



世紀陽光集團控股有限公司 Century Sunshine Group Holdings Limited

Stock Code 股票代號: 509.HK

ANNUAL REPORT 2019 年報



CREATE
A BETTER LIVING
創造 · 美好生活

目錄

CONTENTS

6	公司資料	Corporate Information
8	投資者資料	Information for Investors
10	五年財務概要	Five Year Financial Summary
12	主席報告書	Chairman's Statement
20	管理層討論及分析	Management Discussion and Analysis
37	董事及高級管理層簡歷	Directors and Senior Management Profile
42	企業管治報告	Corporate Governance Report
63	董事會報告	Directors' Report
77	獨立核數師報告	Independent Auditors' Report
87	綜合損益表	Consolidated Statement of Profit or Loss
88	綜合全面收益表	Consolidated Statement of Comprehensive Income
89	綜合財務狀況表	Consolidated Statement of Financial Position
91	綜合權益變動表	Consolidated Statement of Changes in Equity
93	綜合現金流量表	Consolidated Statement of Cash Flows
96	財務報表附註	Notes to the Financial Statements

經營亮點 OPERATIONAL HIGHLIGHTS



**Differentiated Products Lead
the Market Segment**
差異化產品 領軍細分市場



**Sales Network Covering
the Whole Country**
銷售網絡 覆蓋全國



**Develop the Green Industry
by Leveraging on
Brand Recognition**
發揮品牌優勢 深耕綠色產業





VISION 願景

**The Pioneer in the New Era of Ecological
Fertiliser Industry**
引領生態肥料行業發展新時代



MISSION 使命

To Enhance Crop Productivity and Soil Fertility
讓作物更高產 讓土壤更肥沃

6 公司資料 Corporate Information

董事會

執行董事

池文富(主席)
沈世捷
池靜超

非執行董事

郭孟勇

獨立非執行董事

張省本
盛洪
劉智傑

公司秘書

陸世煒

委員會

審核委員會

張省本(委員會主席)
盛洪
劉智傑

提名委員會

池文富(委員會主席)
張省本
盛洪

薪酬委員會

張省本(委員會主席)
沈世捷
盛洪
劉智傑

Board of Directors

Executive Directors

Chi Wen Fu (*Chairman*)
Shum Sai Chit
Chi Jing Chao

Non-executive Director

Guo Mengyong

Independent Non-executive Directors

Cheung Sound Poon
Sheng Hong
Lau Chi Kit

Company Secretary

Luk Sai Wai, Simon

Committees

Audit Committee

Cheung Sound Poon (*Committee Chairman*)
Sheng Hong
Lau Chi Kit

Nomination Committee

Chi Wen Fu (*Committee Chairman*)
Cheung Sound Poon
Sheng Hong

Remuneration Committee

Cheung Sound Poon (*Committee Chairman*)
Shum Sai Chit
Sheng Hong
Lau Chi Kit

總辦事處

香港
九龍
尖沙咀
廣東道9號
港威大廈第6座11樓1104室
電話：(852) 2802 2165
傳真：(852) 2802 2697
電郵：ir@centurysunshine.com.hk
網址：www.centurysunshine.com.hk

核數師

國衛會計師事務所有限公司
香港執業會計師

主要往來銀行

中國農業銀行股份有限公司
中國銀行股份有限公司
交通銀行(香港)有限公司
星展銀行(香港)有限公司

公司資料 Corporate Information 7

Head Office

Suite 1104, 11th Floor, Tower 6, The Gateway
9 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong
Telephone: (852) 2802 2165
Fax: (852) 2802 2697
E-mail: ir@centurysunshine.com.hk
Website: www.centurysunshine.com.hk

Auditors

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Principal Bankers

Agricultural Bank of China Limited
Bank of China Limited
Bank of Communications (Hong Kong) Limited
DBS Bank (Hong Kong) Limited



8

投資者資料
Information for Investors

上市資料

上市地點	香港聯合交易所有限公司 (「聯交所」) 主板
股份代號	509

重要日期

2020年4月16日	公佈2019年全年業績
2020年6月24日至 2020年6月30日 (包括首尾兩日)	暫停辦理股份過戶登記 (適用於股東週年大會)
2020年6月30日	股東週年大會

股份資料

本公司每股面值0.02港元之 已發行股份(「股／股份」) (2019年12月31日)	4,581,116,843股
市值 (2019年12月31日)	1,030,751,290港元
每手買賣單位	5,000股

2019年每股盈利

基本	8.30港仙
攤薄	8.30港仙

2019年每股股息

中期	零港仙
末期(擬派)	零港仙

Listing Information

Listing	Main Board of The Stock Exchange of Hong Kong Limited (「Stock Exchange」)
Stock code	509

Key Dates

16 April 2020	Announcement of 2019 annual results
24 June 2020 to 30 June 2020 (both days inclusive)	Closure of register of members (for annual general meeting)
30 June 2020	Annual general meeting

Share Information

Company's shares of HK\$0.02 each (the "Shares") in issue (31 December 2019)	4,581,116,843 Shares
Market capitalisation (31 December 2019)	HK\$1,030,751,290
Board lot size	5,000 Shares

Earnings Per Share for 2019

Basic	HK8.30 cents
Diluted	HK8.30 cents

Dividend Per Share for 2019

Interim	Nil HK cents
Final (proposed)	Nil HK cents

投資者資料
Information for Investors

9

股份過戶登記處

股份過戶登記總處：
SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road
P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

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

註冊辦事處

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

Share Registrar and Transfer Offices

Principal:
SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road
P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

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

Registered Office

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

五年財務概要

Five Year Financial Summary

		2019 千港元 HK\$'000	2018 千港元 HK\$'000	2017 千港元 HK\$'000	2016 千港元 HK\$'000	2015 千港元 HK\$'000
截至12月31日止年度 For the year ended 31 December						
收入	Revenue	4,314,420	4,655,116	3,443,219	2,589,221	2,515,602
銷售成本	Cost of sales	(3,251,036)	(3,512,857)	(2,591,833)	(1,829,360)	(1,729,567)
毛利	Gross profit	1,063,384	1,142,259	851,386	759,861	786,035
其他收入及收益淨額	Other income and gains, net	95,262	75,324	113,750	67,884	72,578
銷售及市場推廣費用	Selling and marketing costs	(107,917)	(133,673)	(139,056)	(93,911)	(113,406)
行政開支	Administrative expenses	(305,464)	(227,127)	(275,998)	(159,379)	(139,742)
財務費用	Finance costs	(153,664)	(164,943)	(150,678)	(117,564)	(87,390)
除所得稅前溢利	Profit before income tax	591,601	691,840	399,404	456,891	518,075
所得稅開支	Income tax expense	(163,347)	(150,318)	(144,292)	(143,839)	(155,006)
持續經營業務之年內溢利	Profit for the year from continuing operations	-	541,522	255,112	-	-
已終止經營業務之年內溢利	Discontinued operations: Profit for the year	-	31,315	6,510	-	-
年內溢利	Profit for the year	428,254	572,837	261,622	313,052	363,069
下列人士應佔年內溢利：	Profit for the year attributable to:					
本公司擁有人	Owners of the Company	380,368	474,230	260,316	302,334	314,479
非控股權益	Non-controlling interests	47,886	98,607	1,306	10,718	48,590
每股盈利：	Earnings per share:					
— 基本(每股港仙)	— basic (HK cents per share)	8.30	10.35	5.67	6.57	7.45
— 攤薄(每股港仙)	— diluted (HK cents per share)	8.30	10.35	5.67	6.57	7.33
於12月31日	As at 31 December					
資產總值	Total assets	7,627,565	7,474,567	7,502,278	5,246,469	5,421,692
負債總額	Total liabilities	(3,357,654)	(3,517,949)	(3,848,850)	(2,192,003)	(2,057,170)
權益總額	Total equity	4,269,911	3,956,618	3,653,428	3,054,466	3,364,522

	附註 notes	2019 千港元 HK\$'000	2018 千港元 HK\$'000	2017 千港元 HK\$'000	2016 千港元 HK\$'000	2015 千港元 HK\$'000
截至12月31日止年度 For the year ended 31 December						
股東權益回報率	Return on shareholders' equity	9.9%	13.4%	7.9%	11.1%	10.6%
總資產回報率	Return on total assets	5.6%	7.7%	3.5%	6.0%	6.7%
盈利對利息倍數	Interest coverage	5x 倍	5x 倍	3x 倍	5x 倍	6x 倍
於12月31日 As at 31 December						
負債比率	Gearing ratio	28.6%	27.6%	27.3%	29.4%	25.7%
流動比率	Liquidity	1x 倍	1x 倍	1x 倍	3x 倍	3x 倍

附註：

- 本公司擁有人應佔年內溢利／股東權益
- 年內溢利／資產總值
- 除所得稅及利息開支前溢利／利息開支
- 總借貸／資產總值
- 流動資產／流動負債

notes:

- Profit for the year attributable to owners of the Company/Shareholders' equity
- Profit for the year/Total assets
- Profit before income tax and interest expense/Interest expense
- Total borrowings/Total assets
- Current assets/Current liabilities

五年財務概要

Five Year Financial Summary



主席報告書 Chairman's Statement

本人謹代表世紀陽光集團控股有限公司(「本公司」，連同其附屬公司，統稱「世紀陽光」或「本集團」)董事(「董事」)會(「董事會」)，欣然提呈本集團截至2019年12月31日止年度(「年內」)之全年業績以供股東審閱。

2019年宏觀經濟受中美貿易摩擦影響，中美雙方互加徵關稅導致全球經濟不景氣，在各主要經濟體增長動能減弱的背景下，本集團堅持落實以綠色、環保、可持續發展的理念，整體業務穩健運行。於年內實現收入4,314,420,000港元，本公司擁有人應佔溢利約380,368,000港元，每股基本盈利8.30港仙。

產業政策利好

肥料作為農業生產的重要戰略物資，隨著農業供給側結構性改革不斷推進、農業結構進一步優化調整，肥料行業進入「提質增效」階段。2019年，中國政府繼續深化促進有機肥及生態肥料的發展規劃，全面推進鄉村振興，對農業技術創新和農村生態保護提出了新要求，堅持品質興農、綠色興農，加快推進農業由數量導向轉向提質導向，健全綠色農資經營網路，增加有機肥、新型生態肥料、低毒生物農藥等綠色投入品供給，同時加大土地保護力度，促進綠色生態農業建設，進一步推動《到2020年化肥使用量零增長行動方案》。本集團緊抓國家利好產業政策帶來的發展機遇，構建生態肥料發展的長效機制，迎接更廣闊的市場前景。

池文富
Chi Wen Fu
主席 Chairman

On behalf of the board (the “Board”) of directors (the “Directors”) of Century Sunshine Group Holdings Limited (the “Company” and together with its subsidiaries, “Century Sunshine” or the “Group”), I am pleased to present the annual results for the year ended 31 December 2019 (the “Year”) of the Group for the perusal of our shareholders.

In 2019, the macro-economy was affected by the trade friction between China and the United States, when the mutual imposition of tariffs between China and the United States led to the global economic downturn. On the back of slowing growth momentum of major economies, the Group persists in the implementation of the concept of green, eco-friendly and sustainable development, and the overall business operated steadily. Revenue of HK\$4,314,420,000 was realized during the year. The profit attributable to owners of the Company was approximately HK\$380,368,000 and basic earnings per share was HK8.30cents.

Favourable Industrial Policies

Fertiliser is an important material for agricultural production. With the continuous promotion of supply-side structural reform of agriculture and further optimisation and adjustment of agricultural structure, the fertiliser industry has entered the stage of “improving quality efficiency”. In 2019, the Chinese government continued to promote the development plan of organic fertiliser and ecological fertiliser and comprehensively pursued the revitalization of rural areas. It also put forward new requirements for agriculture technology innovation and ecological protection of rural areas, which adhere to quality-driven agriculture and green-driven agriculture, accelerate to transfer from quantity-oriented agriculture to quality-oriented agriculture, improve the management network of green agricultural materials, and increase the supply of organic fertilisers, new ecological fertilisers and low-toxic biological pesticides, while enhances land protection and speeds up the construction of green eco-agriculture and further promotes the “Action Plan for Zero Growth of Fertiliser Use by 2020”. The Group seized the development opportunities brought by the national favourable industrial policies to build a long-term mechanism for the development of ecological fertiliser to cope with surging demand.

堅持創新引領

2019年，集團透過技術革新與創新驅動，著力技術升級改造，優化生產線，提升企業核心競爭力。年內，江蘇生產基地順利完成了對山東紅日型硫基複合肥生產線的升級改造，傳承「中國硫基肥之父」的「紅日型」噴漿造粒專利技術，弘揚「豔陽天」金字招牌，提升產能規模，完成戰略整合。在產品創新方面，堅持科研與生產協同發展，利用擁有先進工藝技術及著名品牌的優勢，踐行差異化產品的競爭策略，不斷豐富產品組合，為市場和廣大用戶朋友提供多樣化，優質化，高效化的綠色肥料產品，引領生態肥料行業綠色發展。

山東紅日「退城入園」

山東紅日化工股份有限公司（「山東紅日」）位於山東省臨沂市，公司為配合地方政府貫徹落實「創新、協調、綠色、開放、共用」發展理念，加快實施新型工業化戰略，促進產業結構優化升級，大力推進中心城區工業佈局調整，建設宜居宜業生態城市。本集團子公司山東紅日化工股份有限公司於2019年啟動實施「退城入園」工作方案，在開展「退城入園」工作進程中，穩步推進江蘇及江西生產基地分步承接山東紅日產能轉移，科學合理地調節安排生產計劃，確保集團實現整體銷售目標和滿足客戶對本集團肥料產品需求。管理層根據經山東紅日職工代表大會審議通過的《山東紅日關於職工安置方案》，積極穩妥進行職工分流安置，並採取自願方式，有序分流職工到江蘇、江西生產基地工作，對自願放棄分流的職工，按照中國有關法律法規規定給予安置補償，山東紅日在按時完成「退城入園」後可把原廠址所處的土地由工業用地依法報批改變為商業用地。隨著臨沂市新城區規劃的實施和建設，本公司有望受益於土地變性後的升值效益，為股東帶來良好回報。「退城入園」後山東紅日繼續透過其附屬公司紅日銷售公司持續開展經營業務，山東紅日作為中國硫酸鉀複合肥技術專利發明企業，憑藉其強勁的研發能力、譽滿市場的品牌效應和成熟完善的銷售網路等軟實力，仍然為本集團的發展發揮競爭優勢。

Persistence in Innovation

In 2019, the Group has strived to upgrade technology, optimize production lines and enhance the core competitiveness of the enterprise with innovation capability. During the Year, the Jiangsu production base successfully completed the technological upgrade of the production line of “Hongri” type sulphur-based compound fertiliser. It inherited the patent technology of “Hongri” type spray granulation from “the Father of China’s Sulphur-based Fertiliser” and further boosted “Yanyangtian (豔陽天)” brand name. The capacity has been increased and strategic integration completed. With respect to product innovation, our Group upholds the primacy of R&D and the synergy with production. We make best use of our advanced technology and reputable brand names to pursue product differentiation strategies. We enrich the product range and provide diverse, high quality, efficient green fertilisers. We are leading the development in the field.

“Relocation of Industries from City Urban Area to Industrial Parks” by Shandong Hongri

Shandong Hongri Chemical Joint Stock Company., Ltd. (“Shandong Hongri”) is located in Linyi City, Shandong Province. Shandong Hongri is working with local government to realise the vision of being “innovative, harmonious, green, open and sharing”, to speed up modern industrialisation, to promote the structural optimisation and to rezone the control of industrial area as ecological city. To this end, Shandong Hongri initiated the implementation of “Relocation of Industries from City Urban Area to Industrial Parks” in 2019. We will steadily transfer the production from Shandong to the production bases of Jiangsu and Jiangxi, and scientifically and reasonably adjust the production plan, so to achieve the overall sales targets, and satisfy customers’ needs. According to the “Shandong Hongri Employees Relocation Scheme” reviewed and approved at the employees’ representatives meeting, the management is to transfer employees to Jiangsu and Jiangxi production bases on a voluntary basis and in an orderly manner. For those employees who voluntarily give up the resettlement option, the resettlement compensation shall be rendered in accordance with the relevant laws and regulations in the PRC. After the completion of “Relocation of Industries from City Urban Area to Industrial Parks”, the Group will legally rezone the industrial land to commercial one. With the implementation of the new urban planning of Linyi City, the Company is expected to benefit substantially after land conversion, which will bring good returns to shareholders. After “Relocation of Industries from City Urban Area to Industrial Parks”, Shandong Hongri continues to operate as a sales centre through its subsidiary. As the inventor and patent holder of potassium sulfate compound fertiliser, Shandong Hongri possesses strong research and development capabilities, well-known brand name and sound sales networks. All these intangible attributes will continue to make the Group highly competitive.

主席報告書 Chairman's Statement

鎂合金前景亮麗

2019年10月，中國國家發展和改革委員會(「發改委」)修訂發佈了《產業結構調整指導目錄(2019年本)》，將「鎂合金」列入輕量化材料應用領域，認同鎂合金在汽車輕量化中的重要作用和發展潛力。除了在交通運輸領域的應用，鎂合金也被廣泛應用到3C電子領域、航空航太和醫療領域。2020年將是5G技術應用元年，隨著輕量化材料應用領域的拓展，必將為促進鎂行業發展帶來良好的機遇。龐大的市場為本集團鎂合金產業的發展提供契機，本集團位於新疆生產基地，獲認定為國家級「高新技術企業」，重視技術創新，採用豎罐還原工藝創新技術，促進煉鎂工藝優化升級，朝著機械化、自動化和人性化生產的方向發展。新疆生產基地位於「一帶一路」戰略重鎮新疆哈密市，伴隨中國政府「一帶一路」戰略不斷深化推進，集團將搭乘因地制宜、特色經濟、循環經濟發展快車的同時，充分利用哈密地區物產豐富，優質價廉的煤炭、電力及白雲石礦資源及地域優勢，為集團進一步發展鎂產業提供良好的條件和動力。

機遇與挑戰

歲末年初，突如其來的新冠肺炎疫情侵襲中華大地，中國政府及時果斷採取前所未有的疫情防控措施及多項行動堵截疫情蔓延，多個省市啟動重大突發公共衛生事件一級回應，國人足不出戶，各地採取嚴格的疫情防控措施，包括延長春節假期及推遲復工等，對中國經濟增長可能產生階段性的衝擊。公司目前物料充足，客戶穩定，可以應對業務需求，但短期內因假期延後、物流受阻等因素會受到短暫影響，對於因疫情影響，集團積極做好各項穩定工作，及時為客戶調整應變預案，共同克服疫情帶來的挑戰，為疫情結束後業務經營的全面快速恢復奠定基礎，盡可能減少本次疫情對公司經營造成的影響。

目前，疫情防控形勢積極向好，中國政府相繼出台多項政策措施，強調要切實維護正常經濟社會秩序，在加強疫情防控的同時，努力保持生產生活平穩有序，中國政府提出把化肥、農藥等農資納入國務院聯防聯控機制生活物資保障範圍，列入復產復工重點企業名單，保障重點地區春耕備耕用肥用藥的需要，全力打好防疫保春耕奪小康之年農業豐收的攻堅戰。本集團作為中國領先的綠色生態肥料生產企業以及農資產品供應鏈的重要一環，在做好各項防疫防控措施、保障員工健康與安全的前提下，先後有序復工復產，穩定肥料供應，齊心協力，共克時艱！

主席報告書 Chairman's Statement

Bright Prospects of Magnesium Alloys

In October 2019, National Development and Reform Commission (the “NDRC”) of the PRC revised and issued “Catalogue for the Guidance of Industrial Structure Adjustment (2019 Version)” (《產業結構調整指導目錄(2019年本)》), in which the “magnesium alloys” were included as a lightweight material, and the important role and potential of magnesium alloys in weight reduction of automobile were recognized. In addition to application in transportation, magnesium alloys are also widely used in 3C electronics, space and aviation and medical fields. 5G technology will firstly be launched in 2020. With the expansion of lightweight materials, it will definitely bring good opportunities for the development of the magnesium industry. The huge market provides an opportunity for the development of the Group's magnesium alloy industry. The Xinjiang production base of the Group has been recognised as a national “High and New Technology Enterprise”. It emphasises to technological innovation and adopts the vertical retorts technology to upgrade the magnesium smelting processes. It steers along the direction of high mechanization, automation and humanization. The Xinjiang production base is located in Hami City, Xinjiang, an important strategic town of the “the Belt and Road Initiative”. The Chinese government now intensifies the pursuant of “One Belt One Road” initiative. Our Group is to take advantage of our location, the special economy and fast economic development. We will simultaneously fully utilise the abundant resources of Hami, its cheap high quality coal, electricity and dolomite mineral resources. This provides favourable conditions and strong momentum to develop our magnesium business.

Opportunities and Challenges

Since the sudden Covid-19 outbreak across China at the end of 2019, the Chinese government has been quick and decisive to take the unprecedented measures to contain the disease and various actions to stop the spreading of the epidemic. With a level I public health emergency declared by affected provinces and cities, every region took strict prevention and control measures of the epidemic. The Lunar New Year holiday was extended, people are advised not to return to work. This may affect the economy temporarily. The Company possesses abundant stocks and solid client base, still able to cope with the demand, but we may be affected due to holiday extension and logistics delay. To cope with the epidemic, the Group endeavoured to stabilize operations and provide emergency plans for clients in time. We are to tackle challenges together with clients and prepared for a quick turnaround when the epidemic ends. The impact will thus be minimised.

As epidemic is trending down, the Chinese government has put forward policies and measures to revise normal economic and social order. Among others, agricultural products such as chemical fertilisers and pesticides have been included in State Council's joint prevention and control mechanism. Key enterprises have the priority to resume work so that the supply of fertiliser for spring plantation will not be disrupted. As a leading producer of green and ecological fertiliser and important part of the supply chain of agricultural products, the Group is to implement effective epidemic prevention and control measures to ensure employee's health and safety, production is being resumed orderly and the supply of fertilisers stabilised. We are to work together to overcome the present hard times.

主席報告書
Chairman’s Statement

新的一年，我們以更加沉著，自信的心態迎接新的機遇與挑戰，我們將一如既往，恪守經營理念和社會使命，在創新中求發展，在發展中謀共贏，我們將不負韶華，追夢不止，以奮進去開啟新的徵程，以激情去成就心中的夢想。

在此，本人謹代表董事會，對各股東、管理團隊、全體同仁及業務夥伴等在過去一年的支持及貢獻表示誠摯的感謝，世紀陽光正在全力發展綠色產業，我們定將恪盡職守，致力為股東帶來更豐厚的回報，共創美好未來。

池文富

主席

香港，2020年4月16日

主席報告書
Chairman’s Statement

In 2020, we continue to be calm and confident to tackle new opportunities and challenges. As always, we are adhere to our corporate philosophy and mission to innovate to support our development, to attain win-win outcomes through development. We will endeavour to chase our new goals and realise our dreams.

On behalf of the Board, I wish to thank our shareholders, management team, staff members and business partners for their support and contributions to the Group during the Year. Century Sunshine is developing the green industry with all its strength. We are committed to fulfilling our duties, generating greater returns to shareholders and creating a better future for all.

Chi Wen Fu

Chairman

Hong Kong, 16 April 2020

20 管理層討論及分析 Management Discussion and Analysis

業務回顧

截至2019年12月31日止全年(「年內」)，本集團整體收入達4,314,420,000港元(2018年：4,655,116,000港元)。同比減少約7.3%，整體毛利率錄得24.6%(2018年：24.5%)，持續經營業務稅後利潤為428,254,000港元，比去年同期541,522,000港元減少約20.9%。其中，農業肥料業務年內收入為2,735,195,000港元(2018年：3,053,183,000港元)，同比減少約10.4%，主要由於山東紅日生產基地實施退城入園減少產量所致，肥料業務平均毛利率相對穩定約22.5%(2018年：22.5%)；本集團通過「稀鎂科技」持有之鎂產品業務，年內收入為1,515,291,000港元(2018年：1,537,781,000港元)，同比減少約1.5%，銷售收入減少主要由於人民幣兌港幣匯率同比貶值影響所致。不過，鎂產品業務仍然保持高毛利稀土合金產品的核心競爭力，平均毛利率約27.5%(2018年：26.6%)。

生態肥料業務

山東紅日生產轉移到江蘇及江西兩個基地

世紀陽光集團旗下山東紅日化工股份有限公司(「山東紅日」)根據山東省政府「退城入園」政策要求，於2019年啟動實施「退城入園」工作，山東紅日生產基地產量分別由本集團位於江西和江蘇的生產基地承接，本集團結合客戶訂單和所屬生產基地產銷情況統籌部署營運策略，合理調節生產計劃，以確保實現本集團整體生產與銷售目標和滿足客戶對集團肥料產品需求。在分步實施產能轉移的同時，山東紅日按照職工代表大會審議通過的《山東紅日關於職工安置方案》精神，採取自願方式，有序分流職工到江蘇、江西生產基地工作，對自願放棄分流的員工，按照中國有關法律法規規定給予安置補償。於2019年12月，地方政府同意山東紅日「退城入園」項目參照魯政辦字(2019)144號文件執行，地方政府積極推進土地收儲、規劃調整、用地審批和公開出讓等各項工作，該廠區用地將由工業用地改變為商業用地，本公司有望受益於山東紅日原廠址土地變更用途後潛在的土地增值效益，實現額外收益。因此，山東紅日「退城入園」工作方案的實施，管理層認為對本集團的整體業務營運並無構成重大不利影響，而土地的升值將為本公司貢獻資產增值。

管理層討論及分析 Management Discussion and Analysis

Business Review

Throughout the year ended 31 December 2019 (the “Year”), the Group recorded an overall revenue of HK\$4,314,420,000 (2018: HK\$4,655,116,000), representing a year-on-year decrease of approximately 7.3%, with an overall gross profit margin of 24.6% (2018: 24.5%). The profits after tax from continuing operations was HK\$428,254,000, representing a decrease of approximately 20.9% as compared with HK\$541,522,000 of the same period of last year. Revenue from the fertiliser business during the Year was HK\$2,735,195,000 (2018: HK\$3,053,183,000), representing a year-on-year decrease of approximately 10.4%, which was mainly because the production volume were decreased due to the implementation of “Relocation of Industries from City Urban Area to Industrial Parks” by Shandong Hongri production base. Average gross profit margin of the fertiliser business was relatively stable of approximately 22.5% (2018: 22.5%). Revenue from the magnesium product business held by the Group through REMT was HK\$1,515,291,000 (2018: HK\$1,537,781,000) during the Year, representing a year-on-year decrease of approximately 1.5%. The decrease in revenue was caused by the effects of devaluation of RMB to HKD as compared to the same period last year. Average gross profit margin was maintained at approximately 27.5% (2018: 26.6%) due to the core competitiveness of the high-margin rare earth magnesium products.

Ecological Fertiliser Business

The production was transferred from Shandong Hongri to two production bases of Jiangsu and Jiangxi

Shandong Hongri Chemical Joint Stock Company, Ltd. (“Shandong Hongri”), a subsidiary of Century Sunshine Group implemented the “Relocation of Industries from City Urban Area to Industrial Parks” in 2019 under the requirement of the policy from Shandong Provincial Government, resulted in reduction of production volume in Shandong Hongri production base, and its production volume will be taken over by the Group’s Jiangxi and Jiangsu production bases respectively. The Group strategically consolidated customer orders adjusted its production plan, to achieve the Group’s overall production and sales targets and to satisfy the customers’ demand. While transferring production capacity step by step, according to the “Shandong Hongri Employees Relocation Scheme” reviewed and approved at the employees’ representatives meeting, Shandong Hongri was diverting employees to Jiangsu production base and Jiangxi production base on a voluntary basis and in an orderly manner. For those employees who voluntarily give up the resettlement option, the resettlement compensation shall be given in accordance with the relevant laws and regulations in the PRC. In December 2019, the local government approved that the “Relocation of Industries from City Urban Area to Industrial Parks” project could be carried out in accordance with the document of Luzheng Banzi (2019) No. 144 (魯政辦字(2019)144號) by Shandong Hongri, and actively pursued the takeover of the land, and the approval and public transfer of land use. The land would be changed from industrial use to commercial one, as such, the Company expects to benefit from the potential appreciation of the value of the land with an extraordinary income. Therefore, management is of the view that the implementation of the “Relocation of Industries from City Urban Area to Industrial Parks” by Shandong Hongri did not give rise to any material and adverse impact to the operation of the Group, and the increase in the value of the land will contribute to the appreciation of the Company’s assets.

管理層討論及分析

Management Discussion and Analysis

繼往開來 發揮品牌優勢

年內，江蘇公司透過技術升級改造，順利完成了20萬噸紅日型硫基複合肥生產線的改擴建，擴大了產能規模。該硫基複合肥技改升級項目，採用「中國硫基肥之父」—山東紅日的噴漿造粒專利技術，山東紅日作為中國複合肥行業的標杆，為中國肥料產業以及農業發展作出了巨大貢獻，讓中國農業由施用單質肥料到廣泛推廣應用複合肥料廣澤中華大地、造福中國百姓。

「樂呵呵」、「豔陽天」品牌市場美譽度進一步提升，其中「豔陽天」更於年內榮獲「中國增效肥料優秀品牌」稱號，其品牌影響力和穩定的產品品質享譽中國農資市場。

創新驅動豐富產品組合

本集團進一步優化管理模式，制定了集團採購貿易中心與基地採購緊密協作的運行規則，發揮集中採購規模優勢，提高議價能力及有效降低採購成本。在強化品牌管理和產品創新方面，一直注重產品的研發與創新，先後推出以「豔陽天」品牌主導的海藻酸肥料，以「豐收」品牌主導的生命元高塔硫基複合肥料和以「樂呵呵」品牌主導的「陽光一號」系列產品，這些新型綠色生態肥料系列產品具有改善土壤生物多樣性，抑制土壤病害，啟動作物自身免疫系統，增強作物抗逆性，促進作物增產增收以及有效提高肥料利用率等功能，適用於各類經濟作物和大田作物。

本集團肥料業務已形成江蘇、江西兩個生產基地，三個銷售公司，肥料銷售網路幅射全國市場的戰略佈局，持續促進科研與生產協同發展，不斷透過技術革新與創新驅動，蓄力高品質發展，提升企業核心競爭力，為市場提供多樣化、優質化、高效化的綠色肥料產品。

鎂產品業務

本集團透過稀鎂科技集團控股有限公司（「稀鎂科技」）營運的鎂產品業務，集團積極拓展新客戶，為客戶提供不同產品解決方案和差異化產品廣受客戶好評。2019年9月，集團鎂產品獲得全球最大的鋁材加工企業Alunorf公司的認證，為集團拓展國際業務創造條件。集團將優化客戶群，提高大客戶比例，在市場上繼續耕耘，夯實發展基礎，推動鎂業務的快速發展。

管理層討論及分析

Management Discussion and Analysis

Leveraging on brand recognition

During the Year, Jiangsu production base successfully expanded and built a production line of 200,000 tonnes Hongri type sulphur-based compound fertiliser through upgrading technology, which originated from the patent technology of spray granulation, which is derived from Shandong Hongri, best known as “Father of China’s sulphur-based fertiliser”. As a leader of compound fertiliser industry in the PRC, Shandong Hongri has made great contribution to fertiliser industry and agricultural development by replacing of single-nutrient fertiliser with compound fertiliser across the PRC and benefits the whole population.

The brand reputation for “Yanyangtian (豔陽天)”, “Le He He (樂呵呵)” has been further raised. During the Year, “Yanyangtian (豔陽天)” was rewarded as “China’s Best Efficiency Fertiliser Brand (中國增效肥料優秀品牌)”, and it’s brand influence and stable product quality were well-known in China’s agricultural market.

Diversifying products portfolio drove by innovation

The Group has been further optimizing its management model by synergising the procurement and production bases, so as to leverage on its bargaining power to reduce procurement cost. In respect of enhancing brand management and product innovation, we have been focusing on products’ research and development and innovation, and have launched alginic acid fertiliser (海藻酸肥料) under the brand of “Yanyangtian (豔陽天)”, Sheng Ming Yuan high tower sulphur-based compound fertiliser (生命元高塔硫基複合肥料) under the brand of “Feng Shou (豐收)” and a series of products of “Yang Guang No.1 (陽光一號)” under the brand of “Le He He (樂呵呵)”. These new green ecological fertiliser products can improve the diversity of land, inhibit soil diseases, trigger the crops immune system, enhance crops strength, increase crop output, and effectively improve the utilization of fertiliser. They can be applied to various economic crops and field crops.

The Group’s fertiliser business comprised two production bases in Jiangsu and Jiangxi and three sales companies. The fertiliser sales network covers strategic markets across the nation. The Group continues to pursue the synergy between research and production, drive high-quality development through upgrading technology and innovation, enhance the corporate’s core competitiveness, and provide diversified, high-quality, and efficient green fertiliser products to the market.

Magnesium Product Business

The Group engages in its magnesium product business through Rare Earth Magnesium Technology Group Holdings Limited (“REMT”). The Group proactively explored new customers, provided various product resolutions and differentiated products which have been well recognised by customers. In September 2019, the Group’s magnesium product was recognized by Alunorf, the biggest aluminum processing company of the world, which has brought opportunities for the Group to expand its international business. The Group will optimise its customer bases by increasing the proportion of large customers, and continue to entrench its foundation and to drive of magnesium business at a high speed.

管理層討論及分析

Management Discussion and Analysis

展望

集團兩大板塊綠色產業，將繼續受惠於中國政府良好的產業政策帶來的發展機遇。2019年10月，中國國家發展 and 改革委員會(「發改委」)修訂發佈了《產業結構調整指導目錄(2019年本)》，將「有機肥料產業化技術開發與應用」列為農業鼓勵類以及將「鎂合金」列入輕量化材料應用領域，認同鎂合金在汽車輕量化中的重要作用和發展潛力。有機肥方面，2017年中國農業部選擇100個示範縣每縣1000萬人民幣補貼支持，並於2019年增加至175個縣，以鼓勵農民使用有機肥料。綠色生態肥料的使用量在肥料總使用量中的比例將從目前的10%增加到未來的30%，為本集團綠色生態肥料業務持續發展提供了廣闊的市場空間，管理層始終秉持綠色、環保、可持續的發展理念，深化差異化競爭策略，積極把握發展機遇，促進企業可持續健康發展。

2020年年初，中國各地區相繼爆發新冠病毒肺炎疫情，中國政府及時果斷採取史上最嚴的疫情防控措施堵截疫情蔓延，多個省市啟動重大突發公共衛生事件一級回應，由於受疫情防控措施限制和春節後返廠交通的影響，假期後員工未能按時返崗，公司響應中國政府關於把化肥、農藥等農資納入國務院聯防聯控機制生活物資保障範圍及農資生產企業納入復工復產重點企業名單，支持農資企業加快復產和恢復產能，增加市場供應，保障春耕生產需要的號召，各生產基地分別於2月中旬開始逐步復工復產。在這段時期，公司與員工齊心協力，抗擊疫情，共同應對重大突發公共衛生事件對企業生產銷售帶來的影響，管理層積極做好各項穩定工作，在保障員工健康與安全的前提下，努力保持平穩有序生產運行，鼓勵銷售和採購部門採用線上溝通協調工作、與客戶和供應商保持遠端交流，及時為客戶調整應變預案，根據市場的變化科學調整產銷策略，增加生態肥料和功能性高毛利產品的供應，力求把新冠疫情造成的損失降到最低。

管理層討論及分析

Management Discussion and Analysis

Prospect

The Group's two green industries will continue to benefit from the opportunities arising from the Chinese governments' favorable industrial policies. In October 2019, National Development and Reform Commission (the "NDRC") of the PRC revised and issued "Catalogue for the Guidance of Industrial Structure Adjustment (2019 Version)"(《產業結構調整指導目錄(2019年本)》), in which the "development and application of organic fertiliser industrialization technology" were included in the class of agriculture product to promote; on the other hand, the "magnesium alloys" were included in the application of lightweight materials. The important role and development potential of magnesium alloys were recognized in the construction of light weight vehicles. In respect of organic fertiliser, the Ministry of Agriculture of the People's Republic of China selected 100 demonstration counties to grant government subsidies of RMB10 million per county in 2017, and the number was increased to 175 counties in 2019 to encourage farmers to use organic fertiliser. The proportion of green ecological fertiliser to the total fertiliser application will increase from the current 10% to 30% in the future, providing a broad market space for the sustainable development of the Group's green ecological fertiliser business. The management has always adhered to the principles of green, environmental friendly and sustainability to strengthen the product differentiation strategy, actively seize the development opportunities, and promote sustainable and healthy development of the Company.

In the early 2020, the COVID-19 outbreak swept across China. The Chinese government has been quick and decisive to take the strongest measures to contain the disease. With a level I public health emergency declared by affected provinces and cities, people could not return to work on time due to the restriction arising from epidemic control and prevention measures, and the traffic jam caused by returning to factories after the Lunar New Year holiday. Agricultural products such as chemical fertilisers and pesticides have been included State Council's joint prevention and control mechanism. Key enterprises have the priority to resume work so that the supply of fertiliser for spring plantation will not be disrupted. The Company's production bases gradually resumed work and production in mid-February. During the outbreak period, the Company and employees worked jointly to fight the epidemic, minimise the risk from public hygiene on the production and sales. The management proactively performed various work to maintain a stable and orderly production operation on the basis of ensuring the health and safety of employees. The sales and procurement departments were encouraged to collaborate with each other through the internet, maintain remote communication with customers and suppliers, and promptly adjust contingency plans for customers. The production and marketing strategies should be reasonably adjusted based on market changes to increase the supply of ecological fertilisers and functional fertilisers with high gross profit margin and minimize the losses caused by the epidemic.

主要營運數據

Key Operational Data

截至2019年12月31日止年度之未經審核主要營運數據與2018年同期數據比較如下。下表所列的主要業務佔本集團截至2019年12月31日止年度的總營業額超過98%。

Unaudited key operational data for the year ended 31 December 2019, together with the comparative figures for the corresponding period in 2018, is as follows. Main businesses listed below contributed over 98% of the Group's total revenue for the year ended 31 December 2019.

(a) 主要產品之銷售量：

(a) Sales volume of major products:

		2019 Tonnes 噸	2018 Tonnes 噸	(Decrease) (減少) %
Fertiliser business	農業肥料業務	1,091,589	1,285,612	(15.1)
Magnesium product business	鎂產品業務	60,559	61,463	(1.5)

(b) 主要產品之平均售價：

(b) Average selling price of major products:

		2019 HK\$/ Tonnes 港元／噸	2018 HK\$/ Tonnes 港元／噸	Increase 增加 %
Fertiliser business	農業肥料業務	2,506	2,375	5.5
Magnesium product business	鎂產品業務	25,022	24,993	0.1

(c) 毛利率：

(c) Gross profit margin:

		2019 %	2018 %	Increase percentage point 增加 百分點
Fertiliser business	農業肥料業務	22.5	22.5	–
Magnesium product business	鎂產品業務	27.5	26.6	0.9
The Group's gross profit margin	本集團之毛利率	24.6	24.5	0.1

營運收入及毛利

Operating income and gross profit

年內，本集團錄得收入約4,314,420,000港元，同比減少約7.3%。集團兩項主營業務：農業肥料業務及鎂產品業務銷售佔比和去年相若，分別為63.4%及35.1%（2018年：65.6%及33.0%）。

During the Year, the Group recorded revenue of approximately HK\$4,314,420,000, being year-on-year decrease of approximately 7.3%. Contribution by our Group's dual core businesses: fertiliser business and magnesium product business accounted for similar proportion as compared to last year, representing 63.4% and 35.1% (2018: 65.6% and 33.0%) of revenue respectively.

農業肥料業務本年收入約為2,735,195,000港元，銷量為1,091,589噸，同比分別減少10.4%及15.1%。承前所述，本集團的農業肥料業務正在實施山東紅日生產基地退城入園工作方案，並把生產逐步遷移至江西及江蘇生產基地，因而令肥料銷量同比減少約15.1%。受惠於肥料整體價格有所提升，我們的農業肥料業務毛利率相對穩定維持約22.5%。

Revenue and sales volume of fertiliser business were approximately HK\$2,735,195,000 and 1,091,589 tonnes, being year-on-year decrease of 10.4% and 15.1%, respectively. As mentioned, we are implementing the "Relocation of Industries from City Urban Area to Industrial Parks" plan for Shandong Hongri production base and have been gradually transferred the production to our Jiangxi and Jiangsu production bases, thereby reduced our sales volume by approximately 15.1% year-on-year. Benefited from the overall increase in selling price of our fertilisers, the gross profit margin has remained relatively stable at approximately 22.5%.

鎂產品業務年內收入約為1,515,291,000港元（2018年：1,537,781,000港元），減少1.5%，總銷量由2018年的61,463噸下降至年內的60,559噸，而整體毛利率上升約0.9%至27.5%。收入減少主要是由於本年度人民幣兌港幣匯率同比貶值影響，但仍然保持高毛利稀土鎂合金產品的核心競爭力，帶動毛利率增長。

During the Year, the revenue of the magnesium product business was approximately HK\$ 1,515,291,000 (2018: HK\$1,537,781,000), representing a decrease of 1.5%; the total sales volume was decreased to 60,559 tonnes during the Year from 61,463 tonnes in 2018, and the overall gross profit margin increased approximately 0.9% to 27.5%. The decrease in revenue was mainly attributable to the effects of devaluation of RMB to HKD during the Year. Nevertheless, the Group has still maintained the core competitiveness of high gross margin rare earth magnesium alloy products, driving up the growth of gross margin.

其他收益或虧損淨額

Other gains or losses, net

其他收益或虧損淨額約為95,262,000港元，同比增加約26.5%，主要來自廢料銷售的增加。年內廢料銷售收入約為33,278,000港元（2018年：3,569,000港元），其他主要項目包括出售物業、廠房及設備的收益及財務擔保負債公允值變動，分別約為42,089,000港元及8,606,000港元（2018年：56,365,000港元及11,168,000港元）。

Other net gains or losses were approximately HK\$95,262,000, an increase of approximately 26.5% year-on-year, mainly due to the increase in sales of scrap materials. Income from sales of scrap material was approximately HK\$33,278,000 for the current year (2018: HK\$ 3,569,000). Other major items included the gain on disposal of property, plant and equipment and changes in fair value of financial guarantee liabilities, which were approximately HK\$42,089,000 and HK\$8,606,000 respectively (2018: HK\$ 56,365,000 and HK\$ 11,168,000).

管理層討論及分析

Management Discussion and Analysis

銷售及市場推廣費用

銷售及市場推廣費用約為107,917,000港元（2018年：133,673,000港元）主要包括市場業務費用及銷售人員工資，銷售及分銷支出和收入比率約2.5%（2018年：2.9%）。

行政開支

行政支出主要包括員工薪酬、折舊及攤銷、審核及專業費用等費用。本年度之行政開支約為298,305,000港元（2018年：233,530,000港元），同比增加約64,775,000港元或27.7%。

由於山東紅日生產基地逐步減產，因此其年內之折舊攤銷，須自生產成本重新分類至行政開支，增加行政開支約30,188,000港元。另外，江蘇生產基地為承接整合山東紅日產能時，進行了相關維修，產生之維修費用約11,673,000港元。此外，本公司及稀鎂科技分別於年內授出購股權以提供鼓勵或獎勵給合資格人士，因而產生須於本年度入賬的股權結算費用合共約22,969,000港元。

財務費用

財務費用約為153,664,000港元，同比減少約6.8%，主要因為可換股債券之實際年利率於續期時減少及本集團減少了以票據作融資，從而減低高息融資佔比。

Selling and marketing expenses

Selling and marketing expenses of approximately HK\$107,917,000 (2018: HK \$ 133,673,000) accounted for approximately 2.5% (2018: 2.9%) of revenue, which mainly consisted of market operating expenses and sales staff salaries, and sales and distribution expenses.

Administrative expenses

Administrative expenses mainly include staff compensation, depreciation and amortisation, auditing and professional expenses. Administrative expenses for the current year were approximately HK\$298,305,000 (2018: HK\$ 233,530,000), being an increase of approximately HK\$64,775,000 or 27.7% year-on-year.

Due to the gradual reduction of production at the Shandong Hongri production base, its depreciation and amortisation during the Year is required to be reclassified from production costs to administrative expenses, increasing administrative expenses by approximately HK\$30,188,000. In addition, Jiangsu production base undertook relevant repair and maintenance while taking up the integration of Shandong Hongri's production capacity, incurring repair and maintenance costs of approximately HK\$11,673,000. In addition, the Company and REMT have granted share options during the Year to provide incentives or rewards to eligible persons, resulting in a total equity settlement fee of approximately HK\$22,969,000, recognized as expense for this year.

Finance expenses

Finance costs were approximately HK\$153,664,000, representing a decrease of approximately 6.8% year-on-year, mainly resulted from decrease in effective interest rate of the exchangeable bond upon extension and reduced bills financing, thereby reducing the proportion of high-interest financing.

管理層討論及分析

Management Discussion and Analysis

Income tax expense

The income tax expense for this period was approximately HK\$ 163,347,000, representing an increase of approximately 8.7% year-on-year. During this period, Jiangxi production base began to take up the production and sales volume of Shandong Hongri production base, exercised economies of scale, effectively controlled costs and expenses, and increased the profit of the fertiliser business. Income tax expenses were so increased accordingly.

Margin

During the Year, the Group's after-tax profit from continuing operations was approximately HK\$428,254,000, representing a decrease of approximately 20.9% year-on-year. During the year, the Group persisted to have cash inflow generated from operations. The EBITDA for 2019 was approximately HK\$964,692,000 (2018: HK\$1,068,000,000 after exclusion of discontinued operation). The year to year comparison was about a decrease of 10.4%.

Final Dividend

The Board does not recommend the payment of a dividend for the year ended 31 December 2019 (2018: Nil).

Liquidity, Liabilities and Financial Resources

The Group's liquidity in 2019 was mainly derived from cash generated from business operations and financing activities during the Year. As at 31 December 2019, total amount of bank and cash balances of the Group was approximately HK\$832,662,000 (2018: HK\$717,807,000).

As at 31 December 2019, the Group's total borrowings increased by approximately 5.6% as compared to 2018, while net current assets increased by approximately 12.2% as compared to 2018. The Group's gearing ratio (calculated by total borrowings over total assets) was approximately 28.6% in 2019 (2018: 27.6%).

所得稅開支

本期之所得稅開支約為163,347,000港元，同比增加約8.7%，期內江西生產基地開始承接山東紅日生產基地之產銷量，發揮經濟規模效益，並有效地控制成本及費用，提升了農業肥料業務之利潤，因此令所得稅開支相應增加。

利潤

年內，本集團的持續經營稅後利潤約為428,254,000港元，同比減少約20.9%。年內，集團仍持續產生經營現金流，2019年度之息稅折舊攤銷前利潤錄得約為964,692,000港元（2018年：1,068,000,000港元（扣除已終止業務）），同比只下降約10.4%。

末期股息

董事會並無建議派付截至2019年12月31日止年度末期股息（2018年：無）。

流動資金、負債及財務資源

本集團於2019年的流動資金主要來自年內經營業務及融資活動所產生的現金。於2019年12月31日，本集團之銀行及現金結餘合共約為832,662,000港元（2018年：717,807,000港元）。

於2019年12月31日，本集團之總借貸較2018年增加約5.6%，流動資產淨值較2018年增加約12.2%。本集團於2019年之負債比率（總借貸除以資產總值）約為28.6%（2018年：27.6%）。

管理層討論及分析

Management Discussion and Analysis

本集團現有之現金資源連同經營及融資活動產生之穩定現金流量足以應付其經營業務需要。

資產抵押

於2019年12月31日，本集團有抵押其資產，詳情於財務報表附註34披露。

資本承擔

於2019年12月31日，本集團並無任何重大資本承擔，惟於財務報表附註41所披露者除外。

或然負債

於2019年12月31日，本集團並無任何重大或然負債，惟於財務報表附註46所披露者除外。

資本結構

於2019年12月31日，本公司已發行股本為91,622,337港元，分為4,581,116,843股，每股面值0.02港元。

項目概覽

白雲石礦

本集團之白雲石礦，位於中國吉林省白山市。該礦場以露天開採方式操作，不涉及也不需要額外勘探工程，開發活動僅涉及露天開採時的簡易基建工程，並沒有涉及任何地下勘探以及結構工程。已開採之白雲石為本集團生產鎂產品業務之原材料。礦場的位置鄰近本集團生產基地，原料的運輸成本亦相對很低。

The Group's existing cash resources together with the steady cash flows generated from operating and financing activities are sufficient to meet its business operations.

Pledge of Assets

As at 31 December 2019, the Group had pledge of its assets, details of which are disclosed in Note 34 to the financial statements.

Capital Commitments

As at 31 December 2019, other than those disclosed in Note 41 to the financial statements, the Group did not have any material capital commitments.

Contingent Liabilities

As at 31 December 2019, other than those disclosed in Note 46 to the financial statements, the Group did not have any significant contingent liabilities.

Capital Structure

As at 31 December 2019, the issued share capital of the Company were HK\$91,622,337, divided into 4,581,116,843 shares of HK\$0.02 each.

Project Overview

Dolomite Mine

The Group's dolomite mine is situated in Baishan City, Jilin Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground exploration or structural works are involved. The dolomite mined is raw material for producing magnesium products of the Group. The transportation cost for raw material is relatively low due to the close proximity of the mine to the production base of the Group.

管理層討論及分析

Management Discussion and Analysis

本集團之白雲石礦乃按中國資源／儲量分類。截至2019年12月31日的估計資源量和儲量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比並無重大變更。該資源量及儲量由本集團之內部地質專家審核。截至2019年12月31日止年度，本集團完成出產白雲石109,601噸。與2018年12月31日相比，白雲石礦於本年度的估計資源量及礦石儲量並無重大變動。

2019年度之開採活動開支主要用於直接工資、材料、能源、運輸及折舊攤銷費用等，並已計入銷售成本於2019年度之綜合損益及其他全面收益表內扣除。

截至2019年12月31日止年度，白雲石礦開採活動產生之支出約為4,221,000港元，而勘探及開發活動之支出則為零港元。

蛇紋石礦

本集團之蛇紋石礦，位於中國江蘇省東海縣。該礦場以露天開採方式操作，不涉及也不需要額外勘探工程，開發活動僅涉及露天開採時的簡易基建工程，並沒有涉及任何地下勘探以及結構工程。已開採之蛇紋石直接作為鋼鐵冶煉的輔助材料出售和作為本集團生產硅鎂肥之原材料。礦場的位置鄰近本集團生產基地，原料的運輸成本亦相對很低。

本集團之蛇紋石礦於2010年購入時，乃按JORC準則資源／儲量分類。截至2019年12月31日的估計資源量和儲量乃根據購入時的數量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比並無重大變更。該資源量及儲量由本集團之內部地質專家審

The dolomite mine of the Group was reported under the Chinese resource/reserve categories. As at 31 December 2019, the anticipated resource and reserve volumes were determined based on the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts. For the year ended 31 December 2019, the Group completed a dolomite output of 109,601 tonnes. As compared with the state as at 31 December 2018, there was no material change in the resource estimate and ore reserve of the dolomite mine during the Year.

During 2019, the expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the consolidated statement of profit or loss and other comprehensive income for 2019.

The expenditure incurred in mining activities of dolomite for the year ended 31 December 2019 were approximately HK\$4,221,000 while the expenditure incurred in exploration and development activities was HK\$Nil.

Serpentine Mine

The Group's serpentine mine is situated in Donghai County, Jiangsu Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground exploration or structural works are involved. The serpentine mined is sold directly as metallurgical flux for iron and steel smelting and is raw material for producing silicon magnesium fertilisers of the Group. The transportation cost for raw material is relatively low due to the close proximity of the mine to the production base of the Group.

The resource/reserve of the Serpentine Mine was reported under the JORC system when it was acquired in 2010. As at 31 December 2019, the anticipated resource and reserve volumes were determined based on the volume at the time of acquisition with the yearly reduction of quantity mined to calculate the remaining resource and reserve

管理層討論及分析 Management Discussion and Analysis

核。截至2019年12月31日止年度，本集團完成出產蛇紋石537,485噸。與2018年12月31日相比，蛇紋石礦的估計資源量及礦石儲量並無重大變動。

2019年度之開發活動開支主要為礦山排土場規範改造及添置機器，並已予資本化並計入2019年度之綜合財務狀況表內。開採活動開支主要用於直接工資、材料、能源、運輸及折舊攤銷費用等，並已計入銷售成本於2019年度之綜合損益及其他全面收益表內扣除。

截至2019年12月31日止年度，蛇紋石礦開發及開採活動產生之支出分別約為10,942,000港元及29,413,000港元，而勘探活動之支出則為零港元。

主要風險及不明朗因素

本集團的財務狀況、營運業績及業務前景可能受到與本集團業務直接或間接相關的許多風險及不明朗因素的影響。以下為本集團知悉的主要風險及不明朗因素。除下文所列者外，或會存在本集團並未知悉或目前可能不重要但日後可能變得重要的其他風險及不明朗因素。

市場風險

市場風險乃因市場需求、產品價格、匯率及利率等的變動，而使盈利能力受損或影響達成業務目標的能力的風險。本集團管理層對該等風險持續密切監控，以確保能及時有效採取適當措施以應對。

volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts. For the year ended 31 December 2019, the Group completed a serpentine output of 537,485 tonnes. As compared with the state as at 31 December 2018, there was no material change in the resource estimate and ore reserve of the serpentine mine.

The expenditures incurred for 2019 in development activities were mainly CAPEX for transformation of the mine dumping site as specified and addition of mining machine. Such expenditures have been capitalised and included in the consolidated statement of financial position for 2019. The expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the consolidated statement of profit or loss and other comprehensive income for 2019.

The expenditures incurred in development and mining activities of serpentine for the year ended 31 December 2019 were approximately HK\$10,942,000 and HK\$29,413,000 respectively while the expenditures incurred in exploration were HK\$ Nil.

Key Risks and Uncertainties

Our Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The followings are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could turn out to be material in the future.

Market risks

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market demand, product prices, foreign exchange rates, and interest rates. The management of our Group keeps continually monitoring these exposures closely to ensure appropriate measures are implemented on a timely and effective manner against such risks.

管理層討論及分析 Management Discussion and Analysis

匯率風險

本集團主要在中華人民共和國(「中國」)及香港經營業務，故此承受多種外匯風險，主要涉及人民幣、港元、新加坡元、美元及澳元。外匯風險源於未來商業交易、已確認資產及負債，以及外國經營的投資淨額。本集團現時並無對沖外匯風險。本集團定期檢討持有除港元以外之貨幣之流動資產及負債以評估外匯風險並於必要時考慮使用對沖工具。

利率風險

對於利息敏感型產品及投資，本集團以動態基準分析其利率風險，並考慮適當時透過各種手段以低成本方式管理該風險。

信貸風險

本集團一直以來十分重視我們客戶的信貸風險。本集團嚴格遵循於2004年建立的「客戶賬戶管理程式」。該程式要求並確保根據每一客戶先前的交易記錄和信貸往績，定期評估及追蹤所有客戶的賬戶。本集團就每名客戶的經營和資信狀況授予一系列信貸措施，例如：信貸比率、信貸期限、信貸評級、信貸條款及擔保。客戶賬戶管理程式可有效控制本集團之信貸風險。

流動資金風險

流動資金風險即是本集團由於未能取得充足資金或變現資產，在責任到期時未能履約的可能性。管理流動資金風險時，本集團監察現金流量，並維持充足之現金及現金等價物水平，以確保能為本集團營運提供資金及降低現金流量波動之影響。

Exchange rate risk

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong and is exposed to foreign exchange risk arising from primarily with respect to Renminbi, HK\$, Singapore dollars, US\$ and Australian dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group does not presently hedge the foreign exchange risks. The Group periodically reviews liquid assets and liabilities held in currencies other than HK\$ to evaluate its foreign exchange risk exposure and consider the usage of hedging instruments when necessary.

Interest rate risk

For interest-sensitive products and investments, our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

Credit risk

The Group has always been aware of the credit risk exposure of our customers. The Group strictly followed the "client account management procedures" established in 2004. The procedures required and ensured that all clients were regularly assessed and be kept track of their transaction records and credit history. The Group specified and assigned to each customer, as according to their operation and credit status, a series of credit measures such as credit ratio, credit period, credit rating, credit terms and guarantee. The client account management procedures were effective to control the credit risk of the Group.

Liquidity risk

Liquidity risk is the potential that our Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, our Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

管理層討論及分析 Management Discussion and Analysis

營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由集團及附屬公司的職能部門負責監控和落實。本集團之主要功能是對營運程序、權限及匯報框架作出指引。管理層將會定期評估主要之營運風險及業務發展所帶來的影響，制定相應措施，完善內控制度，以及時有效應對和規避風險。

投資風險

投資風險乃界定為因各項外在因素轉變導致任何某項投資相對其預期回報期延長或投資回報低於預期或投資項目發生虧損的可能性。本集團深明持續開拓業務類型和區域，對集團業務發展的重要性，並落實在年度重點工作任務中。項目投資的主要考慮因素為平衡各類投資之風險及回報，因而風險評估乃投資決策過程中的重要一環。本集團已設立適當的投資項目評估和盡職調查程序，並會於批准投資前進行詳細分析。本集團之投資項目進度會定期更新，並向董事會匯報。

人力供應及留聘人才之風險

人力資源管理風險主要指由於本集團業務發展迅速，對人才需求迫切，也面對行業對人才的激烈競爭以及人員的流動性，本集團可能面臨或存在着未能有效引進及挽留具備適當及所需技能、經驗及才能之主要人員及人才以配合業務發展的風險，這些主要人員及人才均是達致本集團業務目標所需之因素。本集團將會對薪酬體系和激勵機制進行全面分析，優化薪酬結構以確保員工薪酬處於市場合理水

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with functional departments of the Group and its subsidiaries. Key functions of the Group is to guide their standard operating procedures, limits of authority and reporting framework. Our management will assess key operational exposures and effect raised in business development regularly, implement relevant measures and improve the internal control so that risk can be responded and mitigated on a timely and effective manner.

Investment risk

Investment risk can be defined as the likelihood of extension of its return period relative to the expected return or occurrence of losses on any particular investment attributable to changes of external factors. The Group is well aware of importance of exploring various business opportunities and territories on a continual basis, and also implement as the top agenda of the year. Key concern of projects investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper investment assessment and due diligence procedures have been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board.

Manpower and retention risk

Manpower risk means huge demand for talents because of the Group's rapid business development while at the same time facing severe competition over specialists from the industry and turnover of manpower. Our Group may face the risk of not being able to recruit and retain key personnel and talents with appropriate and required skills, experience and competence to cope with the expansion of business which would meet the business objectives of our Group. Our Group will conduct a thorough analysis over its remuneration system, as well as incentive mechanism and optimise the compensation structure so as to ensure

平，並具有競爭力。同時，開拓招聘渠道，不斷充實高級管理層後備人才，並加強對員工的系統化培訓，提供員工升職機會及拓寬事業前途，弘揚良好的企業文化。

環境政策及表現

環境政策及表現主要指中國政府對環保法規政策的重視程度和愈加嚴格的規管要求，本集團之附屬公司及新並購企業由於建成投運已久，可能或將會存在與國家陸續出台的環境與責任要求有某種不足或差距的情況。本集團密切關注環保政策及外在因素的變動對集團業務發展所帶來的影響，本集團以對環境負責和履行社會責任，致力於改善及保持其經營場所所在地環境及社區之長期可持續性，盡力遵守有關環保之法律及法規，並採取有效措施達致資源有效利用、能源節約及廢物減少。本集團日常營運已採納綠色倡議及措施。該等倡議包括資源回收、節約能源措施及節約用水等行動。

遵守法律及規則

本集團的業務主要由本公司於中國內地的附屬公司進行，而本公司於聯交所上市。因此，本集團營運須遵守中國內地及香港的有關法律及法規。截至2019年12月31日止年度及直至本報告日期，盡我們所知，本集團已遵守中國內地及香港的所有有關法律及法規。

管理層討論及分析 Management Discussion and Analysis

remuneration packages can align reasonably with market standard and maintain its competitiveness. Meanwhile, recruitment channels are broadened and the talent pool of senior management are strengthened, so as to further enhance the promotion opportunities and career path of employees. Systematic staff training are also being further enhanced to increase the overall effectiveness of training and the dissemination of good corporate cultures.

Environmental Policies and Performance

Environmental policies and performance mainly means increasing attention of PRC government paid to environmental rules and policies and more strict regulatory requirements. As subsidiaries and newly acquired enterprises commenced into operation for a long while and lag behind certain environmental and duty requirements promulgated by PRC government. The Group monitors impact on business development closely raised from movements of environmental policy and external factors. Acting in an environmentally responsible manner and performing social responsibilities, the Group is committed to improving and maintaining the long term sustainability of the communities in which it operates. The Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. Green initiatives and measures have been adopted in daily operation of the Group. Such initiatives include recycling of resources, energy saving measures and water saving practices.

Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in mainland China while the Company is listed on the Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in mainland China and Hong Kong. During the year ended 31 December 2019 and up to the date of this report, to the best of our knowledge, the Group has complied with all the relevant laws and regulations in mainland China and Hong Kong.

與員工及主要持份者之關係

於2019年12月31日，本集團所僱用之員工數目為2,351名(2018年：約3,440名)。本集團根據員工之表現、工作經驗和現時市場情況訂定彼等之薪酬。員工福利包括醫療保險、定期供款公積金計劃、酌情花紅和僱員購股權計劃。本集團並無發生任何導致正常業務運作受影響之勞資糾紛或僱員數目重大改變。董事認為本集團與僱員關係良好。

本集團明白與商業夥伴、股東、投資者及銀行保持良好關係，是我們達成長遠目標的要素。為了與我們的持份者維持密切的關係，本集團已制定相應的投資者關係計劃，並不定期為不同持份者舉辦合適的參與活動，包括週年／特別股東大會、現場考察、研討會和路演等等。故此，高級管理層會在適當情況下與彼等進行良好溝通、適時交流想法及共享集團發展最新動向。年內，本集團與商業夥伴或銀行之間並沒有重大的糾紛。

Relationship with Employees and Key Stakeholders

The number of employees of the Group was 2,351 (2018: approximately 3,440) as at 31 December 2019. The remuneration of employees was determined by the Group with reference to their performance, work experience and current market conditions. Employee benefits include medical insurance, defined provident fund scheme, discretionary bonus and employee share option scheme. There has been no labour dispute or significant change in the number of employees that affect the normal operations of the Group. The Directors believe that the Group maintains admirable relations with its employees.

Our Group understands that it is important to maintain good relationship with business partners, shareholders, investors and banks to achieve its long-term goals. To keep up with our key stakeholders closely, the Group has formulated corresponding scheme about investor relationship, and also holds tailored activities from time to time, such as annual/extraordinary general meetings, on-site visits, seminars and road-shows. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business latest update about development of the Group with them when appropriate. During the Year, there was no material dispute between our Group and its business partners or banks.

執行董事

池文富，57歲，本集團主席，負責制訂整體策略方針和重要營運決策。1995年，池先生在福州市開設律師事務所，擔任合夥人。此前池先生已於1989年成為中國合資格律師，加入福州市司法局經濟律師事務所。1998年初，池先生著手研究有機農業種植，並資助複合微生物菌劑產品的研究和開發項目。池先生畢業於化學分析專業及法律專業。池先生於2000年成立本集團。

沈世捷，62歲，本集團行政總裁，負責整體業務營運。加入本集團之前，沈先生曾為可新有限公司董事總經理。可新有限公司主要從事紡織品製造和貿易業務。沈先生於1984年加入福建省紡織品進出口公司，出任經理，負責紡織品的進出口業務。沈先生畢業於消費品價格及統計專業。沈先生自2002年1月加入本集團。沈先生現時亦為稀鎂科技之執行董事。

池靜超，37歲，本集團企業事務總監，負責整體企業事務，在企業事務管理方面有10年工作經驗。池先生畢業於財務與行政管理專業。池先生於2004年8月加入本集團。池先生現時亦為稀鎂科技之執行董事。

Executive Directors

CHI Wen Fu, aged 57, Chairman of the Group who is responsible for overall strategic planning and key operating decisions. Mr. Chi started his law firm in Fuzhou in 1995, in which he was the Managing Partner. Prior to that, Mr. Chi joined Fuzhou Justice Bureau Commerce Law Office after qualifying as a lawyer in the PRC in 1989. In early 1998, Mr. Chi originated an initial research on organic agricultural production and funded a R&D project on microbial compound fertilisers. Mr. Chi is a graduate of Chemical Analysis and Law. Mr. Chi established the Group in 2000.

SHUM Sai Chit, aged 62, Chief Executive Officer of the Group who is responsible for business operations. Prior to joining the Group, Mr. Shum was the Managing Director of Go Modern Limited which was principally engaged in manufacturing of textile products and trading activities. In 1984, Mr. Shum joined Fujian Textiles Import and Export Corporation as a Manager to oversee importing and exporting of textile products. Mr. Shum is a graduate of Consumer Product Pricing and Statistics. Mr. Shum has joined the Group since January 2002. Mr. Shum is currently an executive director of REMT.

CHI Jing Chao, aged 37, Chief Corporate Affairs Officer of the Group who is responsible for the overall corporate activities. Mr. Chi has 10 years of experience in corporate affairs. Mr. Chi is a graduate of Financial and Administrative Management. Mr. Chi has joined the Group since August 2004. Mr. Chi is currently an executive director of REMT.

董事及高級管理層簡歷
Directors and Senior Management Profile

非執行董事

郭孟勇，61歲，現任福建長盛無線電技術開發有限公司副總經理，負責電子工程技術管理，該公司主要從事生產電子產品及通訊設備。郭先生於1976年加入福州電容器廠擔任技術員。郭先生自1993年起於福州儀表總廠任職工程師，並於1996年出任副廠長，負責技術質量控制。郭先生於2000年加入福建無線電總公司擔任副總經理，負責品質管理。郭先生畢業於工業企業管理專業。郭先生自2011年2月加入本集團。

獨立非執行董事

張省本先生，59歲，目前為稀鎂科技之獨立非執行董事。張先生現任郭崔會計師行高級核數經理。彼曾任Gary W.K. Yam & Co. (CPA)之高級核數主任。張先生擁有逾35年會計及核數經驗。於2004年2月至2007年5月期間，張先生曾出任本公司之獨立非執行董事及董事會審核委員會主席。

盛洪，57歲，為Hadrian Manufacturing (Asia) Limited董事及海德瑞恩(上海)貿易有限公司營運總監兼總經理。Hadrian集團主要從事生產及銷售金屬隔板及儲物櫃。盛先生於企業管理及投資擁有超過20年經驗。他曾於1986年至1996年期間任職於華潤(集團)有限公司。盛先生持有上海同濟大學工學學士學位。

Non-Executive Director

GUO Mengyong, aged 61, is a Deputy General Manager of Fujian Changsheng Wireless Technology Development Company Limited. He is responsible for electronic engineering technical management. Fujian Changsheng Wireless Technology Development Company Limited is principally engaged in production of electronic products and communication devices. Mr. Guo joined Fuzhou Capacitors Factory as a Technician in 1976. From 1993 onwards, Mr. Guo worked at Fuzhou Meters Group Company as an Engineer and later promoted to the Deputy Factory Manager in 1996, in charging of technical quality control. In 2000, Mr. Guo joined Fujian Wireless Group Company as Deputy General Manager and was responsible for quality management. He is a graduate of Industrial Enterprise Management. Mr. Guo has joined the Group since February 2011.

Independent Non-Executive Directors

CHEUNG Sound Poon, aged 59, is currently an independent non-executive director of Rare Earth. Mr. Cheung is currently a senior audit manager at Chui & Kwok (CPA). He was an audit senior at Gary W.K. Yam & Co. (CPA). Mr. Cheung has over 35 years of experience in accounting and auditing. He was an independent non-executive director and the chairman of audit committee of the board of the Comapny betwee February 2004 and May 2007.

SHENG Hong, aged 57, Director of Hadrian Manufacturing (Asia) Limited and Director of Operations and General Manager of Hadrian (Shanghai) Trading Limited. The Hadrian Group is principally engaged in production and sales of metal partitions and lockers. Mr. Sheng has over 20 years of experience in management of corporation and investment. He was employed by China Resources (Holdings) Company Limited from 1986 to 1996. Mr. Sheng holds a Bachelor's Degree in Engineering Mechanics from Tongji University, Shanghai.

董事及高級管理層簡歷
Directors and Senior Management Profile

劉智傑，75歲，為普匯中金國際控股有限公司(股份代號：997)之執行董事。劉先生服務香港上海滙豐銀行有限公司(「滙豐銀行」)逾35年後，於2000年12月退任。劉先生曾於滙豐銀行任職副總經理兼香港個人銀行業務主管及亞太區副總經理兼策略執行業務主管。劉先生為香港銀行學會(「學會」)資深會士。劉先生曾於學會之理事會擔任主席(自1999年1月至2000年12月)，目前擔任學會理事會之榮譽顧問。劉先生先後獲香港特別行政區政府委任服務多個委員會，包括環境諮詢委員會(自1998年10月至2001年12月)、財經界人力資源諮詢委員會(自2000年6月至2001年5月)、廉政公署防止貪污諮詢委員會(自2000年1月至2003年12月)、環境及自然保育基金委員會(自2000年8月至2006年10月)、創新及科技基金環境項目評審委員會(自2000年1月至2004年12月)及香港法律改革委員會私隱問題小組委員會(自1990年2月至2006年3月)。劉先生亦曾出任商界環保協會有限公司主席(自1998年9月至2001年12月)。目前，劉先生同時亦為皇朝傢俬控股有限公司(股份代號：1198)、理士國際技術有限公司(股份代號：842)及衍生集團(國際)控股有限公司(股份代號：6893)之獨立非執行董事。

LAU Chi Kit, aged 75, an executive director of Chinlink International Holdings Limited (stock code: 997). He retired from The Hongkong and Shanghai Banking Corporation Limited ("HSBC") in December 2000 after more than 35 years of service. Among the major positions in HSBC, he was the assistant general manager and head of Personal Banking Hong Kong and assistant general manager and head of Strategic Implementation, Asia- Pacific Region. He is a fellow of the Hong Kong Institute of Bankers ("Institute"). He was the chairman of the Institute's Executive Committee (from January 1999 to December 2000). He is currently the honorary advisor of the Institute's Executive Committee. He served as a member on a number of committees appointed by the Government of Hong Kong Special Administrative Region, including the Advisory Council on the Environment (from October 1998 to December 2001), the Advisory Committee on Human Resources Development in the Financial Services Sector (from June 2000 to May 2001), the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption (from January 2000 to December 2003), the Environment and Conservation Fund Committee (from August 2000 to October 2006), the Innovation and Technology Fund (Environment) Projects Vetting Committee (from January 2000 to December 2004) and the Law Reform Commission's Privacy Sub-committee (from February 1990 to March 2006). He also served as chairman of the Business Environment Council Limited (from September 1998 to December 2001). Currently, he is also an independent non-executive director of Royale Furniture Holdings Limited (stock code: 1198), Leoch International Technology Limited (stock code: 842) and Hin Sang Group (International) Holdings Company Limited (stock code: 6893).

董事及高級管理層簡歷 Directors and Senior Management Profile

公司秘書

陸世煒，56歲，本集團財務總監兼公司秘書，負責監督本集團財務、管理會計及公司秘書事宜。加入本集團前，陸先生曾任多間香港上市公司之財務總監，並於財務及管理方面擁有豐富經驗。陸先生持有香港浸會大學工商管理學士學位及英國斯特拉斯克萊德大學工商管理碩士學位，是英國英格蘭及威爾斯特許會計師協會資深會員、香港會計師公會會員和香港註冊財務策劃師協會會員。陸先生於2010年5月加入本集團。

高級管理層

顏秀峰，62歲，本集團董事總經理，負責本集團企業融資及投資者關係管理，同時參與本集團之風險管理及策劃。顏先生擁有逾30年金融行業經驗。他曾於多間金融機構任職，包括香港上海滙豐銀行有限公司、新聯銀行有限公司及星展銀行(香港)有限公司，從事外匯和庫務、企業和零售銀行、支付和現金管理、信用和風險管理。加入本集團前，顏先生是星展銀行(香港)董事總經理，負責企業銀行業務。顏先生於2017年3月加入本集團。

王永翔，51歲，本集團生產總監，負責本集團礦山與肥料生產管理。王先生畢業於礦山規劃與測繪專業，於肥料生產與礦山開採有逾20年豐富經驗。加入本集團前曾任江蘇省東海蛇紋石礦生產技術員、工程師、硫酸廠廠長等職務。王先生於2007年加入本集團。

Company Secretary

LUK Sai Wai, Simon, aged 56, Chief Financial Officer and Company Secretary of the Group. Mr. Luk is responsible for financial, management accounting and secretarial affairs of the Group. Prior to joining the Group, Mr. Luk was appointed as Financial Controller for several listed companies in Hong Kong and was experienced in finance and management. Mr. Luk holds a Bachelor's Degree in Business Administration from Hong Kong Baptist University and a Master's Degree in Business Administration from University of Strathclyde. He is a fellow member of The Institute of Chartered Accountants in England and Wales, an associate member of Hong Kong Institute of Certified Public Accountants, and a member of Society of Registered Financial Planners, Hong Kong. Mr. Luk has joined the Group since May 2010.

Senior Management

NGAN Sau Fung Joseph, aged 62, Managing Director of the Group. Mr. Ngan is responsible for corporate finance and investor relations management, and also participates in risk management and strategic planning of the Group. Mr. Ngan has over 30 years of experience in the financial industry, which includes working at The Hong Kong and Shanghai Banking Corporation Limited, the Allied Banking Corporation, and DBS Bank (Hong Kong) Limited, in the foreign exchange and treasury businesses, corporate and retail banking, payment and cash management, as well as credit and risk management. Prior to joining the Group, Mr. Ngan was the Managing Director of DBS Bank (Hong Kong), and was in charge of its enterprise banking business. Mr. Ngan has joined the Group since March 2017.

WANG Yongxiang, aged 51, Production Director of the Group, is responsible for the production management in ore and fertiliser of the Group. Mr. Wang majored in planning and surveying of mining industry with over 20 years of experience in agricultural fertilisers production and mining. Prior to joining the Group, he was the Production Technician and Engineer at Donghai serpentine mine in Jiangsu Province, and the Head of Sulfuric Acid Factory. Mr. Wang has joined the Group since 2007.

董事及高級管理層簡歷 Directors and Senior Management Profile

朱國才，46歲，本集團銷售總監，負責本集團肥料銷售管理。朱先生畢業於吉林省農業大學，於農業管理、肥料營銷方面有逾20年經驗。加入本集團前，朱先生曾任山東紅日化工股份有限公司的大區總監及銷售副總經理等職務。朱先生於2000年加入山東紅日公司。

周建輝，47歲，負責本集團肥料基地安全環保事務管理。周先生畢業於種植與土壤專業，於農業肥料行業有逾20年豐富經驗。曾任肥料廠廠長、公司總經理等職務。周先生於2007年加入本集團。

呂文清，40歲，本集團主席助理。呂女士在人力資源與行政事務管理方面逾10年經驗。呂女士持有香港理工大學會計學士學位和公司管治碩士學位，是英國特許公認會計師公會資深會員和香港特許秘書公會會士。呂女士於2004年8月加入本集團。

ZHU Guocai, aged 46, Sales Director of the Group, is responsible for sales management in fertiliser business of the Group. Mr. Zhu graduated from Jilin Agricultural University, and has over 20 years of experience in the agricultural management and marketing of fertiliser. Prior to joining the Group, Mr. Zhu served as Regional Director and Deputy General Manager of sales in Shandong Hongri Chemical Joint Stock Company Limited. Mr. Zhu joined Shandong Hongri in 2000.

ZHOU Jianhui, aged 47, is responsible for the safety environment management of the fertiliser base of the Group. Mr. Zhou majored in agriculture with over 20 years of experience in agricultural fertilisers industries, and has served in various positions, such as the Head of Fertiliser Factory and Company General Manager. Mr. Zhou has joined the Group since 2007.

LEE Man Ching, aged 40, Assistant to Chairman of the Group. Ms. Lee has over 10 years of experience in human resources and administrative management. Ms. Lee holds a Bachelor's Degree in Accountancy and a Master's Degree in Corporate Governance from the Hong Kong Polytechnic University. She is a fellow member of Association of Chartered Certified Accountants, and an associate member of Hong Kong Institute of Company Secretaries. Ms. Lee has joined the Group since August 2004.

42

企業管治報告
Corporate Governance Report

本公司致力於達致及保持高水平的企業管治與經營誠信。董事會相信，良好企業管治不但可增進管理問責性及投資者信心，亦可為本公司之長期發展奠定良好基礎。

企業管治常規守則

於2019年全年，本公司已遵守聯交所證券上市規則(「上市規則」)附錄14所載之企業管治守則(「企業管治守則」)及企業管治報告之守則條文，惟以下偏離情況及經審慎考慮的理由除外：

- (a) 根據守則條文第E.1.2條，董事會主席須出席股東週年大會。由於董事會主席池文富先生於2019年6月26日因公出差，故彼無法出席於該日舉行之股東週年大會。本公司之行政總裁兼執行董事沈世捷先生已出席上述股東週年大會以回應股東提問。
- (b) 根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事須出席股東大會，並對股東之意見有公正的瞭解。非執行董事郭孟勇先生及獨立非執行董事盛洪先生亦因公出差而無法出席2019年6月26日舉行的股東大會。鄭炳文先生(已於2019年6月26日退任獨立非執行董事)因個人事宜亦未能出席於2019年6月26日舉行的股東週年大會。

The Company is committed to achieve and maintain high standards of corporate governance and business integrity. The Board believes that good corporate governance will not only improve management accountability and investors confidence, but will lay a good foundation for the long-term development of the Company.

Code on Corporate Governance Practices

Throughout the year of 2019, the Company has complied with the code provision as set out in the Corporate Governance Code (the “CG Code”) and Corporate Governance Report under Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) except for the following deviations as explained below with considered reasons:

- (a) Under code provision E.1.2, the Chairman of the Board should attend the annual general meeting. Mr. Chi Wen Fu, the chairman of the Board was unable to attend the annual general meeting held on 26 June 2019 as he was obliged to be away for a business trip. Mr. Shum Sai Chit, chief executive officer and executive Director of the Company, attended the said annual general meeting to respond to queries from shareholders.
- (b) Under code provision A. 6. 7, independent non-executive Directors and other non-executive Directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Guo Mengyong (being a non-executive Director) and Mr. Sheng Hong (being an independent non-executive Director) was unable to attend the general meeting held on 26 June 2019 as they were obliged to be away for business trips. Mr. Kwong Ping Man (being an independent non-executive Director who has retired from the Board on 26 June 2019) was also unable to attend the annual general meeting held on 26 June 2019 for personal engagement.

董事會

本集團由董事會管治，董事會之責任為策略性領導及全面監督本集團。董事會行使的職權包括：

- 規劃本集團整體策略

— 監察及控制經營及財務表現
- 規劃風險管理政策

— 檢討內部監控系統成效

— 批准財務業績及公佈

— 批准年度經營預算

— 批准主要收購或出售及資本項目
- 審批主要投資及重大借貸

— 制訂股息政策

— 批准委任董事

— 制訂本集團之薪酬政策

董事會亦負責履行守則條文第D.3.1條所載的職務。董事會將召開會議以制定、檢討及監察本公司的企業管治政策及常規，並檢討及監察董事及高級管理層的培訓及持續專業發展，且檢討及監察本公司有關遵守法律及監管規定的政策及常規，同時制定、檢討及監察適用於僱員及董事的標準守則及合規手冊，亦會檢討本公司遵守企業管治守則的情況及於企業管治報告中作出披露的情況。

於2019年度，董事會已就企業管治職能方面檢討本公司遵守企業管治守則及監管與法定規定以及於此企業管治報告中作出披露的情況。

於2019年，主席曾分別地及個別地會見非執行董事及獨立非執行董事，當中並沒有其他執行董事出席。

企業管治報告
Corporate Governance Report

43

The Board

The Group is governed by the Board which is responsible for strategic leadership and overall supervision of the Group. The Board exercises a number of authorities which include:

- Formulating the Group’s overall strategies

— Monitoring and controlling operational and financial performance

— Formulating strategies for risk management

— Reviewing effectiveness of internal control system

— Approving financial results and public announcements

— Approving annual operating budgets

— Approving major acquisitions or disposals and capital projects

— Reviewing and approving major investments and material borrowings

— Setting dividend policy

— Approving appointment of Directors

— Setting the Group’s remuneration policies

The Board is also responsible for performing the functions set out in code provision D.3.1. The Board will meet to develop, review and monitor the Company’s corporate governance policies and practices, to review and monitor training and continuous professional development of Directors and senior management, to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements, to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors and to review the compliance of the Company with the CG Code and the disclosure in the corporate governance report.

During the year of 2019, in relation to the corporate governance functions, the Board has reviewed the Company’s compliance with the CG Code and the regulatory and statutory requirements, and the disclosure in the corporate governance report.

During 2019, the Chairman had met the non-executive Director and the independent non-executive Directors respectively and individually without the presence of other executive Directors.

董事會的成員

董事會由7名董事組成，其中3名為執行董事、1名為非執行董事及3名為獨立非執行董事。因此，獨立非執行董事數目佔董事會超過三分之一。於本報告日期，董事會之成員及簡歷分別載於本年報第37頁及第41頁。

董事會授予執行董事負責本集團日常管理及執行董事會採納之主要策略及方案的權力，而執行董事須適時向董事會提供有關說明及資料，以供董事會監察管理層之表現。

非執行董事為本公司帶來寶貴的专业知識與經驗，並擔當重要職能，提供策略性意見予管理層。

獨立非執行董事確保董事會為所有股東利益負責及以客觀態度處理事情。3名獨立非執行董事為董事會提供多元化之寶貴商業經驗、知識及專業精神，促進董事會履行本身職能之效率及效能。董事會已收到各獨立非執行董事依照上市規則第3.13條就其獨立性作出的年度確認。董事會認為，所有獨立非執行董事均具獨立性。

池文富先生與池靜超有叔侄親屬關係。此外，郭孟勇先生是池文富先生妻子之兄長。除上述披露外，董事會成員之間概無其他關係。

經檢討(i)各董事所持的董事職務及主要任命；及(ii)各董事於董事會會議及各董事委員會會議的出席率後，董事會信納全體董事於2019年均已付出足夠時間履行彼等責任。

Board Composition

The Board comprises 7 Directors in which 3 are executive Directors; 1 is non-executive Director and 3 are independent non-executive Directors. The number of independent non-executive Directors constitutes more than one-third of the Board. The composition of the Board as at the date of this report and their profiles are set out on page 37 and page 41 of the annual report respectively.

The Board delegates powers to executive Directors for the day-to-day management of the Group and the implementation of major strategies and initiatives adopted by the Board whereas executive Directors should provide such explanations and information to the Board in a timely manner to enable the Board to monitor the performance of management.

Non-executive Director brings in valuable expertise and experience to the Company and serves important functions as well as provides strategic advices to the management.

Independent non-executive Directors ensure that the Board is accountable for the interest of all shareholders and handles matters in an objective manner. The 3 independent non-executive Directors have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for efficient and effective delivery of its functions. The Board has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board considers all of the independent non-executive Directors to be independent.

Mr. Chi Wen Fu and Mr. Chi Jing Chao have a family relationship of uncle and nephew. Mr. Guo Mengyong is a brother-in-law of Mr. Chi Wen Fu. Save as disclosed, there is no other relationship among members of the Board.

Upon reviewing (i) the directorships and major commitments of each Director; and (ii) the attendance rate of each Director at the meetings of the Board and its committees, the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during 2019.

本公司已就董事可能面對的法律行動作出適當的投保安排。

主席及行政總裁

本公司的主席及行政總裁分別由池文富先生及沈世捷先生擔任。本公司之主席與行政總裁的角色分開，分別由兩名人士執行。

委任及重選

任何具備合適資歷及預期可為董事會表現帶來正面貢獻的潛在新董事人選，將會由現任董事及提名委員會物色並提呈董事會批准。

根據本公司之組織章程細則，於每屆本公司股東週年大會上，三分之一董事須輪換卸任，而每位董事須最少每3年卸任一次。沈世捷先生、郭孟勇先生及於上屆本公司股東大會後獲董事會委任之池靜超先生及張省本先生須於即將舉行之本公司股東週年大會上卸任，惟彼等符合資格並願意膺選連任。

各非執行董事及獨立非執行董事(即郭孟勇先生、張省本先生、盛洪先生及劉智傑先生)已與本公司訂立委任書，年期分別由2019年3月1日、2019年6月27日、2019年3月1日及2020年4月1日起為期2年，惟董事須根據本公司之組織章程細則之規定輪換卸任，該董事或本公司均可透過發出至少3個月事前書面通知終止任命。獨立非執行董事及非執行董事之每年袍金將因應彼等預期於本公司業務上投入之時間及年資作出檢討。

The Company has arranged appropriate insurance cover in respect of legal action against Directors.

Chairman and Chief Executive

The chairman and the chief executive officer of the Company are Mr. Chi Wen Fu and Mr. Shum Sai Chit respectively. The roles of chairman and the chief executive of the Company are separate and exercised by two separate individuals.

Appointment and Re-election

Any potential new Directors, being individuals who are suitably qualified and expected to make a positive contribution to the performance of the Board, will be identified by the existing Directors and the Nomination Committee and submitted to the Board for approval.

In accordance with the articles of association of the Company, at each annual general meeting of the Company, one-third of the Directors shall retire from office by rotation and every Director shall be subject to retirement at least once every 3 years. Mr. Shum Sai Chit, Mr. Guo Mengyong, Mr. Chi Jing Chao and Mr. Cheung Sound Poon (both Mr. Chi and Mr. Cheung being directors appointed by the Board after the preceding general meeting of the Company) shall retire at the forthcoming annual general meeting of the Company, but being eligible, offer themselves for re-election.

Each of the non-executive Director and the independent non-executive Directors, namely Mr. Guo Mengyong, Mr. Cheung Sound Poon, Mr. Sheng Hong and Mr. Lau Chi Kit, has entered into a letter of appointment with the Company for a fixed term of 2 years commencing from 1 March 2019, 27 June 2019, 1 March 2019 and 1 April 2020 respectively, subject to the provisions of retirement and rotation of Directors under the articles of association of the Company and save that either such Director or the Company may terminate the appointment by giving at least 3 months' prior written notice. Annual emoluments payable to independent non-executive Directors and non-executive Director will be reviewed according to their estimated time to be spent on the Company's matters and their working experience with the Company.

目前所有執行董事每年均可各自獲得固定酬金。此外，每位執行董事亦有權獲得按本公司擁有人應佔本集團經審核綜合純利(已扣除稅項、非控股權益及酌情管理花紅支付款項，但未扣除非經常及特殊項目)的某一百分比計算的酌情管理花紅。該百分比將由董事會釐定，惟本公司每一財政年度應付所有執行董事的花紅總額不得超過該純利的5%。每位執行董事的薪酬每年須由董事會經參考其所貢獻的時間、精力及其專業知識進行檢討。

於年內，董事及高級管理層獲得之個別薪酬詳情，於財務報表附註13披露。

全體董事均有權因履行本公司職務期間產生合理的開支而獲得補償及符合資格根據本公司購股權計劃獲授購股權。

董事會程序

董事會須向股東負責，以符合道德、負責任和有效的方式領導本集團。董事會定期召開會議，並會為可能出現的任何特別事項召開臨時會議。

All existing executive Directors are entitled to a fixed remuneration per annum respectively. In addition, each executive Director is also entitled to a discretionary management bonus calculated as a percentage of the audited consolidated net profit of the Group attributable to the owners of the Company (after tax and non-controlling interests and the payment of such management bonuses but before extraordinary and exceptional items), which percentage shall be determined by the Board provided that the aggregate amount of the bonuses payable to all executive Directors in respect of each financial year of the Company shall not exceed 5% of such net profit. The remuneration of each executive Director is subject to the annual review of the Board with reference to his/her contribution in terms of time, effort and his/her expertise.

Details of remuneration paid to each of the Directors and senior management during the year are disclosed in Note 13 to the financial statements.

All Directors are entitled to be reimbursed for reasonable expenses incurred during the performance of their duties to the Company and are eligible for share options under the share option scheme of the Company.

Board Processes

The Board is accountable to the shareholders and leads the Group in an ethical, responsible and effective manner. The Board meets on a regular basis and arranges ad-hoc meetings for any specific matters that may arise.

董事會於2019年共召開4次會議。下表載有個別董事出席董事會會議、委員會會議及股東大會之記錄：

The Board met 4 times in 2019. The attendance of individual Directors at Board meetings, committee meetings and general meetings is set out in the following table:

		所出席／舉行之會議 Attended/held				
		董事會會議 Board Meetings	審核委員會會議 Audit Committee Meetings	提名委員會會議 Nomination Committee Meetings	薪酬委員會會議 Remuneration Committee Meetings	股東大會 General Meetings
執行董事	Executive Directors					
池文富(主席)	Chi Wen Fu (Chairman)	4/4	–	1/1	–	0/1
沈世捷	Shum Sai Chit	4/4	–	–	1/1	1/1
池靜超 ⁽²⁾	Chi Jing Chao ⁽²⁾	2/2	–	–	–	0/1
池碧芬 ⁽¹⁾	Chi Bi Fen ⁽¹⁾	2/2	–	–	–	0/1
非執行董事	Non-Executive Director					
郭孟勇	Guo Mengyong	4/4	–	–	–	0/1
獨立非執行董事	Independent Non-Executive Directors					
張省本 ⁽²⁾	Cheung Sound Poon ⁽²⁾	2/2	2/2	–	–	–
鄭炳文 ⁽¹⁾	Kwong Ping Man ⁽¹⁾	2/2	3/3	1/1	1/1	0/1
盛洪	Sheng Hong	4/4	5/5	1/1	1/1	1/1
劉智傑	Lau Chi Kit	4/4	5/5	–	1/1	1/1

⁽¹⁾ 於2019年6月26日退任為本公司董事
⁽²⁾ 於2019年6月27日獲委任為本公司董事

⁽¹⁾ Retired as Director of the Company on 26 June 2019
⁽²⁾ Appointed as Director of the Company on 27 June 2019

議程及隨附董事會文件將於董事會或委員會會議召開前交予全體董事，並給予最少3天供彼等傳閱。董事會須於董事會會議上以投票表決方式或以書面決議案作出決定。倘主要股東或董事於董事會省覽且其認為屬重大之事宜中有利益衝突，有關事宜將以實質舉行董事會會議之方式而非以書面決議案之方式處理。

Agendas and the accompanying board papers are circulated in full to all Directors at least 3 days before the Board or committee meeting. Board decisions will then be resolved either by vote at Board meetings or by written resolutions. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution.

董事會及董事委員會會議記錄由本公司之公司秘書編製，連同任何補充文件，可供所有董事查閱。會議記錄載有董事會或其委員會所討論事項、所作決定及由董事提出的任何關注或異議。

如董事於董事會將考慮的任何交易或建議中有任何利益衝突，該董事須就其利益作出聲明，並放棄投票。該事項由在該交易或建議中概無重大利益的董事於董事會會議上考慮。

董事之入職及持續專業發展

每位董事獲委任加入董事會時均會收到一份入職資料，內容涵蓋本集團之業務及作為上市公司董事之法定及監管責任。本集團亦會定期知會董事有關上市規則及與彼等履行職務時所需事項相關的其他適用法律及監管規定的最新發展。此外，本公司一直鼓勵董事出席有關適用法律、規則及規例最新發展的講座並提供有關經費，使彼等可持續進修及進一步提高其相關知識及技能。

Minutes of the Board meetings and meetings of the Board committees taken by the company secretary of the Company and, together with any supporting papers, are available for inspection to all Directors. The minutes record the matters discussed by the Board or its committees, the decisions made and any concerns or dissenting views raised by the Directors.

If a Director has a conflict of interests in relation to a transaction or proposal to be considered by the Board, such Director is required to declare his/her interest and abstain from voting. Such matter shall be considered at a Board meeting by Directors who have no material interest in the transaction or proposal.

Directors’ Induction and Continuous Professional Development

On appointment to the Board, each Director would receive an induction package covering the Group’s business and the statutory and regulatory obligations of a director of a listed company. The Group also regularly updates Directors on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements regarding subjects necessary for performing their duties. In addition, the Company has been encouraging and offering to pay for Directors to attend seminars on the latest development of applicable laws, rules and regulations so that they can continuously update and further improve their relevant knowledge and skills.

根據由董事提供的記錄，各董事於2019年1月1日至2019年12月31日期間接受的培訓概述如下：

According to the records provided by the Directors, the training received by each of the Directors during the period from 1 January 2019 up to 31 December 2019 is summarised as follows:

		持續專業發展 培訓種類附註 Type of continuous professional development training notes
執行董事	Executive Directors	
池文富	Chi Wen Fu	B
沈世捷	Shum Sai Chit	B
池靜超 ⁽²⁾	Chi Jing Chao ⁽²⁾	B
池碧芬 ⁽¹⁾	Chi Bi Fen ⁽¹⁾	B
非執行董事	Non-Executive Director	
郭孟勇	Guo Mengyong	B
獨立非執行董事	Independent Non-Executive Directors	
張省本 ⁽²⁾	Cheung Sound Poon ⁽²⁾	B
盛洪	Sheng Hong	B
劉智傑	Lau Chi Kit	B
鄭炳文 ⁽¹⁾	Kwong Ping Man ⁽¹⁾	A, B

⁽¹⁾ 於2019年6月26日退任為本公司董事
⁽²⁾ 於2019年6月27日獲委任為本公司董事

⁽¹⁾ Retired as Director of the Company on 26 June 2019
⁽²⁾ Appointed as Director of the Company on 27 June 2019

附註：

notes:

A： 出席講座或培訓課程
B： 閱讀報章、刊物及有關本公司業務或董事職責及責任、上市規則及其他適用監管規定最新發展等方面的最新資料

A: Attending seminar(s) or training session(s)
B: Reading newspapers, journals and updates relating to the Company’s business or directors’ duties and responsibilities, the latest development of the Listing Rules and other applicable regulatory requirements etc.

董事會的權限

董事會已授予高級管理層負責執行業務策略和管理本集團的日常業務運作的權力和責任，其須向董事會匯報。保留予董事會及管理層的職能會定期進行檢討。董事會及各董事有權隨時要求高級管理層及公司秘書提供任何本公司資料。董事亦會適時獲知會有可能影響本集團業務之重大變動，包括有關規則及規例之修訂等事宜。於年內，本公司會每月向董事提供有關本公司表現、狀況及前景的最新資料，以讓整個董事會及各董事履行彼等之職責。董事亦可在履行其職責時尋求獨立專業意見，費用由本公司支付，但於2018年並無董事提出需尋求有關獨立專業意見的要求。

董事會根據若干關鍵表現指標如財務數據、投資者關係、企業管治及內部監控，以監察及檢討管理層的表現。主要措施包括審閱管理賬目、審閱內部或外聘核數師報告及利益持份者之反饋。

董事會成員多元化政策

於本年度，董事會已實施董事會成員多元化政策，其自2013年9月1日起生效。本公司透過考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能知識及服務年期，務求達致董事會成員多元化。所有董事會成員委任乃基於用人唯才，而為有效達致董事會成員多元化，將根據客觀準則考慮候選人。

Delegation by the Board

The Board has delegated the authority and responsibility for implementing business strategies and management of the daily operations of the Group to the senior management who is required to report back to the Board. Functions reserved to the Board and the management are reviewed periodically. The Board and each individual Director is empowered to access any Company's information from senior management and the company secretary at all times. The Directors are kept informed on a timely basis of major changes that may affect the Group's businesses, including amendments on relevant rules and regulations. During the year, Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. Directors are allowed to seek independent professional advice in performing their duties at the Company's expense, but no request was made by any Director for such independent professional advice in 2018.

The Board monitors and reviews performance of the management based on several key performance indicators such as financial figures, investor relations, corporate governance and internal control. The principal measures include review of management accounts, review of internal or external auditor reports and feedbacks from stakeholders.

Board Diversity Policy

During the year, the Board has implemented a board diversity policy which has been effective since 1 September 2013. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

甄選候選人將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按候選人的長處及其可為董事會提供的貢獻而作決定。

於本報告日期，董事會包括7名董事。董事會成員其中一名為女性，其中一名為非執行董事及其三名為獨立非執行董事。董事具有不同的教育背景及擁有多元化的專業資格及商業經驗。就性別、專業及教育背景及技能方面而言，董事會均屬相當多元化。

董事進行證券交易標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)作為本公司董事進行證券交易之行為守則。本公司已向所有董事作出特別查詢，而彼等亦已書面確認於本年內，彼等已遵守標準守則所載之規定標準。

董事會委員會

為協助董事會執行職務，董事會已設立審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)。該等委員會在明確界定的職權範圍內履行職責。獨立非執行董事在該等委員會中發揮重要作用，以確保獨立客觀的意見可獲採納。

該等委員會的職權範圍可於本公司及聯交所網站瀏覽。

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, 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.

As at the date of this report, the Board comprises 7 Directors. Among which, one of them is a woman, one of them is a non-executive Director and three of them are independent non-executive Directors. The Directors are of diverse educational background and possess a wide spectrum of professional qualifications and business experience. The Board is of significant diversity, whether considered in terms of gender, professional and educational background and skills.

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules ("Model Code") as the code of conduct of the Company regarding Directors' securities transactions. The Company made specific enquiries to all Directors and all Directors have confirmed in writing that they have complied with the required standards set out in the Model Code during the year.

Board's Committees

To assist in the execution of its responsibilities, the Board has established audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee"), and nomination committee (the "Nomination Committee"). These committees function within clearly defined terms of reference. Independent non-executive Directors play a significant role in these committees to ensure that independent and objective views are taken.

The terms of reference of these committees are available on the websites of the Company and the Stock Exchange.

審核委員會

審核委員會現由張省本先生(審核委員會主席)、盛洪先生及劉智傑先生組成，彼等均為獨立非執行董事。所有委員會成員均具備合適資格如會計及財務管理。

審核委員會於2019年召開5次會議，以與高級管理層及外聘核數師檢討本集團之重大內部控制及財務事宜(如審核委員會之職權範圍所載)。審核委員會之職能包括下列各項：

- 審閱本集團之財務報表並向董事會提供推薦意見以供審批
- 審查本集團遵守法例及法定規定的情況
- 審查本集團之內部監控及風險管理
- 審閱重大會計及審計事項
- 審查本集團之關連交易
- 監察及管理與外聘核數師的關係

審核委員會有權在其職責範圍內對任何事宜進行調查，並獲授權履行其職責時如認為必要可尋求獨立專業意見。於展開審核本公司截至2019年12月31日止年度之財務報表前，審核委員會已接獲核數師根據香港會計師公會發佈之專業會計師操守規範第290條(修訂本)之規定，就彼等之獨立性及客觀性而發出之書面確認。

Audit Committee

The Audit Committee currently consists of Mr. Cheung Sound Poon (chairman of the Audit Committee), Mr. Sheng Hong and Mr. Lau Chi Kit, who are all independent non-executive Directors. All committee members possess appropriate qualifications such as accounting and financial management.

The Audit Committee met 5 times in 2019 to review with the senior management and external auditors the Group's significant internal controls and financial matters as set out in the Audit Committee's terms of reference. The functions of the Audit Committee include the following matters:

- Reviewing the Group's financial statements with recommendation to the Board for approval
- Reviewing the Group's compliance of the regulatory and statutory requirements
- Reviewing the Group's internal control and risk management
- Reviewing significant accounting and audit issues
- Reviewing the Group's connected transactions
- Overseeing and managing the relationship with external auditors

The Audit Committee has power to conduct investigations into any matter within the scope of responsibility of the Audit Committee. The Audit Committee is authorised to obtain independent professional advice if it deems necessary for discharging its responsibilities. The Audit Committee has obtained a written confirmation from the auditors on their independence and objectivity as required under the Section 290 (revised) of the Code of Ethics for Professional Accountants issued by Hong Kong Institute of Certified Public Accountants prior to the commencement of the audit of the Company's financial statements for the year ended 31 December 2019.

於年內，審核委員會已於個別之審核委員會會議內履行上述職能及已對核數師審閱之審核範圍、過程、有效性以及獨立性表示信納。審核委員會已完成審閱2019年中期及年度財務報表，並向董事會建議通過有關財務報表。董事會與審核委員會對重聘核數師沒有意見分歧。

薪酬委員會

薪酬委員會現時由4名成員組成，包括張省本先生(薪酬委員會主席兼獨立非執行董事)、沈世捷先生(執行董事)、盛洪先生(獨立非執行董事)及劉智傑先生(獨立非執行董事)。

薪酬委員會之職能為制訂一套具透明度的程序，以制定本集團董事及高級管理層的薪酬政策和方案。薪酬委員會的職能包括：

- 檢討本集團個別執行及非執行董事及高級管理層的薪酬方案並就此向董事會提供建議
- 檢討本公司購股權計劃的管理
- 檢討本集團董事和高級管理層的酬勞的合適程度

概無董事參與釐定其本身的薪酬。薪酬委員會於2019年共召開一次會議，以檢討董事及高級管理層的現有薪酬政策。

During the year, the Audit Committee has carried out the above functions in the respective Audit Committee meetings and also has been satisfied with the review of the audit scope, process, effectiveness and independence of the auditors. The Audit Committee has reviewed and recommended to the Board for approval of the interim and annual financial statements for 2019. There was no disagreement between the Board and the Audit Committee on the re-appointment of the auditors.

Remuneration Committee

The Remuneration Committee currently comprises 4 members, namely Mr. Cheung Sound Poon (chairman of the Remuneration Committee and independent non-executive Director), Mr. Shum Sai Chit (executive Director), Mr. Sheng Hong (independent non-executive Director) and Mr. Lau Chi Kit (independent non-executive Director).

The functions of the Remuneration Committee are to formulate transparent procedures for setting remuneration policies and packages for Directors and the senior management of the Group. Its duties include:

- Reviewing and recommending to the Board the remuneration packages of individual executive and non-executive Directors and the senior management of the Group
- Reviewing the administration of the share option scheme of the Company
- Reviewing the appropriateness of compensation for Directors and the senior management of the Group

No Director is involved in determining his/her own remuneration. The Remuneration Committee met once in 2019 to review the existing remuneration policies of the Directors and senior management.

提名委員會

提名委員會現由3位成員組成，包括池文富先生（提名委員會主席兼執行董事）、張省本先生（獨立非執行董事）及盛洪先生（獨立非執行董事）。

提名委員會的職能包括：

- 檢討董事會之架構、人數及組成
- 建議對董事會作出任何變動以配合本公司的企業策略
- 物色有能力及合資格人選出任董事會成員
- 評核獨立非執行董事之獨立性
- 就委任或重新委任董事及董事繼任安排作出建議
- 制定及維持董事會成員的提名政策
- 制定及維持董事會多元化政策並確保其有效性
- 監察董事會成員多元化政策的執行並檢審及就修訂該等政策提供意見

提名委員會於2019年共召開一次會議，以檢討董事會之架構、人數及組成，並建議董事會變動董事會成員角色及於即將舉行之股東週年大會重新委任卸任董事、同時評核獨立非執行董事之獨立性。

於履行物色合適資格人選為董事會成員之職責時，提名委員會將充分考慮董事會成員多元化政策。

Nomination Committee

The Nomination Committee currently comprises 3 members, namely, Mr. Chi Wen Fu (chairman of the Nomination Committee and executive Director), Mr. Cheung Sound Poon (independent non-executive Director) and Mr. Sheng Hong (independent non-executive Director).

Its duties include:

- Reviewing the structure, size and composition of the Board
- Recommending any change to the Board to complement the Company's corporate strategies
- Identifying capable and qualified individuals to become Board members
- Assessing independence of independent non-executive Directors
- Making recommendation on appointment or re-appointment of Directors and succession planning for Directors
- developing and maintaining a policy for the nomination of Board members
- developing and maintaining a board diversity policy and to ensure its effectiveness
- monitoring the implementation of the Board diversity policy and to review and to make recommendations on any revisions of such policy

The Nomination Committee met once in 2019 for reviewing the structure, size and composition of the Board, making recommendation to the Board regarding change of roles of board members and re-appointment of retiring Directors at the forthcoming annual general meeting, assessing the independence of independent non-executive Directors.

In carrying out the responsibility for identifying suitably qualified candidates to become members of the Board, the Nomination Committee will give adequate consideration to the board diversity policy.

核數師薪酬

本公司委任國衛會計師事務所有限公司擔任本集團的獨立核數師。除提供審計服務外，國衛會計師事務所有限公司本年度亦提供非審計服務。於2019年度，非審計服務主要包括專業審閱服務。

以下為釐定委任核數師提供非審核服務所考慮的原則：

- 核數師概無作出管理決定
- 不會削弱核數師的獨立性
- 服務質素
- 服務收費

董事會於股東週年大會上獲授權釐定獨立核數師的薪酬。

就2019年所提供的服務，本集團支付／應付予獨立核數師之服務酬金如下：

		千港元 HK\$'000
國衛會計師事務所有限公司 審核及審核相關服務	HLB Hodgson Impey Cheng Limited Audit and audit related services	3,527
非審核服務	Non-audit services	944
總數	Total	4,471

本年度之賬目由國衛會計師事務所有限公司審核，其任期將於即將舉行之股東週年大會上屆滿。審核委員會已向董事會建議，於即將舉行之股東週年大會上再次委任國衛會計師事務所有限公司為本公司之核數師。

Auditors' Remuneration

The Company had appointed HLB Hodgson Impey Cheng Limited as the independent auditors of the Group. Apart from audit services, HLB Hodgson Impey Cheng Limited also provided non-audit services during the year. For the year of 2019, the provisions of non-audit services mainly include professional services for professional review.

The following principles are considered when determining the appointment of the auditors in non-audit services:

- No management decision made by the auditors
- Independence of the auditors not to be impaired
- Quality of service
- Cost of service

The Board was authorised in the annual general meeting to determine the remuneration of the independent auditors.

The remuneration paid/payable by the Group to the independent auditors for the year of 2019 are as follows:

The accounts for the year were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be re-appointed as the auditors of the Company at the forthcoming annual general meeting.

董事與核數師各自的職責

董事確認彼等負責編製各財政期間之財務報表，該等財務報表須真實公平地反映本公司及其附屬公司的財務狀況，以及符合公司條例(香港法例第622章)的規定及上市規則的適用披露條文。

核數師確認其誠如本年報第77至86頁核數師報告所載之責任。

內部監控

董事會確認其負責設立、維護及檢討本集團內部監控及風險管理系統之有效程度，以確保股東之投資及本集團之資產得到保障。該系統專責管理而非消除未能達成業務目標的風險，僅可就排除重大錯誤陳述或虧損提供合理而非絕對保證。此責任主要由審核委員會履行。於回顧年度，審核委員會獲董事會授權，並已檢討本集團內部監控制度的效用，當中涵蓋所有重大監控方面(包括財務、運作及合規監控以及風險管理功能)。

健全的內部監控制度乃建基於穩健之控制環境。這取決於以下要素：

- 組織之商業道德及文化；
- 其職員之質素及能力；
- 董事會引領之方向；及
- 管理層之效能

Respective Responsibilities of Directors and Auditors

The Directors acknowledge their responsibilities for preparation of the financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and its subsidiaries and in compliance with the requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the applicable disclosure provisions of the Listing Rules.

The auditors acknowledge their responsibilities in the auditors' report as set out on pages 77 to 86 of the annual report.

Internal Controls

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's system of internal controls and risk management with a view to ensuring that shareholders' investments and the Group's assets are safeguarded. Such system is designated to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. This responsibility is primarily fulfilled on its behalf by the Audit Committee. In the year under review, the Audit Committee, as delegated by the Board, has reviewed the effectiveness of the internal control systems of the Group, covering all material controls, including financial, operational and compliance controls and risk management functions.

The foundation of a strong system of internal control is a solid control environment. This is dependent on the following components:

- Business ethics and culture of the organisation;
- Quality and competence of its personnel;
- Direction provided by the Board; and
- Effectiveness of the management

風險管理

本集團透過定期檢討以確定重大業務風險領域，以及採取適當措施控制和減低該等風險，從而改進其業務與營運活動。本集團管理層審閱所有重要監控政策及程序，並向董事會及審核委員會特別提出所有重大事件。

本集團內部審計部門協助執行本集團風險管理，因此本集團能確保與本集團營運有關的新出現風險可由管理層立即識別，評估執行計劃的充分性以管理該等風險以及監控及評估執行計劃的有效性。上述均為持續程序且審核委員會定期檢討本集團風險管理系統。

審核委員會向董事會呈報本集團的風險管理及內部監控政策的執行情況，其中包括釐定風險因素、評估本集團能承受的風險級別及風險管理措施的有效性。根據本集團內部監控部門及審核委員會報告，董事會認為，本集團的風險管理及內部監控系統屬適當及有效且本集團已遵守企業管治守則所載之風險管理及內部監控條文。

Risk Management

The Group improves its business and operational activities by identifying the areas of significant business risks via a regular review and taking appropriate measures to control and mitigate these risks. The management of the Group reviews all significant control policies and procedures and highlights all significant matters to the Board and Audit Committee.

The implementation of risk management of the Group was assisted by the Group's internal audit department so that the Group could ensure new and emerging risks relevant to the Group's operation are promptly identified by management, assess the adequacy of action plans to manage these risks and monitor and evaluate the effectiveness of the action plans. These are on-going processes and our Audit Committee reviews the Group's risk management systems periodically.

Audit committee reported to the Board the implementation of the Group's risk management and internal control policy which, among other things, included the determination of risk factors, evaluation of risk level the Group could endure and effectiveness of risk management measures. Based on the reports from the Group's internal control department and the Audit Committee, the Board considers the Group's risk management and internal control system is adequate and effective and the Group has complied with the provisions on risk management and internal controls as set out in the CG code.

處理及傳播內幕消息的程序及內部監控

本集團遵循證券及期貨條例(「證券及期貨條例」)及上市規則規定。本集團會盡快在合理可行的情況下向公眾披露內幕消息，惟資料屬證券及期貨條例所規定的任何安全保障者除外。在資料全面向公眾披露前，本集團確保資料維持高度機密。倘本集團相信不能維持必要之機密程度或可能已洩露機密，則本集團會即時向公眾披露資料。由於須以清晰及均衡的方式呈列資料並同時披露正面及負面事實，故本集團致力確保公告或通函所載資料在重大事實方面並無虛假或無具誤導成分或因遺漏重大事實而出現虛假或誤導成分。

與股東溝通及投資者關係

本公司明白開放的溝通及公平的披露的重要性。本公司的政策是要確保所有股東公平地獲得所有重大企業發展的資訊。

全體股東就本公司舉行的任何股東大會均會獲得適當通知，董事及委員會成員均列席會上及對股東提出的任何問題作出解答。本公司重要資料可於本公司網站或寄發予股東之財務報表及通函中取得。股東亦可致函給本公司之投資者關係經理就需要董事會注意的問題作出任何查詢，其聯絡資料載於下文「股東權利－(c)向董事會作出查詢之權利」一段。

Procedures and Internal Controls for Handling and Dissemination of Inside Information

The Group complies with requirements of Securities and Futures Ordinance (“SFO”) and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements or circulars is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

Communication with Shareholders and Investor Relations

The Company recognises the importance of open communication and fair disclosure. It is the Company’s policy to ensure that all shareholders are equally informed of all major corporate developments.

All shareholders have proper notice of any general meeting of the Company at which the Directors and the committees’ members are available to give explanation on any query raised by the shareholders. Major information of the Company could be obtained from the Company’s website or financial reports and circulars sent to the shareholders. Any enquiries by the shareholders requiring the Board’s attention can also be sent in writing to the Investor Relations Manager of the Company whose contact details are set out in the paragraph headed “Shareholders’ Rights – (c) Right to Put Enquiries to the Board” below.

於本公司股東大會上提呈的決議案將以投票方式進行表決，惟大會主席可以誠實信用的原則做出決定，容許純粹有關程序或行政事宜的決議案以舉手方式表決。本公司將於每次股東大會上向股東解釋投票表決程序，並回答股東有關投票程序的問題。投票表決結果將按上市規則訂明的方式刊登於聯交所及本公司網站上。

作為投資者關係定期計劃的一部分，高級行政人員可於業績公布後安排簡介會或路演，並與機構投資者及分析師出席研討會，就本公司的表現、目標及發展進行雙向溝通。本公司會應特定要求安排公司約訪。

股東權利

(a) 召開股東特別大會之權利

根據本公司之組織章程細則，任何一位或以上於存放要求日期持有不少於本公司繳足股本(附帶權利於本公司股東大會上投票)十分之一的股東隨時有權向本公司董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於提出該要求後2個月內舉行。

Resolutions put to vote at the general meetings of the Company shall be decided on a poll, save that the chairman of the meeting may in good faith allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. Procedures for conducting a poll will be explained to the shareholders at each general meeting and questions from shareholders regarding the voting procedures will be answered. The poll results will be posted on the websites of the Stock Exchange and the Company respectively in the manner prescribed under the Listing Rules.

As part of a regular program of investor relations, senior executives may hold briefings or road shows after the results announcement and attend conferences with institutional investors and analysts to engage in two-way communications on the Company’s performance, objectives and developments. Company visits can be arranged by the Company upon specific request.

Shareholders’ Rights

(a) *Right to Convene Extraordinary General Meeting*

Pursuant to the articles of association of the Company, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

該書面要求必須列明該大會的目的、由請求人士簽署及送交本公司董事會或公司秘書，地址為本公司於香港之總辦事處和主要營業地點香港九龍尖沙咀廣東道9號港威大廈第6座11樓1104室，而該要求可由一式多份，每份由一名或以上請求人士簽署的文件組成。

該要求將由本公司於香港之股份過戶登記分處核實，經股份過戶登記分處確認該要求符合程序後，本公司的公司秘書將於要求董事會根據所有相關法例及監管規定向全體註冊股東發出充分通知後召開股東特別大會。相反，倘要求經核實為不符合程序，請求人士將獲告知此結果，股東特別大會將不會按要求召開。

倘提出要求後21日內，董事會未有召開該大會，則請求人士可自行以同樣方式召開該大會，而請求人士因董事會未有召開大會而產生的所有合理開支應由本公司向請求人士作出償付。

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the company secretary of the Company at the Company's head office and principal place of business in Hong Kong at Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, and such request may consist of several documents in like form, each signed by one or more of the requisitionist(s).

The request will be verified with the Company's branch share registrar in Hong Kong and upon the confirmation of the branch share registrar that the request is in order, the company secretary of the Company will ask the Board to convene an extraordinary general meeting by serving sufficient notice in accordance with all relevant statutory and regulatory requirements to all registered members. On the contrary, if the request is verified as not in order, the requisitionist(s) will be advised of this outcome and accordingly, an extraordinary general meeting will not be convened as requested.

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.

(b) 於股東大會提呈議案之權利

開曼群島公司法或本公司組織章程細則並無條文批准股東於股東大會上提呈新決議案。有意提呈決議案之股東可按前述段落所載之程序要求本公司召開股東特別大會。

有關提名人士參選董事之程序，可於本公司網站 www.centurysunshine.com.hk 查閱。

(c) 向董事會作出查詢之權利

股東可隨時以書面方式致函本公司之投資者關係經理，向董事會作出查詢及提出關注事項，其聯絡資料載列如下：

香港
九龍
尖沙咀
廣東道9號
港威大廈第6座
11樓1104室
傳真：(852) 2802 2697
電郵：ir@centurysunshine.com.hk

本公司之投資者關係經理會於適當時候把股東之查詢及關注事項轉交董事會及／或相關董事會委員會，以回答股東之提問。

(b) *Right to Put Forward Proposals at General Meetings*

There are no provisions allowing shareholders to propose new resolutions at general meetings under the Cayman Islands Companies Law or the articles of association of the Company. Shareholders who wish to propose a resolution may request the Company to convene an extraordinary general meeting following the procedures set out in the preceding paragraph.

As regard the procedures for proposing a person for election as a Director, please refer to the procedures made available on the website of the Company at www.centurysunshine.com.hk.

(c) *Right to Put Enquiries to the Board*

Shareholders may at any time send their enquiries and concerns to the Board in writing for the attention of Investor Relations Manager of the Company whose contact details are as follows:

Suite 1104, 11th Floor
Tower 6, The Gateway
9 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong
Fax: (852) 2802 2697
Email: ir@centurysunshine.com.hk

The Investor Relations Manager of the Company shall forward the shareholders' enquiries and concerns to the Board and/or relevant committees of the Board to answer the shareholders' questions where appropriate.

企業管治報告 Corporate Governance Report

公司秘書

陸世煒先生為本公司之僱員，並自2010年5月1日獲委任為本公司之公司秘書。陸先生之履歷資料載於「董事及高級管理層簡歷」一節。

根據上市規則第3.29條，陸先生於截至2019年12月31日止財政年度內已參與不少於15小時的相關專業培訓。

章程文件

本公司章程文件於年內並無變動。

Company Secretary

Mr. Luk Sai Wai, Simon is an employee of the Company and has been appointed as the company secretary of the Company with effect from 1 May 2010. The biographical details of Mr. Luk are set out in the section headed “Directors and Senior Management Profile”.

According to Rule 3.29 of the Listing Rules, Mr. Luk has taken no less than 15 hours of relevant professional training during the financial year ended 31 December 2019.

Constitutional documents

There are no changes in the Company’s constitutional documents during the year.

董事會報告 Directors’ Report

董事謹此欣然提呈本報告，連同本集團截至2019年12月31日止年度之經審核財務報表，有關報表刊載於第63至224頁。

主要業務及業務地域分析

本公司之主要業務乃投資控股。其主要附屬公司之業務及其他詳情載於財務報表附註24。

本集團按經營分部的表現分析載於財務報表附註8。截至2019年及2018年12月31日止年度，本集團主要於中國營運及本集團之收入主要來自中國，而於2019年12月31日及2018年12月31日，本集團非流動資產主要位於中國。概無披露本集團按地區劃分的業績及資產分析。

業績及分派

本集團截至2019年12月31日止年度之業績載於第87至88頁之綜合損益及其他全面收益表內。

本公司董事不建議就截至2019年12月31日止年度派付任何股息。

業務回顧

本集團之業務回顧載於本年報第20至23頁。

五年財務概要

本集團於過去5個財政年度之業績、資產及負債概要載於本年報第10至11頁。

The Directors have pleasure in submitting their report together with the audited financial statements of the Group for the year ended 31 December 2019, which are set out on pages 63 to 224.

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The activities and other particulars of its principal subsidiaries are shown under Note 24 to the financial statements.

An analysis of the Group’s performance by operating segments is set out in Note 8 to the financial statements. During the years ended 31 December 2019 and 2018, the Group mainly operated in the PRC and the Group’s revenue are mainly derived from the PRC and non-current assets of the Group are mainly located in the PRC as at 31 December 2019 and 31 December 2018. No analysis of the Group’s result and assets by geographical area is disclosed.

Results and Appropriations

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 87 to 88.

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2019.

Business Review

A business review of the Group is set out on pages 20 to 23 of the annual report.

Five Year Financial Summary

A summary of the results, assets and liabilities of the Group for the last 5 financial years is set out on pages 10 to 11 of the annual report.

董事會報告 Directors' Report

物業、廠房及設備

本集團之物業、廠房及設備變動詳情載於財務報表附註18。

股本

本公司之股本變動詳情載於財務報表附註38。

與股份掛鈎協議

(a) 授予董事及被選員工之購股權

截至2019年12月31日止年度被頒授、被行使及已失效之購股權，詳情載於財務報表附註40及本董事會報告之「購股權計劃」章節內。

(b) 認購期權

於2019年12月13日，本公司之間接全資附屬公司（「授予人」）與獨立第三方（「期權承授人」）訂立認購期權協議。據此，授予人同意以不可退還期權費2,000,000港元向期權承授人授出認購期權，期權承授人可於期權期間，並須根據及受限於認購期權協議條款，按行使價每股稀鎂科技股份0.35港元，向授予人認購最多200,000,000股稀鎂科技股份。倘認購期權獲悉數行使，授予人應收之總代價將為72,000,000港元。

欲了解更多詳情，請參閱本公司於2019年12月13日和2020年3月23日發佈的公告。

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in Note 18 to the financial statements.

Share Capital

Details of the movements in share capital of the Company are set out in Note 38 to the financial statements.

Equity Linked Agreements

(a) *Share options granted to directors and selected employees*

For share options granted, exercised and lapsed during the year ended 31 December 2019, details are set out in Note 40 of the financial statements and the section named “Share Option Schemes” contained in this Directors' Report.

(b) *Call option*

On 13 December 2019, an indirect wholly owned subsidiary of the Company (the “Grantor”) entered into a call option agreement with an independent third party (the “Optionee”). Pursuant to which, the Grantor agreed to grant to the Optionee a call option at a non-refundable option fee of HK\$2,000,000 relating to the purchase of up to 200,000,000 REMT shares at an exercise price of HK\$0.35 per REMT share during an option period on and subject to the terms of the call option agreement. In the event that the call option is exercised in full, the aggregate consideration receivable by the Grantors will be HK\$72,000,000.

For more details, please refer to the announcements made by the Company on 13 December 2019 and 23 March 2020.

上市後償票據

於2017年6月5日，本公司發行了面值101,750,000新加坡元之上市後償票據（根據多種幣值中期票據計劃）。該等票據票息率為7.0厘，並於新加坡交易所上市，將於2020年7月3日到期。

截至2019年12月31日止尚未償還之上市後償票據詳情載於財務報表附註34。

儲備

本集團及本公司年內之儲備變動詳情分別載於第91頁之綜合權益變動表及財務報表附註39。

可供分派儲備

本公司於2019年12月31日之可供分派儲備為1,465,597,000港元（2018年：1,450,895,000港元）。

優先購買權

本公司之組織章程細則或開曼群島法例並無優先購買權條款，規定本公司須按比例向現有股東提呈發售新股。

Listed Subordinated Notes

On 5 June 2017, the Company issued listed subordinated notes (under the Multicurrency Medium Term Note Programme) with the face value of SGD101.75 million. The note carries a coupon rate of 7.0% and are listed on the Singapore Stock Exchange and will mature on 3 July 2020.

Details of the listed subordinated notes outstanding as at 31 December 2019 are set out in Note 34 of the financial statement.

Reserves

Details of the movements in reserves of the Group and of the Company during the year are set out in consolidated statement of changes in equity on page 91 and Note 39 to the financial statements respectively.

Distributable Reserves

Distributable reserves of the Company as at 31 December 2019 amounted to HK\$1,465,597,000 (2018: HK\$1,450,895,000).

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

董事會報告 Directors' Report

購買、出售或贖回本公司上市證券

於2019及2018年內，本公司或其任何附屬公司於年內及截至本年報日期並無購買、出售或贖回本公司任何上市證券。

董事

於年內及截至本年報日期之董事如下：

執行董事

池文富(主席)
沈世捷(行政總裁)
池靜超⁽²⁾
池碧芬⁽¹⁾

非執行董事

郭孟勇

獨立非執行董事

張省本⁽²⁾
盛洪
劉智傑
鄭炳文⁽¹⁾

⁽¹⁾ 於2019年6月26日已退任
⁽²⁾ 於2019年6月27日獲委任

根據本公司組織章程細則第87條，沈世捷先生、郭孟勇先生、池靜超先生及張省本先生將於本公司應屆股東週年大會上輪值告退，並符合資格及願意膺選連任。

Purchase, Sale or Redemption of the Company's Listed Securities

During the year 2019 and 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year and up to the date of the annual report.

Directors

The Directors during the year and up to the date of the annual report are:

Executive Directors

Chi Wen Fu (Chairman)
Shum Sai Chit (CEO)
Chi Jing Chao⁽²⁾
Chi Bi Fen⁽¹⁾

Non-Executive Director

Guo Mengyong

Independent Non-Executive Directors

Cheung Sound Poon⁽²⁾
Sheng Hong
Lau Chi Kit
Kwong Ping Man⁽¹⁾

⁽¹⁾ Retired on 26 June 2019
⁽²⁾ Appointed on 27 June 2019

In accordance with Article 87 of the Company's Articles of Association, Mr. Shum Sai Chit, Mr. Guo Mengyong, Mr. Chi Jing Chao and Mr. Cheung Sound Poon will retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

董事服務合約

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

董事於合約之權益

於年末或年內任何時間，本公司或其任何附屬公司或其母公司概無訂立任何涉及本集團業務而董事於其中直接或間接擁有重大權益之重要合約。

董事於競爭業務之權益

年內，本公司董事或管理層股東或彼等各自之聯繫人士(定義見上市規則)概無於任何與本集團業務構成或可能構成競爭之業務中擁有任何權益。

獲准許彌償

根據本公司的組織章程細則第167條，本公司之每名董事就其執行職務或與此有關所蒙受或招致之一切損失或負債，均有權從本公司資產中獲得彌償保證，而各董事概無須就其執行職務出現或招致之任何損失，損害賠償或不幸情況負責。

現時及於年內已備有適當的董事責任保險以保障本公司之董事在面對索償時可能產生的成本和責任。

Directors' Service Contracts

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Contracts

No contract of significance in relation to the Group's business to which the Company, any of its subsidiaries or its parent company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in Competing Business

During the year, none of the Directors or the management shareholders of the Company or their respective associates (as defined in the Listing Rules) had any interest in a business that competed or might compete with the business of the Group.

Permitted Indemnity

Pursuant to Article 167 of the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

A Directors liability insurance is currently in place, and was in place during the year, to protect the Directors of the Company against potential costs and liabilities arising from claims brought against them.

董事及高級管理層履歷詳情

董事及高級管理層的簡歷載於本年報第37至39頁。

購股權計劃

(a) 本公司之購股權計劃

為吸引及挽留最優秀之員工以發展本集團業務，以及提供額外鼓勵或獎勵予獲選之合資格參與者，本公司分別於2008年12月3日採納一項購股權計劃(「舊計劃」)及於2019年6月26日採納一項購股權計劃(「新計劃」)。合資格參與者主要為本集團僱員、董事及對本集團有所貢獻之本集團承包商、供應商或服務供應商。除非另行註銷或修訂，否則該舊計劃及新計劃將自成立日期起10年內有效。舊計劃已於2018年12月3日屆滿，而新計劃之餘下年期約為10年(於2029年6月26日屆滿)。於舊計劃屆滿前根據舊計劃授出之購股權仍然有效。

於2019年12月31日，舊計劃項下尚未行使之購股權合共可認購14,956,204股股份(2018年：14,956,204股)，以及新計劃項下尚未行使之購股權合共可認購299,900,000股股份。購股權變動詳情載於財務報表附註40。

Biographical Details of Directors and Senior Management

Brief biographical details of Directors and senior management are set out on pages 37 to 39 of the annual report.

Share Option Schemes

(a) Share option scheme of the Company

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 3 December 2008 (the "Old Scheme") and on 26 June 2019 (the "New Scheme") respectively. The qualifying participants mainly include employees of the Group, Directors and contractors, suppliers or service providers of the Group who have contribution to the Group. Both schemes, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The Old Scheme was expired on 3 December 2018 while the remaining life of the New Scheme is approximately 10 years (expiry on 26 June 2029). Options granted under the Old Scheme before its expiry remain in force.

As at 31 December 2019, options to subscribe for a total of 14,956,204 Shares were outstanding under the Old Scheme (2018: 14,956,204 Shares) and options to subscribe for a total of 299,900,000 Shares were outstanding under the New Scheme. Details of the movements in the options are set out in note 40 to the financial statements.

(b) 附屬公司之購股權計劃**稀鎂科技**

為吸引及挽留優秀員工發展本集團稀鎂科技的業務，並提供經選定合資格參與者額外獎勵或回報，稀鎂科技於2017年12月4日採納購股權計劃(「稀鎂科技計劃」)。合資格參與者主要包括僱員、董事、承包商、供應商或服務供應商。彼等皆曾為稀鎂科技集團作出貢獻。稀鎂科技計劃自其成立日期起計十年內有效，惟遭註銷或修改則除外。稀鎂科技計劃餘下年期約為8年(於2027年12月4日屆滿)。

於2019年12月31日，稀鎂科技計劃項下認購合共411,400,000股份的購股權(「稀鎂科技購股權」)尚未行使。購股權變動詳情載於財務報表附註40。

董事及主要行政人員於本公司及任何相聯法團股份、相關股份及債券之權益

於2019年12月31日，本公司各董事或主要行政人員於本公司或任何其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中有記錄於本公司根據證券及期貨條例第XV部第352條存置之登記冊內之相關權益及短倉如下：

(b) Share option scheme of a subsidiary**REMT**

In order to attract and retain the best quality employees for the development of the Group of REMT's businesses and to provide additional incentives or rewards to selected qualifying participants, REMT adopted a share option scheme on 4 December 2017 (the "REMT Scheme"). The qualifying participants mainly include employees, directors, contractors, suppliers or service providers who have contribution to the Group of REMT. The REMT Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the REMT Scheme is approximately 8 years (expiry on 4 December 2027).

As at 31 December 2019, options to subscribe for a total of 411,400,000 Shares were outstanding under the REMT Scheme (the "REMT Options"). Details of the movements in the options are set out in note 40 to the financial statements.

Directors' and Chief Executives' Interest in the Shares, Underlying Shares and Debentures of the Company and Any Associated Corporation

As at 31 December 2019, the relevant interests and short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register to be kept by the Company under Section 352 of Part XV of the SFO were as follows:

(i) 於本公司之股份及購股權之長倉

董事姓名	持有股份數目				Number of Options held (note 2)	Percentage of issued share capital of the Company as at 31 December 2019
	個人權益	配偶權益	公司權益	合計		
Name of Director	Personal interests	Spouse interests	Corporate interests	Total		
池文富(「池先生」) Chi Wen Fu ("Mr. Chi")	249,970,548	-	1,341,871,364 (附註1) (note 1)	1,591,841,912	20,000,000	34.75% 0.44%
沈世捷 Shum Sai Chit	14,666,305	-	-	14,666,305	20,000,000	0.32% 0.44%
池靜超 ⁽¹⁾ Chi Jing Chao ⁽¹⁾		1,633,998	-	1,633,998	8,000,000	0.04% 0.17%
郭孟勇 Guo Mengyong	2,625,000	-	-	2,625,000	5,000,000	0.06% 0.11%
張省本 ⁽¹⁾ Cheung Sound Poon ⁽¹⁾	-	-	-	-	5,000,000	- 0.11%
盛洪 Sheng Hong	1,775,000	-	-	1,775,000	5,000,000	0.04% 0.11%
劉智傑 Lau Chi Kit	2,000,000	-	-	2,000,000	11,389,145	0.04% 0.25%

(1) 於2019年6月27日獲委任為本公司董事。

(ii) Long Positions in Shares and Share Options of the Company

(1) Appointed as Director of the Company on 27 June 2019.

(ii) 於本公司之債券之長倉

董事姓名	身份／權益性質	所持債券金額
Name of director	Capacity/Nature of interest	Amount of debentures held
		新加坡元
		SGD
池先生 Mr. Chi	個人權益 Personal interest	2,500,000

附註：

1. 該等股份由冠華國際有限公司(「冠華」)持有。鑒於池先生持有冠華已發行股本83.74%，據此賦予彼於冠華股東大會上行使或控制行使三分之一或以上之投票權，因此被視為公司權益。

按照日期為2014年7月10日之股份抵押合同，作為本公司主要股東的冠華，將本公司549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司(「國際金融公司」)，作為由國際金融公司和白山市天安金屬鎂礦業有限公司於2014年5月30日簽署(於2015年12月7日經修訂及重列)的貸款協議之抵押品。

2. 持有之購股權之詳情載列於上文「購股權計劃」一節。

除上文所披露者外，於2019年12月31日，本公司各董事或主要行政人員或彼等各自之聯繫人士，概無於本公司或任何其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有記錄於本公司根據證券及期貨條例第352條存置之登記冊內之相關權益及短倉。

(ii) Long position in debentures of the Company

notes:

1. These Shares are held by Alpha Sino International Limited ("Alpha Sino") and are deemed corporate interests by virtue of Mr. Chi's holding of 83.74% of the issued share capital of Alpha Sino which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Alpha Sino.

As pursuant to a share mortgage agreement dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to International Finance Corporation ("IFC") as security for a loan agreement dated 30 May 2014 (as amended and restated on 7 December 2015) entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

2. Details of Options held are set out in the above section headed "Share Options Schemes".

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executive of the Company or their respective associates had interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register to be kept by the Company under Section 352 of SFO.

董事會報告
Directors' Report

(iii) 於本公司之相聯法團股份、相關股份及
債券之權益

稀鎂科技

					佔稀鎂科技於 2019年 12月31日 已發行股本 之百分比	
擁有權益或視為擁有權益之普通股數目 Number of ordinary shares interested or deemed to be interested				持有稀鎂科技 購股權數目 (附註2) Number of REMT Options held (note 2)	Percentage of issued share capital of REMT as at 31 December 2019	
董事 Director	家族權益 Family interests	公司權益 Corporate interests	合計 Total			
長倉 Long position						
沈世捷 Shum Sai Chit	—	—	—	30,000,000	0.46%	
池靜超 Chi Jing Chao	—	—	—	3,000,000	0.05%	
張省本 Cheung Sound Poon	—	—	—	5,000,000	0.08%	

董事會報告
Directors' Report

主要股東於本公司股份及相關股份中之權
益及短倉

就董事或本公司主要行政人員所知悉，於2019年12月31日，於本公司股份或股票衍生工具的相關股份擁有記錄於根據證券及期貨條例第336條規定須保存的登記冊的權益或短倉的人士如下：

Interests and Short Positions of Substantial
Shareholders in the Shares and Underlying
Shares of the Company

So far as is known to any Director or chief executive of the Company, as at 31 December 2019, persons who had interests or short positions in the Shares or underlying shares of equity derivatives of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

股東姓名／名稱 Name of shareholder	持倉性質 Nature	佔本公司於2019年 12月31日已發行 股本之百分比 Percentage of issued share capital of the Company as at 31 December 2019	
		持有股份數目 Number of Shares held	
池文富 Chi Wen Fu	長倉 Long position	1,591,841,912 (附註1) (note 1)	34.75%
冠華 Alpha Sino	長倉 Long position	1,341,871,364 (附註2) (note 2)	29.29%
國際金融公司(「國際金融公司」) International Finance Corporation ("IFC")	長倉 Long position	793,526,275 (附註2) (note 2)	17.32%

附註：

1. 池文富先生於本公司合共1,591,841,912股股份中擁有權益，當中(a) 249,970,548股股份乃由其實益擁有，並以其名義登記；及(b) 1,341,871,364股股份乃基於其持有冠華已發行股本83.74%，據此賦予其權力可於冠華股東大會上行使或控制行使三分之一或以上之投票權而被視為公司權益。

notes:

1. Mr. Chi Wen Fu has interest in an aggregate of 1,591,841,912 Shares of which (a) 249,970,548 Shares are beneficially owned by him and registered in his name; and (b) 1,341,871,364 Shares are deemed corporate interests by virtue of his holding of 83.74% of the issued share capital of Alpha Sino which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Alpha Sino.

按照日期為2014年7月10日之股份抵押合同，作為本公司主要股東的冠華，將本公司549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司(「國際金融公司」)，作為由國際金融公司和白山市天安金屬鎂礦業有限公司於2014年5月30日簽署(於2015年12月7日經修訂及重列)的貸款協議之抵押品。

2. 國際金融公司於合共793,526,275股股份中擁有權益，當中(a) 244,246,275股股份乃由其實益擁有，並以其名義登記；及(b)按照日期為2014年7月10日之股份抵押合同，作為本公司主要股東的冠華，將本公司549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司，作為由國際金融公司和白山市天安金屬鎂礦業有限公司於2014年5月30日簽署(於2015年12月7日經修訂及重列)的貸款協議之抵押品。

As pursuant to a share mortgage agreement dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to International Finance Corporation (“IFC”) as security for a loan agreement dated 30 May 2014 (as amended and restated on 7 December 2015) entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

2. IFC has interest in an aggregate of 793,526,275 Shares of which (a) 244,246,275 Shares are beneficially owned by it and registered in its name; and (b) pursuant to a share mortgage agreement dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to IFC as security for a loan agreement dated 30 May 2014 (as amended and restated on 7 December 2015) entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

董事於競爭業務之權益

於回顧期內，董事或本公司管理層股東或彼等各自之聯繫人士(定義見香港聯合交易所有限公司證券上市規則(「上市規則」))概無於任何與本集團業務構成或可能構成競爭之業務中擁有任何權益。

管理合約

於年內，本公司概無訂立亦無存在任何有關本公司全部或任何重大部分業務之管理及行政合約。

Directors' Interests in Competing Business

During the period under review, none of the Directors nor the management shareholders of the Company or their respective associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) had any interest in a business that competed or might compete with the business of the Group.

Management Contracts

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

主要供應商及客戶

本年度本集團主要供應商及客戶應佔之採購及銷售額之比重如下：

採購	
－最大供應商	15.2
－5大供應商合佔	41.8
銷售	
－最大客戶	2.5
－5大客戶合佔	7.4

董事、彼等之聯繫人士或任何股東(據董事所知擁有本公司股本5%以上)概無於上述主要供應商或客戶中擁有權益。

關連交易

本年度及去年度並沒有任何關連交易，惟於財務報表附註42所披露者除外。

公眾持股量之充足性

根據本公司可從公開途徑取得之資料及就董事所知，本公司於截至2019年12月31日止年度內一直維持足夠公眾持股量。

Major Suppliers and Customers

The percentage of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	
－ the largest supplier	15.2
－ 5 largest suppliers in aggregate	41.8
Sales	
－ the largest customer	2.5
－ 5 largest customers in aggregate	7.4

None of the Directors, their associates or any shareholders which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

Connected Transaction

Other than those disclosed in Note 42 to the financial statements, there was no connected transaction during the year and in last year.

Sufficiency of Public Float

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2019.

核數師

截至2019年12月31日止年度的賬目經由國衛會計師事務所有限公司審核，其任期於即將舉行之股東週年大會上屆滿。本公司將於即將舉行之股東週年大會上提呈一項決議案再次委任國衛會計師事務所有限公司為本公司之核數師。

代表董事會

沈世捷

執行董事

香港，2020年4月16日

Auditors

The accounts for the year ended 31 December 2019 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Shum Sai Chit

Executive Director

Hong Kong, 16 April 2020



香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

31/F., Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

致世紀陽光集團控股有限公司股東

(於開曼群島註冊成立的有限公司)

意見

本核數師已審計列載於第87至224頁的世紀陽光集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2019年12月31日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表之附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於2019年12月31日的綜合財務狀況以及截至該日止年度的綜合財務表現及其綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

意見的基礎

我們根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告內核數師就審核綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會的專業會計師道德守則(以下簡稱「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，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

TO THE SHAREHOLDERS OF CENTURY SUNSHINE GROUP HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Century Sunshine Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 87 to 224, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors’ 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.

關鍵審計事項

Key Audit Matters

關鍵審計事項是根據我們的專業判斷，認為對本期的綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

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

關鍵審計事項
Key audit matters

我們在審計中處理關鍵審計事項的方法
How our audit addressed the key audit matters

應收貿易賬款減值
Impairment of trade receivables

請參閱綜合財務報表附註4及附註29
Refer to notes 4 and 29 to the consolidated financial statements

於2019年12月31日，貴集團有應收貿易賬款總額466,119,000港元及應收貿易賬款減值撥備15,876,000港元。貴集團就應收貿易賬款的全期預期信貸虧損計提撥備。

As at 31 December 2019, the Group had gross trade receivables of HK\$466,119,000 and provision for impairment of trade receivables of HK\$15,876,000. Provision is made for lifetime expected credit losses on trade receivables.

我們有關管理層對貿易應收款項的減值虧損撥備評估程序包括：

Our procedures in relation to management's assessment on provision for impairment losses of trade receivables included:

- 理解和驗證管理層執行的信貸監控程序，包括其對定期審閱逾期應收貿易賬款及評估應收賬款預期信貸虧損撥備的程序；

Understood and validated the credit control procedures performed by management, including its procedures on periodic review of aged receivables and assessment on expected credit losses allowance of receivables;

關鍵審計事項
Key audit matters

應收貿易賬款減值(續)
Impairment of trade receivables (continued)

管理層運用判斷評估預期信貸虧損。對於已知存在財務困難的客戶或回收性存在重大疑問的應收賬款會就計提減值撥備時作出個別評估。在估計預期信貸虧損時，其餘的應收賬款亦會根據客戶性質、地理位置以及賬齡組別按照其分佔信貸風險特徵進行分類，以共同評估其可回收性，並應用預期信貸虧損率於相關應收賬款的賬面淨值。預期信貸虧損率乃根據過往三年出現的歷史信貸虧損釐定，並經調整以反映現時及前瞻性資料，例如有關影響客戶償付應收賬款能力的宏觀經濟因素。

Management applied judgement in assessing the expected credit losses. Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the receivables. The expected credit loss rates are determined based on historical credit losses experienced from the past 3 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

我們關注此範疇是鑒於應收貿易賬款重大數額，以及在釐定應收貿易賬款預期信貸虧損撥備時涉及估計和判斷。

We focused on this area due to the magnitude of the trade receivables and the estimation and judgement involved in determining the expected credit losses allowance of the trade receivables.

我們在審計中處理關鍵審計事項的方法
How our audit addressed the key audit matters

- 透過檢查相關銷售發票，以抽樣方式測試應收貿易賬款賬齡之準確性；

Tested on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices;

- 以抽樣方式對照銀行收據測試應收貿易賬款於結算日後的償付情況；及

Tested on a sample basis, the subsequent settlement of trade receivables against bank receipts; and

- 取得管理層對應收賬款預期信貸虧損撥備的評估。我們基於過往三年的過往償付模式、與客戶的通訊及來自外部來源的證據(包括有關客戶的財務狀況的相關公開搜索結果)以及有關前瞻性資料(例如管理層評估中的宏觀經濟因素)的市場研究，證實並驗證管理層的評估。

Obtained management's assessment on the expected credit losses allowance of receivables. We corroborated and validated management's assessment based on the historical settlement pattern from the past 3 years, correspondence with the customers, evidence from external sources including the relevant public search results relating to the financial circumstances of the relevant customers and market research regarding the relevant forward-looking information such as macroeconomic factors used in management's assessment.

基於上述各項，我們發現管理層就應收賬款預期信貸虧損撥備及可收回性所作的估計及判斷有可得的證據支持。

Based upon the above, we found that the estimation and judgement made by management in respect of the expected credit losses allowance and the collectability of receivables were supportable by the available evidence.

獨立核數師報告
Independent Auditors’ Report

關鍵審計事項
Key audit matters

物業、廠房及設備減值
Impairment of property, plant and equipment

請參閱綜合財務報表附註4及附註18
Refer to notes 4 and 18 to the consolidated financial statements

於2019年12月31日，貴集團有物業、廠房及設備約3,866,144,000港元，主要包括在建工程約1,135,734,000港元，租賃土地及樓宇約1,055,243,000港元及廠房及機器約1,629,105,000港元。我們集中於此範圍，原因是物業、廠房及設備之結餘龐大，而評估過程是複雜及高度主觀，過程是基於選取恰當的比較數據及假設，例如貼現率、未來收入等。貴集團已聘請外聘估值師進行租賃土地及樓宇、廠房及機器的可收回金額之估值工作。

As of 31 December 2019, the Group had property, plant and equipment of approximately HK\$3,866,144,000, which mainly comprised construction in progress of approximately HK\$1,135,734,000, leasehold land and building of approximately HK\$1,055,243,000 and plant and machinery of approximately HK\$1,629,105,000. We focused on this area because the balance of property, plant and equipment was significant and these assessment process is complex and highly subjective which based on the selection of appropriate comparables and assumptions such as discount rate, future revenue. The Group engaged an external valuer to perform the valuation for the recoverable amount of the leasehold land and building and plant and machinery.

我們在審計中處理關鍵審計事項的方法
How our audit addressed the
key audit matters

我們有關管理層對減值評估程序包括：

Our procedures in relation to management’s impairment assessment included:

- 評估獨立估值師的資格、能力及客觀性；

Evaluating the independent valuer’s competence, capabilities and objectivity;
- 根據我們對相關行業的瞭解及運用估值知識，評估所運用的方法及關鍵假設的適當程度；

Assessing the methodologies used and the appropriateness of the key assumption based on our knowledge of the relevant industry and using our valuation experts;
- 根據我們對業務及行業的瞭解，質詢關鍵假設是否合理；及

Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and
- 以抽樣方式檢查會計方法及所使用的輸入數據的相關程度。

Checking, on a sampling basis, the accounting and relevance of the input data used.

我們發現假設得到現有憑證支持。

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

獨立核數師報告
Independent Auditors’ Report

關鍵審計事項
Key audit matters

存貨賬面值
Carrying value of inventories

請參閱綜合財務報表附註4及附註28
Refer to notes 4 and 28 to the consolidated financial statements

於2019年12月31日，貴集團有存貨約471,760,000港元，包括週期通常較長的農業肥料產品及鎂產品及煉鋼熔劑產品。存貨消耗受制於客戶需求變化及市場趨勢，此等因素亦提高了涉及估計存貨撥備之判斷水平。判斷是需要作出的，以評估為可能因客戶需求下降而最終變成陳舊或以低於成本出售之項目計提撥備之恰當水平。有關判斷包括管理層對未來銷量之期望及清理存貨計劃。

As of 31 December 2019, the Group had inventories of approximately HK\$471,760,000. which comprised of fertiliser products, magnesium products and metallurgical flux products which are usually with longer life span. The consumption of inventories are subject to changing consumers’ demands and market trends which increased the level of judgement involved in estimating inventory provisions. Judgement was required to assess the appropriate level of provisioning for items which may be ultimately obsoleted or sold below cost as a result of a reduction in customers’ demand. Such judgements included management’s expectations for future sales and inventory liquidation plans.

我們在審計中處理關鍵審計事項的方法
How our audit addressed
the key audit matters

我們有關管理層確定存貨賬面值的程序包括：

Our procedures in relation to management’s determination of the carrying value of inventories included:

- 評估用於確定滯銷、過剩或過時項目撥備的程序、方法及假設。這包括將管理層的計算與過往年度運用者進行比較，檢測兩者是否一致，並通過參考過往運用者或銷售歷史以評估管理層採用的撥備政策；

Assessing the process, methods and assumptions used to determine the provision for slow-moving, excess or obsolete items. This included comparing management’s calculations for consistency against those used in the prior years and assessing the provision policy adopted by management by reference to past usage or sales history;
- 以抽樣方式檢查庫存賬齡分析及隨後的銷售訂單及使用情况，測試管理層所運用基礎數據的可靠程度，以計算庫存過時撥備；

Testing the reliability of the underlying data used by management to calculate the inventory obsolescence provisions by sample checking of an inventory ageing analysis and the subsequent sales orders and usage;

關鍵審計事項

Key audit matters

存貨賬面值(續)

Carrying value of inventories (continued)

我們在審計中處理關鍵審計事項的方法

How our audit addressed the key audit matters

- 透過評估計算標準並根據該等標準重新計算庫存撥備，測試計算結果的準確程度；及

Testing the accuracy of the resultant calculation by assessing the calculation criteria and recalculating the provision for the inventories based on those criteria; and

- 就獲確定為滯銷、過剩或過時的項目而言，我們透過檢查最新或隨後的售價評估管理層的可變現淨值計算。

For those items which were identified as slow-moving, excess or obsolete, we assessed management's calculation of net realisable value by checking to the latest or subsequent selling prices.

我們發現存貨賬面值得到現有憑證支持。

We found the carrying values of the inventories was supported by the available evidence.

Other Information

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

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

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

Responsibilities of the Directors and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

董事須對其他信息負責。其他信息包括年報內所有信息，但不包括綜合財務報表及我們的核數師報告（「其他信息」）。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督 貴集團的財務報告過程。

核數師就審核綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告，除此之外報告別無其他目的。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。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期他們單獨或匯總起來可能影響綜合財務報表使用者，依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審計程序以應對這些風險，以及獲取充足及適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion 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 judgment and maintain professional skepticism throughout the audit. We also:

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

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當修改意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易及事項。

- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督及執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審核發現等，包括我們在審計中識別出內部控制的何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

We communicate with 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.

86 獨立核數師報告
Independent Auditors' Report

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目董事為郭梓俊。

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors' report is Kwok Tsz Chun.

國衛會計師事務所有限公司
執業會計師

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

郭梓俊
執業證書編號：P06901

Kwok Tsz Chun
Practising Certificate Number: P06901

香港，2020年4月16日

Hong Kong, 16 April 2020

87 綜合損益表
Consolidated Statement of Profit or Loss

截至2019年12月31日止年度
For the year ended 31 December 2019

		附註 Notes	2019 千港元 HK\$'000	2018 千港元 HK\$'000
收入	Revenue	7	4,314,420	4,655,116
銷售成本	Cost of sales		(3,251,036)	(3,512,857)
毛利	Gross profit		1,063,384	1,142,259
其他收益或虧損淨額	Other gains or losses, net	9	95,262	75,324
銷售及市場推廣費用	Selling and marketing costs		(107,917)	(133,673)
行政開支	Administrative expenses		(298,305)	(233,530)
匯兌差額淨值	Exchange differences, net		(7,159)	6,403
財務費用	Finance costs	10	(153,664)	(164,943)
除所得稅前溢利	Profit before income tax		591,601	691,840
所得稅開支	Income tax expense	11	(163,347)	(150,318)
持續經營業務之年內溢利	Profit for the year from continuing operations	12	428,254	541,522
已終止經營業務：	Discontinued operations:			
已終止經營業務之年內溢利	Profit for the year from discontinued operations	16	-	31,315
年內溢利	Profit for the year		428,254	572,837
下列人士應佔年內溢利：	Profit for the year attributable to:			
本公司擁有人	Owners of the Company			
— 來自持續經營業務	— from continuing operations		380,368	451,614
— 來自已終止經營業務	— from discontinued operations		-	22,616
非控股權益	Non-controlling interests			
— 來自持續經營業務	— from continuing operations		47,886	89,908
— 來自已終止經營業務	— from discontinued operations		-	8,699
			428,254	572,837
每股盈利：	Earnings per share:			
來自持續及已終止經營業務	From continuing and discontinued operations			
— 基本(港仙)	— basic (HK cents)	15	8.30 仙 cents	10.35 仙 cents
— 攤薄(港仙)	— diluted (HK cents)	15	8.30 仙 cents	10.35 仙 cents
來自持續經營業務	From continuing operations			
— 基本(港仙)	— basic (HK cents)	15	8.30 仙 cents	9.86 仙 cents
— 攤薄(港仙)	— diluted (HK cents)	15	8.30 仙 cents	9.86 仙 cents

綜合全面收益表
Consolidated Statement of Comprehensive Income

截至2019年12月31日止年度
For the year ended 31 December 2019

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
年內溢利	Profit for the year	428,254	572,837
其他全面收益／(支出)， 扣除所得稅：	Other comprehensive income/ (expense), net of income tax:		
其後可能重新分類至 損益之項目：	Items that may be reclassified subsequently to profit or loss:		
於出售附屬公司後解除儲備	Release of reserve upon disposal of subsidiaries	-	692
換算海外業務所產生之 匯兌差額	Exchange differences arising from translation of foreign operations	(128,864)	(279,090)
年內其他全面支出 (扣除所得稅)	Other comprehensive expense for the year (net of income tax)	(128,864)	(278,398)
年內全面收益總額	Total comprehensive income for the year	299,390	294,439
下列人士應佔年內全面 收益總額：	Total comprehensive income for the year attributable to:		
本公司擁有人	Owners of the Company		
－來自持續經營業務	– from continuing operation	275,973	208,652
－來自已終止經營業務	– from discontinued operation	-	20,443
非控股權益	Non-controlling interests		
－來自持續經營業務	– from continuing operation	23,417	57,161
－來自已終止經營業務	– from discontinued operation	-	8,183
		299,390	294,439

隨附附註屬本綜合財務報表的一部分。
The accompanying notes form an integral part of these consolidated financial statements.

綜合財務狀況表
Consolidated Statement of Financial Position

於2019年12月31日
As at 31 December 2019

	附註 Notes	2019 千港元 HK\$'000	2018 千港元 HK\$'000
非流動資產	Non-current assets		
土地使用權	Land use rights	17	-
使用權資產	Right-of-use assets	19	285,216
物業、廠房及設備	Property, plant and equipment	18	287,442
商譽	Goodwill	21	3,866,144
無形資產	Intangible assets	22	197,368
採礦權	Mining rights	23	348,142
長期銀行存款	Long-term bank deposits	31	428,468
		9,604	448,460
		5,137,168	9,758
			5,068,708
流動資產	Current assets		
按公允值計入損益 之股本工具	Equity instruments at fair value through profit or loss	27	8,782
存貨	Inventories	28	471,760
土地使用權	Land use rights	17	-
貿易應收款項及應收票據	Trade and bills receivables	29	461,381
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables	30	634,397
銀行及現金結餘	Bank and cash balances	31	823,058
		2,399,378	708,049
			2,292,531
分類為持作出售的資產	Assets classified as held for sale	20	91,019
			2,490,397
			2,405,859
減：流動負債	Less: Current liabilities		
貿易應付款項及應付票據	Trade and bills payables	32	291,863
應計費用及其他應付款項	Accruals and other payables	33	217,096
合約負債	Contract liabilities	33	186,707
租賃負債	Lease liabilities	19	1,962
應付所得稅	Income tax payable		22,397
借貸	Borrowings	34	1,524,157
可轉換債券	Exchangeable bonds	35	120,640
		2,364,822	2,293,902
流動資產淨值	Net current assets	125,575	111,957
資產總值減流動負債	Total assets less current liabilities	5,262,743	5,180,665

90 綜合財務狀況表
Consolidated Statement of Financial Position

於2019年12月31日
As at 31 December 2019

	附註 Notes	2019 千港元 HK\$'000	2018 千港元 HK\$'000
減：非流動負債	Less: Non-current liabilities		
遞延收入	Deferred revenue	36 68,283	69,772
其他應付款項	Other payables	33 46,962	10,310
合約負債	Contract liabilities	33 176,448	—
租賃負債	Lease liabilities	19 5,870	—
借貸	Borrowings	34 536,086	977,617
遞延稅項負債	Deferred tax liabilities	37 159,183	166,348
		992,832	1,224,047
資產淨值	Net assets	4,269,911	3,956,618
本公司擁有人應佔股本及儲備	Capital and reserves attributable to owners of the Company		
股本	Share capital	38 101,419	101,419
儲備	Reserves	3,727,404	3,426,466
		3,828,823	3,527,885
非控股權益	Non-controlling interests	441,088	428,733
權益總額	Total equity	4,269,911	3,956,618

董事會於2020年4月16日批准及授權刊發載於第87至224頁之綜合財務報表，並由下列董事代表簽署：

池文富
Chi Wen Fu
董事
Director

沈世捷
Shum Sai Chit
董事
Director

隨附附註屬本綜合財務報表的一部分。

The consolidated financial statements on pages 87 to 224 were approved and authorised for issue by the board of directors on 16 April 2020 and are signed on its behalf by:

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

91 綜合權益變動表
Consolidated Statement of Changes in Equity

截至2019年12月31日止年度
For the year ended 31 December 2019

		本公司擁有人應佔												
		Attributable to Owners of the Company											非控股 權益	總計
		資本贖回 儲備 (附註(i))				資本儲備 (附註(ii))	法定儲備 (附註(iii))	購股權 儲備	換算儲備	其他儲備	保留盈利	小計		
		股本	股份溢價	重估儲備	reserve	reserve	reserve	option	Translation	Other	Retained			
		Share	Share	reserve	Revaluation	reserve	reserve	option	Translation	Other	Retained			
		capital	premium	note (i)	reserve	note (ii)	note (iii)	reserve	reserve	reserve	earnings			
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元			
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
於2017年12月31日	As at 31 December 2017 and													
及2018年1月1日	1 January 2018	101,419	1,353,356	4,526	8,693	13,666	210,053	3,216	1,932	(232,769)	1,832,290	3,296,382	357,046	3,653,428
採納香港財務報告準則第9號之影響	Effect of adoption of HKFRS 9	-	-	-	(8,693)	-	-	-	-	-	2,628	(6,065)	(1,094)	(7,159)
		101,419	1,353,356	4,526	-	13,666	210,053	3,216	1,932	(232,769)	1,834,918	3,290,317	355,952	3,646,269
年內溢利	Profit for the year	-	-	-	-	-	-	-	-	-	474,230	474,230	98,607	572,837
年內其他全面(開支)/收益(扣除所得稅)	Other comprehensive (expense)/income for the year, (net of income tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
於出售已終止經營業務後解除	Release upon disposal of discontinued operation	-	-	-	-	-	-	-	692	-	-	692	-	692
換算海外業務所產生之匯兌差額	Exchange differences arising from translation of foreign operations	-	-	-	-	-	-	-	(245,827)	-	-	(245,827)	(33,263)	(279,090)
年內全面(開支)/收益總額	Total comprehensive (expense)/income for the year	-	-	-	-	-	-	-	(245,135)	-	474,230	229,095	65,344	294,439
已失效購股權	Share options lapsed	-	-	-	-	-	-	(2,064)	-	-	2,064	-	-	-
轉撥至儲備	Transfer to reserve	-	-	-	-	-	34,189	-	-	-	(34,189)	-	-	-
股權結算股份付款之交易	Equity settled share-based transactions	-	-	-	-	-	-	8,473	-	-	-	8,473	-	8,473
出售附屬公司	Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	7,437	7,437
於2018年12月31日及 2019年1月1日	As at 31 December 2018 and 1 January 2019	101,419	1,353,356	4,526	-	13,666	244,242	9,625	(243,203)	(232,769)	2,277,023	3,527,885	428,733	3,956,618
年內溢利	Profit for the year	-	-	-	-	-	-	-	-	-	380,368	380,368	47,886	428,254
年內其他全面開支(扣除所得稅)	Other comprehensive expense for the year, (net of income tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
換算海外業務所產生之匯兌差額	Exchange differences arising from translation of foreign operations	-	-	-	-	-	-	-	(104,395)	-	-	(104,395)	(24,469)	(128,864)
年內全面(開支)/收益總額	Total comprehensive (expense)/income for the year	-	-	-	-	-	-	-	(104,395)	-	380,368	275,973	23,417	299,390
已付股息	Dividend paid	-	-	-	-	-	-	-	-	-	(9,066)	(9,066)	-	(9,066)
附屬公司所有權權益變動	Change in ownership interest of subsidiaries	-	-	-	-	-	-	-	-	11,062	-	11,062	(11,062)	-
轉撥至儲備	Transfer to reserve	-	-	-	-	-	30,809	-	-	-	(30,809)	-	-	-
股權結算股份付款之交易	Equity settled share-based transactions	-	-	-	-	-	-	22,969	-	-	-	22,969	-	22,969
於2019年12月31日	As at 31 December 2019	101,419	1,353,356	4,526	-	13,666	275,051	32,594	(347,598)	(221,707)	2,617,516	3,828,823	441,088	4,269,911

綜合權益變動表
Consolidated Statement of Changes in Equity

截至2019年12月31日止年度
For the year ended 31 December 2019

附註：	notes:
(i) 資本贖回儲備指本公司於購回及註銷股份時由本公司保留盈利轉撥之本公司股份之面值。	(i) Capital redemption reserve represents the nominal value of the Shares of the Company which was transferred from the Company's retained earnings upon repurchase and cancellation of Shares by the Company.
(ii) 資本儲備指根據集團重組已收購及資本化之附屬公司股份面值，與用作交換有關股份而發行之本公司股份的面值，兩者間之差額。	(ii) Capital reserve represents the difference between the nominal value of the shares of the subsidiaries that have been acquired and capitalised pursuant to a group reorganisation over the nominal value of the Company's Shares issued in exchange therefore.
(iii) 法定儲備主要為附屬公司按其中華人民共和國（「中國」）法定財務報表所列純利的10%及為若干安全生產活動提撥的資金。	(iii) Statutory reserve mainly represents the fund set aside by the subsidiaries based on 10% of their net profit of the People's Republic of China (the "PRC") statutory financial statements and that for the purpose of certain safety production activities.
根據中國成立之附屬公司之組織章程細則及相關之中國法則及法規，該等附屬公司須撥出10%之扣除所得稅後溢利（按中國國內法定財務報表記錄為準）作為法定儲備，除非該儲備資金結餘已達附屬公司註冊資本50%。該儲備資金僅可用於對銷附屬公司過往年度之虧損、擴充附屬公司之生產業務或增加附屬公司之股本。	In accordance with the articles of association of the subsidiaries established in the PRC and the relevant PRC rules and regulations, these subsidiaries are required to set aside 10% of their profit after income tax as recorded in the PRC statutory financial statements as statutory reserve, except where the reserve fund balance has reached 50% of the subsidiaries' registered capital. The reserve fund can only be used to make good the subsidiaries' previous years' losses, to expand the subsidiaries' production operations or to increase the capital of the subsidiaries.
根據中國國家安全生產監督管理總局及其他相關監管機構發佈的若干規例，本集團需按規定比例為白雲石及蛇紋石採掘活動提撥資金。該等資金可供用於維護及／或改善上述安全生產，不得向股東分派。	Pursuant to certain regulations issued by the State Administration of Work Safety of the PRC and other relevant regulatory bodies, the Group is required to set aside funds mainly for mining of dolomite and serpentine at prescribed rates. These funds can be used for maintenance and/or improvements of safety of these activities, and is not available for distribution to shareholders.

綜合現金流量表
Consolidated Statement of Cash Flows

截至2019年12月31日止年度
For the year ended 31 December 2019

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
經營活動	Operating activities	
除所得稅前溢利	Profit before income tax	
來自持續經營業務	From continuing operations	591,601
來自已終止經營業務	From a discontinued operations	691,840
就下列項目作出調整：	Adjustments for:	31,286
折舊及攤銷	Depreciation and amortisation	217,564
財務費用	Finance costs	164,943
出售物業、廠房及設備及 土地使用權的收益淨額	Net gain on disposal of property, plant and equipment and land use rights	(56,365)
利息收入	Interest income	(6,651)
股權結算股份付款之交易	Equity settled share-based payments	8,473
貿易應收款項信貸虧損 撥備淨額／（撥回）	Net allowance/(reversal) of credit losses of trade receivables	(55)
其他應收款項信貸虧損 撥備／（撥回）	Allowance/(reversal) of credit losses of other receivables	(994)
衍生財務擔保公允值變動	Change in fair value derivative financial guarantee	(11,168)
衍生金融負債產生之 公允值虧損	Fair value loss arising from derivative financial liabilities	–
按公允值計入損益 之股本工具之 公允值變動	Change in fair value of equity instruments at fair value through profit or loss	7,744
存貨撥備	Provision of inventories	4,056
出售一間附屬公司的收益	Gain on disposal of a subsidiary	(32,498)
出售分類為持作出售之 資產之虧損	Loss on disposal of asset classified as held for sale	–
應佔合資公司溢利	Share of profits of joint ventures	(180)
營運資金變動前的 經營現金流量	Operating cash flows before movements in working capital	939,104
應收一間合資公司款項 減少	Decrease in amount due from a joint venture	697
存貨減少／（增加）	Decrease/(increase) in inventory	(271,498)
貿易應收款項及 應收票據（增加）／減少	(Increase)/decrease in trade and bills receivable	124,182
預付款項、按金及其他 應收款項增加	Increase in prepayment, deposits and other receivables	(3,068)
貿易應付款項及應付 票據（減少）／增加	(Decrease)/increase in trade and bills payables	40,010

94 綜合現金流量表
Consolidated Statement of Cash Flows

截至2019年12月31日止年度
For the year ended 31 December 2019

	附註 Note	2019 千港元 HK\$'000	2018 千港元 HK\$'000
應計費用、其他應付款項 及預收款項及合約 負債增加	Increase in accruals, other payable and receipt in advance and contract liabilities	48,085	17,754
經營業務所產生的現金 已付所得稅	Cash generated from operations Income tax paid	704,508 (185,562)	926,072 (147,702)
經營活動所產生的 現金淨額	Net cash generated from operating activities	518,946	778,370
投資活動	Investing activities		
銀行存款減少	Decrease in deposits with banks	98,990	132,479
購買物業、廠房及設備	Purchase of property, plant and equipment	(431,807)	(699,806)
長期存款(增加)／減少	(Increase)/decrease in long term deposits	(55)	39
有關出售一間附屬公司 的現金流出淨額	Net cash outflow in respect of the disposal of a subsidiary	16 –	(19,190)
已收利息	Interest received	7,835	6,651
出售物業、廠房及 設備的所得款項	Proceeds from disposal of property, plant and equipment	70,200	57,691
出售分類為持作出售的 資產所得款項	Proceeds from disposal of assets classified as held for sale	4,321	–
投資活動所用的現金淨額	Net cash used in investing activities	(250,516)	(522,136)
融資活動	Financing activities		
新借貸的所得款項	Proceeds from new borrowings	1,145,422	587,918
償還借貸	Repayment of borrowings	(882,274)	(597,877)
已付利息	Interest paid	(149,968)	(147,533)
償還租賃負債	Repayment of lease liabilities	(2,798)	–
償還可轉換債券	Repayment of exchangeable bonds	(111,360)	–
償還來自附屬公司 之非控股股東的貸款	Repayment of loan from non-controlling shareholders of subsidiaries	–	(123,640)
應付附屬公司非控股 股東款項減少	Decrease in an amount due to non-controlling shareholders of subsidiaries	–	(410)
已付股息	Dividend paid	(9,066)	–

綜合現金流量表
Consolidated Statement of Cash Flows

截至2019年12月31日止年度
For the year ended 31 December 2019

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
融資活動所用 的現金淨額	Net cash used in financing activities	(10,044)	(281,542)
現金及等同現金項目 增加／(減少)淨額	Net increase/(decrease) in cash and cash equivalents	258,386	(25,308)
年初的現金及等同現金項目	Cash and cash equivalents at the beginning of the year	568,651	655,749
外匯匯率變動的影響	Effect of foreign exchange rate changes	(41,880)	(61,790)
年末的現金及等同現金項目	Cash and cash equivalents at the end of the year	785,157	568,651
現金及等同現金項目 結餘分析	Analysis of balances of cash and cash equivalents		
綜合財務狀況表所列之已 抵押銀行存款及銀行 及現金結餘	Pledged bank deposits and bank and cash balances as stated in the consolidated statement of financial position	832,662	717,807
已抵押為借貸及應付票據 擔保之已抵押銀行存款	Pledged deposits with banks pledged as security for borrowings and bills payable	(47,450)	(149,156)
收購時原到期日 三個月以上之非抵押 銀行存款	Non-pledged deposits with bank with original maturity of more than three months when acquired	(55)	–
綜合現金流量表所列之 現金及等同現金項目	Cash and cash equivalents as stated in the consolidated statement of cash flows	785,157	568,651

隨附附註屬本綜合財務報表的一部分。 The accompanying notes form an integral part of these consolidated financial statements.

96

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

1. 一般資料

世紀陽光集團控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事農業肥料業務、鎂產品業務及煉鋼熔劑業務。

本公司乃於2003年1月21日根據開曼群島公司法第22章(1961年法律3，經綜合及修訂)在開曼群島註冊成立的獲豁免有限公司。本公司的股份於2004年2月17日於香港聯合交易所有限公司(「聯交所」)GEM(「GEM」)上市，並於2008年7月31日撤銷其於GEM的上市地位。自2008年8月1日起，本公司的股份已於聯交所主板上市。董事認為，本公司之最終控股公司為冠華國際有限公司，該公司為於英屬處女群島註冊成立之公司。

綜合財務報表均以港元(「港元」)為單位，與本公司的功能貨幣相同。除非另有說明，否則所有金額均以近千位(千港元)計值。

1. General Information

Century Sunshine Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in fertiliser business, magnesium product business and metallurgical flux business.

The Company was incorporated in the Cayman Islands on 21 January 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. On 17 February 2004, the Company’s shares were listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and were withdrawn from the GEM Board on 31 July 2008. Since 1 August 2008, the Company’s shares have been listing on the Main Board of the Stock Exchange. In the opinion of the directors, the ultimate holding company of the Company is Alpha Sino International Limited, a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

本集團已於本年度首次應用下列由香港會計師公會(「香港會計師公會」)頒佈的新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃
香港財務報告準則第9號(修訂本)	提早還款特性及負補償
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理之不確定性
香港財務報告準則第19號(修訂本)	計劃修訂、縮減或清償
香港財務報告準則第28號(修訂本)	於聯營公司及合資公司之長期權益
香港財務報告準則(修訂本)	香港財務報告準則2015年至2017年週期之年度改進

除下文所述之外，於本年度應用新訂及經修訂香港財務報告準則對本集團於本年度及過往年度的財務狀況及表現及／或該等綜合財務報表所載之披露概無重大影響。

97

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

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

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

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

98

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

因首次應用香港財務報告準則第16號而進行的過渡及產生的影響概要

香港財務報告準則第16號租賃

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

租賃的定義

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

就於2019年1月1日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時根據香港財務報告準則第16號所載的規定應用租賃的定義。

作為出租人

香港財務報告準則第16號大致沿用香港會計準則第17號的出租人會計處理方式。出租人將繼續使用與香港會計準則第17號中類似的原則將租賃分類為經營或融資租賃。因此，香港財務報告準則第16號對本集團為出租人的租賃並無影響。沿用香港會計準則第17號的出租人會計處理規定大致維持不變。

作為承租人

本集團已追溯應用香港財務報告準則第16號，累計影響於首次應用日期(2019年1月1日)確認。

於2019年1月1日，本集團於過渡期應用香港財務報告準則第16號C8(b)(ii)以相關租賃負債之相等金額確認額外的租賃負債及使用權資產，調整任何預付或應計租賃付款金額。

Transition and summary of effects arising from initial application of HKFRS 16

HKFRS 16 Leases

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

Definition of a lease

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

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

As a lessor

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

As a lessee

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

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities, adjusted by the amount of any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition.

於過渡時應用香港財務報告準則第16號項下的經修訂追溯方法時，本集團按逐項租賃基準就先前根據香港會計準則第17號分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

- (i)

選擇不就租期於首次應用日期起計12個月內結束的租賃確認使用權資產及租賃負債；
- (ii)

於首次應用日期計量使用權資產時撇除初始直接成本；
- (iii)

就類似經濟環境內相似類別相關資產的類似剩餘租期的租賃組合應用單一貼現率。尤其是，若干位於中國的物業租賃的貼現率乃按組合基準釐定；
- (iv)

根據於首次應用日期的事實及情況於事後釐定本集團帶有續租及終止選擇權的租賃的租期；及
- (v)

依賴通過採用香港會計準則第37號撥備、或然負債及或然資產替代減值審查評估租賃是否屬繁重。

99

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

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

- (i)

elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- (ii)

excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- (iii)

applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of premises in the PRC was determined on a portfolio basis;
- (iv)

used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options; and
- (v)

relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

於確認先前分類為經營租賃之租賃的租賃負債時，本集團已於首次應用日期應用相關集團實體的增量借貸利率。相關集團實體所應用的加權平均增量借貸利率為5.07%至7.03%。

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities is 5.07% to 7.03%.

於2019年1月1日的租賃負債與2018年12月31日的經營租賃承擔對賬如下：

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

		千港元 HK\$'000
於2018年12月31日的經營租賃承擔	Operating lease commitment at 31 December 2018	10,800
減：未來利息開支總額	Less: total future interest expenses	(3,759)
採用增量借貸利率貼現的剩餘租賃付款現值及於 2019年1月1日 確認的租賃負債	Present value of remaining lease payments, discounted using the incremental borrowing rate and lease liabilities recognised as at 1 January 2019	7,041
減：可行權宜方法－租期自首次應用日期起計12個月內屆滿的租賃	Less: practical expedient-leases with lease term ending within 12 months from date of initial application	(50)
於2019年1月1日的租賃負債	Lease liabilities as at 1 January 2019	6,991
分析為：	Analysis as:	
非流動	Non-current	4,692
流動	Current	2,299
		6,991

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

於2019年1月1日作自用使用權資產的賬面值包括下列各項：

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

		附註 Notes	千港元 HK\$'000
與應用香港財務報告準則第16號後確認經營租賃相關的使用權資產	Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	(a)	6,991
加：自土地使用權重新分類	Add: Reclassification from land use rights	(b)	298,708
			305,699
			千港元 HK\$'000
房屋租賃	Leased premises		6,991
土地使用權	Land use rights		298,708
			305,699

附註：

Notes:

- (a)

與先前確認為經營租賃之租賃有關的使用權資產已按就2019年1月1日的剩餘租賃負債所確認金額的相等金額確認。
- (b)

於中國作自用的租賃土地的預付款項已於2018年12月31日分類為土地使用權。於應用香港財務報告準則第16號後，分別為13,492,000港元及285,216,000港元的土地使用權的流動及非流動部分已於2019年1月1日重新分類至使用權資產。
- (a)

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities at 1 January 2019.
- (b)

Upfront payments for leasehold lands in the PRC for own used properties were classified as land use rights as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of land use rights amounting to HK\$13,492,000 and HK\$285,216,000 respectively were reclassified to right-of-use assets at 1 January 2019.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

下表概述採納香港財務報告準則第16號對本集團於2019年1月1日的綜合財務狀況表的影響。並未計入未受到該等變動影響的項目。

The following table summarises the impacts of the adoption of HKFRS 16 on the Group’s consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

於2019年 1月1日於香港財務 報告準則第 16號項下的 賬面值 Carrying amount previously reported at 31 December 2018 千港元 HK\$'000				重新分類 Reclassification 千港元 HK\$'000	調整 Adjustments 千港元 HK\$'000	於2019年 1月1日於香港財務 報告準則第 16號項下的 賬面值 Carrying amount under HKFRS 16 at 1 January 2019 千港元 HK\$'000
非流動資產						
Non-current Assets						
使用權資產(附註1)	Right-of-use assets (Note 1)	—	298,708	6,991		305,699
土地使用權(附註2)	Land use rights (Note 2)	285,216	(285,216)	—		—
流動資產						
Current Assets						
土地使用權(附註2)	Land use rights (Note 2)	13,492	(13,492)	—		—
負債						
Liabilities						
租賃負債	Lease liabilities	—	—	(6,991)		(6,991)

附註：

- (1) 應用香港財務報告準則第16號於先前根據香港會計準則第17號分類為經營租賃之租賃導致於首次採納香港財務報告準則第16號時確認使用權資產305,699,000港元及租賃負債6,991,000港元。
- (2) 於2018年12月31日，於中國作自用物業之租賃土地的預付款項分類為土地使用權。於應用香港財務報告準則第16號後，分別為13,492,000港元及285,216,000港元的土地使用權的流動及非流動部分已分類至使用權資產。

已頒佈但未生效的新訂及經修訂香港財務報告準則。

Notes:

- (1) The application of HKFRS 16 to leases previously classified as operating leases under HKAS 17 resulted in the recognition of right-of-use assets of HKD305,699,000 and lease liabilities of HKD6,991,000 at the initial adoption of HKFRS 16.
- (2) Upfront payments for leasehold lands in the PRC own used properties were classified as land use rights as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of land use rights amounting to HK\$13,492,000 and HK\$285,216,000 respectively were classified to right-of-use assets.

New and amendments to HKFRSs on issue but not effective.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

本集團並未提前應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港會計準則第1號及 香港會計準則第8號 (修訂本)	重大的定義 ¹
香港財務報告準則 第9號、 香港會計準則第39號 及香港財務報告準則 第7號(修訂本)	利率基準改革 ¹
香港財務報告準則 第3號(修訂本)	業務的定義 ²
香港財務報告準則 第10號及香港會計 準則第28號(修訂本)	投資者與其聯營 公司或合資公司 之間的資產出售 或注資 ⁴
香港財務報告準則 第17號	保險合約 ³

- ¹ 於2020年1月1日或之後開始之年度期間生效。
- ² 適用於收購日期為2020年1月1日或之後開始的首個年度期間開始當日或之後進行的業務合併及資產收購。
- ³ 於2021年1月1日或之後開始的年度期間生效。
- ⁴ 於待定日期或之後開始之年度期間生效。

除上述新訂及經修訂國際財務報告準則之外，經修訂「財務報告概念框架」已於2018年頒佈。其相應修訂、於香港財務報告準則中的「提述概念框架的修訂」將於2020年1月1日或之後開始的年度期間生效。本公司董事預測應用所有其他新訂及經修訂香港財務報告準則於可預見的未來將不會對綜合財務報表產生重大影響。

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

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

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

In addition to the above new and amendments to HKFRSs, a revised “Conceptual Framework for Financial Reporting” was issued in 2018. Its consequential amendments, the “Amendments to References to the Conceptual Framework” in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020. The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

3. 主要會計政策概要

於編製此等綜合財務報表時應用之主要會計政策載列如下。除非另有說明，此等政策已一致應用於所有呈列年度。

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例(「公司條例」)所規定之適用披露資料。

編製基準

除若干按公允值計量的金融工具外，誠如下文會計政策所釋，綜合財務報表已按歷史成本基準編製。歷史成本通常根據為換取資產支付的代價的公允值釐定。

公允值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付之價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。估計資產或負債之公允值時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量和／或披露的公允值均在此基礎上予以確定，惟香港財務報告準則第2號範圍內之以股份支付的交易、香港會計準則第17號範圍內之租賃交易及以及與公允值類似但並非公允值的計量(例如，香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值)除外。

3. Summary of Significant Accounting Policies

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

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

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

此外，就財務報告而言，公允值計量根據公允值計量之輸入數據可觀察程度及輸入數據對公允值計量之整體重要性分類為第1類、第2類及第3類，載述如下：

- 第1類輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第2類輸入數據是就資產或負債直接或間接地可觀察之輸入數據(第1類內包括的報價除外)；及
- 第3類輸入數據是資產或負債的不可觀察輸入數據。

綜合基準

綜合財務報表包括本公司及本公司所控制的實體(包括結構性實體)及其附屬公司的財務報表。倘出現以下情況，則本公司已取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

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

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

Basis of Consolidation

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

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

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

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

倘本集團於投資對象之投票權未能佔大多數，但只要投票權足以賦予本公司實際能力可單方面掌控投資對象之相關業務時，本集團即對投資對象擁有權力。在評估本公司於投資對象之投票權是否足以賦予其權力時，本公司考慮所有相關事實及情況，其中包括：

- 本公司持有投票權之規模相對於其他選票持有人持有投票權之規模及分散性；
- 本公司、其他選票持有人或其他人士持有的潛在投票權；
- 其他合約安排產生之權利；及
- 於需要作出決定(包括先前股東大會上之投票模式)時表明本公司當前擁有或並無擁有指導相關活動之能力之任何額外事實及情況。

本公司於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止綜合入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本公司獲得控制權當日起至本公司失去附屬公司控制權當日止，計入綜合損益及其他全面收益報表內。

本公司擁有人及非控股股東權益應佔損益及其他全面收益各組成部分。即使會使非控股權益出現虧絀，一間附屬公司的全面收益及開支總額仍歸本公司擁有人及非控股權益所有。

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

如有需要，會對附屬公司的財務報表作出調整，以使其會計政策與本集團採用的會計政策一致。

所有本集團成員間集團內部交易有關資產及負債、權益、收益、開支及現金流已於編製綜合賬目時悉數抵銷。

於附屬公司的非控股權益與本集團的權益分開呈列，其指現有擁有權權益，使其持有人有權於清盤時按比例取得有關附屬公司之資產淨值。

附屬公司

附屬公司為本公司直接或間接控制之實體(包括結構性實體)。當本集團對參與投資對象業務之浮動回報承擔風險或享有權利以及能透過對投資對象之權力(即本集團獲賦予現有能以主導投資對象相關活動之既存權利)影響該等回報時，即取得控制權。

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

- (a) 與投資對象其他投票持有人之合約安排；
- (b) 其他合約安排所產生之權利；及
- (c) 本集團之投票權及潛在投票權。

附屬公司業績按已收取及應收取之股息列入本公司損益賬。本公司於附屬公司之投資按成本扣除任何減值列賬。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Subsidiaries

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 results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivables. The Company's investments in subsidiaries are stated at cost less any impairment.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

於聯營公司及合資公司的投資

聯營公司指本集團長期擁有合共不少於20%股本投票權且可對其行使重大影響力之企業。重大影響力指的是參與投資對象之財務及經營決策之權力，但不是控制或共同控制該等決策之權力。

合資公司指一種合資安排，對安排擁有共同控制權之訂約方據此對合資公司之資產淨值擁有權利。共同控制指按照合約協定對一項安排所共有控制，共同控制僅在有相關活動要求享有控制權之訂約方作出一致同意之決定時存在。

本集團於聯營公司及合資公司之投資以權益會計法按本集團應佔資產淨值扣除任何減值虧損在綜合財務狀況表列賬。

本集團應佔聯營公司及合資公司之收購後業績及其他全面收益分別計入綜合損益及其他全面收益表。此外，倘於聯營公司或合資公司之權益直接確認出現變動，則本集團會於綜合權益變動表確認其應佔任何變動(倘適用)。本集團與其聯營公司或合資公司交易所產生未變現收益及虧損按本集團於聯營公司或合資公司之投資對銷，惟倘未變現虧損有證據顯示所轉讓資產出現減值則除外。收購聯營公司或合資公司產生之商譽計入為本集團於聯營公司或合資公司投資之一部分。

Investment in Associates and Joint Ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

倘於聯營公司之投資成為與合資公司之投資(反之亦然)，則保留權益不會重新計量，而該項投資會繼續以權益法入賬。在所有其他情況下，於失去對聯營公司之重大影響力或對合資公司之共同控制權時，本集團按其公允值計量並確認任何保留投資。於失去重大影響力或共同控制權後之聯營公司或合資公司賬面值與保留投資公允值及出售事項所得款項之任何差異，於損益賬中確認。

當於聯營公司或合資公司之投資被分類為持作出售，則按香港財務報告準則第5號列賬。

本集團於現有附屬公司之擁有權變動

本集團於附屬公司擁有權之變動並無導致本集團對附屬公司失去控制權，而作為股本交易入賬。本集團之權益及非控股權益之賬面值經調整以反映彼等於附屬公司之有關權益變動。經調整非控股權益之面額與已付或已收代價之公允值間任何差額直接於權益中確認並歸屬於本公司擁有人所有。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5.

Changes in the Group's Ownership Interests in Existing Subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

當本集團失去附屬公司控制權時，出售損益按(i)已收代價的公允值及任何保留權益公允值的總額與(ii)附屬公司先前的資產(包括商譽)及負債和任何非控制權益賬面值的差額計算。倘附屬公司的若干資產按重估金額或公允值計量，且相關累計損益已於其他全面收益表確認並於權益累計，則之前於其他全面收益表確認並於權益累計的金額猶如本公司已直接出售有關資產(即重新分類至損益或直接轉撥至保留盈利)入賬。根據香港會計準則第39號金融工具：確認及計量，於失去控制權之日在前附屬公司保留的任何投資公允值視為首次確認公允值或(如適用)聯營公司或共同控制實體投資的首次確認成本，以供日後入賬處理。

商譽

自收購業務產生之商譽指收購成本超過於收購日期本集團於相關業務之可資識別資產、負債及或然負債之公允值之權益之金額。該商譽以成本減任何累計減值虧損列賬。

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Goodwill

Goodwill arising on an acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

就減值測試而言，收購所產生之商譽分配至預期將受惠於收購協同效益之各有關現金產生單位(「現金產生單位」)或現金產生單位組別。獲分配商譽之現金產生單位於每年及如有跡象顯示該單位可能已經減值時進行減值測試。就於財政年度因收購而產生之商譽而言，獲分配商譽之現金產生單位於該財政年度結束之前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值時，減值虧損首先分配作減低該單位獲分配之任何商譽之賬面值，其後根據該單位中各項資產賬面值之比例分配予該單位之其他資產。商譽之任何減值虧損直接於損益確認。商譽之減值虧損不會於隨後期間撥回。

於出售相關現金產生單位時，釐定出售損益金額時計入應佔資本化商譽之金額。

來自客戶合約之收入(應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團於完成履約責任時(或就此)確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時確認收益。

履約責任指明確貨品及服務(或一組貨品或服務)或一系列大致相同的明確貨品或服務。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash generating units (“CGUs”), or groups of CGU, that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Revenue from contracts with customers (upon application of HKFRS 15)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

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

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

控制權會隨時間轉移，而倘滿足以下其中一項標準，則收益乃參照完全滿足相關履約責任的進度而隨時間確認：

- 於本集團履約時客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約行為創造及提升客戶於本集團履約時已控制的資產；或
- 本集團的履約行為並無創造對本集團而言有其他用途的資產，且本集團擁有就迄今為止已完成的履約部分獲付款的可強行執行權利。

否則，收益於客戶取得明確貨品或服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即只需待時間過去代價即須到期支付。

合約負債指本集團因已自客戶收取代價(或到期收取的代價)，而須向客戶轉讓商品或服務之責任。

與合約有關之合約資產及合約負債列作以淨額基準呈列。

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

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

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

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

A contract asset and a contract liability relating to a contract are accounted for an presented on a net basis.

來自加工及銷售農業肥料、鎂產品及煉鋼熔劑之收益於產品的控制權在產品交付予客戶且客戶已接納產品的時間點轉移以及並無可能會影響客戶接納產品的未履行責任時予以確認。當產品已運送到指定地點，產品陳舊及遺失的風險已轉移至客戶，及客戶按照銷售合約接納產品，或接納條款已失效，或本集團有客觀證據證明所有接納標準均已達成時，交付即告完成。

該等銷售的收益按照合約訂明的價格(扣除折扣、回報及增值稅)予以確認。

應收款項於產品交付及客戶接納產品時確認，因從那一刻開始，付款之到期僅須時間的流逝，故收取代價成為無條件。

政府撥款

政府撥款不予確認，直至有合理保證，本集團將符合政府撥款隨附的條件，以及將收獲撥款後，方會確認。

倘政府撥款成為應收款項，作為已產生的開支或虧損的彌償，或提供予本集團而沒有相關未來成本即時財務支持，則於成為應收款項之期間於損益確認。

物業、廠房及設備

物業、廠房及設備(包括用作生產或供應貨物或服務，或行政用途的租賃土地及樓宇，在建工程除外)按成本減其後累計折舊及累計減值虧損列賬。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

Revenue from the processing and sales of fertiliser, magnesium products and metallurgical flux is recognised when control of the products has transferred, being at the point the products are delivered to the customer and the customer has accepted the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of discounts, returns and value added taxes.

A receivable is recognised when the products are delivered and the customers accept the products, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

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

Property, Plant and Equipment

Property, plant and equipment, including leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress), are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

在建工程包括建造以供生產或本身運用的物業、廠房及設備。在建工程乃按成本減任何已確認減值虧損列賬。當在建工程完成及可供擬定用途，則撥入物業、廠房及設備的適當分類。此等資產以其他物業資產的相同基準，當資產可供擬定用途時開始計算折舊。

於租賃土地及樓宇之擁有權權益

當本集團就於物業的擁有權權益(包括租賃土地及樓宇部分)付款時，全部代價於租賃土地及樓宇部分之間按初始確認時的相對公允值的比例分配。

倘相關付款能可靠分配，則以經營租賃入賬的租賃土地權益於綜合財務狀況表中呈列為「使用權資產」(於應用香港財務報告準則第16號後)或「預付租賃付款」(於應用香港財務報告準則第16號前)。倘代價無法於相關租賃土地的非租賃樓宇部分及未分割權益間可靠分配，則整項物業分類為物業、廠房及設備。

折舊乃於估計可使用年期內以直線法確認，以撇銷資產成本。估計可使用年期、剩餘價值及折舊方法會在各報告期末進行審核，而任何估計變更之影響乃不予追溯地入賬。

物業、廠房及設備於出售時或預期持續使用該資產不再帶來未來經濟利益時取消確認。因資產取消確認產生的任何收益或虧損(按出售所得款項淨額與項目賬面值的差額計算)乃於項目取消確認的期間內計入期內損益。

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Ownership interests in leasehold land and building

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

分類為持作出售資產

倘資產的賬面值將主要透過一項銷售交易而非持續使用而收回，且有關銷售被認為是極有可能發生的，則獲分類為持作出售。其乃按賬面值與公允價減銷售成本兩者中的較低者計量，惟本規定明確豁免的遞延稅項資產、僱員福利所產生之資產、金融資產及按公允值列賬的投資物業及保險合約下的合約性權利等資產則除外。減值虧損乃按資產任何初始或其後撇銷至公允值扣除銷售成本確認。收益乃按公允值扣除銷售資產的成本的任何其後增加確認，惟不超過先前確認的任何累計減值虧損。於銷售資產日期先前尚未確認的收益或虧損會於終止確認日期時獲確認。香港財務報告準則第5號(25)在獲分類為持作出售時不予折舊或攤銷。香港財務報告準則第5號(38)分類為持作出售資產與綜合財務狀況表內的其他資產分開呈列。

土地使用權

為獲得土地使用權支付的款項被視為預付經營租賃款項。土地使用權按成本減累積攤銷及任何累計減值虧損後列賬，而攤銷以直線法按權利的期限或各實體獲授予土地使用權的期限(以較短者為準)於損益中扣除。

就租賃分類而言，租賃土地及樓宇中土地及樓宇部分乃分開計算，除非租金支出無法可靠地在土地及樓宇部分之間作出分配，則在此情況下，整份租賃一般作為財務租賃處理及作為物業、廠房及設備入賬。倘能可靠地分配租金，則土地的租賃權益作為經營租賃入賬，並按直線法於租賃期內攤銷。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of derecognition. HKFRS5(25) Assets are not depreciated or amortised while they are classified as held for sale. HKFRS5(38) assets classified as held for sale are presented separately from the other assets in the consolidated statement of financial position.

Land Use Rights

Payment for obtaining land use rights is considered as prepaid operating lease payment. Land use rights are stated at cost less accumulated amortisation and any accumulated impairment losses, amortisation is charged to profit or loss over the period of the rights or the term of the respective enterprise to which the land use rights are granted, whichever is the shorter, using the straight-line method.

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight-line basis.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

租賃(根據附註2於過渡時應用香港財務
報告準則第16號後)

租賃的定義

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，則該合約為包含租賃。

就於首次應用日期或之後訂立或修改或由業務合併產生的合約而言，本集團根據香港財務報告準則第16號的定義於初始或修改日期或收購日期(倘適用)評估該合約是否為租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人(根據附註2於過渡時
應用香港財務報告準則第16號後)

將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分之合約而言，本集團根據租賃組成部分之相對獨立價格及非租賃組成部分之獨立價格總和將合約代價分配至各租賃組成部分，包括收購含有租賃土地及非租賃樓宇組成部分的物業的所有權權益的合約，惟有關分配無法可靠作出則除外。

本集團亦採用可行權宜方法，不將非租賃組成部分從租賃組成部分區分開來，而是將租賃組成部分及任何相關非租賃組成部分作為一項單獨的租賃組成部分進行入賬。

Leases (upon application of HKFRS 16 in
accordance with transitions in note 2)

Definition of a lease

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

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

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

Allocation of consideration to components of a contract

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

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

短期租賃及低價值資產租賃

對於租期自開始日期起計12個月或以內且並無包含購買選擇權的機器及設備租賃，本集團應用短期租賃確認豁免。本集團亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款按直線基準或另一系統基準於租期內確認為開支。

使用權資產

使用權資產的成本包括：

- 租賃負債初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減去已獲得的租賃優惠；
- 本集團所產生的任何初始直接成本；及
- 由本集團廢除及移除相關資產，恢復其所在場地或將相關資產恢復到租賃條款及條件所要求的條件所產生的成本估算，除非該等成本乃因生產存貨而產生。

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

就本集團於租期結束時合理確定獲取相關租賃資產所有權之使用權資產而言，有關使用權資產自開始日期起至可使用年期結束期間計提折舊。在其他情況下，使用權資產按直線基準於其估計可使用年期與租期兩者之較短期間內計提折舊。

本集團於綜合財務狀況表內將不符合投資物業或存貨定義的使用權資產呈列為一項單獨項目。符合投資物業及存貨定義的使用權資產分別呈列於「投資物業」及「待開發／在開發物業」／「待售物業」／其他(待指定)。

可退回租賃按金

已付可退回租賃按金按照香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)入賬及初步按公允值計量。於初始確認時對公允值的調整視為額外租賃付款，並計入使用權資產的成本。

租賃負債

於租賃開始日期，本集團按當日尚未支付的租賃付款現值確認及計量租賃負債。就計算租賃付款現值而言，倘租賃中隱含利率不易確定，則本集團於租賃開始日期使用的增量借款利率進行計算。

計入計量租賃負債之租賃付款包括：

- 固定租賃款項(包括實質性的固定付款)減去任何已獲得租賃優惠；
- 跟隨指數或比率而定的可變租賃付款，初步按開始日期的指數或比率計量；

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

The Group presents right-of-use assets that do not meet the definition of investment property or inventory as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property and inventory are presented within “investment properties” and “properties for/under development”/“properties for sale”/other (to specify) respectively.

Refundable rental deposits

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

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

- 根據剩餘價值擔保預期將由承租人支付的金額；
- 倘承租人合理確定行使購買選擇權，則為該選擇權的行使價；及
- 倘租期反映將行使選擇權終止租賃，則支付終止租賃的罰款。

反映市場租金變動之可變租賃付款初步使用於開始日期之市場租金計量。不會視乎指數或比率而定之可變租賃付款並無計入租賃負債及使用權資產計量，並在觸發付款之事件或情況出現之期間確認為開支。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

倘出現以下情況，本集團重新計量租賃負債(並就相關使用權資產作出相應調整)：

- 租期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金調查後市場租金變動／有擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

租賃負債於綜合財務狀況表中呈列為一項單獨項目。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The lease liability is presented as a separate line in the consolidated statement of financial position.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

租賃的修訂

倘出現以下情況，本集團將租賃的修改作為一項單獨的租賃進行入賬：

- 租賃修訂通過增加了使用一項或以上相關資產的權利使租賃範圍增大；及
- 租賃代價增加的金額相當於擴大範圍對應的單獨價格，加上以反映特定合約的實際情況對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款，根據經修訂租賃的租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，以對租賃負債進行重新計量。當經修訂合約包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分時，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的獨立價格總額，將經修訂合約中的代價分配至各租賃組成部分。

本集團作為承租人(於2019年1月1日
採納香港財務報告準則第16號之前)

經營租賃款項乃於有關租期以直線基準確認為一項開支。就訂立經營租賃而已收及應收的利益乃以直線基準於租期確認為扣除租金開支。

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessee (prior to adoption of
HKFRS 16 on 1 January 2019)

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

無形資產

於業務合併中收購的無形資產

在業務合併中收購的無形資產，若符合無形資產的定義，而公允值能可靠地計量，則須與商譽分開識別及確認。有關無形資產的成本確認為其於收購日期的公允值。

於首次確認後，具有有限使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有有限使用年期的無形資產以直線法按其估計可使用年期計提攤銷。或者，擁有無限使用年期的資產可按成本減任何其後累計減值虧損列賬。

技術知識

購入技術知識的開支撥作資本，並按自技術知識可使用日期起計分五年估計可使用年期以直線法攤銷。

商標

商標以歷史成本列示。於業務合併收購的商標按收購日期之公允值確認，並以直線法於其預計可使用年期五至十年內攤銷。

倘無形資產之可使用年期被評定為無限期，則不會進行攤銷。倘評定無形資產之可使用年期為無限期，則會每年檢討以釐定是否有任何事件或情況繼續支持該項資產的無限可使用年期。倘並無任何該等事件或情況，可使用年期評估由無限期轉為有限期時，則自變動日期起就其預期情況及根據上文所載攤銷有限期無形資產之政策列賬。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

Intangible Assets

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is recognised at their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Technical Know-how

Expenditure on acquired technical know-how is capitalised and amortised using the straight-line method over its estimated useful life of 5 years, from the date when the technical know-how is available for use.

Trademark

Trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date and amortised using the straight-line method over its estimated useful life of 5 to 10 years.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

研究及開發開支

研究活動開支於產生期間確認為費用。

由發展項目(或由一項在發展階段期間的內部項目)內部所產生的無形資產，只會在以下全部已被證明的情況下方會予以確認：

- 具可行性技術以完成無形資產並使其將可供使用或出售；
- 有意向完成及使用或出售之無形資產；
- 具能力可使用或出售之無形資產；
- 無形資產如何產生可能的將來經濟利益；
- 有足夠之技術、財政及其他資源可完成發展項目並使用或出售之無形資產；及
- 有能力確實地計量無形資產在其發展階段時所應佔的費用。

就內部產生的無形資產初始確認的金額為由無形資產首次符合上述確認要求的日期起所涉的開支總額。倘並無內部產生的無形資產可予確認，開發開支則會於產生期間的損益賬內扣除。

於初始確認後，內部產生的無形資產乃按與獨立購買的無形資產相同的基準，以成本扣除累計攤銷及累計減值虧損(如有)計算。

Research and Development Expenditure

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during the development.

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

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

終止確認無形資產

無形資產於出售時或當預期使用或出售無形資產產生會產生未來經濟利益時終止確認。終止確認無形資產所產生的損益按出售所得款項淨額與該資產賬面值的差額計量，並於終止確認該資產期間於損益中確認。

探礦權

探礦權包括所轉撥之勘探及評估資產，以成本扣除累計攤銷及任何減值虧損後列示。採購權按生產量除以礦產資源總儲量作攤銷。倘礦山被廢置時，則探礦權在損益表中攤銷。

外幣

編製本集團旗下各個別實體的財務報表時，以該實體的功能貨幣以外貨幣(外幣)進行的交易按交易日期的匯率以其功能貨幣(即該實體經營業務所在主要經濟環境的貨幣)列賬。

於各報告期末，以外幣結算的貨幣項目按該日的匯率重新換算。以外幣計值並以公允值列賬之非現金項目於公允值釐定當日按當前比率重新換算。按過往成本以外幣結算的非貨幣項目不會重新換算。

結算貨幣項目及換算貨幣項目時產生的匯兌差額於產生期間在損益確認。重新換算非貨幣項目產生的匯兌差額按公允值納入有關期間的損益內。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Mining Rights

Mining rights, including transferred exploration and evaluation assets, are stated at cost less accumulated amortisation and any impairment losses. The mining rights are amortised on the production quantities over the total estimated mineral reserve. Mining rights are written off to the profit or loss if the mining property is abandoned.

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value, are included in profit or loss for the period.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

就綜合財務報表呈報方式而言，本集團海外業務的資產及負債按報告期末的匯率換算為本集團的呈報貨幣(即港元)，而其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在此情況下，則採用交易日期的匯率換算。所產生匯兌差額(如有)於其他全面收益確認並於(如適用，按非控股權益應佔之)股本(即匯兌儲備)累計。

於出售海外業務(即出售本集團於海外業務的全部權益或涉及失去對一家從事海外業務的附屬公司的控制權的出售、涉及失去對一家從事海外業務的共同控制實體的共同控制權的出售、或失去對一家從事海外業務的聯營公司的重大影響力的出售)時，就本公司擁有人應佔該業務之權益而累計之所有匯兌差額重新分類至損益。

因2005年1月1日或之後收購海外業務而產生之所購入可識別資產之商譽及公允值調整已按作為該海外業務的資產及負債處理，並按報告期末匯率重新換算。所產生的匯兌差額於其他全面收益中確認並在權益中累計。

借貸成本

直接歸屬於收購、建築或生產合資格資產的借貸成本，而該等資產需要較長時間才能準備好供擬定用途使用或銷售，則該借貸成本則加入該等資產的成本，直至該等資產大致可供擬定用途使用或銷售。

所有其他借貸成本於產生之期內在損益確認。

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the rates of exchange prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (i.e. the translation reserve) (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

退休福利費用

退休金計劃

本集團根據強制性公積金計劃條例設立一項界定供款之強制性公積金退休福利計劃(「強積金計劃」)，為所有僱員參與強積金計劃。供款按僱員基本薪金的若干百分比釐定並根據強積金計劃守則於需支付供款時在損益內扣除。強積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。

本集團亦為僱員(包括若干董事)設立一項界定供款僱員退休金計劃，該計劃依職業退休計劃條例註冊(「職業退休計劃」)。職業退休計劃的資產與本集團資產分開，由一個獨立管理的基金持有。供款按合資格僱員基本薪金的若干百分比釐定並於根據職業退休計劃守則於需支付供款時在損益內扣除。如僱員於其於本集團僱主供款的權益尚未全數歸於僱員前退出職業退休計劃，有關被沒收的供款可能減少本集團的持續應付供款。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

Retirement Benefit Costs

Pension Schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees. 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.

The Group also operates a defined contribution staff retirement scheme registered under the Occupational Retirement Schemes Ordinance (the “ORSO Scheme”) for its employees (including certain directors), the assets of which are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the eligible employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the ORSO Scheme. When an employee leaves the ORSO Scheme prior to his/her interest in the Group’s employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

本集團於中國內地營運附屬公司之僱員須參與一項由當地市政府管理之中央退休金計劃。此等附屬公司須按彼等薪金成本之若干百分比，向該中央退休金計劃作出供款。此供款根據中央退休金計劃之守則，於應付時在損益內扣除。

向界定供款退休金計劃的供款於僱員提供服務後而符合領取有關供款的資格時列作支出扣除。

現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括手頭現金及活期存款，以及可隨時轉換為已知數額現金並一般於購入後三個月內到期，且價值變動風險微不足道之短期及高度流通投資，另扣除須按要求償還及構成本集團現金管理一部分之銀行透支。

股份付款交易

授予僱員的購股權

就須待達成指定歸屬條件的購股權的授出而言，參照授出當日已授出購股權的公允值而釐定已收取服務的公允值，於歸屬期間按直線法支銷，而股本(僱員報酬儲備)則相應增加。

於報告期末，本集團修訂預期最終歸屬的購股權估計數目。倘原先估計數目有所修訂(如有)，則於歸屬期間修訂估計的影響在損益確認，並於僱員報酬儲備中作相應的調整。

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 certain 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.

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprises of cash in hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which 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.

Share-based Payment Transactions

Share Options Granted to Employees

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (employee compensation reserve).

At the end of the reporting period, the Group revises its estimates of number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss with a corresponding adjustment to employee compensation reserve.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

就授出日期已即時歸屬的購股權而言，已授出購股權的公允值隨即於損益支銷。

購股權獲行使時，先前於僱員報酬儲備中確認之數額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於到期日仍未獲行使，先前於僱員報酬儲備中確認之數額將轉撥至保留盈利。

稅項

所得稅開支指當前應付稅項及遞延稅項總額。

當前應付稅項乃按年內應課稅溢利計算。應課稅溢利不包括已撥往其他年間的應課稅收入或可扣減開支項目，亦不包括可作免稅或不可作稅項扣減之項目，故與綜合損益及其他全面收益表所列溢利不同。本集團即期稅項負債乃按於報告期末已頒佈或大致上已頒佈之稅率計算。

遞延稅項乃按於財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產通常會於可能出現應課稅溢利抵銷有關可動用可扣減暫時差額時就所有可扣減暫時差額確認。若暫時差額因商譽或因於一項既不影響應課稅溢利亦不影響會計溢利之交易(不包括業務合併)中開始確認其他資產及負債而引致，則不會確認該等資產及負債。

For share options that are vested immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When the share options are exercised, the amount previously recognised in employee compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in employee compensation reserve will be transferred to retained earnings.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

遞延稅項負債就與於附屬公司投資有關之應課稅臨時差額確認，惟倘集團能控制臨時差額撥回且臨時差額於可見未來不會撥回則作別論。與該等投資及權益相關的可抵扣暫時差額所產生的遞延稅項資產僅在動用暫時差額利益時有足夠的應課稅溢利且預期在可見將來其將被撥回時，方可確認。

遞延稅項資產之賬面值會於各報告期末均作檢討，並在不大可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項負債及資產以負債被清償或資產被變現的期間內預期適用的稅率計量，並根據於報告期末已頒佈或大致上已頒佈的稅率(和稅務法例)計量。遞延稅項負債及資產之計量反映隨本集團預期於報告期末時收回或償還資產及負債賬面值所產生之稅務後果。即期及遞延稅項於損益確認，惟倘該等稅項與於其他全面收益或直接在權益中確認的項目有關，則遞延稅項亦分別在其他全面收益或直接於權益確認。

當即期稅項資產與即期稅項負債可依法相互抵銷，且與同一稅務機關對同一應課稅實體所徵收之所得稅有關時，遞延稅項資產及負債可相互抵銷。

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

就計量本集團確認使用權資產及相關租賃負債的租賃交易遞延稅項而言，本集團首先確定稅務扣減是否與使用權資產或租賃負債相關。

就因租賃負債而產生扣稅的租賃交易而言，本集團將香港會計準則第12號所得稅規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，於初步確認時及租期內不會確認與使用權資產及租賃負債有關的暫時差額。

存貨

存貨按成本與可變現淨值兩者的較低者列賬。如為在製品及製成品，包括直接物料、直接勞工及適當部分的間接開支。成本以加權平均法計算。可變現淨值指存貨之估計售價減完成之所有估計成本以及出售所需之成本。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. In the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make sale.

投資及其他金融資產(自2018年1月1日起適用香港財務報告準則第9號政策)

初步確認及計量

於初步確認時，金融資產分類為其後按攤銷成本計量、按公允值計入其他全面收入及按公允值計入損益。

初步確認金融資產分類取決於金融資產的合約現金流特徵，以及本集團管理金融資產的業務模式。除並未包含重大融資組成部分或本集團已實行權宜措施不調整重大融資組成部分影響的貿易應收款項外，本集團按公允值初步計量金融資產，倘金融資產並非按公允值計入損益，則另加交易成本。並未包含重大融資組成部分或本集團已實行權宜措施的貿易應收款項根據下文「收益確認(自2018年1月1日起適用)」所述政策按香港財務報告準則第15號釐定的交易價計量。

金融資產須使現金流量僅為償還本金及未償還本金利息(「僅為償還本金及利息」)，方可分類為按攤銷成本計量或按公允值計入其他全面收入的金融資產。本集團管理金融資產的業務模式指本集團如何管理其金融資產以產生現金流量。業務模式釐定現金流量會否因收取合約現金流量、出售金融資產或因前述兩者而產生。

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

金融資產的所有一般買賣概於交易日(即本集團承諾買賣資產的日期)確認。一般買賣指按照一般市場規定或慣例須在指定期間內交付資產的金融資產買賣。

後續計量

金融資產的後續計量取決於以下分類：

按攤銷成本計量的金融資產(債務工具)倘符合以下兩項條件，則本集團按攤銷成本計量金融資產：

- 金融資產乃於以持有金融資產為目標的業務模式內持有，旨在收取合約現金流量。
- 金融資產合約條款訂明於指定日期的現金流量僅可用作償還本金及未償還本金利息。

按攤銷成本計量的金融資產其後使用實際利率法計量，並可予減值。倘資產終止確認、修訂或減值，則收益及虧損於損益表確認。

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)
The Group measures financial assets at amortised cost if both of the following conditions are met:

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

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.

按公允值計入損益的金融資產

按公允值計入損益的金融資產按公允值於財務狀況表列賬，公允值變動淨額於損益表確認。

該分類包括本集團並未不可撤銷地指定為按公允值計入其他全面收益分類至股本工具。分類為按公允值計入損益之金融資產之股本工具之股息，於付款權建立時，亦於損益表內確認為投資收益淨額。與股息有關的經濟利益可能將流入本集團，股息金額能可靠計量。

終止確認金融資產(自2018年1月1日起適用香港財務報告準則第9號項下的政策)

金融資產(或(倘適用)一項金融資產的一部分或一組相類似金融資產的一部分)在下列情況下一般將會被大致終止確認(即從本集團綜合財務狀況表移除)：

- 收取該項資產所得現金流量的權利已屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或已根據一項「轉付」安排承擔向第三方全數支付(並無出現重大延誤)所收現金流量的責任；且(a)本集團已轉讓該項資產的絕大部分風險及回報，或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產的控制權。

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 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 net investment gains 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.

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

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.

凡本集團已轉讓其收取該項資產所得現金流量的權利或作出一項轉付安排，其會評估是否以及在何種程度上保留資產所有權的風險及回報。如並無轉讓或保留該項資產的絕大部分風險及回報，亦無轉讓該項資產的控制權，則以本集團持續參與該資產的程度為限，本集團繼續確認已轉讓的資產。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乃按可反映本集團所保留權利及責任的基準計量。

所轉讓資產擔保形式的持續參與，以資產原賬面值與本集團可能須償還的最高代價金額中的較低者計量。

金融資產減值(自2018年1月1日起適用香港財務報告準則第9號項下的政策)

本集團確認對並非按公允值計入損益的所有債務工具預期信貸虧損的撥備。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的所有現金流量的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押品的現金流量或組成合約條款的其他信貸提升措施。

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 (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for 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.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

一般方法

預期信貸虧損分兩個階段確認。就自初始確認起並未顯著增加的信貸風險而言，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作出信貸虧損撥備。就自初始確認起已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須作出虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自初始確認後是否顯著增加。作出評估時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險，並考慮毋須花費不必要成本或精力即可獲得的合理及有理據的資料，包括歷史及前瞻性資料。

當合約付款逾期90天，則本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料顯示，於計及本集團持有的任何信貸提升前，本集團不大可能悉數收取未償還的合約款項，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。

General approach

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

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

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

按公允值計入其他全面收益之債務投資及按攤銷成本計量的金融資產須按一般方法作出減值，除貿易應收款項及合約資產應用下文詳述的簡化方法外，預期信貸虧損的計量於以下階段進行分類。

第1階段 — 信貸風險自初始確認以來並未顯著增加的金融工具，虧損撥備按12個月預期信貸虧損計量

第2階段 — 信貸風險自初始確認以來顯著增加但並非信貸減值金融資產的金融工具，虧損撥備按全期預期信貸虧損計量

第3階段 — 於報告日期已信貸減值(並非購買或原信貸減值)的金融資產，虧損撥備按全期預期信貸虧損計量

簡化方法

就並無重大融資組成部分或本集團實行權宜措施不調整重大融資組成部分影響的貿易應收款項及合約資產而言，本集團應用簡化方法計算預期信貸虧損。根據簡化方法，本集團不會追蹤信貸風險的變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已根據過往信貸虧損經驗建立撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

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.

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.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先就個別屬重大的金融資產個別評估是否存在減值，或就個別不屬重大的金融資產共同評估是否存在減值。倘本集團釐定個別評估的金融資產(無論是否屬重大)並無客觀憑證顯示存在減值，則該項資產會歸入一組具有類似信貸風險特徵的金融資產內，並共同評估減值。經個別評估減值並已確認或將繼續確認減值虧損的資產，不會納入共同減值評估內。

已識別的任何減值虧損金額按資產的賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)的現值之間的差額計量。估計未來現金流量的現值按該金融資產的原實際利率(即初步確認時計算的實際利率)貼現。

資產的賬面值透過使用撥備賬方式來扣減，虧損於損益內確認。利息收入持續按已扣減賬面值累計，並採用計量減值虧損時貼現未來現金流量所使用的利率累計。倘預期貸款及應收款項實際上無法收回且所有抵押品已變現或轉撥至本集團，則貸款及應收款項連同任何相關撥備一併撇銷。倘於其後期間估計減值虧損金額因確認減值後發生的事件而增加或減少，則透過調整撥備賬增加或減少先前確認的減值虧損。倘撇銷於其後收回，則有關收回款項計入損益內的其他開支。

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

以成本列賬之資產

倘有客觀跡象表明一項無報價股本工具已發生減值虧損，而該項工具由於公允值無法可靠計量而並無按公允值列賬，或一項衍生資產已發生減值虧損，而該衍生資產與該等無報價股本工具相聯繫或以該等無報價股本工具進行交割，則應以資產之賬面值和估計未來現金流量之現值(以當前市場類似金融資產之回報率折現)的差額作為虧損金額。該等資產之減值虧損不予撥回。

金融負債及股權

分類為債務或股權

債務及股本工具按所訂立之合約安排性質，以及金融負債及股本工具之定義而分類為金融負債或股權。

股本工具

股本工具為實體經扣除其所有負債後乃對資產擁有剩餘權益之任何合約。由本公司發行之股本工具扣除直接發行成本後按已收所得款項確認。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

金融負債(自2018年1月1日起適用香港財務報告準則第9號項下的政策)

全部金融負債後續按攤銷成本使用實際利率法或按公允值計入損益計量。

按攤銷成本列賬之金融負債

本集團的金融負債包括貿易應付款項及應付票據、其他應付款項及應計費用、租賃負債、借款及可轉換債券。

後續計量

金融負債按其分類的後續計量如下：

貸款及借款於初次確認後，計息貸款及借款隨後使用實際利率法按攤銷成本計量，除非貼現影響不大，則按成本列賬。

終止確認負債時以及於實際利率攤銷過程中，盈虧於損益確認。

攤銷成本於計及收購時的任何折讓或溢價以及組成實際利率一部分的費用或成本後計算。實際利率攤銷計入損益內的融資成本內。

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018)

All financial liabilities are subsequently measured at amortised costing using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

The Group's financial liabilities include trade and bills payables, other payables and accruals, lease liabilities, borrowings and exchangeable bond.

Subsequent measurement

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

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 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 profit or loss.

終止確認金融負債(自2018年1月1日起適用香港財務報告準則第9號項下的政策)

當負債下的責任已履行、取消或屆滿，即會終止確認金融負債。倘一項現有金融負債被另一項由同一貸款人按條款相當不同的金融負債所取代，或一項現有負債的條款經重大修改，該項取代或修改乃視為終止確認原有負債及確認一項新負債，而各自賬面值的差額則於損益內確認。

抵銷金融工具(自2018年1月1日起適用香港財務報表第9號項下的政策)

倘有現行可強制執行的法定權利抵銷確認金額及有意按淨額基準結算或同時變現資產與結算負債，則會抵銷金融資產及金融負債及於財務狀況表內呈報淨額。

關連人士交易

在下列情況下，有關人士將被視為與本集團有關連：

- (1) 倘屬以下人士，即該人士或該人士之直系親屬與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018)

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 profit or loss.

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018)

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.

Related Parties Transactions

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

- (1) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

- (2) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一間實體為另一實體的聯營公司或合資公司(或另一實體為成員公司之集團旗下成員公司之聯營公司或合資公司)。
 - (iii) 兩間實體均為同一第三方的合資公司。
 - (iv) 一間實體為第三方實體的合資公司，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關連。
 - (vi) 實體受(1)所識別人士控制或受共同控制。
 - (vii) 於(1)(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)主要管理層成員。
 - (viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供主要管理人員服務。

- (2) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1).
 - (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

一名人士的家族的密切成員指可能影響該名人士或被該名人士影響的家族成員，從而影響該名人士或其家族的密切成員與實體的交易，包括：

- (a) 該名人士的子女、配偶或同居者；
- (b) 該名人士或其配偶或其同居者的子女；及
- (c) 該名人士或其配偶或其同居者的家屬。

關連人士之間轉讓資源或責任的交易，乃視為關連人士交易。

分部報告

經營分部及綜合財務報表所呈列各分部的金額，乃從為向本集團各項業務及地理位置分配資源及評估其業績而定期向本集團多數最高行政管理層提供的財務資料當中識別出來。

個別重要的經營分部不會合計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部分條件，則可以合計為一個報告分部。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Segment Reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用於附註3所述之本集團之會計政策時，本公司之董事須對未能透過其他來源確定之資產及負債之賬面值作出判斷、估計及假設。所作出之估計及相關假設乃以過往經驗及其他被視為相關之因素為基準。實際業績可能與該等估計有異。

估計及相關假設乃以持續基準被審閱。倘對會計估計之修訂僅影響進行修訂之期間，則於該期間確認，或倘修訂會影響目前及未來期間，則會於目前及未來期間確認。

估計不明朗因素的主要來源

以下為於報告期末極可能導致本集團資產與負債賬面值於下一財政年度需要作出重大調整之未來相關重要假設及導致估計不明朗因素的其他主要來源。

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

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

(a) 採礦權、使用權資產、物業、廠房及設備以及無形資產的減值的估計

根據附註3所述的會計政策，倘任何事件或情況改變顯示資產的賬面值不能收回，則本集團會評估採礦權、使用權資產、物業、廠房及設備以及無形資產有否出現減值。現金產生單位的可收回金額指資產之公允值減銷售成本或其可使用價值(以較高者為準)。公允值減銷售成本或其可使用價值之計算方法需要作出估計。於本年度，本集團並無就採礦權、使用權資產、物業、廠房及設備以及無形資產(2018年：零港元)及可供出售投資(2018年：零港元)計提任何減值撥備。

(b) 使用權資產、物業、廠房及設備、無形資產和採礦權的可使用年期的估計

本集團的管理層為其使用權資產、物業、廠房及設備及無形資產釐定估計可使用年期及相關折舊／攤銷費用。此估計以相似性質及功能的使用權資產、物業、廠房及設備及無形資產過往經驗的實際可使用年期及獨立技術顧問所釐定的礦產資源為基準，其可因科技創新及競爭者對市況作出反應而有很大差距。倘可使用年期較之前估計年期短，管理層將提高折舊／攤銷費用，或撇銷或撇減已棄置或出售的技術上過時或非策略性的資產。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

(a) Estimated Impairment of Mining Rights, Right-of-use Assets, Property, Plant and Equipment and Intangible Assets

The Group evaluates whether mining rights, right-of-use assets, property, plant and equipment and intangible assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, in accordance with the accounting policy stated in Note 3. The recoverable amounts of CGUs represent the higher of the asset's fair value less costs to sell or its value-in-use. The calculations of fair value less costs to sell or value-in-use require the use of estimates. During the year, the Group did not provide any impairment for mining rights, right-of-use assets, property, plant and equipment and intangible assets (2018: HK\$ Nil) and available-for-sale investment (2018: HK\$ Nil).

(b) Estimated Useful Lives of Right-of-use Assets, Property, Plant and Equipment, Intangible Assets and Mining Rights

The Group's management determines the estimated useful lives and related depreciation/amortisation charges for its right-of-use assets, property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of right-of-use assets, property, plant and equipment and intangible assets of similar nature and functions and the mineral reserve determined by independent technical adviser. It could change significantly as a result of technical innovations and competitor actions in response to market conditions. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

144 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

本集團於截至2019年及2018年12月31日止年度內並無更改使用權資產、物業、廠房及設備、無形資產以及採礦權之估計可使用年期。

(c) 所得稅

本集團於多個司法權區均須繳納所得稅。若干交易及計算方法存在不明朗之最終稅項決定。本集團以額外稅項會否到期之估計就預期稅項事宜確認負債。倘該等事宜之最終稅務結果有別於首次記錄之金額，有關差額將於作出決定之期間影響當期及遞延稅項撥備。

(d) 貿易應收款項及應收票據預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率乃基於具有類似虧損模式(即按地理區域、產品類型、客戶類型及評級，以及信用證或其他形式的信用保險的承保範圍)的不同客戶分部組合逾期日數釐定。

During the years ended 31 December 2019 and 2018, the Group did not change the estimated useful lives of right-of-use assets, property, plant and equipment, intangible assets and mining rights.

(c) Income Tax

The Group is subject to income taxes in several jurisdictions. There are certain transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(d) Provision for expected credit losses on trade and bills receivables

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

撥備矩陣最初基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損經驗。舉例而言，倘預測經濟環境(即本地生產總值)預期將於未來一年惡化，導致製造業違約事件增加，則會調整過往違約率。於各報告日期，過往觀察所得違約率將予更新，並會分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟環境及預期信貸虧損之間關連性進行的評估屬重大估計。預期信貸虧損金額對情況變化及預測經濟環境相當敏感。本集團過往信貸虧損經驗及預測經濟環境亦未必能代表客戶日後的實際違約情況。有關本集團貿易應收款項的預期信貸虧損的資料於財務報表附註5及29披露。

145 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) 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 customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in notes 5 and 29 to the financial statements.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

5. 金融工具

(a) 金融工具類別

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
金融資產	Financial assets		
按攤銷成本計量的金融資產	Financial assets measured at amortised cost	1,381,386	1,595,475
按公允值計入損益的金融資產	Financial assets at fair value through profit or loss	8,782	3,876
		1,390,168	1,599,351
金融負債	Financial liabilities		
攤銷成本	Amortised cost	2,744,636	2,891,978
		2,744,636	2,891,978

(b) 財務風險管理目標及政策

本集團的主要金融工具包括按公允值計入損益的股本工具、貿易應收款項及應收票據、其他應收款項、按金、長期銀行存款、銀行及現金結餘、貿易應付款項及應付票據、應計費用及其他應付款項、租賃負債、借貸及可轉換債券。金融工具詳情於相關附註披露。與該等金融工具有關的風險包括外匯風險、利率風險、其他價格風險、信貸風險及流動資金風險。以下載列如何緩和該等風險的政策。本集團的整體風險管理計劃著重於不可預測的金融市場和尋求最大程度地降低本集團財務表現所遭受的潛在不利影響。

5. Financial instruments

(a) Categories of Financial Instruments

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
Financial assets		
Financial assets measured at amortised cost	1,381,386	1,595,475
Financial assets at fair value through profit or loss	8,782	3,876
	1,390,168	1,599,351
Financial liabilities		
Amortised cost	2,744,636	2,891,978
	2,744,636	2,891,978

(b) Financial Risk Management Objectives and Policies

The Group's major financial instruments include equity instruments on fair value through profit or loss, trade and bills receivables, other receivables, deposits, long-term bank deposits, bank and cash balances, trade and bills payables, accruals and other payables, lease liabilities, borrowings and exchangeable bonds. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include foreign exchange risk, interest rate risk, other price risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Group's overall risk management programme focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

(i) Foreign Exchange Risk

The Group does not have significant exposures to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the respective subsidiaries. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency hedging significant foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) Interest Rate Risk

The Group is exposed to fair value interest rate risk in relation to pledged bank deposits, bank and cash balances and borrowings (see Notes 31 and 34 respectively for details).

Sensitivity Analysis

If interest rates on pledged bank deposits, bank and cash balances and borrowings as at 31 December 2019 had been 10 basis points (0.1% per annum) (2018: 10 basis points) higher/lower than the actual effective interest rate, the Group's profit for the year would have been approximately HK\$1,228,000 (2018: HK\$1,097,000) higher/lower as a result of a increase/decrease in fair value of pledged bank deposits, bank and cash balances and borrowings.

As management considers the Group's exposure to the above fair value interest rate risk is not significant, no interest rate swaps or other hedging activities are undertaken by management during the year.

(i) 外匯風險

鑑於本集團大部分業務交易、資產及負債主要以各附屬公司的功能貨幣計值，故此並沒有承受巨大的外匯風險。本集團目前並無就外幣交易、資產及負債訂立外幣對沖政策。本集團將密切監測其外匯風險，並在需要時考慮對沖重大外幣風險。

(ii) 利率風險

本集團須面對有關已抵押銀行存款、銀行及現金結餘及借貸之公允值利率風險(詳情分別參閱附註31及34)。

敏感度分析

倘若於2019年12月31日之已抵押銀行存款、銀行及現金結餘及借貸利率較實際利率上升／下降10個基點(年利率0.1%) (2018年：10個基點)，本集團的年度溢利將因已抵押銀行存款、銀行及現金結餘及借貸的公允值上升／下降而增加／減少約1,228,000港元(2018年：1,097,000港元)。

由於管理層認為本集團面臨的上述公允值利率風險並非重大，因此於年內管理層並無採取息率掉期或其他對沖措施。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

本集團亦須面對有關按當前市場利率入賬之銀行結餘之現金流利率風險。然而，由於銀行結餘全部均為短期性質，因此本集團面對之風險屬輕微。

(iii) 其他價格風險

本集團透過其於澳洲的上市股本證券承受股權價格風險。管理層透過維持不同風險投資組合以管理此風險。本集團其他價格風險主要集中於在澳洲上市之股本工具。

敏感度分析

以下敏感度分析根據報告日須面對之股本價格風險釐定。

倘各自股本工具之價格上升／下降10% (2018年：10%)，本集團之損益將增加／減少約878,000港元 (2018年：388,000港元)，乃由於按公允值計入損益的股本工具之公允值變動。

(iv) 信貸風險

本集團僅與獲認可及信譽良好的第三方進行交易。按照本集團的政策，所有擬按信貸條款進行交易的客戶均須接受信貸核實程序。此外，本集團會持續監察應收款項結餘的情況，而本集團的壞賬風險並不重大。對於並非以相關營運單位的功能貨幣計值的交易，未經信貸監控主管的特別批准，本集團不會提供信貸條款。

The Group is also exposed to cash flow interest rate risk in relation to bank balances carried at prevailing market rate. However, such exposure is minimal to the Group as the bank balances are all short-term in nature.

(iii) Other Price Risk

The Group is exposed to equity price risk through its investments in listed equity securities in Australia. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's other price risk is mainly concentrated on equity instruments listed in the Australia.

Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of respective instruments has been 10% (2018:10%) higher/lower, the Group's profit or loss would increase/decrease by approximately HK\$878,000 (2018: HK\$388,000) as a result of the changes in fair value of equity instrument at fair value through profit or loss.

(iv) Credit Risk

The Group trades only 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 and the Group's exposure to bad debts is not significant. 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 the Head of Credit Control.

於2019年12月31日的最高風險及年終階段。

下表顯示基於本集團信貸政策的信貸質素及最大信貸風險敞口，主要基於過往逾期資料(惟其他資料毋須過多的成本或努力)及於2019年12月31日的年終階段分類。本集團亦使用外部信貸評級監控上市債務投資。所呈列的金額為金融資產的賬面值總額及財務擔保合約的信貸風險。

		預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於2019年 12月31日 即期(未逾期) 逾期不多於1年	As at 31 December 2019 Current (not past due) Not more than 1 year past due	2.38% 100%	461,217 4,902	10,974 4,902
			466,119	15,876

		預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於2018年 12月31日 即期(未逾期) 逾期不多於1年	As at 31 December 2018 Current (not past due) Not more than 1 year past due	0.54% 100.00%	357,862 13,209	1,939 13,209
			371,071	15,148

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

Maximum exposure and year-end staging as at 31 December 2019.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2019. For listed debt investments, the Group also monitors them by using external credit ratings. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

150

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

本集團僅與認可及信貸記錄良好的第三方進行交易。本集團的政策是所有欲以信貸期作交易的客戶須參與信貸驗證程序。此外，本集團會持續監察應收結餘。

就本集團其他金融資產(包括現金及等同現金項目)所產生之信貸風險而言，本集團因對方拖欠還款而須面對的信貸風險有限，此乃由於對方擁有良好信貸評級，而本集團預期不會因該等實體的未分配墊款／按金而引起重大損失。

本集團並無高度集中的信貸風險。本集團訂有既定政策確保向具有良好信貸記錄的客戶銷售產品。本集團的銀行存款及存放於金融機構之存款均存放於無重大信貸風險的優質金融機構。

由於有關金融機構並無拖欠付款記錄，故董事認為本集團存放於銀行及金融機構的存款不會存在重大信貸風險。

有關本集團所面對來自貿易應收款項之信貸風險之進一步量化數據於財務報表附註29披露。

(v) 流動資金風險

本集團奉行審慎的流動資金風險管理，即意味著維持足夠現金及有價證券、透過款額充裕的已承諾信貸融資以維持可供動用資金，以及結算市場頭寸的能力。本集團致力保持可供動用的足夠信貸額度，藉以維持資金供應的靈活性。

The Group trades only with recognised, 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.

With respect to credit risk arising from the other financial assets of the Group which comprise cash and cash equivalents, the Group's exposure to credit risk arising from default of the counterparties is limited as the counterparties have good credit standing and the Group does not expect to incur significant loss for unallocated advances/deposits from these entities.

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of goods are made to customers with an appropriate credit history. The Group's deposits with bank and deposits placed with financial institutions are placed in high quality financial institutions without significant exposure to credit risk.

The directors consider that there is no significant credit risk in respect of the Group's deposits with banks and deposits placed with financial institutions as the financial institutions have no record of default payment.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 29 to the financial statements.

(v) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping adequate facilities available.

151

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months upon recognition equal their carrying balances, as the impact of discounting is not significant.

2019年

		未貼現現金流				
		Undiscounted cashflow			未貼現現金流總額	賬面值
		加權平均實際利率	一年以下	一年以上		
		Weighted average effective interest rate	Less than 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		%	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
貿易應付款項及應付票據	Trade and bill payables	-	291,863	-	291,863	291,863
應計費用及其他應付款項	Accruals and other payables	-	217,096	46,962	264,058	264,058
租賃負債	Lease liabilities	6.56	2,408	9,891	12,299	7,832
借貸	Borrowings	7.01	1,632,372	614,912	2,247,284	2,060,243
可轉換債券	Exchangeable bond	10.00	132,704	-	132,704	120,640
			2,276,443	671,765	2,948,208	2,744,636

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

2018年

		未貼現現金流				
		Undiscounted cashflow				
		加權平均 實際利率	一年以下	一年以上	未貼現 金流總額	賬面值
		Weighted average effective interest rate	Less than 1 year 千港元	Over 1 year 千港元	Total undiscounted cash flows 千港元	Carrying amount 千港元
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000
貿易應付款項及應付票據	Trade and bill payables	–	601,886	–	601,886	601,886
應計費用及其他應付款項	Accruals and other payables	–	214,709	10,310	225,019	225,019
借貸	Borrowings	6.23	972,800	1,078,897	2,051,697	1,814,609
可轉換債券	Exchangeable bonds	18.04	259,165	–	259,165	250,464
			2,048,560	1,089,207	3,137,767	2,891,978

(c) 公允值計量

本附註提供資料說明本集團為各項金融資產及金融負債釐定公允值的方法。

(i) 根據經常性基準按公允值計量的本集團金融資產及金融負債的公允值

本集團部分金融資產及金融負債於各報告期末按公允值計量。下表所載資料說明如何釐定該等金融資產及金融負債的公允值(尤其是所用估值技術及輸入數據)。

敏感度分析

倘波動上升／下跌5%，則衍生金融負債之賬面值將增加約265,000港元或減少約308,000港元。

(c) Fair Value Measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Sensitivity Analysis

If the volatility increase/decrease by 5%, the carrying value of the derivative financial liabilities will increase by approximately HK\$265,000 or decrease by approximately HK\$308,000.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

金融資產	於以下日期的公允值 Fair value as at		公允值級別 Fair value hierarchy	估值方法及主要輸入數據 Valuation techniques and key inputs
	2019年12月31日	2018年12月31日		
Financial assets	31 December 2019	31 December 2018		
按公允值計入損益之股本工具(附註27)	於香港境外的上市股本證券： 8,782,000港元	於香港境外的上市股本證券： 3,876,000港元	第1類	活躍市場所報買入價
Equity instrument at fair value through profit or loss (Note 27)	Listed equity securities outside Hong Kong: HK\$8,782,000	Listed equity securities outside Hong Kong: HK\$3,876,000	Level 1	Quoted bid prices in an active market
金融負債	2019年12月31日	2018年12月31日	公允值級別 Fair value hierarchy	估值技術及主要輸入數據 Valuation techniques and key inputs
Financial liabilities	31 December 2019	31 December 2018		
衍生金融負債	香港認購期權：11,310,000港元	–	第3類	二項式定價模型(波動：21.29%)
Derivative financial liabilities	Call option in Hong Kong HK\$11,310,000	–	Level 3	Binomial pricing model (Volatility: 21.29%)

兩個年度內並無在第1類、第2類及第3類之間的轉移。

There were no transfers between Levels 1, 2 and 3 in both years.

根據重大不可觀察輸入數據(第3類)按公允值入賬之金融工具對賬如下：

Reconciliation for financial instruments carried at fair value based on significant unobservable input (level 3) is as follows:

		2019 千港元 HK\$'000
於1月1日	As at 1 January	–
已收溢價	Premium received	2,000
公允值虧損	Fair value loss	9,310
於12月31日	As at 31 December	11,310

(ii) 並非根據經常性基準按公允值計量的本集團金融資產及金融負債的公允值

董事認為，於綜合財務報表確認的金融資產及金融負債的賬面值與其公允值相若。

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximately their fair values.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

6. 資金風險管理

本集團的資金管理目標是保障本集團能繼續營運的能力，藉以為股東和其他股東提供回報和利益，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東的股息數額、向股東分派的資本退還、發行新股份或出售資產以減低債務。

本集團利用負債比率監察其資本。此比率按照借貸及可轉換債券總值除以資產總值計算。資產總值已列於綜合財務狀況表內。

截至2019年12月31日止年度，本集團的策略為將負債比率維持在50%內。於2019年及2018年12月31日的負債比率如下：

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
借貸總額	Total borrowings	2,180,883	2,065,073
資產總值	Total assets	7,627,565	7,474,567
負債比率	Gearing ratio	28.6%	27.6%

6. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings and exchangeable bonds divided by total assets as shown in the consolidated statement of financial position.

During the year ended 31 December 2019, the Group's strategy is to maintain a gearing ratio within 50%. The gearing ratios at 31 December 2019 and 2018 were as follows:

7. 收入

本集團主要從事農業肥料業務、鎂產品業務及煉鋼熔劑業務。本集團於年內之收入分析如下：

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
持續經營業務：	Continuing operations:		
銷售農業肥料產品	Sales of fertiliser products	2,735,195	3,053,183
銷售鎂產品	Sales of magnesium products	1,515,291	1,537,781
銷售煉鋼熔劑產品	Sales of metallurgical flux products	63,934	64,152
		4,314,420	4,655,116
收益確認時間：	Timing of revenue recognition:		
一個時間點	A point in time	4,314,420	4,655,116

8. 分部資料

就資源調配及分部表現評估向本公司行政總裁(主要營運決策者)報告之資料側重於經營類別。本集團根據香港財務報告準則第8號經營及可報告的分部如下：

- 農業肥料業務
- 鎂產品業務
- 煉鋼熔劑業務

有關本集團之可報告分部資料於下文呈報。

7. Revenue

The Group is principally engaged in fertiliser business, magnesium product business and metallurgical flux business. An analysis of the Group's revenue for the year is as follows:

8. Segment Information

Information reported to the Company's Chief Executive Officer, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the operating divisions. The Group's operating and reportable segments under HKFRS 8 are therefore as follows:

- Fertiliser business
- Magnesium product business
- Metallurgical flux business

Information regarding the Group's reportable segments is presented below.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

分部收入及業績

本集團按可報告分部劃分之收入及業績分析如下。

截至2019年12月31日止年度：

		持續經營業務			合計
		Continuing operations			
		農業肥料業務	鎂產品業務	煉鋼熔劑業務	
		Magnesium	Metallurgical		
		Fertiliser	product	flux	
		business	business	business	
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
分部收入	Segment revenue	2,735,195	1,515,291	65,016	4,315,502
分部間收入	Inter-segment revenue	-	-	(1,082)	(1,082)
來自外部客戶的收入	Revenue from external customers	2,735,195	1,515,291	63,934	4,314,420
分部業績	Segment results	526,484	350,825	28,392	905,701
其他淨收益或虧損	Other gain or losses, net				95,262
中央行政費用	Central administrative costs				(255,698)
財務費用	Finance costs				(153,664)
除所得稅前溢利	Profit before income tax				591,601

Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 December 2019:

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

截至2018年12月31日止年度：

For the year ended 31 December 2018:

		持續經營業務			合計
		農業肥料業務	鎂產品業務	煉鋼熔劑業務	
		Fertiliser business	product business	flux business	
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
分部收入	Segment revenue	3,053,183	1,537,781	71,961	4,662,925
分部間收入	Inter-segment revenue	-	-	(7,809)	(7,809)
來自外部客戶的收入	Revenue from external customers	3,053,183	1,537,781	64,152	4,655,116
分部業績	Segment results	585,390	355,376	29,042	969,808
其他淨收益或虧損	Other gain or losses, net				75,324
中央行政費用	Central administrative costs				(188,349)
財務費用	Finance costs				(164,943)
除所得稅前溢利	Profit before income tax				691,840

上文呈列之分部收入，乃代表外部客戶所產生之收入。分部間交易均按公平基準訂立。

Segment revenue reported above represents revenue generated from external customers. Inter-segment transactions are entered into at arm's length.

可報告分部之會計政策與本集團會計政策相同。分部業績指於並無分配中央行政費用(包括董事薪酬、若干其他淨收益或虧損、財務費用及所得稅開支)情況下各分部之業績。此為向主要營運決策者報告以供其調配資源及評估分部表現之方式。

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of central administrative costs including directors' emoluments, certain other net gains or losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

分部資產及負債

於2019年12月31日之分部資產及負債和截至該日止年度之資本開支按可報告分部劃分如下：

		農業 肥料業務	鎂產品業務 Magnesium product business	煉鋼 熔劑業務 Metallurgical flux business	分部合計 Total segment	未分配 Unallocated	合計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
分部資產	Segment assets	3,509,692	2,478,920	598,761	6,587,373	1,040,192	7,627,565
分部負債	Segment liabilities	1,359,796	359,925	167,921	1,887,642	1,470,012	3,357,654
資本開支	Capital expenditure	304,931	114,891	11,478	431,300	507	431,807

於2018年12月31日之分部資產及負債和截至該日止年度之資本開支按可報告分部劃分如下：

		農業 肥料業務	鎂產品業務 Magnesium product business	煉鋼 熔劑業務 Metallurgical flux business	分部合計 Total segment	未分配 Unallocated	合計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
分部資產	Segment assets	3,534,478	2,413,354	622,173	6,570,005	904,562	7,474,567
分部負債	Segment liabilities	1,523,705	405,710	137,767	2,067,182	1,450,767	3,517,949
資本開支	Capital expenditure	442,251	204,255	20,437	666,943	32,862	699,805

為達成監察分部表現及於分部間調配資源之目標：

- 除分類為持作出售的資產、銀行及現金結餘和其他企業使用資產外，所有資產均分配至可報告分部；
- 除可轉換債券、企業用途之借貸、若干其他應付款項及已終止經營業務所持有的負債外，所有負債均分配至可報告分部。

Segment Assets and Liabilities

The segment assets and liabilities as at 31 December 2019 and capital expenditure for the year then ended by reportable segments are as follows:

The segment assets and liabilities as at 31 December 2018 and capital expenditure for the year then ended by reportable segments are as follows:

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than assets classified as held for sale, bank and cash balances and other assets for corporate use;
- all liabilities are allocated to reportable segments other than exchangeable bonds, borrowings for corporate use, certain other payables and liabilities held by discontinued operations.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

其他分部資料

截至2019年12月31日止年度：

Other Segment Information

For the year ended 31 December 2019:

		農業肥料業務 Fertiliser business 千港元 HK\$'000	鎂產品業務 Magnesium product business 千港元 HK\$'000	煉鋼熔劑業務 Metallurgical flux business 千港元 HK\$'000	未分配 Unallocated 千港元 HK\$'000	合計 Total 千港元 HK\$'000
物業、廠房及設備折舊 (附註18)	Depreciation of property, plant and equipment (note 18)	95,909	86,277	8,935	655	191,776
使用權資產折舊(附註19)	Depreciation of right-of-use assets (note 19)	7,239	1,320	2,013	2,134	12,706
採礦權及無形資產攤銷	Amortisation of mining rights and intangible assets	-	4,949	9,996	-	14,945
貿易應收款項信貸虧損撥備淨額／(撥備撥回) (附註29)	Net allowance/(reversal of allowance) for credit losses of trade receivables (note 29)	2,861	(1,784)	-	-	1,077
其他應收款項信貸虧損撥備 (附註30)	Allowance for credit losses of other receivables (note 30)	1,883	174	-	-	2,057
出售物業、廠房及設備 的收益	Gain on disposal of property, plant and equipment	(41,427)	(662)	-	-	(42,089)
按公允值計入損益 之股本工具之收益	Gain on equity instruments at fair value through profit or loss	-	-	-	(4,906)	(4,906)
衍生金融負債產生 之公允值虧損	Fair value loss arising from derivative financial liabilities	-	-	-	9,310	9,310
所得稅開支	Income tax expenses	102,170	53,396	7,781	-	163,347

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

截至2018年12月31日止年度：

For the year ended 31 December 2018:

		農業肥料業務	鎂產品業務	煉鋼熔劑業務	未分配	合計
		Fertiliser business	Magnesium product business	Metallurgical flux business	Unallocated	Total
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
物業、廠房及設備 和投資物業折舊	Depreciation of property, plant and equipment and investment properties	89,593	71,009	9,568	7,565	177,735
土地使用權、採礦權 及無形資產攤銷	Amortisation of land use rights, mining rights and intangible assets	14,630	8,948	13,496	2,755	39,829
撥回貿易應收款項信貸 虧損撥備	Reversal of allowance for credit losses of trade receivables	(55)	-	-	-	(55)
撥回其他應收款項信貸 虧損撥備(附註30)	Reversal of allowance for credit losses of other receivables (notes 30)	(994)	-	-	-	(994)
出售物業、廠房及設備 及土地使用權的收益	Gain on disposal of property, plant and equipment and land use rights	-	-	-	(56,365)	(56,365)
按公允值計入損益 之股本工具之虧損	Loss on equity instruments at fair value through profit or loss	-	-	-	7,744	7,744
所得稅開支	Income tax expenses	94,444	49,835	5,933	106	150,318

地區資料

截至2019年及2018年12月31日止年度，本集團主要於中國營運及本集團主要收入均來自中國，而於2019年12月31日及2018年12月31日，本集團大部分非流動資產均位於中國。概無披露本集團按地區劃分的業績及資產分析。

主要客戶資料

由於截至2019年及2018年12月31日止年度並無任何單一客戶之貢獻超過本集團總收入之10%，因此並無有關主要客戶的資料呈列。

Geographical Information

During the years ended 31 December 2019 and 2018, the Group mainly operated in the PRC and most of the Group's revenue are derived from the PRC and most of non-current assets of the Group are located in the PRC as at 31 December 2019 and 31 December 2018. No analysis of the Group's result and assets by geographical area is disclosed.

Information about Major Customers

No information about major customers is presented as no single customer contributed over 10% of the total revenue of the Group during the years ended 31 December 2019 and 2018.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

9. 其他收益或虧損淨額

9. Other Gains or Losses, Net

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
持續經營業務：		
利息收入	7,835	6,651
出售分類為持作出售的 資產的虧損	(2,435)	-
出售物業、廠房及設備 及土地使用權的收益淨額	42,089	56,365
政府補助	-	489
財務擔保負債公允值變動	8,606	11,168
按公允值計入損益之 股本工具公允值變動	4,906	(7,744)
衍生金融負債產生之 公允值虧損	(9,310)	-
銷售廢料	33,278	3,569
雜項收入(附註)	10,293	4,826
	95,262	75,324

附註：截至2019年12月31日止年度，計入雜項收入主要為租金收益約4,331,000港元(2018年：零港元)

note: During the year ended 31 December 2019, included in sundry income was rental income of approximately HK\$4,331,000 (2018: HK\$Nil)

10. 財務費用

10. Finance Costs

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
持續經營業務：		
上市後償票據之利息開支	40,775	41,213
可轉換債券利息開支	28,325	41,039
須於五年內全數償還 之借貸的利息	84,060	82,691
租賃負債的利息	504	-
借貸成本總額	153,664	164,943

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

11. 所得稅開支

於綜合損益表內扣除／(計入)的數額指：

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
即期稅項：	Current tax:		
－香港利得稅	－ Hong Kong Profits Tax	–	–
－中國企業所得稅	－ PRC Enterprises Income Tax	167,445	155,732
－其他	－ Others	–	–
		167,445	155,732
遞延稅項(附註37)	Deferred taxation (Note 37)	(4,098)	(5,414)
		163,347	150,318

(a) 香港利得稅

於2018年3月21日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)，引入利得稅稅率兩級制。條例草案於2018年3月28日經簽署成為法律，並於次日刊憲。根據利得稅稅率兩級制，合資格集團實體的首2百萬港元溢利將按8.25%徵稅，而超過2百萬港元的溢利則須按16.5%徵稅。不符合利得稅稅率兩級制的集團實體的溢利將繼續按統一稅率16.5%徵稅。

11. Income Tax Expense

The amount of charged/(credited) to the consolidated statement of profit or loss represents:

(a) Hong Kong Profits Tax

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rate regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Under the two-tiered profits tax rate regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25% and profits tax above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

本集團董事認為，利得稅稅率兩級制實施後所涉及金額在綜合財務報表內並不重大。香港利得稅兩年間按16.5%計算。截至2019年12月31日止年度並無應付稅項(2018年：零)，原因是並無於香港產生應課稅溢利。

(b) 中國企業所得稅

中國企業所得稅乃按截至2019年及2018年12月31日止年度之估計應課稅溢利之25%計算。

(c) 海外所得稅

本公司乃根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，並據此獲豁免繳納開曼群島所得稅。本公司於英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法註冊成立，並獲豁免繳納英屬處女群島所得稅。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

The directors of the Group considered the amount involved upon implementation of the two-tiered profits tax rate as insignificant to the consolidation financial statement. Hong Kong Profits Tax is calculated at 16.5% for both years. No tax is payable for the year ended 31 December 2019 (2018: Nil) since there were no assessable profit generated in Hong Kong.

(b) The PRC Enterprise Income Tax

The PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits arising in the PRC for the years ended 31 December 2019 and 2018.

(c) Overseas Income Tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and, are exempted from British Virgin Islands income tax.

164 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

本集團的除所得稅前溢利與以中國企業的標準所得稅稅率25%計算的理論數額的差別如下：

		2019		2018	
		千港元		千港元	
		HK\$'000	%	HK\$'000	%
持續經營業務之除稅前溢利	Profit before tax from continuing operation	591,601		691,840	
按適用所得稅稅率25% (2018年：25%) 計算的稅項支出	Tax charge at applicable income tax rate of 25% (2018: 25%)	147,900	25	172,960	25
於其他司法權區經營的附屬公司的不同稅率之影響	Effect of different tax rates of subsidiaries operating in other jurisdictions	(978)	(0.2)	2,377	0.3
毋須課稅的收入之稅務影響	Tax effect of income not taxable for tax purpose	(17,695)	(3.0)	(12,375)	(1.8)
不可扣稅之稅項開支之稅務影響	Tax effect of expenses not deductible for tax purpose	14,831	2.5	10,900	1.6
使用先前未確認之稅務虧損	Utilisation of previous unrecognised tax losses	(11,632)	(2.0)	(28,388)	(4.1)
未確認之估計稅項虧損的稅務影響	Tax effect of estimated tax losses not recognised	30,246	5.1	4,844	0.7
過往年度撥備不足	Underprovision in prior years	675	0.1	-	-
所得稅開支	Income tax expenses	163,347	27.6	150,318	21.7

於2019年12月31日，本集團未確認稅項虧損約695,184,000港元(2018年：649,242,000港元)可結轉以抵銷未來應課稅溢利。約426,729,000港元(2018年：27,197,000港元)之稅項虧損將於與其有關之評估年度起計五年後到期，而約268,455,000港元(2018年：622,045,000港元)之稅項虧損則可無限期結轉。由於認為未必有日後之應課稅溢利可與未動用的稅項虧損對銷，故該等稅項虧損之遞延稅項收益並未確認。

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using a tax rate of 25%, the standard income tax rate of the PRC enterprises, as follows:

As at 31 December 2019, the Group has unrecognised tax losses of approximately HK\$695,184,000 (2018: HK\$649,242,000), which can be carried forward to offset future taxable profit. Tax losses of approximately HK\$426,729,000 (2018: HK\$27,197,000) will expire after five years from the year of assessment they relate to while tax losses of approximately HK\$268,455,000 (2018: HK\$622,045,000) can be carried forward indefinitely. The deferred tax benefit of such tax losses has not been recognised as it is not considered probable that future taxable profit will be available to utilise the unused tax losses.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

12. 年內溢利

年內溢利已扣除／(計入)下列費用：

12. Profit for the Year

Profit for the year has been arrived at after charging/ (crediting):

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
持續經營業務：	Continuing operations:		
工資及薪金	Wages and salaries	195,165	241,344
授予董事及僱員之購股權	Share options granted to directors and employees	21,679	8,472
支付定額供款退休計劃款項	Payment to defined contribution retirement plans	10,493	6,260
總員工成本(包括董事薪酬)	Total staff costs (including directors' emoluments)	227,337	256,076
核數師薪酬	Auditors' remuneration		
審核及審核相關工作	Audit and audit related work		
－國衛會計師事務所有限公司	－ HLB Hodgson Impey Cheng Limited	3,527	3,276
非審核工作	Non-audit work		
－國衛會計師事務所有限公司	－ HLB Hodgson Impey Cheng Limited	944	663
折舊及攤銷	Depreciation and amortisation	219,427	217,564
出售物業、廠房及設備及土地使用權之收益淨額	Net gain on disposal of property, plant and equipment and land use rights	(42,089)	(56,365)
按公允值計入損益之股本工具公允值變動	Change in fair value of equity instrument at fair value through profit or loss	(4,906)	7,744
衍生金融負債產生之公允值虧損	Fair value loss arising from derivative financial liabilities	9,310	-
確認為開支之存貨成本	Cost of inventories recognised as an expense	3,090,078	3,309,675
土地及樓宇之經營租賃租金	Operating lease rentals in respect of land and buildings	-	3,421
貿易應收款項信貸虧損撥備	Allowance for credit losses of trade receivables	2,861	-
其他應收款項信貸虧損撥備	Allowance for credit losses of other receivables	2,057	807
撥回貿易應收款項信貸虧損撥備	Reversal of allowance for credit losses of trade receivables	(1,784)	(55)
撥回其他應收款項信貸虧損撥備	Reversal of allowance for credit losses of other receivables	-	(994)

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

附註：

- (a) 中國規則及法例訂明，本集團為其中國僱員向一項由政府營辦的退休計劃供款，該計劃屬於定額供款計劃。根據當地政府的規定，本集團按僱員薪金約14%向該計劃供款，並且除年度供款之外，本集團概無日後實際支付養老金或退休後福利之責任。該項由政府營辦的退休計劃負責退休僱員的全部養老金責任。

本集團已為其香港僱員安排強積金計劃。強積金計劃屬於定額供款計劃，由獨立信託人管理。根據強積金計劃，本集團及其香港僱員須各自根據強制性公積金條例按僱員收入之5%按月向該計劃供款。自2014年6月1日起，本集團及僱員供款之上限為每月1,500港元。

截至2019年12月31日止年度，本集團向上述養老金計劃作出的供款總額約10,493,000港元（2018年：6,260,000港元）。於2019年12月31日，本集團並無權利獲得任何沒收供款可用於減少本集團未來的供款（2018年：零港元）。

note:

- (a) As stipulated by rules and regulations in the PRC, the Group contributes to a state-sponsored retirement plan for its employees in the PRC, which is a defined contribution plan. The Group contributes approximately 14% of the employees' salary as specified by the local government, and the Group has no future obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state sponsored retirement plan is responsible for the entire pension obligations to retired employees.

The Group has arranged for its Hong Kong employees to join the MPF Scheme, a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Since 1 June 2014, both the Group's and the employees' contributions are subject to a cap of HK\$1,500 per month.

During the year ended 31 December 2019, the aggregate amount of the Group's contributions to the aforementioned pension schemes was approximately HK\$10,493,000 (2018: HK\$6,260,000). As at 31 December 2019, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions (2018: HK\$Nil).

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

13. 董事、主要行政人員及僱員薪酬及最高薪酬人士

(a) 董事薪酬

截至2019年12月31日止年度各董事之薪酬載列如下：

	袍金	薪金	購股權	僱主的退休金	合計
				計劃供款	
				Employer's contribution	
	Fees	Salaries	Share options	to pension scheme	Total
	千港元	千港元	千港元	千港元	千港元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
執行董事					
池文富(主席)	-	2,357	232	18	2,607
沈世捷(行政總裁)	-	1,059	1,035	18	2,112
池靜超 ⁽²⁾	-	112	133	-	245
池碧芬 ⁽¹⁾	-	709	268	9	986
非執行董事					
郭孟勇	35	-	58	-	93
獨立非執行董事					
張省本 ⁽²⁾	45	-	192	-	237
盛洪	35	-	58	-	93
劉智傑	240	-	77	-	317
鄭炳文 ⁽¹⁾	67	-	134	-	201
	422	4,237	2,187	45	6,891

⁽¹⁾ 於2019年6月26日已退任

⁽²⁾ 於2019年6月27日獲委任

13. Directors', Chief Executives' and Employees' Emoluments and Individuals with Highest Emoluments

(a) Directors' Emoluments

The emoluments of each director for the year ended 31 December 2019 is set below:

⁽¹⁾ Retired on 26 June 2019

⁽²⁾ Appointed on 27 June 2019

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

截至2018年12月31日止年度各董事之薪酬載列如下：

The emoluments of each director for the year ended 31 December 2018 is set below:

		袍金	薪金	購股權	僱主的退休金 計劃供款 Employer's contribution to pension scheme	合計
		Fees 千港元 HK\$'000	Salaries 千港元 HK\$'000	Share options 千港元 HK\$'000		Total 千港元 HK\$'000
執行董事						
池文富(主席)	Chi Wen Fu (Chairman)	-	2,342	-	18	2,360
沈世捷(行政總裁)	Shum Sai Chit (CEO)	-	1,077	847	18	1,942
池碧芬	Chi Bi Fen	-	1,077	565	18	1,660
非執行董事						
郭孟勇	Guo Mengyong	35	-	-	-	35
獨立非執行董事						
鄭炳文	Kwong Ping Man	105	-	141	-	246
盛洪	Sheng Hong	35	-	-	-	35
劉智傑	Lau Chi Kit	240	-	45	-	285
		415	4,496	1,598	54	6,563

(b) 五位最高薪酬人士

於年內，本集團五位最高薪酬人士包括1位(2018年：3位)本公司董事，有關董事酬金的分析已於上文披露。年內應付予餘下之4位(2018年：2位)人士之酬金如下：

(b) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year included 1 (2018: 3) director of the Company whose director's emoluments are disclosed in the above analysis. The emoluments payable to the rest 4 (2018: 2) individuals during the year are as follows:

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
基本薪金、購股權、 其他津貼及實物利益	10,668	4,554
退休金費用－定額供款 計劃	20	36
	10,688	4,590

該4位(2018年：2位)最高薪酬人士的酬金屬於以下範疇：

The emoluments of the 4 (2018: 2) individuals with the highest remuneration are within the following bands:

		人數 Number of individuals	
		2019	2018
零至1,000,000港元	Nil – HK\$1,000,000	-	-
1,000,001港元至 2,000,000港元	HK\$1,000,001 – HK\$2,000,000	-	1
2,000,001港元至 3,000,000港元	HK\$2,000,001 – HK\$3,000,000	2	-
3,000,001港元至 4,000,000港元	HK\$3,000,001 – HK\$4,000,000	2	1
		4	2

(c) 截至2019年及2018年12月31日止年度，本集團並無向任何本公司董事及五位最高薪酬人士支付酬金作為加入本集團或加入本集團時的獎勵，或作為離職補償。於截至2019年及2018年12月31日止年度，概無本公司董事及五位最高薪酬人士同意放棄或已放棄領取任何酬金。

(c) During the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to any of the directors of the Company and the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. There was no director of the Company and the five highest paid individuals agreed to waive or waived any emoluments during the years ended 31 December 2019 and 2018.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

14. 股息

本公司董事不建議就截至2019年及2018年12月31日止年度派付任何股息。

15. 每股盈利

(a) 基本

每股基本盈利是根據本公司擁有人應佔年內溢利，除以年內已發行普通股加權平均數計算。

		2019	2018
盈利	Earnings		
計算每股基本盈利所用之母公司普通權益持有人應佔溢利：	Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:		
來自持續經營業務（千港元）	From continuing operations (HK\$'000)	380,368	451,614
來自已終止經營業務（千港元）	From a discontinued operation (HK\$'000)	-	22,616
		380,368	474,230
已發行普通股加權平均數(千股)	Weighted average number of ordinary shares in issue (thousand shares)	4,581,117	4,581,117
每股基本盈利(每股港仙)	Basic earnings per share (HK cents per share)		
持續經營業務及已終止經營業務	Continuing operations and discontinued operation	8.30	10.35
持續經營業務	Continuing operation	8.30	9.86

14. Dividend

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2019 and 2018.

15. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

(b) 攤薄

每股攤薄盈利是假設轉換所有攤薄性潛在普通股，以調整已發行普通股加權平均數計算。本公司有一類攤薄性潛在普通股：購股權。

就購股權而言，本公司根據尚未行使購股權所附之認購權貨幣值進行計算，以釐定可按公允值(以本公司期內之股份平均市價釐定)購入的股份數目。按上文所述計算的股份數目，與假設行使購股權所發行的股份數目作比較。由於購股權行使價高於截至2019年及2018年12月31日止年度的股份平均市價，故計算每股攤薄盈利時並無假設行使本公司的購股權。

16. 已終止經營業務

出售電子產品業務

於2018年6月底，由於電子產品業務盈利能力薄弱，本公司董事會決定出售該業務。該出售於2018年7月31日完成。

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one categories of dilutive potential ordinary shares: share options.

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of shares for the years ended 31 December 2019 and 2018.

16. Discontinued Operation

Disposal of electronic product business

At the end of June 2018, the board of the Company decided to dispose the electronic product business due to its weak profitability. The disposal was completed on 31 July 2018.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

已終止經營業務之年內溢利載列如下。綜合損益表中之比較數字已重列，以表示電子產品業務已於年初終止經營。

The profit for the year from the discontinued operations is set out below. The comparative figures in the consolidated statement of profit or loss have been restated to represent as if the electronic product business had been discontinued at the beginning of the year.

		截至2018年 7月31日 (出售日期) 止期間 Period ended 31/7/2018 (date of disposal) 千港元 HK\$'000
期內電子產品業務 經營之虧損	Loss of electronic product business operation for the period	(1,183)
出售電子產品業務經營 之收益	Gain on disposal of electronic product business operation	32,498
已終止經營業務之 期內溢利	Profit for the period from discontinued operation	31,315

自2018年1月1日至2018年7月31日期間
電子產品業務之業績(已於綜合損益表入賬)
如下：

The results of the electronic product business for the period form 1 January 2018 to 31 July 2018, which have been included in the consolidated statement of profit or loss were as follows:

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

		截至2018年 7月31日 (出售日期) 止期間 Period ended 31/7/2018 (date of disposal) 千港元 HK\$'000
收入	Revenue	179,652
銷售成本	Cost of sales	(148,014)
毛利	Gross profit	31,638
其他收益或虧損淨額	Other gains or losses, net	9,924
銷售及分銷費用	Selling and distribution costs	(12,119)
行政開支	Administrative expenses	(30,420)
應佔合資公司溢利及虧損	Share of profits and losses of joint ventures	180
財務費用	Finance costs	(415)
除所得稅前虧損	Loss before income tax	(1,212)
所得稅抵免	Income tax credit	29
期內虧損	Loss for the period	(1,183)

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

		截至2018年 7月31日 (出售日期) 止期間 Period ended 31/7/2018 (date of disposal) 千港元 HK\$'000
其他全面開支	Other comprehensive expense	
將於隨後期間重新分類至 損益之其他全面開支：	Other comprehensive expense to be reclassified to profit or loss in subsequent periods:	
換算海外業務之匯兌差額	Exchange differences on transaction of foreign operations	(3,381)
期內全面開支總額	Total comprehensive expense for the period	(4,564)
下列人士應佔期內虧損：	Loss for the period attributable to:	
本公司擁有人	Owners of the Company	(920)
非控股權益	Non-controlling interest	(263)
		(1,183)
下列人士應佔期內全面開支 收益總額：	Total comprehensive expense income for the period attributable to:	
本公司擁有人	Owners of the Company	(3,595)
非控股權益	Non-controlling interest	(969)
		(4,564)
每股虧損：	Loss per share:	
來自已終止經營業務 基本及攤薄(港仙)	From discontinued operation Basic and diluted (HK cents)	(0.7)
確認預付租賃付款	Recognition of prepaid lease payment	233
物業、廠房及設備折舊	Depreciation of property, plant and equipment	3,287
已售存貨成本	Cost of inventories sold	177,079
就土地及樓宇的經營租賃 項下的最低租賃付款	Minimum lease payments under operating lease in respect of land and buildings	435

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

截至2018年7月31日止期間，電子產品業務為本集團經營現金流淨額產生13,751,000港元，就投資活動已用1,116,000港元及就融資活動已用4,413,000港元。

During the period ended 31 July 2018, the electronic product business generated HK\$13,751,000 to the Group's net operating cash flow; used HK\$1,116,000 in respect of investing activities; and, used HK\$4,413,000 in respect of financing activities.

		千港元 HK\$'000
代價：	Consideration:	
已收現金	Cash received	13,183
遞延現金代價	Deferred cash consideration	56,000
代價總額	Total consideration	69,183

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

		於 2018 年 7 月 31 日 As 31 July 2018 千港元 HK\$'000
已出售之資產淨值：	Net assets disposed of:	
土地使用權	Land use rights	10,468
物業、廠房及設備	Property, plant and equipment	95,248
無形資產	Intangible assets	318
長期存款	Long term deposits	21
於合資公司之投資	Investments in joint ventures	6,646
於一間聯營公司之投資	Investment in an associate	18
按公允值計入其他全面收益 之股本工具	Equity instruments at fair value through other comprehensive income	3,000
存貨	Inventories	49,287
應收貿易賬款及應收票據	Trade and bills receivables	32,409
預付款項、按金及其他應收賬款	Prepayments, deposits and other receivables	9,095
應收一間合資公司賬款	Amount due from a joint venture	147
銀行及現金結餘	Bank and cash balances	32,373
貿易應付賬款	Trade payables	(39,076)
應計費用及其他應付賬款	Accruals and other payables	(33,080)
應付所得稅	Income tax payable	(118)
借貸	Borrowings	(22,000)
遞延稅項負債	Deferred tax liabilities	(70)
撥備	Provision	(1,130)
應付一名股東之賬款	Amount due to a shareholder	(115,000)
非控股權益	Non-controlling interests	7,437
出售附屬公司時解除儲備	Release of reserves upon disposal subsidiaries	692
出售附屬公司收益	Gain on disposal of subsidiaries	32,498
總代價	Total consideration	69,183
出售所產生現金流出淨額：	Net cash outflow arising on disposal:	
已收現金	Cash received	13,183
減：已出售銀行及現金結餘	Less: Cash and bank balances disposed	(32,373)
		(19,190)

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

17. 土地使用權

本集團於土地使用權中之權益指預付經營租賃付款，其賬面淨值分析如下：

		2018 千港元 HK\$'000
在中國，根據各項持有：	In the PRC, held on:	
中期租賃	Medium term leases	298,708
流動資產	Current assets	13,492
非流動資產	Non-current assets	285,216
		298,708

於2018年12月31日，賬面值為約121,165,000港元之土地使用權已作為銀行借貸之抵押(附註34)。

於2019年1月1日，約298,708,000港元之土地使用權已於採納香港財務報告準則第16號後轉撥至使用權資產。

17. Land Use Rights

The Group's interests in land use rights represent prepaid operating lease payments and their net carrying values are analysed as follows:

As at 31 December 2018, land use rights with a carrying amount of approximately HK\$121,165,000 have been pledged to secure bank borrowings (Note 34).

As at 1 January 2019, land use rights of approximately HK\$298,708,000 was transferred to right-of-use assets upon the adoption of HKFRS 16.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

18. 物業、廠房及設備

18. Property, Plant and Equipment

		租賃土地及樓宇(附註(i))	租賃物業裝修	廠房及機器	傢俬及辦公室設備	工具及模具	汽車	船舶	在建工程(附註(ii))	總計
		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture and office equipment	Tooling and moulds	Motor vehicles	Ship	Construction in-progress	Total
		(note (i))	(note (i))	(note (i))	(note (i))	(note (i))	(note (i))	(note (i))	(note (ii))	(note (ii))
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
成本	Cost									
於2018年1月1日	As at 1 January 2018	1,009,275	24,745	1,824,590	28,339	3,627	21,864	381	1,268,148	4,180,969
出售一間附屬公司	Disposal of a subsidiary	(226,831)	(1,871)	(86,870)	(4,905)	(2,857)	(2,344)	-	-	(325,678)
添置	Additions	4,637	76	8,512	30,998	386	289	-	654,907	699,805
轉撥	Transfers	144,574	-	398,510	1,498	-	237	-	(544,819)	-
出售	Disposals	-	(3)	(3,278)	(37)	(845)	(3,183)	-	-	(7,346)
匯兌調整	Exchanges alignment	(39,230)	(1,349)	(145,244)	(5,999)	(311)	(1,379)	-	(97,941)	(291,453)
於2018年12月31日及2019年1月1日	As at 31 December 2018 and 1 January 2019	892,425	21,598	1,996,220	49,894	-	15,484	381	1,280,295	4,256,297
添置	Additions	4,288	-	698	243	-	562	-	426,016	431,807
轉撥	Transfers	248,442	-	297,085	82	-	47	-	(545,656)	-
出售	Disposals	(1,408)	-	(234,107)	(1,112)	-	(1,887)	-	-	(238,514)
轉發至分類為持作出售的資產	Transfer to assets classified as held for sale	(55,994)	(8,899)	-	-	-	-	-	-	(64,893)
匯兌調整	Exchanges alignment	(25,843)	(58)	(46,429)	(1,172)	-	(517)	(27)	(24,921)	(98,967)
於2019年12月31日	As at 31 December 2019	1,061,910	12,641	2,013,467	47,935	-	13,689	354	1,135,734	4,285,730

		租賃土地及樓宇(附註(i))	租賃物業裝修	廠房及機器	傢俬及辦公室設備	工具及模具	汽車	船舶	在建工程(附註(ii))	總計
		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture and office equipment	Tooling and moulds	Motor vehicles	Ship	Construction in-progress	Total
		(note (i))	(note (i))	(note (i))	(note (i))	(note (i))	(note (i))	(note (i))	(note (ii))	(note (ii))
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
累計折舊	Accumulated deprecation									
於2018年1月1日	As at 1 January 2018	97,032	23,190	480,428	11,847	2,497	6,977	381	-	622,352
年內折舊	Charge for the year	13,119	474	152,403	8,497	359	2,883	-	-	177,735
出售一間附屬公司時對銷	Eliminated on disposal of a subsidiary	(57,442)	(1,621)	(164,176)	(3,541)	(1,712)	(1,938)	-	-	(230,430)
出售時對銷	Eliminated on disposal	-	(3)	(2,979)	(7)	(845)	(2,186)	-	-	(6,020)
匯兌調整	Exchanges alignment	(29,520)	(8,356)	(33,744)	(2,233)	(299)	(434)	-	-	(74,586)
於2018年12月31日及2019年1月1日	As at 31 December 2018 and 1 January 2019	23,189	13,684	431,932	14,563	-	5,302	381	-	489,051
年內折舊	Charge for the year	46,294	473	140,590	2,097	-	2,322	-	-	191,776
轉撥	Transfer	(21,194)	-	21,194	-	-	-	-	-	-
出售時對銷	Eliminated on disposal	(4,067)	-	(200,795)	(162)	-	(357)	-	-	(205,381)
轉發至分類為持作出售的資產	Transfer to assets classified as held for sale	(36,919)	(8,899)	-	-	-	-	-	-	(45,818)
匯兌調整	Exchanges alignment	(636)	(48)	(8,559)	(427)	-	(345)	(27)	-	(10,042)
於2019年12月31日	As at 31 December 2019	6,667	5,210	384,362	16,071	-	6,922	354	-	419,586
賬面淨值	Net carrying values									
於2019年12月31日	As at 31 December 2019	1,055,243	7,431	1,629,105	31,864	-	6,767	-	1,135,734	3,866,144
於2018年12月31日	As at 31 December 2018	869,236	7,914	1,564,288	35,331	-	10,182	-	1,280,295	3,767,246

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

附註：

- (i) 本集團的租賃土地及樓宇於報告期末的賬面值分析如下：

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
香港中期租賃	Medium term leases in Hong Kong	–	–
中國中期租賃	Medium term leases in the PRC	1,055,243	869,236
		1,055,243	869,236

- (ii) 於2019年12月31日，賬面值為約884,167,000港元(2018年：593,519,000港元)之租賃土地及樓宇、廠房及機器已作為銀行借貸之抵押(附註34)。

- (iii) 於截至2019年及2018年12月31日止年度，本集團董事認為概無減值虧損須於綜合損益表確認。

於本年度之物業、廠房及設備之使用年期如下：

－租賃土地及樓宇	租賃期內
－租賃物業裝修	2至5年
－廠房及機器	3至40年
－傢俬及辦公室設備	2至12年
－汽車	4至10年
－船舶	5年
－工具及模具	2年

notes:

- (i) The carrying amount of the Group's leasehold land and buildings at the end of the reporting period are analysed as follows:

- (ii) As at 31 December 2019, leasehold land and buildings and plant and machinery with a carrying amount of approximately HK\$884,167,000 (2018: HK\$593,519,000) have been pledged to secure bank borrowings (Note 34).

- (iii) During the year ended 31 December 2019 and 2018, the directors of the Group considered that no impairment loss should be recognised in the consolidated statement of profit or loss.

The useful lives of property, plant and equipment adopted for the current year are as follows:

－Leasehold land and buildings	Over the lease terms
－Leasehold improvements	2 to 5 years
－Plant and machinery	3 to 40 years
－Furniture and office equipment	2 to 12 years
－Motor vehicles	4 to 10 years
－Ship	5 years
－Tooling and moulds	2 years

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

19. 使用權資產／租賃負債

19. Right-Of-Use Assets/Lease Liabilities

使用權資產

Right-of-use assets

		2019 千港元 HK\$'000
於1月1日	As at 1 January	305,699
年內添置	Addition during the year	3,199
年內計提折舊	Depreciation provided during the year	(12,706)
匯兌調整	Exchange alignment	(8,750)
於12月31日	As at 31 December	287,442

使用權資產指本集團根據經營租賃安排於租期內使用相關租賃土地及物業的權利，其按成本減去累計折舊及累計減值虧損列賬，並就重新計量租賃負債而作出調整。

The right-of-use assets represent the Group's rights to use underlying leased land and premises under operating lease arrangements over the lease terms, which are stated at cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

於2019年12月31日，賬面值約160,183,000港元(2018年：121,165,000港元)之使用權資產已抵押作銀行借款之擔保(附註34)。

As at 31 December 2019, right-of-use assets with a carrying amount of approximately HK\$160,183,000 (2018: HK\$121,165,000) have been pledged to secure bank borrowings (Note 34).

租賃負債

Lease liabilities

		2019 千港元 HK\$'000
分析為	Analysed as	
－流動	－ Current	1,962
－非流動	－ Non-current	5,870
		7,832
最低租賃付款到期日	Minimum lease payments due	
－一年內	－ Within one year	2,408
－超過一年但不超過兩年	－ More than one year but not later than two years	662
－超過兩年但不超過五年	－ More than two years but not later than five years	2,073
－超過五年	－ Over five years	7,156
		12,299
減：未來財務支出	Less: Future finance charges	(4,467)
租賃負債的現值	Present value of lease liabilities	7,832

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

20. 分類為持作出售的資產

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
分類為持作出售的資產	Assets classified as held for sale	91,019113,328

鑑於與早前潛在買方的排他期於2018年12月31日才完結，全資附屬公司A於2018年12月31日與另一名獨立第三方（「潛在買方1」）簽署一份諒解備忘錄（「諒解備忘錄1」），並同意按條款及詳情以不低於人民幣110,000,000元買賣相關物業，而潛在買方1則向全資附屬公司A支付不可退回保證金人民幣1,000,000元。於2019年11月18日，部份分類為持作出售的資產其賬面值約45,641,000港元（人民幣40,142,000元）以代價約43,206,000港元（人民幣38,000,000元）出售予潛在買方1。遞延代價應收款項約37,972,000港元（人民幣34,200,000元）計入於2019年12月31日的其他應收款項。於2019年11月25日，全資附屬公司A與另一名獨立第三方（「潛在買方2」）簽訂諒解備忘錄（「諒解備忘錄2」），安排出售餘下部份之分類為持作出售的資產，並收取不可退還保證金人民幣1,500,000元。

20. Assets Classified As Held For Sale

Due to the exclusivity period with a former potential buyer was expired on 31 December 2018, a wholly owned subsidiary A signed a memorandum of understanding (“MOU 1”) with an independent third party (“Potential Buyer 1”) on 31 December 2018 and agreed to the terms and the details of sale and purchase of the related properties with the amount not less than RMB110,000,000 and the Potential Buyer 1 agreed to pay a non-refundable deposit RMB1,000,000 to the wholly owned subsidiary so received. On 18 November 2019, the carrying amount of part of assets classified as held for sale of approximately HK\$45,641,000 (RMB40,142,000) was disposed to Potential Buyer 1 and the consideration was approximately HK\$43,206,000 (RMB38,000,000). The receivable of the deferred consideration of approximately HK\$37,972,000 (RMB34,200,000) was included in other receivables as at 31 December 2019. On 25 November 2019, the wholly owned subsidiary A signed a memorandum of understanding (“MOU 2”) with another independent third party (“Potential Buyer 2”) for the disposal of the remaining part of assets classified as held for sale and a non-refundable deposit of amount RMB1,500,000 was received.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

於2019年10月31日，全資附屬公司B與一名獨立第三方（「潛在買方3」）簽訂諒解備忘錄（「諒解備忘錄3」），並同意按條款以及按不少於人民幣30,000,000元之金額買賣相關一項物業，並向全資附屬公司B支付不可退還保證金人民幣1,500,000元。

於2019年12月31日，分類為持作出售的資產的賬面值合共為91,091,000港元（人民幣81,977,000元）（2018年：113,328,000港元（人民幣102,500,000元））以及分類為持作出售的資產的公允價值合共約為118,575,000港元（人民幣106,796,000元）（2018年：152,670,000港元（人民幣134,570,000元））。估值乃由與本集團並無關連之獨立合資格估值師進行。根據管理層經參考獨立合資格估值師發行之估值報告後所作之評估結果，於2019年12月31日，本集團持作出售的非流動資產的賬面值並無減值（2018年：無）。

On 31 October 2019, a wholly owned subsidiary B signed a memorandum of understanding (“MOU 3”) with an independent third party (“Potential Buyer 3”) and agreed to the terms and the details of sale and purchase of a property with the amount not less than RMB30,000,000 and a non-refundable deposit of amount RMB1,500,000 had been paid to the wholly owned subsidiary B.

The aggregate carrying amount of the assets classified as held for sale as at 31 December 2019 was HK\$91,019,000 (RMB81,977,000) (2018: HK\$113,328,000 (RMB102,500,000)) and the aggregate fair value of the assets classified as held for sale is approximately HK\$118,575,000 (RMB106,796,000) (2018: HK\$152,670,000 (RMB134,570,000)). The valuation was performed by independent qualified valuers not connected with the Group. Based on the result of management’s assessment by making reference to the valuation report issued by the independent qualified valuers, there is no impairment on the carrying value of the Group’s assets classified as held for sale as at 31 December 2019 (2018: Nil).

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

21. 商譽

分配至本集團現金產生單位(「現金產生單位」)之商譽按以下業務分部識別：

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
鎂產品業務 (i)	Magnesium product business (i)	197,144	197,144
其他業務 (ii)	Other business (ii)	224	224
		197,368	197,368

(i) 商譽來自收購稀鎂科技集團控股有限公司(「稀鎂科技」)(股份代號：601)。稀鎂科技的公允值乃參考活躍市場所報買入價計算。

(ii) 新沂市二灣港務有限公司從事港務營運。該現金產生單位之可收回金額乃根據經本公司董事批准之財務預算為基準之五年期現金流量預測計算之可使用價值，以及每年除稅前貼現率9.86%(2018年：9.86%)而釐定。預算期間的現金流量預測乃根據整個預算期間內相同的預期毛利率及原材料價格通脹釐定。有關計算使用價值的其他主要假設涉及現金流入／流出的估計(包括預算銷售額及毛利率)，而有關估計乃根據該單位過往的表現及本公司董事就市場發展的預期作出。本公司董事相信，任何該等假設的合理變動均不會導致賬面值總額超出可收回金額總額。

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segment as follows:

(i) The goodwill was resulted from the acquisition of Rare Earth Magnesium Technology Group Holding Limited ("REMT") (stock code: 601). The fair value of REMT is calculated by reference to bid price quoted in active market.

(ii) 新沂市二灣港務有限公司 is engaged in the port operation. The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budgets approved by the directors of the Company covering a five-year period, and a pre-tax discount rate of 9.86% (2018: 9.86%) per annum. Cash flow projections during the budget period are based on the same expected gross margins and raw material price inflation the budget period. Other key assumptions for the value in use calculation relate to the estimation of cash inflow/outflow which include budgeted sales and gross profit margin, such estimation is based on the unit's past performance and the expectation of the directors of the Company for the market development. The directors of the Company believes that any reasonable change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

22. 無形資產

22. Intangible Assets

		技術知識 Technical Know-how 千港元 HK\$'000	會所會籍 Club membership 千港元 HK\$'000	開發成本 Development cost 千港元 HK\$'000	商標 Trademark 千港元 HK\$'000	專利 Patent 千港元 HK\$'000	合計 Total 千港元 HK\$'000
--	--	--	---	--	------------------------------------	---------------------------------	--------------------------------

成本	Cost						
於2018年1月1日	As at 1 January 2018	3,687	80	10,970	341,062	53,842	409,641
出售附屬公司(附註16)	Disposal of subsidiaries (Note 16)	-	-	(10,970)	(1,006)	-	(11,976)
匯兌調整	Exchange alignment	-	-	-	(17,518)	(2,790)	(20,308)
於2018年12月31日及 2019年1月1日	As at 31 December 2018 and 1 January 2019	3,687	80	-	322,538	51,052	377,357
匯兌調整	Exchange alignment	-	-	-	(7,404)	(1,088)	(8,492)
於2019年12月31日	As at 31 December 2019	3,687	80	-	315,134	49,964	368,865

累計攤銷及減值	Accumulated amortisation and impairment						
於2018年1月1日	As at 1 January 2018	3,687	-	10,970	2,081	3,379	20,117
年內攤銷	Amortisation for the year	-	-	-	923	8,176	9,099
出售一間附屬公司 (附註16)	Disposal of a subsidiary (Note 16)	-	-	(10,970)	(688)	-	(11,658)
匯兌調整	Exchange alignment	-	-	-	(328)	(533)	(861)

於2018年12月31日及 2019年1月1日	As at 31 December 2018 and 1 January 2019	3,687	-	-	1,988	11,022	16,697
年內攤銷	Amortisation for the year	-	-	-	-	4,549	4,549
匯兌調整	Exchange alignment	-	-	-	(255)	(268)	(523)
於2019年12月31日	As at 31 December 2019	3,687	-	-	1,733	15,303	20,723

賬面淨值	Net carrying values						
於2019年12月31日	As at 31 December 2019	-	80	-	313,401	34,661	348,142
於2018年12月31日	As at 31 December 2018	-	80	-	320,550	40,030	360,660

計算攤銷所使用年期如下：

開發成本：3至5年
商標：5至10年
專利：9至16年

The following useful lives are used in the calculation of amortisation:

Development costs：3 to 5 years
Trademark：5 to 10 years
Patent：9 to 16 years

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

倘無形資產之可使用年期被評定為無限
期，則不會進行攤銷。倘評定無形資產之
可使用年期為無限期，則會每年檢討以釐
定是否有任何事件或情況繼續支持該項資
產的無限可使用年期。倘並無任何該等事
件或情況，可使用年期評估由無限期轉為
有限期時，則自變動日期起就其預期情況
及根據上文所載攤銷有限期無形資產之政
策列賬。

Intangible assets are not amortised while their useful
lives are assessed to be indefinite. Any conclusion
that the useful life of an intangible asset is indefinite
is reviewed annually to determine whether events and
circumstances continue to support the indefinite useful
life assessment for that asset. If they do not, the
change in the useful life assessment from indefinite
to finite is accounted for prospectively from the date
of change and in accordance with the policy for
amosrtisation of intangible assets with finite lives as
set out above.

23. 採礦權

23. Mining Rights

		千港元 HK\$'000
成本	Cost	
於2018年1月1日	As at 1 January 2018	571,344
匯兌調整	Exchange alignment	(29,606)
於2018年12月31日及 2019年1月1日	As at 31 December 2018 and 1 January 2019	541,738
匯兌調整	Exchange alignment	(11,555)
於2019年12月31日	As at 31 December 2019	530,183
累計攤銷	Accumulated amortisation	
於2018年1月1日	As at 1 January 2018	83,880
年內折舊	Charge for the year	13,678
匯兌調整	Exchange alignment	(4,280)
於2018年12月31日及 2019年1月1日	As at 31 December 2018 and 1 January 2019	93,278
年內折舊	Charge for the year	10,396
匯兌調整	Exchange alignment	(1,959)
於2019年12月31日	As at 31 December 2019	101,715
賬面淨值	Net carrying values	
於2019年12月31日	As at 31 December 2019	428,468
於2018年12月31日	As at 31 December 2018	448,460

餘額代表中國江蘇省東海縣的蛇紋石礦及
中國吉林省白山市之白雲石礦的兩項採礦
權，而兩項採礦權均已按產量及礦石儲量
攤銷。

The balance represents two mining rights, the
Serpentine mine located in Donghai County of Jiangsu
Province, the PRC and the dolomite mine located in
Baishan City of Jilin Province, the PRC, which are
amortised by the production quantity over the ore
reserve.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

24. 主要附屬公司

24. Principal Subsidiaries

(a) 於2019年12月31日，本集團的主要
附屬公司之詳情如下：

(a) Particulars of the Group's principal subsidiaries
as at 31 December 2019 are as follow:

名稱 Name	註冊成立地點及 法人實體類別 Place of incorporation and kind of legal entity	主要業務 和營業地點 Principal activities and place of operation	已發行股份／ 繳足註冊股本之詳情 Particulars of issued share/ paid up registered capital	本公司持有的擁有權權益比例 interest held by the Company				持有的投票權比例 Proportion of voting power held	
				直接 Directly		間接 Indirectly			
				2019	2018	2019	2018	2019	2018
世紀陽光生態科技有限公司 Century Sunshine Ecological Technology Limited	香港，有限責任公司 Hong Kong, limited liability company	於香港投資控股 Investment holdings in Hong Kong	1,000股普通股每股面值1.00港元 1,000 ordinary shares of HK\$1.00 each	-	-	100%	100%	100%	100%
江蘇湛藍科技開發有限公司 Jiangsu Azureblue Technology development Company Limited	中國，有限責任公司 The PRC, limited liability company	於中國製造及銷售肥料 Manufacturing and sale of fertilisers in the PRC	註冊及繳足股本人民幣275,000,000元 Registered and paid up capital of RMB275,000,000	-	-	100%	100%	100%	100%
江蘇龍騰化工有限公司 Jiangsu Longteng Petrochemical Limited	中國，有限責任公司 The PRC, limited liability company	於中國進行蛇紋石加工、開採及銷售 Processing, exploration and sales of serpentine in the PRC	註冊及繳足股本人民幣297,000,000元 Registered and paid up capital of RMB297,000,000	-	-	100%	100%	100%	100%
龍翔企業有限公司 Long Xiang Enterprises Limited	英屬處女群島，有限責任公司 British Virgin Islands, limited liability company	於香港投資控股 Investment holdings in Hong Kong	100股普通股每股面值1美元 100 ordinary shares of US\$1 each	100%	100%	-	-	100%	100%
山東紅日化工股份有限公司 Shandong Hongri Chemical Joint Stock Company Limited	中國，有限責任公司 The PRC, limited liability company	於中國製造及銷售肥料 Manufacturing and sales of fertilisers in the PRC	註冊及繳足股本人民幣260,000,000元 Registered and paid up capital of RMB260,000,000	-	-	70.02%	70.02%	70.02%	70.02%
連雲港綠源肥料有限公司 連雲港綠源肥料有限公司	中國，有限責任公司 The PRC limited liability company	於中國製造及銷售肥料 Manufacturing and sale of fertilisers in the PRC	註冊及繳足股本人民幣30,000,000元 Registered and paid up capital of RMB30,000,000	-	-	100%	100%	100%	100%
江西天瑞豐收化工有限公司 江西天瑞豐收化工有限公司	中國，有限責任公司 The PRC limited liability company	於中國製造及銷售肥料 Manufacturing and sale of fertilisers in the PRC	已發行及繳足股本人民幣500,000,000元 Issued and fully paid RMB500,000,000	-	-	100%	100%	100%	100%
稀鎂科技集團控股有限公司(附註i) Rare Earth Magnesium Technology Group Holdings Limited (note i)	百慕達，有限責任公司 Bermuda, limited liability company	於百慕達從事投資控股 Investment holdings in Bermuda	每股0.10港元之已發行及繳足股本 6,574,390,058股 Issued and fully paid up capital of 6,574,390,058 of HK\$0.10 each	-	-	72.42%	72.42%	72.42%	72.42%
新疆騰翔鎂製品有限公司 Xinjiang Tengxiang Mangesium Products Company Limited	中國，有限責任公司 The PRC, limited liability company	於中國製造及銷售金屬鎂相關產品 Manufacturing and sales of magnesium-related products in the PRC	註冊及繳足股本人民幣171,800,000元 Registered and paid up capital of RMB171,800,000	-	-	72.42%	72.42%	72.42%	72.42%
白山市天安金屬礦有限公司 Baishan City Tianan Magnesium Resources Company Limited	中國，有限責任公司 The PRC, limited liability company	於中國製造及銷售金屬鎂相關產品 Manufacturing and sale of magnesium-related products in the PRC	註冊及繳足股本人民幣280,332,000元 Registered and paid up capital of RMB280,332,000	-	-	72.42%	72.42%	72.42%	72.42%

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

上表載列董事認為對年度業績有重大影響或構成本集團資產淨值重大部分的本公司主要附屬公司。董事認為詳列其他附屬公司的資料會使篇幅過於冗長。

The above table lists the principal subsidiaries of the Company which, in the opinion of the directors, affected the results for the year materially or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries, in the opinion of the directors, would result in particulars of excessive length.

(b) 擁有重大非控股權益的非全資附屬公司詳情

公司名稱 Name of company	註冊成立及 營業地點 Place of incorporation registration and operation	非控股權益持有 之所有權權益及投票權比例 Proportion of ownership interests and voting rights held by non-controlling interests non-controlling interests		分配予非控股權益之 溢利／(虧損) Profit/(loss) allocated to non-controlling interests		累計非控股權益 Accumulated non-controlling interests	
		2019	2018	2019 千港元 HK\$'000	2018 千港元 HK\$'000	2019 千港元 HK\$'000	2018 千港元 HK\$'000
稀鎂科技	百慕達	27.58%	27.58%	57,844	78,841	382,779	350,602
REMT	Bermuda						

以下為擁有重大非控股權益之本集團附屬公司的財務資料概要。以下財務資料概要乃指集團內公司間對銷前金額。

Summarised financial information in respect of each of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

稀鎂科技

REMT

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
流動資產	Current assets	888,298	689,070
非流動資產	Non-current assets	1,666,026	1,683,148
流動負債	Current liabilities	(804,577)	(172,078)
非流動負債	Non-current liabilities	(361,860)	(928,923)
本公司擁有人應佔權益	Equity attributable to owners of the Company	1,005,108	920,615
非控股權益	Non-controlling interests	382,779	350,602

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
收入	Revenue	1,515,291	1,717,433
開支	Expenses	(1,305,559)	(1,320,090)
年內溢利	Profit for the year	209,732	285,860
本公司擁有人應佔溢利	Profit attribute to owners of the Company	151,888	207,019
非控股權益應佔溢利	Profit attribute to non-controlling interests	57,844	78,841
年內溢利	Profit for the year	209,732	285,860

本公司擁有人應佔全面 收益總額	Total comprehensive income attributable to owners of the Company	94,238	95,329
非控股權益應佔全面 收益總額	Total comprehensive income attributable to non-controlling interests	35,889	40,811
年內全面收益總額	Total comprehensive income for the year	130,127	136,140

已付非控股權益股息	Dividend paid to non-controlling interests	9,066	—
經營活動所得 現金流量淨額	Net cash flows generated from operating activities	290,138	318,605
投資活動所用 現金流量淨額	Net cash flows used in investing activities	(106,615)	(214,687)
融資活動所用 現金流量淨額	Net cash flows used in financing activities	(32,104)	(138,592)
現金流入／(流出)淨額	Net cash inflow/(outflow)	151,419	(34,674)

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

25. 於合資公司之投資

本集團重大合資公司於2018年出售。於2019年並無於合資公司之投資。

本集團重大合資公司詳情如下：

以下各項於2018年之百分比 2018 Percentage of						
名稱 Name	所持有註冊 資本詳情 Particulars of registered capital held	註冊成立及 營業地點 Place of registration and business	所有權權益 Ownership interest	投票權 Voting power	應佔溢利 Profit sharing	主要業務 Principal activities
重慶新標醫療設備有限公司 (附註 i 及 ii) Chongqing New Standard Medical Equipment Co., Ltd (note i & ii)	人民幣 5,401,550 元 RMB5,401,550	中國 PRC	—	—	—	製造及銷售電子 醫療器械 Manufacture and trading of electronic medical appliances
深圳創新易購有限公司 (附註 i 及 ii) Shenzhen Innovation Trading Co., Ltd. (note i & ii)	人民幣 15,000 元 RMB15,000	中國 PRC	—	—	—	網上銷售電子產品 Online trading of electronic products

- 附註：
- (i) 未經國衛會計師事務所有限公司審核。
- (ii) 上述於合資公司之投資由本公司間接持有。

下表列示本集團個別不重大之合資公司之匯總財務資料：

25. Investments in Joint Ventures

The Group's material joint ventures are disposed during 2018. There are no investments in joint ventures in 2019.

Particulars of the Group's material joint ventures are as follows:

- notes:
- (i) Not audited by HLB Hodgson Impey Cheng Limited.
- (ii) The above investments in joint ventures are indirectly held by the Company.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

		2018 千港元 HK\$'000
年內應佔合資公司溢利	Share of the joint ventures' profit for the year	180
年內應佔合資公司全面收益總額	Share of the joint ventures' total comprehensive income for the year	209
出售已終止經營業務	Disposal of discontinued operations	(6,119)
本集團於合資公司投資之賬面值總額	Aggregate carrying amount of the Group's investments in the joint ventures	—

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

26. 於一間聯營公司之投資

一間聯營公司於2018年出售。於2019年並無於一間聯營公司之投資。

一間聯營公司詳情如下：

名稱 Name	所持有註冊資本詳情 Particulars of registered capital held	註冊成立及營業地點 Place of registration and business	本集團應佔 所有權權益百分比 Percentage of ownership interest attributable to the Group	主要業務 Principal activities
廣州中智電子設備有限公司 (附註)(note)	人民幣3,000,000元 RMB3,000,000	中國 PRC	—	暫停業務 Dormant

- 附註：
- 未經國衛會計師事務所有限公司審核。

於一間聯營公司投資之變動如下：

下表列示本集團不屬重大性質的聯營公司之財務資料：

26. Investment in an Associate

An associate is disposed during 2018. There are no investment in an associate in 2019.

Particulars of an associate are as follows:

- note:
- Not audited by HLB Hodgson Impey Cheng Limited.

The movement of investment in an associate is as follows:

The following table illustrates the financial information of the Group's associate that is not material:

		2018 千港元 HK\$'000
年內應佔聯營公司溢利	Share of the associate's profit for the year	—
年內應佔聯營公司全面收益總額	Share of the associate's total comprehensive income for the year	—
出售已終止經營業務	Disposal of discontinued operations	(18)
本集團於一間聯營公司投資之賬面值總額	Aggregate carrying amount of the Group's investment in an associate	—

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

27. 按公允值計入損益之股本投資

27. Equity Investments at Fair Value through Profit or Loss

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
上市投資		
– 澳洲之上市股本證券， 按公允值(附註i)		
Listed investments – Listed equity securities in Australia, at fair value (note i)	8,782	3,876

附註：

notes:

(i) 該款項指本集團於澳洲之上市證券投資。本集團持有FinTech Chain Limited 14,744,000股股份。

(i) The amount represents the Group's investment in listed securities in Australia. The Group held 14,744,000 shares of FinTech Chain Limited.

上市股本證券投資之公允值乃參考活躍市場之買入價而釐定。

Fair values of the investments in listed equity securities are determined by reference to bid prices quoted in active markets.

28. 存貨

28. Inventories

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
原料	305,171	435,748
在製品	11,992	21,691
製成品	154,597	232,017
	471,760	689,456

財務報表附註

Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

29. 貿易應收款項及應收票據

29. Trade and Bills Receivables

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
應收貿易款項(附註(i))	466,119	371,071
信貸虧損撥備	(15,876)	(15,148)
	450,243	355,923
應收票據(附註(ii))	11,138	17,809
	461,381	373,732

附註：

note:

(i) 本集團給予貿易客戶之信貸期一般不超過180日(2018年：不超過180日)。

(i) The Group allows a credit period normally not more than 180 days (2018: not more than 180 days) to its trade customers.

概無逾期亦未減值的貿易應收款項與眾多近期沒有拖欠記錄的客戶有關。已逾期但未減值的貿易應收款項與多名於本集團往績記錄良好的客戶有關。根據過往經驗，管理層認為，毋須就該等結餘計提減值撥備，原因為信貸質素並無重大變動，且結餘仍被視作可全數收回。本集團並無就該等結餘持有任何抵押品。

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default. Trade receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balance are still considered fully recoverable. The Group does not hold any collateral over these balances.

(ii) 於2019年12月31日，應收票據約11,138,000港元(2018年：17,809,000港元)將於報告期末後七個月(2018年：十一個月)內到期。所有應收票據均以人民幣計值。

(ii) As at 31 December 2019, bills receivables of approximately HK\$11,138,000 (2018: HK\$17,809,000) will be matured within seven months (2018: eleven months) after the end of the reporting period. All the bills receivables are denominated in RMB.

194 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

於2019年12月31日，本集團應收貿易款項(扣除信貸虧損撥備)的賬齡分析(按發票日期呈列)如下：

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
30日以內	Within 30 days	231,951	168,921
31至60日	31 to 60 days	159,223	101,335
61至90日	61 to 90 days	56,541	42,690
超過90日	Over 90 days	2,528	42,977
		450,243	355,923

就應收貿易賬款的信貸虧損撥備變動如下：

The movements of allowance for credit losses of trade receivables are as follows:

		千港元 HK\$'000
於2018年1月1日	As at 1 January 2018	9,974
採納香港財務報告準則第9號之影響	Effect of adoption of HKFRS 9	7,159
於2018年1月1日(經重列)	As at 1 January 2018 (restated)	17,133
已撥回信貸虧損撥備	Allowance for credit losses reversed	(55)
出售已終止經營業務	Disposal of discontinued operations	(1,102)
匯兌調整	Exchange alignment	(828)
於2018年12月31日及2019年1月1日	As at 31 December 2018 and 1 January 2019	15,148
已確認信貸虧損撥備	Allowance for credit losses recognised	2,861
已撥回信貸虧損撥備	Allowance for credit losses reversed	(1,784)
匯兌調整	Exchange alignment	(349)
於2019年12月31日	As at 31 December 2019	15,876

計入截至2019年12月31日止年度應收貿易賬款的信貸虧損撥備為個別經減值應收貿易賬款之撥備4,902,000港元(2018年：13,209,000港元)。個別經減值應收貿易賬款與客戶拖欠或遲繳款項有關，預期僅可收回此等應收賬款之一部分。

Included in the allowance for credit losses of trade receivables for the year ended 31 December 2019 is a provision for individually impaired trade receivables of HK\$4,902,000 (2018: HK\$13,209,000). The individually impaired trade receivables relate to customers that were in default or delinquency in payments and only a portion of the receivables is expected to be recovered.

財務報表附註

Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

截至2019年12月31日止年度的香港
財務報告準則第9號項下減值

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。撥備率乃基於向有類似虧損模式(即按地理區域、產品類型、客戶類型及評級，以及信用證或其他形式的信用保險的承保範圍)的多個客戶分部組合的逾期天數釐定。該計算反映或然率加權結果、貨幣時值及於報告日期可得有關過往事件、目前狀況及預測未來經濟狀況的合理佐證資料。一般而言，倘貿易應收款項逾期超過一年且並無適用強制執行事項，則會撇銷。

採用撥備矩陣分析本集團貿易應收款項的信貸風險資料如下：

Impairment under HKFRS 9 for the year ended
31 December 2019

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by 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. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

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

	預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於2019年12月31日 即期(未逾期)	2.38%	461,217	10,974
逾期不多於1年	100%	4,902	4,902
		466,119	15,876

	預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於2018年12月31日 即期(未逾期)	0.54%	357,862	1,939
逾期不多於1年	100.00%	13,209	13,209
		371,071	15,148

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

30. 預付款項、按金及其他應收款項

30. Prepayments, Deposits and Other
Receivables

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
其他應收款項(附註(i))	Other receivables (note (i))	86,269	88,367
預付款項(附註(ii))	Prepayments (note(ii))	547,054	412,535
按金	Deposits	3,083	3,024
		636,406	503,926
信貸虧損撥備	Allowance for credit loss	(2,009)	–
		634,397	503,926

附註：

(i) 於2019年12月31日，其他應收款項主要包括中國的可收回增值稅約7,561,000港元(2018年：21,982,000港元)及出售分類為持作出售的資產所產生的應收代價約37,972,000港元(2018年：零港元)，而出售電子業務的未結清結餘約零港元(2018年：56,000,000港元)。

(ii) 於2019年12月31日，預付款項及按金主要包括存貨之預付款項約434,727,000港元(2018年：280,951,000港元)及預付開支約為8,444,000港元(2018年：4,312,000港元)。

notes:

(i) As at 31 December 2019, other receivables mainly comprise of value-added tax recoverable in the PRC of approximately HK\$7,561,000 (2018: HK\$21,982,000), and consideration receivable arising from disposal of assets classified as held for sale of approximately HK\$37,972,000 (2018: HK\$Nil) and the outstanding balance of disposal of electronic business sector of approximately HK\$Nil (2018: HK\$56,000,000).

(ii) As at 31 December 2019, prepayment and deposits mainly comprise of prepayment of inventory of approximately HK\$434,727,000 (2018: HK\$280,951,000) and prepaid expenses of approximately HK\$8,444,000 (2018: HK\$4,312,000).

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

就其他應收款項的信貸虧損撥備變動如下：

The movements of allowance for credit losses of other receivables are as follows:

		2018 千港元 HK\$'000
於2018年1月1日	As at 1 January 2018	23,075
採納香港財務報告準則第9號之影響	Effect of adoption of HKFRS 9	–
於2018年1月1日(經重列)	As at 1 January 2018 (restated)	23,075
已撥回信貸虧損撥備	Allowance for credit losses reversed	(994)
出售已終止經營業務	Disposal of discontinued operations	(22,072)
匯兌調整	Exchange alignment	(9)
於2018年12月31日及2019年1月1日	As at 31 December 2018 and 1 January 2019	–
已確認信貸虧損撥備	Allowance for credit losses recognised	2,057
匯兌調整	Exchange alignment	(48)
於2019年12月31日	As at 31 December 2019	2,009

31. 已抵押銀行存款及銀行及現金結餘

31. Pledged Bank Deposits and Bank and Cash
Balances

於2019年12月31日，到期日超過三個月但少於一年之銀行存款7,328,000港元(2018年：55,647,000港元)之固定年利率為1.50厘(2018年：1.24厘至4.30厘)。銀行存款以港元、美元及人民幣計值。

As at 31 December 2019, the fixed interest rate on deposits with banks of HK\$7,328,000, (2018: HK\$55,647,000), with maturity over three months but less than one year, was 1.50% (2018: 1.24% to 4.30%) per annum. The deposits with banks were denominated in HK\$, USD and RMB.

於2019年12月31日，銀行存款約47,450,000港元(2018年：149,156,000港元)已作為應付票據(附註32)及借貸之抵押(附註34)。

As at 31 December 2019, deposits with banks of approximately HK\$47,450,000 (2018: HK\$149,156,000) have been pledged to bills payables (Note 32) and secure borrowings (Note 34).

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

於報告期末，銀行及現金結餘包括以下項目：

At the end of the reporting period, bank and cash balances comprise of the followings:

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
於非流動資產的長期 銀行存款：	Long-term bank deposits under non-current assets:		
非抵押長期銀行存款	Non-pledged long-term bank deposits	55	–
已抵押銀行存款	Pledged bank deposits	9,549	9,758
		9,604	9,758
於流動資產的銀行及 現金結餘：	Bank and cash balances under current assets:		
短期銀行存款	Short-term bank deposits	68,683	139,297
銀行現金及手頭現金	Cash at bank and on hand	754,375	568,752
		823,058	708,049
總計	Total	832,662	717,807
減：已抵押為借貸及應付票據 擔保之已抵押銀行存款	Less: Pledged deposits with bank pledged as security for borrowings and bills payables	(47,450)	(149,156)
收購時原到期日 三個月以上之非抵押 銀行存款	Non-pledged deposits with bank with original maturity of more than three months when acquired	(55)	–
現金及等同現金項目	Cash and cash equivalents	785,157	568,651

於報告期末，短期銀行存款之實際加權利率為1.62厘(2018年：1.98厘)；該等存款之平均到期日期均少於三個月(2018年：三個月)。

At the end of the reporting period, the weighted effective interest rate on short-term bank deposits was 1.62% (2018: 1.98%); these deposits have an average maturity of less than three months (2018: three months).

財務報表附註

Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

銀行及現金結餘，及已抵押銀行存款按以下貨幣計值：

Bank and cash balances, and pledged bank deposits were denominated in the following currencies:

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
人民幣	RMB	684,605	698,516
港元	HK\$	126,538	12,768
其他	Others	21,519	6,523
		832,662	717,807

以人民幣計值之銀行及現金結餘匯出中國須受中國政府實施的外匯管制所規限。

The remittance of bank and cash balances denominated in RMB out of the PRC is subject to the foreign exchange control restrictions imposed by the government of the PRC.

32. 貿易應付款項及應付票據

32. Trade and Bills Payables

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
應付貿易款項	Trade payables	251,793	431,711
應付票據	Bills payables	40,070	170,175
		291,863	601,886

於2019年12月31日，本集團應付貿易款項之賬齡分析(按發票日期呈列)如下：

As at 31 December 2019, the ageing analysis of trade payables of the Group presented based on the invoice date was as follows:

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
30日以內	Within 30 days	189,215	267,923
31至60日	31 to 60 days	4,428	60,460
61至90日	61 to 90 days	2,190	12,801
超過90日	Over 90 days	55,960	90,527
		251,793	431,711

採購貨品之平均信貸期為60日至90日(2018年：60日至90日)。本集團設有財務風險管理政策，以確保所有應付款項於信貸期內償付。

The average credit period on purchases of goods is 60 to 90 days (2018: 60 to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

33. 應計費用、其他應付款項、預收款項及合約負債

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
應計費用及其他應付款項 (附註(i))	Accruals and other payables (note (i))	203,604	166,217
衍生金融負債(附註(ii))	Derivative financial liabilities (note (ii))	11,310	–
財務擔保負債(附註(iii))	Financial guarantee liabilities (note (iii))	49,144	58,802
		264,058	225,019
合約負債(附註(iv))	Contract liabilities (note (iv))	363,155	348,889
		627,213	573,908
即期	Current	403,803	563,598
非即期	Non-current	223,410	10,310
		627,213	573,908

附註：notes:

- (i)

於2019年12月31日，應計款項及其他應付款項主要包括收購物業、廠房及設備之應付款項約37,420,000港元(2018年：22,816,000港元)及其他應付稅項約6,883,000港元(2018年：16,381,000港元)。
- (ii)

截至2019年12月31日止年度，本公司因授出認購期權而確認衍生金融負債。更多詳情請參閱日期為2019年12月13日之公佈。衍生金融負債之變動如下：
- (i)

As at 31 December 2019, accruals and other payables mainly comprised of payable for acquisition of property, plant and equipment of approximately HK\$37,420,000 (2018: HK\$22,816,000), and other tax payable of approximately of HK\$6,883,000 (2018: HK\$16,381,000).
- (ii)

During the year ended 31 December 2019, the Company recognised derivative financial liabilities due to the grant of call option. For detail, refer to the announcement dated 13 December 2019. The movement of derivative financial liabilities is as follows:

		2019 千港元 HK\$'000
於1月1日	As at 1 January	–
已收溢價	Premium received	2,000
公允值虧損	Fair value loss	9,310
於12月31日	As at 31 December	11,310

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

- (iii)

於2019年12月31日，山東紅日就一名獨立第三方(2018：多名獨立第三方)所獲授信貸融資向若干銀行簽立財務擔保約人民幣181,000,000元(2018年：人民幣270,446,000元)。若被要求全面履行擔保之情況時，須予以支付。

於2019年12月31日，該等公司擔保之公允值約為49,144,000港元(2018年：58,802,000港元)。

有關公司擔保之更多詳情請參閱日期為2016年9月27日之公告。

- (iv)

合約負債之變動如下：

- (iii)

As at 31 December 2019, the Shandong Hongri has executed financial guarantees to certain banks for credit facilities granted to an independent third party (2018: several independent third parties), for approximately RMB181,000,000 (2018: RMB270,446,000) which would be required to be paid if the guarantees were called upon in entirety.

As at 31 December 2019, the fair value of these corporate guarantees was approximately HK\$49,144,000 (2018: HK\$58,802,000).

For more detail of the corporate guarantees please refer to announcement date 27 September 2016.

- (iv)

The movements of contract liabilities is as follows:

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
於1月1日之結餘	Balance at 1 January	348,889	240,591
確認年內收入導致之合約負債減少(附註)	Decrease in contract liabilities as a result of recognising revenue during the year (note)	(2,596,289)	(1,977,073)
年內收取按金導致之合約負債增加	Increase in contract liabilities as a result of receiving deposits during the year	2,618,520	2,114,987
匯兌調整	Exchange realignment	(7,965)	(29,616)
於12月31日之結餘	Balance at 31 December	363,155	348,889

附註：計入合約負債減少乃由於本年度確認收入約5,022,000港元，代表出售物業、廠房及設備之綜合。

note: Included in decrease in contract liabilities as a result of recognising revenue during the year was of approximately HK\$5,022,000 representing the consideration of disposal of property, plant and equipment.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

34. 借貸

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
銀行借貸	Bank borrowings	862,772	939,225
其他借貸(附註ii)	Other borrowings (note ii)	612,185	294,676
上市後償票據(附註iii)	Listed subordinated notes (note iii)	585,286	580,708
		2,060,243	1,814,609
借貸：	Borrowings:		
一年以內	Within one year	1,524,157	836,992
一年以上但不超過五年	More than one year but not exceeding five years	536,086	977,617
		2,060,243	1,814,609
減：列作流動負債之款項	Less: Amounts shown under current liabilities	(1,524,157)	(836,992)
列作非流動負債之款項	Amounts shown under non-current liabilities	536,086	977,617
借貸：	Borrowings:		
有抵押(附註i)	Secured (note i)	725,912	829,568
無抵押(附註ii、iii及iv)	Unsecured (notes ii, iii, & iv)	1,334,331	985,041
		2,060,243	1,814,609

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

203

借貸按以下貨幣計值：

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
人民幣	RMB	702,588	514,382
港元	HK\$	526,106	156,491
美元	US\$	246,263	563,028
新加坡元	SGD	585,286	580,708
		2,060,243	1,814,609

Borrowings were denominated in the following currencies:

附註：

- (i) 於2019年12月31日，有抵押借貸主要以本集團之物業、廠房及設備、使用權資產及銀行存款作抵押，金額分別約884,167,000港元、160,183,000港元及27,308,000港元(2018年：593,519,000港元、121,165,000港元及86,759,000港元)，以及同系附屬公司間的公司擔保作擔保。
- (ii) 於2019年12月31日，計入其他借貸的為(a)國際金融公司貸款約63,461,000港元(2018年：105,980,000港元)、(b)貸款約146,251,000港元(2018年：28,549,000港元)及(c)債券約402,473,000港元(2018年：160,147,000港元)。

notes:

- (i) As at 31 December 2019, the secured borrowings were mainly secured by property, plant and equipment, right of use assets and deposits with banks of the Group amounting to approximately HK\$884,167,000, HK\$160,183,000 and HK\$27,308,000 (2018: HK\$593,519,000, HK\$121,165,000 and HK\$86,759,000) respectively and corporate guarantee between the fellow subsidiaries.
- (ii) As at 31 December 2019, included in other borrowings was (a) IFC loan of approximately HK\$63,461,000 (2018: HK\$105,980,000), (b) loan of approximately HK\$146,251,000 (2018: HK\$28,549,000) and (c) bond of approximately HK\$402,473,000 (2018: HK\$160,147,000).

204 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

(a) 根據一項由本公司之非全資附屬公司與國際金融公司(「國際金融公司」)訂立的貸款協議，國際金融公司已向附屬公司授出27,000,000美元之貸款。該貸款按倫敦銀行同業拆息加3.5厘之年利率計息，並按貸款協議所載的預期還款日期償還。來自國際金融公司之貸款以下列各項作抵押：(i)本公司作出之企業擔保；(ii)質押由冠華國際有限公司(「冠華」，為主要股東)擁有之本公司股份；及(iii)銀行存款約16,877,000港元(2018年：24,732,000港元)。於2019年12月31日，549,280,000股股份(約佔本公司於2015年6月30日已發行股本約12%)已由冠華質押給國際金融公司作為所授出貸款的擔保。此外，本公司董事兼控股股東池文富先生(透過其於冠華之權益)向國際金融公司承諾維持其於本公司之最低持股量。本集團及附屬公司遵守若干契約，其中包括貸款協議訂明之若干財務契約。

(b) 根據於2018年12月6日訂立的貸款協議，本公司獲授40,000,000港元的融資。貸款按6厘之年利率計息，須每半年支付一次。除非提早贖回，貸款之原到期日為2020年7月31日，於2019年5月6日簽署補充協議後，延長至2021年7月31日。

(iii) 此指本公司於2017年6月5日發行之面值為101,750,000新加坡元之7.0厘後償票據(屬多種幣種中期票據計劃項下)之賬面值。該等票據於新加坡交易所上市，並將於2020年7月3日到期。

(iv) 計入無抵押借貸的約50,000,000港元(2018年：55,000,000港元)指於2019年12月31日以本公司所提供公司擔保作擔保的銀行貸款。

於2019年12月31日，銀行借貸及其他借貸之加權平均實際利率為約7.01厘(2018年：6.23厘)。

於2019年及2018年12月31日，借貸之賬面值等於其公允值為2,060,243,000港元(2018年：1,814,609,000港元)。

(a) Pursuant to a loan agreement entered into by a non-wholly owned subsidiary of the Company and International Finance Corporation ("IFC"), IFC had granted a loan of US\$27,000,000 to the subsidiary. The loan bears interest at LIBOR plus 3.5% per annum and the amounts due are based on the scheduled repayment dates set out in the loan agreements. The loan from IFC was secured by (i) corporate guarantee given by the Company; and (ii) pledges of shares in the Company as owned by Alpha Sino International Limited ("Alpha Sino"), the substantial shareholder; (iii) deposits with banks of approximately HK\$16,877,000 (2018: HK\$24,732,000). As at 31 December 2019, 549,280,000 shares, representing approximately 12% of the issued share capital of the Company as at 30 June 2015, has been pledged by Alpha Sino to IFC as security for the loan granted. In addition, Mr. Chi Wen Fu, a director and controlling shareholder of the Company (through his interest in Alpha Sino), has given an undertaking to IFC to maintain a minimum level of shareholding in the Company. The Group and the subsidiary had to comply with certain covenants, including, among other things, certain financial covenants, under the loan arrangement.

(b) According to a loan agreement entered on 6 December 2018, the Company was granted HK\$40,000,000 facilities. The loan bear an interest of 6% per annum in arrear semi-annually. The original maturity date of the loan is 31 July 2020 and extended upon maturity to 31 July 2021 upon a supplemental agreement signed on 6 May 2019, unless early redeemed.

(iii) This represents the carrying amount of the 7.0% subordinated notes with the face value of SGD101.75 million (under the Multicurrency Medium Term Note Programme) issued by the Company on 5 June 2017. The notes are listed on the Singapore Stock Exchange and will mature on 3 July 2020.

(iv) Included in unsecured borrowings, approximately HK\$50,000,000 (2018: HK\$55,000,000) represents bank loans guaranteed by the corporate guarantee of the Company as at 31 December 2019.

The weighted average effective interest rate of bank borrowing and other borrowings as at 31 December 2019 was approximately 7.01% (2018: 6.23%).

As at 31 December 2019 and 2018, the carrying amount of borrowing approximately equal to its fair value were HK\$2,060,243,000 (2018: HK\$1,814,609,000).

35. 可轉換債券

可轉換債券(「可轉換債券」)負債部分的賬面值如下：

		千港元 HK\$'000
於2018年1月1日	As at 1 January 2018	227,985
已扣除估算利息開支	Imputed interest expense charged	41,039
已付及應付利息開支	Interest expense paid and payable	(18,560)
於2018年12月31日及2019年1月1日		250,464
已扣除估算利息開支	Imputed interest expense charged	28,325
已付及應付利息開支	Interest expense paid and payable	(46,789)
償還本金	Repayment of principal	(111,360)
於2019年12月31日	As at 31 December 2019	120,640

附註：

於2016年5月5日，本公司發行本金金額為232,000,000港元之可轉換債券以換取現金。可轉換債券自發行日期起計按8厘之年利率計息，須每六個曆月支付一次。可轉換債券持有人有權將可轉換債券轉換為中國稀鎂股份。可轉讓予可轉換債券持有人的股份數目由可轉換債券工具所述的公式釐定。

可轉換債券持有人有權根據可轉換債券工具的條款及條件於轉換期內隨時轉換全部或任何部分可轉換債券本金額。可轉換債券到期日為自可轉換債券發行日期起計三年(「期限」)，而其可於發出事先通知後延長1個歷年(「延長期限」)。附於可轉換債券的轉換權利可因應可轉換債券持有人的選擇，在發行日期截至以下日期(包括當日)隨時及不時行使：(A)到期日(如可轉換債券持有人在緊接到期日前最少30個曆日發出可轉換通知)或(B)在緊隨本公司向可轉換債券持有人發出提交通知或協議通知之日期後的第30個曆日(以較早者為準)。

於2017年9月4日，由於中國稀鎂重組，本公司向可轉換債券持有人發出協議通知，而轉換權利於2017年10月6日失效。

35. Exchangeable Bonds

The carrying values of the liability component of the exchangeable bonds ("EBs") are as follows:

note:

On 5 May 2016, the Company issued EBs with the principal amount of HK\$232,000,000 for cash. The EBs bear an interest of 8% per annum payable in arrear every six calendar months from the issue date. The EBs entitle the holder to convert to the shares of China Rare Earth Magnesium. The number of share transferrable to the holders of EBs shall be determined by the formula described in EBs instrument.

The holders of EBs have the right to exchange all or any part of the principal amount of the EBs at any time during the exchange period as pursuant to the terms and conditions of the EBs instrument. The maturity date of the EBs is three years commencing from the date of issue of the EBs (the "Term") and upon prior notice, it can be extended for another 1 calendar year (the "Extended Term"). The right to exchange attaching to the EBs may be exercised, at the option of the holder thereof, at any time and from time to time during the period from the issue date up to and including the earlier of (A) the maturity date, if the holders of EBs delivers an exchangeable notice at least 30 calendar days immediately before the maturity date, or (B) the 30th calendar day immediately following the date of delivery of a submission notice or an agreement notice by the Company to the holders of EBs.

On 4 September 2017, an Agreement Notice was given to the holders of EBs due to the re-organisation in relation to China Rare Earth Magnesium, the exchange right was lapsed on 6 October 2017.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

可轉換債券包含兩個部分：衍生金融負債部分及負債部分。負債部分列作非流動負債，並用實際利息法按攤銷成本列賬。兌換選擇權列作衍生金融負債。由於轉換權利於2017年10月6日失效，衍生金融負債於截至2017年12月31日止年度終止確認。

截至2019年12月31日止年度，可轉換債券持有人於可轉換債券到期後行使延長選擇權。可轉換債券的到期日為2020年5月5日。

負債部分在首次確認時的實際年利率為18.04厘，其於延長期間減少至每年10厘。

詳情請參考本公司日期為2016年4月26日之公佈。

36. 遞延收入

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
與資產相關之政府撥款	Government grants received related to assets	68,283	69,772

為促進鎂行業之發展，白山市天安金屬鎂礦業有限公司於2012年與當地政府訂立一份協議。根據該協議，當地政府同意向白山市天安金屬鎂礦業有限公司提供財務資助（「資助」）以改善其生產科技及提高物業、廠房及設備的產能。

截至2019年及2018年12月31日止年度，本集團未曾收取任何資助，而截至2019年及2018年12月31日止年度並無確認其他收入。

所收或成為應收款項之資助，初始確認為遞延收入及其後以扣減折舊費開支，按該須予折舊資產可用年期於損益賬確認。

The EBs contain two components: derivative financial liability component and liability component. The liability component is classified as non-current liabilities and carried at amortised costs using effective interest method. The conversion option is classified as derivative financial liabilities. Due to the lapse of the exchange right on 6 October 2017, the derivative financial liabilities was derecognised during the year ended 31 December 2017.

During the year ended 31 December 2019, the holders of EB exercised the extention option upon the maturity of EB. The maturity date of EB became 5 May 2020.

The effective interest rate of the liability component on initial recognition is 18.04% per annum, which was reduced to 10% per annum for the extension period.

For details, please refer to the announcement of the Company dated on 26 April 2016.

36. Deferred Revenue

In order to encourage the development of magnesium industry, Baishan City Tianan Magnesium Resources Co., Limited entered into an agreement with the local government in 2012. Pursuant to the agreement, the local government agree to provide financial assistance (the “Assistance”) to Baishan City Tianan Magnesium Resources Company Limited to improve their production technology and enhance the capacity of the property, plant and equipment.

During the year ended 31 December 2019 and 2018, the Group has not received any Assistance and there were no other income was recognised for the years ended 31 December 2019 and 2018.

The Assistance received or which becomes receivables is initially recognised as deferred revenue and subsequently recognised in profit or loss over the life of a depreciable asset by way of as a reduced depreciation charge expense.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

37. 遞延稅項負債

年內於綜合財務狀況表確認之遞延稅項結餘的組成部分及其變動如下：

遞延稅項負債

		採礦權	土地使用權	使用權資產	物業、廠房及設備	無形資產	其他	總計
		Mining rights	Land use rights	Right-of-use assets	Property, plant and equipment	Intangible asset	Others	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於2018年1月1日	As at 1 January 2018	95,727	20,413	—	(37,391)	84,500	16,717	179,966
計入綜合損益表（附註11）	Credited to the consolidated statement of profit or loss (Note 11)	(2,876)	(517)	—	2,985	(20)	(4,986)	(5,414)
匯兌調整	Exchange alignment	(4,836)	(1,047)	—	2,053	(4,374)	—	(8,204)
於2018年12月31日及2019年1月1日	As at 31 December 2018 and 1 January 2019	88,015	18,849	—	(32,353)	80,106	11,731	166,348
自採納香港財務報告準則第16號後轉撥	Transfer upon adoption of HKFRS16	—	(18,849)	18,849	—	—	—	—
計入綜合損益表（附註11）	Credited to the consolidated statement of profit or loss (Note 11)	(2,189)	—	(603)	4,444	(19)	(5,731)	(4,098)
匯兌調整	Exchange alignment	(1,826)	—	(399)	867	(1,709)	—	(3,067)
於2019年12月31日	As at 31 December 2019	84,000	—	17,847	(27,042)	78,378	6,000	159,183

37. Deferred Tax Liabilities

The components of deferred tax balances recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred Tax Liabilities

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

38. 本公司股本

38. Share Capital of the Company

	附註 note	股份數目 Number of shares 千股 '000	股本 Share capital 千港元 HK\$'000
法定：			
於2018年1月1日、 2018年12月31日、 2019年1月1日及 2019年12月31日 每股面值0.02港元 之普通股	Authorised:	Ordinary shares of HK\$0.02 each As at 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	10,000,000200,000
已發行及繳足：			
於2018年1月1日、 2018年12月31日、 2019年1月1日及 2019年12月31日	Issued and fully paid:	As at 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	4,581,117101,419

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

39. 本公司財務狀況表及儲備

39. Statement of Financial Position and
Reserves of the Company

(a) 財務狀況表
於12月31日

(a) Statement of Financial Position
As at 31 December

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
非流動資產	Non-current assets	
物業、廠房及設備	Property, plant and equipment	1,056
於附屬公司之投資	Investments in subsidiaries	2,108
	2,638	3,164
流動資產	Current assets	
其他應收款項、 預付款項及按金	Other receivables, prepayments and deposits	821
應收附屬公司款項	Amounts due from subsidiaries	2,537,231
銀行及現金結餘	Bank and cash balances	12,114
	2,497,102	2,550,166
減：流動負債	Less: Current liabilities	
其他應付款項	Other payables	4,975
應付所得稅	Income tax payable	2,974
借貸	Borrowings	137,198
可轉換債券	Exchangeable bonds	250,464
	797,912	395,611
流動資產淨值	Net current assets	2,154,555
資產總值減流動負債	Total assets less current liabilities	2,157,719
減：非流動負債	Less: Non-current liability	
借貸	Borrowings	604,147
	130,000	604,147
資產淨值	Net assets	1,553,572
本公司擁有人應佔股本 及儲備	Capital and reserves attributable to owners of the Company	
股本	Share capital	101,419
儲備	Reserves	1,452,153
權益總額	Total equity	1,553,572

210 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

211 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

(b) 儲備

(b) Reserves

		股份溢價	資本贖回儲備	購股權儲備	保留盈利	總計
		Share premium	Capital redemption reserve	Share option reverse	Retained earnings	Total
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於2018年1月1日	As 1 January 2018	1,353,356	4,526	3,216	48,532	1,409,630
年內溢利	Profit for the year	-	-	-	42,417	42,417
年內全面收益總額	Total comprehensive income for the year	-	-	-	42,417	42,417
已失效購股權	Share option lapsed	-	-	(2,064)	2,064	-
股權結算股份付款之交易	Equity settled share-based transactions	-	-	106	-	106
於2018年12月31日及 2019年1月1日	As at 31 December 2018 and 1 January 2019	1,353,356	4,526	1,258	93,013	1,452,153
年內溢利	Profit for the year	-	-	-	14,702	14,702
年內全面收益總額	Total comprehensive income for the year	-	-	-	14,702	14,702
股權結算股份付款之交易	Equity settled share-based transactions	-	-	3,554	-	3,554
於2019年12月31日	As at 31 December 2019	1,353,356	4,526	4,812	107,715	1,470,409

40. 購股權計劃

(a) 本公司之購股權計劃

為吸引及挽留最優秀之員工以發展本集團業務，以及提供額外鼓勵或獎勵予獲選之合資格參與者，本公司分別於2008年12月3日採納一項購股權計劃(「舊計劃」)及於2019年6月26日採納一項購股權計劃(「新計劃」或「該計劃」)。合資格參與者主要為本集團僱員、董事及對本集團有所貢獻之本集團承包商、供應商或服務供應商。除非另行註銷或修訂，否則該舊計劃及新計劃將自成立日期起10年內有效。舊計劃已於2018年12月3日屆滿，而新計劃之餘下年期約為9年(於2029年6月26日屆滿)。於舊計劃屆滿前根據舊計劃授出之購股權仍然有效。

購股權可按董事全權酌情釐定的歸屬、行使或其他方面的條款及條件而授出，惟有關條款及條件須與該計劃的任何其他條款及條件相符一致。

認購價不會少於以下最高者：(i) 股份在購股權授出日期於香港聯合交易所有限公司(「聯交所」)每日報價表所列之收市價；(ii) 股份於緊接購股權授出日期前5個交易日於聯交所每日報價表所列之平均收市價；及(iii) 股份之面值0.02港元。根據計劃可能授出購股權涉及之最高股份數目，合共不可多於本公司不時之已發行股本30%。於接納授出購股權之要約後，獲授予者須向本公司支付款項1.00港元。

40. Share Option Schemes

(a) Share option scheme of the Company

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 3 December 2008 (the "Old Scheme") and on 26 June 2019 (the "New Scheme" or the "Scheme") respectively. The qualifying participants mainly include employees of the Group, Directors and contractors, suppliers or service providers of the Group who have contribution to the Group. Both schemes, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The Old Scheme was expired on 3 December 2018 while the remaining life of the New Scheme is approximately 9 years (expiry on 26 June 2029). Options granted under the Old Scheme before its expiry remain in force.

Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the directors may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms conditions of the Scheme.

The subscription price is not less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer of the option; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of offer of the option; and (iii) the nominal value of a Share of HK\$0.02. The maximum number of Shares in respect of which options may be granted under the Scheme shall not, in aggregate, exceed 30% of the issued share capital of the Company from time to time. Upon acceptance of the offer for the grant of option, an amount of HK\$1.00 is payable by the grantee to the Company.

212 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

本公司可發行購股權，限額為行使根據計劃將授出的全部購股權後可能發行的股份總數，合共不超過於批准計劃日期已發行股份的10%。本公司可在任何時候更新該10%限額，惟須根據上市規則獲得股東批准及刊發通函，方可進行，並且於行使根據計劃及其他任何購股權計劃下所有已授出但仍未獲行使的購股權後將予發行的股份數目，不得超過不時已發行股份的30%。

各合資格人士於要約日期屆滿前十二個月期間內因行使其獲授購股權(包括該計劃下已行使及尚未行使的購股權)而獲發行及將獲發行的股份總數，不得超過本公司已發行股本1%。倘向本公司主要股東或獨立非執行董事(或彼等各自的任何聯繫人)授出任何購股權而導致在截至授出日期(包括該日)止任何十二個月期間內，上述人士已獲授及將獲授的全部購股權(包括已行使、已註銷及尚未行使的購股權)獲行使而發行及將予發行的證券數目，(i)合共超過相關類別已發行證券的0.1%；及(ii)(倘證券於聯交所上市)根據證券於各授出日期收市價計算的總值超過5,000,000港元，該額外授出購股權須經本公司股東批准。

購股權僅於合資格參與者自購股權授出日期至指定之行使日期仍於本集團服務方可行使。

The Company can issue options so that the total number of shares that may be issued upon exercise of all options to be granted under the Scheme does not in aggregate exceed 10% of the shares in issue on the date of approval of the Scheme. The Company may refresh this 10% limit at any time, subject to shareholders' approval and the issue of a circular and in accordance with the Listing Rules provided that the number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes does 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 eligible person (including both exercised and outstanding options under the Scheme) in the twelve-month period expiring on the offer date must not exceed 1% of the issued share capital of the Company. Where any grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the relevant class of securities in issue; and (ii) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved by shareholders of the Company.

The share options are exercisable only if the Eligible Participants remain in the service of the Group from the grant date of the share options up to the designated exercise date.

213 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

2019 年		2019				
	於2019年 1月1日持有	年內授出 之購股權	年內行使 之購股權	年內失效 之購股權	於2019年 12月31日持有	行使價 (附註) 港元
	Held at 1 January 2019	Options granted during the year	Options exercised during the year	Options lapsed during the year	Held at 31 December 2019	Exercise price (note) HK\$
(A) 僱員及顧問						
Employees and consultants	8,567,059	-	-	-	8,567,059	0.78258
	-	231,900,000	-	-	231,900,000	0.3
(B) 董事						
Directors						
池文富 Chi Wen Fu	-	20,000,000	-	-	20,000,000	0.3
沈世捷 Shum Sai Chit	-	20,000,000	-	-	20,000,000	0.3
池靜超 Chi Jing Chao	-	8,000,000	-	-	8,000,000	0.3
郭孟勇 Guo Mengyong	-	5,000,000	-	-	5,000,000	0.3
張省本 Cheung Sound Poon	-	5,000,000	-	-	5,000,000	0.3
盛洪 Sheng Hong	-	5,000,000	-	-	5,000,000	0.3
劉智傑 Lau Chi Kit	6,389,145	-	-	-	6,389,145	0.78258
	-	5,000,000	-	-	5,000,000	0.3
	14,956,204	-	-	-	14,956,204	0.78258
	-	299,900,000	-	-	299,900,000	0.3
	14,956,204	299,900,000	-	-	314,856,204	

於2019年12月31日，該計劃項下尚未行使之購股權合共可認購314,856,204股股份。

As at 31 December 2019, Options to subscribe for a total of 314,856,204 Shares were outstanding under the Scheme.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

2018 年		2018					
		於 2018 年 1 月 1 日 持有	年內授出 之購股權	年內行使 之購股權	年內失效 之購股權	於 2018 年 12 月 31 日 持有	行使價 (附註) 港元
		Held at 1 January 2018	Options granted during the year	Options exercised during the year	Options lapsed during the year	Held at 31 December 2018	Exercise price (note) HK\$
(A)	僱員						
	Employees	14,545,079	–	–	(14,545,079)	–	0.62606
		12,400,545	–	–	(3,833,486)	8,567,059	0.78258
(B)	董事						
	Director						
	劉智榮	6,389,145	–	–	–	6,389,145	0.78258
	Lau Chi Kit						
		14,545,079	–	–	(14,545,079)	–	0.62606
		18,789,690	–	–	(3,833,486)	14,956,204	0.78258
		33,334,769	–	–	(18,378,565)	14,956,204	

於2018年12月31日，該計劃項下尚未行使之購股權合共可認購14,956,204股股份。

As at 31 December 2018, Options to subscribe for a total of 14,956,204 Shares were outstanding under the Scheme.

於2019年12月31日，尚未行使購股權有以下屆滿日期、行使期及行使價。

Options outstanding at 31 December 2019 have the following expiry date, exercise period and exercise prices.

頒授日期	屆滿日期	行使期	每股行使價 Exercise prices per Share 港元 HK\$	購股權數目 Number of Options
Grant date	Expiry date	Exercise period		
2015年1月6日 6 January 2015	2020年10月31日 31 October 2020	自2015年11月1日起至 2020年10月31日 From 1 November 2015 to 31 October 2020	0.78258	14,956,204
2019年7月25日 25 July 2019	2025年12月30日 30 December 2025	自2020年11月1日至 2025年12月30日 From 1 November 2020 to 30 December 2025	0.3	
				314,856,204

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

於本年報日期，新計劃項下可供發行之本公司股份總數(包括上述尚未行使購股權)為473,067,888股，相當於本公司當日已發行股本約10.33%。新計劃已於2029年6月26日屆滿。

截至2019年12月31日止年度所授出之購股權，使用二項式期權定價模式釐定公允值為約21,291,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.223港元（已就股份分拆的影響作出調整）、上述行使價、預期股價波動為42.352%、年度無風險利率為1.367%。約6.438年預計購股權年期及0%之派息率。按預期股價回報的標準偏差而計量的波幅，乃根據由2016年7月25日至2019年7月25日的每日股價的統計分析計算得出。截至2019年12月31日止年度，須計入綜合損益表內之付款約為3,511,000港元。

截至2015年12月31日止年度所授出之購股權，使用柏力克－舒爾斯估值模式釐定公允值為約3,660,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.69港元（已就股份分拆的影響作出調整）、上述行使價、預期股價波動介於43.47%至49.69%、年度無風險利率0.71%至1.39%。約2.32至5.32年預計購股權年期及1.29%派息率。按預期股價回報的標準偏差而計量的波幅，乃根據由2009年8月19日至2012年8月28日的每日股價的統計分析計算得出。截至2019年12月31日止年度，約43,000港元（2018年：106,003港元）已計入綜合損益表內。

截至2019年12月31日止年度，已計入綜合損益表總金額約為3,554,800港元(2018年：106,003港元)。

As at the date of the annual report, the total number of Shares of the Company available for issue under the New Scheme (including the above Options outstanding not yet exercised) was 473,067,888, representing approximately 10.33% of the issued share capital of the Company as of the date thereof. The New Scheme was expired on 26 June 2029.

The fair value of Options granted during the year ended 31 December 2019 determined using the Binomial Option Pricing model was approximately HK\$21,291,000. The significant inputs into the model were share price of HK\$0.223, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility is 42.352%, annual risk-free interest rate of 1.367%. Expected life of Options of approximately 6.438 years and dividend payout ratio of 0%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 25 July 2016 to 25 July 2019. During the year ended 31 December 2019, approximately HK\$3,511,000 were charged to the consolidated statement of profit or loss.

The fair value of Options granted during the year ended 31 December 2015 determined using the Black-Scholes valuation model was approximately HK\$3,660,000. The significant inputs into the model were share price of HK\$0.69, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility ranged from 43.47% to 49.69%, annual risk-free interest rate of 0.71% to 1.39%. Expected life of Options of approximately 2.32 to 5.32 years and dividend payout ratio of 1.29%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 19 August 2009 to 28 August 2012. During the year ended 31 December 2019, approximately HK\$43,000 (2018: HK\$106,003) were charged to the consolidated statement of profit.

During the year ended 31 December 2019, aggregate amount of approximately HK\$3,554,800 (2018: HK\$106,003) were charged to the consolidated statement of profit or loss.

216

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

(2) 附屬公司之購股權計劃

稀鎂科技

為吸引及挽留優秀員工發展本集團稀鎂科技的業務，並提供經選定合資格參與者額外獎勵或回報，稀鎂科技於2017年12月4日採納購股權計劃（「稀鎂科技計劃」）。合資格參與者主要包括僱員、董事、承包商、供應商或服務供應商。彼等皆曾為稀鎂科技集團作出貢獻。稀鎂科技計劃自其成立日期起計十年內有效，惟遭註銷或修改則除外。稀鎂科技計劃餘下年期約為8年（於2027年12月4日屆滿）。

各合資格人士於要約日期屆滿前十二個月期間內因行使其獲授購股權（包括稀鎂科技計劃下已行使及尚未行使的購股權）而獲發行及將獲發行的股份總數，不得超過稀鎂科技已發行股本1%。倘向稀鎂科技主要股東或獨立非執行董事（或彼等各自的任何聯繫人）授出任何購股權而導致在截至授出日期（包括該日）止任何十二個月期間內，上述人士已獲授及將獲授的全部購股權（包括已行使、已註銷及尚未行使的購股權）獲行使而發行及將予發行的證券數目，(i)合共超過相關類別已發行證券的0.1%；及(ii)（倘證券於聯交所上市）根據證券於各授出日期收市價計算的總值超過5,000,000港元，該額外授出購股權須經稀鎂科技股東批准。

(2) Share option scheme of a subsidiary

REMT

In order to attract and retain the best quality employees for the development of the Group of REMT's businesses and to provide additional incentives or rewards to selected qualifying participants, REMT adopted a share option scheme on 4 December 2017 (the "REMT Scheme"). The qualifying participants mainly include employees, directors, contractors, suppliers or service providers who have contribution to the Group of REMT. The REMT Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the REMT Scheme is approximately 8 years (expiry on 4 December 2027).

The total number of shares issued and to be issued upon exercise of the options granted to each eligible person (including both exercised and outstanding options under the REMT Scheme) in the twelve-month period expiring on the offer date must not exceed 1% of the issued share capital of REMT. Where any grant of options to a substantial shareholder or an independent non-executive director of REMT, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the relevant class of securities in issue; and (ii) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved by shareholders of REMT.

217

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

As at 31 December 2019, options to subscribe for a total of 411,400,000 Shares were outstanding under the REMT Scheme (the "REMT Options").

2019 年

2019

	於2019年 1月1日持有	年內授出之 稀鎂科技購股權	年內行使之 稀鎂科技購股權	年內註銷之 稀鎂科技購股權	年內失效之 稀鎂科技購股權	於2019年 年內轉讓	於2019年 12月31日持有	行使價
		REMT Options	REMT Options	REMT Options	REMT Options			
	Held at 1 January	granted during	exercised during	cancelled during	lapsed during	Transfer during	Held at 31 December	Exercise
	2019	the year	the year	the year	the year	the year	2019	price 港元 HK\$
(A) 僱員 Employees	146,400,000 40,000,000 -	- - 200,000,000	- - -	- - (50,000,000)	- - -	17,000,000 - -	163,400,000 40,000,000 150,000,000	0.4 0.5 0.3
(B) 董事 Directors								
沈世捷 Shum Sai Chit	30,000,000	-	-	-	-	-	30,000,000	0.4
池靜超 ⁽²⁾ Chi Jing Chao ⁽²⁾	-	-	-	-	-	3,000,000	3,000,000	0.4
池碧芬 ⁽¹⁾ Chi Bi Fen ⁽¹⁾	20,000,000	-	-	-	-	(20,000,000)	-	0.4
鄭炳文 Kwong Ping Man	5,000,000	-	-	-	-	-	5,000,000	0.4
稀鎂科技其他董事 Other directors of REMT	20,000,000	-	-	-	-	-	20,000,000	0.4
	221,400,000 40,000,000 -	- - 200,000,000	- - -	- - (50,000,000)	- - -	- - -	221,400,000 40,000,000 150,000,000	0.4 0.5 0.3
	261,400,000	200,000,000	-	(50,000,000)	-	-	411,400,000	

(1) 於2019年6月26日已退任

(1) Retired on 26 June 2019

(2) 於2019年6月27日獲委任

(2) Appointed on 27 June 2019

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

2018年

2018

	於2018年 1月1日持有	期內授出之 稀鎂科技購股權 REMT Options	期內行使之 稀鎂科技購股權 REMT Options	期內失效之 稀鎂科技購股權 REMT Options	於2018年 12月31日持有	行使價
	Held at 1 January 2018	granted during the period	exercised during the period	lapsed during the period	Held of 31 December 2018	Exercise price 港元 HK\$
(A) 僱員						
Employees	-	146,400,000	-	-	146,400,000	0.4
	-	40,000,000	-	-	40,000,000	0.5
(B) 董事						
Directors						
沈世捷 Shum Sai Chit	-	30,000,000	-	-	30,000,000	0.4
池碧芬 Chi Bi Fen	-	20,000,000	-	-	20,000,000	0.4
鄭炳文 Kwong Ping Man	-	5,000,000	-	-	5,000,000	0.4
稀鎂科技其他董事 Other directors of REMT	-	20,000,000	-	-	20,000,000	0.4
	-	221,400,000	-	-	221,400,000	0.4
	-	40,000,000	-	-	40,000,000	0.5
	-	261,400,000	-	-	261,400,000	

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

於2019年12月31日，尚未行使之稀鎂科技購股權有以下屆滿日期、行使期及行使價。

REMT Options outstanding at 31 December 2019 have the following expiry date, exercise period and exercise prices.

頒授日期	屆滿日期	行使期	每股稀鎂科技 股份行使價 Exercise prices per REMT Share 港元 HK\$	稀鎂科技 購股權數目 Number of REMT Options
Grant date	Expiry date	Exercise period		
2018年4月25日	2023年12月29日	自2018年11月1日起至 2023年12月29日	0.4	221,400,000
25 April 2018	29 December 2023	From 1 November 2018 to 29 December 2023		
2018年4月25日	2020年12月31日	自2019年1月1日起至 2020年12月31日	0.5	40,000,000
25 April 2018	31 December 2020	From 1 January 2019 to 31 December 2020		
2019年7月25日	2022年8月31日	自2019年9月1日起至 2022年8月31日	0.3	140,000,000
25 July 2019	31 August 2022	From 1 September 2019 to 31 August 2022		
2019年7月25日	2020年8月31日	自2019年9月1日起至 2020年8月31日	0.3	10,000,000
25 July 2019	31 August 2020	From 1 September 2019 to 31 August 2020		
				411,400,000

於本年報日期，該稀鎂科技計劃項下可供發行之稀鎂科技股份總數(包括上述尚未行使稀鎂科技購股權)為858,790,058股，相當於稀鎂科技當日已發行股本約13%。該稀鎂科技計劃之餘下年期約為8年，並將於2027年12月4日屆滿。

As at the date of the annual report, the total number of shares of REMT available for issue under the REMT Scheme (including the above REMT Options outstanding not yet exercised) was 858,790,058, representing approximately 13% of the issued share capital of REMT as of the date thereof. The remaining life of the REMT Scheme is approximately 8 years and to be expired on 4 December 2027.

220 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

截至2019年12月31日止年度所授出之稀鎂科技購股權，使用二項式期權定價模式釐定公允值為約13,509,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.285港元(已就股份分拆的影響作出調整)、上述行使價、預期股價波動介於46.729%至54.568%、年度無風險利率1.459%至1.758%。約1.1至3.1年預計稀鎂科技購股權年期及股息收益率1.64。按預期股價回報的標準偏差而計量的波幅，乃根據由2010年12月31日至2019年7月25日的每日股價的統計分析計算得出。

截至2018年12月31日止年度所授出之稀鎂科技購股權，使用柏力克－舒爾斯估值模式釐定公允值為約21,558,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.325港元(已就股份分拆的影響作出調整)、上述行使價、預期股價波動介於42.107%至47.596%、年度無風險利率1.561%至1.999%。約1.52至5.68年預計稀鎂科技購股權年期及零派息率。按預期股價回報的標準偏差而計量的波幅，乃根據由2012年10月24日至2018年4月25日的每日股價的統計分析計算得出。

截至2019年12月31日止年度，總金額約19,415,000港元(2018年：8,364,000港元)已計入綜合損益表內。

The fair value of REMT Options granted during the year ended 31 December 2019 determined using the Binomial Option Pricing model was approximately HK\$13,509,000. The significant inputs into the model were share price of HK\$0.285, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility ranged from 46.729% to 54.568%, annual risk-free interest rate of 1.459% to 1.758%. Expected life of REMT Options of approximately 1.1 to 3.1 years and dividend yield of 1.64. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 31 December 2010 to 25 July 2019.

The fair value of REMT Options granted during the year ended 31 December 2018 determined using the Black-Scholes valuation model was approximately HK\$21,558,000. The significant inputs into the model were share price of HK\$0.325, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility ranged from 42.107% to 47.596%, annual risk-free interest rate of 1.561% to 1.999%. Expected life of REMT Options of approximately 1.52 to 5.68 years and dividend payout ratio of Nil. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 24 October 2012 to 25 April 2018.

During the year ended 31 December 2019, aggregate amount of approximately HK\$19,415,000 (2018: HK\$8,364,000) were charged to the consolidated statement of profit or loss.

221 財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

41. 承擔

(a) 資本承擔

	2019 千港元 HK\$'000	2018 千港元 HK\$'000
已訂約但尚未於綜合財務報表撥備之有關收購物業、廠房及設備之資本支出	Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	
	206,808	179,165

(b) 經營租賃承擔

本集團作為承租人

本集團根據不可撤銷租賃協議租賃各類寫字樓、員工宿舍及貨倉。該等租賃之租期、調整租金之條款及續約權利各有不同。

於報告期末，本集團根據不可撤銷經營租賃於下列期間到期的未來最低租賃付款承擔如下：

		2018 千港元 HK\$'000
一年內	Within one year	2,646
第二年至第五年(包括首尾兩年)	In the second to fifth years inclusive	2,765
超過五年	Over five years	5,389
		10,800

41. Commitments

(a) Capital Commitments

(b) Operating Lease Commitments

The Group as Lessee

The Group leases various office premises, staff quarters and warehouses under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewal rights.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

42. 重大關連人士交易及關連交易

除綜合財務報表另有披露外，年內本集團已進行以下主要關連人士交易。

(a) 主要管理人員酬金

		2019 千港元 HK\$'000	2018 千港元 HK\$'000 (經重列) (Restated)
董事(附註13)	Directors (Note 13)	6,891	6,563
其他主要管理人員： 薪金及其他短期 僱員福利	Other key management personnel: Salaries and other short-term employee benefits	10,688	4,590
		17,579	11,153

(b) 池文富先生已向國際金融公司作出承諾，將本公司之股權維持在最低水平作為借貸抵押品，詳情參見附註34。

42. Material Related Party Transactions and Connected Transactions

Except as disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant related party transactions during the year.

(a) Key Management Compensation

(b) Mr. Chi Wen Fu has given an undertaking to IFC to maintain a minimum level of shareholding in the Company as collateral of the borrowings as detailed in Note 34.

43. 非現金交易

出售附有遞延代價的已終止經營業務於截至2018年12月31日止年度更新。

截至2019年12月31日止年度，出售分類為持作出售的資產之遞延代價約37,972,000港元。

截至2019年12月31日止年度，出售物業、廠房及設備之合約代價對合約負債約5,022,000港元。

43. Non-Cash Transactions

Disposal of discontinued operations with deferred consideration updated at year ended 31 December 2018.

Disposal of assets classified as held for sale with deferred consideration of approximately HK\$37,972,000 during the year ended 31 December 2019.

Disposal of property, plant and equipment with consideration in contract to contract liabilities of approximately HK\$5,022,000 during the year ended 31 December 2019.

財務報表附註
Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

44. 由融資活動引起的負債對賬

44. Reconciliation of Liabilities Arising from Financing Activities

		應付非控股 股東款項 Amount due to a non-controlling shareholder 千港元 HK\$'000	借貸 Borrowings 千港元 HK\$'000	可轉換債券 Exchangeable bonds 千港元 HK\$'000	租賃負債 Lease liabilities 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於2018年1月1日	As at 1 January 2018	239,802	1,819,185	227,985	—	2,286,972
融資現金流量	Financing cash flow	(124,050)	(9,959)	(18,560)	—	(152,569)
外匯調整	Foreign exchange adjustments	47	27,383	—	—	27,430
其他非現金變動	Other non-cash movement	(115,000)	(22,000)	41,039	—	95,961
於2018年12月31日 淨債項	Net debt as at 31 December 2018	799	1,814,609	250,464	—	2,065,872
採納香港財務報告準則 第16號的影響(附註)	Effect of adoption of HKFRS 16 (note)	—	—	—	6,991	6,991
於2019年1月1日(經重列)	At 1 January 2019 (restated)	799	1,814,609	250,464	6,991	2,072,863
融資現金流量	Financing cash flow	—	263,148	(158,149)	(2,798)	102,201
外匯調整	Foreign exchange adjustments	—	(17,514)	—	(141)	(17,655)
其他非現金變動	Other non-cash movement	—	—	28,325	3,780	32,105
於2019年12月31日 淨債項	Net debt as at 31 December 2019	799	2,060,243	120,640	7,832	2,189,514

附註：

本集團已採用經修訂追溯法初步應用香港財務報告準則第16號以及調整於2019年1月1日的年初結餘，以確認與先前根據香港會計準則第17號分類為經營租賃之租賃有關的租賃負債。參閱綜合財務報表附註附註2。

note:

The group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Refer to note 2 to the consolidated financial statements.

45. 附屬公司擁有權權益之變動

截至2019年12月31日止年度，本集團進一步收購山東紅日肥料銷售有限公司之10.41%權益、臨沂紅日物流有限公司之10.41%權益及江西紅日肥料銷售有限公司之4.80%權益。由於該等交易，本集團確認非控股權益減少約11,062,000港元及其他儲備增加約11,062,000港元。

45. Changes in Ownership Interest in Subsidiaries

During the year ended 31 December 2019, the Group has further acquired 10.41% of 山東紅日肥料銷售有限公司，10.41% of 臨沂紅日物流有限公司 and 4.80% of 江西紅日肥料銷售有限公司。As a result of these transactions, the Group recognised a decrease in non-controlling interests of approximately HK\$11,062,000 and an increase in other reserve of approximately HK\$11,062,000.

財務報表附註 Notes to the Financial Statements

截至2019年12月31日止年度
For the year ended 31 December 2019

46. 訴訟與或然負債

參考本公司2014年10月9日之公告，內容提及對首智投資有限公司(「首智」)之民事訴訟，於綜合財務報表日期，據本公司所知悉，有關訴訟的傳訊令狀尚未送達首智。首智倘收到該法律文件後，將就有關訴訟及就此應予採取的必要行動尋求法律意見，且將就訴訟極力抗辯。董事認為，該訴訟不會對本集團的業務、營運及財務狀況構成重大不利影響。

除上文所披露者外，董事認為直至報告日期概無對本集團業務、營運及財務狀況造成重大不利影響的重大訴訟。

47. 報告期後事項

自2020年年初爆發的2019冠狀病毒病(「2019冠狀病毒病」)給全球宏觀經濟狀況帶來了更多不確定性因素。儘管面臨諸多挑戰，政府及國際組織仍實施了一系列控制疫情的措施。本公司董事將密切監控疫情的發展狀況，以及評估其對本集團營運的影響。

48. 比較數字

若干比較數字已重新分類以符合本年度之呈列方式。

49. 授權刊發綜合財務報表

董事會於2020年4月16日批准及授權刊發綜合財務報表。

46. Litigations and Contingent Liabilities

Reference was made to the announcement of the Company dated 9 October 2014 regarding a civil claim against Capital Idea Investments Limited (“Capital Idea”). As of the date of the consolidated financial statement, to the best knowledge of the Company, the writ of summons of the litigation has not yet been served on Capital Idea. Upon receiving this legal document, Capital Idea will seek legal advice in relation to the claim and the necessary actions to be taken in this respect and will vigorously defend against the claim. The directors are of the view that this claim will not have a material adverse impact on the business, operation and financial position of the Group.

Save as disclosed above, the Directors consider that up to report date there were no significant litigations would have material adverse impact on the business, operation and financial position of the Group.

47. Events after the Reporting Period

The coronavirus disease 2019 (“COVID-19”) outbreak since early 2020 has brought additional uncertainties in the global macroeconomic situation. Despite the challenges, governments and international organisations have implemented a series of measures to contain the epidemic. The directors of the Company will closely monitor the development of the epidemic and assess its impact on the operation of the Group.

48. Comparatives

Certain comparative amounts have been reclassified to conform with current year’s presentation.

49. Authorisation for Issue of Consolidated Financial Statements

The consolidated financial statements was approved and authorised for issued by the board of directors on 16 April 2020.



世紀陽光

世紀陽光集團控股有限公司
Century Sunshine Group Holdings Limited

Incorporated in the Cayman Islands with limited liability

於開曼群島註冊成立之有限公司

Stock Code 股份代號 : 509.HK

Website 網址 : www.centurysunshine.com.hk

