



Moody Technology Holdings Limited

滿地科技股份有限公司

(Incorporated in the Cayman Islands with limited liability and
continued in Bermuda with limited liability)

(於開曼群島註冊成立並於百慕達存續之有限公司)

Stock Code 股份代號: 1400

ANNUAL
REPORT

2020

年度報告

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CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the Board of Directors of Moody Technology Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), I report to shareholders our annual report for the year ended 31 December 2020 (the "Year" or "Period").

RESULTS

In early 2020, the outbreak of the COVID-19 pandemic seriously affected the global economy for the year. Following the Sino-U.S. economic and trade frictions in 2019, the textile industry of China further faced an unprecedented challenge. The lockdown of the cities affected the normal operation of production facilities of the Group. The Group's production facilities of fabrics products in Fujian province were closed in April 2020. The sales volume and sales margin from shoes, clothes and others segment both decreased under such unfavourable market condition in 2020.

The Group has commenced face mask business during the Year. The revenue contributed from sales of face masks were approximately RMB0.3 million for the Year. Since the size of the face masks business was not material to the Group, it was included in the reportable segment of sales of shoes, clothes and others for the Year.

The Group recorded revenue of approximately RMB206.7 million for the year ended 31 December 2020, representing a decrease of approximately 60.1% as compared with the revenue of RMB517.7 million for the year ended 31 December 2019. The Group's products experienced a gross loss of approximately 6.0%, as compared with a gross profits margin of approximately 2.1% from previous year. Loss attributable to owners of the Company for the Year decreased from loss of approximately RMB287.6 million in 2019 to loss of approximately RMB219.0 million in 2020, representing a decrease of approximately 23.8% as compared with the last year, which was mainly attributable to an increase of net foreign exchange gains due to the appreciation of RMB against HKD in 2020 as well as the decrease in impairments losses for trade and other receivables made during the Year. Sales of shoes, clothes and others contributed revenue amounted to approximately RMB191.4 million (2019: RMB397.8 million) for the year ended 31 December 2020. Sales of fabrics contributed revenue amounted to approximately RMB15.2 million (2019: RMB119.9 million) for the year ended 31 December 2020.

致股東：

本人僅代表滿地科技股份有限公司（「本公司」）及其附屬公司（統稱「本集團」）向股東報告截至二零二零年十二月三十一日止年度（「本年度」或「本期間」）之年報。

業績

二零二零年初，COVID-19大流行爆發對本年度的全球經濟造成嚴重影響。於二零一九年中美經貿摩擦後，中國的紡織工業進一步面臨前所未有的挑戰。封鎖城市對本集團生產設施的正常運轉造成影響。本集團於福建省的面料產品生產設施已於二零二零年四月關閉。在如此不利的市場環境下，二零二零年鞋履、服裝及其他分部的銷量及銷售利潤率均有所下降。

本集團於本年度已開始經營口罩業務。於本年度，銷售口罩貢獻的收益約為人民幣0.3百萬元。由於口罩業務的規模對本集團而言並不重大，因此已計入本年度鞋履、服裝及其他銷售可呈報分部。

截至二零二零年十二月三十一日止年度，本集團錄得收益約人民幣206.7百萬元，較截至二零一九年十二月三十一日止年度的收益人民幣517.7百萬元減少約60.1%。本集團產品錄得毛損約6.0%，而上一年度則為毛利率約2.1%。本年度本公司擁有人應佔虧損由二零一九年虧損約人民幣287.6百萬元減少至二零二零年虧損約人民幣219.0百萬元，較去年減少約23.8%，主要是因為二零二零年人民幣兌港元升值導致匯兌收益淨額增加以及本年度貿易及其他應收款項的減值虧損減少所致。截至二零二零年十二月三十一日止年度，鞋履、服裝及其他銷售貢獻收益約為人民幣191.4百萬元（二零一九年：人民幣397.8百萬元）。截至二零二零年十二月三十一日止年度，面料銷售貢獻收益約為人民幣15.2百萬元（二零一九年：人民幣119.9百萬元）。

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK

As directly affected by the outbreak of the COVID-19, the Group experienced a difficult year in 2020. Looking forward to 2021, the Company's management is determined to set a new direction for the Company and try to find new opportunities. The Company is also working hard to negotiate certain investment targets in order to diversify its business and improve the financial position and cash flow of the Group.

Since 2019, the joint and provisional liquidators ("JPLs") of the Company has been appointed in Bermuda and recognised by the High Court in Hong Kong. As affected by the epidemic and funds matters, the Company's restructuring schedule has been postponed. As further discussed with the joint and provisional liquidators of the Company, the Company is scheduled to submit a formal application for debt restructuring to the Bermuda Court in the second quarter of the year 2021. The management will continue to strive for more resources from the market and work hard with all the stakeholders to support to Group and relieve the current difficult position.

ACKNOWLEDGEMENT

Lastly, I would like to express my gratitude on behalf of the Board to all our stakeholders for giving the Group their care, patience and support over the years.

Moody Technology Holdings Limited

Lin Guoqin

Acting Chairman and Executive Director

Hong Kong, 31 March 2021

展望

受COVID-19爆發的直接影響，本集團於二零二零年經歷了艱辛的一年。展望二零二一年，本公司管理層決心為本公司樹立新的方向，並嘗試尋找新的機遇。本公司亦正努力磋商若干投資目標，以多元化其業務及改善本集團的財務狀況及現金流量。

自二零一九年起，本公司的共同及臨時清盤人（「共同臨時清盤人」）已於百慕達獲委任，並獲得香港高等法院的認可。受疫情及資金問題的影響，本公司的重組計劃已予推遲。正如與本公司共同及臨時清盤人所進一步討論，本公司計劃於二零二一年第二季度向百慕達法院提交正式債務重組申請。管理層將繼續竭力於市場獲取更多資源，同時與所有持份者攜手努力支持本集團，緩解目前的困難局面。

鳴謝

最後，本人謹代表董事會對全體持份者一直以來對本集團的關注、忍耐和支持致以由衷的感謝！

滿地科技股份有限公司

林國欽

代理主席兼執行董事

香港，二零二一年三月三十一日

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive directors

Mr. Wu Jianxiong (Resigned as *Chairman and executive director* on 23 December 2020)
Mr. Lin Guoqin (Appointed as *Acting Chairman* on 23 December 2020)
Mr. Wang Zhiping (Resigned as *executive director* on 15 October 2020)
Ms. Lin Yuxi (Appointed as *executive director* on 15 October 2020)

Independent non-executive directors

Mr. Lin Yugang
Mr. Chow Yun Cheung
Mr. Liu Junting

AUDIT COMMITTEE

Mr. Chow Yun Cheung (*Chairman*)
Mr. Lin Yugang
Mr. Liu Junting

REMUNERATION COMMITTEE

Mr. Lin Yugang (*Chairman*)
Mr. Chow Yun Cheung
Mr. Liu Junting

NOMINATION COMMITTEE

Mr. Liu Junting (*Chairman*)
Mr. Lin Yugang
Mr. Chow Yun Cheung

REGULATORY COMPLIANCE COMMITTEE

Mr. Lin Guoqin (Appointed as *Chairman* on 23 December 2020)
Mr. Tse Kwok Hing Henry

董事會

執行董事

吳健雄先生 (於二零二零年十二月二十三日辭任*主席兼執行董事*)
林國欽先生 (於二零二零年十二月二十三日獲委任為*代理主席*)
王志平先生 (於二零二零年十月十五日辭任*執行董事*)
林禹熙女士 (於二零二零年十月十五日獲委任為*執行董事*)

獨立非執行董事

林宇剛先生
周潤璋先生
劉俊廷先生

審核委員會

周潤璋先生 (*主席*)
林宇剛先生
劉俊廷先生

薪酬委員會

林宇剛先生 (*主席*)
周潤璋先生
劉俊廷先生

提名委員會

劉俊廷先生 (*主席*)
林宇剛先生
周潤璋先生

監管合規委員會

林國欽先生 (於二零二零年十二月二十三日獲委任為*主席*)
謝國興先生

CORPORATE INFORMATION

公司資料

COMPANY SECRETARY

Mr. Tse Kwok Hing Henry

AUTHORISED REPRESENTATIVES

Mr. Lin Guoqin (Appointed on 23 December 2020)

Mr. Tse Kwok Hing Henry

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
3/F., Winbase Centre,
208 Queen's Road Central,
Hong Kong

LEGAL ADVISORS AS TO HONG KONG LAW

Winston & Strawn
42nd Floor
Bank of China Tower
1 Garden Road Central, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Nanyang Commercial Bank Limited
Bank of Quanzhou
CMB Wing Lung Bank

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

公司秘書

謝國興先生

授權代表

林國欽先生 (於二零二零年
十二月二十三日獲委任)
謝國興先生

核數師

長青(香港)會計師事務所有限公司
執業會計師
香港
皇后大道中208號
勝基中心3樓

有關香港法例之法律顧問

Winston & Strawn
香港中環花園道1號
中銀大廈
42樓

主要往來銀行

中國銀行(香港)有限公司
南洋商業銀行有限公司
泉州銀行
招商永隆銀行

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

CORPORATE INFORMATION

公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

20/F, Infinitus Plaza,
199 Des Voeux Road Central,
Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTER AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTER AND TRANSFER OFFICE

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

COMPANY'S WEBSITE

www.moodytech-holdingltd.com

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1400

香港主要營業地點

香港上環
德輔道中199號
無限極廣場20樓

主要股份過戶登記處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

本公司網站

www.moodytech-holdingltd.com

股份代號

香港聯合交易所有限公司：1400

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW

During the Year, the Group's revenue dropped by 60.1% to RMB206.7 million when compared with last year. Loss attributable to owners of the Company decreased by 23.8% to approximately RMB219.0 million against last year.

INDUSTRY REVIEW

In early 2020, the outbreak of COVID-19 pandemic had an unprecedented impact on the global economy. In an effort to control the pandemic, Chinese authorities shut down more than half the country, and the economy contracted by 6.8% in the first three months of 2020. Despite the slight economic recovery in the second half year, the growth of GDP of the PRC for the Year was only 2.3%, as compared with 6.1% in 2019. According to statistics from the National Bureau of Statistics of the PRC, the aggregate sales achieved by sizeable textile enterprises amounted to RMB2,277.8 billion in 2020, representing a 6.7% decrease year-on-year, with profit totalling RMB110.5 billion, up by 7.9% year-on-year. According to statistics from the General Administration of Customs of the PRC, the textile products amounted to approximately US\$153.8 billion were exported from China in 2020, representing a year-on-year increase of 29.2% with the value of garments at US\$137.4 billion, representing a year-on-year decrease of 6.4%.

概覽

於本年度，本集團的收益較去年減少60.1%至人民幣206.7百萬元。本公司擁有人應佔虧損較去年減少23.8%至約人民幣219.0百萬元。

行業回顧

二零二零年初，COVID-19大流行爆發對全球經濟產生了前所未有的影響。為控制大流行，中國政府封鎖了國家一半以上的城市，二零二零年前三個月的經濟萎縮了6.8%。儘管下半年經濟略有復蘇，但本年度中國的GDP增速僅為2.3%，而二零一九年則為6.1%。根據中國國家統計局的統計數據，二零二零年規模以上紡織企業實現銷售總額人民幣22,778億元，同比下降6.7%，溢利總額為人民幣1,105億元，同比增長7.9%。根據中國海關總署的統計數據，二零二零年從中國出口的紡織品約有1,538億美元，同比增長29.2%，其中成衣價值1,374億美元，同比下降6.4%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Following the impact from the Sino-U.S. economic and trade frictions in 2019 and then the outbreak of the COVID-19 in early 2020, the Group's production scale of the fabrics products has reduced during the Year. The Group's production line in Fujian had shut down in April 2020. Revenue of the Group mainly comprised sales of clothes and shoes, as well as sales of grey and dyed garment fabrics.

The Group's production capacities of fabrics were similar to the last year's level whereas the utilisation rate decreased given the decreasing of sales volume. The average selling price of fabrics decreased by approximately 57.9% to RMB2.4 per meter (2019: RMB5.7 per meter) when compared with the last year. The average unit cost of fabrics decreased from RMB5.9 per meter for the year ended 31 December 2019 to RMB5.5 per meter representing a decrease of 6.8% for the year ended 31 December 2020, which led to a result of gross loss margin in 24.8% in the fabrics segment. The overall gross loss margin for the year ended 31 December 2020 was approximately 6.0%, compare with gross profit margin 2.1% in 2019.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by 60.1% from approximately RMB517.7 million for the year ended 31 December 2019 to approximately RMB206.7 million for the year ended 31 December 2020. Such decrease in the revenue was mainly due to decrease in sales volume of shoes, clothes and others as well as the fabric products as a result of the outbreak of COVID-19 during the Year.

業務回顧

受二零一九年中美經貿摩擦及二零二零年初COVID-19爆發的影響，本集團面料產品的生產規模於本年度有所縮少。本集團於福建的生產線已於二零二零年四月關閉。本集團的收益主要包括服裝及鞋履銷售以及坯布及色布銷售。

本集團的面料產能與去年持平，但由於銷量下降，利用率有所降低。面料平均售價較上年下降約57.9%至每米人民幣2.4元（二零一九年：每米人民幣5.7元）。面料平均單位成本由截至二零一九年十二月三十一日止年度的每米人民幣5.9元減少至截至二零二零年十二月三十一日止年度的每米人民幣5.5元，降幅為6.8%，導致面料分部錄得24.8%的毛損率。截至二零二零年十二月三十一日止年度的整體毛損率約為6.0%，而二零一九年毛利率為2.1%。

財務回顧

收益

本集團的收益由截至二零一九年十二月三十一日止年度約人民幣517.7百萬元，減少60.1%至截至二零二零年十二月三十一日止年度約人民幣206.7百萬元。收益減少主要由於COVID-19爆發導致本年度鞋履、服裝及其他以及面料產品銷量下滑所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The table below sets out a breakdown of the Group's revenue categorised by products during the year:

下表載列本集團於本年度按產品分類的收益明細：

		Year ended 31 December 截至十二月三十一日止年度			
		2020		2019	
		% to total revenue		% to total revenue	
		二零二零年		二零一九年	
		RMB'000		RMB'000	
		人民幣千元		人民幣千元	
Shoes, clothes and others	鞋履、服裝及其他銷售	191,443	92.6	397,806	76.8
Fabrics	面料	15,223	7.4	119,859	23.2
Total	總計	206,666	100.0	517,665	100.0

Cost of sales

The Group's cost of sales decreased by 56.8% from approximately RMB506.6 million for the year ended 31 December 2019 to approximately RMB219.0 million for the year ended 31 December 2020. Such decrease in cost of sales was in line with the decreased turnover during the Year.

銷售成本

截至二零二零年十二月三十一日止年度，本集團銷售成本由截至二零一九年十二月三十一日止年度約人民幣506.6百萬元減少56.8%至約人民幣219.0百萬元。銷售成本減少與本年度營業額減少一致。

The table below sets out a breakdown of the Group's cost of sales categorised by products during the year:

下表載列本集團於本年度按產品分類的銷售成本明細：

		Year ended 31 December 截至十二月三十一日止年度			
		2020		2019	
		% to total cost of sales		% to total cost of sales	
		二零二零年		二零一九年	
		RMB'000		RMB'000	
		人民幣千元		人民幣千元	
Shoes, clothes and others	鞋履、服裝及其他銷售	184,765	84.4	380,250	75.1
Fabrics	面料	34,216	15.6	126,396	24.9
Total	總計	218,981	100.0	506,646	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross profit/(loss)

The table below sets out a breakdown of the Group's gross profit/(loss) categorised by products during the year:

毛利／（毛損）

下表載列本集團於本年度按產品分類的毛利／（毛損）明細：

		Year ended 31 December 截至十二月三十一日止年度			
		Gross profit/(loss) margin		Gross profit/(loss) margin	
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
		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
Shoes, clothes and others	鞋履、服裝及其他銷售	6,678	3.5%	17,556	4.4%
Fabrics	面料	(18,993)	(124.8%)	(6,537)	(5.5%)
Total	總計	(12,315)	(6.0%)	11,019	2.1%

The change from gross profit of approximately RMB11.0 million, representing gross profit margin of 2.1% in 2019 to gross loss of RMB12.3 million, representing gross loss margin of 6.0% in 2020, was mainly because (i) the drop of sales volume of shoes and clothes from last year decreased the overall gross profits from this segment; and (ii) the sales of fabrics recorded gross loss of approximately RMB19.0 million due to decrease in average selling price from RMB5.7 per meter in 2019 to RMB2.4 per meter in 2020 while the average cost decreased only from RMB5.9 per meter in 2019 to RMB5.5 per meter in 2020.

由二零一九年的毛利約人民幣11.0百萬元（毛利率為2.1%）變動為二零二零年的毛損人民幣12.3百萬元（毛損率為6.0%），乃主要由於(i)鞋履及服裝銷量較去年下滑令該分部的整體毛利減少；及(ii)面料銷售錄得毛損約人民幣19.0百萬元，乃由於平均售價由二零一九年每米人民幣5.7元減少至二零二零年每米人民幣2.4元，而平均成本僅由二零一九年每米人民幣5.9元減少至二零二零年每米人民幣5.5元所致。

Selling and distribution expenses

The decrease in selling and distribution expenses by 10.0% from approximately RMB8.2 million for the year ended 31 December 2019 to approximately RMB7.4 million for the year ended 31 December 2020 as the transportation charges decreased in line with drop of sales amounts in the year.

銷售及分銷開支

銷售及分銷開支由截至二零一九年十二月三十一日止年度約人民幣8.2百萬元，減少10.0%至截至二零二零年十二月三十一日止年度約人民幣7.4百萬元，乃由於年內銷貨運費減少與銷售額減少一致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

General and administrative expenses

The increase in general and administrative expenses by 51.4% from approximately RMB66.9 million for the year ended 31 December 2019 to approximately RMB101.3 million for the year ended 31 December 2020 was mainly due to impairment losses of inventories of approximately RMB19.7 million was made during the year. Provision of prepayment of approximately RMB21.9 million based on the provision policies for prepayment of the Group, being provision for long outstanding with no subsequent settlement up to the date of this report.

Other income

Increase in other income by 607.2% from approximately RMB5.8 million for the year ended 31 December 2019 to approximately RMB40.8 million for the year ended 31 December 2020 was mainly arose from the net foreign exchange gains approximately RMB39.4 million due to the appreciation of RMB against HKD in 2020.

Finance costs

The decrease in finance costs by 14.2% from approximately RMB147.9 million for the year ended 31 December 2019 to approximately RMB126.9 million for the year ended 31 December 2020 was mainly due to decrease in the average balance of borrowings and interest expenses for the year.

Income tax credit/(expense)

No provision for both Hong Kong Profits Tax and PRC Enterprise Income Tax were provided because there are no assessable profits for the subsidiaries in both Hong Kong and PRC.

Cash flows

During the year, the Group funded its working capital and other capital requirements principally by cash generated from our investing activities.

一般及行政開支

一般及行政開支由截至二零一九年十二月三十一日止年度約人民幣66.9百萬元，增加51.4%至截至二零二零年十二月三十一日止年度約人民幣101.3百萬元，主要由於年內作出存貨減值虧損約人民幣19.7百萬元。根據本集團預付款之撥備政策，預付款項作出約人民幣21.9百萬元之撥備，為就截至本報告日期尚未結付的長期未償還款項計提之撥備。

其他收入

其他收入由截至二零一九年十二月三十一日止年度約人民幣5.8百萬元，增加607.2%至截至二零二零年十二月三十一日止年度約人民幣40.8百萬元，主要由於二零二零年人民幣兌港元升值產生匯兌收益淨額約人民幣39.4百萬元。

融資成本

融資成本由截至二零一九年十二月三十一日止年度約人民幣147.9百萬元，減少14.2%至截至二零二零年十二月三十一日止年度約人民幣126.9百萬元，主要由於年內借款平均結餘及利息開支減少所致。

所得稅抵免／（開支）

由於在香港及中國的附屬公司並無應課稅溢利，故並無就香港利得稅及中國企業所得稅計提撥備。

現金流量

年內，本集團的營運資金及其他資金需求主要透過投資活動產生的現金撥付。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidities and financial resources

Our primary uses of cash are to satisfy our working capital needs and our capital expenditure needs. Since our establishment, our working capital needs and capital expenditure requirements have been principally financed through a combination of shareholders' equity, cash generated from operations, and borrowings.

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimize the cost of funds, the Group's treasury activities and cash and cash equivalents are generally deposited with certain financial institutions such as banks denominated mostly in Renminbi and Hong Kong dollars.

Net current assets and working capital

The following table sets forth the Group's current ratio, quick ratio, gearing ratio and debt to equity as at 31 December 2020 and 2019:

流動資金及財務資源

我們的現金主要用於滿足我們的營運資金需要及資本開支需要。自本公司成立以來，我們的營運資金需要及資本開支需求一直主要透過股東權益、經營所得現金及借款獲得資金支持。

本集團採取審慎的現金及財務管理政策。為更好地控制成本及盡可能降低資金成本，本集團財資活動和現金及現金等價物一般存放於銀行等若干金融機構，且大部分以人民幣及港元計值。

流動資產淨額及營運資金

下表載列本集團於二零二零年及二零一九年十二月三十一日的流動比率、速動比率、權益負債比率及債務股本比率：

		Year ended 31 December	
		截至十二月三十一日止年度	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產	53,509	120,765
Current liabilities	流動負債	983,267	816,853
Net Current liabilities	流動負債淨額	(929,758)	(696,088)
Current ratio	流動比率	5.4%	14.8%
Quick ratio	速動比率	5.1%	9.4%
Gearing ratio	權益負債比率	N/A 不適用	N/A 不適用
Debt to equity ratio	債務股本比率	N/A 不適用	N/A 不適用

Borrowings

Particulars of borrowings of the Company and the Group as at 31 December 2020 are set out in note 24 to the consolidated financial statements.

借款

本公司及本集團於二零二零年十二月三十一日的借款詳情載於合併財務報表附註24。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Pledge of assets

As at 31 December 2020, the Group's rights-of-use assets and buildings, machinery and equipment with an aggregate net book value of approximately RMB176.3 million were pledged to secure banking facilities for purposes of working capital and purchases of fixed assets for the Group (as at 31 December 2019: approximately RMB277.6 million).

Foreign exchange risk

The Group mainly operates in the mainland China with most of the revenue and expenditure transactions denominated and settled in RMB, where its foreign exchange risk is limited. The Group's exposure to foreign exchange risk is mainly on its sales and purchase transactions (i.e. export or import of products) in Hong Kong which are mainly denominated in USD, and the bonds denominated in HKD. The functional currency of the Company and its subsidiaries is RMB.

Contingent liabilities

Save as those disclosed in note 31 to the consolidated financial statements, the Group did not have any material contingent liabilities as at 31 December 2020.

Significant investment, material acquisitions and disposal of subsidiaries and associated companies

The Group did not have any material investment, acquisitions and disposal of subsidiaries and associated companies during the year 2020.

USE OF PROCEEDS

Reference is made to the announcements of the Company dated 6 March 2020, 23 March 2020, 25 March 2020, 3 April 2020 and 28 April 2020 in relation to, among other things, the rights issue on the basis of one (1) rights share for every two (2) existing shares; and the announcements of the Company dated 2 September 2020, 27 September 2020 and 30 September 2020 in relation to, among other things, the placing of new ordinary shares under general mandate. As at the date of this report, all the net proceeds have been utilised for general working capital and costs of debt restructuring as intended.

資產抵押

於二零二零年十二月三十一日，本集團賬面淨值總額約人民幣176.3百萬元的使用權資產及樓宇、機器及設備已予抵押，以取得用作本集團營運資金及購買固定資產的銀行融資（於二零一九年十二月三十一日：約人民幣277.6百萬元）。

外幣匯兌風險

本集團主要於中國內地營運，所以大部分收益及開支交易以人民幣計值及結算，故外幣匯兌風險有限。本集團所面對外幣風險主要為在香港主要以美元計值的銷售及採購交易（即出口或入口產品），而債券則以港元計值。本公司及其附屬公司的功能貨幣為人民幣。

或然負債

除綜合財務報表附註31所披露者外，於二零二零年十二月三十一日，本集團並無任何重大或然負債。

重大投資、重大收購以及出售附屬公司及聯營公司

於二零二零年，本集團並無任何重大投資、收購及出售附屬公司及聯營公司。

所得款項用途

茲提述本公司日期為二零二零年三月六日、二零二零年三月二十三日、二零二零年三月二十五日、二零二零年四月三日及二零二零年四月二十八日的公告，內容有關（其中包括）按每兩(2)股現有股份獲發一(1)股供股股份的基準進行供股；以及本公司日期為二零二零年九月二日、二零二零年九月二十七日及二零二零年九月三十日的公告，內容有關（其中包括）根據一般授權配售新普通股。於本報告日期，全部所得款項淨額已動用作一般營運資金及擬定債務重組之費用。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

HUMAN RESOURCES

As at 31 December 2020, the Group had a total workforce of 55 (as at 31 December 2019: 350). New employees were recruited to cater for the Group's business expansion during the year. The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options may also be granted to eligible staff based on individual and Group's performance. The Group is committed to nurturing a learning and sharing culture in the organization. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success is dependent on the contribution of all functional divisions comprising skilled and motivated staff.

DIVIDEND POLICY

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2020 (2019: Nil). As there is no interim dividend payable during the year, there will be no dividend distribution for the whole year of 2020.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the Company's shares by the Company or its subsidiaries during the Year.

EVENTS AFTER THE REPORTING PERIOD

Save as those disclosed in note 35 to the consolidated financial statements, the Group did not have any significant events after the report period.

人力資源

於二零二零年十二月三十一日，本集團員工合共55名（於二零一九年十二月三十一日：350名）。新聘僱員乃為應付本集團於年度內的擴充業務。本集團向其員工提供具競爭力的酬金計劃。此外，合資格員工亦可按其個人及本集團的表現獲授酌情花紅及購股權。本集團致力於組織內營造學習及分享文化。本集團的成功有賴由技巧純熟且士氣高昂的員工組成各職能部門的貢獻，故此本集團重視員工的個人培訓及發展，以及團隊建設。

股息政策

董事會已議決不建議就截至二零二零年十二月三十一日止年度派發任何末期股息（二零一九年：無）。由於年內並無應派中期股息，故二零二零年全年將不會派發任何股息。

購買、銷售及贖回本公司的上市證券

本公司或其附屬公司於本年度概無購買、銷售或贖回本公司股份。

報告期後事項

除合併財務報表附註35所披露者外，本集團概無任何重大報告期後事項。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has adopted the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) as its own code of corporate governance. The manner in which the principles and code provisions in the CG Code are applied and implemented during the year ended 31 December 2020 and up to the date of this annual report (the “Period”) is explained in this Corporate Governance Report.

CORPORATE GOVERNANCE

The Company was committed to maintaining high level of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board comprises three executive Directors and three independent non-executive Directors. The Board has complied with the applicable code provisions as set out in the CG Code throughout the year save for code provision A.1.8.

Code provision A.1.8 of the CG Code stipulates that the Company should arrange appropriate insurance cover in respect of legal action against its Directors. Currently, the Company does not consider necessary to have insurance cover for legal action against its Directors and will monitor any changes to the situation and make necessary action. The Board believes with the current internal control system and the close supervision of the management, the Directors’ risk of being sued or getting involved in litigation in their capacity as Directors is relatively low.

The Company will, from time to time, review and enhance its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has 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 its own code of conduct regarding securities transactions by the Directors and employees who are likely to possess inside information of the Company (the “Securities Dealing Code”). The Company had made specific enquiry of all Directors whether they have complied with the required standard set out in the Model Code during the Period and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Period.

No incident of non-compliance of the Securities Dealing Code by the employees was noted by the Company during the Period.

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則（「企業管治守則」）為其企業管治守則。截至二零二零年十二月三十一日止年度至截至本年報日期止（「期間」），企業管治守則內的有關原則及守則條文的應用及實施方式於本企業管治報告內說明。

企業管治

本公司致力於保持高水平企業管治，以開明和開放的理念維護本集團的發展及保障股東的權益。董事會由三位執行董事及三位獨立非執行董事組成。除守則條文第A.1.8條外，董事會已於整個年度內遵守企業管治守則載列之適用守則條文。

企業管治守則之守則條文第A.1.8條規定，本公司應就向其董事提出的法律行動安排合適的保險保障。目前，本公司認為暫無必要就向其董事提出的法律行動提供保險保障，惟將會監控任何情況變動以作出必要行動。董事會相信，透過現有的內部監控系統及管理層的密切監督，各董事以董事身份被控告或牽涉於訴訟的風險相對較低。

本公司將不時審閱及加強其企業管治常規以確保其持續符合企業管治守則的規定。

董事的證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為可能取得本公司內幕消息的董事及僱員進行證券交易的行為守則（「證券交易守則」）。本公司已就全體董事於期間是否遵守標準守則所載的規定準則向全體董事作出特定查詢，而全體董事確認彼等於整個期間一直遵守標準守則及證券交易守則。

本公司不知悉僱員於期間有任何違反證券交易守則的行為。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD OF DIRECTORS

Responsibilities

The Board is responsible for leadership and control of the Company and oversees the businesses, strategic decisions and performance of the Group. The Board has delegated to the executive Directors and senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

All Directors carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

Board Composition

The Board currently comprises five members, consisting of two executive Directors and three independent non-executive Directors.

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

董事會

責任

董事會負責領導及監控本公司並監察本集團的業務、策略性決定及表現。董事會已向執行董事及高級管理層轉授本集團日常管理及營運的權力及責任。此外，董事會已設立董事委員會，並向該等董事委員會轉授其各自職權範圍載列的各項責任。

全體董事時刻本著誠信、根據適用法律及法規及從本公司及其股東利益出發履行職責。

董事會組成

董事會目前由五名成員組成，包括兩名執行董事及三名獨立非執行董事。

本公司於整個期間一直履行上市規則有關委任至少三名獨立非執行董事且至少一名獨立非執行董事須具備合適專業資格以及會計或相關財務管理專業知識的規定。於整個期間，獨立非執行董事至少佔董事會三分之一席位。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board comprises the following Directors:

Executive Directors:

Mr. LIN Guoqin (*Acting Chairman*)
Ms. LIN Yuxi

Independent non-executive Directors:

Mr. CHOW Yun Cheung
Mr. LIN Yugang
Mr. LIU Junting

A description of the biographies of the Directors is set out in the section headed “Directors and Senior Management” in this annual report.

The list of Directors is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

The Board members have no financial, business, family or other material/relevant relationship with each other.

董事會包括下列董事：

執行董事：

林國欽先生 (*代理主席*)
林禹熙女士

獨立非執行董事：

周潤璋先生
林宇剛先生
劉俊廷先生

董事履歷詳情載於本年報「董事及高級管理層」一節。

董事名單亦於本公司根據上市規則不時刊發的所有公司通訊內披露。獨立非執行董事的身份均已根據上市規則在所有公司通訊中明確說明。

本公司已接獲各獨立非執行董事根據上市規則的規定就其獨立性而呈交的年度書面確認。根據上市規則所載的獨立性指引，本公司認為所有獨立非執行董事確屬獨立人士。

全體董事（包括獨立非執行董事）均為董事會的有效及高效運作注入廣泛而珍貴的業務經驗、知識及專業態度。獨立非執行董事獲邀加入本公司的審核委員會、薪酬委員會及提名委員會。

董事會成員之間並無財務、業務、家族或其他重大／相關關係。

CORPORATE GOVERNANCE REPORT

企業管治報告

Chairman and Chief Executive Officer

As at the date of this annual report, the Acting Chairman of the Company, Mr. Lin Guoqin, leads the Board in the determination of the strategy of the Group and in the achievement of its objectives. He is responsible for organizing the business of the Board, ensuring its effectiveness and setting agenda but not involved in the day-to-day business of the Group.

The Company at present does not have a Chief Executive Officer. The duties and responsibilities of the Chief Executive Officer of daily operation of the Group are carried out by the executive Directors and they are accountable to the Board for financial and operational performance of the Group.

Appointment and Re-election of Directors

Pursuant to the Company's Bye-laws, at each annual general meeting of the Company, one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for reelection. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 83(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

The following Directors will retire by rotation and offer themselves for re-election in the forthcoming AGM to be held on 31 May 2021:

Mr. Lin Guoqin
Ms. Lin Yuxi
Mr. Lin Yugang

主席及行政總裁

於本年報日期，本公司代理主席林國欽先生領導董事會釐定本集團策略及達成其目標。彼負責組織董事會事務、確保其效率及制定其日常事務，但不參與本集團的日常事務。

本公司現時並無行政總裁。行政總裁有關本集團日常運作的職責由執行董事履行，執行董事就本集團的財務及經營表現向董事會負責。

委任及重選董事

根據本公司細則，於本公司每屆股東週年大會上，當時董事總數三分之一人數（或如人數並非三(3)的倍數，則取最接近的整數，惟不得低於三分之一人數）須輪值告退，惟每名董事須至少每三年輪值告退一次。須輪值告退的董事將包括有意告退且無意膺選連任的董事。任何其他因此退任的董事將為其他董事中自上次重選連任或獲委任以來任期最長而須輪值告退的董事。如有超過一名董事上次乃於同一日重選連任，則會以抽籤方式決定退任者（除非彼等之間另行達成協議）。根據細則第83(2)條獲委任的任何董事將不計算在輪值退任之董事名單或數目內。

下列董事將於二零二一年五月三十一日舉行的應屆股東週年大會上輪值告退，並表示願意膺選連任：

林國欽先生
林禹熙女士
林宇剛先生

CORPORATE GOVERNANCE REPORT

企業管治報告

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's articles of association. Pursuant to the Company's articles of association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall hold office until the first general meeting of the Company after his appointment and be eligible for re-election and any Director appointed as an addition to the Board shall hold office until the next annual general meeting of the Company after his appointment and be eligible for re-election. Where vacancies arise at the Board, candidates will be proposed and put forward to the Board by the Nomination Committee.

Induction and Continuing Development of Directors

Each newly appointed Director receives a comprehensive induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

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

Board Meetings

Board Practices and Conduct of Meetings

Directors' resolutions were passed by way of written resolutions or by physical meetings during the Period. The Board is expected to meet regularly and at least two times a year. The Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

委任、重選及罷免董事的程序及過程載於本公司的組織章程細則。根據本公司的組織章程細則，全體董事須至少每三年輪值退任一次，而任何獲委任以填補臨時空缺的新董事須任職至其獲委任後本公司首次舉行的股東大會為止，並合資格重選連任，而任何獲委任為董事會新增成員的董事須任職至其獲委任後本公司下屆股東週年大會為止，並合資格重選連任。倘董事會出現空缺席位，提名委員會將建議候選人並提交董事會批准。

董事的入職及持續發展

每名新委任的董事均會於首次接受委任時獲得全面的入職介紹，以確保其對本公司的業務及運作均有適當的認知，以及完全知悉上市規則及有關監管規定規範下的董事職務及責任。

根據企業管治守則守則條文第A.6.5條，全體董事須參與專業持續發展，以增進及重溫知識與技巧，確保對董事會作出知情適切的貢獻。本公司須負責安排及資助適當培訓，以及著重針對董事角色、職能及責任方面的培訓。

董事會會議

董事會會議常規及程序

於期間，董事決議案乃通過書面決議案或由現場會議通過。預計董事會將定期舉行會議，每年至少舉行兩次會議。董事有權查閱本集團所有資料，亦有權在彼等認為有必要的情況下隨時諮詢獨立專業意見。

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The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. During the year and up to the date of this annual report, ten Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

董事會定期會面以討論本集團整體策略以及營運及財務表現，並審閱以及批准本集團的年度及中期業績。於年內及直至本年報日期曾舉行十次董事會會議，各董事的董事會會議出席率載列如下：

Board member	董事會成員	Number of board meetings attended/held 出席／ 舉行董事會會議次數
Executive directors		
Mr. Lin Guoqin (<i>Acting Chairman</i>)	林國欽先生 (<i>代理主席</i>)	10/10
Ms. Lin Yuxi	林禹熙女士	4/10
Mr. Wu Jianxiong	吳健雄先生	5/10
Mr. Wang Zhiping	王志平先生	5/10
Independent non-executive directors		
Mr. Lin Yugang	林宇剛先生	10/10
Mr. Chow Yun Cheung	周潤璋先生	10/10
Mr. Liu Junting	劉俊廷先生	10/10

The Company has to comply with the CG Code provisions with regard to the conduct of meetings, has annual meeting schedules and draft agenda of each meeting made available to directors in advance and serve notice of regular Board meetings to all directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is required to be given.

本公司須遵守企業管治守則中有關會議程序、年度會議日程表及召開每次會議前向董事發出草擬議程，以及於常規董事會會議前至少14日向全體董事送達通知的條文。如屬其他董事會及委員會會議，則須發出合理通知。

Board papers together with all appropriate, complete and reliable information have to be sent to all Directors at least 3 days before each Board meeting or committee meeting to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

董事會文件連同所有合適、完整及可靠資料須於各董事會會議或委員會會議前至少3日向全體董事發出，讓董事知悉本公司最新發展及財務狀況，以便董事作出知情決定。如有需要，董事會及各董事亦可單獨聯絡高級管理層。

The Bye-laws contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

細則載有條文，規定董事在審批董事或彼等的任何聯繫人擁有重大權益之交易的會議上，須放棄投票及不得計入法定人數。

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BOARD COMMITTEES

The Company established a nomination committee (the “Nomination Committee”), a remuneration committee (the “Remuneration Committee”) and an audit committee (the “Audit Committee”) on 27 March 2014 with written terms of reference in compliance with the CG Code. The Company also established a regulatory compliance committee (the “Regulatory Compliance Committee”) on 26 February 2014.

Nomination Committee

The Nomination Committee comprises three members who are all the independent non-executive Directors, namely Mr. Liu Junting, Mr. Lin Yugang, and Mr. Chow Yun Cheung. Mr. Liu Junting is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include reviewing the Board structure and composition, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of the independent non-executive Directors based on criteria such as integrity, accomplishment, experience, professional and educational background and time commitments.

DIRECTOR NOMINATION POLICY

The director nomination policy of Company aims to set out the criteria and process in the nomination and appointment of directors of the Company; ensure that the board (the “Board”) of directors of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and ensure the Board continuity and appropriate leadership at Board level.

董事委員會

本公司於二零一四年三月二十七日根據企業管治守則成立提名委員會（「提名委員會」）、薪酬委員會（「薪酬委員會」）及審核委員會（「審核委員會」），並制訂書面職權範圍。本公司亦於二零一四年二月二十六日成立監管合規委員會（「監管合規委員會」）。

提名委員會

提名委員會包括三名成員，即劉俊廷先生、林宇剛先生及周潤璋先生（全部均為獨立非執行董事）。劉俊廷先生為提名委員會主席。

提名委員會的主要職責包括檢討董事會架構及組成、草擬及制定提名及委任董事的相關程序、就董事委任及接任計劃向董事會作出建議及根據操守、成就、經驗、專業及教育背景以及投入之時間等基準評估獨立非執行董事的獨立性。

董事提名政策

本公司董事提名政策旨在載列本公司提名及委任董事的準則及程序；確保本公司的董事會（「董事會」）成員具備切合本公司業務所需的技能、經驗及多元觀點；及確保董事會的持續性及維持其領導角色。

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Criteria for nomination and appointment of Directors

The criteria for selecting any candidate for directorship are set out as follows:

- bringing an independent judgment and making constructive recommendation on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- taking the lead where potential conflicts of interests arise;
- serving on the Audit Committee, and the Remuneration Committee and the Nomination Committee (in the case of candidate for Non-Executive Director) and other relevant Board Committees, if invited;
- devoting sufficient time to the Board and/or any Committee(s) on which he or she serves so as to allow them to benefit from his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board;
- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- ensuring the Nomination Committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

董事提名及委任標準

甄選任何董事候選人的標準如下：

- 就策略、政策、表現、職責、資源、主要委任及操守準則等事項作出獨立判斷及提供建設性建議；
- 於發生潛在利益衝突時發揮領導作用；
- 服務於審核委員會、薪酬委員會及提名委員會（如為非執行董事候選人）以及其他相關董事委員會（如獲邀請）；
- 對董事會及／或所服務的任何委員會投入充足時間，從而透過出席及參與董事會而令董事會及任何委員會受惠於其技能、專長、各種背景及資格以及多元觀點；
- 監察本公司在達致議定企業宗旨及目標方面的表現以及監督相關表現的申報情況；
- 確保所服務的提名委員會履行董事會授予的權力及職能；及
- 遵守董事會不時訂定或本公司章程文件不時所載或法例或上市規則不時施加的任何規定、指示及規例（如適用）。

如建議委任候選人為獨立非執行董事，則須根據（其中包括）上市規則第3.13條（經聯交所可能不時作出修訂）所載的因素評估其獨立性。如適用，則亦須評估該候選人的學歷、資格及經驗等整體情況，以考慮其是否具備合適的專業資格或會計或相關財務管理專長（即上市規則第3.10(2)條所規定的相關資格或專長）以擔任獨立非執行董事。

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Nomination process

(a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

(b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

提名程序

(a) 委任新董事

- (i) 提名委員會及／或董事會應在收到委任新董事的建議及候選人的履歷資料（或相關詳情）後，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。
- (ii) 如過程涉及一個或多個合意的候選人，提名委員會及／或董事會應根據本公司的需要及各候選人的證明審查（如適用）排列彼等的優先次序。
- (iii) 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出推薦意見（如適用）。
- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及／或董事會應依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。倘適合，提名委員會及／或董事會應就於股東大會上選舉董事的提案向股東提出推薦意見。

(b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上文所載標準。
- (iii) 提名委員會及／或董事會其後應就於股東大會上重選董事的提案向股東提出推薦意見。

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Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

(c) Re-election of INED at General Meeting

Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

- (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
- (ii) if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
- (iii) the perspectives, skills and experience that the individual can bring to the Board; and
- (iv) how the individual contributes to diversity (including gender diversity) of the Board.

The Nomination Committee will conduct regular review on the structure, size and composition of the Board and this Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs, to comply with all applicable laws and regulations from time to time and maintain good corporate governance practice.

倘董事會於股東大會上提呈決議案選舉或重選某候選人為董事，隨附相關股東大會通告的致股東通函及／或說明函件中，將會按上市規則及／或適用法律及法規要求披露候選人的相關資料。

(c) 於股東大會上重選獨立非執行董事

倘董事會於股東大會上提呈決議案選任某人士為獨立非執行董事，則須於隨附相關股東大會通告的致股東通函及／或說明函件內載明：

- (i) 用以物色該名人士的流程及董事會認為應選任該名人士的理由以及認為該名人士屬獨立人士的原因；
- (ii) 如建議獨立非執行董事將出任第七家（或以上）上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；
- (iii) 該名人士可為董事會帶來的觀點與角度、技能及經驗；及
- (iv) 該名人士如何促進董事會成員多元化（包括性別多元化）。

提名委員會將會定期為董事會的架構、規模及組成及本政策舉行檢討，並在有需要時向董事會提出修訂建議，以完善本公司的企業策略及切合本公司的業務需要，以不時遵守所有適用的法律及法規以及維持良好企業管治常規。

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On 27 March 2014, the Board adopted a board diversity policy which aims to set out the approach to achieve diversity on the Board. All Board appointments will be based on merit while taking into account diversity including gender diversity. The Nomination Committee will regularly review the measurable objectives to ensure its effectiveness to achieve diversity on the Board. The following measurable objectives have been set for implementing the board diversity policy:

- inclusion of candidates for Board members with overseas working experience (outside of PRC);
- ensuring that there is no limitation on gender on selection of Directors;
- inclusion of candidates for Board members with working experience in other industries; and
- inclusion of candidates for Board members with knowledge and skills in different aspects.

As at the date of this annual report, the above objectives have been achieved, 1 out of 5 members of the Board has overseas working experience and 2 out of 5 members of the Board have accounting or other professional qualifications.

The Nomination Committee shall meet at least once a year. During the year and up to the date of this annual report, two committee meetings were held to review the structure and composition of the Board and the re-election of the retiring Directors and attendance of each member is set out as follows:

Committee member	委員會成員	Number of meetings attended/held 出席／舉行會議次數
Mr. Liu Juntao (<i>chairman</i>)	劉俊廷先生 (主席)	2/2
Mr. Lin Yugang	林宇剛先生	2/2
Mr. Chow Yun Cheung	周潤璋先生	2/2

董事會於二零一四年三月二十七日採納董事會成員多元化政策，旨在羅列達成董事會成員多元化的方法。董事會內任命的原則是任人唯才，亦考慮到多元性，包括性別多元化。提名委員會將定期審閱可計量目標，確保有效達成董事會多元化。已就執行董事會多元化政策而訂立以下可計量目標：

- 董事會的候選董事應包括具備海外（中國境外）工作經驗者；
- 應確保不限性別地選任董事；
- 董事會的候選董事應包括具備其他行業工作經驗者；及
- 董事會的候選董事應具備不同領域的知識及技術。

於本年報日期，上述目標已達成，5名董事會成員中有1名具備海外工作經驗及5名董事會成員中有2名具備會計或其他專業資格。

提名委員會每年須會面至少一次。於年內及直至本年報日期曾舉行兩次委員會會議以檢討董事會的結構及組成以及重選退任董事，各成員的出席率載列如下：

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The Nomination Committee has adopted a written nomination procedure (the “Nomination Procedure”) specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules’ requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group’s businesses and activities.

Remuneration Committee

The Remuneration Committee comprises three members who are all the independent non-executive Directors, namely Mr. Lin Yugang, Mr. Chow Yun Cheung and Mr. Liu Junting. Mr. Lin Yugang is the chairman of the Remuneration Committee.

The primary functions of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive Directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

提名委員會已採納一套以書面列載之提名程序（「提名程序」），具體列明本公司董事候選人之甄選及推薦程序及準則。提名委員會將根據提名程序所載之該等準則（如恰當經驗、個人技能及投放時間等），物色及向董事會推薦候選人以予批准委任。

新董事在獲委任後將獲發一套入職資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

薪酬委員會

薪酬委員會包括三名成員，即林宇剛先生、周潤璋先生及劉俊廷先生（全部均為獨立非執行董事）。林宇剛先生為薪酬委員會主席。

薪酬委員會之主要職能，包括建議及審批執行董事及高級管理人員之薪酬政策及架構以及薪酬待遇。薪酬委員會亦負責設立具透明度之程序，以發展有關薪酬政策及架構，從而確保概無任何董事或其任何聯繫人將參與釐定其本身之薪酬，有關薪酬將參照其個人及本公司表現以及市場慣例及狀況而定。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Remuneration Committee shall meet at least once a year. During the year and up to the date of this annual report, two committee meetings were held to review and discuss the existing policy and structure for the remuneration of Directors, the remuneration packages of both the executive and non-executive Directors and attendance of each member is set out as follows:

薪酬委員會每年須會面至少一次。於年內及直至本年報日期曾舉行兩次委員會會議以檢討及討論現行政策及董事的薪酬架構，以及執行董事及非執行董事的薪酬待遇，各成員的出席率載列如下：

Committee member	委員會成員	Number of meetings attended/held 出席／ 舉行委員會會議次數
Mr. Lin Yugang (<i>chairman</i>)	林宇剛先生 (主席)	2/2
Mr. Chow Yun Cheung	周潤璋先生	2/2
Mr. Liu Junting	劉俊廷先生	2/2

The Remuneration Committee confirms that the remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

薪酬委員會確認，應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按彼等各自之僱傭或服務合約內之合約條款而釐定。

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the senior management for the year ended 31 December 2020 is set out below:

根據企業管治守則的守則條文第B.1.5條，高級管理層於截至二零二零年十二月三十一日止年度之薪酬載列如下：

In the band of	範圍	Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	1

Audit Committee

The Audit Committee comprises three members who are the independent non-executive Directors, namely Mr. Chow Yun Cheung, Mr. Lin Yugang and Mr. Liu Junting. Mr. Chow Yun Cheung is the chairman of the Audit Committee.

審核委員會

審核委員會包括三名成員，即周潤璋先生、林宇剛先生及劉俊廷先生（全部均為獨立非執行董事）。周潤璋先生為審核委員會主席。

CORPORATE GOVERNANCE REPORT

企業管治報告

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function, internal auditor or external auditors before submission to the Board;
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditors; and
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee oversees the internal control system of the Group, reports to the Board on any material issues, and makes recommendations to the Board.

The Audit Committee shall meet at least twice a year. During the year up to the date of this annual report, two committee meetings were held and the attendance of each member is set out as follows:

審核委員會主要職責包括下列各項：

- 在向董事會提交財務報表及報告前審閱該等財務報表及報告，並考慮由負責會計及財務申報職責的員工、內部核數師或外聘核數師所提出的任何重大或非常規項目；
- 在參考核數師所進行之工作、其收費及委聘條款後，檢討與外聘核數師的關係，並就外聘核數師的委任、續聘及罷免向董事會作出建議；及
- 審閱本公司的財務申報系統、內部監控系統及風險管理系統以及相關程序的充分性及有效程度。

審核委員會監督本集團內部監控系統，向董事會報告任何重大事項並向董事會提出建議。

審核委員會每年須會面至少兩次。於年內及直至本年報日期曾舉行兩次委員會會議，各成員的出席率載列如下：

Committee member	委員會成員	Number of meetings attended/held 出席／ 舉行委員會會議次數
Mr. Chow Yun Cheung (<i>chairman</i>)	周潤璋先生 (主席)	2/2
Mr. Lin Yugang	林宇剛先生	2/2
Mr. Liu Junting	劉俊廷先生	2/2

CORPORATE GOVERNANCE REPORT

企業管治報告

During the meetings held in 2020 and the first quarter of 2021, the Audit Committee had performed the work as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditor regarding the final audit of the Group for the year ended 31 December 2020 (the “2020 Final Audit”);
- (ii) reviewed the external auditor’s report of findings and audit opinion in relation to the 2020 Final Audit for the year ended 31 December 2020;
- (iii) reviewed the management accounts of the Group and the Group’s 2020 interim financial statements; and
- (iv) reviewed the financial report for the six months ended 30 June 2020.

Reference is made to the announcement of the Company dated 3 March 2021 in relation to an appointment of internal control adviser. The Company has appointed Elite Partners Risk Advisory Services Limited as the independent professional adviser of the Company (the “Internal Control Adviser”) to conduct a thorough review of and make recommendations to improve the Company’s internal controls on ensuring that significant financial issues and key business decisions were escalated to the Board for consideration and/or information in a timely manner and for managing receivables and prepayments. Such appointment has been approved by the Stock Exchange. The Company had furnished the Listing Division of the Stock Exchange with the written report of the Internal Control Adviser containing such recommendations on 16 April 2021.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

Regulatory Compliance Committee

The Regulatory Compliance Committee comprises of two members, namely Mr. Lin Guoqin and Mr. Tse Kwok Hing Henry. Mr. Wu Jianxiong is the chairman of the Regulatory Compliance Committee.

The primary duties of the Regulatory Compliance Committee are to ensure that the Group’s business operations and activities are in compliance with the relevant laws and regulations, and the Regulatory Compliance Committee directly reports to the Board.

於二零二零年及二零二一年第一季度舉行之會議，審核委員會已履行之工作概述如下：

- (i) 檢討及批准外聘核數師建議之本集團截至二零二零年十二月三十一日止年度之年終審核（「二零二零年年終審核」）之核數範圍及費用；
- (ii) 檢討外聘核數師就截至二零二零年十二月三十一日止年度之二零二零年年終審核結果及審核意見之報告；
- (iii) 檢討本集團管理賬目及本集團二零二零年中期財務報表；及
- (iv) 檢討截至二零二零年六月三十日止六個月之財務報告。

茲提述本公司日期為二零二一年三月三日的公告，內容有關委任內部監控顧問。本公司已委聘鉅銘風險諮詢服務有限公司為本公司的獨立專業顧問（「內部監控顧問」），對本公司的內部監控進行全面檢討及提出改善建議，以確保重大財務問題和主要業務決策能及時上報董事會作考慮及／或參詳以及管理應收款及預付款。該委任已獲聯交所批准。本公司已於二零二一年四月十六日向聯交所上市科提交載有該等建議的內部監控顧問書面報告。

董事會及審核委員會就甄選、委聘、退任或罷免外聘核數師並無意見分歧。

監管合規委員會

監管合規委員會包括兩名成員，即林國欽先生及謝國興先生。吳健雄先生為監管合規委員會主席。

監管合規委員會的主要職責為確保本集團業務經營及活動遵守相關法律法規，監管合規委員會直接向董事會報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Regulatory Compliance Committee shall meet at least once a year. During the year, one committee meetings were held to review and discuss the compliance status of the existing business operations and activities, with the relevant laws and regulations in the PRC, Hong Kong and the respective jurisdictions if applicable. Attendance of each member is set out as follows:

監管合規委員會須至少每年舉行一次會議。年內曾舉行一次委員會會議，以檢討及討論現有業務營運及活動遵守中國、香港及各司法管轄區（如適用）的相關法例及法規的情況。各成員的出席率載列如下：

Committee member	委員會成員	Number of meetings attended/held 出席／ 舉行的委員會會議數目
Mr. Lin Guoqin (Executive Director)	林國欽先生（執行董事）	1/1
Mr. Tse Kwok Hing Henry (Financial Controller)	謝國興先生（財務總監）	1/1

GOING CONCERN ISSUE

The Group incurred a loss of approximately RMB219,049,000 for the year ended 31 December 2020 and as at 31 December 2020, the Group had net current liabilities and net liabilities of approximately RMB929,758,000 and RMB959,287,000 respectively. Furthermore, as at 31 December 2020, the Group's bank borrowings of approximately RMB169,223,000 and its bonds of approximately RMB538,520,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on going concern basis. These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt and/or equity financing to meet its liabilities as they fall due. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

持續經營事宜

截至二零二零年十二月三十一日止年度，本集團產生虧損約人民幣219,049,000元，而於二零二零年十二月三十一日，本集團分別有流動負債淨額及負債淨額約人民幣929,758,000元及人民幣959,287,000元。此外，於二零二零年十二月三十一日，本集團約人民幣169,223,000元的銀行借款及約人民幣538,520,000元的債券須重續或於未來十二個月內悉數償付（披露於合併財務報表附註24）。此等狀況表示存在重大不確定因素，可能對本集團按持續經營基準經營的能力構成重大疑慮。因此，本集團可能無法於日常業務過程中變現資產及償還負債。本公司董事認為，按持續經營基準編製合併財務報表乃合宜之舉。該等合併財務報表乃按持續經營基準編製，其有效程度視乎本集團能否與債權人順利磋商，並同意重續或延長現有借款，或完成債務及／或權益性融資以滿足到期的債務。倘本集團無法持續經營，則須於合併財務報表作出調整以將資產價值撇減至可收回金額，以為可能進一步產生的負債作出撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。此等調整的影響尚未反映於合併財務報表內。

CORPORATE GOVERNANCE REPORT

企業管治報告

DELEGATION OF MANAGEMENT FUNCTIONS

The Board reserves for its decision all major matters of the Company including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensure that Board procedures and all applicable laws and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2020.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price sensitive announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the Independent Auditor's Reports in this annual report.

管理職能之轉授

董事會保留對本公司所有重大事項的決定權，包括批准及監控所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（尤其是該等可能涉及利益衝突之交易）、財務資料、委任董事及其他重大財務及經營事宜。

所有董事均可全面和及時取得所有有關資料以及公司秘書的意見及服務，旨在確保遵守董事會程序及所有適用法律法規。每名董事一般可於適當情況下在向董事會提出要求後尋求獨立專業意見，費用由本公司承擔。

本公司日常管理、行政及營運轉授予執行董事及高級管理人員。轉授的職能及職責會定期檢討。上述高級職員在訂立任何重大交易前須向董事會取得批准。

問責及審核

董事確認彼等編製本公司截至二零二零年十二月三十一日止年度財務報表之責任。

根據上市規則規定及其他法定及監管規定，董事會須負責就年度及中期報告、股價敏感公告及其他披露呈報持平、清晰且易於理解之評估。

管理層向董事會提供所需相關說明及資料，使董事會可就提呈董事會批准之本公司財務報表作出知情評估。

本公司外聘核數師關於本集團合併財務報表的申報責任載於本年報獨立核數師報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and Company assets and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis. The Group has developed its systems of internal control and risk management. The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group.

Certain internal control deficiencies were identified and reported to the Board. The Group is ongoing to locate an internal control advisor to review the internal control system of the Group, and conduct remedies for any deficiencies identified on considered necessary in due course.

AUDITOR'S REMUNERATION

For the year ended 31 December 2020, the remuneration paid/payable to the Company's auditor, McMillan Woods (Hong Kong) CPA Limited, amounted to approximately RMB800,000 in respect of the annual audit service.

INDEPENDENT AUDITOR

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

COMPANY SECRETARY

The company secretary of the Company, Mr. Tse Kwok Hing Henry, is a full-time employee of the Group. Please refer to his biographical details as set out on page 37 of this annual report.

內部監控及風險管理

董事會負責維持充足的內部監控系統以保障股東的投資及本公司資產，並在審核委員會支援下每年檢討該制度的成效。本集團已發展其內部監控及風險管理系統。本集團的內部監控系統旨在促進有效及高效營運，確保財務申報的可靠性及符合適用法例及規例，識別及管理潛在風險以保障本集團資產。

若干內部監控的不足之處已經發現及向董事會匯報。本集團正繼續物色內部監控顧問，以檢討本集團內部監控系統，並在認為必要且適當時對發現的任何不足之處採取補救措施。

核數師薪酬

截至二零二零年十二月三十一日止年度，就本公司核數師長青（香港）會計師事務所有限公司提供年度審核服務已付／應付酬金約為人民幣800,000元。

獨立核數師

審核委員會檢討及監察獨立核數師的獨立性、客觀性及審核過程的效用。其每年接獲獨立核數師函件，確認彼等的獨立性及客觀性，並與獨立核數師的代表進行會議，審議其審核範圍、批准其費用，及將由其提供的非審核服務（如有）的範圍及適當性。審核委員會亦就獨立核數師的委任及留任向董事會作出推薦建議。

公司秘書

本公司的公司秘書為謝國興先生，彼為本集團全職僱員。有關其履歷詳情，請參閱本年報第37頁。

CORPORATE GOVERNANCE REPORT

企業管治報告

Rights of Shareholders to Convene a Special General Meeting

Pursuant to Bye-law 58, the Board may whenever it thinks fit call special general meetings, and members holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.

Sending Enquiries to the Board and Procedures for Putting Forward Proposals at Shareholders' Meetings

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

Contact Person: Mr. Tse Kwok Hing Henry, Company Secretary

Postal Address: 20/F Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong

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

股東召開股東特別大會的權利

根據細則第58條，董事會可於認為適當時召開股東特別大會，而於提出要求日期持有可於本公司股東大會上行使表決權之本公司繳足股本不少於十分之一之成員，隨時有權向董事會或本公司秘書作出書面要求，要求董事會召開股東特別大會，以處理該要求所列明之任何事務；而該大會須於提出該要求後兩(2)個月內舉行。倘董事會無法於該提出要求日期起計二十一(21)日內召開該大會，則要求人可根據公司法第74(3)條之條文自行召開該大會。

向董事會查詢及於股東大會上提呈建議之程序

股東或投資者如欲提出查詢或提供建議，可透過下列方式聯絡本公司：

聯絡人： 公司秘書謝國興先生

郵寄地址： 香港上環德輔道中199號無限極廣場20樓

股東如欲於股東大會上提呈建議，須將有關建議的書面通知連同詳細聯絡資料送交本公司上述主要營業地點，並註明公司秘書收啟。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The Company continues to enhance communication and relationship with its investors. Enquiries from investors are dealt with in an informative and timely manner.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution would be proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

CHANGES TO CONSTITUTIONAL DOCUMENTS

The Company's constitutional documents are available on the websites of the Company and the Stock Exchange.

與股東之溝通及投資者關係

本公司認為與股東之有效溝通對促進投資者關係及加深投資者對本集團業務表現及策略之了解攸關重要。本公司亦深明高透明度及適時披露公司資料之重要性，使股東及投資者能作出最佳投資決定。

本公司股東大會為董事會及股東提供溝通場所。本公司持續加強與其投資者的溝通及關係。投資者之查詢會適時處理及獲提供詳盡資料。

股東權利

為保障股東權益及權利，本公司就各重大獨立事宜（包括選舉個別董事）於股東大會提呈獨立決議案。

根據上市規則，所有在股東大會上提呈之決議案須以投票方式進行表決及投票表決結果將於每次股東大會結束後上載於本公司及聯交所網站。

章程文件變動

本公司之章程文件可於本公司及聯交所網站查閱。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Lin Guoqin (林國欽) (“Mr. Lin”) has been appointed as the Executive Director of the Company with effect from 23 October 2019. Mr Lin, aged 32, graduated from Wuyishan Vocational College. He has extensive experience in assets management, corporate finance, asset restructuring and securities investment. In 2011, he founded Putian Xinxiang Trading Limited, which mainly engaged in sales of timber, steel and construction materials, and acted as its general manager. He established Fortune Asset Management HK Limited with whom he acts as its director since August 2014. He also has been appointed as a director of JMC Capital HK Limited from August 2017 to October 2019.

Ms. Lin Yuxi (林禹熙) (“Ms. Lin”) has been appointed as the Executive Director of the Company with effect from 15 October 2020. Ms. Lin, aged 31, graduated from University of East London and obtained a degree of bachelor of arts in business management in 2014. After graduation, Ms. Lin gained extensive experience in corporate management and strategic planning. Before joining us, Ms. Lin was the director of general department of Beijing Tengyuan New Energy Technology Consultancy Service Limited (北京騰源新能源科技諮詢服務有限公司).

執行董事

林國欽先生(「林先生」)於二零一九年十月二十三日獲委任為本公司執行董事。林先生，32歲，畢業於武夷山職業學院。彼於資產管理、企業融資、資產重組及證券投資擁有豐富經驗。於二零一一年，彼創立莆田鑫祥貿易有限公司(從事木材、鋼材及建築材料銷售)並擔任其總經理。彼自二零一四年八月起創立宏鑫資產管理(香港)有限公司並擔任其董事。彼亦於二零一七年八月至二零一九年十月期間獲委任為富喬鑫資本(香港)有限公司之董事。

林禹熙女士(「林女士」)已獲委任為本公司執行董事，自二零二零年十月十五日起生效。林女士，31歲，二零一四年畢業於東倫敦大學，獲頒發商業管理學士學位。畢業後，林女士於企業管理及策略規劃領域獲得豐富經驗。加入我們前，林女士為北京騰源新能源科技諮詢服務有限公司之綜合部主任。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chow Yun Cheung (周潤璋) (“Mr. Chow”) has been appointed as an independent non-executive director of the Company with effect from 13 August 2019. Mr. Chow, aged 41, has over 12 years of experience in finance and accounting. Mr. Chow was an audit manager at KPMG and was a vice president of corporate finance at Chung Tai Printing (China) Co., Ltd. Since February 2018, Mr. Chow has been a non-independent non-executive director of Industronics Berhad, a company listed on Bursa Malaysia Securities Berhad (stock code: 9393). Since 29 January 2021, Mr. Chow has been appointed as an independent executive director of Echo International Holdings Group Limited, a company listed on the Stock exchange (stock code: 8218). Mr. Chow was admitted as a member of the Hong Kong Institute of Certified Public Accountants in February 2005. Mr. Chow obtained a bachelor of business administration degree from the Chinese University of Hong Kong in June 2001.

Mr. Lin Yugang (林宇剛) (“Mr. Lin”), aged 52, graduated from Sun Yat-Sen University with a bachelor’s degree in management, and completed the master’s program in accounting at the School of Management of Sun Yat-Sen University in 2008. From 1987 to 2001, he served in the Department of International Business at the Bank of China for a total of 14 years, where he was primarily responsible for reviewing offshore letters of credit. Subsequently, he became an industry expert and was the youngest director of a branch in Zhongshan City. Mr. Lin was released from work for studying in Sun Yat-Sen University during 2003, and subsequently resigned from his position at the Bank of China and successfully founded a number of companies. Currently, he works at 中山市迅翔股權投資管理有限公司 (Zhongshan City Xunxiang Equity Investment Management Company*), and also holds the positions of director and financial controller at 車美嗶 (廣東) 環保科技有限公司 (Chemeida (Guangdong) Environmental Technology Limited*). Mr. Lin is a banking and finance professional and an industry veteran in the field of international trading.

Mr. Liu Junting (劉俊廷) (“Mr Liu”), aged 31, has been appointed as an independent non-executive director of the Company with effect from 23 October 2019. Mr. Liu graduated from Beijing Institute of Technology in July 2013. He is currently the assistant manager of Zhuhai Lvzhou Industrial Limited. Since 14 January 2020, Mr. Liu has been appointed as an independent non-executive director of China Shenghai Food Holdings Company Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 1676).

獨立非執行董事

周潤璋 (「周先生」) 已獲委任為本公司獨立非執行董事，自二零一九年八月十三日起生效。周先生，41歲，於融資及會計方面擁有超過12年的經驗。周先生為畢馬威的核數經理及Chung Tai Printing (China) Co., Ltd企業融資副主席。自二零一八年二月起，周先生為Industronics Berhad的非獨立非執行董事，Industronics Berhad為一間於馬來西亞證券交易所有限公司上市的公司（股份代號：9393）。自二零二一年一月二十九日起，周先生獲委任為毅高（國際）控股集團有限公司（一間於聯交所上市的公司（股份代號：8218））的獨立執行董事。周先生於二零零五年二月獲認可為香港會計師公會會員。周先生於二零零一年六月獲香港中文大學工商管理學士學位。

林宇剛先生 (「林先生」)，52歲，中山大學管理學學士學位畢業，並於二零零八年完成中山大學管理學院會計專業碩士課程。彼於一九八七年至二零零一年間共十四年時間供職於中國銀行國際業務部，主要負責審核遠洋信用證等工作，後成為行業專家，曾是中山市最年輕的支行行長。林先生於二零零三年脫產在中山大學學習，後辭去中國銀行公職，成功創辦多家企業，現在於中山市迅翔股權投資管理有限公司任職，兼任車美嗶（廣東）環保科技有限公司董事和財務總監。林先生是銀行金融界專業人士，是國際貿易行家能手。

劉俊廷 (「劉先生」)，31歲，已獲委任為本公司獨立非執行董事，自二零一九年十月二十三日起生效。劉先生於二零一三年七月畢業於北京理工大學。彼現任珠海綠洲實業有限公司助理經理。自二零二零年一月十四日起，劉先生已獲委任為中國升海食品控股有限公司（香港聯交所上市公司（股份代號：1676））的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

SENIOR MANAGEMENT

Mr. Tse Kwok Hing Henry (“Mr. Tse”), aged 36, has been appointed as the financial controller and company secretary of the Group with effect from 7 November 2019. Mr. Tse has extensive experience in accounting, auditing and finance fields. Mr. Tse was the chief financial officer and company secretary of China Yuanbang Property Holdings Limited, a company listed on the main board of the Singapore Exchange Securities Trading Limited (Stock Code: BCD.SI) from April 2016 to May 2018. Mr. Tse obtained a bachelor’s degree of Business Administration in Accounting and Finance from the University of Hong Kong in 2007. He is currently a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

高級管理層

謝國興先生（「謝先生」），36歲，已獲委任為本集團財務總監及公司秘書，自二零一九年十一月七日起生效。謝先生於會計、審計及財務方面擁有豐富經驗。謝先生曾於二零一六年四月至二零一八年五月為中國元邦房地產控股有限公司（新加坡證券交易所有限公司主板上市公司，股份代號：BCD.SI）的財務總監及公司秘書。謝先生於二零零七年獲香港大學頒授工商管理（會計及財務）學士學位。彼現為香港會計師公會會員及英格蘭與威爾斯特許會計師協會會員。

REPORT OF THE DIRECTORS

董事會報告書

The Directors of the Company (the “Directors”) are pleased to present the annual report of the Company with the audited consolidated financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Group is engaged in sales of shoes, clothes and others in Asia and the design, manufacturing and sales of fabrics in the People’s Republic of China. The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 34 to the consolidated financial statements.

BUSINESS SEGMENTS

The Group is engaged in the sales of shoes, clothes and others, and manufacturing and sale of fabrics and yarns. Business analysis of sales, segment results, total assets and capital expenditure are set out in note 8 to the accompanying financial statements.

GEOGRAPHICAL SEGMENTS

The Group’s revenue mainly came from two main geographical areas, the Mainland China and Korea. Geographical analysis of the Group are set out in note 8 to the consolidated financial statements.

BUSINESS REVIEW

For details of business review in relation to the development, performance or position of the Company’s business, please refer to the section headed “Management Discussion and Analysis” of this annual report.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. To the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands that a better future depends on everyone’s participation and contribution. It has encouraged all employees to participate in environmental and social activities which benefit the community as a whole.

本公司董事（「董事」）欣然提呈截至二零二零年十二月三十一日止年度的本公司年報及本集團經審核合併財務報表。

主要業務

本集團在亞洲從事鞋履、服裝及其他銷售及在中華人民共和國從事面料的設計、製造及銷售。本公司主要業務為投資控股。其主要附屬公司的主要業務詳情載於合併財務報表附註34。

業務分類

本集團從事鞋履、服裝及其他銷售以及面料及紗線製造及銷售。營業額、分類業績、資產總額及資本開支業務分析載於隨附之財務報表附註8。

地區分類

本集團收益主要來自於中國大陸及韓國兩個地區經營業務。本集團地區分析載於合併財務報表附註8。

業務回顧

關於本公司業務發展、表現或狀況之業務回顧詳情，請參閱本年報「管理層討論及分析」一節。

環境、社會及企業責任

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。據董事所知，本集團已遵守所有對本集團有重大影響且與其業務有關的相關法例及法規，包括健康及安全、工作環境條件、就業及環境。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦因此鼓勵所有僱員參與環境及社會活動，惠及整個社區。

REPORT OF THE DIRECTORS

董事會報告書

Thanks to its active engagement in the enhancement of management measures and technology improvement, the Group incurred less unit electricity consumption and expenses in production as compared to that of last year. The Group also advocated conservation of resources in office and encouraged employees to develop good habits, conserve resources and energy to build a green and comfortable office environment. The Group will issue a separate environmental, social and governance report for the year ended 31 December 2020 in due course with the relevant requirements of the Listing Rules.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2020 are set out in the consolidated financial statements of this annual report. The Directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019: Nil).

RESERVES

Details of movement in the reserves of the Group for the year ended 31 December 2020 are set out in note 28 to the consolidated financial statements and in the consolidated statement of changes in equity. As at 31 December 2020, no reserve of the Company was available for distribution (2019: Nil).

DONATIONS

The Group did not make any charitable and other donations during the year (2019: Nil).

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of and reasons for movements in the share capital of the Company during the year under review are set out in note 27 to the consolidated financial statements.

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

本集團積極推進管理措施和技術改造，生產用電單位耗用量及開支均比去年有所節約。本集團亦引導各項辦公室減耗措施，鼓勵員工養成良好習慣，節約資源和能源，建設綠色舒適的辦公環境。本集團將於適當時候按照上市規則的有關規定另行發佈截至二零二零年十二月三十一日止年度之環境、社會及管治報告。

業績及撥款

本集團於截至二零二零年十二月三十一日止年度的業績載於本年報合併財務報表。董事不建議就截至二零二零年十二月三十一日止年度派發股息（二零一九年：無）。

儲備

有關本集團截至二零二零年十二月三十一日止年度的儲備變動詳情，載於合併財務報表附註28及合併權益變動表。於二零二零年十二月三十一日，本公司概無可供分派的儲備（二零一九年：無）。

捐款

於年內，本集團並無作出任何慈善捐款及其他捐獻（二零一九年：無）。

物業、廠房及設備

本集團的物業、廠房及設備詳情載於合併財務報表附註17。

股本

於回顧年度內本公司的股本變動詳情及原因載於合併財務報表附註27。

稅務減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東之稅務減免或豁免。

REPORT OF THE DIRECTORS

董事會報告書

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 142 to 144 of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2020.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights over shares of the Company under the Company's Bye-laws (the "Bye-laws") or the laws of Bermuda where the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

AUDITOR

Zhonghui resigned as the auditor of the Company with effect from 6 December 2018. The Board appointed WORLD LINK CPA Limited ("Worldlink") with effect from 7 December 2018 to fill the casual vacancy following the resignation of Zhonghui.

Worldlink resigned as the auditor of the Company with effect from 10 February 2020. The Board has appointed McMillan Woods (Hong Kong) CPA Limited ("McMillan Woods") with effect from 10 February 2020 to fill the casual vacancy following the resignation of Worldlink. McMillan Woods will retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company on 31 May 2021.

財務摘要

本集團過去五個財政年度的業績以及資產及負債概要載於本年報第142至144頁。

購買、出售或購回上市證券

於截至二零二零年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或購回本公司上市證券。

優先購買權

根據本公司細則（「細則」）或本公司註冊成立地點百慕達的法律，概無有關本公司有義務按比例向本公司現有股東發售新股份的本公司股份優先購買權的規定。

核數師

中匯於二零一八年十二月六日辭任本公司核數師。董事會已於二零一八年十二月七日委任華普天健（香港）會計師事務所有限公司（「華普天健」）填補中匯辭任留下的臨時空缺。

華普天健於二零二零年二月十日辭任本公司核數師。董事會已委任長青（香港）會計師事務所有限公司（「長青」）填補華普天健辭任留下的臨時空缺，由二零二零年二月十日起生效。於二零二一年五月三十一日舉行之本公司應屆股東週年大會上，長青將退任及符合資格並願意膺選連任。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS

The Directors of the Company during the year and up to the date of this report are as follows:

Executive directors

Mr. Wu Jianxiong (Resigned as Chairman and executive director on 23 December 2020)
Mr. Lin Guoqin (Appointed as Acting Chairman on 23 December 2020)
Mr. Wang Zhiping (Resigned as executive director on 15 October 2020)
Ms. Lin Yuxi (Appointed as executive director on 15 October 2020)

Independent non-executive directors

Mr. Lin Yugang
Mr. Chow Yun Cheung
Mr. Liu Junting

The Company has received, from each of the independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent.

The biographical details of the Directors are set out in the section headed "Directors and Senior Management".

董事

於年內及截至本報告日期的本公司董事如下：

執行董事

吳健雄先生（於二零二零年十二月二十三日辭任主席及執行董事）
林國欽先生（於二零二零年十二月二十三日獲委任為代理主席）
王志平先生（於二零二零年十月十五日辭任執行董事）
林禹熙女士（於二零二零年十月十五日獲委任為執行董事）

獨立非執行董事

林宇剛先生
周潤璋先生
劉俊廷先生

本公司已獲每名獨立非執行董事根據上市規則第3.13條規定確認其獨立性。本公司認為所有獨立非執行董事均為獨立人士。

董事履歷詳情載列於「董事及高級管理層」一節。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' SERVICE CONTRACTS

Pursuant to Bye-law 84, at each annual general meeting of the Company, one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Pursuant to the service contracts entered into by each of executive directors as disclosed in the paragraph headed "Directors' services contracts" above, each of Mr. Lin Guoqin and Ms. Lin Yuxi is entitled to a monthly salary of HK\$30,000 and HK\$20,000, respectively. In addition, pursuant to the above service contracts, each of them is also entitled to a management bonus in respect of each financial year in such sum as the Board may in its absolute discretion determine aggregate amount of management bonuses payable to all directors.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the Directors of the Company is currently in force and was in force throughout the year.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of his/her independence and the Company considers that each of them to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

董事服務合約

根據細則第84條，於本公司每屆股東週年大會上，當時董事總數三分之一人數（或如人數並非三(3)的倍數，則取最接近的整數，惟不得低於三分之一人數）須輪值告退，惟每名董事須至少每三年輪值告退一次。須輪值告退的董事將包括有意告退且無意膺選連任的董事。任何其他因此退任的董事將為其他董事中自上次重選連任或獲委任以來任期最長而須輪值告退的董事。如有超過一名董事上次乃於同一日獲委任或重選連任，則會以抽籤方式決定退任者（除非彼等之間另行達成協議）。概無董事與本公司或其任何附屬公司訂立任何在毋須作出賠償（法定賠償除外）的情況下本集團不可於一年內終止的服務合約。

根據上市規則第13.51B(1)條作出之披露

根據上文「董事服務合約」一段披露各執行董事各自訂立之服務合約，林國欽先生及林禹熙女士分別有權獲得月薪30,000港元及20,000港元。此外，根據上述服務合約，彼等各自亦有權就各財政年度獲得管理層花紅，董事會可全權酌情釐定應付全體董事的管理層花紅總額。

獲准許的彌償條文

有關本公司董事利益的獲准許彌償條文（定義見香港法例第622章公司條例第469條）現正生效及於本年度一直生效。

獨立非執行董事之獨立性

本公司已獲得各獨立非執行董事確認其獨立性，而根據上市規則第3.13條所載指引，本公司認為彼等各自均為獨立。

REPORT OF THE DIRECTORS

董事會報告書

REPORT EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the management on the basis of their merit, qualifications and competence.

The Remuneration Committee considers and recommends to the Board on the remuneration and other benefits paid by the Company to the Directors by reference to the Company's operating results, individual performance and comparable market rates. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

As at 31 December 2020, the Group had an aggregate of 55 full-time employees (as at 31 December 2019: 350). Employee costs including directors' emoluments totalled RMB4.8 million for the year of 2020 (2019: RMB14.5 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees including the Directors with reference to individual performance and current market salary scale.

The Group regularly reviews the emolument package of the existing employees, considers increment of salaries and conducts some long term incentive scheme when appropriate.

Details of Directors' remuneration are set out in note 14a to the financial statements.

DISCLOSURE OF INTERESTS IN SECURITIES

Substantial shareholders' interests in the shares of the Company

As at 31 December 2020, so far as the Directors are not aware of any persons (not being a Director of the Company) had or were deemed to have interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 5% or more of the Company's issued share capital.

薪酬政策

本集團僱員的薪酬政策乃由管理層根據彼等表現、資歷及能力制訂。

薪酬委員會經參考本公司經營業績、個人表現及可比較市場水平考慮及向董事會推薦本公司向董事支付的酬金及其他福利。所有董事的酬金受薪酬委員會定期監察，確保其酬金和薪酬定於適當水平。

於二零二零年十二月三十一日，本集團共有55名全職僱員（於二零一九年十二月三十一日：350名）。二零二零年的僱員成本（包括董事酬金）共計人民幣4.8百萬元（二零一九年：人民幣14.5百萬元）。本集團根據個人能力及發展潛力聘請及提升僱員。本集團根據個人表現及當前市場薪資水平釐定所有僱員（包括董事）的薪酬待遇。

本集團經常複核現存僱員之薪酬待遇，並在適當時考慮提升薪金及採取一些長期激勵計劃。

董事酬金詳情載於財務報表附註14a。

於證券中的權益披露

主要股東於本公司股份中的權益

於二零二零年十二月三十一日，董事並不知悉任何人士（並非本公司董事）擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部的規定須向本公司及聯交所披露的股份或相關股份的權益或淡倉，或直接或間接於本公司5%或以上的已發行股本中擁有權益。

REPORT OF THE DIRECTORS

董事會報告書

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year 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 debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

The Company conditionally adopted the share option scheme on 27 March 2014, and such scheme has become effective on the Listing Date (the "Share Option Scheme"). The purpose of the Share Option Scheme is to recognize and acknowledge the contribution of the eligible participants made to the Group. The Board may, at its discretion, grant options pursuant to the Share Option Scheme to Directors (including the independent non-executive Directors), the Company's subsidiaries, employees of the Group and other persons the Board considers have contributed or will contribute to the Group. The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company (i.e. 100,000,000 shares), unless otherwise approved by the shareholders of the Company in general meeting and/or other requirements prescribed under the Listing Rules. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the Shares on the daily quotation sheet of the Stock Exchange; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Share Option Scheme shall remain effective within a period of 10 years from that date.

As at 31 December 2015 and 2016, 50,000,000 share options and 50,000,000 share options were granted and exercised, respectively, representing maximum number of shares to be granted under the Share Option Scheme. For details of the share option scheme, please refer to page 57 to 58 of the 2016 annual report and page 44 to 45 of the 2015 annual report, respectively.

購買股份或債權證的安排

於年內任何時間，本公司、其控股公司或其任何附屬公司概無訂立任何安排，以令本公司董事可透過獲得本公司或任何其他法團的股份或債權證而獲得利益。

購股權計劃

本公司於二零一四年三月二十七日有條件採納購股權計劃，該計劃於上市日期起生效（「購股權計劃」）。購股權計劃旨在肯定及獎勵對本集團作出貢獻的合資格參與者。董事會根據購股權計劃可酌情決定向董事（包括獨立非執行董事）、本公司的附屬公司、本集團僱員及董事會認為對本集團已作出或將作出貢獻的其他人士授出購股權。根據購股權計劃可能授出的購股權所涉及的股份數目上限合共不得超過本公司已發行股本的10%（即100,000,000股股份），惟本公司股東在股東大會上另行批准及／或上市規則有其他規定者除外。某一特定購股權所涉及股份的認購價不得低於以下三者的最高者：(a)於聯交所每日報價表所報股份的正式收市價；(b)緊接授出日期前五個營業日股份於聯交所每日報價表所報股份的正式平均收市價；及(c)股份面值。購股權計劃自該日期起計10年期間仍屬有效。

於二零一五年及二零一六年十二月三十一日，分別有50,000,000份購股權及50,000,000份購股權已獲授出及行使，即根據購股權計劃可授出的股份數目上限。關於購股權計劃的詳情，請分別參閱二零一六年年報第57至58頁及二零一五年年報第44至45頁。

REPORT OF THE DIRECTORS

董事會報告書

Share options granted

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. For the share options granted by the Company, when they are exercised, the amount previously recognised in share options 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 options reserve will continue to be held in share options reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in other reserve will continue to be held in other reserve.

CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries, was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the aggregate sales attributable to the Group's largest and five largest customers were 8% and 24% of the Group's total sales respectively (2019: 8% and 22%). The aggregate purchases attributable to the Group's largest and five largest suppliers were 20% and 68% of the Group's total purchases respectively during the year under review (2019: 18% and 64%).

During the year, none of the Directors, their associates or any shareholders (who to the knowledge of the Directors owned more than 5% of the issued share capital of the Company) had any interest in any of the five largest customers or suppliers of the Group.

授予的購股權

所獲取服務的公平值乃參照所授出購股權於授出日期的公平值而釐定，按歸屬期以直線法支銷，權益亦相應增加。就本公司授出的購股權而言，當購股權獲行使時，原先於購股權儲備內確認的款項將轉撥至股份溢價，而當購股權於歸屬日期後被沒收或於屆滿日期仍未行使時，原先於購股權儲備內確認的款項將繼續於購股權儲備內持有。當購股權於歸屬日期後被沒收或於屆滿日期仍未行使時，原先於其他儲備內確認的款項將繼續於其他儲備內持有。

重大合約

概無任何與本集團業務有重大關係且本公司或其任何附屬公司為訂約方及董事擁有重大權益（不論直接或間接）之合約於年終或年內任何時間存在。本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東（定義見上市規則）之間概無訂立重大合約。

主要客戶及供應商

於回顧年度，來自本集團最大及五大客戶的總銷售額分別佔本集團總銷售額的8%及24%（二零一九年：8%及22%）。於回顧年度，來自本集團最大及五大供應商的總採購額分別佔本集團總採購額的20%及68%（二零一九年：18%及64%）。

於年內，概無董事、其聯繫人或據董事所知擁有本公司已發行股本5%以上的任何股東於本集團任意五大客戶或供應商中擁有任何權益。

REPORT OF THE DIRECTORS

董事會報告書

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Being people-oriented, the Group ensures all staff are reasonably remunerated and continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety. The Group maintains a good relationship with its customers. A customer complaint handling mechanism is in place to receive, analyse and study complaints and make recommendations on remedies with the aim of improving service quality. The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers on an annual basis.

MANAGEMENT CONTRACTS

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

CONNECTED TRANSACTIONS

No connected transactions were incurred during the year ended 31 December 2020.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, from the Listing Date and up to the date of this report, the Company has maintained a sufficient public float of at least 25% of the Company's issued share capital as required under the Listing Rules.

DIVIDEND POLICY

The Board intends to adopt a prudent dividend payment policy which will base on the main factor of the Group's profitability for the year. The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2020 (2019: Nil). As there is no interim dividend payable during the year, there will be no dividend distribution for the whole year at 2020.

BOARD COMMITTEES

The Company comprises the Nomination Committee, the Remuneration Committee, the Audit Committee and the Regulatory Compliance Committee as described from page 21 to 30 of this annual report.

與僱員、客戶及供應商的重要關係

本集團以人為本，給予所有僱員合理待遇，同時不斷完善薪酬福利、培訓、職業健康與安全等政策，並定期檢討更新。本集團與其客戶維持良好關係。為改善服務質素，本集團定下客戶投訴處理機制，包括投訴收集、分析研究及提出改正意見。本集團與其供應商關係良好，每年對其供應商進行公平及嚴格審核。

管理合約

於回顧年度內，本公司並無就整體業務或任何重要業務部分之管理及行政工作簽訂或存有任何重大合約。

關連交易

截至二零二零年十二月三十一日止年度，概無發生關連交易。

公眾持股量之充足程度

根據可供本公司公開索取之資料及就董事所知，由上市日期起及截至本報告日期，本公司按照上市規則所規定維持至少本公司已發行股本25%的充足公眾持股量。

股息政策

董事會擬採用審慎的派息政策，根據本集團年內盈利能力等主要因素釐定派息。董事會不建議就截至二零二零年十二月三十一日止年度派發任何末期股息（二零一九年：無）。由於年內並無應派中期股息，故二零二零年全年將不會派發股息。

董事委員會

本公司包括提名委員會、薪酬委員會、審核委員會及監管合規委員會，在本年報第21至30頁詳列。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the Directors has confirmed that he is neither engaged, nor interested, in any business which, directly or indirectly, competes or may compete with the Group's business.

NON-COMPETITION UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS

The controlling shareholders of the Company, has entered into a deed of non-competition on 27 March 2014 (the "Deed of Non-Competition") so as to better safeguard the Group from any potential competition and to formalise the principles for the management of potential conflicts between them and to enhance its corporate governance in connection with the listing of the shares on the Stock Exchange.

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

On behalf of the Board

Lin Guoqin

Executive Director

Hong Kong, 31 March 2021

董事於競爭業務之權益

各董事已確認其概無從事與本集團業務直接或間接存在競爭或可能存在競爭之業務或於該等業務中擁有權益。

控股股東作出之不競爭承諾

於二零一四年三月二十七日，本公司控股股東訂立一份不競爭契約（「不競爭契約」），為更能保障本集團免於涉及任何潛在競爭及規範針對彼等之間潛在衝突的管理原則，以及就股份於聯交所上市加強企業管治。

獨立非執行董事毋須在本期間檢討有關遵守及執行不競爭契約的任何事宜。

代表董事會

林國欽

執行董事

香港，二零二一年三月三十一日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the members of Moody Technology Holdings Limited

*(Joint and Provisional liquidator appointed for restructuring purpose)
(Incorporated in the Cayman Islands with limited liability and
continued in Bermuda with limited liability)*

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Moody Technology Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 51 to 141, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致滿地科技股份有限公司股東

*(以重組目的委任之共同臨時清盤人)
(於開曼群島註冊成立並於百慕達存續的
有限公司)*

不發表意見

吾等獲委任審核第51頁至141頁所載滿地科技股份有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表,包括於二零二零年十二月三十一日的合併財務狀況表,及截至該日期止年度的合併損益及其他全面收益表、合併權益變動表及合併現金流量表,以及合併財務報表附註,包括重大會計政策概要。

吾等不就 貴集團合併財務報表發表任何意見。由於吾等之報告「不發表意見的基準」一節所述事宜的重大性,吾等未能獲取充足及適當的審核證據,作為就該等合併財務報表發表審核意見的依據。在所有其他方面,吾等認為,合併財務報表已遵照香港公司條例的披露規定妥善編製。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

Material uncertainty related to going concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately RMB219,049,000 for the year ended 31 December 2020, and as at 31 December 2020, the Group had net current liabilities and net liabilities of approximately RMB929,758,000 and RMB959,287,000, respectively. Furthermore, as at 31 December 2020, the Group's bank borrowings of approximately RMB169,223,000 and its bonds of approximately RMB538,520,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the outcome of the negotiation with the creditors to renew or extend the existing borrowings or debt financing to meet its liabilities as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from the failure to meet in full its financial obligations in the foreseeable future. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements. However, in view of the extent of the uncertainty relating to the continued support of the Group's bankers and bondholders, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

RESPONSIBILITIES OF DIRECTORS 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 International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

不發表意見的基準

有關持續經營的重大不明朗因素

務請注意合併財務報表附註2所述 貴集團截至二零二零年十二月三十一日止年度產生虧損約人民幣219,049,000元，及於二零二零年十二月三十一日，貴集團的流動負債淨額及負債淨額分別約為人民幣929,758,000元及人民幣959,287,000元。此外，於二零二零年十二月三十一日，貴集團的銀行借款約人民幣169,223,000元，而其債券約人民幣538,520,000元可予重續或如合併財務報表附註24所披露於未來十二個月內悉數償還。該等情況說明存在重大不明朗因素，可能對貴集團的持續經營能力造成重大疑問。合併財務報表按持續經營基準編製，其有效性取決於與債權人磋商之結果，以重續或延長現有借款或債務融資，於可見將來償還其到期負債。合併財務報表並不包括於可見將來未能全面履行其財務責任所導致的任何調整。吾等認為重大不明朗因素已於合併財務報表充分披露。然而，鑒於貴集團獲得銀行及債券持有人持續支持的不明朗因素的程度，吾等不就持續經營基準的重大不明朗因素發表意見。

董事對合併財務報表的責任

董事負責根據國際會計準則理事會發佈的國際財務報告準則以及香港公司條例的披露規定編製真實及公平的合併財務報表，並負責董事認為必要的內部控制，以令合併財務報表的編製不存在重大錯誤陳述（不論是否因欺詐或錯誤所引致）。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Hui Chi Kong

Audit Engagement Director

Practising Certificate Number – P07348

3/F, Winbase Centre,
208 Queen's Road Central,
Hong Kong

Hong Kong, 31 March 2021

董事對合併財務報表的責任 (續)

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

審核委員會協助董事履行監督貴集團財務報告過程的責任。

核數師對審核合併財務報表的責任

吾等的責任是遵循香港會計師公會（「香港會計師公會」）發佈的香港核數準則對貴集團的合併財務報表執行審核工作並發表核數師報告。然而，由於吾等之報告不發表意見的基準章節所述事宜，吾等未能取得充足適當的審核證據，作為就該等合併財務報表發表審核意見的依據。

根據香港會計師公會的專業會計師道德守則（「守則」），吾等與貴集團互為獨立，吾等亦根據守則履行其他道德責任。

長青（香港）會計師事務所有限公司

執業會計師

許志剛

審計項目董事

執業證書編號 – P07348

香港
皇后大道中208號
勝基中心3樓

香港，二零二一年三月三十一日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

合併損益及其他全面收益表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收益	9	206,666	517,665
Cost of sales	銷售成本		(218,981)	(506,646)
Gross (loss)/profit	(毛損)/毛利		(12,315)	11,019
Other income	其他收入	10	40,825	5,773
Impairment losses for trade and other receivables	貿易及其他應收款項減值虧損		(11,944)	(81,841)
Selling and distribution costs	銷售及分銷成本		(7,362)	(8,178)
General and administrative expenses	一般及行政開支		(101,344)	(66,920)
Loss from operations	營運虧損		(92,140)	(140,147)
Finance costs	融資成本	11	(126,909)	(147,880)
Loss before tax	除稅前虧損		(219,049)	(288,027)
Income tax credit	所得稅抵免	12	-	419
Loss and total comprehensive income for the year attributable to the owners of the Company	本公司擁有人應佔年內虧損及全面收益總額	13	(219,049)	(287,608)
Loss per share	每股虧損			
Basic (RMB)	基本(人民幣)	16(a)	(0.76)	(1.55)
Diluted (RMB)	攤薄(人民幣)	16(b)	(0.76)	(1.55)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

合併財務狀況表

At 31 December 2020

於二零二零年十二月三十一日

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 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	17	209,714	318,488
Right-of-use assets	使用權資產	18	17,032	21,203
Investment in an associate	於一間聯營公司的投資	19	-	-
			226,746	339,691
Current assets	流動資產			
Inventories	存貨	20	3,599	43,861
Trade and other receivables	貿易及其他應收款項	21	46,339	72,345
Bank and cash balances	銀行及現金結餘	22	3,571	4,559
			53,509	120,765
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	23	275,524	247,608
Borrowings	借款	24	707,743	569,245
			983,267	816,853
Net current liabilities	流動負債淨額		(929,758)	(696,088)
Total assets less current liabilities	資產總額減流動負債		(703,012)	(356,397)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 合併財務狀況表

At 31 December 2020
於二零二零年十二月三十一日

		Notes	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		附註		
Non-current liabilities	非流動負債			
Borrowings	借款	24	243,177	389,981
Deferred income	遞延收入	25	13,098	13,410
			256,275	403,391
Net liabilities	負債淨額		(959,287)	(759,788)
Equity	權益			
Share capital	股本	27	3,100	1,505
Reserves	儲備	28	(962,387)	(761,293)
Total deficit	虧絀總額		(959,287)	(759,788)

Approved and authorised for issue by the Board of Directors on 31 March 2021.

於二零二一年三月三十一日獲董事會批准及授權刊發。

Lin Guoqin
林國欽
Director
董事

Liu Junting
劉俊廷
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Share capital 股本	Share premium 股份溢價 (note 28 (a)) (附註28(a))	Contributed surplus 實繳盈餘 (note 28 (a)) (附註28(a))	Capital reserve 資本儲備 (note 28 (b)) (附註28(b))	Statutory reserve 法定儲備 (note 28 (c)) (附註28(c))	Accumulated losses 累計虧損	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	150,493	500,395	-	113,510	24,151	(1,260,729)	(472,180)
Capital reorganisation (note 27(a) and 28(a))	股本重組 (附註27(a)及28(a))	(148,988)	(500,395)	649,383	-	-	-	-
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	-	-	-	(287,608)	(287,608)
Changes in equity for the year	年內權益變動	(148,988)	(500,395)	649,383	-	-	(287,608)	(287,608)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	1,505	-	649,383	113,510	24,151	(1,548,337)	(759,788)
Placing of new shares under general mandate (note 27(b) and 27(d))	根據一般授權配售新股份 (附註27(b)及27(d))	871	-	9,401	-	-	-	10,272
Issue of shares upon rights issue (note 27(c))	供股後發行股份 (附註27(c))	724	-	8,554	-	-	-	9,278
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	-	-	-	(219,049)	(219,049)
Changes in equity for the year	年內權益變動	1,595	-	17,955	-	-	(219,049)	(199,499)
At 31 December 2020	於二零二零年十二月三十一日	3,100	-	667,338	113,510	24,151	(1,767,386)	(959,287)

CONSOLIDATED STATEMENT OF CASH FLOWS

合併現金流量表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Note 附註		
Cash flows from operating activities	經營活動所得現金流量		
Loss before tax	除稅前虧損	(219,049)	(288,027)
Adjustments for:	就下列各項作出調整：		
Amortisation of deferred income	遞延收入攤銷	(312)	(312)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	23,341	31,012
Depreciation of right-of-use assets	使用權資產折舊	444	558
Finance costs	融資成本	126,909	147,880
Impairment losses of property, plant and equipment	物業、廠房及設備之減值虧損	22,731	25,428
Impairment losses of right-of-use assets	使用權資產之減值虧損	-	1,462
Impairment losses of inventories	存貨之減值虧損	19,659	-
Impairment losses of other receivables	其他應收款項之減值虧損	2,716	26,689
Impairment losses of trade receivables	貿易應收款項之減值虧損	9,228	55,152
Impairment loss/(reversal of impairment losses) of prepayments, net	預付款項之減值虧損／ (減值虧損撥回)， 淨額	21,940	(407)
Interest income	利息收入	(3)	(4)
Loss/(gain) on disposals of property, plant and equipment and right-of-use assets	出售物業、廠房及設備 及使用權資產 虧損／(收益)	3,816	(229)
Operating profit/(loss) before working capital changes	營運資本變動前經營 溢利／(虧損)	11,420	(798)
Decrease/(increase) in inventories	存貨減少／(增加)	20,603	(13,154)
Increase in trade and other receivables	貿易及其他應收款項增加	(7,878)	(39,660)
Increase in trade and other payables	貿易及其他應付款項增加	11,300	41,174
Decrease in amount due to an associate	應付一間聯營公司款項 減少	-	(4,492)
Net cash generated from/(used in) operating activities	經營活動所得／(所用) 現金淨額	35,445	(16,930)

CONSOLIDATED STATEMENT OF CASH FLOWS 合併現金流量表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Note 附註		
Cash flow from investing activities	投資活動所得現金流量		
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(1,626)	(1,403)
Net proceeds from disposals of property, plant and equipment and right-of-use assets	出售物業、廠房及設備及使用權資產所得款項淨額	64,239	438
Interest received	已收利息	3	4
Net cash generated by/(used in) investing activities	投資活動所得／(所用)現金淨額	62,616	(961)
Cash flow from financing activities	融資活動所得現金流量		
Borrowings raised	籌集借款	6,308	53,099
Repayment of borrowings	償還借款	(124,907)	(12,498)
Interest paid	已付利息	-	(19,565)
Proceeds from issue of shares	發行股份所得款項	10,272	-
Proceeds from rights issue	供股所得款項	9,278	-
Net cash (used in)/generated by financing activities	融資活動(所用)／所得現金淨額	(99,049)	21,036
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)／增加淨額	(988)	3,145
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	4,559	1,414
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	3,571	4,559
Analysis of cash and cash equivalents	現金及現金等價物分析		
Cash and bank balances	現金及銀行結餘	22	4,559

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

1. CORPORATE INFORMATION

Moody Technology Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 29 April 2013. On 23 May 2019, the board of directors of the Company (the “Board”) has been de-registered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda (the “Change of Domicile”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company in Hong Kong is located at 20/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 25 April 2014 (the “Listing”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 34 to the consolidated financial statements.

Winding-up petition and appointment of the joint and several provisional liquidators for restructuring purpose

On 20 September 2019, the Company received a petition (the “Petition”) from Su Dajie (the “Petitioner”), a holder of the 2% bond and 2.5% bond in the principal amount of approximately HK\$3,000,000 and HK\$3,006,000 issued by the Company on 12 April 2018 and 13 April 2018 (collectively, the “Bonds”) respectively, in the matter of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) filed in the High Court of The Hong Kong Special Administrative Region (the “High Court”) under Companies Winding-up Proceedings No. 283 of 2019, alleged that the outstanding indebtedness owed by the Company to him up to 11 March 2019 was approximately HK\$2,890,000. The winding up petition was heard before the High Court on 20 November 2019. In connection with the Petition, the Company has engaged professional parties to work out a restructuring plan for the Company’s indebtedness. Such restructuring plan had been filed to the Supreme-Court of Bermuda (the “Bermuda Court”).

1. 公司資料

滿地科技股份有限公司(「本公司」)於二零一三年四月二十九日根據開曼群島法例第22章《公司法》(一九六一年第3號法律·經合併及修訂)在開曼群島註冊成立為獲豁免有限公司。於二零一九年五月二十三日·本公司董事會(「董事會」)已於開曼群島撤銷註冊·轉而根據百慕達法律於百慕達正式繼續作為獲豁免公司存續(「更改註冊地點」)。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司於香港的主要營業地點位於香港上環德輔道中199號無限極廣場20樓。本公司股份自二零一四年四月二十五日起在香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)。

本公司是一家投資控股公司。其附屬公司從事的主要業務載於合併財務報表附註34。

清盤呈請及以重組目的委任之共同及多個臨時清盤人

於二零一九年九月二十日·本公司收到蘇大傑(「呈請人」)(分別持有本公司於二零一八年四月十二日發行的本金額約為3,000,000港元的2%債券和本公司於二零一八年四月十三日發行的本金額為3,006,000港元的2.5%債券(以下簡稱「本債券」))就香港法例第32章公司(清盤及雜項條文)條例向香港特別行政區高等法院(「高等法院」)提交的呈請(「呈請」)·根據二零一九年第283號公司清盤程序·聲稱截至二零一九年三月十一日·本公司欠他的未償債務為約2,890,000港元。清盤呈請已於二零一九年十一月二十日於高等法院進行聆訊。就呈請而言·本公司已聘請專業人士編製有關本公司債務的財務重組計劃。有關重組計劃已提交百慕達最高法院(「百慕達法院」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

1. CORPORATE INFORMATION (Continued)

Winding-up petition and appointment of the joint and several provisional liquidators for restructuring purpose (Continued)

To facilitate the Company's financial restructuring, on 10 October 2019, a winding up petition together with an application for the appointment (the "JPL Application") of Tang Chung Wah and Kan Lap Kee of Shinewing Specialist Advisory Services Limited and Edward Alexander Niles Whittaker of R&H Services Limited respectively was appointed as joint and several provisional liquidators of the Company (together "JPLs") on a light touch approach for restructuring purpose was presented and filed with the Bermuda Court by the Company's Bermuda Counsel, Conyers Dill & Pearman at the request of the Company.

Under the JPL Application, the Company sought an order from the Bermuda Court so that the board of directors of the Company should under the monitoring of the JPLs, continue to manage the Company's affairs in all respects and exercise the powers conferred upon it by the Company's Memorandum of Association and Bye-laws, provided always that, the JPLs should have the power to seek such directions from the Bermuda Court as the JPLs are advised are appropriate to maximize the prospects of the financial restructuring being successful and to provide a moratorium to avoid a disorderly insolvency liquidation of the Company and its subsidiaries by any of the creditors who have threatened to commence liquidation proceedings.

On 5 March 2020, upon the joint application of the Petitioner and the Company by way of the consent summons, an order was made by the High Court that the Petition be dismissed.

1. 公司資料 (續)

清盤呈請及以重組目的委任之共同及多個臨時清盤人 (續)

為促進本公司的財務重組，於二零一九年十月十日，應本公司的要求，本公司的百慕達律師康德明律師事務所以非強制基礎上僅以重組為目的向百慕達法院送呈及提交清盤呈請以及申請委任（「共同臨時清盤人申請」）信永中和諮詢專項服務有限公司之鄧忠華及簡立祈，以及R&H Services Limited之Edward Alexander Niles Whittake分別為本公司的共同及多個臨時清盤人（統稱「共同臨時清盤人」）。

根據共同臨時清盤人申請，本公司正向百慕達法院尋求命令，本公司董事會應在共同臨時清盤人的監督下，繼續管理本公司各方面的事務並行使公司組織章程大綱和細則所賦予的權力，惟倘共同臨時清盤人有權向百慕達法院尋求適當的建議，以便最大程度地實現財務重組成功的前景，並暫停執行任何債權人威脅啟動清盤程序，以免本公司及其子公司進行無序地破產清盤。

於二零二零年三月五日，呈請人及本公司透過同意傳票的方式共同提出申請後，高等法院頒令，呈請被駁回。

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截至二零二零年十二月三十一日止年度

2. GOING CONCERN BASIS

The Group incurred a loss of approximately RMB219,049,000 for the year ended 31 December 2020 and as at 31 December 2020, the Group had net current liabilities and net liabilities of approximately RMB929,758,000 and RMB959,287,000 respectively. Furthermore, as at 31 December 2020, the Group's bank borrowings of approximately RMB169,223,000 and its bonds of approximately RMB538,520,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on going concern basis. These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the outcome of the negotiation with the creditors to renew or extend the existing borrowings or debt financing to meet its liabilities as they fall due. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. 持續經營基準

截至二零二零年十二月三十一日止年度，本集團產生虧損約人民幣219,049,000元，而於二零二零年十二月三十一日，本集團分別有流動負債淨額及負債淨額約人民幣929,758,000元及人民幣959,287,000元。此外，於二零二零年十二月三十一日，本集團約人民幣169,223,000元的銀行借款及約人民幣538,520,000元的債券須重續或於未來十二個月內悉數償付（披露於合併財務報表附註24）。此等狀況表示存在重大不確定因素，可能對本集團的持續經營能力構成重大疑慮。因此，本集團可能無法於日常業務過程中變現其資產及償還負債。

本公司董事認為，按持續經營基準編製合併財務報表乃合宜之舉。該等合併財務報表乃按持續經營基準編製，其有效性取決於與債權人磋商之結果，以重續或延長現有借款或債務融資以滿足到期的債務。倘本集團無法持續經營，則須於合併財務報表作出調整以將資產價值撇減至可收回金額，以為可能進一步產生的負債作出撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。此等調整的影響尚未反映於合併財務報表內。

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3. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by International Accounting Standards Board (the “IASB”). IFRSs comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards (“IAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

4. ADOPTION OF NEW AND REVISED IFRSs

(a) Application of new and revised IFRSs

The IASB has issued the Amendments to Reference to the Conceptual Framework in IFRS Standards and the amendments to IFRSs issued by the IASB that are first effective for its accounting period beginning on 1 January 2020. The application of these amendments in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. 呈列基準

合併財務報表乃根據國際會計準則理事會（「國際會計準則理事會」）頒佈之國際財務報告準則（「國際財務報告準則」）編製。國際財務報告準則包括國際財務報告準則（「國際財務報告準則」）；國際會計準則（「國際會計準則」）；及詮釋。該等合併財務報表亦遵守聯交所證券上市規則之適用披露條文及香港公司條例（第622章）之披露規定。本集團採納的重大會計政策披露如下。

國際會計準則理事會已頒佈若干新訂及經修訂國際財務報告準則，該等準則於本集團本會計期間首次生效或可供提早採納。附註4提供有關因初始應用該等發展而導致任何會計政策變動的資料，而其範圍與本集團於本合併財務報表所反映的現時及過往會計期間有關。

4. 採納新訂及經修訂國際財務報告準則

(a) 應用新訂及經修訂國際財務報告準則

國際會計準則理事會已頒佈於二零二零年一月一日開始的會計期間首次生效的提述國際財務報告準則概念框架的修訂本及由國際會計準則理事會所頒佈的國際財務報告準則的修訂本。於本年度應用該等修訂本並無對本集團於本年度及過往年度的財務狀況及表現及／或該等合併財務報表所載的披露事項造成重大影響。

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For the year ended 31 December 2020
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4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

(b) New and revised IFRSs in issue but not yet effective

The Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2020. These new and revised IFRSs include the following which may be relevant to the Group.

4. 採納新訂及經修訂國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂及經修訂國際財務報告準則

本集團並無提前應用於二零二零年一月一日開始的財政年度已頒佈但尚未生效的新訂及經修訂國際財務報告準則。該等新訂及經修訂國際財務報告準則包括可能與本集團相關的以下各項。

		Effective for accounting periods beginning on or after 於以下日期或 之後開始的會計 期間生效
Amendment to IFRS 16 COVID-19-Related Rent Concessions	國際財務報告準則第16號(修訂) 新冠疫情相關的租金寬減	1 June 2020 二零二零年六月一日
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂)利率基準改革—第二階段	1 January 2021 二零二一年一月一日
Amendments to IFRS 3 Reference to the Conceptual Framework	國際財務報告準則第3號(修訂) 提述概念框架	1 January 2022 二零二二年一月一日
Amendments to IAS 16 Property, plant and equipment: proceeds before intended use	國際會計準則第16號(修訂)物業、廠房及設備：作擬定用途前的所得款項	1 January 2022 二零二二年一月一日
Amendments to IAS 37 Onerous contracts – cost of fulfilling a contract	國際會計準則第37號(修訂) 有償合約—履行合約之成本	1 January 2022 二零二二年一月一日
Annual Improvements to IFRSs 2018 – 2020 Cycle	國際財務報告準則二零一八年至二零二零年週期之年度改進	1 January 2022 二零二二年一月一日
Amendments to IAS 1 Classification of liabilities as current or non-current	國際會計準則第1號(修訂)負債分類為流動或非流動	1 January 2023 二零二三年一月一日

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statement.

本集團現正評估該等修訂及新訂準則於首次應用期間預期產生的影響。截至目前，本集團認為採納該等修訂及新訂準則不太可能會對合併財務報表造成重大影響。

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5. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

5. 主要會計政策

該等合併財務報表乃根據歷史成本慣例編製。

編製符合國際財務報告準則的財務報表須使用若干關鍵會計估計。這亦須管理層在應用本集團會計政策過程中作出判斷。該等範疇涉及高度判斷或複雜性或為其假設及估計對合併財務報表有重大影響的範疇，在附註6中披露。

以下為編製該等合併財務報表所應用的主要會計政策。

(a) 合併入賬

合併財務報表包括本公司及其附屬公司截至十二月三十一日止編製之財務報表。附屬公司指本集團擁有控制權之實體。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則其控制該實體。當本集團之現有權力賦予其目前掌控有關業務（即大幅影響實體回報之業務）之能力時，則本集團對該實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有之潛在投票權。僅在持有人能實際行使潛在投票權之情況下，方會考慮該權利。附屬公司之賬目由其控制權轉至本集團當日起合併入賬，直至控制權終止之日起不再合併入賬。

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For the year ended 31 December 2020
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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(b) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

5. 主要會計政策 (續)

(a) 合併入賬 (續)

因出售一間附屬公司而導致失去控制權的盈虧指(i)出售代價公平值加上於該附屬公司任何保留投資公平值與(ii)本公司應佔該附屬公司資產淨值加上與該附屬公司有關的任何餘下商譽及任何累計外幣匯兌儲備兩者間的差額。

集團內公司間交易、結餘及未變現溢利均予對銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司的會計政策已作出必要調整，以確保與本集團所採納的政策貫徹一致。

於本公司之財務狀況表內，除非投資分類為持作出售（或計入分類為持作出售之出售組別），否則於附屬公司的投資乃按成本減減值虧損列賬。

(b) 聯營公司

聯營公司為本集團對其有重大影響力的實體。重大影響力乃於有關實體的財務及營運政策的決策擁有參與權而非控制或共同控制權。包括其他實體持有的潛在投票權在內的現時可行使或可兌換的潛在投票權的存在及影響將於評估本集團有否重大影響力時予以考慮。在評估一項潛在投票權有否重大影響力時，不會考慮持有者是否有意及在財務上是否有能力行使或兌換該項權利。

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截至二零二零年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Associates (Continued)

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

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

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

5. 主要會計政策 (續)

(b) 聯營公司 (續)

於聯營公司的投資乃採用權益法於合併財務報表列賬，並按成本作出初始確認。所收購聯營公司的可識別資產及負債乃按其於收購當日的公平值計算。倘投資成本超出本集團分佔聯營公司的可識別資產及負債的公平淨值，則差額將以商譽列賬，而該商譽將列入投資的賬面值，並在有客觀證據顯示投資出現減值時連同於各報告期末的投資一併進行減值測試。倘本集團分佔可識別資產及負債的公平淨值高於收購成本，則有關差額將於合併損益確認。

本集團評估有否客觀證據表明於聯營公司的權益可能出現減值。當存在任何客觀證據時，該投資的全部賬面值（包括商譽）按照國際會計準則第36號作為單一資產測試減值，方法為比較其可收回金額（使用價值與公平值減出售成本的較高者）與其賬面值。所確認的任何減值虧損不會被分配到構成該投資賬面值的一部分的任何資產（包括商譽）。倘其後該投資的可收回金額增加，則按照國際會計準則第36號確認撥回該減值虧損。

本集團分佔聯營公司收購後損益及其他全面收益於合併損益及其他全面收益表內確認。倘本集團分佔聯營公司虧損等於或多於其於聯營公司的權益（當中包括任何實際構成本集團於聯營公司投資淨額的長期權益），則本集團不會進一步確認虧損，除非其已產生負債或代聯營公司付款。倘聯營公司其後報收溢利，則本集團僅於其應佔溢利等於其應佔未確認的虧損後恢復確認其應佔的該等溢利。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Associates (Continued)

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

5. 主要會計政策 (續)

(b) 聯營公司 (續)

對銷本集團與其聯營公司間交易的未變現溢利乃以本集團於聯營公司的權益為限。除非交易提供已轉讓資產出現減值之憑證，否則未變現虧損亦予以對銷。聯營公司之會計政策在必要時會作出更改，以確保與本集團所採納之政策一致。

(c) 外幣匯兌

(i) 功能及呈列貨幣

本集團各實體財務報表內所包括項目，均利用該實體經營的主要經濟環境的貨幣（「功能貨幣」）計量。合併財務資料以人民幣（「人民幣」）呈列，人民幣為本公司之功能及呈列貨幣。

(ii) 於各個實體的財務報表中的交易及結餘

外幣交易於初始確認時使用交易日期之通行匯率換算為功能貨幣。以外幣為單位之貨幣資產及負債按各報告期末之匯率換算。此換算政策產生之盈虧於損益內確認。

按公平值計量及以外幣計值的非貨幣項目乃按釐定公平值當日的匯率換算。

當非貨幣項目的盈利或虧損於其他全面收益確認時，該盈利或虧損的任何匯兌部分於其他全面收益確認。當非貨幣項目的盈利或虧損於損益確認時，該盈利或虧損的任何匯兌部分於損益確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

5. 主要會計政策 (續)

(c) 外幣匯兌 (續)

(iii) 合併換算

功能貨幣與本公司呈列貨幣不同的所有集團實體的業績及財務狀況，均按以下方法換算為本公司的呈列貨幣：

- 呈列於每份財務狀況表的資產及負債，均以該財務狀況表日期的收市匯率換算；
- 期內收入及支出均按平均匯率換算（惟該平均值並非有關交易日通行匯率累積影響的合理近似值則作別論，在此情況收入及支出均按交易日匯率換算）；及
- 所有最終匯兌差額於其他全面收益確認及於外幣匯兌儲備累計。

於合併賬目時，因換算貨幣項目而產生之匯兌差額構成於海外實體投資淨額之部份於其他全面收益確認及於外幣匯兌儲備累計。當海外業務被出售時，有關匯兌差額作為出售之盈利或虧損之一部份被重新分類至合併損益。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued) (d) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The useful lives are as follows:

Buildings	20 years
Machinery and equipment	10 years
Office equipment, furniture and vehicles	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

5. 主要會計政策 (續) (d) 物業、廠房及設備

持作用於生產或提供貨品或服務或作行政用途的物業、廠房及設備，包括建築物（下文所述的在建物業除外）乃按成本減後續累計折舊及後續累計減值虧損（如有）於合併財務狀況表列賬。

其後成本只有在與該資產有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才包括在項目的賬面值或確認為獨立資產（如適用）。所有其他維修及保養成本在產生的期間內於損益內確認。

物業、廠房及設備的折舊乃按足以在其估計可使用年內撇銷其成本減剩餘價值的折舊率以直線法計算。可使用年期列載如下：

建築物	20年
機器及設備	10年
辦公室設備、傢俱及汽車	5年

剩餘價值、可使用年期及折舊方法在各報告期末進行檢討及在適當情況下調整。

在建工程指在建的建築物及有待安裝的廠房及設備，按成本減減值虧損列值。有關資產可供使用時開始折舊。

出售物業、廠房及設備的收益或虧損指出售所得款項淨額與有關資產的賬面值的差額，並確認於損益。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

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

5. 主要會計政策 (續)

(e) 租賃

本集團會於合約初始生效時評估該合約是否屬租賃或包含租賃。倘合約在一段時間內為換取代價而轉讓可識別資產使用的控制權，則該合約屬租賃或包含租賃。倘客戶有權主導可識別資產的使用及從該使用中獲取幾乎所有的經濟收益，則已轉讓控制權。

本集團作為承租人

當合約包含租賃部分及非租賃部分，本集團已選擇不區分非租賃部分及將各租賃部分及任何關聯非租賃部分入賬列為所有租賃之單一租賃部分。

於租賃開始日期，本集團確認使用權資產和租賃負債，惟租賃期為12個月或更短的短期租賃和低價值資產（就本集團而言主要為筆記本電腦及辦公室傢俱）的租賃除外。當本集團就低價值資產訂立租賃時，本集團按每項租賃情況決定是否將租賃資本化。與該等並無資本化的租賃有關的租賃付款，於租賃期內按系統基準確認為開支。

當租賃資本化時，租賃負債初始按於租賃期內應付的租賃付款使用租賃中的內含利率（如果不能較容易地確定該利率，則使用相關增量借款利率）折現的現值確認。於初始確認後，租賃負債以攤銷成本計量，而利息開支使用實際利率法計算。不取決於一項指數或比率的可變租賃付款不包括在租賃負債的計量內，因此於發生的會計期間扣自損益。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

The Group as a lessee (Continued)

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

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.

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

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

5. 主要會計政策 (續)

(e) 租賃 (續)

本集團作為承租人 (續)

於租賃資本化時所確認的使用權資產初始以成本計量，其包括租賃負債的初始金額加在開始日或之前支付的任何租賃付款，以及發生的任何初始直接費用。在適用的情況下，使用權資產的成本亦包括拆卸及移除相關資產或將相關資產或相關資產所在地復原的估計成本折現的現值，並減去任何收到的租賃激勵。使用權資產其後以成本減去累計折舊及減值虧損列值。

本集團已合理地確定可於租期結束時取得相關租賃資產所有權的使用權資產由開始日期起至可使用年期結束止計提折舊。在其他情況下，使用權資產按直線法於其估計可使用年期及租期（以較短者為準）內計提折舊。

已付可退還租賃按金根據國際財務報告準則第9號入賬，並初步按公平價值計量。於初始確認時對公平價值的調整被視為額外租賃付款，並計入使用權資產成本。

當未來租賃付款因指數或比率的變化而發生改變，或本集團剩餘價值擔保下預計應付的金額估計發生變化，或因重新評估本集團是否將合理確定行使購買、延長或終止選擇權而產生變動，則會重新計量租賃負債。當租賃負債以此方式重新計量，對使用權資產的賬面金額作出相應調整，或倘若使用權資產的賬面金額已經減至零，則記入損益。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

The Group as a lessee (Continued)

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16. In such cases, the group took advantage of the practical expedient set out in paragraph 46A of IFRS 16 and recognised the change in consideration as if it were not a lease modification.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

5. 主要會計政策 (續)

(e) 租賃 (續)

本集團作為承租人 (續)

當租賃範疇發生變化或租賃合同原先並無規定的租賃代價發生變化(「租賃修改」),且未作為單獨的租賃入賬時,則亦要對租賃負債進行重新計量。在該等情況,租賃負債根據經修訂的租賃付款和租賃期限,使用經修訂的貼現率在修改生效日重新計量。唯一的例外是因新型冠狀病毒疫情而直接產生的任何租金減免,且符合國際財務報告準則第16號第46B段所載的條件。在該等情況,本集團利用國際財務報告準則第16號第46A段所載的實際權宜法,確認代價變動,猶如其並非租賃修改。

(f) 存貨

存貨乃按成本與可變現淨值兩者之中較低者列賬。成本使用加權平均法釐定。製成品及在製品的成本包括原料、直接人工及適當比例的所有生產雜項開支及分包開支(如適用)。可變現淨值為日常業務過程中的估計售價減去估計完成生產的成本及銷售所需的估計成本。

(g) 確認及終止確認金融工具

金融資產及金融負債於集團實體成為工具合約條文的訂約方時於合併財務狀況表內確認。

金融資產和金融負債在初始時會以公平值進行計量。直接歸屬於購置或發行金融資產和金融負債(按公平值計入損益(「按公平值計入損益」))之金融資產及金融負債除外)的交易費用在初始確認時計入或扣自各金融資產或金融負債(視何者適用而定)的公平值。直接歸屬於購置按公平值計入損益之金融資產或金融負債的交易費用須即時在損益中確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Recognition and derecognition of financial instruments (Continued)

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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(h) Financial assets

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 marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

5. 主要會計政策 (續)

(g) 確認及終止確認金融工具 (續)

僅當從資產收取現金流的合約權利屆滿時，或本集團轉讓金融資產且將資產所有權有關的絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認該項金融資產。倘本集團並無轉讓亦無保留擁有權的絕大部分風險及回報，而繼續控制被轉讓資產，則本集團確認其於該項資產之保留權益，並將可能需支付之款項確認為相關負債。若本集團保留被轉讓金融資產擁有權的絕大部分風險及回報，則本集團會繼續確認該項金融資產，亦就所收到之所得款項確認抵押借貸。

本集團當及僅於其責任獲解除、取消或已失效時終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價（包括任何所轉讓之非現金資產或所承擔之負債）之間的差額於損益中確認。

(h) 金融資產

所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。所有已確認金融資產其後全部按攤銷成本或公平值計量，視乎金融資產的分類而定。

(i) 貿易及其他應收款項

本集團具有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價的權利僅需經過一段時間方為無條件。如收益在本集團擁有無條件權利收取代價前經已確認，則金額呈列為合約資產。

應收款項利用實際利率法按攤銷成本減信貸虧損撥備列賬。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for expected credit losses ("ECL").

(k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(m) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

5. 主要會計政策 (續)

(j) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構的活期存款、以及可隨時兌換為已知數額現金且並無明顯變值風險並在購入後三個月內到期的短期高流通性投資。就合併現金流量表而言，須按要求償還並構成本集團現金管理組成部分的銀行透支亦入賬列作現金及現金等價物的一部分。現金及現金等價物評估預期信貸虧損（「預期信貸虧損」）。

(k) 金融負債及權益工具

金融負債及權益工具按所訂立合約安排的內容及國際財務報告準則中金融負債和權益工具的定義分類。權益工具為證明本集團的資產於扣除其所有負債後的剩餘權益的任何合約。下文載列就特定金融負債及權益工具採納的會計政策。

(l) 借款

借款初步按公平值扣除所產生之交易成本確認，並其後以實際利率法按攤銷成本計算。

除非本集團擁有無條件權利，可將負債之償還日期遞延至報告期後至少十二個月，否則借貸被分類為流動負債。

(m) 貿易及其他應付款項

貿易及其他應付款項按公平值初始確認，其後使用實際利率法按攤銷成本計量，除非貼現影響不大，在該情況下以成本列賬。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Equity instruments

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

(o) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from the sale of manufactured products is recognised when control of the goods has transferred, being when the goods have been shipped to the buyer's specific location (delivery). Following delivery, the buyer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the buyer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Interest income is recognised as it accrues using the effective interest method.

(p) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

5. 主要會計政策 (續)

(n) 權益工具

權益工具指能證明於實體扣除其所有負債後之資產中擁有剩餘權益之任何合約。本公司所發行的權益工具按已收所得款項(扣除直接發行成本)入賬。

(o) 收益及其他收入

當產品或服務的控制權按本集團預期有權獲取的承諾代價數額(不包括代表第三方收取的金額)轉移至客戶時確認收益。收益不包括增值稅或其他銷售稅,並經扣除任何貿易折扣。

來自銷售製成品的收益在貨物控制權轉移時確認,即貨物已運至買方的特定地點(交付)。交付後,買方可以完全自行決定銷售商品的分銷方式和價格,在銷售商品時承擔主要責任,並承擔與貨物相關的過時及損失風險。當貨物交付買方時,本集團確認應收款項,原因是收取代價之權利於此時間點變為無條件,僅須待時間過去便可收取款項。

利息收入於其應計時按實際利率法計算確認。

(p) 僱員福利

(i) 僱員應享假期

僱員的年假及長期服務假期於僱員應享有時予以確認。截至報告期末,因僱員所提供的服務而產生的年假及長期服務假期的估計負債已計提撥備。僱員享有的病假及產假於僱員休假時方會確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits (Continued)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

(q) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

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

Government grants relating to the purchase of assets are recorded as deferred income and recognised in profit or loss on a straight-line basis over the useful lives of the related assets.

5. 主要會計政策 (續)

(p) 僱員福利 (續)

(ii) 退休金責任

本集團向為所有僱員提供的定額供款退休計劃進行供款。本集團及僱員對計劃的供款根據僱員基本薪金的百分比計算。在損益內扣除的退休福利計劃成本指本集團須向基金支付的供款。

(iii) 離職福利

離職福利於本集團不能取消提供該等福利時及本集團確認重組成本並涉及支付離職福利時 (以較早者為準) 予以確認。

(q) 借款成本

借款成本於其產生期間在損益中確認。

(r) 政府補助金

當能合理確定本集團將遵守補助金的附帶條件並將收到政府的補助金時，則補助金會予以確認。

與收入相關的政府補助金將遞延並於損益內根據與擬獲補償之成本作相對性的期間確認。

作為已承擔開支或虧損的補償或向本集團提供即時財務援助而可收取 (並無日後相關成本) 的政府補助金，乃於其成為可收取的期間於損益內確認。

與購買資產相關的政府補助金記錄為遞延收入及以直線法按相關資產的可使用年期於損益確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items 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 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

5. 主要會計政策 (續)

(s) 稅項

所得稅指即期稅項及遞延稅項的總額。

即期應付稅項按本年度應課稅溢利計算。應課稅溢利與於損益內確認的溢利有所不同，乃由於其他年度的應課稅或可扣稅收入或開支項目以及免稅或不可扣稅項目。本集團有關即期稅項的負債採用於報告期末前已實行或實際已實行的稅率計算。

遞延稅項就合併財務報表內資產及負債的賬面值與計算應課稅溢利所採用相應稅基之間的差額予以確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認。倘暫時差額乃因商譽或初始確認一項既不影響應課稅溢利亦不影響會計溢利的交易（業務合併除外）中的其他資產及負債而產生，則不會確認有關資產及負債。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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.

5. 主要會計政策 (續)

(s) 稅項 (續)

遞延稅項負債就於附屬公司及聯營公司投資而產生的應課稅暫時差額予以確認，惟倘本集團可控制暫時差額的撥回，且該暫時差額可能不會於可見將來撥回者除外。

遞延稅項資產之賬面值於各報告期末進行檢討，並在不可能再有足夠應課稅溢利以收回全部或部份遞延稅項資產時予以減少。

遞延稅項根據於報告期末前已實行或實際已實行的稅率，按預期在負債償還或資產變現期間適用的稅率計算。遞延稅項於損益內確認，惟倘遞延稅項與於其他全面收益內確認或直接於權益中確認的項目有關，則遞延稅項亦於其他全面收益內確認或直接於權益中確認。

遞延稅項資產及負債的計量反映按照本集團預期於報告期末收回或結算其資產及負債賬面值的方式而產生的稅務影響。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Taxation (Continued)

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

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 by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(t) Related parties

For the purposes of these consolidated financial statements, a related party is a person or entity that is related to the Group.

- (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 Company or a parent of the Company.

5. 主要會計政策 (續)

(s) 稅項 (續)

就計量本集團確認使用權資產及相關租賃負債的租賃交易之遞延稅項而言，本集團首次釐定稅項扣除是否歸屬於使用權資產或租賃負債。

就稅項扣除歸屬於租賃負債之租賃交易而言，本集團對使用權資產及租賃負債分別應用國際會計準則第12號規定。由於應用初始確認豁免，使用權資產及租賃負債相關的暫時差額於初始確認時及租期內不予確認。

當合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並且當與同一稅務機關所徵收的所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，遞延稅項資產及負債可予以對銷。

(t) 關連方

就該等合併財務報表而言，關連方為與本集團有關連之人士或實體。

- (A) 倘屬以下人士，即該人士或該人士的近親為本集團的關連方：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本公司或本公司母公司主要管理人員的其中一名成員。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Related parties (Continued)

- (B) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Company 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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

5. 主要會計政策 (續)

(t) 關連方 (續)

- (B) 倘符合下列任何條件，即該實體與本集團有關連：
- (i) 該實體與本公司屬同一集團的成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (ii) 一間實體為另一實體的聯營公司或合營公司（或另一實體為成員公司的集團旗下成員公司的聯營公司或合營公司）。
 - (iii) 兩間實體均為同一第三方的合營公司。
 - (iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連的實體就僱員利益設立的離職福利計劃。
 - (vi) 實體受上文(A)所識別人土控制或受共同控制。
 - (vii) 受上文(A)(i)所識別人土對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員。
 - (viii) 該實體或其所屬的集團的任何成員公司向本公司或本公司母公司提供主要管理人員服務。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(v) Impairment of financial assets

The Group recognises a loss allowance for ECL on trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade and other receivables. The ECL on these financial assets are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

5. 主要會計政策 (續)

(u) 非金融資產減值

非金融資產之賬面值於各報告日期檢討有否出現減值跡象。倘資產已減值，則作為開支透過合併損益表撇減至其估計可收回金額。可收回金額就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入除外。在此情況下，可收回金額就資產所屬之現金產生單位釐定。可收回金額按個別資產或現金產生單位（「現金產生單位」）之使用價值與其公平值減出售成本兩者中之較高者計算。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間價值及資產／現金產生單位（已計量減值）特有風險之稅前貼現率計算。

現金產生單位減值虧損首先就該單位之商譽進行分配，然後按比例在現金產生單位其他資產間進行分配。因估計變動而造成其後可收回金額增加將計入損益直至撥回已作出之減值。

(v) 金融資產減值

本集團就貿易及其他應收款項的預期信貸虧損確認虧損撥備。預期信貸虧損之金額於各報告日期更新，以反映信貸風險自初始確認相關金融工具以來之變化。

本集團通常就貿易及其他應收款項確認全期預期信貸虧損。該等金融資產之預期信貸虧損乃使用根據本集團過往信貸虧損經驗計算的撥備矩陣進行估計，並就債務人之特定因素、整體經濟狀況及對於報告日期之現時狀況及預測動向的評估（於適用情況下包括貨幣之時間價值）作出調整。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

就所有其他金融工具而言，倘信貸風險自初始確認後顯著增加，則本集團確認全期預期信貸虧損。然而，倘該金融工具的信貸風險自初始確認後並無顯著增加，本集團以相當於12個月預期信貸虧損的金額計量該金融工具的損失撥備。

全期預期信貸虧損指一切可能於相關工具預計年內發生之違約事件將導致之預期信貸虧損。相對而言，12個月期預期信貸虧損指預期於報告日期之後12個月內可能發生違約事件所引致之部分全期預期信貸虧損。

信貸風險顯著上升

於評估金融工具信貸風險自初始確認以來有否顯著上升時，本集團會將金融工具於報告期末發生的違約風險與金融工具在初始確認日期發生的違約風險相比較。本集團進行評估時，會考慮合理並有證據支持的量性及質性資料（包括參考過往經驗及毋須耗費龐大人力物力即可取得的前瞻性資料）。所考慮前瞻性資料包括本集團債務人經營行業的未來前景、自經濟專家報告、財務分析員、政府機構、相關智庫及其他類似組織獲取的報告，以及考慮與本集團核心業務相關的實際及預測經濟資料的多個外部來源。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

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

- 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 for a particular financial instrument;
- 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;
- significant increases in credit risk on other financial instruments of the same 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 on a financial asset 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.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

信貸風險顯著上升 (續)

具體而言，評估信貸風險自初始確認以來有否顯著上升時，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倒退；
- 某特定金融工具的信貸風險的外部市場指標的重大惡化；
- 業務、財務或經濟狀況現存或預測的不利變動，預料將導致債務人履行其債務責任的能力顯著下降；
- 債務人經營業績的實際或預期顯著倒退；
- 同一債務人的其他金融工具的信貸風險大幅增加；
- 債務人監管、經濟或技術環境的實際或預期重大不利變動，導致債務人履行其債務責任的能力顯著下降。

不論上述評估結果，本集團假定，倘合約付款逾期超過30日，則金融資產的信貸風險自初始確認以來已顯著增加，惟當本集團擁有合理並有證據支持的資料顯示情況並非如此，則作別論。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) The financial instrument has a low risk of default,
- (ii) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

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.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

信貸風險顯著上升 (續)

儘管有上述規定，若於報告日期金融工具被判定為具有較低信貸風險，本集團會假設金融工具的信貸風險自初始確認以來並未顯著上升。在以下情況下，金融工具會被判定為具有較低信貸風險：

- (i) 金融工具具有較低違約風險，
- (ii) 債務人有很強的能力履行近期的合約現金流量義務；及
- (iii) 經濟及商業環境的長期不利變動有可能但未必會降低借款人履行合約現金流量義務的能力。

本集團認為，若根據眾所周知的定義，資產的外部信貸評級為「投資級」，或若無外部評級，資產的內部信貸評級為「履行」，則該金融資產具有較低信貸風險。「履行」意味著交易對手具有強大的財務狀況且無逾期金額。

本集團定期監察識別信貸風險是否顯著上升所用標準的有效性，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顯著上升。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, 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.

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:

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

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

違約的定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回。

- 交易對手違反財務契諾；或
- 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人（包括本集團）全額還款（不考慮本集團持有的任何抵押品）。

不論上述分析，本集團認為，違約已於當金融資產逾期超過90天時發生，惟本集團有合理且可支持的資料證明更為滯後的違約標準更為適當除外。

信貸減值金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一項或多項事件之時，該金融資產即出現信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據：

- 發行人或交易對手陷入嚴重財困；
- 違反合約，例如違約或逾期事件；
- 交易對手的貸款人出於與交易對手財困相關的經濟或合約原因，而向交易對手授予貸款人原本不會考慮的優惠；
- 交易對手可能破產或進行其他財務重組；或
- 金融資產的活躍市場因財困而消失。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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 as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

撇銷政策

本集團在有資料顯示債務人陷入嚴重財務困難，且無實際收回可能之時（包括債務人被清盤或已進入破產程序，或貿易應收款項逾期超過兩年（以較早發生者為準））撇銷金融資產。在考慮法律意見（如適當）後，已撇銷金融資產仍可根據本集團之收回程序實施強制執行。任何收回款項於損益中確認。

預期信貸虧損的計量及確認

預期信貸虧損的計量乃指違約概率、違約損失率程度（即倘違約損失的程度）及違約風險的函數。評估違約概率及違約損失率程度根據歷史數據作出，並根據前瞻性資料調整。就金融資產違約風險而言，此乃代表根據過往趨勢確定於報告日期的資產賬面總值、本集團對債務人未來具體融資需求的了解，以及其他相關前瞻性信息。

就金融資產而言，預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預期可收取的所有現金流量（按原定實際利率貼現）之間的差額估算。

倘本集團於前一報告期間按全期預期信貸虧損的相同金額計量金融工具的虧損撥備，惟於本報告日期判定已不再符合全期預期信貸虧損之條件，則本集團於本報告日期按12個月預期信貸虧損的相同金額計量虧損撥備，惟使用簡化方法的資產則作別論。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(w) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(x) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

預期信貸虧損的計量及確認 (續)

本集團於損益確認所有金融工具的減值收益或虧損，並通過虧損撥備賬對其賬面值作出相應調整。

(w) 撥備及或然負債

倘本集團因過往事件須承擔現有法律或推定責任，而履行責任有可能導致經濟利益流出，並能夠作出可靠估計時，須對時間或金額不確定的負債確認撥備。倘金額的時間價值重大，則撥備按預期用於履行該責任的支出現值列賬。

倘經濟利益流出的可能性較低，或金額無法可靠估計，則責任披露為或然負債，除非流出的可能性極低則另作別論。可能出現的責任（其存在與否僅取決於一項或多項未來事件的發生與否）亦披露為或然負債，除非流出的可能性極低則另作別論。

(x) 報告期後事項

提供本集團於報告期末之額外資料之報告期後事項為調整事項，並反映於合併財務報表。並非調整事項之報告期後事項，如屬重大時乃於合併財務報表附註披露。

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6. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the outcome of the negotiation with the creditors to renew the existing borrowings or debt financing to meet its liabilities as they fall due in the foreseeable future. Details are explained in note 2 to the consolidated financial statements.

(b) *Significant increase in credit risk*

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

6. 重要判斷及主要估計

應用會計政策的重要判斷

於應用會計政策的過程中，董事已作出以下對合併財務報表中所確認金額有重大影響的判斷（下文所述涉及估計的該等判斷除外）。

(a) *持續經營基準*

此等合併財務報表乃按持續經營基準編製，其有效性取決於與債權人磋商之結果，以重續現有借款或債務融資，於可見將來，債務到期時償還負債。詳情於合併財務報表附註2闡述。

(b) *信貸風險大幅增長*

預期信貸虧損就第1階段資產按等於12個月預期信貸虧損的撥備計量，就第2階段或第3階段資產按全期預期信貸虧損的撥備計量。資產在其信貸風險自初始確認後顯著增加時轉入第2階段。國際財務報告準則第9號並無界定構成信貸風險顯著增加的因素。於評估資產的信貸風險是否顯著上升時，本集團會考慮合理且具支持的定性及定量前瞻性資料。

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6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty

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

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2020 was approximately RMB209,714,000 (2019: RMB318,488,000).

6. 重要判斷及主要估計 (續)

估計不確定性之主要來源

下文詳述有關未來的主要假設及於報告期末的估計不確定性之其他主要來源，而該等假設及不確定估計存在導致下一財政年度的資產及負債賬面值須作出重大調整的重大風險。

(a) 物業、廠房及設備及折舊

本集團釐定本集團物業、廠房及設備的估計可使用年期、剩餘價值以及相關折舊開支。該估計乃根據性質及功能相近的物業、廠房及設備實際可使用年期及剩餘價值的過往經驗而作出。當可使用年期及剩餘價值與原先估計者不同時，本集團會對折舊開支進行相應調整，或將已報廢之技術過時或非策略資產註銷或撇減。

物業、廠房及設備於二零二零年十二月三十一日之賬面值約為人民幣209,714,000元（二零一九年：人民幣318,488,000元）。

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6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(b) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement 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 value of an asset can be supported by the recoverable amount; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts. 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 cash-generating unit to which the assets belongs. Changing the assumptions and estimates could materially affect the recoverable amounts. Impairment of property, plant and equipment was amounted to approximately RMB22,731,000 (2019: RMB25,428,000). No impairment of right-of-use assets was made for the year ended 31 December 2020 (2019: approximately RMB1,462,000)

6. 重要判斷及主要估計 (續)

估計不確定性之主要來源 (續)

(b) 物業、廠房及設備以及使用權資產之減值

物業、廠房及設備以及使用權資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時,本集團須行使判斷及作出估計,尤其是評估:(1)是否有事件已發生或有任何指標可能影響資產價值;(2)資產賬面值是否能夠以可收回金額支持;及(3)將應用於估計可收回金額的適當關鍵假設。倘無法估計個別資產(包括使用權資產)的可收回金額,本集團會估計資產所屬現金產生單位的可收回金額。倘假設及估計出現變動,可收回金額或會受到重大影響。物業、廠房及設備的減值約為人民幣22,731,000元(二零一九年:人民幣25,428,000元)。截至二零二零年十二月三十一日止年度,使用權資產並無作出減值(二零一九年:約人民幣1,462,000元)

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6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Allowance for inventories

Allowance for inventories is made based on an assessment of the net realisable value of inventories. Allowances are applied to inventories when events or changes on circumstances indicated that the net realisable values is lower than the cost of inventories or that the inventories have no further use. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

Allowance for inventories of approximately RMB19,659,000 (2019: Nil) was made for the year ended 31 December 2020.

(d) Impairment loss for trade and other receivables

The management of the Group estimates the amount of impairment loss for ECL on trade receivables and contract assets based on the credit risk of trade receivables and contract assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2020, the carrying amount of trade and other receivables is approximately RMB46,339,000 (net of allowance for doubtful debts of approximately RMB1,023,190,000) (2019: RMB72,345,000 (net of allowance for doubtful debts of approximately RMB989,306,000)).

6. 重要判斷及主要估計 (續)

估計不確定性之主要來源 (續)

(c) 存貨撥備

存貨撥備乃以存貨可變現淨值的評估為基準計算。倘有關事件或情況變化表明可變現淨值低於存貨成本或存貨並無進一步用途，則向存貨計提撥備。評估撥備金額涉及判斷及估計。倘日後之實際結果有別於原來估計，該等差額將影響上述估計出現變動期間存貨賬面值及撥備開支／撥回。

截至二零二零年十二月三十一日止年度已作出存貨撥備約人民幣19,659,000元（二零一九年：無）。

(d) 貿易及其他應收款項減值虧損

本集團管理層根據貿易應收款項及合約資產的信貸風險，估計貿易應收款項及合約資產的預期信貸虧損的減值虧損金額。根據預期信貸虧損模式計算的減值虧損金額，乃按根據合約應付本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額（按初始確認時釐定的實際利率貼現）計量。如未來現金流量低於預期，或因事實及情況變化而下調，則可能出現重大減值虧損。

於二零二零年十二月三十一日，貿易及其他應收款項的賬面值約為人民幣46,339,000元（扣除呆賬撥備約人民幣1,023,190,000元）（二零一九年：人民幣72,345,000元（扣除呆賬撥備約人民幣989,306,000元））。

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7. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in the currencies other than functional currencies of the Group entities.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate of HK\$, with all other variables held constant, of the Group's loss after tax due to changes in the value of monetary assets and liabilities.

7. 財務風險管理

本集團經營活動面臨各種金融風險，包括外幣風險、信貸風險、流動性風險及利率風險。本集團的整體風險管理乃專注於不可預測的金融市場，並努力降低對本集團財務表現的潛在不利影響。

(a) 外幣風險

本集團面臨若干外幣風險，因為其部分業務交易、資產及負債以集團實體的功能貨幣以外的貨幣計值。

本集團目前並無就外匯交易、資產及負債制定外匯對沖政策。本集團密切監察其外匯風險，並將適時考慮對沖重大外匯風險。

下表顯示在全部其他變量不變的情況下，因貨幣資產及負債價值變化而產生的本集團除稅後虧損對報告期末港元匯率的合理潛在變化的敏感度。

		Functional currency strengthened/ (weakened) by 功能貨幣增強/ (減弱) %	(Increase)/ decrease in loss after tax 除稅後虧損 (增加)/減少 RMB'000 人民幣千元
Year ended 31 December 2020	截至二零二零年 十二月三十一日止年度		5%/(5%) (39,085)/39,085 (Note) (附註)
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度		5%/(5%) (36,279)/36,279 (Note) (附註)

Note: This is mainly a result of foreign exchange gain/(loss) on borrowings denominated in HK\$.

附註：此乃主要由按港元計值借款的外匯收益/(虧損)所導致。

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7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities of trade and other receivables and bank balances. The Group's exposure to credit risk arising from bank balances is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

The Group has no concentration of credit risk.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 90 days from the date of billing. Debtors with balances that are more than 30 days past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

7. 財務風險管理 (續)

(b) 信貸風險

信貸風險是指交易對手將無法履行金融工具或客戶合約所規定的責任，以致蒙受財務虧損的風險。本集團會承受其經營活動（貿易及其他應收款項以及銀行結餘）產生的信貸風險。本集團承受銀行結餘的信貸風險有限，乃由於交易對手為獲國際信貸評級機構給予高信貸評級的銀行及金融機構，故本集團認為低信貸風險。

本集團並無集中信貸風險。

各業務單元在本集團既有關於客戶信貸風險管理的政策、程序及監控規限下，管理客戶信貸風險。我們會對所有要求獲得超出一定金額的信貸的客戶進行個別信貸評估。此等評估針對客戶過往的到期還款紀錄及現時的還款能力，並考慮客戶的個別資料及與客戶所處經濟環境相關的資料。貿易應收款項由發票日期當日起計90天內到期。在進一步獲授任何信貸前，結餘逾期超過30天的應收賬項須全數清償餘額。本集團一般並無自客戶獲得抵押品。

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7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables as at 31 December 2020:

		2020 二零二零年		
		Expected loss rate	Gross carrying amount	Loss allowance
		預期虧損率	賬面總值	虧損撥備
		%	RMB'000 人民幣千元	RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	-	-	-
Less than 3 months past due	逾期少於3個月	0.2%	4,475	10
Over 3 months but less than 6 months past due	逾期超過3個月但少於6個月	2.9%	2,280	67
Over 6 months but less than 9 months past due	逾期超過6個月但少於9個月	11.4%	2,887	330
Over 9 months past due	逾期9個月以上	100.0%	815,951	815,951
			825,593	816,358

7. 財務風險管理(續)

(b) 信貸風險(續)

本集團按等同於整個有效期的預期信貸虧損的金額計量貿易應收款項的虧損撥備。預期信貸虧損乃使用撥備矩陣進行估計。由於本集團過往信貸虧損情況並無明顯表示不同客戶分部的不同虧損模式，故並無根據過往逾期狀況計算的虧損撥備在本集團不同客戶群之間作進一步區分。

下表提供有關本集團於二零二零年十二月三十一日所面對的信貸風險及貿易應收款項之預期信貸虧損資料：

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7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

7. 財務風險管理 (續)

(b) 信貸風險 (續)

		2019 二零一九年		
		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
Current (not past due)	即期 (未逾期)	55.9%	3,617	2,022
Less than 3 months past due	逾期少於3個月	55.9%	9,908	6,938
Over 3 months but less than 6 months past due	逾期超過3個月但少於6個月	69.9%	18,027	14,466
Over 6 months but less than 9 months past due	逾期超過6個月但少於9個月	80.0%	25,886	20,772
Over 9 months past due	逾期9個月以上	100.0%	762,932	762,932
			820,370	807,130

Expected loss rates are based on actual loss experience. The above expected loss rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables.

預期損失率乃基於實際損失經驗計算。上述預期虧損率乃經調整，以反映收集歷史數據期間的經濟狀況、目前狀況以及本集團對貿易應收款項的預期年期期間經濟狀況之看法的差異。

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7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Movement in the loss allowance for trade receivables during the year is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	807,130	751,978
Impairment losses recognised for the year	年內已確認減值虧損	9,228	55,152
At 31 December	於十二月三十一日	816,358	807,130

For other receivables, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for the other receivables at an amount equal to 12-month ECL.

The following table provides information about the Group's exposure to credit risk and ECL for other receivables which has significant increase in the credit risk as at 31 December 2020:

		2020 二零二零年 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
Other receivables	其他應收款項	50.5%	63,797	32,230

7. 財務風險管理 (續)

(b) 信貸風險 (續)

年內貿易應收款項虧損撥備變動如下：

就其他應收款項而言，本集團在信貸虧損自初始確認起大幅增加時確認全期預期信貸虧損。然而，倘其他應收款項的信貸風險自初始確認起並無大幅增長，本集團則按與十二個月預期信貸虧損相等的金額計量其他應收款項的虧損撥備。

本集團於二零二零年十二月三十一日所面對之信貸風險有顯著增加，其他應收款項之信貸風險及預期信貸虧損資料如下：

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7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

		2019 二零一九年		
		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
Other receivables	其他應收款項	46.3%	63,767	29,514

The above expected loss rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the other receivables.

Movement in the loss allowance for other receivables during the year is as follows:

上述預期虧損率乃經調整，以反映收集歷史數據期間的經濟狀況、目前狀況以及本集團對其他應收款項的預期年期期間經濟狀況之看法的差異。

年內其他應收款項虧損撥備變動如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	29,514	2,825
Impairment losses recognised for the year	年內已確認減值虧損	2,716	26,689
At 31 December	於十二月三十一日	32,230	29,514

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7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

The Group's bonds bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to cash flow interest-rate risk arises from its bank borrowings. The bank borrowings bear interests at variable rates that vary with the then prevailing market condition.

Except as stated above, the Group does not have other significant interest-bearing assets and liabilities at the end of reporting period, its income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variable held constant, of the Group's loss before tax.

7. 財務風險管理 (續)

(c) 利率風險

本集團之債券按固定利率計息，故須承擔公平值利率風險。

本集團所承擔現金流利率風險源自其銀行借款。銀行借款按浮動利率計息，隨著當時現行市況而有所變動。

除上述者外，本集團於報告期末並無其他重大計息資產及負債，其收入及經營現金流量大部分不受市場利率變化影響。

下表顯示在全部其他變量維持不變的情況下，本集團的除稅前虧損對利率的合理潛在變化的敏感度。

		Increase/ (decrease) in interest rate 利率增加/ (減少) %	(Increase)/ decrease in loss before tax 除稅前虧損 (增加)/減少 RMB'000 人民幣千元
For the year ended 31 December 2020	截至二零二零年 十二月三十一日止年度	1%/(1%)	(1,692)/1,692
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%/(1%)	(2,336)/2,336

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7. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

7. 財務風險管理 (續)

(d) 流動性風險

本集團政策為定期監控即期及預期流動資金要求，以確保其維持充足現金儲備以滿足其短期及長期的流動資金需求。

下表列示本集團金融負債於各報告期末按未貼現現金流量（包括按合約利率計算或（如為浮動利率）按報告日期的現行利率計算的利息付款）及本集團可能被要求付款的最早日期計算的剩餘合約年期。

本集團非衍生金融負債按合約未貼現現金流量的到期情況分析如下：

		On demand or less than 1 year 按要求或 一年內 RMB'000 人民幣千元	1 to 2 years 一至兩年 RMB'000 人民幣千元	2 to 5 years 兩至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2020	二零二零年十二月三十一日					
Trade and other payables	貿易及其他應付款項	261,027	-	-	-	261,027
Borrowings	借款	749,274	33,595	177,613	56,816	1,017,298
31 December 2019	二零一九年十二月三十一日					
Trade and other payables	貿易及其他應付款項	236,958	-	-	-	236,958
Borrowings	借款	581,411	170,699	212,761	103,225	1,068,096

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7. FINANCIAL RISK MANAGEMENT (Continued)

(e) Categories of financial instruments at 31 December

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Financial assets at amortised cost	按攤銷成本計量的金融資產	44,373	52,052
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債	1,211,947	1,196,184

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) 公平值

合併財務狀況表所示本集團金融資產及金融負債的賬面值與其各自的公平值相若。

8. SEGMENT INFORMATION

For the years ended 31 December 2020 and 2019, the Group has two reportable segments as follows:

- Sales of fabrics; and
- Sales of shoes, clothes and others

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

8. 分部資料

截至二零二零年及二零一九年十二月三十一日止年度，本集團有以下兩個可呈報分部：

- 面料銷售；及
- 鞋履、服裝及其他銷售

本集團的可呈報分部為提供各種產品的策略業務單位。由於各業務需要不同的技術及營銷策略，故策略業務單位各自獨立管理。

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For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as those described in note 5 to the consolidated financial statements. Segment profit or loss do not include other income, selling and distribution costs, general and administrative expenses, finance costs, impairment losses of investment in an associate and share of losses of an associate. Segment assets do not include investment in an associate and bank and cash balances. Segment liabilities do not include amount due to an associate, current and deferred tax liabilities and borrowings.

8. 分部資料 (續)

經營分部的會計政策與合併財務報表附註5所述之會計政策相同。分部損益不包括其他收入、銷售及分銷成本、一般及行政開支、融資成本、於一間聯營公司之投資的減值虧損及分佔一間聯營公司虧損。分部資產不包括於一間聯營公司的投資及銀行及現金結餘。分部負債不包括應付一間聯營公司款項、即期及遞延稅項負債及借款。

		Fabrics 面料 RMB'000 人民幣千元	Shoes, clothes and others 鞋履、服裝及 其他銷售 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment results	分部業績			
Year ended 31 December 2020:	截至二零二零年 十二月三十一日止年度:			
Reportable revenue from external customers	來自外部客戶的可呈報收益	15,223	191,443	206,666
Reportable segment (loss)/profit	可呈報分部(虧損)/溢利	(18,993)	6,678	(12,315)
Other income	其他收入			40,825
Impairment losses for trade and other receivables	貿易及其他應收款項減值虧損			(11,944)
Selling and distribution costs	銷售及分銷成本			(7,362)
General and administrative expenses	一般及行政開支			(101,344)
Finance costs	融資成本			(126,909)
Loss before tax	除稅前虧損			(219,049)
Other segment items	其他分部項目			
Additions to property, plant and equipment	添置物業、廠房及設備	-	1,626	1,626
Depreciation on right-of-use assets	使用權資產折舊	444	-	444
Depreciation of property, plant and equipment	物業、廠房及設備折舊	23,341	-	23,341
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	22,731	-	22,731
Impairment losses of inventories (included in general and administrative expenses)	存貨之減值虧損(計入一般及行政開支)	19,659	-	19,659
Impairment losses of trade receivables	貿易應收款項之減值虧損	9,228	-	9,228
Impairment losses of other receivables	其他應收款項之減值虧損	2,716	-	2,716
Impairment losses/(reversal of impairment losses) of prepayments, net	預付款項之減值虧損/(減值虧損撥回), 淨額	21,940	-	21,940

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8. SEGMENT INFORMATION (Continued)

8. 分部資料 (續)

		Fabrics	Shoes, clothes and others	Total
		面料	鞋履、服裝及 其他銷售	總計
		RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元
Segment results	分部業績			
Year ended 31 December 2019:	截至二零一九年 十二月三十一日止年度：			
Reportable revenue from external customers	來自外部客戶的可呈報收益	119,859	397,806	517,665
Reportable segment (loss)/profit	可呈報分部(虧損)/溢利	(6,537)	17,556	11,019
Other income	其他收入			5,773
Impairment losses for trade and other receivables	貿易及其他應收款項 減值虧損			(81,841)
Selling and distribution costs	銷售及分銷成本			(8,178)
General and administrative expenses	一般及行政開支			(66,920)
Finance costs	融資成本			(147,880)
Loss before tax	除稅前虧損			(288,027)
Other segment items	其他分部項目			
Additions to property, plant and equipment	添置物業、廠房及設備	1,403	–	1,403
Depreciation on right-of-use assets	使用權資產折舊	558	–	558
Depreciation of property, plant and equipment	物業、廠房及設備折舊	31,012	–	31,012
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	25,428	–	25,428
Impairment losses on right-of-use assets	使用權資產減值虧損	1,462	–	1,462
Impairment losses of trade receivables	貿易應收款項之減值虧損	55,152	–	55,152
Impairment losses of other receivables	其他應收款項之減值虧損	26,689	–	26,689

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For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued)

8. 分部資料 (續)

		Fabrics 面料 RMB'000 人民幣千元	Shoes, clothes and others 鞋履、服裝及 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
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**Segment assets and liabilities
At 31 December 2020:** 分部資產及負債
於二零二零年
十二月三十一日：

Segment assets	分部資產	270,906	5,778	276,684
Unallocated assets	未分配資產			3,571

Total assets	資產總額			280,255
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Segment liabilities	分部負債	288,622	-	288,622
Unallocated liabilities	未分配負債			950,920

Total liabilities	負債總額			1,239,542
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		Fabrics 面料 RMB'000 人民幣千元	Shoes, clothes and others 鞋履、服裝及 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
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**Segment assets and liabilities
At 31 December 2019:** 分部資產及負債
於二零一九年
十二月三十一日：

Segment assets	分部資產	444,516	11,381	455,897
Unallocated assets	未分配資產			4,559

Total assets	資產總額			460,456
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Segment liabilities	分部負債	261,018	-	261,018
Unallocated liabilities	未分配負債			959,226

Total liabilities	負債總額			1,220,244
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For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued)

Geographical information

The Group's revenue from external customers by location of operations are detailed below:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
The People's republic of China (the "PRC") 中華人民共和國(「中國」)	15,563	119,859
Korea 韓國	173,610	328,676
Hong Kong 香港	1,374	952
The United States 美國	2,580	38,142
Japan 日本	8,713	21,358
Others 其他	4,826	8,678
	206,666	517,665

Over 90% of the Group's non-current assets (excluding investment in an associate) are located in the PRC. Accordingly, no further geographical information of non-current assets to be disclosed.

No customer contributed 10% or more of the Group's revenue for the year ended 31 December 2020 (2019: Nil).

9. REVENUE

Revenue represents the aggregation of net amounts received and receivable during the year. An analysis of the Group's revenue for the year is as follows:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Recognised at a point in time within the scope of IFRS 15:		
Sales of fabrics	15,223	119,859
Sales of shoes, clothes and others	191,443	397,806
	206,666	517,665

8. 分部資料(續)

地區資料

本集團來自外部客戶收益按經營位置詳列如下：

超過90%的本集團非流動資產(不包括於一間聯營公司的投資)位於中國。因此，概無非流動資產的其他地理資料須予披露。

截至二零二零年十二月三十一日止年度，概無客戶貢獻本集團收益的10%或以上(二零一九年：無)。

9. 收益

收益指年內已收及應收淨額之總額。本集團的年內收益分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2020
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10. OTHER INCOME

10. 其他收入

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amortisation of deferred income of government grants relating to assets (note (a))	與資產有關的政府補貼遞延收入攤銷(附註(a))	312	312
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	-	229
Government grants received (note (b))	已收政府補助金(附註(b))	104	625
Interest income	利息收入	3	4
Net foreign exchange gains	匯兌收益淨額	39,370	-
Processing fee income	加工費收入	198	1,730
Reversal of impairment losses of prepayments	預付款項之減值虧損撥回	-	407
Others	其他	838	2,466
		40,825	5,773

Notes:

- (a) Local government grants were granted to a subsidiary of the Group in respect of the leasehold lands and right-of-use assets during the year ended 31 December 2020 and 2019. There were no unfulfilled conditions or contingencies attached to these government grants.
- (b) Local government grants were granted to a subsidiary of the Group in respect of certain development projects during the year ended 31 December 2020 and 2019. There were no unfulfilled conditions or contingencies attached to these government grants.

附註：

- (a) 於截至二零二零年及二零一九年十二月三十一日止年度，本集團一間附屬公司就租賃土地及使用權資產獲當地政府授予多項補貼。該等政府補貼並無附帶尚未履行條件或或然事項。
- (b) 於截至二零二零年及二零一九年十二月三十一日止年度，本集團一間附屬公司就若干開發項目獲當地政府授予多項補貼。該等政府補貼並無附帶尚未履行條件或或然事項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

11. FINANCE COSTS

11. 融資成本

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest expenses on bank borrowings	銀行借款的利息開支	17,837	20,052
Interest expenses on bonds	債券的利息開支	109,072	127,828
		126,909	147,880

12. INCOME TAX CREDIT

12. 所得稅抵免

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Deferred tax	遞延稅項	-	(419)

No provision for Hong Kong Profits Tax and PRC EIT are required since the Group has no assessable profit for the year ended 31 December 2020 (2019: Nil).

由於本集團於截至二零二零年十二月三十一日止年度並無應課稅溢利，故毋須就香港利得稅及中國企業所得稅作出撥備（二零一九年：無）。

The reconciliation between the income tax credit and the loss before tax is as follows:

所得稅抵免及除稅前虧損的對賬如下：

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Loss before tax	除稅前虧損	(219,049)	(288,027)
Notional tax on loss before tax, calculated at the rates applicable in the tax jurisdictions concerned	除稅前虧損之名義稅項，按相關稅務司法權區的適用稅率計算	(48,875)	(60,427)
Tax effect of income that is not taxable and expenses that are not deductible	不應課稅收入及不可扣稅開支之稅務影響	12,833	22,302
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	16,445	11,187
Tax effect of impairment losses provision for which no deferred tax assets was recognised	未確認遞延稅項資產的減值虧損撥備之稅務影響	19,597	26,519
Income tax credit	所得稅抵免	-	(419)

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For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

13. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/(crediting) the following:

13. 年內虧損

本集團的年內虧損經扣除/(計入)下列項目後得出：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Auditor's remuneration	核數師薪酬	800	794
Cost of inventories sold	已售存貨成本	197,978	460,688
Depreciation of property, plant and equipment	物業、廠房及設備折舊	23,341	31,012
Depreciation on right-of-use assets	使用權資產折舊	444	558
Net foreign exchange (gains)/losses	匯兌(收益)/虧損淨額	(39,370)	9,211
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	22,731	25,428
Impairment losses on right-of-use assets	使用權資產減值虧損	-	1,462
Impairment losses of inventories (included in general and administrative expenses)	存貨之減值虧損 (計入一般及行政開支)	19,659	-
Impairment losses of trade receivables	貿易應收款項之減值虧損	9,228	55,152
Impairment losses of other receivables	其他應收款項之減值虧損	2,716	26,689
Impairment losses/(reversal of impairment losses) of prepayments, net	預付款項之減值虧損/ (減值虧損撥回)·淨額	21,940	(407)
Loss/(gain) on disposals of property, plant and equipment and right-of-use assets	出售物業、廠房及 設備及使用權資產 虧損/(收益)	3,816	(229)
Expenses relating to short-term lease (included in cost of sales and general and administrative expenses)	有關短期租賃的開支 (計入銷售成本及 一般及行政開支)	166	2,599
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)：		
- Salaries, bonuses and allowances	- 薪金、紅利及津貼	4,582	13,395
- Retirement benefit scheme contributions	- 退休福利計劃供款	190	1,134
		4,772	14,529

Note: Depreciation of property, plant and equipment and staff costs of approximately RMB23,331,000 and RMB542,000 (2019: RMB30,844,000 and RMB8,412,000) were included in the cost of sales.

附註：物業、廠房及設備折舊以及員工成本約人民幣23,331,000元及人民幣542,000元(二零一九年：人民幣30,844,000元及人民幣8,412,000元)已計入銷售成本。

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14. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance are as follows:

14. 董事福利及權益

(a) 董事酬金

根據香港公司條例第383(1)條披露的董事酬金如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Fees	袍金	228	321
Other emoluments	其他酬金		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,311	742
Retirement benefit scheme contributions	退休福利計劃供款	31	41
		1,342	783
		1,570	1,104

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14. BENEFITS AND INTERESTS OF DIRECTORS 14. 董事福利及權益 (續)

(Continued)

(a) Directors' emoluments (Continued)

(a) 董事酬金 (續)

			Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	總計 人民幣千元
31 December 2020		二零二零年十二月三十一日				
Executive directors		執行董事				
Mr. Wu Jianxiong	(i)	-	427	16	443	
Mr. Lin Guoqin	(ii)	-	586	15	601	
Mr. Wang Zhiping	(iii)	-	253	-	253	
Ms. Lin Yuxi	(iv)	-	45	-	45	
Independent non-executive directors		獨立非執行董事				
Mr. Lin Yugang	(v)	45	-	-	45	
Mr. Chow Yun Cheung	(vi)	139	-	-	139	
Mr. Liu Junting	(vii)	44	-	-	44	
			228	1,311	31	1,570
31 December 2019		二零一九年十二月三十一日				
Executive directors		執行董事				
Ms. Li Jia Yin	(viii)	-	171	13	184	
Mr. Lin Qingxiong	(ix)	-	72	12	84	
Mr. Wu Jianxiong	(i)	-	328	13	341	
Mr. Zou Biao	(x)	-	70	3	73	
Mr. Lin Guoqin	(ii)	-	53	-	53	
Mr. Wang Zhiping	(iii)	-	48	-	48	
Independent non-executive directors		獨立非執行董事				
Mr. Chan Sui Wa	(xi)	103	-	-	103	
Mr. Lin Yugang	(v)	94	-	-	94	
Mr. Liu Shungang	(xii)	62	-	-	62	
Mr. Chow Yun Cheung	(vi)	53	-	-	53	
Mr. Liu Junting	(vii)	9	-	-	9	
			321	742	41	1,104

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截至二零二零年十二月三十一日止年度

14. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(a) Directors' emoluments (Continued)

Notes:

- (i) Appointed as an independent non-executive director with effect from 29 March 2018 and re-designated from an independent non-executive director to an executive director with effect from 21 August 2018. Resigned as an executive director with effect from 23 December 2020.
- (ii) Appointed as an executive director with effect from 23 October 2019.
- (iii) Appointed as an executive director with effect from 7 November 2019 and resigned with effect from 15 October 2020.
- (iv) Appointed as an executive director with effect from 15 October 2020.
- (v) Appointed as an independent non-executive director with effect from 21 August 2018.
- (vi) Appointed as an independent non-executive director with effect from 13 August 2019.
- (vii) Appointed as an independent non-executive director with effect from 23 October 2019.
- (viii) Appointed as an executive director with effect from 29 March 2018 and resigned with effect from 11 April 2019.
- (ix) Resigned as an executive director with effect 7 November 2019.
- (x) Appointed as an executive director with effect from 11 April 2019 and resigned with effect from 13 August 2019.
- (xi) Resigned as a non-executive director with effect from 5 July 2019.
- (xii) Appointed as an independent non-executive director with effect from 29 March 2018 and resigned with effect from 23 August 2019.

14. 董事福利及權益 (續)

(a) 董事酬金 (續)

附註：

- (i) 自二零一八年三月二十九日起獲委任為獨立非執行董事，並於二零一八年八月二十一日由獨立非執行董事調任為執行董事。於二零二零年十二月二十三日辭任執行董事。
- (ii) 自二零一九年十月二十三日起獲委任為執行董事。
- (iii) 自二零一九年十一月七日起獲委任為執行董事，並於二零二零年十月十五日辭任。
- (iv) 自二零二零年十月十五日起獲委任為執行董事。
- (v) 自二零一八年八月二十三日起獲委任為獨立非執行董事。
- (vi) 自二零一九年八月十三日起獲委任為獨立非執行董事。
- (vii) 自二零一九年十月二十三日起獲委任為獨立非執行董事。
- (viii) 自二零一八年三月二十九日起獲委任為執行董事，並於二零一九年四月十一日辭任。
- (ix) 自二零一九年十一月七日起辭任執行董事。
- (x) 自二零一九年四月十一日起獲委任為執行董事，並於二零一九年八月十三日辭任。
- (xi) 自二零一九年七月五日起辭任非執行董事。
- (xii) 自二零一八年三月二十九日起獲委任為獨立非執行董事，並於二零一九年八月二十三日辭任。

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14. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(a) Directors' emoluments (Continued)

There was no arrangement under which a director waived or agreed to waive any emolument during the year (2019: Nil).

During the year, no emolument has been paid to the directors as an inducement to join or upon joining the Group; or as compensation for loss of office (2019: Nil).

There was no discretionary bonus paid or payable to any of the directors during the year (2019: Nil).

(b) Directors' material interests in transactions, arrangements or contracts

Save for disclosed in note 32 to the consolidated financial statements, no significant transaction, arrangement and contract in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

14. 董事福利及權益 (續)

(a) 董事酬金 (續)

於年內，概無董事放棄或同意放棄任何酬金之安排 (二零一九年：無)。

於年內，概無支付任何酬金予董事作為吸引加入本集團或加入本集團時的獎勵或作為離職補償 (二零一九年：無)。

於年內，概無向任何董事支付或應付任何酌情花紅 (二零一九年：無)。

(b) 董事於交易、安排或合約中的重大權益

除合併財務報表附註32所披露者外，於年終及本年內任何時間，概無於本公司作為一方而與本集團業務有關的重大交易、安排及合約中，本公司董事及董事之關連人士直接或間接擁有重大權益。

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15. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals in the Group during the year included three (2019: two) directors whose emoluments are reflected in the analysis presented in note 14 to the consolidated financial statements. The emoluments of the remaining two (2019: three) individual are set out below:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries, bonuses and other benefits in kind 薪金、花紅及其他實物福利	1,099	1,337
Retirement benefit scheme contributions 退休福利計劃供款	16	23
	1,115	1,360

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

	2020 二零二零年	2019 二零一九年
Nil to RMB1,000,000 零至人民幣1,000,000元	2	3

During the year, no emolument has been paid to these individuals as an inducement to join or upon joining the Group (2019: Nil).

15. 五名最高薪酬人士

於年內，本集團五名最高薪酬人士包括三名（二零一九年：兩名）董事，其薪酬反映在合併財務報表附註14中的分析中。其餘兩名（二零一九年：三名）人士的薪酬如下：

薪酬介乎下列範圍的非董事最高薪酬人士數目如下：

於年內，本集團並無向該等認人士支付酬金，以作為邀請加盟或加盟本集團的獎勵（二零一九年：零）。

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16. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the following:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Loss for the year attributable to owners of the Company used in the basic loss per share calculation	(219,049)	(287,608)

Loss for the year attributable to owners of the Company used in the basic loss per share calculation 計算每股基本虧損所用之本公司擁有人應佔年內虧損

	Number of shares 股份數目	
	2020 二零二零年	2019 二零一九年
Weighted average number of ordinary shares in issue during the year used in basic loss per share calculation	288,649,179	186,000,000

Weighted average number of ordinary shares in issue during the year used in basic loss per share calculation 計算每股基本虧損所用之年內已發行普通股加權平均數

(b) Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the two years ended 31 December 2020 and 2019.

For the purpose of calculation of basic and diluted loss per share for the years ended 31 December 2020 and 2019, the share consolidation of the Company being effective on 19 June 2019 (note 27(a)) was deemed to be effective throughout the period from 1 January 2019 to 31 December 2019.

16. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據以下資料計算：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Loss for the year attributable to owners of the Company used in the basic loss per share calculation	(219,049)	(287,608)

Loss for the year attributable to owners of the Company used in the basic loss per share calculation 計算每股基本虧損所用之本公司擁有人應佔年內虧損

	Number of shares 股份數目	
	2020 二零二零年	2019 二零一九年
Weighted average number of ordinary shares in issue during the year used in basic loss per share calculation	288,649,179	186,000,000

Weighted average number of ordinary shares in issue during the year used in basic loss per share calculation 計算每股基本虧損所用之年內已發行普通股加權平均數

(b) 每股攤薄虧損

由於本公司於截至二零二零年及二零一九年十二月三十一日止兩個年度概無任何潛在攤薄普通股，故無呈列每股攤薄虧損。

就計算截至二零二零年及二零一九年十二月三十一日止年度之每股基本及攤薄虧損而言，本公司將於二零一九年六月十九日生效之股份合併（附註27(a)）被視為於二零一九年一月一日起至二零一九年十二月三十一日止期間有效。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings	Machinery and equipment	Office equipment, furniture and vehicles 辦公室設備、傢俱及車輛	Construction in progress 在建工程	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost	成本					
At 1 January 2019	於二零一九年一月一日	397,956	206,406	4,768	1,482	610,612
Additions	添置	-	1,367	-	36	1,403
Disposals	出售	-	-	(837)	-	(837)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	397,956	207,773	3,931	1,518	611,178
Additions	添置	-	-	1,626	-	1,626
Disposals	出售	(156,031)	-	(2,431)	-	(158,462)
At 31 December 2020	於二零二零年十二月三十一日	241,925	207,773	3,126	1,518	454,342
Accumulated depreciation and impairment	累計折舊及減值					
At 1 January 2019	於二零一九年一月一日	105,005	127,905	3,968	-	236,878
Charge for the year	年內支出	18,136	12,708	168	-	31,012
Impairment	減值	25,428	-	-	-	25,428
Disposals	出售	-	-	(628)	-	(628)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	148,569	140,613	3,508	-	292,690
Charge for the year	年內支出	12,328	11,002	11	-	23,341
Impairment	減值	-	22,575	156	-	22,731
Disposals	出售	(91,950)	-	(2,184)	-	(94,134)
At 31 December 2020	於二零二零年十二月三十一日	68,947	174,190	1,491	-	244,628
Carrying amount	賬面值					
At 31 December 2020	於二零二零年十二月三十一日	172,978	33,583	1,635	1,518	209,714
At 31 December 2019	於二零一九年十二月三十一日	249,387	67,160	423	1,518	318,488

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2020, buildings of the Group with carrying amount of approximately RMB147,910,000 (2019: RMB233,968,000) and machinery and equipment of the Group with carrying amount of approximately RMB11,375,000 (2019: RMB22,409,000) were pledged as collateral for certain bank borrowings of the Group (note 24).

During the year, the Group's leasehold lands and its factory buildings located in Shishi City of Fujian Province (the "Shishi Buildings"), which were pledged as collateral for certain bank borrowings of approximately RMB96,500,000 in favour of two local banks namely Rural Commercial Bank of Shishi and China Merchants Bank, were sold to a buyer in a public auction held by the Shishi People's Court of Fujian Province at a consideration of approximately RMB69,223,000. Due to the operation and production of the Shishi Buildings were then suspended, the directors decided to make impairment for all remaining machinery and equipment and office equipment, furniture and vehicles.

The Group has carried out a review of the recoverable amount of its property, plant and equipment as at 31 December 2020 with reference to the independent valuation performed by an independent valuer, Peak Vision Appraisals Ltd. (2019: APAC Appraisals and Consulting Limited). The recoverable amount is assessed by using depreciated replacement cost approach which largely used observable and unobservable inputs, including replacement cost, estimated useful life and residual value, under level 3 fair value measurement.

For the year ended 31 December 2020, no impairment of buildings was made (2019: impairment losses of approximately RMB25,428,000), and impairment losses of machinery and equipment and office equipment, furniture and vehicles of approximately RMB22,731,000 was made (2019: Nil).

During the year ended 31 December 2020, impairment losses of RMB22,731,000 (2019: RMB25,428,000) was recognised in the profit or loss which was allocated to the CGU of the Group's sales of fabrics operation in the PRC.

17. 物業、廠房及設備 (續)

於二零二零年十二月三十一日，本集團賬面值約人民幣147,910,000元（二零一九年：人民幣233,968,000元）的建築物以及本集團賬面值約人民幣11,375,000元（二零一九年：人民幣22,409,000元）的機器及設備已抵押作本集團若干銀行借款的抵押品（附註24）。

於年內，本集團位於福建省石獅市的租賃土地及其工廠建築物（「石獅建築物」）已抵押予兩家本地銀行，即石獅農村商業銀行及招商銀行，以取得若干銀行借貸人民幣約96,500,000元，已於福建省石獅市人民法院舉行的公開拍賣會上以約人民幣69,223,000元的價格售予一買方。由於石獅建築物的運營和生產已暫停，董事決定為所有剩餘機械及設備，以及辦公室設備、傢俱及車輛計提減值。

本集團已參考獨立估值師滌鋒評估有限公司（二零一九年：亞太估值及顧問有限公司）進行的獨立估值，審閱其於二零二零年十二月三十一日的物業、廠房及設備的可收回金額。可收回金額使用第三級公平價值計量下的折舊重置成本法（主要使用可觀察及不可觀察輸入數據，包括重置成本、估計可使用年期及剩餘價值）作評估。

截至二零二零年十二月三十一日止年度，並無對建築物作出減值（二零一九年：減值虧損約人民幣25,428,000元），而對機械及設備，以及辦公室設備、傢俱及車輛作出減值虧損約人民幣22,731,000元（二零一九年：無）。

截至二零二零年十二月三十一日止年度，於損益確認減值虧損人民幣22,731,000元（二零一九年：人民幣25,428,000元），而此獲分配至本集團於中國面料營運銷售之現金產生單位。

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18. RIGHT-OF-USE ASSETS

18. 使用權資產

		Leasehold land and land use right 租賃土地及 土地使用權 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	23,223
Depreciation	折舊	(558)
Impairment	減值	(1,462)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	21,203
Depreciation	折舊	(444)
Disposals	出售	(3,727)
At 31 December 2020	於二零二零年十二月三十一日	17,032

As at 31 December 2020, leasehold lands of the Group with carrying amount of approximately RMB17,032,000 (2019: RMB21,203,000) were pledged as collateral for certain bank borrowings of the Group (note 24).

於二零二零年十二月三十一日，本集團賬面值約為人民幣17,032,000元（二零一九年：人民幣21,203,000元）的租賃土地已抵押作本集團若干銀行借款的抵押品（附註24）。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Depreciation expenses on right-of-use assets	使用權資產折舊開支	444	558
Expenses relating to short-term lease (included in cost of sales and general and administrative expenses)	有關短期租賃的開支（計入銷售成本及一般及行政開支）	166	2,599
Impairment on right-of-use assets	使用權資產減值	-	1,462
Disposal on right-of-use assets	出售使用權資產	3,727	-

As disclosed in note 17 to the consolidated financial statements, the leasehold lands were sold to the buyer in a public auction on 2 April 2020 at the consideration of approximately RMB69,223,000.

誠如綜合財務報表附註17所披露，租賃土地於二零二零年四月二日的公開拍賣會上以代價約人民幣69,223,000元售予買方。

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18. RIGHT-OF-USE ASSETS (Continued)

The Group has carried out a review of the recoverable amount of its right-of-use assets as at 31 December 2020 with reference to the independent valuation performed by an independent valuer, Peak Vision Appraisals Ltd (2019: APAC Appraisals and Consulting Limited). The recoverable amount is assessed based on fair value by using direct comparison approach which largely used observable and unobservable inputs, including market price per square, under level 3 fair value measurement.

For the year ended 31 December 2020, no impairment of right-of-use assets was made, as its recoverable amount was higher than and close to its carrying amount as at 31 December 2020 (2019: impairment losses of approximately RMB1,462,000).

18. 使用權資產 (續)

本集團已參考獨立估值師滂鋒評估有限公司(二零一九年:亞太資產評估及顧問有限公司)進行的獨立估值,審閱其於二零二零年十二月三十一日的使用權資產的可收回金額。可收回金額使用第三級公平值計量下的直接比較法(主要使用可觀察及不可觀察輸入數據,包括每平方米市價),以公平值作評估。

截至二零二零年十二月三十一日止年度,由於使用權資產的可回收金額高於及接近其於二零二零年十二月三十一日之賬面值,因此並無對使用權資產作出減值(二零一九年:減值虧損約人民幣1,462,000元)。

19. INTERESTS IN AN ASSOCIATE

Investment in an associate

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Unlisted investments:	非上市投資:		
Share of net assets	分佔資產淨值	-	-
Goodwill	商譽	60,909	60,909
		60,909	60,909
Impairment loss	減值虧損	(60,909)	(60,909)
		-	-

Details of the Group's associate at 31 December 2020 are as follows:

本集團於二零二零年十二月三十一日的聯營公司詳情如下:

Name	Place of incorporation	Issued and paid up capital	Percentage of ownership interest	Principal activities and place of operation
名稱	註冊成立地點	已發行及繳足股本	擁有權權益所佔百分比	主要業務及經營地點
Baixin (China) Co., Limited	The PRC	RMB100,000,000	50%	Manufacturing and sales of yarn and cotton fabric, the PRC
百鑫(中國)有限公司	中國	人民幣100,000,000元		製造及銷售紗線及面料,中國

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19. INTERESTS IN AN ASSOCIATE (Continued)

Investment in an associate (Continued)

The associate is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the financial statements of the associate.

19. 於一間聯營公司的權益 (續)

於一間聯營公司的投資 (續)

該聯營公司使用權益法於合併財務報表入賬。財務資料概要乃根據聯營公司的財務報表呈列。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 31 December:	於十二月三十一日：		
Non-current assets	非流動資產	90,713	100,883
Current assets	流動資產	54,959	54,959
Non-current liabilities	非流動負債	(91,870)	(91,870)
Current liabilities	流動負債	(147,263)	(145,821)
Net liabilities	負債淨額	(93,461)	(81,849)
Group's share of carrying amount of interest	本集團應佔權益賬面值	-	-
Year ended 31 December:	截至十二月三十一日止年度：		
Revenue	收益	-	41,110
Loss and total comprehensive income for the year	年內虧損及全面收益總額	(11,611)	(13,517)

No loss of the associate was shared (2019: Nil) for the year ended 31 December 2020. The Group has not recognised loss for the year amounting to approximately RMB5,806,000 (2019: RMB6,759,000) for the associate. The accumulated losses not recognised were approximately RMB47,589,000 (2019: RMB41,783,000).

As at 31 December 2020, the bank and cash balances of the Group's associate in the PRC denominated in RMB amounted to approximately RMB34,000 (2019: RMB34,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

截至二零二零年十二月三十一日止年度，概無分佔聯營公司虧損（二零一九年：無）。本集團未就該聯營公司確認年度虧損約人民幣5,806,000元（二零一九年：人民幣6,759,000元）。未確認的累計虧損約為人民幣47,589,000元（二零一九年：人民幣41,783,000元）。

於二零二零年十二月三十一日，本集團之中國聯營公司以人民幣計值的銀行及現金結餘為約人民幣34,000元（二零一九年：人民幣34,000元）。將人民幣兌換為外幣須受《中國外匯管制條例》規管。

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20. INVENTORIES

20. 存貨

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Raw materials	原材料	1,160	9,835
Work-in-progress	在製品	-	6,234
Finished goods	製成品	2,439	27,792
		3,599	43,861

As at 31 December 2020, no carrying amount (net of allowance of approximately RMB15,660,000) (2019: approximately RMB5,445,000 (net of allowance of approximately RMB8,658,000)) of the Group's inventories were pledged as collateral for certain bank borrowings of the Group as disclosed in note 24 to the consolidated financial statements.

於二零二零年十二月三十一日，本集團並無存貨賬面值（扣除撥備約人民幣15,660,000元）（二零一九年：約人民幣5,445,000元（扣除撥備約人民幣8,658,000元））已抵押作本集團若干銀行借款的抵押品（誠如合併財務報表附註24所披露）。

21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade receivables (note 21(a))	貿易應收款項（附註21(a)）	825,593	820,370
Less: Allowance for trade receivables (note 21(a))	減：貿易應收款項的撥備（附註21(a)）	(816,358)	(807,130)
		9,235	13,240
Prepayments to suppliers for purchase of raw materials	就購買原材料向供應商支付的預付款項	180,139	177,514
Less: Allowance for prepayments	減：預付款項的撥備	(174,602)	(152,662)
		5,537	24,852
Other receivables	其他應收款項	63,797	63,767
Less: Allowance for other receivables	減：其他應收款項的撥備	(32,230)	(29,514)
		31,567	34,253
		46,339	72,345

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21. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables

The Group's trading terms customers are mainly on credit. The credit terms generally 90 days (2019: 90 days). Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 1 month	1個月內	-	1,595
Over 1 month but less than 3 months	1個月以上但少於3個月	-	-
Over 3 months but less than 6 months	3個月以上但少於6個月	4,465	2,970
Over 6 months but less than 9 months	6個月以上但少於9個月	2,213	3,561
Over 9 months but less than 12 months	9個月以上但少於12個月	2,557	5,114
		9,235	13,240

As of 31 December 2020, trade receivables of approximately RMB9,235,000 (2019: RMB11,645,000) were past due but not impaired. These trade receivables related to customers for whom there was no recent history of default. The ageing analysis of these trade receivables, based on due date, is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	-	1,595
Less than 3 months past due	逾期少於3個月	4,465	2,970
Over 3 months but less than 6 months past due	逾期3個月以上但少於6個月	2,213	3,561
Over 6 months but less than 9 months past due	逾期6個月以上但少於9個月	2,557	5,114
		9,235	13,240

21. 貿易及其他應收款項 (續)

(a) 貿易應收款項

本集團與客戶之貿易往來主要以信貸形式進行。信貸期一般為90日(二零一九年: 90日)。每名客戶設有最高信貸限額。就新客戶而言, 我們通常要求預先付款。本集團致力嚴格監控未償還應收款項。董事定期審閱逾期結餘。

貿易應收款項(經扣除撥備)按發票日期之賬齡分析如下:

於二零二零年十二月三十一日, 貿易應收款項約人民幣9,235,000元(二零一九年: 人民幣11,645,000元)已逾期但未減值。該等貿易應收款項與近期並無違約記錄的客戶有關。該等貿易應收款項按到期日之賬齡分析如下:

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21. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

The Group does not charge interest or hold any collateral over these balances.

The Group applied simplified approach to provide the ECL as prescribed by IFRS 9. The impairment methodology is set out in notes 5(v) and 7(b) to the consolidated financial statements.

Details of impairment assessment of trade and other receivables for the years ended 31 December 2020 and 2019 are set out in note 7(b) to the consolidated financial statements.

21. 貿易及其他應收款項 (續)

(a) 貿易應收款項 (續)

本集團並無就該等結餘收取利息或持有任何抵押品。

本集團採用簡化方法按國際財務報告準則第9號規定計提預期信貸虧損。減值方法載於合併財務報表附註5(v)及7(b)。

截至二零二零年及二零一九年十二月三十一日止年度，貿易及其他應收款項減值評估的詳情載於合併財務報表附註7(b)。

22. BANK AND CASH BALANCES

22. 銀行及現金結餘

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
RMB	人民幣	626	1,773
USD	美元	2,577	2,295
HK\$	港元	368	491
		3,571	4,559

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations. However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

人民幣兌換為外幣須受《中國外匯管制條例》及《結匯、售匯及付匯管理規定》規管。然而，根據《中國外匯管制條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

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23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade payables (note 23(a))	貿易應付款項(附註23(a))	86,509	86,563
Advance payments from customers (note 23(b))	客戶墊款(附註23(b))	14,497	10,650
Payables for purchases of property, plant and equipment	購買物業、廠房及設備應付款項	35,737	35,823
Salary payables	應付薪酬	21,527	23,850
Interest payables	應付利息	72,615	55,999
Other payables and accruals	其他應付款項及應計費用	44,639	34,723
		275,524	247,608

(a) Trade payables

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

(a) 貿易應付款項

於報告期末根據發票日期的貿易應付款項賬齡分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 3 months	3個月內	1,566	19,841
Over 3 months but less than 12 months	3個月以上但少於12個月	5,931	34,789
Over 12 months	12個月以上	79,012	31,933
		86,509	86,563

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23. TRADE AND OTHER PAYABLES (Continued) (b) Advance payments from customers

23. 貿易及其他應付款項 (續) (b) 客戶墊款

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Billings in advance of performance obligation	履約責任之預收賬款		
– sales of fabrics	–銷售面料	14,497	10,650

Advance payments from customers are related to sales of goods not yet delivered to customers. Revenue is recognised when goods are delivered to customers. The Group receives deposits on acceptance of orders on a case-by-case basis with customers before delivery commences.

客戶墊款乃與尚未交付予客戶之商品銷售有關。於商品交付至客戶時確認收益。本集團於開始交付前就接受客戶訂單的具體情況收取按金。

The significant changes in advance payments from customers in 2020 was mainly due to the sales orders received during the year.

客戶墊款於二零二零年並無發生重大變動乃主要由於本年內收到的銷售訂單所致。

Movement in advance payments from customers during the year is as follows:

客戶墊款於本年內之變動如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	10,650	9,279
Decrease in advance payments from customers as a result of recognising revenue during the year was included in the advance payments from customers at the beginning of the period	客戶墊款因於本年內確認之收益於期初計入客戶墊款而減少		
Increase in advance payments from customers as a result of billing in advance of sales of fabrics	客戶墊款因銷售面料預收賬款而增加	–	(532)
		3,847	1,903
At 31 December	於十二月三十一日	14,497	10,650

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24. BORROWINGS

24. 借款

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current:	流動：		
Secured bank borrowings (note (a))	有抵押銀行借款（附註(a)）	112,128	130,123
Unsecured bank borrowings (note (a))	無抵押銀行借款（附註(a)）	57,095	13,519
Unsecured bonds (note (b))	無抵押債券（附註(b)）	538,520	425,603
		707,743	569,245
Non-current:	非流動：		
Secured bank borrowings (note (a))	有抵押銀行借款（附註(a)）	—	90,000
Unsecured bonds (note (b))	無抵押債券（附註(b)）	243,177	299,981
		243,177	389,981
		950,920	959,226

Notes:

(a) Bank borrowings

As at 31 December 2020, bank borrowings amounted to approximately RMB69,223,000 (2019: RMB133,642,000) were overdue by the Group due to temporary shortage of funds. As a result, the Group is subject to a penalty interest expense during the overdue period.

The Group's bank borrowings of approximately RMB142,727,000 (2019: RMB220,123,000) were secured by its property, plant and equipment (note 17), right-of-use assets (note 18) and inventories (note 20).

The effective interest rates on bank borrowings were ranging from 5.64% to 11.99% (2019: 5.64% to 12.48%) per annum for the year ended 31 December 2020.

附註：

(a) 銀行借款

於二零二零年十二月三十一日，由於資金暫時短缺，本集團約人民幣69,223,000元（二零一九年：人民幣133,642,000元）的銀行借款已逾期。因此，本集團須繳付逾期期間的罰息開支。

本集團銀行借款約人民幣142,727,000元（二零一九年：人民幣220,123,000元）由其物業、廠房及設備（附註17）、使用權資產（附註18）及存貨（附註20）作抵押。

截至二零二零年十二月三十一日止年度銀行借款的實際年利率介乎5.64%至11.99%（二零一九年：5.64%至12.48%）。

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24. BORROWINGS (Continued)

Notes: (Continued)

(a) Bank borrowings (Continued)

The maturity profile of the carrying amount of the bank borrowings is analysed as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within one year	一年以內	169,223	143,642
In the second year	第二年在內	-	90,000
		169,223	233,642

(b) Unsecured bonds

As at 31 December 2020, the Company issued a number of HK\$- denominated bonds with an aggregate principal of approximately RMB887,590,000 (2019: RMB1,161,394,000). The bonds are unsecured, bearing interest rates at a range of 1.5% – 40% (2019: 1.5% – 40%) per annum, and repayable during the period from January 2021 to April 2028 (2019: January 2020 to April 2028). The maturity profile of the carrying amount of the bonds is analysed as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within one year	一年以內	538,520	425,603
In the second year	第二年在內	21,222	58,377
In the third to fifth years, inclusive	第三至第五年(包括首尾兩年)	156,304	149,856
After five years	五年後	65,651	91,748
		781,697	725,584

24. 借款(續)

附註:(續)

(a) 銀行借款(續)

銀行借款賬面值的到期情況分析如下:

(b) 無抵押債券

於二零二零年十二月三十一日,本公司發行多份以港元計值的債券,本金總額約人民幣887,590,000元(二零一九年:人民幣1,161,394,000元)。該等債券為無抵押、按年利率介乎1.5%至40%(二零一九年:1.5%至40%)計息並須於二零二一年一月至二零二八年四月(二零一九年:二零二零年一月至二零二八年四月)期間償還。該等債券的賬面值的到期情況分析如下:

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25. DEFERRED INCOME

25. 遞延收入

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Government grants relating to right-of-use assets	與使用權資產有關的政府補助金	13,098	13,410

The movements of deferred income during the year are as follows:

遞延收入於年內的變動載列如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	13,410	13,722
Amortised as income	攤銷為收入	(312)	(312)
At 31 December	於十二月三十一日	13,098	13,410

26. DEFERRED TAX LIABILITIES

26. 遞延稅項負債

		Capitalised interest 資本化利息 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	(419)
Credited to profit or loss	於損益中計入	419
At 31 December 2019, 1 January 2020 and 31 December 2020	於二零一九年十二月三十一日、二零二零年一月一日及二零二零年十二月三十一日	-

At the end of the reporting period the Group has unused tax losses of approximately RMB332,165,000 (2019: RMB266,384,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB309,698,000 (2019: RMB243,917,000) that will expire in five years. Other tax losses may be carried forward indefinitely.

於報告期末，本集團可用作抵免未來溢利的未動用稅項虧損約人民幣332,165,000元（二零一九年：人民幣266,384,000元）。由於無法預測未來溢利流，故未確認遞延稅項資產。未確認稅項虧損包括將於五年內到期的虧損約人民幣309,698,000元（二零一九年：人民幣243,917,000元）。其他稅項虧損可無限期結轉。

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27. SHARE CAPITAL

27. 股本

		Number of ordinary shares 普通股股份數目			
		'000 千股			
		At HK\$0.10 per share 每股面值 0.10港元	At HK\$1.00 per share 每股面值 1.00港元	At HK\$0.01 per share 每股面值 0.01港元	HK\$'000 千港元
Authorised:	法定:				
At 1 January 2019	於二零一九年一月一日	10,000,000	-	-	1,000,000
Effects of share consolidation (note (a(i)))	股份合併的影響 (附註(a(i)))	(10,000,000)	1,000,000	-	-
Effects of share subdivision (note (a(iii)))	股份拆細的影響 (附註(a(iii)))	-	(1,000,000)	100,000,000	-
At 31 December 2019, 1 January 2020 and 31 December 2020	於二零一九年十二月三十一日、 二零二零年一月一日及二零二零 年十二月三十一日	-	-	100,000,000	1,000,000
Issued and fully paid:	已發行及繳足:				
At 1 January 2019	於二零一九年一月一日	1,860,000	-	-	186,000
Share consolidation (note (a(i)))	股份合併 (附註(a(i)))	(1,860,000)	186,000	-	-
Capital reduction (note (a(ii)))	股本削減 (附註(a(ii)))	-	(186,000)	186,000	(184,140)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	-	-	186,000	1,860
Placing of new shares under general mandate (note (b))	根據一般授權配售新股份 (附註(b))	-	-	37,200	372
Issue of shares upon rights issue (note (c))	供股後發行股份 (附註(c))	-	-	79,321	793
Placing of new shares under general mandate (note (d))	根據一般授權配售新股份 (附註(d))	-	-	60,504	605
At 31 December 2020	於二零二零年十二月三十一日	-	-	363,025	3,630
Equivalent to RMB'000:	相當於人民幣千元:				
At 31 December 2019	於二零一九年十二月三十一日				1,505
At 31 December 2020	於二零二零年十二月三十一日				3,100

Notes:

- (a) On 19 June 2019, the Capital reorganisation ("Capital Reorganisation") has become effective after the change of domicile on 24 May 2019 which comprises the following:
- (i) share consolidation on the basis of every ten issued and unissued existing shares of par value HK\$0.10 each into one consolidated share of par value HK\$1.00 each;

附註:

- (a) 於二零一九年六月十九日，股本重組（「股本重組」）於二零一九年五月二十四日遷冊後生效，其包括以下各項：
- (i) 股份合併：其基準為按每十股每股面值0.10港元的已發行及未發行現有股份合併為一股每股面值1.00港元的合併股份；

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27. SHARE CAPITAL (Continued)

Notes: (Continued)

- (a) (Continued)
- (ii) reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued consolidated share so that the nominal value of each issued consolidated shares will be reduced from HK\$1.00 to HK\$0.01 and the credit of HK\$184,140,000 arising from the capital reduction will be credited to the contribution surplus account of the Company; and
- (iii) the share subdivision of each authorised but unissued consolidated share of HK\$1.00 (including those arising from the capital reduction) into one hundred adjusted shares of HK\$0.01 each.
- (b) On 24 December 2019, the Company and JMC Capital HK Limited (the "Placing Agent"), entered into a placing agreement in respect of the placing of 37,200,000 ordinary shares (the "Placing Shares") of HK\$0.10 each at a price of HK\$0.086 per Placing Share under general mandate (the "First Placing"). The Placing was completed on 4 February 2020. The net proceeds from the First Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the First Placing) was approximately HK\$3.09 million. Details of the First Placing were disclosed in announcements of the Company dated 24 December 2019, 17 January 2020, 23 January 2020 and 4 February 2020.
- (c) On 29 April 2020, the Company allotted and issued 79,321,083 new shares on the basis of one rights share for every two shares held by qualifying shareholders at the subscription price of HK\$0.139 per rights share ("Rights Issue"). The gross proceeds from the Rights Issue was approximately HK\$11 million and costs incurred for the Rights Issue amounted to approximately HK\$856,000. Details of the Rights Issue were disclosed in the Rights Issue Announcements dated 6 March 2020, 23 March 2020, 25 March 2020, 3 April 2020 and 28 April 2020 and the Prospectus dated 3 April 2020.
- (d) On 2 September 2020, the Company and the Placing Agent, entered into a placing agreement in respect of the placing of 60,504,216 ordinary shares (the "Placing Shares") at a price of HK\$0.143 per Placing Share under general mandate (the "Second Placing"). The Second Placing was completed on 30 September 2020. The net proceeds from the Second Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Second Placing) was approximately HK\$8.50 million. Details of the Second Placing were disclosed in announcements of the Company dated 2 September 2020, 27 September 2020 and 30 September 2020.

27. 股本(續)

附註：(續)

- (a) (續)
- (ii) 股本削減：涉及以註銷本公司繳足股本(以每股已發行合併股份0.99港元為限)的方式削減本公司已發行股本，致使每股已發行合併股份的面值由1.00港元減至0.01港元；而股本削減所產生的進賬額184,140,000港元將計入本公司的實繳盈餘賬；及
- (iii) 股份拆細：將每股面值1.00港元的法定但未發行合併股份(包括自股本削減產生的合併股份)拆細為一百股每股面值0.01港元的經調整股份。
- (b) 於二零一九年十二月二十四日，本公司與富喬資本(香港)有限公司(「配售代理」)訂立配售協議，內容有關根據一般授權按每股配售股份0.086港元的價格配售37,200,000股每股0.10港元的普通股(「配售股份」)(「第一次配售」)。配售事項於二零二零年二月四日完成。第一次配售所得款項淨額(扣除應付予配售代理之配售佣金及第一次配售所產生之其他開支)約為3.09百萬港元。有關第一次配售之詳情披露於本公司日期為二零一九年十二月二十四日、二零二零年一月十七日、二零二零年一月二十三日及二零二零年二月四日的公告。
- (c) 於二零二零年四月二十九日，本公司按合資格股東每持有兩股股份可獲發一股供股股份的基準以認購價每股供股股份0.139港元配發及發行79,321,083股新股(「供股」)。供股所得款項總額約為11百萬港元及供股所產生之開支約為856,000港元。有關供股之詳情披露於日期為二零二零年三月六日、二零二零年三月二十三日、二零二零年三月二十五日、二零二零年四月三日及二零二零年四月二十八日的供股公告以及日期為二零二零年四月三日的招股章程。
- (d) 於二零二零年九月二日，本公司與配售代理訂立配售協議，內容有關根據一般授權按每股配售股份0.143港元的價格配售60,504,216股普通股(「配售股份」)(「第二次配售」)。第二次配售於二零二零年九月三十日完成。第二次配售所得款項淨額(扣除應付予配售代理之配售佣金及第二次配售所產生之其他開支)約為8.50百萬港元。有關第二次配售之詳情披露於本公司日期為二零二零年九月二日、二零二零年九月二十七日及二零二零年九月三十日的公告。

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27. SHARE CAPITAL (Continued)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The capital structure of the Group comprises all components of shareholders' equity.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts. No change was made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 2019.

The only externally imposed capital requirement for the Group is that in order to maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the shares. The Group has maintained a sufficient public float to comply with the Listing Rules from the date of the Listing.

28. RESERVES

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

Nature and purpose of reserves

(a) Share premium and Contributed surplus

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

27. 股本 (續)

本集團在資本管理上的目標為保障本集團有能力繼續營運，透過優化債務及股本結餘為股東提供最大回報。本集團的資本架構包括所有股東權益部分。

本集團透過考慮資本成本及與各類資本有關的風險經常審閱資本架構。本集團將透過派付股息、發行新股及股份回購以及發行新債、贖回現有債務或出售資產以減少債務來平衡整體資本架構。截至二零二零年及二零一九年十二月三十一日止年度，資本管理的目標、政策或程序並無作出任何變動。

唯一外部強制性資本要求為，本集團如欲維持其在聯交所上市的地位，其公眾持股量最少為股份的25%。本集團自上市日期起一直維持足夠的公眾持股量以符合上市規則。

28. 儲備

本集團儲備金額及其變動於合併損益及其他全面收益表及合併權益變動表內呈列。

儲備性質及用途

(a) 股份溢價及實繳盈餘

股份溢價指本公司股份面值與本公司發行股份獲得的所得款項之間的差額。

根據開曼群島公司法，本公司股份溢價賬的金額可供分派予本公司股東，惟緊隨建議分派股息之日，本公司須能夠於日常業務過程中償付其到期的債務。

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28. RESERVES (Continued)

Nature and purpose of reserves (Continued)

(a) *Share premium and Contributed surplus* (Continued)

The Board cancelled the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an account designated as the contributed surplus account of the Company before the Change of Domicile from the Cayman Islands to Bermuda becoming effective. After the approval of the shareholders at the extraordinary general meeting by way of special resolution, the account designated as the contributed surplus account of the Company shall be the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda upon the Change of Domicile becoming effective.

(b) *Capital reserve*

The capital reserve of the Group mainly represents the reserve arising from the Group reorganisation.

(c) *Statutory reserve*

In accordance with the PRC Company Law and the Group's PRC subsidiaries' articles of association, the Group's PRC subsidiaries are required to allocate 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC companies to the statutory reserve until such reserve reaches 50% of the registered capital. The appropriation to the reserve must be made before any distribution of dividends to equity holders. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as paid-in capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the paid-in capital of the Group's subsidiaries.

28. 儲備 (續)

儲備性質及用途 (續)

(a) *股份溢價及實繳盈餘* (續)

董事會於本公司由開曼群島遷冊百慕達生效前註銷本公司股份溢價賬之全部進賬金額，並將有關註銷所產生之進賬額轉撥至指定作為本公司實繳盈餘賬之賬戶。於股東於臨時股東大會以特別決議案形式通過後，指定作為本公司實繳盈餘賬的賬戶在遷冊生效後將成為本公司的實繳盈餘賬（定義見百慕達一九八一年公司法）。

(b) *資本儲備*

本集團資本儲備主要指本集團重組產生的儲備。

(c) *法定儲備*

根據中國公司法及本集團中國附屬公司的章程細則，本集團之中國附屬公司須按照適用於中國公司的相關會計原則及財務規定所釐定的10%稅後利潤撥入法定儲備，直至該法定儲備達到註冊資本50%。儲備撥款必須在向權益持有人分配股息之前進行。法定盈餘儲備可用以抵銷過往年度的虧損（如有），而部分法定盈餘儲備可資本化為實收資本，惟資本化後剩餘的該等儲備的金額不得少於本集團附屬公司的實收資本的25%。

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29. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY 29. 本公司財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司財務狀況表

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司投資	352	352
Amount due from subsidiaries	應收附屬公司款項	-	-
		352	352
Current assets	流動資產		
Other receivables	其他應收款項	6,686	18
Cash and bank balances	現金及銀行結餘	99	51
		6,785	69
Current liabilities	流動負債		
Other payables	其他應付款項	5,374	3,504
Amounts due to subsidiaries	應付附屬公司款項	16,306	27,245
Borrowings	借款	538,520	425,603
		560,200	456,352
Net current liabilities	流動負債淨額	(553,415)	(456,283)
Total assets less current liabilities	資產總額減流動負債	(553,063)	(455,931)
Non-current liabilities	非流動負債		
Borrowings	借款	243,177	299,981
Net liabilities	負債淨額	(796,240)	(755,912)

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29. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(Continued)

(a) Statement of financial position of the Company (Continued)

29. 本公司財務狀況表及儲備變動 (續)

(a) 本公司財務狀況表 (續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Equity	權益		
Share capital	股本	3,100	1,505
Reserves (note 29 (b))	儲備 (附註29(b))	(799,340)	(757,417)
Total deficit	虧絀總額	(796,240)	(755,912)

Approved and authorised for issue by the Board of Directors on 31 March 2021.

於二零二一年三月三十一日獲董事會批准及授權刊發。

Lin Guoqin
林國欽
董事
Director

Liu Junting
劉俊廷
董事
Director

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29. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(Continued)

(b) Reserves movement of the Company

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 實繳盈餘 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	736,935	-	(1,490,407)	(753,472)
Capital reorganisation	股本重組	(736,935)	885,923	-	148,988
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	(152,933)	(152,933)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	-	885,923	(1,643,340)	(757,417)
Placing of new shares under general mandate	根據一般授權配售新股份	-	9,401	-	9,401
Issue of share upon rights issue	供股後發行股份	-	8,554	-	8,554
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	(59,878)	(59,878)
At 31 December 2020	於二零二零年十二月三十一日	-	903,878	(1,703,218)	(799,340)

29. 本公司財務狀況表及儲備變動 (續)

(b) 本公司儲備變動

30. CAPITAL COMMITMENT

Capital commitment contracted but not provided for at the end of the reporting period but not yet incurred are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	3,387	3,387

30. 資本承擔

於報告期末已訂約但尚未撥備且尚未產生的資本承擔如下：

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31. CONTINGENT LIABILITIES

During the course of business, the Group has received claims from suppliers, customers and lenders concerned with the quality of goods and repayment of debts, including claims of insignificant or unspecified amounts. The directors are of the opinion that the Group has a meritorious defence against these claims. Accordingly, the directors do not believe that these claims will have any material adverse impact on the Group and accordingly no provisions have been made in respect thereof.

(a) Winding up Petition

On 20 September 2019, the Company received the Petition from the Petitioner in the matter of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) filed in the High Court under Companies Winding-up Proceedings No. 283 of 2019 that the Company may be wound up by the High Court. The Petitioner is the holder of the Bonds. Since then, the Company entered into two repayment agreements with the Petitioner in relation to the repayment under the Bonds. The Petitioner alleged that the outstanding indebtedness owed by the Company to him up to 11 March 2019 was approximately HK\$2,890,000.

The Company engaged professional parties to prepare the documentations for a financial restructuring plan in respect of all of the Company's total indebtedness. To facilitate the Company's financial restructuring, on 10 October 2019, a winding up petition together with an application for the appointment of the JPLs on a light touch approach for restructuring purpose was presented and filed with the Bermuda Court by the Company's Bermuda Counsel, Conyers Dill & Pearman at the request of the Company.

On 24 October 2019, the Bermuda Court made the orders as sought by the Company under the JPL Application, inter alia, Tang Chung Wah and Kan Lap Kee of Shinewing Specialist Advisory Services Limited and Edward Alexander Niles Whittaker of R&H Services Limited be appointed as joint and several provisional liquidators of the Company on a light touch approach for restructuring purpose and following the appointment of the JPLs pursuant to the Bermuda Court Order, the JPLs informed the Company that the JPLs intend to seek their appointment to be recognized by the High Court in Hong Kong.

31. 或然負債

於業務過程中，本集團收到來自供應商、客戶及借款人有關商品質量及償還債務的申索，包括所涉金額不重大或不明的申索。董事認為，本集團就該等申索具有力抗辯。因此，董事相信該等申索對本集團不會產生任何重大不利影響，故並無就此作出任何撥備。

(a) 清盤呈請

於二零一九年九月二十日，本公司收到呈請人就香港法例第32章公司（清盤及雜項條文）條例向高等法院提交的呈請，根據二零一九年第283號公司清盤程序，本公司可能會被高等法院清盤。呈請人為本債券持有人。此後，本公司與呈請人就本債券的還款訂立了兩項還款協議。呈請人稱，截至二零一九年三月十一日，本公司欠他的未償債務為約2,890,000港元。

本公司已聘請專業人士編製有關本公司所有債務的財務重組計劃文件。為促進本公司的財務重組，於二零一九年十月十日，應本公司的要求，本公司的百慕達律師康德明律師事務所非強制基礎僅以重組為目的向百慕達法院送呈及提交清盤呈請以及申請委任共同臨時清盤人。

於二零一九年十月二十四日，百慕達法院頒佈本公司根據共同臨時清盤人申請尋求的命令，其中包括在非強制基礎上僅以重組為目的任命信永中和諮詢專項服務有限公司之鄧忠華及簡立祈，以及R&H Services Limited之Edward Alexander Niles Whittaker為本公司的共同和各別臨時清盤人。根據百慕達法院命令任命共同臨時清盤人後，共同臨時清盤人告知本公司，共同臨時清盤人打算尋求香港高等法院認可其任命。

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31. CONTINGENT LIABILITIES (Continued)

(a) Winding up Petition (Continued)

On 24 January 2020, the High Court in Hong Kong granted an order to, inter alia, recognize the appointment of the JPLs and that so long as the Company remains in provisional liquidation in Bermuda, no action or proceeding shall be proceeded with or commenced against the Company or its assets or affairs, or its property within the jurisdiction of the Hong Kong Court, except with leave of the High Court of Hong Kong and subject to such terms as the Hong Kong Court may impose.

The joint application of the Petitioner and the Company by way of the consent summons, an order was made by the High Court on 5 March 2020 that the Petition be dismissed. Whilst the Petition was dismissed, the winding petition for restructuring purpose in Bermuda will still continue to facilitate the debt restructuring.

(b) Demand for repayment of borrowings

- (i) On 3 February 2018, Mr. Lin Yingjie ("Mr. Lin") filed a claim through Fujian Province Shishi City People's Court (福建省石獅市人民法院) against to an indirect wholly-owned subsidiary of the Group, Hongtai (China) Co., Limited (宏太(中國)有限公司) ("Hongtai (China)") for the repayment of outstanding borrowing in aggregate of approximately RMB1,350,000. Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required in preparing the consolidated financial statements for the years ended 31 December 2020 and 2019.

31. 或然負債 (續)

(a) 清盤呈請 (續)

於二零二零年一月二十四日，香港高等法院下達了一項命令，其中包括認可共同臨時清盤人之任命，並且只要本公司仍在百慕達進行臨時清盤，除非獲得香港高等法院許可，並以香港法院可能施加之條款為準，不得針對本公司，及其於香港法院管轄範圍內之資產或事務，或其財產進行或展開法律行動及訴訟程序。

呈請人和本公司通過同意傳票提出聯合申請後，高等法院於二零二零年三月五日頒令完全撤回呈請。在呈請被撤回的同時，於百慕達以重組為目的之清盤呈請仍將繼續促進債務重組。

(b) 要求償還借款

- (i) 於二零一八年二月三日，林英傑先生（「林先生」）透過福建省石獅市人民法院向本集團的間接全資附屬公司宏太（中國）有限公司（「宏太（中國）」）提出申索，內容有關償還借款合同共約人民幣1,350,000元。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為編製截至二零二零年及二零一九年十二月三十一日止年度的合併財務報表時毋須就該申索作出撥備。

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31. CONTINGENT LIABILITIES (Continued)

(b) Demand for repayment of borrowings

(Continued)

- (ii) On 18 June 2019, Mr. Liang Chi Yuan filed a claim through the District Court of The Hong Kong Special Administrative Region (the "District Court") in respect of the bond principal with interest of approximately HK\$2,070,000 and default interest on HK\$2,000,000 at rate of 15% per annum from 1 May 2019 until repayment. Up to the date of consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required.
- (iii) On 26 September 2019, Mr. Lui Chun Kit filed a claim through the High Court for the repayment bonds principal and interest of approximately HK\$3,070,000. Up to the date of consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required.

(c) Contract disputes

- (i) Since 9 November 2016, claim of approximately RMB2,620,000 in aggregation was brought against Hongtai (China) by a supplier namely 重慶紗線產品交易中心有限公司 (the "Plaintiff 1") alleging that Hongtai (China) was liable for payment of defected goods supplied to Hongtai (China) by the Plaintiff 1. This case was filed in the Chongqing Nan'an District People's Court (重慶市南岸區人民法院) against Hongtai (China). Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. In preparing these consolidated financial statements, the directors are of the opinion that no provision of the claim of approximately RMB2,620,000 is necessary as having considered the legal advice from the Group's PRC legal counsel, the directors believe that the Company has merits in the defence against the claim.

31. 或然負債 (續)

(b) 要求償還借款 (續)

- (ii) 於二零一九年六月十八日，梁機源先生透過香港特別行政區區域法院（「區域法院」）提出申索，有關債券本金及利息約2,070,000港元以及就2,000,000港元自二零一九年五月一日起直至還款按年利率15%計算的違約利息。直至合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為毋須就該申索作出撥備。
- (iii) 於二零一九年九月二十六日，Lui Chun Kit先生透過高等法院就償還債券本金及利息約3,070,000港元提出申索。直至合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為毋須就該申索作出撥備。

(c) 合約糾紛

- (i) 自二零一六年十一月九日起，宏太（中國）面臨由供應商重慶紗線產品交易中心有限公司（「原告人1」）所提出合共約人民幣2,620,000元的申索，聲稱宏太（中國）有責任支付原告人1向宏太（中國）所供應缺陷商品的款項。該項個案乃透過重慶市南岸區人民法院向宏太（中國）提起訴訟。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。編製該等合併財務報表時，董事認為毋須就申索約人民幣2,620,000元作出撥備，因考慮到本集團中國法律顧問的法律意見，董事相信本公司就該申索具有力抗辯。

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31. CONTINGENT LIABILITIES (Continued)

(c) Contract disputes (Continued)

- (ii) On 23 January 2017, claim of approximately RMB2,244,000 in aggregation was brought against Hongtai (China) by a supplier namely 莆田市瑞鑫紡織服裝貿易有限公司 (the "Plaintiff 2") alleging that Hongtai (China) was liable for payment of defected goods to the Plaintiff 2. This case was filed in the Fujian Province Shishi City People's Court (福建省石獅市人民法院) against Hongtai (China). Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required in preparing the consolidated financial statements for the years ended 31 December 2020 and 2019.
- (iii) On 18 December 2019, claim of approximately RMB2,668,000 in aggregation was brought against Hongtai (China) by a supplier namely 新疆嘉豐棉業有限公司 (the "Plaintiff 3") alleging that Hongtai (China) was liable for payment of goods supplied to Hongtai (China) by the Plaintiff 3. This case was filed in the Urumqi Shuimogou District People's Court (烏魯木齊市水磨溝區人民法院) against Hongtai (China). Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required in preparing the consolidated financial statements for the years ended 31 December 2020 and 2019.

31. 或然負債 (續)

(c) 合約糾紛 (續)

- (ii) 於二零一七年一月二十三日，宏太(中國)面臨由供應商莆田市瑞鑫紡織服裝貿易有限公司(「原告人2」)所提出合共約人民幣2,244,000元的申索，聲稱宏太(中國)有責任向原告人2支付缺陷商品的款項。該項個案乃透過福建省石獅市人民法院向宏太(中國)提起訴訟。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為編製截至二零二零年及二零一九年十二月三十一日止年度的合併財務報表時毋須就該申索作出撥備。
- (iii) 於二零一九年十二月十八日，宏太(中國)面臨由供應商新疆嘉豐棉業有限公司(「原告人3」)所提出合共約人民幣2,668,000元的申索，聲稱宏太(中國)有責任向原告人3支付所供應商品的款項。該項個案乃透過烏魯木齊市水磨溝區人民法院向宏太(中國)提起訴訟。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為編製截至二零二零及二零一九年十二月三十一日止年度的合併財務報表時毋須就該申索作出撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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32. RELATED PARTY TRANSACTIONS

- (a) In relation to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

Name of related party 關聯方姓名	Nature of transaction 交易性質	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Mr. Lin Guoqin ^(note i) 林國欽先生 ^(附註i)	Interest expenses 利息開支	1,648	1,523

Notes:

- (i) Mr. Lin Guoqin was appointed as an executive director of the Group with effect from 23 October 2019.

At the end of reporting period, no bond was issued to Mr. Lin Guoqin by the Group (2019: the Group issued a number of HK\$denominated bonds with aggregate principal of approximately RMB29,899,000 to Mr. Lin Guoqin. The bonds were unsecured, bearing interest rates at 20% per annum). During the year, Mr. Lin Guoqin transferred all the bonds to several independent third parties.

32. 關聯方交易

- (a) 就合併財務報表其他地方披露的該等關聯方交易及結餘而言，本集團於年內與關聯方進行之交易如下：

附註：

- (i) 林國欽先生獲委任為本集團執行董事，自二零一九年十月二十三日起生效。

於報告期末，本集團並無向林國欽先生發行債券（二零一九年：本集團已向林國欽先生發行多份以港元計值的債券，本金總額約人民幣29,899,000元。該等債券為無抵押、按年利率20%計息）。於年內，林國欽先生已轉移其所有債券予數位獨立第三方。

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32. RELATED PARTY TRANSACTIONS (Continued)

(b) The emoluments of directors and other members of key management during the year was as follows:

32. 關聯方交易 (續)

(b) 年內董事及其他主要管理人員的酬金如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Fees	袍金	228	321
Other emoluments	其他酬金		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,410	2,079
Retirement benefit scheme contributions	退休福利計劃供款	47	64
		2,457	2,143
		2,685	2,464

Further details of emoluments of directors and other members of key management during the year are set out in notes 14 and 15 to the consolidated financial statements.

年內董事及其他主要管理人員的酬金之進一步詳情載於合併財務報表附註14及15。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities

The table set forth below is the detail 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.

33. 合併現金流量表附註

融資活動產生的負債對賬

下表詳述本集團融資活動產生的負債的變動，包括現金和非現金變動。融資活動所產生負債為現金流量已於或未來現金流量將於本集團合併現金流量表中分類為融資活動現金流量的負債。

		Bank Borrowings 銀行借款 RMB'000 人民幣千元	Bonds 債券 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	233,692	575,457	809,149
Cash flow	現金流量	(1,263)	22,299	21,036
Interest expenses	利息開支	20,052	127,828	147,880
Transfer to interest payables	撥往應付利息	(18,839)	-	(18,839)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	233,642	725,584	959,226
Cash flow	現金流量	(65,640)	(52,959)	(118,599)
Interest expenses	利息開支	17,837	109,072	126,909
Transfer to interest payables	撥往應付利息	(16,616)	-	(16,616)
At 31 December 2020	於二零二零年十二月三十一日	169,223	781,697	950,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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34. SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2020 are as follows:

34. 附屬公司

於二零二零年十二月三十一日，本公司附屬公司之詳情如下：

Name 名稱	Place of incorporation/ establishment 註冊成立/註冊地點	Registered/issued and paid up capital 已註冊/已發行及繳足股本	Percentage of ownership interest 擁有權權益所佔百分比	Principal activities and place of operation 主要業務及經營地點
Potent Union Holdings Limited 康匯控股有限公司	The British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	US\$200 200美元	Direct 100% 直接100%	Investment holding, Hong Kong 投資控股·香港
Digital Assets Group Co., Limited 數字資產集團有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Direct 100% 直接100%	Investment holding, Hong Kong 投資控股·香港
Coral Pearl International Limited 寶珊國際有限公司	BVI 英屬處女群島	US\$100 100美元	Direct 100% 直接100%	Investment holding, Hong Kong 投資控股·香港
Ultima Prime International Limited	BVI 英屬處女群島	US\$50,000 50,000美元	Direct 100% 直接100%	Investment holding, Hong Kong 投資控股·香港
Moody Group (Int'l) Holding Limited 滿地集團(國際)股份有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Indirect 100% 間接100%	Investment holding and sales of fabrics, Hong Kong 投資控股及銷售面料·香港
Hongtai (China) Co., Limited* 宏太(中國)有限公司	The PRC 中國	HK\$520,000,000 520,000,000港元	Indirect 100% 間接100%	Design, manufacturing and sales of fabrics, the PRC 設計·生產及銷售面料·中國
Fengtai Hubei Textile Co., Limited* 豐太湖北紡織有限公司	The PRC 中國	RMB50,000,000 人民幣50,000,000元	Indirect 100% 間接100%	Manufacturing and sales of fabrics, the PRC 生產及銷售面料·中國
Hongtai (Hubei) Sales Co., Limited* 宏太(湖北)營銷有限公司	The PRC 中國	RMB2,000,000 人民幣2,000,000元	Indirect 100% 間接100%	Sales of fabrics, the PRC 銷售面料·中國
Shishi Hongtai Supply Chain Management Co., Limited* 石獅市宏太供應鏈管理有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	Indirect 100% 間接100%	Dormant, the PRC 無業務活動·中國
Cloud Hase Mining Limited 雲計算有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Indirect 100% 間接100%	Dormant, Hong Kong 無業務活動·香港
Guangzhou Seojin Trading Co., Limited 廣州首進貿易有限公司	Hong Kong 香港	HK\$500,000 500,000港元	Indirect 100% 間接100%	Trading of shoes and clothes, the PRC 鞋履及服裝貿易·中國
HKT International Holding Co. Limited 恒科(香港)國際貿易有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	Indirect 100% 間接100%	Trading of shoes and clothes, the PRC 鞋履及服裝貿易·中國
Moody Trading Limited 滿地貿易有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Indirect 100% 間接100%	Dormant, Hong Kong 無業務活動·香港
Moody International Trading Limited 滿地國際貿易有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Indirect 100% 間接100%	Dormant, Hong Kong 無業務活動·香港
Moody Technology Research and Development Co., Limited 滿地科技研發有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	Indirect 100% 間接100%	Investment holding, Hong Kong 投資控股·香港
Zhuhai Lanhan Technology Co., Ltd* 珠海瀾瀚科技有限公司	The PRC 中國	HK\$1,000,000 1,000,000港元	Indirect 100% 間接100%	Dormant, the PRC 無業務活動·中國
Shenzhen Hengjiekang Products Co., Ltd.* 深圳恒吉康用品有限公司	The PRC 中國	RMB5,000,000 人民幣5,000,000元	Indirect 100% 間接100%	Manufacturing and sales of cosmetics and hygiene products, the PRC 生產及銷售化妝品及衛生用品·中國

* The English translation of the company names is for reference only. The official names of these companies are in Chinese. The companies are registered as limited liability companies under the PRC law.

* 公司名稱之英文翻譯僅供識別。該等公司的官方名稱為中文。該等公司根據中國法律註冊為有限公司。

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35. EVENTS AFTER THE REPORTING PERIOD

(a) Memorandum of understanding in respect of a possible acquisition

On 24 December 2020, the Company entered into the non-legally binding memorandum of understanding (the "MOU") with an independent third party ("Target Company") in relation to the possible acquisition of approximately 66.67% of the entire issued share capital of the Target Company. The Company paid a non-refundable earnest payment of HK\$500,000 in cash to the Target Company in January 2021. The Possible Acquisition is subject to, among other things, the negotiation and execution of the Definitive Transaction Documents. The Company therefore may or may not proceed with the Possible Acquisition. Details of which are disclosed in the announcements of the Company dated 27 October 2020 and 24 December 2020.

(b) Subscription of New Shares Under General Mandate

Reference is made to the announcement of the Company dated 29 March 2021 (the "Share Subscription Announcement") in relation to a subscription of new shares under general mandate. On 29 March 2021, the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, an aggregate of 72,604,167 Subscription Shares at the Subscription Price of HK\$0.096 per Subscription Share.

The Subscription Shares represent approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming there is no change to the share capital of the Company between the date of the Subscription Agreements and the date of completion of the Subscription). The Subscription Shares will be issued under the Refreshed General Mandate and will rank pari passu in all respects among themselves and with the existing Shares in issue.

35. 報告期後事項

(a) 可能收購的諒解備忘錄

於二零二零年十二月二十四日，本公司與獨立第三方（「目標公司」）訂立有關可能收購目標公司全部已發行股本約66.67%的不具法律約束力的諒解備忘錄（「諒解備忘錄」）。本公司於二零二一年一月以現金向目標公司支付不可退還誠意金500,000港元。可能收購事項須待（其中包括）磋商及簽立最終交易文件後方可作實。因此，本公司可能未必會進行可能收購事項。其詳情披露於本公司日期為二零二零年十月二十七日及二零二零年十二月二十四日的公告。

(b) 根據一般授權認購新股份

茲提述本公司日期為二零二一年三月二十九日的公告（「股份認購公告」），內容有關根據一般授權認購新股份。於二零二一年三月二十九日，本公司與該等認購人訂立該等認購協議，據此，該等認購人已有條件同意認購，而本公司已有條件同意配發及發行合共72,604,167股認購股份，認購價為每股認購股份0.096港元。

認購股份相當於本公司現有已發行股本約20.00% 以及相當於本公司經發行認購股份而擴大的已發行股本約16.67%（假設於該等認購協議日期與認購事項完成日期之間本公司的股本並無變動）。認購股份將根據經更新一般授權發行，且於所有方面自身及與現有已發行股份享有同等地位。

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截至二零二零年十二月三十一日止年度

35. EVENTS AFTER THE REPORTING PERIOD

(Continued)

(b) Subscription of New Shares Under General Mandate (Continued)

The Subscription Price of HK\$0.096 per Subscription Share represents (i) a discount of approximately 11.1% to the closing price of HK\$0.108 per Share as quoted on the Stock Exchange on the Last Trading Day, being the last full trading day for the Shares before the date of the Subscription Agreements; and (ii) a discount of approximately 5.0% to the average closing price of approximately HK\$0.101 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day.

The aggregate gross proceeds of the Subscription will be approximately HK\$6.97 million. The aggregate net proceeds of the Subscription, after the deduction of related expenses, will be approximately HK\$6.77 million. The Company intends to apply the net proceeds of the Subscription in the manner set out in the paragraph headed "Reasons for the Subscription and use of proceeds" of the Share Subscription Announcement.

36. CERTAIN COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The changes included the reclassification of (i) Impairment losses for trade receivables previously classified under "General and administrative expenses" to "Impairment losses for trade and other receivables"; and (ii) Impairment losses for other receivables previously classified under "General and administrative expenses" to "Impairment losses for trade and other receivables". The new classification of the accounting items was considered to provide a more appropriate presentation of the consolidated financial performance of the Group.

37. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are approved and authorised for issue by the Board of Directors on 31 March 2021.

35. 報告期後事項 (續)

(b) 根據一般授權認購新股份 (續)

每股認購股份0.096港元的認購價：
(i)較最後交易日（即於該等認購協議日期前股份最後一個完整交易日）聯交所所報收市價每股0.108港元折讓約11.1%；及(ii)較最後五(5)個連續交易日直至及最後交易日（包括該日）聯交所所報平均收市價約每股0.101港元折讓約5.0%。

認購事項所得款項總額合共將約為6.97百萬港元。認購事項所得款項淨額總數（經扣除相關費用後）將約為6.77百萬港元。本公司擬以本報告「進行認購事項的理由及所得款項用途」一段所載的方式動用認購事項所得款項淨額。

36 若干比較數字

若干比較數字已予重新分類，以符合本年度的呈列方式。變動包括將(i)先前於「一般及行政開支」項下分類的貿易應收款項減值虧損重新分類至「貿易及其他應收款項的減值虧損」；及(ii)先前於「一般及行政開支」項下分類的其他應收款項減值虧損重新分類至「貿易及其他應收款項的減值虧損」。本集團認為，以會計項目新分類呈報本集團的合併財務業績更為恰當。

37. 批准合併財務報表

合併財務報表已於二零二一年三月三十一日獲董事會批准並授權刊發。

FINANCIAL SUMMARY

財務摘要

OPERATING RESULTS

經營業績

		Year ended 31 December 截至十二月三十一日止年度				
		2020 二零二零年	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
Revenue (RMB'000)	收益 (人民幣千元)	206,666	517,665	250,660	271,858	780,310
Gross profit/(loss) (RMB'000)	毛利/(損) (人民幣千元)	(12,315)	11,019	(61)	(16,604)	(20,843)
Gross profit/(loss) margin	毛利/(損)	(6.0%)	2.13%	(0.02%)	(6.1%)	(2.7%)
Loss and total comprehensive income attributable to owners of the Company (RMB'000)	本公司擁有人應佔虧損及全面收益總額 (人民幣千元)	(219,049)	(287,608)	(369,281)	(732,765)	(331,023)
Net loss margin	淨虧損率	(106.0%)	(55.6%)	(147.3%)	(269.5%)	(42.4%)

CONSOLIDATED BALANCE SHEET

The following table sets forth our assets/liabilities position as at 31 December 2016, 2017, 2018, 2019 and 2020:

合併資產負債表

下表載列我們於二零一六年、二零一七年、二零一八年、二零一九年及二零二零年十二月三十一日的資產/負債狀況：

		As at 31 December 於十二月三十一日				
		2020 二零二零年	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
Current assets	流動資產	53,509	120,765	146,798	287,140	761,168
Current liabilities	流動負債	983,267	816,853	722,576	601,130	412,213
Net current (liabilities)/assets	流動(負債淨額)/資產淨值	(929,758)	(696,088)	(575,778)	(313,990)	348,955
Net (liabilities)/assets	(負債淨額)/資產淨值	(959,287)	(759,788)	(472,180)	(129,032)	603,733

FINANCIAL INDICATORS

財務指標

		Year ended 31 December 截至十二月三十一日止年度				
		2020 二零二零年	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
Return on equity (%) (Note 1)	股本回報率(%) (附註1)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	(54.8)
Return on assets (%) (Note 2)	資產回報率(%) (附註2)	(78.2)	(62.5)	(68.0)	(94.2)	(25.2)
Interest coverage ratio (Note 3)	利息覆蓋率(附註3)	(1.7)	(1.9)	(3.6)	(10.7)	(4.4)

		As at 31 December 於十二月三十一日				
		2020 二零二零年	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
Current ratio (%) (Note 4)	流動比率(%) (附註4)	5.4	14.8	20.3	47.7	184.7
Quick ratio (%) (Note 5)	速動比率(%) (附註5)	5.1	9.4	16.1	39.1	172.5
Debt to equity ratio (%) (Note 6)	債務股本比率(%) (附註6)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	114.2
Gearing ratio (%) (Note 7)	權益負債比率(%) (附註7)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	110.0

Notes:

附註：

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| <p>(1) Return on equity for the years ended 31 December 2016, 2017, 2018, 2019 and 2020 was calculated based on our total comprehensive income for the respective year divided by the total equity of the respective year and multiplied by 100%.</p> <p>(2) Return on assets for the years ended 31 December 2016, 2017, 2018, 2019 and 2020 was calculated based on our loss and total comprehensive income for the respective year divided by our total assets of the respective year and multiplied by 100%.</p> <p>(3) Interest coverage ratio for the years ended 31 December 2016, 2017, 2018, 2019 and 2020 was calculated based on our (loss)/profit for the year for the respective year divided by our finance costs for the respective year.</p> <p>(4) Current ratio as at 31 December 2016, 2017, 2018, 2019 and 2020 were calculated based on our current assets of the respective date divided by our current liabilities of the respective date and multiplied by 100%.</p> | <p>(1) 截至二零一六年、二零一七年、二零一八年、二零一九年及二零二零年十二月三十一日止年度的股本回報率，乃按有關年度全面收益總額除以有關年度總權益再乘以100%計算。</p> <p>(2) 截至二零一六年、二零一七年、二零一八年、二零一九年及二零二零年十二月三十一日止年度的資產回報率，乃按有關年度虧損及全面收益總額除以有關年度資產總值再乘以100%計算。</p> <p>(3) 截至二零一六年、二零一七年、二零一八年、二零一九年及二零二零年十二月三十一日止年度的利息覆蓋率，乃按有關年度(虧損)/溢利除以有關年度的融資成本計算。</p> <p>(4) 於二零一六年、二零一七年、二零一八年、二零一九年及二零二零年十二月三十一日的流動比率，乃按有關日期的流動資產除以有關日期的流動負債再乘以100%計算。</p> |
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FINANCIAL SUMMARY 財務摘要

- (5) Quick ratio as at 31 December 2016, 2017, 2018, 2019 and 2020 were calculated based on our current assets minus inventories as at the respective date divided by our current liabilities as at the respective date and multiplied by 100%.
- (6) Debt to equity ratio as at 31 December 2016, 2017, 2018, 2019 and 2020 were calculated based on our total debts (being sum of our total borrowings and amounts due to related parties and third parties) as at the respective date divided by total equity as at the respective year and multiplied by 100%.
- (7) Gearing ratio as at 31 December 2016, 2017, 2018, 2019 and 2020 were calculated based on our net debts (being total debts net of cash and cash equivalents and restricted bank deposits) as at the respective date divided by total equity as at the respective year and multiplied by 100%.
- (5) 於二零一六年、二零一七年、二零一八年、二零一九年及二零二零年十二月三十一日的速動比率，乃按有關日期的流動資產減去存貨後除以有關日期的流動負債再乘以100%計算。
- (6) 於二零一六年、二零一七年、二零一八年、二零一九年及二零二零年十二月三十一日的債務股本比率，乃按有關日期的債務總額(即借款總額與應付關聯方及第三方款項的總和)除以有關年度總權益再乘以100%計算。
- (7) 於二零一六年、二零一七年、二零一八年、二零一九年及二零二零年十二月三十一日的權益負債比率，乃按有關日期的債務淨額(即債務總額扣除現金及現金等價物以及受限制銀行存款)除以有關年度總權益再乘以100%計算。



Moody Technology Holdings Limited
滿地科技股份有限公司