



CHINA JICHENG HOLDINGS LIMITED
中國集成控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1027

ANNUAL REPORT
年報
2019



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Huang Wenji (*Chairman*)
Mr. Yang Guang
Mr. Lin Zhenshuang
Mr. Chung Kin Hung, Kenneth

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tso Sze Wai
Mr. Yang Xuetai
Ms. Lee Kit Ying, Winnie

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Tso Sze Wai (*Chairman*)
Mr. Yang Xuetai
Ms. Lee Kit Ying, Winnie

REMUNERATION COMMITTEE

Ms. Lee Kit Ying, Winnie (*Chairperson*)
Mr. Tso Sze Wai
Mr. Yang Xuetai

NOMINATION COMMITTEE

Mr. Yang Xuetai (*Chairman*)
Mr. Tso Sze Wai
Ms. Lee Kit Ying, Winnie

COMPANY SECRETARY

Mr. Chiu Kung Wai

AUTHORISED REPRESENTATIVES

Mr. Huang Wenji
Mr. Chiu Kung Wai

REGISTERED OFFICE

Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

COMPANY WEBSITE

www.china-jicheng.cn

董事會

執行董事

黃文集先生 (*主席*)
楊光先生
林貞雙先生
鍾健雄先生

獨立非執行董事

曹思維先生
楊學太先生
李結英女士

董事委員會

審核委員會

曹思維先生 (*主席*)
楊學太先生
李結英女士

薪酬委員會

李結英女士 (*主席*)
曹思維先生
楊學太先生

提名委員會

楊學太先生 (*主席*)
曹思維先生
李結英女士

公司秘書

趙公維先生

授權代表

黃文集先生
趙公維先生

註冊辦事處

Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

網址

www.china-jicheng.cn

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Yonghe Industrial Section
Yonghe Town
Jinjiang City
Fujian Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 904
Loon Kee Building
275 Des Voeux Road Central
Hong Kong

STOCK CODE

01027

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Ltd.
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

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

AUDITOR

Elite Partners CPA Limited

PRINCIPAL BANKERS

Bank of China Limited Jinjiang Branch
China Construction Bank Corporation Jinjiang Branch

中國總辦事處及主要營業地點

中國
福建省
晉江市
永和鎮
永和工業園

香港主要營業地點

香港
德輔道中275號
龍記大廈
904室

股份代號

01027

開曼群島股份過戶登記處

Estera Trust (Cayman) Ltd.
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

香港股份過戶登記處

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

核數師

開元信德會計師事務所有限公司

主要往來銀行

中國銀行股份有限公司晉江支行
中國建設銀行股份有限公司晉江分行

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of China Jicheng Holdings Limited (the "Company"), I am pleased to present our annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2019.

The Group is principally engaged in the manufacturing and sale of POE umbrellas, nylon umbrellas and umbrella parts such as plastic cloth and shaft. During the year ended 31 December 2019, the Group's revenue increased to approximately RMB559 million, representing an increase of approximately 7.3% in comparison to that of 2018. For the year ended 31 December 2019, the Group recorded a loss for the year of approximately RMB16 million, as compared with profit of approximately RMB19 million for the year ended 31 December 2018. The Directors do not recommend the payment of final dividend for the year ended 31 December 2019.

The revenue of the Group's POE umbrellas products decreased by approximately RMB57 million, or 32.2%, from approximately RMB177 million for the year ended 31 December 2018 to approximately RMB120 million for the year ended 31 December 2019.

The revenue of the Group's nylon umbrellas products decreased by approximately RMB6 million, or 3.2%, from approximately RMB185 million for the year ended 31 December 2018 to approximately RMB179 million for the year ended 31 December 2019.

The revenue of the Group's umbrella parts products increased by approximately RMB101 million, or 63.5%, from approximately RMB159 million for the year ended 31 December 2018 to approximately RMB260 million for the year ended 31 December 2019.

致列位股東：

本人謹代表中國集成控股有限公司（「本公司」）董事（「董事」）會（「董事會」）欣然提呈本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度之年度報告。

本集團主要從事製造及銷售POE雨傘、尼龍雨傘及雨傘零部件，如塑料布及中棒。截至二零一九年十二月三十一日止年度，本集團之收益增加至約人民幣559百萬元，較二零一八年增加約7.3%。截至二零一九年十二月三十一日止年度，本集團錄得本年度虧損約人民幣16百萬元，而截至二零一八年十二月三十一日止年度錄得溢利約人民幣19百萬元。董事會不建議派發截至二零一九年十二月三十一日止年度之末期股息。

本集團POE雨傘產品之收益由截至二零一八年十二月三十一日止年度之約人民幣177百萬元減少約人民幣57百萬元或32.2%至截至二零一九年十二月三十一日止年度之約人民幣120百萬元。

本集團尼龍雨傘產品之收益由截至二零一八年十二月三十一日止年度之約人民幣185百萬元減少約人民幣6百萬元或3.2%至截至二零一九年十二月三十一日止年度之約人民幣179百萬元。

本集團雨傘零部件產品之收益由截至二零一八年十二月三十一日止年度之約人民幣159百萬元增加約人民幣101百萬元或63.5%至截至二零一九年十二月三十一日止年度之約人民幣260百萬元。

CHAIRMAN'S STATEMENT 主席報告

Our principal objectives are to maintain and strengthen our position as a leading umbrella manufacturer focused in Japan market and on our own branded umbrella products in the People's Republic of China ("PRC") market, and increase our market share in existing markets such as Hong Kong, Cambodia and Republic of Korea.

Looking ahead, the Group will shift business focus from developing upstream manufacturing to downstream distribution network and brand building so as to facilitate promotion of the Group's branded umbrellas which command higher margins and create higher values as well as bringing better return to our shareholders. To diversify its business and explore potential business opportunities, the Group is exploring and developing business opportunities and projects.

On behalf of the Board of Directors, I would like to thank all the colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all the shareholders, customers, bankers and other business associates for their trust and support.

Huang Wenji
Chairman

Fujian Province, the PRC, 31 March 2020

本集團之主要目標旨在維持及鞏固本集團作為日本市場雨傘製造商及中華人民共和國（「中國」）市場自有品牌雨傘製造商之領先地位以及擴大本集團於香港、柬埔寨及韓國等現有市場之市場份額。

展望未來，本集團將業務重心自發展上游製造轉移至下游分銷網絡及品牌建設以促進推廣利潤率較高之本集團品牌雨傘以及創造更多價值，以及為本集團的股東帶來更豐厚回報。為多元化發展業務，並物色潛在商機，本集團正在物色及開發商業機會及項目。

本人謹代表董事會感謝全體同寅的勤勉工作、盡忠職守、忠誠效力及誠信操守。本人亦感謝各位股東、客戶、往來銀行及其他商界友好的信任及支持。

主席
黃文集

中國·福建省，二零二零年三月三十一日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

The Group is principally engaged in the manufacturing and sale of POE umbrellas, nylon umbrellas and umbrella parts such as plastic cloth and shaft. The Group manufactures products at the production site located in Dongshi Town and Yonghe Town of Jinjiang City in Fujian Province of the PRC.

The Group principally sell POE umbrellas, nylon umbrellas and umbrella parts on export basis to the Group's overseas customers which accounted for approximately 84% of the Group's total revenue for the year ended 31 December 2019. The Group exported its POE umbrellas, nylon umbrellas and umbrella parts to markets such as Japan, Hong Kong, Republic of Korea, Taiwan, Spain and Cambodia. The Group's overseas customers would usually provide the Group with their design and specification. The Group's sales personnel would closely communicate with the Group's customers. Depending on the specific needs of these overseas customers, the Group's sales personnel would put forward the Group's suggestions for modifications to design and specification from its research and development staff to the Group's customers for their consideration. When customers decide on the final design and specification, the Group would make samples and provide to the Group's customers for approval.

For domestic market, the Group sold its POE umbrellas, nylon umbrellas and umbrella parts to the Group's customers in the PRC which accounted for approximately 16% of the Group's total revenue for the year ended 31 December 2019. The Group's domestic customers would usually place orders with the Group from selection of its existing POE umbrellas and nylon umbrellas products which are all designed by its research and development team. The Group also sell some of its POE umbrellas and nylon umbrellas under the Group's Jicheng (集成) brand through sales to our non-trading customers such as supermarkets.

The Group also manufactured umbrella parts as an ancillary products mainly for the Group's existing customers, both overseas and domestic customers, some of which also purchased POE umbrellas and nylon umbrellas from the Group.

The Group's new business strategy is to shift business focus from developing upstream manufacturing to downstream distribution network and brand building so as to facilitate promotion of the Group's branded umbrellas which command higher margins.

To diversify its business and explore potential business opportunities, the Group is exploring and developing business opportunities and projects.

業務回顧

本集團主要從事製造及銷售POE雨傘、尼龍雨傘及雨傘零部件，如塑料布及中棒。本集團位於中國福建省晉江市東石鎮及永和鎮的生產地生產產品。

本集團主要以出口形式向本集團之海外客戶銷售POE雨傘、尼龍雨傘及雨傘零部件，其於截至二零一九年十二月三十一日止年度佔本集團總收益之約84%。本集團向日本、香港、韓國、台灣、西班牙及柬埔寨等市場出口POE雨傘、尼龍雨傘及雨傘零部件。本集團之海外客戶通常向本集團提供彼等之設計及規格。本集團之銷售人員與本集團之客戶進行緊密溝通。根據該等海外客戶之特殊需求，本集團之銷售人員將向本集團之客戶提供本集團研發團隊對設計及規格之修改建議，以供其考慮。當客戶決定最終設計及規格後，本集團將製作樣本並提供予本集團之客戶，以待其批准。

就國內市場而言，本集團向本集團之中國客戶銷售POE雨傘、尼龍雨傘及雨傘零部件，其於截至二零一九年十二月三十一日止年度佔本集團總收益之約16%。本集團之國內客戶通常自全部由本集團之研發團隊設計之現有POE雨傘及尼龍雨傘產品中進行甄選並下單。本集團亦透過向我們的非貿易客戶（如超市）銷售本集團之集成品牌下之若干POE雨傘及尼龍雨傘。

本集團亦主要為本集團之現有客戶（海外及國內客戶）製造作為輔助產品之雨傘零部件，其中若干客戶亦自本集團採購POE雨傘及尼龍雨傘。

本集團的新業務策略是將業務重心自發展上游製造轉移至下游分銷網絡及品牌建設以促進推廣利潤率較高之本集團品牌雨傘。

為多元化發展業務，並物色潛在商機，本集團正在物色及開發商業機會及項目。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

REVENUE

The revenue increased from approximately RMB521 million for the year ended 31 December 2018 to approximately RMB559 million for the year ended 31 December 2019, representing an increase of approximately 7.3%. The increase in revenue from export markets other than Japan was primarily due to the Group's expansion into new markets such as Cambodia, Europe and other Asian countries (such as Republic of Korea and Republic of Philippines) which led to increased demand for the POE umbrellas, nylon umbrellas and umbrella parts products.

COST OF SALES

The cost of sales increased from approximately RMB442 million for the year ended 31 December 2018 to approximately RMB493 million for the year ended 31 December 2019, representing an increase of approximately 11.5%. The increase was mainly attributable to the corresponding increase in direct materials costs and direct labour costs to cope with the Group's increase in revenue for the same period.

GROSS PROFIT AND GROSS MARGIN

As a result of the foregoing, the gross profit decreased by approximately RMB13 million, or 16%, from approximately RMB79 million for the year ended 31 December 2018 to approximately RMB66 million for the year ended 31 December 2019 due to the threat of a trade war between the PRC and the United States. The gross profit margin decreased from approximately 15.2% for the year ended 31 December 2018 to approximately 11.8% for the year ended 31 December 2019.

OTHER INCOME AND GAINS

The other income and gains decreased by approximately RMB4 million, or 28.6%, from approximately RMB14 million for the year ended 31 December 2018 to approximately RMB10 million for the year ended 31 December 2019. The decrease was mainly due to the absence of imputed interest on promissory notes receivables as a result of the settlement of promissory notes during the year ended 31 December 2018.

財務回顧

收益

收益由截至二零一八年十二月三十一日止年度約人民幣521百萬元增加至截至二零一九年十二月三十一日止年度之約人民幣559百萬元，增加約7.3%。來自除日本外的出口市場之收益增加主要由於本集團拓展至柬埔寨、歐洲及其他亞洲國家（例如韓國及菲律賓共和國）等新市場，令POE雨傘、尼龍雨傘及雨傘零部件產品之需求增加。

銷售成本

銷售成本由截至二零一八年十二月三十一日止年度之約人民幣442百萬元增加至截至二零一九年十二月三十一日止年度之約人民幣493百萬元，增幅約11.5%。該增加乃主要由於為應對期間內本集團之收益增加而相應增加直接材料成本及直接勞工成本所致。

毛利及毛利潤率

由於上述者，毛利由截至二零一八年十二月三十一日止年度之約人民幣79百萬元減少約人民幣13百萬元或16%至截至二零一九年十二月三十一日止年度之約人民幣66百萬元，是由於中美貿易戰的威脅。毛利潤率由截至二零一八年十二月三十一日止年度之約15.2%減少至截至二零一九年十二月三十一日止年度之約11.8%。

其他收入及收益

其他收入及收益由截至二零一八年十二月三十一日止年度之約人民幣14百萬元減少約人民幣4百萬元或28.6%至截至二零一九年十二月三十一日止年度之約人民幣10百萬元。該減少主要由於截至二零一八年十二月三十一日止年度結算承兌票據而無應收承兌票據估算利息。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses increased by approximately RMB8 million or 72.7% from approximately RMB11 million for the year ended 31 December 2018 to approximately RMB19 million for the year ended 31 December 2019. The increase was mainly due to the increase in promotion expenses for our Group image.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by approximately RMB3 million, or 6.5%, from approximately RMB46 million for the year ended 31 December 2018 to approximately RMB49 million for the year ended 31 December 2019. The increase in administrative expenses was mainly due to incur one-off equity-settled share-based payment expenses of approximately RMB6.6 million during the year ended 31 December 2019.

FINANCE COSTS

Finance costs increased by approximately RMB0.6 million, or 6.0%, from approximately RMB10 million for the year ended 31 December 2018 to approximately RMB11 million for the year ended 31 December 2019. The increase in finance cost was mainly due to the higher average borrowing level for the period.

LOSS FOR THE YEAR

For the year ended 31 December 2019, the Group recorded a loss for the year of approximately RMB16 million, as compared with profit of approximately RMB19 million for the year ended 31 December 2018. The material decline in the financial performance of the Group were mainly due to (i) the decrease in gross profit due to the threat of a trade war between the PRC and the United States; (ii) the increase in selling and distribution expenses including marketing and promotion expenses to support the Group's business expansion and to gain market share; (iii) the loss arising on change in fair value of contingent consideration receivables of approximately RMB7.5 million in relation to the acquisition of a subsidiary during the year ended 31 December 2019 and (iv) the one-off and non-cash share option expenses of approximately RMB6.6 million in relation to the share options granted during the year ended 31 December 2019.

銷售及分銷開支

銷售及分銷開支由截至二零一八年十二月三十一日止年度之約人民幣11百萬元增加約人民幣8百萬元或72.7%至截至二零一九年十二月三十一日止年度之約人民幣19百萬元。該增加主要是由於本集團形象的推廣開支增加所致。

行政開支

行政開支由截至二零一八年十二月三十一日止年度之約人民幣46百萬元增加約人民幣3百萬元或6.5%至截至二零一九年十二月三十一日止年度之約人民幣49百萬元。行政開支增加乃主要由於截至二零一九年十二月三十一日止年度產生一次過以權益結算以股份為基礎之付款開支約人民幣6.6百萬元。

財務成本

財務成本由截至二零一八年十二月三十一日止年度之約人民幣10百萬元增加約人民幣0.6百萬元或6.0%至截至二零一九年十二月三十一日止年度之約人民幣11百萬元。財務成本增加主要由於期內平均借款水平上升所致。

年內虧損

相比截至二零一八年十二月三十一日止年度之溢利約人民幣19百萬元，截至二零一九年十二月三十一日止年度本集團錄得年內虧損約人民幣16百萬元。本集團財務表現大幅下滑主要是由於(i)中美貿易戰的威脅，令毛利減少；(ii)銷售及分銷開支(包括為支持本集團業務擴張及爭取市場份額的市場營銷及推廣開支)增加；(iii)就截至二零一九年十二月三十一日止年度收購一間附屬公司而應收或然代價公平值變動產生虧損約人民幣7.5百萬元；及(iv)就截至二零一九年十二月三十一日止年度授出購股權的一次過非現金購股權開支約人民幣6.6百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the Group's bank balances and cash including fixed time deposits of approximately RMB55 million (2018: approximately RMB57 million) amounted to approximately RMB81 million (2018: approximately RMB74 million), and short-term bank borrowings amounted to RMB203 million (2018: approximately RMB197 million). The annual interest rates of loans ranged from 4.35% to 5.76%. As at 31 December 2019, the Group's promissory notes payables amounted to approximately RMB19 million.

The Group's current ratio remained stable to approximately 2.3 times as at 31 December 2019 and 2018, which was calculated based on the total current assets divided by the total current liabilities. As at 31 December 2019, the gearing ratio was approximately 56% (2018: approximately 50%), which was calculated based on the bank borrowings, bills payables and promissory notes as a percentage of the total equity.

INVENTORIES

As at 31 December 2019, the inventories was approximately RMB256 million (2018: approximately RMB161 million). The inventory turnover days were increased from approximately 151 days in 2018 to approximately 154 days in 2019, which was calculated based on the average of the beginning and ending balance of inventories for the year divided by cost of sales for the year, and multiplied by 365 days.

TRADE RECEIVABLES

As at 31 December 2019, the trade receivables were approximately RMB178 million (2018: approximately RMB234 million). The Group generally allows an average credit period of 30 to 150 days to its trade customers. The average trade receivables turnover day was decreased from approximately 136 days in 2018 to approximately 135 days in 2019, which was calculated based on the average of the beginning and ending trade receivable balances for the year divided by revenue for the year and multiplied by 365 days. Trade receivable turnover days remained stable during the years ended 31 December 2019 and 2018. We have extended credit period for those long term business relationships and good settlement history customers suffering intense market competitions.

流動資金及財務資源

於二零一九年十二月三十一日，本集團之銀行結餘及現金（包括定期存款約人民幣55百萬元（二零一八年：約人民幣57百萬元））約為人民幣81百萬元（二零一八年：約人民幣74百萬元），而短期銀行借款達人民幣203百萬元（二零一八年：約人民幣197百萬元）。貸款年利率介乎4.35%至5.76%。於二零一九年十二月三十一日，本集團應付承兌票據約為人民幣19百萬元。

本集團之流動比率於二零一九年及二零一八年十二月三十一日保持持平，為約2.3倍，乃根據流動資產總值除以流動負債總額計算得出。於二零一九年十二月三十一日，資產負債比率約為56%（二零一八年：約50%），乃根據銀行借款、應付票據及承兌票據佔權益總額之百分比計算得出。

存貨

於二零一九年十二月三十一日，存貨為約人民幣256百萬元（二零一八年：約人民幣161百萬元）。存貨週轉日數由二零一八年之約151日增加至二零一九年之約154日，其按本年度年初及年末存貨結餘之平均值除以本年度銷售成本再乘以365日計算。

貿易應收款項

於二零一九年十二月三十一日，貿易應收款項為約人民幣178百萬元（二零一八年：約人民幣234百萬元）。本集團一般授予其貿易客戶30至150日之平均信貸期。平均貿易應收款項週轉日數由二零一八年之約136日減少至二零一九年之約135日，其按本年度年初及年末貿易應收款項結餘之平均值除以本年度收益再乘以365日計算。截至二零一九年及二零一八年十二月三十一日止年度貿易應收款項週轉日數保持持平。我們對已建立長期業務關係，還款記錄良好且可承受激烈市場競爭的客戶延長信貸期所致。

MANAGEMENT DISCUSSION AND ANALYSIS

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TRADE AND BILLS PAYABLES

As at 31 December 2019, the trade and bills payables were approximately RMB31 million (2018: approximately RMB35 million). The Group's suppliers typically grant us a credit terms ranging from 30 days to 120 days. The average trade and bills payables turnover days were decreased from approximately 43 days in 2018 to approximately 25 days in 2019, which was calculated based on the average of the beginning and ending of trade and bills payable balance of the year divided by cost of sales of the year and multiplied by 365 days. This is mainly due to a decrease in purchase of raw materials at the end of 2019.

PRINCIPAL RISKS AND UNCERTAINTIES

The business of the Group is subject to numerous risks and uncertainties. The following is a summary of some of the principal risks and uncertainties affecting the Group's business:

- The Group's business, financial condition and results of operations may be affected by the loss of key customers.

It is important for the Group to maintain close and mutually beneficial relationships with the Group's key overseas and domestic customers. The Group's revenue is also subject to the Group's customers' business, product quality, sales strategy, industry conditions and the overall economic market environments. Any significant reduction of sales to or loss of any of the Group's key customers could materially and adversely affect our business, financial condition and results of operations.

- The Group may be subject to certain risks, such as political and economic instability and fluctuations in currency rates of foreign currencies, associated with selling our umbrella products to Japan, the PRC and other overseas customers.

Any change in market demand levels for the Group's umbrella products in Japan, the PRC and in the Group's other export destinations may have a significant effect on the Group's business, financial condition and results of operations. In particular, the Group is affected by changes in the economic condition of Japan, a major destination of our products, and the PRC.

貿易應付款項及應付票據

於二零一九年十二月三十一日，貿易應付款項及應付票據為約人民幣31百萬元（二零一八年：約人民幣35百萬元）。本集團供應商一般授予本集團介乎30日至120日之信貸期。平均貿易應付款項及應付票據週轉日數由二零一八年之約43日減少至二零一九年之約25日，其按本年度年初及年末貿易應付款項及應付票據結餘之平均值除以本年度銷售成本再乘以365日計算。這主要由於二零一九年年末原材料採購減少。

主要風險及不確定因素

本集團業務面臨多項風險及不確定因素。影響本集團業務之部分主要風險及不確定因素概述如下：

- 失去主要客戶可能對本集團之業務、財務狀況及經營業績造成影響。

與本集團主要海外及國內客戶維持密切及互惠互利之關係對本集團而言相當重要。本集團之收益亦受限於其客戶之業務、產品質素、銷售策略、行業狀況及整體經濟市場環境。銷售大幅減少或失去任何本集團主要客戶均可能對本集團之業務、財務狀況及經營業績造成重大不利影響。

- 本集團可能面臨若干與向日本、中國及其他海外客戶銷售本集團雨傘產品相關的風險，例如政治及經濟不穩定以及外幣匯率波動。

日本、中國及本集團其他出口目的地市場對本集團雨傘產品之需求水平如有任何變動，可能對本集團之業務、財務狀況及經營業績產生重大影響。尤其是，本集團可能受日本（本集團產品主要市場）以及中國之經濟狀況變動影響。

MANAGEMENT DISCUSSION AND ANALYSIS

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As the Group's sales are primarily made in US dollar, RMB and Japanese Yen whereas the Group's purchases of materials and payment of wages and salaries to the PRC workers are in RMB and US dollar, the Group is exposed to exchange rate risk. In addition, the Group is exposed to the risks associated with the currency conversion and exchange rate system in the PRC.

- Fluctuations in prices of raw materials or unstable supply of raw materials could negatively impact our operations and may adversely affect our profitability.

The prices of most of the Group's raw materials generally follow the price trends of, and vary with, market conditions. Supplies of these raw materials may also be subject to a variety of factors that are beyond our control, including but not limited to market shortages, suppliers' business interruptions, government control, weather conditions and overall economic conditions, all of which may have an impact on their respective market prices from time to time.

- The Group may experience a shortage of labour or our labour costs may continue to increase.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2019, the Group had no material capital commitment (2018: Nil). As at 31 December 2019, the Group did not have any significant contingent liabilities (2018: Nil).

PLEDGE OF ASSETS

As at 31 December 2019, the Group's leasehold land and buildings with a carrying amounts of approximately RMB90 million (2018: approximately RMB94 million) and bank deposits with a carrying amounts of approximately RMB10 million (2018: approximately RMB7 million) were pledged to banks for bank borrowings and bills payables.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2019, the Group employed a total of 1,364 employees (2018: 1,592 employees). The emolument policy of the employees of the Group was set up by the Board based on their experience, qualifications and competence. Other employees' benefits include contributions to statutory mandatory provident funds, and social insurance together with housing provident funds to its employees in Hong Kong and the PRC respectively.

由於本集團主要以美元、人民幣及日元進行銷售，而本集團以人民幣及美元購買原材料及向中國工人支付工資及薪水，故本集團面臨匯兌風險。此外，本集團亦面臨中國之貨幣兌換及匯兌制度之相關風險。

- 原材料價格波動或原材料供應不穩定可能對本集團之業務營運造成負面影響，或會對本集團之盈利能力造成不利影響。

本集團大部分原材料之價格一般跟隨市況之價格趨勢並隨市況變化。該等原材料之供應亦可能取決於多項並非我們所能控制之因素，包括但不限於市場短缺、供應商業務中斷、政府控制、天氣狀況及整體經濟狀況，該等因素均不時影響原材料各自之市價。

- 本集團可能面臨勞工短缺或勞工成本繼續攀升的風險。

資本承擔及或然負債

於二零一九年十二月三十一日，本集團並無重大資本承擔（二零一八年：無）。於二零一九年十二月三十一日，本集團並無任何重大或然負債（二零一八年：無）。

抵押資產

於二零一九年十二月三十一日，本集團之租賃土地及樓宇（賬面值約人民幣90百萬元（二零一八年：約人民幣94百萬元））及銀行存款（賬面值約人民幣10百萬元（二零一八年：約人民幣7百萬元））已抵押予銀行以獲取銀行借款及應付票據。

僱員及薪酬政策

於二零一九年十二月三十一日，本集團僱用合共1,364名僱員（二零一八年：1,592名僱員）。本集團僱員之薪酬政策乃由董事會根據僱員經驗、資質及能力設立。其他僱員福利包括分別為其香港及中國僱員作出之法定強制性公積金、社會保險以及住房公積金供款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND CAPITAL ASSETS

On 23 May 2019, the Group completed the acquisition of 100% equity interest in 晉江競靈貿易有限公司 (“Jingting”) from an independent third party, which was satisfied by way of RMB5,000,000 in cash and issuance of promissory note with principal amount of RMB24,000,000 including the maturity term of 36 months. Save as disclosed above, the Group had no significant investments, material acquisitions and disposals of subsidiaries and capital assets during the year.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date with net proceeds received by the Company from the global offering in the amount of approximately HK\$134.2 million (equivalent to approximately RMB106.0 million) after deducting underwriting commissions and all related expenses. As disclosed in the announcement of the Company published on 30 December 2016, the Board has resolved to reallocate the unutilised amount of approximately RMB61.4 million to the following two areas:

- 1) approximately RMB36.9 million out of the unutilised net proceeds for buying new brand-names and/or licensing rights of umbrella products from Southeast Asian countries to increase its market shares in those countries as well as investing in a trading company comprising umbrella and other products.
- 2) to increase the allocation for approximately RMB24.5 million for brand awareness promotions and advertising expenses both in domestic and overseas markets.

The Board is of the view that such re-allocation of unutilised net proceeds is in line with the Group’s new business strategy to shift business focus from developing upstream manufacturing to downstream distribution network and brand building to facilitate promotion of the Group’s branded umbrellas which command higher margins.

重大投資、重大收購及出售附屬公司及資本資產

於二零一九年五月二十三日，本集團完成向獨立第三方收購晉江競靈貿易有限公司（「晉江競靈」）100%股權，收購以人民幣5,000,000元現金及發行本金額為人民幣24,000,000元且期限為36個月的承兌票據予以支付。除上文所披露者外，本集團於本年度並無重大投資、重大收購及出售附屬公司及資本資產。

全球發售之所得款項用途

本公司股份於上市日期在聯交所主板上市，而本公司自全球發售收取之所得款項淨額為約134.2百萬港元（相當於約人民幣106.0百萬元）（經扣除包銷佣金及所有相關開支）。誠如本公司於二零一六年十二月三十日刊發之公告所披露，董事會已議決重新分配尚未動用金額約人民幣61.4百萬元用於以下兩個方面：

- 1) 尚未動用所得款項淨額之約人民幣36.9百萬元用於自東南亞國家購買雨傘產品之新品牌名稱及／或許可權，以增加本集團於該等國家之市場份額以及投資買賣雨傘及其他產品之公司。
- 2) 增加分配約人民幣24.5百萬元用於提升國內外市場品牌知名度及支付廣告費用。

董事會認為，該重新分配尚未動用所得款項淨額符合本集團將業務重心自發展上游製造轉移至下游分銷網絡及品牌建設以促進推廣利潤率較高之本集團品牌雨傘之新業務策略。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As at 31 December 2019, the net proceeds had been utilised as follows:

於二零一九年十二月三十一日，所得款項淨額已用作以下用途：

Use of net proceeds	所得款項淨額用途	Revised allocation	Unutilised amount	Utilised amount for	Unutilised amount
			as at 31 December 2018	the year ended 31 December 2019	as at 31 December 2019
			截至二零一八年十二月三十一日	截至二零一九年十二月三十一日止年度	截至二零一九年十二月三十一日
		經修訂分配	未動用金額	已動用金額	未動用金額
		RMB (million)	RMB (million)	RMB (million)	RMB (million)
		人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
Increasing our production capacity by constructing a factory	透過建造工廠以提高本集團產能	24.5	-	-	-
Paying the outstanding of the consideration in relation to the construction and completion of the new 10-storey office building	支付有關建設及完成新10層高辦公樓宇之代價之未支付款項	3.1	-	-	-
Strengthen our technical expertise and know-how to ensure continuous improvement of our products	增強本集團之技術專長及知識以確保持續改善本集團產品	3.7	-	-	-
Additional working capital and other general corporate purposes	額外營運資金及其他一般公司用途	10.6	-	-	-
Further expansion of our branded umbrellas by intensifying our marketing activities to promote our brand awareness both in the domestic and overseas	加強營銷活動以於國內及海外市場提高本集團品牌知名度而進一步推廣本集團品牌雨傘	27.2	23.4	7.9	15.5
Buying new brand-names and investing in a trading company	購買新品牌名稱及投資一間貿易公司	36.9	36.9	6	30.9
Total	總計	106.0	60.3	13.9	46.4

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

EXPECTED TIMETABLE FOR FURTHER EXPANSION OF OUR BRANDED UMBRELLAS BY INTENSIFYING OUR MARKETING ACTIVITIES TO PROMOTE OUR BRAND AWARENESS BOTH IN THE DOMESTIC AND OVERSEAS

加強營銷活動以於國內及海外市場提高本集團品牌知名度而進一步推廣本集團品牌雨傘的預期時間表

Use of net proceeds	所得款項淨額用途	Unutilised	Expected amounts to	Expected amounts to
		amount as at	be utilised for the	be utilised for the
		31 December 2019	year ending	year ending
			31 December 2020	31 December 2021
			截至二零二零年	截至二零二一年
			十二月三十一日	十二月三十一日
			止年度預計	止年度預計
			未動用金額	將動用金額
			RMB (million)	RMB (million)
			人民幣百萬元	人民幣百萬元
Further expansion of our branded umbrellas by intensifying our marketing activities to promote our brand awareness both in the domestic and overseas	加強營銷活動以於國內及海外市場提高本集團品牌知名度而進一步推廣本集團品牌雨傘	15.5	7.8	7.7

According to the Company's implementation plan, placing advertisements in traditional media and internet and participating in major trade fairs in the PRC and overseas and investing in advertising and promotional materials for developing new markets of our umbrella products and for training our sales and technical teams.

根據本公司的實施計劃，在傳統媒體及互聯網上刊登廣告、參與中國及海外的主要貿易展覽會以及投資廣告及宣傳材料，以為本集團雨傘產品開發新市場，同時培訓銷售及技術團隊。

Accordingly, the remaining net proceeds of approximately RMB15.5 million as at 31 December 2019 allocated for further expansion of our branded umbrellas by intensifying our marketing activities to promote our brand awareness both in the domestic and overseas are intended to be fully utilised for the same specific use by 31 December 2021.

因此，於二零一九年十二月三十一日分配用於加強營銷活動以於國內及海外市場提高本集團品牌知名度而進一步推廣本集團品牌雨傘的剩餘所得款項淨額約人民幣15.5百萬元，擬於二零二一年十二月三十一日前悉數用於同一特定用途。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

EXPECTED TIMETABLE FOR BUYING NEW BRAND-NAMES AND INVESTING IN A TRADING COMPANY

購買新品牌名稱及投資一間貿易公司的預期時間表

Use of net proceeds	所得款項淨額用途	Unutilised amount as at 31 December 2019	Expected amounts to be utilised for the year ending 31 December 2020	Expected amounts to be utilised for the year ending 31 December 2021	Expected amounts to be utilised for the year ending 31 December 2022
			截至二零二零年十二月三十一日止年度預計將動用金額	截至二零二一年十二月三十一日止年度預計將動用金額	截至二零二二年十二月三十一日止年度預計將動用金額
		RMB (million)	RMB (million)	RMB (million)	RMB (million)
		人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
Buying new brand-names and investing in a trading company	購買新品牌名稱及投資一間貿易公司	30.9	3	2	25.9

On 23 May 2019, the Group completed the acquisition of 100% equity interest in 晉江競靈貿易有限公司 (“**Jingting**”) from an independent third party, which was satisfied by way of RMB5,000,000 in cash and issuance of promissory note with principal amount of RMB24,000,000 including the maturity term of 36 months.

於二零一九年五月二十三日，本集團完成向獨立第三方收購晉江競靈貿易有限公司（「**晉江競靈**」）100% 股權，收購以人民幣5,000,000元現金及發行本金額為人民幣24,000,000元且期限為36個月的承兌票據予以支付。

Accordingly, the remaining net proceeds of approximately RMB30.9 million as at 31 December 2019 allocated for buying new brand-names and investing in a trading company are intended to be fully utilised for the same specific use by 31 December 2022.

因此，於二零一九年十二月三十一日分配用於購買新品牌名稱及投資一間貿易公司的剩餘所得款項淨額約人民幣30.9百萬元，擬於二零二二年十二月三十一日前悉數用於同一特定用途。

FUTURE PROSPECTS

The Group principal objectives are to maintain and strengthen its position as a leading umbrella manufacturer focused in Japan market and its own branded umbrella products in the PRC market, and increase its market share in the existing markets such as Hong Kong, Cambodia and Republic of Korea.

未來展望

本集團之主要目標為維持及鞏固本集團作為日本市場雨傘製造商及中國市場自有品牌雨傘製造商之領先地位以及擴大本集團於香港、柬埔寨及韓國等現有市場之市場份額。

Looking ahead, the Group will shift business focus from developing upstream manufacturing to downstream distribution network and brand building so as to facilitate promotion of the Group’s branded umbrellas which command higher margins and create higher values as well as bringing better return to our shareholders. To diversify its business and explore potential business opportunities, the Group is exploring and developing business opportunities and projects.

展望未來，本集團將業務重心自發展上游製造轉移至下游分銷網絡及品牌建設以促進推廣利潤率較高之本集團品牌雨傘以及創造更多價值，以及為本集團的股東帶來更豐厚回報。為多元化發展其業務，並物色潛在商機，本集團正在物色及開發商業機會及項目。

CORPORATE GOVERNANCE REPORT

企業管治報告

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board comprises four executive Directors and three independent non-executive Directors. The Company has adopted and complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules since the Listing Date with the following deviations:

Under paragraph A.2.1 of Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer of an issuer should be separated and should not be performed by the same person. Mr. Huang is currently the Chairman of the Board and the chief executive officer who is primarily responsible for the day-to-day management of the Group’s business. The Directors consider that vesting the roles of the Chairman of the Board and chief executive officer in the same person facilitates the execution of the Group’s business strategies and decision making, and maximizes the effectiveness of the Group’s operation. The Directors also believe that the presence of three independent non-executive Directors provides added independence to our Board. The Directors will review the structure from time to time and consider an adjustment should it become appropriate.

Code provision A.6.7 stipulates that independent non-executive directors should attend general meeting of the Company. Mr. Tso Sze Wai, Mr. Yang Xuetai and Ms. Lee Kit Ying, Winnie, being the independent non-executive Directors, did not attend the Company’s annual general meeting held on 31 May 2019 due to their other business engagements.

企業管治常規守則

本公司一直致力保持高水平企業管治，以開明和開放的理念維護其發展及保障其股東權益。董事會由四名執行董事及三名獨立非執行董事組成。本公司於上市日期起已採納並遵守上市規則附錄14所載之企業管治守則（「企管守則」），惟除以下偏離者外：

根據上市規則附錄14第A.2.1段，發行人主席及行政總裁之角色應有區分，而不應由同一人擔任。目前，黃先生為董事會主席兼行政總裁，主要負責本集團業務之日常管理。董事認為董事會主席及行政總裁角色由同一人擔任可促進本集團業務策略之執行及決策制定以及最大化地提高本集團之運營效率。董事亦認為，三名獨立非執行董事之存在可增加本集團董事會之獨立性。董事將不時審閱該架構，並考慮於適當時進行調整。

守則條文第A.6.7條規定獨立非執行董事應出席本公司之股東大會。由於有其他公務，獨立非執行董事曹思維先生、楊學太先生及李結英女士並未出席本公司於二零一九年五月三十一日舉行之股東週年大會。

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Directors have adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in dealing in the Company’s securities. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the year.

BOARD OF THE DIRECTORS

The Board is committed to providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders. The Board has established three Board committees, being the Audit Committee, the Remuneration Committee and the Nomination Committee (each a “Board Committee” and collectively the “Board Committees”), to oversee different areas of the Company’s affairs.

The Board currently comprises four executive Directors, namely Mr. Huang Wenji, Mr. Yang Guang, Mr. Lin Zhengshuang and Mr. Chung Kin Hung, Kenneth and three independent non-executive Directors, namely, Mr. Tso Sze Wai, Mr. Yang Xuetai and Ms. Lee Kit Ying, Winnie.

董事進行證券交易之標準守則

董事已採納上市規則附錄10所載上市發行人董事進行證券交易之標準守則（「標準守則」），作為董事買賣本公司證券之操守守則。向全體董事進行具體查詢後，全體董事已確認彼等年內全面遵守標準守則所載之規定交易準則。

董事會

董事會致力為本公司提供有效及負責任之領導。董事須個別及共同地為本公司及其股東之最佳利益真誠行事。董事會已設立三個董事委員會（即審核委員會、薪酬委員會及提名委員會（各自稱為「董事委員會」及統稱為「董事委員會」）），以監督本公司不同範疇之事務。

董事會現時由四名執行董事（即黃文集先生、楊光先生、林貞雙先生及鍾健雄先生）及三名獨立非執行董事（即曹思維先生、楊學太先生及李結英女士）組成。

CORPORATE GOVERNANCE REPORT

企業管治報告

There is no financial, business, family or other material/relevant relationship amongst Directors. Their biographical details and (where applicable) their family relationships are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 41 to 42 in the annual report. A list of the Directors identifying their role and functions and whether they are independent non-executive Directors are available on the Company’s website.

The Board sets the Group’s overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the corporate governance standard of the Group. It also decides on matters such as annual and interim results, major transactions, director appointments or re-appointments, investment policy, dividend and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group’s businesses to the executive Directors and members of senior management. The functions and power that are so delegated are reviewed periodically to ensure that they remain appropriate.

The Board is also responsible for developing, reviewing and monitoring the policies and practices on corporate governance and legal and regulatory compliance of the Group, and the training and continuous professional development of Directors and senior management. The Board also reviews the disclosures in the Corporate Governance Report to ensure compliance.

All Board members have separate and independent access to the Group’s senior management to fulfill their duties. Independent professional advice can be sought to assist the relevant Directors to discharge their duties at the Group’s expense upon their request.

All Directors are required to declare to the Board upon their first appointment, the directorships or other positions they are concurrently holding at other companies or organisation. These interests are updated on an annual basis and when necessary.

各董事間並不存在任何財務、業務、家族或其他重大／相關關係。彼等之履歷詳情及（如適用）彼等之家屬關係載於年報第41頁至42頁「董事及高級管理人員履歷詳情」一節。列明董事角色及職能以及獨立非執行董事身份之董事名單可於本公司網站查閱。

董事會制定本集團之整體目標及策略、監察及評估其營運及財務表現並審閱本集團之企業管治準則。其亦就年度及中期業績、主要交易、董事委任或續聘、投資政策、股息及會計政策等事宜作出決定。董事會已指派及授權執行董事及高級管理層成員負責執行其業務策略及管理本集團業務之日常營運。董事會定期檢討所委派職能及權力以確保有關指派仍屬合適。

董事會亦負責制定、檢討及監察本集團之企業管治政策及慣例與遵守法律及法規情況，以及董事及高級管理層之培訓及持續專業發展。董事會亦審閱企業管治報告內之披露資料以確保符合要求。

各董事會成員可分別獨立接觸本集團之高級管理層，以履行彼等之職責。相關董事亦可自身要求徵詢獨立專業意見，協助彼等履行職責，費用由本集團承擔。

全體董事須於首次獲委任時向董事會申報彼等同時在其他公司或機構擔任之董事或其他職務，有關利益申報每年及於需要時更新。

ATTENDANCE OF DIRECTORS AT MEETINGS

The attendance of the Directors at the general meetings of the Company, meetings of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee during the year ended 31 December 2019 are set out below:

董事出席會議情況

截至二零一九年十二月三十一日止年度，董事出席本公司股東大會、董事會會議、審核委員會、薪酬委員會及提名委員會會議情況載列如下：

	Annual general meeting	Board meetings	Audit committee meetings	Remuneration committee meetings	Nomination committee meetings
	股東週年大會	董事會會議	審核委員會 會議	薪酬委員會 會議	提名委員會 會議

(number of meetings attended/number of meetings held during respective director's tenure)
(各董事任職期間出席會議次數/舉行會議次數)

Executive Directors	執行董事					
Mr. Huang Wenji	黃文集先生	1/1	6/6	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Yang Guang	楊光先生	0/1	6/6	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Lin Zhenshuang	林貞雙先生	0/1	6/6	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Chung Kin Hung, Kenneth	鍾健雄先生	0/1	6/6	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-executive Directors	獨立非執行董事					
Mr. Tso Sze Wai	曹思維先生	0/1	6/6	2/2	1/1	1/1
Mr. Yang Xuetai	楊學太先生	0/1	6/6	2/2	1/1	1/1
Ms. Lee Kit Ying, Winnie	李結英女士	0/1	6/6	2/2	1/1	1/1

DIRECTORS' AND OFFICERS' INSURANCE

Appropriate insurance coverage has been arranged in respect of potential legal actions against the Directors and officers of the Company.

董事及高級人員投保

本公司已就董事及高級人員可能面對之潛在法律行動作出適當的投保安排。

CORPORATE GOVERNANCE REPORT

企業管治報告

CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to Code provision A.6.5, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. All the Directors also understand the importance of continuous professional development and are committed to participating in any suitable training or relevant materials reading in order to develop and refresh their knowledge and skills. The Company has received from each Director a confirmation of their participation in continuous professional development by attending training course or reading relevant materials on the topics related to corporate governance and regulations.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The role of the independent non-executive Directors is to provide independent and objective opinions to the Board, giving adequate control and balances for the Group to protect the overall interests of the shareholders and the Group. They serve actively on the Board and its committees to provide their independent and objective views.

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, representing more than one-third of the Board. One of the independent non-executive Directors has the appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

Each independent non-executive Director has submitted confirmation of his/her independence to the Company pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all of the independent non-executive Directors are independent.

BOARD COMMITTEES

The Board is supported by three committees, namely the Audit Committee, Nomination Committee and Remuneration Committee. Each Board Committee has its defined and written terms of reference approved by the Board covering its duties, powers and functions. Their terms of reference are available on the Company's website.

持續專業發展

根據守則條文第A.6.5條，全體董事均須參與持續專業發展，以發展及更新彼等的知識及技能。有關規定旨在確保各董事在知情情況下向董事會作出切合需要的貢獻。全體董事亦知悉持續專業發展的重要性，並承諾參與任何適合的培訓課程或閱讀相關資料，以發展及更新彼等的知識及技能。本公司已接獲各董事的確認書，確認彼等已出席培訓課程或閱讀有關企業管治及規例的資料，藉以參與持續專業發展。

獨立非執行董事之獨立身份

獨立非執行董事的角色乃向董事會提供獨立及客觀的意見，為本集團提供足夠的制約及平衡，以保障股東及本集團整體利益。彼等於董事會及其委員會上積極提供獨立及客觀的意見。

為遵守上市規則第3.10(1)條及3.10A條，本公司已委任三名獨立非執行董事，超過董事會人數三分之一。按上市規則第3.10(2)條的規定，其中一名獨立非執行董事具備合適會計專業資格或相關財務管理專業知識。

各獨立非執行董事已按上市規則第3.13條規定，向本公司提交其獨立身份確認書。根據該等確認書的內容，本公司認為全體獨立非執行董事均屬獨立。

董事委員會

董事會獲得三個委員會（即審核委員會、提名委員會及薪酬委員會）支援。各董事委員會均設經董事會批准的明確書面職權範圍，涵蓋其職責、權力及職能。彼等的職權範圍於本公司網站可供查閱。

All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

所有董事委員會均獲提供足夠資源以履行其職責，包括於需要時取得管理層或專業意見。

(I) AUDIT COMMITTEE

The Company established an Audit Committee on 23 January 2015 with specific written terms of reference in compliance with the Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view on the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

As at the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Tso Sze Wai (Chairman of the Audit Committee), Ms. Lee Kit Ying, Winnie and Mr. Yang Xuetai.

During the year ended 31 December 2019, the Audit Committee held two meetings to review the annual and interim results of the Group and make recommendations to the Board and the management in respect of the Group's financial reporting and internal control procedures. During the year ended 31 December 2019, the Audit Committee has also reviewed, with the management and the Company's auditor, the Group's significant internal controls and financial matters in accordance with the Audit Committee's written terms of reference and made relevant recommendations to the Board. The Audit Committee's review covered the audit scope and findings, external auditor's independence and performance, the Group's accounting principles and practices, the Listing Rules and statutory compliance, connected transactions, internal controls, risk management, financial reporting matters (including the interim and annual financial reports for the Board's approval) and the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function as well as their training programmes and budget. It also reviewed this Corporate Governance Report and an internal control review report on the Company prepared by an independent advisor.

(I) 審核委員會

本公司於二零一五年一月二十三日成立審核委員會，並制定特定書面職權範圍以遵守守則。審核委員會的主要職責乃就本集團的財務申報過程、內部監控及風險管理系統是否有效提供獨立意見、監督審核過程及履行董事會委派的其他職責和責任，藉以協助董事會。

於本年報刊發日期，審核委員會包括三名獨立非執行董事，即曹思維先生（審核委員會主席）、李結英女士及楊學太先生。

截至二零一九年十二月三十一日止年度，審核委員會曾舉行兩次會議，以審閱本集團的年度及中期業績以及就本集團的財務申報及內部監控程序向董事會及管理層作出建議。截至二零一九年十二月三十一日止年度，審核委員會亦已根據審核委員會的書面職權範圍與管理層及本公司核數師共同審閱本集團的重大內部監控及財務事宜及向董事會作出相關建議。審核委員會的審閱涵蓋審核範圍及結果、外聘核數師的獨立性及表現、本集團的會計原則及慣例、上市規則及法定合規情況、關連交易、內部監控、風險管理、財務申報事宜（包括中期及年度財務報告供董事會批准）及本公司會計及財務申報職能方面的資源充足性、員工的資質及經驗以及彼等的培訓計劃及預算。審核委員會亦已審閱本企業管治報告及由獨立顧問編製之本公司內部監控審閱報告。

(II) REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 23 January 2015 with written terms of reference in compliance with the Code. The primary duties of the remuneration committee include making recommendations to the Board on the policy and structure for all Directors and senior management, reviewing the terms of remuneration packages, determining the award of bonuses and considering the grant of options under the share option scheme of the Company. As at the date of this annual report, the remuneration committee comprises three independent non-executive Directors, namely Ms. Lee Kit Ying, Winnie (Chairperson of the Remuneration Committee), Mr. Tso Sze Wai and Mr. Yang Xuetai.

During the year ended 31 December 2019, the Remuneration Committee held one meeting to review the remuneration policy, remuneration packages of the Directors and the senior management in accordance with the Remuneration Committee's written terms of reference.

Particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in note 13 to the consolidated financial statements.

(III) NOMINATION COMMITTEE

The Company established a Nomination Committee on 23 January 2015 with written terms of reference in compliance with the Code. The nomination committee comprises three independent non-executive Directors, namely Mr. Yang Xuetai (Chairman of the Nomination Committee), Mr. Tso Sze Wai and Ms. Lee Kit Ying, Winnie. The principal responsibilities of the Nomination Committee are to review the composition of the Board, including its structure, size and diversity at least annually to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Group. It is also responsible to consider and recommend to the Board suitably qualified persons to become a member of the Board, monitor the succession planning of Directors and assess the independence of independent non-executive Directors. The Nomination Committee will also give consideration to the Board Diversity Policy (as defined below) when identifying suitably qualified candidates to become members of the Board, and the Board will review the Board Diversity Policy (as defined below), so as to develop and review measurable objectives for the implementing the Board Diversity Policy (as defined below) and to monitor the progress on achieving these objectives.

(II) 薪酬委員會

本公司於二零一五年一月二十三日成立薪酬委員會，並制定書面職權範圍以遵守守則。薪酬委員會的主要職責包括就全體董事及高級管理層的政策及架構向董事會作出建議，審閱薪酬組合條款，釐定花紅獎勵及考慮根據本公司的購股權計劃授出購股權。於本年報刊發日期，薪酬委員會包括三名獨立非執行董事，即李結英女士（薪酬委員會主席）、曹思維先生及楊學太先生。

截至二零一九年十二月三十一日止年度，薪酬委員會曾舉行一次會議，以根據薪酬委員會的書面職權範圍審閱董事及高級管理層的薪酬政策及薪酬組合。

根據上市規則附錄16須予披露的董事酬金及五名最高薪酬僱員的詳情載於綜合財務報表附註13。

(III) 提名委員會

本公司於二零一五年一月二十三日成立提名委員會，並制定書面職權範圍以遵守守則。提名委員會包括三名獨立非執行董事，即楊學太先生（提名委員會主席）、曹思維先生及李結英女士。提名委員會的主要職責為最少每年檢討董事會的組成，內容包括其架構、規模及多元化，以確保董事會具備適合本集團業務所需的均衡專業知識、技能及經驗。提名委員會亦負責考慮及向董事會推薦適當合資格人士加入董事會，並監察董事繼任安排以及評估獨立非執行董事的獨立身份。提名委員會於物色適當合資格人選成為董事會成員時，亦考慮董事會多元化政策（定義見下文），而董事會將檢討董事會多元化政策（定義見下文）以為執行董事會多元化政策（定義見下文）訂立及檢討可計量目標，並監察達成該等目標的進度。

During the year ended 31 December 2019, one meetings was held by the Nomination Committee to, among other things, review the structure, size and composition of the board, assess the independence of each of the independent non-executive Directors, formulate the board diversity policy and recommend to the board for approval. The Nomination Committee reviewed the board diversity policy to ensure its effectiveness and considered the Group achieved the policy since its adoption.

When identifying suitable candidates for directorship, the Nomination Committee will carry out the selection process by making reference to the skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and also the Company's needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

The Nomination Committee met once to review the structure, size and composition of the Board and the independence of the Independent Non-executive Directors and to consider the qualifications of the retiring directors standing for election at the Annual General Meeting. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

截至二零一九年十二月三十一日止年度，提名委員會曾舉行一次會議，以（其中包括）審閱董事會的架構、規模及組成、評估各獨立非執行董事的獨立身份、制定董事會多元化政策及建議董事會批准該政策。提名委員會已審閱董事會多元化政策以確保其成效，並認為本集團自採納該政策以來行之有效。

於物色合適董事候選人時，提名委員會將參考建議候選人的技能、經驗、教育背景、專業知識、個人誠信及時間投入，以及本公司需求及其他相關法規要求以及有關職位的規定而進行篩選程序。所有候選人須符合上市規則第3.08及3.09條所載標準。將獲委任為獨立非執行董事的候選人亦須符合上市規則第3.13條所載獨立性標準。合資格候選人屆時將獲推薦以供董事會批准。

提名委員會曾會面一次，以檢討董事會架構、人數及成員組成及獨立非執行董事的獨立性，並考慮擬於股東週年大會上重選的退任董事的資格。提名委員會認為，董事會於多元化方面維持適當平衡。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTION

The Company's corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board on 23 January 2015 in compliance with provision D.3.1 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and relevant disclosure in the corporate governance report of the annual report of the Company.

BOARD PROCEEDINGS

Regular board meetings are held at quarterly intervals with additional meetings convened as and when necessary to discuss the overall strategic directions, the Group's operations, financial performance, and to approve interim and annual results and other significant matters. For regular meetings, Board members are given at least 14 days prior notice and agenda with supporting papers are sent to Directors not less than 3 days before the relevant meeting is held. Directors may propose to the Chairman or the Company Secretary to include matters in the agenda for regular board meetings.

Directors are requested to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at board meetings and abstain from voting in favour of the related board resolutions as appropriate.

Minutes of meetings of the Board and Board Committees are kept by the Company Secretary in sufficient details of the matters considered and decisions reached, including dissenting views expressed, and are open for inspection on reasonable notice by any Director. Draft and final versions of minutes are sent to all Directors for their comments and records respectively within a reasonable time after the board meeting is held.

All Directors have access to the advice and services of the Company Secretary with a view to ensuring the Board procedures are followed.

企業管治職能

本公司之企業管治職能由董事會根據其遵照企管守則之條文第D.3.1條於二零一五年一月二十三日採納之一套書面職權範圍而履行，其中包括(a)制定及審閱本公司的企業管治政策及常規；(b)審閱及監察本集團董事及高級管理人員的培訓及持續專業發展；(c)審閱及監察本公司在遵守法律及監管規定方面的政策及常規；(d)制定、檢討及監察適用於本集團僱員及董事的操守準則及合規手冊（如有）；及(e)審閱本公司遵守企管守則的情況及在本公司年報企業管治報告內的相關披露。

董事會程序

董事會定期每季度舉行會議，並於有需要時召開額外會議，以商討整體策略方針、本集團的營運、財務表現及批准中期及年度業績及其他重大事宜。就定期會議而言，董事會成員於相關會議舉行前最少14天接獲通知，而議程（連同開會文件）於相關會議舉行前最少3天送呈各董事。董事可向主席或公司秘書建議於定期董事會會議議程內增加事項。

董事會在董事會會議考慮任何動議或交易時，董事須申報其直接或間接利益（如有），並在適當情況下就相關董事會決議案放棄投贊成票。

董事會及董事委員會的會議記錄由公司秘書負責保存，其中包括會議所考慮事項及所作出決定的足夠詳情，包括所表達反對意見，而有關記錄可公開由任何董事於合理通知下查閱。於董事會會議召開後合理時間內，全體董事均獲發會議記錄的初稿和定稿，以供彼等提供意見和記錄存檔。

為確保遵守董事會程序，全體董事皆可向公司秘書尋求建議及服務。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Company's articles of association, a person may be appointed as a Director either by the shareholders in general meeting or by the Board. Any Directors appointed by the Board as additional Directors or to fill casual vacancies shall hold office until the next following general meeting, and are eligible for re-election by the shareholders. In addition, all Directors are required to retire by rotation at least once every three years at the annual general meeting, and are eligible for re-election by the shareholders.

Mr. Yang Xuetai, being independent non-executive Director has entered into an appointment letter with the Company for an initial term of three years commencing from the Listing Date. Each of Mr. Tso Sze Wai and Ms. Lee Kit Ying, Winnie have entered into an appointment letter with the Company for a term of one year.

Each of Mr. Lin Zhenshuang, being executive Directors and Ms. Lee Kit Ying and Mr. Yang Xuetai, independent non-executive Directors will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Company's articles of association.

BOARD DIVERSITY POLICY

Pursuant to the CG Code, the Board adopted a board diversity policy (the "Board Diversity Policy") on 23 January 2015. The Company recognises and embraces the benefits of diversity of Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge.

委任及重選董事

根據本公司的組織章程細則，任何人士均可由股東於股東大會上或由董事會委任為董事。任何獲董事會委任為新增董事或委任以填補臨時空缺的董事的任期直至下屆股東大會為止，惟彼等符合資格由股東重選。此外，全體董事均須最少每隔三年於股東週年大會上輪值告退一次，並符合資格由股東重選。

獨立非執行董事楊學太先生已與本公司訂立委任函，初步任期為自上市日期起計三年。曹思維先生及李結英女士已各自與本公司訂立委任函，任期均為一年。

執行董事林貞雙先生以及獨立非執行董事李結英女士及楊學太先生各自須根據本公司的組織章程細則於本公司股東週年大會退任及重選。

董事會多元化政策

根據企管守則，董事會於二零一五年一月二十三日採納董事會多元化政策（「董事會多元化政策」）。本公司肯定及接受董事會成員多元化的益處。在董事會所有任命將繼續奉行任人唯才的原則的同時，本公司將確保董事會在切合本公司業務所需的技能、經驗及多元化角度方面取得平衡。挑選候選人將基於多種不同方面，包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他經驗）、技術及知識。

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COMPANY SECRETARY

The Company has appointed Mr. Chiu Kung Wai, a member of the Hong Kong Institute of Certified Public Accountant, who is an employee of the Company as the Company Secretary. The Company Secretary reported to the Board from time to time. All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable laws, rules and regulations are followed.

During the year under review, Mr. Chiu Kung Wai has taken not less than 15 hours of relevant professional training and has fulfilled the requirement pursuant to Rule 3.29 of the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group established and maintained appropriate and effective risk management and internal control systems.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resource, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting function.

The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

The Group has established risk management procedures to address and handle the all significant risks associate with the business of the Group. The Board would perform annual review on any significant change of the business environment and establish procedures to response the risks result from significant change of business environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

公司秘書

本公司已委任趙公維先生為公司秘書，彼為香港會計師公會的會員及本公司僱員。公司秘書須不時向董事會報告。全體董事可尋求公司秘書的建議及服務，以確保遵守董事會程序及所有適用法律、條例及法規。

於回顧年度，趙公維先生已接受不少於15個小時的相關專業培訓及已達成上市規則第3.29條的規定。

風險管理及內部監控

董事會總體負責評估及釐定在達致本集團策略目標過程中其願意承擔的風險的性質及程度，並確保本集團已建立及具備適當且有效的風險管理及內部監控系統。

審核委員會審閱對本集團持續經營屬重大的風險管理及內部監控。審核委員會將考慮本集團會計、內部審核及財務報告職能方面的資源、員工及外聘顧問的資格、經驗及培訓之充足性。

本集團管理層負責設計、維持、實施及監察風險管理及內部監控系統以確保具備充足監控以保障本集團資產及利益相關者之權益。

本集團已制定風險管理程序以解決及處理有關本集團業務的所有重大風險。董事會將對業務環境的任何重大變動進行年度審閱並制定程序以應對業務環境重大變動所產生的風險。風險管理及內部監控系統旨在減輕業務的潛在虧損。

The management would identify the risks associate with the business of the Group by considering both internal and external factors and events which include political, economic, technology, environmental, social and staff. Each of risks has been assessed and prioritised based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results, type of risk management strategy has been listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
 - Risk avoidance: change business process or objective so as to avoid the risk;
 - Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market;
 - Risk transfer: transfer ownership and liability to a third party.
- 風險自留及降低：承擔風險的影響或本集團採取行動降低風險的影響；
 - 風險規避：改變業務程序或目標以規避風險；
 - 風險分擔及分散：分散風險的影響或將風險分配至不同的區域、產品或市場；
 - 風險轉移：將所有權及負債轉移至第三方。

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact results from the risks. The risk management and internal control system are design to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

For the year ended 31 December 2019, the Group has engaged an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. There is no significant deficiency and weakness on the internal control system has been identified by the external advisory firm for the year ended 31 December 2019.

The Board considered that, for the year ended 31 December 2019, the risk management and internal control system and procedures of the Group, covering all material controls including financial, operational and compliance controls and risk management functions were reasonably effective and adequate.

管理層將透過考慮內部及外部因素及事件（包括政治、經濟、技術、環境、社會及員工）識別有關本集團業務的風險。各風險已根據其相關影響及發生的可能性進行評估並確定優先次序。相關風險管理策略將根據評估結果而應用於各類風險，風險管理策略的類別載列如下：

設計及實施內部監控系統乃為減輕本集團所承受的業務相關風險並最大程度降低該等風險所造成的不利影響。風險管理及內部監控系統旨在管理而非消除未能達致業務目標的風險，且僅能合理保證而非絕對保證不出現重大錯誤陳述或損失。

截至二零一九年十二月三十一日止年度，本集團已委聘一間外部顧問公司承擔內部審核職能以確保本集團風險管理及內部監控系統的有效性及效率。截至二零一九年十二月三十一日止年度，該外聘顧問公司並無發現內部監控系統存在任何重大缺陷及不足。

董事會認為截至二零一九年十二月三十一日止年度，本集團涵蓋財務、營運及合規監控等所有重大監控以及風險管理職能的風險管理及內部監控系統及程序屬合理有效且充足。

CORPORATE GOVERNANCE REPORT

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FINANCIAL REPORTING AND AUDIT

FINANCIAL REPORTING

The Board acknowledges its responsibility to prepare the Company's financial statements which give a true and fair view of the Group's state of affairs, results and cash flows for the year and in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and the disclosure requirements of the Hong Kong Companies Ordinance. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as going concern. The responsibilities of Elite Partners CPA Limited, the Company's external auditor, with respect to financial reporting are set out in the section headed "Independent Auditor's Report" in this annual report.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the year ended 31 December 2019 are set out in Note 13 to the consolidated financial statements.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Biographical Details of Directors and Senior Management" in this annual report for the year ended 31 December 2019 by band is set out below:

Remuneration Bands 薪酬範圍		Number of Senior Management 高級管理人員人數
Nil to HK\$1,000,000	零至1,000,000港元	1

AUDITOR'S REMUNERATION

During the year, the Group engaged external auditor to perform audit and non-audit services amounted to approximately RMB671,000 and RMB135,000 respectively. The non-audit services included primarily ESG reporting advisory, internal control consultancy and reviewing certain financial information.

財務報告及審核

財務報告

董事會明白本身有責任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之披露規定編製本公司財務報表，真實公平反映本集團於本年度的事務狀況、業績及現金流量。本公司已根據審慎及合理判斷及估計選擇合適的會計政策並貫徹採用。董事會認為本集團備有充足資源於可見未來繼續經營業務，且並不知悉有關可能影響本公司業務或致令本公司持續經營能力成疑的事件或狀況出現之任何重大不確定因素。本公司外聘核數師開元信德會計師事務所有限公司就財務申報承擔的責任載於本年報「獨立核數師報告」一節。

董事及高級管理人員薪酬

董事截至二零一九年十二月三十一日止年度之薪酬詳情載於綜合財務報表附註13。

根據企管守則之守則條文第B.1.5條，按薪酬等級披露高級管理人員（不包括董事，彼等之詳情載於本年報「董事及高級管理人員履歷詳情」一節）截至二零一九年十二月三十一日止年度之薪酬如下：

核數師薪酬

年內，本集團委聘外聘核數師進行審核及非審核服務，相關薪酬金額分別約為人民幣671,000元及人民幣135,000元。非審核服務主要包括環境、社會及管治報告諮詢、內部監控諮詢及審閱若干財務資料。

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has in place a policy on handling and dissemination of inside information (“Policy”) which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to price the listed securities of the Company with the latest available information. This Policy also provides guidelines to staff of the Company to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information. Dissemination of inside information of the Company shall be conducted by publishing the relevant information on the websites of the Stock Exchange and the Company, according to the requirements of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS’ RIGHTS

The Company aims to, via its corporate governance structure, enable all its shareholders an equal opportunity to exercise their rights in an informed manner and allow all shareholders to engage actively with the Company. Under the Company’s articles of association, the shareholder communication policy and other relevant internal procedures of the Company, the shareholders of the Company enjoy, among others, the following rights:

(I) PARTICIPATION AT GENERAL MEETINGS

The general meetings of the Company provide an opportunity for direct communication between the Board and the shareholders. The Company encourages the participation of the shareholders through annual general meetings and other general meetings where the shareholders meet and exchange views with the Board, and to exercise their right to vote at meetings. The Company shall arrange notices of meetings and circulars containing details on proposed resolutions to be sent to the shareholders no less than 20 business days before the meeting. At general meetings, separate resolutions are proposed on each substantial issue, including the election of individual Directors.

處理及發佈內幕消息

本公司已制定一項處理及發佈內幕消息的政策（「政策」），當中列載及時處理及發佈內幕消息的程序及內部監控措施，不得使任何人士在交易中處於有利地位並使市場有時間依據最新可得之資料對本公司的上市證券進行定價。此政策亦為本公司員工提供指引以確保有妥善的防範措施，防止本公司違反法定披露規定。其中亦包含適當的內部監控及報告系統以識別及評估潛在內幕消息。本公司內幕消息的發佈須透過根據上市規則的規定在聯交所及本公司網站刊發相關資料而進行。

與股東溝通及股東權利

本公司旨在透過其企業管治架構，讓全體股東有平等機會在知情情況下行使其權利，並讓全體股東積極參與本公司業務。根據本公司的組織章程細則、股東溝通政策及本公司其他相關內部程序，本公司股東可享（其中包括）以下權利：

(I) 參加股東大會

本公司的股東大會提供機會讓董事會與股東直接溝通。本公司鼓勵股東透過出席股東週年大會及其他股東大會參與本公司事務，會上股東可與董事會會面及交流意見，及行使其投票權利。本公司將安排於舉行大會前不少於20個營業日向股東發出大會通告及載有提呈決議案詳情的通函。於股東大會上，將就各重大事項（包括選舉個別董事）提呈獨立決議案。

CORPORATE GOVERNANCE REPORT

企業管治報告

(II) ENQUIRIES AND PROPOSALS TO THE BOARD

The Company encourages shareholders to attend shareholders' meetings and make proposals by either directly raising questions on both operational and governance matters to the Board and Board Committees at the general meetings or providing written notice of such proposals for the attention of the Company Secretary at the principal place of business of the Company in Hong Kong currently situated at Room 904, Loon Kee Building, 275 Des Voeux Road Central, Hong Kong or via email to enquiry@jcumbrella.com.

(III) CONVENING EXTRAORDINARY GENERAL MEETINGS

The Directors may, whenever they think fit, convene an extraordinary general meeting. Extraordinary general meetings shall also 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 having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Company Secretary and deposited at the principal place of business of the Company in Hong Kong currently situated at Room 904, Loon Kee Building, 275 Des Voeux Road Central, Hong Kong, for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

There are no provisions under the Company's articles of association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

(II) 向董事會查詢及提出建議

本公司鼓勵股東出席股東大會，並透過於股東大會向董事會及董事委員會就有關營運及管治事宜直接提問作出建議，或將有關建議的書面通知送交本公司的香港主要營業地點，現時地址為香港德輔道中275號龍記大廈904室，或電郵至 enquiry@jcumbrella.com 以呈交公司秘書。

(III) 召開股東特別大會

董事可酌情隨時召開股東特別大會。於提呈有關要求當日持有附帶權利於股東大會投票的本公司繳入股本不少於十分之一的一名或多名股東亦可要求召開股東特別大會。有關要求應以書面方式向董事或公司秘書提出，並送交本公司的香港主要營業地點，現時地址為香港德輔道中275號龍記大廈904室，以要求董事就處理有關要求所指任何事務召開股東特別大會。有關大會須於提出要求後兩個月內召開。倘於提出有關要求後二十一(21)日內董事仍未召開有關大會，則提出要求的人士可以相同形式自行召開大會，而提出要求人士因董事未有召開大會而產生的所有合理開支將由本公司向其償付。

本公司組織章程細則或開曼群島第22章公司法(一九六一年第3號法案，綜合及經修訂)概無有關股東在股東大會提出建議的程序的規定(提名候選董事的建議除外)。股東可根據上述程序召開股東特別大會以處理有關書面要求提出的任何事務。

The notice of annual general meeting together with the accompanying circular setting out the relevant information as required under the Listing Rules are sent to shareholders at least 20 clear business days prior to the meeting. Poll voting has been adopted for decision-making at shareholders' meetings to ensure that each share is entitled to one vote. Details of the poll voting procedures are set out in the circular sent to shareholders prior to the meeting and explained at the commencement of the meeting. Voting results are posted on the Company's website on the day of the annual general meeting.

(IV) PROCEDURES FOR PROPOSING A PERSON FOR ELECTION AS A DIRECTOR

Pursuant to the Article 113 of the articles of association of the Company, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office of the Company. The period for lodgement of the notices required will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2019, there was no change in the memorandum and articles of association of the Company.

股東週年大會通告連同上市規則規定須列明相關資料的隨附通函於大會前至少20個完整營業日向股東發出。於股東大會上的決定乃採納按股數投票表決方式，以確保每股股份均有一票投票權。按股數投票表決程序的詳情載於在大會前寄發予股東的通函，並於大會開始時加以解釋。投票表決結果於股東週年大會當日在本公司網站公佈。

(IV) 提名人士參選董事的程序

根據本公司組織章程細則第113條，除退任董事外，概無任何人士（於會上退任的董事除外）有資格於任何股東大會上膺選董事，除非獲董事推薦膺選，且已發出書面通知表明建議提名相關人士膺選董事，亦附上獲提名人士簽署的書面通知表明願意膺選，交予本公司總辦事處或過戶登記處。發出所規定通知的限期，為不早於寄發有關推選董事之股東大會通告翌日起至不遲於該股東大會舉行日期前七日，惟可向本公司發出通知的最短期限不得少於七日。

章程文件

截至二零一九年十二月三十一日止年度，本公司的組織章程大綱及細則概無變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTS

EMISSIONS

The Group's umbrella manufacturing business closely relates to environmental protection – one of the core values of the Group. As a leader of Asia's umbrella industry, the Group follows closely the relevant laws and regulations implemented and specific actions taken by different countries on the reduction of greenhouse gas emission.

Violating the environmental regulations may result in temporary suspension of production. During the year ended 31 December 2019, the Group did not aware of any non-compliance with these environmental regulations.

Emissions management

The Group repeatedly implemented energy saving projects and replacement of high carbon emissions as measures in order to establish emission reduction and energy saving. The Group's factories during the production are completely based on ISO 14001 standard, the environmental management system.

It is the view of the Group that POE and nylon used for the productions of their umbrella business are the most critical environmental concerns of the Group and its stakeholders. Further, the machineries used for their production are powered by electricity, which will result in a certain amount of carbon footprint. Therefore, the Group has established policies to limit emissions from the production by ensuring the efficient use of frequent facilities checking.

Air emissions

During the year under review, air pollutants emitted from the Group such as sulphur oxides ("SOx"), nitrogen oxides ("NOx") and particulate matter ("PM") were generated from vehicles used for transportation. To minimize the adverse impact on the environment, all vehicles and machineries of the Group are driven by unleaded petrol.

環境

排放

本集團的雨傘製造業務與環境保護密切相關，而環保正是本集團的核心價值之一。作為亞洲雨傘業龍頭企業，本集團嚴格遵循各國就減少溫室氣體排放實施的相關法律及法規以及所採取的具體行動。

違反該等環境法規可導致暫時停產。截至二零一九年十二月三十一日止年度，本集團並無發現任何違反該等環境法規的事宜。

排放管理

本集團已多次實施節能項目，替換高碳排放的設備，以實現節能減排。本集團工廠在生產過程中完全依照ISO 14001環境管理體系標準。

本集團認為，雨傘業務生產所用的POE及尼龍是本集團及其利益相關者最主要的環境關切點。此外，生產POE及尼龍的機器由電力驅動，會釋放一定量的二氧化碳。因此，本集團已制定政策，透過確保有效頻密的設備檢查，限制生產過程中的碳排放。

氣體排放

於回顧年度，本集團排放的空氣污染物（例如二氧化硫（「SOx」）、二氧化氮（「NOx」）及顆粒物質（「PM」）乃用於運輸的車輛所產生。為盡量減少對環境的不利影響，本集團所有車輛及機器均使用無鉛汽油。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Greenhouse gas (GHG) emissions

The Group has constantly updated with the local legislation and standards for environmental protection and assessed whether these legislations and standards are related to the business of the Group and the Group's compliance status. During the year ended 31 December 2019, the Group has complied with environmental laws and regulations applicable to the Group's business. The Group will continue looking for ways to reduce carbon dioxide (CO₂) emissions and land contamination.

溫室氣體排放

本集團根據本地環保法例及標準不斷更新，並評估該等法例及標準是否與本集團之業務有關以及本集團合規情況。截至二零一九年十二月三十一日止年度，本集團已遵守適用於本集團業務之環境法律及法規。本集團將繼續尋求減少二氧化碳排放及土地污染之方法。

		2019 二零一九年	2018 二零一八年
Air emissions	氣體排放		
Nitrogen oxides ("NOx")	二氧化氮 (「NOx」)	222,868 g 克	164,739 g 克
Sulphur oxides ("SOx")	二氧化硫 (「SOx」)	379 g 克	250 g 克
Particular matters	顆粒物質	20,872 g 克	1,324 g 克
Greenhouse gas (GHG) emissions	溫室氣體排放		
Scope 1 – direct emissions from the use of motor vehicles	範圍1 – 使用機動車輛的直接排放	70 tonne 噸	44 tonne 噸
Scope 2 – indirect emissions from the consumption of electricity	範圍2 – 耗電的間接排放	5,382 tonne 噸	5,747 tonne 噸
Scope 3 – other indirect emissions	範圍3 – 其他間接排放	25 tonne 噸	29 tonne 噸
Total GHG emissions	溫室氣體總排放量	5,477 tonne 噸	5,820 tonne 噸
Intensity of GHG emissions per million RMB revenue	每百萬人民幣收入溫室氣體排放密度	10 kg 千克	11 kg 千克

Waste productions

Waste production was mainly attributed to the discarded packaging materials and domestic wastes of office, while no hazardous wastes are produced during the manufacturing process. About 265 tonnes of non-hazardous waste were discharged which are mainly basic household garbage during the year ended 31 December 2019.

廢棄物

廢棄物的產生主要來源於廢棄包裝材料及辦公室生活垃圾，而製造過程中並未產生有害廢棄物。截至二零一九年十二月三十一日止年度，本集團排放約265噸無害廢棄物，主要為基本生活垃圾。

For the year ended 31 December 2019, the Group minimizes the materials used in the manufacturing process so as to maximize the resource efficiency of our operations. The Group makes a record of the amount of material used to reduce unnecessary waste of materials. The Group uses appropriate tools to further avoid excessive use of components and materials in the manufacturing process.

截至二零一九年十二月三十一日止年度，本集團盡量減少生產流程中所用的材料，以最大化業務的資源效率。本集團對所用材料量進行記錄以減少材料的不必要浪費，並在生產流程中使用適當工具，進一步避免濫用部件及材料。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Waste production was mainly attributed to the domestic wastes of office. Throughout the Group, the following actions have been taken to reduce waste productions:

- communicate through e-mails to reduce the use of papers;
- duplex printings and reuse single-sided printed papers; and
- monitor the production process to reduce errors and reproductions.

USE OF RESOURCES

Energy consumption

The Group is committed to consume efficiently the resources during production. For the year ended 31 December 2019, the Group aims to reduce consumption through more targeted efforts by participating in an energy conservation programme.

The Group engaged in production has taken to restrict control of discharging waste into the air, land and water. It is the Group's policies to maintain the manufacture process in an efficient and effective manner. The Group strived to mitigate the environmental impact of its umbrella producing activities. Also, the Group ensured waste water is properly connected to municipal sewage system and all land waste is send to municipal solid waste management plant during production.

In 2019, the Group constantly pursued the efficient use of resources. The Group also and rationalized planning equipment layout and operational processes to reduce the waste of energy and resources generated during the production process. It is the Group's policy to maintain the manufacture process in an efficient and effective manner to reduce accordingly the energy waste in the production.

Packaging materials

The packaging materials used by the Group are primarily plastic wrapping films and carton boxes, of which the sizes are determined according to the requirements of different customers. Despite the use of packaging materials to the products, the Group makes every effort to minimise the wastage of resource. During the year ended 31 December 2019, the Group has wholly stopped using individual plastic bags for each products.

廢棄物的產生主要來源於辦公室的生活垃圾。本集團上下已採取以下措施減少廢棄物：

- 使用電郵溝通，減少紙張使用；
- 雙面打印及重複使用單面打印的紙張；及
- 監督生產流程，減少錯誤及再生產。

資源利用

能源消耗

本集團致力於在生產過程中高效利用各類資源。截至二零一九年十二月三十一日止年度，本集團透過參與一項節能計劃更有針對性地減少消耗。

本集團嚴格控制生產中向大氣、土壤及水排放廢棄物，並已制定相關政策以維持高效及有效的生產流程。本集團致力減輕其雨傘生產活動對環境的影響。此外，本集團確保生產過程中的污水恰當接入市政污水系統並將所有固體廢棄物送往市政固體廢棄物處理廠。

於二零一九年，本集團持續推行有效使用資源。本集團亦合理化調整規劃設備佈局及運作程序，以減少生產過程中產生的能源及資源浪費。本集團實行維持高效及有效的生產流程以相應減少生產中的能源浪費的政策。

包裝材料

本集團使用的包裝材料主要為塑膠包裝薄膜及硬紙盒，尺寸根據不同客戶的要求釐定。儘管使用產品包裝材料，本集團盡力減少資源浪費。截至二零一九年十二月三十一日止年度，本集團各產品已全面停止使用獨立塑料袋。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The details of the consumption of natural resources and the use of packaging materials are summarised as below:

自然資源的消耗及包裝材料的使用詳情概述如下：

	Unit 單位	Consumption 消耗		Consumption intensity (per million RMB revenue) 消耗密度 (每百萬人民幣收入)	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
Natural resources 自然資源					
Water 水	m ³ 立方米	113,789	130,935	203	251
Electricity 電力	kWh 千瓦時	6,688,499	7,142,702	11,973	13,705
Paper 紙張	Kg 千克	395	416	0.7	0.8
Unleaded petrol 無鉛汽油	L 升	25,797	17,038	43.8	33
Packaging materials 包裝材料					
Carton box 紙箱	Unit 個	1,414,923	529,832	2,533	1,017
Plastic bags 塑料袋	Unit 個	Nil 無	966,000	N/A 不適用	1,853
Packaging wrap 包裝膜	kg 千克	154,750	139,188	277	267

The consumption intensity of water and electricity are dropped by 19% and 13% respectively. This is the key for the Group to attribute to the environmental friendly strategies. The Group is committed to perform regular assessment in analysing data in aims for better management in the use of resources.

用水密度及用電單耗分別下降19%及13%。此為本集團踐行環保策略的關鍵。本集團承諾定期評估相關分析數據以更好地管理資源的利用。

The Environment and Natural Resources

The Group has been promoting the sustainable use of natural resources. For example, Polyvinyl Chloride ("PVC") is relatively cheap, easy to assemble and is durable. However, PVC degrades very slowly, and can release toxic when being burn. The Group has therefore been using POE to manufacture its products. POE is an environmental friendly fabric for an umbrella's canopy, which is free of Azo and heavy metal Chromium. POE is also biodegradable and recyclable and is an environmentally friendly substitute for PVC. Also, the Group has policies for daily inspection and maintenance in order to maintain the facilities' efficiency.

環境及自然資源

本集團持續推動自然資源的可持續利用。例如，聚氯乙烯（「PVC」）價格低廉、易於組裝且牢固耐用。然而，PVC降解非常緩慢，在燃燒時會釋放有毒氣體。因此，本集團一直使用POE材料生產產品。POE是一類可用於雨傘遮篷的環保織物，不含偶氮及重金屬鉻，亦可生物降解及回收，是PVC的環保替代品。此外，本集團已制定日常檢查及維護政策，以保持設施的工作效率。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

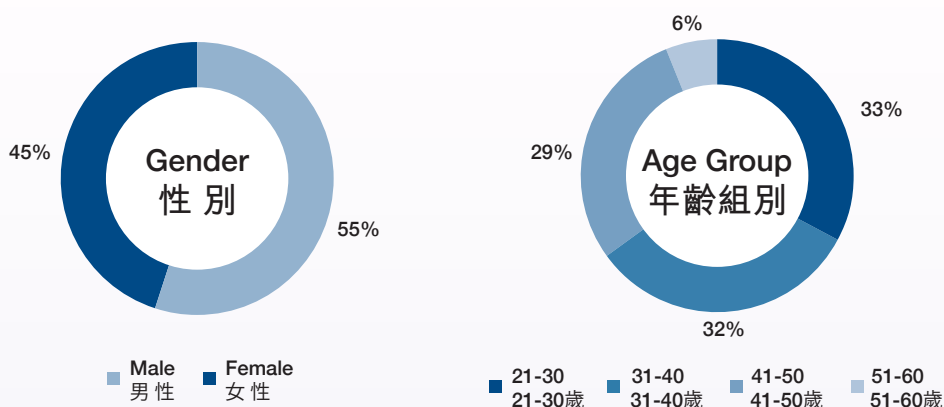
EMPLOYMENT AND LABOUR PRACTICES

EMPLOYMENT

As a labour-intensive industry, the Group's success would greatly rely on the effort contributed by employees of the Group. For the year ended 31 December 2019, the total number of the employees of the Group in China was 1,364, including 7 executives, 12 managers, 379 officers and 966 workers. The gender ratio between male and female as of 31 December 2019 is approximately at 11:9.

The Group has adopted practices and policies of Labour Law of the People's Republic of China 《中華人民共和國勞動法》, Labour Contract Law of People's Republic of China 《中華人民共和國勞動合同法》 and other relevant laws. The Group had in place human resources management system that contain specific terms to address compensation and dismissal, working hours, rest periods and other benefits and welfare for our staff. The Group's employee handbook distributed to employees also highlight important information of policies on compensation, employee benefits, rights on termination, business conduct and leave benefits.

Staff details are categorised by gender and age group are as follow:



During the reporting period, the Group did not aware of any material non-compliance relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, discriminations.

僱傭及勞工慣例

僱傭

身處勞動密集型行業，本集團的成功很大程度上依賴本集團員工所作的努力。截至二零一九年十二月三十一日止年度，本集團於中國共擁有1,364名僱員，其中包括7名行政人員、12名經理、379名高級職員及966名工人。截至二零一九年十二月三十一日，男女的性別比例約為11:9。

本集團已採納《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及其他相關法律規定的多項慣例及政策。本集團設有人力資源管理系統，當中載有對員工的補償及解僱、工作時長、休息時間以及其他利益及福利的具體條款。本集團向員工發放的員工手冊中亦強調了有關補償、員工福利、解約權利、業務操守及假期福利的政策的重要資料。

按性別及年齡組劃分的僱員詳情如下：

報告期間，本集團並無發現有關補償及解僱、招聘及晉升、工作時長、休息時間、均等機會、多元化、歧視的重大不合規情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

HEALTH AND SAFETY

In order to minimise workplace incidents and put the health and safety of the staffs as the priority of productions, the Group has established a set of staff handbooks, which included aspects such as safety policies. Every worker was required to follow safety instructions. During that year, the Group has no reported incidents of non-compliance with regulations concerning workplace health and safety.

Workplaces are equipped with fire and safety facilities to prevent and control outbreak of fire accidents. Also, the functionality of the fire facilities has been regularly checked, for example, fire exits were always constantly kept clear. Staff had been trained and possess basic knowledge in using fire extinguishing equipment. Fire drills have also been regularly conducted. There are strict requirements for staff in clothing, access of non-operational staff, and knowledge of workplace hazards to ensure the safety of our employees.

The Group has no reported work injuries and work-related fatalities during the year ended 2019. The Group will continue to improve the safety management system in order to protect employees' health and safety in workplace.

DEVELOPMENT AND TRAINING

The Group encourages its employees to advance and improve themselves pursuing further development. Therefore, the Group has held various internal and external training programs to further develop its workforce. Regularly, staffs would be assigned to attend training courses such as management certificate studies, first aids training, and top-up courses for specialized skills.

During the year ended 31 December 2019, there are over 2,415 participants in total for monthly training session. The male to female ratio of participants is 13:10. Subjects included orientation, pre-job training, on-the-job training, fire safety, professional skill and so on. Then, company would gather back feedback and recommendations from staffs to further improve the quality and effectiveness of training.

健康與安全

為最大程度減少工作場所事故並將員工的健康與安全置於生產過程中的重要位置，本集團制定了一套員工手冊，當中包括安全政策等多個方面。各員工均須遵守相關安全指引。年內，本集團並無報告任何有關工作場所健康與安全的不合規事件。

工作場所配有消防設施，以預防及控制火災事故的發生。另外，本集團會定期檢查消防設施的有效性（如消防通道保持持續暢通），對員工進行培訓以保證其具備使用滅火設備的基本知識，並定期進行消防演練。我們對員工著裝、非操作人員的進入權限、瞭解工作場所危險性方面作出了嚴格的規定以確保僱員的安全。

截至二零一九年止年度，本集團並無呈報任何工傷及工作相關的死亡事故。本集團將繼續完善安全管理制度，保護僱員於工作場所的健康及安全。

發展及培訓

本集團鼓勵其僱員進修以提升自我，追求更大發展。因此，本集團為員工的進一步發展開設多項內部及外部培訓課程，定期派員工參加培訓課程，如管理證書學習、急救培訓及專業技能進修課程等。

截至二零一九年十二月三十一日止年度，共有超過2,415人參加每月的培訓課程，參加者中的男女比例為13:10。課程主題包括新員工培訓、職前培訓、在職培訓、消防安全及專業技能等。其後，本公司會向員工收集反饋及建議以進一步提升培訓的質素及有效性。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

LABOUR STANDARDS

The Group strictly complied with Labour Contract Law of the People's Republic of China, the Protection of Minors and as stipulated by the Labour Law of the PRC in terms of employment management, there is neither child nor forced labour in our Group's operation. For the year ended 31 December 2019, no employees of the Group aged under 16. Further, there had not been any no dispute between the Group and its teams of staff.

OPERATING PRACTICES

SUPPLY CHAIN MANAGEMENT

In order to maintain long term relationship with its suppliers for ensuring stable supply, the Group establishes a comprehensive vertical supply chain management system through supplier screening and management and resource integration. The group has 822 suppliers while about 97% of supplier located in the Mainland China and other suppliers are mainly from other Asian countries. Raw materials suppliers are the major suppliers of the Group. Thus, the Group would evaluate the performance of the major vendors of the Group, on whether the quality of raw materials have passed the Group's requirement and standards. Raw material that does not qualify will be returned to supplier.

The quality and safety of our products are the top priorities of the Group. The Group are committed to ensure its supply chain is operating as efficiently as possible to ensure its products are safe and standardised. Greater emphasis is placed on the communication and relationship with the suppliers towards sustainable development.

PRODUCT RESPONSIBILITY

The Group has put the product quality as its first priority as the performance of the product can directly affect the relationship with customers as well as the reputation of the business. Therefore, the Group has already been focusing on meeting customer expectations and delivering customer satisfaction by introducing ISO 9001.

勞動準則

本集團嚴格遵守《中華人民共和國勞動合同法》。根據《中華人民共和國未成年人保護法》及《中華人民共和國勞動法》有關僱傭管理的規定，本集團在營運中並無使用童工或強迫勞工情況。截至二零一九年十二月三十一日止年度，本集團並無16歲以下的僱員，且本集團與其員工隊伍間並無任何糾紛。

經營條例

供應鏈管理

為與其供應商保持長期合作關係以保證穩定的供應，本集團建立了涵蓋供應商篩選及管理以及資源整合的全面垂直供應鏈管理體系。本集團有822名供應商，約97%的供應商位於中國內地，而其他供應商則主要來自其他亞洲國家。原材料供應商是本集團的主要供應商。因此，本集團會根據原材料的質素是否符合本集團的要求及標準來評估本集團主要供應商的表現。質素不合格的原材料將退回至供應商。

產品質素及安全是本集團的重中之重。本集團努力確保其供應鏈能夠盡最大效率運作以保證其產品的安全性及標準化，並會更多注重與供應商的溝通及關係以達致可持續發展。

產品責任

由於產品的性能能夠直接影響我們與客戶的關係以及公司的聲譽，本集團將產品質素置於首位，並因此一直以來注重滿足客戶的期望及通過引入ISO 9001標準，使客戶滿意。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

To improve the product quality management of the Group, the Group strive to identify product quality problems earlier and address the problems promptly. This promote the protection of the company's credibility and enhance the company's market share. As a testament of this, the company uses "Plastic umbrella product standards and test methods" 《塑膠傘產品標準及檢驗方法》 and "Nylon umbrella product standards and test methods" 《尼龍傘產品標準及檢驗方法》 to control the quality. Quality control covers raw materials quality control, manufacturing process quality control and finished product quality control.

The products of the Group are subjected to the Product Quality Law of the People's Republic of China 《中華人民共和國產品質量法》 which ensure the company's responsibility to compensate for damages done to persons or property in case of defected products. For the year ended 31 December 2019, the Group did not have any products returned due to safety or health problems or any significant complaint received from our customers. In order to protect consumer data and privacy, client information is kept confidentially and destroyed on a timely basis.

ANTI-CORRUPTION

The Group sees integrity as the key for sustainable development of the Group. The Group strives to maintain high standards of business integrity in its operation, the Group has no tolerance towards any corruption, fraud, money laundering, bribery, and extortion. During this financial year, the Group did not have any violation of laws and regulations relevant to the activity of the Group, such as Criminal law of the People's Republic of China 《中華人民共和國刑法》 and the Anti-Unfair Competition Law of the People's Republic 《中華人民共和國反不正當競爭法》.

The Group also sees that a management system with good moral integrity and anti-corruption mechanisms is the cornerstone for sustainable and healthy development of the Group. The Group has in place procedures to comply with guidelines on anti-money laundering and counter-terrorist financing. Any suspicious transactions would be notified and reported to the relevant governing body by a responsible officer.

During the year ended 31 December 2019, the Group did not aware of any non-compliances of anti-corruption.

為提升本集團的產品質素管理，本集團爭取提前發現產品質素問題和及時解決問題，不僅促進了對本公司可信度的保護，亦提升了本公司的市場份額。本公司使用《塑膠傘產品標準及檢驗方法》及《尼龍傘產品標準及檢驗方法》控制產品質素即可證明此點。質素控制涵蓋原材料質素控制、生產流程質素控制及成品質素控制。

本集團產品受《中華人民共和國產品質量法》規限，當中規定公司須就因產品缺陷造成的人身財產損失承擔賠償責任。截至二零一九年十二月三十一日止年度，本集團並無任何產品因安全或健康問題而遭退回，亦未接到任何重大客戶投訴。為保護客戶數據及隱私，客戶資料乃保密存放並會及時銷毀。

反腐敗

本集團視信譽為其實現可持續發展的關鍵，並致力於經營過程中維持高標準的商業信譽，絕不容忍任何腐敗、欺詐、洗錢、賄賂及敲詐行為。於本財政年度，本集團並無違反任何與本集團活動有關的法律及法規，如《中華人民共和國刑法》及《中華人民共和國反不正當競爭法》。

本集團亦認為具備良好道德準則及反腐機制的管理制度是本集團可持續健康發展的基石。本集團已制定程序以遵守有關反洗錢及反恐恐怖主義融資的指引。倘有任何可疑交易，即會由相關負責人通知及報告予有關主管機關。

截至二零一九年十二月三十一日止年度，本集團並無發現任何不遵守反腐敗的事宜。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

COMMUNITY INVESTMENT

In order to be a good business leader, it is the Group's believe that it is fundamental to be a good community leader: The Group see this as a responsibility of being a successful company. As such, the Group believes in giving back to the society. The Group makes effect in evaluating community programmes that prompts the same ideology of the Group and the Group makes substantial monetary contributions. This year, the Group has donated RMB310,000 to various recognised charity organisations, including Quanzhou Merchants Development Promotional Association (“泉州泉商發展促進會”) and some other local charity organisations in Fujian Province. The Group will continue to support a wide range of area of contributions, including education, medicals, elderly care by supporting these and other similar organisations.

社區投入

本集團認為，要成為卓越的業界領袖，最基本的一點是要成為優秀的社區領頭人，而這也正是成功公司的責任所在。因此，本集團篤信回饋社會的重要性。對於倡導本集團同一理念的社區項目，本集團於評估方面付諸努力，並作出重金捐款。年內，本集團向泉州泉商發展促進會及福建省若干其他當地慈善組織等多個獲認可的慈善機構捐款人民幣310,000元。本集團透過支持該等機構及其他類似組織繼續向教育、醫療、養老等領域作出捐款。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷詳情

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Huang Wenji (黃文集), aged 51, is the Chairman of the Board. Mr. Huang was appointed as a Director on 12 June 2014 and re-designated as an executive Director on 25 September 2014. He founded our Group in May 1996 and is responsible for the overall management, strategic development and major decision-making of our Group. Mr. Huang is a Controlling Shareholder. Mr. Huang completed his secondary education in the PRC in July 1987.

Mr. Yang Guang (楊光), aged 51, was appointed as an executive Director on 25 September 2014. He joined our Group in November 2007 as financial controller as well as secretary to the board of directors of Fujian Jicheng Umbrella Co., Ltd. (福建集成傘業有限公司) ("Fujian Jicheng"). Mr. Yang has been the deputy general manager of Fujian Jicheng since November 2010, and is responsible for supervising our Group's production. He worked for 大冶特殊鋼股份有限公司 (Daye Special Steel Co., Ltd.) as finance officer from November 1999, and was promoted to finance manager in August 2001. He then worked for 福建潯興集團有限公司 (Fujian Xunxing Group Company Limited) as finance manager from May 2002 to October 2007. Mr. Yang graduated from Zhongnan University of Economics with finance major in July 1994.

Mr. Lin Zhenshuang (林貞雙), aged 41, was appointed as an executive Director on 25 September 2014. He joined our Group in August 2001 and is the manager of the international business department of Jinjiang Jicheng Industry Co., Ltd. (晉江集成輕工有限公司) ("Jinjiang Jicheng"). He is responsible for supervising our Group's sales and marketing operations. Mr. Lin graduated from Huaqiao University with a diploma in Japanese Language in June 2000.

Mr. Chung Kin Hung, Kenneth (鍾健雄), aged 53, was appointed an executive Director of the Company on 13 April 2015. He has more than 10 years' experience in project management and business strategic planning. Mr. Chung worked as a production manager in the field of consumer electronics products for over 5 years and his responsibilities mainly focused on overseeing the production process. Mr. Chung is responsible for the strategic planning and finance of the Group.

董事

執行董事

黃文集先生，51歲，為董事會主席。黃先生於二零一四年六月十二日獲委任為董事並於二零一四年九月二十五日調任為執行董事。彼於一九九六年五月創建本集團，負責本集團之整體管理、策略發展及主要決策。黃先生為控股股東。黃先生於一九八七年七月在中國完成中學教育。

楊光先生，51歲，於二零一四年九月二十五日獲委任為執行董事。彼於二零零七年十一月加盟本集團，擔任財務總監以及福建集成傘業有限公司（「福建集成」）董事會秘書。自二零一零年十一月起，楊先生一直為福建集成之副總經理，並負責監管本集團之生產。彼自一九九九年十一月起任大冶特殊鋼股份有限公司之財務人員，並於二零零一年八月晉升為財務經理。之後，彼於二零零二年五月至二零零七年十月任福建潯興集團有限公司之財務經理。楊先生於一九九四年七月畢業於中南財經大學財政專業。

林貞雙先生，41歲，於二零一四年九月二十五日獲委任為執行董事。彼於二零零一年八月加盟本集團，擔任晉江集成輕工有限公司（「晉江集成」）國際業務部經理，負責監管本集團之銷售及市場推廣活動。林先生於二零零零年六月畢業於華僑大學，獲日語文憑。

鍾健雄先生，53歲，於二零一五年四月十三日獲委任為本公司之執行董事。彼於項目管理及業務策劃方面擁有逾10年經驗。鍾先生在消費電子產品領域擔任生產經理逾五年之久，主要負責專注監視生產過程。鍾先生負責本集團之策略規劃及財務。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tso Sze Wai (曹思維), aged 49, was appointed as an independent non-executive Director on 7 October 2016. Mr. Tso holds a Bachelor degree in Commerce awarded by University of New South Wales, Australia and a postgraduate diploma in Computing in the University of Western Sydney, Australia. He is a member of the Hong Kong Institute of Certified Accountants. He has over 20 years of experience in accounting, corporate finance and corporate secretarial matters. He was the financial controller and company secretary of Green Energy Group Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 979). He had held senior management positions in a number of listed companies in Hong Kong and Singapore.

Mr. Yang Xuetai (楊學太), aged 46, was appointed as an independent non-executive Director on 23 January 2015. Mr. Yang graduated from China Academy of Art with a bachelor degree in industrial design in July 1998 and a master degree in art in January 2010. He has been working for the art faculty of The Huaqiao University as assistant professor since 2010. He had also been a visiting scholar of Tunghai University in Taiwan for five months in 2012.

Ms. Lee Kit Ying, Winnie (李結英), aged 46, was appointed as an independent non-executive Director on 21 August 2015. Ms. Lee holds a Postgraduate certificate in Business Administration from The Open University of Hong Kong and Diploma in Accounting from The University of Hong Kong, School of Professional and Continuing Education. Ms. Lee has over 20 years of experience in finance and administration. She has worked for various foreign and multi-national organisation.

SENIOR MANAGEMENT

Mr. Liu Liangping (劉良平), aged 51, is the manager of the Group's research and development department. He joined our Group in 2000 as manager of the production department of Jinjiang Jicheng. He has later become the manager of the Group's research and development department and is responsible for supervising our Group's product design, and research and development operations. Mr. Liu completed his secondary education in the PRC in June 1986.

獨立非執行董事

曹思維先生，49歲，於二零一六年十月七日獲委任為獨立非執行董事。曹先生持有澳洲新南威爾士大學商學士學位及澳洲西悉尼大學電腦學研究生文憑。彼為香港會計師公會會員，於會計、企業財務及企業秘書事宜方面積逾20年經驗。彼擔任聯交所主板上市公司綠色能源科技集團有限公司（股份代號：979）之財務總監兼公司秘書。彼曾於香港及新加坡多間上市公司出任高級管理層職位。

楊學太先生，46歲，於二零一五年一月二十三日獲委任為獨立非執行董事。楊先生於一九九八年七月畢業於中國美術學院，取得工業設計學士學位，並於二零一零年一月取得藝術碩士學位。彼自二零一零年起一直於華僑大學美術系任副教授。彼亦於二零一二年於台灣東海大學擔任五個月之訪問學者。

李結英女士，46歲，於二零一五年八月二十一日獲委任為獨立非執行董事。李女士持有香港公開大學頒授的工商管理深造證書及香港大學專業進修學院頒授的會計學文憑。李女士於財務及行政方面擁有逾20年經驗。彼曾於多家外資及跨國機構工作。

高級管理層

劉良平先生，51歲，為本集團研發部經理。彼於二零零零年加盟本集團，擔任晉江集成生產部經理。之後，彼成為本集團之研發部經理，負責監管本集團之產品設計以及研發事務。劉先生於一九八六年六月在中國完成中學教育。

REPORT OF THE DIRECTORS

董事會報告

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

PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in the Cayman Islands. The Group's principal place of business is in the PRC.

PRINCIPAL ACTIVITIES

The principal activities of the Group are manufacture and sale of umbrellas and the relevant products. The principal activities and other particulars of the subsidiaries are set out in note 39 to the consolidated financial statements.

BUSINESS REVIEW

A business review in respect of the Group's performance for the year ended 31 December 2019 and the material factors underlying its results and financial position, principal risks and uncertainties facing the Group, as well as the Group's environmental policies, are set out in the section headed "Management Discussion and Analysis" on pages 6 to 15 of this report.

ENVIRONMENTAL POLICIES AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to the long term sustainability of the environment and communities in which it operates. The Group is committed adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. We strive to minimize our environmental impact by energy saving, recycling of used papers, office supplies and other materials. For details, please refer to the section headed "Environmental, Social and Governance (ESG) Report" on pages 32 to 40 of this report.

During the year, the Group was not aware of any incidence of non-compliance with the relevant laws and regulations that have a significant impact on the Group's business and operations.

董事欣然提呈年報連同本集團截至二零一九年十二月三十一日止年度經審核綜合財務報表。

主要業務地點

本公司在開曼群島註冊成立。本集團的主要業務地點位於中國。

主要業務

本集團的主要業務為製造及銷售雨傘及相關產品。主要業務及附屬公司的其他詳情載於綜合財務報表附註39。

業務回顧

有關本集團截至二零一九年十二月三十一日止年度之表現及與其業績以及財務狀況相關的重要因素、本集團面臨的主要風險及不確定因素以及本集團的環境政策之業務回顧載於本報告第6頁至15頁「管理層討論與分析」一節。

環境政策與遵守法律及法規

本集團致力於維持其運營所在環境及社區的長期可持續性，努力採取有效措施以實現資源的高效利用、節能及減污目標。我們透過節約能源、回收廢棄紙張、辦公用品及其他材料盡最大努力減輕對環境的影響。有關詳情，請參閱本報告第32頁至40頁的「環境、社會及管治」一節。

年內，本集團並不知悉對本集團的業務及營運有重大影響的任何違反相關法律及法規之事項。

REPORT OF THE DIRECTORS

董事會報告

RELATIONS WITH KEY STAKEHOLDERS

The Board recognises that our employees are one of the greatest assets contributing to the Group's future success. The Group strives to motivate its employees with competitive remuneration package and opportunities for advancement and improvement of their skills to attract and retain our employees. The Board reviews the remuneration package of our employees annually and makes necessary adjustments to conform to the prevailing market practices. The Group also adopted share options scheme to reward the contribution of the employees as an incentive.

The Board also strives to develop long-standing and good relationships with our customers and suppliers in order to achieve the Group's long-term goals.

During the year, there was no significant dispute between the Group and our business partners.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2019, aggregate sales to the Group's largest and top five customers accounted for approximately 18.1% (2018: approximately 25.1%) and approximately 59.4% (2018: approximately 73.8%), respectively, of the Group's total Revenue for the year.

During the year ended 31 December 2019, aggregate purchases from the Group's largest and top five suppliers of raw materials accounted for approximately 35.0% (2018: approximately 12.6%) and approximately 53.4% (2018: approximately 40.9%), respectively, of the Group's total purchases for the year.

At no time during the year have the Directors, their associates or any Shareholder of the Company (who or which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in the Group's top five customers and suppliers.

與主要利益相關方之關係

董事會認為僱員是能夠為本集團未來成功作出貢獻的最寶貴的資產之一。本集團努力以具競爭力的薪酬待遇及為僱員提供晉升及提升技能的機會以吸引並挽留其僱員。董事會每年審閱本集團僱員的薪酬待遇並作出必要調整以適應當前市場實際狀況。本集團亦已採納購股權計劃作為獎勵僱員所作貢獻的一項激勵措施。

董事會亦致力於發展與本集團客戶及供應商的長期良好關係，以實現本集團的長期目標。

年內，本集團與其業務夥伴之間並無任何重大糾紛。

主要客戶及供應商

截至二零一九年十二月三十一日止年度，本集團最大及五大客戶的總銷售量分別佔本集團於本年度的總收益的約18.1%（二零一八年：約25.1%）及約59.4%（二零一八年：約73.8%）。

截至二零一九年十二月三十一日止年度，本集團最大及五大原材料供應商的總採購量分別佔本集團於本年度的總採購量的約35.0%（二零一八年：約12.6%）及約53.4%（二零一八年：約40.9%）。

年內概無任何董事、彼等的聯繫人或任何本公司股東（據董事所知擁有本公司已發行股本5%以上）擁有本集團五大客戶及供應商的任何權益。

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the latest five financial years is set out on page 164 of the annual report. This summary does not form part of the audited consolidated financial statements.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2019 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 63 to 163 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 31 December 2019 are set out in note 16 to the consolidated financial statements.

RESERVES

Details of reserves of the Company and the Group are set out in note 38(B) and the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

There was no reserve available for distribution to the shareholders of the Company as at 31 December 2019.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019.

五年財務概要

本集團於最近五個財政年度的業績及資產以及負債概要載於年報第164頁。此概要不屬於經審核綜合財務報表之部分。

財務報表

本集團截至二零一九年十二月三十一日止年度的溢利，以及本公司與本集團於該日的事務狀況載於年報第63頁至163頁的綜合財務報表內。

物業、廠房及設備

本集團於截至二零一九年十二月三十一日止年度的物業、廠房及設備的變動詳情載於綜合財務報表附註16。

儲備

本公司及本集團之儲備詳情分別載於附註38(B)及綜合權益變動表。

可分派儲備

本公司股東於二零一九年十二月三十一日並無可作分派的儲備。

股息

董事於截至二零一九年十二月三十一日止年度並無建議派付末期股息。

REPORT OF THE DIRECTORS

董事會報告

DIVIDEND POLICY

The Board regularly reviews and manages its capital structure to ensure an optimal capital structure and shareholder returns when its dividend policy considers:

- the Group's actual and expected financial performance;
- retained earnings and distributable reserves of the Group;
- return on equity and other corresponding restrictions of the Group;
- the Group's capital requirement and surplus;
- the Group's liquidity position;
- general economic conditions, business cycle of the Group's business and internal or external factors that may have an impact on the business, financial results and position of the Company; and
- other factors that the Board deems relevant.

The Board will continue to review the Group's dividend policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period. The payment of dividend is also subject to any restrictions under the applicable laws and the Company's Articles of Association.

CHARITABLE DONATIONS

During the year, the Group donated approximately RMB310,000 (2018: approximately RMB71,000).

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 32 to the consolidated financial statements.

股息政策

董事會定期審閱及管理其資本架構以在其股息政策考慮以下各項時確保最理想的資本架構及股東回報：

- 本集團的實際及預期財務表現；
- 本集團的保留盈利及可分派儲備；
- 本集團的股本回報及其他相應限制；
- 本集團的資本需求及盈餘；
- 本集團的流動資金狀況；
- 整體經濟狀況、本集團業務的業務週期以及可能對本公司的業務、財務業績及狀況有影響之內外部因素；及
- 董事會視為相關的其他因素。

董事會將繼續不時審閱本集團的股息政策，但可能無法保證將就任何特定期間派付任何特定金額的股息。股息的派付亦受到適用法律及本公司組織章程細則項下任何限制的影響。

捐贈

年內，本集團捐贈約人民幣310,000元（二零一八年：約人民幣71,000元）。

股本

本公司於年內的股本變動詳情載於綜合財務報表附註32。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the latest practicable date prior to issue of this report, the Company has maintained the prescribed public float under the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands where the Company was incorporated.

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

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

DIRECTORS

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

EXECUTIVE DIRECTORS

Mr. Huang Wenji
Mr. Yang Guang
Mr. Lin Zhenshuang
Mr. Chung Kin Hung, Kenneth

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tso Sze Wai
Mr. Yang Xuetai
Ms. Lee Kit Ying, Winnie

Pursuant to Article 108 and Article 112 of the Company's articles of association, Mr. Huang Wenji and Mr. Yang Guang being executive Directors, and Mr. Tso Sze Wai, being an independent non-executive Director shall retire at the forthcoming annual general meeting. All the retiring Directors are eligible for re-elections.

During the year and up to the date of this Directors' Report, Mr. Huang Wenji, Mr. Yang Guang, Mr. Lin Zhenshuang and Mr. Chung Kin Hung, Kenneth are also directors of certain subsidiaries of the Company. Other director of the Company's subsidiaries include Mr. Chen Ruixin.

足夠的公眾持股量

根據本公司公開取得的資料，以及就本公司董事所知，於本報告刊發前的最後實際可行日期，本公司維持上市規則所規定的公眾持股量。

優先購買權

根據本公司的組織章程細則或本公司註冊成立的開曼群島法例，並無優先購買權條款。

購買、出售或贖回本公司的上市證券

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

董事

於財政年度內及截至本報告日期之董事為：

執行董事

黃文集先生
楊光先生
林貞雙先生
鍾健雄先生

獨立非執行董事

曹思維先生
楊學太先生
李結英女士

根據本公司的組織章程細則第108條及第112條，執行董事黃文集先生及楊光先生以及獨立非執行董事曹思維先生將於應屆股東週年大會退任。全體退任董事均符合資格膺選連任。

於年內及直至本董事會報告日期，黃文集先生、楊光先生、林貞雙先生及鍾健雄先生亦為本公司若干附屬公司之董事。本公司附屬公司的其他董事包括陳瑞鑫先生。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' SERVICE CONTRACTS

None of the Directors, including those proposed for re-election at the forthcoming annual general meeting, has a service agreement which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2019.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 December 2019, the interests or short positions of the Directors and the chief executive in the Company's shares, underlying shares or debentures of the associated corporations of the Company, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

LONG POSITIONS IN THE COMPANY

Name of Director 董事姓名	Nature of interests 權益性質	Capacity 身份	Number of Shares 股份數目	Approximate percentage of shareholding 概約持股百分比
Mr. Huang Wenji (Note)	Long position	Interest in a controlled corporation	2,462,818,000	65.05%
黃文集先生(附註)	好倉	於受控制法團的權益		

Note:

Jicheng Investment Limited is wholly and beneficially owned by Mr. Huang Wenji. Accordingly, Mr. Huang Wenji is deemed to be interested in the shares held by Jicheng Investment Limited under the SFO.

董事服務合約

概無董事(包括建議於應屆股東週年大會上重選之董事)訂有不可由本公司於一年內免付補償(法定補償除外)而予以終止的服務協議。

管理合約

截至二零一九年十二月三十一日止年度,概無就本集團整體或任何業務重大部分的管理及行政工作訂立或存續任何合約。

獨立身份確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立身份確認書,並認為全體獨立非執行董事均為獨立人士。

董事及主要行政人員於證券的權益

於二零一九年十二月三十一日,董事及主要行政人員於本公司股份、本公司相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的相關股份或債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的有關條文被當作或視為擁有的權益及淡倉),或根據標準守則須知會本公司及聯交所的權益或淡倉如下:

於本公司的好倉

附註:

Jicheng Investment Limited 由黃文集先生全資及實益擁有。因此,根據證券及期貨條例,黃文集先生被視作於 Jicheng Investment Limited 所持股份中擁有權益。

REPORT OF THE DIRECTORS 董事會報告

Saved as disclosed above, as at the date of this report, none of the Directors and the chief executives of the Company and their respective associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2019, the persons or corporations who had an interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept under section 336 of the SFO were as follows:

除上文披露者外，於本報告日期，按照本公司根據證券及期貨條例第352條須存置的登記冊所載，或根據標準守則已知會本公司及聯交所者，概無董事及本公司主要行政人員及彼等各自的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任何權益及淡倉。

主要股東的權益及淡倉

於二零一九年十二月三十一日，以下人士或法團於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或記錄於按證券及期貨條例第336條規定所存置登記冊的權益或淡倉：

Name 姓名／名稱	Nature of interests 權益性質	Capacity 身份	Number of Shares 股份數目	Approximate percentage of shareholding 概約持股百分比
Jicheng Investment Limited	Long position 好倉	Beneficial owner 實益擁有人	2,462,818,000	65.05%
Mr. Huang Wenji (Note 1) 黃文集先生（附註1）	Long position 好倉	Interest in a controlled corporation 於受控制法團的權益	2,462,818,000	65.05%
Ms. Chen Jieyou (Note 2) 陳解優女士（附註2）	Long position 好倉	Interest of spouse 配偶權益	2,462,818,000	65.05%

Notes:

- Jicheng Investment Limited is wholly and beneficially owned by Mr. Huang Wenji. Accordingly, Mr. Huang Wenji is deemed to be interested in the shares held by Jicheng Investment Limited under the SFO.
- Ms. Chen Jieyou is the spouse of Mr. Huang Wenji and accordingly is deemed to be interested in the shares in which Mr. Huang Wenji has interest under the SFO.

附註：

- Jicheng Investment Limited 由黃文集先生全資及實益擁有。因此，根據證券及期貨條例，黃文集先生被視作於 Jicheng Investment Limited 所持股份中擁有權益。
- 陳解優女士為黃文集先生之配偶，因此根據證券及期貨條例，被視作於黃文集先生擁有權益之股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

Save as disclosed above, as at the date of this report, the Directors were not aware of any other persons or corporation having an interest or short position in shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2019, except for those disclosed in note 35 to the consolidated financial statements, the Group had no material connected transactions and continuing connected transactions between the Group and its connected persons (as defined under the Listing Rules) which are subject to the reporting, announcement and the independent shareholders' approval requirement under the Listing Rules.

DIRECTORS' INTEREST IN CONTRACTS

No contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company as disclosed in the section headed "Share Option Scheme" below, no equity-linked agreements were entered into by the Group, or existed during the year.

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of his/her duties in his/her office. The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

除上文披露者外，於本報告日期，董事並不知悉有任何其他人士或法團於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或記錄於按證券及期貨條例第336條規定所存置登記冊的權益或淡倉。

關連交易及持續關連交易

截至二零一九年十二月三十一日止年度，除綜合財務報表附註35所披露者外，本集團與其關連人士（定義見上市規則）並無進行須遵守上市規則項下的申報、公佈及獨立股東批准規定的重大關連交易及持續關連交易。

董事於合約的權益

概無本公司董事於本公司或其任何控股公司、附屬公司或同系附屬公司於年終結算日或年內任何時間所訂立的重大合約中擁有重大權益。

股權掛鈎協議

除下文「購股權計劃」一節披露之本公司購股權計劃外，年內，本集團概無訂立任何股權掛鈎協議，亦無任何該等協議存續。

獲准許之彌償條文

根據組織章程細則，就本公司任何事務而行使的本公司各董事或其他高級職員有權就其因履行職責而可能產生或蒙受的所有訴訟、成本、費用、損失、損害及開支獲得彌償。本公司已就針對其董事及高級職員的法律訴訟安排適當之保險。

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

The independent non-executive Directors have also reviewed the confirmation given by Mr. Huang Wenji and Jicheng Investment Limited, being controlling shareholders (the “Controlling Shareholders”) of the Company, to ensure their compliance with the non-competition undertakings as disclosed in the prospectus (the “Prospectus”) of the Company dated 3 February 2015.

OTHER UNDERTAKINGS BY CONTROLLING SHAREHOLDERS

As disclosed in the Prospectus, the Controlling Shareholders have also undertaken to indemnify the Group against all actions, claims, demands, proceedings, costs and expenses, losses and liabilities whatsoever made, suffered or incurred by the Group arising from (i) the restructuring and reorganisation undergone by the Group on or before the date on which the global offering becomes unconditional; or (ii) the Group’s non-compliance with the PRC laws, rules and regulations as disclosed under the paragraph headed “Business – Non-compliance” of the Prospectus. No provision has been made for the above during the year ended 31 December 2019.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

There had been no contract of significance between the Company or any of its subsidiaries and controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries during the year.

COMPETING BUSINESS

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

控股股東的不競爭承諾

獨立非執行董事亦已審閱本公司控股股東（「控股股東」）黃文集先生及Jicheng Investment Limited的確認書，以確保彼等各自遵守不競爭承諾（詳情披露於本公司日期為二零一五年二月三日之招股章程（「招股章程」））。

控股股東之其他承諾

誠如招股章程所披露，控股股東亦已承諾就本集團因(i)本集團於全球發售成為無條件之日或之前進行重建或重組；或(ii)招股章程「業務—不合規」一段所披露本集團違反中國法律、制度及法規之事件所引起而採取、遭受或產生的所有行動、訴訟、要求、法律程序、成本及開支、損失及責任而對本集團作出彌償保證。本公司於截至二零一九年十二月三十一日止年度概無就上述費用計提撥備。

與控股股東的合約

本公司或其任何附屬公司與本公司或其任何附屬公司的控股股東（定義見上市規則）於年內並無訂立重大合約。

競爭業務

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

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 23 January 2015 for the purpose of rewarding certain eligible persons for their past contributions and attracting and retaining, or otherwise maintaining on-going relationships with, such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. Subject to the earlier termination of the Share Option Scheme in accordance with the rule thereof, the Share Option Scheme shall remain in force for a period of ten years commencing on the Listing Date.

Eligible participants of the Scheme include any proposed, full-time or part-time employees, executive or officers of the Company or any of its subsidiaries; any directors or proposed director (including non-executive director and independent non-executive directors) of the Company or any of its subsidiaries; any direct or indirect shareholder of the Company or any of its subsidiaries; and any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the shares in issue as at the date of the shareholders' approval in general meeting, i.e. 378,600,000 shares of the Company. Subject to the issue of a circular by the Company and the approval of the shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the shares in issue as at the date of the approval by the shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to eligible participants specifically identified by the Board.

購股權計劃

本公司於二零一五年一月二十三日採納購股權計劃，旨在獎勵若干合資格人士過往的貢獻，吸引及留聘對本集團的表現、增長或成功屬重要及／或其貢獻現時或將會對本集團的表現、增長或成功有利的合資格人士或以其他方式維持與彼等的持續關係。除根據購股權計劃的規則將其提前終止外，購股權計劃將自上市日期起計十年期間維持有效。

計劃的合資格參與人包括本公司或其任何附屬公司的任何建議、全職或兼職僱員、行政人員或高級職員；本公司或其任何附屬公司的任何董事或建議董事（包括非執行董事及獨立非執行董事）；本公司或其任何附屬公司的任何直接或間接股東；及本公司或其任何附屬公司的任何諮詢人、顧問、供應商、客戶及代理。

因行使根據購股權計劃及本集團任何其他計劃授出的所有購股權而可能發行的最高股份數目，合共不得超過股東於股東大會批准日期本公司已發行股份的10%（即378,600,000股）。在本公司刊發通函及股東於股東大會批准及／或上市規則不時規定的有關其他要求規限下，董事會可：

- (i) 隨時更新有關限額至獲股東在股東大會批准當日已發行股份的10%；及／或
- (ii) 向董事會指定的合資格參與人授出超過10%限額的購股權。

Notwithstanding the foregoing, the maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the shares of the Company in issue from time to time.

The maximum number of shares issuable upon the exercise of options granted under the Share Option Scheme and any other share option scheme adopted by the Group (including both exercised or outstanding options) to each grantee within any 12-months period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of options in excess of 1% limit shall be subject to: (i) the issue of a circular by the Company; and (ii) the approval of the shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in general meeting.

The exercise period of the share options granted is determinable by the directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of grant of the share options subject to the provisions for early termination thereof. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK1.0 upon acceptance of the grant on or before 21 days after the offer date.

儘管上文有所規定，根據購股權計劃及本集團任何其他購股權計劃已授出但尚未行使的所有購股權獲行使而將予發行的股份數目合共最多不得超過本公司不時已發行股份的30%。

因行使根據購股權計劃及本集團採納的任何其他購股權計劃向每名獲授人授出的購股權（包括已行使或尚未行使購股權）可發行的股份的最大數目，於任何十二個月期間內不得超過本公司任何時間已發行股份的1%。凡進一步授出的購股權超過1%限額，須受以下事項所限：(i) 本公司刊發通函；及(ii) 獲股東於股東大會上批准及／或符合上市規則項下不時規定的其他要求。

向本公司董事、主要行政人員或主要股東或任何彼等聯繫人授予購股權，必須獲本公司獨立非執行董事事先批准，方可作實。此外，倘於任何十二個月期間內，向本公司主要股東或獨立非執行董事或任何彼等的聯繫人授出任何購股權，超過本公司任何時間已發行股份的0.1%及根據本公司股份於授出日期的收市價計算總值超過5,000,000港元，則須獲股東於股東大會事先批准，方可作實。

授出的購股權行使期由董事釐定，該期間可自購股權建議授出日期開始，至購股權授出日起計不超過十年止，並受限於有關提早終止條文。行使購股權前毋須先行持有有關購股權一段最短期限。購股權計劃參與人須就接納授予於提呈日期後21日或之前向本公司支付1.0港元。

REPORT OF THE DIRECTORS

董事會報告

The exercise price of the share options is determinable by the directors, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for trade in one or more board lots of the shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer; and (iii) the nominal value of a share.

The following table disclosed movements in the Company's share options during the year:

Grantee	Date of grant	Exercise period	Exercise price	Outstanding at 1.1.2019	Granted during the year	Lapsed during the year	Outstanding at 31.12.2019
承授人	授出日期	行使期	行使價	於二零一九年一月一日尚未行使	年內已授出	年內已失效	於二零一九年十二月三十一日尚未行使
Employees 僱員	10 April 2019 二零一九年四月十日	10 April 2019 to 9 April 2029 二零一九年四月十日 至 二零一九年四月九日	0.045	-	375,000,000	-	375,000,000

購股權行使價由董事釐定，惟不得低於下列最高者：(i) 本公司股份於建議授出購股權當日（必須為營業日）在聯交所的每日報價表就買賣一手或以上股份所報收市價；(ii) 本公司股份於緊接建議授出日期前五個營業日在聯交所每日報價表所報平均收市價；及(iii) 股份面值。

下表披露本公司購股權於本年度之變動：

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

RETIREMENT SCHEMES

The Group participates in defined contribution retirement benefit schemes organized by the PRC municipal and provincial government authorities for the Group's eligible employees in the PRC, and operates a Mandatory Provident Fund scheme for the employees in Hong Kong.

董事購買股份或債權證的安排

於年內任何時間，概無向任何本公司董事或彼等各自之配偶或未成年子女授出透過收購本公司股份或債權證而獲益的權利，或由彼等行使該等權利，或本公司、其控股公司或其任何附屬公司並無於年內任何時間為讓本公司董事可透過收購本公司或任何其他法團的股份或債務證券（包括債權證）獲利的任何安排的訂約方。

退休計劃

本集團就其合資格的中國僱員參與由中國省及市政府機關組織的定額供款退休福利計劃，並為香港僱員安排參與強制性公積金計劃。

REPORT OF THE DIRECTORS

董事會報告

CORPORATE GOVERNANCE

The Company is committed to adopt corporate governance practice. The Company's corporate governance practices are set out in the Corporate Governance Report on pages 16 to 31.

AUDITORS

A resolution to re-appoint the retiring Auditor, Elite Partners CPA Limited will be proposed at the forthcoming annual general meeting.

企業管治

本公司致力於採納企業管治常規。本公司的企業管治常規載於第16頁至31頁的企業管治報告。

核數師

續聘退任核數師開元信德會計師事務所有限公司之決議案將於應屆股東週年大會上提呈。

By order of the Board

Huang Wenji

Chairman and Executive Director

Fujian Province, the PRC, 31 March 2020

承董事會命

主席兼執行董事

黃文集

中國·福建省·二零二零年三月三十一日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



TO THE MEMBERS OF CHINA JICHENG HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Jicheng Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 63 to 163, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

KEY AUDIT MATTERS

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

致中國集成控股有限公司股東
(於開曼群島註冊成立之有限公司)

意見

我們已審核載列於第63頁至163頁之中國集成控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一九年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表及綜合財務報表附註(包括主要會計政策概要)。

我們認為，該等綜合財務報表根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實公平地反映貴集團於二零一九年十二月三十一日之綜合財務狀況及其於截至該日止年度之綜合財務表現及綜合現金流量並已遵照香港公司條例的披露規定妥為編製。

意見之基礎

我們已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核工作。我們於該等準則項下之責任於本報告「核數師就審核綜合財務報表之責任」一節進一步詳述。根據香港會計師公會的「職業會計師道德守則」(「守則」)，我們獨立於貴集團，並已履行守則項下其他道德責任。我們認為我們已獲得充足和適當之審核憑證，以作為我們意見之基礎。

關鍵審核事項

關鍵審核事項是根據我們的職業判斷，對於我們對本期間之綜合財務報表的審計最為重要的事項。該等事項乃於我們審計整體綜合財務報表及出具相關意見時進行處理，且我們不會對該等事項提供單獨的意見。

Key audit matter

關鍵審核事項

Business combination

業務合併

Refer to note 34 to the consolidated financial statements.

請參閱綜合財務報表附註34。

During the year ended 31 December 2019, the Group completed the acquisition of Jinjiang Jingting Trading Company Limited* (晉江兢霆貿易有限公司) at total consideration of RMB29,000,000, in which RMB5,000,000 was settled in cash and RMB24,000,000 was settled by issue of promissory notes to the vendor (the "Acquisition"). Management assessed the nature of the acquisition by assessing if there are economic resource and business process associated with it. Management determined whether the assets acquired and liabilities assumed under the acquisition constituted a business and therefore the transaction was accounted for as business combination.

於截至二零一九年十二月三十一日止年度，貴集團完成收購晉江兢霆貿易有限公司，總代價為人民幣29,000,000元，其中人民幣5,000,000元以現金結算及人民幣24,000,000元以向賣方發行承兌票據結算（「收購事項」）。管理層已評估當中有否涉及經濟資源及業務過程，以評估收購事項的性質。管理層釐定根據收購事項所收購的資產及所承擔的負債是否構成業務，並因此將交易入賬列作業務合併。

Accounting for business combination requires the Group to allocate the purchase price to the assets acquired, liabilities assumed, and intangible assets identified based on their estimated fair values at the date of acquisition.

在入賬列作業務合併的情況下，貴集團須根據於收購日期的估計公平值，將購買價分配至所收購的資產、所承擔的負債及所識別的無形資產。

Independent external valuation has been obtained in order to support the fair values of the assets acquired, liabilities assumed and intangible assets identified.

貴集團已取得獨立外部估值以支持所收購資產、所承擔負債及所識別無形資產的公平值。

The accounting of the Acquisition involved various significant degree of the management's judgment and estimates in determining the recognition of identifiable net assets at fair value at the acquisition date.

上述收購事項之會計處理在釐定於收購日期以公平值確認可識別資產淨值時涉及管理層的多種重大判斷及估計。

How our audit addressed the key audit matter

我們的審核處理關鍵審核事項之方式

Our audit procedures in relation to management's judgment and estimates over business combination including but not limited to:

我們就管理層對業務合併的判斷及估計的審核程序包括（但不限於）：

- Discussing and inquiring management on their basis in determining the nature of the transactions to assess the economic resource or business process associated with the acquisition and thus management's assessment of the acquisition being accounted for as business combination;
討論並向管理層查詢釐定交易性質的基準以評估與收購事項有關的經濟資源或業務過程及管理層因此將收購事項入賬列作業務合併的評估；
- Evaluation of the independent valuers' competence, capabilities, independence and objectivity;
評估外聘估值師的資歷、能力和客觀性；
- Evaluating the appropriateness of key assumptions including revenue growth rate, discount rate and methodologies used in valuation by referencing to the applicable industry/business data external to the Group; and
參考貴集團外部適用的行業／業務數據以評估估值所採用的關鍵假設（包括收益增長率、貼現率）及方法的恰當性；
- Assessing the appropriateness of the disclosures in the consolidated financial statements.
評估綜合財務報表披露事項的恰當性。

We found the assessment was supported by the available evidence. We found the disclosure to be appropriate.

我們發現評估已獲得憑證的支持。我們發現披露事項屬恰當。

* For identification purposes only

* 僅供識別

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter 關鍵審核事項

Fair value measurement on contingent consideration receivables 應收或然代價之公平值計量

Refer to note 22 to the consolidated financial statements.
請參閱綜合財務報表附註22。

As at 31 December 2019, the fair value of contingent consideration receivables was RMB4,578,000 and the Group recognised a loss on fair value change of the contingent consideration receivable of RMB7,497,000 in profit or loss.

於二零一九年十二月三十一日，應收或然代價的公平值為人民幣4,578,000元，本集團於損益中確認應收或然代價之公平值變動虧損人民幣7,497,000元。

The measurement of fair value of the contingent consideration receivables involves significant degree of the management's judgment.

應收或然代價的公平值計量涉及管理層之重大判斷。

Independent external valuation has been obtained in order to support the management's estimates.

已取得獨立外部估值以支持管理層之估計。

How our audit addressed the key audit matter 我們的審核處理關鍵審核事項之方式

Our audit procedures in relation to the fair value measurement on contingent consideration receivables including but not limited to:

我們就應收或然代價之公平值計量之審核程序包括但不限於：

- Obtaining and understanding the Company's process regarding the determination of fair value of contingent consideration receivables;
獲得及了解 貴公司有關釐定應收或然代價之公平值的程序；
- Evaluation of the independent valuers' competence, capabilities, independence and objectivity;
評估獨立估值師之才幹、能力、獨立性及客觀性；
- Evaluating the appropriateness of the valuation methodologies and techniques used in determining the fair value of contingent consideration receivables;
評估用於釐定應收或然代價之公平值的估值方法及技術的適當性；
- Evaluating the appropriateness of the judgment and estimates of key assumptions used in determining the fair value of contingent consideration receivables; and
評估用於釐定應收或然代價之公平值的關鍵假設之判斷及估計的適當性；及
- Checking, on a sample basis, the accuracy and relevance of the input data used.
抽樣檢查所用輸入數據之準確性及相關性。

We found that the key assumptions were supported by the available evidence.

我們認為，關鍵假設已獲所得證據支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

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

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

其他資料

董事負責編製其他資料。其他資料包括列入年報之資料，惟不包括綜合財務報表及我們就此出具的核數師報告（「其他資料」）。

我們就綜合財務報表之意見不涵蓋其他資料且我們不就此作出任何形式之鑒證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料並在此過程中考慮其他資料是否與綜合財務報表或我們在審核中所了解者存在重大不一致，或似乎存在重大錯誤陳述。倘基於我們已經進行的工作，我們認為此其他資料存在重大錯誤陳述，我們須報告該事實。而就此我們並無任何報告。

董事及治理層就綜合財務報表之責任

董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例的披露規定編製真實公平之綜合財務報表，並對其認為能夠使綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部監控負責。

於編製綜合財務報表時，董事負責評估 貴集團持續經營之能力、披露（如適用）有關持續經營之事宜及使用持續經營之會計基礎，惟董事擬將 貴集團清盤或停止營業或除此之外別無其他可行替代方案則除外。

治理層負責監督 貴集團之財務報告程序。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

核數師就審核綜合財務報表之責任

我們的目標，是對整體綜合財務報表是否存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們根據我們所協定的委聘條款僅向閣下（作為整體）提供意見，除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按香港審計準則進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或匯總起來可能影響使用者基於該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了職業判斷並在整個審計過程中保持了職業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審計相關的內部監控，以設計於相關環境下屬適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

核數師就審核綜合財務報表之責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請對綜合財務報表中的相關披露資料的關注，倘有關的披露資料不足，則須修訂我們的意見。我們的結論是基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允呈列相關交易及事項。
- 就貴集團中實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督和執行集團審計。我們僅對我們的審計意見承擔負責。

我們與治理層就(其中包括)審計的計劃範圍及時間以及重大審計發現(包括我們於審計中識別的內部監控的任何重大缺陷)進行溝通。

我們亦向治理層提交聲明，說明我們已符合有關獨立性的相關職業道德要求，並與他們溝通所有合理地被認為會影響我們獨立性的關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

The engagement director on the audit resulting in this independent auditor's report is Siu Edmund with Practising Certificate number P05333.

Elite Partners CPA Limited
Certified Public Accountants

10/F, 8 Observatory Road,
Tsim Sha Tsui, Kowloon
Hong Kong
31 March 2020

核數師就審核綜合財務報表之責任 (續)

從與治理層溝通的事項中，我們釐定對本期間綜合財務報表的審計最為重要的事項，進而釐定關鍵審核事項。我們會在核數師報告中描述該等事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目董事是蕭俊文（執業證書編號：P05333）。

開元信德會計師事務所有限公司
執業會計師

香港
九龍尖沙咀
天文臺道8號10樓
二零二零年三月三十一日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收益	7	558,599	521,186
Cost of sales	銷售成本		(492,738)	(441,793)
Gross profit	毛利		65,861	79,393
Other income and gains	其他收入及收益	7	10,041	14,117
Impairment loss recognised in respect of allowance for credit losses, net of reversal	就信貸虧損撥備確認之減值虧損，扣除撥回		(113)	(651)
Loss on fair value change of contingent consideration receivables	應收或然代價之公平值變動之虧損		(7,497)	–
Selling and distribution expenses	銷售及分銷開支		(19,428)	(11,430)
Administrative expenses	行政開支		(49,175)	(45,658)
Finance costs	財務成本	9	(11,130)	(10,511)
(Loss)/profit before tax	除稅前（虧損）／溢利		(11,441)	25,260
Income tax expense	所得稅開支	10	(4,806)	(6,560)
(Loss)/profit for the year	年內（虧損）／溢利	11	(16,247)	18,700
Other comprehensive income	其他全面收益			
<i>Item that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益之項目：</i>			
Exchange differences arising on translation of financial statements	財務報表換算產生之匯兌差額		523	2
Total comprehensive (loss)/income for the year	年內全面（虧損）／收益總額		(15,724)	18,702
(Loss)/profit for the year attributable to owners of the Company	本公司擁有人應佔年內（虧損）／溢利		(16,247)	18,700
Total comprehensive (loss)/income for the year attributable to owners of the Company	本公司擁有人應佔年內全面（虧損）／收益總額		(15,724)	18,702
(Loss)/earnings per share	每股（虧損）／盈利			
Basic (RMB)	基本（人民幣）	12	(0.43) cents 分	0.49 cents 分
Diluted (RMB)	攤薄（人民幣）		(0.43) cents 分	0.49 cents 分

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

附隨之附註構成此等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	92,681	98,432
Right-of-use assets	使用權資產	17	34,467	–
Prepaid lease payments	預付租賃款項	18	–	34,467
Intangible assets	無形資產	20	1,847	–
Goodwill	商譽	21	5,670	–
Contingent consideration receivables	應收或然代價	22	4,578	–
			139,243	132,899
Current assets	流動資產			
Prepaid lease payments	預付租賃款項	18	–	936
Inventories	存貨	23	255,986	161,098
Trade receivables	貿易應收款項	24	177,706	234,075
Prepaid tax	預付稅項		1,400	–
Prepayment and other receivables	預付款項及其他應收款項	25	66,152	97,616
Fixed time deposits	定期存款	26	55,478	57,450
Bank balances and cash	銀行結餘及現金	26	26,151	17,352
			582,873	568,527
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	27	31,479	35,204
Accrued expenses, other payables and contract liabilities	應計費用、其他應付款項 及合約負債	28	15,317	6,886
Bank borrowings	銀行借款	29	202,800	196,930
Tax payables	應付稅項		811	1,202
			250,407	240,222
Net current assets	流動資產淨值		332,466	328,305
Total assets less current liabilities	總資產減流動負債		471,709	461,204
Non-current liabilities	非流動負債			
Promissory notes	承兌票據	30	19,147	–
Deferred tax liabilities	遞延稅項負債	31	462	–
			19,609	–
Net assets	資產淨值		452,100	461,204

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Capital and reserves	資本及儲備			
Share capital	股本	32	4,782	4,782
Reserves	儲備		447,318	456,422
Total equity	權益總額		452,100	461,204

The consolidated financial statements were approved and authorised for issue by the board of directors on 31 March 2020 and are signed on its behalf by:

綜合財務報表已由董事會於二零二零年三月三十一日批准並授權刊發，並由以下代表簽署：

Huang Wenji

黃文集

Director

董事

Yang Guang

楊光

Director

董事

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

附隨之附註構成此等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Translation reserve 匯兌儲備 RMB'000 人民幣千元	Statutory reserve 法定儲備 RMB'000 人民幣千元 (Note a) (附註a)	Share option reserve 購股權儲備 RMB'000 人民幣千元 (Note b) (附註b)	Merger reserve 合併儲備 RMB'000 人民幣千元 (Note c) (附註c)	Retained profits 保留溢利 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
As at 1 January 2018	於二零一八年一月一日	4,731	116,740	2,422	37,680	5,616	81,521	191,876	440,586
Effect on initial application of HKFRS 9	首次應用香港財務報告準則第9號的影響	-	-	-	-	-	-	(986)	(986)
Adjusted balance as at 1 January 2018	於二零一八年一月一日的經調整結餘	4,731	116,740	2,422	37,680	5,616	81,521	190,890	439,600
Profit for the year	年內溢利	-	-	-	-	-	-	18,700	18,700
Exchange differences arising on translation of financial statements	財務報表換算產生之匯兌差額	-	-	2	-	-	-	-	2
Total comprehensive income for the year	年內全面收益總額	-	-	2	-	-	-	18,700	18,702
Transfer to statutory reserve	轉至法定儲備	-	-	-	1,969	-	-	(1,969)	-
Issue of share upon exercise of share options	行使購股權時發行股份	51	3,421	-	-	(570)	-	-	2,902
Lapsed of share options	購股權失效	-	-	-	-	(5,046)	-	5,046	-
As at 31 December 2018 and as at 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	4,782	120,161	2,424	39,649	-	81,521	212,667	461,204
Loss for the year	年內虧損	-	-	-	-	-	-	(16,247)	(16,247)
Exchange differences arising on translation of financial statements	財務報表換算產生之匯兌差額	-	-	523	-	-	-	-	523
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	523	-	-	-	(16,247)	(15,724)
Transfer to statutory reserve	轉至法定儲備	-	-	-	858	-	-	(858)	-
Grant of share options	授出購股權	-	-	-	-	6,620	-	-	6,620
As at 31 December 2019	於二零一九年十二月三十一日	4,782	120,161	2,947	40,507	6,620	81,521	195,562	452,100

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Notes:

- (a) The statutory reserve fund is non-distributable and the transfer to this reserve is determined by the board of directors in accordance with the relevant laws and regulations of the People's Republic of China (the "PRC"). This reserve can be used to offset accumulated losses and increase capital upon approval from the relevant government authorities.
- (b) Share option reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each period is determined by spreading the fair value of the share options over the relevant vesting period (if any) and is recognised in other operating expenses with a corresponding increase in the share option reserve.
- (c) The merger reserve represented the difference between the nominal value of the share capital of the subsidiaries acquired as a result of the reorganisation as fully explained in the paragraph headed "Reorganisation" in the section headed "History and Corporate Structure" of the prospectus of the Company dated 3 February 2015 and the nominal value of the share capital of the Company issued in exchange thereof.

附註：

- (a) 法定儲備金不得分派，而轉至該項儲備由董事會根據中華人民共和國（「中國」）相關法律及法規釐定。獲得有關政府當局批准後，該項儲備可用作抵銷累計虧損及增加資本。
- (b) 購股權儲備指因按有關歸屬期授出有關購股權而以交換形式估計將接獲之服務之公平值，其總額乃基於購股權於授出日期之公平值。於各報告期之金額乃透過按有關歸屬期（如有）攤分購股權公平值予以釐定，並於其他經營開支確認，而相應增加計入購股權儲備。
- (c) 合併儲備指因本公司日期為二零一五年二月三日之招股章程「歷史及公司架構」一節「重組」一段全面闡述的重組所收購附屬公司的股本面值與本公司為交換該等股本而發行的股本面值之間的差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Notes 附註		
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動之現金流量			
(Loss)/profit before tax	除稅前(虧損) / 溢利		(11,441)	25,260
Adjustments for:	調整:			
Amortisation of intangible assets	無形資產攤銷	20	120	-
Amortisation of prepaid lease payments	預付租賃款項攤銷		-	936
Finance costs	財務成本	9	11,130	10,511
Bank interest income	銀行利息收入	7	(1,486)	(592)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	16	5,954	6,172
Depreciation of right-of-use assets	所有權資產折舊	17	936	-
Government grants	政府補助	7	(2,656)	(1,224)
Impairment loss recognised in respect of financial assets under expected credit loss model, net	就預期信貸虧損模式下之金融資產確認之減值虧損淨額		113	651
Imputed interest income of promissory note receivables	應收承兌票據之推算利息	7	-	(3,131)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損		10	35
Loss on fair value change of contingent consideration receivables	應收或然代價之公平值變動之虧損	22	7,497	-
Equity-settled share-based payment expenses	以權益結算以股份為基礎之付款開支		6,620	-
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量		16,797	38,618
(Increase)/decrease in inventories	存貨(增加) / 減少		(94,888)	43,734
Decrease/(increase) in trade receivables	貿易應收款項減少 / (增加)		66,453	(81,362)
Decrease/(increase) in prepayment and other receivables	預付款項及其他應收款項減少 / (增加)		33,665	(38,588)
Decrease in trade and bills payables	貿易應付款項及應付票據減少		(8,423)	(33,345)
(Increase)/decrease in accrued expenses, other payables and contract liabilities	應計費用、其他應付款項及合約負債(增加) / 減少		2,374	(1,700)
Cash generated from/(used in) operations	經營活動所得 / (所用) 現金		15,978	(72,643)
PRC Enterprise Income Tax paid	已付中國企業所得稅		(6,627)	(3,728)
Net cash generated from/(used in) operating activities	經營活動所得 / (所用) 現金淨額		9,351	(76,371)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Notes 附註		
CASH FLOWS FROM INVESTING ACTIVITIES		投資活動之現金流量		
Acquisition of property, plant and equipment	收購物業、廠房及設備	16	(202)	(1,141)
Placement of fixed time deposits	存放定期存款		(55,478)	(57,450)
Withdrawal of fixed time deposits	提取定期存款		57,450	23,101
Bank interest received	已收銀行利息		1,486	592
Repayment of promissory note receivables	償還應收承兌票據		-	34,747
Net cash outflow from acquisition of a subsidiary	收購附屬公司產生之現金流出淨額	34	(2,773)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		9	54
Net cash generated from/(used in) investing activities	投資活動所得／(所用)現金淨額		492	(97)
CASH FLOWS FROM FINANCING ACTIVITIES		融資活動之現金流量		
Proceeds from new bank borrowings	新造銀行借款的所得款項		207,600	223,580
Repayment of bank borrowings	償還銀行借款		(201,730)	(190,130)
Interest paid	已付利息		(10,182)	(10,511)
Government grants received	已收政府補助		2,656	1,224
Proceeds from exercise of share options	行使購股權之所得款項		-	2,902
Net cash (used in)/generated from financing activities	融資活動(所用)／所得現金淨額		(1,656)	27,065
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額		8,187	(49,403)
Cash and cash equivalents at the beginning of the reporting period	報告期初之現金及現金等價物		17,352	66,753
Effect of foreign exchange rate changes	外匯匯率變動影響		612	2
Cash and cash equivalents at the end of the reporting period	報告期末之現金及現金等價物			
Bank balances and cash	銀行結餘及現金		26,151	17,352

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

附隨之附註構成此等綜合財務報表之組成部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL

The Company was incorporated in the Cayman Islands on 12 June 2014 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Jicheng Investment Limited a company incorporated in the British Virgin Islands (the "BVI") with limited liabilities and ultimate controlled by Mr. Huang Wenji ("Mr. Huang").

The address of the registered office is Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The address of the principal place of business of the Company in Hong Kong is Room 904, Loon Kee Building, 275 Des Voeux Road Central, Hong Kong. The Company is engaged in investment holding while the principal subsidiaries are principally engaged in manufacture and sales of umbrellas and the relevant products.

The functional currency of the Company is Hong Kong dollars. The consolidated financial statements are presented in Renminbi ("RMB") since most of the subsidiaries are operating in RMB environment and the functional currency of most of the subsidiaries is RMB.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

NEW AND REVISED HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

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

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

1. 一般資料

本公司於二零一四年六月十二日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司且其股份於香港聯合交易所有限公司（「聯交所」）上市。其最終控股公司為Jicheng Investment Limited，該公司於英屬處女群島（「英屬處女群島」）註冊成立為有限公司且由黃文集先生（「黃先生」）最終控制。

註冊辦事處地址為Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands。本公司於香港之主要營業地點位於香港德輔道中275號龍記大廈904室。本公司從事投資控股，而主要附屬公司主要從事製造及銷售雨傘及相關產品。

本公司之功能貨幣為港元。由於大部分附屬公司於人民幣（「人民幣」）環境經營及大部分附屬公司之功能貨幣為人民幣，故綜合財務報表以人民幣呈列。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度強制生效的新訂及經修訂香港財務報告準則

本集團已於本年度首次採納香港會計師公會（「香港會計師公會」）頒佈之下列新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃
香港財務報告詮釋委員會—詮釋第23號	所得稅處理之不確定性
香港財務報告準則第9號（修訂本）	具負補償的預付款項特性
香港會計準則第19號（修訂本）	計劃修正、縮減或清償
香港會計準則第28號（修訂本）	於聯營公司及合營企業之長期權益
香港財務報告準則（修訂本）	香港財務報告準則二零一五年至二零一七年週期年度改進

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

(continued)

NEW AND REVISED HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (continued)

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

HKFRS 16 Leases

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

Definition of a lease

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

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

Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

(續)

於本年度強制生效的新訂及經修訂香港財務報告準則（續）

除下文所述者外，於本年度應用其他新訂及經修訂香港財務報告準則對本集團本年度及過往年度之綜合財務狀況及綜合財務表現及／或該等綜合財務報表所載披露並無重大影響。

香港財務報告準則第16號租賃

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

租賃之定義

本集團已選擇可行權宜方法，就先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號釐定安排是否包括租賃識別為租賃的合約應用香港財務報告準則第16號，而並無對先前並未識別為包括租賃的合約應用該準則。因此，本集團並無重新評估於首次應用日期前經已存在之合約。

就於二零一九年一月一日或其後訂立或修改的合約而言，本集團於評估合約是否包含租賃時根據香港財務報告準則第16號所載規定應用租賃的定義。

除非合約條款及條件其後有所變更，否則本集團不會重新評估有關合約。

作為承租人

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

NEW AND REVISED HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (continued)

HKFRS 16 Leases (continued)

As a lessee (continued)

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

- relied on the assessment of whether leases are onerous by applying HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;
- elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

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

		RMB'000 人民幣千元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	於應用香港財務報告準則第16號時確認與經營租賃有關的使用權資產	-
Reclassified from prepaid lease payments (note)	自預付租賃款項重新分類(附註)	35,403
<hr/>		
Right-of-use assets as at 1 January 2019	於二零一九年一月一日的 使用權資產	35,403
<hr/>		
By class:	按類別:	
Leasehold land	租賃土地	35,403

Note:

Upfront payments for leasehold land in the People's Republic of China (the "PRC") for own used properties were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to RMB936,000 and RMB34,467,000 respectively were reclassified to right-of-use assets.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

作為承租人(續)

於過渡期間應用香港財務報告準則第16號之經修訂追溯法時，本集團按逐項租賃基準就先前根據香港會計準則第17號分類為經營租賃且與各租賃合約相關之租賃應用下列可行權宜方法：

- 透過應用香港會計準則第37號撥備、或然負債及或然資產作為另一減值評估方法，評估租賃是否繁苛；
- 選擇不對租賃期於首次應用日期起計12個月內結束之租賃確認使用權資產及租賃負債；及
- 於首次應用日期計量使用權資產時剔除初步直接成本。

使用權資產於二零一九年一月一日的賬面值包括：

附註：

於二零一八年十二月三十一日，於中華人民共和國(「中國」)的租賃土地的預付款項分類為預付租賃款項。應用香港財務報告準則第16號後，預付租賃款項的流動及非流動部分分別人民幣936,000元及人民幣34,467,000元重新分類至使用權資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

(continued)

NEW AND REVISED HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (continued)

HKFRS 16 Leases (continued)

As a lessee (continued)

Transition to HKFRS 16 does not have impact on retained profits as at 1 January 2019.

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」） (續)

於本年度強制生效的新訂及經修訂香港財務報告準則（續）

香港財務報告準則第16號租賃（續）

作為承租人（續）

過渡至香港財務報告準則第16號對於二零一九年一月一日的保留溢利並無影響。

於二零一九年一月一日的綜合財務狀況表所確認金額已作出以下調整。未受變動影響之項目並無包括在內。

	Carrying amounts previously reported as at 31 December 2018 先前於二零一八年十二月三十一日呈報的賬面值 RMB'000 人民幣千元	Adjustments 調整 RMB'000 人民幣千元	Carrying amounts under HKFRS 16 as at 1 January 2019 於二零一九年一月一日根據香港財務報告準則第16號的賬面值 RMB'000 人民幣千元
Non-current assets			
Right-of-use assets	–	35,403	35,403
Prepaid lease payments	34,467	(34,467)	–
Current assets			
Prepaid lease payments	936	(936)	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

(continued)

NEW AND REVISED HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

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

HKFRS 17	Insurance Contracts ³
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 1 and HKAS 8	Definition of Material ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ¹

- ¹ Effective for annual periods beginning on or after 1 January 2020.
- ² Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
- ³ Effective for annual periods beginning on or after 1 January 2021.
- ⁴ Effective for annual periods beginning on or after a date to be determined.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」） （續）

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約 ³
香港財務報告準則第3號的修訂本	業務之定義 ²
香港財務報告準則第10號及香港會計準則第28號的修訂本	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
香港會計準則第1號及香港會計準則第8號的修訂本	重大之定義 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號的修訂本	利率基準改革 ¹

- ¹ 於二零二零年一月一日或之後開始的年度期間生效。
- ² 於二零二零年一月一日或之後開始之首個年度期間或之後開始之業務合併的收購日期生效。
- ³ 於二零二一年一月一日或之後開始的年度期間生效。
- ⁴ 於將予釐定的日期或之後開始的年度期間生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

(continued)

NEW AND REVISED HKFRSs IN ISSUE BUT NOT YET EFFECTIVE (continued)

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

STATEMENT OF COMPLIANCE

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」） (續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續）

除上述新訂及經修訂香港財務報告準則外，經修訂財務報告概念框架已於二零一八年頒佈。其後續修訂《香港財務報告準則》中對概念框架的提述的修訂將於二零二零年一月一日或之後開始之年度期間生效。

董事預期應用新訂及經修訂香港財務報告準則於可見將來不會對綜合財務報表造成重大影響。

3. 主要會計政策概要

編製綜合財務報表所採用的主要會計政策載列如下。除另有說明外，該等政策一直適用於所呈列的所有年度。

合規聲明

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例的披露規定所規定的適用披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

BASIS OF PREPARATION

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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

3. 主要會計政策概要 (續)

編製基礎

按下文所載會計政策所解釋，綜合財務報表已根據歷史成本基準編製，惟於各報告期末按公平值計量之應收或然代價除外。

歷史成本一般以為換取貨物及服務所給予代價之公平值為準。

公平值為在市場參與者之間於計量日按有序交易出售一項資產所收取或轉讓一項負債所支付之價格（不論該價格是否可直接觀察或採用另一估值方法估計）。在估計某項資產或負債之公平值時，本集團考慮該資產或負債之特性（倘市場參與者在釐定該資產或負債於計量日之價格時會考慮該等特性）。就計量及／或在該等綜合財務報表披露目的而釐定之公平值乃按此一基準釐定，惟屬於香港財務報告準則第2號以股份為基礎之付款範圍內之股份付款交易、按照香港財務報告準則第16號（自二零一九年一月一日起）或香港會計準則第17號（應用香港財務報告準則第16號前）列賬之租賃交易，以及與公平值類似但並非公平值之計量（如香港會計準則第2號存貨之可變現淨值或香港會計準則第36號資產減值之使用價值）除外。

按公平值轉移的金融工具，凡於其後期間應用以不可觀察數據計量公平值之估值方法，估值方法應予校正，以致估值方法之結果相等於交易價格。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

BASIS OF PREPARATION (continued)

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

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

BASIS OF CONSOLIDATION

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

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

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

3. 主要會計政策概要 (續)

編製基礎 (續)

此外，就財務報告而言，根據公平值計量的輸入數據的可觀察程度及該輸入數據對整體公平值計量的重要性，公平值計量分為第一、第二或第三層，敘述如下：

- 第一層的輸入數據為實體可以於計量日評估的相同資產或負債於活躍市場的報價（未經調整）；
- 第二層的輸入數據為資產或負債的可直接或間接觀察輸入數據（不包括第一層的報價）；及
- 第三層的輸入數據指資產或負債的不可觀察輸入數據。

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制之實體之財務報表。本公司在下列情況下取得控制權：

- 對投資對象享有權力；
- 可從參與投資對象之活動承擔或享有浮動回報；及
- 有能力運用權力影響回報。

倘事實及情況顯示上述控制權之三項元素其中一項或以上有所轉變，本集團須重新評估是否對投資對象擁有控制權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

BASIS OF CONSOLIDATION (continued)

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

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

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

BUSINESS COMBINATIONS

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

3. 主要會計政策概要 (續)

綜合基準 (續)

在本集團取得附屬公司之控制權時附屬公司開始綜合入賬，而在本集團失去對附屬公司之控制權時則不再綜合入賬。具體而言，年內購入或出售之附屬公司之收支項目自本集團取得控制權之日起直至本集團不再控制附屬公司之日止列入綜合損益及其他全面收益表。

附屬公司之財務報表於必要時會作出調整，以使其會計政策與本集團之會計政策一致。

所有集團內公司間資產及負債、權益、收入、開支及與本集團成員公司之間之交易有關的現金流量於綜合賬目時全數對銷。

業務合併

收購業務使用收購法入賬。業務合併所轉讓代價按公平值計量，即計算於收購日期本集團轉讓資產之公平值、本集團承擔被收購方前擁有人之負債以及本集團為換取被收購方之控制而發行之股權之總和。收購相關成本一般於產生時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

BUSINESS COMBINATIONS (continued)

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

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

3. 主要會計政策概要 (續)

業務合併 (續)

於收購日期，所收購可識別資產及所承擔負債按公平值予以確認，惟：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債已分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 涉及被收購方以股份為基礎的付款安排或為取代被收購方以股份為基礎的付款安排而訂立之本集團以股份為基礎的付款安排之負債或股本工具按香港財務報告準則第2號*以股份為基礎的付款*於收購日期予以計量（請參閱下文會計政策）；
- 按香港財務報告準則第5號*持作銷售之非流動資產及已終止經營業務*分類為持作銷售之資產（或出售組別）按該準則予以計量；及
- 租賃負債按剩餘租賃付款（定義見香港財務報告準則第16號）之現值確認及計量，猶如所收購租賃於購買日期為新租賃，惟(a)租期於收購日期起12個月內結束；或(b)相關資產價值低。使用權資產按與相關租賃負債相同之金額確認及計量，並進行調整以反映優於或遜於市場條款之租賃條款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

BUSINESS COMBINATIONS (continued)

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

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

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

3. 主要會計政策概要 (續)

業務合併 (續)

商譽乃按已轉讓代價、被收購方之任何非控股權益金額及收購人先前於被收購方持有之股權公平值(如有)之總額超逾於收購日期所收購可識別資產與所承擔負債之淨額之差額計量。倘經重新評估後,所收購可識別資產與所承擔負債之淨額超逾已轉讓代價、被收購方之任何非控股權益金額及收購人先前於被收購方持有之股權公平值(如有)之總和,超出部分即時於損益中確認為議價購買收益。

當本集團於業務合併時轉讓之代價包含因或然代價安排時,或然代價將按收購日期之公平值計量,並作為業務合併時所轉讓代價之一部分列賬。符合作為計量期間調整之或然代價之公平值變動,以追溯方式進行調整。計量期間調整是指於「計量期間」(不得超出收購日期起計一年)因取得於收購日期已存在之事實及情況之額外資料而作出之調整。

不合資格作計量期間調整的或然代價之其後會計處理乃取決於或然代價如何分類。分類為權益之或然代價不會於其後報告期間重新計量,而其後結算於權益內入賬。分類為資產或負債之或然代價於其後報告期間重新計量至公平值,而相應收益或虧損於損益確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

GOODWILL

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

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

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

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

3. 主要會計政策概要 (續)

商譽

因收購一項業務產生之商譽乃按收購業務當日設立之成本減累計減值虧損(如有)列賬。

就減值測試而言,商譽分配至預期受益於合併協同效應之本集團各現金產生單位(「現金產生單位」)(或現金產生單位組別),而該單位或單位組別指就內部管理目的監控商譽的最低水平且規模不超過經營分部。

獲分配商譽的現金產生單位(或現金產生單位組別)會每年進行減值測試,或於單位出現減值跡象時增加測試次數。就於某報告期間因收購產生的商譽而言,獲分配商譽的現金產生單位(或現金產生單位組別)於報告期結束前進行減值測試。倘可收回金額少於其賬面值,則減值虧損會首先分配以削減任何商譽的賬面值,其後按各項資產所佔單位(或現金產生單位組別)的賬面值比例分配至其他資產。

出售相關現金產生單位或現金產生單位組別內的任何現金產生單位時,釐定出售損益金額時會計入商譽應佔金額。當本集團出售現金產生單位(或現金產生單位組別內現金產生單位)內的業務時,所出售商譽金額按所出售業務(或現金產生單位)與所保留現金產生單位(或現金產生單位組別)部分的相對價值計量。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The cost of an asset 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 the 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 it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

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

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

3. 主要會計政策概要 (續)

物業、廠房及設備

物業、廠房及設備為持作生產或供應貨品或服務或作行政用途之無形資產。物業、廠房及設備按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表中列賬。

資產之成本包括其購買價及任何使資產達至營運狀況及地點作擬定用途之直接應佔成本。物業、廠房及設備項目投入運作後所產生之開支(例如維修保養),一般於其產生期間自損益扣除。當可清楚顯示開支已導致使用物業、廠房及設備預期取得的未來經濟利益有所增加時,則開支作為該項資產的額外成本撥充資本。

折舊乃經扣減資產之剩餘價值,於其估計可使用年期以直線法撇銷成本。估計可使用年期、剩餘價值及折舊法於各報告期末檢討,而任何估計變動之影響按預期基準入賬。

物業、廠房及設備項目於出售或當預期持續使用該資產不再帶來未來經濟利益時終止確認。出售或廢棄物業、廠房及設備項目產生之任何收益或虧損按出售所得款項與資產賬面值間之差額計算,並於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

OWNERSHIP INTERESTS IN LEASEHOLD LAND AND BUILDING

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

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” (upon application of HKFRS 16) or “prepaid lease payments” (before application of HKFRS 16) in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

INTANGIBLE ASSETS

Internally-generated intangible assets – research and development expenditure

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

3. 主要會計政策概要 (續)

租賃土地及樓宇之所有權權益

倘本集團就包括租賃土地及樓宇部分之物業的所有權權益付款，全部代價按初步確認時的相對公平值比例於租賃土地與樓宇部分之間分配。

在相關付款可作可靠分配的情況下，租賃土地權益於綜合財務狀況表中呈列為「使用權資產」（應用香港財務報告準則第16號後）或「預付租賃款項」（應用香港財務報告準則第16號前）。倘代價無法在相關租賃土地的非租賃樓宇部分與未分割權益之間可靠分配，全部物業分類為物業、廠房及設備。

無形資產

內部產生無形資產－研發開支

研究活動之開支於產生期間確認為開支。

倘及僅倘以下所有事項均獲證實，則會確認開發活動（或自內部項目開發階段）所產生之內部產生無形資產：

- 完成該無形資產以使其能夠使用或出售在技術上具有可行性；
- 具有完成該無形資產並使用或出售之意圖；
- 有能力使用或出售該無形資產；
- 該無形資產將如何產生潛在未來經濟利益；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

INTANGIBLE ASSETS (continued)

Internally-generated intangible assets – research and development expenditure (continued)

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

Intangible assets acquired in a business combination

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

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are recognised at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3. 主要會計政策概要 (續)

無形資產 (續)

內部產生無形資產－研發開支 (續)

- 有足夠的技術、財務和其他資源支持，以完成該無形資產的開發，並使用或出售該無形資產；及
- 能夠可靠計量歸屬該無形資產開發階段之支出。

就內部產生無形資產初步確認之金額為自無形資產首次符合上述所列確認條件當日起產生之開支總和。倘並無內部產生無形資產可予確認，則開發成本乃於產生期間於損益確認。

於業務合併中收購的無形資產

於業務合併中收購的無形資產與商譽分開確認，初步按收購日期之公平值（視為其成本）確認。

初步確認後，於業務合併中所收購具有有限使用年期之無形資產按成本減累計減值及任何累計減值虧損確認。具有有限使用年期之無形資產攤銷於其估計可使用年期按直線法確認。估計可使用年期及攤銷方法於各報告期末檢討，任何估計變動的影響按前瞻基準入賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

LEASES

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

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

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

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

Allocation of consideration to components of a contract

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

Short-term leases and leases of low-value assets

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

3. 主要會計政策概要 (續)

租賃

租賃之定義 (根據附註2之過渡應用香港財務報告準則第16號後)

倘合約轉讓於一段時間內控制已識別資產之使用權利以換取代價，則該合約屬租賃或包含租賃。

就於首次應用日期或之後所訂立或修改或因業務合併產生之合約而言，本集團於開始日期根據香港財務報告準則第16號之定義評估合約是否屬租賃或包含租賃。除非合約條款及條件其後有所變更，否則本集團不會重新評估有關合約。

本集團作為出租人 (根據附註2之過渡應用香港財務報告準則第16號後)

將代價分配至合約的組成部分

就包含租賃部分及一項或多項額外租賃或非租賃部分之合約而言，本集團按租賃部分之相對單獨價格及非租賃部分之總單獨價格向各租賃部分分配合約內之代價，包括收購物業（包括租賃土地及非租賃樓宇部分）所有權權益之合約，惟無法可靠作出有關分配則除外。

短期租賃及低價值資產租賃

本集團對租期自開始日期起為期12個月或以下且不包含購買選擇權的物業租賃應用短期租賃確認豁免，低價值資產租賃亦應用確認豁免。短期租賃的租賃款項於租期內按直線法或其他系統性方法確認為開支。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

LEASES (continued)

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

Right-of-use assets

The cost of right-of-use asset includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

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

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

3. 主要會計政策概要 (續)

租賃 (續)

本集團作為出租人 (根據附註2之過渡應用香港財務報告準則第16號後) (續)
使用權資產

使用權資產成本包括:

- 租賃負債的初始計量金額;
- 於開始日期或之前作出的任何租賃款項減任何已收租賃優惠;
- 本集團產生的任何初始直接成本; 及
- 本集團於拆卸及移除相關資產、恢復所在地點或將相關資產恢復至租賃條款及條件所規定狀態時產生的成本估計, 惟倘該等成本乃因生產存貨而產生則作別論。

使用權資產按成本減任何累計折舊及減值損失計量。

倘本集團合理確定於租期結束時取得相關租賃資產所有權, 則使用權資產於開始日期至可使用年期結束期間折舊。否則, 使用權資產於其估計可使用年期及租期 (以較短者為準) 按直線法折舊。

本集團於綜合財務狀況表將使用權資產呈列為單獨項目。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

LEASES (continued)

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

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

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

IMPAIRMENT ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS OTHER THAN GOODWILL

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

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

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策概要 (續)

租賃 (續)

本集團作為承租人 (於二零一九年一月一日前)

凡租賃條款將擁有權的絕大部分風險及回報轉移至承租人的租賃，均列作融資租賃的類別。所有其他租賃則分類為經營租賃。

經營租賃付款 (包括獲得根據經營租賃所持土地之成本) 於租期按直線法確認為開支。

物業、廠房及設備、使用權資產及無形資產 (商譽除外) 減值

於報告期末，本集團審閱其物業、廠房及設備、使用權資產及具有限使用年期之無形資產之賬面值，以釐定有否跡象表明該等資產已發生減值虧損。倘存在任何有關跡象，則估計相關資產的可收回金額以釐定減值虧損 (如有) 的程度。

對物業、廠房及設備、使用權資產及無形資產之可收回金額作出個別估計。倘不可能單獨估計可收回金額時，本集團估計該資產所屬現金產生單位的可收回金額。

此外，本集團會評估是否有跡象表明企業資產已出現減值。倘存在有關跡象，而倘能識別合理一致的分配基準，企業資產會獲分配至個別現金產生單位，否則會按可識別的合理且一致的分配基準分配至最小的現金產生單位組別。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

IMPAIRMENT ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS OTHER THAN GOODWILL (continued)

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

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

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

3. 主要會計政策概要 (續)

物業、廠房及設備、使用權資產及無形資產(商譽除外)減值(續)

可收回金額是指公平值減去出售成本後的餘額與使用價值兩者中的較高者。評估使用價值時，乃採用稅前貼現率將估計未來現金流量貼現至其現值，而該稅前貼現率反映現行市場對金錢時間值及資產(或現金產生單位)(其未來現金流量估計未經調整)特定風險之評估。

倘估計資產(或現金產生單位)的可收回金額少於其賬面值，則資產(或現金產生單位)賬面值減少至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或一部分企業資產而言，本集團會將一組現金產生單位的賬面值(包括分配至該現金產生單位組別的企業資產或一部分企業資產的賬面值)與該組現金產生單位的可收回金額作比較。於分配減值虧損時，減值虧損將首先被分配，以削減任何商譽(如適用)的賬面值，其後以各項資產之賬面值為基準按比例分配至該單位或該現金產生單位組別的其他資產。資產的賬面值不能減少至低於公平值減出售成本(如可計量)、使用價值(如可釐訂)與零三者間之較高者。否則分配至資產的減值虧損金額則按比例分配至該單位或該現金產生單位組別的其他資產。減值虧損即時於損益中確認。

倘減值虧損於其後撥回，該資產(或現金產生單位或現金產生單位組別)的賬面值將增加至其經修訂估計可收回金額，但因此增加的賬面值不會超過資產(或現金產生單位或現金產生單位組別)於過往年度如無確認減值虧損時應釐定的賬面值。撥回減值虧損即時於損益中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FOREIGN CURRENCIES

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. 主要會計政策概要 (續)

外幣

編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣（外幣）進行的交易乃按交易日通行的匯率確認。於報告期末，以外幣計值的貨幣項目乃按當天通行的匯率重新換算。按外幣之公平值計量之非貨幣項目乃採用公平值釐定當日之匯率換算。以歷史成本計量並以外幣計值的非貨幣項目不會重新換算。

結算貨幣項目及重新換算貨幣項目產生的匯兌差額於其產生期間於損益中確認。

就呈列綜合財務報表而言，本集團的業務之資產及負債按於報告期末的適用匯率以本集團的呈報貨幣（即人民幣）列示。收入及開支項目按期內的平均匯率換算，除非期內匯率出現大幅波動，在此情況下，則使用交易當日的匯率換算。所產生的匯兌差異（如有）將於其他全面收入中確認及於權益之換算儲備項下累計。

收購海外業務產生之可資識別資產的商譽及公平值調整視作該海外業務之資產及負債處理，並按於報告期末之匯率換算。所產生之匯兌差額於其他全面收入確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

INVENTORIES

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

FINANCIAL INSTRUMENTS

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

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

3. 主要會計政策概要 (續)

存貨

存貨按成本及可變現淨值兩者中之較低者列賬。存貨成本利用加權平均法釐定。可變現淨值指存貨估計售價減所有估計完成成本和銷貨成本。

當出售存貨時，該等存貨之賬面值於確認相關收益之期間確認為一項開支。

任何撇減存貨至可變現淨值之金額及所有存貨虧損均於撇減或虧損產生之期間內確認為一項開支。存貨之任何撇減之任何撥回金額於撥回發生期間內確認為獲確認為一項開支之存貨金額之削減。

金融工具

當集團實體成為工具合約條款的一方時，會確認金融資產及金融負債。所有一般購買或出售之金融資產乃按交易日基準確認及終止確認。定期的金融資產買賣指購買或出售根據有關市場規則或慣例設定之時限內交付的金融資產。

金融資產及金融負債初步按公平值計量，惟自客戶合約產生之貿易應收款項則初步根據香港財務報告準則第15號計量。收購或發行金融資產及金融負債（按公平值計入損益（「按公平值計入損益」）之金融資產除外）直接應佔之交易成本，於初步確認時加入或扣自金融資產或金融負債（按適用情況而定）之公平值。因收購按公平值計入損益之金融資產而直接應佔之交易成本，即時於損益確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FINANCIAL INSTRUMENTS (continued)

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

3. 主要會計政策概要 (續)

金融工具 (續)

實際利率法乃計算金融資產或金融負債之攤銷成本及按有關期間分配利息收入及利息開支之方法。實際利率為將估計日後現金收款及付款(包括構成實際利率不可或缺的一部份之所有已付或已收費用及利率差價、交易成本及其他溢價或折扣)於金融資產或金融負債之預期使用年期或較短期間(倘合適)準確折現至初步確認時之賬面值之利率。

金融資產

金融資產的分類及後續計量

符合下列條件的金融資產其後按攤銷成本計量：

- 於目標為持有金融資產以收取合約現金流量的業務模式持有的金融資產；及
- 金融資產的合約條款於指定日期產生現金流量，而純粹作為本金及尚未清償本金的利息的付款。

所有其他金融資產其後按公平值計入損益計量，惟倘該等權益投資並非持有買賣用途及收購方於香港財務報告準則第3號業務合併所適用之業務合併中確認的或然代價，則本集團可於首次應用香港財務報告準則第9號／初始確認金融資產之日不可撤銷地選擇於其他全面收入中呈列權益投資公平值的後續變動。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

A financial asset is held for trading if:

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

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income ("FVTOCI") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

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

3. 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及後續計量 (續)

金融資產於下列情況下分類為持作買賣：

- 其主要用作於近期內出售而購入；或
- 於初步確認時，其為本集團共同管理的已識別金融工具組合的一部分及具有最近的短期盈利實際模式；或
- 其為非指定及用作對沖工具的衍生工具。

此外，如本集團不可撤銷地指定按攤銷成本計量或按公平值計入其他全面收益（「按公平值計入其他全面收益」）計量的金融資產，按公平值計入損益計量會消除或大幅減少會計錯配，其可如此行事。

(i) 攤銷成本及利息收入

利息收入乃使用實際利率法就其後按攤銷成本計量且應收款項其後按公平值計入其他全面收益計量的金融資產進行確認。就除已購入或原本出現信貸減值的金融資產以外的金融工具而言，利息收入應用實際利率按金融資產（惟其後出現信貸減值的金融資產除外）之賬面總值計算。就其後出現信貸減值的金融資產而言，利息收入透過於下個報告期間的金融資產的攤銷成本應用實際利率確認。倘有關信貸減值的金融工具信貸風險得到改善以致有關金融資產不再出現信貸減值，則利息收入透過於緊隨釐定有關資產不再出現信貸減值的報告期間開始之金融資產總賬面值應用實際利率確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Financial assets at FVTPL

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

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

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, other receivables, fixed time deposits and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the end of the reporting period as well as the forecast of future conditions.

3. 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及後續計量 (續)

(ii) 按公平值計入損益的金融資產

不符合按攤銷成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益的計量標準的金融資產按公平值計入損益計量。

按公平值計入損益之金融資產按各報告期末的公平值計量，任何公平值收益或虧損於損益中確認。於損益確認之收益或虧損淨額，不包括從金融資產賺取之任何股息或利息，並計入「應收或然代價之公平值變動之虧損」項目內。

金融資產減值

本集團對須根據香港財務報告準則第9號進行減值之金融資產（包括貿易應收款項、其他應收款項、定期存款及銀行結餘）根據預期信貸虧損（「預期信貸虧損」）模式進行減值評估。預期信貸虧損金額於各報告期末更新，以反映信貸風險自初始確認以來的變動。

全期預期信貸虧損指於相關工具預計年內所有可能違約事件產生的預期信貸虧損。相反，十二個月預期信貸虧損（「十二個月預期信貸虧損」）指預計於報告期末後12個月內可能發生的違約事件產生的部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗，並就債務人特定因素、一般經濟狀況以及對於報告期末之當時狀況及未來狀況預測的評估作調整。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Impairment of financial assets (continued)

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

本集團一直確認無重大融資組成部分的貿易應收款項之全期預期信貸虧損。該等資產的預期信貸虧損乃使用合適分組的撥備矩陣進行整體評估。

就所有其他工具而言，本集團計量虧損撥備等於十二個月預期信貸虧損，除非當信貸風險自初始確認以來顯著上升，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃基於自初始確認以來發生違約的可能性或風險顯著上升。

(i) 信貸風險大幅增加

於評估信貸風險是否自初始確認以來大幅增加時，本集團比較金融工具於報告期末出現違約的風險與該金融工具於初始確認日期出現違約的風險。作此評估時，本集團會考慮合理及有理據的定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料。

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部（如有）或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差大幅增加、債務人的信貸違約掉期價；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Impairment of financial assets (continued)

- (i) Significant increase in credit risk (continued)
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
 - an actual or expected significant deterioration in the operating results of the debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

- (ii) Definition of default

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

3. 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

- (i) 信貸風險大幅增加 (續)
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
 - 債務人經營業績的實際或預期重大惡化；
 - 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估結果如何，本集團假定合約付款逾期超過30日時，信貸風險自初始確認以來已大幅增加，除非本集團有合理及有理據的資料證明可予收回則當別論。

本集團定期監察識別信貸風險是否大幅增加所用標準的有效性，並酌情修訂以確保該標準能夠在款項逾期前識別信貸風險的大幅增加。

- (ii) 違約的定義

無論上文，本集團認為倘金融資產逾期超過90天，則發生違約事件，除非本集團有合理且有理據的資料說明更寬鬆的違約標準更為合適，則作別論。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The gross carrying amount of a financial assets is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

3. 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(iii) 信貸減值金融資產

當發生一項或多項對金融資產估計未來現金流量有不利影響之事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括以下事件的可觀察數據：

- (a) 發行人或借款人出現嚴重財政困難；
- (b) 違反合約，如違約或逾期事件；
- (c) 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人在一般情況下放款人不予考慮之優惠條件；或
- (d) 借款人很可能倒閉或進行其他財務重組。

(iv) 撤銷政策

若日後實際上不可回收款項，本集團則會撤銷（部分或全部）金融資產的總賬面值。該情況通常出現在本集團確定債務人並無資產或可產生足夠現金流量的收入來源以償還應撤銷的金額。

隨後收回先前撤銷之資產於回收期間在損益中確認為減值撥回。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

3. 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 預期信貸虧損計量及確認

計量預期信貸虧損起到計算違約概率、違約損失率(即違約時的損失程度)及違約風險的作用。評估違約概率及違約損失率乃基於經前瞻性資料進行調整的歷史數據。預期信貸虧損的估計反映無偏頗及概率加權數額,其乃根據加權的相應違約風險而釐定。

一般而言,預期信貸虧損為合約應付本集團的所有合約現金流量與本集團預期將收取按初始確認時釐定的實際利率貼現的現金流量之間的差額。

倘預期信貸虧損按統一基準計量或因個別工具層面之證據尚未提供之情況,金融工具按以下基準分組:

- 金融工具的性質;
- 逾期情況;
- 債務人的性質、規模及所屬行業;及
- 外部信貸評級(倘有)。

管理層定期檢討分組,以確保各組別的組成部分繼續擁有類似的信貸風險特徵。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of ECL (continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

3. 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 預期信貸虧損計量及確認 (續)

利息收入根據金融資產之賬面總值計算，除非金融資產出現信貸減值，在該情況下利息收入根據金融資產之攤銷成本計算。

本集團透過調整所有金融工具之賬面值於損益中確認減值收益或虧損，惟貿易應收款項之相應調整透過虧損撥備賬確認除外。

終止確認金融資產

倘從資產收取現金流量之合約權利已到期，或金融資產已轉讓且本集團已將其於金融資產擁有權之絕大部份風險及回報轉移至另一實體，則金融資產將被取消確認。

於終止確認按攤銷成本計量的金融資產時，該資產賬面值與已收及應收代價總和的差額於損益內確認。

金融負債及權益

分類為債務或權益

債務及股本工具乃根據合約安排的具體內容及金融負債與股本工具的定義分類為金融負債或股本。

股本工具

股本工具為有證據顯示實體於資產中扣減所有負債後有剩餘資產權益的任何合約。本公司發行的股本工具按已收所得款項扣除直接發行成本確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FINANCIAL INSTRUMENTS (continued)

Financial liabilities and equity (continued)

Financial liabilities at amortised cost

Financial liabilities including trade and bills payables, accrued expenses, other payables, bank borrowings and promissory notes are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3. 主要會計政策概要 (續)

金融工具 (續)

金融負債及權益 (續)

按攤銷成本計量的金融負債

金融負債(包括貿易應付款項及應付票據、應計費用、其他應付款項、銀行借款及承兌票據)其後採用實際利息法按攤銷成本計量。

終止確認金融負債

當且僅當本集團的責任解除、取消或到期時，本集團會終止確認金融負債。終止確認之金融負債之賬面值與已付或應付代價之間之差額，乃於損益確認。

抵銷金融資產及金融負債

僅在本集團當前有法定可執行權抵銷已確認金額，及計劃以淨額基準結算或同時變現資產及清償負債時，方抵銷金融資產與金融負債及於綜合財務狀況表呈列淨額。

現金及現金等價物

現金及現金等價物為銀行存款及手頭現金、存放於銀行及其他金融機構的活期存款，以及可隨時變現為已知現金數額及無重大價值變動風險的高流動性短期投資。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

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

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

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

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

3. 主要會計政策概要 (續)

客戶合約收入

當本集團符合履約義務時確認收入，即當貨品或服務按特定的履約義務轉移並由客戶「控制」時，方會確認。

履約責任指不同的商品或服務（或一組商品或服務）或一系列不同的商品或大致相同的服務。

控制權隨時間轉移，而倘滿足以下任何其中一項標準，則收益乃參照滿足相關履約責任的進展情況而隨時間確認：

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團之履約創建或強化一項資產，該資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約之款項具有可執行之權利。

否則，收益於客戶獲得相關商品或服務控制權時確認。

合約負債指本集團因已自客戶收取代價（或代價款項到期），而須轉讓商品或服務予客戶之義務。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Principal versus agent

When another party is involved in providing goods to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods itself (i.e. the Group is a principal) or to arrange for those goods to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good before that good is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good by another party. In this case, the Group does not control the specified good provided by another party before that good is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods to be provided by the other party.

Revenue from sales of goods

Revenue from sales of goods is recognised at a point in time when control of the goods has been transferred, being when the goods have been delivered to the customers. The normal credit term is up to 30 –150 days upon delivery.

BORROWING COSTS

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

3. 主要會計政策概要 (續)

客戶合約收入 (續)

主事人與代理人

當另一方亦有參與提供貨品予客戶時，本集團會釐定其承諾性質是否為自身提供特定貨品的履約責任（即本集團為主事人），或安排由其他方提供該等貨品（即本集團為代理人）。

倘於特定貨品轉讓予客戶前，本集團對有關貨品擁有控制權，本集團即為主事人。

倘履約責任為安排另一方提供特定貨品，本集團即為代理人。在此情況下，於由另一方提供的特定貨品轉讓予客戶前，本集團對該貨品並無控制權。當本集團作為代理人時，本集團將安排另一方提供特定貨品而預期有權收取的任何費用或佣金金額確認為收益。

銷售貨品的收益

銷售貨品的收益於轉讓貨品控制權的時間點（即貨品交付予客戶時）確認。一般信貸期最長為交付後30至150日內。

借款成本

所有借款成本於產生期間在損益內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

GOVERNMENT GRANT

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

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

TAXATION

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

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

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

3. 主要會計政策概要 (續)

政府補助

政府補助直至可合理確保本集團將遵守所附帶之條件及收取補助時方予以確認。

政府補助按系統基準於本集團確認與政府補助擬補償的成本有關的開支之期間在損益內確認。

作為已產生開支或虧損之補償或向本集團提供即時財務資助(並無日後相關成本)而應收取之政府補助,乃於其成為應收款項之期間於損益確認。

稅項

所得稅開支指現行應繳稅項與遞延稅項的總和。

現行應繳稅項乃按年內應課稅溢利計算。應課稅溢利與除稅前(虧損)/溢利不同,乃由於存在其他年度應課稅或可抵扣之收入或開支以及毋須課稅或不可抵扣之項目。本集團的即期稅項負債採用報告期末已頒佈或實際已頒佈的稅率計算。

遞延稅項按綜合財務報表內資產及負債的賬面值與計算應課稅溢利所使用之相應稅基間的暫時差額確認。一般會就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產一般於可能有應課稅溢利用以抵銷可扣稅暫時差額時就所有可扣稅暫時差額確認。倘有關暫時差額乃因初步確認(業務合併除外)既不影響應課稅溢利或會計溢利的交易中的資產及負債所引起,則不會確認該等遞延稅項資產及負債。此外,倘暫時差額產生於初始確認商譽,則不會確認遞延稅項負債。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

TAXATION (continued)

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

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

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

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

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

3. 主要會計政策概要 (續)

稅項 (續)

與於附屬公司投資相關的應課稅暫時差額確認為遞延稅項負債，惟若本集團可控制暫時差額的撥回而暫時差額於可見將來可能不會撥回的情況除外。與該等投資相關的可扣稅暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利抵銷暫時差額利益，且預期暫時差額於可見將來撥回時確認。

遞延稅項資產賬面值於各報告期末予以檢討，並於不再可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

遞延稅項資產及負債按償還負債或變現資產的期間內預期適用之稅率，根據報告期末已頒佈或實際已頒佈的稅率（及稅法）計算。

遞延稅項負債及資產的計量反映本集團於報告期末預期收回或償還其資產及負債賬面值的方式所產生的稅務後果。

倘存在合法可執行權利，可將即期稅項資產與即期稅項負債抵銷，且即期稅項資產與即期稅項負債與同一稅務機關對同一應課稅實體徵繳的所得稅有關，則遞延稅項資產與負債予以對銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

TAXATION (continued)

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

RETIREMENT BENEFIT OBLIGATIONS

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

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds.

Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees’ relevant income, with the employers’ contributions subject to a cap of monthly relevant income of HK\$30,000. The Group’s contributions to the scheme are expensed as incurred and are vested in accordance with the scheme’s vesting scales. Where employees leave the scheme prior to the full vesting of the employer’s contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

The employees employed by the Group’s subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the government of the PRC. The subsidiaries are required to contribute a specific percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the government of the PRC is to make the specified contributions under the schemes.

3. 主要會計政策概要 (續)

稅項 (續)

即期及遞延稅項在損益中確認，惟當其與在其他全面收入或直接在權益中確認的項目有關時，則即期及遞延稅項亦分別於其他全面收入或直接於權益確認。倘即期稅項或遞延稅項因就業務合併進行初步會計處理而產生，則稅務影響會計入業務合併之會計處理。

退休福利責任

強制性公積金計劃（「強積金計劃」）及國家管理退休福利計劃的付款，於僱員提供服務而享有供款時確認為開支。

本集團根據香港強制性公積金計劃條例為香港僱傭條例司法權區內所僱用的僱員運行一項強積金計劃。強積金計劃為界定供款計劃，其資產以獨立的受託人管理的基金持有。

根據強積金計劃，僱主及其僱員均須按僱員有關收入的5%向計劃供款，僱主供款的每月相關收入上限為30,000港元。本集團對計劃的供款於產生時支銷，並根據計劃歸屬程度歸屬。倘僱員於有權享有僱主供款之前退出計劃，沒收之供款將用作扣減本集團之應付供款。

本集團位於中國之附屬公司所聘請僱員為中國政府所營辦並為國家管理之退休福利計劃成員。該附屬公司須按僱員薪金之指定百分比向退休福利計劃支付供款，藉此為福利撥資。本集團就中國政府營辦之退休福利計劃所負唯一責任乃向該等計劃作出所須供款。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

SHORT-TERM EMPLOYEE BENEFITS

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

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

SHARE-BASED PAYMENTS

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

3. 主要會計政策概要 (續)

短期僱員福利

短期僱員福利按於及當僱員提供服務時預期將支付的福利未貼現金額確認。所有短期僱員福利確認為開支，惟另一項香港財務報告準則要求或允許將該福利納入資產的成本除外。

經扣除任何已付金額後的僱員應得福利（如工資及薪金、年假及事假）確認為負債。

以股份為基礎的付款

以權益結算並以股份為基礎支付的交易

以權益結算並以股份為基礎支付予員工的款項及其他提供的類似服務按授出日期股本工具的公平值計量。

於授出日期釐定的以權益結算以股份為基礎之付款的公平值（不考慮所有非市場歸屬條件）乃根據本集團對最終歸屬權益工具的估計，於歸屬期內按直線法列支，並在權益（購股權儲備）內計入相應增額。於各報告期末，本集團會根據所有相關非市場歸屬條件的評估修訂預期歸屬權益工具的估計數目。修訂原有估計的影響（如有）將於損益內確認，令累計開支反映經修訂估計，並相應調整購股權儲備。對於授出日期即時歸屬的購股權，所授出的購股權公平值即時於損益內支銷。

於行使購股權之時，之前於購股權儲備確認之金額將轉撥至股份溢價。倘購股權在歸屬日期後被沒收或於屆滿日期尚未行使，先前於購股權儲備確認的數額將轉撥至保留溢利。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

SHARE OPTIONS GRANTED TO CONSULTANTS

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

3. 主要會計政策概要 (續)

授予顧問的購股權

與僱員以外之人士作出之以權益結算並以股份為基礎支付之交易乃按已收取貨物或服務之公平值計量，惟倘公平值無法可靠計量除外。於此情況下，其乃按所授出之權益工具之公平值計量，並於實體取得貨物或對手方提供服務當日計量。除非貨物或服務符合資產確認資格，否則已收取貨物或服務之公平值確認為開支。

撥備

當本集團因過往事件而承擔現時責任（法定或推定），且本集團有可能須履行該等責任並能夠可靠估計責任金額時，則會確認撥備。

確認為撥備的金額為於報告期末履行現時責任所需代價的最佳估計，而估計乃經考慮圍繞責任的風險及不確定性後作出。倘撥備以估計履行現時責任的現金流量計量時，其賬面值為該等現金流量的現值（倘金額的時間價值的影響屬重大）。

當預期用作償付撥備所需部分或全部經濟利益可從第三方收回，如可實際確認可以收回且應收款項之金額能可靠計量，則應收款項確認為資產。

分部報告

經營分部及於綜合財務報表所呈報的各分部項目之金額乃於財務資料中確認，並定期提供予本集團最高管理層，以分配資源及評估本集團各業務線及地域位置之表現。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

SEGMENT REPORTING (continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. When inflow is virtually certain, an asset is recognised.

RELATED PARTY TRANSACTIONS

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

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

3. 主要會計政策概要 (續)

分部報告 (續)

個別重大經營分部不會因財務報告而進行綜合，惟各分部具有類似的經濟性質，以及產品與服務的性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以及監管環境的性質相似的情況除外。個別不屬重大的經營分部倘於該等大部份標準上屬類似，則可能進行綜合。

或然負債及或然資產

或然負債指因過往事件而可能引起的責任，該等責任須就某宗或多宗本集團不能完全控制的事件會否於日後發生方予以確認。或然負債亦可能因過往事件引致現有責任，惟由於可能不需要經濟資源流出，或責任金額不能可靠地計量而未有確認。倘資源流出的可能性改變而導致可能出現資源流出時，則該等負債將確認為撥備。

或然資產指因過往事件而可能產生的資產，該等資產須就某宗或多宗本集團不能完全控制的事件會否於日後發生方予以確認。倘可實質確認流入，該等資產將予以確認。

關聯方交易

任何一方如屬以下情況，即被視為本集團之關連人士：

- (a) 倘屬以下人士，則該人士或人士之近親與本集團有關連：
 - (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員之一。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

RELATED PARTY TRANSACTIONS (continued)

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

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. 主要會計政策概要 (續)

關聯方交易 (續)

- (b) 符合任何以下條件的實體會被視為與本集團有關連：
- (i) 該實體與本集團屬同一集團成員（即母公司、附屬公司及同系附屬公司各自互有關連）；
 - (ii) 一家實體為另一實體的聯營公司或合營公司（或另一實體所屬集團旗下成員公司之聯營公司或合營公司）；
 - (iii) 兩實體皆為同一第三方的合營公司；
 - (iv) 一實體為第三方的合營公司，而另一實體為該第三方的聯營公司；
 - (v) 該實體為本集團或與本集團有關連的實體就僱員利益設立之離職後福利計劃；
 - (vi) 該實體受附註(a)所識別人士控制或受共同控制；
 - (vii) 在(a)(i)內所確定的人士對該實體有重大影響力或該人士為該實體（或該實體的母公司）的主要管理層成員之一；或
 - (viii) 實體或集團屬下任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

關聯方交易為本集團與關聯方之間轉讓資源、服務或責任，而無論是否收費。

一名人士關係密切的家庭成員是指在與實體往來的過程中，預期可影響該人士或受該人士影響的家庭成員。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 to the consolidated financial statements, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The following is the critical judgments, apart from those involving estimations, that the directors has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

PRINCIPAL VERSUS AGENT CONSIDERATION

The Group engages in sales of umbrellas and the relevant products. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods. The Group has inventory risk. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31 December 2019, the Group recognised revenue relating to trading of umbrella and the relevant products amounted to approximately RMB558,599,000 (2018: RMB521,186,000).

KEY SOURCES OF ESTIMATION UNCERTAINTY

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

4. 關鍵會計判斷及估計不確定性之主要來源

於應用本集團的會計政策（於綜合財務報表附註3詳述）時，董事須在無法依循其他途徑即時得知資產及負債的賬面值時作出判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為相關的其他因素作出。實際結果或會有別於該等估計。

估計及相關假設按持續基準予以審閱。如會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂只會在該期間內確認；如會計估計的修訂對現時及未來期間均產生影響，則會在作出該修訂期間及未來期間內確認。

應用會計政策中的關鍵判斷

以下為董事於應用本集團會計政策過程中作出且對綜合財務報表所確認金額影響最為重大的關鍵判斷（涉及估計者除外）。

委託人與代理人之考慮因素

本集團從事銷售雨傘及相關產品。本集團得出結論，經考慮本集團主要負責履行提供貨品的承諾等指標，指定貨品轉讓予客戶前由本集團控制，故本集團為有關交易的委託人。本集團有存貨風險。當本集團達成履約責任時，本集團確認交易收益，金額為本集團按合約指定預期可享有的代價總額。

於截至二零一九年十二月三十一日止年度，本集團確認有關雨傘及相關產品買賣收益人民幣558,599,000元（二零一八年：人民幣521,186,000元）。

估計不確定因素之主要來源

以下為有關未來之主要假設，以及於報告期末之其他估計不確定性之主要來源，該等假設及估計存在可能導致有關資產及負債之賬面值於下一財政年度出現重大調整之重大風險。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of property, plant and equipment, right-of-use assets and intangible asset

Property, plant and equipment, right-of-use assets and intangible asset are stated at costs less accumulated depreciation and amortisation and accumulated impairment losses, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

Estimated impairment of goodwill

Goodwill is reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount of the CGU is the greater of the fair value less costs of disposal and value in use. An estimation of the value in use of the CGU involves estimating the future cash flows expected to arise from its continuing use and applying the appropriate discount rate that reflects current market assessment of the time value of money and the risk specific to the CGU.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定因素之主要來源 (續)

物業·廠房及設備·使用權資產及無形資產之估計減值

物業·廠房及設備·使用權資產及無形資產按成本減累計折舊及攤銷以及累計減值虧損(如有)列賬。於釐定資產是否減值時,本集團須作出判斷及估計,尤其需要評估:(1)是否發生可能影響資產價值的事件或任何跡象;(2)資產的賬面值能否以使用價值(即根據持續使用資產估計的未來現金流量之現值淨額)的可收回金額支持;及(3)估計可收回金額時所採用的適當主要假設,包括現金流量預測及適當貼現率。倘不能估計個別資產(包括使用權資產)之可收回金額時,本集團則估計該資產所屬之現金產生單位之可收回金額。假設及估計(包括現金流預測的貼現率或增長率)的變化可能對減值測試所用現值淨額造成重大影響。

商譽之估計減值

商譽於各報告期末或當事件或情況變化顯示現金產生單位之賬面值超出其可收回金額時進行減值檢討。現金產生單位的可收回金額為公平值減出售成本及使用價值中之較高者。對現金產生單位使用價值的估計涉及估計其持續使用預期產生的未來現金流量,並應用反映當前市場對貨幣時間價值和現金產生單位特定風險評估的適當折現率。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value measurement of contingent consideration receivables

As part of the identifiable asset acquired in business combination as set out in note 34 to the consolidated financial statements, profit guarantee is valued at fair value as at the acquisition date with the best estimates of the future outcome of the future events. Where the profit guarantee meets the definition of a financial asset, it is subsequently re-measured to fair value at the end of each reporting period. The determination of the fair value is based on the expected adjustment on consideration paid. The key assumption takes into consideration the probability of meeting each profit target.

Provision of ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the trade receivables which are individually insignificant. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in note 6 to the consolidated financial statements.

Income taxes

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

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定因素之主要來源 (續)

應收或然代價之公平值計量

作為綜合財務報表附註34所載於業務合併中所收購之可識別資產的一部分，利潤保證乃按於收購日期之公平值及對日後事件之日後結果之最佳估計進行估值。倘利潤保證符合金融資產之定義，則其後將於各報告期末重新計量至公平值。公平值乃根據對已付代價作出之預期調整予以釐定。主要假設已計及符合各項溢利目標之可能性。

貿易應收款項之預期信貸虧損撥備

本集團會就具有重大餘額及出現信貸減值的貿易應收款項單獨評估預期信貸虧損。此外，本集團使用撥備矩陣計算個別不重大的貿易應收款項的預期信貸虧損。經計及無須付出不必要成本或努力即可得的合理、可靠的前瞻性資料，撥備矩陣乃基於本集團的過往違約率計算。於各報告期末，重新評估過往觀察違約率，並考慮前瞻性資料的變動。

預期信貸虧損撥備對估計變動較為敏感。有關預期信貸虧損及本集團貿易應收款項之資料於綜合財務報表附註6披露。

所得稅

本集團須繳納諸多司法權區的所得稅。於釐定稅項撥備時，須作出重大判斷。於日常業務過程中存在很多交易及計算，而最終稅項的釐定具有不確定性。本集團基於對是否有額外稅項到期的估計確認稅項負債。倘該等事件的最終稅項結果與初始記錄的金額存在差異，則相關差異將影響作出有關釐定的年度的所得稅及遞延稅項撥備。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes bills payables, bank borrowings and promissory notes, net of bank balances and cash, and equity attributable to the owner of the Company, which comprises issued share capital and reserves.

The directors review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the redemption of the existing debts.

The Group is not subject to any external imposed capital requirements.

The gearing ratio at the end of the reporting period was as follows:

5. 資本風險管理

本集團管理其資本以確保本集團的實體可持續經營，並透過優化債務及權益結餘為股東帶來最大回報。本集團之整體策略與過往年度維持不變。

本集團的資本架構包括債務淨額（包括應付票據、銀行借款及承兌票據），扣除銀行結餘及現金以及本公司擁有人應佔權益（包括已發行股本及儲備）。

董事定期檢討資本架構。作為該檢討的一部分，董事考慮資本成本及各類資本的相關風險。本集團將根據董事之推薦意見透過支付股息、發行新股及發行新債務或贖回現有借貸，平衡其整體資本結構。

本集團毋須遵守任何外部施加的資本規定。

於報告期末的資產負債比率如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Total debts (note)	債務總額 (附註)	252,397	229,795
Less: Bank balances and cash	減：銀行結餘及現金	(26,151)	(17,352)
Net debt	債務淨額	226,246	212,443
Total equity	權益總額	452,100	461,204
Net debt to equity ratio	淨負債權益比率	50%	46%
Total debts to equity ratio	總負債權益比率	56%	50%

Note: Total debts comprises bills payables, bank borrowings and promissory notes as detailed in notes 27, 29 and 30 to the consolidated financial statements respectively.

附註：債務總額包括綜合財務報表附註27、29及30分別詳述的應付票據、銀行借款及承兌票據。

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6. FINANCIAL INSTRUMENTS

6. 金融工具

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

(A) 金融工具的類別

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets	金融資產		
Amortised cost	攤銷成本	288,851	356,975
Financial assets at FVTPL	按公平值計入損益的 金融資產	4,578	—
Financial liabilities	金融負債		
Amortised cost	攤銷成本	268,082	238,717

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(B) 財務風險管理目標及政策

The Group's major financial instruments include contingent consideration receivables, trade receivables, other receivables, fixed time deposits, bank balances and cash, trade and bills payables, accrued expenses, other payables, bank borrowings and promissory notes. Details of the financial instruments for the Group are disclosed in respective notes to the consolidated financial statements.

本集團的主要金融工具包括應收或然代價、貿易應收款項、其他應收款項、定期存款、銀行結餘及現金、貿易應付款項及應付票據、應計費用、其他應付款項、銀行借款及承兌票據。本集團的金融工具詳情披露於綜合財務報表各附註。

The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

該等金融工具之相關風險包括市場風險（貨幣風險及利率風險）、信貸風險及流動資金風險。下文載列如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時有效地實施適當措施。

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

本集團就金融工具承擔的風險類別或其管理與計量有關風險的方式並無任何改變。

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6. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk

Currency risk

The Group has foreign currency sales and purchases denominated in United States dollar ("USD"), Japanese Yen ("JPY") and Hong Kong dollar ("HKD"), which are different from the functional currencies of the group entities carrying out the transactions.

Also, certain trade receivables, bank balances and cash, trade and bills payables, accrued expenses and other payables are denominated in USD, JPY and HKD which are currencies other than the functional currency of the relevant group entities. The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities of the Group at the end of the reporting period are as follows:

		Assets		Liabilities	
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
USD	美元	152,928	149,398	177	421
JPY	日元	13,500	37,915	47	-
HKD	港元	714	1,323	5,445	1,885

The Group currently does not have a foreign currency hedging policy. However, the directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

6. 金融工具 (續)

(B) 財務風險管理目標及政策 (續)

市場風險

貨幣風險

本集團有以美元(「美元」)、日元(「日元」)及港元(「港元」)計值之外匯買賣，該等貨幣不同於本集團實體進行交易之功能貨幣。

此外，若干貿易應收款項、銀行結餘及現金、貿易應付款項及應付票據、應計費用及其他應付款項均以美元、日元及港元計值，美元、日元及港元並非相關集團實體之功能貨幣。本集團於報告期末以外幣計值之貨幣資產及貨幣負債之賬面值如下：

本集團當前並無外幣對沖政策。然而，管理層持續監控有關外匯風險，並會考慮於必要時對沖重大外幣風險。

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6. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to currency risk of USD, JPY and HKD.

The following table details the Group's sensitivity to a 5% for all periods increase or decrease in USD, JPY and HKD against the functional currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax (loss)/profit where USD, JPY and HKD strengthen 5% against the functional currency. For a 5% weakens of USD, JPY and HKD against the functional currency, there would be an equal or opposite impact on the profit and other equity and the balances below would be negative.

Impact on (loss)/profit for the year

		對年內(虧損) / 溢利之影響	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
USD	美元	5,728	5,587
JPY	日元	504	1,422
HKD	港元	(177)	(21)

6. 金融工具(續)

(B) 財務風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

敏感度分析

本集團主要面臨美元、日元及港元外幣風險。

下表載列於所有期間本集團對美元、日元及港元兌功能貨幣升值或貶值5%之敏感度詳情。5%乃向主要管理人員內部呈報外幣風險採用之敏感度比率，並代表管理層對外幣匯率合理可能變動之評估。敏感度分析僅包括以外幣計值之尚未支付貨幣項目，並於各報告期末就外幣匯率5%之變動調整匯兌。下列之正數表示美元、日元及港元兌功能貨幣升值5%時，除稅後(虧損) / 溢利增加。美元、日元及港元兌功能貨幣貶值5%時，將對溢利及其他權益有等額且相反之影響，而以下結餘將為負數。

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6. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed time deposits and fixed rate bank borrowings (see notes 26 and 29 for details respectively). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary action when significant interest rate exposure is anticipated.

The Group's cash flow interest rate risk relates primarily to variable-rate bank balances (see note 26 for details of these balances). The exposure to the interest rate risk for variable rate bank balances is insignificant as the bank balances have a short maturity period.

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade receivables, other receivables, fixed time deposits and bank balances. The Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group deposited fixed time deposits and bank balances with approved and reputable banks. Bankruptcy or insolvency of the banks may cause the Group's right with respect to fixed time deposits and bank balances held to be delayed or limited. The directors monitor the credit rating of these banks on an ongoing basis, and consider that the Group's exposure to credit risk as at 31 December 2019 and 31 December 2018 were minimal.

6. 金融工具 (續)

(B) 財務風險管理目標及政策 (續)

市場風險 (續)

利率風險

本集團之公平值利率風險主要與定期存款及定息銀行借款(詳情請分別參閱附註26及29)有關。本集團現時並無利率對沖政策。然而,管理層監控利率風險,倘預料有重大利率風險,將考慮其他必要之行動。

本集團之現金流量利率風險主要與浮息銀行結餘(有關該等結餘之詳情請參閱附註26)有關。由於浮息銀行結餘於短期內到期,故該等銀行結餘之利率風險甚微。

信貸風險及減值評估

本集團的信貸風險主要歸因於貿易應收款項、其他應收款項、定期存款及銀行結餘。本集團因對手方未能履行責任令本集團遭受財務損失所承擔的最高信貸風險產生於綜合財務狀況表所載各已確認金融資產的賬面值。本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關之信貸風險提供保障。

本集團將定期存款及銀行結餘存入經核准的知名銀行。銀行破產或無力償債或會令本集團有關所持定期存款及銀行結餘的權利延遲或受限制。董事持續監督該等銀行的信用評級,並認為本集團於二零一九年十二月三十一日及二零一八年十二月三十一日所面臨的信貸風險極低。

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6. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk and impairment assessment (continued)

For other receivables, the directors make periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors believe that there is no material credit risk inherent in the Group's outstanding balances of other receivables.

Trade receivables of the Group consist of a large number of customers and spread across geographical areas.

The Group's policy to manage credit risk is to deal only with credit worthy counterparties. In order to minimise the credit risk, the management of the Group has formulated a credit policy and, delegated a team responsible for determination of credit limits credit approvals and other monitoring procedures to ensure that follow-up action is take.

In addition, the Group performs impairment assessment under ECL model on trade balances based on provision matrix. The trade receivables are grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers. In this regard, the directors consider that the Group's credit risk is significantly reduced.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix within lifetime ECL (not credit-impaired).

6. 金融工具 (續)

(B) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

對於其他應收款項，董事基於過往結算記錄、過往經驗以及屬於合理且有理據的前瞻性資料的定性及定量資料，對其他應收款項的可收回性進行定期的個別評估。董事認為本集團其他應收款項的未結清結餘並無固有的重大信貸風險。

本集團的貿易應收款項涉及大量客戶且遍及各地理區域。

本集團管理信貸風險的政策為僅與信譽卓越的對手方交易。為盡力減低信貸風險，本集團管理層制定信貸政策，並委派負責釐定信貸限額、信貸審批及其他監管程序的團隊，確保作出及時跟進行動。

此外，本集團根據撥備矩陣按預期信貸虧損模式對貿易結餘進行減值評估。貿易應收款項乃根據共同信貸風險特徵並參考經常性客戶的還款記錄於撥備矩陣內分類。就此而言，董事認為本集團的信貸風險已大幅降低。

作為本集團信貸風險管理的一部分，本集團使用債務人的賬齡評估其客戶的減值，乃由於該等客戶包括大量具有共同風險特徵的客戶，代表客戶有能力按照合約條款支付所有款項。下表載列有關貿易應收款項的信貸風險敞口，乃基於全期預期信貸虧損（非信貸減值）中的撥備矩陣進行評估。

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6. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk and impairment assessment (continued)

As at 31 December 2019

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Not yet due	尚未逾期	–	92,766	–
1-90 days past due	逾期1至90天	2.01	86,690	1,750
			179,456	1,750

As at 31 December 2018

於二零一八年十二月三十一日

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Not yet due	尚未逾期	–	129,711	–
1-90 days past due	逾期1至90天	1.54	106,001	1,637
			235,712	1,637

The expected loss rate are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

預期虧損率乃基於債務人的過往違約率於預期存續期間而估算，並針對前瞻性資料（無需花費過多成本或精力即可獲得）進行調整。管理層定期檢討分類，以確保更新有關特定債務人的相關資料。

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6. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk and impairment assessment (continued)

During the year ended 31 December 2019, the Group provided approximately RMB1,750,000 (2018: RMB651,000) impairment allowance for trade receivables, based on the provision matrix.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

		Lifetime ECL (not credit-impaired) 全期預期信貸虧損 (非信貸減值) RMB'000 人民幣千元
As at 1 January 2018	於二零一八年一月一日	-
Adjustment upon application of HKFRS 9	應用香港財務報告準則第9號之調整	986
Impairment loss recognised	已確認減值虧損	651
<hr/>		
As at 31 December 2018 and as at 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	1,637
Impairment loss recognised	已確認減值虧損	1,750
Impairment loss reversed	減值虧損撥回	(1,637)
<hr/>		
As at 31 December 2019	於二零一九年十二月三十一日	1,750

The Group categories trade or other receivables for write off when a customer or debtor fails to make contractual payments. Where trade or other receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group does not have any other significant concentrations of credit risk. The exposures to these credit risks are monitored on an ongoing basis.

6. 金融工具 (續)

(B) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

截至二零一九年十二月三十一日止年度，本集團基於撥備矩陣計提貿易應收款項的減值撥備約人民幣1,750,000元（二零一八年：人民幣651,000元）。

下表載列按簡化法就貿易應收款項確認的全期預期信貸虧損變動。

本集團於客戶或債務人未能作出合約付款時將貿易或其他應收款項進行分類以作撇銷。倘撇銷貿易或其他應收款項，本集團會持續進行可執行活動以收回到期的應收款項。倘收回，則於損益內確認。

本集團並無其他重大集中信貸風險。該等信貸風險會持續監控。

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6. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

In management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2019, the Group has available unutilised short-term bank loan facilities of approximately RMB54,000,000 (2018: RMB66,500,000).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

6. 金融工具 (續)

(B) 財務風險管理目標及政策 (續)

流動資金風險

為管理流動資金風險，本集團監察及維持現金及現金等價物於管理層視為足以撥付本集團營運之水平，減低現金流量波動之影響。管理層監察銀行借款之動用情況並確保符合貸款契諾。

本集團依靠銀行借款作為流動資金的重要來源。於二零一九年十二月三十一日，本集團可得的未動用短期銀行貸款融資約為人民幣54,000,000元（二零一八年：人民幣66,500,000元）。

下表根據議定償還期限詳列本集團非衍生金融負債之餘下合約到期情況。該表乃根據本集團須付款之最早日期按金融負債之未折現現金流量而編製。該表包括利息及本金現金流量。

		As at 31 December 2019 於二零一九年十二月三十一日			
		On demand or within 1 year 按要求或於 1年內 RMB'000 人民幣千元	2-5 years 2至5年內 RMB'000 人民幣千元	Total undiscounted cash flows 未折現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債				
Trade and bills payables	貿易應付款項及應付票據	31,479	-	31,479	31,479
Accruals expense and other payables	應計費用及其他應付款項	14,656	-	14,656	14,656
Bank borrowings	銀行借款	202,800	-	202,800	202,800
Promissory notes	承兌票據	-	21,843	21,843	19,147
Total	總計	248,935	21,843	270,778	268,282

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6. FINANCIAL INSTRUMENTS (continued)

6. 金融工具 (續)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(B) 財務風險管理目標及政策 (續)

Liquidity risk (continued)

流動資金風險 (續)

		As at 31 December 2018 於二零一八年十二月三十一日		
		On demand or within 1 year 按要求或於 1年內 RMB'000 人民幣千元	Total undiscounted cash flows 未折現現金流 量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債			
Trade and bills payables	貿易應付款項及應付票據	35,204	35,204	35,204
Accruals expense and other payables	應計費用及其他應付款項	6,583	6,583	6,583
Bank borrowings	銀行借款	196,930	196,930	196,930
Total	總計	238,717	238,717	238,717

(C) FAIR VALUE OF FINANCIAL INSTRUMENTS

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the directors at the end of each reporting period to explain the cause of fluctuations in fair value of the asset.

(C) 金融工具的公平值

估計公平值時，本集團盡量使用市場可觀察數據。未能取得第一級輸入值時，本集團會委聘獨立合資格估值師進行估值。管理層與該合資格外聘估值師緊密合作，確立適當估值技術及該模式之輸入值。管理層於各報告期末向董事匯報調研結果，以解釋資產公平值波動之原因。

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6. FINANCIAL INSTRUMENTS (continued)

(C) FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: fair value measured using level 2 inputs i.e. observable inputs which fail to meet level 1, and not using significant unobservable inputs. Unobservable inputs are input for which market data are not available; and
- Level 3 valuations: fair value measured using significant unobservable inputs.

6. 金融工具 (續)

(C) 金融工具的公平值 (續)

下表呈列本集團於報告期末按經常基準計量的金融工具的公平值，其乃按香港財務報告準則第13號公平值計量所界定劃分為三級公平值架構。公平值計量劃分的級別乃參考估值技術所使用輸入值的可觀察性及重要性釐定如下：

- 第一級估值：僅使用第一級輸入值計量的公平值，即相同資產或負債於計量日期於活躍市場的未經調整報價；
- 第二級估值：使用第二級輸入值計量的公平值，即不符合第一級的可觀察輸入值且並無使用重大不可觀察輸入值。不可觀察輸入值為市場數據不可用的輸入值；及
- 第三級估值：使用重大不可觀察輸入值計量的公平值。

	Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2019				
Fair value on a recurring basis				
Financial assets at FVTPL				
– Contingent consideration receivables			4,578	4,578

The Group's policy is to recognise transfers into and out of fair value hierarchy levels at the end of the date of the events or change in circumstances that caused the transfer.

本集團之政策為確認於導致轉撥之事件或情況變動出現之日結束時的公平值層級等級間轉撥。

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6. FINANCIAL INSTRUMENTS (continued)

(C) FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

During the year ended 31 December 2019, there were no transfers between level 1 and level 2, or transfers into or out of level 3.

The following table presents the changes in fair value of contingent consideration receivables which are classified as level 3 category for the year ended 31 December 2019:

		RMB'000 人民幣千元
As at 1 January 2018, as at 31 December 2018 and as at 1 January 2019	於二零一八年一月一日、 二零一八年十二月三十一日 及二零一九年一月一日	-
Arising in acquisition of a subsidiary (note 34)	收購附屬公司所產生 (附註34)	14,232
Compensation from profit guarantee	利潤保證補償	(2,157)
Loss arising on change in fair value	公平值變動產生的虧損	(7,497)
As at 31 December 2019	於二零一九年十二月三十一日	4,578

Information about level 3 fair value measurements

有關第三級公平值計量的資料

Valuation techniques	Significant unobservable input	Relation of significant unobservable inputs to fair value
估價技術	重大不可觀察輸入	重大不可觀察輸入與公平值的關係
Contingent consideration receivables	Monte Carlo Simulation method	Expected net profit
應收或然代價	蒙特卡洛模擬法	預期純利
		The fair value measurement is negatively correlated to the expected net profit
		公平值計量與預期純利負相關

In estimating the fair value of an asset, the management work closely with International Valuation Limited ("IVL") to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the directors at the end of each reporting period to explain the cause of fluctuations in fair value of the asset.

估計資產的公平值時，管理層與國際評估有限公司（「國際評估有限公司」）緊密合作，確立適當估值技術及該模式之輸入值。管理層於各報告期末向董事匯報調研結果，以解釋資產公平值波動之原因。

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6. FINANCIAL INSTRUMENTS (continued)

(C) FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Information about level 3 fair value measurements (continued)

Information about the valuation techniques and inputs used in determining the above fair value are disclosed above.

Fair value loss on contingent consideration receivables are separated disclosed in the consolidated statement of profit or loss and other comprehensive income.

Fair value of financial assets and liabilities carried at other than fair value

Except as disclosed below, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

6. 金融工具 (續)

(C) 金融工具的公平值 (續)

有關第三級公平值計量的資料 (續)

釐定上述公平值時使用的估值技術和輸入值的相關資料於上文披露。

應收或然代價的公平值虧損於綜合損益及其他全面收益表中單獨列示。

並非按公平值計量的金融資產及負債的公平值

除下文所披露者外，董事認為於綜合財務報表中確認的金融資產及金融負債的賬面值與其公平值相若。

		As at 31 December 2019		As at 31 December 2018	
		於二零一九年 十二月三十一日		於二零一八年 十二月三十一日	
		Carrying amount	Fair value	Carrying amount	Fair value
		賬面值	公平值	賬面值	公平值
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Promissory notes	承兌票據	19,147	20,017	-	-

The fair value of promissory notes is classified as level 3 category in fair value hierarchy which have been determined in accordance with present value method based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

承兌票據的公平值於公平值等級中被歸類為第三級，其乃基於貼現現金流量分析根據現值法而確定，最重要的輸入值為反映交易對手信貸風險的貼現率。

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7. REVENUE AND OTHER INCOME AND GAINS

7. 收益及其他收入及收益

(I) REVENUE FROM CONTRACTS WITH CUSTOMERS

(I) 客戶合約收益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Sales of umbrellas and the relevant products	銷售雨傘及相關產品	558,599	521,186

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Timing of revenue recognition	確認收益的時間	558,599	521,186
A point in time	時間點		

Transaction allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contract for umbrella and the relevant products such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contract for sales of umbrella and the relevant products that had an original expected duration of one year or less.

與客戶合約的剩餘履約義務中分配的交易

本集團已在其雨傘及相關產品銷售合約中應用香港財務報告準則第15號第121段中的實際權宜法，因此，當本集團滿足最初預期期限為一年或以下的雨傘及相關產品銷售合約中的剩餘履約義務時，本集團不會披露有關本集團有權收取的收益的資料。

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7. REVENUE AND OTHER INCOME AND GAINS (continued)

7. 收益及其他收入及收益 (續)

(II) OTHER INCOME AND GAINS

(II) 其他收入及收益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	1,486	592
Government grants (note a)	政府補助(附註a)	2,656	1,224
Exchange gain, net	匯兌收益淨額	5,889	8,887
Imputed interest on promissory notes receivables	應收承兌票據推算利息	-	3,131
Others	其他	10	283
		10,041	14,117

Note:

附註：

- (a) During the year ended 31 December 2019, government grants of approximately RMB2,656,000 (2018: RMB1,224,000) were received, where the Group had fulfilled the relevant criteria, in respect of certain research and development projects. These were no unfulfilled conditions or contingencies relating to these government grants.

- (a) 截至二零一九年十二月三十一日止年度，已收取之政府補助約為人民幣2,656,000元(二零一八年：人民幣1,224,000元)，其中，本集團已符合若干研發項目之相關標準。概無與該等政府補助有關的未達成條件或或然事項。

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8. SEGMENT INFORMATION

The Group is engaged in a single operating segment, the manufacture and sales of umbrellas and the relevant products. Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the “CODM”). The CODM is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors. No segment assets, liabilities and other segment information in the measure of Group’s segment result and segment assets are presented as the information is not reported to the CODM for the purposes of resource allocation and performance assessment.

PRODUCT INFORMATION

The Group has been engaged in manufacturing and sales of POE umbrella, nylon umbrella and umbrella parts. An analysis of the Group’s revenue by product category is as follows:

8. 分部資料

本集團經營單一分部，即製造及銷售雨傘及相關產品。經營分部乃按與提供予主要營運決策者（「主要營運決策者」）之內部報告一致之方式呈報。負責分配資源及評估經營分部表現之主要營運決策者被視為董事會。計量本集團之分部業績及分部資產時並無呈列分部資產、負債及其他分部資料，此乃由於並無就資源分配及表現評估向主要營運決策者報告有關資料。

產品資料

本集團從事製造及銷售POE雨傘、尼龍雨傘及雨傘零部件。本集團按產品類別劃分之收益分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
POE umbrella	POE 雨傘	119,801	177,148
Nylon umbrella	尼龍雨傘	178,806	184,676
Umbrella parts	雨傘零部件	259,992	159,362
		558,599	521,186

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8. SEGMENT INFORMATION (continued)

GEOGRAPHICAL INFORMATION

The Group's operations are located in the PRC, accordingly, no geographical information about the Group's non-current assets has been presented. An analysis of the Group's revenue from external customers presented by geographical location is detailed below:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Japan	日本	167,572	213,057
PRC	中國	91,345	133,854
Cambodia	柬埔寨	173,760	156,822
Europe	歐洲	29,742	3,849
Republic of Korea	韓國	39,011	8,043
Republic of the Philippines	菲律賓	46,769	–
Other Asian countries	其他亞洲國家	4,172	5,480
Others	其他	6,228	81
		558,599	521,186

INFORMATION ABOUT MAJOR CUSTOMERS

Details of the customers individually representing 10% or more of the Group's revenue are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Customer A	客戶A	101,101	130,690
Customer B	客戶B	94,739	127,425
Customer C (note i)	客戶C (附註i)	79,021	N/A 不適用
Customer D (note ii)	客戶D (附註ii)	N/A 不適用	70,354

Except disclosed above, no other customers contributed 10% or more to the Group's revenue for both years.

Notes:

- (i) Revenue derived from Customer C did not contribute over 10% of revenue of the Group during the year ended 31 December 2018.
- (ii) Revenue derived from Customer D did not contribute over 10% of revenue of the Group during the year ended 31 December 2019.

8. 分部資料 (續)

地區資料

本集團之營運位於中國，因此並無呈列有關本集團非流動資產的地區資料。按地理位置對本集團來自外部客戶之收益作出之分析詳述如下：

有關主要客戶之資料

個別佔本集團收益10%或以上之客戶之詳情如下：

除上文所披露者外，於兩個年度概無其他客戶貢獻本集團收益10%或以上。

附註：

- (i) 於截至二零一八年十二月三十一日止年度來自客戶C的收益並未佔本集團收益10%以上。
- (ii) 於截至二零一九年十二月三十一日止年度來自客戶D的收益並未佔本集團收益10%以上。

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9. FINANCE COSTS

9. 財務成本

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest expense on:	下列各項之利息開支：		
– bank borrowings	– 銀行借款	10,499	10,511
– promissory notes (note 30)	– 承兌票據 (附註30)	631	–
		11,130	10,511

10. INCOME TAX EXPENSE

10. 所得稅開支

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PRC Corporate Income Tax	中國企業所得稅		
– current tax	– 即期稅項	4,836	7,426
– over-provision in respect of prior years	– 過往年度超額撥備	–	(866)
		4,836	6,560
Deferred tax credit (note 31)	遞延稅項抵免 (附註31)	(30)	–
		4,806	6,560

(i) 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.

(ii) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

(i) 根據開曼群島及英屬處女群島之規則及法規，本集團毋須繳付任何開曼群島及英屬處女群島之所得稅。

(ii) 香港立法會於二零一八年三月二十一日通過二零一七年稅務(修訂)(第7號)條例草案(「該條例草案」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日經簽署生效，並於翌日在憲報刊登。根據利得稅兩級制，合資格集團實體將按8.25%之稅率就溢利首2百萬港元繳納稅項，並將按16.5%之稅率就超過2百萬港元之溢利繳納稅項。不符合利得稅兩級制資格之集團實體的溢利將繼續按16.5%之稅率繳納稅項。

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10. INCOME TAX EXPENSE (continued)

(ii) (continued)

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been made for both years as the Group's income neither arises in, nor is derived from, Hong Kong.

(iii) Under the Law of the PRC on Corporate Income Tax and Implementation Regulation of the Corporate Income Tax Law, the tax rate of the PRC subsidiaries is 25% for both years.

The income tax expense for the year can be reconciled to the (loss)/profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅開支 (續)

(ii) (續)

董事認為，實施利得稅兩級制所涉及之金額與綜合財務報表並無重大關係。因此，兩個年度的香港利得稅均按估計應課稅溢利之16.5%計算。

由於該兩個年度本集團並未於香港產生或獲得任何收入，故未就香港利得稅作出撥備。

(iii) 根據中國企業所得稅法及企業所得稅法實施條例，中國附屬公司於該兩個年度的稅率均為25%。

年內所得稅開支與綜合損益及其他全面收益表之除稅前(虧損)/溢利對賬如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
(Loss)/profit before tax	除稅前(虧損)/溢利	(11,441)	25,260
Tax calculated at tax rates applicable to the jurisdictions concerned	按適用於相關司法權區的稅率計算的稅項	(1,812)	6,343
Tax effect of:	稅務影響：		
Income not taxable for tax purpose	毋須課稅收入	(371)	(1,218)
Expenses not deductible for tax purpose	不可扣稅開支	4,818	2,301
Estimated tax loss not recognised	未確認之估計稅項虧損	2,171	-
Over-provision in respect of prior years	過往年度超額撥備	-	(866)
Income tax expense for the year	年內所得稅開支	4,806	6,560

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11. (LOSS)/PROFIT FOR THE YEAR

(Loss)/profit for the year has been arrived at after charging/
(crediting):

11. 年內（虧損）／溢利

年內（虧損）／溢利經扣除／（計入）下
列各項後得出：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and allowances (excluding directors' emoluments)	薪金及津貼（不包括董事酬金）	68,427	64,376
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款（不包括董事）	13,391	14,541
Equity-settled share-based payment expenses	以權益結算以股份為基礎支付之開支	6,620	-
Total staff costs	員工成本總額	88,438	78,917
Cost of inventories sold	出售存貨成本	492,738	441,793
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	10	35
Depreciation of property, plant and equipment	物業、廠房及設備折舊	5,954	6,172
Depreciation of right-of-use assets	使用權資產折舊	936	-
Amortisation of intangible assets	無形資產攤銷	120	-
Amortisation of prepaid lease payments	預付租賃款項攤銷	-	936
Impairment loss recognised in respect of allowance for credit losses, net of reversal	就信貸虧損撥備確認之減值虧損，扣除撥回	113	651
Research and development expenses (note)	研發開支（附註）	9,273	16,997
Operating lease rental relating to short-term lease and low-value lease upon application of HKFRS 16	於應用香港財務報告準則第16號後有關短期租賃及低價值租賃之經營租金	28	-
Operating lease rentals in respect of premises	有關物業之經營租金	-	10
Auditor's remuneration:	核數師酬金：		
- audit services	- 審核服務	671	606
- non-audit services	- 非審核服務	135	165
		806	771

Note: During the year ended 31 December 2019, included in the research and development expenses was approximately RMB1,547,000 (2018: RMB1,625,000) related to staff cost.

附註：截至二零一九年十二月三十一日止年度，計入研發開支之員工成本約為人民幣1,547,000元（二零一八年：人民幣1,625,000元）。

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

12. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
(Loss)/earnings	(虧損) / 盈利		
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share ((loss)/profit for the year attributable to owners of the Company)	就每股基本及攤薄(虧損) / 盈利而言的(虧損) / 盈利(本公司擁有人應佔年度(虧損) / 溢利)	(16,247)	18,700

12. 每股(虧損) / 盈利

本公司擁有人應佔的每股基本及攤薄(虧損) / 盈利乃根據以下數據計算:

		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	用作計算每股基本(虧損) / 盈利的普通股加權平均數	3,786,000	3,784,421
Effect of dilutive potential ordinary shares: Share options	潛在攤薄普通股的影響: 購股權	-	213
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	用作計算每股攤薄(虧損) / 盈利的普通股加權平均數	3,786,000	3,784,634

The basic and diluted loss per share are the same for the year ended 31 December 2019.

每股基本及攤薄虧損與截至二零一九年十二月三十一日止年度相同。

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic loss per share calculation, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted loss per share for the year ended 31 December 2019.

由於本公司尚未行使之購股權(倘適用)對每股基本虧損之計算具有反攤薄影響,故計算截至二零一九年十二月三十一日止年度之每股攤薄虧損時假設上述潛在攤薄股份並無獲行使。

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13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS

13. 董事、行政總裁及僱員酬金

(A) DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

(A) 董事及行政總裁酬金

Details of emoluments paid and payable to the directors of the Company, which include the Chief Executive Officer ("CEO") for the year are as follows:

年內向本公司董事（包括行政總裁（「行政總裁」））已付及應付之酬金詳情如下：

Name of director 董事姓名		Fees 袍金		Salaries and other operations 薪金及其他津貼		Retirement benefits scheme contributions 退休福利計劃供款		Total 總計	
		2019	2018	2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事								
Mr. Huang	黃先生	-	-	600	500	9	4	609	504
Yang Guang	楊光	-	-	360	200	7	4	367	204
Lin Zhenshuang	林貞雙	-	-	350	300	4	4	354	304
Chung Kin Hung, Kenneth	鍾健雄	161	152	-	-	-	-	161	152
Independent non-executive directors	獨立非執行董事								
Lee Kit Ying, Winnie	李結英	159	152	-	-	-	-	159	152
Yang Xuetai	楊學太	60	61	-	-	-	-	60	61
Tso Sze Wai	曹思維	159	152	-	-	-	-	159	152
		539	517	1,310	1,000	20	12	1,869	1,529

Mr. Huang is also the CEO of the Company and his emoluments disclosed above include those for services rendered by him as the CEO.

黃先生亦為本公司行政總裁，上文所披露的酬金包括其擔任行政總裁所提供服務的酬金。

No emoluments were paid by the Group to the directors or CEO as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors or CEO waived or agreed to waive any emoluments in both years.

本集團並無支付薪酬予董事或行政總裁，作為彼等加入本集團或於加入本集團後之獎勵，或作為離職之補償。該兩個年度，概無董事或行政總裁放棄或同意放棄任何酬金。

No transactions, arrangements and contracts in relation to the Group's business to which the Company or any subsidiaries of the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

本公司或本公司附屬公司概無訂立與本集團業務有關且本公司董事於其中直接或間接擁有重大權益且於本年末或本年度任何時間仍有效之交易、安排及合約。

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綜合財務報表附註

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

13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS (continued)

13. 董事、行政總裁及僱員酬金 (續)

(B) FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year include nil (2018: nil) directors. The emoluments payable to the remaining five (2018: five) individuals during the year which are employees were as follows:

(B) 五名最高薪酬人士

本年度本集團五名最高薪酬人士包括零名(二零一八年:零名)董事。年內應付其餘五名(二零一八年:五名)人士(僱員)的酬金如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他津貼	284	473
Equity-settled share-based payment expenses	以權益結算以股份為基礎之付款開支	3,310	-
Retirement benefits scheme contributions	退休福利計劃供款	20	10
		3,614	483

During the year, certain non-director and non-chief executive highest paid employees were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 33 to the consolidated financial statements.

年內,根據本公司購股權計劃,若干非董事及非行政總裁的最高薪酬僱員就向本集團提供的服務獲授購股權。購股權計劃詳情載於綜合財務報表附註33。

The aggregated emoluments of each of the remaining five (2018: five) highest paid individuals fell within the following bands:

其餘五名(二零一八年:五名)最高薪酬人士的總薪酬介乎以下範圍:

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Nil to HKD1,000,000	零至1,000,000港元	5	5

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the five highest paid individuals waived or agreed to waive any emoluments in both years.

本集團並無支付薪酬予五名最高薪酬人士,作為彼等加入本集團或於加入本集團後之獎勵,或作為離職之補償。該兩個年度,概無五名最高薪酬人士放棄或同意放棄任何酬金。

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

14. DIVIDEND

No final dividend was paid or proposed during the year, nor any dividend has been proposed by the board of directors subsequent to the end of the reporting period (2018: nil).

15. RETIREMENT BENEFITS SCHEMES

- (a) The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employees are required to contribute 5% of their monthly salaries or up to a maximum of HK\$1,500 and they can choose to make additional contributions. The employer's monthly contributions are calculated at 5% of the employee's monthly salaries or up to a maximum of HK\$1,500 (the "Mandatory Contributions"), and this is the only obligation of the Group with respect to the MPF Scheme to make the required contribution. The employees are entitled to 100% of the employer's Mandatory Contributions upon their retirement at the age of 65, death or total incapacity.
- (b) The employees of the Group's subsidiary in the PRC are members of state-managed retirement benefit schemes operated by the government of the PRC. The subsidiary is required to contribute a specific percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the government of the PRC is made the specified contributions under the schemes. The contributions are charged to profit or loss as incurred.

The total expense recognised in consolidated profit or loss of approximately RMB13,411,000 (2018: RMB14,553,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans during the year ended 31 December 2019.

14. 股息

年內概無派付或建議派付末期股息，報告期末後董事會亦未建議派付任何股息（二零一八年：無）。

15. 退休福利計劃

- (a) 本集團根據香港強制性公積金計劃條例設有強積金計劃。強積金計劃的資產與本集團資產分開持有，並由獨立受託人基金管理。根據強積金計劃，僱員須按其月薪5%或上限最高1,500港元作出供款，並可選擇作出額外供款。僱主的每月供款按僱員月薪5%或上限最高1,500港元計算（「強制性供款」），而此為本集團根據強積金計劃作出規定供款的唯一責任。僱員於65歲退休、身故或完全喪失工作能力時有權獲得全部僱主強制性供款。
- (b) 本集團的中國附屬公司的僱員參與中國政府運營的國家管理的退休金計劃。附屬公司須按薪金成本的特定百分比向退休福利計劃作出供款。本集團就中國政府營運的退休福利計劃的唯一責任為根據該計劃作出指定供款。供款於產生時計入損益。

於綜合損益中確認的總開支出約為人民幣13,411,000元（二零一八年：人民幣14,553,000元），為本集團於截至二零一九年十二月三十一日止年度按計劃規則指定的比率向該等計劃支付的供款。

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

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本				
As at 1 January 2018	於二零一八年一月一日	122,804	35,660	3,882	162,346
Additions during the year	本年度添置	-	915	226	1,141
Disposals during the year	本年度出售	-	(285)	(350)	(635)
As at 31 December 2018 and as at 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	122,804	36,290	3,758	162,852
Acquisition of a subsidiary (note 34)	收購附屬公司(附註34)	-	20	-	20
Acquired on additions during the year	本年度添置所獲	-	202	-	202
Disposals during the year	本年度出售	-	(91)	(3)	(94)
As at 31 December 2019	於二零一九年十二月 三十一日	122,804	36,421	3,755	162,980
Accumulated depreciation	累計折舊				
As at 1 January 2018	於二零一八年一月一日	31,359	26,588	847	58,794
Charge for the year	年內支出	4,415	1,395	362	6,172
Eliminated on disposals	出售時對銷	-	(257)	(289)	(546)
As at 31 December 2018 and as at 1 January 2019	於二零一八年十二月 三十一日及二零一九年 一月一日	35,774	27,726	920	64,420
Charge for the year	年內支出	4,406	1,192	356	5,954
Eliminated upon on disposals	出售時對銷	-	(72)	(3)	(75)
As at 31 December 2019	於二零一九年十二月 三十一日	40,180	28,846	1,273	70,299
Carrying amounts	賬面值				
As at 31 December 2019	於二零一九年十二月 三十一日	82,624	7,575	2,482	92,681
As at 31 December 2018	於二零一八年十二月 三十一日	87,030	8,564	2,838	98,432

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16. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the follow rates per annum:

Buildings	Over the shorter of term of the lease or 2.5%
Machinery and equipment	10%-25%
Motor vehicles	10%-33%

As at 31 December 2019, buildings with carrying amounts of approximately RMB59,807,000 (2018: RMB63,182,000) have been pledged to secure banking facilities granted to the Group.

17. RIGHT-OF-USE ASSETS

		Leasehold land 租賃土地 RMB'000 人民幣千元
Carrying amount as at 1 January 2019	於二零一九年一月一日的賬面值	35,403
Depreciation charge	折舊開支	(936)
<hr/>		
Carrying amount as at 31 December 2019	於二零一九年十二月三十一日的賬面值	34,467

The carrying amount of the leasehold land is located in the PRC under the medium-term lease where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these leasehold land. Lump sum payments were made upfront to acquire these property interests from their previous owners, and there are no longer payments to be made under the term of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities. The leasehold land components of these owned properties are presented separately only if the payment can be allocated reliably.

As at 31 December 2019, leasehold land with carrying amount of approximately RMB29,865,000 have been pledged to secure banking facilities granted to the Group.

16. 物業、廠房及設備 (續)

上述物業、廠房及設備項目按直線法以下列年率計算折舊：

樓宇	租期或2.5%， 以較短者為準
機器及設備	10%–25%
汽車	10%–33%

於二零一九年十二月三十一日，賬面值約為人民幣59,807,000元（二零一八年：人民幣63,182,000元）之樓宇已抵押作為本集團獲授銀行融資之擔保。

17. 使用權資產

中期租賃下的租賃土地的賬面值以及其製造設施及辦公樓主要位於中國。本集團為該等租賃土地的登記業主。一次過付清全部款項，以從其先前的業主購買該等物業權益，且根據土地租賃條款無須再付款，惟根據相關政府部門設定的應課稅價值付款除外。該等付款隨時間而變化，且須支付予相關政府部門。僅當付款能可靠分配時，該等自有物業的租賃土地成分方可單獨呈列。

於二零一九年十二月三十一日，賬面值約為人民幣29,865,000元之租賃土地已抵押作為本集團獲授銀行融資之擔保。

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18. PREPAID LEASE PAYMENTS

Prepaid lease payments comprise of leasehold land held in the PRC under medium-term lease and are analysed for reporting purposes as follows:

		2018 二零一八年 RMB'000 人民幣千元
Analysed for reporting purposes as:	就報告目的分析如下：	
Non-current assets	非流動資產	34,467
Current assets	流動資產	936
		35,403

Upon application of HKFRS 16 on 1 January 2019, the Group has reclassified prepaid lease payments to right-of-use assets.

As at 31 December 2018, leasehold land with carrying amount of approximately RMB30,652,000 have been pledged to secure banking facilities granted to the Group.

19. PROMISSORY NOTE RECEIVABLES

The principal amount of the promissory note was RMB34,800,000 and the fair value of the promissory note at initial recognition was approximately RMB28,700,000. The maturity date is 2 years from the issue date of promissory note. The promissory note was measured at amortised cost with an effective interest rate of 10.13%. As at 31 December 2018, the promissory note receivables was fully settled.

18. 預付租賃款項

預付租賃款項包括於中國根據中期租賃持有之租賃土地，並就報告目的分析如下：

於二零一九年一月一日應用香港財務報告準則第16號後，本集團已將預付租賃款項重新分類為使用權資產。

於二零一八年十二月三十一日，賬面值約為人民幣30,652,000元之租賃土地已抵押作為本集團獲授銀行融資之擔保。

19. 承兌票據應收款項

承兌票據的本金額為人民幣34,800,000元，承兌票據於初始確認時的公平值約為人民幣28,700,000元。到期日為自承兌票據發行日期起2年。承兌票據按攤銷成本計量，實際利率為10.13%。於二零一八年十二月三十一日，承兌票據應收款項已悉數結清。

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綜合財務報表附註

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20. INTANGIBLE ASSETS

20. 無形資產

		Customers' relationship 客戶關係 RMB'000 人民幣千元
Cost	成本	
As at 1 January 2018, as at 31 December 2018 and as at 1 January 2019	於二零一八年一月一日、 二零一八年十二月三十一日 及二零一九年一月一日	-
Acquired on acquisition of a subsidiary (note 34)	收購附屬公司所獲得(附註34)	1,967
<hr/>		
As at 31 December 2019	於二零一九年十二月三十一日	1,967
Accumulated amortisation	累計攤銷	
As at 1 January 2018, as at 31 December 2018 and as at 1 January 2019	於二零一八年一月一日、 二零一八年十二月三十一日 及二零一九年一月一日	-
Charge for the year	年內支出	120
<hr/>		
As at 31 December 2019	於二零一九年十二月三十一日	120
Carrying amount	賬面值	
As at 31 December 2019	於二零一九年十二月三十一日	1,847
<hr/>		
As at 31 December 2018	於二零一八年十二月三十一日	-

Customers' relationship has finite useful lives and are amortised on a straight-line basis over 10 years.

客戶關係的使用壽命有限，並於10年內按直線法攤銷。

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21. GOODWILL

21. 商譽

		RMB'000 人民幣千元
Cost	成本	
As at 1 January 2018, as at 31 December 2018 and as at 1 January 2019	於二零一八年一月一日、二零一八年十二月三十一日及二零一九年一月一日	-
Arising on acquisition of a subsidiary (note 34)	收購附屬公司所產生(附註34)	5,670
As at 31 December 2019	於二零一九年十二月三十一日	5,670
Accumulated impairment	累計減值	
As at 1 January 2018, as at 31 December 2018, as at 1 January 2019 and as at 31 December 2019	於二零一八年一月一日、二零一八年十二月三十一日、二零一九年一月一日及二零一九年十二月三十一日	-
Carrying amount	賬面值	
As at 31 December 2019	於二零一九年十二月三十一日	5,670
As at 31 December 2018	於二零一八年十二月三十一日	-

The carrying amount of goodwill (net of accumulated impairment losses) at the end of the reporting period were allocated to CGUs of Jinjiang Jingting Trading Company Limited* (晉江競霆貿易有限公司) ("Jingting").

Goodwill associated with the CGU of Jingting arose on 23 May 2019 from business combination.

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and discount rate of 14.6% and cash flow beyond the five-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

於報告期末，商譽之賬面值(扣除累計減值虧損)已分配至晉江競霆貿易有限公司(「競霆」)之現金產生單位。

與競霆現金產生單位相關的商譽於二零一九年五月二十三日由企業合併產生。

該單位的可收回金額乃基於使用價值計算而確定。該計算採用的現金流量預測乃基於管理層所批准涵蓋5年期間及折現率為14.6%的財務預算以及超出五年期之現金流量預測乃採用3%穩定增長率推斷。該增長率乃基於相關行業的增長預測，並且不超過相關行業的平均長期增長率。使用價值計算的其他關鍵假設與現金流入/流出估計有關，包括銷售及毛利率預算，該估計基於部門過去的業績及管理層對市場發展的期望。

* For identification purpose only

* 僅供識別

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21. GOODWILL (continued)

During the year ended 31 December 2019, management of the Group determines that there is no impairment on CGU of Jingting with reference to valuation performed by IVL, a firm of independent qualified professional valuers. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount of CGU of Jingting. If the discount rate was changed to 20.4%, while other parameters remain constant, the recoverable amount of CGU of Jingting would equal its carrying amount.

22. CONTINGENT CONSIDERATION RECEIVABLES

Contingent consideration receivables represent the profit guarantee given by the Vendors to the Group in relation to the acquisition of Jingting (note 34 to the consolidated financial statements). Contingent consideration receivables has been designated as financial assets at FVTPL upon initial recognition and is measured at fair value at the end of the reporting period. The movement of the fair value of contingent consideration receivables is as follow:

21. 商譽 (續)

截至二零一九年十二月三十一日止年度，本集團管理層參考由獨立合格專業估值師國際評估有限公司進行的估值，釐定競靈的現金產生單位並無減值。管理層認為，該等假設的任何合理潛在變化均不會導致商譽的賬面值超過競靈現金產生單位的可收回金額。倘折現率更改為20.4%，而其他參數保持不變，則競靈現金產生單位的可收回金額將等於其賬面值。

22. 應收或然代價

應收或然代價指賣方就收購競靈而向本集團提供的利潤擔保（綜合財務報表附註34）。應收或然代價於初始確認時指定為按公平值計入損益的金融資產，於報告期末按公平值計量。應收或然代價的公平值變動如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
As at 1 January	於一月一日	-	-
Arising from acquisition of a subsidiary (note 34)	收購附屬公司所產生 (附註34)	14,232	-
Compensation from profit guarantee	利潤保證補償	(2,157)	-
Loss arising on change in fair value	公平值變動產生的虧損	(7,497)	-
As at 31 December	於十二月三十一日	4,578	-

Pursuant to the sales and purchase agreement (“SPA”) in relation to the acquisition of Jingting, Fu Kun* (付坤) (the “Vendor”) have given a guarantee to the Group that the audited net profits after tax (excluding any extraordinary items and one-off non-recurring items) of Jingting for the three financial years ending 31 December 2019, 31 December 2020 and 31 December 2021 (each of the “Guaranteed Period”) shall not be less than RMB3,000,000 (the “Guaranteed Profit”) for each of the Guaranteed Period (the “Profit Guarantee”).

根據有關收購競靈的買賣協議（「買賣協議」），付坤（「賣方」）已向本集團保證，截至二零一九年十二月三十一日、二零二零年十二月三十一日及二零二一年十二月三十一日止三個財政年度（各「保證期」），競靈於各保證期的經審核除稅後純利（不包括任何特別項目及一次過非經常性項目）不少於人民幣3,000,000元（「利潤保證」）。

* For identification purposes only

* 僅供識別

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22. CONTINGENT CONSIDERATION RECEIVABLES (continued)

In case the Profit Guarantee is not fulfilled for the corresponding year, the Vendor shall pay 9.67 times of the difference between the Guaranteed Profit and the audited net profits after tax of Jingting (the "Shortfall Payment") to the Group. The Shortfall Payment shall be settled by the Vendor by way of set off against the principal amount of the promissory notes and any remaining balance shall be paid by the Vendor in cash.

During the year ended 31 December 2019, the audited net profit after tax of Jingting did not satisfy the Profit Guarantee, as a result, the Shortfall Payment of approximately RMB2,157,000 will be used to set off against the outstanding promissory notes due by the Group in accordance with the terms and condition stated in the SPA.

The fair value of the contingent consideration receivables as at 31 December 2019 are based on valuation performed by IVL, a firm of independent qualified professional valuers, by using the Monte Carlo Simulation method and a loss on fair value change of approximately RMB7,497,000 was recognised in profit or loss.

23. INVENTORIES

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw material	原材料	176,153	119,800
Work-in-progress	在製品	23,900	12,059
Finished goods	製成品	55,933	29,239
		255,986	161,098

22. 應收或然代價 (續)

倘未能於相應年度達成利潤保證，則賣方應向本集團支付利潤保證與兢靈的經審核除稅後純利之差額的9.67倍（「差額款項」）。差額款項應由賣方通過抵銷承兌票據本金的方式支付，餘額應由賣方以現金支付。

截至二零一九年十二月三十一日止年度，兢靈的經審核除稅後純利未達成利潤保證，因此，根據買賣協議的條款及條件，差額款項約人民幣2,157,000元將用於抵銷本集團應付的尚未償還承兌票據。

於二零一九年十二月三十一日的應收或然代價的公平值乃基於獨立合資格專業估值師事務所國際評估有限公司採用蒙特卡洛模擬法進行的估值，公平值變動虧損約為人民幣7,497,000元，已於損益中確認。

23. 存貨

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24. TRADE RECEIVABLES

24. 貿易應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables arising from contracts with customers	客戶合約的貿易應收款項	179,456	235,712
Less: Allowance for credit losses	減：信貸虧損撥備	(1,750)	(1,637)
		177,706	234,075

As at 1 January 2018, trade receivables arising from contracts with customers amounted to approximately RMB154,350,000.

於二零一八年一月一日，客戶合約產生的貿易應收款項約為人民幣154,350,000元。

The Group generally allows a credit period of 30 days to 150 days to its trade customers. The Group does not hold any collateral over these balances.

本集團一般給予貿易客戶30日至150日的信貸期。本集團並無就該等結餘持有任何抵押品。

The following is an aging analysis of trade receivables, net of allowance of credit losses, presented based on the earlier of invoice date or revenue recognition date is as follow:

以下乃按發票日期或收益確認日期之較早者呈列的貿易應收款項（扣除信貸虧損撥備）的賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
0 to 90 days	0至90日	92,766	129,711
91 to 180 days	91至180日	61,241	78,617
Over 180 days	超過180日	23,699	25,747
		177,706	234,075

As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregates carrying amount of approximately RMB86,690,000 (2018: RMB106,001,000) which are past due at the end of the reporting period.

於二零一九年十二月三十一日，本集團貿易應收款項的餘額包括賬面總值約為人民幣86,690,000元（二零一八年：人民幣106,001,000元）的應收款項，該等應收款項於報告期末已逾期。

In determining the recoverability of a trade receivable, the directors consider any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

釐定貿易應收款項的可收回程度時，董事考慮從最初授信之日起至報告期末，應收款項的信貸質量的任何變化。

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24. TRADE RECEIVABLES (continued)

The Group's trade receivables (net of allowance for credit losses) that are denominated in currency other than the functional currency of the relevant Group entities are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
USD	美元	152,460	149,398
JPN	日元	13,500	37,915

Details of impairment assessment of trade receivables are set out in note 6 to the consolidated financial statements.

24. 貿易應收款項 (續)

以本集團相關實體的功能貨幣以外的貨幣計值的本集團貿易應收款項(已扣除信貸虧損撥備)如下:

貿易應收款項的減值評估詳情載於綜合財務報表附註6。

25. PREPAYMENT AND OTHER RECEIVABLES

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Other receivables	其他應收款項	552	16,680
Value-added tax receivables	應收增值稅	28,964	31,418
Prepayment	預付款項	36,636	49,518
		66,152	97,616

Details of impairment assessment of other receivables are set out in note 6 to the consolidated financial statements.

25. 預付款項及其他應收款項

其他應收款項的減值評估詳情載於綜合財務報表附註6。

26. FIXED TIME DEPOSITS AND BANK BALANCES AND CASH

Bank balances carry interest at floating rates and placed with creditworthy banks with no recent history of default. The fixed time deposits are interest bearing ranging from 1.30% to 4.26% (2018: 1.1% to 4.0%) per annum and mature within 365 days (2018: 365 days) from the placements date. The fixed time deposits with the amounts of approximately of RMB10,478,000 (2018: RMB7,450,000) were used to secure bills payables granted to the Group and will be released upon settlement of bills payables.

The Group's fixed time deposits and bank balances and cash denominated in RMB which are located in the PRC are subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations.

26. 定期存款及銀行結餘及現金

銀行結餘按浮動利率計息並存放於近期並無違約記錄的信譽良好的銀行。定期存款按介乎1.30%至4.26%(二零一八年:1.1%至4.0%)的年利率計息,且自存放日期起於365天內到期(二零一八年:365天)。金額約人民幣10,478,000元(二零一八年:人民幣7,450,000元)的定期存款用於抵押授予本集團的應付票據且將於結清應付票據後解除。

本集團位於中國、以人民幣計值之定期存款及銀行結餘及現金須受中國外匯管理條例以及結匯、售匯及付匯管理規定所監管。

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26. FIXED TIME DEPOSITS AND BANK BALANCES AND CASH (continued)

The Group's fixed time deposits and bank balances and cash that are denominated in currency other than the functional currency of the relevant Group entities are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
USD	美元	468	1
HKD	港元	714	1,323

Details of impairment assessment of fixed time deposits and bank balances are set out in note 6 to the consolidated financial statements.

本集團以相關集團實體非功能貨幣計值之定期存款及銀行結餘及現金如下：

定期存款及銀行結餘的減值評估詳情載於綜合財務報表附註6。

27. TRADE AND BILLS PAYABLES

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade payables	貿易應付款項	1,029	2,339
Bills payables	應付票據	30,450	32,865
		31,479	35,204

An aging analysis of trade and bills payables presented based on the invoice date at the end of the reporting period is as follows:

於報告期末按發票日期呈列之貿易應付款項及應付票據之賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
0 to 90 days	0至90日	22,559	18,564
91 to 180 days	91至180日	8,889	14,910
181 to 365 days	181至365日	31	1,730
		31,479	35,204

The credit period granted by the supplier normally ranging from 30 days to 120 days.

供應商授予的信貸期一般介乎30日至120日。

As at 31 December 2019, trade and bills payables denominated in USD and JPY amounted to approximately RMB177,000 (2018: RMB421,000) and RMB47,000 (2018: nil) respectively.

於二零一九年十二月三十一日，按美元及日元計值的貿易應付款項及應付票據分別約為人民幣177,000元（二零一八年：人民幣421,000元）及人民幣47,000元（二零一八年：零）。

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28. ACCRUED EXPENSES, OTHER PAYABLES AND CONTRACT LIABILITIES 28. 應計費用、其他應付款項及合約負債

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract liabilities	合約負債	661	303
Amount due to ultimate holding company	應付最終控股公司款項	2	-
Other payables	其他應付款項	8,784	799
Accrued expenses	應計費用	5,870	5,784
		15,317	6,886

Amount due to ultimate holding company is unsecured, interest-free and repayable on demand.

應付最終控股公司款項為無抵押、免息及按要求償還。

As at 1 January 2018, contract liabilities amounted to approximately RMB189,000.

於二零一八年一月一日，合約負債約為人民幣189,000元。

Contract liabilities represented advance payments received from customers for sales of umbrella and the related products pursuant to the respective sales contracts before the control of the products are passed to the customers.

合約負債指將產品的控制權轉移給客戶之前，根據各銷售合約從客戶處獲得的銷售雨傘及相關產品的預付款。

For the contract liabilities as at 31 December 2018, the entire balances are recognised as revenue during the year ended 31 December 2019.

有關於二零一八年十二月三十一日的合約負債，全部餘額於截至二零一九年十二月三十一日止年度確認為收益。

As at 31 December 2019, accrued expenses and other payables denominated in HKD amounted to approximately RMB5,445,000 (2018: RMB1,885,000).

於二零一九年十二月三十一日，以港元計值的應計費用及其他應付款項約為人民幣5,445,000元（二零一八年：人民幣1,885,000元）。

29. BANK BORROWINGS

29. 銀行借款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Secured, repayable within one year from the end of the reporting period	有抵押，須於自報告期末起一年內償還	202,800	196,930

As at 31 December 2019, all bank borrowings are interest bearing at the PRC loan prime rate over a spread. The bank borrowing fixed at interest rate ranging from 4.35% to 5.76% per annum (2018: 4.35% to 5.85% per annum) and were due within 1 year.

於二零一九年十二月三十一日，全部銀行借款按中國貸款優惠利率計息。銀行借款按介乎4.35%至5.76%（二零一八年：4.35%至5.85%）之固定年利率計息並於一年內到期。

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29. BANK BORROWINGS (continued)

The Group's bank borrowings were secured by the Group's buildings and right-of-use assets (2018: prepaid lease payments payments) with the carrying amounts of approximately RMB59,807,000 (2018: RMB63,182,000) and RMB29,865,000 (2018: RMB30,652,000) respectively.

29. 銀行借款 (續)

本集團的銀行借款分別以賬面值分別約為人民幣59,807,000元(二零一八年:人民幣63,182,000元)及人民幣29,865,000元(二零一八年:人民幣30,652,000元)的本集團樓宇及使用權資產(二零一八年:預付租賃款項)進行抵押。

30. PROMISSORY NOTES

30. 承兌票據

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
As at 1 January	於一月一日	-	-
Issue of promissory notes upon completion for acquisition of a subsidiary (note 34)	於完成收購附屬公司時發行承兌票據(附註34)	20,673	-
Compensation from profit guarantee (note 22)	利潤保證補償(附註22)	(2,157)	-
Imputed interest on promissory notes (note 9)	承兌票據推算利息(附註9)	631	-
As at 31 December	於十二月三十一日	19,147	-

On 23 May 2019, the Company acquired the entire equity interest in Jingting with total consideration of RMB29,000,000, in which RMB24,000,000 was settled by issue of promissory notes to the Vendor by the Company. The promissory notes are unsecured, interest-free and maturity on the date falling on 36 months after the issuance date of the promissory notes (subject to adjustment by set off against the Shortfall Payment (if any)). The fair value of promissory notes with the amount of approximately RMB20,673,000 at the issue date have been arrived by reference to the valuation performed by IVL, a firm of independent qualified professional valuers. The effective interest rate of the promissory notes at the issuance date is 13.86%.

於二零一九年五月二十三日,本公司以總代價人民幣29,000,000元收購競靈的全部股權,其中人民幣24,000,000元由本公司以向賣方發行承兌票據的方式償付。承兌票據無抵押、免息且於承兌票據發行日起計36個月(可由於抵銷差額款項(如有)而進行調整)當日期到。約人民幣20,673,000元的承兌票據於發行日期的公平值乃參考獨立合格專業估值師國際評估有限公司進行的估值而得出。承兌票據於發行日期的實際利率為13.86%。

During the year ended 31 December 2019, the audited net profit after tax of Jingting did not satisfy the Profit Guarantee, as a result, the Shortfall Payment of approximately RMB2,157,000 will be used to set off against the outstanding promissory notes due by the Group in accordance with the terms and condition stated in the SPA.

截至二零一九年十二月三十一日止年度,競靈的經審核除稅後純利未達成利潤保證,因此,根據買賣協議的條款及條件,差額款項約人民幣2,157,000元將用於抵銷本集團應付的尚未償還承兌票據。

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31. DEFERRED TAX LIABILITIES

31. 遞延稅項負債

		Fair value adjustment on acquisition of subsidiaries 收購附屬公司的公平值調整 RMB'000 人民幣千元
As at 1 January 2018, as at 31 December 2018 and as at 1 January 2019	於二零一八年一月一日、 二零一八年十二月三十一日 及二零一九年一月一日	-
Arising on acquisition of subsidiary (note 34)	收購附屬公司所產生(附註34)	492
Credit to consolidated profit or loss (note 10)	計入綜合損益(附註10)	(30)
As at 31 December 2019	於二零一九年十二月三十一日	462

No deferred tax assets has been recognised in respect of tax losses due to unpredictability of future profit streams and unrecognised tax losses will be expired within five years.

由於未來利潤流不可預測，因此尚未確認任何遞延稅項資產，且未確認稅項虧損將於五年內到期。

32. SHARE CAPITAL

32. 股本

		Number of shares	Nominal values of ordinary shares	
		股份數目	普通股之面值	
		'000 千股	HK\$'000 千港元	RMB'000 人民幣千元
Ordinary shares of HK\$0.0016 each	每股面值0.0016港元的普通股			
Authorised:	法定：			
As at 1 January 2018,	於二零一八年一月一日、			
as at 31 December 2018,	二零一八年十二月三十一日、			
as at 1 January 2019 and	二零一九年一月一日及			
as at 31 December 2019	二零一九年十二月三十一日	6,250,000	10,000	
Issued and fully paid:	已發行及繳足：			
As at 1 January 2018	於二零一八年一月一日	3,750,000	6,000	4,731
Issue of share upon exercise of share options (note)	行使購股權時發行股份(附註)	36,000	58	51
As at 31 December 2018, as at 1 January 2019 and as at 31 December 2019	於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	3,786,000	6,058	4,782

Note: During the year ended 31 December 2018, certain share option holders exercised their option right to subscribe for 36,000,000 ordinary shares at exercise price of HK\$0.097 per share.

附註：截至二零一八年十二月三十一日止年度，若干購股權持有人行使其購股權以按行使價每股0.097港元認購36,000,000股普通股。

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

32. SHARE CAPITAL (continued)

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All ordinary share rank equally with regard to the Company's residual assets.

33. EQUITY-SETTLED SHARE OPTIONS TRANSACTIONS

The Company adopted the share option scheme (the "Share Option Scheme") on 23 January 2015 for the purpose of rewarding certain eligible persons for their past contributions and attracting and retaining, or otherwise maintaining on-going relationships with, such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. Subject to the earlier termination of the Share Option Scheme in accordance with the rule thereof, the Share Option Scheme shall remain in force for a period of ten years commencing on the listing date.

Eligible participants of the Share Option Scheme include any proposed, full-time or part-time employees, executive or officers of the Company or any of its subsidiaries; any directors or proposed director (including non-executive director and independent non-executive directors) of any of its subsidiaries; any direct or indirect shareholder of the Company or any of its subsidiaries; and any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the shares in issue as at the date of the shareholders' approval in general meeting. Subject to the issue of a circular by the Company and the approval of the shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the board may:

32. 股本 (續)

普通股擁有人可享有不時宣派的股息且可於本公司大會上享有一股一票的投票權。所有普通股就本公司剩餘資產享有同等權益。

33. 以權益結算之購股權交易

本公司於二零一五年一月二十三日採納購股權計劃(「購股權計劃」),旨在獎勵若干合資格人士過往的貢獻,吸引及留聘對本集團的表現、增長或成功屬重要及/或其貢獻現時或將會對本集團的表現、增長或成功有利的合資格人士或以其他方式維持與彼等的持續關係。除根據購股權計劃的規則將其提前終止外,購股權計劃將自上市日期起計十年期間維持有效。

購股權計劃的合資格參與人包括本公司或其任何附屬公司的任何建議、全職或兼職僱員、行政人員或高級職員;其任何附屬公司的任何董事或建議董事(包括非執行董事及獨立非執行董事);本公司或其任何附屬公司的任何直接或間接股東;及本公司或其任何附屬公司的任何諮詢人、顧問、供應商、客戶及代理。

因行使根據購股權計劃及本集團任何其他計劃授出的所有購股權而可能發行的最高股份數目,合共不得超過股東於股東大會批准日期已發行股份的10%。在本公司刊發通函及股東於股東大會批准及/或上市規則不時規定的有關其他要求規限下,董事會可:

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33. EQUITY-SETTLED SHARE OPTIONS TRANSACTIONS

(continued)

- (i) renew this limit at any time to 10% of the shares in issue as at the date of the approval by the shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to eligible participants specifically identified by the board.

Notwithstanding the foregoing, the maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the shares of the Company in issue from time to time.

The maximum number of shares issuable upon the exercise of options granted under the Share Option Scheme and any other share option scheme adopted by the Group (including both exercised or outstanding options) to each grantee within any 12-months period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of options in excess of 1% limit shall be subject to: (i) the issue of a circular by the Company; and (ii) the approval of the shareholders in general meeting and/or other requirements prescribed under the listing rules from time to time.

33. 以權益結算之購股權交易 (續)

- (i) 隨時更新有關限額至獲股東在股東大會批准當日已發行股份的10%；及／或
- (ii) 向董事會指定的合資格參與人授出超過10%限額的購股權。

儘管上文有所規定，根據購股權計劃及本集團任何其他購股權計劃已授出但尚未行使的所有購股權獲行使而將予發行的股份數目合共最多不得超過本公司不時已發行股份的30%。

因行使根據購股權計劃及本集團採納的任何其他購股權計劃向每名獲授人授出的購股權（包括已行使或尚未行使購股權）可發行的股份的最大數目，於任何十二個月期間內不得超過本公司任何時間已發行股份的1%。凡進一步授出的購股權超過1%限額，須受以下事項所限：(i) 本公司刊發通函；及(ii) 獲股東於股東大會上批准及／或符合上市規則項下不時規定的其他要求。

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33. EQUITY-SETTLED SHARE OPTIONS TRANSACTIONS

(continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in general meeting.

The exercise period of the share options granted is determinable by the directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of grant of the share options subject to the provisions for early termination thereof. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK1.0 upon acceptance of the grant on or before 21 days after the offer date.

The exercise price of the share options is determinable by the directors, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for trade in one or more board lots of the shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer; and (iii) the nominal value of a share.

As at 31 December 2019, the number of shares in respect of which may be issued upon exercise of share options granted and remain outstanding under the Share Option Scheme was 375,000,000, representing 9.9% of the shares of the Company in issue at that date.

33. 以權益結算之購股權交易 (續)

向本公司董事、主要行政人員或主要股東或任何彼等聯繫人授予購股權，必須獲獨立非執行董事事先批准，方可作實。此外，倘於任何十二個月期間內，向主要股東或獨立非執行董事或任何彼等的聯繫人授出任何購股權，超過本公司任何時間已發行股份的0.1%及根據本公司股份於授出日期的收市價計算總值超過5,000,000港元，則須獲股東於股東大會事先批准，方可作實。

授出的購股權行使期由董事釐定，該期間可自購股權建議授出日期開始，至購股權授出日起計不超過十年止，並受限於有關提早終止條文。行使購股權前毋須先行持有有關購股權一段最短期限。購股權計劃參與人須就接納授予以提呈日期後21日或之前向本公司支付1.0港元。

購股權行使價由董事釐定，惟不得低於下列最高者：(i)本公司股份於建議授出購股權當日（必須為營業日）在聯交所的每日報價表就買賣一手或以上股份所報收市價；(ii)本公司股份於緊接建議授出日期前五個營業日在聯交所每日報價表所報平均收市價；及(iii)股份面值。

於二零一九年十二月三十一日，根據購股權計劃已授出而未行使的購股權獲行使後可予發行的股份數目為375,000,000股，佔當日本公司已發行股份的9.9%。

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33. EQUITY-SETTLED SHARE OPTIONS TRANSACTIONS

(continued)

As at 31 December 2018, there was no outstanding share options under any share option scheme.

The following tables discloses details of the Company's share option held by the employees and consultants and movements in such holdings:

33. 以權益結算之購股權交易 (續)

於二零一八年十二月三十一日，概無根據任何購股權計劃之尚未行使購股權。

下表披露僱員及顧問所持本公司購股權之詳情及變動：

Category of participants	Date of grant	Exercisable period	Exercise price per share	Number of share options					
				Outstanding as at 01.01.2018	Lapsed during 2018	Exercised during 2018	Outstanding as at 31.12.2018 and 01.01.2019	Granted during 2019	Outstanding as at 31.12.2019
參與者類別	授出日期	行使期	每股行使價 HK\$ 港元	於 二零一八年 一月一日 尚未行使	二零一八年 失效	二零一八年 行使	於 二零一八年 十二月 三十一日及 二零一九年 一月一日 尚未行使	二零一九年 授出	於 二零一九年 十二月 三十一日 尚未行使
Employees of the Group 本集團僱員	03.11.2017	03.11.2017 - 02.11.2018	0.097	252,000,000	(216,000,000)	(36,000,000)	-	-	-
	二零一七年十一月三日	二零一七年十一月三日至 二零一八年十一月二日							
	10.04.2019	10.04.2019 - 10.04.2029	0.045	-	-	-	-	375,000,000	375,000,000
	二零一九年四月十日	二零一九年四月十日至 二零二九年四月十日							
				252,000,000	(216,000,000)	(36,000,000)	-	375,000,000	375,000,000
Consultants 顧問	03.11.2017	03.11.2017 - 02.11.2018	0.097	108,000,000	(108,000,000)	-	-	-	-
	二零一七年十一月三日	二零一七年十一月三日至 二零一八年十一月二日							
				360,000,000	(324,000,000)	(36,000,000)	-	375,000,000	375,000,000
			Weighted average exercise price (HK\$) 加權平均行使價 (港元)	0.097	0.097	0.097	-	0.045	0.045

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

33. EQUITY-SETTLED SHARE OPTIONS TRANSACTIONS

(continued)

No share option was exercised, expired, lapsed or cancelled for the year ended 31 December 2019. No share option was granted, expired or cancelled for the year ended 31 December 2018.

During the year ended 31 December 2019, options were granted on 10 April 2019. The estimated fair value of the options granted are approximately RMB6,620,000.

This fair value was calculated using the binomial option pricing model. The inputs into the model were as follows:

		10 April 2019 二零一九年 四月十日
Exercise price (HK\$)	行使價 (港元)	0.045
Expected volatility (%)	預期波幅 (%)	74.480
Expected life (years)	預期年限 (年)	10
Risk-free rate (%)	無風險利率 (%)	1.552
Expected dividend yield (%)	預期股息率 (%)	-

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 4.7 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

33. 以權益結算之購股權交易 (續)

截至二零一九年十二月三十一日止年度，概無購股權獲行使、到期、失效或註銷。截至二零一八年十二月三十一日止年度，概無購股權授出、到期或註銷。

截至二零一九年十二月三十一日止年度，於二零一九年四月十日授出認股權。授出的購股權的估計公平值約為人民幣6,620,000元。

該公平值乃使用二項式期權定價模型計算。該模型的輸入值如下：

預期波幅乃採用本公司股價過往4.7年之歷史波幅而釐定。模式中所用預期有效期乃基於管理層之最佳估計，就不可轉讓性、行使限制及行為考慮因素的影響予以調整。

二項定價模式乃用以估計購股權之公平值。計算購股權公平值時所用變數及假設乃基於董事之最佳估計。購股權之價值可因若干主觀假設之不同變數而變化。

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

34. ACQUISITION OF A SUBSIDIARY

On 23 May 2019, the Group completed to acquire the entire equity interest in Jingting with total consideration of RMB29,000,000, in which RMB5,000,000 was settled by cash and RMB24,000,000 was settled by issue of promissory notes to the Vendor by the Company. Jingting is engaged in the wholesale, retail and export of umbrellas, umbrella parts, accessories and plastic products. The amount of goodwill arising as a result of the acquisition was approximately RMB5,670,000. This acquisition has been accounted for using the acquisition method. The acquisition of Jingting aligns with the Group's strategy to shift business focus from developing upstream manufacturing to downstream distribution network and brand building so as to facilitate promotion of the Group's branded umbrellas which command higher margins and perfect target for the Group's vertical integration.

CONSIDERATION TRANSFERRED:

		Fair value of the consideration 代價之公平值 RMB'000 人民幣千元
Cash consideration	現金代價	5,000
Contingent consideration receivables (note 22)	應收或然代價(附註22)	(14,232)
Issue of promissory notes (note 30)	發行承兌票據(附註30)	20,673
Total consideration transferred at fair value		11,441

34. 收購附屬公司

於二零一九年五月二十三日，本集團以總代價人民幣29,000,000元收購競霆的全部股權，其中人民幣5,000,000元以現金償付，人民幣24,000,000元由本公司以向賣方發行承兌票據的方式償付。競霆從事雨傘、雨傘零部件、配件及塑料製品的批發、零售和出口。收購產生的商譽約為人民幣5,670,000元。此收購已使用收購法入賬。收購競霆符合本集團將業務重心從發展上游製造轉移至下游分銷網絡及品牌建設的策略，從而促進本集團品牌雨傘的推廣，為本集團垂直整合要求更高利潤率及完美目標。

已轉讓代價：

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

34. ACQUISITION OF A SUBSIDIARY (continued)

Acquisition-related costs amounting to approximately RMB690,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the administrative expenses line item in the consolidated statement of profit or loss and other comprehensive income.

ASSETS ACQUIRED AND LIABILITIES RECOGNISED AT THE DATE OF ACQUISITION ARE AS FOLLOWS:

		RMB'000 人民幣千元
Property, plant and equipment (note 16)	物業、廠房及設備(附註16)	20
Intangible asset (note 20)	無形資產(附註20)	1,967
Trade receivables	貿易應收款項	10,197
Other receivables	其他應收款項	2,194
Bank balances and cash	銀行結餘及現金	2,227
Trade payables	貿易應付款項	(4,698)
Accrued expenses, other payable and contract liabilities	應計費用、其他應付款項及合約負債	(5,644)
Deferred tax liabilities (note 31)	遞延稅項負債(附註31)	(492)
Net assets acquired	所收購資產淨值	5,771

GOODWILL ARISING ON ACQUISITION:

收購產生的商譽：

		RMB'000 人民幣千元
Consideration transferred	已轉讓代價	11,441
Less: net assets acquired	減：所收購資產淨值	(5,771)
Goodwill arising on acquisition (note 21)	收購產生的商譽(附註21)	5,670

34. 收購附屬公司(續)

收購相關成本約人民幣690,000元已從所轉讓代價中剔除，並已於現年度在綜合損益及其他全面收益表中行政開支一項確認為開支。

於收購日期收購的資產及確認的負債如下：

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34. ACQUISITION OF A SUBSIDIARY (continued)

GOODWILL ARISING ON ACQUISITION: (continued)

Goodwill arose in the acquisition of Jingting because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Jingting. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

NET CASH OUTFLOW ON ACQUISITION OF JINGTING

		RMB'000 人民幣千元
Cash consideration paid	已付現金代價	5,000
Less: cash and cash equivalents balances acquired	減：收購的現金及現金等價物 結餘	(2,227)
Net cash outflow on acquisition of Jingting	收購競靈的現金流出淨額	2,773

Included in the profit for the year is approximately RMB2,087,000 attributable to the additional business generated by Jingting. Revenue for the year includes amount of approximately RMB50,875,000 generated from Jingting.

Had the acquisition been completed on 1 January 2019, revenue for the year of the Group would have been RMB587,335,000, and loss for the year of the Group would have been RMB15,557,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2019, nor is it intended to be a projection of future results.

34. 收購附屬公司 (續)

收購產生的商譽：(續)

收購競靈產生商譽，原因是合併成本包括控制溢價。此外，就合併已付的代價實際上包括競靈有關預期協同效益、收益增長、未來市場發展及組裝生產力之利益金額。該等利益不會於商譽以外確認，原因是其並不符合可識別無形資產的確認準則。

自該等收購產生的商譽概不預期可就稅務用途予以扣減。

收購競靈的現金流出淨額

本年度溢利包括源自競靈的額外業務的約人民幣2,087,000元。本年度收益包括約人民幣50,875,000元自競靈產生。

倘收購已於二零一九年一月一日完成，則本集團於本年度的總收益將為人民幣587,335,000元，而本集團於本年度的虧損將為人民幣15,557,000元。備考資料乃僅供說明，並非必然表示倘收購於二零一九年一月一日完成，則本集團將實際達到的收益及營運業績，亦無意作為對未來業績的預測。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

34. ACQUISITION OF A SUBSIDIARY (continued)

In determining the 'pro-forma' revenue and loss of the Group had Jingting been acquired at the beginning of the current year, the directors have:

- calculated depreciation of property, plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and
- determined borrowing costs based on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

35. RELATED PARTY TRANSACTIONS

(A) Detail of the balance with related parties at the end of the reporting period is set out in note 28 to the consolidated financial statements.

(B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

Other than the remuneration paid to the directors and employees of the Group as set out in note 13 to the consolidated financial statements, who are considered as the key management personnel of the Group, the Group did not have any other significant compensations to key management personnel.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

34. 收購附屬公司 (續)

釐定本年初本集團收購競靈時的「備考」收益及虧損時，董事：

- 根據業務合併的初始會計處理中產生的公平值（而非收購前財務報表中確認的賬面值）計算所收購的物業、廠房及設備的折舊；及
- 根據業務合併後本集團的資金水平、信用等級及債務／權益狀況釐定借款成本。

35. 關連人士交易

(A) 於報告期末與關連人士之結餘詳情載於綜合財務報表附註28。

(B) 主要管理人員補償

除如綜合財務報表附註13所述向被視為本集團主要管理人員之本集團董事及僱員支付之酬金外，本集團並無向主要管理人員支付任何其他重大補償。

董事及主要執行人員之酬金由薪酬委員會考慮個人表現及市場趨勢後釐定。

36. 融資活動產生的負債對賬

下表載列本集團自融資活動產生的負債詳情，均包括現金及非現金之變動。自融資活動產生的負債乃其現金流量或未來現金流量，並分類為或將分類為本集團綜合現金流量表項下自融資活動的現金流量。

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

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued) 36. 融資活動產生的負債對賬 (續)

		Interest payables 應付利息 RMB'000 人民幣千元	Bank borrowings 銀行借款 RMB'000 人民幣千元	Promissory notes 承兌票據 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2018	於二零一八年一月一日	-	163,480	-	163,480
Financing cash flows	融資現金流量	(10,511)	33,450	-	22,939
Non-cash changes:	非現金變動:				
Interest expense recognised (note 9)	已確認利息支出 (附註9)	10,511	-	-	10,511
As at 31 December 2018 and as at 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	-	196,930	-	196,930
Financing cash flows	融資現金流量	(10,182)	5,870	-	(4,312)
Non-cash changes:	非現金變動:				
Issue of promissory notes upon completion of acquisition of a subsidiary (note 34)	於完成收購附屬公司時發行承兌票據 (附註34)	-	-	20,673	20,673
Compensation from profit guarantee	利潤保證補償	-	-	(2,157)	(2,157)
Interest expense recognised (note 9)	已確認利息支出 (附註9)	10,499	-	631	11,130
As at 31 December 2019	於二零一九年十二月三十一日	317	202,800	19,147	222,264

37. MAJOR NON-CASH TRANSACTIONS

The Group entered into the followings major non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

- Part of the consideration for the acquisition of a subsidiary that occurred during the year ended 31 December 2019 comprised issue of promissory notes and contingent consideration receivables. Further detail of the acquisition is set out in note 34 to the consolidated financial statements.
- During the year ended 31 December 2019, the audited net profit after tax of Jingting did not satisfy the Profit Guarantee, as a result, the Shortfall Payment of approximately RMB2,157,000 will be used to set off against the outstanding promissory notes due by the Group which are not reflected in the financing activities in the consolidated statement of cash flows.

37. 主要非現金交易

本集團從事以下主要的非現金投資及融資活動，該等活動未於綜合現金流量表中反映：

- 截至二零一九年十二月三十一日止年度發生的收購附屬公司的部分代價包括發行期票及應收或然代價。收購的更多詳情載於綜合財務報表附註34。
- 截至二零一九年十二月三十一日止年度競靈的經審核除稅後純利未達成利潤保證，因此，差額款項約人民幣2,157,000元將用於抵銷未於綜合現金流量表融資活動中反映的本集團應付的尚未償還承兌票據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

38. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVE OF THE COMPANY

38. 本公司的財務狀況及儲備變動表

(A) STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(A) 本公司財務狀況表

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current asset	非流動資產		
Investment in subsidiaries	投資附屬公司	267,516	255,952
Current assets	流動資產		
Prepayment	預付款項	409	443
Amounts due from subsidiaries	應收附屬公司款項	18,516	123,174
Bank balances and cash	銀行結餘及現金	145	144
		19,070	123,761
Current liabilities	流動負債		
Accrued expenses	應計費用	2,041	1,267
Amounts due to subsidiaries	應付附屬公司款項	20,019	17,213
		22,060	18,480
Net current (liabilities)/assets	非流動(負債)/資產	(2,990)	105,281
Total assets less current liabilities	總資產減流動負債	264,526	361,233
Non-current liability	非流動負債		
Promissory notes	承兌票據	19,147	-
Net assets	資產淨值	245,379	361,233
Capital and reserves	資本及儲備		
Share capital	股本	4,782	4,782
Reserves	儲備	240,597	356,451
Total equity	權益總額	245,379	361,233

Signed on behalf of the board of directors by:

代表董事會簽署：

Huang Wenji
黃文集
Director
董事

Yang Guang
楊光
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

38. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVE OF THE COMPANY (continued)

38. 本公司的財務狀況及儲備變動表(續)

(B) MOVEMENT OF RESERVE OF THE COMPANY

(B) 本公司儲備的變動

		Share capital	Share premium	Translation reserve	Share option reserve	Merger reserve	Accumulated losses	Total
		股本	股份溢價	匯兌儲備	購股權儲備	合併儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2018	於二零一八年一月一日	4,731	116,740	20,454	5,616	229,897	(33,867)	343,571
Loss for the year	年內虧損	-	-	-	-	-	(2,690)	(2,690)
Exchange differences on translation of financial statements	換算財務報表產生之匯兌差額	-	-	17,450	-	-	-	17,450
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	17,450	-	-	(2,690)	14,760
Issue of share upon exercise of share options	行使購股權時發行股份	51	3,421	-	(570)	-	-	2,902
Lapsed of share options	購股權失效	-	-	-	(5,046)	-	5,046	-
As at 31 December 2018 and as at 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	4,782	120,161	37,904	-	229,897	(31,511)	361,233
Loss for the year	年內虧損	-	-	-	-	-	(129,179)	(129,179)
Exchange differences on translation of financial statements	換算財務報表產生之匯兌差額	-	-	6,705	-	-	-	6,705
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	6,705	-	-	(129,179)	(122,474)
Grant of share options	授出購股權	-	-	-	6,620	-	-	6,620
As at 31 December 2019	於二零一九年十二月三十一日	4,782	120,161	44,609	6,620	229,897	(160,690)	245,379

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. PARTICULARS OF SUBSIDIARIES

As at 31 December 2019 and 2018, particulars of the subsidiaries of the Company are listed as follows:

39. 附屬公司之詳情

於二零一九年及二零一八年十二月三十一日，本公司附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Country/place of incorporation/ date of incorporation 註冊成立國家/地點/ 日期	Class of shares held 所持股份類別	Proportion of ownership interest and voting power held by the Company 本公司所持所有權權益及 表決權比例		Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Principal activities 主要業務
			2019 二零一九年 %	2018 二零一八年 %		
Jicheng Umbrella Holding Limited	BVI	Ordinary	100	100	USD1	Investment holding
Jicheng Umbrella Holding Limited	英屬處女群島	普通股			1美元	投資控股
Jicheng Umbrella Hong Kong Company Limited	Hong Kong	Ordinary	100	100	HK\$1	Investment holding
集成傘業香港有限公司	香港	普通股			1港元	投資控股
HK Baohui Industry Limited	Hong Kong	Ordinary	100	100	HK\$20,000	Dormant
香港寶輝實業有限公司	香港	普通股			20,000港元	暫無營業
Zenith Century Limited	BVI	Ordinary	100	100	USD100	Dormant
Zenith Century Limited	英屬處女群島	普通股			100美元	暫無營業
Fujian Jicheng Umbrella Co., Ltd.* (note)	PRC	Paid up capital	100	100	HK\$180,000,000	Manufacturing and sales of umbrellas and umbrella parts
福建集成傘業有限公司(附註)	中國	繳足資本			180,000,000港元	製造及銷售雨傘 及雨傘配件
Jinjiang Jicheng Industry Co., Ltd.* (note)	PRC	Paid up capital	100	100	RMB20,595,500	Manufacturing and sales of umbrellas and umbrella parts
晉江集成輕工有限公司(附註)	中國	繳足資本			人民幣20,595,500元	製造及銷售雨傘 及雨傘配件

* For identification purposes only

* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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39. PARTICULARS OF SUBSIDIARIES (continued)

39. 附屬公司之詳情 (續)

Name of subsidiary 附屬公司名稱	Country/place of incorporation/ date of incorporation 註冊成立國家/地點/ 日期	Class of shares held 所持股份類別	Proportion of ownership interest and voting power held by the Company 本公司所持所有權益及 表決權比例		Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Principal activities 主要業務
			2019 二零一九年 %	2018 二零一八年 %		
			百分比	百分比		
Wing Ka Investment Holdings Limited	BVI	Ordinary	100	-	USD10,000	Investment holding
Wing Ka Investment Holdings Limited	英屬處女群島	普通股			10,000美元	投資控股
Wing Wing (Hong Kong) Industrial Limited	Hong Kong	Ordinary	100	-	HK\$1,000,000	Investment holding
永榮香港實業有限公司	香港	普通股			1,000,000港元	投資控股
Jingting (note)	PRC	Paid up capital	100	-	RMB1,000,000	Sale of umbrellas and rain gears
競霆 (附註)	中國	繳足資本			人民幣1,000,000元	銷售雨傘及雨具用品

Except for Jicheng Umbrella Holding Limited, Zenith Century Limited and Wing Ka Investment Holdings Limited, all other subsidiaries are indirectly held for the Company.

除集成傘業香港有限公司、Zenith Century Limited及Wing Ka Investment Holdings Limited外，所有其他附屬公司均由本公司間接持有。

None of the subsidiaries had debt securities outstanding at the end of the year or at any time during the year.

於年末或年內任何時間，概無附屬公司擁有尚未償還的債務證券。

All of the above subsidiaries operate principally in their respective place of incorporation/establishment.

上述所有附屬公司主要在其各自的註冊成立/成立地點營運。

Note:

附註：

The entity is wholly foreign owned enterprise established in the PRC.

該實體為於中國成立的外商獨資企業。

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

40. EVENTS AFTER THE REPORTING PERIOD

As the coronavirus disease (COVID-19) has spread across China and other countries during the first quarter in 2020, the business and economic activities have been affected. The Group will keep monitoring the situation, assess and react promptly to its impacts on the Group's business operations. Up to the date of approval of the consolidated financial statements, the related financial impact on the Group could not be reasonably estimated.

41. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 as at 1 January 2019. Under the transition methods, comparative information is not restated.

In addition, certain comparative figures have been reclassified to be consistent with the current period presentation.

42. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 31 March 2020.

40. 報告期後事項

由於冠狀病毒(COVID-19)於二零二零年第一季度在中國及其他國家擴散，商業及經濟活動受到影響。本集團將繼續監測形勢，評估其對本集團業務運營的影響並及時作出反應。截至綜合財務報表批准日期，尚無法合理估計對本集團的相關財務影響。

41. 比較數字

本集團已於二零一九年一月一日開始應用香港財務報告準則第16號。於過渡法下，不重列比較數字。

此外，若干比較數據已經重新分類，以與本期呈列保持一致。

42. 批准綜合財務報表

綜合財務報表已於二零二零年三月三十一日獲董事會批准及授權發行。

FINANCIAL SUMMARY

財務概要

A summary of the published results and the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements, is set out below.

以下載列本集團於過往五個財政年度的已刊發業績以及資產及負債概要，乃摘錄自已刊發的經審核綜合財務報表。

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收益	558,599	521,186	538,264	603,985	657,667
Gross profit	毛利	65,861	79,393	80,938	73,812	147,203
(Loss)/profit before tax	除稅前(虧損)/溢利	(11,441)	25,260	6,705	13,514	50,033
(Loss)/profit for the year attributable to owners of the Company	本公司擁有人應佔年度(虧損)/溢利	(16,247)	18,700	3,530	6,124	25,229

		As at 31 December 於十二月三十一日				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current assets	非流動資產	139,243	132,899	138,955	173,889	154,141
Current assets	流動資產	582,873	568,527	542,246	539,403	483,255
Current liabilities	流動負債	250,407	240,222	240,615	282,309	212,236
Non-current liabilities	非流動負債	19,609	—	—	—	—
Net assets	資產淨值	452,100	461,204	440,586	430,983	425,160



CHINA JICHENG HOLDINGS LIMITED
中國集成控股有限公司

<http://www.china-jicheng.cn/>