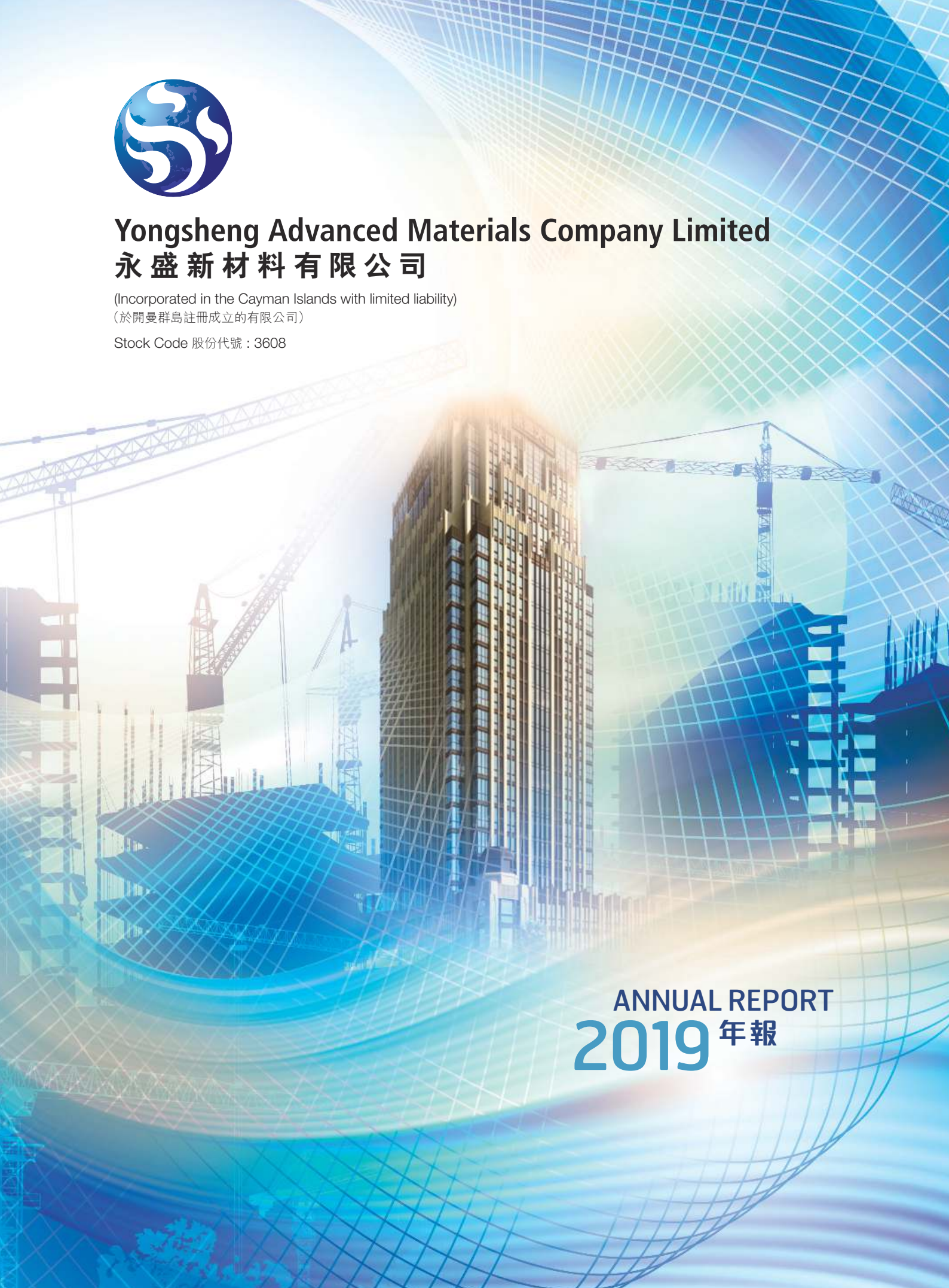


Yongsheng Advanced Materials Company Limited
永盛新材料有限公司

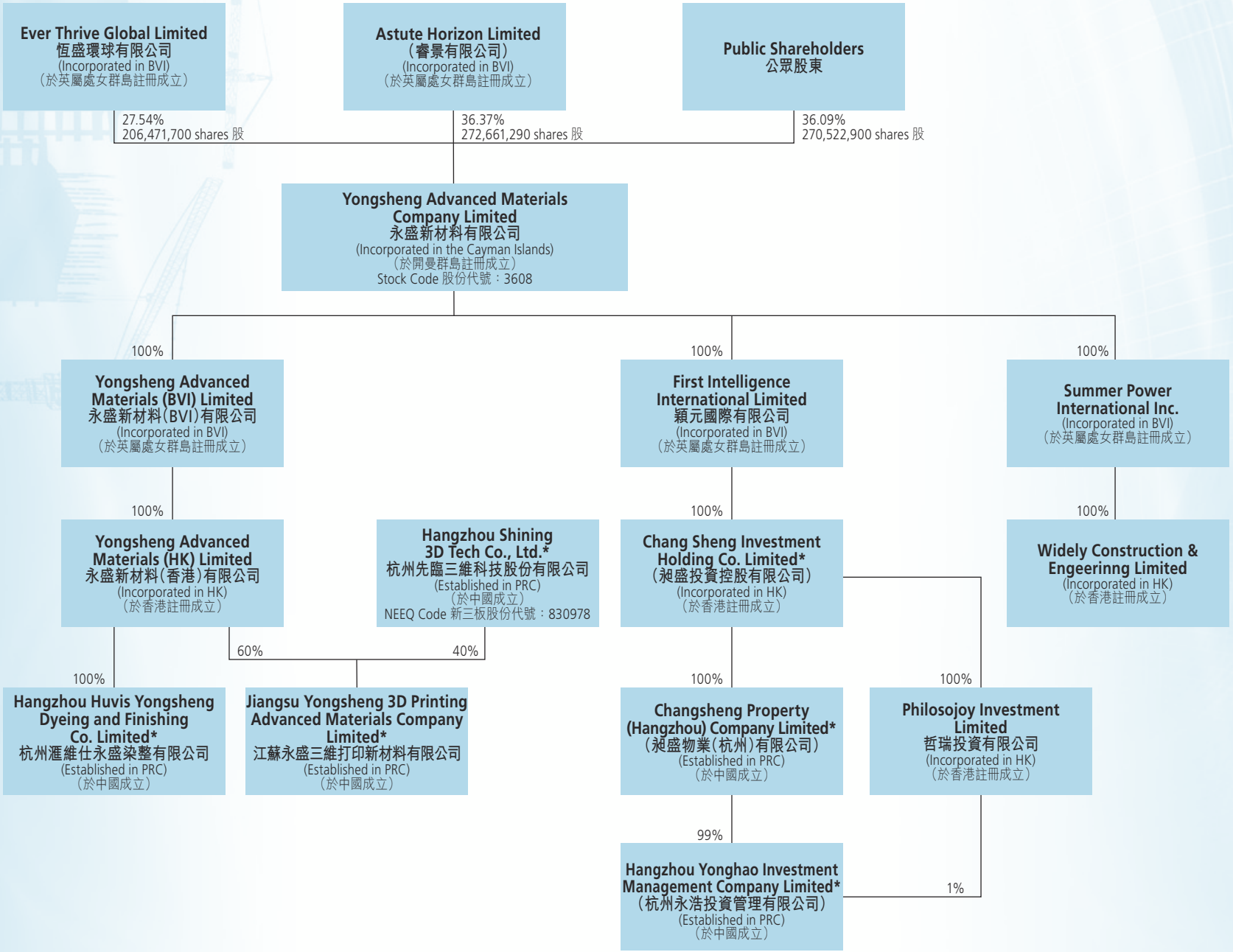
(Incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立的有限公司）

Stock Code 股份代號：3608

ANNUAL REPORT
2019 年報

Group Structure
集團架構圖

As at 31 December 2019 於二零一九年十二月三十一日



Content
目錄

Financial Highlights	財務摘要	2
Corporate Information	公司資料	4
Chairman's Statement	主席報告	6
Business Review	業務回顧	9
Financial Review	財務回顧	14
Directors and Senior Management	董事及高級管理層	20
Corporate Governance Report	企業管治報告	29
Report of the Directors	董事會報告	47
Environmental, Social and Governance Report	環境、社會及管治報告	69
Independent Auditor's Report	獨立核數師報告	88
Financial Statements	財務報表	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	合併損益及其他全面收入表	98
Consolidated Statement of Financial Position	合併財務狀況表	100
Consolidated Statement of Changes in Equity	合併權益變動表	102
Consolidated Statement of Cash Flows	合併現金流量表	103
Notes to the Consolidated Financial Statements	合併財務報表附註	106
Five-year Financial Summary	五年財務概要	255

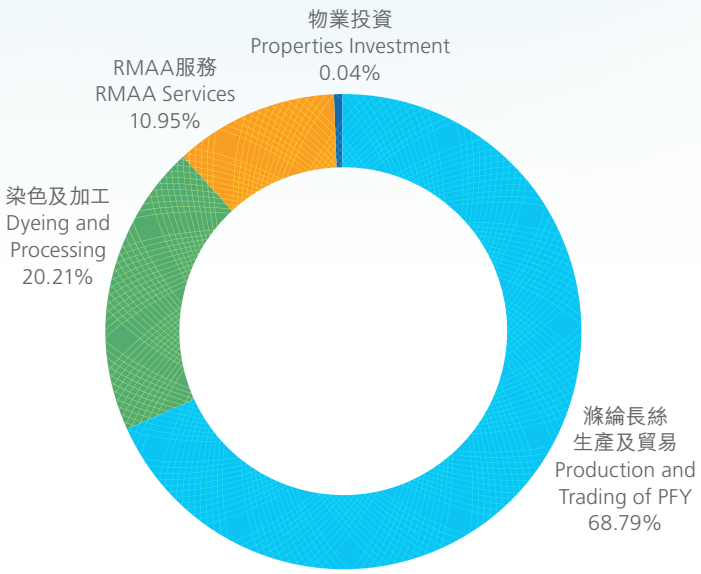
Financial Highlights
財務摘要

Statement of Profit or Loss and Other Comprehensive Income	損益及其他全面收入表	Year ended 31 December 截至十二月三十一日止年度 RMB million 人民幣百萬元		
Continuing	**持續性**	**2019 二零一九年**	2018 二零一八年	Changes 變動
CONTINUING OPERATIONS	持續經營業務			
Revenue	收益	**306.5**	206.4	48.50%
Gross Profit	毛利	**102.5**	90.0	13.89%
Profit before tax from continuing operation	持續經營業務之除税前溢利	**68.6**	72.8	(5.77%)
Profit the year from continuing operation	年度持續經營業務之溢利	**51.0**	57.5	(11.30%)
DISCONTINUED OPERATIONS	**已終止業務**			
Profit for the year from discontinued operations	年度已終止業務之溢利	**84.0**	29.2	187.67%
Profit for the year	年度溢利	**135.0**	86.7	55.71%
Profit attributable to shareholders of the Company	本公司股東應佔溢利	**113.9**	80.8	
Basic	基本			
– For profit for the year	一年度溢利	**RMB人民幣16.4 cents分**	RMB人民幣20.4 cents分	
– For profit from continuing operations	一持續經營業務之溢利	**RMB人民幣7.3 cents分**	RMB人民幣14.5 cents分	
Dividend per shar (HK cents)	每股股息(港仙)			
– interim	一中期	**2.0**	3.3	
– final	一末期	**3.0**	2.2	
– combined	一綜合	**5.0**	5.5	

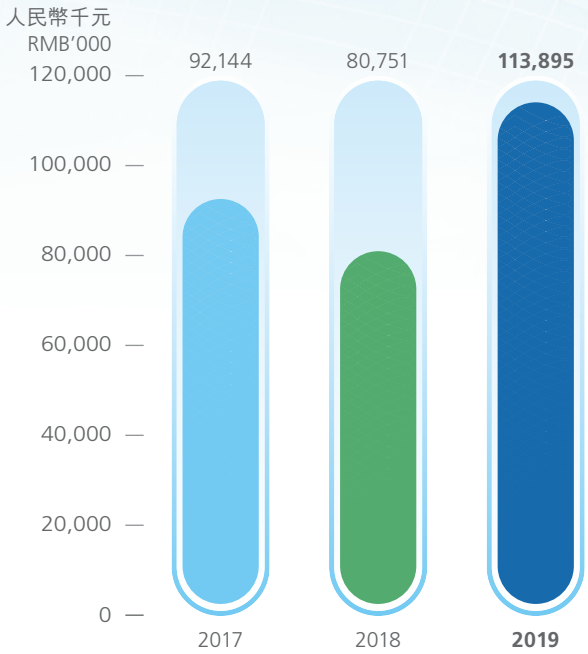
Statement of Financial Position	財務狀況表	31 December 十二月三十一日 RMB million 人民幣百萬元		
		2019 二零一九年	2018 二零一八年	Changes 變動
Non-current assets	非流動資產	**920.6**	269.0	+242.23%
Current assets	流動資產	**740.7**	532.2	+39.18%
Current liabilities	流動負債	**(132.8)**	(179.7)	(26.10%)
Net current assets	流動資產淨值	**607.9**	352.5	+72.45%
Non-current liabilities	非流動負債	**(91.5)**	(21.5)	+325.58%
Net assets	淨資產	**1,437.0**	599.9	+139.54%

Revenue (proportion)
業務收益（佔比）

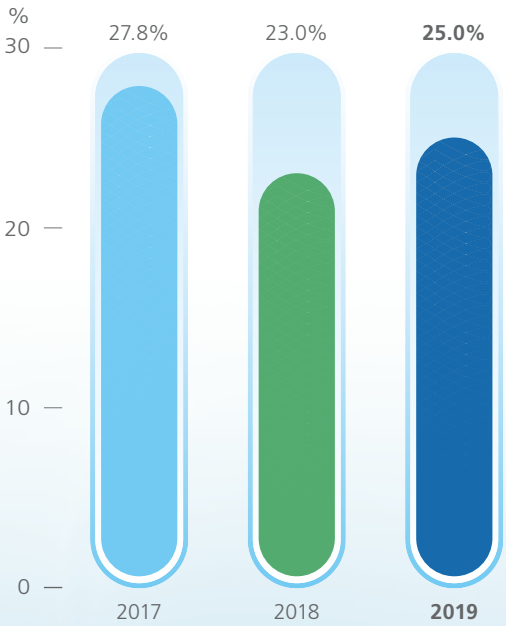
For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

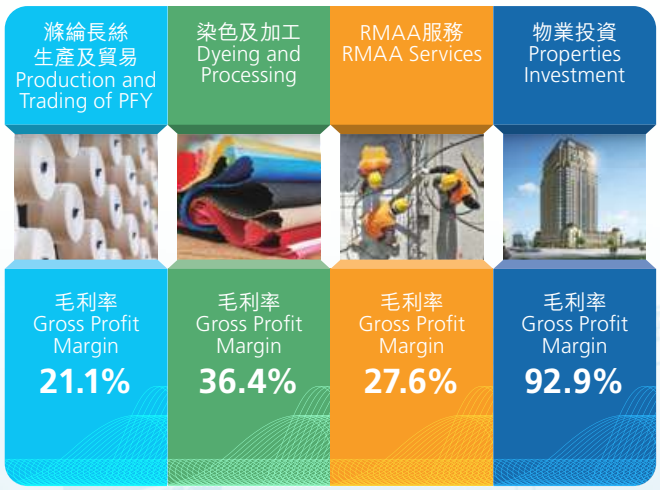


Profit Attributable to Shareholders of the Company
本公司股東應佔溢利



Gross Profit Margin
毛利率





Corporate Information
公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Li Cheng *(Chairman)*
Mr. Zhao Jidong *(Chief Executive Officer) (resigned on 29 November 2019)*
Mr. Li Conghua
Mr. Ma Qinghai
Mr. Xu Wensheng (appointed on 29 November 2019)

Independent non-executive Directors

Ms. Wong Wai Ling
Mr. Shiping James Wang
Dr. Wang Huaping

AUDIT COMMITTEE

Ms. Wong Wai Ling *(Chairlady)*
Mr. Shiping James Wang
Dr. Wang Huaping

NOMINATION COMMITTEE

Mr. Li Cheng *(Chairman)*
Mr. Shiping James Wang
Dr. Wang Huaping

REMUNERATION COMMITTEE

Ms. Wong Wai Ling *(Chairlady)*
Dr. Wang Huaping
Mr. Xu Wensheng *(appointed on 29 November 2019)*
Mr. Zhao Jidong *(resigned on 29 November 2019)*

AUTHORISED REPRESENTATIVES

Mr. Li Cheng
Ms. Yeung Wing Kwan *(appointed on 29 November 2019)*
Mr. Zhao Jidong *(resigned on 29 November 2019)*

COMPANY SECRETARY

Ms. Yeung Wing Kwan *(appointed on 31 May 2019)*
Ms. Lo Lok Ting Teresa (Solicitor) *(resigned on 31 May 2019)*

AUDITORS

Ernst & Young

LEGAL ADVISERS AS TO HONG KONG LAWS

Chiu & Partners

董事會

執行董事

李誠先生*(主席)*
趙繼東先生*(行政總裁)*
(於二零一九年十一月二十九日辭任)
李聰華先生
馬青海先生
徐文勝先生(於二零一九年十一月二十九日獲委任)

獨立非執行董事

黃慧玲女士
王世平先生
王華平博士

審核委員會

黃慧玲女士*(主席)*
王世平先生
王華平博士

提名委員會

李誠先生*(主席)*
王世平先生
王華平博士

薪酬委員會

黃慧玲女士*(主席)*
王華平博士
徐文勝先生*(於二零一九年十一月二十九日獲委任)*
趙繼東先生*(於二零一九年十一月二十九日辭任)*

授權代表

李誠先生
楊穎筠女士*(於二零一九年十一月二十九日獲委任)*
趙繼東先生*(於二零一九年十一月二十九日辭任)*

公司秘書

楊穎筠女士*(於二零一九年五月三十一日獲委任)*
盧樂庭女士(律師)*(於二零一九年五月三十一日辭任)*

核數師

安永會計師事務所

關於香港法律的法律顧問

趙不渝　馬國強律師事務所

LEGAL ADVISERS AS TO PRC LAWS

Mr. Wang Shungen of Zhejiang Baoxuan Law Firm

關於中國法律的法律顧問

浙江寶鉉律師事務所汪順根先生

REGISTERED OFFICE

2/F, Century Yard, Cricket Square,
P.O. Box 902, Grand Cayman, KY1-1103,
Cayman Islands

註冊辦事處

2/F, Century Yard, Cricket Square,
P.O. Box 902, Grand Cayman, KY1-1103,
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit C2, 29/F, Tower 1, Admiralty Centre
No. 18 Harcourt Road, Admiralty, Hong Kong

香港總辦事處及主要營業地點

香港金鐘夏慤道18號
海富中心一座29樓C2室

COMPANY'S WEBSITE

www.chinaysgroup.com

本公司網址

www.chinaysgroup.com

STOCK CODE

3608

股份代號

3608

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Tricor Services (Cayman Islands) Limited
P.O. Box 10008, Willow House, Cricket Square
Grand Cayman KY1-1001, Cayman Islands

開曼群島股份過戶登記總處

Tricor Services (Cayman Islands) Limited
P.O. Box 10008, Willow House, Cricket Square
Grand Cayman KY1-1001, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

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

PRINCIPAL BANKERS

Bank of China
CITIC Bank
Agricultural Bank of China

主要往來銀行

中國銀行
中信銀行
中國農業銀行

Chairman's Statement
主席報告



Li Cheng 李誠
Chairman and Executive Director
主席兼執行董事

In 2020, the PRC government is expected to further tighten its environmental policies, which exerts pressure on the domestic dyeing and processing industry. Small-scale enterprises lack the funds to equip with environmental protection equipment, together with the weak consumption sentiment of the globe brought by the trade war resulting in significantly lower demand from major end customers of clothing and home textile products, both of which will contribute the further consolidation within the industry, and therefore Sales orders will gradually converge to the leading enterprises. As a normative leading enterprise in the industry, the Group has advantages in dyeing technology and environmental protection equipment. Under the challenging operating environment, the Group will fully capitalize its advantages in scale to maintain the order quantity at an ideal level. Also, the Group will take such opportunity to identify acquisition targets in the upstream and downstream industry chain for further expanding its industrial layout.

二零二零年，中國政府預計將進一步收緊環保政策，對國內染色加工業造成壓力。規模較小的企業缺乏資金投入於環保設備，加之貿易戰令全球消費氣氛減弱，服裝及家紡製品主要終端客戶的需求明顯放緩，行業將進一步整合，訂單量逐步向頭部企業靠攏。作為業內一家規範的領導企業，本集團在染色技術及環保設備上具有優勢，在嚴峻的經營環境下，本集團將充分發揮規模優勢，使訂單量維持在理想水平。本集團將借此機遇，物色產業鏈上下游收併購機會，進一步擴大產業佈局。

In addition, the Group continues to focus on the development of diversified businesses with high profit margin. Yongsheng Plaza, a building under construction of the Group located at Xiaoshan Economic and Technological Development Zone, Hangzhou City, with main structure topped out in 2019, is expected to complete the interior decoration in the second half of the year and start investment promotion around Chinese New Year of 2021. With the convening of the G20 Summit and the coming of the 2022 Hangzhou Asian Games, Yongsheng Plaza is expected to become one of the representative buildings of Xiaoshan, even of Hangzhou. With the significant improvement of the surrounding facilities, the rents of the Group's commercial and financial office units in Xiaoshan Economic and Technological Development Zone, Hangzhou City will significantly increase in the coming new year. The management is of the view that the urbanisation and development process in the PRC will continue to ascend in the future, and it believes that there will be a positive outlook and development to Hangzhou, which in turn will drive the residential or commercial demand in the region. The investment properties held by the Group will diversify the Group's income sources and bring potential for future capital appreciation, which is beneficial to the long-term investment and sustainable development of the Group as a whole.

此外，本集團繼續專注多元化的高利潤業務發展。本集團位於杭州市蕭山經濟技術開發區的在建樓宇-永盛大廈已於二零一九年內完成主體封頂，預計於下半年完成室內裝修且於二零二一年春節開始招商。隨著G20峰會的召開及二零二二年杭州亞運會的到來，預期永盛大廈將成為代表蕭山或至杭州的代表建築之一。隨著周邊環境配套顯著提升，本集團位於杭州市蕭山經濟技術開發區的商務金融辦公單位於新一年度的租金將大幅調升。管理層認為，未來中國城市化及發展進程將繼續深化，杭州市的前景及發展向好，將推動該地區的住宅或商業需求，本集團持有的投資物業將多元化本集團的收入來源，並帶來未來資本增值潛力，有利於本集團整體的長期投資及可持續發展。

In 2020, the Group will also continue to develop the RMAA project in Hong Kong in a stable manner. After the completion of the acquisition of Widely Construction & Engineering Limited, the Group has started to tap into the RMAA and fitting-out works sector in Hong Kong with participating in a number of outdated property upgrading and government urban renewal plans. With sufficient orders in hand currently, the Group believes that this business segment will also yield considerable returns in 2020.

二零二零年，本集團亦將繼續穩定發展香港RMAA工程項目。完成收購偉利建築工程有限公司後，本集團已開始涉足香港的RMAA及裝修工程領域，參與多個陳舊物業升級及政府市區重建計劃。目前本集團在手訂單充足，相信該業務板塊亦會於二零二零年帶來豐厚回報。

In addition to investment opportunities in mainland China and Hong Kong, the Group has also continued to seek international investment projects in a bid to expand its business segments and thus disperse operational risks. After detailed investigation, the Group believes that the municipal infrastructure industry in Southeast Asian countries has investment potential-driven by China's the Belt and Road Initiative, the urbanization and industrialization process in Southeast Asian countries have accelerated, their economic growth has strong momentum, and their government and residents are in great demand for improving municipal infrastructure, providing the Group with good investment opportunities. In particular, the water industry is a public utility with rigid demand and good cash flow. Based on the country's strategic policy and the Group's abundant financial resources, the Group is planning to set up a joint venture platform to develop the Southeast Asian water works market with emphasis on water supply and sewage treatment.

除尋找中國大陸和香港的投資機會外，本集團亦持續尋求國際化投資項目，務求拓闊業務板塊以分散經營風險。經詳細調研後，本集團認為東南亞國家的市政基礎設施行業具有投資潛力——在中國「一帶一路」政策的推動下，東南亞地區的國家城市化和工業化進程加速，經濟增長強勁，政府和居民對改善市政基礎設施的需求殷切，為集團提供良好的投資機會。其中，水務行業屬於具有剛性需求且擁有良好現金流的公用事業。基於國家的戰略方針及本集團雄厚財力，本集團正計劃組建合營平台，以供水及污水處理為重點，開發東南亞水務市場。

Chairman's Statement
主席報告

As the new year has ushered in a new journey, Yongsheng Advanced Materials will stay true to the mission and adhere to the enterprise spirit of "Honesty, Cooperation, Reciprocity, Learning and Innovation" to carry out substantive compliance operation, control risk strictly and closely focus on the essential needs of customers at the market level, with an aim to truly build Yongsheng into a leading high-end differentiated brand in the industry. At the same time, we will also actively seize opportunities in different industries and continue to identify high-return projects, so as to diversify the business portfolio and maximise asset value. Finally, on behalf of the Board, I would like to express my heartfelt gratitude to the management, all employees, Shareholders and business partners for their continuous support and trust.

新的一年開啟了新的征程，永盛新材料將不改初心，堅持「誠信、合作、互惠、學習、創新」的企業精神，進行實質合規經營並做好嚴格風險控制，在市場層面緊緊圍繞客戶的本質需求，將永盛真正打造成為業內領先的高端差異化品牌。與此同時，我們還將積極把握不同行業機遇，持續物色高回報項目，以期多元化業務類型並最大化資產價值。最後，我謹代表董事會向管理層、全體員工及各位股東及業務夥伴一直以來的支持和信任致以衷心感謝。

Li Cheng
Chairman
Hong Kong, 31 March 2020

主席
李誠
香港，二零二零年三月三十一日

MARKET REVIEW

Amid the unstable international political and economic situations caused by the continuously intensified Sino-American trade war and impacted by uncertainties in geopolitics, the market held a wait-and-see attitude in 2019. The trade conflicts caused pressure to China's overall textile manufacturing industry. With certain improvements in the overall economic situation in the second half of 2019 as compared to the first half, the Group continuously optimized its advantages and grasped favorable opportunities to launch new products, keeping a firm foothold in the difficult times.

市場回顧

二零一九年中美貿易戰火持續升溫，使國際政經局勢不穩定，地緣政治也充滿不確定性，市場傾向保守觀望。受貿易摩擦影響，中國的紡織製造整體承壓，而隨著二零一九年下半年總體經濟情勢相較上半年有所改善，本集團不斷優化自身優勢，抓緊機會推出新品，在艱難時期仍能屹立不倒。

BUSINESS PERFORMANCE

The Group is principally engaged in the textile-related business in China, including (i) production of differentiated polyester filament yarn ("**PFY**") and trading of PFY, which had discontinued as at November 2019; and (ii) dyeing and processing of differentiated polyester filament fabric. The Group is also engaged in the provision of renovation, maintenance, alteration and addition services ("**RMAA services**") and properties investment. During the Year under Review, the Group restructured its business and disposed of companies engaged in the production of differentiated PFY and trading of PFY in order to fully develop and enhance technical capacity in dyeing and processing of differentiated polyester filament fabric in the long term for grasping growth opportunities and satisfy customers' demands in such high-added-value market, thereby creating greater value for shareholders of the Company ("**Shareholders**").

業務表現

本集團主要於中國從事紡織相關業務，包括(i)差別化滌綸長絲（「**滌綸長絲**」）生產及滌綸長絲貿易業務（已於二零一九年十一月終止經營）；及(ii)差別化滌綸面料染色及加工。本集團亦從事提供翻新、維護、改建及加建工程服務（「**RMAA服務**」）及物業投資。本集團於回顧年度重組業務架構，出售從事差別化滌綸長絲生產及滌綸長絲貿易的公司，以長遠全力發展及提升差別化滌綸面料染色及加工技術能力，跟隨高附加價值市場發展方向，抓住增長機遇及滿足客戶需求，為本公司股東（「**股東**」）創造更大價值。

CONTINUING OPERATIONS

During the Year under Review, the Group recorded a turnover from continuing operations (i.e. excluding the production and trading of PFY) of approximately RMB306.5 million include, representing an increase in approximately 48.5%, as compared to approximately RMB206.4 million (i.e. excluding the production and trading of PFY) in 2018. The gross profit was approximately RMB102.5 million, representing an increase of approximately 13.9% from approximately RMB90.0 million in 2018. The gross profit margin slightly decreased to approximately 33.4% from approximately 43.6%, which was mainly due to (1) the decrease in overall demand in the textile industry in 2019 as a result of the Sino-American trade war; and (2) decline in product price resulting from intensified competition in the industry.

持續經營業務

於回顧年度，本集團錄得持續經營業務（即不包含滌綸長絲生產與貿易）營業額約人民幣306.5百萬元，包括較二零一八年約人民幣206.4百萬元（即不包含滌綸長絲生產與貿易）增加約48.5%。毛利約為人民幣102.5百萬元，較二零一八年約人民幣90.0百萬元增加約13.9 %，毛利率由約43.6%稍降至約33.4%，主要原因是由於(1)二零一九年中美貿易戰導致紡織行業總體需求減少；及(2)行業內競爭加劇致使產品價格受壓。

During the Year under Review, the revenue derived from dyeing and processing of differentiated polyester filament fabric, provision of RMAA services and property investment respectively accounted for approximately 64.8%, 35.1% and 0.1% of the turnover from the Group's continuing operations, respectively; while the operating profit of such three business segments accounted for approximately 70.6%, 29.0% and 0.4% of the operating profit from the Group's continuing operations, respectively.

回顧年度，源自差別化滌綸面料染色及加工、提供RMAA服務及物業投資之收益分別佔本集團持續經營業務營業額約64.8%、35.1%和0.1%；而三個分部經營溢利分別佔本集團來自持續經營業務的經營溢利的約70.6%、29.0% 及0.4%。

DISCONTINUED OPERATIONS

The Group completed the disposal of companies engaged in the production and trading of PFY in November 2019. Upon completion of such disposals, (i) approximately 70% of the equity interests in Hangzhou HUVIS Yongsheng Chemical Fiber Limited*（杭州滙維仕永盛化纖有限公司）; (ii) approximately 67% of the equity interests in Nantong Yongsheng HUVIS Fiber Advanced Materials Co., Ltd.*（南通永盛滙維仕纖維新材料有限公司）; and (iii) approximately 70% of the equity interests in Jiangsu Yongsheng High Polymer Advanced Materials Research Institute Company Limited*（江蘇永盛高分子新材料研究所有限公司）were owned by a company controlled by Mr. Li Cheng ("**Mr. Li**"), a controlling shareholder, an executive Director and the Chairman of the Company, at a total consideration of RMB173,916,400 (equivalent to approximately HK$197,726,000). For details of such disposals, please refer to the Company's announcements dated 26 July 2019, 16 August 2019, 23 September 2019 and 29 November 2019.

終止經營業務

本集團於二零一九年十一月完成出售從事滌綸長絲生產及滌綸長絲貿易的公司。於完成該等出售事項後，杭州滙維仕永盛化纖有限公司的約70%股權；(ii)南通永盛滙維仕纖維新材料有限公司的約67%股權；及(iii)江蘇永盛高分子新材料研究所有限公司的約70%股權乃由本公司控股股東、執行董事兼主席李誠先生（「**李先生**」）控制的一間公司擁有，總代價為人民幣173,916,400元（相當於約197,726,000港元）。有關出售事項詳情，請參閱本公司於二零一九年七月二十六日、二零一九年八月十六日、二零一九年九月二十三日及二零一九年十一月二十九日刊發之公佈。

During the Year under Review, the turnover from discontinued operations was approximately RMB675.6 million, representing approximately an increase of approximately 42.6% as compared to RMB473.76 million in 2018. The gross profit from discontinued operations was approximately RMB143.4 million, increased by approximately 114.8%, as compared to RMB66.8 million in 2018. The gross profit margin increased from 14.1% in 2018 to 21.1% of the Year under Review.

回顧年度，終止經營業務之營業額約為人民幣675.6百萬元，較二零一八年人民幣473.76百萬元增加約42.6%。終止經營業務的毛利約為人民幣143.4百萬元，較二零一八年全年人民幣66.8百萬元增加約114.8%。毛利率由二零一八年的14.1%增加至回顧年度的21.1%。

OVERALL BUSINESS REVIEW OF THE GROUP

During the Year under Review, the Group recorded a revenue of approximately RMB982.2 million, representing an increase of approximately 44.4% from RMB680.2 million in 2018. The gross profit was approximately RMB245.9 million, increased by approximately 56.8% from RMB156.8 million in 2018. In all, profits attributable to shareholders reached approximately RMB113.9 million with an increase of approximately 41.0% from approximately RMB80.8 million for the corresponding period in 2018. The earning per share of the Company ("**Share**") was approximately RMB0.164 (earning per Share in 2018: RMB0.204).

本集團整體業務回顧

回顧年度，本集團錄得收益約人民幣982.2百萬元，較二零一八年人民幣680.2百萬元增加約44.4%；毛利約為人民幣245.9百萬元，較二零一八年人民幣156.8百萬元增長約56.8%。綜合以上，股東應佔溢利達約人民幣113.9百萬元，較二零一八年同期約人民幣80.8百萬元增加約41.0%。本公司每股股份（「**股份**」）盈利約為人民幣0.164元（二零一八年每股盈利：人民幣0.204元）。

DIFFERENTIATED POLYESTER FILAMENT FABRIC DYEING AND PROCESSING

Located in Hangzhou and recognized as "High and New Technology Enterprise" by Chinese government, Hangzhou Huvis Yongsheng Dyeing and Finishing Co. Limited ("**Yongsheng Dyeing**"), being a subsidiary of the Company, is principally engaged in polyester filament fabric dyeing and processing and has been honored as a provincial technology research and development center.

During the Year under Review, with weakening global consumption sentiment as a result of the Sino-US trade friction, demands from the Group's major end customers for apparel and home textile products significantly declined as well. As for the supply side of the industry, the Chinese government continued to tighten policies on environmental protection, imposing pressure on domestic dyeing and processing industry, especially smaller-sized companies lacking capital to invest in the environmental protection equipment, which further promoted the market consolidation. As a regulated leader in the industry, the Group was competitive by owning the relevant dyeing technology and environmental protection equipment and therefore can maintain satisfactory order volume under the severe business environment. During the Year under Review, segment revenue was approximately RMB198.5 million, representing a decrease of approximately 3.8%, as compared to approximately RMB206.4 million in 2018. As the fierce industry competition resulted in the drop of product prices, the gross profit margin of the dyeing and processing business declined from approximately 43.6% to 36.4%, but the overall gross profit margin remained at a high level. Yongsheng Dyeing continued to explore new markets and develop new technologies during the Year under Reivew. Other than the apparel market, the successfully developed Italian velvet, which Yongsheng Dyeing has commenced production during the Year under Review, was well received in the market.

差別化滌綸面料染色及加工

本公司位於杭州市獲中國政府認證為「高新技術企業」的杭州匯維仕永盛染整有限公司(「**永盛染整**」),為主營滌綸面料染色及加工業務的附屬公司,擁有省級技術研究開發中心的榮譽。

回顧年度,中美貿易摩擦令全球消費氣氛減弱,本集團的主要終端客戶對服裝及家紡製品的需求也明顯放緩。在行業的供應端方面,中國政府繼續收緊環保政策,對國內染色加工業造成壓力,尤其是規模較小的企業缺乏資金投入於環保設備,因而造成進一步的市場整合。作為業內一家規範的領導企業,本集團因擁有相關染色技術及環保設備而具有優勢,因而能在嚴峻的經營環境下,訂單量仍維持在理想水平。回顧年度分部收益約為人民幣198.5百萬元,較二零一八年的約人民幣206.4百萬元同比下降約3.8%。惟受到行業內競爭激烈導致產品價格下降,染色及加工業務毛利率自約43.6%下降至36.4%,但總體毛利率仍維持在較高水平。永盛染整持續於回顧年度開發新市場,進行研發新技術,除服裝市場外,成功研發的意大利絨已於回顧年度於永盛染整開始投產,市場反響良好。

PROVISION OF RMAA SERVICES

In February 2019, the Group completed the acquisition of 100% issued share capital of Summer Power International Inc. ("**Summer Power**") at an aggregate consideration of HK$206 million (including (i) payment by HK$6 million in cash; and (ii) settlement by allotting and issuing 80,000,000 consideration shares at the price of HK$2.50 per consideration share). Widely Construction & Engineering Limited ("**Widely**") is wholly owned by Summer Power. It mainly provides two categories of work, namely (i) renovation and maintenance works; and (ii) alteration and additional works and fitting-out works. Upon completion of such acquisition, the Group has begun to engage in the RMAA and fitting-out works sector in Hong Kong. It has participated in multiple programs on upgrading obsolete properties and government urban construction and acquired 14 new projects throughout the Year under Review, which further diversified the Group's revenue model. During the Year under Review, the Group recorded the segment revenue of approximately RMB107.6 million with a gross profit margin of approximately 27.6% and had approximately 55 projects on hand with a total contract sum of over HK$260 million.

PROPERTIES INVESTMENT

The property assets held by the Group include (i) Yongsheng Plaza, a building under construction located at Xiaoshan Economic and Technological Development Zone, Hangzhou City, Zhejiang Province, the PRC with an aggregate gross floor area of approximately 64,547.20 square meters with 24 storeys above the ground and 3 storeys under the ground. The roofing work was completed during the Year under Review. It is planned that the completion inspection will be conducted in the first half of 2020, and the interior decoration will be completed in the second half of the year. It is expected that Yongsheng Plaza would put into commercial use in early 2021. Positioned as a high-end commercial office building and apartment, Yongsheng Plaza is expected to solicit tenants that are mostly large enterprises. With the advent of G20 Summit and the Asian Games, Yongsheng Plaza is expected to become one of the representative buildings in Xiaoshan or even Hangzhou. The Group also owns eight office units for commercial uses in a building located at Xiaoshan Economic and Technological Development Zone, Hangzhou City, Zhejiang Province, the PRC with an aggregate gross floor area of approximately 2,648.78 square meters. Such office units generated a rental income of approximately RMB424,000 during the Year under Review. With enhanced ancillary facilities in the neighborhood, the rental for 2020 will be much higher upon expiry of the lease contract at the end of 2019. The Group believes that the property investment is a stable business with strong resistance to pressure. Xiaoshan District is a key development region with huge development prospects in Zhejiang Province, and its continuous development will drive the residential and commercial demand in the region. The appreciation potential of the investment property owned by the Group in such region will contribute to the asset structure and sustainable development of the Group.

提供RMAA服務

本集團於二零一九年二月以總代價206百萬港元（其中包括(i)以6百萬港元現金支付；及(ii)以每股代價股份2.50港元配發及發行80,000,000股代價股份結算）完成收購夏力國際有限公司（「**夏力國際**」）100%已發行股本。偉利建築工程有限公司（「**偉利**」）由夏力國際全資擁有。主要提供兩類工程，即(i)維修及保養工程及；及(ii)改建及加建工程以及裝修工程。自該收購完成後，本集團已開始涉足香港的RMAA及裝修工程領域，參與多個陳舊物業升級及政府市區要建計劃，回顧年度新增工程項目14個，進一步豐富本集團的收益模式。於回顧年度，分部收益約為人民幣107.6百萬元，毛利率約27.6%，在手工程數量約55項，總額超過2.6億港元。

物業投資

本集團擁有的物業資產包括：(i)位於中國浙江省杭州市蕭山經濟技術開發區的在建樓宇–永盛大廈。其建築總面積約為64,547.20平方米，為地上24層、地下3層之建築。在回顧年度已完成主體封頂，計劃於二零二零年上半年竣工驗收，下半年完成室內裝修。預期永盛大廈將於二零二一年年初投入商用。永盛大廈定位為高檔商業辦公室及公寓，預計能吸引大部分大企業的租戶長期入駐。隨著G20峰會的召開及亞運會的到來，預期永盛大廈將成為代表蕭山或至杭州的代表建築之一。本集團亦擁有位於中國浙江省杭州市蕭山經濟技術開發區的一幢樓宇內的八個商務金融辦公單位，總建築面積約為2,648.78平方米。該等商務金融辦公單位於回顧年度產生約人民幣424,000元租金收入，隨著租約合同於二零一九年底到期，周邊環境配套提升，二零二零年的租金預期將大幅調升。本集團認為物業投資為一項穩定且抗壓力強的業務，蕭山區為浙江省重點發展區域，其發展前景潛力巨大，持續發展亦推動該區域的住宅及商業需求，本集團在當地擁有的投資物業增值潛力將有利於本集團的資產結構及可持續發展。

PROSPECTS

In 2020, the Sino-American trade war for the first phase has been concluded at the beginning of year, and US has agreed to reduce the tariff for Chinese goods worth US$120 billion by half to 7.5%, and cancel tariffs in other plans, which has eased the tense trade barrier. The output and delivery by the Group in the first quarter in 2020 are expected to be affected by the strict preventive measures adopted by the Chinese government and the postponed resumption of operation of the manufacturing industry after the Spring Festival since the outbreak of COVID-19 at the beginning of year. However, the Group believes that the effect of the epidemic will not last long. The Group will closely monitor the development of the situation and properly adjust its business strategies and take corresponding measures, in order to minimise the effect on the overall capacity and output of the Group for the year ending 2020.

The dyeing and processing of differentiated polyester fabrics are the development priority of the Group. Under the rough business environment, the Group will take advantage of opportunities to continuously conduct research and develop on new technologies, especially dyeing related technologies, and expand the market share based on technological enhancement. The Group is proactively seeking merger and acquisition targets, so as to further expand the business scale and market share. Meanwhile, the Group will continue to increase investments in environmental protection in response to policy requirements, in order to maintain its competitive edge as a large enterprise. In addition, it has realized stable development of RMAA services and will continue to develop more public and private engineering projects, in order to enlarge market share with professional strength. In terms of the property investment, in addition to the expected significant increase in the rental income from eight office units for commercial uses owned by the Group, with the gradual completion of the Yongsheng Plaza as scheduled, it is expected that there will be increase in revenue derived from investment property in 2021, and it is planned to introduce long-term leases of high-quality large enterprises, which will contribute stable income to the Group.

The Group will continue to explore different markets and diversify its products and customer base of each segment, in order to enlarge the market share. The Group has been actively seeking to diversify its revenue sources in order to bring valuable returns to the Shareholders. On 5 March 2020, the Company entered into a letter of intent with an independent third party regarding development, investment, operation and management of hydra-related projects. For further details, please refer to the announcement of the Company dated 5 March 2020.

The Group will also continuously research and develop new products in response to customer demands and popular market trends. Despite the fickle global economic environment, the Group believes that, based on its diversified business and technological advancement, it can endure cyclical economic fluctuations, realize sustainable development and capital appreciation, and maximize Shareholders' interests.

展望

展望二零二零年，中美第一階段貿易戰已於年初結束，美國同意將價值1,200億美元的中國貨品關稅減半至7.5%，並放棄其他計劃中的關稅，貿易壁壘的緊張狀態稍趨緩和。但年初爆發的新型冠狀病毒肺炎及中國政府相應採取的嚴格防控措施，延後了春節後製造業經營的復工，本集團預期二零二零年第一季度生產量及交付將受到一定影響。然而，本集團相信相關影響屬短暫性。本集團將密切注意情況發展，並適時調整其業務策略及採取對應措施，最大程度地減少對本集團截至二零二零年止年度整體產能及產出之影響。

差別化滌綸面料染色及加工為本集團發展重點。在嚴峻的經營環境下，有危便有機，本集團將繼續不斷進行研發新技術，致力於染色相關技術研發，憑借技術進步以擴充市場佔有率。本集團正積極尋找併購目標，務求進一步擴大業務規模及市場份額。同時，本集團將繼續加大環保投入以符合政策要求，保持大企業的競爭優勢。此外，RMAA服務發展平穩，並繼續開發更多公私營工程項目，以專業實力拓展市場份額。至於在物業投資板塊，除了本集團擁有的八個商務金融單位租金收入預計大幅提升之外，隨著永盛大廈正按照計劃逐步完工，預期二零二一年源自投資物業之收益將增加，計劃引入優質大企業長期租賃，為本集團帶來穩定收入貢獻。

本集團各個板塊將持續深挖不同市場，多元化其產品及客戶基礎，以擴大其市場份額。本集團一直積極尋求多元化之收入來源，以為股東帶來可觀回報。於二零二零年三月五日，本公司與獨立第三方就液壓系統相關項目的開發、投資、營運及管理達成意向書。更多詳情，請參閱本公司日期為二零二零年三月五日之公告。

本集團亦將持續研發新產品，貼近客戶需求，符合市場流行趨勢，儘管全球經濟環境變量大，憑借其多元化業務分佈及其技術進步，相信本集團能應對經濟週期波動的考驗，實踐可持續發展及資本增值，爭取股東利益最大化。

Financial Review
財務回顧

REVENUE AND GROSS PROFIT

The following table sets forth a breakdown of the Group's revenue and gross profit by the Group's business segment for the year ended 31 December 2019:

收益及毛利

下表載列本集團截至二零一九年十二月三十一日止年度內按本集團業務分部劃分的收益及毛利明細：

Revenue	收益	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Revenue change between 2019 and 2018 二零一九年與二零一八年間 收益變動
1. Production and trading of PFY (discontinued operations)	1.滌綸長絲生產與貿易（已終止業務）	**675,637**	473,760	42.61%
2. Dyeing and processing (continuing operations)	2.染色及加工（持續經營業務）	**198,545**	206,420	(3.82%)
3. RMAA services (2019 new businesses)	3. RMAA服務（二零一九年新增業務）	**107,570**	N/A 不適用	N/A 不適用
4. Property investment (2019 new businesses)	4.物業投資（二零一九年新增業務）	**424**	N/A 不適用	N/A 不適用
		982,176	680,180	44.40%

Revenue of the Group in 2019 was approximately RMB982.2 million, representing an increase of approximately 44.40% from approximately RMB680.2 million as compared with last year. The increase in revenue of the Group was mainly due to the revenue contribution from new products launched by the Group's PFY production segment and new revenue contribution from RMAA services since March 2019. The business segment of production and trading of PFY was disposed of since November.

本集團於二零一九年的收益約為人民幣982.2百萬元，較去年的約人民幣680.2百萬元增加約44.40%。本集團的收益增加主要是由於本集團的滌綸長絲生產板塊新產品對收入產生貢獻，以及自二零一九年三月RMAA服務的新收入貢獻。滌綸長絲生產與貿易業務板塊自十一月起出售。

Gross profit	毛利	2019 二零一九 RMB'000 人民幣千元	2018 二零一八 RMB'000 人民幣千元	Gross profit change between 2019 and 2018 二零一九年與二零一八年間毛利變動
1. Production and trading of PFY (discontinued operations)	1.滌綸長絲生產與貿易（已終止業務）	**143,447**	66,790	114.8%
2. Dyeing and processing (continuing operations)	2.染色及加工（持續經營業務）	**72,359**	89,987	(19.6%)
3. RMAA services (2019 new businesses)	3. RMAA服務（二零一九年新增業務）	**29,700**	N/A 不適用	N/A 不適用
4. Property investment (2019 new businesses)	4.物業投資（二零一九年新增業務）	**394**	N/A 不適用	N/A 不適用
		245,900	156,777	56.8%

Gross profit of the Group in 2019 was approximately RMB245.9 million, representing an increase of approximately 56.8% as compared with the same last year. The increase in revenue of the Group was mainly due to the net effects of the followings: (i) the new PFY products launched in the Period under Review had relatively high gross profit; and (ii) unit price of the Group's differentiated PFY dyeing services dropped significantly as a result of the increasing competition in the industry.

本集團於二零一九年的毛利約為人民幣245.9百萬元，較去年同期增加約56.8%。本集團收益增加原因主要為以下兩項的淨影響：(i)回顧期內推出的滌綸長絲新產品的毛利較高；及(ii)由於行業競爭日趨激烈，導致本集團的差別化滌綸長絲面料染色服務產品單價大幅下跌。

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses increased by approximately RMB8.8 million, representing an increase of approximately 81.9% for the Year under Review. The increase was mainly attributable to the increase in revenue and cost of warehousing and transportation.

銷售及分銷開支

於回顧年度，本集團的銷售及分銷開支增加約人民幣8.8百萬元，增幅約為81.9%。該增加乃主要由於收益增加及倉儲和運輸成本增加。

ADMINISTRATIVE EXPENSES

Administrative expenses increased by approximately 39.5% from RMB64.1 million, primarily due to the increase in legal and professional fees and also research and development costs.

行政開支

行政開支由約人民幣64.1百萬元增加約39.5%，主要由於法律及專業費用以及研發成本增加。

FINANCE COSTS

Finance costs increased by approximately 88.0% to RMB2.9 million, primarily due to the financing of properties investment.

融資成本

融資成本增加約88.0%至人民幣2.9百萬元，主要由於物業投資融資。

CASH FLOWS

現金流量

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net cash flows from operating activities	經營活動所得現金流量淨額	**163,426**	57,363
Net cash flows used in investing activities	投資活動所用現金流量淨額	**(237,787)**	(34,694)
Net cash flows from/(used in) financing activities	融資活動所得／(所用)現金流量淨額	**78,045**	(31,541)
Cash and cash equivalents at the end of the year	年末現金及現金等價物	**148,679**	144,573

For the year ended 31 December 2019, net cash generated from operating activities was approximately RMB163.4 million, representing a significant increase as compared with 2018, mainly due to the increase in operating profit from discontinued operations.

截至二零一九年十二月三十一日止年度，經營活動所得現金淨額為約人民幣163.4百萬元，較二零一八年大幅增加，乃主要是由於來自終止經營業務之經營利潤增加。

Compared with 2018, the cash flow used in investing activities increased significantly to approximately RMB237.8 million for the year ended 31 December 2019, which was mainly attributable to the funding used in the construction of Yongsheng Plaza.

較二零一八年，截至二零一九年十二月三十一日止年度，投資活動所用現金流量大幅增加至約人民幣237.8百萬元，乃主要是由於撥資建設永盛大廈。

Net cash generated from financing activities was approximately RMB78.0 million for the year ended 31 December 2019, mainly due to proceeds from additional bank loans during the Year.

截至二零一九年十二月三十一日止年度，融資活動所得現金淨額約為人民幣78.0百萬元，乃主要是由於年內新增銀行貸款的所得款項。

Liquidity and financial resources

流動資金及財務資源

As at 31 December 2019, the Group's cash and bank balances, including pledged deposits amounted to approximately RMB148.7 million (31 December 2018: approximately RMB147.3 million).

於二零一九年十二月三十一日，本金團的現金及銀行結餘(包括已抵押存款)約為人民幣148.7百萬元(二零一八年十二月三十一日：約人民幣147.3百萬元)。

As at 31 December 2019, the total bank borrowings of the Group was approximately RMB95.5 million (31 December 2018: approximately RMB37.7 million).

於二零一九年十二月三十一日，本金團的銀行借款總額約為人民幣95.5百萬元(二零一八年十二月三十一日：約人民幣37.7百萬元)。

As at 31 December 2019 and 2018, the Group's key financial ratio reflecting its liquidity and gearing level, were as follows:

於二零一九年及二零一八年十二月三十一日，本集團反映其流動資金及負債水平的關鍵財務比率如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current ratio	流動比率	**5.58**	2.96
Debt to equity ratio	負債與權益比率	**0.07**	0.07

Exposure to fluctuations in exchange rates and related hedge

The Group mainly operates in the Mainland China with most of the transactions settled in Renminbi ("**RMB**"), except for the business of provision of RMAA service as it is conducted in Hong Kong with the transaction settled in Hong Kong Dollars (HK$). The reporting currency of the Group is RMB.

The Group is exposed to minimal foreign currency exchange risk.

The Group's cash and bank deposits are predominantly in RMB. The Company will pay dividends in Hong Kong Dollars if any dividends are declared.

匯率波動風險及有關對沖

本集團主要於中國大陸經營業務，大部分交易以人民幣（「**人民幣**」）結算，惟提供RMAA服務業務除外，乃由於該業務於香港進行，故以港元結算。本集團的申報貨幣為人民幣。

本集團承受最低外匯風險。

本集團的現金及銀行存款主要以人民幣計值。倘宣派股息，本公司將以港元派付股息。

Employee benefits and remuneration policies

As at 31 December 2019, the Group had a total workforce of 600 employees, which included 325 employee from discontinued operation (31 December 2018: 579 employees). The employees of the Group were remunerated based on their experience, qualifications, the Group's performance and the prevailing market conditions.

During the Year under Review, staff costs (including Directors' remunerations and the salary of the employees from discontinued operations) amounted to approximately RMB89.3 million (31 December 2018: RMB70.3 million).

The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options may be granted to eligible staff based on individual's and the Group's performance.

The Group participated in the social insurance schemes operated by the relevant local government authorities, which include retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance.

The Group emphasizes on team building and the Group's success is dependent on the contribution of all employees.

員工福利及酬金政策

於二零一九年十二月三十一日，本集團共有600名僱員，當中包括來自已終止經營業務的325名僱員（二零一八年十二月三十一日：579名僱員）。本集團僱員的薪酬根據其經驗、資格、本集團表現及現行市場情況界定。

於回顧年度，員工成本（包括董事酬金及已終止業務僱員薪金）約為人民幣89.3百萬元（二零一八年十二月三十一日：人民幣70.3百萬元）。

本集團向其員工提供具競爭力的薪酬計劃。此外，本集團根據個人及本集團表現可向合資格員工提供酌情花紅及購股權。

本集團參與相關地方政府部門運營的社保計劃，涵蓋退休金、醫療保險、失業保險、工傷保險及生育保險。

本集團重視團隊建設及本集團的成功有賴於全體員工的貢獻。

Significant investments held as at 31 December 2018 and 2019

於二零一八年及二零一九年十二月三十一日持有的重大投資

Assets Manager 資產管理人	Custodian 託管人	Investment amount 投資額 RMB'000 人民幣千元	Agreement date 協議日期	Fair value at 31 December 2019 於二零一九年十二月三十一日的公平值 RMB'000 人民幣千元	Type of investment 投資類型
China Foreign Economy and Trade Trust Co., Ltd. 中國對外經濟貿易信託有限公司	Beijing Chaowai Street Sub-branch of China Merchant Bank Co., Ltd 招商銀行股份有限公司北京朝外大街支行	25,000	13 November 2019 二零一九年十一月十三日	25,181	1
Minsheng Wealth Management Co., Ltd. 民生財富投資管理有限公司	China Merchants Securities Co., Ltd. 招商證券股份有限公司	25,000	14 November 2019 二零一九年十一月十四日	25,230	1
Everbright Xinglong Trust Co., Ltd. 光大興隴信託有限責任公司	China Everbright Bank Co., Ltd., Beijing Branch 中國光大銀行股份有限公司北京分行	50,000	6 December 2019 二零一九年十二月六日	50,285	2
				100,696	

Significant investments held as at 31 December 2017 and 2018

於二零一七年及二零一八年十二月三十一日持有的重大投資

Assets Manager 資產管理人	Custodian 託管人	Investment amount 投資額 RMB'000 人民幣千元	Agreement date 協議日期	Fair value at 31 December 2018 於二零一八年十二月三十一日的公平值 RMB'000 人民幣千元	Type of investment 投資類型
Minsheng Wealth Management Co., Ltd. 民生財富投資管理有限公司	China Merchants Securities Co., Ltd. 招商證券股份有限公司	20,000	17 July 2018 二零一八年七月十七日	20,627	1
China Foreign Economy and Trade Trust Co., Ltd. 中國對外經濟貿易信託有限公司	Beijing Chaowai Street Sub-branch of China Merchant Bank Co., Ltd. 招商銀行股份有限公司北京朝外大街支行	46,150	17 July 2018 二零一八年七月十七日	47,507	2
				68,134	

Note:

Type 1 investment refers to (i) money market funds; (ii) bank deposits; (iii) money market wealth management products; (iv) money market trust plan; and (v) money market asset management products, etc..

Type 2 investment refers to (i) money market trusts; (ii) private investment funds; (iii) money market asset management products; (iv) bond repurchase; (v) money market funds; and (vi) bank deposits, etc..

Save as disclosed above, there were no significant investments held by the Company as at 31 December 2019.

附註：

第1類投資指(i)貨幣市場基金；(ii)銀行存款；(iii)貨幣市場類理財產品；(iv)貨幣市場類信託計劃；及(v)貨幣市場類資產管理產品等。

第2類投資指(i)貨幣市場類信託；(ii)私募投資基金；(iii)貨幣市場類資產管理產品；(iv)債券回購；(v)貨幣市場基金；及(vi)銀行存款等。

除上文所披露者外，於二零一九年十二月三十一日，本公司概無持有重大投資。

Directors and Senior Management
董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Li Cheng ("Mr. Li")

aged 57, is an executive Director and the chairman (the "**Chairman**") of the Board. Mr. Li is also the chairman of the nomination committee under the Board and one of the authorised representatives of the Company. Mr. Li has more than 30 years of experience in textile and trading industry, and is mainly responsible for overall business strategy and management of the Group. From August 1985 to May 1993, Mr. Li had been engaged in trading of textile products as a sole proprietorship. He worked as the general manager of Xiaoshan Yongsheng Trading Company from March 1993 to November 1997, and from November 1997 to June 1999, he assumed the role of general manager of Xiaoshan Yongsheng Chemical Fiber Company Limited (currently known as Hangzhou Yongsheng Group Limited, "**Yongsheng Group**"). He served as the general manager of Hangzhou Yongsheng Weaving Limited ("**Yongsheng Weaving**") from June 1999 to April 2003. Since 2003, Mr. Li has been appointed as a chairman of the board of directors of Yongsheng Group. Mr. Li has been a senior economist since October 2013. Since August 2014, Mr. Li has been a director of 杭州先臨三維科技股份有限公司(Hangzhou Shining 3D Tech Co. Ltd., NEEQ stock code: 830978), the shares of which were quoted on National Equities Exchange and Quotations ("**NEEQ**") of the PRC.

Mr. Li completed his professional study majoring in dyeing and processing engineering in Zhejiang Institute of Silk Textile (now known as Zhejiang Sci-Tech University) in July 1985. In March 2004, he completed a course on corporate director advanced business administration which was held by Ningbo Jianfeng Management Technology Research Centre. Between 2006 and 2012, Mr. Li had also completed various courses including the Senior Training Course on the Philosophy of New Technology and Enterprise Growth－Growth enterprise and the Senior Training Course on Financial Investment in Real Operations respectively offered by the school of humanities and the school of media of Zhejiang University, the Senior Training course for Business Administration Executives offered by Zhejiang Gongshang University, the training course for senior enterprise operators and managers in Hangzhou City on "356 Engineering Programme" in relation to investment, financing and capital operation training offered by Fudan University. Mr. Li was appointed as the deputy chairman of The Professional Committee of Zhejiang Province Privately-operated Economic Research Centre in December 2002. Mr. Li has completed the CEO Finance Program for China Enterprise in 2016, which was held by the Cheung Kong Graduate School of Business.

執行董事

李誠先生(「李先生」)

57歲，本公司執行董事兼董事會主席(「**主席**」)。李先生亦為董事會轄下提名委員會主席及本公司授權代表之一。李先生於紡織及貿易行業擁有超過30年經驗，主要負責本集團整體業務策略及管理。於一九八五年八月至一九九三年五月，李先生成立獨資企業，一直從事紡織品貿易。彼於一九九三年三月至一九九七年十一月擔任蕭山永盛貿易有限公司總經理，及於一九九七年十一月至一九九九年六月擔任蕭山市永盛化纖有限公司(現稱杭州永盛集團有限公司，「**永盛集團**」)總經理。自一九九九年六月至二零零三年四月，彼擔任杭州永盛紡織有限公司(「**永盛紡織**」)總經理。自二零零三年起，李先生一直擔任永盛集團董事會主席一職。李先生自二零一三年十月起獲授高級經濟師職稱。李先生自二零一四年八月起一直擔任杭州先臨三維科技股份有限公司董事，該公司股份於中國的全國中小企業股份轉讓系統(「**新三板**」)掛牌上市，股份編號：830978。

李先生於一九八五年七月於浙江絲綢工學院(現稱浙江理工大學)完成專業學習，主修染色及加工工藝。於二零零四年三月，彼修畢由寧波健峰管理技術研修中心開設的公司董事先進業務管理課程。李先生於二零零六年至二零一二年修畢多門課程，包括由浙江大學人文學院及傳媒學院開設的浙大新科技與企業成長之道－成長型企業高級研修班及金融投資實戰運營高級研修班、由浙江工商大學開設的工商管理總裁高級研修班，及由復旦大學開設的杭州市企業高級經營管理者培訓「356工程」投融資與資本運作研修班。於二零零二年十二月，李先生獲委任為浙江省民營經濟研究中心專業委員會副主任。李先生已於二零一六年修畢長江商學院的中國企業金融CEO課程。

Mr. Li has been elected as a representative of the Hangzhou City Xiaoshan District People's Congress of the PRC from December 2016. Mr. Li has been elected as a member of the Hangzhou City Xiaoshan District Committee of the Chinese People's Political Consultative Conference since May 2005 to December 2016. In November 2018, Mr. Li was elected as the vice president of first session of Hong Kong Hangzhou Chamber of Commerce. He was also elected as the chairman of the Hangzhou City Xiaoshan District Wenzhou Chamber of Commerce in July 2010, the vice-chairman of the Hangzhou City Xiaoshan District General Chamber of Commerce in December 2012, the standing council member and vice-chairman of the China Chemical Fiber Association in April 2012 and April 2015 respectively. In October 2008, Mr. Li was named the "Staff Caring Outstanding Entrepreneur" of Hangzhou City jointly awarded by the Federation of Trade Union of Hangzhou City and the Industry and Commerce Joint Committee of Hangzhou City. In February 2013, Mr. Li was awarded the "Outstanding Socialist Builder" for the years 2010—2012 by the Office of China Hangzhou City Xiaoshan District and The People's Government Office of Hangzhou City Xianshan District. Mr. Li is the uncle of Mr. Li Conghua, an executive Director.

李先生自二零一六年十二月起獲選為杭州市蕭山區人民代表大會代表。李先生自二零零五年五月至二零一六年十二月獲選為中國人民政治協商會議杭州市蕭山區委員會委員。李先生於二零一八年十一月獲選為香港杭州商會第一屆副會長。彼亦於二零一零年七月及二零一二年十二月分別獲選為杭州市蕭山區溫州商會會長及杭州市蕭山區總商會副會長，並分別於二零一二年四月及二零一五年四月獲選為中國化學纖維工業協會常務理事及副會長。於二零零八年十月，李先生獲杭州市總工會及杭州市工商業聯合會共同評選為杭州市「關愛員工優秀企業家」。彼亦於二零一三年二月獲中共杭州市蕭山區委辦公室及杭州市蕭山區人民政府辦公室評為二零一零至二零一二年度的「優秀社會主義事業建設者」。李先生為執行董事李聰華先生的叔叔。

Mr. Ma Qinghai ("Mr. Ma")

aged 45, is an executive Director and the general manager of the manufacturing division of Yongsheng Dyeing. Mr. Ma has more than twenty years of experience in the textile industry, and is mainly responsible for management and supervision of ordinary operation of the Group's dyeing business. Mr. Ma was the technical supervisor and workshop officer of Zhejiang Hongli Group Limited Printing and Dyeing Branch Company from August 1994 to February 2001. Mr. Ma held the position of domestic trading manager of Yongsheng Group from January 2002 to July 2005 and was previously a director of Yongsheng Group. Mr. Ma served as the vice factory director, factory director and deputy general manager of Yongsheng Dyeing from August 2005 to February 2008, and has held the general manager position of Yongsheng Dyeing since February 2008.

馬青海先生(「馬先生」)

45歲，執行董事兼永盛染整事業部總經理。馬先生於紡織業擁有超過20年經驗，主要負責管理及監督本集團印染業務的日常營運。馬先生於一九九四年八月至二零零一年二月擔任浙江紅利集團有限公司印染分公司技術指導兼車間主任。於二零零二年一月至二零零五年七月，馬先生擔任永盛集團國內銷售部部門經理及曾任永盛集團董事。於二零零五年八月至二零零八年二月，彼先後擔任永盛染整副廠長、廠長及副總經理，及自二零零八年二月起擔任永盛染整總經理。

In July 1994, Mr. Ma completed his professional study major in dyeing and processing in Zhejiang Province Common Intermediate Professional School. He completed the Senior Training Course for Chief Executive Officer of Growth Enterprise offered by the school of humanity of Zhejiang University in April 2007. He completed the course of Business Management from Donghua University in July 2015 and obtained his professional Diploma. Mr. Ma was awarded the "Progressive Individual of Xiaoshan Dongpian Printing, Dyeing and Chemical Industry Provincial Level Environmental Protection Key Regulatory Area Remediation Work" by the People's Government of Xiaoshan District of Hangzhou City in October 2007. Mr. Ma obtained the award of "Outstanding Contract Manager of Xiaoshan District" jointly offered by the Hangzhou Administration for Industry and Commerce Xiaoshan Branch and Hangzhou City Xiaoshan District Enterprise Contract Management Association in 2010.

馬先生於一九九四年七月於浙江省普通中等專業學校完成專業學習，主修染色及加工。彼於二零零七年四月修畢由浙江大學人文學院開設的成長型企業總裁高級研修班。彼亦於二零一五年七月於東華大學完成工商管理網絡教育課程，獲得大專文憑。馬先生於二零零七年十月獲杭州市蕭山區人民政府授予「蕭山東片印染染化行業省級環保重點監管區整治工作先進個人」稱號，並於二零一零年榮獲杭州市工滙商行政管理局蕭山分局及杭州市蕭山區企業合同管理協會聯合評選為「蕭山區優秀合同管理員」。

Mr. Li Conghua ("Mr. Li CH")

aged 46, is an executive Director. Mr. Li CH has more than 15 years of experience in the textile industry, and was mainly responsible for management and supervision of ordinary operation of the Group's trading business before the disposal of the trading business of textile-related products by the Group in May 2015. Mr. Li CH is currently responsible for conducting product market trend analysis. He worked as a chemical fiber materials salesperson in the chemical fiber department in Xiaoshan Yongsheng Trading Company Limited from June 1997 to December 2000, and worked as a department manager in chemical fiber department of Yongsheng Group from January 2000 to December 2004. Mr. Li CH has also completed the Senior Training Course for Chief Executive Officer of Growth Enterprise offered by Zhejiang University in January 2008. Mr. Li CH is the nephew of Mr. Li Cheng.

李聰華先生(「李聰華先生」)

46歲，執行董事。李聰華先生於紡織業擁有超過15年經驗，於二零一五年五月本集團出售紡織相關產品貿易業務之前，主要負責管理及監督本集團貿易業務的日常營運。李聰華先生目前負責產品市場趨勢分析。李聰華先生於一九九七年六月至二零零零年十二月擔任蕭山永盛貿易有限公司化纖部化纖材料銷售人員，及於二零零零年一月至二零零四年十二月擔任永盛集團化纖部部門經理。李聰華先生於二零零八年一月修畢由浙江大學開設的成長型企業總裁高級研修班。李聰華先生為李誠先生的侄子。

Mr. Xu Wensheng ("Mr. Xu")

aged 53, is an executive Director, has over 30 years of experience in the construction industry. He has joined the Group since 2016 and was the vice general manager of the construction project of Yongsheng Plaza, a building which is located at Xiaoshan Economic and Technological Development Zone, Hangzhou City, Zhejiang Province, the PRC. Prior to joining the Group, he was the general manager of each of Jiangsu Zhongkai Properties Development Limited*(江蘇中凱房地產發展有限公司) and Dalian Xinkongjian Properties Development Limited*(大連新空間房地產開發有限公司), which were companies established in the PRC and were principally engaged in property development. Mr. Xu obtained a bachelor's degree from the Nanjing Institute of Architectural Engineering*(南京建築工程學院)(currently known as Nanjing Tech University(南京工業大學)) in 1992.

徐文勝先生(「徐先生」)

53歲，執行董事，於建築行業有逾30年經驗。彼自二零一六年起加入本集團，曾任永盛大廈建築項目之副總經理，該樓宇位於中國浙江省杭州市蕭山經濟技術開發區。於加入本集團之前，彼曾分別擔任江蘇中凱房地產發展有限公司及大連新空間房地產開發有限公司之總經理，該等公司均於中國成立且主要從事物業發展。徐先生於一九九二年取得南京建築工程學院(現稱南京工業大學)之學士學位。

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

Ms. Wong Wai Ling ("Ms. Wong")

黃慧玲女士(「黃女士」)

aged 58, is an independent non-executive Director. She is also the chairlady of the audit committee and the remuneration committee under the Board. Ms. Wong has more than twenty-five years of experience in accounting and auditing, and mainly provides her independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company. She had worked in major international accounting firms and local accounting firms before she set up her own accounting firm in Hong Kong in 1993.

58歲,獨立非執行董事,亦為董事會轄下審核委員會主席及薪酬委員會主席。黃女士於會計及審計方面擁有超過25年經驗,主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。彼於一九九三年於香港成立會計師事務所前,曾於主要國際會計師事務所及本地會計師事務所任職。

Ms. Wong is an independent non-executive director and the chairperson of the audit committee of AVIC International Holdings Limited (Main Board stock code: 161). She is also an independent non-executive director and chairperson of the audit committee and remuneration committee of Overseas Chinese Town (Asia) Holdings Limited (Main Board stock code: 3366). Ms. Wong is a non-executive director of Hin Sang Group (International) Holding Co. Limited (Main Board stock code: 6893). Ms. Wong was an independent non-executive director of China Ruifeng Renewable Energy Holdings Limited (Main Board stock code: 527) between 16 May 2006 and 31 January 2019, an executive director of Tonking New Energy Group Holdings Limited (previously known as JC Group Holdings Limited) (GEM stock code: 8326) between 21 June 2013 and 18 October 2016, and an independent non-executive director of Glory Flame Holdings Limited (GEM stock code: 8059) between 2 August 2014 and 22 March 2016.

黃女士現為中航國際控股股份有限公司(主板股份代號:161)的獨立非執行董事及審核委員會主席。彼亦是華僑城(亞洲)控股有限公司(主板股份代號:3366)的獨立非執行董事及審核委員會及薪酬委員會主席。黃女士為衍生集團(國際)控股有限公司(主板股份代號:6893)的非執行董事。黃女士曾於二零零六年五月十六日至二零一九年一月三十一日期間擔任中國瑞風新能源控股有限公司(主板股份代號:527)獨立非執行董事,曾於二零一三年六月二十一日至二零一六年十月十八日期間擔任同景新能源集團控股有限公司(前稱JC Group Holdings Limited)(GEM股份代號:8326)的執行董事及曾於二零一四年八月二日至二零一六年三月二十二日期間擔任朝威控股有限公司(GEM股份代號:8059)的獨立非執行董事。

Ms. Wong obtained a Bachelor of Arts degree from University of Hong Kong in November 1983 and a postgraduate diploma in accounting and finance from the London School of Economics and Political Science, University of London, in the United Kingdom in July 1985. She has been registered as a Certified Public Accountant in Hong Kong since June 1991. Ms. Wong has become a fellow member of the Association of Chartered Certified Accountants ("**FCCA**") and a fellow member of Hong Kong Institute of Certified Public Accountants ("**FCPA**") since May 1995 and February 2001 respectively. Ms. Wong has been appointed as an independent non-executive Director since 7 November 2013.

黃女士於一九八三年十一月取得香港大學文學士學位,並於一九八五年七月於英國倫敦大學倫敦政治經濟學院取得會計金融學文憑。彼自一九九一年六月起註冊為香港執業會計師,並分別自一九九五年五月及二零零一年二月起成為英國特許公認會計師公會資深會員及香港會計師公會資深會員。黃女士自二零一三年十一月七日起獲委任為獨立非執行董事。

Mr. Shiping James Wang ("Mr. Wang")

aged 59, is an independent non-executive Director. He is also a member of the audit committee and the nomination committee under the Board. Mr. Wang mainly provides his independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company. Mr. Wang was the Foreign General Legal Counsel of Zhongxin Law Firm Shanghai Branch from July 2009 to March 2013 and has been the Foreign General Legal Counsel of Shanghai Hanyuan Law Firm since June 2013.

Mr. Wang obtained a master degree of science in biochemical engineering from Massachusetts Institute of Technology in May 1988. He completed his Juris Doctor in Seton Hall Law School in June 1994. Mr. Wang was admitted as an attorney at law in the Supreme Court of New Jersey and the US District Court for the District of New Jersey in December 1994. Mr. Wang has been appointed as an independent non-executive Director since 7 November 2013.

王世平先生(「王先生」)

59歲,獨立非執行董事,亦為董事會轄下審核委員會及提名委員會成員。王先生主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。王先生於二零零九年七月至二零一三年三月擔任眾鑫律師事務所上海分所國外法律總顧問,並自二零一三年六月起擔任上海瀚元律師事務所國外法律總顧問。

王先生於一九八八年五月於麻省理工學院取得生化工程專業理學碩士學位,及於一九九四年六月取得Seton Hall法學院法律博士學位。彼於一九九四年十二月取得新澤西州高等法院及新澤西州聯邦地區法院律師資格。王先生自二零一三年十一月七日起獲委任為獨立非執行董事。

Dr. Wang Huaping ("Dr. Wang")

aged 54, is an independent non-executive Director. He is also a member of the audit committee, the remuneration committee and the nomination committee under the Board. Dr. Wang mainly provides his independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company.

Dr. Wang has been serving as a professor and a doctoral advisor in the Faculty of Materials Science and Engineering of Donghua University since October 2002, and has been the associate dean of the Research Institute of Donghua University since 2011. Dr. Wang is renowned for his research in nanomaterials for fiber forming and polymer-based nanocomposite fibers, spinning forming theory and processing technology, systems of new clean production: ionic liquid/fiber-forming polymer and has published a number of papers on those topics.

Dr. Wang is an independent director of Jiangsu Jiangnan High Polymer Fiber Co. Ltd, a company which is listed on the Shanghai Stock Exchange (stock code: 600527) and Yiwu Huading Polyamide Fibre Co. Limited, a company which is listed on the Shanghai Stock Exchange (stock code: 601113). Dr. Wang was an independent director of Zhejiang Unifull Industrial Fiber Co., Ltd, a company which is listed on the Shenzhen Stock Exchange (stock code: 002427), and resigned on 4 January 2017.

王華平博士(「王博士」)

54歲,獨立非執行董事,亦為董事會轄下審核委員會、薪酬委員會及提名委員會成員。王博士主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。

王博士自二零零二年十月起出任東華大學材料科學與工程學院教授及博士研究生導師,及自二零一一年起出任東華大學研究院副院長。王博士於成纖納米材料及聚合納米複合材料纖維、旋壓成形理論及加工技術、新清潔生產系統:離子溶液/成纖聚合物等研究方面享負盛名,並且曾就該等課題發表多篇論文。

王博士現為江蘇江南高纖維股份有限公司(上海證券交易所上市的公司,股份代號:600527)及義烏華鼎錦綸股份有限公司(上海證券交易所上市的公司,股份代號:601113)的獨立董事。王博士曾擔任浙江尤夫高新纖維股份有限公司(深圳證券交易所上市的公司,股份代號:002427)的獨立董事,並於二零一七年一月四日辭任。

Dr. Wang obtained a doctorate degree from the Faculty of Materials Science and Engineering of Donghua University in March 2002. From January 1989 to March 1992, Dr. Wang was employed by the China Textile University (currently known as Donghua University) as a trainee researcher from March 1992 to September 1995, Dr. Wang worked at Donghua University as an officer of the Technology Laboratory of Chemical Fiber Engineering Research Centre. Dr. Wang served as an assistant researcher, a deputy officer, an officer, and an associate researcher in the Faculty of Materials Science and Engineering from March 1992 to September 2002. Dr. Wang was appointed as the associate dean of the Faculty of Materials Science and Engineering from November 2004 to April 2010. Since September 2008, Dr. Wang has been a director of the Institute for Engineering Research Center of Advanced Glass Manufacturing Technology.

王博士於二零零二年三月取得東華大學材料科學與工程學院博士學位。於一九八九年一月至一九九二年三月，王博士擔任中國紡織大學（現稱東華大學）實習研究員及於一九九二年三月至一九九五年九月，王博士出任東華大學化纖工程研究中心工藝研究室主任。彼於一九九二年三月至二零零二年九月先後擔任材料科學與工程學院助理研究員、副主任、主任及副研究員，及於二零零四年十一月至二零一零年四月出任東華大學材料科學與工程學院副院長。彼自二零零八年九月起出任高性能纖維及製品教育部重點實驗室主任。

Dr. Wang is the deputy director of the Gaoxin Fibers Professional Committee of China Chemical Fibers Association, the deputy director of Fibers Professional Committee of China Textile Engineering Society, deputy director of Fibers Professional Committee of Shanghai Textile Engineering Society, the deputy director of Industrial Standard Committee of China Chemical Fibers Association, a committee member of Expertise Committee of China Nonwovens & Industrial Textiles Association, the expert of the Textile Industry Division of the National Development and Reform Commission, a committee member of Technical Committee of the Engineering Research Centre of the Textile Equipment of the Ministry of Education and the deputy director of the Editorial Committee of China Synthetic Fiber Industry. Dr. Wang has been appointed as an independent non-executive Director since 19 August 2014.

王博士為中國化學纖維工業協會高新技術纖維專業委員會副主任、中國紡織工程學會化纖專業委員會副主任、上海市紡織工程學會化纖專業委員會副主任、中國化學纖維工業協會標準化工作委員會副主任委員、中國產業用紡織品行業協會專家委員會委員、國家發改委產業司輕紡工業專家、紡織裝備教育部工程研究中心技術委員會委員及《合成纖維工業》編委會副主任委員。王博士自二零一四年八月十九日起獲委任為獨立非執行董事。

Please refer to the section headed "Directors' and chief executive's interest and short positions in shares, underlying shares and debentures" under the "Report of the Directors" of this annual report for details of interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations held by the Directors and chief executive of the Company.

有關董事及本公司主要行政人員於本公司及其任何相聯法團之股份、相關股份及債權證中持有的權益或淡倉詳情，請參閱本年報「董事會報告」項下「董事及最高行政人員於股份、相關股份及債權證的權益及淡倉」一節。

SENIOR MANAGEMENT

Mr. Feng Hao ("Mr. Feng")

aged 37, is the head of finance department of the Group, and is mainly responsible for financial reporting and treasury management for the Group. Mr. Feng has more than 10 years of experience in accounting and financial reporting. Mr. Feng joined Yongsheng Group in September 2018. He was the financial director of Raffles Resources (Shanghai) Limited from October 2010 to August 2018. He also had been the vice general manager in Raffles Resources (Shanghai) Limited from March 2016 to August 2018.

Mr. Feng completed his bachelor degree majoring in Communication Engineering from East China Normal University in June 2006. He further obtained a master degree of professional accounting and a master degree of commerce from Deakin University in June 2010.

Mr. Liu Chun Kwok ("Mr. Liu")

aged 43, is a director and general manager of Widely Construction & Engineering Limited, a subsidiary of the Company. He is mainly responsible for supervising the overall business strategies and major business decisions of the Widely Construction & Engineering Limited, a subsidiary of the Company. Mr. Liu obtained a science bachelor degree in construction engineering and management from Hong Kong Polytechnic University in 2013. Mr. Liu has over 18 years of experience in the building maintenance engineering industry. He served as a project manager in several construction engineering companies. Mr. Liu has extensive experience in planning, operation and management of maintenance projects with different sizes and natures. He found Widely Construction & Engineering Limited in March 2009.

高級管理層

馮昊先生(「馮先生」)

37歲,為本集團財務部總監,主要負責本集團的財務申報及庫務管理。馮先生於會計及財務申報方面擁有逾10年經驗。馮先生於二零一八年九月加盟永盛集團。彼於二零一零年十月至二零一八年八月擔任Raffles Resources (Shanghai) Limited之財務總監。彼亦於二零一六年三月至二零一八年八月擔任Raffles Resources (Shanghai) Limited之副總經理。

馮先生於二零一六年六月完成其於華東師範大學通信工程專業學士學位。彼於二零一零年六月進一步獲迪肯大學專業會計碩士學位及商務碩士學位。

廖鎮國(「廖先生」)

43歲,偉利建築工程有限公司(本公司之一間附屬公司)的董事兼總經理,主要負責監督偉利建築工程有限公司(本公司之一間附屬公司)的整體業務策略及主要業務決策。廖先生在2013年於香港理工大學獲頒建築工程及管理學理學士學位。廖先生於大廈維修工程行業累積逾18年經驗,曾於數間建築工程公司擔任項目經理,於策劃、營運及管理不同規模及性質的維修項目方面擁有豐富經驗,並於2009年3月成立偉利建築工程有限公司。

Mr. Chung, Kwok Mo John ("Mr. Chung")

aged 51, holds a Bachelor of Economics degree from Macquarie University, Australia in 1992 and is also a member of Hong Kong Institute of Certified Public Accountants and CPA Australia, with over 20 years of experience in auditing, financial management and corporate finance. Mr. Chung was an auditor in Arthur Andersen (an international accounting firm) from 1992 to 1999. From 2000, Mr. Chung had held several senior management positions, including chief financial officer, executive director and independent non-executive director, in a number of listed companies in Hong Kong.

Mr. Chung has joined the Group as a vice president of the Company since February 2018. Currently, he is also an independent non-executive director of each of the following listed companies on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"):

- B & S International Holdings Ltd. (Main Board stock code: 1705)
- YTO Express (International) Holdings Limited (Main Board stock code: 6123)
- BYD Electronic (International) Company Limited (Main Board stock code: 285)
- Zhengye International Holdings Company Limited (Main Board stock code: 3363)
- Tokyo Chuo Auction Holdings Limited (Main Board stock code: 1939)

鍾國武先生(「鍾先生」)

51歲,鍾先生於一九九二年取得澳洲麥覺理大學經濟學學士學位,彼亦為香港會計師公會及澳洲會計師公會會員,在審計、財務管理及企業融資方面擁有逾20年經驗。鍾先生於一九九二年至一九九九年出任安達信(一家國際會計師事務所)的審計師,自二零零零年起,鍾先生曾於多家香港上市公司出任多個高級管理層職位,包括首席財務官、執行董事及獨立非執行董事。

鍾先生自二零一八年二月起加入本集團擔任本公司副總裁。目前,鍾先生亦於以下各香港聯合交易所有限公司(「**聯交所**」)上市公司擔任獨立非執行董事:

- 賓仕國際控股有限公司(主板股份代號:1705)
- 圓通速遞(國際)控股有限公司(主板股份代號:6123)
- 比亞迪電子(國際)有限公司(主板股份代號:285)
- 正業國際控股有限公司(主板股份代號:3363)
- 東京中央拍賣控股有限公司(股份代號:1939)

Mr. Li Wenhua

Aged 49, is the director and the general manager of Yongsheng construction project. Mr. Li Wenhua has more than 15 years of experience in the commercial properties investment development industry, and is mainly responsible for managing the Company's daily operations, supervising project engineering and investment promotion. From 1996 to 2005, Mr. Li Wenhua was responsible for the Company's sales work in Hangzhou Yongsheng Group Limited. He worked as the vice general manager of Zhejiang Yongsha Real Estate Development Co., Ltd. from 2006 to 2011. He assumed the role of general manager of Tongxiang Yonghua Commercial Operation Management Co., Ltd. from 2012 to 2019. And since 2019, he served as the general manager of Yonghao Investment Management Co., Ltd..

李文華先生(「李先生」)

49歲,永盛建築項目董事兼總經理。李文華先生在商業房地產投資開發行業有超過15年的經驗,主要負責管理公司日常運營,監督項目工程和招商工作。李文華先生於一九九六年至二零零五年在杭州永盛集團有限公司負責公司的銷售工作,於二零零六年至二零一一年在浙江永廈房地產開發有限公司擔任副總經理,於二零一二年至二零一九年在桐鄉永華商業經營管理有限公司擔任總經理職務,及自二零一九年起擔任永浩投資管理有限公司總經理。

Ms. Yeung Wing Kwan ("Ms. Yeung")

Aged 37, is the Company Secretary of the Company. Ms. Yeung is an associate member of The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. She obtained a bachelor degree in commerce from The University of Sydney and a master degree in corporate governance from the Hong Kong Polytechnic University. She has over 10 years of company secretarial experience in listed companies in Hong Kong. Ms. Yeung was the company secretary of China Daye Non-Ferrous Metals Mining Limited (stock code: 661), a company listed on the Main Board of the Stock Exchange, from September 2012 to August 2015.

楊穎筠女士(「楊女士」)

37歲,本公司公司秘書,楊女士為英國特許秘書及行政人員學會及香港特許秘書公會會員。彼取得悉尼大學商業學士學位及香港理工大學的企業管治碩士學位。彼於香港上市公司擁有逾10年公司秘書經驗。於二零一二年九月至二零一五年八月,楊女士於聯交所主板上市公司中國大冶有色金屬礦業有限公司(股份代號:661)擔任公司秘書。

Corporate Governance Report
企業管治報告

The Company was committed to achieving and maintaining high standards of corporate governance, the principles of which serve to uphold transparency, accountability and independence in all aspects of business and endeavour to ensure that affairs are conducted in accordance with applicable laws and regulations.

本公司致力達致及維持高水平的企業管治，其原則旨在於各個業務方面維持透明度、問責性及獨立性，並努力確保一切事務均按照適用的法律及法規進行。

CORPORATE GOVERNANCE CODE

The Group's corporate governance practices are based on the Corporate Governance Code (the "**Code**") set out in Appendix 14 to Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). During the Period under Review, the Board considered that the Company had complied with the Code.

The Board will periodically review the Company's current corporate practices and procedures and will maintain and further enhance the standard of corporate governance practices of the Company, in order to ensure it is in line with international and local best practices and maximise the interests of the Shareholders, investors, employees, business partners and the public as a whole.

企業管治守則

本集團的企業管治常規乃以聯交所證券上市規則(「**上市規則**」)附錄14所載的企業管治守則(「**守則**」)為基準。於回顧期內，董事會認為本公司一直遵守守則。

董事會將定期檢討本公司現時的企業慣例和程序，並會維持及進一步提升本公司的企業管治常規水平，以確保其符合國際和本地最佳慣例，及盡量提升股東、投資者、僱員、業務夥伴及公眾的整體利益。

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"). Specific enquiry has been made to all the Directors and the Directors have confirmed that they had complied with the Model Code and such code of conduct during the Period under Review.

董事進行證券交易的操守守則

本公司已採納有關董事進行證券交易的操守守則，其條款不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「**標準守則**」)所載的規定標準。本公司已向全體董事作出具體查詢，而各董事已確認彼等於回顧期內一直遵守標準守則及有關操守準則。

THE BOARD OF DIRECTORS

董事會

Composition of the Board

董事會的組成

The Board has a balance of skills and experience appropriate for the requirements of the Group's business. The Board includes a balanced composition of executive and independent non-executive Directors so that independent judgement can be effectively exercised.

董事會具備本集團業務所需的適當平衡的技能及經驗。董事會包括執行董事及獨立非執行董事的均衡組成，可更有效地行使獨立判斷。

During the Period under Review and as at the date of this annual report, the Board comprised four executive Directors and three independent non-executive Directors as follows:

於回顧期內及本年報日期，董事會由以下四名執行董事及三名獨立非執行董事組成：

Name of Director	董事姓名
Executive Director	**執行董事**
Mr. Li Cheng *(Chairman)*	李誠先生*（主席）*
Mr. Zhao Jidong *(Chief Executive Officer)* (resigned on 29 November 2019)	趙繼東先生*（行政總裁）*（於二零一九年十一月二十九日辭任）
Mr. Li Conghua	李聰華先生
Mr. Ma Qinghai	馬青海先生
Mr. Xu Wensheng (appointed on 29 November 2019)	徐文勝先生（於二零一九年十一月二十九日獲委任）
Independent non-executive Director	**獨立非執行董事**
Ms. Wong Wai Ling	黃慧玲女士
Mr. Shiping James Wang	王世平先生
Dr. Wang Huaping	王華平博士

The brief biographical details of and relationships among the existing Directors are set out in the section headed "Directors and Senior Management" on pages 20 to 28. Save as disclosed under the section headed "Directors and Senior Management" of this annual report, there is no financial, business, family or other material or relevant relationship among Board members and in particular, between the Chairman and the CEO.

現有董事的簡歷詳情及彼等之間的關係載於第20頁至第28頁「董事及高級管理層」一節。除本年報「董事及高級管理層」一節所披露者外，董事會成員之間，尤其是主席及行政總裁之間，概無任何財務、業務、家族或其他重大或相關關係。

During the Period under Review, the Board maintained a high level of independence, with more than one-third of the Board comprised of independent non-executive Directors, who had exercised independent judgement. The independent non-executive Directors are expressly identified in all corporate communications whenever the names of the Directors are disclosed.

於回顧期內，董事會中超過三分之一成員由獨立非執行董事組成，彼等已行使獨立判斷及維持高水平的獨立性。於所有披露董事姓名的公司通訊中，獨立非執行董事乃獲明確識別。

The Company has received from each independent non-executive Director an annual confirmation of his or her independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. Based on the confirmations received, the Company considers all independent non-executive Directors satisfied the requirement of independence under the Listing Rules.

本公司已收到各獨立非執行董事根據上市規則第3.13條所載的獨立性指引發出的年度獨立性確認書。根據所獲取的確認書，本公司認為全體獨立非執行董事均符合上市規則有關獨立性的規定。

Board meetings and general meetings

董事會會議及股東大會

Board meetings are held regularly. In addition to regular meetings, meetings are held as and when necessary under particular circumstances. During the Period under Review, the Board meetings were held. The Directors attended the meetings in person or by telephone in accordance with the articles of association of the Company (the "**Articles of Association**").

董事會定期召開會議。本公司除例會外，亦於有需要的特定情況下召開會議。於回顧期內，已舉行董事會會議。根據本公司之組織章程細則(「**組織章程細則**」)，董事親自或通過電話參加會議。

A record of the Directors' attendance at the Board meetings and the general meetings held during the Period under Review is set out as follows:

董事出席於回顧期內舉行的董事會會議及股東大會的記錄載列如下：

		Attendance/ Number of Board meetings held 出席次數／所舉行董事會會議次數	Attendance/ Number of general meetings held 出席次數／所舉行股東大會次數
Executive Directors	**執行董事**		
Mr. Li Cheng	李誠先生	9/9	2/2
Mr. Zhao Jidong (resigned on 29 November 2019)	趙繼東先生(於二零一九年十一月二十九日辭任)	9/9	2/2
Mr. Li Conghua	李聰華先生	9/9	2/2
Mr. Ma Qinghai	馬青海先生	9/9	2/2
Mr. Xu Wensheng (appointed on 29 November 2019)	徐文勝先生(於二零一九年十一月二十九日獲委任)	0/0	0/0
Independent non-executive Directors	**獨立非執行董事**		
Ms. Wong Wai Ling	黃慧玲女士	8/9	2/2
Mr. Shiping James Wang	王世平先生	9/9	2/2
Dr. Wang Huaping	王華平博士	7/9	2/2

Mr. Xu Wensheng is appointed on 29 November 2019. Therefore he is not entitled to attend any board meeting and general meeting before 29 November 2019.

徐文勝先生於二零一九年十一月二十九日獲委任。因此，於二零一九年十一月二十九日前，彼并無權出席任何董事會會議及股東大會。

The annual general meeting ("**AGM**") of the Company were held on 27 May 2019. Our forthcoming AGM will be held on 29 May 2020. Our Directors, chief financial officer and company secretary and other senior executives of the Company will attend the AGM together with our external auditors to answer any questions from the Shareholders. All Directors treasure the opportunity to canvass the views of the Shareholders at the AGM held annually.

本公司的股東週年大會(「**股東週年大會**」)於二零一九年五月二十七日舉行。本公司應屆股東週年大會將於二零二零年五月二十九日舉行。本公司董事、財務總監及公司秘書以及其他高級行政人員連同本公司外聘核數師將出席股東週年大會,並回答股東的任何提問。全體董事均重視於每年舉行的股東週年大會上徵詢股東意見的機會。

Board responsibilities and delegation

董事會責任及授權

The Board is collectively responsible for overseeing the management of the business and affairs of the Group. The Board meets regularly to discuss the overall strategies as well as operational and financial performances of the Group. Certain matters are reserved for decisions by the Board, including matters relating to: (i) the formulation of the Group's overall strategy and directions; (ii) any material conflict of interest of substantial Shareholders of the Company or Directors; (iii) approval of the Group's annual results, annual budgets, interim results and other significant operational and financial transactions; (iv) changes to the Company's capital structure; and (v) major appointments to the Board. The Board has delegated the day-to-day management, administration and operation of the Group and implementation and execution of policies and strategies decided by the Board to the executive Directors and management of the Company.

董事會共同負責監督本集團業務及事務之管理工作。董事會定期會面,討論本集團整體策略以及營運與財務表現。董事會決定的若干事項包括有關(i)制定本集團整體策略及方向; (ii)本公司主要股東或董事之任何重大利益衝突;(iii)批准本集團年度業績、年度預算、中期業績及其他重大營運與財務交易; (iv)更改本公司之股本結構;及(v)就董事會作出重大委任之事項。董事會已授權本公司執行董事及管理層負責管理本集團之日常管理、行政及營運,並實施及執行董事會決定之政策及策略。

The Board is also responsible for performing corporate governance duties including risk management, internal controls, those under D.3.1 of the Corporate Governance Code and relevant compliance issues relating to the business operation of the Group.

董事會亦將負責執行企業管治職責,包括企業管治守則第D.3.1條之風險管理、內部監控及關乎本集團業務營運的有關合規事宜。

The Board reviews and monitors the training and continuous professional development of directors and senior managers; develops, reviews and monitors the code of conduct and compliance manual applicable to employees and Directors.

董事會審閱及監督董事及高級經理的培訓情況及持續專業發展,完善、檢討及監察適用於僱員及董事的行為守則及合規手冊。

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The Directors collectively bring a variety of experience and expertise to the Company.

董事會的成員各有所長,而每名董事對於本集團所從事業務均具備充分行業知識、豐富的企業及策略規劃經驗及/或專門技術。全體董事均能為本公司帶來不同的經驗及專門技術。

Appointment, re-election and removal of Directors

The Company has established the nomination committee under the Board (the "**Nomination Committee**") on 7 November 2013. The Nomination Committee has from time to time identified individuals suitably qualified to become Board members and make recommendations to the Board. The main consideration in selecting candidates for directorships is whether their characters, qualifications and experience are appropriate for the businesses of the Group.

Each of the independent non-executive Directors has entered into a service contract for a term of 3 years which may be terminated by either party giving to the other party at least 3 months' prior written notice. All independent non-executive Directors are subject to rotation and re-election at the AGM in accordance with the Articles of Association.

In accordance with Article 108(a) of the Articles of Association, at each AGM, at least 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 at an annual general meeting at least once every three years. All such retiring Directors, being eligible, may offer themselves for re-election. Accordingly, Mr. Li Conghua, Ms. Wong Wai Ling and Dr. Wang Huaping will retire from office as Directors, being eligible, and will offer themselves for re-election at the forthcoming AGM.

In accordance with Article 112 of the Articles of Association, any Director appointed to fill a causal vacancy on the Board shall hold office until the next annual general meeting and shall there be eligible for re-election. Accordingly, Mr. Xu Wensheng, who were appointed under Article 111 as an addition to the Board, shall hold office until the forthcoming annual general meeting and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

董事的委任、重選及罷免

本公司已於二零一三年十一月七日成立董事會轄下的提名委員會(「**提名委員會**」)。提名委員會不時物色具備合適資格出任董事會成員的候選人,並向董事會作出推薦建議。挑選候選董事候選人的主要考慮在於其性格、資歷及經驗是否適合本集團的業務。

各獨立非執行董事已訂立為期三年的服務合約,並可由一方向另一方發出最少三個月的書面通知予以終止。所有獨立非執行董事均須按照組織章程細則於股東週年大會上輪席退任及膺選連任。

根據組織章程細則第108(a)條,於每屆股東週年大會上,當時最少三分之一董事(或倘人數並非三(3)的倍數,則為最接近但不少於三分之一的人數)將輪席退任,惟每位董事須最少每三年於股東週年大會上退任一次。所有符合資格的有關退任董事可膺選連任。因此,李聰華先生、黃慧玲女士及王華平博士將於應屆股東週年大會上退任董事職務,並符合資格且願意膺選連任。

根據組織章程細則第112條,由董事會委任以填補臨時空缺的任何董事任期僅直至下屆股東週年大會,並有資格重選。因此,根據第111條獲委任加入董事會的徐文勝先生任期僅直至即將舉行的股東週年大會,並有資格於應屆股東週年大會上膺選連任。

Insurance of the directors and officers

The Company has arranged liability insurance for the Directors and officers of the Group in respect of legal action against them which is in compliance with code provision A.1.8 of the Code.

董事及高級人員的保險

本公司已遵守守則的守則條文第A.1.8條，就針對董事及本集團高級人員的法律訴訟投購董事及高級人員責任保險。

Induction and continuous professional development

Newly appointed Directors will receive guideline and reference materials to enable them to familiarise with the Group's business operations and Board's policies. The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development. Each Director is briefed and updated from time to time to ensure that he is fully aware of his responsibilities under the Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. All the Directors also understand the importance of continuous professional development and are committed to participating in any suitable training to develop and refresh their knowledge and skills. According to the records provided by the Directors, a summary of training received by the Directors during the Period under Review is set out below:

入職簡報及持續專業發展

新委任董事將獲發指引及參考資料，以便其熟識本集團業務運作及董事會政策。本公司致力為全體董事的持續專業發展向彼等安排及資助適當的培訓。各董事不時獲簡介及更新最新發展，以確保其充分知悉其於上市規則及適用法例及監管規定以及本集團管治政策項下的責任。全體董事亦明白持續專業發展的重要性，並致力參與任何合適的培訓，以發展及更新彼等的知識與技能。按董事提供的記錄，董事於回顧期內所接受的培訓概要載列如下：

		Types of continuous professional development programmes 持續專業發展課程類型
Executive Directors	**執行董事**	
Mr. Li Cheng	李誠先生	1
Mr. Zhao Jidong (resigned on 29 November 2019)	趙繼東先生（於二零一九年十一月二十九日辭任）	1
Mr. Li Conghua	李聰華先生	1
Mr. Ma Qinghai	馬青海先生	1
Mr. Xu Wensheng (appointed on 29 November 2019)	徐文勝先生（於二零一九年十一月二十九日獲委任）	0
Independent non-executive Directors	**獨立非執行董事**	
Ms. Wong Wai Ling	黃慧玲女士	1
Mr. Shiping James Wang	王世平先生	1
Dr. Wang Huaping	王華平博士	1

Note:

1. Read relevant materials of workshops/internal trainings/updates on the Listing Rules and other applicable regulations.

附註：

1. 閱讀研討會／內部培訓提供有關上市規則及其他適用法規的更新資料。

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to three Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee, details of which are as follows:

董事委員會

為協助董事會履行職責，董事會已將特定職能委派予三個董事委員會，即審核委員會、提名委員會及薪酬委員會，詳情載列如下：

Name of Director	董事姓名	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
Executive Director	**執行董事**			
Mr. Li Cheng (Chairman)	李誠先生（主席）		Chairman 主席	Member 成員
Mr. Zhao Jidong (resigned on 29 November 2019)	趙繼東先生（於二零一九年十一月二十九日辭任）			
Mr. Li Conghua	李聰華先生			
Mr. Ma Qinghai	馬青海先生			
Mr. Xu Wensheng (appointed on 29 November 2019)	徐文勝先生（於二零一九年十一月二十九日獲委任）			Member 成員
Independent Non-Executive Director	**獨立非執行董事**			
Ms. Wong Wai Ling	黃慧玲女士	Chairlady 主席		Chairlady 主席
Mr. Shiping James Wang	王世平先生	Member 成員	Member 成員	
Dr. Wang Huaping	王華平博士	Member 成員	Member 成員	Member 成員

AUDIT COMMITTEE

The audit committee under the Board (the "**Audit Committee**") currently consists of three independent non-executive Directors. The primary duties of the Audit Committee are to review the Company's financial information, review and supervise the Company's financial reporting process and internal control procedures, nominate and monitor external auditors and provide advice and comments to the Board. The Audit Committee is established with specific terms of references which deal clearly with the committee's authority and duties and are available on the website of the Stock Exchange and the Company.

The principal duties of the Audit Committee include monitoring the integrity of the financial statements of the Company, reviewing the effectiveness of Company's internal control (including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget) and risk management systems as delegated by the Board, and making recommendations to the Board on the appointment and engagement of the external auditor for the audit and non-audit services. The Audit Committee is provided with sufficient resources enabling it to discharge its duties.

There were three meetings held during the Period under Review and the attendance by each committee member is set out below:

審核委員會

董事會轄下的審核委員會(「**審核委員會**」)現由三位獨立非執行董事組成。審核委員會的主要職責是審閱本公司的財務資料,檢討及督管本公司的財務申報流程及內部監控程序、提名及監察外聘核數師以及向董事會提供意見及評論。審核委員會訂明具體職權範圍,清楚說明委員會的職權和責任,並刊載於聯交所及本公司網站。

審核委員會的主要職責包括董事會所委派的監察本公司財務報表的完整性、審查本公司內部監控(包括資源充足性、本公司會計及財務報告職能人員的資質及經驗、以及彼等的培訓計劃及有關預算)及風險管理制度的有效性、以及就委任及聘用提供審核及非審核服務的外部核數師向董事會提供建議。審核委員會獲提供足夠資源,以令其可履行職責。

於回顧期內,舉行了三次會議,每位委員會成員的出席情況載列如下:

Members of the Audit Committee	審核委員會成員	Attendance/ Number of meetings 出席次數/會議次數
Ms. Wong Wai Ling *(Chairlady)*	黃慧玲女士(*主席*)	3/3
Mr. Shiping James Wang	王世平先生	3/3
Dr. Wang Huaping	王華平博士	3/3

During the Period under Review, the Audit Committee discussed and reviewed the interim and final results of the Group and certain other businesses. The effectiveness of the Company's internal control was also discussed at the meetings. The Audit Committee has also reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls, risk management and financial reporting matters including a review of the interim report, annual report and the final result of the Group for the financial year ended 31 December 2019. The Group's final results for the financial year ended 31 December 2019 has been reviewed by the Audit Committee before submission to the Board for approval.

於回顧期內,審核委員會討論及審閱本集團的中期及末期業績以及若干其他事宜。本公司亦於該等會議上討論內部監控的成效。審核委員會亦已與管理層檢討本集團所採納的會計原則及慣例,並討論內部監控、風險管理及財務申報事宜,包括審閱本集團的中期報告、截至二零一九年十二月三十一日止財政年度的年報及末期業績。本集團於截至二零一九年十二月三十一日止財政年度的末期業績於提交董事會審批前,已由審核委員會審閱。

The Audit Committee has also reviewed this annual report, and confirmed that this annual report complies with the Listing Rules. In the opinion of the Audit Committee, there are no material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors.

審核委員會亦已審閱本年報，並確認本年報符合上市規則的規定。審核委員會認為，並無有關可能對本集團的持續經營能力構成重大疑問的事件或狀況的重大不明朗因素。董事會與審核委員會在外聘核數師的甄選、委任、辭任或罷免方面並無意見分歧。

Auditors' remuneration

核數師酬金

The Group's external auditors is Ernst & Young. The remuneration paid or payable to the external auditors of the Group for the year ended 31 December 2019 comprised fees for audit services of approximately RMB1,250,000 (2018: RMB950,000). During the year ended 31 December 2019, there was no non-audit service provided by the Group's external auditors.

本集團的外聘核數師為安永會計師事務所。本集團於截至二零一九年十二月三十一日止年度已付或應付外聘核數師的薪酬包括審核服務費用約人民幣1,250,000元（二零一八年：人民幣950,000元）。於截至二零一九年十二月三十一日止年度，本集團外聘核數師並無提供非審核服務。

Directors' and auditors' responsibilities for financial statements

董事及核數師對財務報表所負的責任

All Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The auditor of the Company acknowledges its reporting responsibilities in the auditor's report on the financial statements of the Company for the year ended 31 December 2019. The statement by the auditors of the Company about their responsibilities for the financial statements is set out in the independent auditor's report contained in this annual report. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements on a going-concern basis.

全體董事負責編製真實及公平地反映本集團事務狀況的財務報表。本公司核數師在本公司截至二零一九年十二月三十一日止年度財務報表的核數師報告中確認其申報責任。本公司核數師就其對財務報表所負責任的聲明載於本年報所載的獨立核數師報告內。董事並不知悉任何有關可能對本公司的持續經營能力構成重大疑問的事件或狀況的重大不明朗因素，故董事已按持續經營基準編製財務報表。

NOMINATION COMMITTEE

提名委員會

The nomination committee comprises one executive Director and two independent non-executive Directors. The roles and functions of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, identifying individuals suitably qualified to become Board members and assessing the independence of independent non-executive Directors. The Nomination Committee is established with specific terms of reference which deal clearly with the committee's authority and duties and are available on the website of each of the Stock Exchange and the Company.

本公司已成立由一名執行董事及兩名獨立非執行董事組成的提名委員會。提名委員會的職責及職能包括審閱董事會的架構、規模及組成（包括技能、知識及經驗），識別合適資格人士出任董事會成員及評估獨立非執行董事的獨立性。提名委員會訂明具體職權範圍，清楚說明委員會的職權和責任，並刊載於聯交所及本公司各自的網站。

During the Period under Review, the Nomination Committee has reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors. The Nomination Committee has also reviewed the Board's diversity policy (the "**Board Diversity Policy**") and nomination policy.

於回顧期內，提名委員會已檢討董事會的架構、規模及組成，並已評估獨立非執行董事的獨立性。提名委員會亦已檢討董事會成員多元化政策（「**董事會成員多元化政策**」）及提名政策。

As part of the Board Diversity Policy, the Company recognises and embraces the benefits of having a diverse Board to enhance its performance. All Board appointments will be based on meritocracy, and candidates will be considered against selection criteria. Selection of candidates will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will from time to time review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

作為董事會成員多元化政策的一部份，本公司認同並深信董事會成員多元化有利於提升本公司的表現。所有董事會成員的委任均以用人唯才為原則，並在考慮候選人時會採用甄選準則。甄選候選人將按一系列多元化範疇為基準，可包括（但不限於）性別、年齡、文化及教育背景、專業資格、技能、知識及服務任期。最終將按候選人的長處及可為董事會提供的貢獻而作決定。提名委員會將不時在適當時候檢討董事會成員多元化政策，以確保其行之有效。

One meeting was held during the Period under Review and the attendance by each committee member is set out below:

於回顧期內，舉行了一次會議，每位委員會成員的出席情況載列如下：

Members of the Nomination Committee	**提名委員會成員**	**Attendance/ Number of meetings 出席次數／會議次數**
Mr. Li Cheng *(Chairman)*	李誠先生*（主席）*	1/1
Mr. Shiping James Wang	王世平先生	1/1
Dr. Wang Huaping	王華平博士	1/1

Throughout the year ended 31 December 2019, the Nomination Committee has reviewed and discussed the composition, size and structure of the Board, the independence of the independent non-executive Directors, re-election of Directors and appointment of Mr. Xu Wensheng as an executive Director.

於截至二零一九年十二月三十一日止整個年度，提名委員會已就董事會之組成、規模及架構、獨立非執行董事之獨立性、重選董事及委任徐文勝先生為執行董事進行審閱及討論。

In considering the nomination of new directors, the Company will propose the candidates to the Nomination Committee, which will review and make recommendation to the Board on the expertise, skills and experience of the candidates appropriate to the requirements of the business of the Company.

於考慮提名新董事時，本公司將向提名委員會推薦候選人，而提名委員會將審閱適合本公司業務所需的候選人的專業知識、技能及經驗，並就此向董事會提供建議。

The composition of the Board has a significant element of diversity, in terms of skills, regional and industry experience, background and gender.

董事會的組成在技能、地區及行業經驗、背景及性別方面具顯著多樣性。

Remuneration Committee

The Company has established the remuneration committee under the Board (the "**Remuneration Committee**") which comprises one executive Director and two independent non-executive Directors.

The roles and functions of the Remuneration Committee include consulting the Chairlady of the Board about their remuneration proposals for other executive Directors, making recommendation to the Board on the Company's remuneration policy and structure for all Directors and senior management. The Remuneration Committee also makes recommendations to the Board on the remuneration packages of individual Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and senior management and the performance of the Group. The Remuneration Committee's authority and duties are set out in written terms of reference that are posted on the website of each of the Stock Exchange and the Company.

The remuneration for the executive Directors comprises basic salary, allowance and discretionary bonus.

Salary adjustments are made where the Remuneration Committee takes into account performance, contribution and responsibilities of the individual. Apart from basic salary, executive Directors and employees are eligible to receive a discretionary bonus taking into account factors such as market conditions as well as corporate and individual's performance during the year.

The following table illustrates the elements of remuneration of executive Directors and senior management.

薪酬委員會

本公司已成立董事會轄下的薪酬委員會(「**薪酬委員會**」),由一名執行董事及兩名獨立非執行董事組成。

薪酬委員會的職責及職能包括向董事會主席諮詢彼等就其他執行董事的薪酬建議,就本公司薪酬政策及全體董事及高級管理層的架構向董事會作出推薦建議。薪酬委員會亦參照(其中包括)可比較公司所支付的市場薪金水平、董事及高級管理層各自的職責以及本集團的表現,就個別董事及高級管理層的薪酬待遇向董事會作出推薦建議。薪酬委員會的權力及職責載於書面職權範圍內,並刊載於聯交所及本公司各自的網站。

執行董事薪酬包括基本薪金、津貼及酌情花紅。

薪酬委員會將於計及個人表現、貢獻及職責後作出薪金調整。除基本薪金外,執行董事及僱員合資格收取酌情花紅(經考慮年內市況以及企業及個人表現等因素)。

下表説明執行董事及高級管理層的薪酬元素。

Remuneration **薪金**	**Purpose** **目的**	**Reward** **報酬**	**Policy details** **政策詳情**
Basic salary 基本薪金	To reflect the market value of each individual 反映各個人之市場價值	Cash payment monthly 每月現金付款	Reviewed annually with market trend 每年按市場趨勢作出檢討
Allowance 津貼	To attract and retain employees 吸引及保留僱員	Reimbursement 補償	Market conditions 市場情況
Discretionary performance bonus 酌情表現花紅	To motivate employees to deliver high levels of performance of the Company and individual performance goals 激勵僱員為本公司作出高水準的表現以及達成個人表現目標	Cash payment 現金付款	– Individual performance – Company performance – 個人表現 – 公司表現

Two meetings were held during the Period under Review and the attendance by each committee member is set out below:

於回顧期內，舉行了兩次會議，每位委員會成員的出席情況載列如下：

Members of the Remuneration Committee	薪酬委員會成員	Attendance/ Number of meetings 出席次數／會議次數
Ms. Wong Wai Ling *(Chairlady)*	黃慧玲女士（*主席*）	2/2
Mr. Zhao Jidong (resigned on 29 November 2019)	趙繼東先生（於二零一九年十一月二十九日辭任）	2/2
Dr. Wang Huaping	王華平博士	2/2
Mr. Xu Wensheng (appointed on 29 November 2019)	徐文勝先生（於二零一九年十一月二十九日獲委任）	(Note)（附註）

Note: The Remuneration Committee did not hold any meeting after the appointment of Mr. Xu Wensheng.

附註：徐文勝先生獲委任後，薪酬委員會尚未舉行任何會議。

Throughout the year ended 31 December 2019, the Remuneration Committee has discussed and recommended to the Board for approval of the Directors' and senior managements' remuneration of the Group for the year of 2019, the service contract and remuneration for the appointment of Mr. Xu Wensheng, as an executive Director and the bonus payments to the Directors and senior management of the Company in 2019.

截至二零一九年十二月三十一日止年度，薪酬委員會已討論並建議董事會批准二零一九年度本集團董事及高級管理層的薪酬、委任徐文勝先生為執行董事的服務合約及薪酬，以及二零一九年向本公司董事及高級管理層支付的花紅。

INTERNAL CONTROL AND RISK MANAGEMENT

內部監控及風險管理

The Board is committed to managing business risks and maintaining a proper and effective system of risk management and internal control to safeguard the Shareholders' investments and the Group's assets. On 30 December 2015 and 20 December 2018, the terms of reference of the Audit Committee have been amended to include risk management as part of the internal control of the Company. During the Period under Review, the Board reported the risks associated with the Company and the Audit Committee was satisfied that the risks have been properly dealt with by the Group.

董事會致力管理業務風險，並維持適當及有效的風險管理和內部監控制度，以保障股東投資及本集團資產。於二零一五年十二月三十日及二零一八年十二月二十日，審核委員會的職權範圍已予修訂，以納入風險管理作為本公司內部監控的一部分。於回顧期內，董事會已呈報與本公司相關的風險，而審核委員會信納本集團已適當處理有關風險。

The Board, through the Audit Committee, has conducted annual review of the effectiveness of the Group's system of risk management and internal control covering all controls, including financial, operational and compliance controls. The Board is satisfied that the Group had fully complied with the Code in respect of internal controls during the Period under Review.

董事會已透過審核委員會對本集團風險管理和內部監控制度的有效性進行年度檢討，其中涵蓋財務、營運及合規控制的所有監控事宜。董事會信納本集團於回顧期內已全面遵守有關內部監控的守則。

SENIOR MANAGEMENT'S REMUNERATION

The senior management's remuneration payment of the Group during the Period under Review falls within the following band:

高級管理層薪酬

於回顧期內，本集團高級管理層的薪酬款項介乎下列範圍：

		Number of individuals 人數
Nil to HK$1,000,000	零至1,000,000港元	10
HK$1,000,001 to HK$2,000,000	1,000,001港元至2,000,000港元	0
HK$2,000,001 to HK$3,000,000	2,000,001港元至3,000,000港元	1
HK$3,000,001 to HK$4,000,000	3,000,001港元至4,000,000港元	0
HK$4,000,001 to HK$5,000,000	4,000,001港元至5,000,000港元	1
		12

COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETITION UNDERTAKING FROM CONTROLLING SHAREHOLDERS

As disclosed in the prospectus of the Company dated 15 November 2013 (the "**Prospectus**"), Mr. Li Cheng and Ever Thrive Global Limited are the controlling shareholders of the Company (the "**Controlling Shareholders**"). To protect the Group from any potential competition, the Controlling Shareholders has given an irrevocable non-competition undertaking (the "**Non-competition Undertaking**") in favour of the Company on 7 November 2013. Pursuant to the Non-competition Undertaking, each of the Controlling Shareholders has, among other matters, undertaken with the Company that each of the Controlling Shareholders and their respective associates (other than the Group) shall not engage in any business which will or may compete with the business currently and from time to time engaged by the Group. Details of the Non-competition Undertaking have been set out in paragraph headed "Relationship with our controlling shareholders – Non-competition Undertaking" of the Prospectus.

The Company has received the annual declaration from each of the Controlling Shareholders in respect of their respective compliance with the terms of the Non-competition Undertaking during the Period under Review. The independent non-executive Directors, having reviewed the aforementioned annual declarations and made reasonable enquiry, are satisfied that the Controlling Shareholders have complied with the terms of the Non-competition Undertaking during the Period under Review.

控股股東對不競爭承諾的遵守及執行

誠如本公司日期為二零一三年十一月十五日的招股章程(「**招股章程**」)所披露，李誠先生及恒盛環球有限公司為本公司的控股股東(「**控股股東**」)。為保護本集團免遭受任何潛在競爭，控股股東已於二零一三年十一月七日為本公司作出不可撤銷的不競爭承諾(「**不競爭承諾**」)。根據不競爭承諾，各控股股東已(其中包括)向本公司承諾，各控股股東及彼等各自的聯繫人(本集團除外)不得參與任何將或可能與本集團目前及不時從事的業務構成競爭的業務。有關不競爭承諾的詳情載於招股章程「與我們的控股股東的關係－不競爭承諾」一段。

本公司已接獲各控股股東有關彼等各自於回顧期內遵守不競爭承諾條款的年度聲明。獨立非執行董事已審閱上述年度聲明，及經合理查詢後認為控股股東於回顧期內一直遵守不競爭承諾的條款。

COMPANY SECRETARY

On 31 May 2019, Ms. Lo Lok Ting Teresa ("**Ms. Lo**") resigned as the company secretary of the Company. Ms. Yeung Wing Kwan ("**Ms. Yeung**") was appointed as the company secretary of the Company on the same day.

Ms. Yeung plays an important role in supporting the Board by ensuring efficient and effective information flow within the Board and that the Board's policy and procedures are followed.

The Company Secretary has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Board through the Chairman and CEO. All Directors may have access to the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters and facilitates the induction and professional development of the Directors.

The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing the Board with opinions on matters in relation to the compliance with the procedures of the Board meetings.

During the year ended 31 December 2019, the Company Secretary had received no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

The Board is fully involved in the selection and appointment of the Company Secretary.

The biography of the Company Secretary is set out in the section headed "Directors and senior management" on page 28 of this annual report.

公司秘書

於二零一九年五月三十一日，盧樂庭女士(「**盧女士**」)辭任本公司之公司秘書。楊穎筠女士(「**楊女士**」)於同日獲委任為本公司之公司秘書。

楊女士通過確保董事會內部高效及有效的信息流通以及遵守董事會的政策和程序，在支持董事會方面發揮著重要作用。

公司秘書了解本公司的日常事務。公司秘書透過主席及行政總裁向董事會報告。所有董事均可獲得公司秘書的建議和服務。公司秘書定期向董事會匯報管治及監管事宜的最新情況，並為董事的入職和專業發展提供便利。

公司秘書亦負責確保遵守董事會會議的程序，及就遵守董事會會議程序相關事宜向董事會提供意見。

於截至二零一九年十二月三十一日止年度，公司秘書已遵守上市規則第3.29條接受不少於15個小時的相關專業培訓。

董事會全面參與公司秘書的甄選及委任。

公司秘書的履歷載於本年報第28頁「董事及高級管理層」一節。

DIVIDEND POLICY

The Company may declare and pay dividends to the shareholders of the Company (the "**Shareholders**") by way of cash or by other means that the Board considers appropriate. It is the policy of the Board, in recommending dividends, to allow the Shareholders to participate in the Company's profits, and at the same time, to ensure the Company to retain adequate reserves for future growth. The Company's decision to declare or to pay any dividends in the future, and the amount of such dividends will depend upon, among other things, the current and future operations, financial condition, liquidity position and capital requirements of the Group, as well as dividends received from the Company's subsidiaries and associates, which in turn will depend on the ability of those subsidiaries and associates to pay a dividend. In addition, any final dividends for a financial year will be subject to the approval of the Shareholders. The declaration and payment of dividends by the Company is also subject to any restrictions under the laws of Cayman Islands, the laws of Hong Kong, the Company's Amended and Restated Memorandum and Articles of Association and any applicable laws, rules and regulations.

Whilst this Dividend Policy reflects the Board's current views on the financial and cash-flow position of the Group, the Board will continue to review this Dividend Policy from time to time and the Board may exercise its sole and absolute discretion to update, amend and/or modify this Dividend Policy at any time as it deems fit and necessary. There is no assurance that dividends will be declared or paid in any particular amount for any given period. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that any dividend will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

股息政策

本公司可透過現金方式或董事會認為適當的其他方式向本公司股東(「**股東**」)宣派及派付股息。推薦派付股息乃董事會的政策,旨在讓股東分享本公司溢利,並同時確保本公司留存充足儲備作未來發展。本公司於未來宣派或派付任何股息之決定及該股息之金額取決於(其中包括)現時及將來營運、財務狀況、流動資金狀況及本集團資本所需以及本公司附屬公司及聯營公司收取之股息,該股息取決於該等附屬公司及聯營公司派付股息之能力。此外,就財政年度派付任何末期股息須經股東批准後,方可作實。本公司宣派及派付股息亦須遵守開曼群島法律、香港法例、本公司之經修訂及經重列組織章程大綱及細則及任何適用法律、規則及規例項下任何限制。

股息政策反映董事會現時對本集團財務及現金流量狀況之意見,而董事會將持續不時檢討此股息政策,董事會亦可能於其認為合適及必要之任何時間行使全權酌情決定更新、修訂及/或修改此股息政策。概不保證將為任何特定期間宣派或派付任何特定金額之股息。股息政策絕不構成本公司就派付任何特定金額之任何股息作出之具法律約束力承諾及/或絕不強制本公司於任何時間或不時宣派股息。

THE SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting by Shareholders

Pursuant to Article 64 of the Articles of Association, extraordinary general meetings shall be convened on the requisition of one or more Shareholders, at the date of deposit of the requisition, holding not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for putting forward proposals at general meetings by Shareholders

Shareholders are requested to follow Article 64 of the Articles of Association for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Convening an extraordinary general meeting by Shareholders". Pursuant to Article 113 of the Articles of Association, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days. The procedures for the Shareholders to propose a person for election as a Director is posted on the website of the Company.

股東權利

股東召開股東特別大會

根據組織章程細則第64條，股東特別大會須於一名或多名於遞呈要求當日持有不少於本公司有權於股東大會上投票的繳足股本十分之一的股東要求時召開。有關要求須以書面向董事會或公司秘書作出，以供董事會應該要求中所指定的任何事項而召開股東特別大會。該大會須於該項要求呈遞後兩個月內舉行。倘董事會於呈遞該要求後21日內未能召開該大會，則提出要求者本人（彼等）可以相同方式召開大會，而本公司須向要求者償付要求者因董事會未能召開大會而產生的所有合理開支。

股東於股東大會上提呈建議的程序

股東須遵照組織章程細則第64條於股東特別大會提呈決議案。有關要求及程序載於上文「股東召開股東特別大會」一段。根據組織章程細則第113條，除非有意提名選舉該人士為董事的書面通知及該人士表明願意接受選舉的書面通知已遞交總辦事處或登記處，否則除退任董事外，任何人士概無資格於任何股東大會上膺選董事職位，惟遞交通知的期限由不早於就有關參選的指定股東大會通告寄發後當日起計至不遲於該股東大會舉行日期前七日止，而向本公司寄發通知的最短期限為最少七日。股東提名人士參選董事的程序於本公司網站刊載。

Communication with Shareholders

The Company has established and maintained a dialogue with Shareholders by conveying information to the Shareholders and investors through the Company's financial reports (interim and annual reports); annual general meeting and other meetings that may be held; and all the information submitted to the Stock Exchange for disclosure, as well as corporate communications and other publications which shall be posted on the website (http://www.chinaysgroup.com) of the Company.

The Company undertakes to convey information to the Shareholders and investors in a timely and effective manner at all times.

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary who will direct the enquiries to the Board for handling. The contact details of the Company Secretary are as follows:

The Company Secretary
Yongsheng Advanced Materials Company Limited
Unit C2, 29/F, Tower 1,
Admiralty Centre,
No. 18 Harcourt Road,
Admiralty, Hong Kong
Tel No.: (852) 2776 5228
Fax No.: (852) 2994 9699

The Company will handle both telephone and written enquiries from the Shareholders from time to time. Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant committees of the Board, where appropriate, to answer the Shareholders' questions.

INVESTOR RELATIONS

Constitutional documents

During the Period under Review, the Company did not make any changes to the memorandum of association and Articles of Association of the Company, the current version of which is available on the websites of the Stock Exchange and the Company.

Number of shares

The total number of issued shares of the Company as at 31 December 2019 was 749,655,890. The Company will periodically announce the total number of its issued shares in its monthly returns.

與股東交流

本公司通過公司的財務報告(中期及年度報告)、股東週年大會及可能舉行的其他會議;以及提交聯交所作披露的的所有資訊、公司通訊及其他可能刊登在本公司網站(http://www.chinaysgroup.com)的公開文件,向股東及投資者傳達資訊,從而與股東建立並保持對話。

本公司承諾在任何時候均及時有效地向股東及投資者傳達資訊。

股東可於任何時間以書面方式透過公司秘書向董事會提出查詢及關切問題,而公司秘書會轉交有關查詢予董事會處理。公司秘書聯絡詳情如下:

公司秘書
永盛新材料有限公司
香港金鐘
夏慤道18號
海富中心
一座29樓C2室
電話號碼:(852) 2776 5228
傳真號碼:(852) 2994 9699

本公司將不時處理股東的電話及書面查詢。在適當的情況下,股東的查詢及關切問題將轉交董事會及/或相關董事委員會,以解答股東的提問。

投資者關係

憲章文件

本公司於回顧期內並無對本公司的組織章程大綱及細則作出任何變動,其當前版本刊載於聯交所及本公司網站。

股份數目

本公司於二零一九年十二月三十一日的已發行股份總數為749,655,890股。本公司將定期於其月報表內公佈其已發行股份總數。

Important schedule for the Shareholders – AGM

An AGM of the Company will be held at 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 29 May 2020. A circular containing, among others, details of the AGM has been despatched to the Shareholders together with this annual report.

Information for Hong Kong branch registrar

Tricor Investor Services Centre
Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Tel No: (852) 2980 1333
Fax No: (852) 2810 8185
Email:is-enquiries@hk.tricorglobal.com
Website: www.tricoris.com
Office Hours: 9:00 am – 4:30 pm
(Monday to Friday, except public holidays)

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of complying and applying with the Code but also about promoting and developing a healthy and ethical corporate culture. The Company will continue to review and, where appropriate, improve the current practices on the basis of the experience, regulatory changes and developments. Any views and suggestions from the Shareholders to improve and promote the transparency are welcomed.

On behalf of the Board
Li Cheng
Chairman
Hong Kong, 31 March 2020

股東的重要議事日程－股東週年大會

本公司的股東週年大會將於二零二零年五月二十九日於香港金鐘金鐘道95號統一中心5樓舉行。一份載有（其中包括）股東週年大會詳情的通函已連同本年報一併寄發予股東。

香港股份過戶登記分處資料

卓佳投資者服務中心
香港皇后大道東183號合和中心54樓
電話號碼：(852) 2980 1333
傳真號碼：(852) 2810 8185
電郵：is-enquiries@hk.tricorglobal.com
網站：www.tricoris.com
辦公時間：上午九時正至下午四時三十分
（星期一至星期五，公眾假期除外）

提升企業管治水平

提升企業管治水平並非只為遵守及應用守則，亦為推動及發展健全與具道德的企業文化。本公司將按經驗、監管變動及發展，不斷檢討及於適當時改善現行常規。本公司亦歡迎股東提出任何意見和建議，以改善及提高其透明度。

代表董事會
主席
李誠
香港，二零二零年三月三十一日

Report of the Directors
董事會報告

The Board is pleased to present the annual report and the audited financial statements of the Group for the financial year ended 31 December 2019.

董事會欣然提呈本集團截至二零一九年十二月三十一日止財政年度的年度報告及經審計財務報表。

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

主要業務及業務回顧

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands on 19 April 2012. The registered office of the Company is at 2/F Century Yard, Cricket Square, P.O. Box 902, Grand Cayman KY1-1103, Cayman Islands and its principal place of business in Hong Kong is at Unit C2, 29/F, Tower 1, Admiralty Centre, No. 18 Harcourt Road, Admiralty, Hong Kong. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in (i) production of differentiated polyester filament yarn ("**PFY**") and trading of PFY, which had discontinued as at November 2019); (ii) dyeing and processing of differentiated polyester filament fabric; (iii) provision of renovation, maintenance, alteration and addition services ("**RMAA services**"); and (iv) property investment.

本公司於二零一二年四月十九日根據開曼群島公司法(經修訂)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處位於2/F Century Yard, Cricket Square, P.O. Box 902, Grand Cayman KY1-1103, Cayman Islands,其香港主要營業地點位於香港金鐘夏慤道18號海富中心一座29樓C2室。本公司主要業務為投資控股,而其附屬公司主要從事(i)差別化滌綸長絲(「**滌綸長絲**」)生產及滌綸長絲貿易業務(已於二零一九年十一月終止經營);及(ii)差別化滌綸面料染色及加工;(iii)提供翻新、維護、改建及加建工程服務(「**RMAA服務**」);及(iv)物業投資。

Further discussion and analysis of the business activities of the Group, can be found in the sections headed "Chairman's Statement" and "Business Review" as set out on pages 6 to 8 of this annual report. These discussions form part of this report of the directors.

有關本集團業務活動的進一步討論和分析,可見於本年報第6頁至第8頁「主席報告」及「業務回顧」章節。該等討論構成本董事會報告的一部分。

SUBSIDIARIES

附屬公司

Particulars of the Company and each member of the Group as at 31 December 2019 are set out in note 1 to the financial statements.

於二零一九年十二月三十一日,本公司及本集團各成員公司的詳情載列於財務報表附註1。

FINANCIAL STATEMENTS

財務報表

The profit of the Group and the financial conditions of the Group for the financial year ended 31 December 2019 are set out in the financial statements on pages 98 to 254 of this annual report.

截至二零一九年十二月三十一日止財政年度的本集團溢利及本集團的財務狀況乃載於本年報第98頁至第254頁的財務報表。

ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimise the Group's environmental impact by water-recycling initiatives, sewage treatment implementation, energy saving and wastage reduction, and encouraging recycle of office supplies and other materials. The Group also requires its factories to operate in strict compliance with the relevant environmental regulations and rules and possess all necessary permission and approval from the relevant PRC regulators.

環境政策

本集團致力建立高度關注保護自然資源的環保機構。本集團銳意透過中水回用、實施污水處理、節能降耗及鼓勵將辦公室物資和其他物料循環再用，藉此盡量減低本集團對環境的影響。本集團亦規定廠房嚴格遵守相關的環境法規和規則，以及向相關中國監察當局領取一切必須的許可證和批文。

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors recognise that employees, customers and business partners are the keys to the sustainable development of the Group. The Group is committed to building a close and caring relationship with its employees and business partners and improving the quality of services to the customers.

Employees are regarded as the most important and valuable assets of the Group. The Group ensures all staff is reasonably remunerated and its workers are provided with regular training courses on operation of different types of machinery, as well as work safety. The Group strives to motivate its employees with a clear career path and offer them opportunities for advancement and improvement of their skills. The Group also rewards its employees for their work performance through incentives, such as bonuses and options, to motivate their continuous contribution.

The Group also stays connected with its customers and suppliers and has ongoing communications with its customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

與僱員、客戶及供應商的主要關係

董事深知僱員、客戶及業務夥伴為本集團持續發展的關鍵。本集團致力於與其僱員及業務夥伴之間建立緊密及關懷關係，以及改善提供予客戶的服務質素。

僱員被視為本集團最為重要及最有價值資產。本集團確保所有員工獲得合理薪酬及向其員工就不同種類機器的操作以及工作安全提供定期培訓課程。本集團致力以清晰的晉陞前景來激勵彼等，並給予彼等機會提升及改進其技能。本集團亦通過獎金、期權等激勵方式，肯定彼等的工作表現及激勵員工作出持續貢獻。

本集團亦與其客戶及供應商保持聯繫以及透過各種渠道與客戶及供應商交流，例如電話、電郵及會面藉此獲知彼等的反饋及建議。

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the Mainland China while the ordinary shares (the "**Shares**") of the Company are listed on the Main Board of the Stock Exchange. The Group's establishment and operations accordingly shall comply with relevant laws and regulations in the PRC and Hong Kong. During the year ended 31 December 2019 and up to the date of this annual report, the Group's operation has complied with all the relevant laws and regulations in the PRC and Hong Kong in all material respects.

遵守法例和法規

本公司於中國內地的附屬公司主要進行本集團的營運工作，而本公司普通股（「**股份**」）於聯交所主板上市。因此，本集團的成立及營運須遵守中國及香港相關法例及法規。截至二零一九年十二月三十一日止年度及直至本年報日期，本集團的業務於一切重大方面已遵守中國及香港所有相關法例及法規。

RESERVES

Movements in reserves during the financial year ended 31 December 2019 are set out in the Consolidated Statement of Changes in Equity on page 101 of this annual report.

As at 31 December 2019, the Company had distributable reserves of approximately RMB892,932,000 (2018: approximately RMB129,972,000) available for distribution to the Shareholders.

儲備

截至二零一九年十二月三十一日止財政年度的儲備變動情況載列於本年報第101頁的合併權益變動表。

於二零一九年十二月三十一日，本公司擁有可供分派儲備約人民幣892,932,000元（二零一八年：約人民幣129,972,000元）可用於向股東作出分派。

SHARE CAPITAL AND SHARE OPTION SCHEME

Details of the Company's share capital and share option scheme are set out in notes 31 and 32 to the financial statements and the paragraph headed "Share option scheme of the Company" below, respectively.

股本及購股權計劃

本公司股本及購股權計劃的詳情分別載於財務報表附註31及32及下文「本公司的購股權計劃」一段。

DIVIDEND

The Board has recommended the payment of a final dividend (the "**Final Dividend**") of HK$0.03 per Share for the financial year ended 31 December 2019. This, together with the interim dividend of HK$0.02 per Share that was paid in 2019, amounts to an aggregate dividend payment of HK$0.05 per Share for the full financial year of 2019. The Final Dividend, if approved by the Shareholders at the AGM, will be paid to the Shareholders whose names appear on the register of members of the Company on 5 June 2020.

股息

董事會建議就截至二零一九年十二月三十一日止財政年度派付末期股息（「**末期股息**」）每股0.03港元。此項股息連同已於二零一九年派付的中期股息每股0.02港元，即指二零一九年整個財政年度的股息總額為每股0.05港元。倘股東於股東週年大會上批准末期股息，末期股息將派付予於二零二零年六月五日名列本公司股東名冊的股東。

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the financial year ended 31 December 2019 are set out in Note 14 to the financial statements.

物業、廠房及設備

截至二零一九年十二月三十一日止財政年度的物業、廠房及設備變動情況載列於財務報表附註14。

MAJOR SUPPLIERS AND CUSTOMERS

During the financial year ended 31 December 2019, the percentages of major suppliers and customers of the Group of the purchases and sales for the year ended 31 December 2019 are as follows:

The aggregate purchases	
Five largest suppliers accounted for	38.0%
The aggregate sales	
Five largest customers accounted for	31.9%

So far as known to the Directors, other than those disclosed in the section headed "Continuing connected transactions and related party transactions" below, none of the Directors, their close associates (as defined in the Listing Rules) or substantial shareholders (which to the best knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in the above major suppliers or customers.

CHARITABLE DONATIONS

The Group made charitable donations of approximately RMB396,000 during the financial year ended 31 December 2019 (2018: RMB1,060,500).

BANK BORROWINGS

During the financial year ended 31 December 2019, the Group had bank borrowings of approximately RMB95.5 million, which was mainly used for the properties investment.

DIRECTORS

The Directors during the financial year ended 31 December 2019 and up to the date of this annual report were:

Mr. Li Cheng *(Chairman)*
Mr. Zhao Jidong (resigned on 29 November 2019)
Mr. Li Conghua
Mr. Ma Qinghai
Mr. Xu Wensheng (appointed on 29 November 2019)
Ms. Wong Wai Ling
Mr. Shiping James Wang
Dr. Wang Huaping

主要供應商及客戶

截至二零一九年十二月三十一日止財政年度，本集團主要供應商及客戶佔截至二零一九年十二月三十一日止年度之採購額及銷售額百分比如下：

採購總額	
五大供應商合計	38.0%
銷售總額	
五大客戶合計	31.9%

據董事所知，除下文「持續關連交易及關連方交易」一節所披露外，概無董事、彼等之緊密聯繫人（定義見上市規則）或主要股東（指據董事所深知擁有本公司5%以上已發行股本之股東）於上述主要供應商或客戶中擁有任何權益。

慈善捐款

本集團於截至二零一九年十二月三十一日止財政年度作出慈善捐款約人民幣396,000元（二零一八年：人民幣1,060,500元）。

銀行借款

於截至二零一九年十二月三十一日止財政年度，本集團的銀行借款為約人民幣95.5百萬元，主要用於物業投資。

董事

於截至二零一九年十二月三十一日止財政年度及直至本年報日期，董事為：

李誠先生（*主席*）
趙繼東先生（於二零一九年十一月二十九日辭任）
李聰華先生
馬青海先生
徐文勝先生（於二零一九年十一月二十九日獲委任）
黃慧玲女士
王世平先生
王華平博士

Mr. Li Conghua, Ms. Wong Wai Ling, Dr. Wang Huaping and Mr. Xu Wensheng will retire as Directors at the forthcoming AGM. Being eligible, they offer themselves for re-election at the AGM. None of the retiring Directors proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation). Details of the Directors proposed for re-election at the forthcoming AGM are set out in the circular of the Company which had been despatched to the Shareholders together with this annual report.

李聰華先生、黃慧玲女士、王華平博士及徐文勝先生將於應屆股東週年大會上退任董事，惟彼等均符合資格，並願意於股東週年大會上膺選連任。擬於應屆股東週年大會上膺選連任之退任董事概無與本公司訂有本公司不可於一年內終止而免付月賠償（法定賠償除外）之合約。連同本年報一併寄發予股東的本公司通函內，已載有擬於應屆股東週年大會上膺選連任之董事的詳情。

DIRECTOR'S SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for a fixed term of three years commencing from 7 November 2016 (except for Dr. Wang Huaping, whose service contract commenced on 19 August 2014 and Mr. Xu Wensheng whose service contract commenced on 29 November 2019) subject to termination, among others, by giving not less than three months' notice in writing. Each of such Directors will be subject to retirement by rotation and re-election at the AGM every three years. Mr. Li Conghua, Mr. Xu Wensheng, Ms. Wong Wai Ling and Dr. Wang Huaping are entitled to an annual director's fee of HKD100,000, as proposed by the Board and approved by the Shareholders. Director's fees are payable on a pro-rata basis for any non-full year's service. The remuneration of the Directors is determined with reference to their duties, responsibilities and experience in the Company, and the prevailing market conditions. No Directors have waived or agreed to waive any emoluments.

董事的服務合約

各董事已與本公司訂立服務合約，固定期限由二零一六年十一月七日起計（王華平博士的服務合約由二零一四年八月十九日起計及徐文勝先生的服務合約於二零一九十一月二十九日起計除外）三年，惟可（其中包括）藉發出不少於三個月的書面通知予以終止。各董事將每三年於股東週年大會上輪席退任及重選。李聰華先生、徐文勝先生、黃慧玲女士及王華平博士享有由董事會建議並由股東批准的董事袍金每年100,000港元，服務不足一年的，按服務時間比例支付董事袍金。董事的酬金乃參考彼等於本公司的職務、責任、經驗及當前市況等釐定。概無董事已放棄或同意放棄任何酬金。

INTERESTS IN CONTRACTS

Save as disclosed in this annual report, no transaction arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with the Directors had a material interest, whether directly or indirectly, subsisted at the end of the Period under Review or at any time during the Period under Review.

於合約的權益

除本年報所披露者外，本公司或其任何附屬公司概無訂立董事或董事的關連實體（直接或間接）享有重大權益而於回顧期終結時或回顧期內任何時間存續的重要交易安排或合約。

MANAGEMENT CONTRACTS

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

管理合約

於回顧期內概無訂立或存在任何有關本公司全部或任何重大部分業務的管理及行政合約。

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholders of the Company or any of their subsidiaries during the Period under Review.

與控股股東的合約

除本年報所披露者外，本公司或其任何附屬公司並無於回顧期內與本公司的控股股東或彼等之附屬公司訂立任何重大合約。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the share option scheme of the Company, at no time during the financial year ended 31 December 2019 was the Company, its subsidiaries or its ultimate holding company or any subsidiary of that ultimate holding company a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

購買股份或債權證的安排

除本公司的購股權計劃外，於截至二零一九年十二月三十一日止財政年度內，本公司、其附屬公司或其最終控股公司或該最終控股公司的任何附屬公司均無任何安排，致令董事因取得本公司或任何其他法人團體的股份或債權證而獲得利益。

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Period under Review and up to and including the date of this annual report.

董事於競爭業務的權益

於回顧期內及直至和包括本年報日期止期間內任何時間，董事概無於本集團業務以外且現在或以前與本集團業務直接或間接競爭或可能構成競爭的任何業務中擁有權益。

CONFIRMATION OF INDEPENDENCE

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

獨立性的確認

本公司已獲各獨立非執行董事按照上市規則第3.13條發出其每年的獨立性確認書，並根據所接獲的確認書，認為全體獨立非執行董事均具獨立性。

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

As at 31 December 2019, interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Law of Hong Kong) ("**SFO**") held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 to the Listing Rules are as follows:

董事及最高行政人員於股份、相關股份及債權證的權益及淡倉

於二零一九年十二月三十一日，董事及本公司的最高行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「**證券及期貨條例**」）第XV部）股份、相關股份及債權證中，持有已根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉），或列入本公司遵照證券及期貨條例第352條保存的登記冊內的權益或淡倉，或根據上市規則附錄10標準守則已知會本公司及聯交所的權益或淡倉如下：

(A) Long position in the Shares and underlying Shares

(A) 於股份及相關股份的好倉

Name of Director 董事姓名	Capacity/Nature 身份／性質	Number of Shares and underlying Shares held/ interested 所持／擁有權益股份及相關股份數目	Approximate percentage of shareholding 概約股權百分比
Mr. Li Cheng ("**Mr. Li**") *(Note 1)* 李誠先生（「**李先生**」）*（附註1）*	Interest in controlled corporation 受控法團權益	479,132,990	63.91%
Mr. Ma Qinghai ("**Mr. Ma**") *(Note 2)* 馬青海先生（「**馬先生**」）*（附註2）*	Beneficial owner 實益擁有人	7,075,677	0.94%

Note 1: Mr. Li beneficially owns 90% of the issued share capital of Astute Horizon Limited which in turn, beneficially holds 272,661,290. Mr. Li also beneficially owns approximately 95.71% of the issued share capital of Ever Thrive Global Limited which in turn, beneficially holds 206,471,700 Shares. Therefore, Mr. Li is deemed or taken to be interested in all the Shares held by Astute Horizon Limited and Ever Thrive Global Limited for the purposes of the SFO. Mr. Li is also the director of Astute Horizon Limited and Ever Thrive Global Limited.

Note 2: As at 31 December 2019, share options to subscribe for 4,400,000 Shares were granted to Mr. Ma. Besides, Mr. Ma beneficially owns 2,675,677 Shares. Therefore, Mr. Ma was interested in 7,075,677 Shares in aggregate.

Note 3: As at 31 December 2019, the total number of issued Shares was 749,655,890.

附註1： 李先生實益擁有睿景有限公司90%的已發行股本，而睿景有限公司實益持有272,661,290股股份。李先生亦實益擁有恒盛環球有限公司約95.71%的已發行股本，而恒盛環球有限公司實益持有206,471,700股股份。因此，根據證券及期貨條例，李先生被視為或當作於睿景有限公司及恒盛環球有限公司持有的全部股份中擁有權益。李先生亦為睿景有限公司及恒盛環球有限公司的董事。

附註2： 於二零一九年十二月三十一日，馬先生獲授可認購4,400,000股股份的購股權。此外，馬先生實益擁有2,675,677股股份。因此，馬先生合共於7,075,677股股份中擁有權益。

附註3： 於二零一九年十二月三十一日，已發行股份總數為749,655,890股股份。

(B) Long position in shares of associated corporation

(B) 於相聯法團股份的好倉

Name of Director 董事姓名	Name of Associated Corporation 相聯法團名稱	Capacity/Nature 身份／性質	Number of Shares held/ interested 所持／擁有權益股份數目	Percentage of shareholding 股權百分比
Mr. Li 李先生	Ever Thrive Global Limited 恒盛環球有限公司	Beneficial owner 實益擁有人	446	95.71%
	Astute Horizon Limited *(Note 1)* 睿景有限公司*（附註1）*	Beneficial owner 實益擁有人	100	90.00%

Apart from those disclosed herein, as at 31 December 2019, none of the directors nor the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) that is required to be recorded and kept in the register in accordance with section 352 of the SFO or any interests required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除本文所披露者外，於二零一九年十二月三十一日，董事或本公司的最高行政人員並無於本公司或其任何相聯法團（定義見證券及期貨條例）的股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記入該條所述的登記冊內的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have an 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, were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

主要股東及其他人士於股份及相關股份的權益及淡倉

於二零一九年十二月三十一日，據董事所知，以下人士（董事或本公司的最高行政人員除外）擁有或被視為或當作於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司及聯交所披露的權益或淡倉，或直接或間接持有附有權利可於任何情況下於本集團任何其他成員公司股東大會上投票的任何類別股本的面值5%或以上的權益：

Name of Shareholder 股東名稱／姓名	Capacity/Nature 身份／性質	Number of Shares held/ interested 所持／擁有權益股份數目	Approximate percentage of shareholding 概約股權百分比
Astute Horizon Limited *(Note 1)* 睿景有限公司*（附註1）*	Beneficial owner 實益擁有人	272,661,290	36.37%
Ever Thrive Global Limited 恒盛環球有限公司	Beneficial owner 實益擁有人	206,471,700	27.54%
Ms. Chen Fangqin *(Note 1)* 陳芳芹女士*（附註1）*	Interest of spouse 配偶的權益	479,132,990	63.91%
Halcyon Finance Limited *(Note 2)* 鎧盛財務有限公司*（附註2）*	Beneficial owner 實益擁有人	272,661,290	36.37%
Halcyon Holdings Limited *(Note 2)* Halcyon Holdings Limited*（附註2）*	Interest of controlled corporation 受控法團權益	272,661,290	36.37%
Alpha Strategy Limited *(Note 2)* Alpha Strategy Limited*（附註2）*	Interest of controlled corporation 受控法團權益	272,661,290	36.37%

Note 1: Ms. Chen Fangqin is the spouse of Mr. Li. Therefore, Ms. Chen Fangqin was deemed, or taken to be interested in all the Shares which are interested by Mr. Li for the purposes of the SFO.

附註1： 陳芳芹女士為李先生的配偶，因此，就證券及期貨條例而言，陳芳芹女士被視為或當作於李先生擁有權益的全部股份中擁有權益。

Note 2: To the best of the Directors' knowledge and belief, Halcyon Finance Limited was wholly-owned by Alpha Strategy Limited, which in turn was wholly-owned by Halcyon Holdings Limited. Therefore Halcyon Holdings Limited and Alpha Strategy Limited are deemed, or taken to be interested in all the Shares which are interested by Halcyon Finance Limited for the purpose of the SFO.

附註2： 就董事所知及所信，鎧盛財務有限公司由Alpha Strategy Limited全資擁有，而Alpha Strategy Limited由Halcyon Holdings Limited全資擁有。因此，就證券及期貨條例而言，Halcyon Holdings Limited及Alpha Strategy Limited被視為或當作於鎧盛財務有限公司擁有權益的全部股份中擁有權益。

Note 3: As at 31 December 2019, the total number of issued Shares was 749,655,890.

附註3： 於二零一九年十二月三十一日，已發行股份總數為749,655,890股股份。

SHARE OPTION SCHEME OF THE COMPANY

The Company adopted a share option scheme (the "**Scheme**") on 7 November 2013 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme. Pursuant to the Scheme, the Board is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe the Shares to any employees (full-time or part-time), Directors, consultants or advisor of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group. The Scheme shall be valid and effective for a period of ten years commencing on 7 November 2013, subject to early termination provisions contained in the Scheme.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00. The subscription price of a Share in respect of any particular option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an option is offered to a participant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date on which an option is offered to a participant; and (iii) the nominal value of a Share on the date on which an option is offered to a participant.

The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue on the listing date of the Company (i.e. 27 November 2013).

The Company may at any time refresh such limit, subject to the Shareholders' approval and issue of a circular in compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company shall not exceed 30% of the Shares in issue from time to time.

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue unless approved by the Shareholders in accordance with the requirements of the Listing Rules.

本公司的購股權計劃

本公司於二零一三年十一月七日採納一項購股權計劃(「**該計劃**」),旨在吸引及挽留最稱職人員及向該計劃項下的合資格參與者提供額外獎勵。根據該計劃,董事會獲授權全權酌情及按該計劃的條款向本集團任何僱員(全職或兼職)、董事、諮詢人員或顧問、或本集團任何主要股東、或任何分銷商、承包商、供貨商、代理、客戶、商業夥伴或服務供貨商授出購股權以認購股份。該計劃將自二零一三年十一月七日起十年期有效及具效力,惟受該計劃的提早終止條文所規限。

授出購股權的建議須於發出有關建議日期(包括當日)起計七日內接納。購股權承授人須於接納購股權建議時就每份購股權向本公司支付1.00港元。就根據該計劃授出的任何指定購股權的股份認購價,將完全由董事會釐定並通知參與者,但不得低於下列較高者:(i)聯交所每日報價表所報股份在授予參與者購股權當日的收市價;(ii)聯交所每日報價表所報股份於緊接截至授予參與者購股權前五個交易日的平均收市價;及(iii)授予參與者購股權日期的股份面值。

本公司有權發行購股權,惟將根據該計劃及本公司任何其他購股權計劃授出的所有購股權獲行使時將予發行的股份總數,不得超過本公司上市日期(即二零一三年十一月二十七日)已發行股份的10%。

本公司可於取得股東批准及根據上市規則發出通函後隨時更新該限額,惟根據本公司所有購股權計劃已授出但尚未行使的所有購股權獲行使時將予發行的股份總數不得超過當時已發行股份的30%。

於任何12個月期間內,授予各參與者的購股權(包括已行使及尚未行使購股權)獲行使時已發行及將予發行的股份總數不得超過已發行股份的1%,惟根據上市規則的規定獲得股東批准者除外。

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

購股權可根據該計劃條款於董事會釐定的期間內隨時行使，惟有關年期不得超出購股權授出日期起計十年，並須受該計劃的提早終止條文所規限。

During the financial year ended 31 December 2019, no share options were granted (15,000,000 share options and 16,300,000 share options were granted on 6 January 2015 and 30 December 2015, respectively, under the terms of the Scheme (collectively, the "**Grants**"), representing approximately 4.18% of the issued shares of the Company as at 31 December 2019). Details of the Grants are disclosed in the announcements of the Company dated 6 January 2015 and 30 December 2015, respectively.

截至二零一九年十二月三十一日止財政年度，並無授出購股權（先後於二零一五年一月六日及二零一五年十二月三十日根據該計劃的條款授出15,000,000份購股權及16,300,000份購股權（統稱「**授出**」），相當於本公司於二零一九年十二月三十一日已發行股份約4.18%）。授出的詳情披露於本公司日期分別為二零一五年一月六日及二零一五年十二月三十日的公佈內。

Up to 31 December 2019, the following set forth the summary of the changes in share options granted, details of which are set out in Note 32 to the consolidated financial statements:

直至二零一九年十二月三十一日，已授出購股權的之變動概要如下，詳情載於合併財務報表附註32：

	Number of unlisted share options 非上市購股權數目									
Name and category of participant 參與者姓名及類別	As at 1 January 2019 於二零一九年一月一日	Granted during the year 年內授出	Cancelled/ forfeited during the year 年內註銷／沒收	Exercised during the year 年內行使	Exercise price 行使價 *(HKD per Share)* *（每股港元）*	As at 31 December 2019 於二零一九年十二月三十一日	Date of grant of share options 購股權授出日期	Vesting period of share options 購股權歸屬期	End of exercise period 行使期結束日期	Share price of the Company as at the date of grant of share options 本公司股份於購股權授出日期的價格 *(HKD per Share)* *（每股港元）*
Directors 董事										
Mr. Zhao Jidong (resigned on 29 November 2019) 趙繼東先生（於二零一九年十一月二十九日辭任）	2,200,000	–	–	–	–	2,200,000	6 January 2015 二零一五年一月六日	50%: 2 April 2016 to 5 January 2025* 50%：二零一六年四月二日至二零二五年一月五日*	5 January 2025 二零二五年一月五日	$1.48
								50%: 1 April 2017 to 5 January 2025* 50%：二零一七年四月一日至二零二五年一月五日*		
	3,500,000	–	–	–	–	3,500,000	30 December 2015 二零一五年十二月三十日	50%: 2 April 2017 to 30 December 2025** 50%：二零一七年四月二日至二零二五年十二月三十日**	30 December 2025 二零二五年十二月三十日	$1.52
								50%: 1 April 2018 to 30 December 2025** 50%：二零一八年四月一日至二零二五年十二月三十日**		

Name and category of participant 參與者姓名及類別	Number of unlisted share options 非上市購股權數目 As at 1 January 2019 於二零一九年一月一日	Granted during the year 年內授出	Cancelled/ forfeited during the year 年內註銷／沒收	Exercised during the year 年內行使	Exercise price 行使價 *(HKD per Share)* *(每股港元)*	As at 31 December 2019 於二零一九年十二月三十一日	Date of grant of share options 購股權授出日期	Vesting period of share options 購股權歸屬期	End of exercise period 行使期結束日期	Share price of the Company as at the date of grant of share options 本公司股份於購股權授出日期的價格 *(HKD per Share)* *(每股港元)*
Mr. Ma Qinghai 馬青海先生	2,200,000	–	–	–	–	2,200,000	6 January 2015 二零一五年一月六日	50%: 2 April 2016 to 5 January 2025* 50%：二零一六年四月二日至二零二五年一月五日* 50%: 1 April 2017 to 5 January 2025* 50%：二零一七年四月一日至二零二五年一月五日*	5 January 2025 二零二五年一月五日	$1.48
	2,200,000	–	–	–	–	2,200,000	30 December 2015 二零一五年十二月三十日	50%: 2 April 2017 to 30 December 2025** 50%：二零一七年四月二日至二零二五年十二月三十日** 50%: 1 April 2018 to 30 December 2025** 50%：二零一八年四月一日至二零二五年十二月三十日**	30 December 2025 二零二五年十二月三十日	$1.52
Other employees 其他僱員	3,672,900	–	–	1,400,500	$1.212	2,272,400	6 January 2015 二零一五年一月六日	50%: 2 April 2016 to 5 January 2025* 50%：二零一六年四月二日至二零二五年一月五日* 50%: 1 April 2017 to 5 January 2025* 50%：二零一七年四月一日至二零二五年一月五日*	5 January 2025 二零二五年一月五日	$1.48
	7,337,600	–	–	1,106,600	$1.312	6,231,000	30 December 2015 二零一五年十二月三十日	50%: 2 April 2017 to 30 December 2025** 50%：二零一七年四月二日至二零二五年十二月三十日** 50%: 1 April 2018 to 30 December 2025** 50%：二零一八年四月一日至二零二五年十二月三十日**	30 December 2025 二零二五年十二月三十日	$1.52
Total 總計	21,110,500	–	–	2,507,100		18,603,400				

Notes:

- The vesting and exercise of the options granted under the Scheme on 6 January 2015 are subject to the performance conditions set out in the announcement of the Company dated 6 January 2015.
- The vesting and exercise of the options granted under the Scheme on 30 December 2015 are subject to the performance conditions set out in the announcement of the Company dated 30 December 2015.

附註：

- 根據該計劃於二零一五年一月六日授出之購股權的歸屬及行使，須遵守本公司日期為二零一五年一月六日的公佈內所載的表現條件。
- 根據該計劃於二零一五年十二月三十日授出之購股權的歸屬及行使，須遵守本公司日期為二零一五年十二月三十日的公佈內所載的表現條件。

CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

持續關連交易及關連方交易

(A) Continuing Connected Transactions

(A) 持續關連交易

During the financial year ended 31 December 2019, the Group entered into the following continuing connected transactions which are subject to the reporting and annual review requirements set out in Chapter 14A of the Listing Rules.

截至二零一九年十二月三十一日止財政年度，本集團訂立以下須遵守上市規則第14A章所載申報及年度審閱規定的持續關連交易。

Details of the continuing connected transactions are set out below:

持續關連交易的詳情乃載於下文：

Master Procurement Agreement

主採購協議

Prior to the Disposal (as defined below) as Huvis was a substantial shareholder of Yongsheng Chemical Fiber, a non-wholly owned subsidiary of the Company, Huvis was a connected person of the Company under the Listing Rules.

於出售（定義見下文）前，由於Huvis為本公司非全資附屬公司永盛化纖的主要股東，根據上市規則，Huvis為本公司的關連人士。

On 30 December 2015, Huvis and Yongsheng Chemical Fiber entered into an agreement pursuant to which the Group agreed to purchase textile-related products for trading and production of differentiated PFY from Huvis and/or its associate(s) from time to time for a term of three years commencing from 1 January 2016 and ending on 31 December 2018 in accordance with the terms and conditions stipulated therein (the "**Master Procurement Agreement**"). On 7 March 2017, the Group adjusted the above annual caps for 2017 and 2018 from RMB50,000,000 and RMB60,000,000 to RMB80,000,000 and RMB100,000,000, respectively, based on actual operating needs.

於二零一五年十二月三十日，Huvis與永盛化纖訂立一項協議，據此，本集團同意根據協議訂明的條款及條件不時向Huvis及／或其聯繫人採購紡織相關產品以進行貿易及生產差別化滌綸長絲，為期三年，自二零一六年一月一日起至二零一八年十二月三十一日止（「**主採購協議**」）。於二零一七年三月七日，本集團根據實際經營所需，將上述二零一七年及二零一八年之年度上限額分別由人民幣50,000,000元及人民幣60,000,000元調整為人民幣80,000,000元及人民幣100,000,000元。

As of 31 December 2019, the Group's purchases from Huvis were approximately RMB26.24 million.

截至二零一九年十二月三十一日止，本集團向Huvis之採購額約為人民幣26.24百萬元。

On 28 November 2018, Yongsheng Advanced Materials (HK) Limited and Huvis entered into a master procurement agreement, pursuant to which the Group agreed to purchase PFY products for production of differentiated PFY from Huvis and/or its associate(s). The annual caps under the master procurement agreement for each of the three years ending 31 December 2021 are RMB100,000,000,RMB130,000,000 and RMB160,000,000, respectively.

於二零一八年十一月二十八日，永盛新材料（香港）有限公司與Huvis訂立一份主採購協議，據此，本集團同意向Huvis及／或其聯繫人購買滌綸長絲產品以生產差別化滌綸長絲。截至二零二一年十二月三十一日止三個年度各年，主採購協議項下之年度上限分別為人民幣100,000,000元、人民幣130,000,000元及人民幣160,000,000元。

Technology and Brand Licensing Agreements

On 27 August 2018, Nantong Yongsheng and Huvis entered into a technology and brand licensing agreement ("**Nantong Technology and Brand Licensing Agreement**"), pursuant to which Huvis agreed to grant to Nantong Yongsheng, among other things, the exclusive right (except as to Yongsheng Chemical Fiber) to use certain licensed technology and certain brands in the PRC. Nantong Yongsheng is required to (i) pay royalty fees for the use of licensed technology ranging from 3.625% to 6.5% of the profit before tax generated from the sale of licensed products, depending on the type of licensed technology used in the licensed products; (ii) pay royalty fee for the use of new technologies developed by Huvis at a royalty rate to be determined upon categorisation of such new technologies into the licensed technology by mutual agreement of Nantong Yongsheng and Huvis; and (iii) pay royalty fees for the use of the brands of 0.1% of the revenue generated from the sale of the licensed products, exclusive of value-added tax.

On 27 August 2018, Yongsheng Chemical Fiber and Huvis entered into a brand licensing agreement ("**Hangzhou Brand Licensing Agreement**"), pursuant to which Huvis agreed to grant to Yongsheng Chemical Fiber, among other things, the exclusive right (except as to Nantong Yongsheng to use certain brands in the PRC. Yongsheng Chemical Fiber is required to pay royalty fees of 0.1% of the revenue generated from the sale of the licensed products.

The annual caps for the transactions contemplated under the Nantong Technology and Brand Licensing Agreement for the year ended 31 December 2018 and each of the two years ending 31 December 2020 are as follows:

Year ended/ending 31 December		**RMB'000**
截至十二月三十一日止年度		**人民幣千元**
2018	二零一八年	257
2019	二零一九年	4,500
2020	二零二零年	6,782

As at 31 December 2019, there were no transaction under the Nantong Technology and Brand Licensing Agreement.

技術與品牌許可協議

於二零一八年八月二十七日，南通永盛與Huvis訂立一份技術與品牌許可協議（「**南通技術與品牌許可協議**」），據此Huvis同意向南通永盛授出（其中包括）於中國使用若干許可技術及若干品牌的排他使用權（永盛化纖除外）。南通永盛須(i)就使用許可技術支付特許權費，金額介乎銷售許可產品所得除税前溢利的3.625%至6.5%（具體取決於許可產品所使用的許可技術類別）；(ii)就使用Huvis開發之新技術支付特許權費，收費率將於有關新技術分類至許可技術時由南通永盛與Huvis共同協定；及(iii)就使用品牌支付特許權費，金額為銷售許可產品所得收益的0.1%（不包括增值税）。

於二零一八年八月二十七日，永盛化纖及Huvis訂立一份品牌許可協議（「**杭州品牌許可協議**」），據此Huvis同意向永盛化纖授出（其中包括）於中國使用若干品牌的排他使用權（南通永盛除外）。永盛化纖須支付特許權費，金額為銷售許可產品所得收益的0.1%。

南通技術與品牌許可協議項下擬進行之交易截至二零一八年十二月三十一日止年度以及截至二零二零年十二月三十一日止兩個年度各年之年度上限如下：

於二零一九年十二月三十一日，南通技術與品牌許可協議項下並無交易。

The annual caps for the transactions contemplated under the Hangzhou Brand Licensing Agreement for the year ended 31 December 2018 and each of the two years ending 31 December 2019 and 2020 are as follows:

杭州品牌許可協議項下擬進行之交易截至二零一八年十二月三十一日止年度以及截至二零一九年及二零二零年十二月三十一日止兩個年度各年之年度上限如下：

Year ended/ending 31 December **截至十二月三十一日止年度**		**RMB'000** **人民幣千元**
2018	二零一八年	78
2019	二零一九年	256
2020	二零二零年	281

The annual caps under the Nantong Technology and Brand Licensing Agreements and the Hangzhou Brand Licensing Agreement are determined based on the projected annual growth in demand and selling price of the licensed products.

南通技術與品牌許可協議及杭州品牌許可協議項下之年度上限乃根據許可產品的預計年度需求增長及售價釐定。

As at 31 December 2019, the amount of the transaction under the Hangzhou Brand Licensing Agreement is RMB0.46 million.

於二零一九年十二月三十一日，杭州品牌許可協議項下交易金額為人民幣46萬元。

The Exclusive Agency and Distribution Agreements

排他代理及分銷協議

On 27 August 2018 (after trading hours), Nantong Yongsheng and Huvis entered into (i) an exclusive agency and distribution agreement ("**Huvis Exclusive Agency and Distribution Agreement**"), pursuant to which Huvis appoints Nantong Yongsheng as an exclusive distributor of PFY products in the PRC on behalf of Huvis; and (ii) an exclusive agency and distribution agreement ("**Yongsheng Exclusive Agency and Distribution Agreement**"), pursuant to which Nantong Yongsheng appoints Huvis as an exclusive distributor of PFY products in South Korea on behalf of Nantong Yongsheng.

於二零一八年八月二十七日（交易時段後），南通永盛與Huvis(i)訂立一份排他代理及分銷協議（「**Huvis排他代理及分銷協議**」），據此，Huvis委任南通永盛為代表Huvis於中國的滌綸長絲產品排他分銷商；及(ii)訂立一份排他代理及分銷協議（「**永盛排他代理及分銷協議**」），據此，南通永盛委任Huvis為代表南通永盛於南韓的滌綸長絲產品排他分銷商。

Pursuant to the Huvis Exclusive Agency and Distribution Agreement, the purchase prices for the PFY products supplied by Huvis shall be agreed by Nantong Yongsheng and Huvis with reference to the then prevailing purchasing prices of comparable products in the market. Huvis shall pay Nantong Yongsheng a commission of (i) 5% of the value of PFY products purchased by Nantong Yongsheng from Huvis; or (ii) 3% of the value of the PFY products which are imported by and purchased by Nantong Yongsheng on behalf of customers of Huvis located in the PRC.

根據Huvis排他代理及分銷協議，Huvis所供應的滌綸長絲產品購買價應由南通永盛與Huvis經參考市場內可比較產品的當時現行購買價後協定。Huvis應向南通永盛支付佣金，費率為(i)南通永盛向Huvis購買滌綸長絲產品的價值的5%；或(ii)南通永盛進口及代表Huvis的中國客戶購買滌綸長絲產品的價值的3%。

Pursuant to the Yongsheng Exclusive Agency and Distribution Agreements, the purchase price for the PFY products supplied by Nantong Yongsheng shall be agreed by Huvis and Nantong Yongsheng with reference to the then prevailing purchasing prices of comparable products in the market. Nantong Yongsheng shall pay Huvis a commission of (i) 5% of the value of the PFY products purchased by Huvis from Nantong Yongsheng;or (ii) 3% of the value of the PFY products which are imported by and purchased by Huvis on behalf of customers of Nantong Yongsheng located in South Korea.

根據永盛排他代理及分銷協議，南通永盛所供應的滌綸長絲產品購買價應由Huvis與南通永盛經參考市場內可比較產品的當時現行購買價後協定。南通永盛應向Huvis支付佣金，費率為(i)Huvis向南通永盛購買滌綸長絲產品的價值的5%；或(ii)Huvis進口及代表南通永盛的南韓客戶購買滌綸長絲產品的價值的3%。

Annual caps : The annual caps for the transactions contemplated under the Huvis Exclusive Agency and Distribution Agreement for the year ended 31 December 2018 and each of the two years ending 31 December 2020 are as follows:

年度上限 : Huvis排他代理及分銷協議項下擬進行的交易於截至二零一八年十二月三十一日止年度以及截至二零二零年十二月三十一日止兩個年度各年的年度上限如下:

Year ended/ending 31 December 截至十二月三十一日止年度	*Sum of purchase payable by Nantong Yongsheng to Huvis 南通永盛向Huvis支付之購買金額 RMB'000 人民幣千元*
2018 二零一八年	974
2019 二零一九年	95,000
2020 二零二零年	100,000

Year ended/ending 31 December 截至十二月三十一日止年度	*Sum of purchase payable by Huvis to Nantong Yongsheng Huvis向南通永盛支付之購買金額 RMB'000 人民幣千元*
2018 二零一八年	584
2019 二零一九年	11,705
2020 二零二零年	17,189

Year ended/ending 31 December 截至十二月三十一日止年度	*Commission collected by Nantong Yongsheng from Huvis 南通永盛向Huvis收取之佣金 RMB'000 人民幣千元*
2018 二零一八年	551
2019 二零一九年	5,298
2020 二零二零年	5,863

Year ended/ending 31 December 截至十二月三十一日止年度	*Commission collected by Huvis from Nantong Yongsheng Huvis向南通永盛收取之佣金 RMB'000 人民幣千元*
2018 二零一八年	35
2019 二零一九年	702
2020 二零二零年	1,031

The annual caps for the transactions contemplated under the Yongsheng Exclusive Agency and Distribution Agreement for each of the three years ending 31 December 2018, 2019 and 2020 are as follows:

永盛排他代理及分銷協議項下擬進行的交易於截至二零一八年、二零一九年及二零二零年十二月三十一日止三個年度各年的年度上限如下:

The annual caps under the Exclusive Agency and Distribution Agreements are determined based on the projected annual growth in demand and selling price of the PFY Products through the exclusive agency and distribution arrangement.

排他代理及分銷協議項下的年度上限乃根據滌綸長絲產品的需求及售價的預期年度增幅透過排他代理及分銷安排釐定。

As at 31 December 2019, the amount of the transactions under the Huvis Exclusive Agency and Distribution Agreement.
於二零一九年十二月三十一日，Huvis排他代理及分銷協議項下交易金額如下：

		RMB'000 人民幣千元
Sum of purchase payable by Nantong Yongsheng to Huvis	南通永盛向Huvis支付之購買金額	46,888.13
Sum of purchase payable by Huvis to Nantong Yongsheng	Huvis向南通永盛支付之購買金額	193.40
Commission collected by Nantong Yongsheng from Huvis	南通永盛向Huvis收取之佣金	2,699.89
Commission collected by Huvis from Nantong Yongsheng	Huvis向南通永盛收取之佣金	14.60

Confirmation from the independent non-executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors had reviewed the above continuing connected transactions and confirmed that the transactions had been entered into:

(i) in the ordinary and usual course of the business of the Group;

(ii) either (a) on normal commercial terms; or (b) where there is no available comparable terms, on terms no less favourable to the Company than terms available to or from independent third parties; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

獨立非執行董事的確認

根據上市規則第14A.55條，獨立非執行董事已審閱上述持續關連交易並確認該等交易已按下列訂立：

(i) 於本集團日常業務過程中；

(ii) 按(a)正常商業條款；或(b)倘並無可資比較條款，按不遜於向或自獨立第三方條款提供予本公司的條款；及

(iii) 根據規管該等交易的相關協議按公平合理並符合股東整體利益的條款。

Confirmation from the auditors

Pursuant to Rule 14A.56 of the Listing Rules, the Board had engaged the auditors of the Company to perform certain assurance procedures on the continuing connected transactions. As of 31 December 2019, the annual transaction amount of the continuing connected transactions was approximately RMB76.1 million in aggregate, which did not exceed the proposed maximum annual transaction amount for 2019. The auditors of the Company has provided the Board with a letter, confirming that they were not aware of any matters that cause them to believe that the continuing connected transactions disclosed have exceeded the annual cap set by the Company.

核數師的確認

根據上市規則第14A.56條，董事會已委聘本公司核數師對持續關連交易進行若干核證程序。截至二零一九年十二月三十一日，持續關連交易之年度交易額合共約為人民幣76.1百萬元，並未超過擬定的二零一九年年度交易額上限。本公司核數師已向董事會提供一份函件，確認彼等概無注意到任何事項令彼等相信所披露的持續關連交易已超逾本公司所設定的年度上限金額。

On 26 July 2019, Hangzhou HUVIS Yongsheng Dyeing and Finishing Company Limited ("**Hangzhou HUVIS**"), an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreements ("**Equity Transfer Agreements**") with Mr. Li Cheng ("**Mr. Li**"), pursuant to which Hangzhou HUVIS conditionally agreed to sell and Mr. Li conditionally agreed to purchase the sale equity ("**Disposal**") (i.e. (i) 70% of the equity interests in Hangzhou HUVIS Yongsheng Chemical Fiber Limited*(杭州滙維仕永盛化纖有限公司; (ii) 67% of the equity interests in Nantong Yongsheng HUVIS Fiber Advanced Materials Co., Ltd.*(南通永盛滙維仕纖維新材料有限公司); and (iii) 70% of the equity interests in Jiangsu Yongsheng High Polyester Advanced Materials Research Institute Company Limited*(江蘇永盛高分子新材料研究所有限公司) (together "**Target Companies**"), at a total consideration of RMB173,916,400 (equivalent to approximately HK$197,726,000). The disposals are inter-conditional upon each other.

於二零一九年七月二十六日，本公司間接全資附屬公司杭州滙維仕永盛染整有限公司(「**杭州滙維仕**」)與李誠先生(「**李先生**」)訂立股權轉讓協議(「**股權轉讓協議**」)，據此，杭州滙維仕有條件同意出售而李先生有條件同意收購銷售股權(「**出售事項**」)(即(i)杭州滙維仕永盛化纖有限公司股權之70%；(ii)南通永盛滙維仕纖維新材料有限公司股權之67%；及(iii)江蘇永盛高分子新材料研究所有限公司股權之70%)(統稱「**目標公司**」)，總代價為人民幣173,916,400元(相當於約197,726,000港元)。該等出售事項互為條件。

On 16 August 2019, Hangzhou HUVIS, Mr. Li and Hangzhou Yongsheng Lituo E-commerce Company Limited*(杭州永盛力拓電子商務有限公司) (the "**New Purchaser**") entered into supplemental agreements to the Equity Transfer Agreements ("**Supplemental Agreements**"), pursuant to which Hangzhou HUVIS, Mr. Li and the New Purchaser have agreed to make certain amendments (the "**Amendments**") to each of the Equity Transfer Agreements, among other matters, the change in purchaser and the payment terms of the considerations for each of the transactions contemplated under the Equity Transfer Agreements.

於二零一九年八月十六日，杭州滙維仕、李先生及杭州永盛力拓電子商務有限公司(「**新買方**」)訂立股權轉讓協議之補充協議(「**補充協議**」)，據此，杭州滙維仕、李先生及新買方均同意對各股權轉讓協議，(其中包括)買方的變動及股權轉讓協議項下擬進行之各交易之代價的付款條款作出若干修訂(「**修訂**」)。

On 29 November 2019, all conditions precedent under each of the Equity Transfer Agreements (as supplemented by the Supplemental Agreements) have been fulfilled. Immediately upon completions, the Company no longer holds any equity interests in any of and each of the Target Companies ceased to be a subsidiary of the Company. Upon completions of the Disposals, HUVIS ceased to be a connected person of the Company. Thus, the abovementioned transactions are no longer continued connected transactions of the Group since the completions of the Disposals.

於二零一九年十一月二十九日，各項股權轉讓協議(經補充協議補充)之所有先決條件均已完成。緊隨完成後，本公司不再持有任何股權及各目標公司不再為本公司之附屬公司。於完成出售事項后，滙維仕不再為本公司之關連人士。因此，自完成該等出售事項后，上述交易不再為本集團之持續關連交易。

(B) Connected transactions

Issue of remaining consideration shares for the First Intelligence Share Purchase Agreement

On 1 November 2018, the Group together with Astute Horizon Limited (as the vendor) and First Intelligence International Limited (as the target company) entered into a share purchase agreement (the "**First Intelligence Share Purchase Agreement**"), pursuant to which the Company has conditionally agreed to purchase and the vendor has conditionally agreed to sell the entire issued share capital of the target company for a total consideration of RMB800 million, which was satisfied as to (1) RMB200 million in cash paid by the Company to the vendor upon completion; and (2) RMB600 million by the allotment and issue of the 272,661,290 new Shares of the Company. The acquisition was completed on 4 January 2019, upon which all of the conditions precedent for cash consideration and first allotment have been fulfilled for this acquisition. Please refer to the announcement dated 1 November 2018 of the Company for details.

On 17 May 2019, the remaining consideration Shares were issued. Please refer to the announcement dated 17 May 2019 for details.

Financial assistance

Pursuant to the terms of the Equity Transfer Agreements (as supplemented by the Supplemental Agreements), upon completions of the Disposals, Mr. Li shall procure Hangzhou HUVIS Yongsheng Chemical Fiber Limited ("**Yongsheng Chemical Fiber**") and Nantong Yongsheng HUVIS Fiber Advanced Material Co., Ltd. ("**Nantong Yongsheng**") to settle in full the outstanding amount owing to the Group within a repayment period (i.e. six months after the signing of each of the Equity Transfer Agreements). In the event of failure on the repayment of the outstanding amount by Yongsheng Chemical Fiber and/or Nantong Yongsheng, Mr. Li will undertake to repay the outstanding amount in full to the Group.

(B) 關連交易

發行穎元股權轉讓協議餘下代價股份

於二零一八年十一月一日，本集團與睿景有限公司（作為賣方）及穎元國際有限公司（作為目標公司）訂立一份股權轉讓協議（「**穎元股權轉讓協議**」），據此，本公司已有條件同意購買，而賣方已有條件同意出售目標公司之全部已發行股本，總代價為人民幣800百萬元，已按以下方式結算：(1)人民幣200百萬元已於完成時由本公司以現金支付予賣方；及(2)人民幣600百萬元以配發及發行272,661,290股本公司新股份之形式結算。於二零一九年一月四日，有關收購事項之現金代價及第一次配發之先決條件均已達成，故完成已於該日落實。詳情請參閱本公司日期為二零一八年十一月一日之公告。

於二零一九年五月十七日，餘下代價股份已獲發行。詳情請參閱日期為二零一九年五月十七日之公告。

財務資助

根據股權轉讓協議（經補充協議補充）之條款，於完成出售事項後，李先生應促使杭州滙維仕永盛化纖有限公司（「**永盛化纖**」）及南通永盛滙維仕纖維新材料有限公司（「**南通永盛**」於還款期（即簽署各股權轉讓協議後六個月）內悉數結清結欠本集團的未償還金額。倘永盛化纖及／或南通永盛未能償還未償還金額，則李先生將承諾向本集團全額償還未償還金額。

As at 29 November 2019, approximately RMB40,000,000 (equivalent to approximately HK$45,600,000) ("**Remaining Amount**") remained unpaid by Yongsheng Chemical Fiber. Immediately upon completions of the Disposals, Yongsheng Chemical Fiber becomes a subsidiary of the New Purchaser, which is ultimately controlled by Mr. Li. As Mr. Li is a controlling Shareholder, an executive Director and the chairman of the Company, Yongsheng Chemical Fiber becomes a connected person of the Company upon completions. Thus, the advance of the Remaining Amount to Yongsheng Chemical Fiber (the "**Connected Transaction**") shall constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. Please refer to the announcement of the Company dated 29 November 2019 for details.

於二零一九年十一月二十九日，永盛化纖尚有未償還款項約人民幣40,000,000元（相當於約45,600,000港元）（「**餘下款項**」）。緊隨完成出售事項後，永盛化纖成為新買方之附屬公司，其最終由李先生控制。由於李先生為本公司的控股股東、執行董事兼主席，故永盛化纖於完成後成為本公司之關連人士。因此，根據上市規則第14A章，向永盛化纖墊付餘下款項（「**關連交易**」）構成本公司之一項關連交易。詳情請參閱二零一九年十一月二十九日之公告。

(C) Related party transactions

Details of the significant related party transactions undertaken in the normal course of business of the Group are provided under note 38 to the financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules that is required to be disclosed, except for those disclosed above, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

(C) 關連方交易

於本集團日常業務過程中進行的重大關連方交易的詳情乃於財務報表附註38項下提供。該等關連方交易概無構成一項根據上市規則界定須予披露的關連交易，惟上文已披露者除外，該等交易已根據上市規則第14A章遵守披露規定。

SUFFICIENCY OF PUBLIC FLOAT

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

充足的公眾持股量

於本年報日期，根據本公司所得的公開資料及據董事所深知，本公司已根據上市規則維持所規定的不少於本公司已發行股份25%的規定公眾持股量。

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has maintained appropriate Directors' liability insurance coverage for the Directors during the financial year ended 31 December 2019.

獲准許的彌償條文

組織章程細則規定，各董事有權就其任期內，或因執行其職務而可能遭致或發生與此相關的一切損失或責任從本公司資產中獲得彌償。截至二零一九年十二月三十一日止財政年度，本公司已為董事投購合適的董事責任保險作為保障。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association and the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

優先購買權

組織章程細則及開曼群島法律並無優先購買權的規定，致使本公司須按比例基準向現有股東發售新股份。

PURCHASE, SALE OR REDEMPTION OF SHARES

There is neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company or any of Its subsidiaries during the year ended 31 December 2019.

購買、出售或贖回股份

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

AUDITORS

The financial statements now presented have been audited by Ernst & Young, Certified Public Accountants. Ernst & Young will retire and, being eligible, will offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming AGM.

核數師

現呈報的財務報表已由執業會計師安永會計師事務所審核。於應屆股東週年大會上，安永會計師事務所將告退任，惟符合資格，並願意膺選連任。應屆股東週年大會上將提呈決議案，以續聘安永會計師事務所為本公司核數師。

PROPOSED FINAL DIVIDEND AND CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 26 May 2020 to 29 May 2020, both days inclusive, for the purpose of determining Shareholders' entitlement to attend the forthcoming AGM to be held on Friday, 29 May 2020, during which period no transfer of Shares will be registered. In order to qualify for attending the AGM, the Shareholders should ensure that all transfers accompanied by the relevant share certificates and transfer forms are lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 25 May 2020.

建議末期股息及暫停辦理股份過戶登記

本公司將於二零二零年五月二十六日至二零二零年五月二十九日（包括首尾兩日）期間暫停辦理股東登記，以釐定有權出席於二零二零年五月二十九日（星期五）舉行的應屆股東週年大會的股東身份，期間概不會辦理股份的過戶登記手續。為符合資格出席股東週年大會，股東應確保所有過戶文件連同有關股票及過戶表格須不遲於二零二零年五月二十五日下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心54樓）。

The Board recommends the payment of the final dividend of HK$0.03 per Share to the Shareholders whose names appear on the register of members of the Company on Friday, 5 June 2020. The payment of the final dividend is subject to approval by the Shareholders at the AGM. If the resolution for the final dividend is passed at the AGM, the register of members will be closed from 4 June 2020 to 5 June 2020, both days inclusive, and the final dividend is expected to be paid on Monday, 29 June 2020. In order to qualify for the final dividend, the Shareholders should ensure that all transfers accompanied by the relevant share certificates and transfer forms are lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 3 June 2020.

董事會建議向於二零二零年六月五日(星期五)名列本公司股東名冊的股東派付末期股息每股0.03港元。末期股息須待股東於股東週年大會上批准後,方可派付。倘末期股息的決議案在股東週年大會上獲得通過,股東名冊將於二零二零年六月四日至二零二零年六月五日(包括首尾兩日)期間暫停辦理股東登記,並且預期於二零二零年六月二十九日(星期一)派付末期股息。為符合資格獲取末期股息,股東應確保所有過戶文件連同有關股票及過戶表格須於二零二零年六月三日下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓)。

FIVE-YEAR FINANCIAL SUMMARY

A summary of the financial results and of the assets and liabilities of the Group for the last five financial years is set out on pages 223 to 224 of this annual report.

五年財務概要

本集團於最近五個財政年度的財務業績、資產及負債概要乃載於本年報第223頁至224頁。

By Order of the Board
LI Cheng
Chairman and Executive Director
Hong Kong, 31 March 2020

承董事會命
主席兼執行董事
李誠
香港,二零二零年三月三十一日

ESG REPORT INDEX

ESG報告索引表

		Page 頁碼
A Environmental Aspects A 環境方面		
A1 Emission polices	A1 排放政策	71
A2 Use of resources	A2 資源使用	73
A3 Environment and natural resources	A3 環境及天然資源	73
B Social Aspects B 社會方面		
Care for Employees	關懷員工	
B1 Employment	B1 僱佣	78
B2 Health and safety	B2 健康與安全	81
B3 Development and training	B3 發展及培訓	82
B4 Labour standards	B4 勞工準則	83
Operating Practices	營運慣例	
B5 Supply chain management	B5 供應鏈管理	83
B6 Product responsibility	B6 產品責任	84
B7 Anti-corruption	B7 反貪污	86
B8 Community investment	B8 社區投資	87

INTRODUCTION

About this report

This is the 4th Environmental, Social and Governance (the "**ESG**") report published by the Company for the purpose of disclosing the initiatives of the Group in relation to its ESG development.

As per the "Environmental, Social and Governance Reporting Guide" (the "**Reporting Guide**") published by the Stock Exchange, the Board has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for assessing and determining the risks in relation to the ESG of the Group, as well as ensuring the establishment of appropriate and effective ESG risk management and internal control systems by the Group. The management of the Group is responsible for confirming to the Board of the effectiveness of these systems.

The ESG report aims at improving the stakeholders' confidence and understanding of the Group's environmental and social performance as well as the sustainable development strategies of the Group. The Board of the Company has reviewed and confirmed the ESG report has contained material, complete and balanced contents.

Preparation standards

The report is prepared based on the principles set out in the Reporting Guide set out in Appendix 27 to the Listing Rules.

The ESG report covers the Group's three main businesses: (i) dyeing and processing of differentiated polyester filament fabric, (ii) RMAA Business, and (iii) properties investment .

This report covers the financial year ended 31 December 2019.

ENVIRONMENTAL ASPECT

Build a sustainable ecosystem

In response to the national requirement for accelerating the development of "conservation-oriented society", the Group complied with relevant laws and regulations in relation to emissions and pollutants control, and implemented the "Quality and Environmental Management Manual" in association with the management procedure manuals in relation to waste water treatment, gas emission, waste handling and resources management process to monitor the treatment and disposal of waste water, gas emissions and waste disposal. The Group has been accredited with the ISO 14001 environmental management certification since February 2015 and has completed the external audit and renewal related to ISO during the Period under Review.

引言

關於本報告

此乃本公司之第四份環境、社會及管治(「**環境、社會及管治**」)報告,借此披露有關永盛之在環境、社會及管治方面之發展及措施。

根據聯交所發佈的《環境、社會及管治報告指引》(「**報告指引**」),董事會全權負責本集團的環境、社會及管治策略及報告。董事會負責評估及釐定本集團有關環境、社會及管治的風險,並確保本集團設立合適及有效的環境、社會及管治風險管理及內部控制系統。本集團的管理層負責向董事會提供有關該等系統是否有效的確認。

環境、社會及管治報告旨在提高持份者對本集團環境及社會表現以及本集團可持續發展策略之信心及理解。本公司董事會已審閱並確認環境、社會及管治報告已載列重要、完整及均衡內容。

編制准則

報告乃遵照上市規則附錄二十七之報告指引所載原則而編製。

環境、社會及管治報告涵蓋本集團於中國之三大主要業務:(i)差別化滌綸面料染色加工;(ii)RMAA業務,及(iii)物業投資。

本報告涵蓋截至二零一九年十二月三十一日止財政年度。

環境方面

締造可持續發展的生態環境

為積極響應國家提出的加快建設「節約型社會」的要求,本集團積極遵守有關排放物及污染物監控之相關法律法規,本集團已實行與管理程序手冊相關之「品質環境管理手冊」,有關內容包括廢水處理、廢氣排放、廢棄物處理及資源管理流程,以及監控廢水、氣體排放物處理、處置以及廢棄物處置。本集團已自二零一五年二月取得ISO 14001環境管理體系認證,並於回顧期內完成了ISO外部審核及ISO轉換證工作。

A1. Emission policies

Gas emission policy

The Group has formulated the "Gas Emission Management Procedure" in order to effectively and efficiently manage its gas emission and ensure the Group's compliance with the relevant rules and regulations regarding gas emissions in the PRC.

The Group primarily produces the greenhouse gas ("**GHG**") due to energy consumption in the production process. Pursuant to the GHG Protocol (an international standard for measuring emissions from private and public operations) in translating the GHG emission resulted from energy consumption under Scope 2 Guidance of the GHG Protocol (an international standard regarding how corporations measuring emissions from purchased or acquired electricity, steam, heat and cooling), the Group has a total GHG emission of approximately 100,783.44 tonnes of carbon dioxide equivalence during the Period under Review.

Waste water treatment policy

The Group has formulated the "Waste Water Management Procedure" in order to effectively and efficiently manage the treatment and disposal of waste water and comply with the rules and regulations regarding waste water disposal.

The Group adopted measures to separate waste water produced during its production from other uses. Waste water segregation is adopted in the production sites in order to facilitate segregation in treatments for different types of waste water.

The Group's waste water is mainly produced in the dyeing facilities. In order to comply with the local government requirements to ensure waste water was pre-treated (i.e. reducing the Chemical Oxygen Demand ("**COD**") level of the waste water) before entering the municipal drainage system, the Group built a waste water pre-treatment facility on the dyeing production site in 2015 with further enhancement in 2018.

During the Period under Review, the Group installed the Distributed Control System ("**DCS**") central control system and ammonia nitrogen automatic monitoring system for wastewater treatment process in its workshops. The DCS central control system is designed to monitor the whole process of wastewater treatment by continuously monitoring sewage inflow, inflow temperature, PH value, operating condition of circulating water pump, discharge amount and other real time indexes on a 24-hour basis. With such system, wastewater treatment was under global monitoring and steady control, ensuring discharged wastewater after treatment met environmental requirements, such as COD under 200mg/L, PH value within the range of 6 to 9, ammonia-nitrogen below 20mg/L and total nitrogen below 30mg/L.

A1. 排放政策

氣體排放政策

為有效及高效管理其氣體排放及確保本集團符合中國有關氣體排放的相關規則及規例，本集團已制定「廢氣管理程序」。

本集團的温室氣體排放主要源於生產過程的能源消耗。於回顧期間，根據温室氣體（「**温室氣體**」）核算體系（一項計量私營及公營企業排放物的國際標準）對範圍二項下由於能源消耗導致的温室氣體排放進行折算（一項關於企業如何計量購買式收購電力、蒸汽、加熱及製冷產生之排放之國際標準），本集團合共產生温室氣體排放量約100,783.44噸二氧化碳當量。

廢水處理政策

為有效及高效管理廢水處理及處置，並遵從有關廢水處置之規則及規例，本集團已制定「廢水管理程序」。

本集團採取措施對來自其他用途的生產過程中產生的廢水進行分流。於生產現場採用廢水分流，以利於對各類廢水分流分治。

本集團之廢水主要產生於染整裝置。為符合當地政府規定以確保廢水在進入市政排水系統前得到預處理（即降低廢水的化學需氧量（「**COD**」）水平），本集團已於二零一五年在染整裝置生產現場建立廢水預處理設施，並二零一八年得到進一步提升。

於回顧期間，本集團於其車間安裝廢水處理過程的Distributed control systems（「**DCS**」）中控系統和氨氮自動監測系統。DCS中控系統主要針對整個污水處理過程進行監控，包括污水進水量、進水温度、PH值、循環水泵狀態、排水量等多項實時指標進行24小時持續監測，使污水處理在整個過程全程監控穩定控制，確保外排廢水達到COD 200mg/L以下、PH值介於6-9之間、氨氮20mg/L以下和總氮30mg/L以下等環保要求。

In September 2019, the Company invested RMB2.24 million to entrust Zhejiang Huanshi Technology Co., Ltd.*（浙江環石科技有限公司）to install four sets of exhaust gas emissions monitoring systems for our stenter machines. Such systems could monitor the total hydrocarbons, methane, non-methane total hydrocarbons and other indexes in the exhaust of the stenter machines on a real-time basis, and are subject to the supervision of government departments through the monitoring platforms of Hangzhou city and Zhejiang province on a real-time basis. Through such systems, the Company can discover the change of each index in the exhaust emissions timely, which has effectively prevented the excessive emission of each index.

2019年9月公司投入人民幣224萬元委託浙江環石科技有限公司安裝定型機廢氣監控系統四套，實時對定型機廢氣中總烴、甲烷、非甲烷總烴等指標進行實時監控，並通過杭州市監控平台及浙江省監控平台實時接受政府部門監督。通過此系統公司可以及時發現廢氣排放中各指標的變動情況，有效防止廢氣指標超標排放的發生。

Waste management policy

廢棄物管理政策

The Group has formulated the "Waste Management Procedure" in order to effectively and efficiently manage the treatment and disposal of solid waste.

為有效及高效管理固體廢棄物處理及處置，本集團已制定「廢棄物處理程序」。

Hazardous waste produced by the Group during its production process mainly includes dyeing sludge and waste oil from stenter. The Group stores such hazardous waste separately by their classification and adds labels on each depositary to specify the type, quantity and deposited time before they were transferred to professional third party for disposal.

本集團生產過程中產生的有害廢棄物主要是指印染污泥及定型機廢油。該部分有害廢棄物，本集團會進行分類管理、單獨存放，並於存放點樹立標籤，標明種類、數量及存放時間，再交由專業的第三方機構進行處理。

Non-hazardous waste produced by the Group mainly derived from packaging materials in production and domestic wastes from staff dormitory and office. The Group strives to reduce the packaging materials of the products. The Group maintains optimal design for packaging materials in accordance with environmental protection requirements, for example: to reduce product size, minimise packaging and save storage space. Given the needs to meet customer expectations and logistics requirements, the Group strives to cut down the usage of packaging materials. The main packaging materials for the Group's PFY products include carton boxes, paper cones, foam boards, plastic bags and plastic films, while the packaging materials for dyed fabric products include paper cones and plastic films. Wooden supports are used for product storage and auxiliary transportation and will be disposed of as general industrial waste only when damaged. The new wooden supports are those recyclable old wooden supports. On the other hand, domestic wastes are handled by municipal cleaning service.

本集團的無害廢棄物主要源於生產包裝材料及員工宿舍及辦公室生活垃圾。本集團致力減少產品的包裝材料。本集團根據環保規定對包裝進行優化設計，例如：減少產品尺寸、最小化包裝及節省存儲空間。鑑於滿足客戶期望之需要及物流規定之前提下，本集團盡量減少使用包裝材料。本集團滌綸長絲產品的主要包裝材料包括紙箱、紙筒、泡沫板、塑料袋及塑料薄膜，而染色面料產品的包裝材料包括紙筒及塑料薄膜。用於產品儲存、運輸輔助的木架僅於損壞時才作為一般工業廢棄物處置。新增的木架為回收的可用的舊木架。另一方面，生活垃圾由市政清潔服務進行處理。

* for identification purpose only

2019 A1 Emissions KPI

The following table sets out the gas emission and waste disposal data of the Group for the year ended 31 December 2019:

2019年A1排放物關鍵績效指標

下表列載本集團截至二零一九年十二月三十一日止年度的廢氣排放及廢棄物處理數據：

KPI KPI	Specific indicator 具體指標	Emission 排放量	Intensity 密度
A1.1	Waste water 廢水	612,480 tons 612,480噸	622.1 tons/RMB million sales 622.1噸／百萬元人民幣銷售額
A1.2	GHG 溫室氣體	100,783.44 tons 100,783.44噸	102.4 tons/RMB million sales 102.4 噸／百萬元人民幣銷售額
A1.3	Hazardous waste 有害廢棄物	1,240 tons 1,240噸	1.82 tons/RMB million sales 1.82噸／百萬元人民幣銷售額
A1.4	Non-hazardous waste 無害廢棄物	N/A 不適用	N/A 不適用

A2. Use of resources

A2. 資源使用

The following table sets out the consumption rate of electricity, water and packaging materials for the year ended 31 December 2019:

下表列載截至二零一九年十二月三十一日止年度的電力、水及包裝材料的消耗率：

KPI KPI	Specific indicator 具體指標	Resource consumption 資源消耗量	Intensity 密度
A2.1	Electricity 電力	179,308MWh 179,308兆瓦時	182.1MWh/RMB million sales 182.1兆瓦時／百萬元人民幣銷售額
A2.2	Water 水	692,027 tons 692,027噸	702.87 tons/RMB million sales 702.87噸／百萬元人民幣銷售額
A2.5	Packing materials 包裝材料	4,342.7 tons 4,342.7噸	4.41 tons/RMB million sales 4.41噸／百萬元人民幣銷售額

Please refer to paragraph A3 below for description of energy use efficiency initiatives adopted by the Group and the results achieved.

請參閱下文A3段有關本集團所採納能源使用效益舉措及所取得成效的內容。

The Group's RMAA services fall under the construction industry which may generate some hazardous waste due to the business nature. Widely Construction endeavors to take all reasonable measures to minimize the impact on the environment during its operations and has been seeking ways less harmful to the environment. The control measures include: (i) spraying water when dusty construction activities (such as demolition, drilling or excavation) are carried out; (ii) transferring waste to other sites for reusing; and (iii) sorting waste for recycling.

本集團的RMAA服務屬於建築行業的業務性質可能會產生一些有害廢物，偉利建築致力採取一切合理措施，在營運過程中盡量減少對環境的影響及一直尋求對環境危害較少的方式。控制措施包括：(i)進行多灰塵的施工活動（如拆卸、鑽探或挖掘）時，進行灑水；(ii)將廢物轉移至其他工地進行再利用；及(iii)廢物分類及回收。

Widely Construction

偉利建築

	GHG Emissions 溫室效應氣體排放	
Direct Emission (Scope 1) (tonnes)	直接排放（範圍1）（噸）	20.61
Direct Emission (Scope 2) (tonnes)	直接排放（範圍2）（噸）	21.47
Direct Emission (Scope 3) (tonnes)	直接排放（範圍3）（噸）	6.01
Construction and Demolition Waste	建築及排拆工程廢物	1,846.60
Non-hazardous waste disposal (tonnes)	無害廢物處置（噸）	1,187.87
Non-hazardous waste intensity (tonnes/construction project)	無害廢物密度（噸／建築項目）	20.61

A2. Use of resources

The following table sets out the consumption rate of electricity, water and packaging materials for the year ended 31 December 2019:

Please refer to paragraph A3 below for description of energy use efficiency initiatives adopted by the Group and the results achieved.

A2. 資源使用

下表列載截至二零一九年十二月三十一日止年度的電力、水及包裝材料的消耗率：

請參閱下文A3段有關本集團所採納能源使用效益舉措及所取得成效的內容

A3. Environment and natural resources

Environmental protection measures

The main types of energy which the Group used in production are electricity and steam; all were supplied by the municipal facilities.

The Group aims at increasing energy efficiency through proper equipment maintenance and replacement of factory equipment. The Group has reduced electricity consumption from production by upgrading and replacing air compression systems. The Group adopted the "coal-to-steam" system which uses steam as driving force of stenter machines. Such system significantly reduces gas emission.

A3. 環境及天然資源

環保措施

本集團生產所用能源主要類型為電力及蒸汽，均由市政設施供應。

本集團旨在透過適當的設備維護及更換工廠設備提高能源效益。本集團已經透過升級及更換空氣壓縮系統減少生產耗電量。本集團亦通過煤氣技術改造，所有定型機使用蒸汽定型大大降低了廢氣排放。

During the Period under Review, Nantong Yongsheng, for the purpose of power saving, has replaced its high pressure air compressors with low pressure air compressors that could secure production needs. Besides, it has replaced all piston air compressors, featuring heavy noise and high electricity consumption with screw-air compressors featuring low noise and low electricity consumption, and has adopted converters to control all fans and water pumps. Upon the implementation of above improvement measures, workshops of the Group achieved more than 10% electricity consumption saving and reduced the impact of noise on the environment.

於回顧期內，南通永盛採取將高壓的空氣壓縮機技改成可保證生產需要的低壓壓縮機，以節省電耗；將噪音大耗電多的活塞空氣壓縮機全部更換成噪音小能耗低的螺桿式空氣壓縮機；對所有風機水泵採用變頻器控制。經過上述改進，本集團車間用電節約10%以上，並且還降低了噪音對環境的影響。

During the Period under Review, Yongsheng Dyeing and Yongsheng Chemical Fiber successfully passed the test on the enterprise's electric energy balance conducted by the Government of Xiaoshan District, Hangzhou, Zhejiang Province. The test mainly focused on the following two major parts of the enterprise: (i) electricity consumption and (ii) power balance test, including power load, daily load rate, main electricity consumption per day, high-and low voltage output line three-phase current and other parameters; and ii) the actual operating conditions test on on-site electrical equipment to understand whether electrical equipment operates smoothly and whether there is power-saving potential.

於回顧期內，永盛染整及永盛化纖順利通過了浙江省杭州市蕭山區政府開展的關於於回顧期內企業電能平衡的測試，該測試主要圍繞企業的以下兩大部分進行，(i)用電潮流及(ii)電量平衡測試、包括用電負荷、日負荷率、主要日用電量、高低壓輸出路線三相電流等參數；及ii)現場用電設備實際運行工況測試，了解是否正常運行及是否有節電潛力。

Based on the above test data in two aspects and combined with the comprehensive analysis of the current status of equipment operation, the Group proposed a related rectification plan for the production process. Through rectification, Yongsheng Dyeing and Yongsheng Chemical Fiber finally saved energy by over 7%.

本集團針對以上兩部分的測試數據並結合對設備運行現狀的綜合分析，提出了相關的生產工藝的整改方案，通過整改，永盛染整及永盛化纖最終實現節能7%以上。

The Group has a circulating cooling water system in place to reduce the consumption of water for cooling down during this Period. Furthermore, Yongsheng Dyeing has installed a water recycling system to recycle dyed water generated from its production and reduce water consumption.

本集團設置循環冷卻水系統以減少即期降溫的用水。此外，永盛染整已安裝水循環系統以回收染整生產用水及降低水資源消耗量。

The Group strives to recycle all recyclable industrial resources, primarily by (i) re-using leftover materials resulted from production; (ii) selling sub-standard filaments to downstream manufacturers; and (iii) collecting and re-using packaging materials of raw materials. All these initiatives have significantly reduced packaging wastes. During the Period under Review, the sub-standard filaments recycled were approximately 1,819 tonnes, representing approximately 3.99% of production volume.

本集團致力於回收所有可回收的工業資源，主要透過(i)重複使用生產中所產生的邊角料；(ii)向下游製造商銷售較次標準的長絲；及(iii)收集及重複利用原材料的包裝材料。所有該等舉措已大幅減少包裝廢棄物。於回顧期間，回收較次標準的長絲共計約1,819噸，相當於生產量的約3.99%。

During the Period under Review, Widely Construction advocated to reducing the consumption of fuel, electricity, and improving the resource efficiency by: (i)encouraging its employees to switch off the lights and electronic appliances before they leave the office; (ii) encouraging its employees to set the temperature of the office's air conditioner to 25.5 Degree Celsius; (iii)encouraging its employees to use double-sided printing instead of single-sided printing; and (iv)arranging the surplus materials on the construction sites to be re-used in other construction sites instead of dumping. During the Period under Review, the electricity consumption and total water consumption of Widely Construction were 14,657.00 kWh and 3.00 m^3 respectively.

於回顧期內，偉利建築通過下列方法減少燃料及電力消耗以及提高資源使用效率：(i)鼓勵員工在離開辦公室之前關掉電燈及電器；(ii)鼓勵員工將辦公室的空調溫度設置為25.5攝氏度；(iii)鼓勵員工使用雙面打印而非單面打印；及(iv)安排建築工地上的剩餘材料在其他工地上再次使用而非丟棄。於回顧期間，偉利建築用電量為14,657.00千瓦時及總耗水量3.00立方米。

Environmental friendly products application

During the Period under Review, the Group continued to use environmental products that were granted with two national invention patents. The "Nylon Ultrafine Fabric Filament and Leather-Feel Velvet Fabric" are manufactured with lower temperature printing and dyeing methods, which significantly reduced energy consumption and emissions, as compared with the manufacturing of regular polyester ultrafine fiber. Meanwhile, the microfiber filaments of "Ultrafine Fabric Filament and Naked Shammy Fabric" require less or no dyestuff in production result in less or no sewage being discharged during the production process. These two patented products achieve energy-saving and environmental protection at the same time.

環保產品應用

於回顧期間內，本集團繼續使用獲授兩項國家發明專利的環保產品。「尼龍超細纖維長絲及皮感絨織物」乃使用低溫印染方法生產，該方法較生產常規滌綸超細纖維能大幅減少能源消耗及排放。同時，「超細纖維長絲及無染麂皮織物」的超細纖維細絲在生產中需要很少或不需要染料，進而令生產過程中排放很少或不排放廢水。該等兩種專利產品同時實現了節能及環保。

Evaluation of the environmental performance:

環境表現的評估：

	Yongsheng Dyeing 永盛染整			Yongsheng Chemical Fiber 永盛化纖			Nantong Yongsheng 南通永盛		
	2019 二零一九年	2018 二零一八年	Changes 變動	2019 二零一九年	2018 二零一八年	Changes 變動	2019 二零一九年	2018 二零一八年	Changes 變動
Production volume 產量	Million metres 48.8百萬米	Million metres 50.5百萬米	(3.3)%	Thousand tonnes 11.2千噸	Thousand tonnes 10.4千噸	7.7%	Thousand tonnes 35.51千噸	Thousand tonnes 24.1千噸	47.4%
Water usage-tonnes/per meter 每米用水量／噸	0.01395	0.01226	13.81%	Immaterial 不重大			Immaterial 不重大		
Electricity usage– kwh/per meter 每米用電量／千瓦時	0.36	0.31	16.14%	955.63	1,135.29	(15.83)%	2,056.89	2,008.89	2.39%
Steam usage-tonnes/per meter 每米用蒸汽量／噸	0.00192	0.00178	7.77%	Not used 不使用			Not used 不使用		
Water treatment usage-tonnes/per meter 每米水處理量／噸	0.01234	0.01162	6.18%	Immaterial 不重大			Immaterial 不重大		
2018 Initiatives 二零一八年之措施	• Water recycle initiatives 水循環計劃 • Sewage pre-treatment facility 廢水預處理設施 • Shift from coal-to-gas to reduce exhaust emission 採用煤改汽技術減少廢氣排放 • Increased the overall efficiency in electricity usage 提高用電之整體效率			• Analyse measuring data of electric energy balance to improve the overall efficiency in electricity usage 分析電能平衡測試數據，提高用電之整體效率			• Replace high pressure air compressors with low pressure air compressors 將高壓空氣壓縮機改為低壓空氣壓縮機 • Apply frequency conversion control to all fan pumps 對所有的風機水泵採用變頻控制		

SOCIAL ASPECTS

社會方面

Care for the employees

關懷員工

B1. Employment

B1. 僱佣

The management of the Group believes that "cooperation" and "reciprocity" are the key success elements in a harmonious employment relationship. Hence, the Group strictly complies with labour laws, regulations and industry practices in relation to remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. The Group participates in the social insurance schemes operated by the relevant local PRC government authorities which include: retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance as required by the relevant PRC regulations. Apart from competitive salaries and incentives such as bonus and share options which is based on the evaluation of their contributions to the Group, the Group also provides promotion prospects and training opportunities to staff.

本集團管理層認為，「合作」與「互惠」乃和諧僱傭關係之關鍵成功要素。因此，本集團嚴格遵守有關薪酬及解聘、招聘及晉升、工時、休息時間、平等機會、多元化、反歧視以及其他待遇及福利之勞動法律、法規及行業慣例。本集團參與有關當地中國政府部門之社會保險制度，包括：有關中國法規規定之退休養老金、醫療保險、失業保險、工傷保險及生育保險。除具競爭力之薪金及激勵（如根據其對本集團之貢獻評估釐定之花紅及購股權）外，本集團亦為員工提供晉升前景及培訓機會。

The Group also provides a series of facilities and benefits for its staff and their families. The Group is committed to equipping its staff with all-rounded skills and developing the full potential of its staff. Most of the senior management worked over five years for the Group.

本集團亦為員工及其家屬提供一系列便利及福利。本集團致力為員工發展全面技能，並充分發掘員工潛力。大部分高級管理人員已於本集團工作五年以上。

Gender equality and diversity

性別平等及多元化

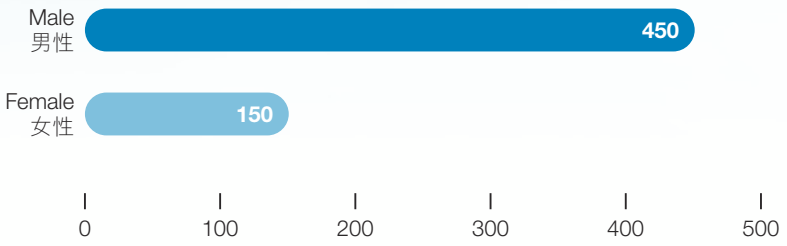
The Group promotes equal opportunity and advocates diversity. All recruitment and promotions are based on meritocracy and all candidates will be considered during the recruitment procedures. Selection of candidates will be based on a diverse range of criteria, including but not limited to gender, age, cultural and educational background, experience, skills and knowledge. Necessary procedures are also exercised to ensure fair and non-discriminatory recruitment.

本集團倡導機會平等並提倡多元化。所有招聘及晉升均以用人唯才為原則，且在招聘程序中會考慮所有候選人。甄選候選人將以多元化標準為基準，包括但不限於性別、年齡、文化及教育背景、經驗、技能及知識。本集團於必要時亦會採取措施確保公平及非歧視招聘。

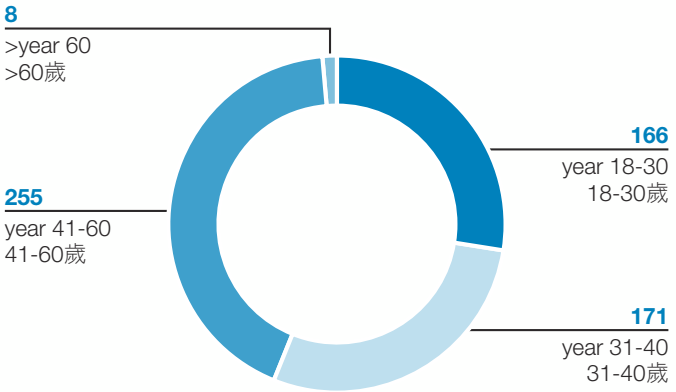
As at 31 December 2019, the Group had a total of 600 employees and all of them are full-time employees. During the Period under Review, the Group's overall average employee turnover rate is approximately 5.16%.

於二零一九年十二月三十一日，本集團共僱用員工600人，全部為全職僱佣。於回顧期間內，本集團之整體平均僱員流失率為約5.16%。

The Group's employee profile by gender is illustrated as below:
本集團僱員按性別分布如下：



The Group's employee profile by age is illustrated as below:
本集團僱員按年齡段分布如下：



Staff activities

The Group has organised various leisure activities and festival celebrations for its staff. During the Period under Review, the Group organised a series of activities to celebrate festivals like Chinese New Year, Women's Day, etc.. The Group also organised staff travel and other sports activities, in order to encourage work-life balance among its staff. The Group arranged thanks giving gifts to its staff during Chinese New Year, Mid-Autumn Festival, etc.. As a caring company, senior management of the Group regularly visit staff under inferior living conditions and assist them with sincere gratitude.

員工活動

本集團已為員工組織豐富的休閒活動及節日慶典。於回顧期間內，本集團已組織一系列慶祝春節、婦女節等節日活動。本集團亦組織員工旅行及其他體育活動，旨在促進員工平衡工作與生活。本集團在春節及中秋節等期間為員工準備感恩禮物。作為一間充滿關懷的公司，本集團高級管理層定期走訪慰問困難職工，並提供誠摯幫助。



Company Training
公司培訓



Take part in street blood donation
參加街道無償獻血



Take part in the street fighting competition
參加街道消防比武

B2. Health and Safety

Emphasis on Production Safety

The Group strictly abides by the local laws and regulations related to employee health and safety, such as the Production Safety Law of People' Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Measures for the Supervision and Administration of Occupational Health Surveillance. The Group regulates the work regarding production safety and prevention of occupational diseases in a standardized way and strengthens the protection of female employees through a series of internal rules and regulations.

In addition, in accordance with the requirements of systems such as the Safety Production Management System, the Group enhances accident and non-compliance management, supervises production safety, and carefully analyses and reflects on the lessons learned from non-compliance or production accidents to prevent further non-compliance. The principal of "four prohibition" on incomplete cause investigation, incomplete disciplinary action for responsible staff member, incomplete rectification measures and incomplete training for relevant staff member is upheld to improve safety education and implement rectifying measures.

The Group has installed comprehensive fire alarm systems and fire-fighting equipment at each workplace to reduce potential fire risk. All of the Group's new staff has to attend the safety trainings. Apart from the basic safety training, the Group also has focused on implementing the "6S" lean management system in daily works. The Group also requires proper safety training to be conducted before new equipment or techniques being employed or being operated.

Emphasis on occupational disease prevention

In accordance with the relevant local laws and regulations, the Group offers health and safety education to employees and provides induction safety training and arranges safety retraining for senior employees.

Yongsheng Chemical Fiber and Nantong Yongsheng regularly distribute protection gears, such as earplugs and masks, and offer staff proper training on how to wear it in a right way.

B2. 健康與安全

重視安全生產

本集團嚴格遵守當地與員工健康與安全相關的法律法規，如《中華人民共和國安全生產法》、《中環人民共和國職業病防治法》、《職業健康監護管理辦法》等，通過系列的內部規章制度來規範格式的安全生產與職業病防護工作，加強女職工的保護。

此外，本集團按照《安全生產管理制度》等制度規定，加強事故及違章管理，監管安全生產及，認真分析並反省有關違章或者生產意外帶來的教訓，杜絕重複現象發生，落實事故原因未查清不放過，責任人員未處理不放過，整改措施未落實不放過和有關人員未受到教育不放過的「四不放過」原則，做好職工安全的教育及整改措施。

本集團已在每個生產車間安裝綜合性火災報警系統及滅火設備，以降低潛在火災風險。本集團所有新員工均參加安全培訓。除基礎安全培訓外，本集團亦集中於日常工作中應用「6S」精益管理體系。本集團亦要求操作或運用新設備或技術前進行適當的安全培訓。

重視職業病防護

本集團根據當地的有關法律法規，對員工進行健康安全教育，實行入職前安全培訓和老員工安全再培訓。

永盛化纖及南通永盛定期分發耳塞、口罩等勞保用品，並對如何正確佩戴進行員工培訓。

To promote a safe working environment and protect employees from occupational hazards, the Group has formulated Management Procedures on Chemical Products and Management Procedures on Production Machinery.

為促進安全工作環境及保障僱員避免職業性危害，本集團已制定「化學品管理程序」及「生產設備管理程序」。

The Group posts notices and warning signals at workplaces where occupational hazards may occur in order to raise employees' self-protection awareness.

在車間有職業危害的地方進行告知和警示，提高員工自我防護意識。

B3. *Development and training*

Communications are keys to the success of the Group. Internal management meetings of the Group were held regularly, such as management monthly meetings, periodic meetings for ad-hoc projects, functional meetings and daily team briefings. Also, in order to promote a safe production environment, efficiency and uphold the quality of the Group's products, systematic trainings were provided to staff, such as new staff induction program, fire prevention seminars, work safety seminars, seminars on technical topics, managerial skills, rules and regulations updates, etc..

B3. *發展及培訓*

溝通是本集團成功的關鍵。本集團定期舉行內部管理會議，如管理月度會議、專案定期會議、功能會議及日常團隊簡會。此外，為提升安全生產環境、效率及提高本集團產品質量，本集團已為員工提供系統培訓，如新員工入職培訓、防火培訓、工作安全研討會、技術專題研討會、管理技能、規章制度更新等。

Efficient process for talent development
高效的人才發展流程

Objective setting
目標設定

Establishing clear performance targets to create value for achieving the Company's business objectives
設置清晰的業績目標，為公司業務目標實現創造價值

- Communicating with the responsible personnel to confirm the short-term and long-term performance output objectives undertakings
  與負責人溝通，並明確短期和長期所承擔的業績產出目標
- Setting development targets to ensure the growth of organisational capability
  設立確保組織能力成長的發展目標

Competency Development
能力發展

Conducting in depth analysis and formulating a targeted plan for performance development, so as to ensure performance optimization
深入分析，制定有針對性的績效發展計劃，確保業績產出最大化

- Clarifying the content and direction of our trainings and ensuring their implementation
  明確培訓內容與方向，確保培訓實施
- Carrying out training and capability improvement work with a focus on core competence development
  圍繞核心能力發展，開展培訓與能力提升工作
- Improving the management skills to support the achievement of a high performance process
  提高管理者技能，以支持高績效流程的實現

Performance Appraisal
業績評價

Conducting systematic assessment and evaluation on the results of performance targets
針對績效目標完成結果的系統考核與評價

- Establishing performance assessing standards for performance targets
  針對績效目標，設定業績評價標準
- Evaluating the effectiveness of the employees' learning and development program
  評價員工學習與發展項目實施的有效性
- Careers development and guidance for employees
  員工職業發展指導
- Design and implementation of performance incentive system
  績效激勵體系設計與實施

Vocational Development
職業發展

Proposing a clear plan that provides a path to career success for employees
明確的計劃，為員工提供一條通往成功的軌道

- A flexible career development system that allows inter-departmental transfer, vertical promotion and cross-grade promotion
  靈活的職業發展體系，橫向調動、垂直晉升、跨職晉升
- In-house mentor program
  內部導師計劃
- Task training program
  任務培訓計劃
- Internal job rotation
  輪崗計劃
- Internal project program
  內部項目計劃

B4. Labour standards

The Group strictly complies with the relevant laws and regulations in relation of the prohibition of child and forced labour. The Group strictly prohibited employment of any staff under the age of 16. The human resources department of the Group strictly implements measures to prevent any violations thereof, for example, identity cards, certificates of skills and graduation certificates of each staff member are verified before signing formal employment agreements with the candidates. The Group also has measures in place to reconfirm whether the newly recruited staff meets the recruitment criteria. The Group will pay minimum salary on a monthly basis which is no less than those required by local government in accordance with the government regulations during the probation period. It will determine staff salary in accordance with the skills and technical requirements of the position.

B4. 勞工準則

本集團嚴格遵守有關禁止童工及強制勞工之有關法律及法規。本集團嚴格禁止僱傭任何16歲以下的員工。本集團人力資源部門與候選人簽署正式僱傭協議前會嚴格執行如核查每個員工的身份證、技能證書及畢業證書等措施，防止任何違規行為。本集團亦採取措施重新確認新招聘員工是否符合徵聘標準。根據政府規定，於試用期內，本集團將支付之每月最低薪金不低於地方政府規定之標準。本集團將根據職位之技能及技術要求釐定員工薪金。

OPERATING PRACTICES

營運慣例

B5. Supply chain management

Corporate certifications, qualifications and awards

The Group promotes the concept of "innovation" with strong research and development capabilities. The Group has obtained certifications in quality and environment management aspects (ISO9001 and ISO14001). In addition, the Group has obtained a series of corporate certifications, qualifications and awards as listed out in the "Certifications and Qualifications" section above in recognition in its effort in promoting "innovation".

Procurement reliability and relationships with suppliers

The Group monitors its procurement procedures closely as raw materials directly affect products quality. During the Period Under Review, the major suppliers of the Group were mainly located in Zhejiang province, Jiangsu province and other regions of the PRC and had over 5 years of relationship with the Group on average. When liaising with new suppliers, the sourcing department of the Group is responsible for evaluating the potential suppliers with reference to the criteria set out in the "Stakeholders Environmental Management Procedures", for example the compliance of relevant statutory requirements, product quality, production stability, compliance with safety and environmental protection rules and regulations and pricing. The Group only engages the suppliers which have passed the evaluation. Subsequent to the engagement of the suppliers, the Group performs regular evaluation of its suppliers in order to monitor product quality.

B5. 供應鏈管理

企業認證、資格及獎勵

本集團力推具有強大研發能力的「創新」理念。本集團已取得質量及環境管理方面之認證（ISO9001及ISO14001）。此外，本集團已取得一系列為表彰其推動「創新」所作出努力的公司認證資格及獎勵（誠如上文「認證及資格」一節所載）。

採購可靠性及與供應商的關係

由於原材料直接影響產品質量，本集團密切監控其採購程序。於回顧期間內，本集團之主要供應商主要分佈在中國浙江省、江蘇省及其他地區，且與本集團平均維持超過五年的關係。當聯絡新供應商時，本集團採購部門負責參考「相關方環境管理程序」所載標準評估潛在供應商，如相關法定要求之合規性、產品質量、產品穩定性、安全及環保規章制度之合規性及定價。本集團僅與已通過評估之供應商合作。於選擇供應商後，本集團定期評估供應商，以監控產品質量。

Emergencies management

The Group formulated the "Emergency Management Procedures" and "Fire Prevention Management Procedures" and other production safety management systems to cope with emergencies. In addition, the Group has designated personnel to conduct safety inspections on production facilities and conduct instant follow-up when any exceptional situation was found.

In order to minimise the environmental and social impact due to emergencies, the Company will set up a central team to manage emergencies and designate relevant personnel to formulate evacuation plans, conduct post-incidental repair and investigations in order to avoid the re-occurrence of similar incidents in accordance with the "Ratification and Prevention Measures Management Procedures".

突發事件管理

本集團已制定「應急準備和回應管理程序」及「消防管理程序」以及其他生產安全管理制度，以應對突發事件。此外，本集團已指定人員對生產設施進行安全檢查，並在發生特殊情況時及時跟進。

為最大程度減輕突發事件造成的環境及社會影響，本公司將成立中央小組管理突發事件，並指定相關人員根據「糾正和預防措施管理程序」制定疏散計劃、進行事後維修及調查，以免再次發生類似事件。

B6. Product responsibility

Product quality

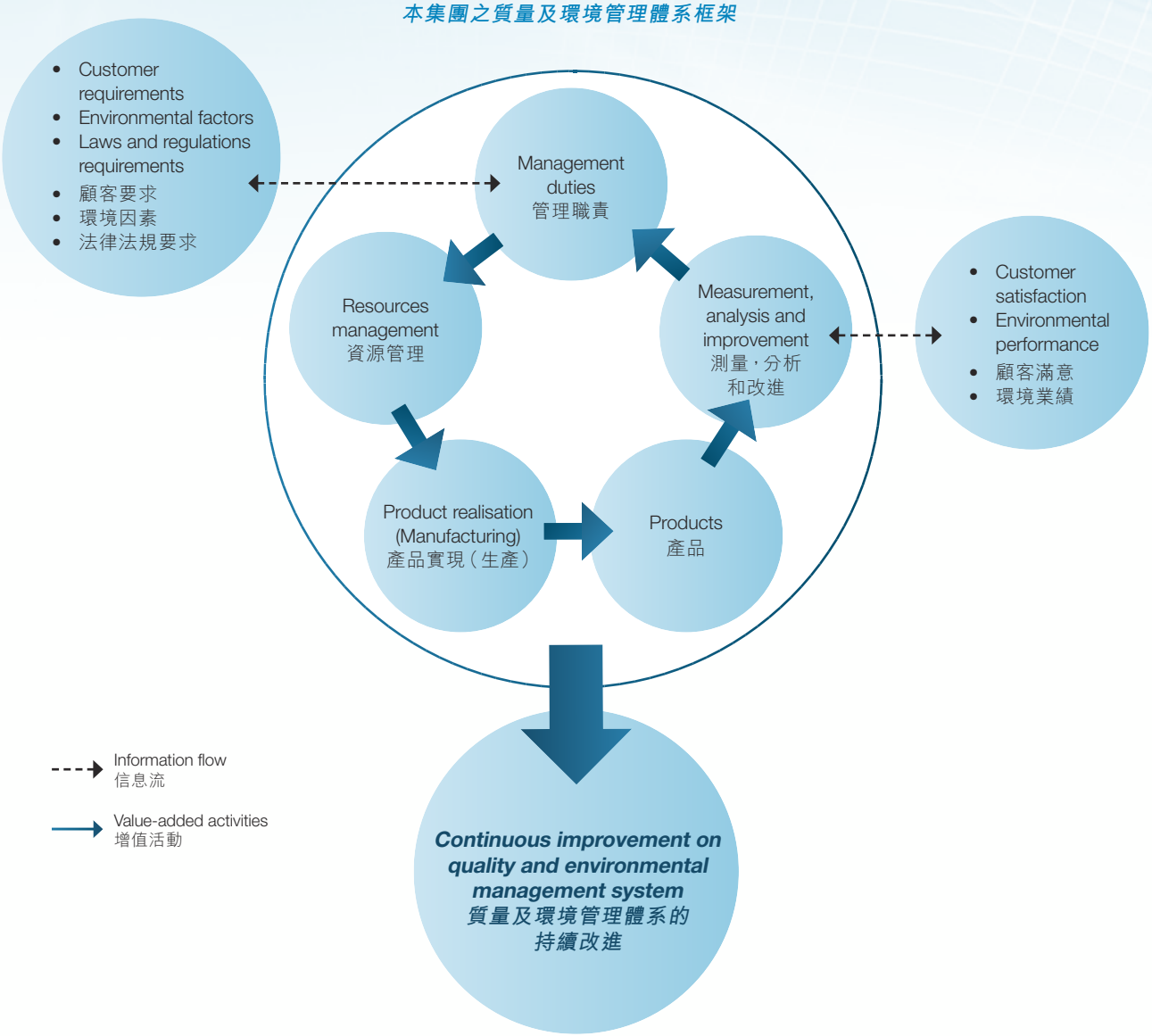
The Group is committed to offer quality products to customers and complying with the requirements of relevant standards in relation to health and safety, advertising, labeling and privacy matters of its products. The Group has formulated the "Product Monitoring and Measurement Management Procedures", the "Defective Product Management Procedures" and the "Data Analysis Monitoring Procedures" in order to strictly manage product quality. The following chart illustrates the quality and environmental management system framework of Yongsheng:

B6. 產品責任

產品質量

本集團致力為客戶提供優質產品，遵守有關產品健康及安全、廣告、標籤及保密事宜之相關標準規定。本集團已制定「產品的監視和測量管理程序」、「不合格品管理程序」及「資料分析控制程序」，以嚴格管理產品質量。下圖列示永盛的質量及環境管理體系的框架：

The quality and environmental management system framework of the Group
本集團之質量及環境管理體系框架



Patents

As one of the leading manufacturers of differentiated PFY and dyeing and processing of differentiated polyester filament fabrics in the PRC, product quality is the top priority of the Group. The Group owned 53 utility model patents and 2 invention patents. The number of patents owned by each member of the Group is as follows:

專利

作為中國領先的差別化滌綸長絲及差別化滌綸面料染色及加工的生產商之一產品質量為本集團之首要事項。本集團擁有53項實用新型專利及2項發明專利。本集團各成員公司之擁有專利數如下：

		Invention patents 發明專利	Utility model patents 實用新型專利	Number of patents being owned 擁有專利數
Yongsheng Dyeing	永盛染整	2	11	13
Yongsheng Chemical Fiber	永盛化纖	–	21	21
Nantong Yongsheng	南通永盛	–	21	21
		2	53	55

The Group sets "innovation" as the top priority for its business growth. The Group pays great attention to the protection of intellectual property and product secrecy in order to safeguard the fruit of its innovation. The product information department is responsible for managing the patents and projects of the Group. The Group will cooperate with intellectual property service companies to improve the quantity and quality of future patents applications. The Group will continue to develop a sustainable innovation model through internal research and development, industry-university-research cooperation and others research and development efforts.

本集團將「創新」設為業務增長之第一要務，本集團高度重視保護知識產權及產品保密，以保護創新成果。產品信息部門負責管理本集團的專利及項目。本集團將與知識產權服務公司合作，提高未來專利申請之數量及質量。本集團將通過自主研發、產學研合作及其他研發工作繼續發展可持續創新模式。

The Group will also perform periodic customer satisfaction surveys in order to understand customer demand.

本集團亦將定期進行客戶滿意度調查，以瞭解客戶需求。

B7. Anti-corruption

B7. 反貪污

The Group emphasises on transparency and responsibility in order to fulfill the corporate motto of "integrity". The Group strives to achieve zero occurrence of incidents that are detrimental to the interests of shareholders, investors, customers and other stakeholders of the Group. The Group had formulated a set of anticorruption policies to ensure compliance with all applicable anticorruption laws and regulations in relation to bribery, extorting, fraud and money laundering. All directors, staff, agents and representatives and any individuals acting on behalf of the Group are prohibited from directly or indirectly offering, giving, soliciting or receiving any form of bribe, kickback or other corruptive payment or anything of value, to or from any person or organisation, including government agencies, individual government officials, private companies and employees of those private companies under any circumstances. During the Period Under Review, the Group did not have any non-compliance with laws and regulations in respect of anti-corruption, including but not limited to Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and Criminal Law of the PRC.

本集團著力保持透明度及責任感，以踐行「誠信」的企業理念。本集團致力杜絕發生有損本集團股東、投資者、客戶及其他利益相關者利益之事件。本集團已制定反貪污政策，確保遵守所有適用反貪污法律及有關賄賂、勒索、欺詐及洗黑錢之法規。所有董事、員工、代理及代表以及代表本集團行事之任何個人於任何情況下均不可直接或間接向任何人士或組織提供、作出、索取或收取任何形式的賄賂、回扣或其他腐敗付款或任何有價值的物品，其中包括政府機構、個人政府官員、私營公司及該等私營公司僱員。於回顧期間內，本集團並未違反任何有關反貪污之法律及法規，包括但不限於香港法例第201章防止賄賂條例及中國刑法。

Moreover, the Group had formulated a whistle-blowing policy to increase employees' awareness to uphold integrity. The chairman, chief executive officer and the audit committee of the Company will receive report of the whistle-blowing incidents and have the discretion to initiate independent investigations according to the nature of the incidents or refer the incidents to relevant regulatory authorities. The Group communicated with investors and stakeholders periodically by publishing quarterly financial and business updates, organising visits to its factories and arranging focus group meetings with institutional investors and stock commentators. The Group also published announcements in relation to its major development in accordance with the seven "Principles of Responsible Ownership" published by the Securities and Futures Commission ("**SFC**").

此外，本集團已制定舉報政策，以加強員工堅守公正廉潔的意識。本公司主席、行政總裁及審核委員會將收到舉報事件報告，可酌情根據事件性質進行獨立調查，或將該等事件轉介予有關監管機構。本集團通過刊發季度財務及業務更新資料定期接洽投資者及利益相關者，組織工廠參觀並與機構投資者及股評家進行小組重點會議。本集團亦根據期貨事務監察委員會（「**證監會**」）制定之七項《負責任的擁有權原則》刊發有關其重大進展之公佈。

B8. Community investment

Community service

Management of the Group actively participates in the public positions in community service. The chairman of the Group has been elected as a representative of the Hangzhou City Xiaoshan District People's Congress of the PRC since December 2016. The chief executive officer of the Group has been elected as a member of the Hangzhou City Xiaoshan District Committee of the Chinese People's Political Consultative Conference since December 2016.

The Group is keen on contributing to the society. During the Period Under Review, the Group donated approximately RMB396,000 to surrounding communities and social organisations.

Community care

During the year of 2019, the Group was once again listed as one of the "Top Ten Enterprises（十強企業）" and won the honorary title of "Advanced Taxpaying Enterprise（納税先進企業）" released by the government of Jingjiang Street of Hangzhou.

Apart from paying high attention to corporate developments, the Group also cares about the development of the communities where its factories and offices locate. The Group has not only provided financial support to those who are in need in the surrounding communities, but also organised community events and encouraged its staff to participate.

B8. 社區投資

社區服務

本集團管理層積極參與為社區服務之公共職位。本集團主席自二零一六年十二月起當選為中國人民代表大會杭州市蕭山區代表（人大代表）。本集團行政總裁自二零一六年十二月起當選為中國人民政治協商會議杭州市蕭山區委員會委員（政協委員）。

本集團熱衷於奉獻社會。於回顧期間內，本集團已向周邊社區及社會組織捐獻約人民幣396,000元。

關愛社區

於2019年年內，本集團再次榮獲杭州市靖江街道頒發的「十強企業」及「納税先進企業」的榮譽稱號。

除高度重視企業發展外，本集團亦關心其工廠及辦事處所在社區發展。本集團不僅為周邊社區有需要人士提供資金支持，亦組織社區活動並鼓勵員工參與。

Independent Auditor's Report
獨立核數師報告

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

安永會計師事務所
香港中環添美道1號
中信大廈22樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the shareholders of
Yongsheng Advanced Materials Company Limited
(Incorporated in the Cayman Islands with limited liability)

致永盛新材料有限公司股東

(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Yongsheng Advanced Materials Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 98 to 254 which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

意見

本核數師(以下簡稱「我們」)已審核第98頁至第254頁所載的永盛新材料有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表,此等合併財務報表包括於二零一九年十二月三十一日的合併財務狀況表與截至該日止年度的合併損益及其他全面收入表、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(包括主要會計政策概要)。

我們認為,此等合併財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映 貴集團於二零一九年十二月三十一日的合併財務狀況,及截至該日止年度的合併財務表現及合併現金流量,並已按照香港《公司條例》的披露規定妥為編製。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見的基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審核。我們在該等準則下承擔的責任在本報告*核數師就審核合併財務報表須承擔的責任*部分中進一步闡述。根據香港會計師公會頒佈的*專業會計師道德守則*(「守則」),我們獨立於 貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審核憑證能充分及適當地為我們的審核意見提供基礎。

KEY AUDIT MATTERS

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

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

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，對本期合併財務報表的審核最為重要的事項。該等事項是在我們審核整體合併財務報表及出具意見時處理，且我們不會對該等事項提供單獨的意見。我們對下述每一事項在審核中是如何處理的描述也以此為背景。

我們已履行本報告*核數師就審核合併財務報表須承擔的責任*一節所述的責任，包括有關該等事項的責任。因此，我們的審核包括執行為應對合併財務報表重大錯報風險的評估而設的程序。審核程序（包括處理以下事項的程序）的結果為我們就隨附的合併財務報表的審核意見提供基礎。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 在審核中如何處理關鍵審核事項

Construction contracts revenue recognition
建築合約收入確認

For the year ended 31 December 2019, the Group has recognised revenue from construction contracting and related business of RMB107,570,000. the Group applying an input method which recognised revenue based on the costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. The input method involves the use of management's significant judgement and estimates, including estimates of the progress towards completion, the scope of deliveries and services required, total contract costs, and remaining costs to completion. Because of the significant judgement and estimates adopted in recognising construction contract revenue, this is considered as a key audit matter.
於截至二零一九年十二月三十一日止年度， 貴集團確認來自建築合約及有關業務的收入人民幣107,570,000元。 貴集團乃應用基於截至報告期末各合約所引致成本所佔總估計成本的比例確認收益的輸入法入賬。輸入法涉及使用管理層的重大判斷及估計，包括估計完工進度、所要求的交付及服務範圍、合約總成本及完工的餘下成本。由於確認建築合約收入時採用重大判斷及估計，故我們將其視為關鍵審核事項。

The accounting policies and related disclosures for the revenue recognition on construction contracts are included in notes 2, 3 and 5 to the consolidated financial statements.
有關建築合約收入確認的會計政策及相關披露載於合併財務報表附註2、3及5。

We performed the following procedures in relation to revenue recognition of construction contracts:
我們執行與建築合約收益確認有關的下列程序：

1) We evaluated and tested controls over the accounting process of contract costs, contract revenues and the calculation of the stage of completion;
1) 我們對合約成本、合約收益及完工進度的計算的會計程序控制權進行評估及測試；

2) We reviewed significant construction contracts on a sample basis to check the total contract revenues and other key contract terms;
2) 我們抽樣審閱重大建築合約，以核查總合約收益及其他主要合約條款；

3) We checked the contract costs incurred on a sample basis to check against supporting documents such as delivery and acceptance notes and invoices;
3) 我們抽樣核查所產生的建築成本，以與交付及驗收票據及發票等支持文件對賬；

4) We evaluated management's judgement and estimates in the determination of estimated total contract costs on a sample basis by discussing the progress of the construction contracts with those in charge of the projects and by comparing actual contract costs incurred with budgeted contract cost; and
4) 我們透過與項目負責人討論建築合約的進度，並將實際合約成本與預算合約成本進行比較，抽樣評估管理層於釐定估計合約總成本時的判斷及估計；及

5) We re-calculated the revenue recognised under the input method on a sample basis and performed analytical review procedures according to different construction contract types.
5) 我們抽樣重新計算按輸入法確認的收益，並根據不同建築合約類型執行分析審核程序。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 在審核中如何處理關鍵審核事項

Provision for expected credit losses ("ECL") of trade receivables and contract assets
貿易應收款項及合約資產的預期信貸虧損(「預期信貸虧損」)撥備

As at 31 December 2019, the Group had trade receivables and contract assets of RMB38,859,000 and RMB18,456,000, respectively before provisions for impairment of RMB2,347,000 and RMB989,000, respectively.
於二零一九年十二月三十一日， 貴集團之貿易應收款項及合約資產分別為人民幣38,859,000元及人民幣18,456,000元(作出減值撥備人民幣2,347,000元及人民幣989,000元前)。

The determination as to estimated credit loss involves management judgement and estimates. Management considers specific factors to decide the ECL such as the age of the balances, location of customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether a provision for impairment is required.
於釐定估計信貸虧損時需管理層作出判斷與估計。管理層就釐定預期信貸虧損考慮的具體因素包括結餘的賬齡分析、客戶所在地區、是否存在糾紛、近期歷史還款模式及有關客戶信譽的任何其他可得資料。管理層運用該等資料釐定是否須作出減值撥備。

Because of significant management judgement involved and estimates adopted in determining ECL and the materiality of the amounts involved, this is considered as a key audit matter.
由於釐定預期信貸虧損時需管理層作出重大判斷並採用估計且所涉金額重大，故我們將其視為關鍵審核事項。

The accounting policies and related disclosures for the trade receivables and contract assets are included in notes 2, 3, 21 and 23 to the consolidated financial statements.
有關貿易應收款項及合約資產的會計政策及相關披露載於合併財務報表附註2、3、21及23。

We performed the following procedures in relation to the provision assessment for trade receivables and contract assets:
我們就貿易應收款項及合約資產的撥備評估執行以下程序：

1) We evaluated the design and implementation of management's controls over assessment of recoverability of trade receivables and contract assets;
1) 我們評估管理層對貿易應收款項及合約資產的可回收性的評估控制權的設計及實施；

2) We sent trade receivables confirmations and checked bank receipts for the payments received subsequent to year end, on a sample basis; and
2) 我們抽樣發送貿易應收款項確認書及核驗於年結日後收取的付款的銀行對賬單；及

3) We also assessed the assumptions used to determine the ECL of trade receivables and contract assets by checking the ageing of receivables and historical payment patterns as well as evaluating the impact of macroeconomic factors that management considered affecting the ability of the customers to settle the receivables by checking the correlation between such macroeconomic factors and the historical observed default rates.
3) 我們亦評估釐定貿易應收款項及合約資產預期信貸虧損所用的假設，方法為查核應收款項的賬齡及過往還款模式以及通過查核與過往觀察到的違約率的相關性，評估管理層認為影響客戶結清應收款項能力的宏觀經濟因素的影響。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 在審核中如何處理關鍵審核事項

Acquisition of subsidiaries not under common control
收購並非於共同控制項下的附屬公司

On 22 February 2019, the Group acquired 100% interest in Summer Power International Inc from third parties as disclosed in note 35 to the consolidated financial statements. When applying the acquisition accounting, the Group was required to perform a purchase price allocation, and the process involved the determination of the fair values of the identifiable assets and liabilities including intangible assets and goodwill. Such process was complex and it involved significant judgement. Assisted by external valuation specialists, the Group adopted different approaches for the determination of the fair values of different types of identifiable assets and liabilities of the acquiree. The process also involved a number of assumptions such as discount rate and weighted average cost of capital. The purchase price allocation resulted in goodwill and intangible assets of approximately RMB101,181,000 and RMB64,900,000, respectively.
誠如合併財務報表附註35所披露，於二零一九年二月二十二日， 貴集團向第三方收購夏力國際有限公司100%股權。於應用收購會計法時， 貴集團須進行收購價格分配，而該程序涉及可識別資產及負債（包括無形資產及商譽）公平值的釐定。有關程序較為複雜並涉及重大判斷。在外部估值專家的協助下， 貴集團已採納多種釐定被收購方的不同種類可識別資產及負債的公平值的方法。該程序亦涉及若干假設（如貼現率及加權平均資本成本）。購買價格分配導致產生商譽及無形資產分別約人民幣101,181,000元及人民幣64,900,000元。

Because of the significant management judgement involved and assumptions adopted in determining the fair values of the identifiable assets and liabilities including intangible assets and goodwill, this is considered as a key audit matter.
由於釐定可識別資產及負債（包括無形資產及商譽）的公平值時需管理層作出重大判斷並採用假設，故我們將其視為關鍵審核事項。

The accounting policies and related disclosures for the business combination not under common control are included in notes 2, 3, and 35 to the consolidated financial statements.
有關並非於共同控制項下的業務合併的會計政策及相關披露載於合併財務報表附註2、3及35。

Our procedures to assess the respective purchase price allocation included：
我們評估各購買價分配的程序包括：

1) We reviewed the appraisal reports prepared by the external valuation specialists;
1) 我們已審閱外部估值專家編製的評估報告；

2) We evaluated the competency and objectivity of the external appraisers engaged by the Group;
2) 我們已評估 貴集團委聘的外部估值師的勝任能力及客觀性；

3) We assessed the identification of assets and liabilities based on our understanding of the business of the acquiree and discussion with the management;
3) 我們已根據我們對被收購方業務的了解及與管理層的討論，評估資產及負債的可識別程度；

4) We checked the forecasts prepared by management by discussing the rationale of key assumptions with management and checking orders on hand on a sampling basis; and
4) 我們已透過與管理層討論主要假設的基本原理及抽樣核查手頭的訂單來檢查管理層編製的預測；及

5) We involved our internal valuation specialist to review the methodology and certain assumptions (such as discount rates and growth rates) adopted for the determination of fair values of identifiable assets or liabilities of the acquiree.
5) 我們委聘內部估值專家審閱就釐定被收購方可識別資產及負債的公平值而採納的方法及若干假設（如貼現率及增長率）。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 在審核中如何處理關鍵審核事項

Impairment of goodwill and intangible assets with indefinite lives
商譽和使用年限不確定無形資產減值測試

As at 31 December 2019, the Group recognised goodwill and intangible assets with indefinite lives of approximately RMB105,923,000 and RMB58,347,000, respectively, which represented 6.4% and 3.5% of the total assets of the Group, respectively.
於二零一九年十二月三十一日， 貴集團分別確認商譽和使用年限不確定無形資產約人民幣105,923,000元及人民幣58,347,000元，分別佔 貴集團資產總值的6.4%及3.5%。

Under International Accounting Standard 36 Impairment of Assets, the Group is required to perform annual impairment test for goodwill and intangible assets with indefinite lives. Management performed impairment tests on these assets by using discounted cash flow models as at 31 December 2019. The assessment was complex, and it involved significant judgments and assumptions such as long-term growth rate and discount rate.
根據國際會計準則第36號資產減值， 貴集團須對商譽和使用年限不確定無形資產進行年度減值測試。於二零一九年十二月三十一日，管理層採用貼現現金流模式對該等資產進行減值測試。評估較為複雜，涉及諸如長期增長率及貼現率的重要判斷及估計。

Because of significant management judgement involved and assumptions adopted in performing the impairment test, this is considered as a key audit matter.
由於進行減值測試時需管理層作出重大判斷及採用假設，故我們將其視為關鍵審核事項。

The accounting policies and related disclosures for impairment of goodwill and intangible assets with indefinite lives are included in notes 2, 3, 17 and 18 to the consolidated financial statements.
有關商譽和使用年限不確定無形資產減值的會計政策及相關披露載於合併財務報表附註2、3、17及18。

We performed the following procedures in relation to the impairment assessment for goodwill and intangible assets with indefinite lives:
我們對有關商譽和使用年限不確定無形資產減值評估採用的程序如下：

1) We reviewed the appraisal reports prepared by the external valuation specialists;
1) 我們已審閱外部估值專家編制的評估報告；

2) We evaluated the competency and objectivity of the external appraisers engaged by the Group;
2) 我們已評估 貴集團委聘的外部估值師的勝任能力及客觀性；

3) We reviewed the basis of preparation of the forecasts used for goodwill and intangible assets with indefinite lives impairment test；
3) 我們已審閱商譽和使用年限不確定無形資產的減值測試所用預測的編製基準；

4) We involved our internal valuation specialist to assist us in reviewing the methodology and certain assumptions adopted in the assessment of impairment of goodwill and intangible assets with indefinite lives；and
4) 我們要求內部估值專家協助我們審閱就評估商譽和使用年限不確定無形資產減值所採用的方法及若干假設；及

5) We reviewed management's assessment of the sensitivity of the Group's impairment model to reasonably possible changes and considered the adequacy of disclosures for impairment testing in the consolidated financial statements.
5) 我們已審閱管理層就 貴集團減值模式對有關合理可能變動的敏感度評估，並考慮合併財務報表減值測試披露的充足性。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

年報內收錄的其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的資料，但不包括合併財務報表及我們就此發出的核數師報告。

我們對合併財務報表作出的意見並未涵蓋其他資料，我們亦不對其他資料發表任何形式的核證結論。

就審核合併財務報表而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與合併財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告該事實。我們就此並無任何事項須報告。

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港《公司條例》的披露規定編製真實而公平的合併財務報表，以及維持 貴公司董事認為編製合併財務報表所必需的有關內部監控，以確保有關合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製合併財務報表時， 貴公司董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非 貴公司董事有意將 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 貴公司董事須採用以持續經營為基礎的會計法。

審核委員會協助 貴公司董事履行監督 貴集團的財務報告流程的責任。

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

核數師就審核合併財務報表須承擔的責任

我們的目標是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出包含我們意見的核數師報告。我們僅向　閣下作出整體報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理確定屬高層次的核證，但不能保證根據香港審計準則進行的審核在某一重大錯誤陳述存在時總能發現。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據該等合併財務報表作出的經濟決定時，則被視為重大錯誤陳述。

我們根據香港審計準則進行審核的工作之一，是運用專業判斷，在整個審核過程中保持專業懷疑態度。我們亦：

- 識別及評估合併財務報表由於欺詐或錯誤而導致的重大錯報風險，因應這些風險設計及執行審核程序，以及獲得充足和適當的審核憑證為我們的意見提供基礎。由於欺詐可能涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯報風險比未能發現由於錯誤而導致的重大錯報風險更高。

- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對　貴集團的內部控制的有效性發表意見。

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

核數師就審核合併財務報表須承擔的責任(續)

- 評估董事所用會計政策是否恰當,以及董事所作出的會計估算和相關披露是否合理。

- 總結董事採用以持續經營為基礎的會計法是否恰當,並根據已獲取的審核憑證,總結是否有對　貴集團持續經營的能力構成重大疑問的事件或情況等重大不明朗因素。倘若我們總結認為有重大不明朗因素,我們需要在核數師報告中提請注意合併財務報表內的相關資料披露,或如果相關披露不足,則發表非無保留意見。我們的結論是基於截至核數師報告日期所獲得的審核憑證。然而,未來事件或情況可能導致　貴集團不再具有持續經營的能力。

- 評估合併財務報表的整體列報、架構和內容,包括披露資料,以及合併財務報表是否已公平地反映及列報相關交易及事項。

- 就　貴集團內各實體或業務活動的財務資料獲得充份適當的審核憑證,以就合併財務報表發表意見。我們須負責指導、監督和執行　貴集團的審核工作。我們須為我們的審核意見承擔全部責任。

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lawrence K. W. Lau.

核數師就審核合併財務報表須承擔的責任(續)

我們就(其中包括)審核工作的計劃範圍和時間及重大審計發現,包括在審核過程中識別出的內部控制的任何重大缺失與審核委員會進行溝通。

我們亦向審核委員會作出聲明,確認我們已遵守有關獨立性的道德要求,並就所有被合理認為可能影響我們獨立性的關係和其他事宜以及適用的相關保障措施,與審核委員會進行溝通。

我們通過與審核委員會溝通,確定哪些是本期合併財務報表審核工作的最重要事項,即關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下,我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露,否則我們會在核數師報告中描述此等事項。

出具本獨立核數師報告的審核項目合夥人為劉國華。

Ernst & Young
Certified Public Accountants
Hong Kong
31 March 2020

安永會計師事務所
執業會計師
香港
二零二零年三月三十一日

Consolidated Statement of Profit or Loss and Other Comprehensive Income
合併損益及其他全面收入表

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

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)
CONTINUING OPERATIONS	**持續經營業務**			
REVENUE	收益	5	**306,539**	206,420
Cost of sales	銷售成本		**(204,085)**	(116,433)
Gross profit	**毛利**		**102,454**	89,987
Other income and gains, net	其他收入及收益淨額	5	**15,382**	15,801
Selling and distribution expenses	銷售及分銷開支		**(3,881)**	(4,440)
Administrative expenses	行政開支		**(44,340)**	(28,277)
Finance costs	融資成本	7	**(1,005)**	(297)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**持續經營業務之除稅前溢利**	6	**68,610**	72,774
Income tax expense	所得稅開支	10	**(17,597)**	(15,252)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**持續經營業務年度溢利**		**51,013**	57,522
DISCONTINUED OPERATIONS	**終止經營業務**			
Profit for the year from discontinued operations	終止經營業務年度溢利		**84,035**	29,157
PROFIT FOR THE YEAR	**年內溢利**		**135,048**	86,679
OTHER COMPREHENSIVE INCOME	**其他全面收入**			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	往後期間可能重列至損益的其他全面收入：			
Exchange differences on translation of foreign operations	換算海外業務的匯兑差額		**9,187**	608
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**年內其他全面收入（扣除稅項）**		**9,187**	608
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**年內全面收入總額**		**144,235**	87,287

Consolidated Statement of Profit or Loss and Other Comprehensive Income
合併損益及其他全面收入表

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

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit attributable to:	以下應佔溢利：			
Shareholders of the Company	本公司股東		**113,895**	80,751
Non-controlling interests	非控股權益		**21,153**	5,928
			135,048	86,679
Total comprehensive income attributable to:	以下應佔全面收入總額：			
Shareholders of the Company	本公司股東		**123,082**	81,359
Non-controlling interests	非控股權益		**21,153**	5,928
			144,235	87,287
EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY	**本公司股東應佔每股盈利**	13		
Basic	基本			
–For profit for the year	–年度溢利		**人民幣RMB16.4 cents分**	人民幣RMB20.4 cents分
–For profit from continuing operations	–持續經營業務之溢利		**人民幣RMB7.3 cents分**	人民幣RMB14.5 cents分
Diluted	攤薄			
–For profit for the year	–年度溢利		**人民幣RMB16.2 cents分**	人民幣RMB19.9 cents分
–For profit from continuing operations	–持續經營業務之溢利		**人民幣RMB7.2 cents分**	人民幣RMB14.2 cents分

Consolidated Statement of Financial Position
合併財務狀況表

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

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NON-CURRENT ASSETS	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	14	**81,615**	234,055
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項		**208**	3,405
Investment properties	投資物業	15	**654,698**	–
Prepaid land lease payments	預付土地租賃款項	16(a)	**–**	27,121
Right-of-use assets	使用權資產	16(b)	**11,408**	–
Goodwill	商譽	17	**105,923**	–
Other intangible assets	其他無形資產	18	**66,261**	4,372
Deferred tax assets	遞延稅項資產	30	**536**	–
Total non-current assets	非流動資產總額		**920,649**	268,953
CURRENT ASSETS	**流動資產**			
Inventories	存貨	19	**3,796**	85,205
Properties under development	發展中物業	20	**198,524**	–
Trade and bills receivables	貿易應收款項及應收票據	21	**66,094**	137,277
Contract assets	合約資產	23	**17,467**	–
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22(a)	**16,365**	41,051
Trust loan receivable	應收委託貸款	22(b)	**145,832**	50,000
Financial assets designated as at fair value through profit or loss	指定為按公平值計入損益的金融資產	24	**100,696**	68,134
Amounts due from related parties	應收關連方款項	38	**43,259**	3,190
Pledged deposits	已抵押存款	25	**–**	2,743
Cash and cash equivalents	現金及現金等值物	25	**148,679**	144,573
Total current assets	流動資產總額		**740,712**	532,173
CURRENT LIABILITIES	**流動負債**			
Trade payables	貿易應付款項	26	**53,861**	78,556
Amounts due to a related party	應付關連方款項	38	**–**	38
Other payables and accruals	其他應付款項及應計款項	27	**28,475**	49,991
Interest-bearing bank and other borrowings	計息銀行及其他借款	28	**25,840**	37,700
Government grants	政府資助	29	**387**	1,225
Income tax payable	應付所得稅		**24,209**	12,206
Total current liabilities	流動負債總額		**132,772**	179,716
NET CURRENT ASSETS	**流動資產淨額**		**607,940**	352,457
TOTAL ASSETS LESS CURRENT LIABILITIES	**總資產減流動負債**		**1,528,589**	621,410

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	**非流動負債**			
Interest-bearing bank and other borrowings	計息銀行及其他借款	28	**70,355**	–
Government grants	政府資助	29	**7,290**	11,285
Deferred tax liabilities	遞延稅項負債	30	**13,904**	10,211
Total non-current liabilities	非流動負債總額		**91,549**	21,496
Net assets	淨資產		**1,437,040**	599,914
EQUITY	**權益**			
Equity attributable to shareholders of the Company	本公司股東應佔權益			
Share capital	股本	31	**6,217**	3,121
Share premium	股份溢價	31	**886,872**	130,657
Other reserves	其他儲備	33	**543,951**	422,420
			1,437,040	556,198
Non-controlling interests	非控股權益		**–**	43,716
Total equity	權益總額		**1,437,040**	599,914

Li Cheng
李誠
Director
董事

Ma Qinghai
馬青海
Director
董事

Consolidated Statement of Changes In Equity
合併權益變動表

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

		Attributable to shareholders of the Company 本公司股東應佔									
		Share capital 股本 RMB'000 人民幣千元 (note 31) (附註31)	Share premium 股份溢價 RMB'000 人民幣千元 (note 31) (附註31)	Retained earnings* 保留盈利* RMB'000 人民幣千元	Foreign currency translation reserve* 外幣換算儲備* RMB'000 人民幣千元 (note 33) (附註33)	Statutory surplus reserve* 法定盈餘儲備* RMB'000 人民幣千元 (note 33) (附註33)	Equity-settled arrangement reserve* 權益結算安排儲備* RMB'000 人民幣千元 (note 32) (附註32)	Other reserves* 其他儲備* RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Non-controlling interests 非控股權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	3,121	130,657	388,794	(2,178)	68,171	13,391	(45,758)	556,198	43,716	599,914
Profit for the year	年內溢利	–		113,895	–				113,895	21,153	135,048
Other comprehensive income for the year:	年內其他全面收入：										
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	–	–	–	9,187	–	–	–	9,187	–	9,187
Total comprehensive income for the year	年內全面收入總額	–	–	113,895	9,187	–	–	–	123,082	21,153	144,235
Acquisition of assets and liabilities through acquisition of subsidiaries (note 36)	通過收購附屬公司購入資產及負債（附註36）	2,390	609,451	–	–	–	–	–	611,841	–	611,841
Acquisition of subsidiaries not under common control (note 35)	收購不受共同控制附屬公司（附註35）	685	170,455	–	–	–	–	–	171,140	–	171,140
Disposal of subsidiaries (note 11)	出售附屬公司（附註11）	–	–	13,656	–	(13,656)	–	–	–	(61,611)	(61,611)
Liquidation of a subsidiary	清算一間附屬公司	–	–	–	–	–	–	–	–	(3,258)	(3,258)
Dividends paid to shareholders of the Company	向本公司股東支付股息	–	(27,951)	–	–	–	–	–	(27,951)	–	(27,951)
Appropriation to statutory reserves	分撥至法定儲備	–	–	(17,408)	–	17,408	–	–	–	–	–
Excerise of share options	行使購股權	21	4,260	–	–	–	(1,551)	–	2,730	–	2,730
At 31 December 2019	於二零一九年十二月三十一日	6,217	886,872	498,937	7,009	71,923	11,840	(45,758)	1,437,040	–	1,437,040
At 1 January 2018	於二零一八年一月一日	3,173	173,359	324,130	(2,786)	52,084	14,976	(46,130)	518,806	46,051	564,857
Profit for the year	年內溢利	–	–	80,751	–	–	–	–	80,751	5,928	86,679
Other comprehensive income for the year:	年內其他全面收入：	–	–	–	–	–	–	–	–	–	–
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	–	–	–	608	–	–	–	608	–	608
Total comprehensive income for the year	年內全面收入總額	–	–	80,751	608	–	–	–	81,359	5,928	87,287
Dividends paid to shareholders of the Company	向本公司股東支付股息	–	(26,285)	–	–	–	–	–	(26,285)	–	(26,285)
Dividends paid to non-controlling interests	向非控股權益支付股息	–	–	–	–	–	–	–	–	(21,315)	(21,315)
Appropriation to statutory reserves	分撥至法定儲備	–	–	(16,087)	–	16,087	–	–	–	–	–
Disposal of partial interests in a subsidiary without losing control (note 34)	在不喪失控制權的前提下出售一間附屬公司部分權益（附註34）	–	–	–	–	–	–	105	105	17,556	17,661
Acquisition of additional interests in a subsidiary	增持於一間附屬公司之權益	–	–	–	–	–	–	267	267	(4,504)	(4,237)
Shares repurchased and cancelled (note 31)	購回並註銷之股份（附註31）	(82)	(22,299)	–	–	–	–	–	(22,381)	–	(22,381)
Exercise of share options	行使購股權	30	5,882	–	–	–	(2,110)	–	3,802	–	3,802
Equity-settled share option arrangements	股權結算購股權安排	–	–	–	–	–	525	–	525	–	525
At 31 December 2018	於二零一八年十二月三十一日	3,121	130,657	388,794	(2,178)	68,171	13,391	(45,758)	556,198	43,716	599,914

* These reserve accounts comprise the consolidated other reserves of RMB543,951,000 (2018: RMB422,420,000) in the consolidated statement of financial position.

* 該等儲備賬包括合併財務狀況表內的合併其他儲備人民幣543,951,000元（二零一八年：人民幣422,420,000元）。

Consolidated Statement of Cash Flows
合併現金流量表

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

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	**經營活動現金流量**			
Profit before tax:	除税前溢利：			
From continuing operations	來自持續經營業務		**68,610**	72,774
From a discontinued operations	來自終止經營業務		**107,283**	32,676
Adjustments for:	就以下項目作出的調整：			
Finance costs	融資成本	7&11	**2,889**	1,537
Interest income	利息收入		**(4,245)**	(4,942)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	6	**172**	48
Gain on disposal of a prepaid land lease payment	出售預付土地租賃款項之收益		**–**	(6,720)
Gain on disposal of subsidiaries	出售附屬公司之收益	11	**(24,432)**	–
Fair value gains, net:	公平值收益淨額：			
Financial assets designated as at fair value through profit or loss	指定按公平值計入損益的金融資產	5	**(2,737)**	(7,266)
Changes in fair value of investment properties	投資物業公平值變動	5	**(6,905)**	–
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14	**20,227**	20,241
Depreciation of right-of-use assets/ recognition of prepaid land lease payment	使用權資產折舊／確認預付土地租賃款項	16	**1,874**	814
Amortisation of other intangible assets	其他無形資產攤銷	18	**5,395**	1,170
Impairment of trade receivables and contract assets	貿易應收款項及合約資產減值	21&23	**3,190**	34
Provision for write-down of inventories to their net realisable value	撇減存貨至其可變現淨值之撥備		**3,223**	–
Equity-settled share option expense	股權結算購股權開支		**–**	525
			174,544	110,891
Decrease in inventories	存貨減少		**2,399**	7,970
Decrease/(Increase) in amount due from related parties	應收關連方款項減少／（增加）		**3,482**	(390)
(Increase)/decrease in trade and bills receivables	貿易應收款項及應收票據（增加）／減少		**(78,210)**	12,675
Increase in contract assets	合約資產增加		**(15,135)**	–
Increase in deposits and other receivables	按金及其他應收款項增加		**(1,793)**	(3,912)
Decrease/(Increase) in trade payables	貿易應付款項減少／（增加）		**85,799**	(61,815)
Increase in other payables and accruals	其他應付款項及應計費用增加		**20,285**	4,428
Cash generated from operations	經營所得現金		**191,371**	69,847
Interest received	已收利息		**2,770**	1,674
Income taxes paid	已付所得税		**(30,715)**	(14,158)
Net cash flows from operating activities	經營活動所得現金流量淨額		**163,426**	57,363

Consolidated Statement of Cash Flows
合併現金流量表

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

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	**投資活動所得現金流量**			
Interest received	已收利息		**4,850**	9,151
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目		**(16,389)**	(31,520)
Additions to an investment property	添置一項投資物業		**(44,296)**	–
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目的所得款項		**1,563**	1,398
Proceeds from disposal of a prepaid land lease payment	出售預付土地租賃款項的所得款項		**2,250**	5,055
Additions to properties under development	添置發展中物業		**(10,825)**	–
Acquisition of assets and liabilities through acquisition of subsidiaries	通過收購附屬公司購入資產及負債	36	**(179,948)**	–
Acquisition of subsidiaries not under common control	收購非共同控制下之附屬公司	35	**(1,138)**	–
Additions to other intangible assets	添置其他無形資產	18	**–**	(35)
Proceeds from settlement of financial assets designated as at fair value through profit or loss	結付指定按公平值計入損益的金融資產的所得款項		**126,150**	180,000
Increase in trust loan receivable	應收委託貸款增加		**(152,241)**	(50,000)
Withdrawal of trust loan receivable	回撥應收委託貸款		**57,040**	50,000
Disposal of subsidiaries	出售附屬公司	11	**139,314**	–
Cancellation of a subsidiary	註銷一間附屬公司		**(458)**	–
Deposit paid for potential acquisitions	就潛在收購而支付之按金	22	**–**	(20,000)
Purchases of financial assets designated as at fair value through profit or loss	購買指定按公平值計入損益的金融資產		**(160,000)**	(186,150)
Release of pledged deposits	解除已抵押存款		**45,461**	26,712
Additions to pledged deposits	新增已抵押存款		**(49,120)**	(19,305)
Net cash flows used in investing activities	投資活動所用現金流量淨額		**(237,787)**	(34,694)
CASH FLOWS FROM FINANCING ACTIVITIES	**融資活動所得現金流量**			
Proceeds from issue of shares	發行股份所得款項		**2,730**	3,802
New bank loans	新造銀行貸款		**154,600**	61,100
Repayment of bank loans	償還銀行貸款		**(47,907)**	(38,400)
Proceeds from disposal of partial interests in a subsidiary without losing control	在不喪失控制權的前提下出售一間附屬公司部分權益的所得款項	34	**–**	17,661
Acquisition of interests in a subsidiary from the non-controlling interests	向非控股權益收購於一間附屬公司之權益		**–**	(4,237)
Shares repurchased	已購回股份		**–**	(22,381)
Principal portion of lease payment	租賃付款本金部分		**(1,046)**	–
Dividend paid	已付股息		**(27,951)**	(26,285)
Dividend paid to non-controlling interests	向非控股權益支付股息		**–**	(21,315)
Interest paid	已付利息		**(2,381)**	(1,486)
Net cash flows from/(used in) financing activities	融資活動所得／(所用)現金流量淨額		**78,045**	(31,541)

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**現金及現金等值物增加／減少淨額**		**3,684**	(8,872)
Cash and cash equivalents at beginning of year	年初現金及現金等值物		**144,573**	152,837
Effect of foreign exchange rate changes, net	外匯匯率變動的影響淨額		**422**	608
CASH AND CASH EQUIVALENTS AT END OF YEAR	**年終現金及現金等值物**	25	**148,679**	144,573
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物結餘分析			
Cash and bank balances	現金及銀行結餘		**55,679**	81,483
Non-pledged time deposits with original maturity of less than three months when acquired	於收購時原到期日少於三個月之非質押定期存款		**93,000**	63,090
Cash and cash equivalents as stated in the statement of financial position	於財務狀況表呈列之現金及現金等值物		**148,679**	144,573
Cash and cash equivalents as stated in the statement of cash flows	於現金流量表呈列之現金及現金等值物		**148,679**	144,573

1. CORPORATE AND GROUP INFORMATION

Yongsheng Advanced Materials Company Limited (the "Company") was incorporated in the Cayman Islands on 19 April 2012 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company's registered office is Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

During the year, the Group was involved in the following principal activities:

- Development and manufacture of polyester filament yarns;
- Provision of dyeing services of differentiated polyester filament fabric;
- Trading of polyester filament yarns in the People's Republic of China (the "PRC");
- Properties investment (new in 2019); and
- Renovation, maintenance, alternation and additional services("RMAA service") (new in 2019)

In the opinion of directors, the holding company and the ultimate holding company of the Company is Ever Thrive Global Limited ("Ever Thrive"), a company incorporated in the British Virgin Islands (the "BVI") and controlled by Mr. Li Cheng (the "Controlling Shareholder").

1. 公司及集團資料

永盛新材料有限公司(「本公司」)於二零一二年四月十九日根據開曼群島公司法(二零一零年修訂本)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands。

年內,本集團從事下列主要業務:

- 開發及製造滌綸長絲;
- 提供差別化滌綸面料染色服務;
- 於中華人民共和國(「中國」)進行滌綸長絲貿易;
- 物業投資(二零一九年新增);及
- 維修、保養、改建及加建工程(「RMAA服務」)(二零一九年新增)

董事認為,本公司的控股公司及最終控股公司為恒盛環球有限公司(「恒盛」)(一間在英屬處女群島(「英屬處女群島」)註冊成立並由李誠先生(「控股股東」)控制的公司)。

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料(續)

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

附屬公司的資料

本公司附屬公司的詳情如下:

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及經營地點	Particulars of issued and registered share capital 已發行及註冊股本詳情	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Yongsheng Advanced Materials (BVI) Limited ("Yongsheng BVI") 永盛新材料(BVI)有限公司(「永盛(BVI)」)	Limited liability company incorporated in the BVI 於英屬處女群島註冊成立的有限公司	US$1 1美元	100 100	– –	Investment holding 投資控股
Yongsheng Advanced Materials (HK) Limited ("Yongsheng HK") 永盛新材料(香港)有限公司(「永盛香港」)	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	US$1 1美元	– –	100 100	Investment holding 投資控股
Hangzhou Huvis Yongsheng Dyeing and Finishing Co. Limited ("Yongsheng Dyeing") 杭州滙維仕永盛染整有限公司(「永盛染整」)	Limited liability company established in the PRC 於中國成立的有限公司	RMB200,000,000 人民幣200,000,000元	– –	100 100	Provision of dyeing services in the PRC 於中國提供染色服務
First Intelligence International Limited ("First Intelligence") 穎元國際有限公司(「穎元」)	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	US$50,000 50,000美元	100 100	– –	Investment holding 投資控股
Chang Sheng investment Holding Co. Limited ("Chang Sheng investment") 昶盛投資控股有限公司(「昶盛投資」)	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	HK$1 1港元	– –	100 100	Investment holding 投資控股
Changsheng Property (Hangzhou) Company Limited ("Changsheng Property") 昶盛物業(杭州)有限公司(「昶盛物業」)	Limited liability company established in the PRC 於中國成立的有限公司	RMB200,000,000 人民幣200,000,000元	– –	100 100	Property services in the PRC 於中國從事物業服務

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料(續)

Information about subsidiaries (Continued)

Particulars of the Company's subsidiaries are as follows: (Continued)

附屬公司的資料(續)

本公司附屬公司的詳情如下:(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及經營地點	Particulars of issued and registered share capital 已發行及註冊股本詳情	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hangzhou Yonghao Investment Management Company Limited ("Hangzhou Yonghao Investment") 杭州永浩投資管理有限公司(「杭州永浩投資」)	Limited liability company established in the PRC 於中國成立的有限公司	RMB50,500,000 人民幣50,500,000元	–	100	Properties investment in the PRC 於中國從事物業投資
Philosojoy Investment Limited ("Philosojoy Investment") 哲瑞投資有限公司(「哲瑞投資」)	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	HK$1 1港元	– –	100 100	Investment holding 投資控股
Summer Power International Inc. ("Summer Power") 夏力國際有限公司(「夏力國際」)	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	US$50,000 50,000美元	100 100	– –	Investment holding 投資控股
Widely Construction & Engineering Limited ("Widely Construction & Engineering") 偉利建築工程有限公司(「偉利建築工程」)	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	HK$10,000 10,000港元	– –	100 100	RMAA services in Hong Kong 於香港提供RMAA服務

The financial statements of these subsidiaries above were not audited by Ernst&Young, Hong Kong, or another member firm of Ernst&Young global network.

上述該等附屬公司之財務報表未經香港安永會計師事務所或安永會計師事務所全球網其他會計師行審核。

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets designated as at fair value through profit or loss and investment properties which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

2.1 編製基準

此等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」)頒佈的國際財務報告準則(「國際財務報告準則」)(包括所有國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋)以及香港公司條例的披露規定而編製。此等財務報表已根據歷史成本法編製,惟指定按公平值計入損益的金融資產及投資物業已按公平值計量。此等財務報表以人民幣呈列,而除另有說明外,一切價值已湊整至最接近的千位數。

綜合基準

合併財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度的財務報表。附屬公司指受本公司直接或間接控制的實體(包括結構性實體)。倘本集團透過參與被投資方業務而享有或有權取得被投資方的不固定回報,且有能力行使在被投資方的權力影響有關回報,則本集團擁有該實體的控制權(即現時賦予本集團指導被投資方相關活動的能力)。

當本公司直接或間接擁有的被投資方投票權或類似權利不及大半,則評估本公司對被投資方是否擁有權力時,本集團會考慮所有相關事實及情況,包括:

(a) 與該被投資方其他投票權擁有人的合約安排;

(b) 根據其他合約安排所享有的權利;及

(c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃就本公司的相同報告期使用貫徹一致的會計政策編製。附屬公司的業績乃由本集團獲取控制權之日開始作綜合入賬,並繼續綜合入賬直至失去有關控制權之日為止。

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

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

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

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

2.1 編製基準(續)

綜合基準(續)

損益及其他全面收入各組成部分乃歸屬於本集團母公司擁有人及非控股權益,即使此舉引致非控股權益出現虧絀結餘。有關本集團成員公司間交易的所有集團內公司間資產及負債、權益、收入、開支及現金流量均於綜合賬目時全數抵銷。

倘有事實及情況顯示上述三個控制因素中有一個或以上出現變動,則本集團將重新評估是否仍控制被投資方。附屬公司的擁有權權益變動(並無喪失控制權)被視為股本交易入賬。

倘本集團失去對附屬公司的控制權,則終止確認(i)該附屬公司的資產(包括商譽)及負債,(ii)任何非控制權益的賬面值及(iii)於權益內記錄的累計換算差額;及確認(i)已收代價的公平值,(ii)所保留任何投資的公平值及(iii)損益表中任何因此產生的盈餘或虧絀。先前於其他全面收入內確認的本集團應佔部分重新分類至損益或保留溢利(如適當),所依據的基準與倘本集團直接出售相關資產或負債所需依據者相同。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9	*Prepayment Features with Negative Compensation*
IFRS 16	*Leases*
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*
IFRIC-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Except for the amendments to IFRS 9, IAS 19 and IAS 28, and *Annual Improvements to IFRSs 2015-2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

(a) IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

2.2 變更會計政策及披露

本集團於本年度之財務報表中首次採納下列新訂及經修訂的國際財務報告準則。

國際財務報告準則第9號的修訂	*具有負補償的預付款項特性*
國際財務報告準則第16號	*租賃*
國際會計準則第19號的修訂	*計劃修訂、削減或結算*
國際會計準則第28號的修訂	*於聯營公司及合營企業的長期權益*
國際財務報告詮釋委員會－詮釋第23號	*所得稅處理的不確定性*
國際財務報告準則二零一五年至二零一七年週期的年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂

除國際財務報告準則第9號、國際會計準則第19號及國際會計準則第28號的修訂以及*國際財務報告準則二零一五年至二零一七年週期的年度改進*與編製本集團財務報表概無關連外，新訂及經修訂國際財務報告準則之性質及影響載述如下：

(a) 國際財務報告準則第16號取代國際會計準則第17號*租賃*、國際財務報告詮釋委員會詮釋第4號*釐定安排是否包括租賃*、常設詮釋委員會詮釋第15號*經營租賃－優惠*及常設詮釋委員會詮釋第27號*評估涉及租約法律形式之交易之內容*。該準則已規定確認、計量、呈列及披露租賃之原則，並要求承租人在單一資產負債表內模型確認及計量使用權資產及租賃負債，惟若干確認豁免除外。國際財務報告準則第16號項下規定的出租人會計處理與國際會計準則第17號項下規定的並無實質性改變。出租人將繼續按照與國際會計準則第17號相類似的分類原則對租賃進行分類，並對經營租賃和融資租賃作出區分。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (Continued)

IFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under IAS 17 and related interpretations.

New definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a 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 obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

2.2 變更會計政策及披露（續）

(a) （續）

國際財務報告準則第16號並無對本集團作為出租人的租賃產生任何重大影響。

本集團於首次應用日期二零一九年一月一日使用經修改回溯性方法採納國際財務報告準則第16號。於此方法下，有關準則可追溯應用，首次採納的累計影響於二零一九年一月一日的保留盈利期初結餘調整，二零一八年的比較資料並無重列並繼續根據國際會計準則第17號及相關詮釋呈報。

租賃的新定義

根據國際財務報告準則第16號，倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約是租賃或包含租賃。當客戶有權從使用已識別資產獲得絕大部分經濟利益以及擁有指示使用已識別資產的權利時，即有控制權。本集團選擇應用過渡性的實際權宜辦法以允許該準則僅適用於先前於首次應用日期已根據國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號確定為租賃之合約。根據國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號未確定為租賃的合約不會重新評估。因此，國際財務報告準則第16號項下的租賃定義僅適用於在二零一九年一月一日或之後訂立或變更的合約。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (Continued)

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of lands and buildings. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 in the statement of financial position. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

2.2 變更會計政策及披露(續)

(a) (續)

作為承租人－先前分類為經營租賃的租賃

採納國際財務報告準則第16號的影響性質

本集團擁有若干土地及樓宇項目的租賃合約。作為承租人，本集團先前根據對租賃是否將資產所有權的絕大部分回報及風險轉移至本集團的評估，將租賃分類為融資租賃或經營租賃。根據國際財務報告準則第16號，本集團採用單一方法確認及計量所有租賃的使用權資產及租賃負債，惟低價值資產租賃(按個別租賃基準選擇)及租期為12個月或以下的租賃(「短期租賃」)(按相關資產類別選擇)的兩項選擇性豁免除外。本集團並未以直線法確認自二零一九年一月一日開始的租期內經營租賃項下的租金開支，而是確認使用權資產的折舊(及減值(如有))以及未償還租賃負債的應計利息(作為融資成本)。

過渡的影響

於二零一九年一月一日的租賃負債乃於財務狀況表內根據剩餘租賃付款的現值確認，並使用於二零一九年一月一日的遞增借款利率貼現。使用權資產乃按租賃負債金額計量，並按於緊接二零一九年一月一日前在財務狀況表確認的租賃相關的任何預付或應計租賃款項金額作出調整。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (Continued)

As a lessee – Leases previously classified as operating leases (Continued)

Impacts on transition (Continued)

All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend /terminate the lease

Financial impact at 1 January 2019

The impact arising from the adoption of IFRS 16 at 1 January 2019 was as follows:

2.2 變更會計政策及披露(續)

(a) (續)

作為承租人－先前分類為經營租賃的租賃(續)

過渡的影響(續)

所有該等資產均於該日根據國際會計準則第36號進行減值評估。本集團選擇於財務狀況表分開呈列使用權資產。

於二零一九年一月一日應用國際財務報告準則第16號時，本集團已使用下列選擇性可行權宜方法：

- 應用租期自初始應用日期起12個月內終止之短期租賃豁免
- 倘合約包含延期／終止租賃之選擇權，則事後釐定租賃期

於二零一九年一月一日之財務影響

於二零一九年一月一日採納國際財務報告第16號所產生之影響如下：

		Increase/ (decrease) 增加／(減少) RMB'000 人民幣千元
Assets	**資產**	
Increase in right-of-use assets	使用權資產增加	28,145
Decrease in prepaid land lease payments	預付土地租賃付款減少	(27,121)
Decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少	(83)
Increase in total assets	資產總值增加	941
Liabilities	**負債**	
Increase in lease liabilities	租賃負債增加	941
Increase in total liabilities	負債總額增加	941

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.2 變更會計政策及披露(續)

(a) (Continued)

(a) (續)

As a lessee – Leases previously classified as operating leases (Continued)

作為承租人－先前分類為經營租賃的租賃(續)

Impacts on transition (Continued)

過渡的影響(續)

Financial impact at 1 January 2019 (Continued)

於二零一九年一月一日之財務影響(續)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

於二零一九年一月一日之租賃負債與於二零一八年十二月三十一日之經營租賃承擔對賬如下:

		RMB'000 人民幣千元
Operating lease commitments as at 31 December 2018	**於二零一八年十二月三十一日之經營租賃承擔**	1,137
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019	減:與短期租賃及剩餘租賃期於二零一九年十二月三十一日或之前結束的租賃相關的承擔	(167)
		970
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日之加權平均遞增借款利率	4.75%
Lease liabilities as at 1 January 2019	**於二零一九年一月一日之租賃負債**	941

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group's tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

2.2 變更會計政策及披露(續)

(b) 國際財務報告詮釋委員會詮釋第23號針對當稅項處理涉及影響國際會計準則第12號應用的不確定性(常稱為「不確定稅項狀況」)時的所得稅(即期及遞延)會計處理。該詮釋並不適用於國際會計準則第12號範圍之外的稅項或徵費,尤其亦不包括涉及有關不確定稅項處理的權益及罰金的規定。該詮釋具體針對(i)實體是否單獨考慮不確定稅項處理;(ii)實體對稅務機關的稅項處理檢查所作的假設;(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率;及(iv)實體如何考慮事實及情況變動。於採納該詮釋後,本集團考慮其是否有任何因集團內公司間銷售的轉讓定價導致的不確定稅務狀況。根據本集團的稅務合規及轉讓定價報告,本集團認為其轉讓定價政策可能被稅務機關接納。因此,本集團認為該詮釋對本集團財務狀況或表現概無影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

Amendments to IFRS 3	*Definition of a Business*[1]
Amendments to IFRS 9 IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
IFRS 17	*Insurance Contracts*[2]
Amendments to IAS 1 and IAS 8	*Definition of Material*[1]
Amendments to IAS 1	*Classification of liabilities as Current or Non-current*[4]

1 Effective for annual periods beginning on or after 1 January 2020
2 Effective for annual periods beginning on or after 1 January 2021
3 No mandatory effective date yet determined but available for adoption
4 Effective for annual periods beginning on or after 1 January 2022

2.3 已頒佈但尚未生效之國際財務報告準則

本集團尚未於該等財務報表應用以下已頒佈但尚未生效之新訂及經修訂國際財務報告準則。

國際財務報告準則第3號的修訂	*業務之定義*[1]
國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號的修訂	*利率基準改革*[1]
國際財務報告準則第10號及國際會計準則第28號的修訂	*投資者與其聯營公司或合營企業之間的資產出售或注資*[3]
國際財務報告準則第17號	*保險合約*[2]
國際會計準則第1號及國際會計準則第8號的修訂	*重大之定義*[1]
國際會計準則第1號的修訂	*負債分類為流動或非流動*[4]

1 於二零二零年一月一日或之後開始的年度期間生效
2 於二零二一年一月一日或之後開始的年度期間生效
3 尚未決定強制生效日期，但可供採納
4 於二零二二年一月一日或之後開始的年度期間生效

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Other than further information about those IFRSs that are expected to be applicable to the Group as described below, the Group expected the adoption of the above new and revised standards will not have any significant financial effect on the Group's financial statements.

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

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

2.3 已頒佈但尚未生效之國際財務報告準則(續)

除下文所述有關預期將適用於本集團的國際財務報告準則的進一步資料外,本集團預期採納上述新訂及經修訂準則將不會對本集團的財務報表產生任何重大財務影響。

國際財務報告準則第3號的修訂澄清業務的定義,並提供額外指引。該等修訂澄清,對於被視為業務的一組整合的活動及資產,必須至少包括一項投入及一項實質性過程,兩者可以共同顯著促進創造產出之能力。一項業務可以不具備創造產出所需的所有投入及過程。該等修訂刪除了對市場參與者購買業務並繼續創造產出的能力的評估,重點關注所取得的投入及實質性過程是否能夠共同顯著促進創造產出之能力。該等修訂亦縮小了產出之定義,重點關注於提供予客戶之貨品或服務、投資收入或來自日常活動之其他收入。另外,該等修訂提供指引,以供評估所取得之過程是否屬實質性過程,並引入可選的公平值集中度測試,以容許對所取得之一組活動及資產是否不屬於業務進行簡化評估。本集團預期自二零二零年一月一日起前瞻應用該等修訂。由於該等修訂前瞻應用於首次應用日期或之後發生之交易或其他事件,故本集團於過渡日期將不受該等修訂影響。

國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號的修訂旨在解決銀行同業拆息改革對財務申報之影響。該等修訂提供可在替換現有利率基準前之不確定期限內繼續進行對沖會計處理之暫時性補救措施。此外,該等修訂規訂公司須向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。該等修訂於二零二零年一月一日或之後開始的年度期間生效,可提早採用。預期該等修訂將不會對本集團財務報表造成任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now and not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之國際財務報告準則(續)

國際財務報告準則第10號及國際會計準則第28號的修訂針對國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營公司或合營企業之間資產出售或注資兩者規定之不一致情況。該等修訂規定,當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時,須確認全數收益或虧損。當交易涉及不構成一項業務之資產時,由該交易產生之收益或虧損於該投資者之損益內確認,惟僅以不相關投資者於該聯營公司或合營企業之權益為限。該等修訂已前瞻應用。國際會計準則理事會已於二零一五年十二月移除國際財務報告準則第10號及國際會計準則第28號之修訂的以往強制生效日期,而新的強制生效日期將於對聯營公司及合營企業的會計處理完成更廣泛的檢討後釐定。然而,該等修訂現時可供採納且預期不會對本集團的財務報表產生任何重大影響。

國際會計準則第1號及國際會計準則第8號的修訂對重大之定義進行重新界定。根據新定義,倘可合理預期漏報、錯報或掩蓋個別信息將可影響使用財務報表作一般目的的主要使用者基於相關財務報表作出的決定,則該信息為重大。該等修訂澄清重大將取決於信息的性質或程度。倘可合理預期信息的錯誤陳述會影響主要使用者作出的決策,則該錯誤陳述屬重大。本集團預期自二零二零年一月一日起採用該等修訂。該等修訂預期不會對本集團財務報表造成任何重大影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 主要會計政策概要

業務合併及商譽

業務合併使用收購法入賬。所轉讓的代價按收購日期的公平值計量，即本集團所轉讓資產的收購日期公平值、本集團對所收購公司前擁有人承擔的負債及本集團為換取所收購公司控制權而發行的股本權益的總和。就每項業務合併而言，本集團可選擇按公平值或分佔所收購公司的可識別淨資產比例，計量屬現時擁有人權益並賦予其持有人權利在清盤時按比例分佔淨資產於所收購公司的非控股權益。所有其他非控股權益部分按公平值計量。收購相關成本於產生時支銷。

當本集團收購一項業務時，其根據合約條款、經濟環境及於收購日期的相關情況評估金融資產及所承擔的負債，以作出適當分類及指定。此包括區分所收購公司主合約的嵌入式衍生工具。

倘分階段進行業務合併，則先前持有的股本權益按其收購日期的公平值重新計量，而所產生的任何收益或虧損於損益確認。

收購方將轉讓的任何或然代價於收購日期按公平值確認。倘或然代價歸類為資產或負債，則按公平值計量，並於損益確認公平值變動。倘或然代價歸類為權益，則毋須重新計量，且往後結算於權益內入賬。

商譽初步按成本計量，即已轉讓代價、已確認非控股權益數額及本集團先前持有的被收購方股權的公平值總額，超逾所收購可識別資產淨值及所承擔負債的差額。倘該項代價及其他項目之和低於所收購資產淨值的公平值，於重估後其差額於損益內確認為議價購買收益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

於初步確認後,商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試,倘有事件發生或情況改變顯示賬面值有可能減值,則會更頻密地進行檢討。本集團於十二月三十一日進行其商譽年度減值測試。為進行減值測試,因業務合併而購入的商譽自收購日起被分配至預期可從合併產生之協同效益中獲益的本集團各個現金產生單位或現金產生單位組別,而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

減值乃通過評估與商譽有關之現金產生單位(現金產生單位組別)的可收回金額釐定。當現金產生單位(現金產生單位組別)的可收回金額低於賬面金額時,便確認減值虧損。已就商譽確認的減值虧損不得於未來期間撥回。

倘商譽已被分配至現金產生單位(或現金產生單位組別),而該單位內部分業務被出售,與出售業務相關的商譽於釐定出售收益或虧損時列入業務的賬面值。在此等情況下出售的商譽根據已出售業務的相對價值及所保留現金產生單位的部分計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures its investment properties and financial assets designated as at fair value through profit or loss at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 主要會計政策概要(續)

公平值計量

本集團於各報告期末計量其投資物業及指定按公平值計入損益的金融資產。公平值為市場參與者之間於井然有序交易中按計量日期出售資產收取或轉讓負債時支付的價格。公平值計量以假設出售資產或轉讓負債的交易於資產或負債的主要市場中進行為基礎，或倘並無主要市場，則於資產或負債的最有利市場進行。主要或最有利市場必須為可讓本集團參與的市場。資產或負債的公平值以市場參與者對資產或負債定價時使用的假設計量，並假設市場參與者以其最佳經濟利益行事。

非金融資產的公平值計量須計及一名市場參與者透過使用其資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生經濟利益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

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

2.4 主要會計政策概要(續)

公平值計量(續)

所有於財務報表中按公平值計量或披露的資產及負債,乃基於對公平值計量整體而言屬重大的最低級別輸入數據在公平值級別(說明如下)中分類:

第一級 – 根據相同資產或負債於活躍市場所報的價格(未經調整)

第二級 – 根據對公平值計量而言屬重大且可觀察(不論直接或間接)的最低級別輸入數據的估值方法

第三級 – 根據對公平值計量而言屬重大且不可觀察的最低級別輸入數據的估值方法

就按經常基準於財務報表中確認的資產及負債而言,本集團於各報告期末重新評估分類方法(按照對公平值計量整體而言屬重大的最低級別輸入數據),以釐定是否已於各級別之間發生轉撥。

非金融資產減值

倘一項資產(不包括存貨、合約資產、遞延稅項資產、金融資產及投資物業)出現減值跡象,或須每年進行減值測試,則需要估計該資產的可收回金額。一項資產的可收回金額按該資產或現金產生單位的使用價值及其公平值減出售成本兩者之間的較高者計算,並就每項資產單獨予以釐定,惟該資產並無產生在很大程度上獨立於其他資產或資產組別所產生現金流入的情況除外。在此情況下,會就該資產所屬現金產生單位釐定可收回金額。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (Continued)

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

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

Related parties

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

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2.4 主要會計政策概要(續)

非金融資產減值(續)

只有當資產的賬面值超過其可收回金額時,方會確認減值虧損。在評定使用價值時,須使用税前折現率將估計日後現金流量折現至現值,而該折現率須反映市場當時所評估的金錢時間值和該資產的特有風險。減值虧損於產生期間在其於符合減值資產功能的開支類別中於損益賬中扣除。

於各報告期末均會評估是否有跡象顯示以往確認的減值虧損可能不再存在或已減少。如果存在該跡象,則會估計可收回金額。過往確認的資產(不包括商譽)減值虧損只會於釐定該資產的可收回金額中使用的估計出現變動時撥回,倘於過往年度並無就資產確認減值虧損,則有關金額不得高於原應釐定的賬面值(扣除任何折舊/攤銷)。有關減值虧損的撥回於其產生期間計入損益中,惟若該資產以重估數額列賬,則減值虧損根據重估資產之有關會計政策撥回。

關連方

以下人士被視為與本集團有關的關連方:

(a) 倘為任何人士或其家族近親,且該人士

(i) 對本集團擁有控制權或共同控制權;

(ii) 對本集團有重大影響;或

(iii) 為本集團或本集團母公司的主要管理人員;

或

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要(續)

關連方(續)

(b) 倘為任何實體,並符合以下任何一項條件:

(i) 該實體與本集團屬同一集團成員公司;

(ii) 一間實體為另一實體的聯營公司或合資企業(或為另一實體的母公司、附屬公司或同系附屬公司);

(iii) 該實體與本集團均為同一第三方的合資企業;

(iv) 一間實體為第三方實體的合資企業,而另一實體為該第三方實體的聯營公司;

(v) 該實體為本集團或與本集團有關連的實體之僱員離職後福利計劃;(倘本集團本身為該計劃)及離職後福利計劃之贊助僱主;

(vi) 該實體受(a)所識別人士控制或共同控制;

(vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)的主要管理人員;及

(viii) 該實體或該實體屬其中一部分的集團旗下任何成員公司向本集團或本集團母公司提供主要管理人員服務。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

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

Buildings	2.25% to 2.5%
Plant and machinery	6.4% to 9%
Vehicles	18% to 22.5%
Office equipment, leasehold improvement and others	18% to 45%

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何減值虧損入賬。倘物業、廠房及設備項目分類為持作出售或倘其分類為持作出售的出售組別一部分,其不會折舊並會根據國際財務報告準則第5號入賬。物業、廠房及設備項目的成本包括其購入價以及將該項資產置於其運作狀態及地點作其擬定用途的任何直接應佔成本。

物業、廠房及設備項目投入運作後所產生如維修及保養等開支,通常於產生期間自損益中扣除。倘符合確認標準,則有關大型檢查的開支按該資產的賬面值資本化為重置資產。倘物業、廠房及設備的主要部分須分段重置,則本集團將該等部分確認為獨立資產,並設定具體的可使用年期及進行相應折舊。

折舊按直線基準將各物業、廠房及設備項目的成本於其估計可使用年期內撇銷至其剩餘價值計算。就此所採用的主要年率如下:

樓宇	2.25%至2.5%
廠房及機器	6.4%至9%
汽車	18%至22.5%
辦公室設備、租賃物業裝修及其他	18%至45%

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (Continued)

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

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

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

倘物業、廠房及設備項目各部分的可使用年期有所不同,則該項目的成本按合理基準於相關部分分配,而每部分將作個別折舊。剩餘價值、可使用年期及折舊方法最少於各財政年度結算日檢討並作出調整(如合適)。

物業、廠房及設備項目(包括初步確認的任何重大部分)於出售後或預期使用或出售該等項目不會產生未來經濟利益時終止確認。於終止確認資產的年度在損益表中確認的出售或棄用有關資產而產生的任何收益或虧損,為相關資產的出售所得款項淨額與其賬面值的差額。

在建工程指按成本減任何減值虧損列賬且不作折舊的在建樓宇。成本包括建築期間的直接建築成本及就相關借貸撥充資本的借貸成本。在建工程於竣工及可供使用時重新分類至適當的物業、廠房及設備類別。

投資物業

投資物業乃為賺取租金收入及/或資本增值,而非用以生產或提供貨物或服務或作行政用途又或於日常業務中出售而持有的土地及樓宇(包括作為符合投資物業定義的使用權資產持有的租賃物業)的權益。該等物業初次以成本(包括交易成本)計量。於初次確認後,投資物業乃按反映各報告期末的市場狀況之公平值列賬。

投資物業公平值變動所帶來的盈虧於產生的年度計入損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Technical know-how

Acquired technical know-how of manufacturing processes is shown at historical cost. Acquired technical know-how are capitalised on the basis of the costs incurred to acquire the know-how and are amortised over their estimated useful lives of 10 years.

Computer software

Acquired computer software is shown at historical cost and is capitalised on the basis of the costs incurred to acquire the specific software. These costs are amortised over their estimated useful lives of 10 years.

Sewage pipe usage right

Acquired sewage pipe usage right is shown at historical cost and is capitalised on the basis of the cost incurred to acquire the usage right. The costs are amortised over the contractual lives of 20 years.

2.4 主要會計政策概要(續)

無形資產(商譽除外)

單獨收購的無形資產於初步確認時按成本計量。於業務合併時所收購的無形資產的成本為於收購日期的公平值。無形資產的可使用年期被評估為有限或無限。具有有限年期的無形資產隨後按可使用經濟年期予以攤銷,倘有跡象顯示無形資產可能出現減值,則會進行減值評估。具有有限可使用年期的無形資產的攤銷期及攤銷方法最少於各個財政年度結算日檢討一次。

具無限可使用年期的無形資產每年會個別或在現金產生單位級別作減值測試。該等無形資產並不予以攤銷。使用年限不確定的無形資產的可使用年期於每年作評估,以釐定無限可使用年期的評估是否繼續可靠。倘不再可靠,則可使用年期的評估自此由按無限年期更改為有限年期。

技術知識

所獲得有關製造過程的技術知識按歷史成本值列示。所獲得的技術知識按獲得有關知識所產生的成本撥充資本,並於10年估計可使用年期內攤銷。

計算機軟件

所獲得的計算機軟件按歷史成本值列示,並按獲得指定軟件所產生的成本撥充資本。該等成本於10年估計可使用年期內攤銷。

污水渠使用權

所獲得的污水渠使用權按歷史成本值列示,並按獲得有關使用權所產生的成本撥充資本。有關成本於20年合約年期內攤銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (Continued)

Contract backlog

Contract backlog acquired as part of business combinations was valued of fair value based on present value technique. Contract backlog was amortised over the period up to the completion of each of the contracts.

Brand

Brand acquired as part of business combinations was valued at fair value based on the relief from the royalty method. Brand was considered as the main attributes to the revenue and future growth of the Group's RMAA services in Hong Kong, and thus are recognised as intangible assets with indefinite useful lines, and tested for impairment annually.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases (applicable from 1 January 2019)

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

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

未完工合約

作為業務合併一部分所獲得的未完工合約根據現值技術按公平值進行估值。未完工合約在每個合同完工之前的期間內攤銷。

品牌

作為業務合併一部分所獲得的品牌乃基於減免特許權使用費的方法,按公平值進行估值。品牌被視為本集團在香港的RMAA服務的收入及未來增長的主要來源,因此被確認為具有無限使用年期的無形資產,並每年進行減值測試。

研發成本

所有研究費用於產生時在損益表扣除。

開發新產品項目產生的開支僅當以下各項得到證明時方可資本化並遞延:本集團在技術可行性上可完成無形資產以使其能供使用或出售;有完成該資產的意圖,並有能力使用或出售該資產;該資產能產生未來經濟利益;具有可用資源完成項目以及於開發階段的開支能夠可靠地計量。不符合該等準則的產品開發開支均於產生時支銷。

租賃(自二零一九年一月一日起適用)

本集團於合約開始時評估合約是否為租賃或包含租賃。倘合約賦予權利於一段時間內控制已識別資產的用途以換取代價,則該合約為租賃或包含租賃。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee

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

(a) Right-of-use assets

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

Leasehold land	50 years
Buildings	2 to 3 years

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人

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

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用的日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量,並就租賃負債之任何重新計量作出調整。使用權資產之成本包括已確認租賃負債金額、已發生初始直接成本及於開始日期或之前支付之租賃付款減已收取之任何租賃優惠。使用權資產於資產的租賃期及估計可使用年期(以較短者為準)內以直線法折舊如下:

租賃土地	50年
樓宇	2至3年

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

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

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

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日期按於租賃期內作出之租賃付款現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於某一指數或比率之可變租賃付款及預期根據剩餘價值擔保將支付之金額。租賃付款亦包括本集團合理確定行使購買選擇權之行使價,倘租賃期反映了本集團行使終止選擇權,則須就終止租賃支付罰款。並非取決於某一指數或比率之可變租賃付款於發生觸發付款之事件或狀況期間確認為開支。

計算租賃付款的現值時,因為租賃隱含的利率不能可靠釐定,本集團使用於租賃開始日期的增量借款利率。於租賃開始日期後,租賃負債金額為反映利息增加而增加,並因作出的租賃付款而減少。此外,倘出現修訂、租賃期出現變動、租賃付款出現變動(例如指數或利率出現變動導致未來租賃付款出現變動)或購買相關資產的選擇權的評估出現變動,則重新計量租賃負債的賬面值。本集團租賃負債包括計息銀行及其他借款。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人(續)

(c) 短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於其機器及設備短期租賃(即租賃期為自開始日期起計12個月或以下且不包含購買選擇權的租賃)。本集團亦將低價值資產租賃確認豁免應用於被視為低價值的辦公室設備及手提電腦租賃。

短期租賃的租賃付款及低價值資產租賃於租期內按直線法確認為開支。

本集團作為出租人

當本集團作為出租人時,其租賃於租賃開始(或倘有租賃修訂)時各自分類為經營租賃或融資租賃。

所有本集團並未轉讓資產所有權所附帶的絕大部分風險及回報的租賃歸類為經營租賃。當合約包含租賃及非租賃部分時,本集團按相關一次性售價基準於合約中將代價分配至各部分。租金收入於租期內按直線法列賬並由於其營運性質計入損益表之收入。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值,並於租期內按相同方法確認為租金收入。或然租金乃於所賺取的期間內確認為收益。

當相關資產的絕大部分風險及回報擁有權轉讓至承租人時,該租賃入賬作為融資租賃。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (applicable before 1 January 2019)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 主要會計政策概要(續)

租賃(於二零一九年一月一日之前適用)

轉移資產所有權(法定業權除外)的絕大部分回報及風險予本集團的租賃列作融資租賃。融資租賃開始時,租賃資產成本按最低租金的現值撥充資本,並與債務(利息部分除外)一併列賬以反映購買及融資狀況。根據資本化融資租賃(包括融資租賃項下預付土地租賃付款)持有的資產計入物業、廠房及設備,並按資產租期與估計可使用年期兩者中較短期間折舊。該等租賃的融資成本自損益表中扣除,以便計算租期內的定期費率。

透過具融資性質的租購合約收購的資產列作融資租賃,惟有關資產按其估計可使用年期予以折舊。

倘資產所有權的絕大部分回報及風險仍由出租人承擔,則租賃以經營租賃列賬。倘本集團作為出租人,經營租賃項下之本集團租賃資產乃計入非流動資產,而根據經營租賃項下應收之租金則按直線法在租期內計入損益表。倘本集團為承租人,根據經營租賃應付的租金(扣除出租人給予的任何優惠)按租賃期限以直線法自損益表中扣除。

經營租賃項下預付土地租賃款項初步按成本列賬,隨後按租賃期以直線法確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

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

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

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產

初步確認及計量

金融資產於初步確認時分類,其後按攤銷成本、按公平值計入其他全面收入及按公平值計入損益計量。

金融資產於初步確認時的分類視乎金融資產的合約現金流特徵及本集團管理金融資產的業務模式而定。除不含重大融資部分或本集團已採用實際權宜方法不予調整重大融資部分的影響之貿易應收款項外,本集團初步按公平值加上(就並非按公平值計入損益的金融資產而言)交易成本計量金融資產。根據下文「收益確認」所載的政策,不含重大融資部分或本集團已採用實際權宜方法之貿易應收款項按根據國際財務報告準則第15號釐定的交易價計量。

為使金融資產按攤銷成本或按公平值計入其他全面收入進行分類及計量,需就未償還本金產生純粹支付本金及利息(「純粹支付本金及利息」)現金流量。現金流量並非純粹支付本金及利息的金融資產,不論其業務模式如何,均按公平值計入損益進行分類及計量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產,或兩者兼有。持有金融資產的目的乃為收集現金合約流量的業務模式按攤銷成本分類及計量金融資產,而持有金融資產的目的乃為收集合約現金流量及出售金融資產而持有兩者的業務模式按公平值計入其他全面收入分類及計量金融資產。並非按上述業務模式持有的金融資產按公平值計入損益分類及計量金融資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

初步確認及計量(續)

金融資產的所有常規購買及出售於交易日(即本集團承諾購買或出售該資產之日)確認。常規購買或出售指需要在一般由法規或市場慣例確立的期間內移交資產的金融資產購買或出售。

後續計量

金融資產的後續計量視乎其下列分類而定:

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產其後使用實際利率法計量,並可能受減值影響。當資產終止確認、修訂或減值時,收益及虧損於損益表中確認。

按公平值計入其他全面收入的金融資產(債務工具)

就按公平值計入其他全面收入的債務投資而言,利息收入、外匯重估及減值虧損或撥回於損益表中確認,並按與按攤銷成本列賬的金融資產相同的方式列賬。其餘公平值變動於其他全面收入中確認。終止確認時,於其他全面收入中確認的累計公平值變動將重新計入損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

指定為按公平值計入其他全面收入的金融資產(債務投資)

於初步確認時,本集團可選擇於股權投資符合國際會計準則第32號金融工具:呈報項下的股權定義且並非持作買賣時:將其股權投資不可撤回地分類為指定按公平值計入其他全面收入的股權投資。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被重新計入損益表。當確立支付權時,股息於損益表中確認為其他收入,與股息相關的經濟利益很可能會流入本集團,而股息金額能夠可靠地計量,惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外,於此等情況下,該等收益於其他全面收益入賬。指定按公平值計入其他全面收入的股權投資不受減值評估影響。

按公平值計入損益的金融資產

按公平值計入損益的金融資產乃於財務狀況表中按公平值列賬,而公平值的變動淨額於損益表確認。

該類別包括本集團並無不可撤回地選擇按公平值計入其他全面收入進行分類的衍生工具及股權投資。在支付權確立、與股息相關的經濟利益很可能流入本集團,且股息金額能夠可靠計量時,分類為按公平值計入損益的金融資產的股權投資的股息亦於損益表確認為其他收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

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

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

按公平值計入損益的金融資產(續)

當嵌入混合合約(包含金融負債及非金融主體)的衍生工具具備與主體不緊密相關的經濟特徵及風險;具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義;且混合合約並非按公平值計入損益,則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公平值計量,且其變動於損益表中確認。僅當合約條款出現變動,大幅改變其他情況下所需現金流量時;或當原分類至按公平值計入損益的金融資產獲重新分類時,方進行重新評估。

嵌入混合合約(包含金融資產主體)的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公平值計入損益之金融資產。

終止確認金融資產

金融資產(或(如適用)金融資產的一部分或一組同類金融資產的一部分)主要於下列情況下終止確認(即自本集團合併財務狀況表移除):

- 從資產收取現金流量的權利已屆滿;或
- 本集團已根據「過手」安排轉讓從資產收取現金流量的權利,或已承擔向第三方無重大延誤全額支付所收現金流量的責任;及(a)本集團已轉讓資產的絕大部分風險及回報,或(b)本集團雖未轉讓或保留資產的絕大部分風險及回報,但已轉讓資產的控制權。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets (Continued)

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

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

Impairment of financial assets

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

General approach

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

2.4 主要會計政策概要(續)

終止確認金融資產(續)

倘本集團已轉讓從資產收取現金流量的權利或訂立過手安排,則評估有否保留資產所有權的風險和回報及保留程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報,亦無轉讓資產控制權,本集團以本集團持續參與程度為限繼續確認所轉讓資產。在該情況下,本集團亦確認相關負債。已轉讓資產及相關負債根據反映本集團所保留權利及責任的基準計量。

對於以擔保形式對已轉讓資產進行的持續參與,按資產原賬面值與本集團可能須償還代價上限兩者間的較低者計量。

金融資產減值

本集團就並非以按公平值計入損益持有的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原始實際利率的概約利率折現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級措施所得的現金流量。

一般法

預期信貸虧損分兩個階段確認。就首次確認以來信貸風險並無大幅增加的信貸敞口而言,會為未來12個月(12個月預期信貸虧損)可能發生的違約事件所產生的信貸虧損計提預期信貸虧損撥備。就首次確認以來信貸風險大幅增加的信貸敞口而言,須就預期於敞口的餘下年期產生的信貸虧損計提減值撥備,不論違約的時間(全期預期信貸虧損)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach (Continued)

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

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

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

2.4 主要會計政策概要(續)

金融資產減值(續)

一般法(續)

本集團於各報告日期評估金融工具的信貸風險自初始確認後是否已顯著增加。在進行有關評估時,本集團會就金融工具於報告日期發生違約的風險與金融工具於首次確認當日發生違約的風險進行比較及會考慮合理且可靠並毋須付出不必要的成本或努力即可獲得的資料,包括過往及前瞻性的資料。

本集團認為,倘合約已逾期還款90天,則金融資產違約。然而,在若干情況下,倘內部或外部資料反映,在計及本集團持有的任何信貸提升措施前,本集團不大可能悉數收到未償還合約款項,則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量,則撇銷金融資產。

按公平值計入其他綜合收入及金融資產按攤銷成本進行的債務投資在一般方法下或會發生減值,且除應用簡化方法的貿易應收款項及合約資產外,其就計量預期信貸虧損分類為以下步驟,如下文所述。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach (Continued)

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

2.4 主要會計政策概要(續)

金融資產減值(續)

一般法(續)

步驟1 – 金融工具的信貸風險自初始確認後並未顯著增加且其虧損撥備按等同於12個月預期信貸虧損的金額計量

步驟2 – 金融工具的信貸風險自初始確認後顯著增加,但並無信貸減值的金融資產且其虧損撥備按等同於全期預期信貸虧損的金額計量

步驟3 – 於報告日期為信貸虧損的金融資產(但並非購入或源生信貸減值),且其虧損撥備按等同於全期預期信貸虧損的金額計量

簡化法

對於並未包含重大融資成分的貿易應收款項及合約資產,或當本集團應用不調整重大融資成分影響的實際權宜方法時,本集團應用簡化法計算預期信貸虧損。根據簡化法,本集團並無追蹤信貸風險的變化,反而於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已根據其過往信貸虧損經驗,建立撥備矩陣,並就債務人及經濟環境的特定前瞻性因素作出調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, lease liabilities and interest-bearing bank and other borrowings.

Subsequent measurement

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

Financial liabilities at amortised cost (loans and borrowings)

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

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

Derecognition of financial liabilities

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

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

2.4 主要會計政策概要(續)

金融負債

初步確認及計量

金融負債於初步確認時歸類為按公平值計入損益的金融負債、貸款及借貸、應付款項或指定為實質對沖工具的衍生工具(如適用)。

所有金融負債初步按公平值確認及倘為貸款及借款以及應付款項,則應扣除直接應佔交易成本。

本集團之金融負債包括貿易及其他應付款項、租賃負債以及計息銀行及其他借款。

其後計量

金融負債之其後計量取決於其下列分類:

按攤銷成本列賬的金融負債(貸款及借款)

初步確認後,計息貸款及借貸隨後使用實際利率法按攤銷成本計量,惟倘折現影響並不重大,則按成本列賬。收益及虧損於終止確認負債時透過實際利率攤銷過程於損益表中確認。

計算攤銷成本時已計及任何收購折讓或溢價,及屬實際利率不可或缺部分的費用或成本。實際利率攤銷則計入損益表的融資成本。

終止確認金融負債

金融負債於負債責任解除、取消或屆滿時終止確認。

倘現有金融負債被另一項由同一貸款人提供而絕大部分條款不同的負債所取代,或現有負債的條款遭大幅修訂,則有關取代或修訂以終止確認原有負債及確認新負債的方式處理,而相關賬面值的差額於損益表中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Offsetting of financial instruments

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

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost comprising land costs, construction costs, borrowing costs, and other costs directly attributable to such properties incurred during the development period and net realisable value.

Properties under development are classified as current assets unless they will not be realised in the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Inventories

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

Cash and cash equivalents

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

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

2.4 主要會計政策概要(續)

抵銷金融工具

倘現時有可執行的法定權利抵銷已確認金額且有意按淨額基準結算,或同時變現資產及結算負債,則金融資產與金融負債可抵銷且淨額於財務狀況表呈報。

發展中物業

發展中物業乃擬於完工後持作銷售。

發展中物業乃按成本(包括土地成本、建築成本、借貸成本及該物業在發展期間直接應佔的其他成本)及可變現淨值兩者的較低者列賬。

發展中物業列為流動資產,除非其不會在正常經營周期內變現。完成時,該物業轉撥至持作出售的已竣工物業。

存貨

存貨按成本與可變現淨值的較低者列賬。成本使用加權平均法釐定,就在製品及製成品而言包括直接材料、直接勞工及適當部分的生產開支。可變現淨值乃按估計售價減完成及出售所產生的任何估計成本計算。

現金及現金等值物

就合併現金流量表而言,現金及現金等值物由手頭現金及活期存款組成,及可隨時轉換成已知金額現金、價值變動風險不大且獲取時一般具有不超過三個月短暫有效期的短期高流通投資,再扣除須於要求時償還且為本集團現金管理所包含的銀行透支。

就合併財務狀況表而言,現金及現金等值物由所持不限用途的手頭現金及銀行存款(包括定期存款)以及性質與現金類似的資產組成。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

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

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

Income tax

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

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

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

2.4 主要會計政策概要(續)

撥備

倘因過往事件須承擔現時責任(法定或推定),而履行該責任可能導致未來資源外流,且該責任所涉金額能夠可靠估計,則確認撥備。

倘折現影響重大,則確認撥備的金額為預期履行責任所需未來開支於報告期末的現值。所折算的現值隨時間而增加的金額計入損益中的融資成本。

所得税

所得税由即期及遞延税項組成。與在損益外所確認項目有關的所得税於損益外確認,即於其他全面收入或直接於權益確認。

即期税項資產及負債乃根據於報告期末已實施或已實質實施的税率(及税法),並計及本集團經營所在國家的現行詮釋及慣例,按預期將從税務機關收回或向其支付的金額計量。

遞延税項採用負債法,就於報告期末資產及負債的計税基礎與其作財務報告用途的賬面值之間的所有暫時性差異作出撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

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

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

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and the joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

除以下情況外,對所有應課稅暫時性差異確認遞延稅項負債:

- 當遞延稅項負債產生自非業務合併的交易中對商譽或某項資產或負債的初步確認,且交易時對會計溢利或應課稅溢利或虧損均無影響;及
- 對於於附屬公司及合營企業的投資產生的應課稅暫時性差異,撥回暫時性差額之時間能控制且該暫時性差異可能不會在可預見未來撥回。

遞延稅項資產按所有可扣減暫時性差異、未用稅項抵免及任何未用稅項虧損的結轉予以確認。遞延稅項資產的確認以應課稅溢利可供抵銷的可扣減暫時性差異,及可動用的未用稅項抵免及未用稅項虧損的結轉為限,惟以下情況除外:

- 與遞延稅項資產有關的可扣減暫時性差異產生自非業務合併的交易中對某項資產或負債的初步確認,且交易時對會計溢利或應課稅溢利或虧損亦無影響;及
- 對於於附屬公司及合營企業的投資產生的可扣減暫時性差異,僅於可能於可預見未來撥回暫時性差異且應課稅溢利會用作抵銷可動用的暫時性差異時確認遞延稅項資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2.4 主要會計政策概要(續)

所得税(續)

遞延税項資產的賬面值於各報告期末予以審閱,並扣減至不再可能擁有足夠的應課税溢利以動用全部或部分遞延税項資產為止。未確認的遞延税項資產於各報告期末再次予以評估,並以可能擁有足夠的應課税溢利以收回全部或部分遞延税項資產為限確認。

僅當本集團有可合法執行權利可將即期税項資產與即期税項負債抵銷,且遞延税項資產與遞延税項負債與同一税務機關對同一應税實體或於各未來期間預期有大額遞延税項負債或資產需要結算或清償時,擬按淨額基準結算即期税務負債及資產或同時變現資產及結算負債之不同税務實體徵收之所得税相關,則遞延税項資產與遞延税項負債可予抵銷。

政府資助

倘可合理保證將獲得政府資助及符合所有附帶條件,則按其公平值確認政府資助。倘該資助與一項開支項目有關,則於擬用作補償的成本支銷期間有系統地確認為收入。

倘資助與某項資產有關,則將公平值計入遞延收入賬,再於有關資產的預期可使用年期分期等額計入損益或自資產的賬面值扣除並通過減少折舊費撥回損益表中。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

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

2.4 主要會計政策概要(續)

收益確認

客戶合約收益

客戶合約收益於商品或服務的控制權轉移至客戶時,按反映本集團預期將因交換該等商品或服務而有權取得的代價的金額確認。

當合約中的代價包括可變金額時,估計代價為本集團將商品或服務轉移至客戶而有權獲得的金額。可變代價在合約開始時作出估計並受其約束,直至與可變代價相關的不確定性消除,累計已確認收入金額極有可能不會發生重大收入轉回時。

倘合約包括融資組成部分,而該部分就轉移商品或服務至客戶而為客戶提供超過一年的重大財務利益,則收益按應收款項現值(採用將於本集團與客戶於合約開始時所進行獨立融資交易所反映的貼現率貼現)計量。倘合約包括為本集團提供超過一年的重大財務利益的融資組成部分,則根據合約確認的收益包括合約負債按實際利率法附加的利息開支。對於自客戶付款的時間至轉讓該承諾商品或服務的時間之間的期間為一年或以下的合約,交易價格不會因重大融資組成部分的影響而作出調整,使用國際財務報告準則第15號的實際權宜方法。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of industrial products

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

(b) Processing services

Revenue from the provision of processing services is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the processed products.

(c) Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

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

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 主要會計政策概要(續)

收益確認(續)

客戶合約收益(續)

(a) 銷售工業產品

銷售工業產品的收入在對資產的控制權被轉移至客戶時(即通常在交付工業產品的時點)確認。

(b) 加工服務

來自提供加工服務之收益於資產控制權轉移至客戶時(一般於交付加工產品時)確認。

(c) 建築服務

來自提供建築服務之收益乃隨時間確認,並使用輸入法計量完全達成服務的進度,因為本集團的業績創造或增強客戶在資產創建或增強時控制的資產。輸入法根據產生的實際成本佔達成建築服務估計總成本的比例確認收益。

其他來源收益

租金收入於租期內按時間比例確認。不取決於指數或利率的可變租賃付款於彼等產生的會計期間確認為收入。

其他收入

利息收入,按應計基準,使用實際利率法應用將估計未來現金收入按金融工具的預期年期或較短期間(如適用)準確折現至金融資產賬面淨值的利率確認。

股息收入於股東收取付款的權利確立,很可能將有與股息相關經濟利益流入本集團且股息金額能夠可靠計量時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

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

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 32 to the financial statements.

2.4 主要會計政策概要(續)

合約資產

合約資產乃已向客戶轉讓商品或服務而有權收取代價的權利。倘本集團於客戶支付代價或款項到期前已向客戶履行轉讓商品或服務,則就有條件賺取的代價確認合約資產。合約資產進行減值評估,詳情計入金融資產減值的會計政策中。

合約負債

倘客戶於本集團將相關商品或服務轉讓予客戶前收到付款或付款到期,則於作出付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時(即將相關商品或服務的控制權轉移至客戶)確認為收入。

股份基礎付款

本公司設有一項購股權計劃,以為對本集團的業務營運的成功作出貢獻的合資格參與者提供激勵及獎勵。本集團僱員(包括董事)以股份基礎付款的形式收取薪酬,而僱員以提供服務作為股本工具的代價(「股權結算交易」)。

因於二零零二年十一月七日授出而產生的與僱員間股權結算交易的成本參考授出當日公平值計量。公平值由外部估值師使用二項式定價模型釐定,有關進一步詳情載於財務報表附註32。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

2.4 主要會計政策概要(續)

股份基礎付款(續)

股權結算交易的成本確認為僱員福利開支,並於表現及/或服務條件達成期間在權益中作相應增加。在歸屬日期前的各報告期末確認的股權結算交易累計開支反映歸屬期到期程度及本集團對於將最終歸屬的股本工具數量的最佳估計。自損益表扣除或計入損益表的金額反映相關期間初及期間末確認的累計開支變動。

釐定獎勵於授出日期的公平值時,不考慮服務及非市場表現條件,但在本集團對將最終歸屬的股本工具數目作出最佳估計時會對達成相關條件的可能性作出評估。市場表現條件於授出日期公平值中反映。獎勵所附的任何其他條件(無相關服務要求)被視為非歸屬條件。非歸屬條件於獎勵的公平值中反映,並導致獎勵即時列為開支(除非亦存在服務及/或表現條件)。

就因非市場表現及/或服務條件未達成而未最終歸屬的獎勵,不確認開支。倘獎勵包含市場或非歸屬條件,則交易視作歸屬,而不論市場或非歸屬條件是否達成,前提是所有其他表現及/或服務條件獲達成。

倘股權結算獎勵的條款作出修訂,若符合獎勵的原條款,則確認一項最小開支,猶如條款並未修訂。此外,倘任何修訂按修訂日期計量會增加股份基礎付款的公平值總額,或以其他方式為僱員帶來利益,則會就相關修訂確認開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations.

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

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees of the Group's subsidiaries which operate in the Hong Kong SAR. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

2.4 主要會計政策概要(續)

股份基礎付款(續)

倘一項股權結算獎勵被撤銷,則將其視作猶如已於撤銷日期歸屬,及未就該獎勵確認的任何開支即時確認。其中包括本集團或僱員能夠控制的非歸屬條件未達成的情況下的任何獎勵。然而,倘以一項新獎勵取代被撤銷獎勵,並於授出當日將該新獎勵指定作為替代獎勵,則將被撤銷獎勵及新獎勵視作猶如為前段所述的原獎勵的修訂。

未行使購股權的攤薄影響在計算每股盈利時反映為額外的股份攤薄。

其他僱員福利

退休金計劃

本集團參加其經營所在國家的法律所界定的國家退休金計劃。

本集團於中國內地營運的附屬公司僱員須參與由地方市政府營辦的中央退休金計劃。該等附屬公司須按薪金成本的一定比例向中央退休金計劃供款。供款按照中央退休金計劃的規定於應付時在損益中扣除。

本集團根據《強制性公積金計劃條例》,為本集團在香港特別行政區內經營的附屬公司之僱員營運一個定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃按僱員基本薪金的某百分比計算,並根據強積金計劃的規則於應付時在損益中扣除。強積金計劃的資產區分於本集團的資產,以獨立管理的基金持有。本集團向強積金計劃供款時,供款即全數歸僱員所有。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

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

Dividends

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

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

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

2.4 主要會計政策概要(續)

借貸成本

收購、建設或生產合資格資產(即需要一段較長時間方可達致擬定用途或出售的資產)直接應佔的借貸成本撥充資本,作為該等資產的部分成本。當資產已大致可作擬定用途或出售時,不會再將該等借貸成本撥充資本。在特定借貸用作合資格資產支出前暫作投資所賺取的投資收入自已撥充資本的借貸成本扣除。所有其他借貸成本於產生期間支銷。借貸成本包括實體借貸時產生的利息及其他成本。

股息

末期股息於經股東在股東大會上批准時確認為負債。建議末期股息於財務報表附註披露。

由於本公司的組織章程大綱及細則授予董事宣派中期股息的權力,因此中期股息的建議及宣派同時進行。因此,中期股息於建議及宣派時即時確認為負債。

外幣

該等財務報表以人民幣列示,人民幣為本公司的功能貨幣。本集團內各實體釐定其自身功能貨幣,計入各實體財務報表的項目使用該功能貨幣計量。本集團實體入賬的外幣交易初始使用其各自功能貨幣於交易日期的適用匯率入賬。以外幣計值的貨幣資產及負債按報告期末適用的功能貨幣匯率換算。貨幣項目的結算或換算產生的差額於損益表確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

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

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

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMBs at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMBs at the weighted average exchange rates for the year.

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

2.4 主要會計政策概要(續)

外幣(續)

按外幣歷史成本計量的非貨幣項目使用初始交易日期的匯率換算。以外幣計值按公平值計量的非貨幣項目按計量公平值當日的匯率換算。按公平值計量的非貨幣項目換算產生的收益或虧損按與該項目的公平值變動的收益或虧損的確認一致的方式處理(即公平值收益或虧損於其他全面收益或損益確認的項目的換算差額亦分別於其他全面收益或損益確認)。

在釐定與一項預付代價相關的非貨幣資產或非貨幣負債終止確認產生的相關資產、開支或收入初始確認時的匯率時,初始交易日期為本集團初始確認該預付代價產生的非貨幣資產或非貨幣負債的日期。倘有多項預付或預收款項,則本集團會釐定預付代價的各付款或收款交易日期。

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末,該等實體的資產及負債按報告期末當時的匯率換算為人民幣,而其損益表按年度的加權平均匯率換算為人民幣。

就此產生的匯兑差額於其他全面收入確認,並於匯兑波動儲備內累計。於出售海外業務時,與該特定海外業務相關的其他全面收入部分於損益表中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

2.4 主要會計政策概要(續)

外幣(續)

收購海外業務產生的任何商譽及收購所導致資產及負債賬面值的任何公平值調整被當作海外業務的資產及負債,並按收市匯率換算。

就合併現金流量表而言,海外附屬公司的現金流量按現金流量日期適用的匯率換算為港元。海外公司於整個年度內經常產生的現金流量按年度的加權平均匯率換算為人民幣。

3. 主要會計判斷及估計

編製本集團的財務報表時,管理層須作出會影響收益、開支、資產及負債呈報金額及其隨附披露,以及或然負債披露的判斷、估計及假設。有關該等假設及估計的不明朗因素可導致須就未來受影響的資產或負債賬面值作出重大調整。

判斷

於應用本集團會計政策過程中,管理層已作出以下對財務報表已確認款額有最重大影響的判斷,惟該等涉及估計者除外:

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Revenue recognition for construction contracts

For the year ended 31 December 2019, the Group recognised revenue from construction contracting and related businesses amounting to RMB 107,570,000 (2018: Nil). The Group has recognised revenue from the provision of construction services over time, using an input method to measure the progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services. This involves the use of management judgements and estimation uncertainty, including estimating the progress towards completion of the services, scope of deliveries and services required, total contract costs incurred and forecasts in relation to costs to complete and profit margin.

Estimation uncertainty

Measurement of progress towards complete satisfaction of performance obligation

The Group recognises contract revenue and relevant direct costs according to management's estimation of the progress and outcome of a project. Estimated revenue is determined in accordance with the terms set out in the relevant contracts or, in case of variation orders, based on contract terms or other forms of agreements. Estimated direct costs, which mainly comprise of direct labour cost, subcontracting charges and costs of materials, are variable and estimated by the directors of the Company according to the amount of direct labour, subcontracting charges and costs of materials incurred from time to time based on quotations provided by the major subcontractors/suppliers/vendors involved and the experience of the directors of the Company. Notwithstanding that the directors of the Company frequently review and revise the estimates of both the estimated revenue and direct costs as the contracts progress, changes in estimates or the actual outcome will affect the carrying amounts of contract assets/contract liabilities with the corresponding adjustments to future revenue and/or direct costs.

3. 主要會計判斷及估計(續)

判斷(續)

建築合約的收益確認

於截至二零一九年十二月三十一日止年度,本集團確認來自建築承包及相關業務的收益人民幣107,570,000元(二零一八年:無)。本集團已按時間確認來自提供建設服務的收益,即使用輸入法計量完全達致服務的進度,此乃由於本集團履約創建及強化一項資產,該資產於創建及強化時由客戶控制。相對達致建設服務的估計總成本,該輸入法乃根據已產生成本的比例確認收益。此乃涉及管理層之重要判斷及估計,包括估計服務完成之進度、所提供服務的範圍及所需服務、所產生之合約總成本及預計直至完工所需的成本及利潤率。

估計不明朗因素

計量履約責任的完成進度

本集團根據管理層對項目進度及結果的估算確認合約收益及相關直接成本。估計收益乃按照相關合約所載的條款釐定,或如為工程變更訂單,則按照合約條款或其他形式的協議釐定。估計直接成本(主要包括直接勞工成本、分包費用及物料成本)變化不定,由本公司董事按照主要分包商/供應商/商戶所提供報價而不時產生的直接勞工金額、分包費用及物料成本及其自身經驗作出估計。儘管本公司董事隨著合約進度頻繁審閱及修訂估計收益及估計直接成本,估計變動或實際結果將影響合約資產/合約負債的賬面值以及未來收益及/或直接成本的相應調整。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns by letters of credit and other forms of credit insurance.

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 21 and note 23 to the financial statements, respectively.

3. 主要會計判斷及估計(續)

估計不明朗因素(續)

貿易應收款項及合約資產預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項及合約資產之預期信貸虧損。撥備率乃基於將具相似虧損模式(通過信用證及其他形式的信貸保險進行劃分)之各個客戶分部進行分組之逾期天數計算。

撥備率最初基於本集團的歷史觀察違約率。本集團將調整矩陣,以結合前瞻性資料調整過往信貸虧損經驗。例如,如果預期經濟狀況將在未來一年內惡化,這可能導致製造業違約數量增加,歷史違約率將得到調整。於各報告日期,已更新歷史觀察違約率及分析前瞻性估計之變動。

歷史觀察違約率、預測經濟狀況及預期信貸虧損相關性之評估屬重大估計。預期信貸虧損之金額對環境及預測經濟狀況之變動敏感。本集團的過往信貸虧損經驗及經濟狀況預測亦未必能反映客戶日後的實際違約可能。有關本集團貿易應收款項及合約資產預期信貸虧損之資料分別於財務報表附註21及附註23披露。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2019 was RMB105,923,000 (2018: Nil). Further details are given in note 17 to the consolidated financial statements.

Impairment of intangible assets with indefinite useful lives

The Group determines whether intangible assets with indefinite useful lives is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the intangible assets with indefinite useful lives. Estimating the recoverable amount requires the Group to make an estimate of the expected future cash flows from intangible assets with indefinite useful lives and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of intangible assets with indefinite useful lives at 31 December 2019 was RMB58,347,245 (2018: RMB Nil). Further details are given in note 18 to the consolidated financial statements.

Application of purchase price allocation

When performing purchase price allocation for subsidiaries acquired in a business combination, the Group makes several estimates in determination of the fair value of identifiable assets and liabilities, including discounted cash flow projections based on reliable estimates of future cash flows from RMAA services, supported by existing constructions contracts using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. Further details of the business combinations are given in note 35 to the consolidated financial statements.

3. 主要會計判斷及估計(續)

估計不明朗因素(續)

商譽減值

本集團每年最少進行一次評估以釐定有否商譽減值。此須就獲分配商譽的現金產生單位的使用價值而作出評估。本集團須評估現金產生單位的預期未來現金流量，以估計使用價值，並選擇合適的貼現率計算該等現金流量的現值。於二零一九年十二月三十一日，商譽賬面值為人民幣105,923,000元(二零一八年：零)。進一步詳情載列於合併財務報表附註17。

具無限可使用年期之無形資產減值

本集團最少每年確定可收回金額具不確定可使用年期之無形資產是否減值。這要求估算具不確定可使用年期的無形資產的可收回金額。為估計可收回金額，本集團需要從具無限可使用年期的無形資產預期未來現金流量及選擇一個合適的貼現率用以計算此等現金流量的現值。於二零一九年十二月三十一日，具無限可使用年期之無形資產賬面值為人民幣58,347,245元(二零一八年：人民幣零元)。進一步詳情載列於合併財務報表附註18。

購買價分配之應用

於就業務合併中所收購附屬公司進行購買價分配時，本集團於釐定可識別資產及負債之公平值方面會作出數項估計，包括貼現現金流量預測，根據對自RMAA服務的未來現金流量之可靠估計作出，受現有建築合約所支持，並使用反映當前市場對現金流量金額及時機之不確定性作出評估之貼現率。有關業務合併的進一步詳情載於合併財務報表附註35。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Estimate of fair value of investment properties

Investment properties under construction carried at fair value based on the appraised market value provided by independent professional valuers. Such valuation was based on certain assumptions, which are subject to uncertainty and might differ from actual results. In making the estimation, the Group considers information from current rental prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of the year.

The principal assumptions for the Group's estimation of the fair value of the completed investment properties include those related to estimated rental values with references to the current market rents for similar properties in the same location and condition, and discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

At 31 December 2019, the carrying amount of investment properties was RMB654,698,000 (31 December 2018: Nil). Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are given in note 15 to the consolidated financial statements.

3. 主要會計判斷及估計(續)

估計不明朗因素(續)

投資物業公平值之估算

在建投資物業之公平值根據獨立專業估值師估計的市場價值估算。該估值乃基於若干假設，受不確定因素影響及與實際結果可能存有差異。於作出估計時，本集團考慮類似物業於活躍市場上的現行租金價格信息及使用主要基於年末現有市場情況的假設。

本集團已竣工投資物業公平值估算之主要假設包括與估計租賃價值有關的假設，並參考相同地點及狀況中類似物業的現行市場租金，以及使用可反映對現金流量金額及時間不確定性之現時市場評估之貼現率作出。

於二零一九年十二月三十一日，投資物業賬面值為人民幣654,698,000元(二零一八年十二月三十一日：零)。有關公平值計量及敏感度分析所用主要假設之進一步詳情載列於合併財務報表附註15。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three (two of segments were disposed in 2019) reportable operating segments as follows:

– Production:	Production of polyester filament yarns;(disposed in 2019)
– Processing:	Dyeing and processing of differentiated polyester filament fabric;
– Trading:	Trading of polyester filament yarns. (disposed in 2019)
– Property investment:	Investment, development and sale of properties (new in 2019)
– RMAA Services:	Provision of construction services in building construction, building maintenance and improvement works, renovation and decoration works (new in 2019)

During the year ended 31 December 2019, the Group acquired the RMAA business in February 2019，information about this newly acquired business is disclosed in note 35. The operating segments of production and trading were disposed of and discontinued during the year ended 31 December 2019. Information about the discontinued segment is disclosed in note 11.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit before tax without allocation of interest income/costs and other expenses which are not occurred directly for operating segments.

Segment assets exclude corporate cash and deferred tax assets as these assets are managed on a group basis.

4. 經營分部資料

為方便管理，本集團按照其產品及服務劃分業務單元，可分為以下三個（兩個分部已於二零一九年獲出售）可報告經營分部：

－生產：	生產滌綸長絲；（於二零一九年出售）
－加工：	差別化滌綸面料染色加工；
－貿易：	買賣滌綸長絲。（於二零一九年出售）
－物業投資：	物業的投資、開發及銷售（二零一九年新增業務）
－RMAA服務：	提供建築施工、建築保養及改善工程、翻新及裝修工程之建築服務（二零一九年新增業務）

截至二零一九年十二月三十一日止年度，本集團於二零一九年二月收購RMAA業務，有關此項新收購業務之資料已於附註35中披露。於截至二零一九年十二月三十一日止年度，生產及貿易經營分部已出售並終止。有關終止分部之資料已於附註11中披露。

管理層獨立審視本集團經營分部的業績，以就分配資源及評估表現作出決定。分部表現按照未劃撥利息收入／成本的除税前溢利及並非直接就經營分部產生的其他開支進行評估。

分部資產不包括公司現金及遞延税項資產，原因是該等資產乃在集團層面管理。

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment liabilities exclude corporate accruals, payroll payable, deferred tax liabilities and income tax payable as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 經營分部資料(續)

分部負債不包括公司應計款項、應付工資、遞延税項負債及應付所得税,原因是該等負債乃在集團層面管理。

分部間的銷售及轉撥乃參考按當時市場現行價格向第三方進行銷售所用價格。

Operating segments

經營分部

		Continuing operations 持續經營業務				Discontinued operations 終止經營業務		
		Processing 加工 RMB'000 人民幣千元	RMAA service* RMAA服務* RMB'000 人民幣千元	Properties investment 投資物業 RMB'000 人民幣千元	Sub-total 小計 RMB'000 人民幣千元	Production 生產 RMB'000 人民幣千元	Trading 貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2019	**截至二零一九年十二月三十一日止年度**							
Segment revenue (note 5)	**分部收益(附註5)**							
Sales to external customers	銷售予外界客戶	198,545	107,570	424	306,539	593,132	82,505	982,176
Revenue	收益				306,539			982,176
Segment results	**分部業績**	43,100	23,067	6,287	72,454	96,186	12,904	181,544
Reconciliations:	*對賬:*							
Corporate and other unallocated expenses	公司及其他未分配開支							(7,007)
Interest income	利息收入							4,245
Finance costs	融資成本							(2,889)
Profit before tax	除税前溢利							175,893
Segment assets	**分部資產**	480,048	216,939	897,322	1,594,309	478,627	–	2,072,936
Reconciliations:	*對賬:*							
Corporate and other unallocated assets	公司及其他未分配資產				67,052			67,052
Total assets	總資產				1,661,361			2,139,988
Segment liabilities	**部負債**	72,133	26,067	81,091	179,291	267,532	–	446,823
Reconciliations:	*對賬:*							
Corporate and other unallocated liabilities	公司及其他未分配負債				45,030			45,030
Total liabilities	總負債				224,321			491,853
Other segment information	**其他分部資料**							
Depreciation and amortisation	折舊及攤銷	6,339	230	57	6,626	20,870	–	27,496
Impairment of trade receivables and contract liabilities	貿易應收款項及合約資產減值	–	3,190	–	3,190	–	–	3,190
Capital expenditure*	資本開支*	3,512	65,105	685,735	754,352	11,349	–	765,701

* Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, investment properties and other intangible assets including assets from acquisition of subsidiaries.

* 資本開支包括添置物業、廠房及設備、預付土地租賃付款、投資物業以及其他無形資產,包括收購附屬公司。

4. OPERATING SEGMENT INFORMATION (CONTINUED) 4. 經營分部資料(續)

Operating segments (Continued) 經營分部(續)

		Continuing operations 持續經營業務			Discontinued operations 終止經營業務		
		Processing 加工	RMAA service RMAA服務	Properties investment 投資物業	Production 生產	Trading 貿易	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
Year ended 31 December 2018	**截至二零一八年十二月三十一日止年度**						
Re-presented	重列						
Segment revenue (note 5)	**分部收益(附註5)**						
Sales to external customers	銷售予外界客戶	206,420	–	–	440,085	33,675	680,180
Revenue	收益						680,180
Segment results	**分部業績**	68,249	–	–	26,934	7,518	102,701
Reconciliations:	*對賬:*						
Corporate and other unallocated expenses	公司及其他未分配開支						(656)
Interest income	利息收入						4,942
Finance costs	融資成本						(1,537)
Profit before tax	除税前溢利						105,450
Segment assets	**分部資產**	552,911	–	–	406,741	–	959,652
Reconciliations:	*對賬:*						
Corporate and other unallocated assets	公司及其他未分配資產						1,751
Elimination of intersegment receivables	抵銷分部間的應收款項						(160,277)
Total assets	總資產						801,126
Segment liabilities	**分部負債**	67,878	–	–	252,850	–	320,728
Reconciliations:	*對賬:*						
Corporate and other unallocated liabilities	公司及其他未分配負債						40,761
Elimination of intersegment payables	抵銷分部間的應付款項						(160,277)
Total liabilities	總負債						201,212
Other segment information	**其他分部資料**						
Depreciation and amortisation	折舊及攤銷	6,148	–	–	16,077	–	22,225
Impairment of trade receivables	貿易應收款項減值	34	–	–	–	–	34
Capital expenditure	資本開支	5,715		–	44,723	–	50,438

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Operating segments (Continued)

No revenue from continuing operations with a single external customer amounted to 10% or more of the Group's revenue.

Geographical information

(a) Revenue from external customers

4. 經營分部資料(續)

經營分部(續)

與單一外部客戶進行持續經營業務所產生之收入並不佔本集團收入之10%或以上。

地理資料

(a) 來自外部客戶之收入

		Continuing operations 持續經營業務		Discontinued operations 終止經營業務	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)	**2019 二零一九年 RMB'000 人民幣千元**	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)
Hong Kong	香港	**107,570**	–	**–**	–
Mainland China	中國內地	**176,078**	192,725	**625,877**	454,225
Other	其他	**22,891**	13,695	**49,760**	19,535
		306,539	206,420	**675,637**	473,760

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

上述收入資料乃根據客戶所在地呈列。

4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料(續)

Operating segments (Continued)

經營分部(續)

Geographical information (Continued)

地理資料(續)

(b) Non-current assets

(b) 非流動資產

		Continuing operations 持續經營業務		Discontinued operations 終止經營業務	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)	**2019 二零一九年 RMB'000 人民幣千元**	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)
Hong Kong	香港	**63,949**	70	**–**	–
Mainland China	中國內地	**856,164**	76,641	**184,373**	192,242
		920,113	76,711	**184,373**	192,242

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

上述非流動資產資料以資產所在地為基準，且不包括遞延稅項資產。

5. REVENUE, OTHER INCOME AND GAINS

5. 收入、其他收入及收益

An analysis of revenue from continuing operations is as follows:

持續經營業務的收入分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)
Revenue from contracts with customers	與客戶所訂合約之收入		
Revenue from other sources	其他收益來源：	**306,115**	206,420
Gross rental income from investment properties under operating leases:	經營租賃項下的投資物業總租金收入：	**424**	-
		306,539	206,420

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

5. 收入、其他收入及收益(續)

Revenue from contracts with customers

客戶合約收益

(a) Disaggregated revenue information

(a) 分列收益資料

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)
Continuing operations:	持續經營業務:		
Type of goods or services	**商品或服務類型**		
Processing	加工	**198,545**	206,420
RMAA service	服務	**107,570**	–
Total revenue from contracts with customers	與客戶所訂合約之收入總額	**306,115**	206,420
Geographical markets	**區域市場**		
Hong Kong	香港	**107,570**	–
Mainland China	中國內地	**175,654**	192,725
Other countries/regions	其他國家／地區	**22,891**	13,695
Total revenue from contracts with customers	與客戶所訂合約之收入總額	**306,115**	206,420
Timing of revenue recognition	**收入確認時間**		
Goods transferred at a point in time	於某一時點轉移之貨物	**198,545**	206,420
Services transferred over time	隨時間轉移服務	**107,570**	–
Total revenue from contracts with customers	客戶所訂合約之收入總額	**306,115**	206,420

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

5. 收入、其他收入及收益(續)

Revenue from contracts with customers (Continued)

客戶合約收益(續)

(a) Disaggregated revenue information (Continued)

(a) 分列收益資料(續)

The following table shows the amounts of revenue from continuing recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

下表載列於本報告期間確認的計入報告期初合約負債的持續經營業務收益以及於過往期間內履行的履約責任確認的收益之金額:

		2019 **二零一九年** **RMB'000** **人民幣千元**	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	已確認的計入報告期初合約負債的收益:		
Processing	加工	**210**	297
		210	297

(b) Performance obligations

(b) 履約責任

Information about the Group's performance obligations is summarised below:

有關本集團履約責任的資料概述如下:

Processing

加工

The performance obligation is satisfied upon delivery of the processed products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

履約責任乃於交付經加工產品後完成,而付款通常於交付後30至90日內結付,惟新客戶一般須預先付款。

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

5. 收入、其他收入及收益(續)

Revenue from contracts with customers (Continued)

客戶合約收益(續)

(b) Performance obligations (Continued)

(b) 履約責任(續)

RMAA services

RMAA服務

The performance obligation is satisfied over time as services are rendered and payment is generally due within 14 days to 90 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

履約責任於提供服務時隨時間達成,而付款通常於賬單日期起計14日至90日內結付。付款之一定比例由客戶保留至保留期結束,因為本集團收取最終付款的權利以客戶於合約所訂某個期間內滿意服務質量為條件。

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

於十二月三十一日分配至剩餘履約責任(未達成或部分未達成)的交易價格金額如下:

		2019 **二零一九年** **RMB'000** **人民幣千元**	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)
Amounts expected to be recognised as revenue:	預期將確認為收益的金額:		
Within one year	一年內	**54,168**	210
After one year	一年後	**81,251**	–
		135,419	210

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

5. 收入、其他收入及收益(續)

Revenue from contracts with customers (Continued)

客戶合約收益(續)

(b) Performance obligations (Continued)

(b) 履約責任(續)

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to construction services, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations is expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

預期將於一年後確認為收益的分配至餘下履約責任的交易價格金額與建築服務有關,其履約責任將於兩年內達成。所有其他分配至餘下履約責任的交易價格金額均預期於一年內確認為收益。上文所披露的金額並不包括受限制可變代價。

An analysis of other income and gains from continuing operations is as follows:

持續經營業務的其他收入及收益分析如下:

		2019 **二零一九年** **RMB'000** **人民幣千元**	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)
Other income and gains, net	*其他收入及收益淨額*		
Bank and other interest income	銀行及其他利息收入	**4,168**	4,837
Fair value gains on financial assets designated as at fair value through profit or loss	按公平值計入損益的金融資產的公平值收益	**2,737**	7,266
Fair value gains on investment properties	投資物業之公平值收益	**6,905**	–
Gross rental income from plants	廠房的租金收入總額	**628**	486
Government grants	政府資助	**708**	2,914
Foreign exchange differences, net	匯兑差額淨額	**(159)**	(43)
Others	其他	**395**	341
		15,382	15,801

6. PROFIT BEFORE TAX

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

6. 除税前溢利

本集團持續經營業務的除税前溢利經扣減／（計入）以下各項後得出：

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) （重列）
Cost of services provided	已提供服務的成本		**204,085**	116,433
Depreciation of property, plant and equipment*	物業、廠房及設備折舊*		**4,490**	5,076
Depreciation of right-of-use asset/ recognition of prepaid lease payment*	使用權資產折舊／預付租賃款項確認*		**1,379**	315
Amortisation of other intangible assets *	其他無形資產攤銷*		**757**	757
Minimum lease payments under operating leases	經營租賃之最低租賃付款		**–**	708
Lease payments not included in the measurement of lease liabilities	並不計入租賃負債計量之租賃付款		**156**	–
Auditors' remuneration	核數師薪酬		**1,250**	950
Employee benefit expense (including directors' and chief executive's remuneration) *:	僱員福利開支（包括董事及最高行政人員薪酬）*：			
Wages and salaries	工資及薪金		**38,433**	30,065
Pension scheme contributions (defined contribution schemes)	退休金計劃供款（定額供款計劃）		**4,958**	5,187
Equity-settled share option arrangements	股權結算購股權安排		**–**	525
Foreign exchange differences, net	匯兑差額淨額		**159**	43
Impairment of trade receivables	貿易應收款項減值	21	**2,218**	34
Impairment of contract assets	合約資產減值	23	**972**	–
Research and development costs	研發成本		**5,254**	4,481
Fair value gains, net:	公平值收益淨額：			
Financial assets designated as at fair value through profit or loss	指定為按公平值計入損益的金融資產		**(2,737)**	(7,266)
Fair value gains on investment properties	投資物業之公平值收益		**(6,905)**	–
Bank and other interest income	銀行及其他利息收入		**(4,168)**	(4,837)
Loss on disposal of items of property, plant and equipment, net	出售物業、廠房及設備之虧損淨額		**172**	21

* Part of the depreciation, the amortisation of other intangible assets and prepaid land lease payments and employee benefit expense for the year are included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

* 本年度折舊、其他無形資產攤銷、預付土地租賃款項攤銷及僱員福利開支的一部分已計入合併損益及其他全面收入表內的「銷售成本」。

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

7. 融資成本

持續經營業務融資成本的分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Re-presented) (重列)
Interest on bank loans	銀行貸款利息	**2,515**	297
Interest on lease liabilities	租賃負債利息	**65**	–
Total interest expense	總利息開支	**2,580**	297
Less: Interest capitalised	減：資本化利息	**(1,575)**	–
		1,005	297

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

8. 董事及最高行政人員薪酬

董事及最高行政人員於年內的薪酬根據上市規則、香港《公司條例》第383(1)(a)、(b)、(c)及(f)條及《公司（披露董事利益資料）規例》第2部披露如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fee	袍金	**642**	620
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	**2,272**	1,783
Performance related bonuses	相關績效花紅	**6,279**	4,345
Pension scheme contributions	退休金計劃供款	**181**	125
Equity-settled share option arrangements	股權結算購股權安排	**–**	217
		9,374	7,090

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

In the prior years, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 32 to the consolidated financial statements. The fair value of such options, which has been recognised in the statement of profit or loss and other comprehensive income over the vesting period, was determined as at the date of grant.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

8. 董事及最高行政人員薪酬(續)

於過往年度,根據本公司的購股權計劃,若干董事就其向本集團提供的服務獲授購股權,進一步詳情載於合併財務報表附註32。該等購股權的公平值於授出日期釐定,已按歸屬期於損益及其他全面收入表確認。

(a) 獨立非執行董事

年內,向獨立非執行董事支付的袍金如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mr. Shiping James Wang	王世平先生	**88**	85
Ms. Wong Wai Ling	黃慧玲女士	**114**	110
Mr. Wang Huaping	王華平先生	**88**	85
		290	280

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

年內,概無其他薪酬應付予獨立非執行董事(二零一八年:無)。

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

8. 董事及最高行政人員薪酬(續)

(b) Executive directors and non-executive directors

(b) 執行董事和非執行董事

2019 二零一九年

Name of Directors 董事姓名		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪酬、津貼及實物福利 RMB'000 人民幣千元	Performance related bonuses 績效相關花紅 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Equity-settled share option arrangements 股權結算購股權安排 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors:	執行董事:						
Mr. Li Cheng	李誠先生	88	915	2,050	17	–	3,070
Mr. Zhao Jidong[1]	趙繼東先生[1]	88	876	2,650	84	–	3,698
Mr. Li Conghua	李聰華先生	88	–	–	–	–	88
Mr. Ma Qinghai	馬青海先生	88	301	1,579	68	–	2,036
Mr. Xu Wensheng[2]	徐文勝先生[2]	–	180	–	12	–	192
		352	2,272	6,279	181	–	9,084
Independent non-executive directors	獨立非執行董事:						
Mr. Shiping James Wang	王世平先生	88	–	–	–	–	88
Ms. Wong Wai Ling	黃慧玲女士	114	–	–	–	–	114
Mr. Wang Huaping	王華平先生	88	–	–	–	–	88
		290	–	–	–	–	290
		642	2,272	6,279	181	–	9,374

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

8. 董事及最高行政人員薪酬(續)

(b) Executive directors and non-executive directors (Continued)

(b) 執行董事和非執行董事(續)

2018 二零一八年

Name of Directors 董事姓名		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪酬、津貼及實物福利 RMB'000 人民幣千元	Performance related bonuses 績效相關花紅 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Equity-settled share option arrangements 股權結算購股權安排 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors:	執行董事:						
Mr. Li Cheng	李誠先生	85	880	800	15	–	1,780
Mr. Zhao Jidong(1)	趙繼東先生(1)	85	602	1,560	47	133	2,427
Mr. Li Conghua	李聰華先生	85	–	–	–	–	85
Mr. Ma Qinghai	馬青海先生	85	301	1,985	63	84	2,518
		340	1,783	4,345	125	217	6,810
Independent non-executive directors	獨立非執行董事:						
Mr. Shiping James Wang	王世平先生	85	–	–	–	–	85
Ms. Wong Wai Ling	黃慧玲女士	110	–	–	–	–	110
Mr. Wang Huaping	王華平先生	85	–	–	–	–	85
		280	–	–	–	–	280
		620	1,783	4,345	125	217	7,090

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

年內,並無任何董事或最高行政人員放棄或同意放棄任何薪酬的安排。

(1) Mr. Zhao Jidong resigned on 29 November 2019.

(1) 趙繼東先生於二零一九年十一月二十九日辭任。

(2) Mr. Xu Wensheng was appointed on 29 November 2019.

(2) 徐文勝先生於二零一九年十一月二十九日獲委任。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included 3 executive directors (2018: 3 executive directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining 2 (2018: 2) highest paid employee are as follows:

9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括三名執行董事（二零一八年：三名執行董事），彼等的薪酬詳情載於上文附註8。餘下兩名（二零一八年：兩名）最高薪酬僱員於年內的薪酬詳情如下：

		2019 **二零一九年** **RMB'000** **人民幣千元**	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	**1,540**	615
Performance related bonuses	績效相關花紅	**4,530**	1,684
Pension scheme contributions	退休金計劃供款	**113**	27
Equity-settled share option arrangements	股權結算購股權安排	**–**	20
		6,183	2,346

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

薪酬介乎下列範圍既非董事亦非最高行政人員的最高薪酬僱員人數如下：

		2019 **二零一九年**	2018 二零一八年
HK$1,000,001 to HK$1,500,000	1,000,001港元至1,500,000港元	**–**	2
HK$2,000,001 to HK$2,500,000	2,000,001港元至2,500,000港元	**1**	–
HK$4,500,000 to HK$5,000,000	4,500,000港元至5,000,000港元	**1**	–
		2	2

9. FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

In prior years, share options were granted to one non-director highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 32 to the consolidated financial statements. The fair value of such options, which has been recognised in the statement of profit or loss and other comprehensive income over the vesting period, was determined as at the date of grant.

9. 五名最高薪酬僱員(續)

於過往年度,一名非董事最高薪酬僱員就其對本集團提供的服務獲授購股權,進一步詳情載於合併財務報表附註32之披露資料。該等購股權的公平值於授出日期釐定,已按歸屬期於損益及其他全面收入表確認。

10. INCOME TAX EXPENSE

Pursuant to the applicable rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

All of the Group's subsidiaries incorporated in Hong Kong are subject to profits tax at a rate of 16.5% (2018:16.5%).The estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK$2,000,000 (2018: Nil) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

All of the Group's subsidiaries registered in the PRC having operations only in Mainland China are subject to PRC enterprise income tax on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws. The PRC Enterprise Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rates for domestic-invested and foreign-invested enterprises at 25%.

Pursuant to the relevant laws and regulations in the PRC and with approval from the tax authorities in charge, one of the Group's subsidiaries, Yongsheng Dyeing, qualified as High and New Technology Enterprises, are entitled to the preferential enterprise income tax rate of 15% for three years from 2018 to 2020.

10. 所得税開支

根據開曼群島及英屬處女群島的適用規則及法規,本集團毋須於開曼群島及英屬處女群島繳納任何所得税。

本集團所有在香港註冊成立的附屬公司均須按利得税率16.5%(二零一八年:16.5%)繳納税項。就年內於香港產生之估計應課税溢利而言,惟本集團的一間附屬公司除外,該公司為符合自二零一八/二零一九課税年度起生效的兩級制利得税税率制度的實體。該附屬公司首筆2,000,000港元(二零一八年:零)的應課税溢利按8.25%的税率繳税,其餘應課税溢利則按16.5%的税率繳税。

本集團所有於中國註冊並僅於中國內地營運的附屬公司須就其於中國法定賬目(根據相關中國所得税法作出調整)內呈報的應課税收入繳納中國企業所得税。中國企業所得税法引入一系列改革,包括但不限於將境內投資及外資企業的所得税率統一為25%。

根據中國相關法律及法規以及經負責税務機關批准,本集團其中一間附屬公司永盛染整合資格成為高新技術企業,有權於二零一八年至二零二零年三年間享有15%的優惠企業所得税率。

10. INCOME TAX EXPENSE (CONTINUED)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on the dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable to 5% withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totaled approximately RMB96,720,000 at 31 December 2019 (2018: RMB96,720,000). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

The major components of income tax expense for the years ended 31 December 2019 and 2018 are:

10. 所得稅開支(續)

根據中國企業所得稅法,在中國成立的外資企業向海外投資者宣派的股息須繳納10%預扣稅。有關規定由二零零八年一月一日起生效,適用於二零零七年十二月三十一日後的盈利。倘中國與海外投資者的司法權區訂有稅務條約,則可能適用較低的預扣稅率。本集團因而有可能須就該等在中國成立的附屬公司自二零零八年一月一日起賺取的盈利所派發的股息繳納5%預扣稅。於二零一九年十二月三十一日,遞延稅項負債尚未確認入賬的涉及中國內地附屬公司投資的暫時差額合共約為人民幣96,720,000元(二零一八年:人民幣96,720,000元)。董事認為該等附屬公司於可見未來應不會分派該等盈利。

截至二零一九年及二零一八年十二月三十一日止年度,所得稅開支的主要組成部分如下:

		2019 **二零一九年** **RMB'000** **人民幣千元**	2018 二零一八年 RMB'000 人民幣千元
Current tax	即期稅項	**37,632**	13,281
Deferred tax (note 30)	遞延稅項(附註30)	**3,213**	5,490
Total tax charge for the year	年內稅項支出總額	**40,845**	18,771

10. INCOME TAX EXPENSE (CONTINUED)

10. 所得稅開支(續)

Reconciliation of the tax expense and the accounting profit multiplied by the statutory rates for the countries in which the Company and the majority of its subsidiaries are domiciled:

稅項開支與會計溢利乘以本公司及其大多數附屬公司所在國家的法定稅率的對賬如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit before tax from continuing operations	持續經營業務之除稅前溢利	**68,610**	72,774
Profit before tax from discontinued operations	終止經營業務之除稅前溢利	**107,283**	32,676
Profit before tax	除稅前溢利	**175,893**	105,450
Tax calculated at statutory tax rate of the PRC (25%)	按中國法定稅率(25%)計算的稅項	**43,973**	26,363
Effect of difference for Hong Kong income tax rate	就香港所得稅率差異的影響	**(3,394)**	546
Effect of preferential enterprise income tax rate	優惠企業所得稅率的影響	**(14,110)**	(10,877)
Expenses not deductible for tax	不可扣稅開支	**10,042**	100
Tax losses not recognised	未確認稅務虧損	**2,246**	1,581
Tax losses utilised from previous periods	動用過往期間稅項虧損	**(15)**	–
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	按本集團中國附屬公司之可分派溢利5%計算預扣稅之影響	**5,624**	3,467
Additional deduction of research and development cost	研發成本的額外扣減	**(3,521)**	(2,409)
Tax charge at the effective income tax rate 23.2% (2018: 17.8%)	按實際所得稅率23.2%(二零一八年:17.8%)計算的稅項支出	**40,845**	18,771
Tax charge from continuing operations at the effective rate	按實際稅率計算的持續經營業務的稅項	**17,597**	15,252
Tax charge from a discontinued operations at the effective rate	按實際稅率計算的終止經營業務的稅項支出	**23,248**	3,519

11. DISCONTINUED OPERATIONS

On 18 October 2019, the Company announced the decision to dispose of the entire interests in subsidiaries engaged in developing and manufacturing of polyester filament yarns and research of high polymer advanced materials. The Group has decided to cease its polyester filament yarns business because it plans to focus its resources on its dyeing services segment and strengthen its liquidity for future investment opportunities. The disposal of three companies had been completed in November 2019. With Hangzhou Huvis Yongsheng Chemical Fiber Company Limited ("Hangzhou Fiber"), Nantong Yongsheng Fiber Advanced Materials Company Limited ("Nantong Fiber"), Jiangsu Yongsheng High Polymer Advanced Materials ("Yongsheng High Polymer") Research Institute Company Limited being classified as discontinued operations.

The results of the three companies for the year are presented below:

11. 終止經營業務

於二零一九年十月十八日，本公司宣佈其董事會之決定，出售從事開發及生產滌綸長絲，以及研究高分子新材料的附屬公司之全部權益。由於本集團計劃集中其資源於染色服務分部及加強其流動性以應對未來投資機會，本集團已決定停止其滌綸長絲業務。出售三間公司已於二零一九年十一月完成。隨著杭州滙維仕永盛化纖有限公司(「杭州化纖」)、南通永盛滙維仕纖維新材料有限公司(「南通纖維」)及江蘇永盛高分子新材料研究所有限公司(「永盛高分子」)被分類至終止經營業務。

三間公司年內的業績呈列如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收益	**675,637**	473,760
Expenses	開支	**(590,902)**	(439,844)
Finance costs	融資成本	**(1,884)**	(1,240)
Profit from the discontinued operations	來自終止經營業務溢利	**82,851**	32,676
Gain on disposal of discontinued operations	出售終止經營業務收益	**24,432**	–
Income tax	所得税	**(23,248)**	(3,519)
Profit for the year from the discontinued operations	年內溢利（來自終止經營業務）	**84,035**	29,157

11. DISCONTINUED OPERATION (CONTINUED)

11. 終止經營業務(續)

The calculations of basic and diluted earnings per share from the discontinued operations operation are based on:

來自終止經營業務之每股基本及攤薄盈利的計算乃基於:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit attributable to shareholders of the Company from the discontinued operations	本公司股東應佔來自終止經營業務的溢利	**62,882**	23,229
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation (note 13)	用於計算每股基本盈利的年內已發行普通股的加權平均數(附註13)	**696,415,013**	396,339,902
Weighted average number of ordinary shares used in the diluted earnings per share calculation (note 13)	用於計算每攤薄盈利的普通股的加權平均數(附註13)	**704,725,618**	406,160,925

11. DISCONTINUED OPERATION (CONTINUED)

11. 終止經營業務(續)

The assets and liabilities of the three companies at the disposal date were as follows:

三間公司於出售日期的資產及負債如下:

		Hangzhou Fiber 杭州化纖 2019 二零一九年 RMB'000 人民幣千元	Nantong Fiber 南通纖維 2019 二零一九年 RMB'000 人民幣千元	Yongsheng High Polymer 永盛高分子 2019 二零一九年 RMB'000 人民幣千元	TOTAL 總計 2019 二零一九年 RMB'000 人民幣千元
Net assets disposal of:	所出售的資產淨值:				
Property, plant and equipment	物業、廠房及設備	31,712	134,923	271	166,906
Other intangible assets	其他無形資產	495	85	–	580
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	–	1,052	–	1,052
Right-of-use assets	使用權資產	7,343	8,492	–	15,835
Deferred tax assets	遞延稅項資產	1,158	3,312	–	4,470
Cash and cash equivalents	現金及現金等值物	33,859	490	253	34,602
Pledged deposits	已抵押存款	350	6,052	–	6,402
Trade and bills receivable	貿易應收款項及應收票據	11,085	143,495	–	154,580
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	30,610	13,552	8,589	52,751
Inventories	存貨	33,651	42,136	–	75,787
Interest-bearing bank and other borrowings-current	計息銀行及其他借款－流動	(10,000)	(40,190)	–	(50,190)
Trade payables	貿易應付款項	(6,938)	(116,244)	(3)	(123,185)
Other payables and accruals	其他應付款項及應計款項	(6,296)	(67,126)	(3,013)	(76,435)
Amount due to a related party	應付關連方款項	(40,000)	–	–	(40,000)
Income tax payable	應付所得稅	(1,170)	(2,394)	–	(3,564)
Interest-bearing bank and other borrowings-non-current	計息銀行及其他借款－非流動	–	(32)	–	(32)
Government grants	政府資助	(1,689)	(6,775)	–	(8,464)
Non-controlling interests	非控股權益	(23,714)	(37,933)	36	(61,611)
		60,456	82,895	6,133	149,484
Gain on disposal of subsidiaries	出售附屬公司收益	17,034	4,151	3,247	24,432
		77,490	87,046	9,380	173,916
Satisfied by:	以下列方式支付:				
Cash	現金	77,490	87,046	9,380	173,916

11. DISCONTINUED OPERATIONS (CONTINUED)

11. 終止經營業務(續)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

出售附屬公司之現金及現金等值物之流入淨額分析如下:

		Hangzhou Fiber 杭州化纖 RMB'000 人民幣千元	Nantong Fiber 南通纖維 RMB'000 人民幣千元	Yongsheng High Polymer 永盛高分子 RMB'000 人民幣千元	TOTAL 總計 RMB'000 人民幣千元
Cash consideration	現金代價	77,490	87,046	9,380	173,916
Cash and bank balances disposed of	出售的現金及銀行結餘	(33,859)	(490)	(253)	(34,602)
Net inflow of cash and cash equivalents in respect of disposal of a subsidiaries	出售附屬公司之現金及現金等值物之流入淨額	43,631	86,556	9,127	139,314

The net cash flows incurred by the three companies Limited are as follows:

三間有限公司產生的現金流量淨額如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Operating activities	經營活動	**24,339**	42,904
Investing activities	投資活動	**(28,045)**	(39,335)
Financing activities	融資活動	**30,967**	1,577
Net cash inflow	現金流入淨額	**27,261**	5,146
Earnings per share:	每股盈利:		
Basic, from the discontinued operations	基本(來自終止經營業務)	**9.1 cents分**	5.9 cents分
Diluted, from the discontinued operations	攤薄(來自終止經營業務)	**9.0 cents分**	5.7 cents分

12. DIVIDENDS

12. 股息

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interim – HK$0.02 (equivalent to RMB0.0181) (2018: HK$0.033 (equivalent to RMB0.0293)) per ordinary share	中期－每股普通股0.02港元（相當於人民幣0.0181元）（二零一八年：0.033港元（相當於人民幣0.0293元））	**13,530**	11,496
Proposed final – HK$0.03 (equivalent to RMB0.0274) (2018: HK$0.022 (equivalent to RMB0.0188)) per ordinary share	擬派末期－每股普通股0.03港元（相當於人民幣0.0274元）（二零一八年：0.022港元（相當於人民幣0.0188元））	**20,235**	12,053
		33,765	23,549

The Board resolved to propose a final dividend of HK$0.03 (2018:HK$0.022) per ordinary shares amounting a total of RMB20,235,000 (2018: RMB12,053,000). The proposed dividends are based on 738,191,890 (2018: 641,353,746) shares issued as at 31 March 2020.

董事會議決建議派付末期股息每股普通股0.03港元（二零一八年：0.022港元），總計人民幣20,235,000元（二零一八年：人民幣12,053,000元）。建議股息乃基於二零二零年三月三十一日之已發行股份數目738,191,890股（二零一八年：641,353,746股）計算。

The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

擬派末期股息須經本公司股東於應屆股東週年大會批准。

13. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

13. 本公司股東應佔每股盈利

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

每股基本盈利金額乃按本公司股東應佔年內溢利除以年內已發行普通股的加權平均數計算。

Diluted earnings per share amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, plus the weighted average number of ordinary shares that would be issued on the deemed exercise of all the dilutive potential ordinary shares into ordinary shares.

每股攤薄盈利金額乃按本公司股東應佔溢利除以年內已發行普通股的加權平均數（如同計算每股基本盈利所採用者）再加上因視作將所有潛在攤薄普通股行使為普通股所要發行的普通股的加權平均數計算。

13. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (CONTINUED)

13. 本公司股東應佔每股盈利(續)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

以下反映用於計算每股基本及攤薄盈利的收入及股份數據:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Earnings:	**盈利:**		
Profit attributable to shareholders of the Company – basic and diluted	本公司股東應佔溢利－基本及攤薄		
From continuing operations	持續經營業務	**51,013**	57,522
From a discontinued operations	已終止經營業務	**62,882**	23,229
		113,895	80,751

		Number of shares 股份數目	
		2019 二零一九年	2018 二零一八年
Shares:	**股份:**		
Weighted average number of ordinary shares for earnings per share calculation	就計算每股盈利而言之普通股加權平均數	**696,415,013**	396,339,902
Effect of dilution – weighted average number of ordinary shares:	攤薄影響－普通股之加權平均數:		
Share options	購股權	**8,310,605**	9,821,023
Weighted average number of ordinary shares adjusted for the effect of dilution	修正攤薄影響的普通股加權平均數	**704,725,618**	406,160,925

14. PROPERTY, PLANT AND EQUIPMENT 14. 物業、廠房及設備

		Notes 附註	Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機械 RMB'000 人民幣千元	Vehicles 汽車 RMB'000 人民幣千元	Office equipment and others 辦公室設備及其他 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019, net of accumulated depreciation	於二零一九年一月一日，已扣除累計折舊		72,871	117,851	1,365	1,759	572	39,637	234,055
Additions	添置		–	5,071	71	66	178	11,935	17,321
Acquisition of assets and liabilities through acquisition of subsidiaries (note 36)	透過收購附屬公司收購資產及負債（附註36）	36	–	–	–	–	–	18,980	18,980
Acquisition of subsidiaries not under common control (note 35)	收購並非於共同控制下的附屬公司（附註35）	35	–	–	85	34	–	–	119
Disposals	出售		–	(1,656)	(53)	(26)	–	–	(1,735)
Disposal of subsidiaries (note 11)	出售附屬公司（附註11）	11	(48,054)	(113,647)	(1,100)	(536)	–	(3,569)	(166,906)
Depreciation provided during the year	年內計提的折舊		(3,496)	(16,259)	(151)	(321)	–	–	(20,227)
Transfer	轉撥		6,922	38,706	–	–	–	(45,628)	–
Exchange realignment	匯兑調整		–	–	2	4	2	–	8
At 31 December 2019, net of accumulated depreciation	於二零一九年十二月三十一日，已扣除累計折舊		28,243	30,066	219	980	752	21,355	81,615
At 31 December 2019:	於二零一九年十二月三十一日：		49,569	68,505	1,951	3,137	2,767	21,355	147,284
Cost	成本								
Accumulated depreciation	累計折舊		(21,326)	(38,439)	(1,732)	(2,157)	(2,015)	–	(65,669)
Net carrying amount	賬面淨值		28,243	30,066	219	980	752	21,355	81,615
At 1 January 2018, net of accumulated depreciation	於二零一八年一月一日，已扣除累計折舊		74,536	85,295	1,667	2,166	215	41,460	205,339
Additions	添置		16	7,178	2	152	573	42,482	50,403
Transfer	轉撥		1,765	42,540	–	–	–	(44,305)	–
Depreciation provided during the year	年內計提的折舊		(3,446)	(15,716)	(304)	(559)	(216)	–	(20,241)
Disposals	出售		–	(1,446)	–	–	–	–	(1,446)
At 31 December 2018, net of accumulated depreciation	於二零一八年十二月三十一日，已扣除累計折舊		72,871	117,851	1,365	1,759	572	39,637	234,055
At 31 December 2018:	於二零一八年十二月三十一日：		104,748	212,261	6,429	8,423	2,567	39,637	374,065
Cost	成本								
Accumulated depreciation	累計折舊		(31,877)	(94,410)	(5,064)	(6,664)	(1,995)	–	(140,010)
Net carrying amount	賬面淨值		72,871	117,851	1,365	1,759	572	39,637	234,055

At 31 December 2019, certain of the construction in progress with a net carrying amount of approximately RMB21,355,000 (2018: Nil) were pledged to secure long-term loan facilities granted to the Group by a bank.

於二零一九年十二月三十一日，賬面淨值約為人民幣21,355,000元（二零一八年：無）的若干在建工程已予抵押，以讓一間銀行向本集團授出長期貸款融資。

At 31 December 2019, certain of the Group's buildings with a net carrying amount of approximately RMB22,597,000 (2018: RMB31,309,000) were pledged to secure short-term loan facilities granted to the Group by a bank.

於二零一九年十二月三十一日，本集團賬面淨值約為人民幣22,597,000元（二零一八年：人民幣31,309,000元）的若干樓宇已予抵押，以讓一間銀行向本集團授出短期貸款融資。

At 31 December 2018, certain of the Group's buildings with a net carrying amount of approximately RMB23,383,000 were pledged to secure letter of credit facilities granted to the Group by a bank. There was no such pledge as at 31 December 2019.

於二零一八年十二月三十一日，本集團賬面淨值約為人民幣23,383,000元的若干樓宇已予抵押，以讓一間銀行向本集團授出信用證融資。於二零一九年十二月三十一日並無此項抵押。

15. INVESTMENT PROPERTIES

15. 投資物業

		Under construction 建造中 RMB'000 人民幣千元	Completed 竣工 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Carrying amount at 1 January 2019	於二零一九年一月一日的賬面值	–	–	–
Acquisition of assets and liabilities through acquisition of subsidiaries (note 36)	透過收購附屬公司收購資產及負債(附註36)	558,320	38,800	597,120
Additions	收購	50,673	–	50,673
Increase in fair value recognised in profit or loss	於損益中確認的公平值增加	5,305	1,600	6,905
Carrying amount at 31 December 2018	於二零一八年十二月三十一日的賬面值	614,298	40,400	654,698

The Group's investment properties consist of two commercial properties in Hang Zhou, the PRC. The Group's investment properties were revalued on 31 December 2019 based on valuations performed by Avista Valuation Advisory Limited ("Avista"), an independent professionally qualified valuer, at RMB654,698,000. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's finance manager and the chief financial officer have discussions with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

本集團的投資物業包括兩處於中國杭州的物業。本集團的投資物業於二零一九年十二月三十一日根據獨立專業合資格估值師艾華迪評估諮詢有限公司(「艾華迪」)執行的估值進行重估為人民幣654,698,000元。甄選準則包括市場知識、聲譽、獨立性及是否維持專業標準。本集團財務經理及首席財務官就財務申報進行估值與估值師討論估值假設及估值結果。

The completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 16 to the financial statements.

已竣工投資物業根據經營租賃租賃予第三方，有關進一步概述詳情載於財務報表附註16。

At 31 December 2019, the Group's investment properties with a carrying value of RMB614,298,000 (2018: Nil) were pledged to secure long-term loan facilities granted to the Group by a bank.

於二零一九年十二月三十一日，本集團賬面值為人民幣614,298,000元(二零一八年：零)的投資物業已予抵押，以讓一間銀行向本集團授出長期貸款融資。

15. INVESTMENT PROPERTIES (CONTINUED)

15. 投資物業(續)

Fair value hierarchy

公平值層級

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

下表說明本集團投資物業的公平值計量層級:

		Fair value measurement as at 31 December 2019 using 使用以下輸入數據的於二零一九年十二月三十一日的公平值計量			
		Quoted prices in active markets (Level 1) 在活躍市場取得報價(第一級)	Significant observable inputs (Level 2) 可觀察的重要輸入數據(第二級)	Significant unobservable inputs (Level 3) 不可觀察的重要輸入數據(第三級)	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
Recurring fair value measurement for:	以下各項的經常性公平值計量:				
Completed commercial properties	竣工商業物業	–	–	40,400	40,400
Commercial properties under construction	在建商業物業	–	–	614,298	614,298
		–	–	654,698	654,698

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

年內,在第一級和第二級間並無公平值計量轉移,而第三級亦無任何轉入或轉出(二零一八年:無)。

15. INVESTMENT PROPERTIES (CONTINUED)

15. 投資物業(續)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

以下為投資物業估值使用的估值技術及重要輸入數據的概述:

	Valuation techniques 估值技術	Significant unobservable inputs 不可觀察的重要輸入數據	Range of unobservable inputs 不可觀察輸入數據的範圍	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值的關係
Completed commercial properties 竣工商業物業	Term and reversionary method 年期及復歸法	Term yields 年期收益率	3.5%	The higher the term yields, the lower the fair value 年期收益率越高，公平值越低
		Reversionary yields 復歸收益率	4.0%	The higher the reversionary yields, the lower the fair value 復歸收益率越高，公平值越低
		Market rents (RMB/square meter/ month) 市場租金（人民幣／平方米／月）	RMB76 人民幣76元	The higher the market rents, the higher the fair value 市場租金越高，公平值越高
Commercial properties under construction 在建商業物業	Residual method 餘值法	Market rents (RMB/square meter/ month) 市場租金（人民幣／平方米／月）	RMB87 – 208 人民幣87至208元	The higher the market rent, the higher the fair value 市場租金越高，公平值越高
		Reversionary yields 復歸收益率	4.0% – 5.0%	The higher the reversionary yields, the lower the fair value 復歸收益率越高，公平值越低
		Budgeted construction costs to be incurred (RMB/sq.m) 將產生的預算建造成本（人民幣／平方米）	RMB2,626 人民幣2,626元	The higher the budgeted construction costs to be incurred, the lower the fair value 將產生的預算建造成本越高，公平值越低
		Developer's profit 發展商溢利	10%	The higher the developer's profit, the lower the fair value 發展商溢利越高，公平值越低

15. INVESTMENT PROPERTIES (CONTINUED)

For completed commercial properties, fair value are generally derived using the term and reversionary method. This method is based on the tenancy agreements as at the respective valuation dates. The rental income derived within the tenancy agreements are discounted by adopting term yields and the potential reversionary income are discounted by adopting appropriate reversionary yields for the period beyond the rental period in the tenancy agreements. Potential reversionary income and the reversionary yields are derived from analysis of prevailing market rents and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

Fair values of the investment properties under development are generally derived using the residual method. This valuation method is essentially a means of valuing the construction by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completed as at the date of valuation.

15. 投資物業(續)

竣工商業物業的公平值一般透過年期及復歸法產生。此方法乃基於相關估值日已有的租賃協議而作出。租賃協議期內的租金收入採用年期收益率折現。租賃協議期以外的潛在復歸收入採用適當的復歸收益率折現。在估值中採用的市場租金乃根據該物業及其他類似物業的近期租務情況而釐定。潛在復歸收入及復歸收益率乃自對當前市場租金的分析以及估值師對當前投資者要求或估計的詮釋得出。估值採納的當前市場租金乃參考標的物業及其他可資比較物業的近期租賃情況得出。

發展中投資物業的公平值一般透過餘值法產生。此估值方法主要為以參考建築發展潛力而對其進行估值的方法,從其估計擬發展項目(假設已於估值日竣工)的資本值中扣除發展成本以及發展商的溢利及風險。

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of lease land and buildings. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1 and 2 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts with constant lease payments, which are further discussed below.

16. 租賃

本集團作為承租人

本集團就租賃土地及樓宇若干項目訂有租賃合約。一次性付款已在前期支付以在擁有人取得租賃土地,租期為50年,有關土地租賃期間將毋須再持續付款。樓宇租賃的租期通常為1至2年。通常而言,本集團不可對外轉讓及轉租本集團的租賃資產。有若干固定租賃付款租賃合約,將會在下文進一步討論。

16. LEASES (CONTINUED)

The Group as a lessee (Continued)

(a) Prepaid land lease payments (before 1 January 2019)

16. 租賃(續)

本集團作為承租人(續)

(a) 預付土地租賃付款(於二零一九年一月一日前)

		RMB'000 人民幣千元
Carrying amount at 1 January 2018	於二零一八年一月一日的賬面值	28,522
Disposal during the year	於年內出售	(587)
Recognised during the year	於年內已確認	(814)
Carrying amount at 31 December 2018	於二零一八年十二月三十一日的賬面值	27,121

(b) Right-of-use assets

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

(b) 使用權資產

年內本集團使用權資產的賬面值及其變動如下:

		Prepaid land lease payments 預付土地租賃款項 RMB'000 人民幣千元	**Buildings 樓宇** RMB'000 人民幣千元	**Total 總計** RMB'000 人民幣千元
As at 1 January 2019	於二零一九年一月一日	27,121	1,024	28,145
Additions	添置	–	950	950
Depreciation charge	折舊開支	(766)	(1,108)	(1,874)
Exchange realignment	匯兑調整	–	22	22
Interest expense	利息開支	–	–	–
Disposal of subsidiaries (note 11)	出售附屬公司(附註11)	(15,609)	(226)	(15,835)
As at 31 December 2019	於二零一九年十二月三十一日	10,746	662	11,408

16. LEASES (CONTINUED)

The Group as a lessee (Continued)

The Group's land use rights are corresponding to the lands located in Hangzhou of the PRC and the remaining lease periods ranged 34 years as at 31 December 2019 .

At 31 December 2019, certain of the Group's land use rights with a net carrying amount of approximately RMB4,139,000 (2018: RMB11,585,000) were pledged to secure short-term loan facilities granted to the Group by a bank.

At 31 December 2018, certain of the Group's land use rights with a net carrying amount of approximately RMB3,072,000 were pledged to secure letter of credit facilities granted to the Group by a bank. There was no such pledge as at 31 December 2019.

16. 租賃(續)

本集團作為承租人(續)

本集團的土地使用權涉及位於中國杭州的土地,於二零一九年十二月三十一日,餘下租期為34年。

於二零一九年十二月三十一日,本集團賬面淨值約為人民幣4,139,000元(二零一八年:人民幣11,585,000元)的若干土地使用權已予抵押,以讓一間銀行向本集團授出短期貸款融資。

於二零一八年十二月三十一日,本集團賬面淨值約為人民幣3,072,000元的若干土地使用權已作出抵押為一間銀行授予本集團的信用證融資做擔保。截至二零一九年十二月三十一日,並無此項抵押。

16. LEASES (CONTINUED)

The Group as a lessee (Continued)

(c) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

16. 租賃(續)

本集團作為承租人(續)

(c) 租賃負債

年內租賃負債的賬面值(包括計息銀行及其他借款)及變動如下:

		2019 二零一九年 Lease liabilities 租賃負債 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	**941**
New leases	新租賃	**950**
Accretion of interest recognised during the year	年內確認利息增量	**78**
Payments	付款	**(1,124)**
Disposal of subsidiaries	出售附屬公司	**(223)**
Exchange realignment	匯兑調整	**24**
Carrying amount at 31 December	於十二月三十一日之賬面值	**646**
Analysed into:	分析為:	
Current portion	即期部分	**577**
Non-current portion	非即期部分	**69**

The maturity analysis of lease liabilities (2018: Nil) is disclosed in note 42 to the financial statements.

租賃負債之到期日分析(二零一八年:無)披露於財務報表附註42。

16. LEASES (CONTINUED)

The Group as a lessee (Continued)

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

16. 租賃(續)

本集團作為承租人(續)

(d) 就租賃於損益中確認的金額如下:

		Lease liabilities 租賃負債 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債之利息	78
Depreciation charge of right-of-use assets	使用權資產之折舊開支	1,874
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in cost of sales)	與短期租賃及剩餘租賃期於二零一九年十二月三十一日或之前結束的其他租賃相關的開支(計入銷售成本)	156
Total amount recognised in profit or loss	於損益中確認的總額	2,108

The Group as a lessor

The Group leases certain of its completed investment properties (note 15) and plants to third parties under operating lease arrangements. Leases for completed investment properties are negotiated for terms ranging from 1 year to 5 years and those for plants are for terms of 1 year.

Rental income recognised by the Group during the year was RMB1,025,000 (2018: RMB486,000), details of which are included in note 5 to the financial statements.

本集團作為出租人

本集團根據經營租賃安排出租其若干已竣工投資物業(附註15)及廠房予第三方。已竣工投資物業之租期議定為介乎一年至五年,而廠房之租期為一年。

年內本集團已確認租金收入人民幣1,025,000元(二零一八年:人民幣486,000元),有關詳情載於財務報表附註5。

16. LEASES (CONTINUED)

The Group as a lessor (Continued)

At 31 December 2019, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

16. 租賃(續)

本集團作為出租人(續)

於二零一九年十二月三十一日,日後本集團根據與其租戶之不可撤銷經營租賃的應收未貼現租賃款項如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	**485**	186
After two years but within three years	兩年以上但三年以內	**1,901**	211
		2,386	397

17. GOODWILL

17. 商譽

		RMB'000 人民幣千元
Cost and carry amount at 1 January 2019	於二零一九年一月之成本及賬面值	–
Acquisition of subsidiaries not under common control (note 35)	收購非共同控制下的附屬公司(附註35)	101,181
Exchange realignment	匯兑調整	4,742
Cost and carry amount at 31 December 2019	於二零一九年十二月三十一日之成本及賬面值	105,923
At 31 December 2019	於二零一九年十二月三十一日	–
Cost	成本	105,923
Accumulated impairment	累計減值	–
Net carrying amount	賬面淨值	105,923

17. GOODWILL (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit (CGU) for impairment testing:

- RMAA service CGU;

The recoverable amount of the RMAA service cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 18.0%. The growth rate used to extrapolate the cash flows of the RMAA service unit beyond the five-year period is 2.5%, which was the same as the long term average growth rate of the RMAA service industry.

The carrying amount of goodwill allocated to the cash-generating unites is as follows:

17. 商譽(續)

商譽減值測試

透過業務合併收購的商譽乃分配予以下現金產生單位以作減值測試:

- RMAA服務現金產生單位;

RMAA服務現金產生單位的可收回金額已根據使用價值法釐定,該計算乃使用以高級管理層批准的五年期財政預算為依據的現金流量預測。現金流量預測採用之貼現率為18.0%。用以推算五年期以上RMAA服務單位現金流量增長率為2.5%,其與RMAA服務行業長期平均增長率相同。

分配至現金產生單位之商譽賬面值如下:

		RMAA services RMAA服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Carrying amount of goodwill	商譽賬面值	105,923	105,923

Assumptions were used in the value in use calculation of the RMAA service cash-generating units for 31 December 2019. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

於二零一九年十二月三十一日RMAA服務現金產生單位使用價值的計算運用了假設。管理層用作現金流量預測基準以進行商譽減值測試之各主要假設描述如下:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

預算毛利率－用於釐定分配予預算毛利率的價值所採用的基準為緊接預算年度前一年內所實現的平均毛利率,會由於預期的效率提升及預期的市場發展而有所提升。

Discount rates – The discount rates used is before tax and reflect specific risks relating to the relevant units.

貼現率－所採用的貼現率乃除稅前貼現率並反映與相關單位的特定風險。

Growth Rate estimates – Rates is based on common industry practice.

增長率估計－增長率乃基於一般行業慣例作出。

18. OTHER INTANGIBLE ASSETS

18. 其他無形資產

		Software 軟件 RMB'000 人民幣千元	Technical know-how 技術知識 RMB'000 人民幣千元	Sewage pipe usage right 污水渠使用權 RMB'000 人民幣千元	Contract backlog 未完工合約 RMB'000 人民幣千元	Brand 品牌 RMB'000 人民幣千元	TOTAL 總計 RMB'000 人民幣千元
At 1 January 2019, net of accumulated amortization	於二零一九年一月一日，已扣除累計攤銷	373	1,502	2,497	–	–	4,372
Disposal of subsidiaries(note11)	出售附屬公司（附註11）	(205)	(375)	–	–	–	(580)
Acquisition of subsidiaries not under common control (note 35)	收購非共同控制下的附屬公司（附註35）	–	–	–	9,165	55,735	64,900
Amortisation provided during the year	年內計提的攤銷	(168)	(741)	(202)	(4,284)	–	(5,395)
Exchange realignment	匯兑調整	–	–	–	352	2,612	2,964
At 31 December 2019, net of accumulated amortization	於二零一九年十二月三十一日，已扣除累計攤銷	–	386	2,295	5,233	58,347	66,261
At 31 December 2019	於二零一九年十二月三十一日						
Cost	成本	–	6,326	4,190	9,517	58,347	78,380
Accumulated amortization	累計攤銷	–	(5,940)	(1,895)	(4,284)	–	(12,119)
Net carrying amount	賬面淨值	–	386	2,295	5,233	58,347	66,261
At 1 January 2018, net of accumulated amortization	於二零一八年一月一日，已扣除累計攤銷	550	2,260	2,697	–	–	5,507
Addition	添置	35	–	–	–	–	35
Amortization provided during the year	年內計提的攤銷	(212)	(758)	(200)	–	–	(1,170)
At 31 December 2018, net of accumulated amortization	於二零一八年十二月三十一日，已扣除累計攤銷	373	1,502	2,497	–	–	4,372
At 31 December 2018:	於二零一八年十二月三十一日：						
Cost	成本	1,183	7,274	4,024	–	–	12,481
Accumulated amortization	累計攤銷	(810)	(5,772)	(1,527)	–	–	(8,109)
Net carrying amount	賬面淨值	373	1,502	2,497	–	–	4,372

18. OTHER INTANGIBLE ASSETS (CONTINUED)

(a) Brand with indefinite useful lives acquired through business combinations is allocated to the RMAA service CGU.

impairment testing of other intangible assets with indefinite useful lives

The values of Brand with indefinite useful lives are assessed annually by using the relief from the royalty method calculated based on a five-year cash flow projection approved by senior management. The fair values of the brand was equal to the future royalty savings resulting from ownership of the assets.

The key assumptions, royalty saving rates, long term growth rates and discount rates used in the annual impairment testing of brand with indefinite useful lives in 2019 are as follows:

key assumptions	Brand (%)
Sales annual growth rate	3%-4%
Royalty saving rates	7.6%
Long term growth	2.5%
Pre-tax discount rate	19.3%

Sales annual growth rate is the average annual growth rate over the forecast period, it is based on past performance and management's expectations of market development.

The royalty saving rates used are with reference to comparable intangible assets and the related royalty rates that the buyers typically pay for the use of such assets.

The discount rates used are before tax and reflect specific risks relating to RMAA services CGU.

The values assigned to key assumptions are consistent with external information sources.

18. 其他無形資產(續)

(a) 透過業務合併收購之無限使用年期品牌乃分配予RMAA服務現金產生單位。

無限使用年期其他無形資產減值測試

無限使用年期品牌之價值每年採用減免特許權使用費的方法進行評估,計算乃基於經高級管理層批准的五年現金流量預測。品牌公平值等於擁有資產所節省的未來特許權使用費。

二零一九年,無限使用年期品牌年度減值測試中所採用之主要假設、特許權使用費節約率、長期增長率及貼現率如下:

主要假設	品牌(%)
銷售額年增長率	3%-4%
特許權使用費節約率	7.6%
長期增長率	2.5%
除税前貼現率	19.3%

銷售額年增長率乃為預測期間內的平均年度增長率,基於過往績效及管理層對市場發展的預期。

所採用的特許權使用費節約率乃參照可資比較無形資產及買方就使用有關資產通常支付的有關特許權使用費。

所採用的貼現率乃除税前貼現率並反映與RMAA服務現金產生單位的特定風險。

分配予主要假設的價值與外部資料來源相一致。

19. INVENTORIES 19. 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw materials	原材料	**2,564**	31,560
Work in progress	在製品	**622**	3,360
Finished goods	製成品	**610**	50,285
		3,796	85,205

20. PROPERTIES UNDER DEVELOPMENT 20. 發展中物業

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Carrying amount at 1 January 2019	於二零一九年一月一日之賬面值	**–**	–
Acquisition of assets and liabilities through acquisition of subsidiaries (Note 36)	透過收購附屬公司收購的資產及負債（附註36）	**186,140**	–
Additions	添置	**12,384**	–
Carrying amount at 31 December 2019	於二零一九年十二月三十一日賬面值	**198,524**	–

The Group's properties under development are situated on leasehold lands in Mainland China.

本集團之發展中物業位於中國內地租賃土地。

At 31 December 2019, the Group's properties under development with an aggregate carrying amount of approximately RMB 198,524,000 (2018: Nil) were pledged to secure long-term loan facilities granted to the Group by a bank (note 28).The value of properties under development is assessed at the end of the reporting period. There's no impairment, because the realisable value exceeds its carrying value.

於二零一九年十二月三十一日，本集團賬面總值為約人民幣198,524,000元（二零一八年：零）的發展中物業已作出質押，乃為擔保一間銀行向本集團授予之長期貸款融資（附註28）。發展中物業的價值已於報告期末作出評估，惟並無出現減值，原因惟可變現價值超過其賬面值。

21. TRADE AND BILLS RECEIVABLE

21. 貿易應收款項及應收票據

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	**38,859**	19,685
Bills receivable	應收票據	**29,582**	118,763
		68,441	138,448
Impairment	減值	**(2,347)**	(1,171)
Net trade and bills receivable	貿易應收款項及應收票據淨額	**66,094**	137,277

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 3 months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivable and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

本集團與客戶間的貿易條款以信貸為主，惟新客戶一般須預先付款除外。信貸期通常為3個月。每名客戶均設有最高信貸限額。本集團致力嚴格控制未收回應收款項，而高級管理層則定期檢討逾期結餘。鑒於上文所述，加上本集團貿易應收款項與大量分散客戶相關，故並無重大信用風險集中的情況。貿易應收款項為免息。

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

於報告期末，貿易應收款項按發票日期的賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	3個月內	**30,502**	16,848
3 to 6 months	3個月至6個月	**1,921**	1,479
6 months to 1 year	6個月至1年	**4,160**	135
1 to 2 years	1至2年	**652**	51
More than 2 years	超過2年	**1,624**	1172
		38,859	19,685

21. TRADE AND BILLS RECEIVABLE (CONTINUED)

21. 貿易應收款項及應收票據(續)

The movements in provision for impairment of trade receivables are as follows:

貿易應收款項減值撥備的變動如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At beginning of year	年初	**(1,171)**	(1,137)
Impairment losses recognised (note 6)	已確認減值虧損(附註6)	**(2,218)**	(34)
Amount written off as uncollectible	撇銷為無法收回的金額	**34**	–
Disposal of subsidiaries	出售附屬公司	**1,048**	–
Exchange difference	匯兑差額	**(40)**	–
At end of year	年末	**(2,347)**	(1,171)

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

減值分析於各報告日期採用撥備矩陣進行,以計量預期信貸虧損。撥備率乃基於具有類似虧損模式(即按地區劃分)的多個客戶分部組別的逾期日數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟狀況預測的合理及可靠資料。

21. TRADE AND BILLS RECEIVABLE (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's accounts receivable using provision matrices:

21. 貿易應收款項及應收票據(續)

下表載列本集團使用撥備矩陣計算的貿易應收款項的信貸風險資料:

		Current 即期	Less than 3 months 少於3個月	Past due 逾期 3 to 12 months 3個月至12個月	Over 1 year 超過一年	Total 總計
GROUP A	甲組					
Expected credit loss rate	預期信貸虧損率	1.33%	5.79%	8.90%	91.67%	12.00%
Gross carrying amount (RMB'000)	賬面總值(人民幣千元)	10,953	1,538	4,560	1,764	18,815
Expected credit losses (RMB'000)	預期信貸虧損(人民幣千元)	146	89	406	1,617	2,258

		Current 即期	Less than 3 months 少於3個月	Past due 逾期 3 to 12 months 3個月至12個月	Over 1 year 超過一年	Total 總計
GROUP B	乙組					
Expected credit loss rate	預期信貸虧損率	0.04%	0.07%	0.40%	72.32%	0.44%
Gross carrying amount (RMB'000)	賬面總值(人民幣千元)	19,548	384	–	112	20,044
Expected credit losses (RMB'000)	預期信貸虧損(人民幣千元)	8	–	–	81	89

The Group categorised its customers by making reference to their geographical regions into the following groups:

- Group A: Geographical region in Hong Kong
- Group B: Geographical region in the Mainland China

本集團經參考客戶所在地區將其分類為以下各項:

- 甲組:香港地區
- 乙組:中國內地地區

The maximum exposure to credit risk as at the end of the reporting period is the carrying value of trade receivables.

於報告期末面臨之最大信貸風險為貿易應收款項的賬面值。

The bills receivable were due within 3 or 6 months,the Group has closely monitored the credit qualities and the collectability of these bills receivables and consider that expected credit risks of them are close to zero.

應收票據於三或六個月內到期,本集團已密切關注該等應收票據的信貸素質及可回收性,並認為該等應收票據的預期信貸風險幾乎為零。

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES AND TRUST LOAN RECEIVABLE

22. 預付款項、按金及其他應收款項以及應收委託貸款

(a) Prepayments, deposits and other receivables

(a) 預付款項、按金及其他應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deposit paid for a proposed acquisition from a related party*	就建議向一名關連方作出的收購而支付按金*	**–**	20,000
Prepayment to suppliers	向供應商支付的預付款項	**50**	11,634
Deposits and other receivables	按金及其他應收款項	**2,860**	5,410
Prepaid expenses	預付開支	**193**	510
Interest receivables	應收利息	**710**	69
Value-added tax recoverable	可收回增值税	**12,552**	3,428
		16,365	41,051

* On 1 November 2018, the Group entered into the share purchase agreement with Astute Horizon Limited, ultimately controlled by the Controlling Shareholder, Mr. Li, to acquire 100% equity interests of First Intelligence International Limited. As at 31 December 2018, the Group made a deposit of RMB20,000,000 pursuant to the terms agreed. The acquisition was completed on 4 January 2019.

* 於二零一八年十一月一日，本集團與睿景有限公司（最終由控股股東李先生控制）訂立股權轉讓協議以收購穎元國際有限公司之全部股權。於二零一八年十二月三十一日，本集團已根據協定條款支付按金人民幣20,000,000元。該收購事項已於二零一九年一月四日完成。

The above balances are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of deposits and other receivables approximate to their fair values.

上述結餘為無抵押、免息及無固定還款期。按金及其他應收款項的賬面值與其公平值相若。

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2019 and 2018, the loss allowance was assessed to be minimal.

計入上述結餘之金融資產與近期並無拖欠歷史及逾期款項之應收款項有關。於二零一九年及二零一八年十二月三十一日，虧損撥備被評定為微小。

The maximum exposure to credit risk as at the end of the reporting period is the carrying value of prepayments, deposits and other receivables.

於報告期末的最大信貸風險為預付款項、按金及其他應收款項的賬面值。

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES AND TRUST LOAN RECEIVABLE (CONTINUED)

22. 預付款項、按金及其他應收款項以及應收委託貸款(續)

(b) Loan receivables

(b) 應收貸款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loan receivables (a) – (d)	應收貸款(a) – (d)	**145,832**	50,000

(a) The Group entered into a six-month trust loan arrangement with a commercial bank on 23 September 2019, pursuant to which a trust loan of RMB50,000,000 was lent to an independent third party through bank. The balance is unsecured, bears an interest rate of 6.5% per annum and is repayable on 22 February 2020.

(a) 本集團於二零一九年九月二十三日與一間商業銀行訂立六個月委託貸款安排，據此，金額為人民幣50,000,000元的委託貸款已透過銀行借給一名獨立第三方。該結餘為無抵押，按年利率6.5%計息及須於二零二零年二月二十二日償還。

(b) The Group entered into a six-month trust loan arrangement with a commercial bank on 13 November 2019, pursuant to which a trust loan of RMB60,000,000 was lent to an independent third party through bank. The balance is unsecured, bears an interest rate of 6.5% per annum and is repayable on 12 May 2020.

(b) 本集團於二零一九年十一月十三日與一間商業銀行訂立六個月委託貸款安排，據此，金額為人民幣60,000,000元的委託貸款已透過銀行借給一名獨立第三方。該結餘為無抵押，按年利率6.5%計息及須於二零二零年五月十二日償還。

(c) The Group entered into an arrangement on 6 December 2019, pursuant to which loan of RMB26,874,000 was lent to an independent third party. The balance is unsecured, bears an interest rate of 5% per annum and is repayable on 7 December 2020.

(c) 本集團於二零一九年十二月六日訂立一項安排，據此，金額為人民幣26,874,000元的貸款已借給一名獨立第三方。該結餘為無抵押，按年利率5%計息及須於二零二零年十二月七日償還。

(d) The Group entered into a one-year loan arrangement on 20 December 2019, pursuant to which loan of RMB8,958,000 was lent to an independent third party. The balance is unsecured, bears an interest rate of 5% per annum and is repayable on 18 December 2020.

(d) 本集團於二零一九年十二月二十日訂立一年期貸款借貸安排，據此，金額為人民幣8,958,000元的委託貸款已借給一名獨立第三方。該結餘為無抵押，按年利率5%計息及須於二零二零年十二月十八日償還。

23. CONTRACT ASSETS

23. 合約資產

		31 December 2019 二零一九年十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年十二月三十一日 RMB'000 人民幣千元
Contract assets arising from:	因以下各項產生的合約資產：		
Construction services (a)	建造服務(a)	**16,973**	–
Retention money receivables (b)	應收保留金(b)	**1,483**	–
		18,456	–
Impairment	減值	**(989)**	–
		17,467	–

(a) Unbilled revenue is initially recognised for revenue earned from the provision of construction services as the receipt of consideration is conditional on successful completion of construction. Upon completion of construction and acceptance by the customer, the amounts recognised as unbilled revenue are reclassified to accounts receivable.

(b) Retention money receivables are part of the consideration that the customers retain which is payable on successful completion of the contracts in order to provide the customers with assurance that the Group will complete its obligation satisfactorily under the contracts, rather than to provide financing to the customers.

(a) 未開票收益乃就提供建築服務所賺取之收益而初步確認，因收取代價須以成功完成工程為條件。於工程完成及獲客戶接納後，確認為未開票收益之金額會重新分類至應收賬款。

(b) 應收保留金為由客戶保留待成功完約時方支付之部分代價，以向客戶保證本集團將根據合約令人滿意地完成其責任，而非向客戶提供融資。

23. CONTRACT ASSETS (CONTINUED)

23. 合約資產(續)

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

於十二月三十一日合約資產之預期收回或清償時間如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	**17,148**	–
After one year	一年後	**1,308**	–
Total contract assets	合約資產總額	**18,456**	–

The movements in the loss allowance for impairment of contract assets are as follows:

合約資產的減值虧損撥備變動如下:

		2019 二零一九年 RMB'000 人民幣千元
At beginning of year	年初	**–**
Impairment losses, net (note 6)	減值虧損淨額(附註6)	**(972)**
Exchange difference	匯兑差額	**(17)**
At end of year	年末	**(989)**

23. CONTRACT ASSETS (CONTINUED)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

23. 合約資產(續)

於各報告日期採用撥備矩陣進行減值分析,以計量預期信貸虧損。計量合約資產預期信貸虧損之撥備率乃基於貿易應收款項之撥備率,因為合約資產及貿易應收款項乃來自同一客戶基礎。合約資產之撥備率乃基於具有類似虧損模式的多個客戶分部組別(即按地區、產品類別、客戶類別及評級以及信用證或其他信貸保險形式的保障範圍劃分)的貿易應收款項逾期日數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事件、當前狀況及未來經濟狀況預測的合理及可靠資料。

下表載列使用撥備矩陣計算本集團合約資產信貸風險的資料:

		2019 **二零一九年** **RMB'000** **人民幣千元**	2018 二零一八年 RMB'000 人民幣千元
Expected credit loss rate	預期信貸虧損率	**5.36%**	–
Gross carrying amount (RMB'000)	賬面總值(人民幣千元)	**18,456**	–
Expected credit losses (RMB'000)	預期信貸虧損(人民幣千元)	**989**	–

24. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

24. 指定為按公平值計入損益的金融資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Asset management agreement, at fair value (note 42)	資產管理協議，按公平值（附註42）	**100,696**	68,134

For the years ended 31 December 2019 and 2018, Yongsheng Dyeing entered into certain asset management agreements with the corresponding asset managers, pursuant to which Yongsheng Dyeing agreed to participate in the asset management plans operated by these asset managers and to deposit investments to the designated accounts maintained by the asset managers. The asset management plans mainly invest in inter-bank deposits and bonds. The financial assets at 31 December 2019 and 2018 were classified as held for trading and were, upon initial recognition, designated by the Group as financial assets designated as at fair value through profit or loss.

於截至二零一九年及二零一八年十二月三十一日止年度，永盛染整與相應資產管理人訂立若干資產管理協議，據此，永盛染整同意參與該等資產管理人運營的資產管理計劃，並向資產管理人開設的指定賬戶存入投資。資產管理計劃主要投資於銀行同業存款及債券。該等金融資產於二零一九年及二零一八年十二月三十一日被列為持作買賣，並於初步確認時被本集團指定為按公平值計入損益的金融資產。

24. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

24. 指定為按公平值計入損益的金融資產(續)

The details of the investments at 31 December 2019 and 2018 are set out below:

於二零一九年及二零一八年十二月三十一日投資的詳情載列如下:

Assets Manager 資產管理人	Custodian 託管人	Investment amount 投資額 RMB'000 人民幣千元	Agreement date 協議日期	Fair value at year-end 於年末的公平值 RMB'000 人民幣千元
2019 **二零一九年**				
Minsheng Wealth Investment Management Co., Ltd 民生財富投資管理有限公司	China Merchants Securities Co., Ltd 招商證券股份有限公司	25,000	14-Nov-19 一九年十一月十四日	25,230
China Foreign Economic and Trade Trust Co., Ltd 中國對外經濟貿易信託有限公司	Beijing Chaowai Street Sub-Branch of China Merchants Bank Co., Ltd. 招商銀行股份有限公司北京朝外大街支行	25,000	13-Nov-19 一九年十一月十三日	25,181
Everbright Xinglong Trust Co., Ltd 光大興隴信託有限責任公司	China Everbright Bank Co., Limited, Beijing Branch 中國光大銀行股份有限公司北京分行	50,000	6-Dec-19 一九年十二月六日	50,285
				100,696
2018 二零一八年				
Minsheng Wealth Investment Management Co., Ltd 民生財富投資管理有限公司	China Merchants Securities Co., Ltd 招商證券股份有限公司	20,000	17-Jul-18 一八年七月十七日	20,627
China Foreign Economic and Trade Trust Co., Ltd 中國對外經濟貿易信託有限公司	Beijing Chaowai Street Sub-Branch of China Merchants Bank Co., Ltd. 招商銀行股份有限公司北京朝外大街支行	46,150	17-Jul-18 一八年七月十七日	47,507
				68,134

25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

25. 現金及現金等值物以及已抵押存款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	**55,679**	81,483
Pledged deposits	已抵押存款	**–**	2,743
Time deposits	定期存款	**93,000**	63,090
		148,679	147,316
Less: Pledged as collateral for issuance of letters of credit	減：已就發行信用證質押為抵押品	**–**	(200)
Pledged as collateral for bank borrowings	已就銀行借貸質押為抵押品	**–**	(2,543)
Cash and cash equivalents	現金及現金等值物	**148,679**	144,573

At the end of the year, the cash and bank balances of the Group denominated in RMB were RMB100,088,000 (2018: RMB143,233,000). The RMB is not freely convertible into other currencies, however, under Mainland China'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.

於年末，本集團以人民幣計值的現金及銀行結餘為人民幣100,088,000元（二零一八年：人民幣143,233,000元）。人民幣不能自由兑換為其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准通過獲授權銀行兑換人民幣為其他貨幣以進行外匯業務。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between 3 to 45 days depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposits rates. The bank balances are deposited with creditworthy banks with no recent history of default.

銀行現金按照每日銀行存款利率，以浮動利率賺取利息。短期定期存款年期不一，視乎本集團即時現金需求而定，介乎三至四十五天不等，並按相關短期定期存款利率賺取利息。銀行結餘存放於信譽良好且近期並無違約記錄的銀行。

26. TRADE PAYABLES

26. 貿易應付款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade payables	貿易應付款項	**53,861**	78,556

An aging analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

於年末，貿易應付款項根據發票日期的賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 6 months	6個月內	**50,525**	76,682
6 months to 1 year	6個月至1年	**1,939**	40
1 to 2 years	1至2年	**1,177**	1,751
More than 2 years	超過2年	**220**	83
		53,861	78,556

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

貿易應付款項為不計息及一般須於60日期限內結付。

27. OTHER PAYABLES AND ACCRUALS

27. 其他應付款項及應計款項

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract liabilities	合約負債	(a)	**5,717**	15,072
Accrued payroll	應計工資		**13,213**	16,700
Accruals	應計款項		**1,883**	812
Interest payable	應付利息		**454**	51
Value-added and other taxes payable	應付增值税及其他税項		**4,959**	7,972
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付款項		**285**	5,666
Others	其他		**1,964**	3,718
			28,475	49,991

All the amounts interest payable, value-added and other taxes payable, payables for purchase of property, plant and equipment and other payables are non-interest-bearing and have an average term of three months.

所有應付利息、應付增值税及其他税項、購買物業、廠房及設備的應付款項以及其他應付款項均為不計息及平均年期為三個月。

Notes:

附註：

(a) Details of contract liabilities are as follows:

(a) 合約負債的詳情如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Short-term advances received from customers	從客戶收取的短期預收款項		
Processing	加工	**27**	210
Production and Trading	生產及貿易	**–**	14,862
RMAA service	RMAA服務	**5,447**	–
Properties investment	物業投資	**243**	–
Total contract liabilities	合約負債總額	**5,717**	15,072

Contract liabilities include short-term advances received to deliver industrial products, processing service, RMMA service and operating leases.

合約負債包括就提供工業產品、加工服務、RMAA服務及經營租賃收取的短期預收款項。

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

28. 計息銀行及其他借款

		2019 二零一九年			2018 二零一八年		
		Effective interest rate (%) 實際利率(%)	Effective Maturity 實際到期日	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Effective Maturity 實際到期日	RMB'000 人民幣千元
Current	**流動**						
Lease (note 16)	租賃(附註16)	4.75%	31-Dec-20 二零年十二月三十一日	577	–	–	–
Bank loans – secured	銀行貸款－有抵押	4.57%	4-Dec-20 二零年十二月四日	15,000	4.57%	4-Dec-19 一九年十二月四日	15,000
Bank loans – secured	銀行貸款－有抵押	4.75%	22-Jun-20 二零年六月二十二日	10,000	4.75%	20-Jun-19 一九年六月二十日	5,000
					4.79%	15-Jan-19 一九年一月十五日	2,700
					4.79%	16-Mar-19 一九年三月十六日	15,000
Current portion of long term bank loans-secured	長期銀行貸款的流動部分－有抵押	4.25%	31-Dec-20 二零年十二月三十一日	263	–	–	–
				25,840			37,700
Non-current	**非流動**						
Lease (note 16)	租賃(附註16)	4.75%	9-Sep-22 二二年九月九日	69	–	–	–
Bank loans – secured	銀行貸款－有抵押	4.25%	9-May-23 二三年五月九日	686	–	–	–
Bank loans – secured	銀行貸款－有抵押	6.60%	31-Jul-25 二五年七月三十一日	39,600	–	–	–
Bank loans – secured	銀行貸款－有抵押	6.60%	31-Jul-25 二五年七月三十一日	30,000	–	–	–
				70,355	–	–	–

28. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Notes:

(a) The Group's bank loans are secured by:

(i) mortgages over the Group's buildings, which had an aggregate carrying value at the end of the reporting period of approximately RMB22,597,000 (2018: RMB31,309,000);

(ii) mortgages over the Group's land use right, which had an aggregate carrying value at the end of the reporting period of approximately RMB4,139,000 (2018: RMB11,585,000);

(iii) the pledge of certain of the Group's bills receivable and deposits amounting to RMB1,850,000 and RMB2,543,000, respectively as at 31 December 2018. There was no such pledge as at 31 December 2019.

(iv) mortgages over the Group's properties under development with an aggregate carrying amount of approximately RMB198,524,000 (2018: Nil) which were pledged to secure long-term loan facilities granted to the Group by a bank;

(v) mortgages over the Group's investment properties with a carrying value of RMB614,298,000 (2018: Nil) which were pledged to secure long-term loan facilities granted to the Group by a bank;

(vi) mortgages over the Group's construction in progress with a net carrying amount of approximately RMB21,355,000 (2018: Nil) which were pledged to secure long-term loan facilities granted to the Group by a bank.

28. 計息銀行及其他借款(續)

附註:

(a) 本集團之銀行貸款由下列各項提供擔保:

(i) 於報告期末合共賬面值約人民幣22,597,000元(二零一八年:人民幣31,309,000元)之本集團樓宇之按揭;

(ii) 於報告期末合共賬面值約人民幣4,139,000元(二零一八年:人民幣11,585,000元)之本集團土地使用權之按揭;

(iii) 於二零一八年十二月三十一日本集團分別為數人民幣1,850,000元及人民幣2,543,000元之若干應收票據及存款之質押。於二零一九年十二月三十一日並無此項質押。

(iv) 合共賬面值約人民幣198,524,000元(二零一八年:無)之本集團發展中物業之按揭已予質押,以讓一間銀行向本集團授予長期貸款融資;

(v) 賬面值人民幣614,298,000元(二零一八年:無)之本集團投資物業之按揭已予質押,以讓一間銀行向本集團授予長期貸款融資;

(vi) 賬面淨值約人民幣21,355,000元(二零一八年:無)之本集團在建工程之按揭已予質押,以讓一間銀行向本集團授予長期貸款融資。

29. GOVERNMENT GRANTS

29. 政府資助

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Government grants	政府資助	**7,677**	12,510
Less: current portion	減：即期部分	**(387)**	(1,225)
		7,290	11,285

Movements in government grants are as follows:

政府資助變動如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At the beginning of the year	年初	**12,510**	13,735
Grants received during the year	年內已收資助	**5,032**	–
Disposal of subsidiaries (note 11)	出售附屬公司（附註11）	**(8,464)**	–
Amortised as income	攤銷為收入	**(1,401)**	(1,225)
At the end of the year	年末	**7,677**	12,510

The grants were related to the subsidies received from local government authorities for the purpose of compensation for expenditure on certain facilities and were credited to a deferred income account. The grants were released to profit or loss over the expected useful lives of the relevant assets.

該等資助與作為若干設施的開支補償從當地政府機關獲得的補貼有關，並被計入遞延收入賬目。該等資助於相關資產預期使用年期解除至損益中。

The Group also received certain financial subsidies from local government authorities to support local business. There were no unfulfilled conditions and other contingencies relating to these government grants. These government grants were recognised in profit or loss when received.

本集團亦自當地政府機關獲得若干財政補貼以支持當地業務。該等政府資助並無任何未達成的條件及其他或然事項。該等政府資助於獲取時在損益中確認。

30. DEFERRED TAX ASSETS/LIABILITIES

Movements in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

The movements in deferred tax assets:

30. 遞延稅項資產／負債

遞延所得稅資產及負債變動(未有計及抵銷同一稅務司法權區內的結餘)如下:

遞延稅項資產的變動:

		Write down of inventories to their net realisable value 存貨撇減至其可變現淨值 RMB'000 人民幣千元	Government grants 政府資助 RMB'000 人民幣千元	Accruals 應計款項 RMB'000 人民幣千元	Provision for impairment of trade receivables and contract assets 貿易應收款項及合約資產減值撥備 RMB'000 人民幣千元	Tax losses 稅項虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	430	2,060	3,770	185	370	6,815
Deferred tax credited/(charged) to profit or loss during the year	年內於損益計入／(扣除)的遞延稅項	(157)	(184)	(1,110)	5	(370)	(1,816)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	273	1,876	2,660	190	–	4,999
Acquisition of assets and liabilities through acquisition of subsidiaries (note 36)	透過收購附屬公司收購資產及負債(附註36)	–	–	–	–	1,373	1,373
Deferred tax credited /(charged) to profit or loss during the year	年內於損益計入／(扣除)的遞延稅項	483	545	1,560	526	515	3,629
Exchange differences	匯兑差額	–	–	–	9	–	9
Disposal of subsidiaries (note 11)	出售附屬公司(附註11)	(756)	(1,271)	(2,272)	(171)	–	(4,470)
At 31 December 2019	於二零一九年十二月三十一日	–	1,150	1,948	554	1,888	5,540

30. DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

The Group has tax losses arising from Hong Kong of RMB12,133,000 (2018: RMB6,424,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group has tax losses arising from mainland China of RMB7,565,000 (2018: RMB521,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of the losses of RMB12,146,000 (2018: RMB8,508,000) as they have arisen in subsidiaries that have been loss-making for continuously and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The movements in deferred tax liabilities are as follows:

30. 遞延税項資產／負債（續）

本集團於香港產生的税項虧損人民幣12,133,000元（二零一八年：人民幣6,424,000元）可用於無限期抵銷產生虧損公司的未來應課税溢利。

本集團於中國內地產生的税項虧損人民幣7,565,000元（二零一八年：人民幣521,000元）就抵銷未來應課税溢利而言將於一至五年內屆滿。

概無就虧損人民幣12,146,000元（二零一八年：人民幣8,508,000元）確認遞延税項資產，因為該等虧損乃來自持續處於虧損狀態的附屬公司且認為不大可能有應課税溢利可用以抵銷税項虧損。

遞延税項負債的變動如下：

		Unrealised interest income 未變現利息收入 RMB'000 人民幣千元	Unrealised fair value adjustment 未變現公平值調整 RMB'000 人民幣千元	Temporary difference between accounting basis and tax basis of investment properties 投資物業會計處理基準與税務基準之間的暫時差額 RMB'000 人民幣千元	Fair value adjustments arising from the acquisition of a subsidiary 收購一間附屬公司產生的公平值調整 RMB'000 人民幣千元	Withholding tax 預扣税 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	(10)	(90)	–	–	(12,786)	(12,886)
Deferred tax (charged)/credited to profit or loss during the year	年內於損益（扣除）／計入的遞延税項	–	(207)	–	–	(3,467)	(3,674
Withholding tax paid	已付預扣税	–	–	–	–	1,350	1,350
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	(10)	(297)	–	–	(14,903)	(15,210)
Acquisition of subsidiary (note 35)	收購附屬公司（附註35）	–	–	–	(1,512)	–	(1,512)
Deferred tax (charged)/credited to profit or loss during the year	年內於損益（扣除）／計入的遞延税項	(92)	193	(2,026)	707	(5,624)	(6,842)
Withholding tax paid	已付預扣税	–	–	–	–	4,714	4,714
Exchange differences	匯兑差額	–	–	–	(58)	–	(58)
At 31 December 2019	於二零一九年十二月三十一日	(102)	(104)	(2,026)	(863)	(15,813)	(18,908)

30. DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

30. 遞延税項資產／負債（續）

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

為方便列示，若干遞延税項資產及負債已於合併財務狀況表中抵銷。以下為本集團的遞延税項結餘就財務報告目的所作分析：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於合併財務狀況表確認的遞延税項資產淨額	**536**	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	於合併財務狀況表確認的遞延税項負債淨額	**(13,904)**	(10,211)

31. SHARE CAPITAL

31. 股本

Shares

股份

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Issued and fully paid 749,655,890 (2018: 394,487,500) ordinary shares	已發行及繳足749,655,890股（二零一八年：394,487,500股）普通股	**6,217**	3,121

31. SHARE CAPITAL (CONTINUED)

31. 股本(續)

Shares (Continued)

股份(續)

A summary of movements in the Company's share capital is as follows:

本公司股本變動情況概要如下:

		Number of shares in issue 已發行股份數目 RMB'000 人民幣千元	Share capital 股本 RMB'000 人民幣千元	Share premium account 股份溢價賬 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	400,925,600	3,173	173,359	176,532
Share repurchased (b)	已購回股份(b)	(9,940,000)	(82)	(22,299)	(22,381)
Share options exercised (a)	已行使購股權(a)	3,501,900	30	5,882	5,912
Dividends paid to shareholders of the Company	向本公司股東支付股息	–	–	(26,285)	(26,285)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	**394,487,500**	**3,121**	**130,657**	**133,778**
Share options exercised (a)	已行使購股權(a)	**2,507,100**	**22**	**4,259**	**4,281**
Dividends paid to shareholders of the Company	向本公司股東支付股息	**–**	**–**	**(27,951)**	**(27,951)**
Issuance upon acquisition of Subsidiaries (notes 35)	於收購附屬公司後發行(附註35)	**80,000,000**	**684**	**170,456**	**171,140**
Issuance upon acquisition of assets and liabilities through acquisition of subsidiaries (notes 36)	於通過收購附屬公司收購資產及負債後發行(附註36)	**272,661,290**	**2,390**	**609,451**	**611,841**
At 31 December 2019	於二零一九年十二月三十一日	**749,655,890**	**6,217**	**886,872**	**893,089**

(a) The subscription rights attaching to 2,507,100 (2018: 3,501,900) share options were excised at the weighted average subscription price of HK$1.251 (2018:HK$1.252) per share (note 32) resulting from in the issue of 2,507,100 (2018: 3,501,900) ordinary shares for a total cash consideration, before expenses, of approximately RMB2,731,000 (2018: RMB3,802,000). An amount of approximately RMB1,550,000 (2018: RMB2,110,000) was transferred from the share option reserve to share premium account upon the exercise of the share options.

(a) 2,507,100份(二零一八年:3,501,900份)購股權隨附的認購權按每股1.251港元(二零一八年:1.252港元)的加權平均認購價獲行使(附註32),就此以總現金代價(除費用前)約人民幣2,731,000元(二零一八年:人民幣3,802,000元)發行2,507,100股(二零一八年:3,501,900股)普通股。為數約人民幣1,550,000元(二零一八年:人民幣2,110,000元)已於購股權獲行使時由購股權儲備轉撥至股份溢價賬。

(b) In 2018, the Company repurchased 9,940,000 of its ordinary shares on the Stock Exchange of Hong Kong Limited for a total consideration of HK$27,129,000, which amount to approximately RMB22,381,000. The repurchased shares were cancelled during the year and total amount paid for the purchase of the shares of has been charged to share capital and share premium of approximately RMB82,000 and RMB22,299,000 respectively.

(b) 於二零一八年,本公司以總代價27,129,000港元(為數約人民幣22,381,000元)於香港聯合交易所有限公司購回其9,940,000股普通股。已購回股份於年內註銷而就購回股份已付的總金額已自股本及股份溢價賬分別扣除約人民幣82,000元及人民幣22,299,000元。

32. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors and other employees of the Group. The Scheme became effective on 7 November 2013.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme is limited to 10% of the shares of the Company in issue on 27 November 2013, the day since which the Company's shares have been listed on the Stock Exchange of Hong Kong Limited.

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

The offer of a grant of share options may be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of no shorter than 12 months and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of share options is determined at the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the par value of shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

32. 購股權計劃

本公司經營一項購股權計劃(「該計劃」),旨在向對本集團營運成功作出貢獻的合資格參與者提供獎勵及回報。該計劃的合資格參與者包括本公司的董事及本集團其他僱員。該計劃於二零一三年十一月七日生效。

根據該計劃現時獲准授出的未行使購股權最高數目,於獲行使時數額相等於本公司於任何時間已發行股份的30%。每名合資格參與者根據該計劃獲授的購股權而可予發行的股份最高數目,不可超過本公司股份於二零一三年十一月二十七日在香港聯合交易所有限公司上市之日的本公司已發行股份10%。

授予董事或主要行政人員的購股權須經獨立非執行董事事先批准。此外,於任何十二個月期間,倘授予本公司主要股東或獨立非執行董事或彼等任何聯繫人的任何購股權超逾本公司任何時候已發行股份的0.1%或總值(根據本公司股份於授出日期的價格計算)超過5,000,000港元,須經股東於股東大會上事先批准。

授出購股權的要約可於要約日期起計七天內藉由承授人支付名義代價合共1港元後予以接納。所授出購股權的行使期乃由董事釐定,並於不少於12個月的歸屬期後開始及不遲於購股權要約日期起十年完結。

購股權行使價乃按下列各項的最高者釐定:(i)於購股權要約日期本公司股份於聯交所的收市價;(ii)緊接要約日期前五個交易日本公司股份於聯交所的平均收市價;及(iii)股份面值。

購股權並無授予持有人享有股息或於股東大會投票的權利。

32. SHARE OPTION SCHEME (CONTINUED)

On 6 January 2015, 15,000,000 share options were granted to 39 employees with vesting dates falling from 2 April 2016 to 5 January 2025 and an exercise price of HK$1.48 per share. The expiration date of the options granted was 10 years after the grant date.

On 30 December 2015, 16,300,000 share options were granted to 45 employees with vesting dates falling from 1 April 2017 to 30 December 2025 and an exercise price of HK$1.52 per share. The expiration date of the options granted was 10 years after the grant date.

The following share options were outstanding under the Scheme during the year:

32. 購股權計劃(續)

於二零一五年一月六日,39名僱員已獲授15,000,000份購股權,歸屬日期介乎二零一六年四月二日至二零二五年一月五日及行使價為每股1.48港元。已授出購股權的到期日為授出日期後十年。

於二零一五年十二月三十日,45名僱員已獲授16,300,000份購股權,歸屬日期自二零一七年四月一日至二零二五年十二月三十日及行使價為每股1.52港元。已授出購股權的到期日為授出日期後十年。

年內,該計劃項下以下購股權尚未行使:

		2019 二零一九年		2018 二零一八年	
		Weighted average exercise price 加權平均行使價 HKD per share 每股港元	**Number of options 購股權數目 '000 千份**	Weighted average exercise price 加權平均行使價 HKD per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	**1.503**	**21,110**	1.503	24,612
Granted during the year	年內授出	**–**	**–**	–	–
Exercised during the year	年內行使	**1.251***	**(2,507)**	1.252*	(3,502)
Forfeited during the year	年內沒收	**–**	**–**	–	–
Expired during the year	年內屆滿	**–**	**–**	–	–
At 31 December	於十二月三十一日	**1.503**	**18,603**	1.503	21,110

The weighted average share price at date of exercise for share options excised during the year was HK$2.51 per share (2018: HK$2.59).

* The adjusted exercise prices were in line with the dividend issues approved by the board of directors.

年內已行使購股權於行使日期之加權平均股份價格為每股2.51港元(二零一八年:2.59港元)。

* 經調整行使價符合董事會批准之股息發行。

32. SHARE OPTION SCHEME (CONTINUED)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

32. 購股權計劃(續)

於報告期末,尚未行使購股權的行使價及行使期如下:

2019 **二零一九年**

Number of options 購股權數目 '000 千份	Exercise price* 行使價* HKD per share 每股港元	Exercise period 行使期
3,336	1.48	2 April 2016 to 5 January 2025 二零一六年四月二日至二零二五年一月五日
3,336	1.48	1 April 2017 to 5 January 2025 二零一七年四月一日至二零二五年一月五日
5,950	1.52	2 April 2017 to 30 December 2025 二零一七年四月二日至二零二五年十二月三十日
5,981	1.52	1 April 2018 to 30 December 2025 二零一八年四月一日至二零二五年十二月三十日
18,603		

2018 二零一八年

Number of options 購股權數目 '000 千份	Exercise price* 行使價* HKD per share 每股港元	Exercise period 行使期
4,036	1.48	2 April 2016 to 5 January 2025 二零一六年四月二日至二零二五年一月五日
4,036	1.48	1 April 2017 to 5 January 2025 二零一七年四月一日至二零二五年一月五日
6,504	1.52	2 April 2017 to 30 December 2025 二零一七年四月二日至二零二五年十二月三十日
6,534	1.52	1 April 2018 to 30 December 2025 二零一八年四月一日至二零二五年十二月三十日
21,110		

* The exercise price of the share options is subject to adjustment in the case of rights or dividend issues, or other similar changes in the Company's share capital.

* 購股權的行使價可因應供股或股息事項,或本公司股本的其他類似變動而予以調整。

32. SHARE OPTION SCHEME (CONTINUED)

The fair value of the share options granted were RMB8,556,000 for 15,000,000 share options granted on 6 January 2015 (RMB0.57 each) and RMB10,669,000 for 16,300,000 share options granted on 30 December 2015 (RMB0.65 each), of which the Group recognised a share option expense of RMB525,000 during the year ended 31 December 2018. No share option expenses recognised during the year of 2019.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

15,000,000 share options granted on 6 January 2015:

Dividend yield (%)	股息率(%)	–
Expected volatility (%)	預期波幅(%)	43.78
Risk-free interest rate (%)	無風險利率(%)	1.752
Expected life of options (year)	購股權的預期年限(年)	10
Share price (HK$ per share)	股價(每股港元)	1.46

16,300,000 share options granted on 30 December 2015:

Dividend yield (%)	股息率(%)	–
Expected volatility (%)	預期波幅(%)	52.30
Risk-free interest rate (%)	無風險利率(%)	1.57
Expected life of options (year)	購股權的預期年限(年)	10
Share price (HK$ per share)	股價(每股港元)	1.52

The expected life of the options was the contractual life of the options. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

32. 購股權計劃(續)

已授出的購股權的公平值就二零一五年一月六日授出的15,000,000份購股權為人民幣8,556,000元(每份人民幣0.57元)及就二零一五年十二月三十日授出的16,300,000份購股權為人民幣10,669,000元(每份人民幣0.65元),其中本集團於截至二零一八年十二月三十一日止年度確認購股權開支人民幣525,000元。於二零一九年內並無確認購股權開支。

年內所授出股權結算購股權於授出日期計及購股權的授出條款及條件後使用二項式模型估計其公平值。下表列出所用模型的輸入數據:

於二零一五年一月六日授出的15,000,000份購股權:

於二零一五年十二月三十日授出的16,300,000份購股權:

購股權的預期年限為購股權的合約年限。預期波幅反映歷史波幅為未來趨勢指標的假設,惟未來趨勢不一定為實際結果。

32. SHARE OPTION SCHEME (CONTINUED)

No other feature of the options granted was incorporated into the measurement of fair value.

About 2,507,000 (2018: 3,502,000) share options exercised during the year end 31 December 2019 resulted in the issue of 2,507,000 (2018: 3,502,000) ordinary shares of the Company and new share capital of approximately RMB22,000 (2018: RMB30,000), as further detailed in note 31.

At the end of the reporting period, the Company had 18,603,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 18,603,000 additional ordinary shares of the Company and additional share capital of approximately RMB167,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 18,603,000 share options outstanding under the Scheme, which represented approximately 2.48% of the Company's shares in issue as at that date.

32. 購股權計劃(續)

公平值計量中並無納入所授出購股權的其他特徵。

誠如附註31進一步詳述,於截至二零一九年十二月三十一日止年度已行使約2,507,000份(二零一八年:3,502,000份)購股權導致發行2,507,000股(二零一八年:3,502,000股)本公司普通股及新股本約人民幣22,000元(二零一八年:人民幣30,000元)。

於報告期末,本公司於該計劃項下有18,603,000份尚未行使購股權。按照本公司現時的股本架構,悉數行使尚未行使的購股權可導致額外發行18,603,000股本公司普通股及額外股本約人民幣167,000元(扣除發行開支前)。

於批准該等財務報表日期,本公司在該計劃下有18,603,000份尚未行使購股權,相當於本公司於該日已發行股份約2.48%。

33. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 102 of the financial statements.

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with a functional currency other than RMB.

33. 儲備

本集團儲備於本年度及過往年度的金額及其變動於財務報表第102頁的合併權益變動表呈列。

根據《中華人民共和國公司法》,本集團若干附屬公司被視為國內企業,須按照相關中華人民共和國會計準則所釐定分配其10%除稅後溢利至其各自法定盈餘儲備,直至有關儲備達到其各自註冊資本的50%。在遵守《中華人民共和國公司法》載列的若干限制情況下,部分法定盈餘儲備可被轉換以增加股本,前提是資本化後的餘額不得少於註冊資本的25%。

外幣匯兑儲備包括換算功能貨幣為人民幣以外的業務財務報表產生的所有匯兑差額。

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

34. 擁有重大非控股權益的非全資附屬公司

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

本集團擁有重大非控股權益的附屬公司詳情載列如下：

		2019 二零一九年	2018 二零一八年
Percentage of equity interest held by non-controlling interests:	非控股權益持有的股權百分比：		
Hangzhou Fiber	杭州化纖	–	30%
Nantong Fiber	南通纖維	–	33%
Yongsheng 3D Printing	永盛三維打印	–	40%

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit/(loss) for the year allocated to non-controlling interests:	分配予非控股權益的年內溢利／(虧損)：		
Hangzhou Fiber	杭州化纖	**3,563**	4,931
Nantong Fiber	南通纖維	**17,863**	1,279
Yongsheng 3D Printing	永盛三維打印	**(279)**	(237)
Dividends paid to non-controlling interests of Hangzhou Fiber	向杭州化纖的非控股權益支付股息	–	20,296
Dividends paid to non-controlling interests of Nantong Fiber	向南通纖維的非控股權益支付股息	–	1,018
Disposal of Hangzhou Fiber ((a)&note 11)	出售杭州化纖((a)及附註11)	**(23,714)**	–
Acquisition of non-controlling interests of Nantong Fiber (b)	收購南通纖維非控股權益(b)	–	(4,504)
Disposal of non-controlling interests of Nantong Fiber (c)	出售南通纖維非控股權益(c)	–	17,556
Disposal of Nantong Fiber ((a)&note 11)	出售南通纖維((a)及附註11)	**(37,934)**	–
Liquidation of Yongsheng 3D Printing (d)	清算永盛三維打印(d)	**(3,257)**	–
Accumulated balances of non-controlling interests at the reporting date:	於報告日期的非控股權益累計結餘：		
Hangzhou Fiber	杭州化纖	–	20,151
Nantong Fiber	南通纖維	–	20,071
Yongsheng 3D Printing	永盛三維打印	–	3,536

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

(a) On 28 November 2019, the 70% equity interest in Hangzhou Fiber, the 67% equity interest in Nantong Fiber and the 70% equity interest in Yongsheng High Polymer been disposed to the Controlling Shareholder, Mr. Li Cheng. with a consideration of RMB173,916,000. The fair value of the net asset disposed on the date of disposition amounting to RMB149,484,000. The difference between the consideration received and the fair value of the net asset disposed amounting to RMB24,432,000 was credited into profit and loss. Upon the completion of the disposal, the Group no longer holding the equity of Hangzhou Fiber, Nantong Fiber and Yongsheng High Polymer.

(b) On 28 November 2018, the Group acquired 5% equity interest in Nantong Fiber from the non-controlling with a cash consideration of RMB4,237,000. The carrying amount of the acquired non-controlling interests on the date of acquisition amounting to RMB4,504,000. The difference between the consideration paid and the carrying amount of the non-controlling interests amounting to RMB267,000 was credited into the other reserve. Upon the completion of the acquisition, the Group had 97% interest in Nantong Fiber.

(c) On 6 November 2018, the Group disposed 30% equity interest in Nantong Fiber to a non-controlling shareholder with a cash consideration of RMB17,661,000. The carrying amount of the disposed non-controlling interests on the date of acquisition amounting to RMB17,556,000. The difference between the consideration received and the carrying amount of the non-controlling interests amounting to RMB104,000 was credited into the other reserve. Upon the completion of the disposal, the Group had 67% interest in Nantong Fiber.

(d) On 6 August 2019, The Group completed the liquidation of the Yongsheng 3D Printing.

34. 擁有重大非控股權益的非全資附屬公司(續)

(a) 於二零一九年十一月二十八日，杭州化纖70%股權、南通纖維67%股權及永盛高分子70%股權已出售予控股股東李誠先生，代價為人民幣173,916,000元。已出售淨資產於出售日期之公平值為人民幣149,484,000元。已收取之代價及已出售淨資產之賬面值之差額人民幣24,432,000元計入損益。於出售事項完成後，本集團不再持有杭州化纖、南通纖維及永盛高分子之股權。

(b) 於二零一八年十一月二十八日，本集團從非控股權益收購南通纖維5%股權，現金代價為人民幣4,237,000元。所收購非控股權益於收購日期之賬面值為人民幣4,504,000元。已付代價與非控股權益之賬面值之差額人民幣267,000元計入其他儲備。於收購事項完成後，本集團持有南通纖維97%權益。

(c) 於二零一八年十一月六日，本集團向一名非控股股東出售南通纖維的30%股權，現金代價為人民幣17,661,000元。於收購日期，已出售之非控股權益賬面值為人民幣17,556,000元。已收取之代價及非控股權益之賬面值之差額人民幣104,000元計入其他儲備。於出售事項完成後，本集團持有南通纖維67%權益。

(d) 於二零一九年八月六日，本集團完成清算永盛三維打印。

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

34. 擁有重大非控股權益的非全資附屬公司(續)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

下表說明上列附屬公司的財務資料概要。所披露金額未扣除任何公司間對銷項目:

2019 二零一九年		Hangzhou Fiber 杭州化纖 RMB'000 人民幣千元	Nantong Fiber 南通纖維 RMB'000 人民幣千元	Yongsheng 3D Printing 永盛三維打印 RMB'000 人民幣千元
Revenue	收益	**173,765**	**509,752**	**50**
Total expenses	總開支	**(161,889)**	**(455,495)**	**(746)**
Profit/(loss) and total comprehensive income/(loss) for the year	年內溢利／(虧損)及全面收入／(虧損)總額	**11,876**	**54,257**	**(696)**
Current assets	流動資產	**–**	**–**	**–**
Non-current assets	非流動資產	**–**	**–**	**–**
Current liabilities	流動負債	**–**	**–**	**–**
Non-current liabilities	非流動負債	**–**	**–**	**–**
Net cash flows from operating activities	經營活動所得現金流量淨額	**23,021**	**2,178**	**(810)**
Net cash flows from/(used in) investing activities	投資活動所得／(所用)現金流量淨額	**(4,647)**	**(23,398)**	**–**
Net cash flows from financing activities	融資活動所得現金流量淨額	**9,696**	**21,271**	**–**
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加／(減少)淨額	**28,070**	**51**	**(810)**

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

34. 擁有重大非控股權益的非全資附屬公司(續)

2018 二零一八年		Hangzhou Fiber 杭州化纖 RMB'000 人民幣千元	Nantong Fiber 南通纖維 RMB'000 人民幣千元	Yongsheng 3D Printing 永盛三維打印 RMB'000 人民幣千元
Revenue	收益	180,642	296,931	235
Total expenses	總開支	(164,205)	(286,793)	(827)
Profit/(loss) and total comprehensive income/(loss) for the year	年內溢利／(虧損)及全面收入／(虧損)總額	16,437	10,138	(592)
Current assets	流動資產	135,562	144,532	8,894
Non-current assets	非流動資產	36,771	158,090	72
Current liabilities	流動負債	(100,308)	(237,352)	(126)
Non-current liabilities	非流動負債	(4,854)	(4,450)	–
Net cash flows from operating activities	經營活動所得現金流量淨額	1,550	40,537	762
Net cash flows from/(used in) investing activities	投資活動所得／(所用)現金流量淨額	2,657	(41,992)	–
Net cash flows from financing activities	融資活動所得現金流量淨額	–	1,577	–
Net increase in cash and cash equivalents	現金及現金等值物增加淨額	4,207	122	762

35. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL

On 22 February 2019, the Group acquired 100% of the equity interest in Summer Power International Inc. and its subsidiary, Widely Construction &Engineering Ltd. (collectively referred to as the "Summer Power Group") from an independent third party for a total consideration of RMB176,274,200, which was satisfied by HK$6,000,000 (equivalent to RMB5,134,200) in cash and consideration of RMB171,140,000, which was determined by reference to a total of 80,000,000 share of the company issued for this acquisition and the closing price of the company's shares at the date of completion. The Summer Power Group is principally engaged in providing RMAA services. The acquisition was made as part of the Group's strategy to expand the construction business.

The fair value of the identifiable assets and liabilities of the Summer Power Group as at the date of acquisition were as follows:

35. 收購並無共同控制權之附屬公司

於二零一九年二月二十二日，本集團向一名獨立第三方收購夏力國際有限公司及其附屬公司偉利建築工程有限公司（統稱「夏力集團」）的全部股權，總代價為人民幣176,274,200元，以6,000,000港元（相當於人民幣5,134,200元）現金及代價人民幣171,140,000元（經參考本公司就該收購事項發行的合共80,000,000股股份及本公司股份於完成日期的收市價釐定）償付。夏力集團主要從事提供RMAA服務。收購事項為本集團拓展建築業務的一部分。

夏力集團於收購日期的可識別資產及負債公平值如下：

		Fair value Recognised on acquisition 收購時已確認的公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	119
Other intangible assets	其他無形資產	64,900
Cash and cash equivalents	現金及現金等值物	3,996
Amount due from related parties	應收關連方款項	1,968
Trade receivables	貿易應收款項	7,817
Contract assets	合約資產	6,150
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	798
Trade payables	貿易應付款項	(3,913)
Other payables and accruals	其他應付款項及應計款項	(360)
Income taxes payable	應付稅項	(3,762)
Interest-bearing bank and other borrowings	計息銀行及其他借款	(1,108)
Deferred tax liabilities	遞延稅項負債	(1,512)
Total identifiable net assets at fair value	按公平值計算的可識別資產淨值總額	75,093
Goodwill on acquisition	收購產生的商譽	101,181
Total consideration	總代價	176,274

35. ACQUISITION OF SUBSIDIARIES NOT UNDER COMMON CONTROL (CONTINUED)

The Group incurred transaction costs of HK$300,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the consolidated statement of profit or loss and other comprehensive income.

Goodwill which arose on the acquisition included a control premium. The consideration paid for the combination effectively included amounts in relation to the benefit of synergies, revenue growth, further market development of the Summer Power Group. These benefits are not separable and therefore it does not meet the criteria for recognition as an intangible asset under IAS 38 *Intangible Assets*. None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

35. 收購並無共同控制權之附屬公司（續）

本集團就該收購事項產生交易成本300,000港元。該等交易成本已支銷並計入合併損益及其他全面收入表的其他開支。

收購事項產生之商譽包括控制權溢價。為進行有效合併而支付之代價包括與協同效應利益、收入增長及夏力集團之未來市場發展有關之金額。該等利益並未分開，因此其並不符合國際會計準則第38號*無形資產*下有關確認為無形資產之標準。預期概無已確認之商譽可作扣減所得稅用途。

就收購一間附屬公司的現金流量分析如下：

		RMB'000 人民幣千元
Cash paid	已付現金	(5,134)
Cash and bank balances acquired	已收購的現金及銀行結餘	3,996
Net out flow of cash and cash equivalents included in cash from investing activities	計入投資活動所得現金之現金及現金等值物流出淨額	(1,138)

Since the acquisition, Summer Power Group contributed RMB107,570,000 to the Group's revenue and net profit of RMB23,067 to the Group for the year ended 31 December 2019.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the profit of the Group for the year would have been RMB318,023,000 and RMB135,792,000, respectively.

自收購事項起，截至二零一九年十二月三十一日止年度，夏力集團為本集團貢獻人民幣107,570,000元的收益及人民幣23,067元的淨溢利。

倘合併於年初進行，則本集團於本年度的持續經營業務收益及溢利將分別為人民幣318,023,000及人民幣135,792,000元。

36. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

36. 藉收購附屬公司收購資產及負債

On 4 January 2019, the Group acquired 100% of the equity interest in First Intelligence International Limited and its subsidiaries, Chang Sheng Investment Holding Co. Limited, Changsheng Property (Hangzhou) Company Limited, Hangzhou Yonghao Investment Management Company Limited and Philosojoy Investment Limited (collectively referred to as the "First Intelligence Group") from Astute Horizon Limited, ultimately controlled by the Controlling Shareholder, Mr. Li, for a total consideration of RMB811,841,000, which was satisfied by RMB200,000,000 in cash and RMB611,841,000, which was determined by reference to a total of 272,661,290 share of the company issued for this acquisition and the closing price of the company's shares at the issue date. At the date of acquisition, First Intelligence Group mainly held the certain properties under development and investment properties with no employee. The acquisition was made solely to acquire its land and buildings as part of the Group's strategy to expand the business in Properties investment. Accordingly, the acquisition of the First Intelligence Group has been accounted for as acquisition of assets through acquisition of subsidiaries.

於二零一九年一月四日，本集團自睿景有限公司（由控股股東李先生最終控制）收購穎元國際有限公司及其附屬公司昶盛投資控股有限公司、昶盛物業（杭州）有限公司、杭州永浩投資管理有限公司及哲瑞投資有限公司（統稱「穎元集團」）之全部股權，代價總額為人民幣811,841,000元，乃以現金人民幣200,000,000元及人民幣611,841,000元償付，而相關代價乃經參考因該收購事項而發行的合共272,661,290股本公司股份及於發行日期本公司股份之收市價後釐定。於收購日期，穎元集團主要持有若干發展中物業及投資物業，當中並無僱員。收購事項僅為收購土地及樓宇而作為本集團擴展物業投資業務策略之一部分。因此，收購穎元集團已透過收購附屬公司入賬作為收購資產。

The assets and liabilities of the First Intelligence Group as at the date of acquisition were as follows:

穎元集團於收購日期的資產及負債如下：

		Fair value consideration allocated 分配公平值代價 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等值物	52
Prepayments, deposits and other assets	預付款項、按金及其他應收款項	8,883
Properties under development	發展中物業	186,140
Property, plant and equipment	物業、廠房及設備	18,980
Investment properties	投資物業	597,120
Deferred taxes assets	遞延稅項資產	1,373
Other payables and accruals	其他應付款項及應計款項	(707)
Total net assets acquired	已收購的淨資產總額	811,841
Total consideration	總代價	811,841

36. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES (CONTINUED)

36. 藉收購附屬公司收購資產及負債（續）

An analysis of the cash flows in respect of the acquisition of subsidiaries is as follows:

就收購附屬公司的現金流量分析如下：

		RMB'000 人民幣千元
Cash paid	已付現金	(180,000)
Cash acquired with the subsidiaries	收購附屬公司之現金	52
Net out flow of cash and cash equivalents included in cash from investing activities	計入投資活動所得現金之現金及現金等值物流出淨額	(179,948)

Note: The first installment of RMB20,000,000 was paid in November 2018.

附註： 首期付款人民幣20,000,000元已於二零一八年十一月支付。

37. COMMITMENTS

37. 承擔

(a) The Group had the following capital commitments at the end of the reporting period:

(a) 於報告期末，本集團的資本承擔如下：

		2019 **二零一九年** **RMB'000** **人民幣千元**	2018 二零一八年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Land and buildings	土地及樓宇	**2,552**	4,944
Properties under development	發展中物業	**13,304**	–
Investment properties	投資物業	**54,437**	–
Plant and machinery	廠房及設備	**–**	400
Investment	投資	**–**	180,000
		70,293	185,344

37. COMMITMENTS (CONTINUED)

(b) Operating lease commitments as at 31 December 2018

The Group lease certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

37. 承擔(續)

(b) 於二零一八年十二月三十一日的經營租賃承擔

本集團根據經營租賃安排租用其若干辦公室物業。物業租賃的協議租期介乎一至兩年。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃按以下年限到期的應付未來最低租金總額如下：

		2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	806
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	331
		1,137

38. RELATED PARTY TRANSACTIONS AND BALANCES

38. 關連方交易及結餘

(a) Name and relationship

(a) 名稱及關係

Name of related party 關連方名稱	Relationship with the Group 與本集團的關係
Hangzhou Yongsheng Group Limited 杭州永盛集團有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Fuyang Jingshang Agriculture Development Company Limited 富陽錦尚生態農業開發有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited 杭州蕭山永盛對外貿易有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Hangzhou Yongsheng Holdings Limited 杭州永盛控股有限公司	Controlled by the Controlling Shareholder 由控股股東控制
HUVIS Corporation and its subsidiaries 株式會社HUVIS及其附屬公司	Joint venture partner and its subsidiaries 合資企業夥伴及其附屬公司
Hangzhou Shining 3D Tech Co., Limited 杭州先臨三維科技股份有限公司	Joint venture partner 合資企業夥伴
Yongsheng (HK) International Co., Ltd 永盛(香港)國際有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Yongsheng Financial Holdings Co., Ltd. 永盛金融控股有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Hangzhou Huvis Yongsheng Chemical Fiber Company Limited 抗州滙維仕永盛化纖有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Chang Po Chun 張寶珍	Director of a subsidiary 一間附屬公司之董事

38. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

38. 關連方交易及結餘(續)

(b) Related party transactions

(b) 關連方交易

In addition to the transactions and balances otherwise disclosed else in these financial statements, the Group had the following material transactions with related parties:

除此等財務報表其他部分所披露的交易及結餘外,本集團與關連方已進行以下重大交易:

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
1)	Purchases of goods 採購貨品	(i)		
	– Fuyang Jingshang Agriculture Development Company Limited 一富陽錦尚生態農業開發有限公司		**73**	38
	– HUVIS Corporation and its subsidiaries 一株式會社HUVIS及其附屬公司		**73,130**	29,097
			73,203	29,135
2)	Storage fee received from related parties 向關連方收取儲存費用	(ii)		
	– Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited 一杭州蕭山永盛對外貿易有限公司		**–**	51
			–	51
3)	Agency service fee received from a related party 向一名關連方收取代理服務費	(iii)		
	– Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited 一杭州蕭山永盛對外貿易有限公司		**–**	3
	– Yongsheng Financial Holdings Co., Ltd. 一永盛金融控股有限公司		**676**	377
			676	380
4)	Management fees paid to a related party 向一名關連方支付管理費	(iv)		
	– Yongsheng (HK) International Co., Ltd 一永盛(香港)國際有限公司		**393**	719
			393	719

38. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

38. 關連方交易及結餘(續)

(b) Related party transactions (Continued)

(b) 關連方交易(續)

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
5)	Interest income – Hangzhou Fiber 5) 利息收入 – 杭州化纖	(v)	189	–
			189	–
6)	Brand royalty – HUVIS Corporation and its subsidiaries 6) 品牌特許使用費 – 株式會社HUVIS及其附屬公司	(vi)	46	–
			46	–
7)	Labor costs – HUVIS Corporation and its subsidiaries 7) 勞工成本 – 株式會社HUVIS及其附屬公司	(vii)	1,182	–
			1,182	–
8)	Sales commissions – HUVIS Corporation and its subsidiaries 8) 銷售佣金 – 株式會社HUVIS及其附屬公司	(viii)	2,700	–
			2,700	–
9)	Sales Commissions paid to a related party – HUVIS Corporation and its subsidiaries 9) 已付一名關連方的銷售佣金 – 株式會社HUVIS及其附屬公司	(viii)	15	–
			15	–
10)	Sales of products – HUVIS Corporation and its subsidiaries 10) 產品銷售 – 株式會社HUVIS及其附屬公司	(ix)	193	–
			193	–
11)	Lend to director, Chang Po Chun 11) 向董事張寶珍借出	(x)		
	– Loan Lent – 已借出貸款		6,150	–
	– Receipt of money Lent – 收取已借出款項		3,250	–

38. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Related party transactions (Continued)

Notes:

(i) The purchases of goods were made according to the published prices and conditions similar to those offered to the major customers of the suppliers.

(ii) The storage fee received from related parties was charged at prices similar to those offered to other customers of the Group.

(iii) The agency service fee received from a related party was charged at prices similar to those offered to other customers of the Group.

(iv) The management fee was paid for the management and administrative services provided by Yongsheng (HK) International Co. Ltd, a company which controlled by the controlling shareholder of the Group. The management fee was charged pursuant to the terms in the agreement signed between the Company and Yongsheng (HK) International Co. Ltd.

(v) The Group entered into a contract with Yongsheng Chemical Fiber to lend RMB40,000,000 at an annual interest rate of 6%. As at the date of the disposal of Hangzhou Fiber, the remaining amount remained the same and Yongsheng Chemical Fiber has settled all interest incurred.

(vi) The brand royalty was charged pursuant to the terms in the agreement signed between the Company and HUVIS Corporation and its subsidiaries.

(vii) The labor costs was paid for the Korean person who worked for Nantong Fiber.

(viii) The sales commissions were charged by Nantong Fiber and HUVIS Corporation.

(ix) The sales to the related party were made according to the published prices and conditions offered to the major customers of the Group.

(x) The Group entered into an agreement with Chang Po Chun to offer interest-free loan of HK$7,187,100 during the year ended 31 December 2019.

38. 關連方交易及結餘(續)

(b) 關連方交易(續)

附註:

(i) 採購貨品乃按提供予供應商的主要客戶相若的公開價格和條件進行。

(ii) 向關連方收取的儲存費用乃按與提供予本集團其他客戶的價格相若者收取。

(iii) 向一名關連方收取的代理服務費按與提供予本集團其他客戶的價格相若者收取。

(iv) 管理費乃為支付永盛(香港)國際有限公司(由本集團控股股東控制之公司)所提供之管理及行政服務。管理費乃根據本公司與永盛(香港)國際有限公司簽訂之協議條款收取。

(v) 本集團與永盛化纖訂立一份合約以借款人民幣40,000,000元,該借款之年利率為6%。於出售杭州化纖日期,剩餘金額維持不變,而永盛化纖已結算所有應計利息。

(vi) 品牌特許使用費乃根據本公司與株式會社HUVIS及其附屬公司簽訂的協議條款收取。

(vii) 勞工成本乃為支付南通纖維的韓國籍僱員。

(viii) 銷售佣金由南通纖維及株式會社HUVIS收取。

(ix) 向關連方出售乃按提供予本集團的主要客戶的公開價格和條件進行。

(x) 本集團與張寶珍訂立協議以於截至二零一九年十二月三十一日止年度提供免息貸款7,187,100港元。

38. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

38. 關連方交易及結餘(續)

(c) Outstanding balances with related parties

(c) 與關連方的未償還結餘

Due from related parties	應收關連方款項	At 31 December 2019 於二零一九年十二月三十一日 RMB'000 人民幣千元	Maximum amount outstanding during the year 年內最高未償還金額 RMB'000 人民幣千元	At 31 December 2018 and 1 January 2019 於二零一八年十二月三十一日及二零一九年一月一日 RMB'000 人民幣千元	Maximum amount outstanding during the year 年內最高未償還金額 RMB'000 人民幣千元	At 1 January 2018 於二零一八年一月一日 RMB'000 人民幣千元
– Hangzhou Shining 3D Tech Co., Limited	–杭州先臨三維科技股份有限公司	–	–	2,800	2,800	2,800
– Yongsheng (HK) International Co., Ltd	–永盛(香港)國際有限公司	45	45	–	–	–
– Yongsheng Financial Holdings Co., Ltd (ii)	–永盛金融控股有限公司(ii)	114	114	390	390	–
– Hangzhou Huvis Yongsheng Chemical Fiber Company Limited (iii)	–杭州滙維仕永盛化纖有限公司(iii)	40,200	40,200	–	–	–
– Chang Po Chun	–張寶珍	2,900	6,150	–	–	–
		43,259		3,190		2,800

Due to related parties	應付關連方款項	At 31 December 2019 於二零一九年十二月三十一日 RMB'000 人民幣千元	Maximum amount outstanding during the year 年內最高未償還金額 RMB'000 人民幣千元	At 31 December 2018 and 1 January 2019 於二零一八年十二月三十一日及二零一九年一月一日 RMB'000 人民幣千元	Maximum amount outstanding during the year 年內最高未償還金額 RMB'000 人民幣千元	At 1 January 2018 於二零一八年一月一日 RMB'000 人民幣千元
– Yongsheng (HK) International Co., Limited	–永盛(香港)國際有限公司	–	–	38	96	5
		–		38		5

38. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

38. 關連方交易及結餘(續)

(c) Outstanding balances with related parties (Continued)

(c) 與關連方的未償還結餘(續)

Notes:

(i) The amounts due from Hangzhou Fiber is the outstanding loans and interests at the end of the year. On 24 January 2020, the Company, the Controlling Shareholder, Mr. Li, and Hangzhou Fiber, by mutual consent, agreed to extend the repayment term of the outstanding loans of the equity transfer agreements to 30 May 2020 or any other dates as mutually agreed by the parties.

(ii) The amount due from Yongsheng Financial Holdings Co., Ltd and Yongsheng (HK) International Co., Ltd is outstanding agency service fee and management fee, respectively.

(iii) The amounts due from Chang Po Chun is the outstanding loans at the end of the year.

附註:

(i) 於年末,應收杭州化纖款項為未償還貸款及利息。於二零二零年一月二十四日,本公司、控股股東李先生及杭州化纖已相互同意將股權轉讓協議之未償還貸款的還款期延長至二零二零年五月三十日或訂約方相互同意的任何其他日期。

(ii) 應收永盛金融控股有限公司及永盛(香港)國際有限公司款項分別為未償還代理服務費及管理費。

(iii) 於年末,應收張寶珍的款項為未償還貸款。

(d) Compensation of key management personnel of the Group

(d) 本集團之主要管理人員之薪酬

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	**1,977**	1,703
Performance related bonus	相關績效花紅	**4,015**	1,509
Pension scheme contributions	退休金計劃供款	**200**	176
Equity-settled share option arrangements	股權結算購股權安排	**–**	278
Total compensation paid to key management personnel	向主要管理人員已付之薪酬總額	**6,192**	3,666

39. PLEDGE OF ASSETS

At 31 December 2019, certain of the Group's buildings, land use rights, properties under development, investment properties and construction in progress were pledged to commercial banks relating to the long-term and short-term loans granted to the Group. Details are included in notes 14,15, 16, 20 and 28, respectively, to the consolidated financial statements.

39. 資產質押

於二零一九年十二月三十一日，本集團若干樓宇、土地使用權、發展中物業、投資物業及在建工程已就本集團獲授的長期及短期貸款抵押予商業銀行。詳情分別載於合併財務報表附註14、15、16、20及28。

40. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

40. 按類別劃分的金融工具

於報告期末，各類金融工具的賬面值如下：

2019 **二零一九年**

Financial assets 金融資產

		Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元	Financial assets designated as at fair value through profit or loss 指定為按公平值計入損益的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets designated as at fair value through profit or loss	指定為按公平值計入損益的金融資產	–	100,696	100,696
Trade and bills receivable	貿易應收款項及應收票據	66,094	–	66,094
Loan receivable	應收貸款	145,832	–	145,832
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項之金融資產	3,570	–	3,570
Amounts due from related parties	應收關連方款項	43,259	–	43,259
Cash and cash equivalents	現金及現金等值物	148,679	–	148,679
At 31 December 2019	於二零一九年十二月三十一日	407,434	100,696	508,130

40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

40. 按類別劃分的金融工具（續）

Financial liabilities

金融負債

		Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	**53,861**
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項之金融負債	**4,586**
Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他借款（不包含租賃負債）	**95,549**
Lease liabilities	租賃負債	**646**
At 31 December 2019	於二零一九年十二月三十一日	**154,642**

40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

40. 按類別劃分的金融工具(續)

2018 二零一八年

Financial assets 金融資產

		Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元	Financial assets designated as at fair value through profit or loss 指定為按公平值計入損益的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets designated as at fair value through profit or loss	指定為按公平值計入損益的金融資產	–	68,134	68,134
Trade and bills receivable	貿易應收款項及應收票據	137,277	–	137,277
Loan receivable	應收貸款	50,000	–	50,000
Financial assets included in prepayments, deposits and other receivable	計入預付款項、按金及其他應收款項的金融資產	5,479	–	5,479
Amounts due from related parties	應收關連方款項	3,190	–	3,190
Pledged deposits	已抵押存款	2,743	–	2,743
Cash and cash equivalents	現金及現金等值物	144,573	–	144,573
At 31 December 2018	於二零一八年十二月三十一日	343,262	68,134	411,396

40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

40. 按類別劃分的金融工具(續)

Financial liabilities

金融負債

		Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元
Trade payables	貿易應付款項	78,556
Amounts due to a related party	應付一名關連方款項	38
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	10,247
Interest-bearing bank and other borrowings	計息銀行及其他借款	37,700
At 31 December 2018	於二零一八年十二月三十一日	126,541

Transfers of Financial Assets

金融資產的轉讓

Transferred financial assets that are not derecognised in their entirety

並無全面終止確認的已轉讓金融資產

At 31 December 2019, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of RMB16,431,000 (2018: RMB64,591,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. As at 31 December 2019, no trade payables settled by the Endorsed Bills during the year have been recourse by the suppliers.

於二零一九年十二月三十一日,本集團向其若干供應商背書已獲中國內地的銀行接納的若干應收票據(「已背書票據」),賬面值為人民幣16,431,000元(二零一八年:人民幣64,591,000元),以結清應付該等供應商的貿易應付款項(「該背書」)。董事認為,本集團已保留絕大部分風險及回報,包括有關該等已背書票據的違約風險,故此其繼續悉數確認已背書票據的賬面值及相關已結清的貿易應付款項。於該背書後,本集團並無保留使用已背書票據的任何權利,包括向任何其他第三方出售、轉讓或質押已背書票據。於二零一九年十二月三十一日,有關供應商概無追索已背書票據年內所結清的貿易應付款項。

40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Transfers of Financial Assets (Continued)

Transferred financial assets that are derecognised in their entirety (Continued)

At 31 December 2019, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Derecognised Bills") to some of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB13,487,000 (2018:RMB82,634,000). The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

For the years ended 31 December 2019 and 2018, the Group did not recognise any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the years or cumulatively. The endorsement has been made evenly throughout the years.

40. 按類別劃分的金融工具(續)

金融資產的轉讓(續)

已全面終止確認的已轉讓金融資產(續)

於二零一九年十二月三十一日,本集團向其若干供應商背書已獲中國內地銀行接納的若干應收票據(「已終止確認票據」),以結清該等供應商且賬面總金額為人民幣13,487,000元(二零一八年:人民幣82,634,000元)的貿易應付款項。於報告期末,已終止確認票據的到期期限為一至六個月。根據《中華人民共和國票據法》,倘中國的銀行違約,則已終止確認票據的持有人對本集團擁有追索權(「持續參與」)。董事認為,本集團已轉移有關已終止確認票據的絕大部分風險及回報。因此,其已終止確認已終止確認票據及相關貿易應付款項的全部賬面值。本集團因持續參與已終止確認票據及購回該等已終止確認票據的未折現現金流量所面對的最高虧損風險,相等於其賬面值。董事認為,本集團持續參與已終止確認票據的公平值並不重大。

截至二零一九年及二零一八年十二月三十一日止年度,本集團並無確認已終止確認票據於轉讓日期的任何收益或虧損。於該等年度或累計而言,概無確認持續參與的收益或虧損。於整個年度按等額作出背書。

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, financial assets designated as at fair value through profit or loss, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings, an amount due to a related party, and amounts due from related parties approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the CFO and the board of directors. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the CFO.

The fair values of financial assets designated as at fair value through profit or loss require the directors to make estimates about the expected future cash flows from future proceeds when the investments mature and the fair values have been estimated to be the principle plus estimated interest income. The directors believe that the estimated fair values which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of reporting period.

41. 金融工具的公平值及公平值層級

經管理層評估，現金及現金等值物、已抵押存款、貿易應收款項、指定為按公平值計入損益的金融資產、貿易應付款項及應付票據、計入預付款項、按金及其他應收款項的金融資產、計入其他應付款項及應計款項的金融負債、計息銀行及其他借款、應付一名關連方款項及應收關連方款項的公平值與其賬面值相若，主要原因是該等工具的到期日較短。

由財務經理所帶領的本集團財務部負責釐定金融工具的公平值計量的政策及程序。財務經理直接向財務總監及董事會匯報。於各報告日期，財務部分析金融工具價值的變動並釐定應用於估值的主要輸入數據。該估值由財務總監檢討及審批。

指定為按公平值計入損益的金融資產的公平值須由董事於投資到期及當估算其公平值為本金加估計利息收入時，對未來所得款項的預期未來現金流量作出估計。董事認為，計入合併財務狀況表的估計公平值（及計入損益的相關公平值變動）誠屬合理，並為於報告期末最恰當的價值。

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Below is the significant unobservable input to the valuation of financial assets designated as at fair value through profit or loss together with a quantitative sensitivity analysis as at 31 December 2019:

41. 金融工具的公平值及公平值層級（續）

下文為指定為按公平值計入損益的金融資產估值中的重大不可觀察輸入數據，連同於二零一九年十二月三十一日的定量敏感性分析：

	Significant unobservable input 重大不可觀察輸入數據	Input 輸入數據	Sensitivity of fair value to the input 公平值對輸入數據的敏感度
Financial assets designated as at fair value through profit or loss 指定為按公平值計入損益的金融資產	Estimated return rate 估計回報率	7.00%	2% increase (decrease) in estimated return rate would result in increase (decrease) in fair value by RMB204,000 估計回報率上升（下跌）2%將導致公平值增加（減少）人民幣204,000元

Fair value hierarchy

公平值層級

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

下表說明本集團金融工具的公平值計量層級：

Assets measured at fair value:

按公平值計量的資產：

As at 31 December 2019

於二零一九年十二月三十一日

		Fair value measurement using 公平值計量使用			
		Quoted prices in active markets (Level 1) 在活躍市場取得報價（第一級） RMB'000 人民幣千元	Significant observable inputs (Level 2) 可觀察的重要輸入數據（第二級） RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 不可觀察的重要輸入數據（第三級） RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets designated as at fair value through profit or loss: Asset management agreement	指定為按公平值計入損益的金融資產： 資產管理協議	–	–	100,690	100,690

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

41. 金融工具的公平值及公平值層級（續）

Fair value hierarchy (Continued)

公平值計量使用（續）

As at 31 December 2018

於二零一八年十二月三十一日

		Fair value measurement using 公平值計量使用			
		Quoted prices in active markets (Level 1) 在活躍市場取得報價（第一級） RMB'000 人民幣千元	Significant observable inputs (Level 2) 可觀察的重要輸入數據（第二級） RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 不可觀察的重要輸入數據（第三級） RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets designated as at fair value through profit or loss:	指定為按公平值計入損益的金融資產：				
Asset management agreement	資產管理協議	–	–	68,134	68,134

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2018: Nil).

年內，金融資產及金融負債在第一級和第二級公平值計量間並無公平值計量轉移，而第三級亦無任何轉入或轉出（二零一八年：無）。

The Group did not have any financial liabilities measured at fair value as at 31 December 2019 and 2018.

於二零一九年及二零一八年十二月三十一日，本集團概無任何以公平值計量的金融負債。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

42. 金融風險管理目標及政策

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade and other receivables and trade and other payables, which arise directly from its operations.

本集團的主要金融工具包括現金及短期存款。該等金融工具的主要目的為籌集本集團經營所用資金。本集團具有多種其他金融資產和負債，如因經營而直接產生的貿易應收款項及其他應收款項以及貿易應付款項及其他應付款項。

The Group is exposed to foreign currency risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

本集團承擔外幣風險、信用風險及流動資金風險。本集團的高級管理層監督該等風險的管理情況。董事會檢討並同意管理各項該等風險的政策，並於下文概述。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

42. 金融風險管理目標及政策(續)

Foreign currency risk

外幣風險

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 7% (2018: 5%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, whilst approximately 4% (2018: 5%) of costs were denominated in currencies other than the units' functional currencies.

本集團面對交易貨幣風險。此等風險因經營單位以其功能貨幣以外的貨幣進行銷售或購買產生。本集團所作銷售中約7%(二零一八年:5%)以進行銷售的經營單位的功能貨幣以外的貨幣計值,另外有約4%(二零一八年:5%)的成本以單位功能貨幣以外的貨幣計值。

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

下表顯示於報告期末所有其他變量保持不變的情況下,本集團除税前溢利(因貨幣資產及負債的公平值變動所致)對人民幣匯率的合理可能變動的敏感性。

		Increase/ (decrease) in RMB rate 人民幣匯率 上升/(下跌)	Increase/ (decrease) in profit before tax 除税前溢利 增加/(減少) RMB'000 人民幣千元
2019	**二零一九年**		
If US$ weakens against RMB	**倘美元兑人民幣貶值**	**+10%**	**(635)**
If US$ strengthens against RMB	**倘美元兑人民幣升值**	**–10%**	**635**
2018	二零一八年		
If US$ weakens against RMB	倘美元兑人民幣貶值	+10%	(1,042)
If US$ strengthens against RMB	倘美元兑人民幣升值	–10%	1,042

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank and other borrowings (note 28). Management monitors the interest rate exposures and will consider hedging significant interest rate exposures should the need arise.

The Group is also exposed to cash flow interest rate risk relates to pledged bank deposits and bank balances carried at prevailing market rates. However, such exposure is minimal to the Group as these bank balances are all short-term in nature.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the interest rate as stipulated by the People's Bank of China arising from the Group's RMB borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank and other borrowings, which is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

42. 金融風險管理目標及政策(續)

利率風險

本集團亦面對有關浮息銀行及其他借貸(附註28)的現金流利率風險。管理層監察利率風險並在有需要時考慮對沖重大利率風險。

本集團亦面對有關按現行市場利率計息的已抵押銀行存款及銀行結餘的現金流利率風險。然而,由於該等銀行結餘均為短期性質,故有關風險對本集團而言極微。

本集團的現金流利率風險主要集中於本集團人民幣借貸產生的、由中國人民銀行訂明的利率波動。

以下敏感度分析乃根據浮息銀行及其他借貸的利率風險而釐定。編製此分析時假設於報告期末之未償還負債金額在全年內仍未償還。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

42. 金融風險管理目標及政策(續)

Interest rate risk (Continued)

利率風險(續)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings and the Group's equity.

下表顯示所有其他變量保持不變的情況下,本集團除税前溢利透過浮動利率借貸的影響及本集團權益對利率的合理可能變動的敏感性。

		Increase/ (decrease) in basis points 基點增加／(減少) RMB'000 人民幣千元	Increase/ (decrease) in profit before tax 除税前溢利增加／(減少) RMB'000 人民幣千元
2019	**二零一九年**		
RMB	人民幣	**+50**	**(357)**
Hong Kong dollar	港元	**+50**	**(3)**
RMB	人民幣	**–50**	**357**
Hong Kong dollar	港元	**–50**	**3**
2018	二零一八年		
RMB	人民幣	+50	(136)
Hong Kong dollar	港元	+50	–
RMB	人民幣	–50	136
Hong Kong dollar	港元	–50	–

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of senior management.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged short-term deposits, financial assets at fair value through profit or loss, other receivables and amounts due from related parties, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and by geographical region. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different regions.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and contract assets are disclosed in note 21 and 23, respectively to the consolidated financial statements.

42. 金融風險管理目標及政策(續)

信用風險

本集團主要與高知名度兼信譽可靠的第三方進行交易。本集團的政策是所有有意以信貸期交易的客戶均須經過信貸審核程序。此外,亦持續監察應收款項結餘。對於並非以有關經營單位的功能貨幣進行的交易,本集團不會在未經高級管理層特別核准下提供信貸期。

本集團其他金融資產(包括現金及現金等值物、已抵押短期存款、按公平值計入損益的金融資產、其他應收款項及應收關連方款項)的信用風險源於對手方違約,最大風險相等於該等工具的賬面值。

由於本集團只與高知名度且信譽可靠的第三方進行交易,故無需任何抵押品。集中信用風險按客戶/對手方並按地區管理。由於本集團貿易應收款項的客戶群分散於各地,因而本集團並無重大集中信用風險。

有關本集團於貿易應收款項及合約資產的信用風險的進一步量化數據分別於合併財務報表附註21及23披露。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

42. 金融風險管理目標及政策(續)

Liquidity risk

流動資金風險

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

本集團以經常性流動資金規劃工具監察資金短缺風險。此工具同時考慮金融工具及金融資產(如貿易應收款項)的到期日,並預測營運產生的現金流量。

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

本集團的目標是通過使用銀行貸款在資金的持續性及靈活性之間保持平衡。

The maturity profile of the Group's financial liabilities as at each reporting date, based on the contractual undiscounted payments, is as follows:

於各報告日期,本集團按合約未折現款項劃分的金融負債的到期概況如下:

31 December 2019 二零一九年十二月三十一日

		On demand or within one year 按要求或一年內 RMB'000 人民幣千元	1 to 5 years 一年至五年 RMB'000 人民幣千元	Over 5 years 超過五年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	貿易應付款項	**53,861**	**–**	**–**	**53,861**
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	**4,586**	**–**	**–**	**4,586**
Interest-bearing bank borrowings (excluding lease liabilities)	計息銀行借貸(不包含租賃負債)	**30,686**	**20,130**	**72,279**	**123,095**
Lease liabilities	租賃負債	**726**	**103**	**–**	**829**
		89,859	**20,233**	**72,279**	**182,371**

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

42. 金融風險管理目標及政策(續)

Liquidity risk (Continued)

流動資金風險(續)

31 December 2018 二零一八年十二月三十一日

		On demand or with in one year 按要求或一年內 RMB'000 人民幣千元	1 to 5 years 一年至五年 RMB'000 人民幣千元	Over 5 years 超過五年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	78,556	–	–	78,556
Amounts due to a related party	應付一名關連方款項	38	–	–	38
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	10,247	–	–	10,247
Interest-bearing bank and other borrowings	計息銀行及其他借款	38,594	–	–	38,594
		127,435	–	–	127,435

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 31 December 2018.

The Group monitors capital using a gearing ratio, which is total debt to total shareholders' equity. Total debt includes interesting bank borrowings. Total shareholders' equity comprises all components of equity attributable to owners of the parent. The Group's policy is to maintain the gearing ratio at a reasonable level.

資本管理

本集團資本管理的主要目標為確保本集團持續經營的能力及保持良好的信貸評分及穩健的資本比率,以支持其業務經營及使股東利益最大化。

本集團根據經濟狀況的變化及相關資產的風險特徵來管理其資本架構並作出調整。為維持或調整資本結構,本集團可能調整派付予股東的股息、向股東退還資本或發行新股份。本集團毋須遵守任何外界施加的資本要求。截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度,管理資本的目標、政策或程序並無發生變化。

本集團使用資本負債比率(按債務總額除以股東權益總額計算)監察資本。債務總額包括計息銀行借貸。股東權益總額包括母公司擁有人應佔權益的所有部分。本集團的政策為將資本負債比率維持在合理水平。

43. NOTES TO THE CONSOLIOATED STATEMENT OF CASH FLOWS

43. 合併現金流量表附註

(a) Major non-cash transactions

During the year ended 31 December 2019, the Group had acquired certain subsidiaries by shares consideration. Details of the acquisition are set out in note 35 and 36 to the consolidated financial statement.

(a) 主要非現金交易

於截至二零一九年十二月三十一日止年度，本集團已通過股份代價收購若干附屬公司。收購事項之詳情載於合併財務報表附註35及36.

(b) Changes in liabilities arising from financing activities

(b) 融資活動產生的負債變動

2019 **二零一九年**

		Bank borrowings 銀行借貸 RMB'000 人民幣千元	**Lease liabilities 租賃負債** RMB'000 人民幣千元
At 31 December 2018	於二零一八年十二月三十一日	37,700	–
Effect of adoption of IFRS 16	採納國際財務報告準則第16號之影響	–	941
At 1 January 2019	於二零一九年一月一日	37,700	941
Changes from financing cash flows	融資現金流量變動	106,693	(1,046)
New leases	新增租賃	–	950
Foreign exchange movement	匯兑變動	48	24
Interest expense	利息開支	–	78
Interest paid classified as operating cash flows	分類為經營現金流量之已付利息	–	(78)
Acquisition of subsidiaries not under common control (note 35)	收購非共同控制下的附屬公司（附註35）	1,108	–
Disposal of subsidiaries (note 11)	出售附屬公司（附註11）	(50,000)	(223)
At 31 December	於十二月三十一日	95,549	646

43. NOTES TO THE CONSOLIOATED STATEMENT OF CASH FLOWS (CONTINUED)

43. 合併現金流量表附註(續)

(b) Changes in liabilities arising from financing activities (Continued)

(b) 融資活動產生的負債變動(續)

2018 二零一八年

		Bank borrowings 銀行借貸 RMB'000 人民幣千元
At 1 January	於一月一日	15,000
Changes from financing cash flows	融資現金流動變動	22,700
At 31 December	於十二月三十一日	37,700

(c) Total cash outflow for leases

(c) 租賃產生的現金流出總額

		2019 二零一九年 RMB'000 人民幣千元
Within operating activities	於經營活動中	**78**
Within financing activities	於融資活動中	**1,046**
At 31 December	於十二月三十一日	**1,124**

44. EVENTS AFTER THE REPORTING PERIOD

(i) On 5 March 2020, the Company entered into a letter of intent (the "LoI") with Bagan Investment Limited ("Bagan"). Pursuant to the LoI, the Company and Bagan proposed to form a joint venture company (the "JV Company"). Upon the incorporation of the JV Company, the JV Company shall be owned by the Company and Bagan as to approximately 60% and 40%, respectively. The JV Company shall be principally engaged in the development, investment, operation and management of hydra-related projects, in particular regarding water supply and wastewater treatment, in the Southeast Asia (the "Proposed Cooperation").

(ii) The wide spread of the novel Coronavirus in China since the beginning of 2020 is a fluid and challenging situation facing all the industries of the society. The Group has already assessed the overall impact of the situation on the operation of the Group and taken all possible effective measures to limit and keep the impact in control. The Group will keep continuous attention on the change of situation and make timely response and adjustments in the future. The Group does not have other significant subsequent events.

44. 報告期後事項

(i) 於二零二零年三月五日，本公司及Bagan Investment Limited（「Bagan」）訂立意向書（「意向書」）。根據意向書，本公司及Bagan擬成立合營公司（「合營公司」）。於合營公司註冊成立後，本公司及Bagan分別擁有合營公司約60%及40%。合營公司主要於東南亞從事開發、投資、營運及管理液壓系統相關項目，尤其是有關水供應及污水處理（「建議合作」）。

(ii) 自二零二零年初於中國爆發的新冠病毒肺炎疫情，令社會各行各業均面臨充滿不確定性及挑戰的環境。本集團已評估當前形勢對本集團營運的整體影響，並盡可能採取一切有效措施緩解及控制有關影響。本集團將持續關注形勢變動並於將來及時作出應變及調整。本集團並無其他重大報告期後事項。

45. COMPARATIVE AMOUNTS

The comparative statement of profit or loss has been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the comparative period (note 11).

45. 可比較數字

比較損益表已重列，猶如於本年度內已終止經營之業務已於比較期間開始時已終止經營（附註11）。

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

46. 本公司的財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

本公司於報告期末財務狀況表的資料如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	**1,092,080**	144,967
TOTAL NON-CURRENT ASSETS	非流動資產總額	**1,092,080**	144,967
CURRENT ASSETS	流動資產		
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	**193**	188
Cash and cash equivalents	現金及現金等值物	**19,678**	1,240
TOTAL CURRENT ASSETS	流動資產總額	**19,871**	1,428
CURRENT LIABILITIES	流動負債		
Other payables, advances from customers and accruals	其他應付款項、客戶墊款及應計款項	**1,152**	1,863
Due to subsidiaries	應付附屬公司款項	**211,650**	11,439
TOTAL CURRENT LIABILITIES	流動負債總額	**212,802**	13,302
NET CURRENT LIABILITIES	流動負債淨額	**(192,931)**	(11,874)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	**899,149**	133,093
NET ASSETS	淨資產	**899,149**	133,093
EQUITY	權益		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔權益		
Share capital	股本	**6,217**	3,121
Share premium	股份溢價	**886,872**	130,657
Other reserves	其他儲備	**6,060**	(685)
TOTAL EQUITY	權益總額	**899,149**	133,093

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

46. 本公司的財務狀況表(續)

Note:

附註:

A summary of the Company's reserves is as follows:

本公司儲備的摘要如下:

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Accumulated losses* 累計虧損* RMB'000 人民幣千元	Foreign currency translation reserve* 外幣換算儲備* RMB'000 人民幣千元	Equity-settled arrangement reserve* 權益結算安排儲備* RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	3,173	173,359	(23,190)	9,280	14,976	177,598
Loss for the year	年內虧損	–	–	(5,835)	–	–	(5,835)
Other comprehensive income for the year:	年內其他全面收入:						
Exchange differences on translation of foreign operations	換算境外業務的匯兑差額	–	–	–	5,669	–	5,669
Total comprehensive income for the year	年內全面收入總額	–	–	(5,835)	5,669	–	(166)
Dividends paid to shareholders of the Company	向本公司股東支付股息	–	(26,285)	–	–	–	(26,285)
Shares repurchased and cancelled	購回並註銷之股份	(82)	(22,299)	–	–	–	(22,381)
Exercise of share options	行使購股權	30	5,882	–	–	(2,110)	3,802
Equity-settled share option arrangements	股權結算購股權安排	–	–	–	–	525	525
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	**3,121**	**130,657**	**(29,025)**	**14,949**	**13,391**	**133,093**
Profit for the year	年內溢利	**–**	**–**	**5,867**	**–**	**–**	**5,867**
Other comprehensive income for the year:	年內其他全面收入:						
Exchange differences on translation of foreign operations	換算境外業務的匯兑差額	**–**	**–**	**–**	**2,429**	**–**	**2,429**
Total comprehensive income for the year	年內全面收入總額	**–**	**–**	**5,867**	**2,429**	**–**	**8,296**
Acquisition of assets and liabilities through acquisition of subsidiaries	藉收購附屬公司收購資產及負債	**2,390**	**609,451**	**–**	**–**	**–**	**611,841**
Acquisition of subsidiaries not under common control	收購非共同控制下的附屬公司	**685**	**170,455**	**–**	**–**	**–**	**171,140**
Dividends paid to shareholders of the Company	向本公司股東支付股息	**–**	**(27,951)**	**–**	**–**	**–**	**(27,951)**
Exercise of share options	行使購股權	**21**	**4,260**	**–**	**–**	**(1,551)**	**2,730**
At 31 December 2019	於二零一九年十二月三十一日	**6,217**	**886,872**	**(23,158)**	**17,378**	**11,840**	**899,149**

* These reserve accounts comprise the other reserves of RMB6,060,000 (2018: negative other reserve of RMB685,000) in the statement of financial position of the Company.

* 該等儲備賬包括本公司財務狀況表內的其他儲備人民幣6,060,000元(二零一八年:負值其他儲備人民幣685,000元)。

47. APPROVAL OF THE FINANCIAL STATEMENTS

47. 批准財務報表

The financial statements were approved and authorised for issue by the board of directors on 31 March 2020.

財務報表已於二零二零年三月三十一日獲董事會批准及授權刊發。

Five-year Financial Summary
五年財務概要

RESULTS 業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 **RMB'000** 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Represent) (經重列)	Adjusted 經調整 2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue from continuing operations	持續經營業務收益	**306,539**	206,420	647,811	580,651	491,165
Gross profit from continuing operations	持續經營業務毛利	**102,454**	89,987	180,159	167,205	141,423
Operating profit	經營溢利	**69,615**	73,071	121,563	111,632	83,346
Finance costs	融資成本	**(1,005)**	(297)	(766)	(1,350)	(975)
Profit before tax	除税前溢利	**68,610**	72,774	120,797	110,282	82,371
Income tax expense	所得税開支	**(17,597)**	(15,252)	(22,347)	(21,711)	(18,578)
Profit from continuing operations	持續經營業務溢利	**51,013**	57,522	98,450	88,571	63,793
Gain/(loss) for a discontinued operation	終止經營業務收益／（虧損）	**84,035**	29,157	–	–	363
Profit for the year	年內溢利	**135,048**	29,157	98,450	88,571	64,156
Attributable to:	以下應佔溢利：					
Shareholders of the Company	本公司股東	**113,895**	80,751	92,144	79,128	56,230
Non-controlling interests	非控股權益	**21,153**	5,928	6,306	9,443	7,926
Earnings per share	每股盈利					
Basic (RMB cents per share)	基本（每股人民幣分）	**16.4**	20.4	23.0	19.8	14.1
Diluted (RMB cents per share)	攤薄（每股人民幣分）	**16.2**	19.9	22.7	19.7	14.0

ASSETS AND LIABILITIES 資產及負債

		As at 31 December 於十二月三十一日				
		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	**非流動資產**	**920,649**	268,953	266,514	188,299	182,954
Current assets	**流動資產**	**740,712**	532,173	534,436	484,533	363,716
Total assets	**總資產**	**1,661,361**	801,126	800,950	672,832	546,670
Current liabilities	**流動負債**	**(132,772)**	(179,716)	(217,143)	(158,387)	(110,970)
Non-current liabilities	**非流動負債**	**(91,549)**	(21,496)	(18,950)	(17,232)	(15,608)
Total liabilities	**負債總額**	**(224,321)**	(201,212)	(236,093)	(175,619)	(126,578)
EQUITY	**權益**					
Equity attributable to shareholders of the Company	本公司股東應佔權益	**1,437,040**	556,198	518,806	448,068	381,470
Non-controlling interests	非控股權益	**–**	43,716	46,051	49,145	38,622
Total equity	**權益總額**	**1,437,040**	599,914	564,857	497,213	420,092

