd [^] (note (b)) Charming Printing (SZ) Ltd [^] (附註(b))	PRC 中國	RMB50,000 人民幣50,000元	-	100	Provision of customer services 提供客戶服務
Cirtek Investment Limited [^]	BVI 英屬處女群島	US\$1 1美元	100	-	Investment holding 投資控股

Notes:

- (a) This entity is registered as a wholly-foreign-owned enterprise under the laws of the PRC.
- (b) This entity is registered as a limited liability company under the laws of the PRC.

* Mr. James Chan Tsz Fung, son of Mr. Barry Chan Sing Ming ("Mr. Barry Chan") and Ms. Candy Law Miu Lan ("Ms. Candy Law"), is the major shareholder of these entities and has been managing these entities under the direction, instruction and authority of Mr. Barry Chan and Ms. Candy Law. These entities contributed an insignificant portion of profit or loss, and assets and liabilities to the Group.

[^] Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

1. 公司及集團資料(續)

附屬公司的資料(續)

Principal activities 主要業務	Percentage of equity attributable to the Company 本公司應佔權益百分比	
	Direct 直接	Indirect 間接
Sale of printing products 銷售印刷產品	-	100
Sale of printing products 銷售印刷產品	-	100 (2018: 80%) (2018年: 80%)
Investment holding 投資控股	-	100
Provision of customer services 提供客戶服務	-	100 (2018: 75%) (2018年: 75%)
Provision of customer services 提供客戶服務	-	100
Investment holding 投資控股	100	-

附註:

- (a) 該實體根據中國法律註冊為外商獨資企業。
- (b) 該實體根據中國法律註冊為有限責任企業。

* 陳梓峰先生(為陳醒明先生(「陳醒明先生」)及羅妙蘭女士(「羅妙蘭女士」)的兒子)為該等實體的主要股東，並一直按照陳醒明先生及羅妙蘭女士的指示、指引及授權管理該等實體。該等實體為本集團貢獻不重大比例的損益、資產及負債。

[^] 未經香港安永會計師事務所或另一間安永全球網絡旗下成員事務所審核。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019
2019年12月31日

2.1 BASIS OF PRESENTATION

For the listing of the Company's shares on the Stock Exchange, the Company underwent a group reorganisation (the "Reorganisation"), further details of which are set out in the Company's prospectus dated 28 February 2020. Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 28 May 2019. The companies now comprising the Group were under the common control of Mr. Barry Chan and Ms. Candy Law (collectively the "Controlling Shareholders"), who are spouses and have been acting in concert for control over the Group before and after the Reorganisation. Accordingly, these financial statements for the years ended 31 December 2019 and 2018 have been prepared by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the year ended 31 December 2018.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the years ended 31 December 2019 and 2018 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries and/or businesses first came under the common control of the Controlling Shareholders, where this is a shorter period. The consolidated statement of financial position of the Group as at 31 December 2019 and 2018 have been prepared to present the assets and liabilities of the subsidiaries and/or business using the existing book values from the Controlling Shareholders' perspectives. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

Equity interests in subsidiaries and/or businesses held by the parties other than the controlling shareholders prior to the Reorganisation are presented as non-controlling interests in equity in applying the principles of merger accounting.

All intra-group transactions and balances have been eliminated on consolidation.

2.1 呈列基準

為本公司股份於聯交所上市，本公司已進行重組（「重組」），進一步詳情載於本公司日期為2020年2月28日的招股章程。根據重組，本公司於2019年5月28日成為現時組成本集團的公司之控股公司。於重組前後，現時組成本集團的公司受陳醒明先生及羅妙蘭女士（統稱「控股股東」，彼等為配偶及就本集團的控制權而言為一致行動人士）共同控制。因此，截至2019年及2018年12月31日止年度的該等財務報表乃透過應用合併會計原則編製，猶如重組已於截至2018年12月31日止年度開始時完成。

本集團截至2019年及2018年12月31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包括現時組成本集團所有公司自所呈列的最早日期或自該等附屬公司及／或業務首次受到控股股東共同控制當日起（以較短期間為準）的業績及現金流量。本集團於2019年及2018年12月31日的綜合財務狀況表已經編製，以使用現有賬面值從控股股東的角度呈列附屬公司及／或業務的資產及負債。本公司並無作出調整以反映公平值，或確認因重組產生的任何新資產或負債。

重組前由控股股東以外各方於附屬公司及／或業務持有的股權於應用合併會計原則時呈列為股本中的非控股權益。

所有集團內交易及結餘已於綜合入賬時抵銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

All HKFRSs effective for the accounting period commencing from 1 January 2019, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the financial statements for the year ended 31 December 2018.

These financial statements have been prepared under the historical cost convention and are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between shareholders of the Group are eliminated in full on consolidation.

2.2 編製基準

該等財務報表乃按照香港會計師公會頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例的披露規定編製。

為編製截至2018年12月31日止年度的財務報表，本集團已提早採納自2019年1月1日開始的會計期間生效的所有香港財務報告準則連同其相關過渡條文。

歷史財務資料乃按歷史成本法編製及以港元呈列，除另有指明外，所有數值已調整至最接近的千元(千港元)。

綜合入賬基準

綜合財務報表包括本集團截至2019年12月31日止年度的財務報表。附屬公司指由本公司直接或間接控制的實體(包括結構性實體)。當本集團通過參與投資對象的相關活動而承擔可變回報的風險或有權享有可變回報，並且有能力運用對投資對象的權力(即賦予本集團現有權力以主導投資對象的相關活動的既存權利)影響該等回報時，即取得控制權。

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

- (a) 與投資對象其他投票權持有人的合約安排；
- (b) 其他合約安排產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃按與本公司於同一報告期間一致的會計政策編製。附屬公司之業績自本集團取得控制權之日起綜合入賬，並持續至該控制權終止當日。

損益及其他全面收益的各組成部分屬本集團的母公司擁有人及非控股權益應佔部分，即使此導致非控股權益結餘出現虧絀結餘。所有集團內與本集團股東交易有關的資產及負債、權益、收入、開支及現金流量均於綜合入賬時全面抵銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019
2019年12月31日

2.2 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3 Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Definition of a Business</i> ¹ <i>Interest Rate Benchmark Reform</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
HKFRS 17	<i>Insurance Contracts</i> ²
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2021

³ No mandatory effective date yet determined but available for adoption

2.2 編製基準(續)

綜合入賬基準(續)

倘有事實及情況顯示上述三項控制因素中有一項或以上出現變化，本集團會重新評估其是否對投資對象擁有控制權。並無喪失控制權的附屬公司之所有權益變動會按權益交易入賬。

倘本集團失去對附屬公司的控制權，則其終止確認(i)附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)於權益中記錄之累計匯兌差額；並確認(i)已收代價之公平值；(ii)任何保留投資之公平值；及(iii)於損益中任何因此產生之盈餘或虧絀。本集團先前於其他全面收益中確認之應佔部分重新分類至損益或保留溢利(如適用)，倘本集團直接出售有關資產或負債，則須以同一基準確認。

2.3 已頒佈但尚未生效的香港財務報告準則

本集團於該等財務報表中並未應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則 第3號(修訂本)	業務的定義 ¹
香港財務報告準則 第9號、香港會計準 則第39號及香港財 務報告準則第7號 (修訂本)	利率基準改革 ¹
香港財務報告準則第 10號及香港會計準 則第28號(修訂本) (2011年)	投資者與其聯營公司 或合營公司之間的 資產出售或注資 ³
香港財務報告準則第 17號	保險合約 ²
香港會計準則第1號及 香港會計準則第8號 (修訂本)	重大的定義 ¹

¹ 於2020年1月1日或之後開始的年度期間生效

² 於2021年1月1日或之後開始的年度期間生效

³ 尚未確定強制生效日期，惟可供採納

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 clarify and provide additional guidance on the 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. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

預期適用於本集團的香港財務報告準則的進一步資料闡述如下。

香港財務報告準則第3號(修訂本)釐清業務的定義提供額外指引。該等修訂指明，對於被視為業務的一系列綜合活動及資產，其必須包括最少一項對共同創造產出的能力有顯著貢獻的投入數及實質程序。業務可以不包括輸出所需的所有投入及過程而存在。該等修訂取消對市場參與者是否有能力收購業務並繼續創造產出的評估。相反，重點在於所收購的投入及實質程序是否共同對創造產出的能力作出重大貢獻。該等修訂亦縮窄產出的定義，著重向客戶提供的商品或服務、投資收入或一般活動的其他收入。此外，該等修訂提供指引，以評估所收購流程是否重要，並引入可選的公平值集中測試，以便簡化評估所獲得的一系列活動及資產會否並非業務。本集團預期自2020年1月1日起前瞻性採納該等修訂。由於該等修訂預期適用於首次應用日期或之後發生之交易或其他事件，故本集團於交易日期將不受該等修訂影響。

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)旨在解決銀行同業拆息改革對財務申報之影響。該等修訂提供可在替換現有利率基準前之不確定期限內繼續進行對沖會計處理之暫時性補救措施。此外，該等修訂規訂公司須向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。該等修訂於2020年1月1日或之後開始的年度期間生效，並允許提早應用。預期該等修訂將不會對本集團財務報表造成任何重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition 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 to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

The management of the Group does not anticipate that the adoption of the other revised HKFRSs will have a significant financial impact on the Group's financial statements.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號(2011年)(修訂本)針對香港財務報告準則第10號及香港會計準則第28號(2011年)之間有關投資者與其聯營公司或合營公司之間資產出售或注資兩者規定之不一致情況。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務之資產時，由該交易產生之收益或虧損於該投資者之損益內確認，惟僅以不相關投資者於該聯營公司或合營公司之權益為限。該等修訂已前瞻應用。香港會計師公會已於2016年1月剔除香港財務報告準則第10號及香港會計準則第28號(2011年)的修訂本之以往強制生效日期，而新的強制生效日期將於對聯營公司及合營公司的會計處理完成更廣泛的檢討後釐定。然而，該等修訂現時可供採納。

香港會計準則第1號及香港會計準則第8號(修訂本)為重大一詞提供新定義。根據新定義，倘可合理預期漏報、錯報或隱瞞個別資料將可影響使用財務報表作一般目的之主要使用者基於相關財務報表作出的決定，則該資料為重大。該等修訂釐清，重大性取決於資料的性質及牽涉範圍。倘可合理預期資料錯報會影響主要使用者的決定，則有關錯誤為重大。本集團預期未來自2020年1月1日起採納該等修訂。該等修訂預期不會對本集團的財務報表造成任何重大影響。

本集團管理層並不預期採納其他經修訂香港財務報告準則將對本集團的財務報表構成重大財務影響。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Subsidiaries**

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

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

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

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

3. 主要會計政策概要**附屬公司**

附屬公司指本公司對其直接或間接有控制權的實體(包括結構性實體)。當本公司能透過其參與投資對象而面臨或有權享有可變回報的風險或權利，並能夠向投資對象使用其權力影響回報金額(即現有權利可使本公司能於現時指揮投資對象的相關活動)，即代表達致控制權。

當本公司直接或間接擁有投資對象少於大多數的投票權或類似權利，本公司於評估其對投資對象是否擁有權力時會考慮所有相關事實及情況，包括：

- (a) 與投資對象的其他投票權持有人訂立的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本公司的投票權及潛在投票權。

非金融資產減值

倘存在減值跡象，或需對一項資產進行年度減值測試(存貨、遞延稅項資產及金融資產除外)，則會估計資產的可收回金額。一項資產的可收回金額為資產或現金產生單位的使用價值與其公平值減去出售成本的其中較高者，並按個別資產釐定，除非該資產所產生的現金流入基本上不能獨立於其他資產或資產組別所產生的現金流入，在此情況下將就資產所屬的現金產生單位釐定可收回金額。

減值虧損僅在一項資產的賬面值超過其可收回金額時方會確認。在估計使用價值時，利用稅前折現率(反映貨幣時間價值的目前市場估值及資產特定風險)將預計未來現金流量折現至現值。減值虧損於其產生期間在損益賬內與減值資產功能一致的該等開支類別中扣除。

於每個報告期末均需評估是否存在任何跡象表明早前確認的減值虧損可能不再存在或可能已減少。倘存在此類跡象，則估計可收回金額。除商譽外，早前確認的資產減值虧損僅在用以釐定該資產可收回金額的估值發生變更時方可撥回，惟不應高於若過往年度並無就該資產確認減值虧損的情況下應已釐定的賬面值(減去任何折舊／攤銷)。減值虧損的撥回於產生期內計入損益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (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); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

3. 主要會計政策概要(續)

關聯方

若出現以下情況，有關人士會被視為與本集團有關聯：

- (a) 該人士為任何人士或其近親，而該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 倘符合下列任何條件，即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；
 - (ii) 某實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (iii) 該實體與本集團為同一第三方的合營企業；
 - (iv) 某實體為第三方實體的合營企業，而另一實體為第三方實體的聯營公司；
 - (v) 該實體為本集團或與本集團有關聯的實體就僱員利益設立的離職後福利計劃；
 - (vi) 該實體受(a)所定義人士控制或共同控制；
 - (vii) 於(a)(i)所定義人士對該實體有重大影響力或屬該實體（或該實體的母公司）的主要管理層成員；及
 - (viii) 該實體或任何集團成員為本集團或本集團的母公司提供主要管理層成員。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred.

In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the lease terms
Plant and machinery	10%
Furniture and fixtures	20%
Motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

3. 主要會計政策概要(續)**物業、廠房及設備以及折舊**

物業、廠房及設備乃以成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括其購買價及促使資產達至其擬定用途的營運狀況及地點的任何直接應佔成本。

物業、廠房及設備項目開始運作後產生的開支(例如維修及保養)通常於產生開支期間於損益中扣除。

若符合確認條件，大型檢查費用將於資產賬面值中撥充資本，列作重置。倘需要定期更換大部分物業、廠房及設備，則本集團會確認該部分為有特定使用年期的個別資產，並據此計算折舊。

折舊乃按各項物業、廠房及設備的估計可用年期使用直線法撇銷其成本至剩餘價值計算。就此所採用的主要年率如下：

租賃物業裝修	租期
廠房及機器	10%
傢俬及裝置	20%
汽車	20%

倘一項物業、廠房及設備項目的有關部分存在不同可用年期，則該項目的成本將按合理基準在有關部分內分配，而每部分則作獨立折舊處理。剩餘價值、可用年期及折舊方法將至少在每個財政年度結算日進行檢討及調整(如適用)。

物業、廠房及設備項目包括任何已首次確認的重要部分在出售或在預計其使用或出售不會帶來未來經濟利益時終止確認。於資產終止確認的年度於損益中確認的資產出售或棄用的收益或虧損為有關資產的出售所得款項淨額與賬面值的差額。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 30 years
Plant and machinery	10 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

3. 主要會計政策概要(續)

租賃

於合約成立時，本集團會評估合約是否屬於或包含租賃。倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約屬於或包含租賃。

本集團為承租人

本集團就所有租賃應用單一確認及計量方法，惟短期租賃除外。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用當日)確認。使用權資產按成本減任何累積折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債款額、已產生初步直接成本及於開始日期或之前作出的租賃款項減任何已收取租賃獎勵。在適用的情況下，使用權資產的成本亦包括為拆卸並移除相關資產或復原相關資產或其所在場地而產生的估計成本。使用權資產按租期及資產估計可使用年期(以較短者為準)折舊：

樓宇	2至30年
廠房及機器	10年
汽車	5年

倘於租期結束時租賃資產的擁有權轉讓至本集團或成本反映購買權的行使，折舊則根據資產的估計可使用年期計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Leases** *(Continued)**Group as a lessee (Continued)**(b) Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

3. 主要會計政策概要(續)

租賃(續)

本集團為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日期按租賃期內作出的租賃付款之現值確認。租賃付款包括固定付款(包括實質固定付款)減去任何應收租賃優惠及在租賃條款反映本集團行使選擇權終止租賃之情況下因終止租賃而支付的罰款。於觸發付款的事件或條件發生時，不依賴於指數或利率的可變租賃付款將於該期間確認為開支。

於計算租賃付款之現值時，由於租賃中隱含的利率不易確定，則本集團採用租賃開始日期的遞增借貸利率。於開始日期後，租賃負債金額會增加以反映利息的增長，並就所作出的租賃付款作出扣減。此外，當出現修訂、租期變動、租賃付款變動(例如指數或利率變動導致的日後租賃付款變動)或購買相關資產的選擇權評估變動，租賃負債的賬面值將會重新計量。

(c) 短期租賃

本集團對其機器及設備的短期租賃(即該等於開始日期的租期為12個月或以下且不包含購買權的租賃)應用短期租賃確認豁免。短期租賃的租賃款項在租期內按直線法確認為開支。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

3. 主要會計政策概要(續)

金融資產

初步確認及計量

金融資產於初步確認時分類為隨後按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。

金融資產於初步確認時的分類視乎金融資產合約現金流量的特徵及本集團管理該等資產的業務模式而定。除並無重大融資成分或本集團已應用不調整重大融資成分影響實際權宜方法的貿易應收款項外，本集團初步按其公平值加(倘並非按公平值計入損益的金融資產)交易成本計量金融資產。依據下文「收益確認」所載政策，並無重大融資成分或本集團並未就此應用實際權宜方法的貿易應收款項按照香港財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公平值計入其他全面收益分類及計量，需產生僅為支付本金及未償還本金利息(「僅為支付本金及利息」)的現金流量。

本集團管理金融資產的業務模式指為產生現金流量管理金融資產的方式。業務模式釐定現金流量會否來自收取合約現金流量、出售金融資產或以上兩者。分類為按攤銷成本計量的金融資產按業務模式持有，持有目的為收取合約現金流量。

所有以常規方式購買及出售的金融資產均於交易日(即本集團承諾購買或出售資產之日)確認，以常規方式購買或出售指需在市場規例或慣例規定的期限內交付的金融資產購買或出售。

後續計量

金融資產的後續計量視乎以下分類：

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Financial assets** *(Continued)**Subsequent measurement (Continued)**Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3. 主要會計政策概要(續)

金融資產(續)

後續計量(續)

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產隨後使用實際利率法計量，並可予減值。收益及虧損於資產終止確認、修改或減值時於損益表中確認。

終止確認金融資產

金融資產(或倘適用，作為金融資產或類似金融資產組別的一部分)主要在下列情況終止確認(即從本集團的財務狀況表移除)：

- 從資產收取現金流量的權利已屆滿；或
- 本集團已轉讓其從資產收取現金流量的權利，或已承擔根據「轉付」安排而並無重大延誤下悉數將已收取現金流量支付有關第三者的責任；且(a)本集團已經將資產的絕大部分風險及回報轉讓，或(b)本集團並無轉讓或保留資產的大致所有風險及回報，但已轉讓資產的控制權。

倘本集團已轉讓從資產收取現金流量的權利或已經訂立轉付安排，其評估是否保留與該資產相關的風險及回報以及有關程度。倘其並無轉讓或保留資產的絕大部分風險及回報亦無轉讓資產的控制權，本集團會視乎持續參與的程度繼續確認已轉讓資產。在該情況下，本集團亦確認相關負債。轉讓的資產及相關負債按反映本集團保留的權利及責任的基準計量。

以擔保形式持續參與已轉移的資產，乃按資產原賬面值與本集團可能被要求償還的最高代價金額的較低者計量。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3. 主要會計政策概要(續)

金融資產減值

本集團就所有並非按公平值計入損益持有的債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於合約所應收的合約現金流量與本集團預期將收取的全部現金流量的差額所釐定，差額隨後按原有實際利率相近的差額進行貼現。預期現金流量包括來自出售所持有抵押品的現金流量或為合約條款一部分的其他信貸提升。

一般方式

預期信貸虧損分兩個階段進行確認。就自首次確認起未有顯著增加的信貸風險而言，預期信貸虧損乃就於未來12個月內可能發生違約事件而導致的信貸虧損(12個月預期信貸虧損)計提撥備。就自首次確認起經已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損(全期預期信貸虧損)均須計提虧損撥備。

於各報告日期，本集團於評估自首次確認後金融工具的信貸風險是否顯著增加時，本集團將於報告日期金融工具發生違約的風險與首次確認日期起金融工具發生違約的風險進行比較，並考慮合理且可支持的資料，包括無需付出不必要的成本或努力而可得的歷史及前瞻性資料。

本集團將合約付款逾期90天的金融資產視作違約。然而，於若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信貸提升安排前悉數收回未償還合約金額時，本集團亦可能認為該金融資產違約。當並無收回合約現金流量的合理預期時，金融資產將予以撇銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Impairment of financial assets** *(Continued)**General approach (Continued)*

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. 主要會計政策概要(續)

金融資產減值(續)

一般方式(續)

按攤銷成本計量的金融資產在一般方法下可能會發生減值，並且在以下階段分類用於預期信貸虧損計量，惟採用下文詳述的簡化方法的貿易應收款項及合約資產除外。

- 第一階段 – 金融工具自首次確認以來信貸風險未顯著增加，且其虧損撥備乃按相等於12個月預期信貸虧損的金額計量
- 第二階段 – 金融工具自首次確認後信貸風險顯著增加，惟並非信貸減值金融資產且其虧損撥備乃按相等於全期預期信貸虧損的金額計量
- 第三階段 – 於報告日期信貸減值的金融資產（惟並非購買或原始信貸減值），其虧損撥備乃按相等於全期預期信貸虧損的金額計量

簡化方式

關於不包括重大融資部分的應收款項或當本集團應用實際權宜法不調整重大融資部分的影響時，本集團採用簡化方式計算預期信貸虧損。根據簡化方法，本集團不會追蹤信貸風險變動，而根據全期預期信貸虧損確認各報告日期的虧損撥備。本集團已根據其過往信貸虧損經驗訂立撥備矩陣，並按債務人及經濟環境具體的前瞻性因素作出調整。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, amounts due to directors, interest-bearing bank borrowings and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

3. 主要會計政策概要(續)

金融負債

首次確認及計量

金融負債於首次確認時分類為以公平值計入損益的金融負債、貸款及借款、應付款項或分類為指定作有效對沖的對沖工具之衍生工具(如適當)。

所有金融負債首先按公平值確認，倘為貸款及借款以及應付款項，則須扣除直接應佔交易成本。

本集團的金融負債包括貿易應付款項、計入其他應付款項及應計費用的金融負債、應付董事款項、計息銀行借款及租賃負債。

後續計量

金融負債的後續計量根據其分類進行，詳情如下：

按攤銷成本計量的金融負債(貸款及借款)

於首次確認後，計息貸款及借款隨後以實際利率法以攤銷成本計量，除非貼現影響微不足道，在該情況下以按成本列賬。當負債終止確認及按實際利率進行攤銷程序時，其收益及虧損於損益表內確認。

攤銷成本於計算時已考慮收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益表的融資成本內。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

3. 主要會計政策概要(續)

取消確認金融負債

當金融負債項下的責任被解除或取消或到期，則取消確認金融負債。

倘現有金融負債由同一貸款人授予條款迥異的其他負債取代，或現有負債的條款經重大修訂，則該等變更或修訂視作解除確認原有負債並確認新負債，各賬面值的差額於損益表確認入賬。

抵銷金融工具

倘現時存在一項可依法強制執行的權利，可抵銷已確認金額，且有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均可予抵銷，並將淨額列入財務狀況表內。

存貨

存貨按成本與可變現淨值兩者的較低者入賬。成本以加權平均基準計算，如屬在製品及製成品，則包括直接物料成本、直接勞工成本及適當比例的經常性開支。可變現淨值按估計售價減完成及出售所需的任何估計成本釐定。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

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

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

3. 主要會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時兌換為已知數額現金的短期高流動性投資，價值波動風險不大，且一般自取得日期起計三個月內到期（不包括須於要求時償還的銀行透支）及屬本集團現金管理主要組成部分。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行存款，其中包括並無限制用途的定期存款及與現金性質相似的資產。

撥備

當因過往事件導致現有法律或推定責任，而日後可能須動用資源履行有關責任，且有關責任所涉數額能可靠估計，則須確認撥備。

當貼現影響重大時，已確認的撥備金額為預期解除責任所需的未來支出於報告期末的現值。隨時間流逝而產生的貼現現值增加將計入損益的融資成本內。

所得稅

所得稅包括即期及遞延稅項。有關損益外確認項目的所得稅於損益外確認，不論是否於其他全面收益或直接於股本確認。

即期稅項資產及負債按預期可自稅務機構收回或支付予稅務機構的金額計算，稅率乃按於報告期末已實施或實際上已實施的稅率（及稅法）計算，並會考慮本集團經營所在國家的現行詮釋及慣例。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Income tax** *(Continued)*

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

3. 主要會計政策概要(續)**所得稅(續)**

遞延稅項乃就資產及負債的稅基與其用作財務報告用途的賬面值之間於報告期末的所有暫時差額採用負債法撥備。

所有應課稅暫時差額均確認為遞延稅項負債，惟：

- 倘有關遞延稅項負債因首次確認商譽或交易(不包括非業務合併)的資產或負債所產生，而於交易當時並不影響會計溢利或應課稅溢利或虧損，則不予確認；及
- 對於涉及附屬公司投資的應課稅臨時差額，倘臨時差額的撥回時間可以控制，而在可見將來將不會撥回，則不予確認。

遞延稅項負債根據於報告期末頒佈或實際頒佈的稅率(及稅法)，按預期應用於償還負債期間的稅率計算。

政府補助

若補助與開支項目相關，則於將該項補助用於擬補貼成本支銷期間系統地確認為收入。倘有相當把握將會收到補助金及將符合所有附帶條件時，政府補助即按公平值確認。倘補助金與資產有關，即將其公平值計入遞延收益賬，並於有關資產的預計可使用年期內，每年按等額調撥往損益表或從資產賬面值中扣減並以經扣減折舊開支調撥往損益表。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue from contracts with customers

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.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) Sale of printing products

Revenue from the sale of printing products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the printing products.

Some contracts for the sale of printing products provide customers with rights of return. The rights of return give rise to variable consideration.

3. 主要會計政策概要(續)

收益確認

客戶合約收益

客戶合約收益於貨物或服務的控制權轉移予客戶時予以確認，而該金額反映本集團預期就提供該等貨物或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權進行交換時估計。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素其後得到解決時，確認的累積收入金額極有可能不會發生重大收入撥回。

當合約中包含融資成分，該融資成分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收益按應收款項的現值計量，並使用貼現率貼現，而該貼現率將於本集團與客戶在合約開始時的單獨交易中反映。當合約中包含融資部分，該融資部分為本集團提供一年以上的重大財務利益時，合約項下確認的收益包括實際利率法項下合約負債所產生的利息開支。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用香港財務報告準則第15號中的實際權宜措施，不會對重大融資部分的影響作出調整。

(a) 銷售印刷產品

來自銷售印刷產品的收益於資產控制權轉移至客戶的時間點(一般為交付印刷產品時)確認。

個別銷售印刷產品的合約訂明客戶有權退貨，退貨權利產生可變代價。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) *Sale of printing products* (Continued)

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the Group estimates the goods that will not be returned using the most likely amount method to predict the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) *Freight and transportation income*

Freight and transportation income is recognised when the services have been provided to customers.

Revenue from other sources

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

3. 主要會計政策概要(續)

收益確認(續)

客戶合約收益(續)

(a) 銷售印刷產品(續)

(i) 退貨權利

就訂明客戶有權於指定期間內退貨的合約，本集團使用最可能金額法預計本集團有權收取的可變代價金額之方法估計不會被退回的商品。香港財務報告準則第15號有關限制可變代價估計的規定已應用於釐定計入交易成本內的可變代價金額。預期會被退回的商品會確認有關退款負債而非收益。退貨權資產(及對銷售成本作出的相應調整)亦就向客戶收回產品的權利予以確認。

(b) 貨運及運輸收入

貨運及運輸收入乃於向客戶提供服務時提供。

其他來源的收益

其他收入

利息收入利用實際利率法以應計基準確認，所用利率為於金融工具的預期年期或更短期間(如適用)內將估計未來現金收款準確貼現至金融資產賬面淨額的利率。

合約負債

當客戶於本集團轉移相關貨品前已收取付款或付款到期時(以較早者為準)確認合約負債。當本集團根據合約履約(即向客戶轉移相關貨品的控制權)時，合約負債會確認為收益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits

Pension schemes

The Group operates defined contribution retirement benefit schemes in Hong Kong and overseas for those employees who are eligible and have elected to participate in the schemes. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the schemes, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the scheme.

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the memorandum and bye-laws of the relevant companies grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3. 主要會計政策概要(續)

僱員福利

退休金計劃

本集團於香港及海外為合資格並選擇參與計劃的僱員設立定額供款退休福利計劃。供款乃按僱員基本薪金的某百分比計算，並根據計劃的規則於應付時在損益扣除。計劃資產與本集團資產分開存放，由獨立管理的基金持有。本集團一經向計劃供款，有關僱主供款即全數歸僱員所有，惟本集團的僱主自願供款則除外。根據計劃的規則，倘僱員於供款全數歸屬前離職，有關僱主自願供款將會歸還本集團。

本集團於中國大陸經營的附屬公司的僱員須參與地方市政府管理的中央退休金計劃。附屬公司須按其薪酬成本的若干百分比向中央退休金計劃供款。供款於根據中央退休金計劃的規則應付時於損益扣除。

借款成本

收購、建造或生產合資格資產(即須花費較長時間以達至擬定用途或出售的資產)的直接應佔借款成本，乃予以資本化作為該等資產的成本部分。該借款成本於有關資產大致可作擬定用途或出售時停止撥充資本。特定借款撥作合資格資產開支前作為短暫投資所賺取的投資收入於撥充資本的借款成本中扣除。所有其他借款成本均於產生期間支銷。借款成本包括實體所產生與借款有關的利息及其他成本。

股息

末期股息於其在股東大會上獲股東批准時確認為負債。建議末期股息於財務報表附註中披露。

因相關公司的大綱及公司細則授權董事宣派中期股息，故中期股息同時獲建議及宣派。因此，中期股息於建議及宣派後隨即確認為負債。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Foreign currencies**

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rate prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rate for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3. 主要會計政策概要(續)**外幣**

該等財務報表以港元呈列，而港元亦為本公司的功能貨幣。本集團旗下各實體自行決定其功能貨幣，而各實體財務報表內的項目均以該功能貨幣計量。本集團實體的外幣交易初步按交易當日的各功能貨幣匯率入賬。以外幣為單位的貨幣資產及負債按報告期末的功能貨幣匯率換算。結算或換算貨幣項目時產生的差額於損益確認。

根據外幣歷史成本計算的非貨幣項目按首次交易日期的匯率換算。按公平值計量的外幣非貨幣項目按計量公平值當日的匯率換算。換算按公平值計量的非貨幣項目損益的處理方式與確認該項目公平值變動產生的損益一致（即其公平值損益於其他全面收益或損益確認的項目產生的換算差額，亦分別於其他全面收益或損益中確認）。

於終止確認預付代價相關的非貨幣資產或非貨幣負債時，為釐定初步確認相關資產、開支或收入採用的匯率，初步交易日期為本集團初步確認預付代價產生的非貨幣性資產或非貨幣性負債當日。倘存在多筆付款或收款，本集團就每筆預付代價的付款或收款釐定交易日期。

海外附屬公司的功能貨幣為港元以外貨幣。於報告期末，該等實體的資產及負債均按報告期末的通行匯率換算為港元，而該等公司的損益表按年內的加權平均匯率換算為港元。

所產生的匯兌差額於其他全面收益中確認及於外匯波動儲備累積。於出售國外業務時，與該特定國外業務相關的其他全面收益部分將於損益確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rate for the year.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Determining the method to estimate variable consideration and assessing the constraint for the sale of printing products

Certain contracts for the sale of printing products include a right of return that gives rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the sale of printing products with rights of return, given the large number of customer contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

3. 主要會計政策概要(續)

外幣(續)

就綜合現金流量表而言，海外附屬公司的現金流量按有關現金流量日期的匯率換算為港元。海外附屬公司年內經常產生的現金流量按年內的加權平均匯率換算為港元。

4. 重大會計判斷及估計

管理層編製本集團的財務報表時須作出判斷、估計及假設，而該等判斷、估計及假設會影響所申報的收入、開支、資產及負債的金額以及相關披露及或然負債的披露。然而，有關此等假設及估計的不明朗因素所可能產生的結果，或會導致日後的資產或負債賬面金額須作出重大調整。

判斷

於應用本集團會計政策的過程中，除涉及估計的判斷外，管理層已作出以下對於財務報表確認的金額構成最重大影響的判斷。

釐定估計可變代價的方法及評估出售印刷產品的限制

若干出售印刷產品的合約包括退貨權利引發可變代價。於估計可變代價時，本集團須根據何種方法可更好地預測其有權收取的代價金額來使用預期價值法或最可能金額法。

本集團確認，鑒於有大量特徵類似的客戶合約，最可能金額法為估計出售有退貨權的印刷產品之可變代價時使用的適當方法。

於任何可變代價金額計入交易價格前，本集團會考慮可變代價金額是否受到限制。本集團根據其過往經驗、業務預測及當前經濟狀況釐定可變代價的估計是否受到限制。此外，可變代價的不確定因素將於短時間內解決。

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES*(Continued)***Estimation uncertainty**

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

Useful lives and impairment of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and its competitor actions. Management will increase the depreciation charge where useful lives are shorter than those previously estimated, or it will write off or write down technically obsolete assets that have been abandoned.

The carrying value of an item of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in the relevant part of this section. The recoverable amount of an item of property, plant and equipment is calculated as the higher of its fair value less costs of disposal and value in use, the calculations of which involve the use of estimates.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography and customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the apparel product sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

4. 重大會計判斷及估計(續)

估計的不確定因素

下文闡述有關未來的主要假設及於報告期末估計不明朗因素的其他主要來源，其具有可能導致須對下個財政年度的資產與負債賬面值作出重大調整的重大風險。

物業、廠房及設備的可使用年期及減值

基於類似性質及功能的物業、廠房及設備項目實際可使用年期的歷史經驗，本集團管理層對其物業、廠房及設備項目的估計可使用年期及相關折舊進行評估。此評估可能因技術革新及競爭對手的舉動而顯著改變。當可使用年期少於先前估計時，管理層將增加折舊費用，或其將撇銷或撇減被棄置且技術上已過時的資產。

當出現本節相關部分中會計政策提及的物業、廠房及設備項目的賬面值不可收回之事項或變化時，需對其賬面值作減值測試。物業、廠房及設備項目的可回收金額為公平值減去出售成本後的淨額及使用價值中的較高者，其中包含對可使用年期的評估。

貿易應收款項的預期信貸虧損撥備

本集團使用撥備矩陣以計量貿易應收款項的預期信貸虧損。撥備率基於具有類似虧損模式(即按地理位置及客戶類別)各客戶群分部的逾期日數。

撥備矩陣初步基於本集團的歷史可觀察違約率。本集團將通過調整矩陣以調整歷史信貸虧損經驗及前瞻性資料。例如，若預測經濟狀況(即國內生產總值)於未來一年內惡化，從而導致服裝產品行業的違約數量增加，歷史違約率將得到調整。於各報告日期，歷史觀察違約率將會予以更新，並分析前瞻性估計的變化。

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables (Continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 18 to the financial statements.

Write-down of inventories

Management reviews the condition of inventories of the Group and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at the end of each reporting period and assesses whether any provision should be made against obsolete and slow-moving items. Management reassesses the estimation at the end of each reporting period.

The identification of obsolete and slow-moving inventory items requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying values of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed. The carrying amount of inventories as at 31 December 2019 was HK\$44,565,000 (2018: HK\$41,468,000).

4. 重大會計判斷及估計(續)

估計的不確定因素(續)

貿易應收款項的預期信貸虧損撥備(續)

對歷史觀察違約率、預測經濟狀況及預期信貸虧損之間的相關性評估乃一項重要的估計。預期信貸虧損的金額對環境及預測經濟狀況敏感。本集團的歷史信貸虧損經驗及對經濟狀況的預測亦可能無法表示客戶於日後的實際違約情況。有關本集團貿易應收款項的預期信貸虧損資料於財務報表附註18披露。

撇銷存貨

管理層審閱本集團之存貨狀況，並就被識別為不再適合銷售或使用之過時及滯銷存貨項目作出撥備。管理層主要根據最近期發票價格及當時市況估計該等存貨之可變現淨值。本集團於各報告期末進行存貨審閱，並就過時及滯銷項目評估應否作出任何撥備。管理層於各報告期末重新評估有關估計。

識別過時及滯銷存貨項目需要使用判斷及估計。倘預計與原定估計有所差異，有關差異將會影響相關估計出現變動期間的存貨賬面值及確認的存貨撇銷。於2019年12月31日，存貨的賬面值為44,565,000港元(2018年：41,468,000港元)。

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5. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the manufacture and sale of printing products.

Geographical information

(a) Revenue from external customers

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Hong Kong	香港	97,895	112,996
Mainland China	中國內地	88,362	92,602
Bangladesh	孟加拉	34,264	37,350
Vietnam	越南	20,688	19,382
United States	美國	17,429	19,074
Others	其他	94,299	90,479
		352,937	371,883

The revenue information above is based on the locations of the customers.

(b) Non-current assets

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Hong Kong	香港	8,437	11,028
Mainland China	中國內地	93,355	104,393
Bangladesh	孟加拉	15,823	18,548
Other countries	其他國家	17,868	18,340
		135,483	152,309

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

5. 經營分部資料

就管理而言，本集團僅有一個可呈報經營分部，即生產及銷售印刷產品。

地域資料

(a) 外部客戶收益

以上收益資料乃根據客戶所在地呈列。

(b) 非流動資產

上述的非流動資產資料乃根據資產所在地編製，惟不包括金融工具。

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5. OPERATING SEGMENT INFORMATION (Continued)

Information about a major customer

Revenue from a major customer, including a group of entities which are known to be under common control with that customer, which accounted for 10% or more of the Group's revenue is set out below:

	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Customer A 客戶A	38,908	47,725

The revenue from the above major customer was all derived from the sale of printing products.

5. 經營分部資料(續)

有關主要客戶的資料

佔本集團收益10%或以上之主要客戶(包括已知與該客戶受共同控制的一組實體)的收益載列如下:

來自上述主要客戶的收益均產生自銷售印刷產品。

6. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns, trade discounts and rebates.

An analysis of the Group's revenue and other income and gains is as follows:

6. 收益以及其他收入及收益

收入指年內已減去退貨、貿易折扣及回扣撥備後已出售貨品的發票淨值。

本集團的收益以及其他收入及收益分析如下:

	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Revenue from contracts with customers 客戶合約收益		
<i>(i) Disaggregated revenue with information</i> <i>(i) 收益劃分的資料</i>		
Type of goods or services 按貨品或服務類型		
Sale of printing products 銷售印刷產品	352,937	371,883
Geographical markets 地域市場		
Hong Kong 香港	97,895	112,996
Mainland China 中國內地	88,362	92,602
Bangladesh 孟加拉	34,264	37,350
Vietnam 越南	20,688	19,382
United States 美國	17,429	19,074
Others 其他	94,299	90,479
	352,937	371,883
Timing of revenue recognition 確認收益的時間		
Goods transferred at a point in time 於某一時間點轉移的貨品	352,937	371,883

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6. REVENUE AND OTHER INCOME (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue with information (Continued)

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of the years:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Sale of printing products	銷售印刷產品	8,416	9,518

(ii) Performance obligations

Sale of printing products

The performance obligation is satisfied upon delivery of the printing products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

As the remaining performance obligations (unsatisfied or partially satisfied) as at 31 December 2019 and 2018 are part of contracts that have an original expected duration of one year or less, the transaction price allocated to such is not disclosed, as permitted by the practical expedient in HKFRS 15.

6. 收益以及其他收入及收益(續)

客戶合約收益(續)

(i) 收益劃分的資料(續)

下表列示於年初計入合約負債的已確認收益金額：

	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Sale of printing products	8,416	9,518

(ii) 履約責任

銷售印刷產品

履約責任於交付印刷產品後達成，而付款一般於交付起計30至90天內到期，惟新客戶除外(當中一般需要預先付款)。個別合約訂明客戶有權退貨，產生須受限制的可變代價。

由於2019年及2018年12月31日餘下未達成或部分達成的履約責任為原預期年期為一年或以內的合約之一部分，故如香港財務報告準則第15號的可行權宜方法所允許，並無披露分配至有關合約的交易價。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Other income and gains	其他收入及收益		
Freight and transportation income	貨運及運輸收入	536	162
Interest income	利息收入	7	8
Sale of scrap materials	銷售廢棄材料	2,011	421
Write-back of trade payables	撥回貿易應付款項	-	472
Government grant*	政府補助*	532	308
Foreign exchange differences, net	匯兌差異淨額	1,446	1,418
Others	其他	1,169	853
		5,701	3,642

* As at 31 December 2019 and 2018, there were no unfulfilled conditions or other contingencies attaching to the government grant that had been recognised by the Group.

* 於2019年及2018年12月31日，本集團已確認的政府補助並無附帶未達成的條件或其他或然事項。

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7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

7. 除稅前溢利

本集團的除稅前溢利經扣除／(計入)下列各項後達致：

		Notes 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cost of inventories sold [#]	已售存貨成本 [#]		178,168	209,473
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14	17,326	15,088
Depreciation of right-of-use assets	使用權資產折舊	15	11,224	10,909
Short-term lease expenses	短期租賃開支		43	-
Employee benefit expense (excluding directors' remuneration (note 9)):	僱員福利開支(不包括董事薪酬(附註9)):			
Wages and salaries	工資及薪金		104,710	99,654
Pension scheme contributions	退休金計劃供款		11,828	11,484
			116,538	111,138
Government grant ^{**}	政府補助 ^{**}		(532)	(308)
Auditor's remuneration	核數師薪酬		1,611	736
Listing expenses	上市開支		11,030	4,030
Foreign exchange differences, net	匯兌差異淨額		(1,446)	(1,418)
Impairment of trade receivables [*]	貿易應收款項減值 [*]	18	833	9
Loss/(gain) on disposal of items of property, plant and equipment [*]	出售物業、廠房及設備項目的虧損／(收益) [*]		(87)	248
Loss on disposal of items of right-of-use assets [*]	出售使用權資產項目的虧損 [*]		58	77

* These items are included in "Other expenses" on the face of the consolidated statement of profit or loss.

** The government grant has been received from the local government. It mainly represented compensation of the unemployment insurance paid to the local government and the acquisition of the Group's new machines, which are transferred from deferred income to profit or loss over the useful lives of the relevant assets. There are no unfulfilled conditions or contingencies relating to these grants.

Cost of inventories sold includes HK\$67,326,000 (2018: HK\$64,003,000) of employee benefits expense, and depreciation of property, plant and equipment and right-of-use assets which are also included in the respective total amounts disclosed above for each of these types of expenses.

* 該等項目於綜合損益表中的「其他開支」列示。

** 政府補助乃自當地政府收取。其主要指向當地政府支付的失業保險保費及收購本集團的新機器，其於相關資產使用期限自遞延收益轉撥至損益。該等補助並無尚未達成的條件或或然項目。

已售存貨成本包括 67,326,000 港元 (2018 年: 64,003,000 港元) 的僱員福利開支與物業、廠房及設備以及使用權資產折舊(亦計入上文就該等各類開支披露的相關總額)。

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8. FINANCE COSTS

An analysis of finance costs is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息	601	441
Interest on lease liabilities	租賃負債利息	2,134	2,329
		2,735	2,770

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Fee	袍金	-	-
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,402	2,393
Performance related bonuses	表現相關花紅	1,496	2,616
Pension scheme contributions	退休金計劃供款	46	48
		3,944	5,057

(a) Independent non-executive directors

There were no fees or other emoluments payable to independent non-executive directors during the year (2018: Nil).

8. 融資成本

融資成本分析如下：

9. 董事及主要行政人員酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部披露的本年度董事及主要行政人員薪金如下：

(a) 獨立非執行董事

年內並無應付予獨立非執行董事的袍金或其他酬金(2018年：無)。

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9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

(b) Executive directors

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
		袍金 HK\$'000 千港元	薪金、津貼及 實物福利 HK\$'000 千港元	表現 相關花紅 HK\$'000 千港元	退休金 計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
Year ended 31 December 2019	截至2019年12月31日止年度					
Mr. Barry Chan	陳醒明先生	-	1,200	748	17	1,965
Ms. Candy Law	羅妙蘭女士	-	960	748	17	1,725
Mr. James Chan	陳梓峰先生	-	242	-	12	254
		-	2,402	1,496	46	3,944
Year ended 31 December 2018	截至2018年12月31日止年度					
Mr. Barry Chan	陳醒明先生	-	1,200	1,346	18	2,564
Ms. Candy Law	羅妙蘭女士	-	960	1,250	18	2,228
Mr. James Chan	陳梓峰先生	-	233	20	12	265
		-	2,393	2,616	48	5,057

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2018: Nil).

During the year, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

年內，董事概無訂立安排放棄或同意放棄任何薪酬(2018年：無)。

年內，本集團概無向董事支付薪酬，作為加入本集團或加入時的獎勵或離職補償。

9. 董事及主要行政人員酬金(續)

(b) 執行董事

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10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2018: two) directors of the company, details of whose remuneration are set out in note 9 above. Details of the remuneration of the three (2018: three) remaining non-director, highest paid employees are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	6,993	5,885
Pension scheme contributions	退休金計劃供款	301	277
		7,294	6,162

The number of the non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		2019 2019年	2018 2018年
Nil to HK\$1,000,000	零至1,000,000港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	2
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	-	-
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	-
		3	3

During the year, no emoluments were paid by the Group to any of the non-director, highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2018: Nil).

10. 五名最高薪僱員

五名最高薪僱員包括兩名(2018年：兩名)董事，其薪酬詳情載於上文附註9。餘下三名(2018年：三名)非董事最高薪僱員的薪酬詳情列載如下：

屬於以下薪酬組別的非董事最高薪僱員人數如下：

年內，本集團概無向任何非董事最高薪僱員支付薪酬，作為加入本集團或加入時的獎勵或離職補償(2018年：無)。

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11. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI. Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profit tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 (2018: Nil) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. PRC tax has been provided at the rate of 25% (2018: 25%) on the estimated assessable profits arising in the PRC during the year. Pursuant to the rules and regulations of the United States, a company which is treated as a corporation for the United States federal income tax purposes was subject to a tax rate of 21% (2018: 21%) at the federal level during the year and was also subject to the statutory corporate income tax in state and local tax jurisdictions. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

11. 所得稅

根據開曼群島及英屬處女群島規例及法規，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。年內，香港利得稅已就於香港產生的估計應課稅溢利按16.5%稅率計提撥備，惟本集團一間附屬公司除外，該附屬公司為符合自2018/2019課稅年度起生效的兩級制利得稅稅率制度的實體。該附屬公司首筆2,000,000港元（2018年：無）的應課稅溢利按8.25%的稅率繳稅，其餘應課稅溢利則按16.5%的稅率繳稅。中國稅項乃就年內於中國產生的估計應課稅溢利按稅率25%（2018年：25%）計提撥備。根據美國的法規及規例，年內就聯邦所得稅而言被視為美國企業的公司須按21%的稅率（2018年：21%）繳納聯邦稅，亦須繳納州份及地方稅務司法權區的法定企業所得稅。在其他地方就應課稅溢利繳納的稅款已按本集團業務經營所在國家的當前稅率計算。

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Current – Hong Kong Charge for the year	即期 – 香港 年內開支	7,842	7,725
Current – Elsewhere Charge for the year	即期 – 其他地區 年內開支	3,584	1,506
Deferred (note 26)	遞延(附註26)	8	(1,211)
Total tax charge for the year	年內稅項開支總額	11,434	8,020

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11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax charge at the effective tax rate is as follows:

11. 所得稅(續)

根據法定稅率適用於除稅前溢利的稅務開支與根據實際稅率的稅務開支對賬如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Profit before tax	除稅前溢利	37,916	41,755
Tax at the statutory tax rate of 16.5%	按法定稅率16.5%計算的稅項	6,256	6,890
Lower tax rate enacted by local authority of 8.25% (2018: Nil)	地方當局頒佈的較低稅率8.25%(2018年：無)	(165)	-
Effect of different tax rates for different jurisdictions	不同司法權區不同稅率的影響	989	422
Income not subject to tax	毋須課稅收入	(106)	(556)
Expenses not deductible for tax	不可扣稅開支	3,224	1,896
Tax losses utilised from previous periods	過往期間的已動用稅項虧損	(100)	(213)
Tax losses not recognised	未確認的稅務虧損	963	558
Others	其他	373	(977)
Tax charge at the Group's effective tax rate of 30.2% (2018: 19.2%)	按本集團實際稅率30.2%(2018年：19.2%)計算的稅務開支	11,434	8,020

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12. DIVIDENDS

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Special dividend	特別股息	10,000	-

The special dividend for the year has been declared and approved by the Company's shareholders at the board meeting held, and was paid to the then shareholders, in February 2020.

The Directors have decided not to declare a final dividend for the year ended 31 December 2019.

13. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the Company of HK\$25,331,000 (2018: HK\$31,940,000), and on the basis of 1,500,000,000 shares of the Company in issue, which represents the number of shares of the Company immediately after the Reorganisation and capitalisation issue, but excluding the 500,000,000 shares issued pursuant to the share offer of the Company for its listing on the Main Board of The Stock Exchange of Hong Kong Limited on 12 March 2020, as if these shares issued under the Reorganisation and the capitalisation issue had been issued on 1 January 2018.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2019 and 2018 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018.

12. 股息

本公司於已舉行的董事會會議宣派及批准本年度的特別股息，並已於2020年2月派付予當時的股東。

董事已決定不宣派截至2019年12月31日止年度的末期股息。

13. 本公司擁有人應佔每股盈利

每股基本盈利的金額乃基於本公司擁有人應佔本年度溢利25,331,000港元(2018年：31,940,000港元)及按本公司1,500,000,000股已發行股份(相當於本公司緊隨重組及資本化發行的股份數目，但不包括根據本公司於2020年3月12日就在香港聯合交易所有限公司主板上市而根據股份發售發行的500,000,000股股份)之基準計算，猶如該等根據重組及資本化發行發行的股份已於2018年1月1日發行。

由於本集團於截至2019年及2018年12月31日止年度並無已發行潛在攤薄普通股，故並無就攤薄而對截至2019年及2018年12月31日止年度所呈列的每股基本盈利金額作出調整。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2019	2019年12月31日					
At 31 December 2018 and 1 January 2019:	於2018年12月31日及2019年1月1日：					
Cost	成本	13,634	166,616	6,837	1,736	188,823
Accumulated depreciation	累計折舊	(6,352)	(92,097)	(5,772)	(927)	(105,148)
Net carrying amount	賬面淨值	7,282	74,519	1,065	809	83,675
At 1 January 2019, net of accumulated depreciation	於2019年1月1日，扣除累計折舊	7,282	74,519	1,065	809	83,675
Additions	添置	1,305	8,916	307	824	11,352
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	(1,141)	(15,363)	(462)	(360)	(17,326)
Exchange realignment	匯兌調整	(91)	(1,045)	(10)	4	(1,142)
At 31 December 2019, net of accumulated depreciation	於2019年12月31日，扣除累計折舊	7,355	67,027	900	1,277	76,559
At 31 December 2019:	於2019年12月31日：					
Cost	成本	14,817	173,459	7,069	2,615	197,960
Accumulated depreciation	累計折舊	(7,462)	(106,432)	(6,169)	(1,338)	(121,401)
Net carrying amount	賬面淨值	7,355	67,027	900	1,277	76,559
31 December 2018	2018年12月31日					
At 31 December 2017 and 1 January 2018:	於2017年12月31日及2018年1月1日：					
Cost	成本	6,124	138,453	6,481	1,667	152,725
Accumulated depreciation	累計折舊	(5,815)	(82,982)	(4,985)	(849)	(94,631)
Net carrying amount	賬面淨值	309	55,471	1,496	818	58,094
At 1 January 2018, net of accumulated depreciation	於2018年1月1日，扣除累計折舊	309	55,471	1,496	818	58,094
Additions	添置	7,626	35,571	464	214	43,875
Disposal	出售	-	(335)	(53)	(26)	(414)
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	(573)	(13,531)	(811)	(173)	(15,088)
Exchange realignment	匯兌調整	(80)	(2,657)	(31)	(24)	(2,792)
At 31 December 2018, net of accumulated depreciation	於2018年12月31日，扣除累計折舊	7,282	74,519	1,065	809	83,675
At 31 December 2018:	於2018年12月31日：					
Cost	成本	13,634	166,616	6,837	1,736	188,823
Accumulated depreciation	累計折舊	(6,352)	(92,097)	(5,772)	(927)	(105,148)
Net carrying amount	賬面淨值	7,282	74,519	1,065	809	83,675

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14. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31 December 2019, certain of the Group's plant and machinery with a net book value of approximately HK\$5,950,000 (2018: Nil) were pledged to secure certain bank loans granted to the Group (note 25).

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, plant and machinery and motor vehicles used in its operations. Leases of plant and machinery generally have lease terms of ten years, while buildings generally have lease terms between two to thirty years and motor vehicles have lease terms of five years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Buildings 建築物 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	17,687	30,415	330	48,432
Additions	添置	32,629	-	-	32,629
Disposal	出售	-	-	(77)	(77)
Depreciation charge (note 7)	折舊支出(附註7)	(7,772)	(3,052)	(85)	(10,909)
Exchange realignment	匯兌調整	(744)	(1,456)	(18)	(2,218)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	41,800	25,907	150	67,857
Additions	添置	2,924	-	-	2,924
Disposal	出售	-	-	(130)	(130)
Depreciation charge (note 7)	折舊支出(附註7)	(8,296)	(2,910)	(18)	(11,224)
Exchange realignment	匯兌調整	(537)	(402)	(2)	(941)
At 31 December 2019	於2019年12月31日	35,891	22,595	-	58,486

14. 物業、廠房及設備(續)

於2019年12月31日，本集團賬面淨值約為5,950,000港元(2018年：零)的廠房及機器已抵押，以獲得授予本集團之若干銀行貸款(附註25)。

15. 租賃

本集團作為承租人

本集團就多個樓宇、廠房及機器以及汽車項目訂有租賃合約，以供其營運所用。廠房及機器的租賃一般租期為十年，而樓宇的租賃一般租期為二至三十年，而汽車的租賃一般租期為五年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

(a) 使用權資產

本集團年內使用權資產的賬面值及變動如下：

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15. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Carrying amount at 1 January	於1月1日的賬面值	54,555	39,624
New leases	新租賃	2,924	30,751
Accretion of interest recognised during the year	於年內確認的利息增加	2,134	2,329
Payments	付款	(17,230)	(16,322)
Exchange realignment	匯兌調整	(548)	(1,827)
Carrying amount at 31 December	於12月31日的賬面值	41,835	54,555
Analysed into:	分析為：		
Current portion	流動部分	11,626	15,195
Non-current portion	非流動部分	30,209	39,360

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

Certain of the Group's lease liabilities are guaranteed by personal guarantees provided by the Controlling Shareholders up to HK\$28,067,000 as at 31 December 2019 and 2018.

15. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債的賬面值與年內變動如下：

	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Carrying amount at 1 January	54,555	39,624
New leases	2,924	30,751
Accretion of interest recognised during the year	2,134	2,329
Payments	(17,230)	(16,322)
Exchange realignment	(548)	(1,827)
Carrying amount at 31 December	41,835	54,555
Analysed into:		
Current portion	11,626	15,195
Non-current portion	30,209	39,360

租賃負債的到期分析於財務報表附註34中披露。

本集團若干租賃負債乃由控股股東提供的個人擔保所擔保，於2019年及2018年12月31日最高為28,067,000港元。

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15. LEASES (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	2,134	2,329
Depreciation charge of right-of-use assets	使用權資產折舊開支	11,224	10,909
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in administrative expenses)	與短期租賃及餘下租期於2019年12月31日或之前屆滿的其他租賃有關的開支(計入行政開支)	43	-
Total amount recognised in profit or loss	於損益確認的總金額	13,401	13,238

15. 租賃(續)

本集團作為承租人(續)

(c) 於損益中確認與租賃有關的金額如下：

16. INVESTMENTS IN SUBSIDIARIES

Investment, at cost

投資·按成本計

2019
2019年
HK\$'000
千港元

201,488

Further details of the subsidiaries of the Company are set out in note 1 to the financial statements.

有關本公司附屬公司的進一步詳情載於財務報表附註1。

17. INVENTORIES

Raw materials
Work in progress
Finished goods

原材料
在製品
製成品

2019
2019年
HK\$'000
千港元

2018
2018年
HK\$'000
千港元

19,537

14,384

11,660

12,157

13,368

14,927

44,565

41,468

16. 於附屬公司的投資

17. 存貨

18. TRADE RECEIVABLES

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Trade receivables	貿易應收款項	48,675	41,708
Impairment	減值	(348)	(40)
		48,327	41,668

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally within 90 days from the date of monthly statements. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

18. 貿易應收款項

本集團與其客戶的貿易條款主要關於信貸期，惟新客戶除外(當中一般需要預先付款)。信貸期一般為月結單日期起計90天內。每名客戶有最高信貸限額。逾期結餘由高級管理層定期審閱。本集團並未就其貿易應收款項結餘持有任何抵押品或其他提高信貸工具。貿易應收款項不計息。

於報告期末，根據發票日期呈列的貿易應收款項(扣除虧損撥備)賬齡分析如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within 1 month	一個月內	30,689	24,393
1 to 2 months	一至兩個月	12,539	10,794
2 to 3 months	兩至三個月	2,023	2,937
Over 3 months	超過三個月	3,076	3,544
		48,327	41,668

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18. TRADE RECEIVABLES (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At beginning of year	年初	40	31
Impairment losses (note 7)	減值虧損(附註7)	833	9
Amount written off as uncollectible	撇銷不可收回的款項	(525)	-
At end of year	年末	348	40

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geography and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2019

		Past due 逾期				Total 總計
		Current 即期	1 to 30 days 1至30日	1 to 3 months 1至3個月	Over 3 months 超過3個月	
Expected credit loss rate	預期信貸虧損率	0.30%	0.69%	1.29%	4.08%	0.71%
Gross carrying amount (HK\$'000)	總賬面值(千港元)	28,670	13,427	3,560	3,018	48,675
Expected credit losses (HK\$'000)	預期信貸虧損(千港元)	86	93	46	123	348

As at 31 December 2018

		Past due 逾期				Total 總計
		Current 即期	1 to 30 days 1至30日	1 to 3 months 1至3個月	Over 3 months 超過3個月	
Expected credit loss rate	預期信貸虧損率	0.03%	0.05%	0.12%	1.22%	0.10%
Gross carrying amount (HK\$'000)	總賬面值(千港元)	22,934	12,858	4,023	1,893	41,708
Expected credit losses (HK\$'000)	預期信貸虧損(千港元)	6	6	5	23	40

18. 貿易應收款項(續)

貿易應收款項減值的虧損撥備變動如下：

於各報告日期，減值分析採用撥備矩陣進行，以計量預期信貸虧損。撥備率基於具有類似虧損模式(即按地區及客戶類別)各客戶群分部的逾期日數。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。

下文載列本集團採用撥備矩陣計量的貿易應收款項之信貸風險資料：

於2019年12月31日

於2018年12月31日

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19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Note 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Prepayments	預付款項		9,123	6,096
Deposits and other receivables	按金及其他應收款項		5,156	5,985
			14,279	12,081
Less: Non-current portion	減：非流動部分	(a)	(1,307)	(1,892)
Current portion	流動部分		12,972	10,189

Note:

- (a) The amounts mainly represent prepayments for acquisition of property, plant and equipment and the non-current portion of rental deposits.

The Group has applied the general approach to provide for expected credit losses for financial assets included in prepayments, deposits and other receivables. The Group considers the historical loss rate and adjusts for forward-looking macroeconomic data in calculating the expected credit loss rate. The Group has classified financial assets included in prepayments, deposits and other receivables in stage 1 and continuously monitors their credit risk. The financial assets included in the above balances related to receivables for which there was no recent history of default and past due amounts. As at 31 December 2019 and 2018, the loss allowance was assessed to be minimal.

20. BALANCE WITH THE ULTIMATE HOLDING COMPANY

The amount due from the ultimate holding company is unsecured, interest-free, repayable on demand and non-trade in nature. The carrying amount of the balance approximates to its fair value.

19. 預付款項、按金及其他應收款項

附註：

- (a) 金額主要指收購物業、廠房及設備的預付款項以及租賃按金的非流動部分。

本集團採用一般方式就計入預付款項、按金及其他應收款項的金融資產作出預期信貸虧損撥備。本集團計算預期信貸虧損率時考慮過往虧損率並按前瞻性宏觀經濟數據作出調整。本集團將計入預付款項、按金及其他應收款項的金融資產劃分為第1級，並持續監察其信貸風險。上述結餘所包括的金融資產與並無近期違約記錄及逾期金額的應收款項有關。於2019年及2018年12月31日，虧損撥備被評估為並不重大。

20. 與最終控股公司的結餘

應收最終控股公司款項為無抵押、免息、按要求償還及屬非貿易性質。該結餘的賬面值與其公平值相若。

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21. BALANCES WITH DIRECTORS

The Group's balances with directors, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

Amounts due from a director

		Ms. Candy Law 羅妙蘭女士 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	740
Maximum amount outstanding during the year	年內最高未償還金額	1,088
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	1,088
Maximum amount outstanding during the year	年內最高未償還金額	1,088
At 31 December 2019	於2019年12月31日	290

The Group has applied the general approach to provide for expected credit losses for the amount due from a director. The Group considers the historical loss rate and adjusts for forward-looking macroeconomic data in calculating the expected credit loss rate. The Group has classified the amount due from a director in stage 1 and continuously monitors its credit risk. As at 31 December 2019 and 2018, the Group estimated that the expected credit loss rate for the amounts due from a director was insignificant.

The amounts due to directors represented amounts due to Mr. Barry Chan and Mr. James Chan as at 31 December 2019 and 2018.

The balances with the directors are unsecured, interest-free, repayable on demand and non-trade in nature.

21. 與董事的結餘

按照香港公司條例第383(1)(d)條及公司(披露董事利益資料)規例第三部披露的本集團與董事的結餘如下：

應收一名董事款項

本集團採用一般方式就應收一名董事款項作出預期信貸虧損撥備。本集團計算預期信貸虧損率時考慮過往虧損率並按前瞻性宏觀經濟數據作出調整。本集團將應收一名董事款項劃分為第1級，並持續監察其信貸風險。於2019年及2018年12月31日，本集團估計應收一名董事款項的預期信貸虧損率並不重大。

於2019年及2018年12月31日，應付董事款項指應付陳醒明先生及陳梓峰先生的款項。

與董事的結餘均為無抵押、免息、按要求償還及屬非貿易性質。

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22. CASH AND CASH EQUIVALENTS

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	43,807	22,958

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$7,384,000 (2018: HK\$1,866,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalent approximate to their fair values.

23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within 1 month	一個月內	29,573	23,186
1 to 2 months	一至兩個月	3,762	5,014
2 to 3 months	兩至三個月	1,279	1,120
Over 3 months	超過三個月	767	1,175
		35,381	30,495

The trade payables are non-interest-bearing and are normally settled on 30 to 60-day terms.

22. 現金及現金等價物

於報告期末，本集團以人民幣（「人民幣」）計值的現金及現金等價物為7,384,000港元（2018年：1,866,000港元）。人民幣不得自由兌換為其他貨幣，然而，根據中國內地外匯管理條例以及結匯、售匯及付匯管理規定，本集團可通過持牌進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金按基於每日銀行存款利率的浮動利率賺取利息。銀行結餘存置於信譽良好且並無近期欠款記錄的銀行。現金及現金等價物的賬面值與其公平值相若。

23. 貿易應付款項

於各報告期末按發票日期劃分的貿易應付款項賬齡分析如下：

貿易應付款項不計息及通常於30日至60日內結付。

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24. OTHER PAYABLES AND ACCRUALS

24. 其他應付款項及應計費用

		Notes 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Other payables	其他應付款項	(a)	2,257	2,727
Accruals	應計費用		26,186	23,444
Contract liabilities	合約負債	(b)	3,979	8,416
Deferred government grant	遞延政府補助	(c)	976	1,129
Less: Non-current portion	減：非流動部分	(d)	(841)	(993)
Current portion	流動部分		32,557	34,723

Notes:

- (a) Other payables are non-interest-bearing and have generally no credit terms.
(b) Details of contract liabilities are as follows:

附註：

- (a) 其他應付款項為不計息，一般並無信貸期。
(b) 合約負債詳情如下：

	31 December 2019 2019年 12月31日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元	1 January 2018 2018年 1月1日 HK\$'000 千港元
Short-term advances received from customers	3,979	8,416	9,518

Contract liabilities include short-term advances received to deliver printing products to customers. The decrease in contract liabilities in 2019 and 2018 were mainly due to the decrease in short-term advances received from customers in relation to the sales of printing products at the end of the year.

合約負債包括就向客戶交付印刷產品所收取的短期墊款。2019年及2018年的合約負債減少，乃主要由於年末時接獲客戶有關銷售印刷產品的短期墊款減少。

- (c) The amount represents a government grant received from the Provincial Finance Bureau, Huizhou Province. This government grant is assets-related and is amortised over the useful life of the related assets, which is ten years since May 2018.
(d) The amount represents the non-current portion of a government grant.

- (c) 金額指自惠州省財政廳收取的政府補助。該等政府補助乃資產相關及於有關資產可使用年期(即自2018年5月起計10年內)攤銷。
(d) 金額指政府補助的非流動部分。

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25. INTEREST-BEARING BANK BORROWINGS

25. 計息銀行借款

		2019 2019年			2018 2018年		
		Effective interest rate per annum 實際年利率	Maturity 到期日	HK\$'000 千港元	Effective interest rate per annum 實際年利率	Maturity 到期日	HK\$'000 千港元
Current	即期		On demand			On demand	
Bank loans — unsecured (note (a))	銀行貸款—無抵押(附註(a))	2.4%–3.6%	按要求	16,516	2.4%–3.6%	按要求	12,737
Bank loans — secured (note (b))	銀行貸款—有抵押(附註(b))	5.4%	2020	1,741			–
				18,257			12,737
Non-current	非即期						
Bank loan — secured (note (b))	銀行貸款—有抵押(附註(b))	5.4%	2022	2,469			–
				20,726			12,737

		2019 2019年 HK\$'000 千港元		2018 2018年 HK\$'000 千港元	
Analysed into:	分析為：				
Bank loans repayable:	應償還銀行貸款：				
Within one year or on demand	一年內或按要求		18,257		12,737
In the second year	第二年		1,835		–
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)		634		–
			20,726		12,737

Notes:

- (a) The bank loans are guaranteed by:
- personal guarantees given by the Controlling Shareholders up to HK\$48,895,000 (2018: HK\$27,919,000) at the end of the reporting period; and
 - corporate guarantees given by a subsidiary of the Group.
- (b) Certain of the Group's bank loans are secured by plant and machinery with a net book value of approximately HK\$5,950,000 (2018: Nil) at the end of the reporting period.
- (c) All bank loans were denominated in Hong Kong dollars.

附註：

- (a) 銀行貸款乃由以下各項擔保：
- 控股股東給予的個人擔保，於報告期末最高為48,895,000港元及(2018年：27,919,000港元)
 - 本集團附屬公司給予的公司擔保。
- (b) 本集團若干銀行貸款乃由報告期末賬面淨值約為5,950,000港元(2018年：零)的廠房及機器抵押。
- (c) 所有銀行貸款均以港元計值。

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25. INTEREST-BEARING BANK BORROWINGS (Continued)

Ignoring the effect of any repayment on demand clause and based on the maturity terms of the bank loans, the amounts repayable in respect of the Group's interest-bearing bank borrowings were analysed as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Analysed into:	分析為：		
Bank loans repayable:	應償還銀行貸款：		
Within one year	一年內或按要求	5,831	9,823
In the second year	第二年	6,050	1,223
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)	8,845	1,691
		20,726	12,737

25. 計息銀行借款(續)

撇除任何按要求償還條款的影響並根據銀行貸款的到期條款，本集團的計息銀行借款之應償還款項分析如下：

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26. DEFERRED TAX

The movements in deferred tax liabilities are as follows:

Deferred tax liabilities

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	1,537
Deferred tax credited to the consolidated statement of profit or loss during the year (note 11)	年內計入綜合損益表的遞延稅項(附註11)	(1,211)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	326
Deferred tax charged to the consolidated statement of profit or loss during the year (note 11)	年內自綜合損益表扣除的遞延稅項(附註11)	8
At 31 December 2019	於2019年12月31日	334

The Group estimated unrecognised tax losses of approximately HK\$41,887,000 (2018: HK\$37,654,000). Unrecognised tax losses arising in Hong Kong and certain foreign operations of approximately HK\$10,416,000 (2018: HK\$9,947,000) are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group estimated tax losses arising from certain foreign operations other than Hong Kong in an aggregate amount of HK\$31,471,000 (2018: HK\$27,707,000) that will expire in five years to twenty years for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as, in the opinion of the directors, they have arisen in subsidiaries that have been loss-making for some time and in the opinion of the directors, it is not probable that future taxable profits will be available against which the tax losses can be utilised.

No deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China (2018: Nil). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with the investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled HK\$8,015,000 (2018: HK\$4,460,000).

There are no income tax consequences attached to the payment of dividends by the Company to its shareholders.

26. 遞延稅項

遞延稅項負債變動如下：

遞延稅項負債

本集團估計未確認稅務虧損約41,887,000港元(2018年：37,654,000港元)。於香港及若干海外業務產生的未確認稅務虧損約為10,416,000港元(2018年：9,947,000港元)，可無限期用以抵銷產生該等虧損之公司之未來應課稅溢利。

本集團估計產生自香港以外的若干海外業務之稅務虧損合共為31,471,000港元(2018年：27,707,000港元)，該等稅項虧損將五年至二十年內到期，乃用於抵銷產生虧損之公司之未來應課稅溢利。

董事認為，由於有關虧損已於產生虧損的附屬公司存在一段時間，故並無就該等虧損確認遞延稅項資產，而應課稅溢利不可能用於抵銷稅項虧損。

概無就在中國內地成立應繳納預扣稅的本集團附屬公司的未匯付盈餘之應繳預扣稅而確認任何遞延稅項(2018年：無)。董事認為，在可見將來，該等附屬公司不大可能分派該等盈餘。尚未確認遞延稅項負債的於中國大陸附屬公司投資的暫時差異總額合共為8,015,000港元(2018年：4,460,000港元)。

本公司向其股東派付股息概無所得稅後果。

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27. SHARE CAPITAL

27. 股本

		As at 31 December 2019 於2019年 12月31日 HK\$'000 千港元
Authorised:	法定：	
3,800,000 ordinary shares of HK\$0.01 each	3,800,000股每股0.01港元的普通股	—
Issued and fully paid:	已發行及繳足：	
250 ordinary shares	250股普通股	—*

An analysis of the movements in the Company's share capital during the period from 25 January 2019 (date of incorporation) to 31 December 2019 was as follows:

本公司股本於2019年1月25日(註冊成立日期)至2019年12月31日期間的變動分析如下：

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元
Issue of a new share upon incorporation of the Company	註冊成立本公司後發行1股新股份	1	—*
Acquisition of subsidiaries under common control pursuant to the Reorganisation	根據重組收購共同控制的附屬公司	249	—*
At 31 December 2019	於2019年12月31日	250	—*

* Less than HK\$500

* 少於500港元

Notes:

附註：

- (a) The Company was incorporated on 25 January 2019 with initial authorised share capital of HK\$38,000 divided into 3,800,000 shares of a par value of HK\$0.01 each. On the date of incorporation, 1 ordinary share of HK\$0.01 was allotted and issued by the Company.
- (b) Subsequent to the end of the reporting period, on 21 February 2020, the authorised share capital of the Company was increased from HK\$38,000 divided into 3,800,000 shares to HK\$50,000,000 divided into 5,000,000,000 shares by the creation of an additional 4,996,200,000 shares of par value of HK\$0.01 each.

- (a) 本公司於2019年1月25日註冊成立，初步法定股本為38,000港元，分為3,800,000股每股面值0.01港元的股份。於註冊成立日期，1股0.01港元的股份已配發及發行予本公司。
- (b) 於報告期末後，於2020年2月21日，透過增設額外4,996,200,000股每股面值0.01港元的股份，本公司法定股本由38,000港元(分為3,800,000股股份)增加至50,000,000港元(分為5,000,000,000股股份)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

27. SHARE CAPITAL (Continued)

Notes: (Continued)

- (c) Pursuant to the resolutions in writing of the shareholders of the Company passed on 21 February 2020, the directors were authorised to allot and issue a total of 1,499,999,750 shares credited as fully paid at par to each of the holders of the Company's shares whose names appear on the register of members of the Company at the close of business on 21 February 2020 in proportion of their shareholdings by way of capitalisation of the sum of HK\$14,999,997.50 standing to the credit of the share premium account of the Company.
- (d) Subsequent to the end of the reporting period, the Company's shares were listed on the Main Board of the Stock Exchange on 12 March 2020 and 500,000,000 ordinary shares were issued at HK\$0.25 per share on 12 March 2020 in connection with the listing of the Company's shares on the Main Board.

28. RESERVES

The amounts of the Group's reserves and the movements therein for current and prior year are presented in the consolidated statement of changes in equity on page 44 of the financial statements.

(a) Merger reserve

The merger reserve represents the aggregate of the paid up share capital of the subsidiaries now comprising the Group attributable to the Controlling Shareholders prior to the Reorganisation.

The balance of the merger reserve at 31 December 2019 mainly represented the deemed distribution to the Controlling Shareholders by issuance of the Company's shares pursuant to the Reorganisation.

(b) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all relevant exchange differences arising from the translation of the financial statements of foreign operations.

(c) Share premium

The share premium represents the difference between the par value of the shares issued and the consideration paid for the Reorganisation.

27. 股本(續)

附註：(續)

- (c) 根據本公司股東於2020年2月21日通過的書面決議案，董事獲授權將本公司股份溢價賬項下的進賬額14,999,997.50港元撥充資本，藉以向於2020年2月21日營業時間結束時名列本公司股東名冊的各本公司股份持有人按其持股比例配發及發行合共1,499,999,750股按面值入賬並列為繳足的股份。
- (d) 於報告期末，本公司股份於2020年3月12日在聯交所主板上市，並已於2020年3月12日就本公司股份於主板上市而按每股股份0.25元的價格發行500,000,000股普通股。

28. 儲備

本集團於本年度及過往年度的儲備及其變動金額於財務報表第44頁的綜合權益變動表呈列。

(a) 合併儲備

合併結餘指於重組前控股股東應佔現時組成本集團的附屬公司之繳足股本總額。

於2019年12月31日的合併儲備結餘主要指根據重組透過發行本公司股份視作向控股股東分派。

(b) 外匯波動儲備

外匯波動儲備包括換算海外業務財務報表而產生的所有相關匯兌差額。

(c) 股份溢價

股份溢價指就重組而言已發行股份的面值與已付代價之間的差額。

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29. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

		Interest- bearing bank borrowings	Lease liabilities	Due to directors
		計息銀行借款	租賃負債	應付董事款項
		HK\$'000	HK\$'000	HK'000
		千港元	千港元	千港元
2019	2019年			
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	12,737	54,555	8,655
Changes from financing cash flows	融資現金流量變動	7,989	(15,096)	(8,207)
New leases	新租賃	-	2,924	-
Foreign exchange movement	匯兌變動	-	(548)	(45)
Interest expense	利息開支	-	2,134	-
Interest paid classified as financing cash flows	分類為融資現金流量的 已付利息	-	(2,134)	-
At 31 December 2019	於2019年12月31日	20,726	41,835	403
2018	2018年			
At 1 January 2018	於2018年1月1日	18,417	39,624	7,744
Changes from financing cash flows	融資現金流量變動	(5,680)	(13,993)	934
New leases	新租賃	-	30,751	-
Foreign exchange movement	匯兌變動	-	(1,827)	(23)
Interest expense	利息開支	-	2,329	-
Interest paid classified as financing cash flows	分類為融資現金流量的 已付利息	-	(2,329)	-
At 31 December 2018	於2018年12月31日	12,737	54,555	8,655

29. 現金流量表附註

(a) 融資活動產生的負債變動

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財務報表附註

29. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(b) Major non-cash transactions

Lease commencement recognition of HK\$2,924,000 (2018: HK\$30,751,000) was included in right-of-use assets and lease liabilities.

(c) Total cash outflow for leases

The total cash flow for leases included in the statement of cash flows is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within operating activities	計入經營活動	2,177	2,329
Within financing activities	計入融資活動	15,096	13,993

30. COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Contracted, but not provided for: Plant and machinery	已訂約但未撥備： 廠房及機器	231	333

31. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with directors

Details of the Group's balances with directors are disclosed in note 21 to the financial statements.

(b) Other transactions with related parties

Personal guarantees were given by the Controlling Shareholders in favour of the banks in respect of banking facilities granted to the Group. Further details of the transactions are included in note 25(a)(i) and note 15 to the financial statements.

(c) Compensation of key management personnel of the Group

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.

29. 現金流量表附註(續)

(b) 主要非現金交易

為數2,924,000港元(2018年:30,751,000港元)的租賃開始確認已計入使用權資產及租賃負債。

(c) 租賃的現金流出總額

計入現金流量的租賃現金流量總額如下：

30. 承擔

於報告期末，本集團有以下資本承擔：

31. 關聯方交易

(a) 尚未償還董事結餘

本集團與董事的結餘之詳情於財務報表附註21披露。

(b) 與關聯方的其他交易

控股股東就授予本集團的銀行融資以銀行為受益人作出個人擔保。交易的進一步詳情載於財務報表附註25(a)(i)及附註15。

(c) 本集團主要管理人員酬金

董事及主要管理人員酬金的進一步詳情載於財務報表附註9。

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32. FINANCIAL INSTRUMENTS BY CATEGORY

32. 按類別劃分的金融工具

Financial assets at amortised cost

按攤銷成本計量的金融資產

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Financial assets	金融資產		
Trade receivables	貿易應收款項	48,327	41,668
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	5,156	5,985
Due from the ultimate holding company	應收最終控股公司款項	22	-
Due from a director	應收一名董事款項	290	1,088
Cash and cash equivalents	現金及現金等價物	43,807	22,958
		97,602	71,699

Financial liabilities at amortised cost

按攤銷成本計量的金融負債

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Financial liabilities	金融負債		
Trade payables	貿易應付款項	35,381	30,495
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	4,944	5,076
Interest-bearing bank borrowings	計息銀行借款	20,726	12,737
Dividend payables	應付股息	-	10,500
Lease liabilities	租賃負債	41,835	54,555
Due to directors	應付董事款項	403	8,655
		103,289	122,018

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, an amount due from the ultimate holding company, balances with directors, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals and dividend payable approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of non-current deposits and other payables, lease liabilities and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, and were assessed to approximated to their carrying amounts. The Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2019 and 31 December 2018 was assessed to be insignificant.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include cash and cash equivalents, trade receivables, deposits and other receivables, an amount due from the ultimate holding company, balances with directors, trade payables, other payables and accruals, interest-bearing bank borrowings and lease liabilities.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Hong Kong Dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity.

33. 金融工具的公平值及公平值層級

據管理層評估，現金及現金等價物、貿易應收款項、應收最終控股公司款項、董事結餘、計入預付款項、按金及其他應收款項的金融資產、貿易應付款項、計入其他應付款項及應計費用的金融負債以及應付股息之公平值與其賬面值相若，乃主要由於該等工具到期日較短所致。

非流動存款及其他應付款項、租賃負債及計息銀行借款的公平值乃按使用擁有類似條款、信貸風險及餘下到期期限的工具目前可得之利率折讓預期未來現金流量計算，並評估為與其賬面值相若。本集團於2019年12月31日及2018年12月31日的計息銀行借款之自有非績效風險被評估為不重大。

34. 財務風險管理目標及政策

本集團主要的金融工具包括現金及現金等價物、貿易應收款項、按金及其他應收款項、應收最終控股公司款項、與董事的結餘、貿易應付款項、其他應付款項及應計費用、計息銀行借款及租賃負債。

本集團金融工具的主要風險為外幣風險、利率風險、信貸風險及流動資金風險。董事會審閱及協定有關管理各項該等風險的政策，其概述如下。

外幣風險

本集團面臨交易貨幣風險。該等風險來自營運單位使用單位功能貨幣以外貨幣進行之銷售或採購。

下表載列於報告期末在所有其他可變因素維持不變的情況下，本集團的除稅前溢利及本集團的權益的港元匯率可能合理變動的敏感度（乃由於貨幣資產及負債的公平值變動所致）。

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Foreign currency risk (Continued)

		Increase/ (decrease) in exchange rate 匯率上升/ (下降) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元	Increase/ (decrease) in equity* 權益增加/ (減少)* HK\$'000 千港元
As at 31 December 2019	於2019年12月31日			
If Renminbi weakens against HK\$	倘人民幣兌港元貶值	5	(463)	-
If Renminbi strengthens against HK\$	倘人民幣兌港元升值	(5)	463	-
As at 31 December 2018	於2018年12月31日			
If Renminbi weakens against HK\$	倘人民幣兌港元貶值	5	(1,062)	-
If Renminbi strengthens against HK\$	倘人民幣兌港元升值	(5)	1,062	-

* Excluding retained profits

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with floating interest rates. The interest rates and terms of repayment of the Group's borrowings are disclosed in note 25 to the financial statements. The Group's policy is to obtain the most favourable interest rates available for its borrowings. Management monitors interest rate exposure and will consider hedging significant interest rate exposures should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates at the end of the reporting period, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

34. 財務風險管理目標及政策(續)

外幣風險(續)

	Increase/ (decrease) in exchange rate 匯率上升/ (下降) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元	Increase/ (decrease) in equity* 權益增加/ (減少)* HK\$'000 千港元
As at 31 December 2019			
If Renminbi weakens against HK\$	5	(463)	-
If Renminbi strengthens against HK\$	(5)	463	-
As at 31 December 2018			
If Renminbi weakens against HK\$	5	(1,062)	-
If Renminbi strengthens against HK\$	(5)	1,062	-

* 不包括保留溢利

利率風險

本集團面對市場利率變動風險主要與本集團的浮息銀行貸款有關。本集團借款的利率及償還條款於財務報表附註25中披露。本集團的政策乃為其貸款爭取最優惠利率。管理層監控利率風險，倘有需要將考慮對沖重大的利率風險。

下表說明本集團的除稅前溢利(透過對浮息借款的影響)於報告期末的可能合理變動(在所有其他可變因素維持不變的情況下)的敏感度。

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(Continued)

Interest rate risk (Continued)

		Increase/ (decrease) in basis points 基點上升/ (下降)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元
As at 31 December 2019	於2019年12月31日		
Hong Kong dollar	港元	100	(207)
Hong Kong dollar	港元	(100)	207
As at 31 December 2018	於2018年12月31日		
Hong Kong dollar	港元	100	(127)
Hong Kong dollar	港元	(100)	127

The change in interest rates at the end of the reporting period, with all other variables held constant, had no impact on the Group's equity excluding retained profits for the years ended 31 December 2019 and 2018.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that only well-established customers will be considered for open account terms and the approval of credit terms is subject to stringent credit check procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

34. 財務風險管理目標及政策(續)

利率風險(續)

		Increase/ (decrease) in basis points 基點上升/ (下降)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元
As at 31 December 2019	於2019年12月31日		
Hong Kong dollar	港元	100	(207)
Hong Kong dollar	港元	(100)	207
As at 31 December 2018	於2018年12月31日		
Hong Kong dollar	港元	100	(127)
Hong Kong dollar	港元	(100)	127

報告期末的利率變動(在所有其他可變因素維持不變的情況下)對本集團截至2019年及2018年12月31日止年度的權益(不包括保留溢利)並無影響。

信貸風險

本集團僅與受認可及信譽良好的第三方交易。本集團的政策為僅對歷史悠久的客戶考慮除賬條款且信貸期的批准須遵從嚴謹信貸檢查程序。此外，應收結餘會被持續監控及本集團的壞賬風險並不重大。

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Credit risk (Continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

		12-month ECLs 12個月 預期信貸虧損		Lifetime ECLs 全期預期信貸虧損		Simplified approach 簡化方法 HK\$'000 千港元	Total 總計 HK\$'000 千港元
		Stage 1 第1階段 HK\$'000 千港元	Stage 2 第2階段 HK\$'000 千港元	Stage 3 第3階段 HK\$'000 千港元			
As at 31 December 2019	於2019年12月31日						
Trade receivables	貿易應收款項	-	-	-		48,675	48,675
Financial assets included in prepayments, deposits and other receivables*	計入預付款項、按金及其他應收款項的金融資產*	5,156	-	-		-	5,156
Due from the ultimate holding company	應收最終控股公司款項	22	-	-		-	22
Due from a director	應收一名董事款項	290	-	-		-	290
Cash and cash equivalents	現金及現金等價物	43,807	-	-		-	43,807
		49,275	-	-		48,675	97,950

34. 財務風險管理目標及政策(續)

信貸風險(續)

最大風險及年終階段

下表載列於12月31日基於本集團信貸政策(根據逾期資料制定,除非其他資料毋須付出不必要成本或努力即可獲得)的信貸質量及最大信貸風險敞口以及年終階段分類。所列金額為金融資產之賬面總額。

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

		12-month ECLs 12個月 預期信貸虧損		Lifetime ECLs 全期預期信貸虧損		Simplified approach 簡化方法 HK\$'000 千港元	Total 總計 HK\$'000 千港元
		Stage 1 第1階段 HK\$'000 千港元	Stage 2 第2階段 HK\$'000 千港元	Stage 3 第3階段 HK\$'000 千港元			
As at 31 December 2018	於2018年12月31日						
Trade receivables	貿易應收款項	-	-	-	-	41,708	41,708
Financial assets included in prepayments, deposits and other receivables*	計入預付款項、按金及其他應收款項的金融資產*	5,985	-	-	-	-	5,985
Due from a director	應收一名董事款項	1,088	-	-	-	-	1,088
Cash and cash equivalents	現金及現金等價物	22,958	-	-	-	-	22,958
		30,031	-	-	-	41,708	71,739

* The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due or there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Credit risk concentration

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. The Group had certain concentrations of credit risk as the trade receivables in terms of the following percentages were due from the Group's largest external customer and the Group's five largest external customers out of the Group's total trade receivables:

		2019 2019年 %	2018 2018年 %
Due from the Group's largest external customer	應收本集團最大外部客戶	11	14
Due from the Group's five largest external customers	應收本集團五大外部客戶	23	26

34. 財務風險管理目標及政策(續)

信貸風險(續)

最大風險及年終階段(續)

		12-month ECLs 12個月 預期信貸虧損		Lifetime ECLs 全期預期信貸虧損		Simplified approach 簡化方法 HK\$'000 千港元	Total 總計 HK\$'000 千港元
		Stage 1 第1階段 HK\$'000 千港元	Stage 2 第2階段 HK\$'000 千港元	Stage 3 第3階段 HK\$'000 千港元			
As at 31 December 2018	於2018年12月31日						
Trade receivables	貿易應收款項	-	-	-	-	41,708	41,708
Financial assets included in prepayments, deposits and other receivables*	計入預付款項、按金及其他應收款項的金融資產*	5,985	-	-	-	-	5,985
Due from a director	應收一名董事款項	1,088	-	-	-	-	1,088
Cash and cash equivalents	現金及現金等價物	22,958	-	-	-	-	22,958
		30,031	-	-	-	41,708	71,739

* 計入預付款項、按金及其他應收款項的金融資產之信貸質量於未逾期或並無資料表明該等金融資產自初始確認起信貸風險顯著增加時被視為「正常」。

信貸風險集中

由於本集團僅與受認可及信譽良好的第三方交易，故無需作抵押。本集團有若干信貸集中風險，乃由於以下貿易應收款項佔本集團貿易應收款項總額的百分比乃由本集團最大外部客戶及本集團五大外部客戶結欠：

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and funds generated from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual and undiscounted payments, is as follows:

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
		按要求	少於3個月	3至12個月以下	1至5年	5年以上	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2019	於2019年12月31日						
Trade payables	貿易應付款項	-	35,381	-	-	-	35,381
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計費用的金融負債	-	4,944	-	-	-	4,944
Interest-bearing bank borrowings	計息銀行借款	16,516	481	1,443	2,561	-	21,001
Lease liabilities	租賃負債	-	4,434	8,886	21,732	14,001	49,053
Due to directors	應付董事款項	403	-	-	-	-	403
		16,919	45,240	10,329	24,293	14,001	110,782
As at 31 December 2018	於2018年12月31日						
Trade payables	貿易應付款項	-	30,495	-	-	-	30,495
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計費用的金融負債	-	5,076	-	-	-	5,076
Interest-bearing bank borrowings	計息銀行借款	12,737	-	-	-	-	12,737
Dividend payables	應付股息	-	10,500	-	-	-	10,500
Lease liabilities	租賃負債	-	4,334	12,969	34,663	11,504	63,470
Due to directors	應付董事款項	8,655	-	-	-	-	8,655
		21,392	50,405	12,969	34,663	11,504	130,933

The Group's term loans with a repayment on demand clause in the amount of HK\$16,516,000 (2018: HK\$12,737,000) were repayable after one year in accordance with the terms of the loans. The loan agreements contained a repayment on demand clause giving the bank the unconditional right to call in the loans at any time and therefore, for the purpose of the above maturity profile, the amount is classified as "on demand".

34. 財務風險管理目標及政策(續)

流動資金風險

本集團使用經常性流動資金規劃工具來監控其資金短缺方面的風險。該工具會計及其金融工具及金融資產兩者的到期日及預測經營業務所得現金流量。

本集團的目標為通過使用銀行借款及營運所得資金，在資金之可持續性及靈活性之間保持平衡。

本集團於報告期末基於合約及未貼現付款的金融負債到期情況如下：

本集團為數 16,516,000 港元 (2018 年：12,737,000 港元) 的按要求償還條款定期貸款根據該等貸款的條款須於一年內償還。貸款協議包含按要求償還條款，該條款賦予銀行於任何時間無條件催繳貸款的權利，因此，就上述到期情況而言，有關款項被分類為「按要求」。

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES*(Continued)***Liquidity risk** *(Continued)*

Notwithstanding the above clause, the directors do not believe that the loans will be called in their entirety within 12 months, and they consider that the loans will be repaid in accordance with the maturity dates as set out in the loan agreements. This evaluation was made considering: the financial position of the Group at the date of this report; the Group's compliance with the loan covenants; the lack of events of default; and the fact that the Group has made all previously scheduled repayments on time.

As at 31 December 2019, in accordance with the terms of the loans, the contractual undiscounted payments were HK\$6,451,000 due within one year, HK\$6,451,000 due in the second year, and HK\$9,159,000 due beyond two years.

As at 31 December 2018, in accordance with the terms of the loans, the contractual undiscounted payments were HK\$11,114,000 due within one year, HK\$1,297,000 due in the second year, and HK\$1,729,000 due beyond two years.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

34. 財務風險管理目標及政策(續)**流動資金風險(續)**

儘管有上述條款，董事並不認為有關貸款將在12個月內悉數召回，並認為有關貸款將根據貸款協議所載的到期日償還。本集團已於考慮下列情況後作出評估：本集團於本報告日期的財務狀況；本集團對貸款契諾的合規情況；缺乏違約事件；及本集團所有已按時完成先前按時間表作出的還款。

於2019年12月31日，根據貸款條款，於一年內到期的合約未貼現付款為6,451,000港元，於第二年內到期為6,451,000港元，於兩年以後到期則為9,159,000港元。

於2018年12月31日，根據貸款條款，於一年內到期的合約未貼現付款為11,114,000港元，於第二年內到期為1,297,000港元，於兩年以後到期則為1,729,000港元。

資本管理

本集團進行資本管理主要旨在保障本集團能持續營運，以為股東提供回報並維持最佳的資本結構以減低資金成本。

本集團管理其資本結構及因應經濟狀況變動作出調整。為維持或調整資本結構，本集團可能會調整派予股東的股息金額或向股東退還資本。截至2019年及2018年12月31日止年度，管理資本的目標、政策或程序並無出現變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019
2019年12月31日

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes interest-bearing bank borrowings and lease liabilities less cash and cash equivalents. Capital represents the equity attributable to owners of the parent. The gearing ratios as at the end of the end of the reporting periods were as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Interest-bearing bank borrowings	計息銀行借款	20,726	12,737
Lease liabilities	租賃負債	41,835	54,555
Less: Cash and cash equivalents	減：現金及現金等價物	(43,807)	(22,958)
Net debt	淨債務	18,754	44,334
Equity attributable to owners of the parent	母公司擁有人應佔權益	143,970	112,762
Capital and net debt	資本及淨債務	162,724	157,096
Gearing ratio	資產負債比率	11.5%	28.2%

35. EVENTS AFTER THE REPORTING PERIOD

The following significant events took place subsequent to 31 December 2019:

- (a) Pursuant to the resolutions in writing of the shareholders of the Company passed on 21 February 2020, the directors were authorised to allot and issue a total of 1,499,999,750 shares credited as fully paid at par to each of the holders of the Company's shares whose names appear on the register of members of the Company at the close of business on 21 February 2020 in proportion of their shareholdings by way of capitalisation of the sum of HK\$14,999,997.50 standing to the credit of the share premium account of the Company.
- (b) The Company's shares were listed on the Main Board of the Stock Exchange on 12 March 2020 and 500,000,000 ordinary shares were issued at HK\$0.25 per share on 12 March 2020 in connection with the listing of the Company on the Main Board as detailed in the Prospectus and the announcement of the Company dated 11 March 2020, in relation to, among others, the allotment results of the share offer.

34. 財務風險管理目標及政策(續)

資本管理(續)

本集團使用資產負債比率(即淨債務除以經調整資本加淨債務)管理資本。淨債務包括計息銀行借款及租賃負債減現金及現金等價物。資本指母公司擁有人應佔權益。於報告期末的資產負債比率如下：

35. 報告期後事項

以下重大事件於2019年12月31日後發生：

- (a) 根據本公司股東於2020年2月21日通過的書面決議案，董事獲授權將本公司股份溢價賬項下的進賬額14,999,997.50港元撥充資本，藉以向於2020年2月21日營業時間結束時名列本公司股東名冊的各本公司股份持有人按其持股比例配發及發行合共1,499,999,750股按面值入賬並列為繳足的股份。
- (b) 本公司股份於2020年3月12日在聯交所主板上市，並就詳情於本公司日期為招股章程及本公司日期為2020年3月11日內容有關(其中包括)股份發售分配結果的公告載述的本公司於主板上市而於2020年3月12日按每股股份0.25港元的價格發行500,000,000股普通股。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

35. EVENTS AFTER THE REPORTING PERIOD (Continued)

(c) The recent escalation of COVID-19 coronavirus (“COVID-19”) to a global pandemic in March 2020 has an adverse impact on market sentiment and posed challenge to the whole world. The Group will continue to closely monitor the development of the pandemic and take all possible reasonable measures to mitigate the effect on the Group’s operations.

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

35. 報告期後事項(續)

(c) COVID-19冠狀病毒(「COVID-19」)近期於2020年3月升溫成為全球流行病，對市場氣氛造成不利影響，並對全世界構成挑戰。本集團將繼續密切監察流行病的發展，並會採取所有可行措施減輕對本集團營運構成的影響。

36. 本公司財務狀況表

		Notes 附註	As at 31 December 2019 於2019年 12月31日 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	16	201,488
CURRENT ASSETS	流動資產		
Prepayments	預付款項		36
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應付費用		20
Due to a subsidiary	應付一間附屬公司款項		1,214
Total current liabilities	流動負債總值		1,234
NET CURRENT LIABILITIES	流動負債淨值		(1,198)
Net assets	資產淨值		200,290
TOTAL EQUITY	總權益		
Share capital	股本	27	—*
Reserves	儲備		200,290
Total equity	總權益		200,290

* Less than HK\$500

* 少於500港元

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019
2019年12月31日

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium	Accumulated loss	Total
		股份溢價	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Acquisition of subsidiaries under common control pursuant to the Reorganisation	根據重組收購共同控制的附屬公司	201,488	-	201,488
Loss for the period and total comprehensive loss for the period	期內虧損及期內全面虧損總額	-	(1,198)	(1,198)
At 31 December 2019	於2019年12月31日	201,488	(1,198)	200,290

* Less than HK\$500

36. 本公司財務狀況表(續)

附註：

本公司儲備概要如下：

	Share premium	Accumulated loss	Total
	股份溢價	累計虧損	總計
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
Acquisition of subsidiaries under common control pursuant to the Reorganisation	201,488	-	201,488
Loss for the period and total comprehensive loss for the period	-	(1,198)	(1,198)
At 31 December 2019	201,488	(1,198)	200,290

* 少於500港元

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2020.

37. 批准財務報表

財務報表於2020年3月30日獲董事會批准及授權刊發。

The background features a white space filled with various colorful geometric shapes, including horizontal bars and parallelograms in shades of red, yellow, blue, and purple. A prominent red banner is positioned in the lower-left quadrant, containing the company name in white text. To the right of the banner, there are several parallel diagonal lines in red and white.

CIRTEK HOLDINGS LIMITED
常達控股有限公司