



Embry Holdings Limited 安莉芳控股有限公司

Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立之有限公司

Stock Code 股份代號: 1388



追求
Striving for 卓越
Excellence

ANNUAL REPORT 年報 2019

Embry 安莉芳

With innovative product research and development, ever-enhancing product functionality and thoughtful design, the Group continued to deepen its multi-brand strategy. Together with a consumer-centric sales strategy and omni-channel retailing, the Group provided the market with a diversified product portfolio.

憑藉創新的產品研發、力臻完美的產品功能和貼心設計，集團持續深化多品牌策略，配合以消費者為中心的銷售策略，全渠道為市場提供多元化產品組合。

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Sales Network 銷售網絡



AN EXTENSIVE NETWORK

CAPTURING GROWING OPPORTUNITIES IN CHINA

The Group's sales points span the whole nation, with footprints in all major cities such as Beijing, Shanghai, Chongqing, Tianjin, Guangzhou, Hong Kong and Macau. Such an extensive network enables the Group to efficiently respond to customer needs and deepen its market penetration in China.

As at 31 December 2019, the Group had a total of 1,664 retail outlets, comprising 1,382 concessionary counters and 282 retail shops in Mainland China, Hong Kong and Macau.

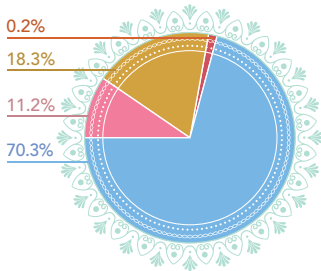
龐大網絡 中國市場潛力無限

本集團的銷售點遍佈全國各地，覆蓋所有主要城市，如北京、上海、重慶、天津、廣州、香港及澳門。透過這個龐大的銷售網絡，本集團能迅速有效地回應消費者需要，進一步滲透中國市場。

截至二零一九年十二月三十一日止，本集團共有1,664個零售點，包括在中國大陸、香港及澳門1,382個百貨公司專櫃及282個零售商舖。

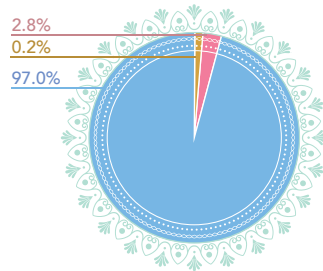
Financial Highlights 財務摘要

By Business Activities 按業務活動



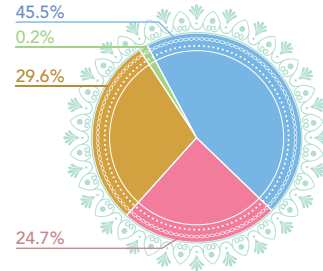
	2019	2018
Concessionary Counters 銷售專櫃	70.3%	74.3%
Retail Stores 零售店舖	11.2%	9.7%
Internet and Wholesale 網上銷售及批發	18.3%	15.8%
Original Design Manufacturer ("ODM") 原設計製造商 ("ODM")	0.2%	0.2%

By Locations 按地區



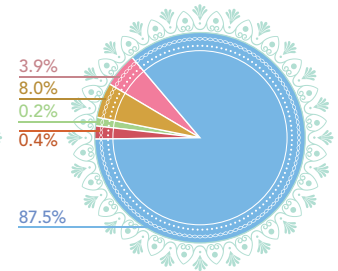
	2019	2018
Mainland China 中國大陸	97.0%	96.9%
Hong Kong 香港	2.8%	2.9%
Others 其他	0.2%	0.2%

By Brands 按品牌



	2019	2018
Embry Form 安莉芳	45.5%	45.4%
Fandecie 芬狄詩	24.7%	25.1%
Others 其他	29.6%	29.3%
ODM Products ODM產品	0.2%	0.2%

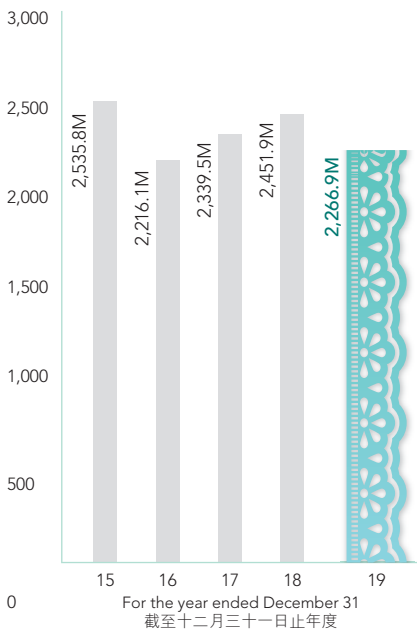
By Products 按產品



	2019	2018
Lingerie 女性內衣	87.5%	87.3%
Sleepwear 睡衣	8.0%	6.7%
Swimwear 泳衣	3.9%	5.0%
ODM Products ODM產品	0.2%	0.2%
Others 其他產品	0.4%	0.8%

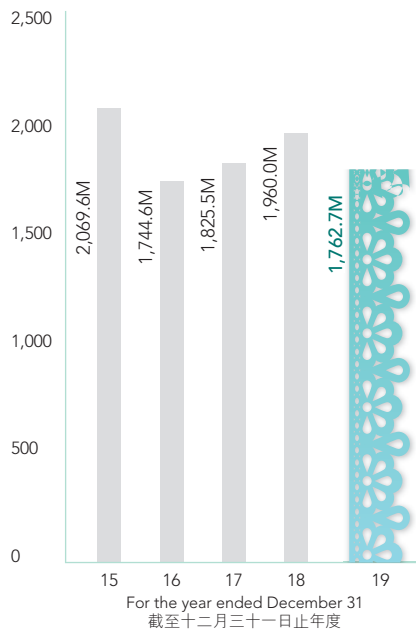
Revenue 收益

CAGR -2.76%
複合年增長率-2.76%



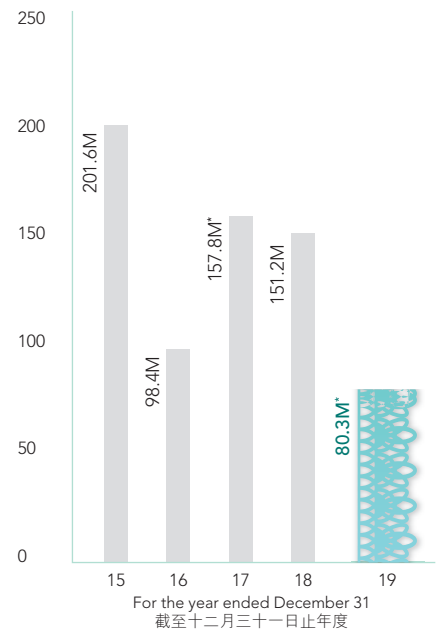
Gross Profit 毛利

CAGR -3.93%
複合年增長率-3.93%



Profit for the Year Attributable to Owners of the Company 本公司擁有人應佔年度溢利

CAGR -20.55%
複合年增長率-20.55%



* excluding the gain from the Relocation Arrangement and the respective income tax expense
* 撇除搬遷安排收益及相關所得稅開支

Corporate Information

公司資料

DIRECTORS AND BOARD COMMITTEES

Directors

Executive Directors

CHENG Man Tai (Chairman)
 CHENG Pik Ho Liza (Chief Executive Officer)
 NGOK Ming Chu
 CHENG Chuen Chuen
 LU Qun

Independent Non-Executive Directors

LAU Siu Ki (alias, Kevin Lau)
 LEE Kwan Hung (alias, Eddie Lee)
 LEE T. S. (alias, Lee Tien-sheng)

Board Committees

Audit Committee

LAU Siu Ki (alias, Kevin Lau) (Chairman)
 LEE Kwan Hung (alias, Eddie Lee)
 LEE T. S. (alias, Lee Tien-sheng)

Remuneration Committee

LEE Kwan Hung (alias, Eddie Lee) (Chairman)
 CHENG Pik Ho Liza
 LAU Siu Ki (alias, Kevin Lau)
 LEE T. S. (alias, Lee Tien-sheng)

Nomination Committee

LEE T. S. (alias, Lee Tien-sheng) (Chairman)
 CHENG Pik Ho Liza
 LAU Siu Ki (alias, Kevin Lau)
 LEE Kwan Hung (alias, Eddie Lee)

COMPLIANCE OFFICER

CHAN Hei

COMPANY SECRETARY

SO Ka Man

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

7th Floor, Wyler Centre II
 200 Tai Lin Pai Road
 Kwai Chung, New Territories
 Hong Kong

董事及董事委員會

董事

執行董事

鄭敏泰(主席)
 鄭碧浩(行政總裁)
 岳明珠
 鄭傳全
 鹿群

獨立非執行董事

劉紹基
 李均雄
 李天生

董事委員會

審核委員會

劉紹基(主席)
 李均雄
 李天生

薪酬委員會

李均雄(主席)
 鄭碧浩
 劉紹基
 李天生

提名委員會

李天生(主席)
 鄭碧浩
 劉紹基
 李均雄

合規主任

陳曦

公司秘書

蘇嘉敏

註冊辦事處

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

總辦事處及主要營業地點

香港
 新界葵涌
 大連排道200號
 偉倫中心2期7樓

Corporate Information 公司資料

PRINCIPAL BANKERS

Hang Seng Bank Limited
Hang Seng Bank (China) Limited
Nanyang Commercial Bank, Limited
The Hongkong and Shanghai Banking Corporation Limited
HSBC Bank (China) Company Limited
Bank of China Limited
China Construction Bank Corporation
China Merchants Bank Co., Ltd.

LEGAL ADVISERS

As to Hong Kong law:

Chiu & Partners

As to PRC law:

GFE Law Office
Grandall Law Firm (Jinan)
Zhong Lun Law Firm

AUDITOR

Ernst & Young
22nd Floor, CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong

SHARE REGISTRARS

Principal Share Registrar and Transfer Office in the Cayman Islands

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

Branch Share Registrar and Transfer Office in Hong Kong

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

INVESTOR RELATIONS

iPR Ogilvy Limited

WEBSITE

www.embrygroup.com

STOCK CODE

1388

主要往來銀行

恒生銀行有限公司
恒生銀行(中國)有限公司
南洋商業銀行有限公司
香港上海滙豐銀行有限公司
滙豐銀行(中國)有限公司
中國銀行股份有限公司
中國建設銀行股份有限公司
招商銀行股份有限公司

法律顧問

香港法例：

趙不渝 馬國強律師事務所

中國法例：

廣東恒益律師事務所
國浩律師(濟南)事務所
中倫律師事務所

核數師

安永會計師事務所
香港
中環添美道1號
中信大廈22樓

股份過戶登記處

於開曼群島的主要股份過戶登記處

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

於香港的股份過戶登記分處

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

投資者關係

iPR 奧美公關

網址

www.embrygroup.com

股份代號

1388





Embry 安莉芳

Advancing products to align closer
to the market changes and levelling
up product design

配合市場的變遷推陳出新，持續優化
產品設計

Chairman's Statement 主席報告書

Expanding into the online sales channel,

Optimizing sales **Network**

銷售渠道擴充至網店，

完善全渠道覆蓋

To All Shareholders,

It is my pleasure to present the audited annual results of Embry Holdings Limited for the year ended 31 December 2019 on behalf of the Board of Directors.

In 2019, the persistent trade tensions brought about by Sino-US trade war weighed on the confidence of the investment market and the real economy. While putting efforts to optimize its economic structure and quality of economic growth in face of its slowing economy, China's economy grew at its weakest pace since 1990, reporting 6.1% growth for the year. Notwithstanding the promising market prospect brought about by consumption upgrade in the long term, retail consumption sentiment turned more cautious against the backdrop of economic slowdown. It will inevitably affect consumer sentiment towards non-essential goods, putting pressure on the operation of the overall lingerie industry in China.

各位股東：

本人謹代表安莉芳控股有限公司董事會，欣然提呈截至二零一九年十二月三十一日止年度的經審核年度業績。

二零一九年，中美貿易戰持續處於拉鋸狀態，遏抑投資市場及實體經濟信心。中國致力優化經濟結構，朝質量提升發展，增速繼續趨於平緩，全年整體經濟增長6.1%，這是自1990年以來的最低增速。縱使消費升級為消費市場帶來長遠增長潛力，在經濟增速放緩的環境下，零售消費氣氛更為審慎，無可避免對次必需品的消費意欲造成影響，對整個女性內衣行業的經營帶來一定的壓力。



Mr. Cheng Man Tai
鄭敏泰先生
Chairman of the Group
本集團主席

The diversifying consumption patterns and sales channels in China have intensified competitions within the industry. Considering the market segmentation, it is now essential to grasp the characteristics of different consumer groups and act fast to provide them with the suitable, high quality products in order to maintain a market position in the industry.

The market environment is complex and everchanging. Embry has been advancing its products to align closer to the everchanging market changes over the years. Thanks to its long-standing experiences in the lingerie industry and thorough understanding of consumers, Embry continued to level up its product design, functionality, product mix as well as distribution channels. Leveraging on its business scale, the Group could effectively respond to market changes and flexibly reallocate its resources to swiftly cater for market needs.

The solid foundation in research and development has always been the Group's competitive edge. Embry has been relentlessly developing the most suitable products for consumers. Given the increasingly segmented market, consumers pursue higher product quality. Thus, the Group's research and development capability is instrumental to its success.

國內日漸多樣化的消費模式及銷售渠道，使行業競爭更趨激烈。在細分化的市場之中，把握每個消費族群的特點並快速反應，提供切合消費者需要的高質素產品，正是在現今的市況中保持行業地位的要素。

面對市場環境複雜多變，安莉芳多年來一直配合市場的變遷推陳出新。憑藉多年來經營女性內衣行業的經驗及對消費者的了解，持續優化產品設計、功能性、種類及銷售渠道。依靠集團的規模效益，集團能有效地因應市場反應，調配資源分配，從而快速地回應市場需求。

紮實的研發能力一直是集團引以為傲的優勢，產品研發從不間斷，務求為消費者提供最合適的產品。在現時精細化的市場之中，消費者對於產品的要求越加講究，集團的研發能力更至關重要。

Chairman's Statement 主席報告書

Acknowledging the diverse needs of consumers, the Group operates seven brands, including the flagship brand **EMBRY FORM** as well as **FANDECIE**, **COMFIT**, **E-BRA**, **IVU**, **IADORE** and **LIZA CHENG**. Such a multi-brand strategy continued to reinforce the Group's market position by targeting consumers of different age groups and income levels as well as catering to the specific tastes and needs of consumers in different-tiered cities. In the past year, the Group proactively invested in the development of the casual brand **IADORE** in response to the changing economic environment and consumer habits. Sales of **IADORE** recorded a promising year-on-year growth of 7.29%.

Apart from product differentiation, the Group has been making efforts to accommodate the changing consumer habits by expanding into the online sales channel, gradually optimizing its sales network and supply chain with adaptive product design since a few years ago, thereby progressively refining its omni-channel coverage in sales distribution. During the year, online sales continued to show a steady growth of 19.74% year-on-year. To enhance sales efficiency, the Group has also been adjusting its sales network throughout China. During the year, the number of retail outlets of the Group decreased by 173 to 1,664 as at the end of December 2019, spanning across over 380 cities in China.

During the year under review, the Group's turnover was HK\$2,266,867,000, dropped by 7.55% compared with the previous year. Gross profit was approximately HK\$1,762,729,000 with a gross profit ratio at 77.76%. Profit attributable to owners of the Company was HK\$80,322,000. Net profit margin was 3.54%.

To thank our shareholders for their long-term support, the Board recommends the payment of a final dividend of HK3 cents per share.

Looking ahead to 2020, despite the signing of the phase one trade deal between China and the US, the global spread of the novel coronavirus epidemic would affect investor and consumer confidence, posing uncertainties for the global economic recovery. The overall retail market, especially for the non-essential goods, is likely to remain sluggish. The operating environment of underwear retailing in China is still challenging.

Due to the outbreak of the novel coronavirus in early 2020, the Group had to temporarily suspend a number of stores in China, presenting challenges to the Group's operation.

深知各個消費族群對產品的要求不盡相同，集團旗下共經營七個品牌，包括旗艦品牌**安莉芳**、**芬狄詩**、**COMFIT**、**E-BRA**、**IVU**、**安朵**及**LIZA CHENG**，針對不同年齡層、收入水平及各線城市消費者的品味及需求，以繼續鞏固市場地位。過去一年，集團根據經濟環境及消費習慣的改變，積極投放資源於生活化品牌**安朵**。安朵的收入錄得理想的增長，按年上升7.29%。

除了產品差異化，為配合消費習慣的改變，集團於數年前起已把銷售渠道擴充至網店，逐步優化銷售端及供應鏈，並在產品設計上加以配合，循序漸進地完善集團的全渠道覆蓋。年內，網購業務繼續穩定增長，收入按年上升19.74%。另外，集團亦持續在全國範圍調整店舖網絡，務求提升銷售效益。年內，本集團的零售點數目淨減少173個至二零一九年十二月底的1,664個，網絡覆蓋全中國逾380個城市。

於回顧年度，集團營業額為2,266,867,000港元，較上年度減少7.55%。毛利約1,762,729,000港元，毛利率為77.76%。本公司擁有人應佔溢利約80,322,000港元，純利率為3.54%。

為答謝股東長期支持，董事會建議派發末期股息每股3港仙。

展望二零二零年，儘管中美兩國已簽訂首階段貿易協議，但隨著新型冠狀病毒疫情於全球蔓延，為全球經濟復甦帶來不確定性，影響投資者及消費者的信心。相信整體零售市場，尤其次必需品的消費依然疲弱，中國內衣行業的經營環境仍充滿挑戰。

二零二零年年初新型冠狀病毒肺炎疫情的爆發迫使集團暫時停運國內多家店舖，為集團帶來嚴峻的經營挑戰。

Chairman's Statement 主席報告書

In face of the harshly changing market, the Group will strive to consolidate its advantages and continue to fully implement its multi-brand strategy and adjust the allocation of resources to individual brands according to the market condition, thereby ensuring sales efficiency and seizing the opportunity to foster individual brands. The Group will continue to uphold its own research and development to provide consumers with appealing, comfortable, functional and reasonably-priced products.

Due to the impacts of the epidemic, market demand is inevitably lowered. The Group will adopt a prudent approach in production planning to adjust production volume and inventory level. Meanwhile, the Group will continue to adjust its sales network including closing the stores with relatively low efficiency, and adopting strict control over new store openings. The Group continues to integrate its online and offline omni-channel coverage in sales distribution and allocate more resources to online promotion so as to enhance brand image and awareness.

During the present epidemic, the Group has tied in with society and donated thermal underwear to Wuhan medical staff as well as established an anti-epidemic fund to support the staff having urgent need due to the epidemic. Amid the challenging environment for business operation, the Group wishes to maintain steady development with adaptable business strategies and to alleviate the negative impacts of the epidemic on its business with cost-saving measures.

Optimization of supply chain is instrumental in enhancing the Group's overall efficiency. Phase I and II intelligent warehouses at the production base in Jinan, Shandong province have been in operation, while the intelligent material warehouse at the production base in Jinan has been on trial runs. The second phase of plant premises and ancillary facilities at the production base in Changzhou, Jiangsu province has also been completed. These will serve the future development needs of the Group.

I would like to take this opportunity to thank the Board of Directors and all our employees for their contribution and efforts made during the year filled with challenges. I hope that all of us will keep going hand in hand in future. I would also like to express my gratitude to our shareholders and business partners for their trust and support. As a token of our appreciation, Embry will make our best endeavours to create greater values for our shareholders, customers, employees and business partners. Together we step forward to a brighter future.

Cheng Man Tai
Chairman

Hong Kong, 31 March 2020

面對嚴峻的市場變化，集團將致力鞏固自身優勢，貫徹執行多品牌策略，按照市況適度調節各個品牌的資源配置，確保銷售效益，並把握時機培育個別品牌。集團亦會繼續推行自主研發，為消費者提供美觀、舒適、具功能性且價格合理的產品。

受到疫情影響，市場需求無可避免有所降低，集團在規劃生產時將秉持審慎原則調節產能與庫存。與此同時，集團將持續調整銷售網絡，包括關閉銷售效益較低的銷售點及嚴格管控新店開點。集團亦延續整合線上線下全渠道銷售，投放資源進行線上宣傳，提升品牌形象及知名度。

於是次疫情中，集團心繫社會，捐贈了保暖內衣予武漢醫護人員，亦成立了防疫基金支援因疫情有急切需要的國內員工。處於充滿挑戰的經營環境，集團憑藉因時制宜的策略，期望穩定發展步伐，以成本節約措施減輕疫情對業務的負面影響。

優化供應鏈是提高集團整體效益重要的一環。除了已啟用的山東省濟南市生產基地的智能立體倉庫一、二期外，濟南生產基地的智能物料倉已進入調試及試運營階段，而位於江蘇省常州市生產基地的第二期廠房物業及附屬設施亦已竣工，將配合集團的未來發展需要。

本人謹此衷心感謝董事會及每位員工在具挑戰性的一年中的貢獻及努力，繼續與本集團攜手前行，更感激各位股東及合作伙伴對本集團的信任及支持。為答謝股東對我們的信任，安莉芳集團全人將繼續全力以赴，為股東、客戶、員工及合作伙伴創造更大的價值，共同邁向更廣闊的未來。

鄭敏泰
主席

香港，二零二零年三月三十一日

Striving to strengthen its competitive edge,

Enhancing brand

*Image &
Awareness*

致力鞏固優勢，

提升品牌

形象及

知名度



Management Discussion and Analysis

管理層討論及分析

Business and Operations Review

In 2019, the US-China trade tensions and geopolitical uncertainty contributed to a synchronized slowdown in the global economy. Despite challenging macro environment, China stayed committed to maintaining a reasonable level of economic growth through tax and fee reduction and introduction of measures to stimulate domestic demand. China's gross domestic product for 2019 increased by 6.1% year-on-year, to RMB99,086.5 billion, with growth rate dropped by 0.5 percentage point over the same period last year.

Against the backdrop of the global economic slowdown and the lingering US-China trade conflict, consumers have become more conservative towards the consumption of secondary necessities, hindering the growth of the underwear industry in China. Facing the market's polarised consumption trends, in addition to consolidating and enhancing its competitiveness in the mid-to-high-end market, the Group focused on satisfying consumer demand for high-value-for-money products over the past year and invested resources to develop *IADORE*, so as to expand customer base with quality products and competitive pricing. Meanwhile, online shopping has become a part of daily life of the general public. The Group has steadily developed the online shopping market with the implementation of effective online promotions that precisely targeted customer groups of diverse market segments, thereby strengthening the Group's omni-channel coverage.



業務及營運回顧

二零一九年，中美貿易緊張關係及地緣政治的不確定性導致全球經濟同步放緩。儘管宏觀環境充滿挑戰，中國通過減稅降費及推出措施刺激內需，致力保持經濟增幅於合理的水平。二零一九年中國國內生產總值為人民幣990,865億元，同比增長6.1%，增速比去年同期回落0.5個百分點。

受到環球經濟增長放緩及中美貿易衝突持續的影響，消費者對次必需品的消費變得相對保守，窒礙中國內衣行業增長。面對消費兩極化的市場發展趨勢，集團於過去一年，除了鞏固和提升其中高端市場的競爭力，更針對消費者對高性價比商品的需求，投放資源重點培育品牌*安朵*，以優質的產品及具競爭力的價格拓展客戶群。與此同時，網購已成為市民大眾生活的一部份，集團穩步發展網購市場，對各細分市場的目標客戶群進行有效的網上推廣，藉此優化集團的全渠道佈局。



Management Discussion and Analysis

管理層討論及分析

For the year ended 31 December 2019 (the "Current Year"), the Group's revenue decreased by 7.55% over that of the year ended 31 December 2018 (the "Prior Year") to HK\$2,266,867,000. Gross profit margin decreased by 2.18 percentage points to 77.76%. Profit attributable to owners of the Company was HK\$80,322,000, net profit margin was 3.54%. Earnings per share was HK19.01 cents (2018: HK35.79 cents).

Under the impact of the new contagious coronavirus pneumonia epidemic in early 2020, a number of provinces and municipalities in China have adopted measures to strictly control the epidemic situation, including closure of shopping malls where the sales points of the Group were located at. The Group has to temporarily suspend the operation of various shops in China and resume operations when appropriate. In view of the global spread of the epidemic that causes uncertainties to the impacts on economy and market, it is difficult to predict the impact on domestic consumption activities and customer traffic in the coming year.

The Board of Directors of the Company resolved to declare a final dividend of HK3 cents per share (2018: HK7 cents) for the Current Year which, together with the interim dividend of HK2 cents per share (2018: HK3.5 cents) distributed, will bring a total dividend for the Current Year to HK5 cents per share.

Brand management

In 2019, the Group continued to implement its multi-brand strategy to operate seven brands, namely **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA**, **IVU**, **IADORE** and **LIZA CHENG**, serving customers with different preferences and varying degrees of purchasing power so as to meet the rapidly changing market needs. During the Current Year, the Group made good use of the characteristics of each of its seven brands and flexibly distributed the point of sales according to the consumption level and sales channels of different cities, thereby enhancing the sales efficiency of each brand. The Group's flagship brand **EMBRY FORM** and younger market brand **FANDECIE** mainly cater to the overall mid-to-high-end market demand, while the five brands namely **COMFIT**, **E-BRA**, **IVU**, **IADORE** and **LIZA CHENG** are designed to precisely meet the diversified needs of the market. **IADORE**, a brand that the Group has focused on cultivating, achieved continuous growth, due to its precise market positioning and high-value-for-money quality products. In recent years, the Group has also opened multi-brand composite stores in several cities in China to offer diversified quality products and one-stop shopping experience, thereby perfectly fulfilling consumer needs.

截至二零一九年十二月三十一日止年度(「本年度」)，本集團收益較二零一八年十二月三十一日止年度(「上年度」)下跌7.55%至2,266,867,000港元，毛利率下跌2.18個百分點至77.76%。本公司擁有人應佔溢利為80,322,000港元，純利率為3.54%。每股盈利為19.01港仙(二零一八年：35.79港仙)。

受二零二零年初的傳染性新型冠狀病毒肺炎疫情影响，中國多個省市採取措施嚴控疫情，包括關閉本集團銷售點所在的購物中心，本集團須暫時停運國內多家店舖，待適當時候恢復營運。鑑於疫情發展擴展至全球，對經濟及市場的衝擊充滿不確定性，難以預料來年對國內消費活動及店舖人流的影響。

本公司董事會議決就本年度派付末期股息每股3港仙(二零一八年：7港仙)。連同已派發中期股息每股2港仙(二零一八年：3.5港仙)，全年派息為每股5港仙。

品牌管理

二零一九年，本集團貫徹多品牌策略，經營七個品牌——**安莉芳**、**芬狄詩**、**COMFIT**、**E-BRA**、**IVU**、**安朵**及**LIZA CHENG**，各品牌針對不同偏好消費能力的顧客，以滿足瞬息萬變的市場需求。集團於年內善用旗下七個品牌的各自特點，根據各地的消費水平及銷售渠道的特性，靈活佈局品牌銷售點，提升各品牌的銷售效益。集團的旗艦品牌**安莉芳**和年輕品牌**芬狄詩**主要應對整體高中檔市場需求，而**COMFIT**、**E-BRA**、**IVU**、**安朵**及**LIZA CHENG**五個品牌則針對性地滿足市場上的多元化需求。憑藉精準的市場定位及高性價比的優質產品，集團重點發展的**安朵**實現持續增長。近年，集團在中國多個城市開設多品牌複合店，提供多元化的優質產品及一站式購物體驗，全面滿足消費者的需求。

Management Discussion and Analysis 管理層討論及分析

The Group actively reinforced its brand building and increased the exposure of its products to enhance its brand influence. During the Current Year, the Group's brands, **EMBRY FORM** and **IVU**, sponsored the 2019 IMC Shanghai International Model Contest. The models wore custom-made "EMBRY FORM" swimwear to stage a spectacular opening. During the contest, **EMBRY FORM**'s video advertisement was played on loop to deepen the audience's impression of the brand. The Group's brands, **E-BRA** and **IVU**, also sponsored the 2019 New Era World Elite Model Contest held in Beijing. Supermodels went on stage wearing products of the brands, including brassiere and swimwear as well as men's swim trunks. The event was widely reported by about forty media platforms, which enhanced the brand awareness in China.

本集團積極加強品牌建設及提高產品曝光率，藉此提升品牌影響力。於本年度，集團品牌**安莉芳**、**IVU**贊助了2019年IMC上海國際模特大賽，模特兒穿著定製的「Embry Form」泳衣驚艷開場，賽事期間循環播放**安莉芳**的視頻廣告，加深現場觀眾對品牌的印象。集團品牌**E-BRA**及**IVU**亦贊助了於北京舉行的2019新時代世界精英模特大賽，超模身穿品牌產品包括女士文胸、泳裝與男士泳褲登場，活動獲約四十個媒體平台廣泛報道，提升了品牌於國內的知名度。



Management Discussion and Analysis

管理層討論及分析

In terms of online promotion, the Group increasingly leveraged on the application of new media during the Current Year. It has been promoted by fashionistas and Internet celebrities on various social media platforms in various forms, such as advertorial and street fashion photography. The Group invited a number of overseas and domestic fashionable Internet celebrities to shoot street-style photography for **EMBRY FORM**, **FANDECIE** and **LIZA CHENG** in Milan, Italy and Okinawa, Japan, and then upload the photos to their social media accounts. The Group promoted the brand's fashion attributes through these online promotions at global level, and invited Internet celebrities to events to perform online product sharing at the same time. Coupled with offline promotion, the two-pronged approach enhanced brand image and reputation.

The Group attached great importance to environmental protection and strictly implemented a series of green measures to produce high-quality products and ensure the safety of product materials which are free of harmful dyes or chemical ingredients. In order to enhance the popularity and reputation of "green ecological textiles", the Group has been conducting green month activities for the 17th consecutive year. During the Current Year, the Group invited well-known actors, fashionistas and media to visit its ecological industrial park, to conduct in-depth reporting and video publicity on the Group's green philosophy of environmental protection. The activity recorded a considerable amount of online views and audience interactions, effectively enhancing the Group's brand image.

Sales network

During the Current Year, the Group continued to review its sales network coverage and strategically adjust its sales channels. Coping with changes in the market and consumer sentiment, the Group appropriately adjusted its retail outlets by closing or relocating stores with lower efficiency so as to enhance the overall operational efficiency of its sales network. Meanwhile, the Group focused on corresponding brands in regional markets according to respective consumption habits and needs. As at 31 December 2019, the Group had 1,664 retail outlets in total, including 1,382 concessionary counters and 282 stores. During the Current Year, there was a net decrease of 173 retail outlets of the Group. The Group continued to develop the online shopping market to promote brand awareness and market share through integrated online and offline marketing approaches.

在網絡宣傳方面，本年度集團更著眼於新媒體的應用，於不同的社交媒體平台獲時尚達人及網紅以各種形式進行宣傳，包括軟文、時尚街拍等。集團針對**安莉芳**、**芬狄詩**及**LIZA CHENG**邀請了多位海外及國內時尚網紅取景意大利米蘭、日本沖繩等地進行街拍，並上傳至其社交帳戶上。集團以此等線上推廣提升品牌的國際時尚感，邀請網紅達人出席活動與線上產品分享同步進行，並結合線下宣傳，雙管齊下提升品牌形象及口碑。

本集團重視綠色環保，嚴格執行一系列綠色措施，致力生產高質素產品，確保產品物料健康安全，不含有害染料或化學成分。集團為了提升「綠色生態紡織品」的知名度及美譽度，已連續第十七年進行環保月活動。本年度集團邀請了知名演員、時尚與媒體達人參觀旗下的綠色生態工業園，對集團的環保理念進行深入的報道及視頻宣傳。活動錄得可觀的線上傳播閱讀量及互動量，有效提升集團的品牌形象。

銷售網絡

於本年度，本集團持續審視其銷售網絡覆蓋點，策略性調整銷售渠道。為配合市場及消費氣氛的轉變，集團關閉或重置效益偏低的門店，適當地調整零售點的分布，以提升銷售網絡的整體營運效益。同時，集團按不同地區的消費習慣及需要，於區域性市場重點經營相應的品牌。於二零一九年十二月三十一日，本集團經營合共1,664個零售點，其中銷售專櫃及專門店數目分別為1,382個及282個。於本年度，本集團零售點數目淨減少173個。集團繼續發展網購市場，線上線下拓展品牌知名度及市場佔有率。

Management Discussion and Analysis

管理層討論及分析

Product design, research and development

The Group has adhered to excellent product quality over the years and is committed to investing resources in product research and development. With its solid research and development capabilities, the Group continued to pursue advancement of product appearance, functionality and production technology, in order to meet consumer demand with better and superior products.

During the Current Year, the Group launched a variety of well-received new collections, including: **EMBRY FORM's** "Autumn Charm Series" (「秋韻溢美系列」) and "Gorgeous Series" (「芳華系列」); **FANDECIE's** "Murano Lovers Series" (「玻璃島戀人系列」) and "City of Aurora Series" (「綠光之城系列」); **COMFIT's** "Comfort Series" (「舒感系列」) and "Minimal Prints Series" (「至簡印花系列」); **E-BRA's** "Silk Road Whisper Series" (「絲路漫語系列」) and "Gentle and Free Series" (「柔動隨心系列」); **IVU's** "36.6°C Series" (「36.6°C系列」) and "Cotton Time Series" (「全棉時光系列」); **IADORE's** "Aroma Love Series" (「芳菲戀曲系列」) and "Blooming Blossom Series" (「花沁紛紛系列」); **LIZA CHENG's** "Jade Series" (「玉黛系列」) and "Fine Art Series" (「藝尚系列」).

In 2019, the Group obtained 17 new patents, including 12 utility model patents and 5 appearance design patents. As at 31 December 2019, the Group had 11 invention patents, 51 utility model patents and 13 appearance design patents.

Production capacity

Over the years, the Group implemented self-production and self-marketing strategy to effectively ensure quality. Leveraging on its economies of scale, the Group rapidly responded to market demand and changes in consumer preferences with flexible deployment of manpower and machine production capacity.

The Group's first phase of intelligent warehouse and second phase of intelligent warehouse at the production base in Jinan, Shandong province commenced operation in the Prior Year and the Current Year, respectively, in order to improve the efficiency of product delivery and logistics. In addition, the intelligent material warehouse of the Jinan production base, which is conducting trial run, will help improve production efficiency and supply chain efficiency of the Group in the long run.

產品設計及研發

集團多年來堅持優良的產品質素，並致力投放資源於產品研發上。憑着根基穩固的自行研發能力，集團繼續於產品外觀、功能及生產技術多方面追求進步，務求以更優質、卓越的產品迎合消費者需求。

於本年度，本集團推出多款受顧客歡迎的新產品系列，其中包括：**安莉芳**的「秋韻溢美系列」及「芳華系列」；**芬狄詩**的「玻璃島戀人系列」及「綠光之城系列」；**COMFIT**的「舒感系列」及「至簡印花系列」；**E-BRA**的「絲路漫語系列」及「柔動隨心系列」；**IVU**的「36.6°C系列」及「全棉時光系列」；**安朵**的「芳菲戀曲系列」及「花沁紛紛系列」；**LIZA CHENG**的「玉黛系列」及「藝尚系列」等。

二零一九年，本集團獲得新專利17項，其中實用新型專利12項，外觀設計專利5項。於二零一九年十二月三十一日，本集團共擁有11項發明專利、51項實用新型專利及13項外觀設計專利。

生產能力

本集團多年來執行自產自銷策略，有效確保品質，並憑藉規模效益，靈活調配車間人手及機器產能，快速地回應市場需求及消費者品味的變化。

本集團位於山東省濟南市生產基地的智能立體倉庫一期及智能立體倉庫二期已分別於去年及本年度正式啟用，藉此提高收發貨及物流效率。此外，濟南生產基地的智能物料倉正進行調試，長遠有助集團提升生產效益及提高供應鏈效率。

Management Discussion and Analysis

管理層討論及分析

The second phase of plant premises and ancillary facilities at the Group's production base in Changzhou, Jiangsu province has been completed during the Current Year, which will serve the future development needs of the Group.

Human resources

With increasing level of education and living standards of the people in China, salary expectations of workers have also increased accordingly, leading to the continuous upward trend of labour costs. On the one hand, the Group trained its employees and improved their welfare, reviewed the internal management culture from time to time and enhanced the sense of belonging of employees; on the other hand, the Group improved production technology together with the utilisation of automated logistics system, improved the workflow of employees and raised production efficiency, so as to mitigate the overall cost increase pressure and improve operational efficiency. As at 31 December 2019, the number of employees of the Group decreased to approximately 7,362 (31 December 2018: approximately 8,052). Total staff costs (including wages and basic salaries, commissions, bonuses, contributions to the retirement benefits scheme and excluding directors' and chief executive's remunerations) for the Current Year was HK\$712,616,000 (31 December 2018: HK\$759,967,000).

Financial Review

Revenue

During the Current Year, revenue was HK\$2,266,867,000, representing a decrease of 7.55% from the Prior Year, mainly attributable to the weak retail consumption sentiment resulting from the unstable outlook of the external economic environment.

During the Current Year, revenue from retail sales was HK\$1,846,655,000, accounting for 81.47% of the Group's total revenue and representing a decrease of 10.29% from the Prior Year. Revenue from the Internet and wholesale business increased by 6.78% from HK\$388,632,000 to HK\$414,997,000, accounting for 18.31% of the total revenue.

The Mainland China market is the main source of income for the Group. During the Current Year, revenue from the Mainland China market was HK\$2,198,922,000, accounting for 97.00% of the Group's total revenue.

本集團位於江蘇省常州市生產基地的二期廠房物業及附屬設施已於年內竣工，將配合集團的未來發展需要。

人力資源

隨著中國民眾的教育和生活水平日漸提升，勞工對工資的期望亦相應提高，使勞工成本持續呈上漲走勢。集團一方面培訓員工並改善員工福利，不時檢討內部管理文化，提高員工的歸屬感；另一方面改良生產技術，配合自動化物流系統，改善員工的工作流程，提升生產效率，從而舒緩整體成本上升的壓力並提升營運效益。於二零一九年十二月三十一日，集團僱員數目下降至約7,362名（二零一八年十二月三十一日：約8,052名）。本年度的員工成本總額（包括工資及基本薪金、佣金、獎金、退休福利計劃供款及不包括董事及行政總裁薪酬）為712,616,000港元（二零一八年十二月三十一日：759,967,000港元）。

財務狀況回顧

收益

本年度營業額為2,266,867,000港元，較上一個年度下降7.55%，主要由於外圍經濟環境前景不穩致零售消費氣氛疲弱。

本年度來自零售的營業額為1,846,655,000港元，佔本集團總收益81.47%，較上一個年度減少10.29%。網上及批發業務的營業額由388,632,000港元上升6.78%至414,997,000港元，佔總收益18.31%。

中國大陸市場是本集團主要收入來源。本年度來自中國大陸市場的營業額為2,198,922,000港元，佔本集團總收益97.00%。

Management Discussion and Analysis 管理層討論及分析

Among the seven brands operated by the Group, **EMBRY FORM** and **FANDECIE** are the main sources of income for the Group and their contributions to the total revenue amounted to 45.53% and 24.66% respectively. **EMBRY FORM**'s revenue amounted to HK\$1,032,245,000, which decreased by 7.31% from the Prior Year. **FANDECIE**'s revenue amounted to HK\$558,942,000, which decreased by 9.23% from the Prior Year. The changes in the two brands tracked that of the overall sales. The decline was mainly due to the continued sluggish retail sentiment and the cautious consumer sentiment resulting from uncertainties in the global macroeconomic environment. However, benefiting from the Group's effective marketing strategy and precise market positioning, **IADORE** and **IVU** recorded growth in revenue. The other brands **COMFIT**, **E-BRA**, **IVU**, **IADORE** and **LIZA CHENG**'s revenue for the Current Year amounted to HK\$670,465,000, accounting for 29.58% of the overall revenue.

Lingerie continues to be the core product line of the Group. During the Current Year, sales of lingerie decreased by 7.31% over the Prior Year to HK\$1,982,720,000, representing 87.47% of the revenue of the Group. Sales of sleepwear increased by 9.14% to HK\$180,244,000, accounting for 7.95% of the total revenue of the Group, while sales of swimwear decreased by 28.01% to HK\$88,705,000, accounting for 3.91% of the Group's revenue.

Gross Profit

During the Current Year, the Group recorded a gross profit of approximately HK\$1,762,729,000, representing a decrease of 10.07% from the Prior Year. Gross profit margin decreased by 2.18 percentage points over the Prior Year to 77.76%. It was mainly because the Group increased the discount rate to capture market share in response to the intense market competition.

Other income and gains

Other income decreased by 36.16% to HK\$46,289,000 for the Current Year (2018: HK\$72,513,000), mainly due to the decrease of 41.76% in subsidies received by the Group from the local municipal government of approximately HK\$21,052,000. Besides, decrease in fair value of investment properties was HK\$4,091,000 during the Current Year. The foreign exchange loss decreased by 73.61% to approximately HK\$3,720,000 resulted from the depreciation of Renminbi. Rental income decreased by 21.50% over the Prior Year to approximately HK\$14,805,000.

集團所經營的七個品牌之中，旗艦品牌**安莉芳**及年輕品牌**芬狄詩**是本集團最主要收入來源，分別佔整體收入45.53%及24.66%。**安莉芳**的營業額為1,032,245,000港元，較上一個年度減少7.31%；**芬狄詩**的營業額為558,942,000港元，較上一個年度減少9.23%，兩個品牌的變動幅度，與整體銷售的變動水平相若，下跌主要由於零售景氣持續疲弱，以及面對環球宏觀經濟環境的不明朗因素，消費氣氛仍然審慎。然而，得益於集團有效的營銷策略及精準的市場定位，**安朵**及**IVU**營業額保持增長。其他品牌**COMFIT**、**E-BRA**、**IVU**、**安朵**及**LIZA CHENG**於本年度的收入為670,465,000港元，共佔整體收入的29.58%。

女性內衣繼續是本集團的核心產品線。於本年度，內衣銷售為1,982,720,000港元，較上一個年度下跌7.31%，佔本集團收益87.47%，睡衣銷售上升9.14%，營業額為180,244,000港元，佔本集團收益7.95%。泳衣銷售則下跌28.01%至88,705,000港元，佔本集團收益3.91%。

毛利

於本年度，本集團錄得毛利約1,762,729,000港元，較上一個年度減少10.07%。整體毛利率較去年同期下跌2.18百分點至77.76%。主要由於集團因應市場競爭激烈，故提高折扣率以爭取市場份額。

其他收入及收益

本年度其他收入下降36.16%至46,289,000港元(二零一八年：72,513,000港元)，主要由於自地方政府所獲得的補貼收益減少41.76%至約21,052,000港元。另外，投資物業公平值於本年度減少4,091,000港元。人民幣貶值而錄得匯兌損失減少73.61%至約3,720,000港元。租金收入亦較去年同期減少21.50%至約14,805,000港元。

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Operating expenses

During the Current Year, selling and distribution expenses decreased by 6.63% to HK\$1,413,639,000 (2018: HK\$1,514,093,000), accounting for 62.36% (2018: 61.75%) of the Group's revenue. The increase in the proportion of selling and distribution expenses to overall sales was mainly attributable to the decline in total revenue and the enhancement of targeted online advertising and promotion of various brands.

Administrative expenses decreased by 11.04% over the Prior Year to HK\$236,662,000, accounting for 10.44% of the Group's revenue (2018: 10.85%).

Net profit

Profit attributable to owners of the Company was HK\$80,322,000 for the Current Year, representing a decrease of approximately 46.86% from the Prior Year. Net profit margin decreased from 6.17% for the Prior Year to 3.54%. The decrease in net profit was mainly due to the decrease in sales resulting from the weak retail sentiment, together with the decrease in government subsidies and the decrease in the Group's property rental income in Shanghai. In addition, the proportion of operating costs to total revenue also increased.

Liquidity and financial resources

The Group finances its operations mainly with internally generated cash flows. Financial position of the Group remained sound and healthy during the Current Year. As at 31 December 2019, the Group's cash and cash equivalents amounted to approximately HK\$200,230,000 (31 December 2018: HK\$158,414,000). As of 31 December 2019, the Group's interest-bearing bank borrowings amounted to HK\$558,180,000 (31 December 2018: HK\$427,059,000). As at 31 December 2019, equity attributable to owners of the Company was HK\$2,349,275,000 (31 December 2018: HK\$2,331,719,000). Accordingly, the gearing ratio of the Group was approximately 23.76% (31 December 2018: 18.32%).

經營開支

於本年度，銷售及分銷開支下跌6.63%至1,413,639,000港元(二零一八年：1,514,093,000港元)，佔本集團收益62.36%(二零一八年：61.75%)。銷售及分銷開支佔整體銷售的比率上升，主要由於整體收入下降，以及加強投入各個品牌的針對性線上推廣及宣傳所致。

行政開支為236,662,000港元，較上一個年度減少11.04%，佔本集團收益10.44%(二零一八年：10.85%)。

純利

於本年度，本公司擁有人應佔溢利為80,322,000港元，較上年度下跌約46.86%。純利率由上年度的6.17%下跌至3.54%。純利下跌主要由於零售景氣持續疲弱，令銷售額下跌；同時，政府補貼及集團於上海的物業租金收入減少。

流動資金及財務資源

本集團主要以內部產生之現金流作為其營運資金，於本年度維持良好及穩健的財務狀況。於二零一九年十二月三十一日，本集團的現金及現金等價物約為200,230,000港元(二零一八年十二月三十一日：158,414,000港元)。截至二零一九年十二月三十一日止，本集團計息銀行借款為558,180,000港元(二零一八年十二月三十一日：427,059,000港元)。於二零一九年十二月三十一日之本公司擁有人應佔權益為2,349,275,000港元(二零一八年十二月三十一日：2,331,719,000港元)。故此，本集團的負債比率約為23.76%(二零一八年十二月三十一日：18.32%)。

Management Discussion and Analysis

管理層討論及分析

Capital expenditure

During the Current Year, the capital expenditure of the Group amounted to HK\$114,696,000 (2018: HK\$228,473,000), which was mainly used for the intelligent material warehouse in Shandong and the second phase of the plant premises and ancillary facilities at the production base in Changzhou. As at 31 December 2019, the capital commitments of the Group amounted to HK\$139,150,000 (31 December 2018: HK\$201,516,000), which were contracted but not provided for in the financial statements.

Charge on the Group's assets

During the Current Year, the Group pledged Hong Kong investment properties, buildings and right-of-use assets with net book values of HK\$86,000,000, HK\$2,814,000 and HK\$13,157,000 respectively to banks to finance loans.

Capital structure

As at 31 December 2019, the total issued share capital of the Company was HK\$4,224,000 (31 December 2018: HK\$4,224,000), comprising 422,417,000 (31 December 2018: 422,417,000) ordinary shares of HK\$0.01 each.

Significant investment held, material acquisitions and disposals of subsidiaries and associated companies

During the Current Year, the Group was neither involved in any significant investment, nor any material acquisitions or disposals of any subsidiaries or associated companies.

Foreign currency exposure

The Group carries out its transactions mainly in Hong Kong dollars and Renminbi. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of the business.

Contingent liabilities

As at 31 December 2019, bank guarantees given in lieu of the Group's property rental deposits and utility deposits amounted to HK\$816,000 (31 December 2018: HK\$679,000). Save as disclosed above, the Group had no other significant contingent liabilities, nor any litigation or arbitration of material importance.

資本開支

本年度，本集團的資本開支為114,696,000港元(二零一八年：228,473,000港元)，主要用於山東智能物料倉及常州市生產基地的第二期廠房物業及附屬設施。於二零一九年十二月三十一日，本集團的資本開支承擔為139,150,000港元(二零一八年十二月三十一日：201,516,000港元)，有關金額在財務報表中列為已訂約但未撥備。

本集團的資產抵押

本年度，本集團將賬面淨值分別為港幣86,000,000元、港幣2,814,000元及港幣13,157,000元的香港投資物業、樓宇及使用權資產抵押予銀行以取得融資貸款。

資本結構

於二零一九年十二月三十一日，本公司的已發行股本總額為4,224,000港元(二零一八年十二月三十一日：4,224,000港元)，包括422,417,000股(二零一八年十二月三十一日：422,417,000股)每股面值0.01港元的普通股。

所持重大投資、重大收購及出售附屬公司及關聯公司

本年度，本集團並無持有任何重大投資，亦概無重大收購或出售附屬公司及關聯公司。

外匯風險

本集團主要以港元及人民幣進行買賣交易。本集團並無採用衍生金融工具以保障本集團免受外匯交易及日常業務過程中產生的其他金融資產及負債出現波動所造成的影響。

或然負債

於二零一九年十二月三十一日，為代替本集團物業租賃按金及公共設施按金所提供的銀行擔保為816,000港元(二零一八年十二月三十一日：679,000港元)。除上述披露外，本集團並無其他重大或然負債或任何重大訴訟或仲裁。

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Prospect

Looking ahead to 2020, lingering US-China trade negotiations and geopolitical tensions would bring uncertainties to the global economy. With regard to the global spread of novel coronavirus epidemic, the International Monetary Fund lowered the global growth forecast in the coming year by about 0.1 percentage points to 3.2%, and lowered the growth forecast for China in the coming year by 0.4 percentage points to 5.6%. The outbreak of novel coronavirus epidemic in China has discouraged people from going out and suppressed consumption during the peak retail season of Chinese New Year. Social and economic activities were inevitably suspended in provinces and cities where the disease was widely spread, adding pressure on the economic growth in the coming year.

Tied in with national policies to curb the epidemic, the local governments demanded to close shopping malls where the sales points of the Group were located at, the Group has temporarily suspended the operations of various shops located in the affected provinces in early February. It is expected to have a significant impact on the Group's results this year. Although the market expects that the government will introduce relief measures to reinvigorate consumption, it is difficult to predict the impact brought about by the epidemic. Thereby the country's economy and the Group's business this year are marked with uncertainties. The Group has proactively adopted cost-saving measures to respond to market challenges, reducing the negative impacts of the epidemic on the Group's business.

As a well recognized brand in China, the Group has been cooperating and supporting the country and society in the disease control and prevention work across the nation. The Group sent warmth to the Wuhan medical staff amid the cold weather. As at the reporting date, the Group has donated thermal underwear worth of approximately RMB1 million to support the Wuhan medical staff in taking care of the sick people. Besides, the Group deeply cares about its staff in mainland China and has established an anti-epidemic fund of RMB1 million to support the staff having urgent need because of the epidemic.

前景

展望二零二零年，中美貿易拉鋸持續及地緣政治緊張為環球經濟帶來不確定性。鑑於新型冠狀病毒疫情全球範圍迅速擴散，國際貨幣基金會調低來年全球經濟增速約0.1個百分點至3.2%，及調低中國來年經濟增速0.4個百分點至5.6%。疫情爆發時值在內地春節零售業的黃金銷售期，疫情打擊了內地市民出行及購物的意欲，而在疫情蔓延的省市，社會及經濟活動無可避免地暫時停頓，對來年經濟增長構成下行壓力。

為配合國家控制疫情，地方政府要求暫時關閉集團銷售點所在的購物中心，集團於二月初暫停位於受疫情影響省份多家店舖的營運，預料今年業績將因此受到極沉重打擊。雖然市場預期下半年政府將繼續推經濟紓困措施促進消費，但目前難以預計疫情所造成的影響，因此今年國內經濟增長及集團業務表現均充滿不確定性。集團已積極採取成本節約措施以應對市場挑戰，藉此減少疫情對業務的負面影響。

作為中國知名的內衣品牌，集團於是次全國防疫抗疫工作中配合及支援國家、社會。集團為武漢醫護人員在寒風中送暖，截至此報告日期，捐贈了等值約人民幣100萬元之保暖內衣支持武漢醫護照顧病患。此外，集團深切關顧國內員工，成立了一個人民幣100萬元的防疫基金，用作支援因疫情有急切需要之員工。

Management Discussion and Analysis 管理層討論及分析

In the challenging environment for the retail industry, the Group strived to strengthen its competitive edge so as to overcome the adversity with ease. The Group will continue to improve operational efficiency, including strict control over new store openings while closing stores with lower efficiency to enhance sales efficiency. While the Group's production bases have been gradually resuming work, the epidemic will still be seriously affecting sales of the year and the Group will adjust the production level in response to the lower market demand. The Group expects that the intelligent warehouse in Shandong that is in operation and the intelligent material warehouse under trial run will effectively integrate the Group's supply chain. In the long run, they will improve production efficiency and manage production costs, thereby mitigating the rising pressure on human resource costs.

With innovative product research and development, ever-enhancing product functionality and thoughtful design, the Group has established a good brand image and solid brand strength in the lingerie industry in China. In the coming year, the Group will deepen its effective multi-brand strategy, provide a diversified product portfolio together with a consumer-centric sales strategy, thereby strengthening the loyalty of existing customers and attracting potential customers of different ages and consumption power, in order to further enhance the brand's coverage in the domestic market.

In addition, the Group will further strengthen its advantages of omni-channel sales strategy. In addition to optimising offline stores, the Group will continue to allocate resources to expand the online sales coverage and use new media for online advertising and promotion. The Group wishes to integrate online and offline sales strategies, leverage on omni-channel strategy to sell and promote its products in order to enhance brand image and awareness. The Group will adhere to the adaptable business strategy and flexibly respond to market challenges and opportunities, thereby generating sustainable returns to its shareholders.

在充滿挑戰的經營環境下，集團致力鞏固優勢，務求在逆境中沉着應對。集團將繼續提升營運效益，包括嚴格管控新店開點，同時加速清理低效益店舖，致力提升銷售效益。儘管集團廠房已陸續有序復工，疫情仍嚴重影響今年銷售，集團會配合市場需求調低產量。集團預期，已投入營運的山東智能立體倉庫及正進行調試的智能物料倉將有效整合集團的供應鏈，長遠有助提高生產效益及管理生產成本，緩解不斷上升的人力資源成本壓力。

憑藉創新的產品研發、力臻完美的產品功能和貼心設計，集團在中國女性內衣行業建立了良好的品牌形象及堅實的品牌力。來年集團將深化行之有效的多品牌策略，提供多元化產品組合，配合以消費者為中心的銷售策略，從而加強現有顧客的忠誠度，並吸引不同年齡層、消費力的潛在顧客，務求進一步提升品牌於國內市場的覆蓋率。

此外，集團將進一步深化全渠道銷售策略的優勢。除了優化線下店舖，集團將繼續投放資源拓展線上銷售覆蓋面，並利用新媒體在線上進行推廣和宣傳。集團期望整合線上線下的銷售策略，全渠道銷售及推廣產品，提升品牌形象及知名度。集團秉持因時制宜的業務策略，靈活應對市場的挑戰與機遇，致力為股東帶來可持續的回報。

Awards 獎項



- ✿ According to the national retail consumption survey results released by China General Chamber of Commerce and the China National Commercial Information Centre in 2019, **EMBRY FORM** lingerie ranked top three in 2018 in terms of composite market share in similar products in the industry, and ranked first in 2018 in terms of composite market share with respect to group sales in similar products in the industry
- ✿ Embry (China) Garments Ltd. was awarded certificates of Exemplary Enterprise of Integrity in Product and Service Quality by the China Association for Quality Inspection
- ✿ Embry (China) Garments Ltd. was named by the National Technical Committee on Garment Standardization in China as an **Advanced Unit of Standardization Work** in 2019
- ✿ Embry (Changzhou) Garments Ltd. was granted the **Outstanding Enterprise Award** under the China Environmental Labelling Programme by the Environmental Development Centre of the Ministry of Ecology and Environment
- ✿ Embry (Shandong) Garments Limited was named by the Zhangqiu District Committee of Jinan City and People’s Government of Zhangqiu District, Jinan City as **Top Ten Enterprises of Tax Contributions (2018)** and **Enterprise of Optimal Efficiency (2018)**
- ✿ Embry (Shandong) Garments Limited was granted by the People’s Government of Zhangqiu District, Jinan City the **Zhangqiu Quality Award (Enterprise)**
- ✿ Embry (Shanghai) Company Limited was accredited as the **Top 100 Garment Enterprises in China (2018)** by the China National Garment Association



- ❁ 根據中國商業聯合會及中華全國商業信息中心於2019年發佈之全國大型零售企業商品銷售調查統計結果，安莉芳女士內衣榮列2018年度同類產品市場綜合佔有率前三位，以及集團銷售榮列2018年度同類產品市場綜合佔有率第一位
- ❁ 安莉芳（中國）服裝有限公司榮獲中國質量檢驗協會頒授全國產品和服務質量誠信示範企業及全國質量誠信標杆企業證書
- ❁ 安莉芳（中國）服裝有限公司榮獲全國服裝標準化技術委員會頒授2019年度標準化工作先進單位獎牌
- ❁ 安莉芳（常州）服裝有限公司榮獲生態環境部環境發展中心頒發中國環境標誌優秀企業獎
- ❁ 安莉芳（山東）服裝有限公司榮獲中共濟南市章丘區委員會及濟南市章丘區人民政府評選為2018年度稅收貢獻十強企業及最佳效益企業
- ❁ 安莉芳（山東）服裝有限公司榮獲濟南市章丘區人民政府頒授章丘質量獎（組織獎）
- ❁ 安莉芳（上海）有限公司榮獲中國服裝協會頒授2018年全國服裝行業百強企業稱號

Awards 獎項



- ✿ Embry (Shanghai) Company Limited received the 2019 Award for Outstanding Contributions to Economic Development in Yangpu District from the Investment Promotion Office of Yangpu District and Investment Service Development Center of Yangpu District
- ✿ Embry (Shanghai) Company Limited received the Foreign Investment Enterprise Public Welfare Award from the Commission of Commerce of Yangpu District
- ✿ EMBRY FORM received awards for Top 20 Branded Chains of Quality and Growth Potential (2019) from the Organising Committee of the Conference on the Development of Branded Chains in China
- ✿ EMBRY FORM was granted the Annual Brand Equity Award, Annual Marketing Award and Annual Charity Award of China's Underwear Industry (2018–2019) at the 2019 China (Shenzhen) International Brand Underwear Fair
- ✿ FANDECIE was granted the Most Stylish Brand Award of China's Underwear Industry (2018–2019) at the 2019 China (Shenzhen) International Brand Underwear Fair
- ✿ COMFIT was granted the Annual Innovation Award of China's Underwear Industry (2018–2019) at the 2019 China (Shenzhen) International Brand Underwear Fair
- ✿ IADORE was granted the Annual Dark Horse Award of China's Underwear Industry (2018–2019) at the 2019 China (Shenzhen) International Brand Underwear Fair
- ✿ EMBRY FORM received the Hong Kong Top Brand (2007–2019) award from the Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong
- ✿ EMBRY FORM was awarded the Quality Tourism Services Scheme Certification Mark by the Hong Kong Tourism Board
- ✿ Embry (H.K.) Limited was accredited by The Mandatory Provident Fund Schemes Authority as a Good MPF Employer



- ✿ 安莉芳（上海）有限公司榮獲楊浦區投資促進辦公室及楊浦區投資服務發展中心頒授2019年楊浦區經濟發展突出貢獻獎
- ✿ 安莉芳（上海）有限公司榮獲楊浦區商務委員會頒佈的2019年楊浦區外資企業社會公益獎
- ✿ 安莉芳品牌榮獲中國品牌連鎖發展大會組委會頒發2019中國連鎖品牌質量及成長潛力20強獎
- ✿ 安莉芳品牌於2019中國（深圳）國際品牌內衣展榮獲SIUF 2018-2019中國內衣行業年度品牌價值獎、市場營銷獎及公益品牌獎
- ✿ 芬狄詩品牌於2019中國（深圳）國際品牌內衣展榮獲SIUF 2018-2019中國內衣行業年度最具風格品牌獎
- ✿ COMFIT 品牌於2019中國（深圳）國際品牌內衣展榮獲SIUF 2018-2019中國內衣行業年度創新獎
- ✿ 安朵品牌於2019中國（深圳）國際品牌內衣展榮獲SIUF 2018-2019中國內衣行業年度黑馬獎
- ✿ 安莉芳品牌榮獲香港品牌發展局及香港中華廠商聯合會評定為香港名牌（2007-2019）
- ✿ 安莉芳品牌榮獲香港旅遊發展局核准使用優質旅遊服務計劃之證明商標
- ✿ 安莉芳（香港）有限公司榮獲強制性公積金計劃管理局嘉許為積金好僱主

Directors and Senior Management 董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Cheng Man Tai, aged 90, is the Chairman and founder of the Group, and an Executive Director of the Company. Mr. Cheng had been a consultant of the Company from March 2014 to August 2018 prior to his re-appointment as an Executive Director of the Company in August 2018. Mr. Cheng is in charge of the Group's corporate strategy. He has over 44 years of experience in the lingerie industry. Mr. Cheng graduated from Beijing Agricultural Engineering University (now known as China Agricultural University) with a Bachelor's degree. He is an Honorary Professor of China Agricultural University. Mr. Cheng obtained the World Outstanding Chinese Award and Honorary Doctorate of Business Management from Armstrong University in July 2006. He was awarded Honorary Fellowship and admitted as Honorary Professor by Canadian Chartered Institute of Business Administration and Lincoln University respectively in September 2009. He was also awarded Senior Fellowship by the Asian College of Knowledge Management in January 2013. Mr. Cheng is also a shareholder and director of Harmonious World Limited (a substantial shareholder of the Company), the spouse of Madam Ngok Ming Chu (an Executive Director of the Company) and the father of Ms. Cheng Pik Ho Liza (an Executive Director of the Company) and Mr. Cheng Chuen Chuen (an Executive Director of the Company).

Madam Ngok Ming Chu, aged 83, is an Executive Director and a director of certain subsidiaries of the Company. Madam Ngok served as Chairman of the Group from March 2014 to August 2018. Madam Ngok is in charge of the Group's business planning. She joined the Group in 1980 and has over 39 years of experience in the lingerie industry. Madam Ngok graduated from and is currently an Honorary Professor of Beijing Agricultural Engineering University (now known as China Agricultural University). She is also a shareholder and director of Harmonious World Limited (a substantial shareholder of the Company), the spouse of Mr. Cheng Man Tai (the Chairman of the Group), the mother of Ms. Cheng Pik Ho Liza (an Executive Director of the Company) and the step-mother of Mr. Cheng Chuen Chuen (an Executive Director of the Company).

執行董事

鄭敏泰先生，90歲，為本集團之主席及創辦人兼本公司之執行董事。於二零一八年八月重新獲委任為本公司執行董事之前，鄭先生於二零一四年三月至二零一八年八月期間一直擔任本公司顧問。鄭先生負責本集團的企業策略。彼於女性內衣業擁有逾44年經驗。鄭先生畢業於北京農業工程大學（現稱中國農業大學），取得本科學位。彼為中國農業大學的名譽教授。鄭先生於二零零六年七月獲得世界傑出華人獎及獲Armstrong University頒發工商管理榮譽博士學位。彼於二零零九年九月分別榮獲加拿大特許管理學院及林肯大學頒授榮譽院士及榮譽教授資格，並於二零一三年一月獲亞洲知識管理學院頒授資深院士銜。鄭先生亦是本公司主要股東Harmonious World Limited之股東及董事，本公司執行董事岳明珠女士的配偶，本公司執行董事鄭碧浩女士及鄭傳全先生的父親。

岳明珠女士，83歲，為本公司之執行董事及本公司若干附屬公司的董事。岳女士於二零一四年三月至二零一八年八月期間出任本集團主席。岳女士負責本集團的業務策劃。彼於一九八零年加盟本集團，並於女性內衣業擁有逾39年經驗。岳女士畢業於北京農業工程大學（現稱中國農業大學），目前為該校的名譽教授。彼亦為本公司主要股東Harmonious World Limited之股東及董事，本集團主席鄭敏泰先生的配偶，本公司執行董事鄭碧浩女士的母親，以及本公司執行董事鄭傳全先生的繼母。

Directors and Senior Management 董事及高級管理層

Ms. Cheng Pik Ho Liza, aged 57, is the Chief Executive Officer of the Group, an Executive Director and a member of both the Remuneration Committee and Nomination Committee of the Company. She is also a director of certain subsidiaries of the Company. Ms. Cheng is responsible for the day-to-day management of the businesses of the Group. Ms. Cheng joined the Group in 1993 and has over 27 years of experience in the lingerie industry. She obtained a Bachelor's degree in Business Administration from the University of Southern California and a Master of Business Administration (Executive) degree from the City University of Hong Kong. Ms. Cheng was awarded the prize for Young Industrialist in Hong Kong in 1999 and was appointed as Vice Chairman of Shanghai Garment Trade Association in 2008. She obtained the World Outstanding Chinese Award and Honorary Doctorate of Business Administration from International American University in March 2009, and was awarded Fellowship and admitted as Visiting Professor by Canadian Chartered Institute of Business Administration and Lincoln University respectively in September 2009. Furthermore, Ms. Cheng was elected as the first President of Shenzhen Underwear Association in August 2012. She is currently a member of the Yangpu Committee of the Chinese People's Political Consultative Conference in Shanghai, a member of the China National Textile and Apparel Council, a Vice Chairman of China Knitting Industrial Association, a specially invited Vice President of the China Association for Quality Inspection and a Vice Chairman of The Hong Kong General Chamber of Textiles Limited. Ms. Cheng is also a director of Harmonious World Limited (a substantial shareholder of the Company), the daughter of Mr. Cheng Man Tai (the Chairman of the Group) and Madam Ngok Ming Chu (an Executive Director of the Company), and the younger sister of Mr. Cheng Chuen Chuen (an Executive Director of the Company).

鄭碧浩女士，57歲，為本集團行政總裁兼本公司之執行董事，及本公司薪酬委員會與提名委員會之成員。彼亦是本公司若干附屬公司的董事。鄭女士負責管理本集團的日常事務。鄭女士於一九九三年加盟本集團，於女性內衣業擁有逾27年經驗。彼於南加州大學取得工商管理學士學位，並於香港城市大學取得行政人員工商管理碩士學位。鄭女士於一九九九年獲頒發香港青年工業家獎，並於二零零八年獲任上海服裝行業協會副會長。彼於二零零九年三月獲得世界傑出華人獎及獲美國加州國際大學頒發工商管理榮譽博士學位，並於二零零九年九月分別榮獲加拿大特許管理學院及林肯大學頒授院士及客座教授資格。此外，鄭女士於二零一二年八月當選深圳內衣行業協會首屆會長。彼現任上海市楊浦區政協委員會委員，中國紡織工業聯合會理事，中國針織工業協會副會長，中國質量檢驗協會特邀副會長及香港紡織商會副會長。鄭女士亦是本公司主要股東 Harmonious World Limited 之董事，本集團主席鄭敏泰先生，本公司執行董事岳明珠女士的女兒，以及本公司執行董事鄭傳全先生的妹妹。

Directors and Senior Management 董事及高級管理層

Mr. Cheng Chuen Chuen, aged 70, is an Executive Director of the Company and currently the Assistant General Manager (Research and Development) of Embry (China) Garments Ltd. He first joined the Group in May 2005 and has rejoined the Group since April 2017. He is also a director of Duosiwei Metal and Plastic Products (Shenzhen) Co., Ltd. and Changzhou Duosiwei Furniture Decoration Construction Co., Ltd. He is in charge of the research and development centre of the Group and is responsible for innovations of technologies, processes and equipment for the production of products. Mr. Cheng has over 23 years of experience in technological research and development in the manufacturing of display furniture, display dummies and also garment processing. Mr. Cheng is the son of Mr. Cheng Man Tai (the Chairman of the Group), the step-son of Madam Ngok Ming Chu (an Executive Director of the Company) and an elder brother of Ms. Cheng Pik Ho Liza (an Executive Director of the Company).

Ms. Lu Qun, aged 66, is an Executive Director of the Company and currently the Assistant General Manager (Strategic Management) of Embry (China) Garments Ltd. and the General Manager of Embry (Shandong) Garments Limited. She is also a director of certain subsidiaries of the Company. Ms. Lu is responsible for the functions of strategic management and project management in Mainland China. She joined the Group in April 2003 and has over 40 years of experience in management and administration. Ms. Lu obtained a Master's degree in Business Administration from Beihang University (previously known as Beijing University of Aeronautics and Astronautics), the People's Republic of China (the "PRC"), in 2001. She has also obtained an undergraduate diploma in international trade from the University of International Business and Economics, the PRC, in 1992. Ms. Lu completed a senior managers' human resources management training course held by Tsinghua University, the PRC, in 2006. She has obtained the International Project Management Professional Certification since 2002.

鄭傳全先生，70歲，為本公司之執行董事，現任本公司全資附屬公司安莉芳(中國)服裝有限公司之研發副總經理。彼於二零零五年五月首次加盟本集團，並自二零一七年四月起重新加入本集團。彼亦為多思維五金塑料製品(深圳)有限公司及常州多思維傢俱裝飾工程有限公司的董事。彼負責領導本集團之研發中心研究及開發有關生產及製造產品的技術、工藝與設備。鄭先生於研究及開發有關生產及製造陳列傢俬、展示用模型及成衣製造技術方面擁有逾23年經驗。鄭先生為本集團主席鄭敏泰先生之兒子，本公司執行董事岳明珠女士之繼子，以及本公司執行董事鄭碧浩女士之兄長。

鹿群女士，66歲，為本公司之執行董事，現任安莉芳(中國)服裝有限公司的戰略副總經理及安莉芳(山東)服裝有限公司之總經理。彼亦是本公司若干附屬公司的董事。鹿女士負責於中國內地的戰略管理及項目管理工作。彼自二零零三年四月加盟本集團，並於管理及行政方面擁有逾40年經驗。鹿女士於二零零一年取得中華人民共和國(「中國」)北京航空航天大學(前稱北京航空學院)工商管理碩士學位。彼亦於一九九二年取得中國對外經濟貿易大學國際貿易專業證書。鹿女士於二零零六年完成由中國清華大學舉辦之人力資源管理高級經理課程培訓。彼自二零零二年起取得國際項目管理專業資質認證。

Directors and Senior Management 董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lau Siu Ki, alias, Kevin Lau, aged 61, is an Independent Non-Executive Director, the Chairman of the Audit Committee and a member of both the Remuneration Committee and Nomination Committee of the Company. Mr. Lau is currently running his own management consultancy firm, Hin Yan Consultants Limited. Mr. Lau has previously worked at an international accounting firm for over 15 years. He graduated from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) in 1981. Mr. Lau is a fellow member of both the Association of Chartered Certified Accountants ("ACCA") and the Hong Kong Institute of Certified Public Accountants. He was a member of the worldwide Council of ACCA from May 2002 to September 2011. Mr. Lau is currently the company secretary of Yeebo (International Holdings) Limited, Hung Fook Tong Group Holdings Limited and Expert Systems Holdings Limited, and an independent non-executive director of Binhai Investment Company Limited, Comba Telecom Systems Holdings Limited, FIH Mobile Limited, Samson Holding Ltd., TCL Electronics Holdings Limited and IVD Medical Holding Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He had been an independent non-executive director of China Medical & HealthCare Group Limited, the shares of which are listed on the Stock Exchange, until his resignation on 6 December 2018. Mr. Lau also served as an independent supervisor of the sixth session of Beijing Capital International Airport Company Limited from June 2014 to June 2017. Mr. Lau joined the Company in November 2006.

獨立非執行董事

劉紹基先生，61歲，為本公司之獨立非執行董事，審核委員會主席及本公司薪酬委員會與提名委員會之成員。劉先生目前管理由其擁有的管理顧問公司顯仁顧問有限公司。劉先生曾於一家國際會計師行工作逾15年。彼於一九八一年畢業於香港理工學院（現稱香港理工大學）。劉先生為特許公認會計師公會（「ACCA」）及香港會計師公會的資深會員，彼於二零零二年五月至二零一一年九月為ACCA環球理事會的理事。劉先生目前為億都（國際控股）有限公司、鴻福堂集團控股有限公司及思博系統控股有限公司的公司秘書及濱海投資有限公司、京信通信系統控股有限公司、富智康集團有限公司、順誠控股有限公司、TCL電子控股有限公司及華檢醫療控股有限公司的獨立非執行董事，該等公司的股份於香港聯合交易所有限公司（「聯交所」）上市。彼曾任中國醫療網絡有限公司（該公司的股份於聯交所上市）的獨立非執行董事，直至其於二零一八年十二月六日辭任該職位為止。劉先生亦於二零一四年六月至二零一七年六月出任北京首都國際機場股份有限公司第六屆監事會之獨立監事。劉先生於二零零六年十一月加盟本公司。

Directors and Senior Management 董事及高級管理層

Mr. Lee Kwan Hung, alias, Eddie Lee, aged 54, is an Independent Non-Executive Director, the Chairman of the Remuneration Committee and a member of both the Audit Committee and Nomination Committee of the Company. Mr. Lee is a consultant of Howse Williams. He received his LL.B (Honours) degree and Postgraduate Certificate in Laws from the University of Hong Kong in 1988 and 1989 respectively. He was then admitted as a solicitor in Hong Kong in 1991 and in England and Wales in 1997. Mr. Lee is currently an independent non-executive director of NetDragon Websoft Holdings Limited, Newton Resources Ltd, Tenfu (Cayman) Holdings Company Limited, China BlueChemical Ltd., Landsea Green Group Co., Ltd., Red Star Macalline Group Corporation Ltd., China Goldjoy Group Limited, FSE Services Group Limited and Ten Pao Group Holdings Limited, the shares of these companies are listed on the Stock Exchange. He had been an independent non-executive director of Futong Technology Development Holdings Limited and Asia Cassava Resources Holdings Limited, the shares of which are listed on the Stock Exchange, until his resignation on 18 November 2017 and 13 May 2018 respectively. Mr. Lee joined the Company in November 2006.

Prof. Lee T. S., alias, Lee Tien-sheng, aged 71, is an Independent Non-Executive Director, the Chairman of the Nomination Committee and a member of both the Audit Committee and Remuneration Committee of the Company. Prof. Lee is currently the Professor Emeritus of the Department of Supply Chain and Information Management of Hang Seng Management College. He was the Dean of the Faculty of Business Administration of The Chinese University of Hong Kong from 2002 to 2008, Vice-President (Academic & Research) of Hang Seng Management College from 2009 to 2014, the Head and Professor of the Department of Supply Chain and Information Management of Hang Seng Management College from 2009 to 2015 and a Chair Professor of Feng Chia University, Taiwan from December 2015 to January 2019. Prof. Lee obtained his PhD in Business Administration and Master's degree in Business Administration from the University of Missouri-Columbia, the United States in 1982 and 1978 respectively. He also holds a Master's degree in Management Science and a Bachelor's degree in Electronic Engineering from the National Chiao Tung University of Taiwan. Prof. Lee's research and teaching interests include supply chain management, quality management and business process reengineering. He has published his research in many academic journals. Prof. Lee had been an independent non-executive director of GET Holdings Limited, the shares of which are listed on the Stock Exchange, until his resignation on 28 December 2018. Prof. Lee joined the Company in November 2006.

李均雄先生，54歲，為本公司之獨立非執行董事，薪酬委員會主席及本公司審核委員會與提名委員會之成員。李先生為何韋律師行之顧問律師。彼分別於一九八八年及一九八九年獲得香港大學的法學士(榮譽)學位及法律深造文憑，其後於一九九一年取得香港執業律師資格，並於一九九七年取得英格蘭及威爾士執業律師資格。李先生目前為網龍網絡控股有限公司、新礦資源有限公司、天福(開曼)控股有限公司、中海石油化學股份有限公司、朗詩綠色集團有限公司、紅星美凱龍家居集團股份有限公司、中國金洋集團有限公司、豐盛服務集團有限公司及天寶集團控股有限公司之獨立非執行董事，該等公司之股份於聯交所上市。彼曾任富通科技發展控股有限公司及亞洲木薯資源控股有限公司(該等公司的股份於聯交所上市)的獨立非執行董事，直至其分別於二零一七年十一月十八日及二零一八年五月十三日辭任該職位為止。李先生於二零零六年十一月加盟本公司。

李天生教授，71歲，為本公司之獨立非執行董事，提名委員會主席及本公司審核委員會與薪酬委員會之成員。李教授現任香港恒生管理學院供應鏈及資訊管理學系榮休教授。由二零零二年至二零零八年，彼為香港中文大學工商管理學院院長，由二零零九年至二零一四年彼擔任恒生管理學院副校長(學術及研究)，由二零零九年至二零一五年出任恒生管理學院供應鏈及資訊管理學系系主任及教授，及由二零一五年十二月至二零一九年一月出任台灣逢甲大學講座教授。李教授分別於一九八二年及一九七八年於美國密蘇里大學哥倫比亞校區取得其工商管理博士學位及工商管理碩士學位，彼亦持有台灣國立交通大學的管理科學碩士學位及電子工程學士學位。李教授的研究及教學興趣包括供應鏈管理、品質管理及業務程序重組，彼已於多份學術期刊發表其研究。李教授曾任智易控股有限公司(該公司的股份於聯交所上市)的獨立非執行董事，直至其於二零一八年十二月二十八日辭任該職位為止。李教授於二零零六年十一月加盟本公司。

Directors and Senior Management

董事及高級管理層

SENIOR MANAGEMENT

Ms. Law Yuk Ying, aged 40, is the Group Financial Controller. Ms. Law is responsible for the supervision and management of the Group's overall financial matters and investor relations. She joined the Group in 2008 as the Group Accounting Manager and was appointed to the present position in 2019. Ms. Law obtained a Bachelor's degree in Accountancy from The Hong Kong Polytechnic University. She is a member of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. Ms. Law has over 17 years of experience in auditing, financial accounting, corporate investment and financing, as well as management.

Ms. Chan Hei, aged 46, is the Group Internal Audit Director and is in charge of the internal audit functions of the Group. Ms. Chan joined the Group in 2016 and has over 20 years of experience in external audit, financial analysis and internal audit. She obtained a Bachelor's degree in Business Administration from The Chinese University of Hong Kong and a Master's degree in Business Administration from The City University, London (now known as City, University of London). Ms. Chan is a member of the American Institute of Certified Public Accountants and a Certified Public Accountant conferred by the Board of Public Accountants, the State of Montana, the USA.

高級管理層

羅玉英女士，40歲，為集團財務總監。羅女士負責監察及管理本集團整體財務事宜及投資者關係。彼於二零零八年加入本集團為集團會計經理，並於二零一九年獲委任現時之職位。羅女士於香港理工大學取得會計學學士學位。彼為特許公認會計師公會及香港會計師公會會員。羅女士於核數、財務會計、企業投資及融資、與管理方面擁有逾17年經驗。

陳曦女士，46歲，為集團內部審計總監，負責集團的內部審計職能。陳女士於二零一六年加入本集團，在外部審計、財務分析和內部審計方面擁有超過20年的經驗。彼擁有香港中文大學工商管理學士學位及倫敦城市大學（現稱為倫敦大學城市學院）工商管理碩士學位。陳女士是美國註冊會計師協會會員，並獲美國蒙大拿州註冊會計師委員會授予註冊會計師職銜。

Corporate Governance Report

企業管治報告

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, sustainable business growth and enhancing shareholders' value.

The Company has adopted the Corporate Governance Code (the "CG Code") as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as its own code of corporate governance practices.

In the opinion of the Directors, the Company had complied with all code provisions under the CG Code so far as they are applicable and a majority of the recommended best practices under the CG Code throughout the year ended 31 December 2019 (the "Review Period").

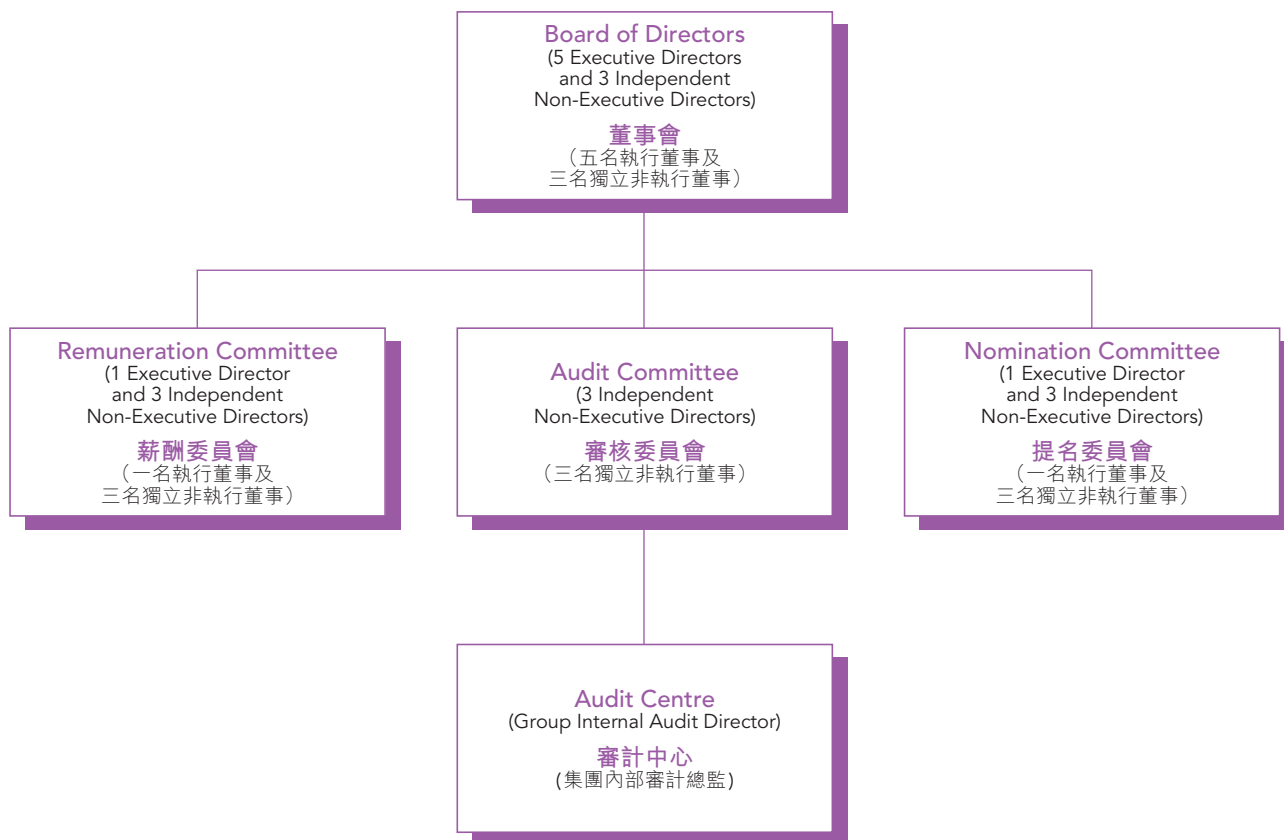
本公司董事會及管理層致力維持良好的企業管治常規及程序。本公司深信良好的企業管治能為有效的管理、健全的公司文化、可持續的業務發展及股東價值的提升確立框架。

本公司採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載的《企業管治守則》(「企業管治守則」)作為其企業管治常規的守則。

董事認為，本公司於截至二零一九年十二月三十一日止年度(「回顧期間」)內一直遵守所有企業管治守則的適用守則條文，以及大部份企業管治守則建議的最佳常規。

GOVERNANCE STRUCTURE

管治架構



Corporate Governance Report

企業管治報告

DIRECTORS

Board Composition

The Directors place great emphasis on the fiduciary nature of the Board's responsibilities and strive to be accountable to the shareholders of the Company as a whole.

A board diversity policy has been formulated by the Board setting out the approach to maintaining a Board with a diversity of directors. The Company recognises the benefits of diversity at the Board level as an essential element in supporting its sustainable development. All Board appointments will continue to be based on meritocracy with due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, 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.

The Board currently comprises five Executive Directors, namely Mr. Cheng Man Tai (Chairman), Ms. Cheng Pik Ho Liza (Chief Executive Officer), Madam Ngok Ming Chu, Mr. Cheng Chuen Chuen and Ms. Lu Qun; and three Independent Non-Executive Directors, namely Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S. The number of Independent Non-Executive Directors represents more than one-third of the Board. The biographical details of and relationships among the members of the Board are disclosed under the section headed "Directors and Senior Management" on pages 28 to 33 of this annual report.

The Directors believe that the composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business development of the Group and for effective leadership as all the Executive Directors possess extensive experience in management and the research and development, design, production and marketing of lingerie products while the three Independent Non-Executive Directors possess professional knowledge and broad experience in finance, law and management respectively. The Directors are of the opinion that the present structure of the Board can ensure the independence and objectivity of the Board and provide a system of checks and balances to safeguard the interests of the shareholders and the Company.

董事

董事會組成

董事會非常注重董事會的受信責任，並竭力對本公司全體股東負責。

董事會已制定董事會成員多元化政策列載為維持一個成員多元化的董事會而採取的方針。本公司相信董事會層面多元化之好處，為維持其可持續發展的關鍵元素。董事會所有委任均繼續以用人唯才為原則，並充分顧及董事會成員多元化的裨益。甄選人選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。最終將按人選的長處及可為董事會提供的貢獻而作決定。

董事會目前由五名執行董事鄭敏泰先生(主席)、鄭碧浩女士(行政總裁)、岳明珠女士、鄭傳全先生及鹿群女士及三名獨立非執行董事劉紹基先生、李均雄先生及李天生教授組成，獨立非執行董事的人數佔董事會人數的三份之一以上。董事會成員的簡歷詳情以及彼等之間的關係已於本年報第28至33頁「董事及高級管理層」資料一節內披露。

董事會相信，由於全體執行董事於管理及女性內衣產品的研發、設計、生產及推廣方面具備豐富經驗，而三位獨立非執行董事分別在財務、法律及管理方面具備專業知識和豐富經驗，因此董事會成員的組合反映本集團在業務發展及有效領導所需的必要技能與適當經驗兩者之間的平衡。董事會認為，董事會現時的架構可確保董事會的獨立性及客觀性，並能提供一個審查及平衡機制以保障股東及本公司的利益。

Corporate Governance Report

企業管治報告

Appointment, Re-election and Removal of Directors

Article 108(A) of the articles of association of the Company provides that one-third of the Directors for the time being, or, if their number is not three or multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years at the Company's annual general meeting and shall be eligible for re-election. Under Article 105, the office of a Director of the Company is liable to be vacated in certain circumstances and the Company may remove any Director of the Company by an ordinary resolution at a general meeting as prescribed in Article 114.

The appointment of new Directors and nomination of Directors for re-election at annual general meetings are first considered by the Nomination Committee. The recommendations of the Nomination Committee will then be put to the Board for decision. New Directors appointed by the Board are subject to re-election by shareholders at the next following annual general meeting pursuant to the articles of association of the Company. In considering the appointment of new Directors, the Nomination Committee will assess the candidate according to the criteria set out in Rules 3.08 and 3.09 of the Listing Rules. In the case of a candidate for an Independent Non-Executive Director, he/she should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

Executive Directors

The Executive Directors, Mr. Cheng Man Tai, Ms. Cheng Pik Ho Liza, Madam Ngok Ming Chu, Mr. Cheng Chuen Chuen and Ms. Lu Qun, have each entered into a service agreement with the Company for a fixed term of two years. Each Executive Director is entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the Executive Directors for any financial year of the Company shall not exceed 8% of the audited consolidated net profit of the Group (after taxation and non-controlling interests and payment of such bonuses) for that financial year of the Company. An Executive Director shall not vote on any resolution of the Directors regarding the amount of the management bonus payable to him/her.

委任、重選及罷免董事

本公司組織章程細則第108(A)條規定，在每屆股東週年大會上，當時三分之一董事，或若人數並非三或三的倍數，則以最接近但不少於三分之一的人數將告退，惟每名董事須至少每三年輪值告退一次。退任董事有資格應選連任。根據細則第105條，本公司的董事職位可於若干情況下出現空缺，而本公司亦可按細則第114條的規定透過於股東大會上的普通決議案罷免本公司任何董事。

新董事的委任及在股東週年大會上連任董事的提名須先由提名委員會考慮，再由提名委員會向董事會提出建議，供董事會決定。由董事會新委任的董事須根據本公司章程細則在下屆股東週年大會上經股東重選。考慮新董事的委任時，提名委員會會根據上市規則第3.08及3.09條所載的準則對候選人進行評估。如考慮獨立非執行董事的候選人時，彼亦須符合上市規則第3.13條所列的獨立性準則。

執行董事

執行董事鄭敏泰先生、鄭碧浩女士、岳明珠女士、鄭傳全先生及鹿群女士已與本公司訂立服務協議，固定年期為期兩年。每名執行董事可收取酌情管理花紅，惟於本公司任何財政年度支付予全體執行董事的花紅總額不得超過本集團於該本公司財政年度的經審核綜合純利(扣除稅項及非控股權益以及該等花紅後)的8%。執行董事不得就任何有關向其支付的管理花紅金額的董事會決議案投票。

Corporate Governance Report

企業管治報告

Independent Non-Executive Directors

Each of the Independent Non-Executive Directors was appointed for a term of two years with a formal letter of appointment setting out the key terms and conditions of his appointment.

Save for the directors' fees, none of the Independent Non-Executive Directors is expected to receive any other remuneration for holding his office as an Independent Non-Executive Director.

The Company annually assesses the independence of each Independent Non-Executive Director during his term of appointment. In March 2020, the Company received from each of the Independent Non-Executive Directors a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Based on such confirmations, the Company considers all the Independent Non-Executive Directors are independent.

Proceedings of Board Meetings and Board Committee Meetings

The Board considers that all meetings should be legally and properly convened. The Chairman of the Board takes the lead to ensure that Board meetings and Board committee meetings are convened in accordance with the requirements set out in the articles of association of the Company, the terms of reference of the respective Board committees and the Listing Rules.

In convening Board meetings, the Chairman is responsible for drawing up and approving the agenda for each meeting after consultation with all the Directors and the Company Secretary. Prior notice of each regular Board meeting is given to all the Directors at least 14 days in advance and the Directors are invited to include matters for discussion in the agenda. Agenda and accompanying Board papers are sent to all the Directors at least 3 days (or such other period as agreed) prior to meetings.

Board meetings are held at least four times a year. In addition, special Board meetings are held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of all the Directors.

獨立非執行董事

每名獨立非執行董事之任期為兩年，正式委任函件載列其主要委任條款及條件。

除董事袍金外，並不預期獨立非執行董事將就擔任獨立非執行董事而收取任何其他酬金。

本公司於各獨立非執行董事獲委任期間，每年評估其獨立身份。於二零二零年三月，本公司已收到各獨立非執行董事根據上市規則第3.13條書面確認彼等的獨立身份。根據有關確認書，本公司認為全體獨立非執行董事均屬獨立人士。

董事會會議及董事委員會會議程序

董事會認為所有會議均應按合法及妥善的方式召開。董事會主席領導董事會以確保董事會會議及董事委員會會議均按載於本公司組織章程細則、各董事委員會的權責範圍及上市規則的要求召開。

於召開董事會會議時，主席負責在向全體董事及公司秘書作出諮詢後，草擬及批准每次會議的議程。每次召開定期董事會會議時，全體董事獲發出最少十四天的預先通知，董事並會獲邀於議程內加入商討事項。議程及隨附的董事會文件將於會議前最少三天(或協定的其他時間內)發送予全體董事。

董事會會議每年召開至少四次。此外，會在有需要時召開董事會特別會議。此等董事會會議均有全體董事親身出席，或透過其他電子通訊方法積極參與。

Corporate Governance Report

企業管治報告

Dates of regular Board meetings are scheduled in advance to provide sufficient notice to give all the Directors an opportunity to attend. For special Board meetings, reasonable notice is given.

The Directors have access to the advice and services of the Company Secretary to ensure that Board procedures and all applicable rules and regulations are followed.

The minutes of Board meetings record in sufficient detail the matters considered by the Board, including all concerns raised by the Directors and dissenting views expressed. The minutes of all Board meetings and Board committee meetings are available for inspection by any Director, auditor or any relevant eligible parties who can have access to such minutes.

Directors' Attendance Records

The record of attendance of individual Directors at the Board meetings, Board committee meetings and annual general meeting held during 2019 is set out in the following table:

董事會定期會議的日期預先訂定，以讓所有董事皆有機會騰空出席。至於董事會特別會議，則發出合理通知召開。

所有董事都可獲得公司秘書的意見和服務，以確保董事會程序及所有適用規則及規例均獲得遵守。

董事會的會議記錄已充份記錄董事會所考慮事宜的詳情，其中包括由董事提出的所有關注事項及發表的反對意見。任何董事、核數師或任何合資格取得會議記錄的有關人士均可查閱所有董事會會議及董事委員會會議記錄。

董事的出席記錄

下表載列各董事於二零一九年內舉行的董事會會議、董事委員會會議及股東週年大會的出席記錄：

Directors 董事		Number of Meetings Attended/Held 會議出席次數／舉行次數				
		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Annual General Meeting 股東週年大會
Executive Directors 執行董事						
Cheng Man Tai (Chairman)	鄭敏泰(主席)	7/7	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Cheng Pik Ho Liza (Chief Executive Officer)	鄭碧浩 (行政總裁)	7/7	N/A 不適用	2/2	2/2	1/1
Ngok Ming Chu	岳明珠	7/7	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Cheng Chuen Chuen	鄭傳全	7/7	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Lu Qun	鹿群	7/7	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Independent Non-Executive Directors 獨立非執行董事						
Lau Siu Ki	劉紹基	7/7	3/3	2/2	2/2	1/1
Lee Kwan Hung	李均雄	7/7	3/3	2/2	2/2	1/1
Lee T. S.	李天生	7/7	3/3	2/2	2/2	1/1
Average Attendance Rate	平均出席率	100%	100%	100%	100%	100%

In addition, the Chairman met once with the Independent Non-Executive Directors without the presence of other Directors during the Review Period.

此外，主席於回顧期間內在其他董事不在場的情況下與獨立非執行董事舉行了一次會議。

Corporate Governance Report

企業管治報告

Directors' and Officers' Liability Insurance

The Company has subscribed an insurance policy with an aim to indemnify its Directors and senior executives from any losses, claims, damages, liabilities and expenses arising from, including but not limited to, any proceedings brought against them during the performance of their duties pursuant to their respective service agreements entered into with the Company.

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") (with certain modifications but on terms no less exacting than the required standard set out in the Model Code) as set out in Appendix 10 to the Listing Rules as its own code ("Securities Dealing Code") to regulate the securities dealings by all the Directors and relevant employees of the Group.

The Company made specific enquiry of all the Directors and members of the senior management who confirmed that they complied with the Securities Dealing Code during the Review Period.

Continuous Professional Development

Pursuant to the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant.

During the Review Period, all Directors received regular briefings and updates on the Group's business, operations, internal controls and corporate governance matters. Relevant reading materials were provided to the Directors. They also attended courses and seminars organised by external professional bodies on topics relevant to the duties and responsibilities of a director during the Review Period. All Directors have provided the Company with their respective training records pursuant to the CG Code.

Procedure for Seeking Independent Professional Advice by Directors

There is a written procedure agreed by the Board to enable Directors, upon reasonable request, to seek and be provided with independent professional advice in appropriate circumstances, at the Company's expense in order to assist them to discharge their duties to the Company.

董事及行政人員的責任保險

本公司已投購保險以彌償其董事及高級行政人員任何損失、索償、損害、責任及開支，包括但不限於因董事及行政人員根據各自與本公司訂立的服務協議履行其職責時而被提出的任何訴訟。

董事進行證券交易

本公司採納上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》(「標準守則」)(經作出若干修訂，惟不低於標準守則所載之規定標準)作為其證券買賣守則(「證券買賣守則」)，以監管本集團所有董事及相關僱員進行的證券買賣。

本公司已向全體董事及高級管理人員作出特定查詢，而彼等確認，彼等於回顧期間內已遵守證券買賣守則。

持續專業發展

根據企業管治守則，所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

於回顧期間，本公司全體董事均定期接收有關本集團業務、營運、內部監控及企業管治事宜的簡報及更新，彼等獲提供相關的閱讀材料，並參加了由外部專業團體主辦與董事的職能及責任相關的課程及研討會。所有董事已根據企業管治守則向本公司提供彼等各自之培訓紀錄。

董事尋求獨立專業意見的程序

董事會已書面制定程序，讓董事按合理要求，可在適當的情況下尋求及獲提供獨立專業意見，費用由本公司支付以協助董事履行其對本公司的責任。

Corporate Governance Report

企業管治報告

FUNCTIONS OF THE BOARD

Distinctive Roles of the Chairman and the Chief Executive Officer

To avoid concentration of power in any one individual, a clear division of responsibilities between the Chairman and the Chief Executive Officer is crucial to the effective running of the Board and the day-to-day management of the Group's businesses. The positions of the Chairman and the Chief Executive Officer of the Company are held by two different Executive Directors, namely Mr. Cheng Man Tai and Ms. Cheng Pik Ho Liza respectively. Their roles and duties are segregated, with a clear division of responsibilities. Mr. Cheng Man Tai, the Chairman, is to provide leadership for the Board and ensure that the Board works effectively while Ms. Cheng Pik Ho Liza, the Chief Executive Officer, is answerable to the Board for the operations of the Group. Mr. Cheng is the father of Ms. Cheng.

Distinctive Roles of the Board and the Management

While at all times the Board retains full responsibility for guiding and monitoring the operations of the Group, in discharging its duties, certain responsibilities are delegated to:

- the standing Board committees of the Company namely: the Audit Committee, the Nomination Committee and the Remuneration Committee. Each committee's constitution, powers and duties are clearly defined by its terms of reference, and the committees are accountable to the Board. Ad hoc Board committees may also be established as required from time to time by the Board;
- the Chief Executive Officer, being delegated with the day-to-day management of the businesses of the Group, is accountable to the Board; and
- the senior management team of the Group, being delegated with the responsibilities to deal with daily operational functions, is answerable to the Executive Directors.

董事會的職能

主席及行政總裁的角色區分

為避免權力集中於任何一名人士，主席與行政總裁之間的職責必須有清晰區分，以有效運作董事會及管理本集團的日常業務。本公司的主席及行政總裁職位分別由兩位不同的執行董事鄭敏泰先生及鄭碧浩女士擔任，彼等的角色及職責分開，具有明確的責任分工。主席鄭敏泰先生負責領導董事會及確保董事會有效運作，而行政總裁鄭碧浩女士則就本集團的營運向董事會負責。鄭先生為鄭女士的父親。

董事會及管理層的角色區分

儘管董事會於任何時刻均承擔指導及監察本集團營運的全部責任，惟於董事會履行其職責時，亦將若干責任轉授予：

- 本公司的董事會常務委員會：審核委員會、提名委員會及薪酬委員會。各委員會的組織、權力及職責均以書面職權範圍清楚界定，而該等委員會須向董事會負責。董事會或不時於有需要時成立臨時董事委員會；
- 行政總裁獲授權管理本集團的日常業務，並須對董事會負責；及
- 本集團的高層管理隊伍獲授權處理日常營運工作的責任，並須對執行董事負責。

Corporate Governance Report

企業管治報告

The Board believes that effective delegation of authority can ensure that the Board is provided with sufficient and timely information of the Group's businesses which is, in particular, relevant to the Group's performance, financial position and operating results, in order that the Board is able to make an informed assessment of matters put before the Board for approval. During the Review Period, each Executive Director had frequent meetings with operational managers in order to maintain an effective feedback system and enable the Company to react to changes or problems quickly and effectively.

The functions reserved to the Board are formalized in writing and include:

- any matters relating to the formulation of the Company's strategy and direction;
- any matters relating to financial controls, compliance and risk management;
- any changes in corporate structure such as the changes relating to the Company's capital structure, including share buy-back or issue of new securities;
- major appointments such as appointments to the Board, after taking into account the recommendations of the Nomination Committee; the appointment of the Chairman and the Chief Executive Officer; recommendations to the shareholders on the appointment or removal of external auditor after taking into consideration the recommendations of the Audit Committee; and the appointment or removal of the Chief Financial Officer and the Company Secretary;
- any matters determined by the Board to be material, including dividend policy, significant changes in accounting policies, material contracts, major financing arrangements and major investments; and
- the corporate governance functions set out in the code provision D.3.1 of the CG Code.

董事會相信，有效轉授權力可確保董事會獲提供充足和及時的本集團業務資料，特別是有關本集團表現、財務狀況及經營業績的資料，以便董事會於批准有關事宜前可就該等事宜作出知情評估。於回顧期間，各執行董事與營運部門經理多次會面，以奉行有效的回饋制度，讓本公司可迅速及有效地就變化或問題作出回應。

由董事會負責的職能已以書面制定並包括：

- 任何有關制定本公司策略及方向的事宜；
- 任何有關財務監控、遵守法規及風險管理的事宜；
- 任何企業架構變動，例如有關本公司資本結構的變動，包括購回股份或發行新證券；
- 主要委任事項，例如經考慮提名委員會建議後委任董事會成員；委任主席及行政總裁；經考慮審核委員會建議後就委任或撤換外聘核數師而向股東作出建議；以及委任或撤換首席財務總監及公司秘書；
- 任何由董事會釐定的重大事宜，包括股息政策、會計政策的重大變化、重大合同、主要財務安排和主要投資；及
- 履行企業管治守則守則條文第D.3.1條列出之企業管治職能。

Corporate Governance Report 企業管治報告

With respect to the corporate governance functions, the Board has reviewed and monitored the Company's corporate governance policies and practices, the training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

The Board regularly reviews its arrangement for delegation of authority to ensure that such delegation is appropriate in view of the Company's prevailing circumstances and that appropriate reporting systems are in place.

BOARD COMMITTEES

A total of three Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, have been formed, each of which is delegated with specific roles and responsibilities by the Board. All the Board committees follow the same principles and procedures as those of the Board. The Board receives the minutes of each committee meeting on a regular basis, including their decisions and recommendations.

Audit Committee

At present, the Audit Committee consists of three Independent Non-Executive Directors, namely:

Mr. Lau Siu Ki (*Chairman*)
Mr. Lee Kwan Hung
Prof. Lee T. S.

Members of the Audit Committee are appointed by the Board among the Independent Non-Executive Directors and the committee consists of not less than three members. The Board considers that each Audit Committee member has broad commercial experience and together form a suitable mix of expertise in the legal and accounting fields and that the composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules. The Board, after consultation with the chairman of the Audit Committee, provides sufficient resources to the Audit Committee to enable it to discharge its duties.

關於企業管治職能方面，董事會已檢討及監察本公司的企業管治政策及常規，董事及高級管理人員的培訓及持續專業發展，本公司在遵守法律及監管規定方面的政策及常規，及本公司遵守企業管治守則的情況及在按其規定在企業管治報告內的披露情形。

董事會定期檢討其指派權力的安排，以確保有關指派安排於本公司當時的情況下屬恰當，並已實行適當的匯報制度。

董事委員會

董事會下共設審核委員會、提名委員會及薪酬委員會三個委員會，各由董事會授以特定的角色和職責。所有董事委員會須遵守的原則及程序均與董事會相同。董事會定期收到各委員會的會議紀錄，包括其決策及建議。

審核委員會

目前，審核委員會由三名獨立非執行董事組成，分別為：

劉紹基先生(主席)
李均雄先生
李天生教授

審核委員會成員由董事會從獨立非執行董事中委任，且由不少於三名成員組成。董事會認為各審核委員會成員均具備豐富商業經驗，並於法律及會計專業知識方面互相配合。審核委員會的組成及成員符合上市規則第3.21條的規定。董事會在與審核委員會主席作出商議後，向審核委員會提供充足資源，以協助它履行其職務。

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The Audit Committee has the responsibilities and powers set forth in its terms of reference. To maintain its independence, the Audit Committee is required to have at least one meeting with the external auditor without the presence of Executive Directors within a financial year. The function of the committee is to provide assistance to the Board in fulfilling its oversight responsibilities to shareholders, potential shareholders, the investment community and other stakeholders relating to:

- the integrity of accounts and financial reporting process of the Company;
- the assessment of the external auditor's qualifications and independence;
- the performance of the Company's internal audit function and the performance of the external auditor; and
- the effectiveness of the risk management and internal control systems of the Company.

The terms of reference of the Audit Committee are available on the Company's website and the Stock Exchange's website.

During the Review Period, the Audit Committee held three meetings including one meeting with the external auditor without the presence of the Executive Directors and the management. The record of attendance of individual Directors at the committee meetings is set out on page 38 of this annual report.

The following is a summary of the work performed by the Audit Committee during the Review Period:

- (i) review of the annual report and results announcement of the Company for the year ended 31 December 2018, with a recommendation to the Board for approval;
- (ii) review of the external auditor's independence and their report, with a recommendation to the Board for the re-appointment of the external auditor by the shareholders of the Company at its 2019 annual general meeting;
- (iii) review of continuing connected transactions;
- (iv) review of the interim report and results announcement of the Company for the six months ended 30 June 2019, with a recommendation to the Board for approval;

審核委員會承擔及具有其職權範圍所載的責任及權力。為保持其獨立性，審核委員會須於每個財政年度內與外聘核數師最少舉行一次沒有執行董事出席的會議。委員會的職能為向董事會提供協助，以便其履行就以下事項而須對股東、潛在股東、投資人士及其他與業務有關人士承擔的監察責任：

- 本公司賬目及財務報告程序的真實性；
- 評估外聘核數師的資格及獨立身份；
- 本公司內部審計職能的表現及外聘核數師的表現；及
- 本公司的風險管理及內部監控系統的有效性。

本公司股東可於本公司網站及聯交所網站查閱審核委員會的職權範圍。

審核委員會於回顧期間舉行了三次會議，包括與外聘核數師在執行董事及管理層不在場的情況下舉行了一次會議。個別董事出席委員會會議的記錄載於本年報第38頁的列表內。

以下為審核委員會於回顧期間所履行的工作概要：

- (i) 審閱本公司截至二零一八年十二月三十一日止年度的年報及業績公告，並建議董事會通過；
- (ii) 檢討外聘核數師的獨立性及其報告，並建議董事會向本公司股東建議於其二零一九年股東週年大會上重新委任外聘核數師；
- (iii) 審核持續關連交易；
- (iv) 審閱本公司截至二零一九年六月三十日止六個月的中期報告及中期業績公告，並建議董事會通過；

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- | | |
|---|---|
| (v) review of quarterly financial reports of the Company prepared by the Finance and Accounts Department; | (v) 審閱由財務會計部編制的本公司季度財務報告； |
| (vi) consideration of audit and non-audit services provided by the external auditor; | (vi) 考慮外聘核數師提供的審核及非審核服務； |
| (vii) review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries; | (vii) 檢討本公司及其附屬公司的風險管理及內部監控系統的成效； |
| (viii) review of periodic reports prepared by the Audit Centre; | (viii) 審閱審計中心提交的定期報告； |
| (ix) review of the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions, and their training programmes and budget; and | (ix) 檢討本公司在會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算又是否充足；及 |
| (x) review of the audit fees payable to the external auditor for the year ended 31 December 2019, with a recommendation to the Board for approval. | (x) 審閱截至二零一九年十二月三十一日止年度支付給外聘核數師的審計費用，並建議董事會批准。 |

Auditor's Remuneration

The Audit Committee has reviewed the remuneration paid/payable to Ernst & Young, the external auditor of the Company, for the following services provided during the Review Period:

核數師酬金

審核委員會已審閱就本公司之外聘核數師安永會計師事務所於回顧期間內提供以下服務本公司已付或應付的酬金：

Services Rendered 所提供服務	Remuneration Paid/Payable 已付／應付酬金
Audit services 審核服務	HK\$2,838,000
Non-audit services 非審核服務	HK\$849,000
Total: 總計：	HK\$3,687,000

The Audit Committee has expressed its views to the Board that the level of fees paid/payable to the Company's external auditor is reasonable. There has been no major disagreement between the auditor and the management of the Company during the Review Period.

審核委員會已向董事會反映意見，表示已付／應付本公司外聘核數師的費用水平屬合理。外聘核數師與本公司管理層於回顧期間內並無任何主要意見分歧。

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Nomination Committee

At present, the Nomination Committee has four members comprising one Executive Director and three Independent Non-Executive Directors, namely:

Prof. Lee T. S. (*Chairman*)
Ms. Cheng Pik Ho Liza
Mr. Lau Siu Ki
Mr. Lee Kwan Hung

The main functions of the Nomination Committee are to review the structure, size and composition of the Board, to identify individuals who are suitably qualified to become Directors, and to assess the independence of the Independent Non-Executive Directors. After considering the independence and qualifications of nominees, the Nomination Committee makes recommendations to the Board so as to ensure that all nominations are fair and transparent. The Nomination Committee is also responsible for reviewing the succession planning of Directors, in particular the Chairman and the Chief Executive Officer. The Board, after consultation with the chairman of the Nomination Committee, provides sufficient resources to the Nomination Committee to enable it to discharge its duties.

The Nomination Committee held two meetings in 2019. The record of attendance of individual Directors at the committee meeting is set out on page 38 of this annual report.

The following is a summary of the work performed by the Nomination Committee during the Review Period:

- (i) assessment of the independence of the Independent Non-Executive Directors;
- (ii) recommendation to the Board on the re-election of Directors;
- (iii) review of the existing structure, size and composition of the Board;
- (iv) recommendation to the Board on the re-appointment of Executive Directors of the Company.

提名委員會

目前，提名委員會由四名成員組成，包括一名執行董事及三名獨立非執行董事：

李天生教授(主席)
鄭碧浩女士
劉紹基先生
李均雄先生

提名委員會的主要職能為檢討董事會的架構、規模及組成，物色具備適合資格成為董事的人選及評估獨立非執行董事的獨立身份。於考慮獲提名人士的獨立身份及資格後，提名委員會向董事會作出建議，以確保所有提名均屬公平透明。提名委員會亦負責審閱董事的繼任計劃，特別是主席及行政總裁的繼任計劃。董事會在與提名委員會主席作出商議後，向提名委員會提供充足資源，以協助它履行其職務。

提名委員會於二零一九年召開了兩次會議。個別董事出席委員會會議的記錄載於本年報第38頁。

以下為提名委員會於回顧期間所履行的工作概要：

- (i) 評估獨立非執行董事的獨立身份；
- (ii) 就重選董事向董事會提出建議；
- (iii) 檢討董事會的架構、規模及組成；
- (iv) 就續聘本公司執行董事事宜向董事會提出建議。

Corporate Governance Report 企業管治報告

In evaluating and selecting any candidate for directorship, the following major criteria set out in the Company's director nomination policy had been considered by the Nomination Committee:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience relevant to the Company's business and strategy, and diversity aspects under the board diversity policy of the Company;
- requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- the overall ability to exercise good judgement and to provide valuable insights and diverse perspective to the Board.

The Nomination Committee, upon receipt of the proposal on appointment of new director and the biographical information of the candidate, had evaluated such candidate based on the criteria as set out above to determine whether such candidate was qualified for directorship and made recommendation to the Board to appoint the candidate for directorship.

With respect to the re-election of Directors at the annual general meeting, the Nomination Committee had reviewed the overall contribution and services to the Company of the retiring Directors and the level of participation and performance on the Board to determine whether the retiring Directors would continue to meet the criteria as set out above and made recommendation to the Board in respect of the proposed re-election of Directors at the general meeting. The relevant information of the retiring Directors together with the recommendation of the Board would then be disclosed in the circular accompanying the notice of the general meeting and sent to shareholders in accordance with the Listing Rules and applicable laws and regulations.

在評估及挑選候選人擔任董事時，提名委員會已考慮下列載於本公司董事提名政策的主要準則：

- 品格與誠信；
- 資格，包括專業資格、技巧、知識及與本公司業務及策略相關的經驗，以及本公司董事會成員多元化政策所提述的多元化因素；
- 根據上市規則董事會須包括獨立非執行董事的規定，以及參考上市規則內列明候選人是否被視為獨立的指引；
- 是否願意及是否能夠投放足夠時間履行身為董事會成員及擔任董事會轄下委員會的委員的職責；及
- 總體能否行使良好的判斷力，可為董事會提供有價值的見解及帶來多元觀點與角度。

提名委員會於收到委任新董事的建議及候選人的個人資料後，已依據上述準則評估該候選人，以決定該候選人是否合資格擔任董事，並就委任候選人擔任董事一事向董事會提出建議。

至於在股東大會上重選董事，提名委員會已檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現以確定退任董事是否仍然符合上述準則，並就在股東大會上建議重選董事一事向董事會提出建議。有關退任董事的資料連同董事會的建議將於隨附股東大會通告的通函內披露，並根據上市規則及適用法律及法規寄發予股東。

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As a good corporate governance practice, Nomination Committee member (being also the Independent Non-Executive Director) abstained from assessing his own independence and re-appointment.

The terms of reference of the Nomination Committee are available on the Company's website and the Stock Exchange's website.

Remuneration Committee

At present, the Remuneration Committee has four members comprising one Executive Director and three Independent Non-Executive Directors, namely:

Mr. Lee Kwan Hung (*Chairman*)
Ms. Cheng Pik Ho Liza
Mr. Lau Siu Ki
Prof. Lee T. S.

The main functions of the Remuneration Committee are to assist the Board in establishing a formal and transparent procedure for setting policy on Directors' and senior management's remuneration and to make recommendation to the Board on the packages (which include benefits in kind, pension rights and compensation payments) of individual Executive Directors and senior management (i.e. the model described in code provision B.1.2(c)(ii) of the CG Code was adopted) as well as on the remuneration of Non-Executive Directors. The Board, after consultation with the chairman of the Remuneration Committee, provides sufficient resources to the Remuneration Committee to enable it to discharge its duties.

In recommending the remuneration of the Directors, the Remuneration Committee makes reference to companies of comparable business or scale, and the nature and volume of work in order to compensate the Directors reasonably for their time and efforts spent. The Remuneration Committee regularly reviews and makes recommendations to the Board on the remuneration of Directors and senior management.

The Remuneration Committee held two meetings in 2019. The record of attendance of individual Directors at the committee meetings is set out on page 38 of this annual report.

為奉行良好的企業管治常規，提名委員會成員（亦為獨立非執行董事）皆沒有參與有關其獨立性及連任的評估。

本公司股東可於本公司網站及聯交所網站查閱提名委員會的職權範圍。

薪酬委員會

目前，薪酬委員會由四名成員組成，包括一名執行董事及三名獨立非執行董事，分別為：

李均雄先生(主席)
鄭碧浩女士
劉紹基先生
李天生教授

薪酬委員會的主要職能為協助董事會訂立一套正式的並具透明度的程序，以制定董事及高級管理人員的薪酬政策，及向董事會建議個別執行董事及高級管理人員的薪酬待遇（包括非金錢利益、退休金權利及賠償金額（亦即採納了企業管治守則條文B.1.2(c)(ii)條所述的模式），並就非執行董事的薪酬向董事會提出建議。董事會在與薪酬委員會主席作出商議後，向薪酬委員會提供充足資源，以協助它履行其職務。

就董事薪酬作出建議時，薪酬委員會參考業務或規模類同的公司所支付的薪酬，以及其工作性質及工作量，以就董事所付出的時間及努力向彼等提供合理薪酬。薪酬委員會定期檢討董事及高級管理層的薪酬及就此向董事會提出建議。

薪酬委員會於二零一九年召開了兩次會議。個別董事出席委員會會議的記錄載於本年報第38頁。

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The following is a summary of the work performed by the Remuneration Committee during the Review Period:

- (i) review of the salary proposal for 2019 of Executive Directors and staff in Mainland China and Hong Kong, with a recommendation to the Board for approval;
- (ii) recommendation to the Board on the payment of discretionary bonuses to the Executive Directors and staff in respect of the final results of the Company for the year ended 31 December 2018 and the interim results of the Company for the six months ended 30 June 2019;
- (iii) review of the new service agreements between the Company and Executive Directors of the Company, with a recommendation to the Board for approval; and
- (iv) recommendation to the Board on the payment of director's fees to Independent Non-executive Directors.

As a good corporate governance practice, Remuneration Committee member (being also the Independent Non-Executive Director) had not involved in reviewing his own director's fees.

The terms of reference of the Remuneration Committee are available on the Company's website and the Stock Exchange's website.

Pursuant to code provision B.1.5 of the CG Code, details of the annual remuneration of the members of the senior management by band for the year ended 31 December 2019 is as follows:

以下為薪酬委員會於回顧期間所履行的工作概要：

- (i) 審閱執行董事及中國內地與香港員工的二零一九年薪酬方案，並建議董事會批准；
- (ii) 就本公司截至二零一八年十二月三十一日止之終期業績及二零一九年六月三十日止六個月之中期業績支付酌情花紅予執行董事及員工向董事會提出建議；
- (iii) 審閱本公司與本公司執行董事訂立的新服務協議，並建議董事會通過；及
- (iv) 就支付獨立非執行董事的董事袍金向董事會提出建議。

為奉行良好的企業管治常規，薪酬委員會成員（亦為獨立非執行董事）皆沒有參與檢討其個人董事袍金。

本公司股東可於本公司網站及聯交所網站查閱薪酬委員會的職權範圍。

根據企業管治守則守則條文第B.1.5條，高級管理層成員於截至二零一九年十二月三十一日止年度之薪酬區間詳情如下：

		Number of employees 僱員人數
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	2
		2

Details of the remuneration of each director for the year ended 31 December 2019 are set out in note 10 to the financial statements.

於截至二零一九年十二月三十一日止年度有關各董事薪酬的詳情載於財務報表附註10。

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FINANCIAL REPORTING

The Board acknowledges its responsibility for the preparation of the financial statements for each financial period, which shall give a true and fair view of the state of affairs of the Company. During the Review Period, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

All the Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019.

The statement of the external auditor of the Company about the auditor's reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 65 to 72 of this annual report.

The Company announces its interim and annual results as soon as reasonably practicable after the end of the relevant financial period and the financial year respectively pursuant to the requirements of the Listing Rules, disclosing all such information as would enable the Company's shareholders to assess the performance, financial position and prospects of the Company.

DIVIDEND POLICY

The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the articles of association of the Company and all applicable laws and regulations. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Company has no fixed dividend pay-out ratio. The Board considers that, in general, the amount of dividends to be declared will depend on the Group's financial results, cash position, capital requirements, business conditions and strategies, and other factors as may be considered relevant at such time by the Board.

財務報告

董事會知悉其編製各財務期間財務報表的責任，該等財務報表應真實及公平地反映本公司的財務狀況。於回顧期間，董事會並不知悉任何重大不明確因素，與可能對本公司繼續經營能力構成重大疑問的事件或情況相關。因此，董事會已按持續經營基準編製本公司的財務報表。

全體董事知悉其編製本公司截至二零一九年十二月三十一日止年度財務報表的責任。

本公司外聘核數師就本集團財務報表所作之申報責任列載於本年報第65至72頁之獨立核數師報告內。

本公司按上市規則規定分別於有關財政期間及財政年度完結後在實際合理情況下儘快公佈其中期及年度業績，披露所有有關資料，以便本公司股東可評估本公司的表現、財務狀況及前景。

股息政策

根據本公司組織章程細則及所有適用法規，董事會有權宣派及分發股息予本公司股東。在建議或宣派股息時，本公司應維持足夠現金儲備，以應付其資金需求、未來增長以及其股權價值。本公司並無預設的派息比率。董事會認為，一般而言，本公司宣派的股息金額將視乎本集團的財務業績、現金狀況、資本需求、業務狀況及策略，以及董事於其時認為有關的其他因素。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for establishing and maintaining appropriate risk management and internal control systems of the Group and reviewing their effectiveness. Risk management and internal control systems are designed 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. The Group has established comprehensive policies and procedures in areas of operational, financial and risk controls.

The Group has an internal audit function. The Audit Centre of the Group conducts reviews of the effectiveness of the Group's risk management and internal control systems. It carries out the financial, operational, project management and information security control reviews according to the yearly plan reviewed and endorsed by the Audit Committee. In addition to the agreed schedule of work, the Audit Centre conducts other reviews and work as and when required. The management, in coordination with the Audit Centre, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress. Findings and recommendations are reported regularly to members of the Audit Committee and the Board.

During the Review Period, the management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems and the Board had conducted a review of its risk management and internal control systems of the Group under code provision C.2.1 and considered them effective and adequate without the occurrence of any significant failure.

The Audit Centre of the Group continued to provide independent assurance to the Board and management on the adequacy and effectiveness of the risk management and internal control systems for the Group during the Review Period. The Group Internal Audit Director reports functionally to the Audit Committee and administratively to the Chief Executive Officer.

The Board undertakes to periodically review the risk management and internal control systems of the Group to ensure their effectiveness and efficiency.

風險管理及內部監控

董事會負責設立及維持合適本集團的風險管理及內部監控系統並檢討其功效。風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。本集團已制定完善的政策及程序，範圍包括營運監控、財務及風險監控。

本集團已設有內部審核功能。本集團的審計中心就本集團的風險管理及內部監控系統是否有效進行檢討。該中心根據經審核委員會審閱及認可的年度計劃執行財務、運作、項目管理上的控制及信息安全控制的審查工作。除執行既定的工作外，審計中心亦會按需要而執行其他的審查及工作。管理層與審計中心協同評估風險發生之可能性、提供處理方案及監測風險管理進展情況。審核委員會及董事會成員均定期收到有關發現及建議。

於回顧期間，管理層已向董事會及審核委員會確認風險管理及內部監控系統之有效性，董事會亦已遵照守則條文第C.2.1條檢討本集團風險管理及內部監控系統並認為該等系統有效及足夠，且並無任何重大失誤的情況出現。

本集團的審計中心於回顧期間繼續向董事會及管理層就本集團的風險管理及內部監控措施是否充足有效提供獨立的保證。集團內部審計總監在職能上向審核委員會匯報，而行政上則向行政總裁匯報。

董事會承諾定期檢討本集團的風險管理及內部監控及制度，以確保其效能及效率。

Corporate Governance Report

企業管治報告

The Board reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions, and their training programmes and budget during the Review Period and considered that the Group had adequate staff resources with the competence, qualifications and experience necessary for the effective performance of its accounting, internal audit and financial reporting functions.

A whistleblowing policy has been formulated with a view to providing a mechanism for employees of the Group to raise concerns about the possible improprieties in financial reporting, internal control or other matters. Internal procedures are put in place whereby employees of the Group can report possible risks and inside information identified in daily operation to the Board. Furthermore, the Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

COMPANY SECRETARY

Ms. So Ka Man of Tricor Services Limited, external service provider, has been engaged by the Company as its Company Secretary. The primary contact person at the Company, whom Ms. So can contact, is Ms. Law Yuk Ying, the Group Financial Controller of the Company.

During the Review Period, Ms. So has taken no less than 15 hours of relevant professional training to update her skills and knowledge.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company has engaged a professional public relations consultancy company to organise various investor relations programs (including regular briefing meetings with the media and analysts) aiming at increasing the transparency of the Company, enhancing communication with shareholders and investors, increasing their understanding of and confidence in the Group's businesses and promoting market recognition of and support to the Company.

董事會於回顧期間內亦已檢討了本公司在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算，並認為本集團具備足夠的人力資源，而有關員工均具有適當的能力、專業資格及工作經驗，以有效履行其會計、內部審核和財務報告方面的功能。

本集團的僱員可以根據已制定之舉報管理規定就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注，此外亦可按已制定的內部程序就日常業務運作出現的潛在風險及懷疑內幕消息向董事會匯報。此外，本公司已制定其披露政策，為本公司董事、高級職員、高級管理層及相關員工在處理機密信息、監控信息披露及回應查詢時提供指引。

公司秘書

本公司委聘外部服務供應商卓佳專業商務有限公司的蘇嘉敏女士為公司秘書。蘇女士於本公司的主要聯絡人為本公司之集團財務總監羅玉英女士。

於回顧期間，蘇女士已接受不少於15個小時相關專業培訓以更新其技能及知識。

投資者關係及與股東的溝通

本公司一直委聘一間專業公關顧問公司籌辦多項投資者關係活動(包括定期與媒體及分析員舉行簡報會)，旨在提高本公司之透明度、加強與股東及投資者的溝通，以及加深他們對本集團業務的了解及信心，務求提升本公司的市場知名度及支持率。

Corporate Governance Report

企業管治報告

The Company recognises the importance of maintaining on-going communications with its shareholders and encourages them to attend shareholders' meetings to stay informed of the Group's businesses and convey any concerns they may have to the Directors and senior management.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting of the Company by Shareholders

In accordance with Article 64 of the articles of association of the Company, an extraordinary general meeting can be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition.

Procedures for Sending Enquiries to the Board

Enquiries by shareholders to be put to the Board can be sent in writing to the Company's Company Secretarial Department at the principal place of business in Hong Kong.

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the Company's registered shareholders can contact the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited. For other enquires or requests, the Company's investors can contact iPR Ogilvy Limited, the Company's investor relations consultancy company. Detailed contact information is available on the Company's website at www.embrygroup.com.

本公司認同持續與其股東保持溝通的重要性，並鼓勵他們出席股東大會，以了解本集團的業務及向董事及管理層反映他們關注的事項。

股東權利

股東召開本公司股東特別大會的方法

根據本公司組織章程細則第64條，股東特別大會可於一名或多名於遞呈要求當日持有不少於本公司有權於股東大會上投票的繳足股本十分之一的股東要求時召開。該項要求須以書面形式向董事或公司秘書提呈，以供董事會就該項要求所指定的任何業務交易要求召開股東特別大會。

向董事會發出查詢的程序

股東對董事會的查詢請以書面形式，寄送本公司位於香港的主要營業地點公司秘書部。

至於有關股份註冊事宜，例如股份過戶及登記、轉名或更改住址、遺失股票或股息單，本公司登記股東請聯絡本公司於香港的股份過戶登記分處卓佳證券登記有限公司。若有其他查詢或要求，本公司投資者可與本公司的投資者關係顧問公司iPR奧美公關聯絡。詳細的聯絡方法可於本公司網站www.embrygroup.com查閱。

Corporate Governance Report

企業管治報告

Procedures for Making Proposals at Shareholders' Meetings

If a shareholder of the Company wishes to nominate a person to stand for election as a Director, the following documents must be validly sent to the Company's principal place of business in Hong Kong or the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, namely (i) his/her notice of intention to propose a resolution at the general meeting; and (ii) a notice executed by the nominated candidate of the candidate's willingness to be appointed. The period for lodgment of the notices of (i) and (ii) above will commence no earlier than the day after the despatch of the notice of the general meeting and end no later than seven days prior to the date of such meeting.

To put forward proposals other than the above at a general meeting, shareholders of the Company should submit a written notice of those proposals with their detailed contact information to the Company Secretary at the Company's principal place of business in Hong Kong. The notice period to be given to all the shareholders for consideration of the proposal raised by the shareholders concerned at general meetings varies according to the nature of the proposal.

During the Review Period, the Company has not made any changes to its articles of association. An up-to-date version of the articles of association of the Company is available on the websites of the Company and the Stock Exchange. Shareholders may refer to the articles of association for further details of the rights of shareholders.

於股東大會作出提案之程序

本公司股東若擬提名個別人士參選本公司董事，須向本公司在香港的主要營業地點或股份過戶登記分處有效送達下述文件：(i)該股東擬在股東大會上提出決議案的意向通知；及(ii)獲提名之候選人簽署表示願意接受委任的通知。提交上述第(i)及(ii)項通知的期間，由本公司就發送會議通知之後開始計算，而該期限不得遲於會議舉行日期之前七天結束。

擬在股東大會上提出上述以外的提案，本公司股東須以書面提交該等提案，連同詳細聯絡資料，送交本公司在香港之主要營業地點予公司秘書。就有關股東提出於股東大會考慮之提案而向全體股東發出通告之通知期因應提案之性質而有所不同。

於回顧期間，本公司並無對其組織章程作出任何變動。本公司組織章程的最新版本可在本公司及聯交所的網站查閱。股東亦可參考組織章程以取得有關股東權利的詳情。

Report of the Directors 董事會報告

The directors present their report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2019.

Principal Activities

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 37 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Results and Dividends

The Group's profit for the year ended 31 December 2019 and the Group's financial position at that date are set out in the financial statements on pages 73 to 172.

An interim dividend of HK2.0 cents per ordinary share was paid on 3 October 2019. The directors recommend the payment a final dividend of HK3.0 cents per ordinary share in respect of the year to shareholders on the register of members on 4 June 2020. Details of dividends are set out in note 14 to the financial statements.

Summary Financial Information

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements is set out below.

Results

董事提呈其報告及本公司及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。附屬公司的主要業務詳情載於財務報表附註37。本集團的主要業務性質於本年內並無出現重大變動。

業績及股息

本集團於截至二零一九年十二月三十一日止年度的溢利及本集團於該日期的財務狀況載於第73頁至第172頁的財務報表內。

每股普通股2.0港仙的中期股息已於二零一九年十月三日派付。董事建議就本年度向於二零二零年六月四日在股東名冊內的股東派付每股普通股3.0港仙的末期股息。股息詳情載於財務報表附註14內。

財務資料概要

以下是本集團截至最近五個財政年度之業績及資產及負債概要及摘錄刊發經審核綜合財務報表載列如下。

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
REVENUE	收益	2,266,867	2,451,874	2,339,524	2,216,082	2,535,818
PROFIT BEFORE TAX	除稅前溢利	125,275	227,076	675,459	158,447	298,588
INCOME TAX EXPENSE	所得稅開支	(44,953)	(75,911)	(180,160)	(60,045)	(97,014)
PROFIT FOR THE YEAR	年度溢利	80,322	151,165	495,299	98,402	201,574
Attributable to:	以下人士應佔：					
Owners of the Company	本公司擁有人	80,322	151,165	495,299	98,402	201,574

Report of the Directors

董事會報告

Summary Financial Information (continued)

Assets and Liabilities

財務資料概要(續)

資產及負債

		As at 31 December 於十二月三十一日				
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
TOTAL ASSETS	資產總值	3,504,496	3,290,251	3,249,851	2,495,379	2,508,835
TOTAL LIABILITIES	負債總值	(1,155,221)	(958,532)	(882,741)	(775,892)	(718,012)
		2,349,275	2,331,719	2,367,110	1,719,487	1,790,823

The above summary does not form part of the audited financial statements.

上述概要並不構成經審核財務報表的一部分。

Share Capital

Details of movements in the Company's share capital during the year are set out in note 29 to the financial statements.

股本

本公司於本年度的股本變動詳情載於財務報表附註29。

Pre-emptive Rights

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

優先購買權

根據本公司組織章程細則或開曼群島法例，概無有關優先購買權的條文規定本公司按比例向現有股東提呈新股份。

Purchase, Redemption or Sale of Listed Securities of the Company

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

購買、贖回或出售本公司上市證券

本公司及其任何附屬公司於本年度概無購買、贖回或出售本公司的上市證券。

Distributable Reserves

At 31 December 2019, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to HK\$955,037,000, of which HK\$12,672,000 has been proposed as final dividend for the year after the reporting period. The amount of HK\$955,037,000, includes the Company's share premium and contributed surplus of HK\$767,760,000 in aggregate at 31 December 2019, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

可供分派儲備

於二零一九年十二月三十一日，本公司根據開曼群島公司法第22章(一九六一年法例三，經綜合及修訂)計算的可供分派儲備為955,037,000港元，其中12,672,000港元已於報告期間結算日後建議作為本年度的末期股息。為數955,037,000港元的金額包括本公司於二零一九年十二月三十一日的股份溢價及實繳盈餘合共767,760,000港元，倘緊隨建議分派股息當日後本公司有能力於日常業務過程中償付到期債務，則可能分派有關金額。

Report of the Directors 董事會報告

Charitable Contributions

During the year, the Group made charitable contributions totalling HK\$5,324,000.

Major Customers and Suppliers

In the year under review, sales to the Group's five largest customers and purchases from the Group's five largest suppliers accounted for less than 30% of the total sales and purchases for the year, respectively.

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

Directors

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

Executive Directors

Mr. Cheng Man Tai (*Chairman*)
Ms. Cheng Pik Ho Liza (*Chief Executive Officer*)
Madam Ngok Ming Chu
Mr. Cheng Chuen Chuen
Ms. Lu Qun

Independent Non-Executive Directors

Mr. Lau Siu Ki
Mr. Lee Kwan Hung
Prof. Lee T. S.

In accordance with article 108 of the Company's articles of association, Mr. Cheng Chuen Chuen, Ms. Lu Qun and Prof. Lee T.S. will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting ("AGM").

The Company has received annual confirmations of independence from Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S. pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), and as at the date of this report, still considers them to be independent.

慈善捐款

於年內，本集團合共捐出5,324,000港元的善款。

主要客戶及供應商

於回顧年度，本集團向五大客戶進行的銷售額及本集團向五大供應商進行的採購額分別佔少於年內總銷售額及採購額的30%。

本公司董事或彼等任何聯繫人士或任何股東(就董事所知擁有本公司已發行股本5%以上)概無擁有本集團五大客戶或供應商的任何實際權益。

董事

於年內及截至本報告日本公司董事如下：

執行董事

鄭敏泰先生(主席)
鄭碧浩女士(行政總裁)
岳明珠女士
鄭傳全先生
鹿群女士

獨立非執行董事

劉紹基先生
李均雄先生
李天生教授

根據本公司組織章程細則第108條，鄭傳全先生、鹿群女士和李天生教授將於應屆股東週年大會(「股東週年大會」)上輪值告退，惟彼等符合資格應選連任。

本公司已接獲劉紹基先生、李均雄先生及李天生教授根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第3.13條發出的獨立身份年度確認書，並認為彼等於本報告日期仍屬獨立人士。

Report of the Directors

董事會報告

Directors' and Senior Management's Biographies

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 28 to 33 of the annual report.

Permitted Indemnity Provision

Pursuant to the Company's articles of association, subject to the applicable laws, every director of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of his/her office. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Company.

Directors' Service Contracts

Mr. Cheng Man Tai, Ms. Cheng Pik Ho Liza, Madam Ngok Ming Chu, Mr. Cheng Chuen Chuen and Ms. Lu Qun, have each entered into a service agreement with the Company for a term of two years commencing on 23 August 2018, 1 December 2019, 25 March 2020, 22 September 2019 and 2 February 2019, respectively.

Each of the independent non-executive directors has been appointed for a term of two years commencing on 25 November 2018.

Under the service agreement, after each complete year of service, the remuneration payable to each of the executive directors may, subject to the discretion of the Company's board of directors, be increased by not more than 10% and the executive directors are entitled to a discretionary management bonus provided that the total amount of bonuses payable to all the executive directors for that year shall not exceed 8% of the audited consolidated profit after tax of the Group.

Apart from the foregoing, no director proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事及高級管理層履歷

本公司董事及本集團高級管理層的履歷詳情載於本年報第28頁至第33頁。

允許彌償條文

根據本公司的組織章程細則，在符合適用之法律之規定下，每名董事均可從本公司之資產獲得彌償，就彼等執行其職務而作出、同意或忽略的任何行為或有關執行其職務而可能產生或蒙受之所有訴訟、費用、收費、損失、損害及開支，可獲確保免受任何損害。本公司已就本公司之董事可能面對任何訴訟時產生的責任和相關費用購買保險。

董事服務合約

鄭敏泰先生、鄭碧浩女士、岳明珠女士、鄭傳全先生及鹿群女士已分別與本公司訂立服務協議，分別由二零一八年八月二十三日、二零一九年十二月一日、二零二零年三月二十五日、二零一九年九月二十二日及二零一九年二月二日起計為期兩年。

各獨立非執行董事之任期由二零一八年十一月二十五日起計獲委任兩年。

根據服務協議，每次於服務滿完整一年後，支付各執行董事的薪酬可按本公司董事會酌情決定增加不多於10%，而執行董事亦可收取酌情管理花紅，惟於該年度支付全體執行董事的花紅總額不得多於本集團除稅後經審核綜合溢利的8%。

除上述各項外，建議於應屆股東週年大會上應選連任的董事概無與本公司訂立本公司於一年內終止而須作出賠償(法定賠償除外)的服務合約。

Report of the Directors 董事會報告

Emolument Policy and Directors' Remuneration

The Group's emolument policy is formulated based on the performance of individual employees and is reviewed regularly. Subject to the Group's profitability, the Group may also provide discretionary bonuses to its employees as an incentive for their contribution to the Group. The primary goal of the emolument policy with regard to the remuneration packages of the Group's executive directors is to enable the Group to retain and motivate executive directors by linking their compensation with performance as measured against corporate objectives achieved.

The principal elements of the Group's remuneration packages include basic salaries, discretionary bonuses and housing benefits.

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

Directors' Interests in Transactions, Arrangements or Contracts

Save for transactions as disclosed in note 13 to the financial statements, no director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year.

酬金政策及董事酬金

本集團的酬金政策乃根據個別僱員的表現制定，並會定期進行檢討。視乎本集團的盈利能力而定，本集團亦可向其僱員提供酌情花紅，作為彼等對本集團作出貢獻的獎勵。本集團執行董事酬金組合的酬金政策主要旨在透過將執行董事的薪酬與其按所達到公司目標計量的表現掛鉤，讓本集團可挽留及激勵執行董事。

本集團酬金組合的主要部份包括基本薪金、酌情花紅及住屋福利。

董事袍金須於股東大會上獲得股東批准，其他酬金則由本公司董事會參照董事的職務、職責及表現以及本集團業績而釐定。

董事於交易、安排或合約的權益

除財務報表附註13所披露的交易外，董事或其關聯實體於年內概無於由本公司，其控股公司或其任何附屬公司訂立且對本集團業務而言屬重大的任何交易、安排或合約中直接或間接擁有重大權益。

Report of the Directors 董事會報告

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

At 31 December 2019, the interests and short positions of the directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

董事及行政總裁於股份及相關股份的權益及淡倉

於二零一九年十二月三十一日，董事及行政總裁於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)股本及相關股份中擁有須記入本公司根據證券及期貨條例第352條存置的登記冊內的權益及淡倉，或須根據上市發行人董事進行證券交易的標準守則(「標準守則」)通知本公司及聯交所的權益及淡倉如下：

於本公司普通股的好倉：

Name of director 董事姓名	Capacity and nature of interest 身份及權益性質	Number of shares held 所持股份數目	Percentage of the Company's issued share capital 佔本公司已發行股本的百分比
Mr. Cheng Man Tai 鄭敏泰先生	Interest of controlled corporations 受控制公司權益	249,137,574 (Note 1) (附註1)	58.98
	Beneficial owner 實益擁有人	2,983,688	0.71
	Interest of spouse 配偶權益	2,334,369 (Note 2) (附註2)	0.55
Madam Ngok Ming Chu 岳明珠女士	Interest of controlled corporations 受控制公司權益	249,137,574 (Note 1) (附註1)	58.98
	Beneficial owner 實益擁有人	2,334,369	0.55
	Interest of spouse 配偶權益	2,983,688 (Note 2) (附註2)	0.71
Ms. Cheng Pik Ho Liza 鄭碧浩女士	Beneficial owner 實益擁有人	26,990,478	6.39
Mr. Cheng Chuen Chuen 鄭傳全先生	Beneficial owner 實益擁有人	513,793	0.12
Ms. Lu Qun 鹿群女士	Beneficial owner 實益擁有人	1,024,057	0.24
Mr. Lau Siu Ki 劉紹基先生	Beneficial owner 實益擁有人	768,000	0.18
Mr. Lee Kwan Hung 李均雄先生	Beneficial owner 實益擁有人	522,000	0.12
Prof. Lee T. S. 李天生教授	Beneficial owner 實益擁有人	604,000	0.14

Report of the Directors

董事會報告

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

(continued)

Notes:

1. These shares are held as to 247,848,510 shares by Harmonious World Limited ("Harmonious World") and as to 1,289,064 shares by Fairmout Investments Limited ("Fairmout Investments"). Harmonious World is owned as to 59.09% by Mr. Cheng Man Tai and as to 40.91% by Madam Ngok Ming Chu. Fairmout Investments is owned as to 50% by Mr. Cheng Man Tai and as to 50% by Madam Ngok Ming Chu.

2. Madam Ngok Ming Chu is the spouse of Mr. Cheng Man Tai.

Long positions in ordinary shares of an associated corporation:

Name of director	Name of associated corporation	Relationship with the Company	Number of shares	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
董事姓名	相聯法團名稱	與本公司的關係	股份數目	身份及權益性質	佔相聯法團已發行股本的百分比
Mr. Cheng Man Tai 鄭敏泰先生	Harmonious World	Ultimate holding company 最終控股公司	57.91 shares of US\$1 each 57.91 股每股面值 1 美元的股份	Beneficial owner 實益擁有人	59.09
Madam Ngok Ming Chu 岳明珠女士	Harmonious World	Ultimate holding company 最終控股公司	40.09 shares of US\$1 each 40.09 股每股面值 1 美元的股份	Beneficial owner 實益擁有人	40.91

Save as disclosed above, as at 31 December 2019, none of the directors and chief executive of the Company had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares or Debentures

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

董事及行政總裁於股份及相關股份的權益及淡倉 (續)

附註：

1. 該等股份分別由 Harmonious World Limited (「Harmonious World」) 及 Fairmout Investments Limited (「Fairmout Investments」) 持有其 247,848,510 股股份及 1,289,064 股股份。Harmonious World 分別由鄭敏泰先生及岳明珠女士擁有其 59.09% 及 40.91% 權益。Fairmout Investments 分別由鄭敏泰先生及岳明珠女士擁有其 50% 及 50% 權益。

2. 岳明珠女士為鄭敏泰先生之配偶。

於相聯法團普通股的好倉：

除上文披露者外，於二零一九年十二月三十一日，概無本公司董事及行政總裁於本公司或其任何相聯法團的股份或相關股份中擁有根據證券及期貨條例第352條須記入登記冊內的權益及淡倉，或根據標準守則須通知本公司及聯交所的權益及淡倉。

董事購買股份或債券的權利

任何董事或彼等各自的配偶或未滿十八歲子女概無於年內任何時間獲授權利以透過購買本公司股份或債券而獲益，彼等亦無行使該等權利，本公司、其控股公司或其任何附屬公司亦無訂立任何安排致使董事可收購任何其他法人團體的該等權利。

Report of the Directors

董事會報告

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

At 31 December 2019, the following interests of 5% or more of the issued share capital of the Company (other than the interests of the directors of the Company as disclosed above) were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in ordinary shares of the Company:

主要股東及其他人士於股份及相關股份的權益

於二零一九年十二月三十一日，以下人士(上文所披露之本公司董事權益除外)於本公司已發行股本中擁有5%或以上須記入本公司根據證券及期貨條例第336條存置的登記冊內的權益：

於本公司普通股的好倉：

Name	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital 佔本公司已發行股本的百分比
姓名	身份及權益性質	所持股份數目	
Harmonious World	Beneficial owner 實益擁有人	247,848,510 (Note 1) (附註1)	58.67
Pandanus Associates Inc.	Interest of controlled corporations 受控制公司權益	50,262,000 (Note 2) (附註2)	11.90
Pandanus Partners L.P.	Interest of controlled corporations 受控制公司權益	50,262,000 (Note 2) (附註2)	11.90
FIL Limited	Interest of controlled corporations 受控制公司權益	50,262,000 (Note 2) (附註2)	11.90
Sinowide Investments Limited	Beneficial owner 實益擁有人	30,000,000	7.10

Notes:

附註：

- The relationship between Harmonious World, Mr. Cheng Man Tai and Madam Ngok Ming Chu is disclosed under the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above.
- Pandanus Associates Inc. is a general partner of Pandanus Partners L.P. who in turn owns or controls one-third or more of voting rights in FIL Limited.
- Harmonious World、鄭敏泰先生及岳明珠女士之間的關係披露於上文「董事及行政總裁於股份及相關股份的權益及淡倉」項下。
- Pandanus Associates Inc. 為 Pandanus Partners L.P. 的普通合夥人，後者擁有或控制 FIL Limited 三分之一或以上的投票權。

Save as disclosed above, as at 31 December 2019, no person, other than the directors of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

除上文披露者外，於二零一九年十二月三十一日，概無人士(權益載於上文「董事及行政總裁於股份及相關股份的權益及淡倉」一節的本公司董事除外)於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記錄的權益或淡倉。

Report of the Directors

董事會報告

Sufficiency of Public Float

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

Continuing Connected Transactions

During the year, the Group had the following continuing connected transactions, details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

(1) Purchase of furniture and decoration services

On 22 December 2017, the services agreement which was entered into between the Company, certain subsidiaries of the Group and the related companies in relation to the purchase of furniture and services of decoration for counters and shops as well as different types of moulds (the "Services") on 22 December 2014 had been further renewed for another term of three years commencing on 1 January 2018 after the expiry of the third term (the "Existing Services Agreement"). The related companies are controlled by an executive director of the Company. Further details were disclosed in the Company's announcement dated 22 December 2017.

On 7 September 2018, another services agreement was entered into between the Company, certain subsidiaries of the Group and a related company in relation to the Services from a related company controlled by close family members of the above executive director of the Company (the "New Services Agreement"). The annual cap amounts for the transactions contemplated under the New Services Agreement for each of the three years ending 31 December 2020 shall be shared with that of the Existing Services Agreement. Further details were disclosed in the Company's announcement dated 7 September 2018.

The continuing connected transactions contemplated under the above services agreements would only be subject to the reporting, annual review and announcement requirements and are exempt from the independent shareholders' approval requirement under the Listing Rules.

(2) Lease of warehouse

A subsidiary of the Company has been leasing a warehouse in Hong Kong from an executive director of the Company. The continuing connected transaction under the tenancy agreement constitutes a de minimis transaction under the Listing Rules and is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

充足公眾持股量

根據本公司所獲得的公開資料，以及就董事所知，於本報告日期，本公司已發行股份總額中至少 25% 由公眾人士持有。

持續關連交易

於年內，本集團進行了以下持續關連交易，該等交易的詳情根據上市規則第 14A 章的規定於此披露。

(1) 採購傢俬及裝修服務

於二零一七年十二月二十二日，本公司及本集團若干附屬公司與關連公司於二零一四年十二月二十二日訂立關於購買傢俬及裝修服務以及各類型模具（「該等服務」）的服務協議於第三期屆滿後已再度續期，自二零一八年一月一日起計為期三年（「現有服務協議」）。該關連公司目前由本公司一名執行董事所控制。進一步詳情於本公司日期為二零一七年十二月二十二日的公告中披露。

於二零一八年九月七日，本公司及本集團若干附屬公司與一間由上述本公司執行董事的親屬所控制的關連公司訂立另一項與該等服務相關的服務協議（「新服務協議」）。新服務協議項下擬進行之交易將與現有服務協議項下擬進行者共享截至二零二零年十二月三十一日止年度各年之年度上限金額。進一步詳情於本公司日期為二零一八年九月七日的公告中披露。

根據上述服務協議擬進行的持續關連交易，只需遵守上市規則下的申報、年度審核及公告的規定，並可獲豁免遵守獨立股東批准的規定。

(2) 租賃倉庫

本公司一間附屬公司已向本公司一名執行董事租賃位於香港的一個倉庫。根據租賃協議擬進行的持續關連交易構成上市規則下符合最低豁免水平的交易，可獲豁免遵守上市規則下的申報、年度審核、公告及獨立股東批准的規定。

Report of the Directors 董事會報告

Continuing Connected Transactions (continued)

Details of the above continuing connected transactions of the Group are set out in note 13(a) to the financial statements.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive directors have reviewed the continuing connected transactions disclosed in (1) above and confirmed that the continuing connected transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The total amount in respect of the continuing connected transactions disclosed in (1) above during the year under review has not exceeded the annual cap for the transactions.

In respect of the continuing connected transactions disclosed above, the directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year under review.

The Company has also received a letter from Ernst & Young, the Company's auditor, to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued the letter containing their findings and conclusions in respect of the continuing connected transactions disclosed in (1) above in accordance with Rule 14A.56 of the Listing Rules confirming that nothing has come to their attention that causes them to believe the continuing connected transactions:

- (i) have not been approved by the Company's board of directors;

持續關連交易 (續)

上述本集團持續關連交易的詳情載於財務報表附註13(a)。

獨立非執行董事已根據上市規則第14A.55條審閱上文第(1)項披露的持續關連交易，並確認該等持續關連交易：

- (i) 於本集團日常過程及一般業務過程中訂立；
- (ii) 按一般商業條款或更佳的條款訂立；及
- (iii) 根據監管該等持續關連交易的協議按公平合理及合乎本公司整體股東利益的條款訂立。

上文第(1)項披露的持續關連交易於回顧年度的總金額並無超過有關交易的年度上限。

董事確認本公司於回顧年度已就上文披露的持續關連交易遵守上市規則第14A章所載的披露規定。

本公司已接獲本公司核數師安永會計師事務所的函件，遵照香港會計師公會發出的《香港審驗應聘服務準則3000》的「歷史財務資料審計或審閱以外的審驗應聘」並參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」而對本集團持續關連交易作出匯報。安永會計師事務所已根據上市規則第14A.56條就上文第(1)項披露的本集團持續關連交易發出載有其發現和結論的函件，確認未有注意到任何事情，可使彼等認為有關持續關連交易：

- (i) 未獲本公司董事會批准；

Report of the Directors

董事會報告

Continuing Connected Transactions (continued)

- (ii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (iii) have exceeded the maximum aggregate annual cap disclosed in previous announcement of the Company.

Business Review

The business review of the Group for the year ended 31 December 2019 is provided in the sections “Financial Highlights”, “Chairman’s Statement”, and “Management Discussion and Analysis” set out on page 3, pages 8 to 11, and pages 13 to 23, respectively of this Annual Report. For environmental policies and performance, compliance with the relevant laws and regulations, and a description of relationships with key stakeholders, please refer to the “Environmental, Social and Governance Report” which will be available on the websites of the Company and Hong Kong Exchanges and Clearing Limited together with this Annual Report.

Auditor

Ernst & Young retire and a resolution for the re-appointment as auditor of the Company will be proposed at the AGM.

On behalf of the Board

Cheng Man Tai
Chairman

Hong Kong, 31 March 2020

持續關連交易 (續)

- (ii) 在各重大方面未有根據監管該等交易的有關協議訂立；及
- (iii) 超逾本公司以前公告所披露的最高年度上限總額。

業務回顧

本集團於截至二零一九年十二月三十一日止年度之業務回顧列載於本年報第3頁之「財務摘要」、第8至11頁之「主席報告書」及第13至23頁之「管理層討論及分析」內。關於環境政策及表現，相關法律法規之遵守情況，以及與重要利益相關者之關係說明，請參閱本年報之「環境、社會及管治報告」，該報告將連同本年報一併載於本公司網站及香港交易及結算所有限公司網站。

核數師

安永會計師事務所將於應屆股東週年大會上退任，會上將提呈決議案重新委任安永會計師事務所為本公司核數師。

代表董事會

鄭敏泰
主席

香港，二零二零年三月三十一日

Independent Auditor's Report

獨立核數師報告



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

Opinion

We have audited the consolidated financial statements of Embry Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 73 to 172, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

致：安莉芳控股有限公司全體股東
(於開曼群島註冊成立之有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第73頁至第172頁的安莉芳控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映 貴集團於二零一九年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《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「核數師就審計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頒佈的《專業會計師道德守則》(「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key audit matters

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

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

Key audit matter	How our audit addressed the key audit matter
<p>Inventory provision</p> <p>As at 31 December 2019, the Group had net inventories of HK\$792,354,000, representing 68% and 23% of the Group's current assets and total assets, respectively. The estimation of the inventory provision requires significant management judgement, which includes the recoverability of the cost of inventories, the nature and condition of inventories, the marketability of finished goods and the future usage of raw materials.</p> <p>Related disclosures about the accounting estimation and the details of inventory provision are included in notes 3, 9 and 20 to the financial statements.</p>	<p>We tested the ageing analysis of the Group's inventories. We recalculated the inventory provision under the Group's policy and assessed the assumptions being used in the inventory provision calculation by reviewing the basis, the rationale and the consistency of the inventory provision policy, considering the historical and current inventory ageing information and taking into account the historical sales pattern of aged inventories.</p>

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期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。就下列各事項而言，我們是在該背景下提供我們在審計中處理該事項的方式。

我們已經履行了本報告「核數師就審計綜合財務報表承擔的責任」部分所述的責任，包括與該等事項的責任。因此，我們的審計包括執行程序，以應對我們對綜合財務報表重大錯誤陳述風險的評估。我們的審計程序(包括處理以下事項而採取的程序)的結果，為我們對隨附的綜合財務報表所發表的審計意見提供基礎。

關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>存貨撥備</p> <p>於二零一九年十二月三十一日，貴集團的淨存貨為792,354,000港元，分別相當於集團的流動資產及總資產的68%及23%。庫存準備的估計需要管理層作出重大判斷，包括存貨成本的可收回性、存貨的性質和狀況，製成品的市場和原材料的未來使用情況。</p> <p>會計估計的相關披露及存貨撥備詳情已載於財務報表附註3、9及20。</p>	<p>我們已測試 貴集團存貨的年期分析。我們根據 貴集團的政策重新計算存貨撥備，並通過審查存貨撥備政策的基礎、理由和一致性，評估存貨撥備計算中假設，考慮到歷史和當前存貨的年期資料，並計入陳舊存貨的歷史銷售模式。</p>

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Fair value estimation of investment properties</p> <p>As at 31 December 2019, the Group had investment properties of HK\$403,126,000, representing 17% and 12% of the Group's net assets and total assets, respectively. The estimation of the fair value of investment properties requires significant management judgement. Management engages external valuers to support its determination of the individual fair value of the investment properties.</p> <p>Related disclosures about the accounting estimation and the fair value measurement of investment properties are included in notes 3, 9 and 17 to the financial statements.</p>	<p>We considered the objectivity, independence and expertise of the external valuers engaged by management, and assessed the property related data, including estimates used by the external valuers. Such procedures included comparing the rent and term periods against the existing lease agreements, performing market research on key valuation parameters including the capitalisation rate and market rent of similar properties and performing a sensitivity analysis on the fair value estimation. We involved our internal valuation specialists to assist us in reviewing the external valuation methodologies and key valuation parameters on the fair value of investment properties. We also assessed the disclosures relating to the assumptions used in determining the fair value.</p>

關鍵審計事項(續)

關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>投資物業公平值的估計</p> <p>於二零一九年十二月三十一日，貴集團的投資物業為403,126,000港元，分別相當於貴集團淨資產及總資產的17%及12%。投資物業公平值的估計需要管理層作出重大判斷。管理層聘用外部估值師支持其個別投資物業的公平值。</p> <p>會計估計及投資物業公平值計量的相關披露已載於財務報表附註3、9及17。</p>	<p>我們已考慮管理層所聘用的外部估值師的客觀性、獨立性和專業性，並評估物業相關數據，包括外部估值師使用的估計。這些程序包括將租金和年期期間與現有租賃協議進行的比較，對關鍵評估參數(包括類似物業的資本化率和市場租金)進行市場研究，並對公平值估計進行敏感度分析。我們還聘請內部估值專家協助我們審查外部估值師對投資物業公平值使用的估值方法和關鍵評估參數。然後，我們評估用於確定公平值的假設的相關披露。</p>

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of Other Asset</p> <p>As at 31 December 2019, the Group had Other Asset (as defined in note 19 to the financial statements) of HK\$402,697,000, representing 17% and 11% of the Group's net assets and total assets, respectively. Under the annual impairment testing, the Group conducted the impairment assessment by comparing the net carrying amount of Other Asset with its fair value as determined based on the valuation performed by external valuers and a method of valuation which involved certain assumptions, including gross unit rate per square meter. The assumptions used in the valuation have involved significant management judgement.</p> <p>Related disclosures about the accounting estimation and the details of impairment assessment of Other Asset are included in notes 3 and 19 to the financial statements.</p>	<p>With regard to management's impairment assessment of Other Asset, we reviewed the objectivity, independence and expertise of the external valuers engaged by management and assessed the related data and assumptions being adopted, including unobservable inputs and other estimates, by comparing key valuation parameters including the gross unit rate per square meter with market information. We involved our valuation specialists to assist us in reviewing the valuation methodologies and key valuation parameters on the fair value estimation of Other Asset. We also assessed the disclosures relating to the assumptions used in determining the fair value of Other Asset in the consolidated financial statements.</p>

關鍵審計事項(續)

關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>其他資產的減值評估</p> <p>於二零一九年十二月三十一日，貴集團的其他資產(定義見附註19)為402,697,000港元，分別相當於貴集團淨資產及總資產的17%及11%。根據年度減值測試，貴集團通過比較其他資產的賬面淨值與根據外部估值師進行的估值釐定的公平值以及涉及若干假設(包括每平方米的總單位價)的估值方法進行減值評估。估值中使用的假設涉及重大的管理層判斷。</p> <p>會計估計的相關披露及其他資產減值評估詳情已載於財務報表附註3及19。</p>	<p>關於管理層對其他資產的減值評估，我們已審查管理層所聘用的外部估值師的客觀性、獨立性和專業性，並通過比較主要估值參數(包括每平方米的總單位價)與市場資料，評估所採用的相關數據及假設(包括不可觀察輸入數據及其他估計數)。我們聘請我們的估值專家協助我們審查就其他資產公平值估計的估值方法及主要估值參數。我們亦評估綜合財務報表內釐定其他資產公平值所用假設的相關披露。</p>

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Other information included in the Annual Report

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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

年報所載的其他信息

貴公司董事需對其他信息負責。其他信息包括年報內的信息，但不包括綜合財務報表及我們的核數師報告。

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。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認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，貴公司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，除非貴公司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。

貴公司董事在審計委員會協助下，須負責監督貴集團的財務報告過程。

Independent Auditor's Report (Continued)

獨立核數師報告 (續)

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由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。我們的報告僅向全體股東編製，除此以外，本報告不可用作其他用途。我們概不就本報告的內容向任何其他人士負責或承擔任何責任。

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，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合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，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險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。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，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。如果我們認為存在重大不確定性，則有必要在核數師報告中提請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，則我們應當發表非無保留意見。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和事項。
- 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、監督和執行。我們為審計意見承擔全部責任。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chung Yuk Man.

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

31 March 2020

核數師就審計綜合財務報表承擔的責任(續)

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

我們還向審計委員會提交聲明，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。

從與審計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合夥人是鍾育文。

安永會計師事務所
執業會計師
香港
中環添美道1號
中信大廈22樓

二零二零年三月三十一日

Consolidated Income Statement

綜合收益表

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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
REVENUE	收益	5	2,266,867	2,451,874
Cost of sales	銷售成本		(504,138)	(491,847)
Gross profit	毛利		1,762,729	1,960,027
Other income and gains, net	其他收入及收益，淨額	6	46,289	72,513
Selling and distribution expenses	銷售及分銷開支		(1,413,639)	(1,514,093)
Administrative expenses	行政開支		(236,662)	(266,038)
Other expenses	其他開支	7	(5,924)	(12,445)
Finance costs	融資成本	8	(27,518)	(12,888)
PROFIT BEFORE TAX	除稅前溢利	9	125,275	227,076
Income tax expense	所得稅開支	12	(44,953)	(75,911)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔 年度溢利		80,322	151,165
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔 每股盈利			
— Basic (HK cents)	— 基本(港仙)	15	19.01	35.79
— Diluted (HK cents)	— 攤薄(港仙)		19.01	35.79

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
PROFIT FOR THE YEAR	年度溢利	80,322	151,165
OTHER COMPREHENSIVE INCOME/ (EXPENSE)	其他全面收入／(開支)		
Other comprehensive expense that may be reclassified to the income statement in subsequent periods:	於其後期間可能重新分類至損益的 其他全面開支：		
Exchange differences on translation of foreign operations	折算境外營運所產生之 匯兌差額	(27,558)	(144,995)
Other comprehensive income/(expense) that will not be reclassified to the income statement in subsequent periods:	於其後期間將不可重新分類至 損益的其他收入／(開支)：		
Revaluation surplus	重估盈餘	3,745	5,251
Deferred tax debited to asset revaluation reserve (note 28)	於資產重估儲備扣除之 遞延稅項(附註28)	(936)	(1,313)
Net other comprehensive income that will not be reclassified to the income statement in subsequent periods	於其後期間不會重新分類至損益的 其他全面收入淨額	2,809	3,938
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX	年度其他全面收入／(開支)， 扣除稅項	(24,749)	(141,057)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔年度 全面收入總額	55,573	10,108

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2019 二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT ASSETS				
Property, plant and equipment	非流動資產 物業、廠房及設備	16	1,119,462	1,219,470
Investment properties	投資物業	17	403,126	387,639
Right-of-use assets	使用權資產	18(b)	293,381	–
Prepaid land lease payments	預付土地租賃款項	18(a)	–	37,326
Other Asset	其他資產	19	402,697	407,273
Deferred tax assets	遞延稅項資產	28	92,306	88,286
Deposits and other receivables	按金及其他應收款項	22	25,031	39,066
Total non-current assets	非流動資產總值		2,336,003	2,179,060
CURRENT ASSETS				
Inventories	流動資產 存貨	20	792,354	776,367
Trade receivables	應收貿易賬款	21	79,814	75,240
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	95,686	95,991
Tax recoverable	可收回稅項		409	5,179
Cash and cash equivalents	現金及現金等價物	23	200,230	158,414
Total current assets	流動資產總值		1,168,493	1,111,191
CURRENT LIABILITIES				
Trade payables	流動負債 應付貿易賬款	24	52,723	125,042
Interest-bearing bank borrowings	計息銀行借款	25	125,566	214,059
Lease liabilities	租賃負債	18(c)	90,449	–
Tax payable	應付稅項		4,409	19,224
Other payables and accruals	其他應付款項及應計款項	26	225,460	228,257
Total current liabilities	流動負債總值		498,607	586,582
NET CURRENT ASSETS	流動資產淨值		669,886	524,609
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		3,005,889	2,703,669
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	非流動負債 計息銀行借款	25	432,614	213,000
Lease liabilities	租賃負債	18(c)	68,661	–
Deferred liabilities	遞延負債	27	414	2,245
Deferred tax liabilities	遞延稅項負債	28	154,925	156,705
Total non-current liabilities	非流動負債總值		656,614	371,950
Net assets	資產淨值		2,349,275	2,331,719
EQUITY				
Equity attributable to owners of the Company	權益 本公司擁有人應佔權益			
Share capital	股本	29	4,224	4,224
Reserves	儲備	30	2,345,051	2,327,495
Total equity	總權益		2,349,275	2,331,719

Cheng Man Tai
鄭敏泰
Director
董事

Cheng Pik Ho Liza
鄭碧浩
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔									
		Reserves 儲備									
		Enterprise expansion and statutory Exchange reserve fluctuation reserve									
		Share capital	Share premium account	Contributed surplus	Asset revaluation reserve	statutory reserve funds	Exchange fluctuation reserve	Goodwill reserve	Retained profits	Total reserves	Total equity
		股本	溢價賬	實繳盈餘	資產重估 儲備	企業發展及 法定儲備金	匯兌波動 儲備	商譽儲備	保留溢利	總儲備	總權益
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元 (note 30) (附註30)	千港元	千港元 (note 30) (附註30)	千港元	千港元 (note 30) (附註30)	千港元	千港元	千港元
At 1 January 2019	於二零一九年一月一日	4,224	386,512	122,610	12,251	180,593	(68,175)	(3,168)	1,696,872	2,327,495	2,331,719
Profit for the year	年度溢利	-	-	-	-	-	-	-	80,322	80,322	80,322
Revaluation surplus	重估盈餘	16	-	-	3,745	-	-	-	-	3,745	3,745
Deferred tax debited to asset revaluation reserve	於資產重估儲備扣除之遞延稅項	28	-	-	(936)	-	-	-	-	(936)	(936)
Exchange differences related to foreign operations	折算境外營運所產生之匯兌差額		-	-	-	-	(27,558)	-	-	(27,558)	(27,558)
Total comprehensive income/ (expense) for the year	年內全面收入/(開支)總額		-	-	2,809	-	(27,558)	-	80,322	55,573	55,573
2018 final dividend declared and paid	宣派及支付二零一八年末期股息	14	-	-	-	-	-	-	(29,569)	(29,569)	(29,569)
2019 interim dividend	二零一九年中期股息	14	-	-	-	-	-	-	(8,448)	(8,448)	(8,448)
Transfer from retained profits	轉自保留溢利		-	-	-	8,508	-	-	(8,508)	-	-
At 31 December 2019	於二零一九年十二月三十一日	4,224	386,512	122,610	15,060	189,101	(95,733)	(3,168)	1,730,669	2,345,051	2,349,275
At 1 January 2018	於二零一八年一月一日	4,224	386,512	122,610	8,313	162,410	76,820	(3,168)	1,612,468	2,365,965	2,370,189
Profit for the year	年度溢利		-	-	-	-	-	-	151,165	151,165	151,165
Revaluation surplus	重估盈餘	16	-	-	5,251	-	-	-	-	5,251	5,251
Deferred tax debited to asset revaluation reserve	於資產重估儲備扣除之遞延稅項	28	-	-	(1,313)	-	-	-	-	(1,313)	(1,313)
Exchange differences related to foreign operations	折算境外營運所產生之匯兌差額		-	-	-	-	(144,995)	-	-	(144,995)	(144,995)
Total comprehensive income/ (expense) for the year	年內全面收入/(開支)總額		-	-	3,938	-	(144,995)	-	151,165	10,108	10,108
2017 final dividend declared and paid	宣派及支付二零一七年末期股息	14	-	-	-	-	-	-	(33,793)	(33,793)	(33,793)
2018 interim dividend	二零一八年中期股息	14	-	-	-	-	-	-	(14,785)	(14,785)	(14,785)
Transfer from retained profits	轉自保留溢利		-	-	-	18,183	-	-	(18,183)	-	-
At 31 December 2018	於二零一八年十二月三十一日	4,224	386,512	122,610	12,251	180,593	(68,175)	(3,168)	1,696,872	2,327,495	2,331,719

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務之現金流量		
Profit before tax	除稅前溢利	125,275	227,076
Adjustments for:	調整：		
Finance costs	融資成本	8	12,888
Bank interest income	銀行利息收入	6	(3,028)
Interest accretion on non-current receivables	非即期應收款項的利息增加	6	(1,757)
Depreciation of property, plant and equipment	固定資產之折舊	9	75,807
Depreciation of right-of-use assets	使用權資產之折舊	9	105,384
Amortisation of prepaid land lease payments	預付土地租賃款項之攤銷	9	–
Loss on termination of leases	終止租賃之損失	9	450
Loss on disposal/write-off of items of property, plant and equipment, net	出售／撤銷物業、廠房及設備項目之虧損，淨額	9	18
Write-off of deposits	按金之撤銷	9	582
Write-back of provision for obsolete inventories, net	陳舊存貨撥備撥回，淨額	9	(12,665)
Impairment/(write-back of impairment) of trade receivables, net	應收貿易賬款減值／(撥回減值)，淨額	9	(4,831)
Changes in fair value of investment properties	投資物業公平值變動	6	4,091
		321,549	293,038
Increase in inventories	存貨減少	(3,322)	(101,968)
Decrease in trade receivables	應收貿易賬款減少	257	31,341
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少	8,799	16,361
Increase/(decrease) in trade payables	應付貿易賬款增加／(減少)	(72,319)	69,042
Decrease in other payables and accruals	其他應付款項及應計款項減少	(2,707)	(90,202)
Increase/(decrease) in deferred liabilities	遞延負債增加／(減少)	(1,831)	2,056
Cash generated from operations	經營所得現金	250,426	219,668
Hong Kong profits tax (paid)/refund	(已付)／退回香港利得稅	2,131	(4,298)
Overseas taxes paid	已付海外稅項	(63,150)	(72,593)
Net cash flows from operating activities	經營業務之現金流入淨額	189,407	142,777

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量			
Interest received	已收利息		1,543	3,028
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目	16	(114,696)	(228,473)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目 之所得款項		909	122
Increase in right-of-use assets	使用權資產增加		(2,139)	–
Net cash flows used in investing activities	投資活動之現金流出淨額		(114,383)	(225,323)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量			
New bank borrowings	新增銀行借款		512,091	230,000
Repayment of bank borrowings	償還銀行借款		(380,587)	(128,997)
Principal portion of lease payments	租賃付款之本金	33(b)	(92,744)	–
Dividends paid	已付股息	14	(38,017)	(48,578)
Interest paid	已付利息		(27,518)	(12,888)
Net cash flows from/(used in) financing activities	融資活動之現金流入/(流出) 淨額		(26,775)	39,537
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物之 增加/(減少)淨額		48,249	(43,009)
Cash and cash equivalents at beginning of year	年初之現金及現金等價物		158,414	234,711
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額		(6,433)	(33,288)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末之現金及現金等價物		200,230	158,414
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘之分析			
Cash and bank balances	現金及銀行結餘	23	104,549	146,947
Non-pledged time deposits with original maturity of less than three months when acquired	於購入時原到期日為少於 三個月之無抵押定期存款	23	95,681	11,467
Cash and cash equivalents as stated in the consolidated statement of cash flows	綜合現金流量表所述之 現金及現金等價物		200,230	158,414

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

1. Corporate Information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29 August 2006 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and the principal place of business of the Company is located at 7th Floor, Wyler Centre II, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 37 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

The Company is a subsidiary of Harmonious World Limited, a company incorporated in the British Virgin Islands (the "BVI"), which is considered by the directors as the Company's ultimate holding company.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000) except where otherwise indicated.

1. 公司資料

本公司於二零零六年八月二十九日根據開曼群島第22章公司法(一九六一年法例三·經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands, 而本公司的主要營業地點為香港新界葵涌大連排道200號偉倫中心二期7樓。

本公司的主要業務為投資控股。有關附屬公司的主要業務詳情載於財務報表附註37。年內本集團的主要業務性質並無重大變動。

本公司為Harmonious World Limited的附屬公司, Harmonious World Limited於英屬處女群島(「英屬處女群島」)註冊成立, 董事認為Harmonious World Limited為本公司的最終控股公司。

2.1 呈列基準

該等財務報表根據香港會計師公會頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例披露規定。該等財務報表根據歷史成本法編製, 惟投資物業按其公平值計量。除另有指明外, 該等財務報表以港元呈列, 所有價值均調整至最接近千元(千港元)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.1 Basis of Preparation (continued)

Basis of consolidation

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

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

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

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

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

2.1 呈列基準(續)

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度的財務報表。附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象的權力(如本集團獲賦予現有能力以主導投資對象相關活動的既存權利)影響該等回報時,即取得控制權。

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

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

附屬公司於相同申報期間的財務報表採用與本公司一致的會計政策編製。附屬公司的業績自本集團取得控制權當日起綜合計算,直至該等控制權失效為止。

損益及其他全面收益的各組成部分歸屬於本集團母公司擁有人。所有集團內公司間資產及負債、權益、收入、支出以及與本集團成員公司之間交易有關的現金流量均於綜合賬目時悉數抵銷。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.1 Basis of Preparation (continued)

Basis of consolidation (continued)

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

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

2.2 Changes in Accounting Policies and Disclosures

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

Amendments to HKFRS 9 HKFRS 16	<i>Prepayments Features with Negative Compensation Leases</i>
Amendments to HKAS 19 Amendments to HKAS 28 HK(IFRIC)-Int 23	<i>Plan Amendment, Curtailment or Settlement Long-term Interests in Associate and Joint Ventures Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements to HKFRSs 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

2.1 呈列基準(續)

綜合基準(續)

倘事實及情況反映上述三項控制權因素其中一項或多項有變，則本集團會重估是否仍然控制投資對象。附屬公司擁有權益的變動(並無失去控制權)，於入賬時列作權益交易。

倘本集團失去附屬公司的控制權，會於綜合收益表終止確認(i)附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)計入權益的累計匯兌差額；並確認(i)收取代價的公平價值、(ii)任何保留投資的公平價值及(iii)任何由此產生的盈餘或虧損。本集團早前於其他綜合收入確認的應佔部份會視乎情況，按倘本集團直接出售相關資產或負債所要求的相同基準重新分類至綜合收益表或保留溢利。

2.2 會計政策變動及披露

本集團於本年度財務報表首次採納以下新訂及經修訂之香港財務報告準則。

香港財務報告準則第9號之修訂	具有負補償的提前還款特性
香港財務報告準則第16號	租賃
香港會計準則第19號之修訂	計劃修訂、縮減或結算
香港會計準則第28號之修訂	於聯營公司及合營公司的長期權益
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅處理的不確定性
香港財務報告準則二零一五年至二零一七年週期的年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號修訂

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.2 Changes in Accounting Policies and Disclosures (continued)

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

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

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

2.2 會計政策變動及披露(續)

除香港財務報告準則第9號、香港會計準則第19號及香港會計準則第28號之修訂以及香港財務報告準則二零一五年至二零一七年週期的年度改進與編制本集團財務報表無關，新訂及經修訂之香港財務報告準則的性質及影響說明如下：

- (a) 香港財務報告準則第16號取代香港會計準則第17號租賃、香港(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約、香港(準則詮釋委員會)－詮釋第15號經營租約－優惠及香港(準則詮釋委員會)－詮釋第27號評估涉及租約法律形式之交易之內容。該準則已規定租賃確認、計量、呈列和披露原則，並要求承租人在單一資產負債表內模型中計算所有租賃，以確認及計量使用權資產及租賃負債，惟若干確認豁免除外。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人繼續使用與香港會計準則第17號類似的原則將租賃分類為經營租賃或融資租賃。

本集團已使用經修訂追溯採納法採納香港財務報告準則第16號，首次應用日期為二零一九年一月一日。根據此方法，本集團已追溯應用該準則，並將首次採納的累計影響確認為對於二零一九年一月一日之保留溢利期初餘額的調整，且本集團不會重列二零一八年的比較資料，而是繼續根據香港會計準則第17號及相關詮釋報告。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.2 Changes in Accounting Policies and Disclosures (continued)

(a) (continued)

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

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

2.2 會計政策變動及披露(續)

(a) (續)

新租賃定義

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

作為承租人 — 先前分類為經營租賃的租賃

採納香港財務報告準則第16號的影響性質

本集團擁有多個辦公室及商店的租賃合約。作為承租人，本集團先前根據對租賃是否將資產所有權的絕大部分回報及風險轉移至本集團的評估，將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團採用單一方法確認及計量所有租賃的使用權資產及租賃負債，惟低價值資產租賃(按個別租賃基準選擇)及租期為十二個月或以下的租賃(「短期租賃」)(按相關資產類別選擇)的兩項選擇性豁免除外。本集團確認使用權資產折舊(及減值，如有)及尚未償還租賃負債之應計利息(為融資成本)，而非於自二零一九年一月一日開始之租期內按直線法於經營租賃項下確認租金開支。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.2 Changes in Accounting Policies and Disclosures (continued)

(a) (continued)

As a lessee — Leases previously classified as operating leases (continued)

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. The Group elected to present the lease liabilities separately in the consolidated statement of financial position.

The right-of-use assets were measured at the amounts of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the leases recognised in the consolidated statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the consolidated statement of financial position.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40. For the leasehold land previously included in property, plant and equipment and prepaid land lease payments, the Groups has reclassified these lease payments as right-of-use assets.

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

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

2.2 會計政策變動及披露(續)

(a) (續)

作為承租人 — 先前分類為經營租賃的租賃(續)

過渡影響

於二零一九年一月一日之租賃負債按剩餘租賃付款的現值，經使用二零一九年一月一日的增量借款利率貼現後予以確認。本集團選擇於綜合財務狀況表中單獨列示租賃負債。

使用權資產根據租賃負債金額計量，並按與緊接二零一九年一月一日前於綜合財務狀況表確認的租賃相關的任何預付或應計租賃付款金額作出調整。所有該等資產於該日均根據香港會計準則第36號就任何減值作出評估。本集團選擇於綜合財務狀況表中單獨列示使用權資產。

就先前計入投資物業及按公平值計量的租賃土地及樓宇(持作以賺取租金收入及/或資本增值)而言，本集團於二零一九年一月一日繼續將其列為投資物業。彼等繼續應用香港會計準則第40號按公平值計量。對於先前計入物業、廠房及設備以及預付土地租賃款項的租賃土地，本集團將該等租賃款項重新分類為使用權資產。

於二零一九年一月一日應用香港財務報告準則第16號時，本集團使用以下選擇性實際權宜辦法：

- 對租期於首次應用日期起計十二個月內結束的短期租賃豁免；
- 倘合約包含延長/終止租賃的選擇權，則於事後釐定租賃期；

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.2 Changes in Accounting Policies and Disclosures (continued)

(a) (continued)

As a lessee — Leases previously classified as operating leases (continued)

Impact on transition (continued)

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics when measuring the lease liabilities at 1 January 2019;
- Relying on the entity's assessment of whether leases were onerous by applying HKAS 37 immediately before 1 January 2019 as an alternative to performing an impairment review; and
- Excluding initial direct costs from the measurement of the right-of-use assets at the date of initial application.

Financial impact at 1 January 2019

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

2.2 會計政策變動及披露(續)

(a) (續)

作為承租人 — 先前分類為經營租賃的租賃(續)

過渡影響(續)

- 計量二零一九年一月一日的租賃負債時，對具有合理相似特徵的租賃組合使用單一貼現率；
- 依賴實體於緊接二零一九年一月一日前透過應用香港會計準則第37號對租賃是否屬繁重性質的評估作為進行減值審閱的替代方案；及
- 於首次應用日期計量使用權資產時撇除初步直接成本。

於二零一九年一月一日的財務影響

於二零一九年一月一日採納香港財務報告準則第16號所產生的影響如下：

		Increase/ (decrease) 增加/(減少) HK\$'000 千港元
Assets	資產	
Decrease in property, plant and equipment	物業、廠房及設備減少	(114,816)
Increase in right-of-use assets	使用權資產增加	311,710
Decrease in prepaid land lease payments	預付土地租賃款項減少	(37,326)
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少	(6,908)
Increase in total assets	資產總值增加	<u>152,660</u>
Liabilities	負債	
Increase in lease liabilities	租賃負債增加	152,750
Decrease in other payables and accruals	其他應付款項及應計款項減少	(90)
Increase in total liabilities	負債總值增加	<u>152,660</u>

Notes to Financial Statements (Continued)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.2 Changes in Accounting Policies and Disclosures (continued)

(a) (continued)

Financial impact at 1 January 2019 (continued)

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

		HK\$'000 千港元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日的經營租賃承擔	241,626
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019	減：與短期租賃及剩餘租賃期在二零一九年十二月三十一日或之前結束的租賃有關的承擔	(78,124)
		163,502
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日的加權平均增量借款利率	4.72%
Discounted operating lease commitments and lease liabilities as at 1 January 2019	於二零一九年一月一日的貼現經營租賃承擔及租賃負債	152,750

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

2.2 會計政策變動及披露 (續)

(a) (續)

於二零一九年一月一日的財務影響 (續)

於二零一九年一月一日的租賃負債與於二零一八年十二月三十一日的經營租賃承擔的對賬如下：

		HK\$'000 千港元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日的經營租賃承擔	241,626
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019	減：與短期租賃及剩餘租賃期在二零一九年十二月三十一日或之前結束的租賃有關的承擔	(78,124)
		163,502
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日的加權平均增量借款利率	4.72%
Discounted operating lease commitments and lease liabilities as at 1 January 2019	於二零一九年一月一日的貼現經營租賃承擔及租賃負債	152,750

(b) 香港(國際財務報告詮釋委員會)－詮釋第23號於稅項處理涉及影響香港會計準則第12號應用的不確定性時(通常稱為「不確定稅務狀況」)，處理該情況下的所得稅(即期及遞延)會計。該詮釋並不適用於香港會計準則第12號範圍外的稅項或徵稅，尤其亦不包括不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理以下事項：(i)實體是否考慮分開處理不確定稅項；(ii)實體檢查稅務機關的稅項處理時所作的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況變動。採納該詮釋時，本集團已考慮其是否有任何因集團內公司間銷售的轉讓定價導致的不確定稅務狀況。基於本集團稅務合規及轉讓定價研究，本集團認為稅務機關很可能接納其轉讓定價政策。因此，該詮釋並無對本集團的財務狀況或表現造成任何影響。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards

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

Amendments to HKFRS 3 *Definition of a Business*¹

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 *Interest Rate Benchmark Reform*¹

Amendments to HKFRS 10 and HKAS 28 (2011) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*³

HKFRS 17 *Insurance Contracts*²

Amendments to HKAS 1 and HKAS 8 *Definition of Material*¹

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

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

³ No mandatory effective date yet determined but available for adoption

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

2.3 已頒佈但尚未生效的香港財務報告準則

本集團並未在財務報表應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第3號修訂 *業務的定義*¹

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂 *利率基準改革*¹

香港財務報告準則第10號及香港會計準則第28號(2011)修訂 *投資者與其聯營公司或合營企業之間出售或注入資產*³

香港財務報告準則第17號 *保險合約*²

香港會計準則第1號及香港會計準則第8號修訂 *重大性的定義*¹

¹ 於二零二零年一月一日或之後開始的年度期間生效

² 於二零二一年一月一日或之後開始的年度期間生效

³ 並未訂定強制性生效日期，惟已可作採納

預期將與本集團相關的該等香港財務報告準則的進一步資料如下。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards (continued)

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第3號修訂釐清及提供有關業務定義的額外指引。修訂釐清，交易要被視為一項業務，一系列項目及資產需至少包括可對實質性產出能力有重大貢獻的投入及實質性進程。業務可以存在而不包括產出所需的所有投入及進程。修訂移除原有對市場參與者是否有能力收購業務並持續產出之能力之評估要求。相反，重點是所收購的投入及所收購的實質性進程是否對產出能力有重大貢獻。修訂亦縮小產出的定義，注重向客戶提供的產品及服務、投資收入或來自日常業務的其他收入。此外，修訂提供指引以評估所收購的進程是否實質性，並提出可選的公平值集中測試，以簡化評估所收購的項目及資產是否業務。本集團預期將自二零二零年一月一日起追溯應用修訂。由於修訂預期適用於首次應用日期或之後的交易或其他事件，本集團於過渡日期並無受該等修訂影響。

香港會計準則第1號及香港會計準則第8號的修訂提供重大的新定義。新定義指出，遺漏、錯誤陳述或模糊資料可合理預期影響通用財務報表的主要使用者基於該等財務報表所作出的決定者，則該資料被視為重大。修訂澄清，重大性取決於資料的性質或程度。如可合理預期影響主要使用者作出的決定，錯誤陳述資料則被視為重大。本集團預期自二零二零年一月一日起追溯應用修訂。修訂預期不會對本集團的財務報表產生任何重大影響。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the income statement.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or a liability is measured at fair value with changes in fair value recognised in the income statement. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 主要會計政策概要

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公平價值計算，該公平價值為本集團轉讓的資產於收購日期的公平價值、本集團自被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇以公平價值或被收購方可識別資產淨值的應佔比例，計算於被收購方屬現時擁有人權益的非控股權益，並賦予擁有人權利，於清盤時按比例分佔實體的淨資產。非控制權益之一切其他成分乃按公平價值計量。收購成本於產生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及標示，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘企業合併分階段進行，先前持有的股權按收購日期的公平價值重新計量，而任何收益或虧損於損益中確認。

由收購方將予轉讓的任何或然代價將於收購日期按公平價值確認。分類為一項資產或負債的或然代價根據公平價值的變動按公平價值計量，並確認於損益。分類為權益的或然代價並無重新計量，而其後結算於權益中入賬。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in the income statement as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前由持有的被收購方股權的公平價值總額，超逾與所收購可識別資產淨值及所承擔負債的差額。如總代價及其他項目低於所收購資產淨值的公平價值，於評估後其差額將於收益表內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行檢討。本集團於十二月三十一日進行商譽之年度減值測試。為進行減值測試，因業務合併而購入的商譽自購入之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。當現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於未來期間撥回。

倘商譽已分配予現金產生單位(或現金產生單位組別)的部份而該單位的部份業務已出售，則在釐定所出售業務的收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面值。在該情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Fair value measurement

The Group measures its investment properties at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 主要會計政策概要(續)

公平價值計量

本集團於各報告期末按公平價值計量其投資物業。公平價值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公平價值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要及最具優勢市場須為本集團可進入之市場。資產或負債的公平價值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非金融資產的公平價值計量須計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者，所產生的經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公平價值的估值方法，以儘量使用相關可觀察輸入數據及儘量減少使用不可觀察輸入數據。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要(續)

公平價值計量(續)

所有載於本財務報表計量或披露的資產及負債乃基於對公平價值計量整體而言屬重大的最低層輸入數據按以下公平價值等級分類：

- 第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 — 基於對公平價值計量而言屬重大的可觀察(直接或間接)最低層輸入數據的估值方法
- 第三級 — 基於對公平價值計量而言屬重大的不可觀察最低層輸入數據的估值方法

就按經常性基準於本財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公平價值計量整體而言屬重大的最低層輸入數據)確定是否發生不同等級轉移。

Notes to Financial Statements (Continued)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Related parties

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

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

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要 (續)

關連人士

在下列情況下，關連人士將被視為與本集團有關連：

- (a) 有關人士為該名人士家族的人士或直系親屬，而該名人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團發揮重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 倘符合下列任何條件，有關人士即屬實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體的母公司、附屬公司或同系附屬公司之旗下）；
 - (iii) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為本集團僱員或屬於本集團關連人士之實體之僱員福利而設之離職後福利計劃；
 - (vi) 該實體由(a)項所述人士控制或共同控制；
 - (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體（或該實體的母公司）主要管理層成員；及
 - (viii) 該實體或其任何集團成員公司提供主要管理人員服務予本集團或本集團之母公司。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Impairment of non-financial assets

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

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

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

2.4 主要會計政策概要(續)

非金融資產減值

倘有跡象顯示資產出現減值，或須對資產進行年度減值測試(存貨、遞延稅項資產、金融資產及投資物業除外)，則會估計該項資產之可收回金額。資產之可收回金額為資產或創現單位之使用價值或其公平值減處理成本之較高者，並就個別資產釐定，惟該項資產並無產生大部分獨立於其他資產或其他組別資產之現金流入則除外，在此情況，就該項資產所屬之創現單位釐定可收回金額。

減值虧損僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計未來現金流量以反映當時市場對貨幣時間價值之估計及該項資產之特有風險之除稅前折現率折減至現值。減值虧損於產生與減值資產功能一致的開支類別期間自收益表扣除。

於各報告期間結算日，均會評估是否有跡象顯示過往已確認之減值虧損不再存在或可能減少。倘出現該跡象，則會估計可收回金額。過往確認之資產減值虧損(商譽除外)僅於用於釐定該項資產之可收回金額所採用之估計出現變化時撥回，但有關金額不得超逾假設過往年度並無就該項資產確認減值虧損而應有之賬面值(已扣除任何折舊／攤銷)。撥回減值虧損於產生期間計入收益表。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Property, plant and equipment and depreciation

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

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

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

Buildings	2% to 2.2%
Leasehold improvements	4.5% to 20%
Plant and machinery	10% to 20%
Furniture, fixtures and office equipment	10% to 20%
Motor vehicles	20% to 25%

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損入賬。一項物業、廠房及設備之成本包括購買價及任何將資產達致其運作狀況與地點作擬定用途之直接成本。

各項物業、廠房及設備投入運作後產生之開支(如維修及保養)一般於產生期間自收益表扣除。倘符合確認標準，一項主要視察之開支以替代方式於資產帳面值中資本化列賬。倘物業、廠房及設備之重要部分須不時替代，本集團確認該等部分為個別資產，具特別使用年限及折舊。

物業、廠房及設備之價值變動作為資產重估儲備之變動處理。倘若按每項資產為基準，儲備總額不足以彌補虧絀時，則多出之虧絀於收益表扣除。其後之重估盈餘乃計入收益表，惟以先前扣除之虧絀為限。出售重估資產時，資產重估儲備中就以往估值實現之部份乃轉入保留溢利，作為儲備之變動。

折舊按各項物業、廠房及設備之估計可使用年期以直線法計算，以撇銷成本至其剩餘價值。就此而言，所採用之主要年率如下：

樓宇	2%–2.2%
租賃物業裝修	4.5%–20%
廠房及機器	10%–20%
傢俬、裝置及辦公室設備	10%–20%
汽車	20%–25%

Notes to Financial Statements (Continued)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Property, plant and equipment and depreciation

(continued)

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

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

Construction in progress represents buildings and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

倘某項物業、廠房及設備項目各部分之使用年限各有不同，該項目之成本乃按合理基準在各部分之間進行分配，而每部分則各自計算折舊。剩餘價值、使用年限及折舊方法至少會於各財政年度年末進行檢討及調整(如適用)。

初步確認之物業、廠房及設備項目包括任何重要部分於出售時或預期日後不會因使用或出售而帶來經濟利益時停止確認。在停止確認該項資產之同一年度於收益表確認之出售或報廢之任何盈虧，為有關資產出售所得款項淨額與其賬面值之差額。

在建工程指興建中之樓宇及設備，並以成本值減任何減值虧損列帳，且不予折舊。成本值包括建築期間之直接建築成本。在建工程於完成及投入服務時重新分類為合適類別之物業、廠房及設備。

投資物業

投資物業乃土地及樓宇之權益。持有投資物業是為賺取租金收入及／或資本增值，而非用以生產或提供貨物或服務或作行政用途又或於日常業務中出售。投資物業首次按成本計量，當中包括交易成本。於首次確認後，投資物業乃按反映報告期末市場狀況的公平價值列賬。

投資物業公平值變更所帶來之溢利或虧損於產生年度計入收益表。

報廢或出售投資物業之任何溢利或虧損於報廢或出售之年度在收益表確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Other asset

Other asset is the right to receive the new properties under a relocation arrangement, further details of which are given in note 19 to the financial statements. Such asset, being the consideration to be received upon disposal of the original properties under the relocation arrangement, is initially recognised at its fair value. Subsequent to the initial recognition, other asset is stated at cost less any impairment losses.

Investments and other financial assets

Initial recognition and measurement

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

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

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.4 主要會計政策概要(續)

其他資產

其他資產為接收搬遷安排項下新物業的權利，其進一步詳情載於財務報表附註19。有關資產(即出售搬遷安排項下原物業收取的代價)初步按其公平值確認。初步確認後，其他資產按成本減任何減值虧損列賬。

投資及其他金融資產

初始確認及計量

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

於初始確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用可行權宜方法(不調整重大融資成分影響)的應收貿易賬款外，本集團初步按公平值加上(倘金融資產並非按公平值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的應收貿易賬款按香港財務報告準則第15號釐定的交易價格根據下文「收益確認」所載政策計量。

為使金融資產按攤銷成本或按公平值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息(「純粹為支付本金及利息」)的現金流量。具有並非純粹為支付本金及利息的現金流量的金融資產按公平值計入損益分類及計量，不論業務模式。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

初始確認及計量(續)

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量的金融資產於旨在持有金融資產以收取合約現金流量的業務模式中持有，而按公平值計入其他全面收益分類及計量的金融資產於旨在持有以收取合約現金流量及出售的業務模式中持有。並非於上述業務模式中持有的金融資產按公平值計入損益分類及計量。

所有以常規方式購買及銷售的金融資產於交易日(即本集團承諾購買或出售資產當日)確認。常規買賣指規定於一般由市場規例或慣例確立的期間內交付資產的金融資產買賣。

其後計量

金融負債的其後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)

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於收益表中確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Derecognition of financial assets

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

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

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.

2.4 主要會計政策概要(續)

解除確認金融資產

於下列情況時，金融資產(或(如適用)金融資產之一部分或一組類似金融資產之一部分)將主要地解除確認(從本集團綜合財務狀況表移除)：

- 自資產收取現金流量之權利已屆滿；或
- 本集團已轉讓自資產取得現金流量之權利或已根據「轉付」安排承擔於無重大延誤之情況下向第三方全額支付已收取現金流量之責任；且(a)本集團已轉讓該資產之大部分風險及回報，或(b)本集團並無轉讓或保留該等資產之大部分風險及回報，惟已轉讓該資產之控制權。

當本集團已轉讓自一項資產收取現金流量的權利或已訂立「轉付」安排，會評估其有否保留該項資產擁有權的風險及回報，以及其程度。當本集團並無轉讓或保留該資產之大部分風險及回報，亦無轉讓該資產之控制權，該資產在本集團持續參與該項資產的前提下予以確認入賬。於此情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反應本集團已保留權利及責任之基準計量。

本集團倘以擔保形式持續參與轉讓資產時，則以該項資產的原賬面值及本集團或須償還的代價數額上限(以較低者為準)計算。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets

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

General approach

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

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

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

2.4 主要會計政策概要(續)

金融資產減值

本集團確認對並非按公平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之間的差額而釐定，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的現金流量或組成合約條款的其他信貸提升措施。

一般方法

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

於各報告日期，本集團評估自初始確認後金融工具的信貸風險是否大幅增加。在進行有關評估時，本集團會就金融工具於報告日期發生違約的風險與金融工具於初始確認當日發生違約的風險進行比較，並考慮合理且可靠的毋須付出不必要的成本或努力即可獲得的資料，包括過往及前瞻性資料。

本集團會在合約付款逾期90天時考慮金融資產違約。然而，在若干情況下，倘內部或外部資料反映，在計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Impairment of financial assets (continued)

General approach (continued)

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

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

Simplified approach

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

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 主要會計政策概要(續)

金融資產減值(續)

一般方法(續)

按攤銷成本計量的金融資產在一般方法下可能會出現減值，彼等按以下計量預期信貸虧損的階段分類，惟應用下文所述簡化方法的應收貿易賬款及合約資產除外。

- 第1階段 — 自初始確認以來信貸風險未顯著增加及其虧損撥備按相等於12個月預期信貸虧損的金額計量的金融工具
- 第2階段 — 自初始確認以來信貸風險顯著增加但並非信貸減值金融資產及虧損撥備按相等於全期預期信貸虧損的金額計量的金融工具
- 第3階段 — 於報告日期已信貸減值(但並非購買或源生已發生信貸減值)及虧損撥備按相等於全期預期信貸虧損的金額計量的金融資產

簡化方法

就並無重大融資成分或本集團已應用可行權宜方法(不調整重大融資成分影響)的應收貿易賬款，本集團於計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並無追溯信貸風險變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算之撥備矩陣，並按債務人之特定前瞻性因素及經濟環境作出調整。

就具有重大融資成分的應收貿易賬款及應收租賃款項，本集團選擇採用簡化方法按上述政策計算預期信貸虧損。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at amortised costs (loans and borrowings)

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

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

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.4 主要會計政策概要(續)

金融負債

初步確認及計量

金融負債，按初始確認時，按適用情況分類為透過損益賬以公平值列賬之金融負債、貸款及借貸、應付款項，或分類為指定為有效對沖之對沖工具之衍生工具(按適用情況)。

所有財務負債初始時按公平值確認，惟貸款及借款和應付款項，則加上淨直接應佔交易成本確認。

後續計量

財務負債的後續計量取決於其分類，如下：

按攤銷成本列賬之金融負債(貸款及借款)

於初始確認後，計息貸款及借款隨後以實際利率法按攤銷成本計量，倘折現的影響並不重大，則按成本列賬。當撤銷確認負債及在實際利率攤銷過程中，收益及虧損會於收益表確認。

攤銷成本計入於購買時產生的任何折現或溢價及作為構成有效利率整體部分的費用或成本。有效利率攤銷計入收益表中的融資成本。

財務擔保合約

本集團所發出之財務擔保合約為由於特定債務人未能按債務工具之條款於到期時付款，而須支付款項以補償擔保持有人所承擔損失之合約。財務擔保合約初步按其公平值確認為負債，並就發出該等擔保直接應佔之交易費用作出調整。於初步確認後，本集團按以下兩者之較高者計量財務擔保合約：(i)根據「金融資產減值」所載政策釐定的預期信貸虧損撥備；及(ii)初步確認之金額減(如適用)累計已確認收入金額。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Inventories

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

2.4 主要會計政策概要(續)

撤銷確認金融負債

當負債項下之責任被解除或取消或屆滿，金融負債將被撤銷確認。

如現有金融負債由同一放債人明顯不同的條款大致上相異之負債所取代，或現有負債之條款作出重大修訂，此類交換或修訂將被視為取消確認原負債及確認新負債處理，有關賬面值之差額於收益表確認。

抵銷金融工具

如目前有可執行的法定權利抵銷已確認的金額，且有意以淨額結算，或同時確認資產及清償債務，則金融資產和金融負債被抵銷，淨金額於財務狀況表中呈報。

存貨

存貨按成本與可變現淨值之較低者入賬，並就陳舊或滯銷項目作適當撥備。成本按加權平均法計算，如屬在製品及製成品，則包括直接物料、直接工資及適當比例之間接成本。可變現淨值按估計售價減任何估計完成及出售所需之成本計算。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Leases (applicable from 1 January 2019)

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

Group as a lessee

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

(a) Right-of-use assets

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

Prepaid land lease payments	45 to 50 years
Land	46 to 50 years
Buildings	2 to 11 years

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

2.4 主要會計政策概要(續)

租賃(適用於2019年1月1日之後)

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。

(a) 使用權資產

使用權資產在租賃開始日期(即相關資產可供使用之日)確認。使用權資產按成本減去任何累計折舊及任何減值虧損計量，並就租賃負債的任何重新計量進行調整。使用權資產成本包括已確認租賃負債金額、已產生初始直接成本以及在開始日期或之前已作出租賃付款減已收任何租賃優惠。使用權資產按直線法於租賃期及資產估計使用年期(以較短者為準)折舊如下：

預付土地租賃款項	45至50年
土地	46至50年
樓宇	2至11年

如租賃資產擁有權在租賃期末轉移至本集團或成本反映行使購買權，折舊使用資產的估計使用年期計期。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Leases (applicable from 1 January 2019)

(continued)

Group as a lessee (continued)

(b) Lease liabilities

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

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

2.4 主要會計政策概要(續)

租賃(適用於2019年1月1日之後)

(續)

本集團作為承租人(續)

(b) 租賃負債

於租賃開始日期按租賃期內將作出的租賃付款現值確認租賃負債。租賃付款包括定額付款(含實質定額款項)減任何租賃獎勵應收款項、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保支付的金額。租賃付款亦包括本集團合理確定行使的購買選擇權的行使價及在租期反映本集團行使終止租賃選擇權時，有關終止租賃的罰款。不取決於指數或利率的可變租賃付款在出現觸發付款的事件或條件的期間內確認為開支。

於計算租賃付款的現值時，由於租賃內含利率無法確定，本集團應用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額的增加反映了利息的增長，其減少則關乎所作出的租賃付款。此外，倘存在租賃期的修改、變動、租賃付款變動(如由指數或利率變動引起的未來租賃付款變動)或相關資產購買權評估變動，則重新計量租賃負債的賬面值。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying assets to the lessee are accounted for as finance leases.

2.4 主要會計政策概要(續)

租賃(適用於2019年1月1日之後) (續)

本集團作為承租人(續)

(c) 短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於其機器及設備的短期租賃(自租賃開始日期起計租賃期為12個月或以下,並且不包含購買選擇權的租賃)。其亦將低價值資產租賃確認豁免應用於被視為低價值辦公設備及手提電腦租賃。

當本集團就低價值資產訂立租賃時,本集團按個別租賃基準決定是否將租賃資本化。

短期租賃及低價值資產租賃的租賃付款以直線法於租賃期內確認為開支。

本集團作為出租人

當本集團作為出租人,其於租賃開始(或租賃修改)時將各項租賃分類為經營租賃或融資租賃。

所有本集團並未轉讓資產所有權所附帶的絕大部分風險及回報的租賃歸類為經營租賃。當合約包含租賃及非租賃部分,本集團以對獨立售價將合約代價分配至各部分。由於其經營性質,租金收入於租賃期內按直線法列賬並計入收益表之收益。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值,並於租賃期內按相同方法確認為租金收入。或然租金乃於所賺取的期間內確認為收益。

向承租人轉讓相關資產所有權所附帶的絕大部分風險及回報的租賃入賬列為融資租賃。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Leases (applicable before 1 January 2019)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

2.4 主要會計政策概要(續)

租賃(適用於2019年1月1日之前)

將資產擁有權(法定業權除外)之大部分報酬與風險轉讓至本集團之租賃均列為融資租賃。融資租賃生效時，租賃資產之原值均按最低租賃款項之現值撥作資本，並連同債務(不計利息)入賬，以反映購入及融資情況。資本化融資租賃持有之資產(包括融資租賃項下土地租賃款項預付)均列入物業、廠房及設備，並按資產租賃年期或估計可使用年期(以較短者為準)攤銷。該等租賃之融資成本乃於租賃年期內按固定比率於收益表內扣除。

由出租人承受資產擁有權之絕大部分回報與風險之租賃均列為經營租賃。倘本集團是出租人，則本集團根據經營租約出租之資產均計入非流動資產，而經營租約之應收租金則以直線法在租賃期內計入收益表。倘本集團是承租人，則經營租約之應付租金以直線法在租賃期內自收益表扣除。

經營租賃的預付土地租賃款項初步按成本列賬，其後在租賃期內以直線法確認。當租賃款項無法可靠地在土地和樓宇兩部份進行分配時，則整個租賃款項會計入土地和樓宇之成本中，列作物業、廠房及設備之融資租賃。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Cash and cash equivalents

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

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

Borrowing costs

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

2.4 主要會計政策概要(續)

現金及現金等價物

為編製綜合現金流量表，現金及現金等價物包括手頭現金及活期存款，以及短期高流動性投資(須易於轉換能確定金額的現金、低價值變動風險及具較短期限(一般購入後不多於三個月))，減去按要求還款的銀行透支，並構成本集團的現金管理主要部分。

為編製綜合財務狀況表，現金及現金等價物包括手頭現金及銀行存款，包括用途不受限制的定期存款及與現金性質相似之資產。

借款成本

因收購、建設或生產合資格資產等(即需要一段頗長時間準備方可作其擬定用途或出售的資產)所直接產生的借貸成本，乃予以資本化作為該等資產成本之一部分。倘若該等資產已大致能夠用作擬定用途或出售，其借貸成本不再予以資本化。個別借貸因尚未用於合資格資產而用作暫時性投資，所賺取的投資收入應從已資本化的借貸成本中扣除。所有其他借貸成本於產生期內支銷。借貸成本包括實體在借入資金時所產生的利息及其他成本。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Provisions

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

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

Income tax

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

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

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

2.4 主要會計政策概要(續)

撥備

當由於過往事件導致現時須承擔法律或推定責任而未來可能須流失資源以履行責任，且能可靠估計責任之數額，則會確認撥備。

倘若貼現影響重大，則所確認之撥備數額為預計履行責任所需之未來開支在報告期間結算日之現值。隨時間流逝使貼現值增加之款項計入收益表之融資成本。

所得稅

所得稅包括即期及遞延稅項。與於損益表以外確認之項目有關之所得稅或確認為其他全面收益亦或直接確認為權益。

即期稅項資產及負債，按預期可從稅務機構收回或支付予稅務機構之金額、以報告期間結算日之前已實施或實質已實施之稅率(及稅法)、經考慮本集團業務所在國家現行之詮釋及慣例而計量。

遞延稅項於呈報期末按負債法就資產及負債的稅基與財務報告所示賬面值的所有暫時差額計提撥備。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

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

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

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項負債就所有應課稅暫時差額確認，惟下列情況除外：

- 因業務合併以外之交易(交易當時並無因而影響會計溢利或應課稅溢利或虧損者)下初步確認資產或負債所產生之遞延稅項負債；及
- 對附屬公司之投資相關之應課稅暫時差額而言，如暫時差額之撥回時間可予控制，且暫時差額不大可能在可預見將來撥回。

遞延稅項資產乃於可能取得應課稅溢利而可動用可扣稅暫時差額，以及未動用稅項抵免及任何未動用稅項虧損。遞延稅項資產就所有可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損結轉確認，惟下列情況除外：

- 遞延稅項資產涉及業務合併以外之交易(交易當時並無因而影響會計溢利或應課稅溢利或虧損者)下初步確認資產或負債所產生之可扣稅暫時差額；及
- 對附屬公司之投資相關之可扣稅暫時差異，遞延稅項資產僅於暫時差異於可預見將來可能出現逆轉及有應課稅溢利以供暫時差額抵銷的情況下確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Dividend income derived from the Company's subsidiaries in Mainland China is subject to a withholding tax under the prevailing tax rules and regulations of the People's Republic of China ("PRC").

2.4 主要會計政策概要(續)

所得稅(續)

於各報告期間結算日會檢討遞延稅項資產之賬面值，倘不再可能取得足夠應課稅溢利以運用全部或部分遞延稅項資產扣稅，則會作出相應調減。尚未確認之遞延稅項資產，則會於各報告期間結算日重新評估，並於有可能取得足夠應課稅溢利以收回全部或部分遞延稅項資產扣稅時確認。

遞延稅項資產及負債乃按預期適用於變現資產或清還負債期間的稅率，根據於報告期末已實施或實際上已實施的稅率(及稅法)計算。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

根據中華人民共和國(「中國」)現行稅務規則及法規，來自本公司位於中國大陸之附屬公司之股息收益須繳納預扣稅。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

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

2.4 主要會計政策概要(續)

收益確認

來自客戶合約的收益

來自客戶合約的收益於貨品或服務控制權轉讓至客戶時確認，其金額反映本集團預期就交換該等貨品或服務而有權獲得之代價。

當合約中的代價包括可變金額時，估計代價金額將為本集團就轉讓貨品或服務至客戶而有權獲得。可變代價在合約開始時估計並受約束，直至可變代價的相關不確定因素其後解決，而確認的累計收益金額不大可能出現重大收益撥回。

倘合約中包含為客戶提供超過一年的重大融資利益(撥付轉讓貨品或服務至客戶)的融資部分，則收益按應收金額的現值計量，並使用本集團與客戶之間於合約開始時的單獨融資交易中反映的貼現率貼現。倘合約中包含為本集團提供超過一年的重大融資利益的融資部分，則根據該合約確認的收益包括按實際利率法計算的合約負債所產生的利息開支。就客戶付款與轉讓承諾貨品或服務之期間少於一年的合約，交易價格不會重大融資部分的影響使用香港財務報告準則第15號的可行權宜方法進行調整。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

Sale of goods

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

Other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on index or a rate are recognised as income in the accounting period in which they are incurred.

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

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

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

2.4 主要會計政策概要(續)

收益確認(續)

來自客戶合約的收益(續)

銷售貨品

銷售貨品收益於資產控制權轉移至客戶(通常於交付貨品)之時確認。

其他收入

租金收入乃按租賃年期之時間比例確認。不依賴於指數或利率的可變租賃付款在其產生的會計期間確認為收入。

利息收入採用實際利率法按累計基準確認，並採用將金融工具於其預計年期或適當的較短期間估計未來現金收入準確貼現至金融資產賬面淨值的利率。

股息收入在確立股東收取款項的權利時確認，與股息相關之經濟利益將可能流入本集團及股息金額能夠可靠地計量。

合約負債

合約負債於本集團轉移相關貨品或服務前已收或應收(以較早者為準)客戶付款時確認。合約負債於本集團履行合約(即向客戶轉移相關貨品或服務的控制權)時確認為收益。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Government grants

Government grants, including a subsidy for the expenditure incurred in the construction cost of infrastructure projects, are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

2.4 主要會計政策概要(續)

研究及開發成本

所有研究成本均於產生時自收益表扣除。

開發新產品之項目開支將撥充資本，並僅於以下情況延遲入賬：本集團能表現出完成該無形資產之技術可行性，以供使用或銷售；表現其有意完成該項資產及其使用或出售該項資產之能力；顯示該項資產如何產生日後經濟利益；顯示其能夠提供完成有關項目之資源；及顯示其有能力於開發期間可靠計量開支。不符合上述標準之產品開發開支於產生時支銷。

政府補助

政府補助(包括有關基建項目建築成本所招致開支之補助)於可合理地確定將會收取補助及將符合所有附帶條件時按公平值確認。倘補助涉及開支項目，則會於相關期間確認為收入，使該補助有系統地對應其擬補助之成本入賬。倘補助與資產有關，其公平值從資產之賬面值中扣減並透過扣減之折舊開支而轉撥至收益表。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Employee benefits

Retirement benefit 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 in Hong Kong. Contributions are made based on a percentage of these employees' basic salaries and are charged to the income statement 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 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 certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

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

2.4 主要會計政策概要(續)

僱員福利

退休福利計劃

本集團根據香港強制性公積金計劃條例為所有香港僱員設立定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃按僱員基本薪金之某百分比計算，並根據強積金計劃之規則於應付時在收益表扣除。強積金計劃資產與本集團資產分開存放，由獨立管理之基金持有。本集團一經向強積金計劃供款，有關僱主供款即全數歸僱員所有。

本集團於中國大陸經營之附屬公司之僱員須參與地方市政府管理之中央退休金計劃。該等附屬公司須按其薪酬成本之若干百分比向中央退休金計劃供款。供款於根據中央退休金計劃之規則應付時於收益表扣除。

離職福利

離職福利於本集團不再能取消提供該等福利時及本集團確認涉及支付離職福利的重組成本時(以較早者為準)確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies (continued)

Foreign currencies

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

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

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

2.4 主要會計政策概要(續)

外幣

該等財務報表以港元(本公司之功能貨幣)呈列。本集團屬下各實體自行決定功能貨幣，而各實體財務報表內之項目均以該功能貨幣計算。外幣交易首先按交易日期本集團屬下各實體以其功能貨幣匯率入賬。於結算日以外幣為單位之貨幣資產與負債按報告期間結算日適用之功能貨幣匯率換算。因貨幣項目結算或匯兌產生的差額於收益表確認。

根據外幣歷史成本計算之非貨幣項目按首次交易日期之匯率換算。根據外幣公平值計算之非貨幣項目按釐定公平值當日之匯率換算。換算非貨幣項目而產生的收益或虧損，按確認該項目公平價值變動的收益或虧損一致的方法處理(即其他全面收益或收益表已確認的項目公平價值收益或虧損，其換算差額亦分別於其他全面收益或收益表確認)。

終止確認與墊付代價有關的非貨幣資產或非貨幣負債時，釐定初步確認相關資產、開支或收入所用的匯率，初步交易日期為本集團初步確認墊付代價產生的非貨幣資產或非貨幣負債當日。倘涉及多筆墊付款項或預收款項，則本集團釐定每次支付或收取墊付代價的交易日期。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

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

3. Significant Accounting Judgements and Estimates

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

2.4 主要會計政策概要(續)

外幣(續)

若干海外附屬公司之功能貨幣並非港元。於報告期間結算日，該等實體之資產及負債均按報告期間結算日之匯率換算為港元，而該等公司之收益表按年內之加權平均匯率換算為港元。因此而產生之匯兌差額計入其他全面收入及於匯兌波動儲備累積。於出售境外營運時，就特定海外實體在其他全面收入的組成部分將於收益表確認。

就編製綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期現行之匯率換算為港元。海外附屬公司在年內產生之經常性現金流量會按該年度之加權平均匯率換算為港元。

3. 主要會計判斷及估計

於編製本集團之財務報表時，管理層需對收入、支出、資產及負債之申報數額及其附帶披露、以及或然負債之披露事項作出判斷、估計及假設。該等假設及估計之不明朗因素可能導致需就日後受影響資產或負債之賬面值作出重大調整。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Judgements

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

Property lease classification — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards identical to ownership of these properties which are leased out and account for the contracts as operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 主要會計判斷及估計(續)

判斷

管理層於應用本集團之會計政策時已作出以下判斷(不包括涉及估計者)，對財務報表內確認之款項構成最重要影響者如下：

物業租賃分類 — 本集團為出租人

本集團已就其投資物業組合訂立商業物業租賃。根據對有關安排條款及條件之評估，如租賃期不構成商用物業之經濟壽命的主要部分且最低租賃付款現值不等於商用物業之絕大部分公平值，本集團已釐定其保留該等物業所有權附帶的絕大部分風險及回報，並以合約作為經營租賃出租及入賬。

投資物業與業主佔用物業分類

本集團釐定一項物業是否符合為投資物業，並已制訂標準以作出有關判斷。投資物業乃為賺取租金或／及資本增值而持有之物業。故此，本集團考慮物業是否明顯地獨立於本集團持有的其他資產而產生現金流量。某些物業包括一部分為賺取租金或資本增值而持有，而另一部分則為生產或供應貨物或服務或行政用途而持有。倘有關部分可根據融資租賃單獨出售或出租，本集團則單獨計入該部分。倘有關部份不能單獨出售，物業只會用於生產或供應貨物或服務或行政用途所佔比例極少的情況下計入投資物業。本集團基於物業的個別情況而作出判斷，以確定配套服務是否非常重要，致使該物業不符合為投資物業。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Judgements (continued)

Income tax

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

As explained in note 28 to the financial statements, withholding tax is levied on dividends to be distributed by subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. Deferred tax is provided, at the applicable withholding tax rate, on the undistributed earnings of the Group's PRC subsidiaries that would be distributed to their respective holding companies outside Mainland China in the foreseeable future.

The Group's investment properties at fair value in Mainland China are all held to earn rental income and/or for capital appreciation and they are considered to be held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Accordingly, deferred tax on the Group's investment properties at fair value is measured to reflect the tax consequences of recovering the carrying amounts of the investment properties through use.

3. 主要會計判斷及估計(續)

判斷(續)

所得稅

使用負債法就報告期末資產與負債稅基與彼等就財務申報的賬面值之間的所有暫時差額計提遞延稅項。

如財務報表附註28所說明，於中國大陸成立的附屬公司將就二零零八年一月一日起所產生的盈利而分派的股息須繳納預扣稅。按適用預扣稅率就本集團位於中國的附屬公司將於可見將來分派予彼等各自位於中國大陸境外的控股公司的未分派盈利計提遞延稅項。

本集團位於中國大陸按公平值列賬的投資物業均持有以賺取租金收入及／或資本增值，彼等視作按其目標為隨著時間的推移消耗投資物業所包含絕大部分經濟利益而不是通過銷售的業務模式持有。因此，計量本集團按公平值列賬投資物業的遞延稅項以反映透過使用收回投資物業賬面值的稅務後果。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty

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

Fair value estimation of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) independent valuations;
- (b) current prices in an active market for properties of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;
- (c) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and
- (d) discounted cash flow projections, based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rates for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are given in note 17 to the financial statements.

3. 主要會計判斷及估計(續)

估計之不明朗因素

涉及日後之主要假設及於報告期末估計不明朗因素之其他主要來源(其均會導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險)載於下文：

投資物業公平值的估計

倘缺乏類似物業於活躍市場的當前價格，本集團將考慮不同來源的資料，包括：

- (a) 獨立估值；
- (b) 不同性質、狀況或地點(或不同租賃或其他合同)的物業於活躍市場的當前價格(須就反映該等差異作出調整)；
- (c) 類似物業於活躍程度稍遜市場的近期價格，經調整以反映自按該等價格進行交易當日起之任何經濟情況變動；及
- (d) 根據未來現金流量之可靠估計而作出之折現現金流量預測，該預測乃根據任何現有租約及其他合約之條款，以及(如有可能)外在因素(如相同地點及狀況之類似物業之現行市場租金等)而作出，並採用可反映當時市場對不確定之現金流量金額及時間之評估之折現率計算。

包括用於公平值計量的主要假設及敏感度分析的進一步詳情載於財務報表附註17。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region and customer type). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. 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 note 21 to the financial statements.

Inventory provision

The Group manufactures and sells goods and is subject to changing consumer demands and fashion trends. As a result, it is necessary to consider the recoverability of the cost of inventories and the associated provision required. When calculating the inventory provision, management considers the nature and condition of inventories, as well as applying assumptions around anticipated marketability of finished goods and the future usage of raw materials.

3. 主要會計判斷及估計(續)

估計之不明朗因素(續)

應收貿易賬款預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易賬款的預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分類組別(即地理區域及客戶類型)的逾期天數釐定。撥備矩陣最初基於本集團的歷史觀察違約率。本集團將通過調整矩陣以調整歷史信貸虧損經驗與前瞻性資訊。於各報告日期,歷史觀察到的違約率都會被更新,並分析未來其可能發生的變化。

對歷史觀察到的違約率、預測的經濟狀況及預期信貸虧損之間的相關性的評估是一個重要的估計。預期信貸虧損的金額對環境的變化及預測的經濟狀況很敏感。本集團的歷史信貸虧損經驗及對經濟狀況的預測亦可能無法代表客戶未來實際違約。有關本集團應收貿易賬款的預期信貸虧損的資料於財務報表附註21披露。

存貨撥備

本集團製造及銷售商品,並受到消費者需求及時裝潮流不斷變化的影響。因此,有需要考慮存貨成本的可收回性以及所需的相關撥備。在計算存貨撥備時,管理層會考慮存貨的性質及狀況,並應用關於製成品預計適銷性及日後原材料用量的假設。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Impairment assessment of Other Asset (as defined in note 19)

As disclosed in note 19, Other Asset is the right to receive the new properties and is stated at cost less any impairment losses. Under the annual impairment testing, an impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The Group conducted the impairment assessment by comparing the net carrying amount of Other Asset with its fair value as determined based on the valuation performed by independent professionally qualified valuers and a method of valuation which involved certain assumptions, including gross unit rate per square meter. The assumptions used in the valuation have involved significant management judgement.

3. 主要會計判斷及估計(續)

估計之不明朗因素(續)

租賃 — 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借款利率並須作出若干實體特定的估計（如附屬公司的獨立信貸評級）。

其他資產的減值評估(定義見附註19)

如附註19披露，其他資產是接收新物業的權利，並按成本減任何減值虧損列賬。當進行年度減值測試時，資產或現金產生單位的賬面值超過其可收回金額（即其公平值減出售成本及使用價值兩者中的較高者）時，則存在減值。本集團通過比較其他資產的賬面淨值與根據獨立專業合資格估值師進行的估值釐定的公平值以及涉及若干假設（包括每平方米的總單位價）的估值方法進行減值評估。估值所用假設涉及重大管理層判斷。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

4. Segment Information

The Group's primary operating segment is the manufacture and sale of ladies' brassieres, panties, swimwear, sleepwear and others. Since this is the only operating segment of the Group, no further analysis thereof is presented. In determining the Group's geographical information, the revenue information is based on the locations of the customers, and the total non-current asset information, other than deferred tax assets, is based on the locations of the assets.

4. 分部資料

本集團之主要經營分部是女士胸圍、內褲、泳衣、睡衣及其他之製造及銷售。由於此為本集團之唯一經營分部，故並無呈列進一步之分析。決定本集團之地區資料時，收益資料乃按客戶所在地為基礎，總非流動資產(遞延稅項資產除外)資料按資產所在地為基礎。

		Mainland China 中國大陸		Hong Kong 香港		Others 其他		Total 總計	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from external customers	外界客戶之收益	2,198,922	2,375,600	62,730	71,431	5,215	4,843	2,266,867	2,451,874
Non-current assets	非流動資產	2,128,631	1,991,688	115,066	99,086	-	-	2,243,697	2,090,774
Capital expenditure incurred during the year	年內資本開支	113,399	228,076	1,297	397	-	-	114,696	228,473

For the years ended 31 December 2019 and 2018, as no revenue from sales to any customer of the Group has individually accounted for over 10% of the Group's total revenue, no information about major customers is presented under HKFRS 8.

截至二零一八年及二零一九年十二月三十一日止年度，由於本集團並無任何客戶之銷售收益個別佔本集團總收益10%以上，故並未根據香港財務報告準則第8號呈報主要客戶的資料。

5. Revenue

An analysis of revenue is as follows:

5. 收益

收入分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約的收益		
Sale of goods	銷售貨品	2,266,867	2,451,874

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

5. Revenue (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Business activities	業務活動		
Concessionary counters	銷售專櫃	1,593,993	1,820,817
Retail stores	零售店鋪	252,662	237,582
Internet and wholesale	網上銷售及批發	414,997	388,632
Original design manufacturer ("ODM")	原設計製造商	5,215	4,843
		2,266,867	2,451,874
Brands	品牌		
Embry Form	安莉芳	1,032,245	1,113,604
Fandecie	芬狄詩	558,942	615,805
Others	其他	670,465	717,622
ODM products	ODM 產品	5,215	4,843
		2,266,867	2,451,874
Products	產品		
Lingerie	女性內衣	1,982,720	2,139,176
Sleepwear	睡衣	180,244	165,146
Swimwear	泳衣	88,705	123,220
ODM products	ODM 產品	5,215	4,843
Other products	其他產品	9,983	19,489
		2,266,867	2,451,874

The following table shows the amount of revenue recognised in the current reporting period that was included in contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

下表顯示本報告期內確認的收入金額，包括在報告期初的合約負債中，並確認上年度期初所履行的履約責任：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	在期初時包含在合約負債中所確認的收入：		
Sale of goods	銷售貨品	42,875	90,754

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

5. Revenue (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The Group sells goods directly to retail customers via retail stores, concessionary counters and internet. The performance obligation is satisfied when the product is transferred to the customers upon delivery of goods. Payment of the transaction price is due immediately when the customers purchase the goods. The payment is usually settled in cash or using credit cards.

The Group also sells goods to wholesalers. The performance obligation is satisfied when control of the products has been transferred, being when the products are delivered to the wholesalers and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. The payment is generally due within one month, extending up to three months for major customers, from delivery, except for certain wholesalers, where payment in advance is normally required.

As a practical expedient, the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2019 are not disclosed in the notes to the financial statements because all the remaining performance obligations in relation to the sale of goods are a part of contracts that have an original expected duration of one year or less.

5. 收益(續)

來自客戶合約的收益(續)

(ii) 履約責任

有關本集團履約責任的資料概述如下：

銷售貨品

本集團透過零售店、特許櫃檯及互聯網直接向零售客戶銷售貨物。履約責任在交付產品時得到確認。當客戶購買商品時，需立即以交易價格支付。付款一般以現金或信用卡結算。

本集團亦向批發商出售貨品。履約責任在產品的控制權交付時得到確認，即產品交付予批發商且並無未履行義務可能影響批發商對產品的接收。付款期通常為一個月，主要客戶延長至最多三個月(自產品送遞後起計算)，惟若干批發商除外，一般需要提前付款。

作為可行的權宜之計，於二零一九年十二月三十一日分配予餘下履約責任(未履行或部分未履行)的交易價格並未在財務報表附註中披露，乃由於與貨品銷售有關的所有餘下履約責任是原始預期期限為一年或以下的合約一部分。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

6. Other Income and Gains, Net

6. 其他收入及收益，淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other income	其他收入		
Subsidy income*	補貼收入*	29,355	50,407
Gross rental income from investment properties operating leases:	投資物業經營租賃的		
Other lease payments, including fixed payments	租金收入總額： 其他租賃款項，包括固定款項	14,805	-
Variable lease payments that do not depend on an index or a rate	不取決於指數或利率的 可變租賃款項	530	-
Gross rental income	租金收入總額	-	18,861
Contingent rents receivable in respective of operating leases	經營租賃的應收或然租金	-	682
Bank interest income	銀行利息收入	1,543	3,028
Interest accretion on non-current receivables	非即期應收款項的利息增加	1,949	1,757
Royalty income	專利權收入	-	121
Others	其他	5,918	2,753
		54,100	77,609
Gains/(losses), net	收益/(損失)，淨額		
Foreign exchange differences, net	匯兌差異，淨額	(3,720)	(14,096)
Changes in fair value of investment properties (note 17)	投資物業公平值變動(附註17)	(4,091)	9,000
		(7,811)	(5,096)
		46,289	72,513

* There are no unfulfilled conditions or contingencies relating to this income.

* 此收入並無涉及任何未達成之條件或或然事項。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

7. Other Expenses

7. 其他開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Charitable donation	慈善捐款	5,324	9,048
Loss on disposal/write-off of items of property, plant and equipment, net	出售／撇銷物業、廠房及設備項目之虧損，淨額	18	1,132
Write-off of deposits	按金之撇銷	582	2,265
		5,924	12,445

8. Finance Costs

8. 融資成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on bank loans	銀行借款利息	19,617	12,888
Interest on lease liabilities	租賃負債利息	7,901	-
		27,518	12,888

Notes to Financial Statements (Continued)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

9. Profit Before Tax

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

9. 除稅前溢利

本集團之除稅前溢利已扣除/(計入)：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of inventories sold*	已售存貨成本*	504,138	491,847
Depreciation of property, plant and equipment	固定資產之折舊	79,219	75,807
Depreciation of right-of-use assets	使用權資產之折舊	105,384	–
Amortisation of prepaid land lease payments	預付土地租賃款項之攤銷	–	977
Minimum lease payments under operating leases in respect of:	有關以下各項經營租約之最低租賃款項：		
Land and buildings	土地及樓宇	–	99,850
Contingent rents of retail outlets in department stores	百貨公司內零售點的或然租金	–	516,345
Loss on termination of leases	終止租賃之損失	450	–
Lease payments not included in the measurement of lease liabilities (note 18(d))	不計入租賃負債的租賃款項 (附註 18(d))	469,354	–
Employee benefit expenses (excluding directors' and chief executive's remuneration — note 10):	僱員福利開支 (不包括董事及行政總裁薪酬 — 附註 10)：		
Wages and salaries	工資及薪金	651,613	689,808
Provision/(write-back of provision) for long service payments	長期服務金撥備/(撥備撥回)	(2,042)	2,221
Retirement benefit scheme contributions	退休福利計劃供款	63,045	67,938
		712,616	759,967
Auditor's remuneration	核數師酬金	2,838	2,880
Advertising and counter decoration expenses	廣告及櫃位裝飾開支	147,285	166,169
Write-back of provision for obsolete inventories, net	陳舊存貨撥備撥回，淨額	(12,665)	(18,946)
Write-off of deposits	按金之撇銷	582	2,265
Impairment/(write-back of impairment) of trade receivables, net**	應收貿易賬款減值/(撥回減值)，淨額**	(4,831)	5,624
Research and development expenditure	研究及開發開支	3,410	2,697
Loss on disposal/write-off of items of property, plant and equipment, net	出售/撇銷物業、廠房及設備項目之虧損，淨額	18	1,132
Foreign exchange differences, net	匯兌差異，淨額	3,720	14,096
Gross and net rental income	租金收入總額及淨額	(15,335)	(19,543)
Changes in fair value of investment properties	投資物業公平值變動	4,091	(9,000)
Bank interest income	銀行利息收入	(1,543)	(3,028)
Interest accretion on non-current receivables	非流動應收款項的利息	(1,949)	(1,757)

* The cost of inventories sold for the year included HK\$167,803,000 (2018: HK\$152,775,000), relating to staff costs, depreciation of manufacturing facilities and the write-back of provision for obsolete inventories, which is also included in the respective total amounts disclosed above for each type of expenses.

** Impairment of trade receivables, net, is included in "Administrative expenses" on the face of the consolidated income statement.

* 已售存貨成本包括員工成本、製造設備折舊及陳舊存貨撥備，淨額為167,803,000港元(二零一八年：152,775,000港元)。有關總額亦已記入以上披露之各類相關開支中。

** 應收貿易賬款減值，淨額已計入綜合收益表的「行政開支」內。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

10. Directors' and Chief Executive's Remuneration

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

10. 董事及行政總裁薪酬

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)、香港公司條例第383(1)(a), (b), (c)及(f)條, 以及公司(披露董事利益資料)規例第2部披露如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fees	袍金	1,074	1,032
Other emoluments:	其他酬金:		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	12,074	10,034
Bonuses*	花紅*	2,053	5,967
Retirement benefit scheme contributions	退休福利計劃供款	54	43
		15,255	17,076

* Executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

* 本公司執行董事有權獲派發花紅, 而花紅金額則按本集團除稅後溢利的一定百分比釐定。

2019

二零一九年

		Fees	Salaries, allowances and benefits in kind	Bonuses	Retirement benefit scheme contributions	Total remuneration
		袍金	薪金、津貼及實物利益	花紅	退休福利計劃供款	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<i>Executive directors:</i>	<i>執行董事:</i>					
Mr. Cheng Man Tai	鄭敏泰先生	-	3,340	44	18	3,402
Madam Ngok Ming Chu	岳明珠女士	-	4,088	765	18	4,871
Ms. Cheng Pik Ho Liza [#]	鄭碧浩女士 [#]	-	2,884	773	18	3,675
Mr. Cheng Chuen Chuen	鄭傳全先生	-	646	159	-	805
Ms. Lu Qun	鹿群女士	-	1,116	312	-	1,428
		-	12,074	2,053	54	14,181
<i>Independent non-executive directors:</i>	<i>獨立非執行董事:</i>					
Mr. Lau Siu Ki	劉紹基先生	358	-	-	-	358
Mr. Lee Kwan Hung	李均雄先生	358	-	-	-	358
Prof. Lee T. S.	李天生教授	358	-	-	-	358
		1,074	-	-	-	1,074
		1,074	12,074	2,053	54	15,255

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

10. Directors' and Chief Executive's Remuneration 10. 董事及行政總裁薪酬(續)

(continued)

2018

二零一八年

		Salaries, allowances and benefits		Bonuses	Retirement benefit scheme contributions	Total remuneration
		Fees	in kind			
		袍金	薪金、津貼及實物利益	花紅	退休福利計劃供款	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<i>Executive directors:</i>	<i>執行董事：</i>					
Mr. Cheng Man Tai*	鄭敏泰先生*	–	1,424	638	7	2,069
Madam Ngok Ming Chu	岳明珠女士	–	4,037	2,022	18	6,077
Ms. Cheng Pik Ho Liza [#]	鄭碧浩女士 [#]	–	2,910	2,057	18	4,985
Mr. Cheng Chuen Chuen	鄭傳全先生	–	505	323	–	828
Ms. Lu Qun	鹿群女士	–	1,158	927	–	2,085
		–	10,034	5,967	43	16,044
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>					
Mr. Lau Siu Ki	劉紹基先生	344	–	–	–	344
Mr. Lee Kwan Hung	李均雄先生	344	–	–	–	344
Prof. Lee T. S.	李天生教授	344	–	–	–	344
		1,032	–	–	–	1,032
		1,032	10,034	5,967	43	17,076

[#] Ms. Cheng Pik Ho Liza, a director of the Company, is also the chief executive officer of the Company.

* Mr. Cheng Man Tai resigned as a consultant of the Company (note 13) and was appointed as an executive director of the Company on 23 August 2018.

[#] 本公司董事鄭碧浩女士亦擔任本公司之行政總裁。

* 鄭敏泰先生於二零一八年八月二十三日辭任本公司顧問(附註13)並獲委任為本公司執行董事。

There were no arrangements under which a director or the chief executive waived or agreed to waive any remuneration during the year.

有關期間內並無董事或行政總裁免收或同意免收任何薪酬之安排。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

11. Five Highest Paid Individuals

The five highest paid employees during the year included three (2018: three) directors, details of whose remuneration are set out in note 10 to the financial statements above. Details of the remuneration for the year of the remaining two (2018: two) highest paid employees who are neither directors nor chief executive of the Company are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,812	2,899
Bonuses	花紅	1,073	2,435
Retirement benefit scheme contributions	退休福利計劃供款	84	74
		2,969	5,408

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

		Number of employees 僱員人數	
		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	零至 1,000,000 港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	2	-
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	-	-
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	-	1
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	-	-
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	-	1
		2	2

11. 五名最高薪人士

年內五名最高薪人士包括三名董事(二零一八年：三名)，其薪酬詳情已於上文財務報表附註10載述。年內其餘兩名(二零一八年：兩名)非本公司董事或行政總裁之最高薪僱員之薪酬詳情如下：

薪酬屬於以下組別之非董事及非行政總裁最高薪僱員人數如下：

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

12. Income Tax

No provision for Hong Kong profit tax has been made as the Group did not generate any assessable profit arising in Hong Kong during the year (2018: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the regions in which the Group operates.

12. 所得稅

由於本集團於年內並無在香港產生任何應課稅溢利，故並無計提香港利得稅撥備(二零一八年：無)。其他地方應課稅溢利之稅項已按本集團經營業務地區之目前稅率計算。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current — Hong Kong	即期稅項—香港		
Overprovision in prior years	過往年度之超額撥備	—	(9)
Current — Mainland China	即期稅項—中國大陸		
Charge for the year	年內稅項	50,287	68,968
Deferred (note 28)	遞延(附註28)	(5,334)	6,952
Total tax charge for the year	年度之總稅項支出	44,953	75,911

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the regions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

以本公司及其大部份附屬公司註冊地區之法定稅率及除稅前溢利計算之稅項開支，與使用實際稅率計算之稅項開支的對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before tax	除稅前溢利	125,275	227,076
Tax at the applicable rates	適用稅率計算之稅項	34,669	59,391
Adjustments in respect of current tax of previous periods	調整過往期間之即期稅項	—	(9)
Income not subject to tax	毋須課稅之收入	(3,774)	(7,917)
Expenses not deductible for tax	不可扣稅之開支	4,663	2,590
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	本集團之中國附屬公司之可供分派利潤按5%計算之預扣稅之影響	—	10,509
Tax losses not recognised	未確認稅項虧損	8,186	9,144
Others	其他	1,209	2,203
Tax charge at the Group's effective rate	按本集團之實際稅率計算之稅項支出	44,953	75,911

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

13. Related Party Transactions

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

13. 有關連人士交易

- (a) 除該等財務報表其他部份所述之交易外，本集團於年內與有關連人士進行之重大交易如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註		
<i>Continuing transactions</i>	<i>持續交易</i>		
Purchases of furniture and decoration services for counters and shops as well as different types of moulds from related companies	向有關連公司購買櫃位及店舖之傢俬及裝修服務以及各類型模具	16,921	21,093
	(i)		
Rental expenses for a warehouse charged by a director of the Company	本公司董事收取倉庫之租金開支	319	319
	(ii)		
Consultancy fee to a controlling shareholder of the Company	向本公司控股股東支付之顧問費	-	769
	(iii)		

Notes:

- (i) The purchases of furniture and decoration services for counters and shops as well as different types of moulds from 多思維五金塑料製品(深圳)有限公司 (Duosiwei Metal & Plastic Products (Shenzhen) Co., Ltd.) and 常州多思維傢俱裝飾工程有限公司 (Changzhou Duosiwei Furniture Decoration Construction Co., Ltd.), related companies controlled by Mr. Cheng Chuen Chuen, an executive director of the Company, and 新思維實業(深圳)有限公司 (Xinsiwei Industry (Shenzhen) Co., Ltd.), a related company controlled by close family members of Mr. Cheng Chuen Chuen, an executive director of the Company, were made according to the terms similar to those offered by the Group's independent suppliers. The balances owed to related companies as at 31 December 2019 amounted to HK\$5,443,000 (2018: HK\$6,470,000) and were unsecured, interest-free and repayable in accordance with normal trading terms. The amounts have been included in other payables and accruals as at the end of the year.

附註：

- (i) 分別向本公司執行董事鄭傳全先生所控制的關連公司多思維五金塑料製品(深圳)有限公司及常州多思維傢俱裝飾工程有限公司以及本公司執行董事鄭傳全先生的親屬所控制的關連公司新思維實業(深圳)有限公司購買櫃位及店舖之傢俬及裝修服務以及各類型模具條款與本集團獨立供應商所提供之條款相若。於二零一九年十二月三十一日欠付關連公司之結餘為5,443,000港元(二零一八年：6,470,000港元)乃無抵押、免息及需按一般買賣條款償還。該等款額已於年末結算日列作其他應付款項及應計款項。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

13. Related Party Transactions (continued)

(a) (continued)

Notes: (continued)

- (ii) The rental expenses were charged by Madam Ngok Ming Chu, an executive director of the Company, and determined with reference to the then prevailing market conditions.
- (iii) Mr. Cheng Man Tai, a controlling shareholder of the Company, had been serving as a consultant of the Company since 25 March 2014. He had been engaged for the fifth term of one year effective from 25 March 2018 and ceased to be a consultant of the Company on 23 August 2018 upon appointment as an executive director of the Company. The terms of the consultancy fee were based on consultancy agreement entered into between the Group and Mr. Cheng Man Tai.

The above transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules and their details are disclosed in the report of the directors.

The directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

(b) Compensation of key management personnel of the Group

13. 有關連人士交易(續)

(a) (續)

附註：(續)

- (ii) 租金開支乃由本公司執行董事岳明珠女士收取並參考當時之市況釐定。
- (iii) 本公司控股股東鄭敏泰先生自二零一四年三月二十五日起擔任本公司顧問。他自二零一八年三月二十五日獲第五屆委聘為本公司顧問為期一年，並於二零一八年八月二十三日獲委任為本公司執行董事後不再擔任本公司顧問。顧問費的條款是根據本集團及本公司控股股東鄭敏泰先生之間的協議釐定。

根據上市規則第14A章，以上交易構成持續關連交易，有關詳情已於董事會報告內披露。

董事認為上述交易是於本集團日常業務過程中進行。

(b) 本集團主要管理人員之薪酬

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	19,871	23,560
Post-employment benefits	離職後福利	225	219
Total compensation paid to key management personnel	支付予主要管理人員之總薪酬	20,096	23,779

Further details of directors' and chief executive's remuneration are included in note 10 to the financial statements.

董事及行政總裁薪酬的詳情載於財務報表附註10。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

14. Dividends

14. 股息

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividends paid during the year:	年內已付股息：		
Final in respect of the financial year ended 31 December 2018 — HK7.0 cents per ordinary share (2018: Final in respect of the financial year ended 31 December 2017 — HK8.0 cents per ordinary share)	截至二零一八年十二月三十一日止財政年度末期股息 — 每股普通股 7.0 港仙 (二零一八年：截至二零一七年十二月三十一日止財政年度末期股息 — 每股普通股 8.0 港仙)	29,569	33,793
Interim — HK2.0 cents (2018: HK3.5 cents) per ordinary share	中期股息 — 每股普通股 2.0 港仙 (二零一八年：3.5 港仙)	8,448	14,785
		38,017	48,578
Proposed final dividend:	擬派末期股息：		
Final — HK3.0 cents (2018: Final — HK7.0 cents) per ordinary share	末期股息 — 為每股普通股 3.0 港仙 (二零一八年：末期股息 — 為每股普通股 7.0 港仙)	12,672	29,569

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the final dividend payable.

年內擬派末期股息須待本公司股東於應屆股東週年大會上批准。該等財務報表並未反映應付末期股息。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

15. Earnings Per Share Attributable to Owners of the Company

(a) Basic

The calculation of basic earnings per share is based on:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Earnings	盈利		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	用於計算每股基本盈利之本公司擁有人應佔溢利	80,322	151,165
		Number of shares 股份數目	
		2019 二零一九年	2018 二零一八年
Shares	股份		
Weighted average number of ordinary shares of the Company in issue, used in the basic earnings per share calculation	計算本公司每股基本盈利所採用之年內已發行普通股加權平均數	422,416,638	422,416,638
Basic earnings per share (HK cents)	每股基本盈利(港仙)	19.01	35.79

(a) 基本

每股基本盈利乃按以下數據計算：

(b) Diluted

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018.

(b) 攤薄

截至二零一八年及二零一九年十二月三十一日止年度，本集團並無發行具潛在攤薄影響之普通股。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

16. Property, Plant and Equipment

16. 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃物業裝修	廠房及機器	傢俬、裝置及辦公室設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
31 December 2019	二零一九年十二月三十一日							
Cost:	成本:							
At 31 December 2018	於二零一八年十二月三十一日	946,976	3,690	200,542	297,015	12,608	166,742	1,627,573
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號之影響	(146,339)	-	-	-	-	-	(146,339)
At 1 January 2019 (restated)	於二零一九年一月一日(經調整)	800,637	3,690	200,542	297,015	12,608	166,742	1,481,234
Additions	添置	-	-	2,268	11,465	-	100,963	114,696
Disposals/write-off	出售/撇銷	-	-	(229)	(2,376)	(755)	(750)	(4,110)
Transfers	轉撥	118,454	-	55,607	15,790	-	(189,851)	-
Transfer to investment properties (note a)	轉撥至投資物業(附註a)	(8,286)	-	-	-	-	-	(8,286)
Exchange realignment	匯兌調整	(10,151)	-	(2,873)	(3,382)	(90)	(883)	(17,379)
At 31 December 2019	於二零一九年十二月三十一日	900,654	3,690	255,315	318,512	11,763	76,221	1,566,155
Accumulated depreciation:	累計折舊:							
At 31 December 2018	於二零一八年十二月三十一日	126,426	3,690	72,066	195,803	10,118	-	408,103
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號之影響	(31,523)	-	-	-	-	-	(31,523)
At 1 January 2019 (restated)	於二零一九年一月一日(經調整)	94,903	3,690	72,066	195,803	10,118	-	376,580
Provided during the year	年內撥備	18,741	-	19,261	40,070	1,147	-	79,219
Disposals/write-off	出售/撇銷	-	-	(204)	(2,361)	(618)	-	(3,183)
Transfer to investment properties (note a)	轉撥至投資物業(附註a)	(1,209)	-	-	-	-	-	(1,209)
Exchange realignment	匯兌調整	(1,237)	-	(998)	(2,400)	(79)	-	(4,714)
At 31 December 2019	於二零一九年十二月三十一日	111,198	3,690	90,125	231,112	10,568	-	446,693
Net book value:	賬面淨值:							
At 31 December 2019	於二零一九年十二月三十一日	789,456	-	165,190	87,400	1,195	76,221	1,119,462

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

16. Property, Plant and Equipment (continued)

16. 物業、廠房及設備(續)

		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment 傢俬、裝置 及辦公室 設備	Motor vehicles	Construction in progress	Total
		租賃土地 及樓宇 HK\$'000 千港元	租賃物業 裝修 HK\$'000 千港元	廠房及 機器 HK\$'000 千港元	及辦公室 設備 HK\$'000 千港元	汽車 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
31 December 2018	二零一八年十二月三十一日							
Cost:	成本：							
At 1 January 2018	於二零一八年一月一日	868,807	3,690	103,682	255,876	14,888	278,146	1,525,089
Additions	添置	-	-	2,142	41,808	355	184,188	228,473
Disposals/write-off	出售/撇銷	-	-	(1,553)	(2,529)	(2,066)	-	(6,148)
Transfers	轉撥	159,502	-	106,941	17,898	-	(284,341)	-
Transfer to investment properties (note a)	轉撥至投資物業(附註a)	(27,648)	-	-	-	-	-	(27,648)
Exchange realignment	匯兌調整	(53,685)	-	(10,670)	(16,038)	(549)	(11,251)	(92,193)
At 31 December 2018	於二零一八年十二月三十一日	946,976	3,690	200,542	297,015	12,608	166,742	1,627,573
Accumulated depreciation:	累計折舊：							
At 1 January 2018	於二零一八年一月一日	116,087	3,690	61,342	170,531	11,061	-	362,711
Provided during the year	年內撥備	21,122	-	16,274	36,941	1,470	-	75,807
Disposals/write-off	出售/撇銷	-	-	(1,496)	(1,426)	(1,972)	-	(4,894)
Transfer to investment properties (note a)	轉撥至投資物業(附註a)	(4,089)	-	-	-	-	-	(4,089)
Exchange realignment	匯兌調整	(6,694)	-	(4,054)	(10,243)	(441)	-	(21,432)
At 31 December 2018	於二零一八年十二月三十一日	126,426	3,690	72,066	195,803	10,118	-	408,103
Net book value:	賬面淨值：							
At 31 December 2018	於二零一八年十二月三十一日	820,550	-	128,476	101,212	2,490	166,742	1,219,470

Notes:

附註：

- (a) During the year ended 31 December 2019, the Group rented out one of its occupied properties to an independent third party for rental income. At the date of change in use, this property became investment property. Upon the transfer from property, plant and equipment of HK\$7,077,000 (2018: HK\$23,559,000) and corresponding right-of-use land of HK\$12,360,000 (2018: Nil) to investment properties, this property was revalued at HK\$23,182,000 (2018: HK\$28,810,000) with a revaluation surplus of HK\$3,745,000 (2018: HK\$5,251,000) credited to the asset revaluation reserve.
- (b) At 31 December 2019, certain of the Group's buildings with a net carrying amount of approximately HK\$2,814,000 (2018: Nil) were pledged to secure general banking facilities granted to the Group (note 25).

- (a) 截至二零一九年十二月三十一日止年度，本集團向獨立第三方出租其若干物業以收取租金收入。於使用狀況變更當日，該等物業成為投資物業。自物業、廠房及設備為7,077,000港元(二零一八年：23,559,000港元)和使用權資產之土地為12,360,000港元(二零一八年：無)轉撥至投資物業時，該等物業獲重估為23,182,000港元(二零一八年：28,810,000港元)，而重估盈餘3,745,000港元(二零一八年：5,251,000港元)計入資產重估儲備。
- (b) 於二零一九年十二月三十一日，本集團若干樓宇淨額約2,814,000港元(二零一八年：無)已抵押作為授予本集團的一般銀行融資的擔保(附註25)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

17. Investment Properties

17. 投資物業

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	387,639	367,954
Changes in fair value (notes 6 and 9)	公平值變動(附註6及9)	(4,091)	9,000
Transfer from property, plant and equipment and right-of-use land (note 16)	轉撥自物業、廠房及設備和使用權土地(附註16)	23,182	28,810
Exchange realignment	匯兌調整	(3,604)	(18,125)
Carrying amount at 31 December	於十二月三十一日之賬面值	403,126	387,639

The Group's investment properties are situated at 6th Floor, Wyler Centre II, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong and certain floors of the building located at No. 508, Kunming Road, Yangpu District, Shanghai City, the PRC, and are held under medium term leases.

At 31 December 2019, the Group's investment property situated in Hong Kong with a fair value of HK\$86,000,000 (2018: Nil) was pledged to secure general banking facilities granted to the Group (note 25).

The Group's investment properties situated in Hong Kong and Mainland China were revalued on 31 December 2019 based on valuations performed by Cushman & Wakefield Limited ("CWL"), independent professionally qualified valuers. Valuations were based on the capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties, or where appropriate, with reference to comparable market transactions and evidence and taking into consideration adjustments that reflect differences in transaction timing, location and tenure.

Each year, the Group appoints an external valuer to be responsible for the external valuations of the Group's properties. Selection criteria of an external valuer include market knowledge, reputation, independence and whether professional standards are maintained. Management discusses with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

There has been no change from the valuation technique used in prior years. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 18 to the financial statements.

本集團之投資物業分別位於香港新界葵涌大連排道200號偉倫中心2期6樓及中國上海市楊浦區昆明路508號該大廈若干樓層。本集團之投資物業乃根據中期租約持有。

於二零一九年十二月三十一日，本集團公平值86,000,000港元位於香港的投資物業(二零一八年：無)已抵押作為授予本集團的一般銀行融資的擔保(附註25)。

本集團之投資物業分別位於香港及中國大陸由獨立專業合資格估值師行戴德梁行有限公司(「戴德梁行」)於二零一九年十二月三十一日重估。估值乃基於將現有租約租金收入淨值資本化，並適當計及就物業復歸收入的撥備，或(如適用)參考可比較的市場交易及證據，並考慮調整以反映交易時間、地點及任期的差異。

每年，本集團委聘外聘估值師負責對本集團之物業進行外部估值。外聘估值師的甄選準則包括市場知識、聲譽、獨立性及是否可保持專業標準。管理層每年於財務報告期間進行估值時與估值師對估值假設及估值結果進行討論。

往年使用之估值方法並無變動。於估計物業之公平價值時，有關物業之最高及最佳用途為其當前用途。

投資物業以經營租賃租予第三方，其詳情載於財務報表附註18。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

17. Investment Properties (continued)

Fair value hierarchy

The fair values of the Group's investment properties as at 31 December 2019 and 2018 were estimated by using significant unobservable inputs and the fair value measurements were categorised under Level 3.

Reconciliation of fair value measurement categorised within Level 3 of the fair value hierarchy:

		Hong Kong 香港 HK\$'000 千港元	Mainland China 中國大陸 HK\$'000 千港元
Carrying amount at 1 January 2018	於二零一八年一月一日之賬面值	72,000	295,954
Changes in fair value recognised in the income statement	於收益表內確認之公平價值變動	9,000	-
Transfer from owner-occupied properties (note 16)	轉撥自業主佔用物業(附註16)	-	28,810
Exchange realignment	匯兌調整	-	(18,125)
Carrying amount at 31 December 2018 and at 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日之賬面值	81,000	306,639
Changes in fair value recognised in the income statement	於收益表內確認之公平價值變動	5,000	(9,091)
Transfer from owner-occupied properties (note 16)	轉撥自業主佔用物業(附註16)	-	23,182
Exchange realignment	匯兌調整	-	(3,604)
Carrying amount at 31 December 2019	於二零一九年十二月三十一日之賬面值	86,000	317,126

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

17. 投資物業(續)

公平價值等級

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團以重大不可觀察輸入數據估計之投資物業之公平價值及公平價值計量分類於第三級項下。

於公平價值等級第三級內分類之公平價值計量對賬：

年內，第一級與第二級之間概無轉換公平價值計量，亦無轉入第三級或自第三級轉出(二零一八年：無)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

17. Investment Properties (continued)

Fair value hierarchy (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Class of property 物業類別	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Range of unobservable inputs 不可觀察輸入數據範圍	
			2019 二零一九年	2018 二零一八年
Hong Kong — Commercial properties — Level 3 香港 — 商用物業 — 第三級	Market comparable method 市場比較法	Gross unit rate per square foot (note i) 每平方呎總單位價值 (附註i)	HK\$3,300 to HK\$3,400 3,300 港元至 3,400 港元	HK\$3,000 to HK\$3,100 3,000 港元至 3,100 港元
Mainland China — Commercial properties — Level 3 中國大陸 — 商用物業 — 第三級	Income capitalisation approach 收入資本化法	Capitalisation rate per annum (note ii) 每年資本化率(附註ii)	4% to 5% 4% 至 5%	4% to 5% 4% 至 5%

Notes:

- The higher the gross unit rate per square foot, the higher the fair value.
- The higher the capitalisation rate per annum, the lower the fair value.

17. 投資物業(續)

公平價值等級(續)

以下為投資物業估值使用估值方法及主要輸入數據之概要：

附註：

- 每平方呎總單位價值越高，公平值越高。
- 每年資本化率越高，公平值越低。

18. LEASES

The Group as a lessee

The Group has lease contracts for various items of office premises and stores used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 45 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of office premises and stores generally have lease terms between 2 and 11 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options and variable lease payments.

18. 租賃

本集團作為承租人

本集團就營運所用各種辦公處所及店舖項目訂有租賃合約。已提前作出一次性付款以向業主收購租賃土地，租期為45至50年，而根據該等土地租賃的條款，將不會繼續支付任何款項。辦公處所及店舖的租賃期通常介乎2至11年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。有數份包括延長及終止權以及可變租賃付款的租賃合約。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

18. LEASES (continued)**The Group as a lessee** (continued)**(a) Prepaid land lease payments (before 1 January 2019)**

		HK\$'000 千港元
Carrying amount at 1 January 2018	於二零一八年一月一日賬面值	41,553
Recognised in income statement during the year	於年內收益表確認	(977)
Exchange realignment	匯兌調整	(2,317)
Carrying amount at 31 December 2018	於二零一八年十二月三十一日賬面值	38,259

(b) Right-of-use assets

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

18. 租賃(續)**本集團作為承租人(續)****(a) 預付土地租賃款項(二零一九年一月一日前)****(b) 使用權資產**

本集團年內使用權資產的賬面值及變動如下：

		Prepaid land lease payments 預付土地 租賃款項 HK\$'000 千港元	Land 土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	38,259	114,816	158,635	311,710
Additions	添置	-	-	112,735	112,735
Transfer to investment properties (note 17)	轉撥至投資物業 (附註17)	-	(12,360)	-	(12,360)
Termination of leases	終止租賃	-	-	(10,266)	(10,266)
Depreciation charge	折舊費用	(933)	(3,170)	(101,281)	(105,384)
Exchange realignment	匯兌調整	(419)	(968)	(1,667)	(3,054)
At 31 December 2019	於二零一九年 十二月三十一日	36,907	98,318	158,156	293,381

At 31 December 2019, certain of the Group's right-of-use land with a net carrying amount of approximately HK\$13,157,000 (2018: Nil) was pledged to secure general banking facilities granted to the Group (note 25).

於二零一九年十二月三十一日，本集團賬面淨值約13,157,000港元的若干使用權土地(二零一八年：無)已抵押作為授予本集團的一般銀行融資的擔保(附註25)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

18. LEASES (continued)

The Group as a lessee (continued)

(c) Lease liabilities

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

		2019 二零一九年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日賬面值	152,750
New leases	新租賃	110,596
Termination of leases	終止租賃	(9,816)
Accretion of interest recognised during the year	年內確認利息增加	7,901
Payments	付款	(100,645)
Exchange realignment	匯兌調整	(1,676)
Carrying amount at 31 December	於十二月三十一日賬面值	159,110
Analysed into payable:	分析為應付款項：	
Within one year	一年內	90,449
In the second year	第二年	42,148
In the third to fifth years, inclusive	第三至五年(包括首尾年度)	22,762
Beyond five years	超過五年	3,751
		159,110
Less: Current portion	減少：流動部份	(90,449)
Non-current portion	非流動部分	68,661

The maturity analysis of lease liabilities is disclosed in note 35 to the financial statements.

租賃負債到期分析於財務報表附註35披露。

(d) The amounts recognised in income statement in relation to leases are as follows:

(d) 於收益表確認的租賃相關款項如下：

		2019 二零一九年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	7,901
Depreciation charge of right-of-use assets	使用權資產折舊開支	105,384
Expense relating to short-term leases	短期租賃相關開支	463,752
Variable lease payments not included in the measurement of lease liabilities	並無計入租賃負債計量的可變租賃付款	5,602
Total amount recognised in income statement	於收益表內確認總額	582,639

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

18. LEASES (continued)

The Group as a lessee (continued)

- (e) The total cash outflow for leases is disclosed in note 33(c) to the financial statements.

The Group as a lessor

The Group leases its investment properties (note 17) consisting of commercial properties in Hong Kong and Mainland China, under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK\$15,335,000 (2018: HK\$19,543,000), details of which are included in note 6 to the financial statements.

At 31 December 2019, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

Within one year	一年內
After one year but within two years	一年後但兩年內
After two years but within three years	二年後但三年內
After three years but within four years	三年後但四年內
After four years but within five years	四年後但五年內
After five years	五年後

18. 租賃(續)

本集團作為承租人(續)

- (e) 租賃現金流出總額於財務報表附註 33(c) 披露。

本集團為出租人

本集團根據經營租賃安排租賃其投資物業(附註17)，包括香港及中國內地的商用物業。租賃條款通常要求租戶支付保證金，並根據當時的現行市況進行定期租金調整。本集團年內確認租金收入15,335,000港元(二零一八年：19,543,000港元)，有關詳情載於財務報表附註6。

於二零一九年十二月三十一日，本集團於未來期間根據與其租戶之不可撤銷經營租賃的應收未貼現租賃付款如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	15,104	16,971
After one year but within two years	一年後但兩年內	13,692	9,367
After two years but within three years	二年後但三年內	11,475	4,588
After three years but within four years	三年後但四年內	5,681	4,032
After four years but within five years	四年後但五年內	2,547	2,857
After five years	五年後	173	–
		48,672	37,815

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

19. Other Asset

In accordance with the requirements of the Shenzhen City's urban development plan issued by Shenzhen City Luohu District Town Re-development Bureau (深圳市羅湖區城市更新局), on 23 October 2017, Embry (China) Garments Ltd. ("Embry SZ"), a wholly-owned subsidiary of the Company, entered into a relocation compensation agreement and a supplemental relocation compensation agreement (collectively known as the "Relocation Compensation Agreement") with Shenzhen Huiren Jewelry City Investment Limited (深圳市惠仁珠寶城投資有限公司), a company established in the PRC and an independent third party developer (the "Developer") in order to implement a renewal plan by demolishing and rebuilding in the Buxin Industrial Area, Shenzhen, the PRC. The details of the Relocation Compensation Agreement are set out in the Company's announcement dated 25 October 2017. According to the Relocation Compensation Agreement, Embry SZ shall surrender its land use right and its properties situated in the Buxin Industrial Area (the "Original Properties"). The Developer, in return, agreed to (i) compensate Embry SZ new properties in a form of new industrial research and development buildings (新型產業研發辦公樓及配套商業) on a piece of industrial purposed land with an area similar to that of the Original Properties to be developed and built by the Developer (the "New Properties"); (ii) compensate Embry SZ the cost of land use right of the Original Properties, rental cost for Embry SZ to lease properties during the move out period and other costs related to the Relocation Arrangement ("Cash Compensation"), which are repayable from the Developer within 5 years; and (iii) sell extra properties at a new building to be constructed in the Buxin Industrial Area, Shenzhen, the PRC ("New Building") to Embry SZ, whereby the price and area of such properties at the New Building shall be subject to further negotiation between Embry SZ and the Developer (collectively known as the "Relocation Arrangement").

Embry SZ has moved out from the Original Properties in the prior year and signed the properties transfer confirmation (房屋移交確認書) with the Developer on 30 November 2017.

19. 其他資產

根據深圳市羅湖區城市更新局頒佈的深圳市城市發展規劃的規定，於二零一七年十月二十三日，安莉芳(中國)服裝有限公司(「安莉芳深圳」，本公司的全資附屬公司)與深圳市惠仁珠寶城投資有限公司(一間於中國成立的公司及獨立第三方發展商(「發展商」))訂立搬遷補償協議及補充搬遷補償協議(統稱「搬遷補償協議」)，以透過於中國深圳布心工業區拆除及重建以實施重建計劃。搬遷補償協議詳情載於本公司日期為二零一七年十月二十五日的公佈。根據搬遷補償協議，安莉芳深圳需交出其位於布心工業區的物業(「原物業」)產權及土地使用權。發展商就此同意(i)補償安莉芳深圳於類似原物業所在的工業用地上將由發展商發展及建造的新型產業研發辦公樓及配套商業新物業(「新物業」)；(ii)補償安莉芳深圳原物業土地使用權成本、安莉芳深圳於遷離期間租賃物業的租賃成本及有關搬遷協議的其他成本(「現金補償」)，這些費用於五年內由發展商償還；及(iii)向安莉芳深圳出售中國深圳布心工業區新樓宇(「新樓宇」)的額外物業，據此，新樓宇之該等物業之價格及面積須待安莉芳深圳與發展商進一步磋商後方可釐定(「搬遷安排」)。

安莉芳深圳已於去年內遷離原物業，並於二零一七年十一月三十日與發展商簽訂房屋移交確認書。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

19. Other Asset (continued)

To the best of the knowledge, information and belief of the Company's directors, having made all reasonable enquiry, the Group does not expect any obstacles to receive the New Properties and the Cash Compensation from the Developer. During the year ended 31 December 2017, the Group derecognised the property, plant and equipment and prepaid lease payments. According to the terms of the Relocation Compensation Agreement and the properties transfer confirmation, the Group also recognised the fair value of the right to receive the New Properties ("Other Asset") as "Other Asset" and the receivables in relation to Cash Compensation during the year ended 31 December 2017. Other Asset is initially recognised at its fair value and subsequently carries at cost less impairment.

At 31 December 2019, the carrying amounts of Other Asset and receivables in relation to Cash Compensation under the Relocation Arrangement were approximately HK\$402,697,000 (2018: HK\$407,273,000) and HK\$30,347,000 (2018: HK\$37,798,000) (note 22), respectively.

As at 31 December 2019, the recoverable amount of the Other Asset has been determined based on fair value according to the valuation performed by CWL, an independent professional qualified valuer. The valuation was dependent on certain significant inputs including gross unit rate per square meter and a discount rate. The higher the gross unit rate is, the higher fair value would be resulted. The higher the discount rate is, the lower fair value would be resulted.

20. Inventories

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

19. 其他資產(續)

據本公司董事作出一切合理查詢後所深知、全悉及確信，本集團預期從發展商收取新物業及現金補償不會出現任何障礙。截至二零一七年十二月三十一日止年度，本集團終止確認物業、廠房及設備及預付租賃付款賬面值。根據搬遷補償協議及房屋移交確認書條款，本集團於截至二零一七年十二月三十一日止年度綜合收益表內確認收取新物業的權利（「其他資產」）的公平值，及應收現金補償。其他資產初步按其公平值確認，其後按成本減減值入賬。

於二零一九年十二月三十一日，其他資產及有關搬遷安排的現金補償應收款項賬面值分別約402,697,000港元（二零一八年：407,273,000港元）及30,347,000港元（二零一八年：37,798,000港元）（附註22）。

於二零一九年十二月三十一日，其他資產的可收回金額已基於獨立專業合資格估值師行戴德梁行進行的估值按公平值釐定。估值取決於若干重大輸入數據，包括每平方米總單位價及貼現率。總單位價越高，公平值越高。貼現率越高，公平值越低。

20. 存貨

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials	67,184	147,984
Work in progress	37,070	72,703
Finished goods	688,100	555,680
	792,354	776,367

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

21. Trade Receivables

The Group's trading terms with its customers are mainly on credit, except for wholesalers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. The Group seeks to maintain strict control over its outstanding receivables by the sales department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

Within 90 days	90日內
91 to 180 days	91至180日
181 to 360 days	181至360日
Over 360 days	360日以上
Less: Impairment allowance	減：減值撥備

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

At 1 January	於一月一日
Impairment losses recognised/ (written-back), net (note 9)	減值虧損確認/(撥回), 淨額(附註9)
At 31 December	於十二月三十一日

21. 應收貿易賬款

本集團主要以信貸期形式與客戶進行買賣，惟一般會要求批發商預先付款。信貸期一般為一個月，主要客戶之信貸期則可延至三個月。本集團之銷售部嚴控未收之應收款項，以減低信貸風險。逾期結餘由高級管理層定期檢討。鑑於上文所述及本集團之應收貿易賬款涉及多元化之客戶群且客戶人數眾多，故並無信貸過度集中之風險。本集團並無就其應收貿易賬款結餘持有任何抵押品或其他信貸加強措施。應收貿易賬款並不計息。

本集團於報告期間結算日之應收貿易賬款根據發票日期之賬齡分析如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 90 days	78,838	71,389
91 to 180 days	976	3,851
181 to 360 days	1,209	8,359
Over 360 days	4,402	2,083
	85,425	85,682
Less: Impairment allowance	(5,611)	(10,442)
	79,814	75,240

應收貿易賬款之虧損撥備變動如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	10,442	4,818
Impairment losses recognised/ (written-back), net (note 9)	(4,831)	5,624
At 31 December	5,611	10,442

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

21. Trade Receivables (continued)

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 and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

As at 31 December 2019

		Past due 逾期			Total 總計	
		Current 即期	1 to 3 months 1至3個月	3 to 9 months 3至9個月		Over 9 months 超過9個月
Expected credit loss rate	預期信貸虧損率	0.07%	1.64%	93.88%	100.00%	6.57%
Gross carrying amount (HK\$'000)	賬面總值(千港元)	78,838	976	1,209	4,402	85,425
Expected credit losses (HK\$'000)	預期信貸虧損(千港元)	58	16	1,135	4,402	5,611

As at 31 December 2018

		Past due 逾期			Total 總計	
		Current 即期	1 to 3 months 1至3個月	3 to 9 months 3至9個月		Over 9 months 超過9個月
Expected credit loss rate	預期信貸虧損率	0.44%	10.91%	91.18%	100.00%	12.2%
Gross carrying amount (HK\$'000)	賬面總值(千港元)	71,389	3,851	8,359	2,083	85,682
Expected credit losses (HK\$'000)	預期信貸虧損(千港元)	317	420	7,622	2,083	10,442

21. 應收貿易賬款(續)

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分類組別(即地理區域及客戶類型)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的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。

以下載列有關本集團應收貿易賬款使用撥備矩陣的信貸風險的資料：

於二零一九年十二月三十一日

於二零一八年十二月三十一日

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

22. Prepayments, Deposits and Other Receivables

22. 預付款項、按金及其他應收款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Prepaid land lease payments	預付土地租賃款項	–	933
Deposit paid and related direct cost for the land use right in Shandong	收購山東土地使用權已付按金及相關直接費用	9,161	9,266
Deposits for acquisition of items of property, plant and equipment	收購物業、廠房及設備項目已付按金	3,964	934
Prepayments	預付款項	23,646	30,549
Receivables in relation to Cash Compensation under the Relocation Arrangement (note 19)	有關搬遷安排的現金補償應收款項(附註19)	30,347	37,798
Deposits and other receivables	按金及其他應收款項	53,599	55,577
		120,717	135,057
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項之即期部份	(95,686)	(95,911)
Non-current portion	非即期部份	25,031	39,066

Deposits and other receivables mainly represent rental and other deposits and receivables in relation to Cash Compensation under the Relocation Arrangement. Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2019 and 2018, the loss allowance was assessed to be minimal.

按金及其他應收款項主要代表搬遷安排下現金補償有關的租賃和其他按金及應收款項。在適用的情況下，通過考慮具有公佈信用評級的可比公司的違約概率，在每個報告日進行減值分析。如果無法識別具有信用評級的可比公司，則應參考本集團的歷史損失記錄採用虧損率法估計預期信用損失。調整損失率以酌情反映當前狀況和對未來經濟狀況的預測。

計入上述結餘的金融資產為最近未有拖欠及逾期的應收款項。於二零一八年十二月三十一日及二零一九年十二月三十一日，損失準備金評估為極低。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

23. Cash and Cash Equivalents

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	104,549	146,947
Non-pledged time deposits with original maturity of less than three months when acquired	於購入時原到期日為少於三個月之無抵押定期存款	95,681	11,467
Cash and cash equivalents	現金及現金等價物	200,230	158,414

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$184,326,000 (2018: HK\$132,729,000). RMB is not freely convertible into other currencies; however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are normally made for varying periods of between approximately one day and three months on average depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

24. Trade Payables

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 90 days	90日內	44,484	105,274
91 to 180 days	91至180日	1,800	15,115
181 to 360 days	181至360日	906	2,462
Over 360 days	360日以上	5,533	2,191
		52,723	125,042

The trade payables are non-interest-bearing and are normally settled on 30 to 90 days terms.

23. 現金及現金等價物

本集團於報告期間結算日以人民幣計值之現金及銀行結餘為184,326,000港元(二零一八年: 132,729,000港元)。人民幣是不可自由兌換為其他貨幣, 惟根據中國大陸之外匯管理條例, 以及結匯、售匯及付匯管理規定, 本集團獲准透過獲授權進行外匯交易業務之銀行將人民幣兌換為其他貨幣。

銀行存款根據每日銀行存款利率釐定之浮動利率計息。短期定期存款通常平均為期約一日至三個月不等, 視乎本集團當時之現金需求而定, 並按有關之短期定期存款利率計息。銀行結餘存放於近期並無違約記錄之信譽良好銀行。

24. 應付貿易賬款

本集團於報告期間結算日之應付貿易賬款根據發票日期之賬齡分析如下:

應付貿易賬款並不計息, 一般於30至90日內結清。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

25. Interest-bearing Bank Borrowings

25. 計息銀行借款

		2019 二零一九年			2018 二零一八年		
		Effective interest rate 實際利率 (%)	Maturity 到期日	HK\$'000 千港元	Effective interest rate 實際利率 (%)	Maturity 到期日	HK\$'000 千港元
Current	即期						
Bank loans — secured	銀行貸款 — 有抵押	Hong Kong Interbank Offered Rate ("HIBOR")+1.45 香港銀行 同業拆息+1.45	2020	28,091	-	-	-
Bank loans — unsecured	銀行貸款 — 無抵押	HIBOR+1.80 to HIBOR+1.85 香港銀行同業拆息 +1.80至香港銀行 同業拆息+1.85	2020	63,767	HIBOR+1.80 香港銀行 同業拆息+1.80	On demand 按要求償還	88,281
Bank loans — unsecured	銀行貸款 — 無抵押	4.57	2020	33,708	HIBOR+1.85 to HIBOR+2.00 香港銀行同業拆息 +1.85至香港銀行 同業拆息+2.00	2019 二零一九年	125,778
				<u>125,566</u>			<u>214,059</u>
Non-current	非即期						
Bank loans — secured	銀行貸款 — 有抵押	HIBOR+1.45 香港銀行同業拆息 +1.45	2021-2024	353,430	-	-	-
Bank loans — unsecured	銀行貸款 — 無抵押	HIBOR+1.80 to HIBOR+1.85 香港銀行同業拆息 +1.80至香港銀行 同業拆息+1.85	2021-2024	79,184	HIBOR+1.85 to HIBOR+1.95 香港銀行同業拆息 +1.85至香港銀行 同業拆息+1.95	2020-2022 二零二零年至 二零二二年	213,000
				<u>432,614</u>			<u>213,000</u>
				<u>558,180</u>			<u>427,059</u>

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

25. Interest-bearing Bank Borrowings (continued)

25. 計息銀行借款(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Analysed into:	分析：		
Bank loans repayable:	於下列期間償還之銀行貸款：		
Within one year or on demand	一年內或按要求償還	125,566	214,059
In the second year	第二年	82,684	102,000
In the third to fifth years, inclusive	第三至第五年(包括首尾年度)	349,930	111,000
		558,180	427,059
Less: Amount classified as current portion	減：列為即期部分的金額	(125,566)	(214,059)
Amount classified as non-current portion	列為非即期部分的金額	432,614	213,000

Notes:

- (a) The above bank loans are denominated in Hong Kong dollars and Renminbi, and amounting to HK\$524,472,000 (2018: HK\$427,059,000) and HK\$33,708,000 (2018: Nil), respectively.
- (b) Certain of the Group's bank loans are secured by:
- (i) mortgages over the Group's investment property situated in Hong Kong of HK\$86,000,000 (2018: Nil); and
 - (ii) mortgages over the Group's building of HK\$2,814,000 (2018: Nil) and corresponding right-of-use land of HK\$13,157,000 (2018: Nil), respectively.

附註：

- (a) 上述銀行貸款以港元及人民幣計值，金額分別為524,472,000港元(二零一八年：427,059,000港元)及33,708,000港元(二零一八年：無)。
- (b) 本集團若干銀行貸款按以下方式作抵押：
- (i) 以本集團位於香港的投資物業的抵押為86,000,000港元(二零一八年：無)；和
 - (ii) 以本集團樓宇及使用權土地的抵押分別為2,814,000港元(二零一八年：無)及13,157,000港元(二零一八年：無)。

At 31 December 2018, the Group's term loans in the amount of HK\$88,281,000 containing an on-demand clause had been classified as current liabilities. For purpose of the above analysis, the loans were included within current interest-bearing bank borrowings and analysed into bank loans repayable on demand. Based on the maturity terms of the loans, the amounts repayable in respect of the Group's loans were: HK\$156,247,000 payable within one year; HK\$143,406,000 payable in the second year; and HK\$127,406,000 payable in the third to fifth years, inclusive.

於二零一八年十二月三十一日，本集團的定期貸款金額為88,281,000港元，其中含有要求償還條款，已分類為流動負債。就上述分析而言，貸款計入當期計息銀行借款，並分析為按要求償還的銀行貸款。根據貸款的到期條款，就本集團貸款償還的款項為：一年內應付156,247,000港元；第二年應付143,406,000港元；及第三至第五年(包括首尾兩年)應付127,406,000港元。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

26. Other Payables and Accruals

Other payables	其他應付款項
Accruals	應計款項
Contract liabilities	合約負債

Notes:

- (a) The amounts of HK\$5,443,000 (2018: HK\$6,470,000) included in other payables of the Group were due to related companies as at 31 December 2019. These balances were unsecured, interest-free and repayable in accordance with normal trading terms (note 13(a)(i)).

Other payables are non-interest-bearing.

- (b) As a result of the initial application of HKFRS 16, accrued lease payments of HK\$90,000 previously included in "Other payables and accruals" were adjusted to the right-of-use assets recognised at 1 January 2019 (refer to note 2.2 to the financial statements for further details).
- (c) As at 31 December 2019, the contract liabilities included deferred revenue arising from the loyalty points VIP programme of the Group and short-term advances received from customers for the sale of goods of HK\$29,334,000 (31 December 2018: HK\$42,875,000; 1 January 2018: HK\$90,754,000). The decrease in contract liabilities in 2019 and 2018 was mainly due to the decrease in short-term advances received from customers for the sale of goods and deferred revenue arising from the loyalty points VIP programme of the Group.

26. 其他應付款項及應計款項

Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	(a)	80,557
(b)	115,569	118,449
(c)	29,334	42,875
	225,460	228,257

附註：

- (a) 本集團於其他應付款項所包括的5,443,000港元(二零一八年：6,470,000港元)為於二零一九年十二月三十一日應付關連公司之款項。該等結餘為無抵押、免息及需按一般買賣條款償還(附註13(a)(i))。

其他應付款項為不計息。

- (b) 由於首次應用香港財務報告準則第16號，先前計入「其他應付款項及應計款項」的應計租賃款項90,000港元調整為於二零一九年一月一日確認的使用權資產(有關進一步詳情，請參閱財務報表附註2.2)。
- (c) 於二零一九年十二月三十一日，合約負債金額29,334,000港元(二零一八年十二月三十一日：42,875,000港元；二零一八年一月一日：90,754,000港元)包括本集團顧客忠誠度會員計劃產生的遞延收益以及就銷售貨品向客戶收取的短期墊款。二零一九年及二零一八年合約負債減少乃主要由於就銷售貨品向客戶收取的短期墊款減少及本集團顧客忠誠度會員計劃產生的遞延收益。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

27. Deferred Liabilities

Deferred liabilities represent the estimated provision in respect of long service payments which may become payable in the future under the Hong Kong Employment Ordinance to employees in proportion to their periods of services with the Group up to the end of the reporting period.

27. 遞延負債

遞延負債指截至報告期間結算日有關長期服務金之估計撥備。長期服務金可能須根據香港僱傭條例按僱員於本集團之年資而向僱員支付。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	2,245	189
Provision/(write-back of provision) for the year (note 9)	年度之撥備/ (撥備撥回)(附註9)	(2,042)	2,221
Payments during the year	年度之付款	211	(165)
At 31 December	於十二月三十一日	414	2,245

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

28. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows:

28. 遞延稅項

年內遞延稅項負債及資產變動如下：

		Revaluation of properties	Temporary difference arising from the Relocation Arrangement	Unrealised profit of inventories	Withholding taxes on undistributed profits on PRC subsidiaries	Temporary difference of provisions and accruals	Withholding taxes on interest income	Deferred subsidy income	Temporary difference of leases	Total
		物業重估	搬遷安排產生之暫時差額	未變現存貨溢利	中國附屬公司未分派溢利之預扣稅	應計款項之暫時差額	利息收入之預扣稅	遞延補貼收入	租賃暫時差額	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	6,086	119,995	(37,480)	30,211	(48,346)	343	(5,945)	-	64,864
Deferred tax debited to equity during the year	年內在權益扣除之遞延稅項	1,313	-	-	-	-	-	-	-	1,313
Deferred tax charged/(credited) to the income statement during the year (note 12)	年內在收益表扣除/(抵免)之遞延稅項(附註12)	-	(2,448)	(11,097)	10,509	9,141	703	144	-	6,952
Payments during the year	年內支付	-	-	-	-	-	(680)	-	-	(680)
Exchange realignment	匯兌調整	(405)	(6,707)	2,634	(2,194)	2,331	(21)	332	-	(4,030)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	6,994	110,840	(45,943)	38,526	(36,874)	345	(5,469)	-	68,419
Deferred tax debited to equity during the year	年內在權益扣除之遞延稅項	936	-	-	-	-	-	-	-	936
Deferred tax charged/(credited) to the income statement during the year (note 12)	年內在收益表扣除/(抵免)之遞延稅項(附註12)	-	(971)	(5,024)	-	1,908	705	137	(2,089)	(5,334)
Payments during the year	年內支付	-	-	-	-	-	(687)	-	-	(687)
Exchange realignment	匯兌調整	(89)	(1,234)	573	(433)	392	(7)	60	23	(715)
At 31 December 2019	於二零一九年十二月三十一日	7,841	108,635	(50,394)	38,093	(34,574)	356	(5,272)	(2,066)	62,619

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

28. Deferred Tax (continued)

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

Deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項資產
Deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項負債

The Group has tax losses arising in Hong Kong of approximately HK\$369,663,000 (2018: HK\$320,893,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Macau of HK\$1,935,000 (2018: HK\$2,747,000) that will expire in three years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company and subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rates are 5% and 10%. In estimating the withholding taxes on dividends expected to be distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008, the directors have made assessment based on the factors which included dividend policy and the level of capital and working capital required for the Group's operation in the foreseeable future.

28. 遞延稅項(續)

以下為本集團就財務申報而言之遞延稅項結餘分析：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax assets recognised in the consolidated statement of financial position	(92,306)	(88,286)
Deferred tax liabilities recognised in the consolidated statement of financial position	154,925	156,705
	62,619	68,419

本集團於香港產生之稅項虧損約369,663,000港元(二零一八年:320,893,000港元)可無限期供抵銷產生虧損公司之未來應課稅溢利。本集團亦在澳門產生稅項虧損1,935,000港元(二零一八年:2,747,000港元)，將於三年內屆滿，可抵銷產生虧損公司未來應課稅溢利。由於該等虧損乃來自已持續虧損一段時間之本公司及附屬公司且被認為可能不會有應課稅溢利可供動用稅項虧損，故並無就該等虧損確認遞延稅項資產。

根據中國企業所得稅法，於中國大陸成立之外資企業向外國投資者宣派之股息須繳納10%之預扣稅。有關規定於二零零八年一月一日起生效，且適用於二零零七年十二月三十一日後之盈利。倘中國大陸與外國投資者所屬司法權區訂有稅務條約，則適用之預扣稅稅率可能較低。就本集團而言，適用稅率為5%及10%。估計該等於中國大陸成立的附屬公司預期將就二零零八年一月一日起所產生的盈利而分派股息的預扣稅時，董事已根據包括股息政策及本集團於可見將來經營所需的資本及營運資金水平等因素作出評估。

Notes to Financial Statements (Continued)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

28. Deferred Tax (continued)

At 31 December 2019, the aggregate withholding tax amount arising from the temporary differences associated with these subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$36,255,000 (2018: HK\$29,147,000).

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

28. 遞延稅項 (續)

於二零一九年十二月三十一日，與該等位於中國大陸的附屬公司相關而未確認遞延稅項負債的暫時預扣稅總差額合共約為36,255,000港元(二零一八年：29,147,000港元)。

本公司向其股東派付股息概無附帶任何所得稅稅務後果。

29. Share Capital

Authorised:	法定：
1,000,000,000 ordinary shares of HK\$0.01 each	1,000,000,000 股每股面值 0.01 港元的普通股
Issued and fully paid:	已發行及繳足：
422,416,638 (2018: 422,416,638) ordinary shares of HK\$0.01 each	422,416,638 股 (二零一八年：422,416,638 股) 每股面值 0.01 港元的普通股

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
10,000	10,000
4,224	4,224

29. 股本

30. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

The contributed surplus of the Group represents (i) the excess of the nominal value of the shares of the subsidiaries acquired pursuant to the reorganisation of certain members of the Group which took place on 31 December 1992, over the nominal value of issued shares of Embry Group Limited ("EGL") in exchange therefor; (ii) the premium arising from the shares issued by EGL for settlement of the amount due to the ultimate holding company of HK\$15,841,000; (iii) the premium arising from the acquisition of Embry (H.K.) Limited ("Embry HK") from the non-controlling interests of HK\$5,000,000; and (iv) the excess of the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefor and the then existing 10,000,000 shares of HK\$0.01 each credited as fully paid at par.

30. 儲備

現時及過往年度本集團儲備金額以及其變動已呈列於財務報表內綜合權益變動表內。

本集團實繳盈餘指(i)根據重組於一九九二年十二月三十一日收購本集團若干成員公司，該等成員公司股份的面值超出就此作為交換所發行Embry Group Limited (「EGL」)股份的面值差額；(ii) EGL就償還欠付最終控股公司款項15,841,000港元而進行發行股份產生的溢價；(iii)向非控股權益收購安莉芳(香港)有限公司(「安莉芳香港」)所產生溢價5,000,000港元；及(iv)根據集團重組收購附屬公司的股本的面值超出本公司當時發行以作為交換的股本面值的部份以及按面值入賬列作繳足的10,000,000股每股面值0.01港元的當時現有股份。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

30. Reserves (continued)

In accordance with the relevant regulations applicable in the PRC, subsidiaries of the Company established in the PRC are required to transfer a certain percentage of their profits after tax, if any, to the enterprise expansion and statutory reserve funds, which are non-distributable, before profit distributions to shareholders. The amounts of the transfers are subject to the approval of the board of directors of these subsidiaries.

The Group applied the transitional provision of HKFRS 3 which permits goodwill in respect of acquisitions which occurred prior to 1 January 2001, to remain eliminated against the consolidated reserves. The amount of goodwill remaining in consolidated reserves, arising from the acquisition of subsidiaries prior to 1 January 2001, was stated at cost, which amounted to HK\$3,168,000 (2018: HK\$3,168,000) as at 31 December 2019.

31. Commitments

- (a) At the end of the reporting period, the Group had the following commitments:

Contracted for commitments in respect of the acquisition of property, plant and equipment	購買物業、廠房及設備之已訂約承擔
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- (b) The Group leased certain of its shops, counters, warehouses and office properties under operating lease arrangements with leases negotiated for terms mainly ranging from one to ten years at 31 December 2018.

30. 儲備(續)

根據中國適用的相關規例，本公司於中國成立的附屬公司須將其若干百分比的除稅後溢利(如有)在向股東作出溢利分派前轉撥至企業擴展及法定儲備基金(均為不可分派)。轉撥的金額須待該等附屬公司的董事會批准方可作實。

本集團已採用香港財務報告準則第3號的過渡性條文，容許二零零一年一月一日前進行收購所產生的商譽維持與綜合儲備的對銷。保留於綜合儲備內因二零零一年一月一日前收購附屬公司產生的商譽金額按成本列值，於二零一九年十二月三十一日為3,168,000港元(二零一八年：3,168,000港元)。

31. 承擔

- (a) 於報告期間結算日，本集團之承擔如下：

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
139,150	201,516

- (b) 於二零一八年十二月三十一日，本集團根據經營租約安排租用若干店舖、櫃位、倉庫及辦公室物業，租約主要以一至十年年期進行磋商。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

31. Commitments (continued)

(b) (continued)

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	135,302
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	101,127
After five years	五年後	5,197
		241,626

In addition, the Group has entered into agreements with department stores to enable the Group to set up its retail outlets therein. The operating lease rentals for the use of their floor areas in department stores are based on the higher of a fixed rental or contingent rent based on sales of the retail outlets pursuant to the terms and conditions as set out in the respective agreements. As the future sales of these retail outlets could not be accurately determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the above table.

32. Contingent Liabilities

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank guarantees given in lieu of property rental deposits and utility deposits	為代替物業租賃按金及公共設施按金所提供之銀行擔保	816	679

31. 承擔(續)

(b) (續)

於二零一八年十二月三十一日，根據本集團之不可撤銷經營租約，本集團於以下日期之未來最低應付租金總額如下：

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	135,302
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	101,127
After five years	五年後	5,197
		241,626

此外，本集團與百貨公司訂立協議，以便本集團在百貨公司內開設零售點。使用百貨公司之樓面面積而應付之經營租約租金乃根據固定租金與或然租金兩者中之較高者釐定。或然租金乃根據有關協議所載之條款及條件按零售點之銷售額釐定。由於該等零售點之未來銷售額未能準確地釐定，故有關或然租金並未包括在上表。上表僅載列最低租賃承擔。

32. 或然負債

於報告期末，財務報表中並無計提撥備之或然負債如下：

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

33. Notes to the Consolidated Statement of Cash Flows

- (a) During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$110,596,000 and HK\$110,596,000, respectively, in respect of lease arrangements for properties and stores (2018: Nil).
- (b) Changes in liabilities arising from financing activities

33. 綜合現金流量表附註

- (a) 年內，本集團就物業及店舖租賃安排的使用權資產及租賃負債非現金添置分別為110,596,000港元及110,596,000港元(二零一八年：無)。
- (b) 融資活動產生負債變動

		Lease liabilities 租賃負債 HK\$'000 千港元	Interest-bearing bank borrowings 計息銀行借款 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	–	326,056
Changes from financing cash flows	融資現金流量變動	–	88,115
Interest expense	利息開支	–	12,888
At 31 December 2018	於二零一八年十二月三十一日	–	427,059
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號的影響	152,750	–
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	152,750	427,059
Changes from financing cash flows	融資現金流量變動	(100,645)	111,887
New leases	新租賃	110,596	–
Termination of leases	終止租賃	(9,816)	–
Interest expense	利息開支	7,901	19,617
Exchange realignment	匯兌調整	(1,676)	(383)
At 31 December 2019	於二零一九年十二月三十一日	159,110	558,180

- (c) Total cash outflow for leases
The total cash outflow for leases included in the statement of cash flows is as follows:

- (c) 租賃現金流出總額
計入現金流量表的租賃現金流出總額如下：

		2019 二零一九年 HK\$'000 千港元
Within operating activities	經營活動內	469,354
Within financing activities	融資活動內	100,645
		569,999

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

34. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	應收貿易賬款	79,814	75,240
Financial assets included in prepayments, deposits and other receivables	列為預付款項、按金及其他應收款項之金融資產	43,661	42,597
Cash and cash equivalents	現金及現金等價物	200,230	158,414
		323,705	276,251

Financial liabilities

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest-bearing bank borrowings	計息銀行借款	558,180	427,059
Lease liabilities	租賃負債	159,110	–
Trade payables	應付貿易賬款	52,723	125,042
Financial liabilities included in other payables and accruals	已包括於其他應付款項及應計款項之金融負債	116,119	104,303
		886,132	656,404

34. 按類別分析之金融工具

於報告期間結算日各類金融工具的賬面值如下：

金融資產

Financial assets at amortised cost 按攤銷成本計量之 金融資產		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	應收貿易賬款	79,814	75,240
Financial assets included in prepayments, deposits and other receivables	列為預付款項、按金及其他應收款項之金融資產	43,661	42,597
Cash and cash equivalents	現金及現金等價物	200,230	158,414
		323,705	276,251

金融負債

Financial liabilities at amortised cost 按攤銷成本計量之 金融負債		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest-bearing bank borrowings	計息銀行借款	558,180	427,059
Lease liabilities	租賃負債	159,110	–
Trade payables	應付貿易賬款	52,723	125,042
Financial liabilities included in other payables and accruals	已包括於其他應付款項及應計款項之金融負債	116,119	104,303
		886,132	656,404

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

35. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, comprise cash, short term deposits and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to both fair value and cash flow interest rate risks. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's bank borrowings with floating interest rates.

At present, the Group does not intend to hedge its exposure to interest rate fluctuations. However, the Group will constantly review the economic situation and its interest rate risk profile, and will consider appropriate hedging measures in future as may be necessary.

At 31 December 2019, the profit before tax of the Group would have been decreased/increased by approximately HK\$2,791,000 (2018: HK\$2,135,000) if the interest rate had been increased/decreased by 50 basis points with all other variables held constant.

35. 財務風險管理目標及政策

本集團之主要金融工具包括現金、短期存款及計息銀行借款。此等金融工具主要目的是為本集團經營業務融資。本集團有其他不同金融資產及負債，如應收貿易賬款及應付貿易賬款，乃直接透過經營業務產生。

本集團金融工具之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事審閱並協定管控以上各種風險之政策，有關資料概述如下。

利率風險

現金流量利率風險為金融工具未來現金流量因市場利率變化而波動之風險。本集團同時承受公平值及現金流量利率風險。本集團所承受利率變化的市場風險，主要與本集團浮動利率計算的銀行借款有關。

目前，本集團無意對沖所須承受的利率波動。然而，本集團將定期檢討經濟狀況及其利率風險狀況，並會考慮日後是否需要實施適當的對沖措施。

倘利率上升／下跌50基點，而所有其他因素保持不變，於二零一九年十二月三十一日，本集團稅前溢利應減少／增加約2,791,000港元(二零一八年：2,135,000港元)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

35. Financial Risk Management Objectives and Policies (continued)

Foreign currency risk

The Group carries on its sale and purchase transactions mainly in Hong Kong dollars and RMB. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of business. However, as the Group's net profit is reported in Hong Kong dollars, there will be a translation gain as a result of the RMB appreciation, and vice versa. The majority of the Group's operating assets are located in Mainland China and are denominated in RMB.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

35. 財務風險管理目標及政策(續)

外匯風險

本集團主要以港元及人民幣進行買賣交易。本集團並無以衍生金融工具來對沖日常業務過程之外匯交易及其他金融資產及負債所附帶之波動。然而，由於本集團之純利以港元呈列，故人民幣升值可帶來匯兌收益，反之亦然。本集團大部份經營資產均位於中國大陸，並以人民幣列示。

下表列示於報告期間結算日，在所有其他可變因素維持不變的情況下，本集團的稅前溢利對人民幣匯率可能出現合理變動之敏感度(由於貨幣資產及負債的公平值變動)。

		Increase/ (decrease) in RMB rate 人民幣 匯率上調/ (下調) %	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) HK\$'000 千港元
2019	二零一九年		
If Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	5	(140)
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣升值	(5)	140
2018	二零一八年		
If Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	5	(165)
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣升值	(5)	165

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

35. Financial Risk Management Objectives and Policies (continued)

Credit risk

The Group trades only with recognised and creditworthy customers. 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 on an individual basis. Each of the customers has been attached with a trading limit and any excess of the limit must be approved by the general manager of the operation unit. Under the tight control of the credit terms and detailed assessment of the creditworthiness of individual customers, the Group's exposure to bad debts is maintained as minimal.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2019

		12-month ECLs		Lifetime ECLs		
		12個月預期 信貸虧損	Stage 1 第1階段 HK\$'000 千港元	Stage 2 第2階段 HK\$'000 千港元	Stage 3 第3階段 HK\$'000 千港元	Simplified approach 簡化方法 HK\$'000 千港元
Trade receivables*	應收貿易賬款*	-	-	-	85,425	85,425
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產					
— Normal**	— 正常**	43,661	-	-	-	43,661
Cash and cash equivalents	現金及現金等價物					
— Not yet past due	— 尚未逾期	200,230	-	-	-	200,230
		243,891	-	-	85,425	329,316

35. 財務風險管理目標及政策(續)

信貸風險

本集團僅與知名及信譽良好的客戶進行交易。根據本集團的政策，任何有意以信貸形式進行交易的客戶均須經過信貸核實程序。此外，本集團亦持續監察各項應收款項結餘。本集團對各名客戶設立貿易限額，超出限額之數必須得到營運單位之總經理批准。由於本集團嚴控信貸期，並且對個別客戶之信譽作詳盡評估，故本集團之壞賬風險極低。

最大風險及年終分期

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，該信貸政策主要基於十二月三十一日過去逾期資料(除非其他資料毋須付出不必要的成本或努力即可獲得)以及年終分期分類。

呈列金額為金融資產的賬面總值。

於二零一九年十二月三十一日

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

35. Financial Risk Management Objectives and Policies (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2018

		12-month ECLs		Lifetime ECLs		
		12個月預期信貸虧損		全期預期信貸虧損		
		Stage 1	Stage 2	Stage 3	Simplified approach	Total
		第1階段	第2階段	第3階段	簡化方法	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Trade receivables*	應收貿易賬款*	-	-	-	85,682	85,682
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產					
— Normal**	— 正常**	42,597	-	-	-	42,597
Cash and cash equivalents	現金及現金等價物					
— Not yet past due	— 尚未逾期	158,414	-	-	-	158,414
		201,011	-	-	85,682	286,693

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

Liquidity risk is the risk of non-availability of funds to meet all contractual financial commitments as they fall due. The Group's objectives are to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain a contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirement.

35. 財務風險管理目標及政策(續)

信貸風險(續)

最大風險及年終分期(續)

於二零一八年十二月三十一日

* 就本集團採用簡化減值方法的應收貿易賬款而言，基於撥備矩陣的資料於財務報表附註21披露。

** 計入預付款項、按金及其他應收款項的金融資產的信貸質素在未逾期且並無資料表明金融資產自初始確認起信貸風險已大幅增加而被視為「正常」。否則，金融資產的信貸質素被視為「呆賬」。

流動資金風險

流動資金風險指未能取得資金以應付所有到期之合約財務承擔。本集團之目標是保持穩健之金融政策，藉著風險限額來監察流動資金比率，並設有應急資金計劃，確保本集團具備足夠現金以應付其流動資金需求。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

35. Financial Risk Management Objectives and Policies (continued)

Liquidity risk (continued)

The Group continued to enjoy adequate cash position with cash and cash equivalents amounting to HK\$200,230,000 (2018: HK\$158,414,000) as at 31 December 2019. The Group financed its operations and investment activities by internally generated cash flows and bank borrowings. The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

		Within 1 year 一年內 HK\$'000 千港元	1 to 5 years 一至五年 HK\$'000 千港元	Over 5 years 超過五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2019	二零一九年				
Interest-bearing bank borrowings	計息銀行借款	143,462	469,669	-	613,131
Lease liabilities	租賃負債	96,722	68,883	4,563	170,168
Trade payables	應付貿易賬款	52,723	-	-	52,723
Other payables and accruals	其他應付款項及應計款項	116,119	-	-	116,119
		409,026	538,552	4,563	952,141
2018	二零一八年				
Interest-bearing bank borrowings*	計息銀行借款*	231,016	223,367	-	454,383
Trade payables	應付貿易賬款	125,042	-	-	125,042
Other payables and accruals	其他應付款項及應計款項	104,303	-	-	104,303
		460,361	223,367	-	683,728

* At 31 December 2018, included in interest-bearing bank borrowings are term loans. The loan agreements contain a repayment on-demand clause giving the bank the unconditional right to call in the loan at any time and therefore, for the purpose of the above maturity profile, the total amount is classified as "on demand". Notwithstanding the above clause, the directors do not believe that the loans will be called in its entirety within 12 months, and they consider that the loans will be repaid in accordance with the maturity dates as set out in the loan agreements. This evaluation was made considering the financial position of the Group, the Group's compliance with the loan covenants, the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time. In accordance with the terms of the Group's loans, the maturity terms at 31 December 2018 are: HK\$171,443,000 payable within one year; and HK\$282,940,000 payable in the second to fifth years, inclusive.

The Group is also exposed to liquidity risk through the granting of financial guarantees, further details of which are disclosed in note 32 to the financial statements.

35. 財務風險管理目標及政策(續)

流動資金風險(續)

於二零一九年十二月三十一日，本集團繼續擁有充足現金之財務狀況，其現金及現金等價物為200,230,000港元(二零一八年：158,414,000港元)。本集團透過內部產生之現金流及銀行借款，為其業務及投資活動提供資金。於報告期間結算日，本集團根據合約未貼現付款計算之金融負債到期日如下：

* 於二零一八年十二月三十一日，計息銀行借款包括定期貸款。貸款協議包含按要求償還還款條款，賦予銀行無條件隨時調用貸款的權利，因此，就上述到期情況而言，總金額被歸類為「按要求償還」。儘管有上述條款，董事並不認為貸款將在十二個月內全部召回，且其認為貸款將按照貸款協議中規定的到期日償還。此等評估乃根據本集團的財務狀況、本集團對貸款契約的遵守情況、概無違約事件以及本集團已按時完成所有先前計劃的還款考量。根據本集團貸款條款，於二零一八年十二月三十一日到期的款項為：一年內應付的171,443,000港元；及於第二至第五年(包括首尾兩年)應付282,940,000港元。

透過授出財務擔保，本集團亦面臨流動資金風險，其進一步詳情披露於財務報表附註32。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

35. Financial Risk Management Objectives and Policies (continued)

Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to the owners through the optimisation of the debt and equity balance where appropriate. No change was made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

The capital structure of the Group consists of net debt which includes bank borrowings and equity attributable to owners of the Company. Equity attributable to owners of the Company comprises issued share capital and reserves as disclosed in the consolidated statement of changes in equity.

The Company monitors capital using a gearing ratio, which is total bank borrowings divided by the equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest-bearing bank borrowings	計息銀行借款	558,180	427,059
Equity attributable to owners of the Company	本公司擁有人應佔權益	2,349,275	2,331,719
Gearing ratio	資產負債比率	23.8%	18.3%

35. 財務風險管理目標及政策(續)

資本管理

本集團管理其資本以確保本集團能持續營運，同時在適當時透過優化債務及權益結餘(如適用)將擁有人的回報增至最大。於截至二零一八年及二零一九年十二月三十一日止年度，管理資本之目標、政策或程序並無變動。

本集團資本結構包括債務淨額其中包括銀行借款及本公司擁有人應佔股權。本公司擁有人應佔股權包括綜合權益變動表所披露的已發行股本及儲備。

本公司透過資產負債比率架構(即銀行借款總額除以本公司擁有人應佔股權)監控資本。於報告期末資產負債比率如下：

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

36. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

36. 本公司財務狀況表

本公司報告期末財務狀況表如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Interests in subsidiaries	於附屬公司之權益	963,995	1,010,013
CURRENT ASSETS	流動資產		
Prepayments	預付款項	193	43
Cash and cash equivalents	現金及現金等價物	249	69
Total current assets	流動資產總值	442	112
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計款項	5,176	7,395
Net current liabilities	流動負債淨值	(4,734)	(7,283)
Net assets	資產淨值	959,261	1,002,730
EQUITY	權益		
Share capital	股本	4,224	4,224
Reserves (Note)	儲備(附註)	955,037	998,506
Total equity	總權益	959,261	1,002,730

Notes to Financial Statements (Continued)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

36. Statement of Financial Position of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

36. 本公司財務狀況表 (續)

附註：

本公司儲備概要如下：

		Share premium account 股份溢價賬 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	386,512	381,248	73,673	841,433
Profit for the year and total comprehensive income for the year	年度溢利及年內全面收入總額	-	-	205,651	205,651
2017 final dividend declared and paid	宣派及已支付二零一七年末期股息	14	-	(33,793)	(33,793)
2018 interim dividend	二零一八年中中期股息	14	-	(14,785)	(14,785)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	386,512	381,248	230,746	998,506
Loss for the year and total comprehensive expenses for the year	年度虧損及年內全面開支總額	-	-	(5,452)	(5,452)
2018 final dividend declared and paid	宣派及支付二零一八年末期股息	14	-	(29,569)	(29,569)
2019 interim dividend	二零一九年中中期股息	14	-	(8,448)	(8,448)
At 31 December 2019	於二零一九年十二月三十一日	386,512	381,248	187,277	955,037

The contributed surplus of the Company represents the excess of the then net assets of the subsidiaries acquired by the Company pursuant to the group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefor and the then existing 10,000,000 shares of HK\$0.01 each credited as fully paid at par. Under the Companies Law of the Cayman Islands, the share premium and contributed surplus may be distributed to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

本公司的實繳盈餘乃本公司根據集團重組收購附屬公司的當時資產淨值超出本公司就此發行作為交換的股本面值以及按面值入賬列作繳足的10,000,000股每股面值0.01港元的當時現有股份。根據開曼群島公司法，股份溢價賬及實繳盈餘可分派予本公司股東，惟於緊隨建議派付股息日期後，本公司必須能償還其日常業務中到期債項。

Notes to Financial Statements (Continued)

財務報表附註 (續)

31 December 2019 二零一九年十二月三十一日

37. Particulars of Principal Subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

37. 主要附屬公司資料

本公司主要附屬公司的詳情如下：

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Issued and fully paid share/ registered capital 已發行及繳足 股份/註冊資本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			2019	2018	
			二零一九年	二零一八年	
Embry Asia Limited 安莉芳亞洲有限公司	Hong Kong 香港	HK\$100 100港元	100	100	Investment holding 投資控股
Embry (Changzhou) Garments Ltd. ("Embry CZ")** 安莉芳(常州)服裝有限公司 (「安莉芳常州」)**	PRC/ Mainland China 中國/中國大陸	RMB176,200,000 人民幣176,200,000元	100	100	Manufacture and trading of ladies' brassieres, panties, swimwear and sleepwear 製造及買賣女性胸圍、 內褲、泳衣及睡衣
Embry SZ** 安莉芳深圳**	PRC/ Mainland China 中國/中國大陸	HK\$11,000,000 11,000,000港元	100	100	Manufacture and trading of ladies' brassieres, panties, swimwear and sleepwear 製造及買賣女性胸圍、 內褲、泳衣及睡衣
Embry HK 安莉芳香港	Hong Kong 香港	Ordinary HK\$45,000 *Non-voting deferred HK\$4,500,000 普通股45,000港元 *無投票權遞延股 4,500,000港元	100	100	Trading of ladies' brassieres, panties, swimwear and sleepwear and property investment 買賣女性胸圍、內褲、 泳衣及睡衣及物業投資
Embry (Macau) Fashion Company Limited (Embry (Macau) Pronto A Vestir, Limitada) 安莉芳(澳門)時裝有限公司	Macau 澳門	MOP100,000 100,000澳門幣	100	100	Trading of ladies' brassieres, panties, swimwear and sleepwear 買賣女性胸圍、內褲、 泳衣及睡衣
Embry (Shandong) Garments Limited ("Embry SD")** 安莉芳(山東)服裝有限公司 (「安莉芳山東」)**	PRC/ Mainland China 中國/中國大陸	US\$28,000,000 28,000,000美元 (2018: US\$18,000,000 二零一八年： 18,000,000美元)	100	100	Manufacture and trading of ladies' brassieres, panties, swimwear and sleepwear 製造及買賣女性胸圍、 內褲、泳衣及睡衣
Embry (Shanghai) Company Limited ("Embry SH")** 安莉芳(上海)有限公司 (「安莉芳上海」)**	PRC/ Mainland China 中國/中國大陸	HK\$238,000,000 238,000,000港元	100	100	Design, research and development and trading of ladies' brassieres, panties, swimwear and sleepwear 設計、研究、開發及買賣女性 胸圍、內褲、泳衣及睡衣
Embry Garments Limited	BVI 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

37. Particulars of Principal Subsidiaries (continued)

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

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Issued and fully paid share/ registered capital 已發行及繳足 股份/註冊資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			本公司應佔權益百分比		
			2019 二零一九年	2018 二零一八年	
EGL	BVI 英屬處女群島	US\$472 472美元	100	100	Investment holding 投資控股
Embry International Limited 安莉芳國際有限公司	BVI 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Gallin Investments Limited 吉年投資有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Investment holding 投資控股
Whistleblower Limited	BVI 英屬處女群島	US\$1 1美元	100	100	Holding of trademarks 持有商標

* The non-voting deferred shares carry no rights to dividends (other than for any financial year during which the net profit of Embry HK available for dividend exceeds HK\$1,000,000,000,000), no rights to vote at general meetings and no rights to receive any surplus in return of capital in a winding-up in respect of the first HK\$500,000,000,000,000.

** Embry CZ, Embry SZ, Embry SD and Embry SH are registered as wholly-foreign-owned enterprises under the PRC law.

Except for EGL, all of the above subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

37. 主要附屬公司資料(續)

本公司主要附屬公司的詳情如下:(續)

* 無投票權遞延股並無附帶權利收取股息(於安莉芳香港可供派息的純利超過1,000,000,000,000港元的任何財政年度除外)、於股東大會上投票及於清盤時收取首500,000,000,000,000港元退回資本的任何盈餘。

** 安莉芳常州、安莉芳深圳、安莉芳山東及安莉芳上海均根據中國法例註冊為全外資企業。

除EGL外,上述所有附屬公司均由本公司間接持有。

上表載列本公司附屬公司,董事認為該等附屬公司主要影響本年度業績或構成本集團資產淨值的主要部分。董事認為,提供其他附屬公司的詳情將導致篇幅過長。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2019 二零一九年十二月三十一日

38. Event after the Reporting Period

The global spread of the coronavirus epidemic (“the COVID-19 Outbreak”) since early 2020 has adversely affected (i) retail business in the Mainland China and Hong Kong; and (ii) business operation of the Group. Since the operation of various retail outlets of the Group located in affected provinces in the Mainland China had been temporarily suspended as a result of the COVID-19 Outbreak, the Group’s financial performance for 2020 is expected to be affected adversely as compared to the same period in 2019. The management of the Group has taken relevant actions to minimise the unfavourable impact to the Group, pays close attention to the development of the COVID-19 Outbreak and will perform further assessment of its financial impact. The Group is currently unable to estimate the quantitative impacts of the COVID-19 Outbreak to the Group.

39. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 31 March 2020.

38. 報告期後事項

自二零二零年初以來，冠狀病毒疫情全球擴散(「COVID-19爆發」)，已對以下造成負面影響：(i)中國內地及香港的零售業務；及(ii)本集團的業務營運。由於COVID-19爆發導致本集團在中國內地所影響省份的多間零售店暫時停止營運，本集團二零二零財務表現預期較二零一九年同期受到不利影響。本集團管理層已採取相關行動，盡量減少對本集團的不利影響，並密切關注COVID-19爆發的事態發展，對其財務影響進行進一步評估。本集團目前無法估計COVID-19爆發對本集團的定量影響。

39. 批准財務報表

財務報表於二零二零年三月三十一日獲董事會批准及授權刊發。

This Annual Report is printed on environmentally-friendly paper.
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EMBRY HOLDINGS LIMITED
安莉芳控股有限公司