

CHINA TING GROUP

華鼎集團

Stock Code 股份代號 : 3398

Annual Report 2019 年報



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財務摘要

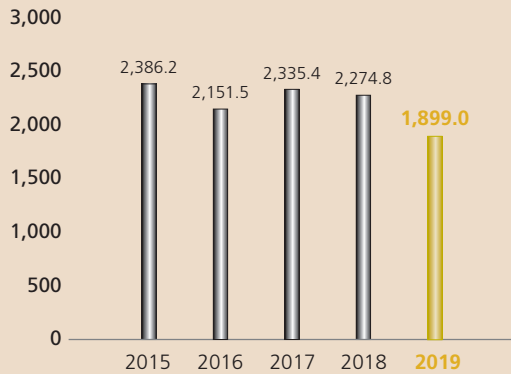
FINANCIAL
HIGHLIGHTS



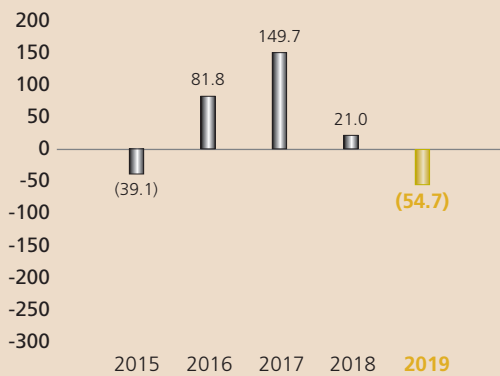
Financial Highlights

財務摘要

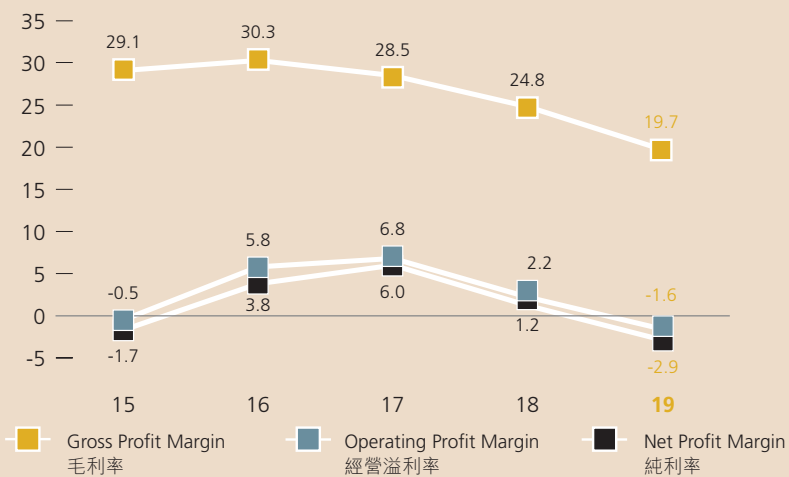
Revenue (HK\$'million)
營業額(百萬港元)



Profit attributable to the Company's equity holders
(HK\$'million)
本公司股權持有人應佔溢利(百萬港元)



Margins
溢利率





Year ended 31 December
截至十二月三十一日止年度

		2019 二零一九年 HK\$ million 百萬港元	2018 二零一八年 HK\$ million 百萬港元	Change 變動
Revenue	收入			
OEM Business	原設備製造業務	1,459.5	1,784.0	(18.2)
Fashion Retail Business	時裝零售業務	420.2	479.6	(12.4)
Property Investment Business	物業投資業務	19.3	11.2	72.3
		1,899.0	2,274.8	(16.5)
Operating (loss)/profit	經營(虧損)/溢利	(29.7)	49.0	N/A不適用
(Loss)/profit attributable to the Company's equity holders	本公司股權持有人應佔 (虧損)/溢利	(54.7)	21.0	N/A不適用
Equity attributable to the Company's equity holders	本公司股權持有人應佔權益	2,514.5	2,611.3	
Equity per share (HK\$)	每股權益(港元)	1.20	1.24	

公司
資料

CORPORATE
INFORMATION





Executive Directors

Mr. TING Man Yi (Chairman)
Mr. TING Hung Yi (Chief Executive Officer)^{3, 5}
Mr. DING Jianer
Mr. CHEUNG Ting Yin, Peter

Independent Non-executive Directors

Mr. CHENG Chi Pang^{1, 3, 5}
Mr. WONG Chi Keung^{1, 2, 5, 6}
Mr. LEUNG Man Kit^{1, 3, 4}

Notes:

1. Member of Audit Committee
2. Chairman of Audit Committee
3. Member of Nomination Committee
4. Chairman of Nomination Committee
5. Member of Remuneration Committee
6. Chairman of Remuneration Committee

Company Secretary and Qualified Accountant

Mr. CHENG Ho Lung, Raymond *CPA, FCCA*

Authorized Representatives

Mr. TING Hung Yi
Mr. CHENG Ho Lung, Raymond *CPA, FCCA*

Head Office and Principal Place of Business in Hong Kong

27th Floor, King Palace Plaza
55 King Yip Street
Kwun Tong Kowloon
Hong Kong

Registered Office

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

Company Website

www.chinating.com.hk

Principal Banker

Nanyang Commercial Bank Limited
The Hong Kong and Shanghai Banking Corporation

Legal Advisers

Squire Patton Boggs

執行董事

丁敏兒先生(主席)
丁雄尔先生(行政總裁)^{3, 5}
丁建兒先生
張定賢先生

獨立非執行董事

鄭志鵬先生^{1, 3, 5}
黃之強先生^{1, 2, 5, 6}
梁民傑先生^{1, 3, 4}

附註：

1. 審核委員會成員
2. 審核委員會主席
3. 提名委員會成員
4. 提名委員會主席
5. 薪酬委員會成員
6. 薪酬委員會主席

公司秘書及合資格會計師

鄭浩龍先生 *CPA, FCCA*

授權代表

丁雄尔先生
鄭浩龍先生 *CPA, FCCA*

香港總辦事處暨主要營業地點

香港
九龍觀塘
敬業街55號
皇廷廣場27樓

註冊辦事處

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

公司網站

www.chinating.com.hk

主要往來銀行

南洋商業銀行有限公司
香港上海滙豐銀行有限公司

法律顧問

翰宇國際律師事務所

Auditor

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor

Principal Share Registrar

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East Wanchai
Hong Kong

2020 Annual General Meeting

30 June 2020

Closure of Register of Members

For the Annual General Meeting

— From 24 June 2020 to 30 June 2020 (both days inclusive)

核數師

羅兵咸永道會計師事務所
執業會計師及註冊公共利益實體核數師

股份過戶登記總處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

股份過戶登記處香港分處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心
17樓1712-1716號舖

二零二零年股東週年大會

二零二零年六月三十日

暫停辦理股份過戶登記手續

就股東週年大會而言

— 從二零二零年六月二十四日至二零二零年六月三十日(包括首尾兩日)





主席 報告

CHAIRMAN'S
STATEMENT





On behalf of the board (the "Board") of directors (the "Directors") of China Ting Group Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I hereby present the annual operation report of the Company and its subsidiaries for 2019.

Since 2019, the domestic and international environment for the development of our textile and garment industry has become more severe, and the slowdown of demand from domestic market together with the risks hidden in international trade environment, have led to a significant increase in challenges and difficulties. The scale of fixed-asset investment in the domestic textile and garment industry has shrunk, sales has slowed down significantly compared to that of the same period last year, the profit margin of operating income has also dropped, and the development prospects of the industry will remain uncertain.

The Group's OEM/ODM business is mainly focused on customers in the United States of America ("US") and domestic brand customers, and as affected by the uncertainty of China-US trade frictions and directly affected by the 15% import tariff on the bulk commodities imported to the US implemented since 1 September 2019, there has been a rapid shift of production capacity overseas, especially to Vietnam. At the same time, due to the weakened prosperity of the domestic retail market in China, except for the continued growth of e-commerce, the rest of the brand retail business was exposed to downward pressure, resulting in a significant reduction in domestic processing orders; in general, the Group's OEM/ODM business recorded a total operating income of HK\$1,459.5 million during the year, representing a significant decline compared to that of the same period last year.

For our brand retail business, the Group continued to increase the investment in the e-commerce business, and adjusted the sales proportions of e-commerce channels and physical channels to reduce the operating costs of physical stores. Meanwhile, the Group constantly explored new-generation trend brands and successfully introduced trend brands such as Sprayground to the market in China. The Group also actively explored associate models and effectively took advantage of the resources of associate partners to rapidly expand the market presence of brand retail business. The Group's retail business recorded a turnover of HK\$420.2 million in 2019, representing a year-on-year decrease of 12.4%.

Affected by the drastic changes in market demand, our weaving business was exposed to great pressure in terms of inventory, in face of which, the weaving companies under the Group actively adjusted their products to adapt to market changes. In particular, our household textile and weaving companies successfully developed wall coverings and other decoration materials to expand market channels, and thus achieved a relatively good performance. In addition, affected by the upgraded environmental control by the Chinese government, our silk printing and dyeing business was fully restarted after active transformation.

I would also like to take this opportunity to thank all our shareholders for their confidence in and support for us, and to express my gratitude to our management team and staff for their diligent and hard work as always.

TING MAN YI
Chairman

Hong Kong
25 March 2020

本人代表華鼎集團控股有限公司(「本公司」, 連同其附屬公司統稱為「本集團」)董事(「董事」)會(「董事會」), 呈列本公司及其附屬公司的二零一九年年度營運報告。

2019年以來, 我們紡織服裝行業的國內外發展環境更為嚴峻, 國內市場需求放緩與國際貿易環境風險交織, 挑戰和困難因素明顯增加。全國紡織服裝行業固定資產投資規模縮減, 銷售額較上年同期明顯放緩, 營業收入利潤率下跌, 行業發展前景不確定性仍將延續。

本集團的OEM/ODM業務主要集中於美利堅合眾國(「美國」)客戶和國內品牌客戶, 受中美貿易摩擦不確定性的影響, 及2019年9月1日起開始實施的15%輸美大宗商品進口關稅直接影響, 出現了產能迅速向海外轉移, 特別是向越南轉移; 同時因中國國內零售市場緊氣度下降, 除電子商務持續增長外, 其餘品牌零售業務均感受到下行壓力, 導致國內加工訂單大幅度減少的局面; 綜合來看, 集團OEM/ODM業務本年度共錄入營業收入1,459.5百萬港元, 較去年同期出現了較大幅度下滑。

品牌零售業務方面, 集團繼續加大對電子商務業務的投入, 調整電商渠道與實體渠道的銷售比例, 減輕實體店鋪運營成本; 同時不斷挖掘新世代潮流品牌, 並將Sprayground等潮流品牌成功引入中國市場。積極開拓聯營模式, 有效利用聯營商資源, 快速擴張品牌零售業務的市場布局。2019年集團實現零售業務420.2百萬港元, 同比減少12.4%。

織造業務受需求市場急劇變化的影響, 庫存壓力較大, 集團下屬織造公司積極調整產品以適應市場變化, 特別是家紡織造公司成功開發牆布等裝飾材料, 拓寬了市場渠道, 獲得了較好的業績表現。另外, 受中國政府環境管控升級而影響的絲綢印染業務也在積極改造後獲得了全面重啟。

本人亦借此機會感謝全體股東對我們的信心和支持, 同時對管理團隊和員工的勤奮努力致以謝意。

丁敏兒
主席

香港
二零二零年三月二十五日





管理層
討論
及分析

MANAGEMENT'S
DISCUSSION
AND ANALYSIS



(1) Business Review

The China-US trade tensions throughout 2019 and the slowdown of the global economy, together with the tightening external environment, have resulted in considerably greater negative impact on the Group because of its main focus on foreign trade. Meanwhile, domestic market orders in the People's Republic of China (the "PRC"), which have been beneficial to the Group's performance in recent years, have taken on a "synchronous deceleration" trend with international orders due to the downward pressure on the domestic economy. Against the background of the slowdown in both international and domestic businesses, the Group's performance was undoubtedly affected, showing a trend of significant decline.

In 2019, the Group's OEM/ODM business recorded a decrease of 18.2% in total sales against the continued decline of World Economic Climate Index and continuous geo-economic tensions. In order to address this unfavorable situation, the Group started the construction of new production facilities. After a year of preparation, the Group's Jiangxi Base and Guizhou Base in China have been substantially completed and put into use, and the overseas production facilities in Vietnam have also been put into production. Domestic production bases except the one in Hangzhou can help us reduce costs and improve the profitability, and the overseas bases can help us to avoid the risks caused by geo-economic tensions and strengthen the customer relationships. The Group believes that the OEM/ODM business after the above adjustments will definitely turn loss to a stable growth.

(1) 業務回顧

貫穿二零一九年的中美貿易摩擦疊加全球經濟放緩，外部環境趨緊對外貿主導型的本集團負面影響明顯增大。而近幾年來一直作為集團業績有益補充的中華人民共和國（「中國」）國內市場訂單，也因為國內經濟下行壓力，與國際訂單一起出現了「同步減速」的態勢。集團在國際國內業務同時趨緊的背景下，業績毫無疑問的受到了衝擊，呈現較大幅度下跌的態勢。

二零一九年集團OEM/ODM業務在全球經濟景氣指數持續下降，地緣經濟摩擦不斷的背景下，總銷售額下滑18.2%；為了改善這一不利局面，集團啟動了新生產設施的建設工作，經過一年的籌備，集團位於中國境內的江西基地和貴州基地已基本建成投入使用，位於越南的海外生產設施也已正常投產，除杭州以外的國內生產基地有助於企業降低成本，提高利潤水平；海外基地則有助於企業規避地緣經濟摩擦風險，強化客戶關係。集團相信重新佈局後的OEM/ODM業務一定能止跌回穩。

With regards to the retail business, the Group continued to focus on the development of associate channels and the exploration implementation of new retail models in 2019, expanded online and offline market presence simultaneously, and achieved substantial growth in the e-commerce business. At the same time, the Group continued to introduce new trendy brands and successfully launched the Sprayground brand in the second half of 2019, which quickly gained market recognition by virtue of its unique trendy features. With retail business being one of the Group's core businesses in the future, the Group will continue to improve its operating capabilities, product development and design capabilities, production support capabilities and logistics service capabilities.

With regards to the weaving business, especially the woolen textile business, the Group went through the radical changes in market demand and the impact of climatic conditions such as warm winter in 2019, imposing a heavy burden in terms of inventory. In response, the Group made internal adjustments to its product mix and the research and development of new products to adapt to the drastic changes in the market. With regards to the printing and dyeing segment, the Group fully completed site relocation in 2019, fully restored production capacity and operated in good condition.

(2) Financial Review

Review of operations

During the year ended 31 December 2019, the Group's revenue amounted to HK\$1,899.0 million, representing a decrease of 16.5% when compared with the total revenue of the Group of HK\$2,274.8 million in 2018. The gross profit for the year ended 31 December 2019 was HK\$374.4 million, representing a decrease of 33.5% as compared with HK\$563.2 million in 2018. As a result, the net loss attributable to equity holders of the Company for the year ended 31 December 2019 was HK\$54.7 million and the net asset value per share as at 31 December 2019 was HK\$1.2.

OEM and ODM business

During the year ended 31 December 2019, the revenue derived from our OEM/ODM business recorded a decrease of 18.2% from HK\$1,784.0 million in 2018 to HK\$1,459.6 million in 2019. Products made from silk, cotton and synthetic fabrics continue to be the major products which contributed HK\$1,234.2 million (2018: HK\$1,402.3 million), representing 84.6% (2018: 78.6%) of the total turnover of our OEM/ODM business for the year ended 31 December 2019.

零售業務在二零一九年繼續專注於聯營渠道的開發和新零售模式的探索，線上線下同步市場拓展，電子商務業務取得了大幅度增長。同時集團持續引入新的潮流品牌，於二零一九年下半年成功上線 Sprayground 品牌，新的品牌因其獨特的潮流個性迅速獲得了市場認可。零售業務作為集團未來的核心業務之一，集團將持續提升運營能力，產品研發設計能力，生產配套能力和物流服務能力。

織造業務特別是毛紡業務在二零一九年遭遇了市場需求的急劇變化和暖冬等氣候環境的影響，造成了較大的庫存負擔。為了應對這一情況，集團內部對產品結構和新產品研發作出了調整，以適應市場巨變的局面。印染板塊在二零一九年已經全部完成了場地搬遷，全面恢復產能，經營形勢良好。

(2) 財務回顧

營運回顧

截至二零一九年十二月三十一日止年度，本集團的收入為1,899.0百萬港元，較二零一八年的本集團總收入2,274.8百萬港元下跌16.5%。截至二零一九年十二月三十一日止年度，毛利為374.4百萬港元，較二零一八年同期563.2百萬港元下降33.5%。因此，截至二零一九年十二月三十一日止年度的本公司股權持有人應佔淨虧損為54.7百萬港元，而於二零一九年十二月三十一日的每股資產淨值為1.2港元。

原設備製造及原設計製造業務

截至二零一九年十二月三十一日止年度，來自本集團原設備製造／原設計製造業務的收入錄得下跌18.2%，由二零一八年的1,784.0百萬港元減少至二零一九年的1,459.6百萬港元。截至二零一九年十二月三十一日止年度，以絲綢、棉及合成纖維製造的產品繼續為主要產品，帶來1,234.2百萬港元(二零一八年：1,402.3百萬港元)收入，佔本集團原設備製造／原設計製造業務總營業額84.6%(二零一八年：78.6%)。

In respect of market concentration, sales to the market in US amounted to HK\$683.2 million in 2019 (2018: HK\$820.2 million), which accounted for 46.8% (2018: 46.0%) of the OEM/ODM revenue. Sales to European Union and other markets in 2019 were HK\$219.4 million (2018: HK\$196.9 million) and HK\$557.6 million (2018: HK\$767.0 million), respectively.

Fashion retail business

During the year ended 31 December 2019, the retail sales of the Group amounted to HK\$420.2 million, representing a decrease of 12.4% when compared with the revenue of HK\$479.6 million in 2018. Finity, the major brand of the Group, contributed HK\$220.4 million to the retail business, representing an increase of 10.0% as compared with HK\$200.4 million for the year 2018.

In terms of retail revenue analysis by sales channels, sales from concessionary counters amounted to HK\$175.2 million (2018: HK\$232.7 million), accounting for 41.7% of total retail turnover for the year ended 31 December 2019. Sales from e-commerce, freestanding stores and franchisees for the year ended 31 December 2019 amounted to HK\$152.9 million (2018: HK\$119.8 million), HK\$15.6 million (2018: HK\$35.5 million) and HK\$75.8 million (2018: HK\$91.7 million), respectively.

Property Investment Business

In 2019, the Group has changed part of the industrial complex to the China Ting International Fashion Base (“華鼎國際時尚產業基地”) in order to facilitate the regional development, fashion expert localisation and e-commerce development for the fashion industry. All these provide significant contribution to the fashion industry in Yu Hang District, Hangzhou, while allowing the Group to develop diversified business models and enhance revenue.

During the year ended 31 December 2019, the revenue from our property investment business amounted to HK\$19.3 million (2018: HK\$11.2 million).

在市場集中情況方面，於二零一九年，往美國市場的銷售額為683.2百萬港元（二零一八年：820.2百萬港元），佔原設備製造／原設計製造業務收入46.8%（二零一八年：46.0%）。於二零一九年，往歐盟及其他市場的銷售額分別為219.4百萬港元（二零一八年：196.9百萬港元）及557.6百萬港元（二零一八年：767.0百萬港元）。

時裝零售業務

截至二零一九年十二月三十一日止年度，本集團零售額為420.2百萬港元，較二零一八年的收入479.6百萬港元下跌12.4%。本集團的主要品牌Finity為零售業務帶來220.4百萬港元，較二零一八年的200.4百萬港元增長10.0%。

按銷售渠道對零售收入作出之分析，截至二零一九年十二月三十一日止年度，專櫃銷售額為175.2百萬港元（二零一八年：232.7百萬港元），佔總零售營業額41.7%。截至二零一九年十二月三十一日止年度，電商、專賣店及專營代理商的銷售額分別為152.9百萬港元（二零一八年：119.8百萬港元）、15.6百萬港元（二零一八年：35.5百萬港元）及75.8百萬港元（二零一八年：91.7百萬港元）。

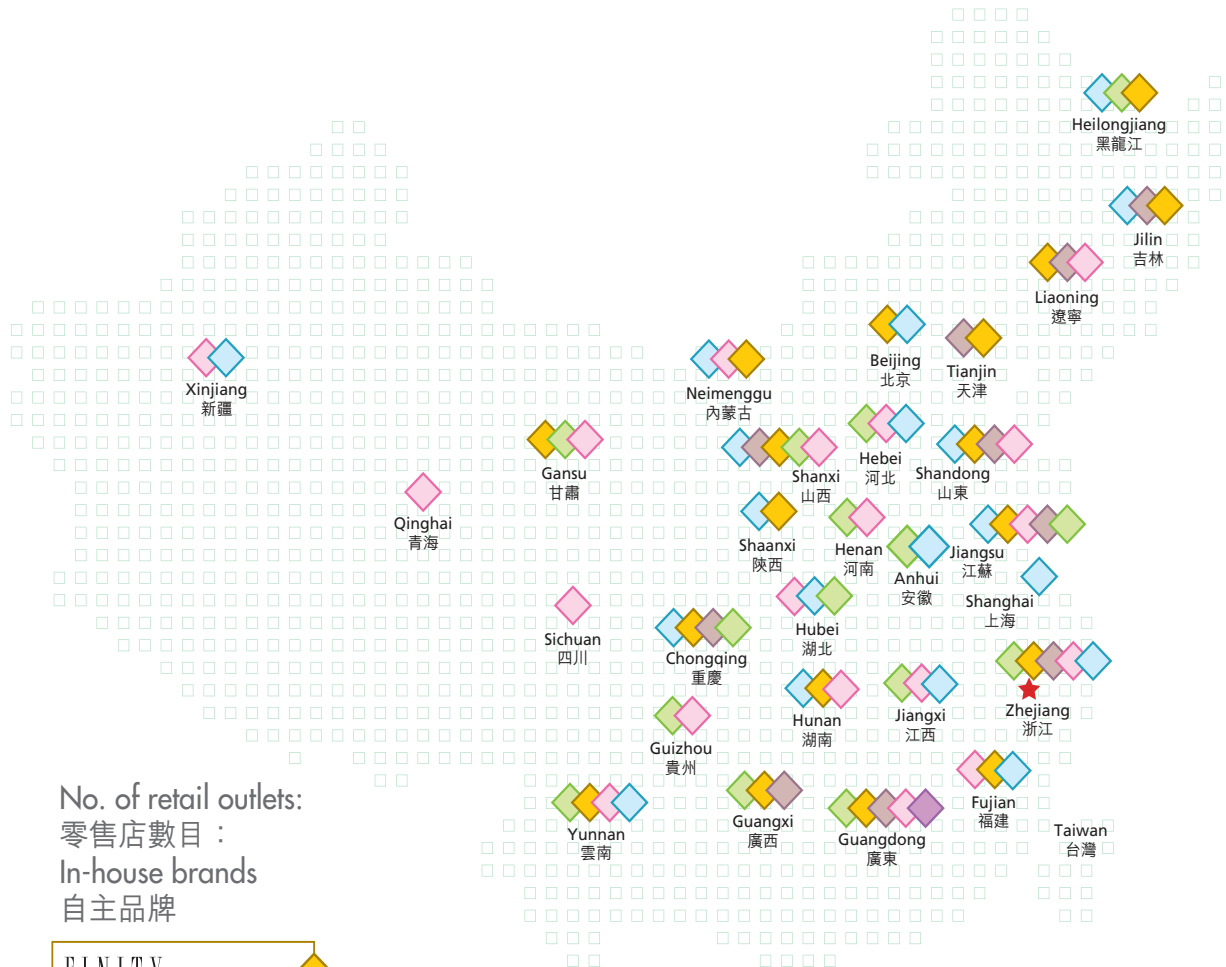
物業投資業務

於二零一九年，本集團已將部分工業園改為華鼎國際時尚產業基地，以促進時尚產業的區域發展、時尚專家本地化及電子商務發展。該等均為杭州市餘杭區的時尚產業作出重大貢獻，同時使本集團得以發展多元化的業務模式，提高收入。

截至二零一九年十二月三十一日止年度，我們物業投資業務的收入為19.3百萬港元（二零一八年：11.2百萬港元）。

A Nationwide Retail Network

全國性的零售網絡



No. of retail outlets:
零售店數目：
In-house brands
自主品牌



Liquidity and financial resources

The Group continues to retain a solid financial position. During the year, the Group's working capital needs were principally supported by the financial resources generated from its ordinary course of business. As of 31 December 2019, the cash and cash equivalents were HK\$455.6 million, representing an increase of 1.6% from HK\$448.5 million as of 31 December 2018. The Group had bank borrowings of HK\$424.9 million as of 31 December 2019 (2018: HK\$367.1 million). The debt to equity ratio (total borrowings as a percentage of total equity) was 16.7% (2018: 13.9%). The Directors consider that the Group has adequate financial resources to support its working capital requirement and future expansion.

Entrusted loans to Zhongdou Group and Zhongdou Shopping Centre

The Company announced the updated status of the NBC Entrusted Loans and the BOCOM Entrusted Loans in its announcements dated 10 February 2015, 10 December, 3 November, 19 August, 23 June 2014 and 5 February 2013 (the "Entrusted Loans Announcements"). The total amount of these two entrusted loans is RMB160.0 million (equivalent to HK\$191.4 million). The borrowers of these two entrusted loans have failed to make repayments, and the borrowers and the related companies, namely 中都控股集團有限公司 (Zhongdou Group Holdings Limited*), 浙江中都房地產集團有限公司 (Zhejiang Zhongdou Property Group Company Limited*), 浙江中都百貨有限公司 (Zhejiang Zhongdou Department Store Company Limited*), 杭州中都購物中心有限公司 (Hangzhou Zhongdou Shopping Centre Company Limited*) have filed voluntary bankruptcy at the People's Court of Yuhang District, Hangzhou City. A creditor served a petition for bankruptcy proceedings against 浙江臨安中都置業有限公司 (Zhejiang Linan Zhongdou Property Company Limited*) which has pledged a parcel of land to secure due performance of obligations under the NBC Entrusted Loan, at the People's Court of Yuhang District, Hangzhou City.

In respect of such proceedings, the People's Court of Yuhang District, Hangzhou City, approved the appointment of the administrator and accepted the petition for bankruptcy proceedings. The first creditors' meetings were held on 19, 20 March and 2 April 2015.

Pursuant to the order, each of the Bank of Communications Limited, Zhejiang Branch and Ningbo Bank Corporation lodged a proof of debt to the administrator in respect of the claims under the BOCOM Entrusted Loans and NCB Entrusted Loans in the amount of RMB33.6 million (equivalent to HK\$40.2 million) and RMB141.8 million (equivalent to HK\$169.7 million) on 9 February 2015 and 16 February 2015, respectively.

* The English name is the translation for identification purpose only.

流動資金及財務資源

本集團繼續保持穩固的財務狀況。年內，本集團主要以其日常業務過程中產生的財務資源支持營運資金需要。截至二零一九年十二月三十一日，現金及現金等值項目為455.6百萬港元，較二零一八年十二月三十一日的448.5百萬港元增加1.6%。截至二零一九年十二月三十一日，本集團的銀行借貸為424.9百萬港元（二零一八年：367.1百萬港元）。負債對權益比率（總借貸佔權益總額的百分比）為16.7%（二零一八年：13.9%）。董事認為本集團具備足夠財務資源支持其營運資金需求及未來擴展。

向中都集團及中都購物中心提供委託貸款

本公司於日期為二零一五年二月十日、二零一四年十二月十日、十一月三日、八月十九日、六月二十三日及二零一三年二月五日的公佈（「委託貸款公佈」）中宣佈寧波銀行委託貸款及交通銀行委託貸款的最新狀況。該兩筆委託貸款的總額為人民幣160.0百萬元（相等於191.4百萬港元）。該兩筆委託貸款的借款人未能還款，而借款人及相關公司（即中都控股集團有限公司、浙江中都房地產集團有限公司、浙江中都百貨有限公司、杭州中都購物中心有限公司）已向杭州市餘杭區人民法院提出自願破產。一名債權人向杭州市餘杭區人民法院送達針對浙江臨安中都置業有限公司（該公司已抵押一幅土地以保證妥善履行寧波銀行委託貸款的責任）的破產法律程序呈請。

就該法律程序而言，杭州市餘杭區人民法院批准委任破產管理人及接納破產法律程序呈請。第一次債權人會議於二零一五年三月十九日及二十日以及四月二日舉行。

根據該法令，交通銀行股份有限公司浙江分行及寧波銀行股份有限公司分別於二零一五年二月九日及二零一五年二月十六日，分別就交通銀行委託貸款及寧波銀行委託貸款下為數人民幣33.6百萬元（相等於40.2百萬港元）及人民幣141.8百萬元（相等於169.7百萬港元）的申索已向破產管理人提交債權證明。

* 英文公司名由中文翻譯而來，僅供識別。

Two rounds of open tender were held by the administrator in November 2018 and March 2019, respectively, to identify potential restructuring investors, which were both terminated with no qualified investor identified.

In June 2019, a restructuring investor was successfully identified through open tender with the restructuring plan approved by the Yuhang Court in July 2019. Up to 31 December 2019, the Group has received the loan principals of Entrusted Loans A and B of RMB24,956,000 (approximately HK\$28,324,000) and RMB130,000,000 (approximately HK\$147,543,000), respectively, with compensation of interests for Entrusted Loan A of RMB12,430,000 (approximately HK\$14,106,000). Such interests have been recorded as "Other income, net" (Note 26) in the Group's consolidated profit or loss for the year ended 31 December 2019. The carrying amount of the outstanding loan principals of Entrusted Loan A as at 31 December 2019 was of RMB5,044,000 (approximately HK\$5,643,000), which was determined based on the amount provided in the court-approved restructuring documents and such outstanding loan balances have been fully received by the Group as of the date of this report.

Qualified Audit Opinion in Relation to Financial Assets at Fair Value Through Profit or Loss With Respect of Zhejiang Haoran Property Company Limited ("Zhejiang Haoran")

Background information

Since 2009, Zhejiang China Ting Group Company Limited ("Zhejiang China Ting Group"), a subsidiary of the Company, has acquired 100.0% equity interest in Zhejiang Huize Investment Company Limited (currently known as Hangzhou China Ting Industrial Investment Limited) ("Hangzhou China Ting") (which holds 29% of the equity interest in Zhejiang Haoran) and shareholder's loan of RMB172.7 million and accrued interest and tax payment of RMB29.88 million for cash consideration of RMB60.0 million. The original purpose of such investment was to participate in the development of an office building in Hangzhou, the PRC to which the Group planned to relocate its headquarters. However, there are disagreements between the Group and the other shareholders of Zhejiang Haoran as to the financing to the project, the repayment of the shareholder's loans and allocation of certain units in the office building development project as and when it is completed. As of 31 December 2019, the book value of the Group's equity investment in Zhejiang Haoran and the amount of the advances and shareholder's loans, which are treated as financial assets at fair value through profit or loss ("FVPL"), were HK\$304.9 million.

破產管理人已分別於二零一八年十一月及二零一九年三月進行兩輪公開招標，以物色潛在重組投資者，惟均因未物色到合資格投資者而告終止。

於二零一九年六月，已通過公開招標成功物色一名重組投資者，而重組計劃已於二零一九年七月獲餘杭法院批准通過。直至二零一九年十二月三十一日為止，本集團已分別收到委託貸款A及B的本金額人民幣24,956,000元(約28,324,000港元)及人民幣130,000,000元(約147,543,000港元)，以及委託貸款A的利息賠償人民幣12,430,000元(約14,106,000港元)。該等利息已於本集團截至二零一九年十二月三十一日止年度的綜合損益中列賬為「其他收入淨額」(附註26)。於二零一九年十二月三十一日，委託貸款A的未償還貸款本金的賬面值為人民幣5,044,000元(約5,643,000港元)，乃基於經法院批准的重組文件中所列金額而釐定，而於本報告日期，本集團已悉數收到上述未償還貸款本金。

有關於浙江浩然置業有限公司(「浙江浩然」)的按公平值列賬在損益表中處理的金融資產的保留審核意見

背景資料

自二零零九年以來，本公司的附屬公司浙江華鼎集團有限責任公司(「浙江華鼎集團」)已收購浙江惠澤投資有限公司(現稱杭州華鼎實業投資有限公司(「杭州華鼎」)，持有浙江浩然29%的股權)的全部股權，股東貸款為人民幣172.7百萬元，應計利息及稅項付款為人民幣29.88百萬元，現金代價為人民幣60.0百萬元。該投資的最初目的為參與發展中國杭州的一座辦公大樓，本集團計劃將其總部搬遷至該大樓。然而，本集團與浙江浩然的其他股東在項目融資、償還股東貸款及在辦公大樓發展項目完成時若干單位的分配上存在分歧。截至二零一九年十二月三十一日，本集團於浙江浩然的股權投資以及墊款及股東貸款(被視為按公平值列賬在損益表中處理的金融資產(「按公平值列賬在損益表中處理的金融資產」))的賬面價值為304.9百萬元。

Repayment of the shareholder's loans of RMB211,285,000 (approximately HK\$236,363,000) has been in default since 2014. In March 2017 and August 2017, the Group issued two legal letters to Zhejiang Haoran to demand for repayment of a portion of the shareholder's loans of RMB172,700,000 (approximately HK\$193,198,000) and part of the advances of RMB7,250,000 (approximately HK\$8,111,000), respectively. In June and August 2018, the aforesaid legal claims were overruled by the Hangzhou Intermediate People's Court and the People's Court of Yuhang District (collectively the "Courts"), respectively. While the judgements from the Courts stated that the Group has the legal right to recover such shareholder loans and advances, it was ruled that the Group would not be able to exercise such right to demand for repayment until such time when Zhejiang Haoran winds up and has repaid all third party debts. Management disagreed with the Courts' judgments on the basis that there is no legal evidence indicating such shareholder's loans and advances are subordinated to other creditors and the Group's legal right to recover such loans shall be well before Zhejiang Haoran is wound up. In July and August 2018, the Group lodged appeals to the relevant courts in the PRC for the repayment claims regarding such shareholder's loans and advances, respectively, which were dismissed by the relevant courts in February 2019 and the original judgements made by the Courts were sustained.

On 12 August 2019, the Group applied for retrial of the judgment in relation to the shareholder's loans before the Supreme People's Court of the PRC (the "Supreme People's Court"). In October 2019, the Supreme People's Court organised mediation for the Group and Zhejiang Haoran in order to solve the disputes. The mediation process is not a mandatory requirement, but the Supreme People's Court would normally recommend parties to present/exchange their proposals in order to resolve their disputes. If the parties cannot reach an amicable solution in the mediation process, the Supreme People's Court will resume the hearing. Accordingly, the Group and Zhejiang Haoran have submitted mediation proposals to the Supreme People's Court since October 2019. As of the date of this report, the mediation process is still ongoing through the exchanges of mediation proposals with different bases and assumptions. The Directors would use their best endeavours to reach a commercially acceptable solution through the mediation process. As advised by the Group's legal counsel, the Supreme People's Court has not determined any timetable for the mediation process. The Supreme People's Court plans to arrange for another mediation session, but the date of which is still pending subject to the epidemic condition in the PRC. If for whatever reasons the parties cannot reach an amicable solution through the mediation process, the Group will continue to follow its original strategy to have the disputes heard by the highest level of the PRC courts.

股東貸款人民幣211,285,000元(約236,363,000港元)的還款自二零一四年起已違約。於二零一七年三月及二零一七年八月，本集團分別向浙江浩然發出兩封法律函件，要求償還部分股東貸款人民幣172,700,000元(約193,198,000港元)及部分墊款人民幣7,250,000元(約8,111,000港元)。於二零一八年六月及八月，杭州中級人民法院及餘杭區人民法院(統稱「法院」)分別駁回上述法律申索。儘管法院的判決指出，本集團有合法權利收回有關股東貸款及墊款，但經裁定，在浙江浩然清算及償還所有第三方債務之前，本集團無法行使該等權利要求其還款。管理層不認同法院判決，理據為概無法律憑證顯示該股東貸款及墊款的優先次序低於其他債權人，而本集團有權於浙江浩然清盤前收回有關貸款。於二零一八年七月及八月，本集團向中國相關法院分別就該股東貸款及墊款的還款要求提出上訴，但該上訴於二零一九年二月被相關法院駁回，維持法院原判。

於二零一九年八月十二日，本集團向中國最高人民法院(「最高人民法院」)申請複審有關股東貸款的判決。於二零一九年十月，最高人民法院為本集團及浙江浩然組織調解以解決相關爭議。調解程序並非強制性規定，但最高人民法院通常會建議雙方提交/交換彼等的議案，以解決爭議。若雙方無法於調解程序中達成友好解決方案，最高人民法院則會恢復聽證。因此，本集團及浙江浩然已自二零一九年十月起向最高人民法院提交調解議案。截至本報告日期，通過交換基於不同基準及假設的調解議案，調解程序仍在進行中。董事將竭力通過調解程序達成商業上可接受的解決方案。經本集團律師告知，最高人民法院尚未確定調解程序的時間安排。最高人民法院計劃再一次安排調解會談，但因中國的疫情所限仍未確定日期。若因任何原因使雙方不能通過調解程序達成友好解決方案，則本集團將繼續實施原定方案，即將爭議訴諸於中國最高級別法院進行聽證。

During the years ended 31 December 2018 and 2019, the Group took further legal actions against Zhejiang Haoran, including petitions to enforce its right as a shareholder of Zhejiang Haoran to access to its books and records and specific financial information which the relevant courts ruled favourable to the Group in August and December 2019, respectively. The Group is currently in the process of enforcing execution of accessing the Zhejiang Haoran's books and records, including the sales contracts of the property project of Zhejiang Haoran. As of the date of this report, the Group has inspected 523 sets of sales contracts of the property project of Zhejiang Haoran. The Group has further requested to access to another 177 sets of sales contracts. However, Zhejiang Haoran had objected this request, which had been reviewed by the Hangzhou Intermediate People's Court. The review results was handed down on 7 April 2020, the Hangzhou Intermediate People's Court ordered Zhejiang Haoran to provide the remaining 177 sets of sales contracts within five days upon the receipt of the enforcement execution. The Group intend to apply for the enforcement execution around mid-April 2020. The Group planned to enforce execution of accessing to Zhejiang Haoran's specific financial information, namely, (a) the monthly financial statements of Zhejiang Haoran between May 2014 and the date of judgement in effect and (b) the annual financial statements and annual audit reports of Zhejiang Haoran for the five years ended 31 December 2018. The Group intend to apply for the enforcement execution around mid-April 2020.

The Group was unable to obtain sufficient financial information of Zhejiang Haoran as at and for the year ended 31 December 2019. As such, the fair value of FVPL in Zhejiang Haoran as at 31 December 2019 was estimated by management using the Adjusted NAV approach based on Zhejiang Haoran's financial information as at 31 December 2016. The fair value of the property project and construction costs incurred for such property project subsequent to 31 December 2016 have been adjusted to take into account certain more up to date financial information and other information made available in the process of court proceedings in late 2019. The Directors have further made certain assumptions and adjustments based on available public information and the information from the mediation proposals received from Zhejiang Haoran during the mediation process (collectively, the "Zhejiang Haoran's Proposals"), namely:

- (a) the fair value of Zhejiang Haoran's property has been adjusted to the sales data and the valuation of the outstanding unsold units, based on the information set forth in the Zhejiang Haoran's Proposals;

截至二零一八年及二零一九年十二月三十一日止年度，本集團向浙江浩然進一步提起法律訴訟，包括增強其作為浙江浩然之股東查閱賬目、記錄，以及具體財務資料的權利之呈請，而相關法院分別於二零一九年八月及十二月作出有利於本集團的裁決。本集團目前正在強制執行查閱浙江浩然賬目及記錄的權利，包括浙江浩然物業項目的銷售合約。截至本報告日期，本集團已檢查浙江浩然物業項目的523份銷售合約。本集團已進一步要求查閱另外177份銷售合約。然而，浙江浩然已拒絕該要求，而杭州中級人民法院已審查此事。審查結果已於二零二零年四月七日下午發，杭州中級人民法院命令浙江浩然在收到強制執行要求後五天內提供其餘177份銷售合約。本集團擬於二零二零年四月中旬左右申請強制執行。本集團計劃強制執行查閱浙江浩然具體財務資料的權利，即(a)浙江浩然於二零一四年五月至判決生效日期的月度財務報表及(b)浙江浩然於截至二零一八年十二月三十一日止五個年度的年度財務報表及年度審計報告。本集團擬於二零二零年四月中旬左右申請強制執行。

本集團無法獲得浙江浩然於二零一九年十二月三十一日及截至該日止年度的充足財務資料。因此，於浙江浩然的按公平值列賬在損益表中處理之金融資產於二零一九年十二月三十一日的公平值乃由管理層根據浙江浩然於二零一六年十二月三十一日的財務資料採用經調整資產淨值法估計。物業項目的公平值及該物業項目於二零一六年十二月三十一日後產生的建築成本，已經考慮二零一九年年底進行法院訴訟的過程中可取得的若干最新財務資料及其他資料後作出調整。根據公開可得的資料及於調解程序中從浙江浩然收到的調解議案(統稱「浙江浩然議案」)中的資料，董事已進一步作出若干假設及調整，即：

- (a) 根據浙江浩然議案所載資料，已將浙江浩然物業的公平值調整至銷售額數據及未售出單位的估值；

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- (b) the estimated construction costs have been assumed to incur in accordance with the information set forth in the Zhejiang Haoran's Proposals with certain percentage of overruns; and
- (c) the interest expenses have been assumed to remain unchanged from that as of 31 December 2016, indicating such expenses incurred in accordance with the information set forth in the Zhejiang Haoran's Proposals with certain percentage of overruns.

A minority interest discount rate of 40% was applied in the valuation as at 31 December 2019, as the Directors believe that there is no material change in the relationship between the Group and Zhejiang Haoran during the year ended 31 December 2019.

As a result, a fair value gain of HK\$21,361,000 was recorded in the Group's consolidated profit or loss for the year for the FVPL in Zhejiang Haoran.

The Directors consider that the mediation process and the legal proceedings are the only legal remedies available to the Group to address the disputes between the Group and Zhejiang Haoran. The Group has also requested for updated sales information and financial statements from Zhejiang Haoran, but all of these requests encounter the opposition by Zhejiang Haoran and would need to get through the prescribed legal procedures which have yet to be completed.

As the legal proceedings and the mediation process are still ongoing and the hearing of the legal proceedings in relation to the shareholder's loans before the Supreme People's Court will commence if the Group and Zhejiang Haoran cannot reach a mutually agreed mediation proposal, the Directors do not consider it appropriate to initiate any out of court action that may prejudice the rights of the Group in the judicial proceedings. Having obtained advice from the Group's legal counsel and considering the latest progress of the legal proceedings, the Directors considered the Group has adequate merits and basis on the ongoing proceedings. Thus, the Directors considered that the assumptions and basis applied in the fair value assessment of the FVPL in Zhejiang Haoran are appropriate and continued to represent their best estimates and believe such financial assets will be realised in the coming twelve months from 31 December 2019.

- (b) 根據浙江浩然議案所載資料，推定已產生估計建築成本，並產生一定比例的超支；及

- (c) 根據浙江浩然議案所載資料，推定利息開支與截至二零一六年十二月三十一日的利息開支保持不變，表明已產生相關開支，並出現一定比例的超支。

於二零一九年十二月三十一日估值時採用的少數股東權益折讓率為40%，因為董事認為，本集團與浙江浩然之間的關係於截至二零一九年十二月三十一日止年度並無重大變動。

因此，本集團就於浙江浩然的按公平值列賬在損益表中處理之金融資產而於本年度綜合損益中錄得21,361,000港元的公平值收益。

董事認為，本集團解決其與浙江浩然之間爭議可採取的法律措施唯有調解程序及法律訴訟。本集團亦已要求浙江浩然提供最新銷售資料及財務報表，但所有有關要求均遭到浙江浩然拒絕，因此將需要通過尚未結束的規定法律程序進行實現。

由於法律程序及調解程序仍在進行中，而倘若本集團與浙江浩然無法達成雙方同意的調解議案，則會在最高人民法院開始進行股東貸款法律程序的聽證，故董事認為，進行任何可能會損害司法程序中本集團權利的庭外行動實屬不恰當。經本集團律師告知並經考慮相關法律程序的最新進展，董事認為，本集團在其後的訴訟中佔據足夠的理據及依據。因此，董事認為，於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值評估中所應用之假設及基準屬恰當且繼續代表彼等的最佳估計，並認為該等金融資產將於二零一九年十二月三十一日起計未來十二個月內變現。

As at the date of this report, the outcomes of legal proceedings between Zhejiang Haoran and the Group are uncertain. The auditor of the Company was unable to obtain sufficient appropriate audit evidences they considered necessary to assess management's valuation and classification of the FVPL in Zhejiang Haoran as at 31 December 2019, including a written opinion from the Group's legal counsel in relation to the likelihood of different outcomes of the legal proceedings, the latest financial information of Zhejiang Haoran, a valuation report from an independent valuer on the relevant property owned by Zhejiang Haoran, and access to the management of Zhejiang Haoran to assess the appropriateness and accuracy of the financial information, assumptions and basis adopted by Group's management in their assessment of the fair value and classification of FVPL in Zhejiang Haoran. There were no other satisfactory audit procedures that the auditor of the Company could perform to determine whether any adjustments to the carrying value of the FVPL in Zhejiang Haoran and the related exchange reserve balances as at 31 December 2018 and 2019 and to the fair value gain and exchange loss in relation to the FVPL in Zhejiang Haoran for the year ended 31 December 2019 were necessary, and whether the classification of FVPL in Zhejiang Haoran as current assets was appropriate.

As a result, the auditor of the Company issued a qualified opinion on the carrying value of the FVPL in Zhejiang Haoran and the related exchange reserve balances as at 31 December 2018 and 2019, the fair value gain and exchange loss in relation to the FVPL in Zhejiang Haoran for the year ended 31 December 2019, and the classification of FVPL in Zhejiang Haoran as current assets, in the auditor's report for the consolidated financial statements for the year ended 31 December 2019. Similar qualified audit opinion was contained in the auditor's report for the consolidated financial statements for the years ended 31 December 2017 and 2018.

於本報告日期，浙江浩然與本集團之間的法律程序的結果仍不確定。本公司核數師無法取得彼等認為必要的充分適當審計憑證以評估管理層於二零一九年十二月三十一日就於浙江浩然的按公平值列賬在損益表中處理之金融資產作出的估值及分類，包括本集團法律顧問就法律訴訟不同結果的可能性出具的意見書、浙江浩然的最新財務資料、獨立估值師就浙江浩然擁有的相關物業出具的估值報告，以及接觸浙江浩然的管理層以評估財務資料的適當性及準確性、本集團管理層於評估於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值及分類時所採用的假設及基準。本公司核數師無法執行其他令人滿意的審計程序，以確定是否需要對二零一八年及二零一九年十二月三十一日於浙江浩然的按公平值列賬在損益表中處理之金融資產的賬面價值以及相關匯兌儲備結餘作出任何調整，以及是否需要對截至二零一九年十二月三十一日止年度於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值收益及匯兌損失作出任何調整，並確定將於浙江浩然的按公平值列賬在損益表中處理之金融資產分類為流動資產是否恰當。

因此，本公司核數師於就截至二零一九年十二月三十一日止年度的綜合財務報表出具的核數師報告中，就二零一八年及二零一九年十二月三十一日於浙江浩然的按公平值列賬在損益表中處理之金融資產的賬面價值以及相關匯兌儲備結餘、截至二零一九年十二月三十一日止年度於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值收益及匯兌虧損以及將於浙江浩然的按公平值列賬在損益表中處理之金融資產分類為流動資產，出具了保留意見。類似的保留審核意見載於就截至二零一七年及二零一八年十二月三十一日止年度的綜合財務報表出具的核數師報告。

The views of the audit committee (the "Audit Committee") of the Board on the qualified audit opinion

At the meeting of the Audit Committee held on 24 March 2020, the independent non-executive Directors, being members of the Audit Committee, reviewed the bases of determining the fair value of the Group's equity investment in Zhejiang Haoran and discussed with the management of the Group and the auditor of the Company any alternative that may be adopted in determining such fair value. The Audit Committee agreed on the fair value estimation approach and the determination of the fair value as it represented the best estimates available to the Group. The Audit Committee also agreed that the auditor of the Company was not able to verify certain parameters/assumptions/information adopted in the valuation and thus the issuance of a qualified audit opinion is understandable.

The Audit Committee also requested the management of the Group to take all necessary actions to the effect that no such qualified audit opinion will need to be made in the forthcoming audited financial statements.

(3) Outlook

In consideration of the complexity and persistence of China-US trade tensions, and the indisputable fact that the labour costs of the Group's production base in Hangzhou, China are much higher than other parts in the PRC, and in order to reduce costs and lower the risks caused by geopolitical tensions, the Group adjusted the production capacity allocation by opening up production bases in Hangzhou, Jiangxi, Guizhou and Vietnam, with a monthly production capacity of more than 2 million pieces and will continue to grow. Diversified production bases have ensured the continuous expansion and comparative competitive advantages of the Group's OEM/ODM business.

Hangzhou Base will also face large-scale upgrading and renovation in 2020 due to the construction of urban roads. After completion of renovation, Hangzhou Base will greatly increase the concentration of production capacity, the uniformity of management, the utilisation rate of intelligent equipment, and the level of information-based management, marking the most thorough production capacity renovation and upgrade since the park was completed and put into operation in 2002, which is bound to inject new vitality into China Ting's Hangzhou Base and make it the most modern and intelligent production base of the Group.

董事會審核委員會(「審核委員會」)對保留審核意見的看法

在審核委員會於二零二零年三月二十四日舉行的會議上，獨立非執行董事(即審核委員會成員)審閱釐定本集團於浙江浩然的股權投資的公平值的基礎，並與本集團管理層及本公司核數師討論任何可用於釐定該公平值的替代方法。審核委員會同意公平值的估算方法及公平值的釐定，因為其為本集團可用的最佳估算方法。審核委員會亦同意，本公司核數師無法核實在估值中所採用的若干參數／假設／資料，因此，出具保留審核意見屬可理解。

審核委員會亦要求本集團管理層採取一切必要的行動，以確保在即將發出的經審核財務報表中毋須作出有關保留審核意見。

(3) 展望

集團考慮到中美貿易摩擦的複雜性和持續性，同時集團位於中國杭州的生產基地勞動力成本遠高於國內絕大多數地區也是不爭的事實。為了降低成本，減少地緣摩擦風險，集團重新規劃了產能佈局，已在全球範圍內開闢了杭州、江西、貴州、越南等生產基地，月產能超過200萬件，並在持續增長之中。多元化的生產基地保證了集團OEM/ODM業務的持續擴張和比較競爭優勢。

杭州基地二零二零年因城市道路建設也將面臨大規模的提升改造，改造後的杭州基地將大幅提高產能的集聚度，管理的統一性，智能化設備的使用率，和信息化的管理水平，是自二零二零年園區建成投產以來，最徹底的一次產能改造升級，這必將為華鼎的杭州基地注入全新的活力，使之成為集團內最現代化和智能化的生產基地。

With the Group successfully selected as a licensed manufacturer of garments and accessories for the 2022 Hangzhou Asian Games at the end of 2019, the Group will also try to expand its business into the field of team costume customization. According to incomplete statistics, the scale of China's customised costume market had exceeded RMB150 billion in 2018. The Group will take the Asian Games as an opportunity to try new business fields and business models to explore new paths for the performance growth of the Group.

With the branded retail business as the development focus, the Group will further expand the presence in brand retail market, focus on the development of new retail business, effectively control inventory, and take advantage of big data to promote the development of the Group's brand retail business, while taking more active measures to introduce premium international brands. At the same time, the Group and Zhejiang University of Science and Technology will also jointly invest in the establishment of an enterprise-level fashion research institute in 2020, dedicated to the incubation of new designer brands, forward-looking research on fashion trends, and scientific research projects for fashion technologies and new fabrics, to promote the all-round development of the Group's brand retail business.

With regards to the weaving business and printing and dyeing business, the Group will continuously increase the efforts on the research and development of new products to meet the changing needs in the market, while further improving the risk management and control over the inventories of raw materials and grey fabrics to ensure the healthy existence and development of the Company.

China Ting Fashion Industrial Park will be expanded by new industrial plants and supporting apartments of approximately 75,000 square meters in June 2020. By then, China Ting Fashion Industrial Park will have an area of nearly 200,000 square meters. Great building conditions, mature park facilities and the geographical location as the core block in the development zone have made China Ting Fashion Industrial Park the most competitive industrial lease space in the block. Meanwhile, the Group will actively cooperate with governmental authorities on investment invitation to realize the property value of the industrial park as soon as possible.

伴隨著集團在二零一九年末成功入選二零二二杭州亞運會服裝服飾類商品特許生產商，集團也嘗試將業務拓展到團隊服裝定制領域。根據不完全統計，二零一八年中國的定制服裝市場規模已突破1,500億元。本集團將以亞運會為契機，嘗試全新的業務領域和業務模式，為集團業績增長探索新通路。

品牌零售業務作為本集團的發展重心。將進一步拓展品牌市場規模，著力發展新零售業務，有效控制庫存，應用大數據手段助推集團品牌零售業務發展，同時更積極的引進國際優質品牌。與此同時，集團與浙江理工大學也將在二零二零年共同投資設立企業級時尚研究院，致力於新銳設計師品牌的孵化，時尚趨勢的前瞻性研究，時裝技術和新型面料等科研項目，促進集團品牌零售業務的全面發展。

織造業務和印染業務將會持續加大新產品的研發力度，以適應市場不斷變化的需求，同時要進一步完善原材料和胚布庫存的風險管控工作，保障企業健康生存和發展。

華鼎時尚產業園區即將於二零二零年六月前新增約7.5萬方工業廠房和配套公寓。屆時華鼎時尚產業園將擁有近20萬方的園區規模。良好的樓宇條件，成熟的園區配套，開發區核心區塊的地理位置，使華鼎時尚產業園成為該區塊最具競爭力的工業租賃空間。同時，集團將積極開展與政府間的招商合作，儘快實現產業園的物業價值。

Hangzhou has provided the Group with good foundation for the operations of its industrial park. Despite the economic pressure from various neighboring industrial parks, the Group's industrial park still managed to deliver outstanding performance because of its location and infrastructure. With the advancement of urbanization, the Group's industrial park will enjoy a more prominent advantage in terms of transport location, thus providing more favorable conditions for the Group to further the operations of our industrial park in greater depth.

(4) Human Resources

As of 31 December 2019, the Group had approximately 5,200 full-time employees. Staff costs for 2019 stand at HK\$431.2 million, remaining stable when compare with previous year.

The Group recognises the importance of good relationships with its employees and has adopted an incentive bonus scheme for them, under which bonuses are determined every year based on the performance of individual employees and with reference to the Group's annual profits and performance. Our Directors believe that a competitive remuneration package, a safe and comfortable workplace, and career development opportunities are incentives for employees to excel in their areas of responsibilities.

Pursuant to the applicable laws and regulations, the Group has participated in relevant defined contribution retirement schemes administrated by the Chinese government authorities for the Group's employees in China. For the Group's employees in Hong Kong, all the arrangements pursuant to the mandatory provident fund requirements set forth under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) are duly implemented. There is no mandatory retirement schemes under the applicable laws and regulations in the US. The Group has not implemented retirement schemes for the Group's employees in the US.

杭州為本集團產業園區的運營提供了沃土。雖然本集團產業園面臨周邊眾多園區的經濟壓力，但依然憑藉著地理位置及基礎設施，取得了優異的業績表現。隨著城市化進程的推進，本集團工業園區的交通區位優勢進一步突顯，也為集團深入推動園區運營業務提供了更為優越的條件。

(4) 人力資源

截至二零一九年十二月三十一日，本集團僱用約5,200名全職僱員。二零一九年的員工成本維持於431.2百萬港元，與上一年保持穩定。

本集團了解與其僱員保持良好關係的重要性，並已為彼等採納獎勵花紅計劃，該計劃乃根據個別僱員的表現並參考本集團之年度溢利及表現而每年釐定有關花紅。董事相信一項具競爭力的薪酬待遇、一個安全且舒適的工作環境及職業發展機會，均是對僱員在所負責範疇展現超卓表現的獎勵。

根據適用法律及法規，本集團已為本集團於中國的僱員參加由中國政府機關管理的相關定額供款退休計劃。就本集團於香港的僱員而言，根據香港法例第485章強制性公積金計劃條例所載的強制性公積金規定作出的所有安排已妥善實施。美國適用法律及法規內並無規定設立強制性退休計劃。本集團並無為本集團於美國的僱員實施退休計劃。

CAPITAL EXPENDITURE AND COMMITMENTS

The Group exercised careful control over capital expenditure. The Group incurred capital expenditures of HK\$200.6 million for the year ended 31 December 2019 which was primarily used in the expansion of the China Ting International Fashion Base and the leasehold improvement of the Group's retail outlets and factories. Capital commitments contracted for but not incurred by the Group as at 31 December 2019 amounted to HK\$101.6 million, which were mainly related to the construction of the China Ting International Fashion Base and the purchase of new office premises.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

There was no significant investment, material acquisition and disposal of subsidiaries during the year ended 31 December 2019.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATE

The Company uses Hong Kong dollars ("HK\$") as its functional currency and the Group's presentation currency. Since HK\$ was pegged against United States dollars ("USD"), the Directors consider the Group's foreign currency exchange exposure arising from USD transactions to be minimal during the period.

The sales and purchase of raw materials of the Group are mainly denominated in USD and Renminbi ("RMB"). During the period, approximately 50.3% and 49.7% of revenue were denominated in USD and RMB respectively, and approximately 4.10% and 95.90% of purchase of raw materials were denominated in USD and RMB respectively.

As at 31 December 2019, approximately 19.7%, 79.5% and 0.7% of cash and bank balances were denominated in USD, RMB and HK\$, respectively, and approximately 27.2%, 53.2% and 19.6% of bank borrowings were denominated in USD, HK\$ and RMB, respectively.

Regarding the trade disputes between China and the United States, it is expected that on-going currency fluctuation of RMB against USD is unavoidable. To minimise the impact, we will monitor the foreign currency risk closely to ensure the net exposure is at an acceptable level. The Directors may consider using financial instruments to reduce the currency risk exposure when necessary.

資本開支及承擔

本集團審慎控制資本開支。截至二零一九年十二月三十一日止年度，本集團產生資本開支200.6百萬港元，主要用於擴張華鼎國際時尚產業基地及本集團裝修租賃的零售商店及工廠。於二零一九年十二月三十一日，本集團已訂約但未產生的資本承擔為101.6百萬港元，主要與建設華鼎國際時尚產業基地及購買新辦公場所有關。

重要投資、重大收購及附屬公司出售事項

截至二零一九年十二月三十一日止年度，概無任何重要投資、重大收購及附屬公司出售事項。

財政政策及匯率波動風險敞口

本公司使用港元（「港元」）作為其功能貨幣及本集團的呈列貨幣。由於港元與美元（「美元」）掛鈎，因此董事認為本集團期內自美元交易產生的外幣匯兌風險極低。

本集團的原材料銷售及採購主要以美元及人民幣（「人民幣」）計值。期內，收入的約50.3%及49.7%分別以美元及人民幣計值，原材料採購的約4.10%及95.90%分別以美元及人民幣計值。

於二零一九年十二月三十一日，有約19.7%、79.5%及0.7%的現金及銀行結餘分別以美元、人民幣及港元計值，有約27.2%、53.2%及19.6%的銀行借款分別以美元、港元及人民幣計值。

就中美貿易爭端而言，人民幣兌美元的持續貨幣波動預期將不可避免。為了使影響最小化，我們將密切監控外幣風險以確保淨敞口處於可接受水平。董事可能考慮於必要時使用金融工具降低貨幣風險。





董事及高層 管理人員

DIRECTORS
AND SENIOR
MANAGEMENT

Executive Directors

Mr. TING Man Yi, aged 63, is the Chairman of the Group and an executive Director. He is also a director of Longerview Investments Limited (“Longerview”) and Firmsuccess Limited (“Firmsuccess”), both being substantial shareholders of the Company. Mr. TING is also a director of certain subsidiaries of the Group. Mr. TING started the business of the Group in December 1992 and has considerable experience in the silk fabric and silk garment manufacturing and trading business. Prior to establishing the initial company of the Group, Mr. TING worked for Hangzhou Silk Industrial Company (杭州市絲綢工業公司) from 1981 to 1986. Mr. TING is currently responsible for the overall strategic planning of the Group, especially overseeing the expansive manufacturing industrial complex in Hangzhou, as well as the planning and implementation of major new investments and projects of the Group. Mr. TING is the elder brother of Mr. TING Hung Yi and Mr. DING Jianer.

Mr. TING Hung Yi, aged 59 is the Chief Executive Officer of the Group and an executive Director. He is also a member of the nomination committee and the remuneration committee of the Company, a director of Longerview, In Holdings Limited (“In Holdings”) (a substantial shareholder of the Company) and certain subsidiaries of the Group. Mr. TING joined the Group in May 2002 and is principally responsible for the strategic development of the Group’s OEM, ODM, and retail businesses. Prior to joining the Group, Mr. TING was the general manager of a trading company in Hong Kong between 1991 and 2002. Mr. TING graduated from Zhejiang Sci-Tech University (浙江理工大學), formerly known as Zhejiang Institute of Silk Textiles (浙江絲綢工學院), in 1987 and has over 30 years of experience in the operations of garment export. Mr. TING is the younger brother of Mr. TING Man Yi and Mr. DING Jianer.

Mr. DING Jianer, aged 60, is an executive Director of the Group. He is also a director of Longerview, Willport Investments Limited (“Willport”) (a substantial shareholder of the Company) and certain subsidiaries of the Group. Mr. DING joined the Group in October 1996 when he was first involved in the management and business operations of Shenzhen Fuhowe Fashion Company Limited. He has considerable experience in the silk garment manufacturing business, with focus on various specific areas ranging from the operations of weaving plants, sales and marketing to printing and dyeing and is responsible for the Group’s fabric research and development along with innovative techniques. Mr. DING is the younger brother of Mr. TING Man Yi and the elder brother of Mr. TING Hung Yi.

執行董事

丁敏兒先生，63歲，本集團主席兼執行董事。彼亦為 Longerview Investments Limited (「Longerview」)、Firmsuccess Limited (「Firmsuccess」)(均為本公司之主要股東)之董事。丁先生亦為本集團若干附屬公司之董事。丁先生於一九九二年十二月開展本集團業務，並在絲綢面料及絲綢成衣製造及貿易業務擁有豐富經驗。彼成立本集團的初始公司前，曾於一九八一年至一九八六年間在杭州市絲綢工業公司任職，現時負責本集團的整體策略規劃，尤其是監督本集團位於杭州的龐大工業園，以及規劃及實行本集團的主要全新投資及項目。丁先生為丁雄尔先生和丁建兒先生的胞兄。

丁雄尔先生，59歲，本集團行政總裁兼執行董事。彼亦為本公司之提名委員會及薪酬委員會成員，以及 Longerview, In Holdings Limited (「In Holdings」，為本公司之主要股東)及本集團若干附屬公司之董事。丁先生於二零零二年五月加盟本集團，主要負責本集團原設備製造、原設計製造及零售業務的策略發展。丁先生加盟本集團前，曾於一九九一年至二零零二年間出任香港一家貿易公司的總經理。彼於一九八七年畢業於浙江理工大學(前稱浙江絲綢工學院)，經營成衣出口業務逾三十年。丁先生為丁敏兒先生及丁建兒先生胞弟。

丁建兒先生，60歲，本集團執行董事。彼亦為 Longerview, Willport Investments Limited (「Willport」，為本公司之主要股東)及本集團若干附屬公司之董事。丁先生於一九九六年十月加盟本集團，起初參與深圳富豪時裝有限公司的管理工作及業務營運。彼在絲綢成衣製造業務經驗豐富，專注於織造廠營運、銷售及營銷以至印染等不同範疇，並負責本集團利用創新技術的布料研究及發展。丁先生為丁敏兒先生的胞弟，並為丁雄尔先生的胞兄。

Mr. CHEUNG Ting Yin, Peter, aged 56, is an executive Director of the Company and the managing director of China Ting Garment Mfg (Group) Limited and Concept Creator Fashion Limited. He is also a director of certain subsidiaries of the Group. Mr. CHEUNG has extensive experience in the garment and textile industry and joined the Group in January 2000, and oversees the Group's sales and marketing teams. Mr. CHEUNG obtained a Bachelor of Arts (cum laude) Degree from the University of Washington in 1987, and a Master's Degree in Business Administration from Simon Fraser University in 1990. Mr. CHEUNG was admitted as a member of the Golden Key National Honor Society and Phi Beta Kappa in 1986 and 1988, respectively.

Independent Non-executive Directors

Mr. CHENG Chi Pang, aged 62, was appointed as an independent non-executive Director in November 2005. He is also a member of the audit committee, the nomination committee and the remuneration committee of the Company. Mr. CHENG obtained a Bachelor's Degree in Business in 1992, a Master's Degree in Business Administration in 1997 and a Master's Degree in Laws (Chinese and Comparative Law) in 2009. Mr. CHENG is an associate member of each of the Hong Kong Institute of Certified Public Accountants, CPA Australia, the Taxation Institute of Hong Kong and a member of the Institute of Chartered Accountants in England and Wales.

Mr. CHENG is a Certified Public Accountant practicing in Hong Kong with over 30 years of experience in auditing and business advisory as well as financial management. Mr. CHENG was chief executive and group financial controller of NWS Holdings Limited ("NWSH") (Stock code: 0659), the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Prior to joining NWSH, he was a senior manager of an international accounting firm. Mr. CHENG has been appointed as the chairman of Vantage Partner CPA Limited with effect from 1 January 2020. He is also an independent non-executive director and chairman of audit committee of Tianjin Port Development Holdings Limited (stock code: 3382) which is listed on the Stock Exchange and chief executive officer of L&E Consultants Limited.

Mr. WONG Chi Keung, aged 65, was appointed as an independent non-executive Director in November 2005. He is also the chairman and a member of the audit committee and the remuneration committee of the Company. Mr. WONG holds a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and CPA Australia, an associate member of The Institute of Chartered Secretaries and Administrators and The Chartered Institute of Management Accountants. Mr. WONG is also the Responsible Officer of CASDAQ International Capital Market (HK) company Limited and is licensed to carry out certain regulated activities under the Securities and Futures Ordinance namely asset management and advising on securities.

張定賢先生，56歲，本公司執行董事兼華鼎(製衣)集團有限公司及創越時裝有限公司的董事總經理。彼亦為本集團若干附屬公司之董事。張先生在成衣及紡織業積累豐富經驗，並於二零零零年一月加盟本集團，負責監督本集團的銷售及營銷團隊。張先生於一九八七年獲取華盛頓大學文學士(優等)學位，後於一九九零年獲西門弗雷澤大學(Simon Fraser University)頒授工商管理碩士學位。張先生於一九八六年及一九八八年先後獲認許為 Golden Key National Honor Society及Phi Beta Kappa會員。

獨立非執行董事

鄭志鵬先生，62歲，於二零零五年十一月獲委任為獨立非執行董事。彼亦為本公司之審核委員會、提名委員會及薪酬委員會成員。鄭先生於一九九二年取得商學士學位、於一九九七年取得工商管理碩士學位及於二零零九年取得法學(中國法與比較法)碩士學位。鄭先生是香港會計師公會、澳洲會計師公會及香港稅務學會的會員，並為英格蘭與威爾士特許會計師公會的會員。

鄭先生是香港執業會計師，在審核及商業諮詢以及財務管理方面積逾三十年經驗。鄭先生曾出任於香港聯合交易所有限公司(「聯交所」)上市的新創建集團有限公司(「新創建」，股份代號：0659)的主要行政人員及集團財務總監。在加入新創建前，彼曾於一家國際會計師事務所擔任高級經理。鄭先生獲委任為Vantage Partner CPA Limited的主席，自二零零二年一月一日起生效。彼現時亦擔任天津港發展控股有限公司(一間於聯交所上市的公司，股份代號：3382)之獨立非執行董事暨審核委員會主席，以及利達商業顧問有限公司行政總裁。

黃之強先生，65歲，於二零零五年十一月獲委任為獨立非執行董事。彼亦分別為本公司之審核委員會及薪酬委員會主席及成員。黃先生獲澳洲阿得雷德大學頒發工商管理碩士學位，並為香港會計師公會、英國特許公認會計師公會及澳洲會計師公會之資深會員，及英國特許秘書及行政人員公會及英國特許管理會計師公會之會員；亦為卡斯達克國際資本市場(香港)有限公司之註冊負責人員，持牌進行證券及期貨條例下若干受規管活動，即資產管理及證券顧問。

Directors and Senior Management

董事及高層管理人員

Mr. WONG has over 40 years of experience in finance, accounting and management, and was, for over 10 years, an executive director, deputy general manager, group financial controller and company secretary of Yuexiu Property Company Limited (formerly known as Guangzhou Investment Company Limited, stock code: 0123), a company listed on the Stock Exchange. He is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited (stock code: 0214), Asia Standard International Group Limited (stock code: 0129), Century City International Holdings Limited (stock code: 0355), Fortunet e-Commerce Group Limited (formerly known as Changfeng Axle (China) Company Limited, stock code: 1039), Golden Eagle Retail Group Limited (stock code: 3308), Paliburg Holdings Limited (stock code: 0617), Regal Hotels International Holdings Limited (stock code: 0078), Yuan Heng Gas Holdings Limited (formerly known as Ngai Lik Industrial Holdings Limited, stock code: 0332), and Zhuguang Holdings Group Company Limited (stock code: 1176), which are all listed on the Stock Exchange.

Mr. LEUNG Man Kit, aged 66, was appointed as an independent non-executive Director in November 2005. He is also the chairman and a member of the nomination committee, and a member of the audit committee of the Company. Mr. LEUNG obtained a Bachelor's Degree in Social Science from the University of Hong Kong in 1977. Mr. LEUNG has over 30 years of experience in project finance and corporate finance and has held senior positions with Peregrine Capital (China) Limited, Crosby Securities (HK) Limited and Swiss Bank Corporation, Hong Kong Branch. Mr. LEUNG was also a director of Emerging Markets Partnership (Hong Kong) Limited which was the principal adviser to the AIG Infrastructure Fund L.P.

Mr. LEUNG is an independent non-executive director and audit committee member of NetEase, a NASDAQ listed company. Mr. LEUNG is also an independent non-executive director and chairman of the audit committee of Orange Sky Golden Harvest Entertainment (Holdings) Limited (stock code: 1132), China Electronic Optics Valley Union Holding Company Limited (stock code: 0798) and Luye Pharma Group Ltd (stock code: 2186) which are all companies listed on the Stock Exchange.

黃先生於財務、會計及管理方面積累了逾四十年之經驗，並曾出任越秀地產股份有限公司(前稱越秀投資有限公司，股份代號：0123)之執行董事、副總經理、集團財務總監及公司秘書超過十年，該公司於聯交所上市。黃先生亦為匯漢控股有限公司(股份代號：0214)、泛海國際集團有限公司(股份代號：0129)、世紀城市國際控股有限公司(股份代號：0355)、鑫網易商集團有限公司(前稱暢豐車橋(中國)有限公司，股份代號：1039)、金鷹商貿集團有限公司(股份代號：3308)、百利保控股有限公司(股份代號：0617)、富豪酒店國際控股有限公司(股份代號：0078)、元亨燃氣控股有限公司(前稱毅力工業集團有限公司，股份代號：0332)及珠光控股集團有限公司(股份代號：1176)之獨立非執行董事兼審核委員會成員，上述所有公司均在聯交所上市。

梁民傑先生，66歲，於二零零五年十一月獲委任為獨立非執行董事。彼亦為本公司之提名委員會主席及成員，並為審核委員會成員。梁先生於一九七七年取得香港大學社會科學學士學位。梁先生在項目融資及企業融資方面擁有逾三十年經驗，並曾出任百富勤融資(中國)有限公司、高誠證券(香港)有限公司及瑞士銀行香港分行之高層成員。梁先生亦曾任Emerging Markets Partnership (Hong Kong) Limited之董事，該公司曾是美國友邦集團亞洲基礎設施投資基金之總顧問。

梁先生為美國納斯達克上市公司網易之獨立非執行董事兼審核委員會成員。梁先生亦為橙天嘉禾娛樂(集團)有限公司(股份代號：1132)、中電光谷聯合控股有限公司(股份代號：0798)及綠葉製藥集團有限公司(股份代號：2186)之獨立非執行董事兼審核委員會主席，上述所有公司均在聯交所上市。

Corporate Management Team

Export, OEM and ODM Business

Ms. TING Lai, aged 34, is a vice president of the Group. Ms TING joined the Group in August 2009, and is responsible for overseeing its export business and product development in Hangzhou. Ms TING obtained a Bachelor of Economics from the University of California, Los Angeles (UCLA) in 2008 and a Master of Business Administration (MBA) from the University of Hong Kong in 2014, and is currently studying courses for the Doctor of Business Administration (DBA) in the City University of Hong Kong, with extensive experience in apparel production management and product quality control. Ms. TING is the eldest daughter of Mr. TING Man Yi, Chairman of the Group.

Mr. SHEN Ren, Tony, aged 43, is a vice president of the Group and the president of China Ting Fashion Group (USA) LLC. Mr. SHEN joined the Group in 2005 and has assumed the management post since late 2008. Mr. SHEN holds an LLB from Zhejiang University Law School, an LLM from University of Glasgow, Scotland (International Law) and an LLM from University of Warwick, UK (Law in Development). Prior to joining the group, Mr. SHEN worked as assistant manager within the Department of Government Procurement of China and as consultant in the international legal firm Horwath & Partners, Shanghai.

Weaving and Apparel Production Management

Mr. WEI Dong, aged 43, is a vice president of the Group and is responsible for overseeing the Group's production management and managing the third manufacturing business division. He joined the Group in August 2004. Mr. WEI obtained a Bachelor of International Accounting from Zhejiang Institute of Finance & Economics, with over ten years of experience in apparel production management and product quality control. He is also the husband of the niece of Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer.

Mr. CHEN Guo Lin, aged 59, is a vice president of the Group and is responsible for overseeing the Group's production management and managing the second manufacturing business division. He joined the Group in August 2004, with over 20 years of experience in apparel production management and product quality control. Mr. CHEN is the brother-in-law of Mr. TING Man Yi, Chairman of the Group.

Mr. DING Lurui, aged 41, is a vice president of the Group and is responsible for overseeing the Group's production management and managing the first manufacturing business division. Mr. DING graduated from China Central Radio & TV University, and joined the Group in September 1999, with extensive experience in apparel manufacturing management, production management and product quality control. Mr. DING is the nephew of Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer.

企業管理團隊

出口、原設備製造及原設計製造業務

丁儷女士，34歲，本集團副總裁。丁女士於二零零九年八月加入本集團，負責監督本集團於杭州的出口業務及產品發展工作。丁女士於二零零八年獲得美國加州大學洛杉磯分校(UCLA)經濟學學士，二零一四年獲得香港大學工商管理碩士(MBA)，香港城市大學工商管理博士(DBA)在讀，在服裝生產管理及產品質量監控方面經驗豐富。丁女士為集團主席丁敏兒先生之長女。

沈人先生，43歲，本集團副總裁及China Ting Fashion Group (USA) LLC總裁。沈先生於二零零五年加盟本集團，自二零零八年年底起負責管理職務。沈先生持有浙江大學法學院的法律學士、蘇格蘭格拉斯哥大學的法律碩士(國際法律)及英國華威大學的法律碩士(法律發展)。沈先生加盟本集團前，曾先後出任中國政府採購部門助理經理及國際律師行浩信律師事務所上海辦事處顧問。

織造及服裝生產管理

韋東先生，43歲，本集團副總裁，負責監督本集團的生產管理工作，分管製造事業三部。彼於二零零四年八月加入本集團，韋先生獲浙江財經學院國際會計學士學位，具有超過十年服裝生產管理及產品質量監控的經驗。彼亦為丁敏兒先生、丁雄尔先生及丁建兒先生之外甥女婿。

陳國林先生，59歲，本集團副總裁，負責監督本集團的生產管理工作，分管製造事業二部。彼於二零零四年八月加入本集團，具有超過二十年服裝生產管理及產品質量監控的經驗。陳先生為集團主席丁敏兒先生的襟弟。

丁呂睿先生，41歲，本集團副總裁，負責監督本集團的生產管理工作，分管製造事業一部。丁先生畢業於中央廣播電視大學，彼於一九九九年九月加入本集團，具有豐富的服裝製造管理、生產管理以及產品質量監控經驗。丁先生為丁敏兒先生、丁雄尔先生及丁建兒先生的姪兒。

Directors and Senior Management

董事及高層管理人員

Mr. XIA Wei Feng, aged 40, joined the Group in 2014 and is a vice president of the Group and the general manager of China Ting Woolen Textile Company, Limited, in charge of the operating management of woolen and new materials production. Mr. XIA graduated from Ningbo University, major in Business Administration. He has over ten years experience in exploitation, management and marketing in the field of textile apparel.

Retail and Brand Management

Mr. TING Yu, aged 31, is a Vice President of the Group. Mr. TING joined the Group in 2011, and was initially responsible for the operation and development of the brand of RIVERSTONE and is mainly responsible for the operation and development of all the brands of the Group at present. Mr. TING graduated from The University of Manchester with a bachelor's degree in 2010, and then from Cass Business School of City University of London, U.K. with a master's degree in 2011. Mr. TING has advanced concepts of innovation and years of experience in retail management. Mr. TING is the eldest son of Mr. TING Hung Yi, the Chief Executive Officer of the Group.

Mr. TING Fan, aged 31, is a Vice President of the Group and a director of a subsidiary of the Group. Mr. TING joined the Group in 2011 and is mainly responsible for investor relations and global business development at present. Mr. TING graduated from The University of Manchester in 2010, and then from Cass Business School of City University of London, U.K. with a master's degree in 2011. Mr. TING has extensive experience in market development and sales management, and has been in charge of the introduction and management of some international fashion brands, like TRENTA and SPRAY GROUND. Mr. TING is the second son of Mr. TING Hung Yi, the Chief Executive Officer of the Group.

Accounting and Finance

Mr. CHENG Ho Lung, Raymond, aged 42, is the Financial Controller and also the company secretary (the "Company Secretary") of the Group. Mr. CHENG joined the Group in May 2005, and is responsible for the Group's overall matters related to financial and treasury management, financial accounting and reporting, budgetary control, taxation and statutory audit. Mr. CHENG graduated from the Hong Kong University of Science and Technology and also holds a Master's Degree in Business Administration (MBA) from the Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Association of Chartered Certified Accountants. Prior to joining the Group, Mr. CHENG worked as audit manager for an international accounting firm in Hong Kong.

Administration and Public Relations

Ms. CHEN Shu, aged 39, is a vice president of the Group. Ms. CHEN joined the Group in August 2003, and is responsible for the administration, human resources and public relations of the Group. Ms. CHEN obtained a Bachelor of Law from Wuhan University and a Bachelor of Management from Central China Normal University in 2003, and a Master of Human Resources Management from Monash University in 2009. She has accumulated over 15 years of extensive experience in human resources management and public relations.

夏未峰先生，40歲，於二零一四年加入本集團，為本集團副總裁兼華貝納(杭州)毛紡染整有限公司總經理，負責毛紡及新材料產業的運營管理。夏先生畢業於寧波大學工商管理專業，在紡織服裝領域有超過10年的開發、管理和營銷經驗。

零售及品牌管理

丁雨先生，31歲，本集團副總裁，於二零一一年加入本集團，起初負責品牌RIVERSTONE(瑞弗史東)的營運與發展，現在主要負責集團所有品牌的營運及發展。丁先生於二零一零年學士學位畢業於英國曼賈斯特大學(The University of Manchester)，於二零一一年碩士學位畢業於英國倫敦城市大學卡斯商學院(Cass Business School)，擁有先進的創新理念和多年的零售管理經驗。丁先生為集團總裁丁雄尔先生之長子。

丁帆先生，31歲，本集團副總裁，亦為本集團一家附屬公司的董事。丁先生於二零一一年加入本集團，現在主要負責投資者關係及全球業務發展。丁先生於二零一零年畢業於英國曼賈斯特大學，並於二零一一年獲英國倫敦城市大學卡斯商學院碩士學位，丁先生在市場開發、銷售管理方面具有豐富經驗，曾負責引進管理TRENTA及SPRAY GROUND等國際時尚品牌。丁先生為集團總裁丁雄尔先生之次子。

會計及財務

鄭浩龍先生，42歲，本集團的財務總監以及公司秘書(「公司秘書」)。鄭先生於二零零五年五月加入本集團，現負責本集團財務及財資管理、財務會計及申報、財政預算監控、稅務及法定審核方面之整體事務。鄭先生畢業於香港科技大學，並持有香港中文大學工商管理碩士學位。彼亦為香港會計師公會會員及英國特許公認會計師公會資深會員。鄭先生加盟本集團前，曾在香港一家國際會計師事務所擔任核數經理。

行政與公共關係

陳舒女士，39歲，本集團副總裁，陳女士於二零零三年八月加入本集團，負責集團行政、人力資源及公共關係工作。陳女士於二零零三年獲武漢大學法學學士及華中師範大學管理學學士學位，陳女士於二零零九年獲莫納什大學(Monash University)人力資源管理碩士學位。在人力資源管理及公共關係領域積累了超過15年的資歷，經驗豐富。

Corporate Governance Report

企業管治報告

The Directors recognise the importance of corporate governance and are committed to maintain high-standards of corporate governance in the management structure and internal control procedures of the Group, in order to make sure that all business activities of the Group and the decision-making process are properly regulated to safeguard shareholders' interests and as well as the Company's assets. We recognize the value and importance of achieving high corporate governance standards to promote corporate transparency and accountability and to enhance shareholders' value. This report summarises how the principles as set forth in the Corporate Governance Code and Corporate Governance Report have been applied in respect of the year ended 31 December 2019. The company has complied with the principles and code provisions set forth in the Corporate Governance Code (the "CG Code") under Appendix 14 to The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2019.

We will periodically review and improve our corporate governance practices with reference to the latest corporate governance developments. The key corporate governance principles and practices of our Company are summarized below.

The Board of Directors

Board Composition

The Board currently comprises seven directors for the year ended 31 December 2019 and the composition is set forth as follows:

Mr. TING Man Yi

丁敏兒先生

Mr. TING Hung Yi

丁雄尔先生

Mr. DING Jianer

丁建兒先生

Mr. CHEUNG Ting Yin, Peter

張定賢先生

Mr. CHENG Chi Pang

鄭志鵬先生

Mr. WONG Chi Keung

黃之強先生

Mr. LEUNG Man Kit

梁民傑先生

Chairman and Executive Director

主席兼執行董事

Chief Executive Officer and Executive Director

行政總裁兼執行董事

Executive Director

執行董事

Executive Director

執行董事

Independent Non-Executive Director

獨立非執行董事

Independent Non-Executive Director

獨立非執行董事

Independent Non-Executive Director

獨立非執行董事

董事認為企業管治對本集團管理架構及內部監控程序而言至為重要，並致力維持高水平的企業管治，以確保本集團一切業務活動及決策過程得以妥善規管，保障股東利益及本公司的資產。我們認識到實現高水平的企業管治對改善企業透明度及問責性以及提升股東價值之意義及重要性。本報告概述於截至二零一九年十二月三十一日止年度如何應用企業管治守則及企業管治報告所載的原則。本公司已於截至二零一九年十二月三十一日止整個年度內遵守聯交所證券上市規則（「上市規則」）附錄14下的企業管治守則（「企業管治守則」）所載的原則及守則規定。

我們將定期參考最新的企業管治發展檢討及改善我們的企業管治常規。本公司的重要企業管治原則及常規概述如下。

董事會

董事會組成

截至二零一九年十二月三十一日止年度，董事會目前由七位董事組成，其組成載列如下：

Corporate Governance Report 企業管治報告

The Board is responsible for the leadership and control of our Group. The principal roles of the Board are:

- to formulate the medium and long-term strategies of our Group;
- to lay down the objectives, policies and business plans of our Group;
- to monitor and evaluate the Group's operating and financial performance;
- to review and approve the Group's annual operating and capital expenditure budgets, interim and annual results, material contracts and transactions, declaration of dividend, Directors' appointment or re-appointment following the recommendation(s) by the Nomination Committee as well as other ad hoc matters which need to be dealt with by the Board;
- to establish effective control measures so as to assess and manage risks in pursuit of our objectives; and
- to review and ensure the Group has in place adequate accounting systems and appropriate human resources to fulfill the accounting and financial reporting functions.

The Board delegates day-to-day operations of the Company to the management of the Group, who possesses extensive operating experience and industry knowledge, and also instructs the management to implement the Board's decisions and resolutions. In addition, the Board has also delegated certain specific responsibilities to various Board committees, namely, the Audit Committee, the Remuneration Committee and Nomination Committee. The Board currently comprises four executive Directors and three independent non-executive Directors. Details of the Directors are set forth on pages 32 to 34 of this report.

The Board is also responsible for performing the corporate governance duties set out in its terms of reference, including:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors of the Company; and

董事會負責領導及監控本集團。董事會之主要角色為：

- 制訂本集團之中期及長遠策略；
- 訂立本集團之目標、政策及業務計劃；
- 監控及評估本集團之營運及財務表現；
- 審閱及批准本集團之年度營運及資本開支預算、中期及年度業績、重大合約及交易、股息宣派、依據提名委員會之推薦建議委任或重新委任董事以及其他需要董事會處理的特定事項；
- 建立有效控制措施來進行風險評估及管理以達至本集團之目標；及
- 檢討及確保本集團有充足的會計系統及合適的人力資源以履行會計及財務申報職能。

董事會將本公司的日常營運事務授權本集團管理層處理，管理層擁有豐富的營運經驗及行業知識，亦指示管理層施行董事會的決定及決議案。此外，董事會亦將若干項具體職責授權各董事會委員會，即審核委員會、薪酬委員會及提名委員會承擔。董事會目前由四位執行董事及三位獨立非執行董事組成。董事的詳情載列於本報告第32至第34頁。

董事會亦須履行其職權範圍所載之企業管治職能，包括：

- 發展及檢討本公司之企業管治政策及常規；
- 檢討及監督董事及高層管理人員之培訓及持續專業發展；
- 檢討及監督本公司有關遵守法例及監管規定之政策及常規；
- 發展、檢討及監督適用於本公司僱員及董事之行為守則及合規手冊(如有)；及

— to review the Company's compliance with the code provisions as set out in Appendix 14 to the Listing Rules and disclosure in the corporate governance report.

The four executive Directors include three brothers, namely Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer, and Mr. CHEUNG Ting Yin, Peter. Mr. CHEUNG Ting Yin, Peter has no family relationship with any of the other executive Directors and independent non-executive Directors.

The Company has entered into service contract with each of the executive Director and letter of appointment with each of the independent non-executive Director setting out their duties, terms and conditions of service and appointment, respectively.

The articles of association of our Company ("Articles of Association") provide that all our Directors are subject to retirement by rotation at least once every three years and at each annual general meeting, one-third of our Directors for the time being or, if the number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and offer themselves for re-election. As such, the Board considers that sufficient measures have been put in place to ensure our Company's corporate governance practice in this aspect provides sufficient protection for the interests of shareholders to a standard commensurate with that of the code.

The Articles of Association also provides that any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the Company's next following general meeting and shall then be eligible for re-election at that meeting.

The Board considers that its diversity is a vital asset to the business. The Board adopted a board diversity policy for better transparency and governance. Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, including but not limited to age, cultural and educational background, professional experience, skills, knowledge and length of service.

— 檢討本公司遵守上市規則附錄14所載守則條文之情況及於企業管治報告之披露。

四位執行董事包括丁敏兒先生、丁雄尔先生及丁建兒先生三兄弟，以及張定賢先生。張定賢先生與任何其他執行董事及獨立非執行董事並無任何親屬關係。

本公司已與各執行董事訂立服務合約及與各獨立非執行董事訂立委任函件，當中分別載列彼等之職責、服務及委任期限及條件。

本公司組織章程細則（「組織章程細則」）規定，所有董事須至少每三年輪值退任一次。於每屆股東週年大會上，其時三分之一之董事（倘人數並非三之倍數，則最接近但不少於三分之一之人數）須輪值告退並膺選連任。因此，董事會認為此方面已採取足夠措施確保本公司之企業管治常規可充分保障股東之權益，並符合與守則相當的標準。

組織章程細則亦規定，就填補臨時空缺或新增現有董事會成員而委任之任何董事，其任期直至本公司下屆股東大會為止，屆時將合資格於會上膺選連任。

董事會認為其成員多元化是業務的重要資產。董事會採納董事會成員多元化政策，以實現更高透明度及管治。董事會委任乃根據才能而定，候選人則根據客觀準則而予以考慮，並經充分考慮董事會多元化的利益，包括但不限於年齡、文化及教育背景、專業經驗、技能、知識及年資長短。

Board Meetings

The Board, Audit Committee, Remuneration Committee and Nomination Committee had held 4, 2, 1 and 1 meeting respectively in 2019. The attendance at the Board, respective Board Committee meetings and Annual General Meeting held in 2019 are as follows:

董事會會議

董事會、審核委員會、薪酬委員會及提名委員會於二零一九年分別舉行4次、2次、1次及1次會議。二零一九年舉行的董事會、董事會委員會各自的會議及股東週年大會的出席記錄如下：

Director 董事	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會
Executive Directors					
執行董事					
Mr. TING Man Yi 丁敏兒先生	2/4	—	—	—	1/1
Mr. TING Hung Yi 丁雄尔先生	3/4	—	1/1	0/1	1/1
Mr. DING Jianer 丁建兒先生	3/4	—	—	—	1/1
Mr. CHEUNG Ting Yin, Peter 張定賢先生	4/4	—	—	—	1/1
Independent Non-Executive Directors					
獨立非執行董事					
Mr. CHENG Chi Pang 鄭志鵬先生	4/4	2/2	0/1	1/1	1/1
Mr. WONG Chi Keung 黃之強先生	4/4	2/2	1/1	—	1/1
Mr. LEUNG Man Kit 梁民傑先生	4/4	2/2	—	1/1	1/1

The Board is responsible for the formulation of the overall business strategies and objectives, the monitoring and evaluation of the operating and financial performance, the review of the corporate governance standard and the supervision of the management of the Group. The management of the Group is responsible for the implementation of the business strategies and the day-to-day operations of the Group under the supervision of the Chief Executive Officer. The Directors have full access to information on the Group. All senior management of the Group also provide the Directors from time to time with information on the business of the Group.

董事會負責制定整體業務策略及目標、監察及評估營運及財務表現、檢討企業管治標準以及監督本集團管理層。本集團管理層在行政總裁監督下，負責施行本集團的業務策略及日常運作。董事有權查閱本集團所有資料，而本集團全體高層管理人員亦會不時向董事提供有關本集團業務的資料。

Training and Development

The Company places great importance on directors training and annually holds a Board of Directors conference to reaffirm Directors' duties and responsibilities and to advise the Directors on various subjects including, Listing Rules compliance, updates to the Listing Rules, rules and regulations of the Securities and Futures Commission (the "SFC"), enforcement actions taken by the SFC and Stock Exchange and how the rules and regulations impact on the Company's business and corporate governance.

培訓及發展

本公司非常重視董事培訓，並每年舉行一次董事會大會，重申董事的職務及職責，並在多個課題上為董事提供建議，包括遵守上市規則、上市規則更新資料、證券及期貨事務監察委員會（「證監會」）的規則及規例以及證監會及聯交所採取的執法行動，以及該等規則及規例如何影響本公司的業務及企業管治。

All Directors are provided with a Directors Manual with summaries of the directors' duties and responsibilities as a director of a company listed on the Stock Exchange (including connected and notifiable transactions; disclosure of interest in securities of the Company and the Model Code for Securities Transactions by a Director of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code")) and also contains the group chart and the Company's Articles of Association. All Directors have participated in continuous professional development to refresh and develop their knowledge and skills as well as to receive updates on developments in corporate governance practices. This is to ensure their contribution to the Board remains informed and relevant.

A record of the Director's participation in the continuous professional development program is kept with the Company Secretary.

Directors' Training

According to the code provision A.6.5 of the CG Code, Directors should participate in continuous professional development to develop and refresh their knowledge and skills by attending training and by reading materials in relation to the roles, functions and duties of a listed company director and the latest developments in the relevant rules and regulations.

The Directors confirmed that they have complied with the code provision A.6.5 of the CG Code for the year ended 31 December 2019 and they participated in the following types of continuous professional development:

Executive Directors

Mr. TING Man Yi
Mr. TING Hung Yi
Mr. DING Jianer
Mr. CHEUNG Ting Yin, Peter

執行董事

丁敏兒先生
丁雄尔先生
丁建兒先生
張定賢先生

(I), (III)
(I), (III)
(I), (III)
(I), (III)

Independent Non-executive Directors

Mr. CHENG Chi Pang
Mr. WONG Chi Keung
Mr. LEUNG Man Kit

獨立非執行董事

鄭志鵬先生
黃之強先生
梁民傑先生

(II), (III)
(II), (III)
(II), (III)

- (I): Attending internal training sessions.
(II): Attending seminars.
(III): Reading materials in relation to the roles, functions and duties of a listed company director and the latest developments in the relevant rules and regulations.

所有董事均獲提供一份董事手冊，載有作為於聯交所上市公司董事的董事職務及職責（包括關連及須具報交易；於本公司證券的權益披露以及上市規則附錄10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」）），亦包括集團架構及本公司組織章程細則。所有董事均已參與持續專業發展以重溫及發展彼等的知識及技能，並獲得有關企業管治常規發展的最新資料。此乃確保彼等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。

董事參與持續專業發展計劃的記錄由公司秘書保存。

董事培訓

根據企業管治守則的守則條文第A.6.5條，董事應透過參加培訓及閱覽有關上市公司董事的角色、職能及職責以及相關規則及規例最新發展的資料持續參與專業發展，以精進及更新知識及技能。

截至二零一九年十二月三十一日止年度，董事確認彼等已遵守企業管治守則的守則條文第A.6.5條，並參與以下類別的持續專業發展：

Type of continuous professional development 持續專業發展類別

- (I) : 參加內部培訓課程。
(II) : 參加研討會。
(III) : 閱覽有關上市公司董事的角色、職能及職責以及相關規則及規例最新發展的資料。

Directors' and officers' liabilities

The Company has arranged for appropriate insurance covering the liabilities of the Directors that may arise out of the corporate activities. The insurance coverage will be reviewed on an annual basis.

Compliance with Model Code

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set forth in the Model Code and its amendments from time to time as the code of conduct for Directors in their dealings in the Company's securities. Formal written notices are sent to the Directors prior to the commencement of the periods of 30 days immediately preceding the publication of our interim results announcement and 60 days immediately preceding the publication of our annual results announcement, as a reminder that Directors may not deal in the securities of the Company during those periods up to and including the date of publication of results. Having made specific enquiry with the Directors, all the Directors have confirmed that they have complied with the required standards under the Model Code throughout the year ended 31 December 2019.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are separate and are held by Mr. TING Man Yi and Mr. TING Hung Yi, respectively, who are siblings. The Chairman is responsible for the overall strategic planning of the Group, overseeing the manufacturing business of the Group in Hangzhou and the planning and implementation of major new investments and projects of the Group. The Chairman will ensure that the Group maintains good measures and effective corporate governance practices and procedures. The Chief Executive Officer is responsible for the day-to-day management of the business of the Group and the strategic development of the Group's OEM and retail business. With the assistance of other members of the Board and other senior management, the Chief Executive Officer closely monitors the operating and financial results of the Group, identifies weakness of the operation and takes all necessary and appropriate remedial steps.

Independent Non-Executive Directors

The Company has complied with Rules 3.10(1) and (2) and Rules 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, one independent non-executive Director of which has the appropriate professional qualifications or accounting or related finance management expertise and the independent non-executive Directors represent at least one-third of the Board. All three independent non-executive Directors have been appointed for a term of three years, commencing from 18 November 2017. All of them have satisfied the independence criteria, and each of them has made such confirmation on independence pursuant to Rule 3.13 of the Listing Rules. The Directors are of the view that all independent non-executive Directors have met the independence guidelines set forth in Rule 3.13 of the Listing Rules.

董事及高級職員的責任

本公司已安排適當保險，為董事在公司事務中可能產生的責任提供保障。保險範圍將每年檢討。

遵守標準守則

本公司採納標準守則所載上市發行人董事進行證券交易的標準守則及其不時的修訂，作為董事買賣本公司證券的行為守則。董事分別在緊接中期業績公佈刊發前30天期間及緊接年度業績公佈刊發前60天期間開始之前獲發正式書面通知，以提醒董事在該等期間直至並包括業績刊發當日不得買賣本公司的任何證券。向董事作出特定查詢後，所有董事均已確認彼等已於截至二零一九年十二月三十一日止年度一直遵守標準守則所規定的標準。

主席與行政總裁

主席與行政總裁的角色分立，並分別由丁敏兒先生及丁雄尔先生(彼等為胞兄弟)擔任。主席負責本集團的整體策略籌劃、監督本集團位於杭州的製造業務，以及策劃及實行本集團主要全新投資及項目。主席將確保本集團保持良好措施且企業管治常規及程序有效。行政總裁負責本集團業務的日常管理以及本集團原設備製造與零售業務的策略性發展。在董事會其他成員及其他高層管理人員協助下，行政總裁密切監察本集團的營運及財務業績，識別業務營運中的弱項，並採取一切必要的適當修正措施。

獨立非執行董事

本公司已遵守上市規則第3.10(1)及(2)條以及第3.10(A)條，內容有關委任至少三位獨立非執行董事，其中一位獨立非執行董事具備適當專業資格或會計或相關財務管理專長，以及獨立非執行董事至少佔董事會三分之一。三位獨立非執行董事的任期全部由二零一七年十一月十八日開始，為期三年。彼等全部符合獨立準則，並已根據上市規則第3.13條各自發出獨立確認。董事認為全體獨立非執行董事均符合上市規則第3.13條所載的獨立指引。

Board Committees

As an integral part of good corporate governance, the Board has established the following committees whose authority, functions, compositions and duties are set out below:

Remuneration Committee

The Remuneration Committee of the Board has three members, namely Mr. TING Hung Yi, Mr. CHENG Chi Pang and Mr. WONG Chi Keung. The chairman of the Remuneration Committee is Mr. WONG Chi Keung. The Remuneration Committee is established primarily for the purpose of ensuring that we can recruit, retain and motivate high quality personnel who are essential to the success of our Group. The primary duties of the Remuneration Committee include reviewing the terms of remuneration packages of the executive directors and senior management and determining the award of bonuses. Its terms of reference are available on request, and are also posted on the website of the Company. The Remuneration Committee was established on 18 November 2005.

The Company has adopted the model to make recommendations to the Board on the remuneration packages of executive Directors and senior management of the Company. The Remuneration Committee is responsible for formulating and recommending remuneration policy to the Board and reviewing and making recommendations on compensation-related issues. The fees for Directors are subject to the approval of the shareholders at the general meetings in accordance with the Articles of Association of the Company. The Remuneration Committee consults with Chairman on its proposals and recommendations if necessary, and also has access to independent professional advice if necessary. The Remuneration Committee is also provided with sufficient resources enabling it to perform its duties. The Remuneration Committee's specific terms of reference are posted on the websites of the Company and the Stock Exchange.

One Remuneration Committee meeting was held in 2019 and reviewed and made recommendations to the Board the Directors' fees and the emoluments of the executive Directors and remuneration package of senior management. All the committee members attended the meeting.

The remuneration package for the executive Directors and senior management is made up of two parts, namely a fixed component and a variable incentive. The fixed component comprises mainly salary, retirement benefit scheme contributions and other allowances which are determined by reference to the remuneration benchmark in similar industry or industry with similar market capitalization and prevailing market conditions. The variable incentive is bonus, which is performance-based and determined by the Board and the Group based on the Group's and individual work performance.

董事會委員會

作為良好企業管治的重要環節，董事會已設立下列委員會，其權限、職能、組成及職責載列如下：

薪酬委員會

董事會轄下的薪酬委員會由丁雄尔先生、鄭志鵬先生及黃之強先生三位成員組成。薪酬委員會主席為黃之強先生。薪酬委員會成立之主要目的是確保本集團能夠招攬、挽留及激勵高質素之僱員，彼等乃本集團成功之根基。薪酬委員會的主要職責包括審閱執行董事及高層管理人員的薪酬方案條款及釐定花紅發放。委員會的職權範圍可應要求提供，並在本公司網站登載。薪酬委員會於二零零五年十一月十八日成立。

本公司已採納有關守則以就本公司執行董事及高級管理層的薪酬方案向董事會作出推薦意見。薪酬委員會負責制定薪酬政策並就此向董事會推薦，同時檢討薪酬相關事宜並就此作出推薦意見。根據本公司組織章程細則，董事袍金須獲股東於股東大會上批准後，方可作實。薪酬委員會可於需要時就其建議及推薦意見諮詢主席，亦可於需要時尋求獨立專業意見。薪酬委員會亦獲提供充裕資源以履行其職務。薪酬委員會的具體職權範圍在本公司及聯交所網站登載。

薪酬委員會曾於二零一九年舉行一次會議，並檢討董事袍金及執行董事酬金以及高層管理人員的薪酬方案，並就此向董事會作出推薦建議。全體委員會成員均有出席會議。

執行董事及高層管理人員的薪酬方案由兩部分組成，即固定薪酬及浮動獎金。固定薪酬主要指薪金、退休福利計劃供款及其他津貼，以上均根據同業或具相同市值業界的薪酬標準及當時市場環境而釐定。浮動獎金指花紅，乃按表現及由董事會及本集團根據本集團及個別人士之工作表現而釐定。

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than Directors) by band for the year ended 31 December 2019 is set forth below:

In the band of

薪酬組別

HK\$1,000,001 to HK\$2,000,000

1,000,001港元至2,000,000港元

Below HK\$1,000,001

1,000,001港元以下

Nomination Committee

The Nomination Committee of the Board consists of Mr. TING Hung Yi, Mr. CHENG Chi Pang and Mr. LEUNG Man Kit. The chairman of the Nomination Committee is Mr. LEUNG Man Kit. The Nomination Committee is established primarily for the purpose of regularly reviewing the structure, size and composition of the Board and making recommendations to the Board on nominations and appointment of Directors and succession planning for Directors. The Nomination Committee selects and recommends appropriate candidates, based on his or her prior experience and qualifications, to the Board on the appointment of Directors of the Group. The Nomination Committee has recommended to the Board the Directors who should retire and make themselves available for election pursuant to the Company's Articles of Association, assessed the independence of all independent non-executive Directors. Its terms of reference are available on request and are also posted on the website of the Company. The Nomination Committee was established on 18 November 2005. One Nomination Committee meeting, discussing the nomination procedures, was held in 2019 and all the committee members attended the meeting.

The Nomination Committee's specific terms of reference are posted on the websites of the Company and Stock Exchange.

根據企業管治守則的守則條文第B.1.5條，於截至二零一九年十二月三十一日止年度按薪酬組別劃分之高級管理層成員(董事除外)的薪酬載列如下：

Number of individuals

人數

2

11

提名委員會

董事會轄下的提名委員會由丁雄尔先生、鄭志鵬先生及梁民傑先生組成。提名委員會主席為梁民傑先生。提名委員會成立之主要目的是定期檢討董事會之架構、規模和組成，及就董事之提名及委任與繼任計劃向董事會提出建議。提名委員會負責根據候選人的過往經驗及資歷，就委任本集團董事進行挑選並就此向董事會推薦合適候選人。提名委員會已向董事會建議根據本公司組織章程細則須退任及可膺選連任之董事人選，評估全體獨立非執行董事之獨立性。委員會的職權範圍可應要求提供，並在本公司網站登載。提名委員會於二零零五年十一月十八日成立。提名委員會曾於二零一九年舉行一次討論提名程序的會議，全體委員會成員均有出席會議。

提名委員會的具體職權範圍在本公司及聯交所網站登載。

Audit Committee

The Audit Committee of the Board comprises three independent non-executive Directors, Mr. WONG Chi Keung, Mr. CHENG Chi Pang and Mr. LEUNG Man Kit. Mr. WONG Chi Keung is the chairman of the Audit Committee. The Audit Committee assists the Board to review the financial reporting process, evaluate the effectiveness of the risk management and internal control systems, and corporate governance of the Group and oversee the auditing processes. The authority, role and responsibilities of the Audit Committee are set out in written terms of reference which are available on request and are also posted on the website of the Company and the Stock Exchange. The Audit Committee was established on 18 November 2005. The Company has been in full compliance with requirements of Rule 3.21 in the Listing Rules throughout the year. Two Audit Committee meetings were held, together with senior management and the external auditor in 2019. All the committee members attended these meetings.

During 2019, the Audit Committee reviewed the recent updates and development of accounting and financial reporting standards and assessed their potential impact on our Group, overseeing the relationship with the Company's external auditor (including making recommendation to the Board on the appointment, re-appointment and removal of the external auditor), considered the external auditor's proposed audit fees; discussed with the external auditor their independence and the nature and scope of the audit; reviewed the interim and annual financial statements, particularly judgemental areas, before submission to the Board; reviewed the Group's adherence to the code provisions in the CG Code, reviewed our Group's financial control, internal control and risk management systems and discussed with the external auditor on our Group's financial reporting function, in particular on the adequacy of resources of our Group's accounting and financial reporting function, qualifications and experience of our staff and their training program, conducted an annual review of non-exempt continuing connected transactions of our Group. The Audit Committee recommended the Board to adopt the interim and annual report for 2019.

The remuneration of the auditor of the Company, PricewaterhouseCoopers, for audit and non-audit services (namely taxation services and interim review) rendered during 2019 was HK\$3.3 million and HK\$0.9 million, respectively. The Audit Committee's specific terms of reference are posted on the websites of the Company and Stock Exchange.

Accountability and Audit

The consolidated financial statements of the Company for the year ended 31 December 2019 have been reviewed by the Audit Committee and audited by external auditor, PricewaterhouseCoopers.

審核委員會

董事會轄下的審核委員會由黃之強先生、鄭志鵬先生及梁民傑先生三位獨立非執行董事組成。黃之強先生擔任審核委員會主席。審核委員會協助董事會檢討財務申報程序、評估本集團風險管理及內部監控制度及企業管治的效能及監督審核過程。審核委員會的權限、角色及職責載列於書面職權範圍內，可應要求提供，並在本公司及聯交所網站登載。審核委員會於二零零五年十一月十八日成立。本公司已於年內全面遵守上市規則第3.21條之規定。審核委員會曾於二零一九年與高層管理人員及外聘核數師舉行兩次會議。全體委員會成員均有出席此等會議。

於二零一九年，審核委員會已審閱會計及財務報告準則之最近更新及發展並評估可能對本集團產生之影響；監督與本公司外聘核數師的關係（包括就委任、續聘及撤換外聘核數師向董事會提供建議）；審議外聘核數師的建議審核費用；與外聘核數師討論彼等的獨立性以及審核的性質及範圍；於提交予董事會前審閱中期及年度財務報表（尤其是涉及自行判斷的範圍）；審閱本集團是否遵守企業管治守則的守則條文；檢討本集團之財務監控、內部監控及風險管理系統，並與外聘核數師討論本集團之財務申報職能，特別是本集團在會計及財務申報職能方面的資源、員工資歷及經驗是否足夠，以及員工培訓計劃；就本集團之不獲豁免持續關連交易進行年度審閱。審核委員會建議董事會採納二零一九年中期及年度報告。

本公司核數師羅兵咸永道會計師事務所就二零一九年內所提供的審核及非審核服務（即稅務服務及中期審閱）而收取的薪酬分別為3.3百萬港元及0.9百萬港元。審核委員會的具體職權範圍在本公司及聯交所網站登載。

問責及審核

本公司截至二零一九年十二月三十一日止年度的綜合財務報表已經由審核委員會審閱及由外聘核數師羅兵咸永道會計師事務所審核。

Director's Responsibilities for the Financial Statements

The Directors acknowledge their responsibilities for overseeing the preparation of the financial statements of the Group with a view to ensure that such financial statements give a true and fair view of the state of affairs of the Group, selecting suitable accounting policies, applying the selected accounting policies consistently, and making prudent and reasonable judgements and estimates for the preparation of the financial statements of the Group and of its results and cash flows in accordance with Hong Kong Financial Reporting Standards and statutory requirements.

The statement of the auditor of the Company regarding their reporting responsibilities on the financial statements of the Group is set forth in the independent auditor's report on pages 69 to 78.

Internal Control

The Board and the management of the Group have overall responsibility for maintaining a sound and effective internal control system of the Group so as to ensure the effectiveness and efficiency of the operations of the Group in achieving the established corporate objectives, safeguarding assets of the Group, rendering reliable financial reporting and complying with the applicable laws and regulations. The Board assessed the effectiveness of internal control by considering reviews performed by the Audit Committee, management team and both internal and external auditors.

The Board is also responsible for making appropriate assertions on the adequacy of internal controls over financial reporting and the effectiveness of disclosure controls and procedures. For the year ended 31 December 2019, the Board has, through the Audit Committee of the Board with the assistance of the management, conducted reviews of the effectiveness of these internal control systems, including without limitation to financial control, operations control, compliance control and risk management functions, on a regular basis. For the year ended 31 December 2019, based on the assessment made by the Audit Committee, the senior management and the internal audit team, the Board is satisfied that there is an ongoing process in place for identifying, evaluating and managing the significant risks faced by our Group.

Company Secretary

Mr. CHENG Ho Lung, Raymond, the Company Secretary of our Company, has confirmed the completion of relevant professional training of not less than 15 hours pursuant to the Rule 3.29 of the Listing Rules.

董事對財務報表的責任

董事承認彼等有責任監督本集團編製財務報表，以確保該等財務報表真實而公平地反映本集團的業務狀況，選取合適會計政策並貫徹運用所選的會計政策，以及在根據香港財務報告準則及法律規定編製本集團財務報表以及其業績及現金流量時，作出審慎合理的判斷及估計。

本公司核數師就彼等對本集團財務報表的申報責任的聲明載於第69至78頁的獨立核數師報告。

內部監控

本集團董事會與管理層全面負責維持本集團的內部監控制度穩健有效，以確保本集團有效地以高效率營運，藉以達成企業目標、保障本集團資產、作出可靠的財務申報以及遵守適用的法律及規例。董事會已透過考慮審核委員會、管理團隊與內部及外聘核數師所進行的審核，對內部監控之效益作出評估。

董事會亦負責對財務申報的內部監控充足性以及披露監控及程序的有效性作出適當聲明。截至二零一九年十二月三十一日止年度，董事會已透過董事會轄下的審核委員會並在管理層的協助下，定期檢討此等內部監控制度的有效性，包括但不限於財務監控、營運監控、合規監控及風險管理功能。於截至二零一九年十二月三十一日止年度，根據審核委員會、高層管理人員及內部審核團隊作出之評估，本集團已備有持續進程序以確認、評估及管理本集團所面對之重大風險，董事會對此感到滿意。

公司秘書

本公司之公司秘書鄭浩龍先生已確認，彼已根據上市規則第3.29條的規定完成不少於15小時之相關專業培訓。

Shareholder Relations

The Company is committed to ensure that the Group complies with disclosure obligations under the Listing Rules and other applicable laws and regulations, and that all shareholders and potential investors have an equal opportunity to receive and obtain information provided by the Company. The Board recognizes the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The general meetings of the Company provide a forum for exchange of views and direct communication between the shareholders and the Board. The Chairman of the Board, the Directors and senior management of the Company and where applicable, the independent non-executive Directors, are available to answer questions at the shareholders' meeting.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors. Poll voting was adopted for all decisions to be made at all general meetings. Details of the poll voting procedures are included in all circulars to shareholders which call for a general meeting and are explained during the proceedings of the meeting.

The Company continues to enhance communications and relationships with its shareholders. Enquiries from shareholders are dealt with in an informative and timely manner. We maintain a website www.chinating.com.hk to keep our shareholders and the general public informed on our latest corporate news, interim and annual results announcements, financial reports and other public announcements. We always welcome shareholders' views and input. Shareholders may send their enquiries in writing to the Board by addressing them to our Company Secretary. The contact details of our Company Secretary are as follows:

Address: The Company Secretary
China Ting Group Holdings Limited
27/F, King Palace Plaza
55 King Yip Street Kwun Tong
Hong Kong

股東關係

本公司承諾確保本集團遵守於上市規則下的披露責任以及其他適用法律及規例，而所有股東及潛在投資者均有同等機會以收取及取得本公司提供的資料。董事會了解與股東保持良好溝通的重要性。有關本集團的資料乃透過多個正式途徑以適時方式向股東發放，有關途徑包括中期及年度報告、公告及通函。

本公司股東大會為股東與董事會之間交換意見並直接溝通提供平台。董事會主席、本公司董事及高層管理人員以及(倘適用)獨立非執行董事均會於股東大會上回答提問。

有關各項重大事項(包括推選個別董事)之獨立決議案均於股東大會上提呈。於所有股東大會上作出的所有決定均以投票方式進行表決。以投票方式進行表決的程序詳情載於致股東以召開股東大會的所有通函內，而有關程序乃於大會進行期間加以解釋。

本公司繼續加強與其股東的溝通及關係。股東提出的查詢以具資訊性及適時方式處理。我們設有網站www.chinating.com.hk，以向本公司股東及公眾人士匯報我們的最近企業消息、中期及年度業績公佈、財務報告及其他公告。我們一直歡迎股東提出意見及見解。股東可透過我們的公司秘書以書面方式向董事會作出查詢。公司秘書的聯絡資料如下：

地址：公司秘書
華鼎集團控股有限公司
香港
觀塘敬業街55號
皇廷廣場27樓

Shareholders' right to convene a shareholders' meeting and putting forward proposals at shareholders' meeting

Pursuant to Article 58 of the Articles of Association, shareholder(s) of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company the "Requisitionist(s)" shall have the right, by written requisition to the Board or the Company Secretary of the Company, to require (the "Requisition") an extraordinary general meeting (the "EGM") to be called by the Board for transaction of any business specified in the Requisition.

The EGM shall be held within two months after the deposit of the Requisition. In the event that the Board fails to convene the EGM within twenty-one days of the deposit of the Requisition, the Requisitionist(s) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.

Investors Relations

A printed copy of the memorandum and articles of association of the Company has been published on the websites of the Company and the Stock Exchange. There has been no changes in the Company's constitutional documents during the year ended 31 December 2019.

Dividend Policy

The Company may declare and pay dividends to the shareholders of the Company by way of cash or by other means that the Board considers appropriate. It is the policy of the Board, in recommending dividends, to allow the shareholders to participate in the Company's profits, and at the same time, to ensure that the Company is to retain adequate reserves for future growth.

Any proposed distribution of final dividends shall be formulated by the Board and will be subject to the shareholders' approval. A decision to declare or to pay any dividends in the future, and the amount of any dividends, will depend on a number of factors, including the results of operations, cash flows, financial conditions, operating and capital expenditure requirements, distributable profits and other applicable laws and regulations and other factors that the Board may consider important and appropriate.

股東召開股東大會及於股東大會上提呈建議的權利

根據組織章程細則第58條，於遞交要求當日持有不少於本公司繳足股本(附有於本公司股東大會上投票的權利)十分一的本公司股東(「遞交要求人士」)有權透過向董事會或本公司的公司秘書發出書面要求，要求(「要求」)董事會召開股東特別大會(「股東特別大會」)以審議要求中指定的任何業務交易。

股東特別大會應於遞交要求後兩個月內舉行。倘董事會未有於遞交要求二十一日內召開股東特別大會，則遞交要求人士可以同樣方式召開大會，且遞交要求人士因董事會未有召開大會而產生的所有合理開支應由本公司向遞交要求人士償付。

投資者關係

本公司組織章程大綱及組織章程細則的印刷本已於本公司及聯交所網站登載。本公司的章程文件於截至二零一九年十二月三十一日止年度並無更改。

股息政策

本公司可以現金方式或董事會認為適當的其他方式向本公司股東宣派及派付股息。董事會於推薦派付股息方面的政策乃為允許股東分享本公司利潤，並同時確保本公司留存充足儲備作未來發展。

任何分派末期股息的建議須由董事會制定並將待股東批准後方可作實。日後宣派或派付任何股息的決策及任何股息金額將取決於多項因素，其中包括經營業績、現金流量、財務狀況、經營及資本開支要求、可供分派溢利、其他適用法律及法規以及董事會可能認為屬重要及適當的其他因素。

Corporate Risk Management and Internal Control Report

企業風險管理與內部控制報告

I. Project Review

i. Significance and important statement

According to the Corporate Risk Management and Internal Control Regulation Rules and relevant guidance and other internal control regulation requirements (hereafter referred as the "Corporate Internal Control Standard System"), combining with the internal control policy and appraisal measures of the Company, on the basis of regular supervision and special supervision on internal control, we have conducted an investigation on the risk management and internal control for the period from 1 January 2019 to 31 December 2019.

It is the responsibility of the Board of the Company to establish, complete and implement effectively the internal control and appraise its effectiveness and truly disclose the internal control appraisal report in accordance with the Corporate Internal Control Standard System. The Board of Supervisors conducts the supervision in terms of establishing and implementing internal control by the Board. The executives of the Group and general managers of companies are responsible for the organization of daily operation of the corporate internal control. The Board, Board of Supervisors, directors, supervisors and senior managements assure that there is no false, misleading statement or significant omission in the report, and assume several and joint legal liability on the truthfulness, correctness and completeness of the report.

The corporate internal control is conducted to properly assure the legal compliance of operation and management, assets safety, truthfulness and completeness of financial reports and relevant information, to improve the operation efficiency and effectiveness and accelerate to realize our development strategy. Due to the inherent restriction of internal control, it only provides reasonable assurance for above purposes. In addition, as any change of circumstance may cause improper risk appraisal and internal control or low compliance degree on the control policy and procedure, thus to predict future effectiveness of the internal control based on internal control appraisal may bring risk to some extent.

一、項目回顧

1、項目意義及重要聲明

據《企業風險管理與內部控制監管規則》及其配套指引的規定和其他內部控制監管要求(以下簡稱企業內部控制規範體系),結合公司內部控制制度和評價辦法,在內部控制日常監督和專項監督的基礎上,我們對公司二零一九年一月一日到二零一九年十二月三十一日的風險管理與內部控制進行了調查。

按照企業內部控制規範體系的規定,建立健全和有效實施內部控制,評價其有效性,並如實披露內部控制評價報告是公司董事會的責任。監事會對董事會建立和實施內部控制進行監督。集團總裁班子及各公司總經理負責組織領導企業內部控制的日常運行。公司董事會、監事會及董事、監事、高級管理人員保證本報告內容不存在任何虛假記載、誤導性陳述或重大遺漏,並對報告內容的真實性、準確性和完整性承擔個別及連帶法律責任。

公司內部控制的目標是合理保證經營管理合法合規、資產安全、財務報告及相關信息真實完整,提高經營效率和效果,促進實現發展戰略。由於內部控制存在的固有局限性,故僅能為實現上述目標提供合理保證。此外,由於情況的變化可能導致風險評估與內部控制變得不恰當,或對控制政策和程序遵循的程度降低,根據內部控制評價結果推測未來內部控制的有效性具有一定的風險。

II. Risk Identification and Risk Analysis

i. Scope of internal control appraisal

In accordance with enterprise development condition and new trend of social policy and regulation in 2019, businesses and items involved in this appraisal comprise development strategy, human resource, social responsibility, enterprise culture, capital event, procurement, assets management, business event, research and development, construction, guarantee business, outsourcing business, financial management, budget management, contract management, internal information transmission, information system, environmental factors and emergency management; and high risk areas with attention mainly include business management risk, financial management risk, labor management risk, production management risk, inventory risk, sale risk and major decision legal risk.

ii. Risk level identification

The Company leverages on risk matrix method to identify risk level by categories. Through risk matrix, loss caused by risk event is categorized to six levels, and the possibility of risk event is also correspondingly categorized to six levels. With loss level in line of table and possibility level in row of table, to assign figures of 6-1 score according to the degree from high to low, and then categorize risk level basing on figures calculated by multiplying such corresponding figures of intersection point. Following risk matrix table shows: 1-2 score represents low risk, 3-8 score represents general risk, 9-16 score represents moderate risk, 18-25 score represents significant risk, 30-36 score represents especially serious risk.

二、風險識別與風險分析

1、內控評價範圍

根據二零一九年企業發展現狀和社會政策法規新發展，本次納入評價範圍的業務和事項包括：發展戰略、人力資源、社會責任、企業文化、資金活動、採購活動、資產管理、業務活動、研究與開發、工程項目、擔保業務、外包業務、財務管理、預算管理、合同管理、內部信息傳遞、信息系統、環境因素及应急管理；重點關注的高風險領域主要包括：業務管理風險、財務管理風險、人力管理風險、生產管理風險、存貨風險、銷售風險和重大決策法律風險。

2、風險等級識別

公司利用風險矩陣法對風險的等級進行分類識別，風險矩陣是指，將風險事件的後果損失的嚴重程度相對性地分為6級，將風險事件發生的可能性也相對地定性分為6級，然後以嚴重程度為表列，以可能性為表行，並根據嚴重程度由重至輕對各個級別給予6-1分的賦值，在行列交叉點對行列的賦值進行相乘計算出相應數值，並根據數值大小來歸類識別風險級別。下表風險矩陣顯示，1-2分為低風險，3-8分為一般風險，9-16分為中等風險，18-25分為重大風險，30-36分為特別重大風險。

iii. Significant risk categories and summary

According to feedbacks on our internal control questionnaires and by ways of interviewing with our president group, monitoring risk indexes and others, the following seven risks were identified as significant risks of the Group during the period from 1 January 2019 to 31 December 2019, for which we need to adopt efficient risk management and control measures.

3、重大風險類別與概述

依據內控問卷反饋，總裁班子成員訪談，以及風險指標監控等手段，鑒別以下7項風險為集團二零一九年一月一日至二零一九年十二月三十一日期間最大的風險，需要採用有效的風險管控手段。

Risk 風險名稱	Risk description 風險描述	Assignment 賦值
High market concentration of customers 客戶市場集中度高	More than 80% of the Group's customers are concentrated in US, which is not going to change for a long time. The tension between China and US arising from the competition in national power is expected to remain a normal in the next few years. The China-US trade friction is unavoidable, and is bound to cause various uncertainties to the business of the Group 本集團超過80%的客戶集中於美國，這一局面長期得不到改變。而中美兩國因國力競爭而導致的緊張關係應該會是未來幾年的一個常態化格局，中美貿易摩擦無法避免，這勢必會對集團業務造成各種不確定性	30 Especially serious risk 30 特別重大風險
China-US trade friction 美貿易摩擦	The China-US trade friction continues to escalate. In particular, the US government imposed an additional 10% tariff on US\$300 billion worth of export orders from China to the US. The news officially confirmed that an additional 10% punitive tariff will be imposed on apparel products, and caused a large number of US customers to transfer their orders out of China, which has a huge impact on the business of the Group 中美貿易摩擦持續升級，特別是美國將中國輸美3,000億美元訂單加徵10%的關稅，該消息正式宣告服裝類商品將被加徵10%的懲罰性關稅，美國客戶訂單大量流出中國。對本集團的業務造成巨大沖擊	30 Especially serious risk 30 特別重大風險
Insufficient pool of supply chain bases 供應鏈基地儲備不充分	Because of the China-US trade friction, the Group is anxious to establish supply chain bases in alternative regions and the countries and regions not affected by the punitive tariffs so as to cope with the transfer of orders caused thereby 中美貿易摩擦，本集團急要在可替代區域，及非懲罰性關稅波及國家及地區建立供應鏈基地，以應對美國貿易摩擦帶來的訂單轉移	30 Especially serious risk 30 特別重大風險
Weak operating capabilities of the properties in industrial park 園區物業運營能力偏弱	The Group built a large number of properties in 2019 in preparation for the construction of a fashion industry complex. The construction of a large number of buildings brought new challenges on the Group in terms of investment invitation, property support and complex operation capabilities, which is a new business field for the Group. The insufficient preparation of all-round capacities will expose the Group to the risk of excessive capital investment and overlong recovery period 本集團於二零一九年興建一大批物業用於籌建時尚產業綜合體，大量樓宇的興建對本集團的園區招商能力，物業支持能力和綜合體運營能力提出了全新的考驗，是本集團全新的業務領域。不充分的全方位能力準備，將使本集團面臨資金投入過大，資金回收期過長的風險	20 Significant risk 20 重大風險

Corporate Risk Management and Internal Control Report

企業風險管理與內部控制報告

Risk 風險名稱	Risk description 風險描述	Assignment 賦值
Weak operating capabilities in new retail 新零售運營能力偏弱	The new retail market is the most promising segment of the apparel stock market in China, while the Group has failed to see explosive growth in its new retail business, and the new retail business is also bringing new pressure to China Ting in terms of inventory 新零售市場是中國服裝存量市場中最有機會快速成長的部分。而本集團新零售業務的規模量始終沒有爆發性增長，同時新零售業務板塊也在為本集團帶來新的庫存壓力	20 Especially serious risk 20 特別重大風險
Significant fluctuations in RMB exchange rate 人民幣匯率大幅度波動	The recent RMB breaching the 7-mark against the US dollar has not only caused a huge psychological impact on the market, but also marked that the RMB exchange rate is no longer controlled within 7, and the central foreign exchange administration has relaxed the range of fluctuations in RMB exchange rate. The continuous and significant fluctuations of the RMB exchange rate will make it more difficult for the Group, which mainly trades with US customers, in terms of foreign exchange management 近日人民幣對美元匯率破7，不僅對市場造成了巨大的心理影響，同時也標誌著人民幣匯率不再人為控制在7以內，中央外匯管理部門放寬了人民幣匯率浮動的區間。持續大幅波動的人民幣匯率使對美貿易為主的本集團在外匯管理上存在較大的難度	18 Significant risk 18 重大風險

III. Risk Management and Improvement Report

三、風險管理與改善報告

i. Risk management summary

The Group's business and market are both at risk. Facing constant change of market, we need to continuously identify and control relevant risks, so as to decrease, transfer, prevent or master risks. Therefore, we need to adopt scientific measures to actively carry out comprehensive and in-depth analysis, and implement an efficient structure of corporate risk management. In respect of strategy, the Group focuses on identifying and managing significant risks that may affect the Group, its business and functions, so as to realize the Group's strategy and business target. In seeking growth opportunities, the Group will aim at optimizing risk and return decision mechanism and establishing strong and independent approval procedures. In respect of operation, the Group aims at being able to identify, analyze and appraise management harm and risk to provide safe, healthy, effective and environmental friendly working condition for employees; to ensure public safety and health and at the same time minimize the impact on the environment.

1、風險管理概述

集團的業務和市場皆存在風險，面對市場不斷的變化我們需要持續的識別和管控有關風險，以降低、轉移、預防或掌握風險。為此，我們需要採用科學的辦法，積極地對風險進行全面深入的分析，並落實一套全面有效的集團風險管理架構。在策略層面上，集團專注於識別和管理會影響集團、業務和各項職能的重大風險，以實現集團的策略和業務目標。集團在尋求增長機會的過程中，會著眼如何優化風險、回報決策機制和建立強大和獨立的審批程序。在運營層面上，集團著眼於能夠識別、分析、評估管理上的危害和風險，為員工營造安全、健康、有效和環保的工作環境，同時確保公眾的安全和健康，並盡量減少對環境的影響。

ii. **Significant risk indexes supervision and control**

The Company has set up supervision indexes for each risk identified and conducts close supervision for the indexes. A risk will be highly likely to occur when corresponding indexes go beyond warning scope. In order to prevent risk or try to decrease the probability of risk as much as possible, the Company has pre-formulated relevant risk control measures against each risk identified, so as to minimize the probability of the risk occurred.

In terms of seven risks identified in this internal control survey of the Group, we suggest following risk supervision indexes and actively cope with such risks, expecting to realize the basic objective of controlling risks, avoiding risks or minimizing damage brought by such risks.

2、**重大風險指標監控與管控**

公司為每項識別出的風險設定了監控指標，並對監控指標進行嚴密的跟蹤監控，如果某項監控指標超出預警值範圍，則表示該項指標對應的風險項將極有可能發生。為了預防風險發生或盡可能減少風險發生的概率，公司針對每項識別出的風險預先制定了相應的風險管控措施，以便使風險發生概率降至最低。

針對本次內控調查識別的7項集團風險，我們提出下表所列風險監控指標，同時對風險進行積極應對，以期達到管控風險，避免風險發生或盡量減小風險危害結果的根本目的。

Risk 風險名稱	Risk supervision index 風險監控指標	Risk control measures 風險管控措施
High market concentration of customers 客戶市場集中度高	<ol style="list-style-type: none"> Development of China-US trade friction Geographical distribution and sales proportions of customers 	<ol style="list-style-type: none"> Actively exploring new customers and market segments to mitigate the risks caused by high concentration of customers in US Establishing production bases in countries and regions outside China to avoid the adverse effect caused by China-US trade friction
客戶市場集中度高	<ol style="list-style-type: none"> 中美貿易摩擦動態 客戶地區分布及銷售佔比 	<ol style="list-style-type: none"> 積極開拓新的客戶和市場板塊，分散因客戶高度集中於美國而帶來的風險 在中國以外的國家和地區建立生產基地，以規避因中美貿易摩擦而帶來不利影響
China-US trade friction 中美貿易摩擦	International economic dynamics Economic dynamics of Trump government Economic dynamics of Chinese government 國際經濟動態 特朗普政府經濟動態 中國政府經濟動態	Closely monitoring international and domestic government announcements and timely adjusting the operating strategy of the Company Vigorously developing international and domestic customers to reduce the reliance on the US market Establishing new processing bases in Vietnam and other places in case of the escalation of the China-US trade friction 密切關注國際國內政府發佈，及時調整公司經營策略 大力發展全球及國內客戶，以減少對美國一國市場的依賴度 在越南等地建立新的加工基地，以防止中美貿易摩擦升級

Corporate Risk Management and Internal Control Report

企業風險管理與內部控制報告

Risk 風險名稱	Risk supervision index 風險監控指標	Risk control measures 風險管控措施
Insufficient pool of supply chain bases 供應鏈基地儲備不充分	Exploration in foreign countries Exploration in the middle west regions in China 海外國家考察 國內中西部地區考察	Exploring the feasibility to establish overseas bases in the counties in Southeast Asia and Central and South America, and prudently considering the feasible plans for constructing bases on our own or acquiring mature bases Actively preparing for the construction of the garment industrial park in Tianzhu County, Guizhou Province as a good start for the transfer of production bases to central western China Actively exploring the feasibility of industrial transfer to the provinces such as Anhui, Jiangxi, Henan, Liaoning, Guangxi and Yunnan 考察東南亞國家，中南美洲國家等建立海外基地的條件是否可行，並慎重考慮自建基地或收購成熟基地的可行性方案 積極籌建貴州省天柱縣服裝產業園項目，為生產基地向中國中西部地區轉移打好頭陣 同時積極考察安徽、江西、河南、遼寧、廣西、雲南等省產業轉移的可行性
Weak operating capabilities of the properties in industrial park 園區物業運營能力偏弱	Report on the leasing market of industrial plants Internal control report of the Group for leased properties 工業廠房租賃市場報告 集團租賃物業內控報告	Making full use of the internal and external resources of the Group, enhancing the efforts on market exploration, and inviting quality customers to settle in the park Optimizing the internal capabilities of property service and property management to improve customer satisfaction and give full play to word-of-mouth marketing Striving for government support to provide better favorable policies and financial subsidies for the investment invitation of the park 充分利用集團內外資源，加大市場開拓力度，招引優質客戶入駐 完善內部物業服務和物業管理能力，提高入駐客戶的滿意度，充分利用口碑營銷 爭取政府支持，為園區招商提供更好的優惠政策和財政補貼力度
Weak operating capabilities in new retail 新零售運營能力偏弱	International and domestic reports on new retail Report of the Group on the performance of new retail business Capability appraisal of the new retail team of the Group 國際國內新零售報告 集團新零售業績報告 集團新零售團隊能力評估	Exerting more efforts on the construction of the Group's new retail team Exerting more efforts on the exploration of the Group's new retail channels Digging deep into the big data and using big data to improve the work capabilities in product design, product promotion, product pricing and inventory clearance, etc. Improving the brand operating capabilities in the age of information 加大集團新零售團隊建設的力度 加大集團新零售渠道開拓的力度 深度挖掘大數據信息，利用大數據提高產品設計、產品推廣、產品定價、庫存清理等方面的工作能力 提升信息化時代的品牌營運能力

Risk 風險名稱	Risk supervision index 風險監控指標	Risk control measures 風險管控措施
Significant fluctuations in RMB exchange rate 人民幣匯率大幅度波動	Long-term exchange rate forecast Real-time exchange rate quotation International financial event monitoring 匯率遠期預期 匯率實時牌價 國際金融事件監控	Regularly assessing the RMB exchange rate and adopting appropriate measures according to the level of exposure Vigorously developing domestic business to mitigate the effect of foreign exchange rate fluctuations on the performance of the Company 定期為人民幣匯率做出評估，按其風險程度來採取合適的措施 大力發展國內業務，以減少外匯波動對公司業績影響

iii. Continuous improvement measures

Internal Control and Risk Management Committee and the Board will finalize and issue the risk management manual, and further enhance measures to cope with risks. Internal Control and Risk Management Committee promotes the risk management in other business process, and gradually manage such risks in stages in order from high to low. Person in charge of relevant risk constantly supervises the effectiveness of measures on risk warning indexes and risks identified, so as to control risks in a reasonable and timely way. Regular risk management report mechanism is established to regularly report risk management to the Board and Audit Committee. The Board of the Group is fully liable for maintaining complete and effective internal supervision and risk management procedures, and will also include the risk management in strategy development, business plan, capital allocation, investment decision on internal supervision and daily operation.

iv. Conclusion

Based on the results of the internal control review for the year ended 31 December 2019 and the assessment of the Audit Committee thereon, no significant deficiency in risk management and internal controls systems are noted. The Board therefore is satisfied that appropriate and effective risk management and internal control systems have been maintained for the year ended 31 December 2019.

3、持續改進辦法

內控及風險管理委員會和董事會將最終確定及發布風險管理手冊，並進一步強化風險應對措施。內控及風險管理委員會推進其他業務流程的風險管理，按照風險由高至低的順序進行逐步和分階段執行。風險責任人對風險預警指標和已識別風險應對措施有效性進行持續監督，從而到達到對風險合理和及時的管控。建立風險管理定期報告機制，定期向董事會和審核委員會匯報風險管理。集團董事會全盤負責維持完善有效的內部監控及風險管理程序，並會將風險管理納入策略發展、業務規劃、資金分配、投資決定內部監控和日常運營中。

4、結論

根據截至二零一九年十二月三十一日止年度的內部監控審閱結果及審核委員會對結果的評估，未發現風險管理及內部監控系統存在重大缺陷。因此，董事會信納截至二零一九年十二月三十一日止年度已維持適當及有效的風險管理及內部監控系統。

Report of the Directors

董事會報告

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

Principal Business Activities

The principal business activity of the Company is investment holding. Details of the principal business activities of the subsidiaries of the Company are set forth in note 11 to the financial statements.

The Group's principal business activities during the financial year ended 31 December 2019 were garment manufacturing for export, retailing branded fashion apparel and property investment in Mainland China.

An analysis of the Group's performance for the financial year ended 31 December 2019 by business and geographical segments is set out in note 5 to the financial statements.

Business Review

Details of the activities during the year as required by Schedule 5 to the Hong Kong Companies Ordinance, including fair review of the Group's business, a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, are set out in the sections "Chairman's Statement" on pages 10 to 13, "Management Discussion and Analysis" on pages 15 to 29 and Corporate Risk Management and Internal Control Report on pages 49 to 55 of this report.

Environmental policies of the Group is to maintaining the highest environmental standards to ensure sustainable development of its business, with compliance of all relevant laws and regulations having significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment.

Subsidiaries

Particulars of the Company's principal subsidiaries as of 31 December 2019 are set forth in note 11 to the financial statements.

Results and Appropriations

The Group's consolidated results for the financial year ended 31 December 2019 are set forth in the consolidated statement of comprehensive income on pages 81 and 82 of this annual report.

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

董事欣然呈列董事會報告，連同截至二零一九年十二月三十一日止財政年度的經審核財務報表。

主要業務

本公司的主要業務是投資控股，本公司附屬公司的主要業務詳情載於財務報表附註11。

本集團截至二零一九年十二月三十一日止財政年度的主要業務是在中國內地製造成衣以供出口、零售品牌時裝及投資物業。

本集團於截至二零一九年十二月三十一日止財政年度按業務及地區分部分類的業績分析載於財務報表附註5。

業務回顧

香港公司條例附表5所規定的年內活動詳情(包括對本集團業務的中肯審視、對本集團面對的主要風險及不明朗因素的描述，以及本集團業務相當可能有的未來發展的揭示)載於本報告第10至第13頁的「主席報告」、第15至第29頁的「管理層討論及分析」及第49至第55頁的企業風險管理與內部控制報告各節。

本集團的環境政策為維持最高的環境標準以確保其業務可持續發展，同時遵守對本集團的業務有重要影響的所有相關法例及規例(包括就健康和環境、工作環境、僱傭及環境方面)。

附屬公司

有關本公司於二零一九年十二月三十一日之主要附屬公司詳情載於財務報表附註11。

業績及分配

本集團截至二零一九年十二月三十一日止財政年度的綜合業績載於本年報第81及第82頁之綜合全面收入表內。

截至二零一九年十二月三十一日止年度，董事並無建議任何股息派付。

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 210 and 211 of this report.

Borrowings

Details of the borrowings of the Group are set forth in Note 25 to the financial statements.

Share Capital and Share Options

No new shares or share options were issued during the year. Details of shares issued by the Company are set forth in note 21 to the financial statements.

Principal Properties

Details of the principal properties held for investment purpose are set out on note 8 to the financial statements. Further details of the Group's investment properties are set out on page 212 of this report.

Distributable Reserves

As at 31 December 2019, the Company's reserves available for distributions amounted to HK\$1,531.8 million comprising share premium, contributed surplus and retained earnings.

Major Customers and Suppliers

During the financial year ended 31 December 2019, sales made to the Group's top five customers and the largest customer accounted for approximately 24.2% and 10.4% of the total sales. The Group purchased less than 30.0% of its goods and services from its five largest suppliers.

At no time during the year did the Directors, their close associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued shares) have any beneficial interest in the Group's five largest customers or five largest suppliers.

Relationship with Customers, Suppliers and Employees

The Group values relationships with, and have been maintaining good relationships with its customers, raw material and garment manufacturing suppliers and the employees of the Group. During the year ended 31 December 2019, there were no material dispute between the Group and its customers, suppliers and employees.

財務概要

本集團過去五個財政年度的業績、資產及負債概要載於本年報第210及第211頁。

借貸

有關本集團之借貸詳情載於財務報表附註25。

股本及購股權

年內概無發行任何新股份或購股權。有關本公司已發行股份的詳情載於財務報表附註21。

主要物業

有關持作投資目的的主要物業詳情載於財務報表附註8。有關本集團投資物業的進一步詳情載於本報告第212頁。

可供分派儲備

於二零一九年十二月三十一日，本公司的可供分派儲備為1,531.8百萬港元，包括股份溢價、繳入盈餘及保留盈利。

主要客戶及供應商

截至二零一九年十二月三十一日止財政年度，本集團向五大客戶及最大客戶銷售所得的銷售額分別佔總銷售額約24.2%及10.4%。本集團向五大供應商採購的貨物及服務低於其採購額的30.0%。

年內概無董事、彼等的緊密聯繫人或據董事所知擁有本公司已發行股份超過5%的股東擁有本集團五大客戶或五大供應商的任何實益權益。

與客戶、供應商及僱員之關係

本集團重視與客戶、原材料及成衣製造供應商及其僱員之關係，並且一直與彼等維持良好關係。於截至二零一九年十二月三十一日止年度，本集團與其客戶、供應商及僱員之間並無重大爭議。

Environmental Policy and Performance

The Company has always been closely communicating with its stakeholders, actively responding to their needs, and taking those into consideration during corporate strategy formulation and decision making process. The Company sees sustainable development as the key for a corporation to succeed and therefore, it aims to seek a win-win situation for the Group, society and environment by balancing between the creation of economic value and the impact on the environment.

The Group strictly complies with various national environmental protection laws and regulations. It has implemented a series of measures to alleviate environmental impacts of weaving, dyeing and garment manufacturing. The Group has established rules for pollutant control and waste disposal, including airborne dust and sewage during the process of dyeing and manufacturing; electricity consumption has been reduced by improving the Group's facilities and technologies, thereby controlling greenhouse gas emission; the Group supports green operations and encourages its employees to adopt environmentally friendly working habit. For further information about the Company's environmental performance during the year, please refer to the Company's separate Environmental, Social and Governance Report to be issued by the Company. The report will be available on the Stock Exchange's website (www.hkexnews.hk) and the Company's website after its publication.

Compliance with laws and Regulations

The Group and its activities are subject to requirements under various laws. These include, among others, the Work Safety Law of the PRC* (“中華人民共和國安全生產法”), Labour Law of the PRC* (“中華人民共和國勞動法”), Environmental Protection Law of the PRC* (“中華人民共和國環境保護法”), Labour Contract Law of the PRC* (“中華人民共和國勞動合同法”), Regulations of the PRC on Prohibiting the Use of Child Labour* (“禁止使用童工的規定”), Fire Protection Law of the PRC* (“中華人民共和國消防法”), Law of the PRC on Wholly Foreign-Owned Enterprises* (“中華人民共和國外資企業法”) and Law of the PRC on Enterprise Income Tax* (“中華人民共和國企業所得稅法”) and the applicable regulations, guidelines and policies issued or promulgated under or in connection with these statutes. In addition, the Listing Rules also apply to the Company. The Company seeks to ensure compliance with these requirements through various measures such as internal controls, trainings and oversight of various business units at different levels of the Group. The Group highly values the importance of ensuring compliance with applicable legal and regulatory requirements.

During the year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws, rules and regulations by the Group that have significant impact on the business and operations of the Group.

* The English name is the translation for identification purpose only.

環境政策及表現

本公司一直與利益相關方保持緊密聯繫，積極回應彼等的需求，於制定企業策略及決策過程中加以考量。本公司視可持續發展為企業成功關鍵，因此，本公司致力在創造經濟價值與環境影響之間取得平衡，為本集團、社會及環境締造三贏局面。

本集團嚴格遵守不同國家的環保法律及法規，並已採取一系列措施減輕織造、印染及服裝製造對環境的影響。本集團已制定污染物控制及廢物處理規則，包括印染及製造過程中的空氣粉塵及污水；通過提升本集團設備及技術減少耗電，從而控制溫室氣體排放。本集團支持綠色運作，鼓勵僱員養成環保工作習慣。有關本公司本年度環境表現的進一步資料，請參閱本公司將另行刊發的環境、社會及管治報告。該報告於刊發後將上載至聯交所網站(www.hkexnews.hk)及本公司網站。

遵守法律及法規

本集團及其活動須受限於多項法律規定，其中包括中華人民共和國安全生產法、中華人民共和國勞動法、中華人民共和國環境保護法、中華人民共和國勞動合同法、禁止使用童工規定、中華人民共和國消防法、中華人民共和國外資企業法及中華人民共和國企業所得稅法以及根據該等法規頒佈或與該等法規有關的適用規例、指引及政策。此外，上市規則亦適用於本公司。本公司力求透過內部監控、培訓及監察本集團不同層級的多個業務單位，確保符合該等規定。本集團高度重视確保符合適用法律及監管規定。

年內，就本公司所知，本集團並無嚴重違反或不符適用的法律、法規及規例，以致對本集團的業務及營運構成重大影響。

* 英文版法律名稱由中文翻譯而來，僅供識別。

Directors

The Directors of the Company for the year ended 31 December 2019 and up to the date of this report are:

Executive Directors:

Mr. TING Man Yi (*Chairman*)
Mr. TING Hung Yi (*Chief Executive Officer*)
Mr. DING Jianer
Mr. CHEUNG Ting Yin, Peter

Independent non-executive Directors:

Mr. CHENG Chi Pang
Mr. WONG Chi Keung
Mr. LEUNG Man Kit

In accordance with article 87 of the Company's Articles of Association, Mr. TING Hung Yi, Mr. CHENG Chi Pang and Mr. LEUNG Man Kit will retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting (the "Annual General Meeting").

Change in Information of Directors

The change in the information of the Directors of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Name of Director	Details of changes
Independent Non-Executive Director:	
Mr. CHENG Chi Pang	Resigned as an independent non-executive director of Fortune Sun (China) Holdings Limited (stock code: 352) with effect from 21 June 2019
	Appointed as a chairman of Vantage Partner CPA Limited with effect from 1 January 2020
Mr. WONG Chi Keung	Resigned as an independent non-executive director of Nickel Resources International Holdings Company Limited (stock code: 2889) with effect from 14 February 2020
Mr. LEUNG Man Kit	Appointed as a Responsible Officer Type 6 role in Grand Moore Capital Limited with effect from 18 September 2019

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The updated biographical details of the Directors of the Company are set out in the preceding section headed "Directors and Senior Management".

董事

於截至二零一九年十二月三十一日止年度及直至本報告刊發日期止的本公司現任董事如下：

執行董事：

丁敏兒先生(主席)
丁雄尔先生(行政總裁)
丁建兒先生
張定賢先生

獨立非執行董事：

鄭志鵬先生
黃之強先生
梁民傑先生

根據本公司章程細則第87條細則，丁雄尔先生、鄭志鵬先生及梁民傑先生將會退任，並符合資格可在應屆股東週年大會(「股東週年大會」)上膺選連任。

董事資料變更

須根據上市規則第13.51B(1)條予以披露的本公司董事資料變動載列如下：

董事名稱	變更詳情
獨立非執行董事：	
鄭志鵬先生	辭任富陽(中國)控股有限公司(股份代號：352)之獨立非執行董事，自二零一九年六月二十一日起生效
	獲委任為Vantage Partner CPA Limited的主席，自二零二零年一月一日起生效
黃之強先生	辭任鎳資源國際控股有限公司(股份代號：2889)之獨立非執行董事，自二零二零年二月十四日起生效
梁民傑先生	獲委任為中毅資本有限公司之第6類活動註冊負責人員，自二零一九年九月十八日起生效

除上文所披露者外，概無須根據上市規則第13.51B(1)條予以披露的其他資料。本公司董事之最新履歷詳情載於上節「董事及高層管理人員」。

Confirmation of Independence of Independent Non-executive Directors

The Company received from each of Mr. CHENG Chi Pang, Mr. WONG Chi Keung and Mr. LEUNG Man Kit a confirmation of their independence pursuant to rule 3.13 of the Listing Rules and the Company considers all of them to be independent.

Directors' and Senior Management's Biographies

Biographical details of the Directors and the senior management of the Group are set forth on pages 31 to 36 of this report.

Directors' Service Contracts

The annual salary and bonus of each of Mr. TING Man Yi, Mr. TING Hung Yi, Mr. DING Jianer and Mr. CHEUNG Ting Yin, Peter for the financial year ended 31 December 2019 was HK\$3.0 million, HK\$3.0 million, HK\$2.1 million, and HK\$1.5 million, respectively. The annual salary and bonus of each executive Director shall be recommended by the Remuneration Committee and decided by the Board and subject to the annual review by the Remuneration Committee of the Company, provided that any increment shall not be more than 15% of the annual salary received by each executive Director for the immediate preceding year.

Each of the executive Director is also entitled to a management bonus, the amount of which is determined with reference to the audited consolidated net profits of the Group after taxation and minority interests but before extraordinary items (the "Net Profits") as the Board may, in its absolute discretion, approve, provided that the aggregate amount of the management bonus payable to all executive Directors in respect of any financial year shall not exceed 4% of the Net Profits for the relevant financial year.

Each of the independent non-executive Director has signed a letter of appointment dated 18 November 2017 with the Company under which each of them has agreed to act as an independent non-executive Director for a period of three years, commencing from 18 November 2017, unless terminated in accordance with the terms and conditions specified therein. The initial annual fee payable to Mr. WONG Chi Keung, Mr. CHENG Chi Pang and Mr. LEUNG Man Kit is HK\$360,000, HK\$240,000 and HK\$240,000, respectively.

獨立非執行董事之獨立確認書

本公司已接獲鄭志鵬先生、黃之強先生及梁民傑先生分別根據上市規則第3.13條發出的獨立確認書，本公司認為彼等全部屬獨立人士。

董事及高層管理人員之履歷

有關董事及本集團高層管理人員的履歷，詳情載於本年報第31至第36頁。

董事服務合約

於截至二零一九年十二月三十一日止財政年度，丁敏兒先生、丁雄尔先生、丁建兒先生及張定賢先生各自可分別獲得年薪及花紅3.0百萬港元、3.0百萬港元、2.1百萬港元及1.5百萬港元。各執行董事的年薪及花紅須由薪酬委員會建議及由董事會釐定，並由本公司薪酬委員會每年檢討，惟任何加薪幅度不得多於各執行董事於緊接上一年度所獲年薪的15%。

各執行董事亦有權獲得管理花紅，管理花紅乃參考本集團除稅及少數股東權益後但未計非經常項目前的經審核綜合純利（「純利」）釐定，再由董事會全權酌情批准，惟於任何財政年度支付予全體執行董事的管理花紅總額，不得超過有關財政年度所得純利的4%。

各獨立非執行董事已於二零一七年十一月十八日與本公司簽署委任書，據此，彼等各自同意由二零一七年十一月十八日起出任獨立非執行董事三年，惟根據委任書訂明的條款及條件終止則除外。初步應向黃之強先生、鄭志鵬先生及梁民傑先生支付的年度袍金分別為360,000港元、240,000港元及240,000港元。

Save as mentioned above, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director. Save as disclosed above, there is no service contract, which is not determinable by the Company or its subsidiaries within one year without payment of compensation (other than statutory compensation), entered into with any of the executive Director proposed for re-election at the forthcoming Annual General Meeting.

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

Except for the continuing connected transactions disclosed on pages 66 to 67 of this report, no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).

Emolument Policy of the Group

The Company's policies concerning remuneration of the Directors are as follows:

- (i) the amount of remuneration is recommended by the Remuneration Committee and decided by the Board on the basis of the relevant executive Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided to the executive Directors under their remuneration package; and
- (iii) the Directors may be granted, at the discretion of the Board with the endorsement of the Remuneration Committee of the Board, options pursuant to the share option scheme adopted by the Company, as part of their remuneration package.

The emolument policy of the Group is aimed at attracting, retaining and motivating talented individuals. The principle is to have performance based remuneration which reflects market standards. The employee's remuneration packages are generally determined based on their job nature and position with reference to market standards. Employees also receive certain welfare benefits. The Group's emolument policy will be adjusted depending on a number of factors, including changes to the market practice and stages of the Group's business development, so as to achieve the Group's operational targets.

除上文所述者外，預期獨立非執行董事概不會為彼等擔任獨立非執行董事職務而收取任何其他薪酬。除上文所披露者外，任何建議在應屆股東週年大會上重選的執行董事，概無訂立任何不可由本公司或其附屬公司於一年內毋須支付賠償（法定賠償除外）而終止的服務合約。

董事於對本公司業務而言屬重大的交易、安排及合約中擁有的重大權益

除本報告第66至67頁披露的持續關連交易外，概無有關本公司業務且本公司為訂約方及董事或與董事有關連之實體直接或間接擁有重大權益的重大交易、安排及合約於年末或年內任何時間存續（二零一七年：無）。

本集團之酬金政策

本公司有關董事薪酬的政策如下：

- (i) 薪酬金額乃由薪酬委員會根據有關執行董事的經驗、職責、工作量及服務本集團的時間長短建議並由董事會釐定；
- (ii) 執行董事或會根據彼等的薪酬方案而獲得非現金福利；及
- (iii) 董事會可在其轄下的薪酬委員會同意下酌情決定，根據本公司採納的購股權計劃向董事授出購股權，作為彼等薪酬方案的一部分。

本集團的酬金政策旨在吸引、挽留和策勵有才幹的人員，其原則是設定以績效為準則並反映市場標準的薪酬水平。僱員的薪酬方案一般根據個別人員的工作性質和職位並參考市場標準而釐定。僱員亦會收取若干福利利益。本集團的酬金政策將會按照市場慣例變動及本集團業務發展的階段等多個因素作出調整，藉此達致本集團的營運目標。

Interests and/or Short Positions of Directors and Chief Executive in the Shares, Underlying Shares or Debentures of the Company and its Associated Corporations

As at 31 December 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions), or were required, pursuant to section 352 of the SFO, to be entered in the register required to be maintained, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

(a) Interests in the Shares of the Company

Name of Directors 董事姓名	Capacity 身份	Number of shares 股份數目 (Note 1) (附註1)	Approximate percentage of interest in the Company# 佔本公司權益概約百分比#
Mr. TING Man Yi 丁敏兒先生	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 2) (附註2)	70.96%
Mr. TING Hung Yi 丁雄尔先生	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 3) (附註3)	70.96%
Mr. DING Jianer 丁建兒先生	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 4) (附註4)	70.96%
Mr. CHENG Chi Pang 鄭志鵬先生	Directly beneficially owned 直接實益擁有	200,000 (L)	0.01%
Mr. WONG Chi Keung 黃之強先生	Directly beneficially owned 直接實益擁有	1,000,000 (L)	0.05%

* The approximate percentage of interest in the Company is based on the issued share capital of the Company as at 31 December 2019.

佔本公司權益概約百分比乃按本公司於二零一九年十二月三十一日的已發行股本計算。

董事及最高行政人員於本公司及其相聯法團的股份、相關股份或債權證中擁有的權益及／或淡倉

於二零一九年十二月三十一日，董事及本公司最高行政人員於本公司及其相聯法團(按證券及期貨條例(「證券及期貨條例」)第十五部的涵義)的股份、相關股份或債權證中，擁有根據證券及期貨條例第十五部第7及8分部的規定已知會本公司及聯交所的權益及淡倉(包括根據該等條文規定被當作或被視作擁有的權益及淡倉)，或根據證券及期貨條例第352條規定須登記於需存置的登記冊內的權益及淡倉，或根據標準守則規定須知會本公司及聯交所的權益及淡倉如下：

(a) 於本公司股份的權益

Notes:

- 1 The letter "L" stands for the Director's long position in the shares.
- 2 Longerview Investments Limited ("Longerview") is owned as to 41.5% by Firmsuccess Limited ("Firmsuccess") which is wholly-owned by Mr. TING Man Yi. Longerview is a controlled corporation (within the meaning of the SFO) of Mr. TING Man Yi. As such, under the SFO, Mr. TING Man Yi is deemed to be interested in the 1,490,000,000 shares held by Longerview.
- 3 Longerview is owned as to 40.5% by In Holdings Limited ("In Holdings") which is wholly-owned by Mr. TING Hung Yi. Longerview is a controlled corporation (within the meaning of the SFO) of Mr. TING Hung Yi. As such, under the SFO, Mr. TING Hung Yi is deemed to be interested in the 1,490,000,000 shares held by Longerview.
- 4 Pursuant to a shareholders' agreement dated 18 November 2005 and entered into between Mr. TING Man Yi, Firmsuccess, Mr. TING Hung Yi, In Holdings, Mr. DING Jianer, Willport Investments Limited ("Willport") and Longerview (collectively the "Controlling Shareholders"), each of the Controlling Shareholders (other than Longerview) has agreed to enter into pre-emptive arrangements in respect of their shareholding in Longerview. For the purpose of Part XV of the SFO, each of Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer is therefore deemed to have effective voting power in respect of the 1,490,000,000 shares held by Longerview. As such, under the SFO, Mr. DING Jianer is also deemed to be interested in the 1,490,000,000 shares held by Longerview.

附註：

- 1 字母「L」指董事於股份中的好倉。
- 2 Firmsuccess Limited(「Firmsuccess」)擁有Longerview Investments Limited(「Longerview」)的41.5%，而丁敏兒先生則全資擁有Firmsuccess。Longerview為丁敏兒先生的受控制法團(按證券及期貨條例的涵義)。因此，根據證券及期貨條例，丁敏兒先生被視作擁有Longerview持有的1,490,000,000股股份的權益。
- 3 In Holdings Limited(「In Holdings」)擁有Longerview的40.5%，而丁雄尔先生則全資擁有In Holdings。Longerview為丁雄尔先生的受控制法團(按證券及期貨條例的涵義)。因此，根據證券及期貨條例，丁雄尔先生被視作擁有Longerview持有的1,490,000,000股股份的權益。
- 4 根據丁敏兒先生、Firmsuccess、丁雄尔先生、In Holdings、丁建兒先生、Willport Investments Limited(「Willport」)及Longerview(統稱為「控股股東」)於二零零五年十一月十八日訂立的股東協議，各控股股東(Longerview除外)已同意就彼等於Longerview之股權訂立優先購買安排。就證券及期貨條例第XV部而言，丁敏兒先生、丁雄尔先生及丁建兒先生各自因此被視作擁有Longerview所持1,490,000,000股股份的實際投票權。因此，根據證券及期貨條例，丁建兒先生亦被視作擁有Longerview持有的1,490,000,000股股份的權益。

(b) Interests in the Shares of Associated Corporations

(b) 於相聯法團股份的權益

Name of Directors	Name of associated corporation	Nature of interest	Number of shares	Approximate percentage of interest in the associated corporation
董事姓名	相聯法團名稱	權益性質	股份數目	佔相聯法團權益概約百分比
Mr. TING Man Yi 丁敏兒先生	Firmsuccess	Personal interest 個人權益	1	100%
	Longerview	Corporate interest 法團權益	415 (Note 1) (附註1)	41.5%
Mr. TING Hung Yi 丁雄尔先生	In Holdings	Personal interest 個人權益	1	100%
	Longerview	Corporate interest 法團權益	405 (Note 2) (附註2)	40.5%
Mr. DING Jianer 丁建兒先生	Willport	Personal interest 個人權益	1	100%
	Longerview	Corporate interest 法團權益	180 (Note 3) (附註3)	18.0%

Notes:

- The 415 shares in Longerview are held by Firmsuccess, which is wholly-owned by Mr. TING Man Yi.
- The 405 shares in Longerview are held by In Holdings, which is wholly-owned by Mr. TING Hung Yi.
- The 180 shares in Longerview are held by Willport, which is wholly-owned by Mr. DING Jianer.

附註：

- Firmsuccess持有Longerview的415股股份，丁敏兒先生則全資擁有Firmsuccess。
- In Holdings持有Longerview的405股股份，丁雄尔先生則全資擁有In Holdings。
- Willport持有Longerview的180股股份，丁建兒先生則全資擁有Willport。

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

So far as the Directors are aware, as at 31 December 2019, the persons, other than Directors and chief executive of the Company, having interests or short positions in the shares or underlying shares or debentures of the Company, which were required to be entered into the register kept by the Company pursuant to section 336 of the SFO, were as follows:

主要股東於本公司股份及相關股份中擁有的權益及／或淡倉

據董事所知，於二零一九年十二月三十一日，於本公司股份、相關股份或債權證中擁有權益或淡倉，而根據證券及期貨條例第336條須登記於本公司需存置的登記冊內的人士（並非董事或本公司最高行政人員）如下：

Name of substantial shareholders 主要股東名稱	Capacity 身份	Number of shares 股份數目 (Note 1) (附註1)	Approximate percentage of interest in the Company 佔本公司權益概約百分比
Longerview	Beneficial owner 實益擁有人	1,490,000,000 (L) (Note 2) (附註2)	70.96%
Firmsuccess	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 2) (附註2)	70.96%
In Holdings	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 3) (附註3)	70.96%
Willport	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 4) (附註4)	70.96%

Notes:

附註：

- | | | | |
|---|---|---|--|
| 1 | The letter "L" stands for the substantial shareholders' long position in the shares. | 1 | 字母「L」指主要股東於股份中的好倉。 |
| 2 | Longerview is owned as to 41.5% by Firmsuccess. As such, Longerview is a controlled corporation (within the meaning of the SFO) of Firmsuccess. Firmsuccess is therefore deemed to be interested in the 1,490,000,000 shares held by Longerview. | 2 | Firmsuccess擁有Longerview的41.5%。因此，Longerview為Firmsuccess的受控制法團（按證券及期貨條例的涵義）。故此，Firmsuccess被視作擁有Longerview持有的1,490,000,000股股份的權益。 |
| 3 | Longerview is owned as to 40.5% by In Holdings. As such, Longerview is a controlled corporation (within the meaning of the SFO) of In Holdings. In Holdings is therefore deemed to be interested in the 1,490,000,000 shares held by Longerview. | 3 | In Holdings擁有Longerview的40.5%。因此，Longerview為In Holdings的受控制法團（按證券及期貨條例的涵義）。故此，In Holdings被視作擁有Longerview持有的1,490,000,000股股份的權益。 |
| 4 | Pursuant to a shareholders' agreement dated 18 November 2005 and entered into between the Controlling Shareholders, each of the Controlling Shareholders (other than Longerview) has agreed to enter into pre-emptive arrangements in respect of their shareholding in Longerview. For the purpose of Part XV of the SFO, each of Firmsuccess, In Holdings and Willport is therefore deemed to have effective voting power in respect of the 1,490,000,000 shares held by Longerview. As such, Willport is also deemed to be interested in the 1,490,000,000 shares held by Longerview. | 4 | 根據各控股股東於二零零五年十一月十八日訂立的股東協議，各控股股東（Longerview除外）已同意就彼等於Longerview之股權訂立優先購買安排。就證券及期貨條例第XV部而言，Firmsuccess、In Holdings及Willport各自因此被視作擁有Longerview所持1,490,000,000股股份的實際投票權。因此，Willport亦被視作擁有Longerview持有的1,490,000,000股股份的權益。 |

Directors' and Controlling Shareholders' Interest in Competing Business

As at 31 December 2019, none of the Directors and their respective associates (as defined in the Listing Rules) or the controlling shareholders of the Company (as defined in the Listing Rules) had any interest in a business, which competes or may compete with the business of the Group.

Permitted Indemnity Provisions

During the year ended 31 December 2019, appropriate insurance covering for the Directors' and senior management's liabilities arising out of activities of the Group has been arranged by the Company. As of the date of this annual report, such insurance covering remained effective.

Pre-emptive Rights

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

Purchase, Sale or Redemption of Shares

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's shares during the year ended 31 December 2019.

Model Code for Directors' Securities Transaction

Details of compliance by the Directors with the Model Code are set forth in the Corporate Governance Report on pages 37 to 48 of this Annual Report.

Continuing Connected Transaction

Particulars of Transaction

During the year ended 31 December 2019, the Group entered into a non-exempt continuing connected transaction (as disclosed in the announcement of the Company dated 20 December 2016). A supply contract dated 20 December 2016 was entered into between Hangzhou Huasheng Accessories Company Limited ("Huasheng Accessories") and various members of the Group for a period from 1 January 2017 to 31 December 2019, whereby Huasheng Accessories has undertaken to supply to members of the Group the required plastic bags and hangers at such prices which are not higher than the prices offered to independent third parties after taking into consideration the prevailing market rates for providing similar products from time to time. For the year ended 31 December 2019, the aggregate purchase of plastic bags and hangers by the Group from Huasheng Accessories amounted to HK\$5.7 million (2018: HK\$7.1 million) which was below the annual cap of HK\$26.0 million.

董事及控股股東於競爭業務的權益

於二零一九年十二月三十一日，董事及其各自的聯繫人（定義見上市規則）或本公司控股股東（定義見上市規則）概無在與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

獲准許的彌償條文

於截至二零一九年十二月三十一日止年度，本公司已安排就董事及高級管理層於本集團業務過程中引致的責任購買適當保險。截至本年報日期，有關保險仍然有效。

優先購買權

本公司組織章程細則或開曼群島法律項下概無任何優先購買權條文，規定本公司須按比例向現有股東提呈發售新股。

購買、出售或贖回股份

本公司或其任何附屬公司於截至二零一九年十二月三十一日止年度內概無購買、出售或贖回本公司股份。

董事進行證券交易的標準守則

有關董事遵守標準守則之詳情載於本年報第37至第48頁之企業管治報告內。

持續關連交易

交易詳情

截至二零一九年十二月三十一日止年度，本集團已進行不獲豁免持續關連交易（誠如本公司日期為二零一六年十二月二十日的公佈所披露）。杭州華盛輔料有限公司（「華盛輔料」）與多間本集團成員公司於二零一六年十二月二十日訂立供應合約，年期由二零一七年一月一日起至二零一九年十二月三十一日止，據此，華盛輔料承諾以不高於提供予獨立第三方的價格（經計及不時提供同類產品的當時市價），向本集團成員公司供應所需的塑料袋及衣架。截至二零一九年十二月三十一日止年度，本集團向華盛輔料採購塑料袋及衣架的總額為5.7百萬港元（二零一八年：7.1百萬港元），低於26.0百萬港元的年度上限。

Information on Connected Person

Huasheng Accessories

Huasheng Accessories is a company established in the PRC with limited liability. Huasheng Accessories is owned as to 25% by Hong Kong Fuhowe and as to 75% by Mr. MO Jiangtao, who is the brother-in-law of Ms. ZHOU Shi Min. Ms. ZHOU is the spouse of Mr. DING Jianer, an executive Director, and thus, a connected person as defined under Rule 14A.11(4) of the Listing Rules. Therefore, Huasheng Accessories is an associate of a connected person of the Company pursuant to Rule 1.01 of the Listing Rules.

Confirmations

The independent non-executive Directors have reviewed the above non-exempt continuing connected transactions of the Group and have confirmed that these transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties;
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (iv) have not exceeded the respective cap amounts set out in the relevant agreements referred to above.

The Company's auditor was engaged 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. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 66 to 67 of this report in accordance with Rules 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

有關關連人士的資料

華盛輔料

華盛輔料為一家在中國成立的有限公司。華盛輔料由香港富豪及莫江濤先生(為周施敏女士的妹夫)分別擁有25%及75%權益。周女士為執行董事丁建兒先生的配偶，故其為上市規則第14A.11(4)條所界定的關連人士。因此，根據上市規則第1.01條，華盛輔料為本公司關連人士的聯繫人。

確認事項

獨立非執行董事已審閱上述的本集團不獲豁免持續關連交易，並確認該交易：

- (i) 在本集團正常及日常業務過程中進行；
- (ii) 按一般商業條款或不遜於本集團獲／向獨立第三方提供的條款進行；
- (iii) 按對本公司股東整體屬公平合理且符合其利益的條款，根據規管各項交易的相關協議進行；及
- (iv) 並未超出上述相關協議所載的各個年度上限。

本公司核數師已獲委聘根據香港會計師公會頒佈之香港保證委聘準則第3000號「過往財務資料之審核或審閱以外之保證委聘」，並參照實務指引第740號「香港上市規則項下持續關連交易之核數師函件」，對本集團之持續關連交易作出匯報。核數師已發出其無保留意見函件，詳載其根據上市規則第14A.56條對本集團於本報告第66至第67頁所披露持續關連交易之發現及結論。本公司已向聯交所提交核數師函件副本。

Related Parties Transaction

Details of the related party transactions undertaken by the Group during the year ended 31 December 2019 are set out in Note 35 to the financial statements.

The purchases of accessories from Huasheng Accessories, being the significant related party transactions of the Group, constitute continuing connected transactions of the Group. The disclosure requirements in respect of these continuing connected transactions have been complied with in accordance with the Listing Rules. Save for the aforementioned, other related party transactions as set out in Note 34 to the financial statements did not constitute connected transactions/continuing connected transactions under the Listing Rules.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, at least 25% of the Company's total issued share capital was held by the public.

Audit Committee

The Company has established an Audit Committee, comprising three independent non-executive Directors, and has adopted terms of reference which are in compliance with the Listing Rules. The primary duties of the Audit Committee are to review financial information of the Group, make recommendation on the external auditor and supervise the financial reporting process and internal control system of the Group and to provide comments and advice to the Board. The Audit Committee has reviewed the audited financial statements of the Company and audited consolidated financial statements of the Group for the financial year ended 31 December 2019.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On Behalf of the Board
TING Man Yi
Chairman

Hong Kong, 25 March 2020

關連人士交易

截至二零一九年十二月三十一日止年度，由本集團進行之關連人士交易之詳情載於財務報表附註35。

本集團向華盛輔料採購輔料，為本集團重大關連人士交易，並構成本集團的持續關連交易。本集團已遵守上市規則項下有關持續關連交易的披露規定。除上文所述者外，載於財務報表附註34的其他關連人士交易並不構成上市規則項下之關連交易／持續關連交易。

公眾持股量充足

根據本公司可獲得的公開資料及據董事所悉，於本報告刊發日期，公眾人士持有本公司已發行股本總額最少25%。

審核委員會

本公司已成立審核委員會，由三位獨立非執行董事組成，並已採納符合上市規則的職權範圍。審核委員會的主要職責為審閱本集團財務資料，向外聘核數師作出推薦建議及監管本集團財務申報程序以及內部監控制度，並向董事會提供意見及建議。審核委員會已分別審閱本公司及本集團截至二零一九年十二月三十一日止財政年度的經審核財務報表及經審核綜合財務報表。

核數師

本財務報表已經由羅兵咸永道會計師事務所審核，該核數師任滿告退，但表示願意應聘連任。

代表董事會
主席
丁敏兒

香港，二零二零年三月二十五日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

To the Shareholders of China Ting Group Holdings Limited
(incorporated in the Cayman Islands with limited liability)

致華鼎集團控股有限公司股東
(於開曼群島註冊成立之有限公司)

Qualified Opinion

保留意見

What we have audited

The consolidated financial statements of China Ting Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 79 to 209, which comprise:

我們已審計的內容

華鼎集團控股有限公司(「貴公司」)及其附屬公司(「貴集團」)列載於第79至209頁的綜合財務報表，當中包括：

- the consolidated balance sheet as at 31 December 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

- 於二零一九年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合全面收入表；
- 截至該日止年度的綜合權益變動報表；
- 截至該日止年度的綜合現金流量報表；及
- 綜合財務報表附註，包括重大會計政策概要。

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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.

我們的保留意見

我們認為，除我們報告中「保留意見的基礎」一節所述事項可能產生的影響外，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實公允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其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

Basis for Qualified Opinion

As discussed in note 17 to the consolidated financial statements, the Group held financial assets at fair value through profit or loss of HK\$289 million and HK\$305 million with respect to Zhejiang Haoran Property Company Limited (“Zhejiang Haoran”) as at 31 December 2018 and 2019, respectively (“FVPL in Zhejiang Haoran”). A fair value gain of HK\$21 million and an exchange loss of HK\$5 million have been recognised in the consolidated profit or loss and other comprehensive income during the year ended 31 December 2019, respectively, for such FVPL in Zhejiang Haoran. The FVPL in Zhejiang Haoran represented the Group's equity interests in, shareholder's loans and advances granted to Zhejiang Haoran. The Group is continuing to seek for recovery of a portion of the shareholder's loan and advance to Zhejiang Haoran and to enforce its right as a shareholder of Zhejiang Haoran through legal proceedings.

In assessing the fair value of FVPL in Zhejiang Haoran as at 31 December 2019, management adopted the adjusted net asset value (“Adjusted NAV”) approach to estimate the fair value of FVPL in Zhejiang Haoran, which was described in notes 4(a) and 17(ii) to the consolidated financial statements. The Group is unable to obtain sufficient financial information of Zhejiang Haoran as at and for the year ended 31 December 2019 because management of Zhejiang Haoran did not provide such required financial information to the Group.

As such, the fair value of FVPL in Zhejiang Haoran as at 31 December 2019 was estimated by management using the Adjusted NAV approach based on Zhejiang Haoran's financial information as at 31 December 2016 and certain more up to date financial and other information made available to the Group during the legal proceedings. A number of assumptions were adopted using the information available to arrive at the estimated fair value as at 31 December 2019, the details of which were described in note 17(ii) to the consolidated financial statements. In addition, having obtained advice from the Group's legal counsel and considering the latest progress of the legal proceedings, the directors of the Company considered the Group has adequate merits and basis on the ongoing proceedings. Thus, the directors of the Company considered that the assumptions and basis applied in the fair value assessment of the FVPL in Zhejiang Haoran, including the recognition of fair value gain of HK\$21 million, are appropriate and continued to represent their best estimates and believe such financial assets will be realised in the next twelve months from 31 December 2019.

保留意見的基礎

如綜合財務報表附註17所討論，貴集團於二零一八年及二零一九年十二月三十一日分別持有與浙江浩然置業有限公司（「浙江浩然」）相關的按公平值列賬在損益表中處理之金融資產289百萬港元及305百萬港元（「於浙江浩然的按公平值列賬在損益表中處理之金融資產」）。於截至二零一九年十二月三十一日止年度，已分別就於浙江浩然的按公平值列賬在損益表中處理之金融資產，於綜合損益及其他全面收入中確認公平值收益21百萬港元及匯兌虧損5百萬港元。於浙江浩然的按公平值列賬在損益表中處理之金融資產指貴集團於浙江浩然的股權以及向其提供的股東貸款及墊款。貴集團正在通過法律程序持續努力收回對浙江浩然的部分股東貸款及墊款，並行使其作為浙江浩然之股東的權利。

於評估二零一九年十二月三十一日於浙江浩然的按公平值列賬在損益表中處理之金融資產公平值時，管理層採用經調整資產淨值（「經調整資產淨值」）法估計於浙江浩然的按公平值列賬在損益表中處理之金融資產公平值，詳述於綜合財務報表附註4(a)及17(ii)。由於浙江浩然的管理層未向貴集團提供要求提供的財務資料，貴集團未能取得浙江浩然於二零一九年十二月三十一日及截至該日止年度的充分財務資料。

因此，於浙江浩然的按公平值列賬在損益表中處理之金融資產於二零一九年十二月三十一日之公平值乃管理層基於浙江浩然於二零一六年十二月三十一日的財務資料以及法律程序中本集團獲得的若干更新財務資料及其他資料使用經調整資產淨值法估計得出。使用可得資料得出於二零一九年十二月三十一日的估計公平值時採納了多項假設，有關詳情請參閱綜合財務報表附註17(ii)。此外，經取得貴集團律師的意見並經考慮法律程序的最新進展，貴公司董事認為貴集團在其後的訴訟中佔據足夠的理據及依據。因此，貴公司董事認為，於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值評估中所應用之假設及基準（包括確認公平值收益21百萬港元）屬恰當且繼續代表彼等的最佳估計，並認為該等金融資產將於二零一九年十二月三十一日起計未來十二個月內變現。

As at the date of this report, the outcomes of legal proceedings between Zhejiang Haoran and the Group are uncertain. We were unable to obtain sufficient appropriate audit evidences we considered necessary to assess management's valuation and classification of the FVPL in Zhejiang Haoran as at 31 December 2019, including a written opinion from the Group's legal counsel in relation to the likelihood of different outcomes of the legal proceedings, the latest financial information of Zhejiang Haoran, a valuation report from an independent valuer on the relevant property owned by Zhejiang Haoran, and access to the management of Zhejiang Haoran to assess the appropriateness and accuracy of the financial information, assumptions and basis adopted by Group's management in their assessment of the fair value and classification of FVPL in Zhejiang Haoran. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments to the carrying value of the FVPL in Zhejiang Haoran and the related exchange reserve balances as at 31 December 2018 and 2019 and to the fair value gain and exchange loss in relation to the FVPL in Zhejiang Haoran for the year ended 31 December 2019 were necessary, and whether the classification of FVPL in Zhejiang Haoran as current assets was appropriate.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

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.

於本報告日期，浙江浩然與貴集團之間的法律程序的結果仍不確定。我們無法取得我們認為必要的充分適當審計憑證以評估管理層就二零一九年十二月三十一日於浙江浩然的按公平值列賬在損益表中處理之金融資產作出的估值及分類，包括貴集團法律顧問就法律程序不同結果的可能性給予的書面意見、浙江浩然的最新財務資料、獨立估值師就浙江浩然擁有的相關物業的估值，以及接觸浙江浩然的管理層以評估財務資料的適當性及準確性、貴集團管理層於評估於浙江浩然的按公平值列賬在損益表中處理之金融資產公平值及分類時所採用的假設及基準。我們無法執行其他令人滿意的審計程序，以確定是否需要對二零一八年及二零一九年十二月三十一日於浙江浩然的按公平值列賬在損益表中處理之金融資產的賬面值以及相關匯兌儲備結餘作出任何調整，以及是否需要對截至二零一九年十二月三十一日止年度於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值收益及匯兌損失作出任何調整，並確定將於浙江浩然的按公平值列賬在損益表中處理之金融資產分類為流動資產是否恰當。

我們已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」一節中作進一步闡述。

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保留意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他道德責任。

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. In addition to the matter described in the Basis for Qualified Opinion section, key audit matter identified in our audit is as follows:

- Impairment of trade receivables

Key Audit Matter

關鍵審計事項

Impairment of trade receivables

應收貿易賬款減值

Refer to notes 3.1(d), 4(b) and 16 to the consolidated financial statements

請參閱綜合財務報表附註3.1(d)、4(b)及16。

As at 31 December 2019, the Group had gross trade receivables of HK\$431 million and provision for impairment of trade receivables of HK\$72 million.

於二零一九年十二月三十一日，貴集團擁有應收貿易賬款總額431百萬港元及應收貿易賬款減值撥備72百萬港元。

Provision is made for lifetime expected credit losses on trade receivables. 撥備乃按應收貿易賬款的存續期預期信貸虧損計提。

Management applied judgement in assessing the expected credit losses. Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the receivables.

管理層在評估預期信貸虧損時作出判斷。與已知出現財務困難或高度懷疑無法收取應收款項的客戶有關的應收款項單獨評估計提減值撥備。預期信貸虧損亦通過劃分擁有共同信貸風險特徵並共同評估收回可能性的剩餘應收款項組別、考慮客戶性質、其地理位置及賬齡類別以及對應收款項的相應賬面總額應用預期信貸虧損率而估計得出。

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。該等事項為我們審計整體財務報表及出具意見時進行處理的關鍵審計事項，而我們不會對該等事項提供單獨的意見。除「保留意見的基礎」一節所述的事項外，我們於審計中識別的關鍵審計事項概述如下：

- 應收貿易賬款的減值

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

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

我們了解及驗證管理層執行的信貸控制程序，包括其關於定期檢討產生時間較長的應收款項以及評估應收款項預期信貸虧損撥備的程序。

We obtained management's impairment assessment on the receivables relating to customers with known financial difficulties or with significant doubt on collection. We inquired and assessed management's judgment on the recoverability of those receivables and corroborated and validated management's assessment taking into account the financial conditions of the relevant customers.

我們已獲得管理層對與已知出現財務困難或高度懷疑無法收取應收款項的客戶有關的應收賬款作出的減值評估。我們詢問及評估管理層對該等應收賬款的可收回性作出的判斷，並考慮相關客戶的財務狀況證明及驗證管理層所作評估。

We tested on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices.

我們通過核對相關銷售發票抽樣測試應收貿易賬齡情況的準確性。

Key Audit Matter

關鍵審計事項

The expected credit loss rates are determined based on historical credit losses experienced from the past 12 months and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

預期信貸虧損率乃基於過去十二個月內產生的過往信貸虧損而釐定，並經調整以反映當前及前瞻性資料，例如影響客戶結算應收款項能力的宏觀經濟因素。

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

我們因應收貿易賬款金額較大以及在釐定應收貿易賬款的預期信貸虧損撥備時需要估計及判斷而關注此方面。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We tested on a sample basis, the subsequent settlement of trade receivables against bank receipts.

我們對照銀行進賬單抽樣測試應收貿易賬款的後續結算情況。

We obtained management's assessment on the expected credit losses allowance of receivables. We corroborated and validated management's assessment based on the historical settlement pattern from the past 12 months, correspondence with the customers, evidence from external sources including the relevant public search results relating to the financial circumstances of the relevant customers and market research regarding the relevant forward-looking information such as macroeconomic factors used in management's assessment.

我們已獲得管理層對應收款項預期信貸虧損撥備的評估。我們基於過去十二個月的過往結算模式、與客戶的通訊、通過外部來源獲取的證據（包括與相關客戶財務情況有關的公開研究結果）及與管理層評估所用宏觀經濟因素等相關前瞻性資料有關的市場研究確認並驗證管理層所作評估。

We consider the estimation and judgement made by management in respect of the expected credit losses allowance and the collectability of receivables are supportable by the available evidence.

我們認為，管理層就應收款項的預期信貸虧損撥備及可收回性所作估計及判斷能夠以可得證據作支持。

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of 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. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the fair value of the FVPL in Zhejiang Haoran and the related exchange reserve balances as at 31 December 2018 and 2019, the fair value gain and exchange loss of the FVPL in Zhejiang Haoran for the year ended 31 December 2019 and the classification of the FVPL in Zhejiang Haoran as current assets. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，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。誠如上文「保留意見的基礎」一節所述，對於二零一八年及二零一九年十二月三十一日於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值以及相關匯兌儲備結餘、截至二零一九年十二月三十一日止年度於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值收益及匯兌損失，以及將於浙江浩然的按公平值列賬在損益表中處理之金融資產分類為流動資產，我們無法獲取充分的審計證據。因此，我們無法判斷其他信息是否存在有關該事項的重大錯誤陳述。

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

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

董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會須負責監督 貴集團的財務報告過程。

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

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional 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。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理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。

- 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.
- 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相關交易和事項。
- 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。

We communicate with 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 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.

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

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

Independent Auditor's Report

獨立核數師報告

From the matters communicated with 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 Chan Chiu Kong, Edmond.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2020

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

出具本獨立核數師報告的審計項目合夥人是陳朝光。

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月二十五日

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	6	480,208	469,646
Right-of-use assets	使用權資產	7	189,768	—
Investment properties	投資物業	8	371,232	363,711
Land use rights	土地使用權	9	—	76,384
Intangible assets	無形資產	10	14,574	10,623
Interests in associates	於聯營公司之權益	12	1,236	1,846
Interests in joint ventures	於合營公司之權益	13	—	14,690
Promissory note	承兌票據	16	24,227	—
Prepayments	預付款項	16	—	15,526
Deferred income tax assets	遞延所得稅資產	23	86,417	78,463
			1,167,662	1,030,889
Current assets	流動資產			
Inventories	存貨	14	982,023	995,661
Trade and other receivables	應收貿易賬款及其他 應收款項	16	647,615	746,107
Financial assets at fair value through profit or loss ("FVPL")	按公平值列賬在損益表中 處理之金融資產	17	310,505	304,269
Financial assets at fair value through other comprehensive income ("FVOCI")	按公平值計入其他全面 收入之金融資產	18	9,087	—
Promissory note	承兌票據	16	12,380	38,124
Entrusted loans	委託貸款	16	5,643	166,022
Tax recoverable	可收回稅項		6,413	9,939
Pledged bank deposits	已抵押銀行存款	19	4,815	50,957
Fixed deposits	定期存款	19	10,020	20,553
Cash and bank balances	現金及銀行結餘	19	455,596	448,547
			2,444,097	2,780,179
Assets held for sale	持作出售資產	20	8,590	8,674
			2,452,687	2,788,853
Total assets	資產總額		3,620,349	3,819,742

The notes on pages 86 to 209 are an integral part of these consolidated financial statements.

第86至209頁之附註為該等綜合財務報表的組成部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	21	209,982	209,982
Reserves	22	2,304,541	2,401,303
Non-controlling interests		2,514,523	2,611,285
		22,967	28,724
Total equity		2,537,490	2,640,009
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	23	87,293	83,136
Lease liabilities	7	18,539	—
		105,832	83,136
Current liabilities			
Trade and other payables	24	513,056	694,161
Contract liabilities	5	22,791	29,534
Lease liabilities	7	10,885	—
Bank borrowings	25	424,855	367,057
Current income tax liabilities		5,440	5,845
		977,027	1,096,597
Total liabilities		1,082,859	1,179,733
Total equity and liabilities		3,620,349	3,819,742

The financial statements on pages 79 to 209 were approved by the Board of Directors on 25 March 2020 and were signed on its behalf.

第79至209頁的財務報表於二零二零年三月二十五日由董事會批准，並由以下董事代為簽署。

TING Man Yi
丁敏兒
Director
董事

TING Hung Yi
丁雄尔
Director
董事

The notes on pages 86 to 209 are an integral part of these consolidated financial statements.

第86至209頁之附註為該等綜合財務報表的組成部分。

Consolidated Statement of Comprehensive Income

綜合全面收入表

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

		Note 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	收入	5	1,899,011	2,274,818
Cost of sales	銷售成本	30	(1,524,650)	(1,711,636)
Gross profit	毛利		374,361	563,182
Other income, net	其他收入淨額	26	33,846	21,476
Other gains, net	其他收益淨額	27	62,886	52,115
Net reversal of/(provision for) impairment loss of financial assets	金融資產減值虧損撥回/ (撥備)淨額	16	9,425	(19,025)
Selling, marketing and distribution costs	銷售、營銷及分銷成本	30	(228,630)	(258,431)
Administrative expenses	行政開支	30	(281,598)	(310,324)
Operating (loss)/profit	經營(虧損)/溢利		(29,710)	48,993
Finance income	融資收入	28	8,997	7,342
Finance costs	融資成本	28	(15,241)	(10,603)
Share of (losses)/profits of associates	分佔聯營公司(虧損)/ 溢利	12	(585)	146
Share of losses of joint ventures	分佔合營公司虧損	13	(573)	(4,603)
(Loss)/profit before income tax	除所得稅前(虧損)/ 溢利		(37,112)	41,275
Income tax expense	所得稅開支	29	(18,547)	(14,067)
(Loss)/profit for the year	年內(虧損)/溢利		(55,659)	27,208
Other comprehensive (loss)/income	其他全面(虧損)/收入			
<i>Items that may be reclassified to profit or loss:</i>	<i>可能重新分類至損益的 項目:</i>			
Currency translation differences	貨幣換算差額		(41,893)	(144,098)
Fair value gains on transfers of owner-occupied properties to investment properties, net of tax	自用物業轉為投資物業 之公平值收益, 扣除 稅項		—	207,638
<i>Item that will not be reclassified subsequently to profit or loss:</i>	<i>其後不會重新分類至損益 的項目:</i>			
Fair value gain on FVOCI	按公平值計入其他全 面收入之金融資產 之公平值收益		301	—
Other comprehensive (loss)/income, net of tax	其他全面(虧損)/收入, 扣除稅項		(41,592)	63,540
Total comprehensive (loss)/income	全面(虧損)/收入總額		(97,251)	90,748

The notes on pages 86 to 209 are an integral part of these consolidated financial statements.

第86至209頁之附註為該等綜合財務報表的組成部分。

Consolidated Statement of Comprehensive Income

綜合全面收入表

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

	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	
(Loss)/profit attributable to:	以下人士應佔之(虧損)/溢利:			
Equity holders of the Company	本公司股權持有人	(54,686)	21,045	
Non-controlling interests	非控制性權益	(973)	6,163	
		(55,659)	27,208	
Total comprehensive (loss)/income attributable to:	以下人士應佔之全面(虧損)/收入總額:			
Equity holders of the Company	本公司股權持有人	(96,762)	85,349	
Non-controlling interests	非控制性權益	(489)	5,399	
		(97,251)	90,748	
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company during the year (expressed in HK cents per share)	年內本公司股權持有人應佔(虧損)/溢利之每股(虧損)/盈利(以每股股份港仙呈列)			
— basic	— 基本	32	(2.60)	1.00
— diluted	— 攤薄	32	(2.60)	1.00

The notes on pages 86 to 209 are an integral part of these consolidated financial statements.

第86至209頁之附註為該等綜合財務報表的組成部分。

Consolidated Statement of Changes in Equity

綜合權益變動報表

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

		Note 附註	Attributable to equity holders of the Company 本公司股權持有人應佔					Non- controlling interests 非控制性 權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
			Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 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		209,982	978,251	555,145	867,907	2,611,285	28,724	2,640,009
Comprehensive loss	全面虧損								
Loss for the year	年內虧損		—	—	—	(54,686)	(54,686)	(973)	(55,659)
Other comprehensive (loss)/ income	其他全面(虧損)/ 收入								
Currency translation differences	貨幣換算差額	22	—	—	(42,377)	—	(42,377)	484	(41,893)
Fair value gain on FVOCI	按公平值計入其他 全面收入之金融 資產之公平值收益	18	—	—	301	—	301	—	301
Total comprehensive loss	全面虧損總額		—	—	(42,076)	(54,686)	(96,762)	(489)	(97,251)
Transactions with owners	與擁有人之交易								
Transfer to statutory reserves	轉撥至法定儲備		—	—	14,917	(14,917)	—	—	—
Dividend paid to a non-controlling shareholder	已付非控股股東股息		—	—	—	—	—	(5,268)	(5,268)
Total transactions with equity holders of the Company	與本公司股權持有人 之交易總額		—	—	14,917	(14,917)	—	(5,268)	(5,268)
At 31 December 2019	於二零一九年 十二月三十一日		209,982	978,251	527,986	798,304	2,514,523	22,967	2,537,490

The notes on pages 86 to 209 are an integral part of these consolidated financial statements.

第86至209頁之附註為該等綜合財務報表的組成部分。

Consolidated Statement of Changes in Equity

綜合權益變動報表

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

		Attributable to equity holders of the Company 本公司股權持有人應佔					Non- controlling interests 非控制性 權益	Total equity 權益總額
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	Note 附註							
At 1 January 2018	於二零一八年 一月一日	209,982	978,251	485,541	852,162	2,525,936	23,325	2,549,261
Comprehensive income	全面收入							
Profit for the year	年內溢利	—	—	—	21,045	21,045	6,163	27,208
Other comprehensive (loss)/ income	其他全面(虧損)/ 收入							
Currency translation differences	貨幣換算差額	22	—	(143,334)	—	(143,334)	(764)	(144,098)
Revaluation surplus upon transfers of owner-occupied properties to investment properties, net of tax	自用物業轉為投資物 業後之重估盈餘， 扣除稅項		—	207,638	—	207,638	—	207,638
Total comprehensive income	全面收入總額	—	—	64,304	21,045	85,349	5,399	90,748
Transaction with owners	與擁有人之交易							
Transfer to statutory reserves	轉撥至法定儲備	—	—	5,300	(5,300)	—	—	—
Total transaction with equity holders of the Company	與本公司股權持有人 之交易總額	—	—	5,300	(5,300)	—	—	—
At 31 December 2018	於二零一八年 十二月三十一日	209,982	978,251	555,145	867,907	2,611,285	28,724	2,640,009

The notes on pages 86 to 209 are an integral part of these consolidated financial statements.

第86至209頁之附註為該等綜合財務報表的組成部分。

Consolidated Statement of Cash Flows

綜合現金流量報表

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

	Note 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	營運活動現金流量			
Net cash (used in)/generated from operations	經營(所用)/所得現金淨額	33(a)	(75,024)	18,013
Interest paid	已付利息		(15,241)	(10,603)
Income tax paid	已付所得稅		(18,418)	(44,395)
Net cash used in operating activities	營運活動所用現金淨額		(108,683)	(36,985)
Cash flows from investing activities	投資活動現金流量			
Purchases of property, plant and equipment	購買物業、廠房及設備		(185,045)	(70,817)
Prepayments for purchases of property, plant and equipment	購買物業、廠房及設備的預付款項		—	(15,526)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	33(b)	7,974	7,334
Compensation from requisition and demolition of property, plant and equipment and land use rights	物業、廠房及設備以及土地使用權徵用及拆除補償金	33(c)	24,448	40,349
Purchase of right-of-use assets	購買使用權資產		(14,381)	—
Repayment of entrusted loans	償還委託貸款	16(iii)	175,867	—
Investment in a joint venture	於合營公司之投資		—	(17,781)
Acquisition of a subsidiary	收購一家附屬公司	36	3,512	—
Decrease/(increase) in fixed deposits with initial term of over three months	原期限超過三個月之定期存款減少/(增加)		10,533	(20,553)
Decrease/(increase) in pledged deposits	已抵押存款減少/(增加)		46,142	(22,018)
Interest received	已收利息		10,514	6,132
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額		79,564	(92,880)
Cash flows from financing activities	融資活動現金流量			
Proceeds from bank borrowings	銀行借款所得款項		544,106	267,829
Repayment of bank borrowings	償還銀行借款		(484,896)	(145,258)
Lease payments	租賃付款		(12,243)	—
Dividend paid to a non-controlling shareholder	已付非控股股東股息		(5,268)	—
Net cash generated from financing activities	融資活動所得現金淨額	33(d)	41,699	122,571
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加/(減少)淨額		12,580	(7,294)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目		448,547	469,447
Exchange difference	匯兌差額		(5,531)	(13,606)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	19	455,596	448,547

The notes on pages 86 to 209 are an integral part of these consolidated financial statements.

第86至209頁之附註為該等綜合財務報表的組成部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 General information

China Ting Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 31 May 2005 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (together, the “Group”) are engaged in manufacturing and sale of garments and property investment.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 December 2005 (the “Listing”).

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong). They have been prepared under the historical cost convention, as modified by the revaluation of FVPL, FVOCI and investment properties, which are carried at fair value and assets held for sale which are carried at fair value less cost to sell.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

1 一般資料

華鼎集團控股有限公司(「本公司」)於二零零五年五月三十一日根據開曼群島公司法(第22章,一九六一年第三號法案,經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司及其附屬公司(統稱為「本集團」)之業務為製造及銷售成衣以及物業投資。

本公司股份已自二零零五年十二月十五日起在香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)。

除另有說明外,此等綜合財務報表乃以港元(「港元」)呈列。

2 重大會計政策概要

編製此等綜合財務報表所用之主要會計政策載列如下。除另有說明外,此等政策已於所有呈列年度貫徹應用。

2.1 編製基準

本公司已按照所有適用之香港財務報告準則(「香港財務報告準則」)及香港法例第622章香港公司條例之披露規定編製綜合財務報表。該等報表乃按歷史成本法編製,並就按公平值列賬在損益表中處理之金融資產、按公平值計入其他全面收入之金融資產及投資物業(全部按公平值列賬)以及持作出售資產(按公平值減銷售成本列賬)之重估作出修訂。

依據香港財務報告準則編製綜合財務報表須使用若干重要會計估計。管理層於應用本集團會計政策時亦需發揮其判斷力。涉及大量判斷或複雜程度較高之範疇,或對綜合財務報表具重大影響之假設及估計所屬之範疇,均於附註4中披露。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) *New and amended standards and interpretations adopted by the Group*

The following new and amended standards and interpretations have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2019:

HK (IFRIC) 23	Uncertainty over income tax treatments
Amendments to HKFRS 9	Prepayment features with negative compensation
HKFRS 16	Leases
Amendments to HKAS 19	Plan amendment, curtailment or settlement
Amendments to HKAS 28	Long-term interests in associates and joint ventures
Amendments to HKFRSs	Annual improvements to HKFRSs standards 2015–2017 cycle

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in Note 2.2. Most of the other new and amended standards and interpretations listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 重大會計政策概要(續)

2.1 編製基準(續)

(a) *本集團採納之新訂及經修訂準則及詮釋*

以下新訂及經修訂之準則及詮釋已由本集團於二零一九年一月一日或之後開始的財政年度首次採納：

香港(國際財務報告委員會)第23號	所得稅不確定性事項的處理
香港財務報告準則第9號(修訂本)	具有負補償之提早還款特性
香港財務報告準則第16號	租賃
香港會計準則第19號(修訂本)	計劃修改、縮減或結算
香港會計準則第28號(修訂本)	於聯營公司及合營公司的長期權益
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期之年度改進

本集團因採納香港財務報告準則第16號而須變更其會計政策。本集團已選擇追溯採納新規則，但已確認於二零一九年一月一日初始應用該新訂準則之累計影響。有關內容披露於附註2.2。上文所列之大多數其他新訂及經修訂準則及詮釋並無對以往期間確認的金額產生任何影響，且預期不會對本期或未來期間產生重大影響。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards and interpretations not yet adopted

		Effective for annual periods beginning on or after
Amendments to HKFRS 3	Business combinations	1 January 2020
Amendments to HKAS 1 and HKAS 8	Definition of material	1 January 2020
Amendments to HKFRS 7, HKFRS 9 and HKAS 39	Interest rate benchmark reform	1 January 2020
Conceptual framework for financial reporting 2018	Revised conceptual framework for financial reporting	1 January 2020
HKFRS 17	Insurance contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor, associate or joint venture	To be determined

None of the above new standards and amendments is expected to have a significant effect on the consolidated financial statements of the Group.

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 尚未採納之新訂及經修訂準則及詮釋

		於以下日期或之後開始之年度期間生效
香港財務報告準則第3號(修訂本)	業務合併	二零二零年一月一日
香港會計準則第1號及香港會計準則第8號(修訂本)	「重要性」的定義	二零二零年一月一日
香港財務報告準則第7號、香港財務報告準則第9號及香港會計準則第39號(修訂本)	利率基準改革	二零二零年一月一日
二零一八年財務報告概念框架	財務報告概念框架之修訂	二零二零年一月一日
香港財務報告準則第17號	保險合約	二零二一年一月一日
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間出售或注入資產	待定

上述新訂及經修訂準則預期不會對本集團綜合財務報表產生重大影響。

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 “Leases” on the Group’s consolidated financial statements.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated balance sheet on 1 January 2019. The new accounting policies are disclosed in Note 2.29.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was at 4.70%.

2 重大會計政策概要(續)

2.2 會計政策變更

本附註解釋採納香港財務報告準則第16號「租賃」對本集團綜合財務報表的影響。

本集團自二零一九年一月一日起追溯性採納香港財務報告準則第16號，惟按準則中所允許的特定過渡性條文，並無重列二零一八年報告期間的可比較數字。因此，因新租賃準則而產生的重新分類及調整於二零一九年一月一日的年初綜合資產負債表中確認。新會計政策於附註2.29披露。

於採納香港財務報告準則第16號時，本集團已就先前根據香港會計準則第17號「租賃」的原則分類為「經營租賃」的租賃確認租賃負債。該等負債按剩餘租賃付款的現值計量，並使用承租人截至二零一九年一月一日的增量借款利率貼現。承租人於二零一九年一月一日應用於租賃負債的加權平均增量借款利率為4.70%。

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

(i) *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) 4 "Determining whether an Arrangement contains a Lease".

2 重大會計政策概要(續)

2.2 會計政策變更(續)

(i) *所採用的實用權宜方法*

於首次應用香港財務報告準則第16號時，本集團已採用獲準則許可的以下實際權宜方法：

- 對具有合理相似特徵的租賃組合使用單一貼現率；
- 依賴先前關於租賃是否屬虧損的評估；
- 對於二零一九年一月一日剩餘租期少於12個月的經營租賃按短期租賃進行會計處理；
- 於初始應用日期撇除初始直接成本以計量使用權資產；及
- 倘合約包含延長或終止租約的選擇權，則可於釐定租期時使用事後分析。

本集團亦已選擇不在初始應用日期重估合約是否屬於或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依賴其應用香港會計準則第17號及香港(國際財務報告詮釋委員會) — 詮釋第4號「釐定安排是否包括租賃」作出的評估。

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

(ii) Measurement of lease liabilities

		2019 二零一九年 HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	22,792
Discounted at the date of initial application	於初始應用日期貼現	22,160
Less:	減：	
Exemption for short term and low value leases	短期及低價值租賃的豁免	(10,219)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認的租賃負債	11,941
Current lease liabilities	即期租賃負債	7,801
Non-current lease liabilities	非即期租賃負債	4,140
		11,941

2 重大會計政策概要(續)

2.2 會計政策變更(續)

(ii) 租賃負債之計量

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

(iii) Measurement of right-of-use assets

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet as at 31 December 2018.

There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

Leasehold land and land use rights
Properties
Office equipment

2 重大會計政策概要(續)

2.2 會計政策變更(續)

(iii) 使用權資產之計量

相關使用權資產按相等於租賃負債的金額計量，並按與於二零一八年十二月三十一日的綜合資產負債表確認有關租賃的任何預付或應計租賃付款金額作出調整。

概無須於初始應用日期對使用權資產作出調整的虧損租賃合約。

已確認的使用權資產與下列類型的資產相關：

		As at 1 January 2019 於二零一九年 一月一日 HK\$'000 千港元
Leasehold land and land use rights	租賃土地及土地使用權	153,838
Properties	物業	11,629
Office equipment	辦公設備	312
		165,779

2 Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

(iv) Adjustments recognised in the consolidated balance sheet on 1 January 2019

The change in accounting policy affected the following items in the consolidated balance sheet on 1 January 2019:

- property, plant and equipment— decreased by approximately HK\$77,454,000
- land use rights — decreased by approximately HK\$76,384,000
- right-of-use assets — increased by approximately HK\$165,779,000
- lease liabilities — increased by approximately HK\$11,941,000

The net impact on retained earnings on 1 January 2019 was nil.

(v) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.

2.3 Subsidiaries

2.3.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 重大會計政策概要(續)

2.2 會計政策變更(續)

(iv) 於二零一九年一月一日綜合資產負債表內確認之調整

會計政策變動影響綜合資產負債表下列項目於二零一九年一月一日的金額：

- 物業、廠房及設備 — 減少約77,454,000港元
- 土地使用權 — 減少約76,384,000港元
- 使用權資產 — 增加約165,779,000港元
- 租賃負債 — 增加約11,941,000港元

對二零一九年一月一日保留盈利造成的淨影響為零。

(v) 出租人會計處理

本集團無需因採納香港財務報告準則第16號而對以出租人身份在經營租賃項下所持資產的會計處理作出任何調整。

2.3 附屬公司

2.3.1 綜合賬目

附屬公司指本集團對其擁有控制權之實體(包括結構實體)。當本集團面對或有權自其參與實體而取得浮動回報及透過其對實體擁有之權力而有能力影響該等回報，則本集團對實體擁有控制權。附屬公司由控制權轉讓予本集團當日起全面綜合賬目，並於控制權終止當日停止綜合賬目。

2 Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) *Business combination*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.1 綜合賬目(續)

(a) *業務合併*

本集團採用收購法為業務合併入賬。就收購一間附屬公司所轉讓代價為所轉讓資產、對被收購人之前擁有人產生之負債及本集團所發行股權之公平值。所轉讓代價包括或然代價安排所產生之任何資產或負債之公平值。於業務合併時所收購之可識別資產及所承擔之負債及或然負債初始按其於收購日期之公平值計量。

本集團以收購方式確認被購買方的任何非控制性權益。被購買方持有的所有者權益的非控制性權益及其持有人在清算情況下佔實體淨資產份額的比例以公平值計量或以當期所有者權益的比例，以確認金額計量被購買方的可辨認淨資產。非控制性權益的所有其他組成部分以購買日的公平值計量，除非香港財務報告準則另有計量基礎。

收購相關成本於產生時支銷。

2 Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) *Business combination (Continued)*

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated profit or loss (Note 2.11).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.1 綜合賬目(續)

(a) *業務合併(續)*

所轉讓代價、被收購人之任何非控制性權益金額及任何先前於被收購人之股權於收購日期之公平值，超逾所收購可識別資產淨值之公平值之差額乃入賬列作商譽。倘在廉價購入之情況下，該數額低於所收購附屬公司資產淨值之公平值，則該差額會直接於綜合損益表內確認(附註2.11)。

集團內公司間之公司間交易、結餘及交易之未變現收益均予以抵銷。未變現虧損亦會抵銷，惟有證據顯示交易中所轉讓資產出現減值則除外。附屬公司之會計政策已按需要作出變更，以確保與本集團所採納之政策相符。

2 Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.1 綜合賬目(續)

(b) *附屬公司所有者權益變動而控制權並無變動*

不造成失去控制權的非控制性權益交易入賬列作權益交易，即與附屬公司所有者以擁有人身份交易。任何支付對價的公平值與附屬公司淨資產賬面價值的相關收購份額之間的差額計入權益。處置非控制性權益的損益也記入權益。

(c) *處置附屬公司*

當本集團停止控制時，該實體的任何留存權益在控制權損失之日重新計入其公平值，賬面價值變動確認為損益。公平值為後續會計期間作為聯營公司、合營公司或金融資產的留存權益的初始賬面價值。此外，以前在該實體的其他全面收入中確認的金額，如同本集團直接處置相關資產或負債一樣計入當期損益。這意味著以前在其他全面收入中確認的金額重新分類為利潤或虧損，或轉入適用香港財務報告準則指定/允許的另一類股權。

2 Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 重大會計政策概要(續)

2.3 附屬公司(續)

2.3.2 獨立財務報表

於附屬公司之投資乃以成本減去減值入賬。成本經調整以反映因或然代價修訂產生之代價變動。成本亦包括投資之直接應佔費用。附屬公司之業績乃由本公司按已收及應收股息為基準入賬。

倘從附屬公司投資收取之股息超過該附屬公司於股息宣派期間之全面收入總額，或倘獨立財務報表所列投資之賬面值超過綜合財務報表所列被投資方資產淨值(包括商譽)之賬面值，則於收到該等投資之股息後須對有關投資進行減值測試。

2 Summary of significant accounting policies (Continued)

2.4 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the consolidated profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying values and recognises the amount adjacent to 'share of losses of associates' in the consolidated profit or loss.

2 重大會計政策概要(續)

2.4 聯營公司

聯營公司指本集團擁有重大影響力但並不擁有控制權，且一般擁有之股權相當於20%至50%投票權之所有實體。於聯營公司之投資乃使用權益會計法入賬，並初步按成本確認，且於收購日期後增加或減少賬面值以確認投資者分佔被投資方之溢利或虧損。本集團於聯營公司之投資包括收購時所識別之商譽(扣除任何累計減值虧損)。收購聯營公司之所有權權益後，聯營公司之成本與本集團分佔聯營公司可識別資產及負債之公平淨值之間的任何差額以商譽入賬。

倘於聯營公司之所有權權益減少但保留重大影響力，則先前於其他全面收入內確認之金額僅有一定比例部份乃重新分類至綜合損益表(如適用)。

本集團分佔其聯營公司之收購後溢利或虧損乃於綜合損益表中確認，而其分佔收購後之其他全面收入之變動則在其他全面收入中確認，並對投資賬面值作出相應調整。當本集團分佔聯營公司之虧損等於或超過其於聯營公司之權益(包括任何其他無抵押應收款項)，則本集團不會確認進一步虧損，惟本集團代表聯營公司產生債務或支付款項則除外。

本集團在每個報告日期釐定於聯營公司之投資是否存在任何客觀減值證據。倘情況屬實，則本集團計算之減值金額為聯營公司之可收回金額與其賬面值間之差額，並在綜合損益表之「分佔聯營公司虧損」確認有關金額。

2 Summary of significant accounting policies (Continued)

2.4 Associates (Continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated profit or loss.

2.5 Joint ventures

Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

2 重大會計政策概要(續)

2.4 聯營公司(續)

本集團與其聯營公司所進行交易之未變現收益按本集團於聯營公司之權益比例抵銷。除非有關交易證明所轉讓資產出現減值，否則未變現虧損亦予以抵銷。

聯營公司之會計政策已在需要時作出改動，以確保與本集團所採納之政策貫徹一致。

於聯營公司之投資所產生之攤薄收益及虧損於綜合損益表中確認。

2.5 合營公司

合營公司乃使用權益法入賬。

根據權益會計法，於合營公司之權益最初按成本確認，隨後進行調整以確認本集團應佔收購後溢利或虧損及其他全面收入之變動。倘本集團應佔合營公司之虧損等於或超過其於合營公司之權益(包括實際上構成本集團於合營公司之投資淨額一部份之任何長期權益)，則本集團不會再確認進一步虧損，除非本集團代表合營公司產生債務或支付款項，則作別論。

本集團與其合營公司所進行交易之未變現收益按本集團於合營公司之權益比例抵銷。除非有關交易證明所轉讓資產出現減值，否則未變現虧損亦予以抵銷。合營公司之會計政策已在有需要時作出改動，以確保與本集團所採納之政策貫徹一致。

2 Summary of significant accounting policies (Continued)

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who make strategic decisions.

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's presentation currency. The functional currency of the Company is United States dollars ("US\$").

(b) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2 重大會計政策概要(續)

2.6 分部報告

營運分部報告與向主要營運決策人提供之內部報告之方式貫徹一致。主要營運決策人負責分配資源及評估營運分部業績，並已獲識別為制定戰略決策之執行董事。

2.7 外幣換算

(a) 功能及呈報貨幣

本集團各實體之財務報表所包括項目，乃按該實體經營所在之主要經濟環境所用貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，港元為本公司之呈報貨幣。本公司之功能貨幣為美元（「美元」）。

(b) 交易及結餘

外幣交易按於交易日期當時之匯率換算為功能貨幣。因結算該等交易及按年結日匯率換算外幣計值之貨幣資產及負債而產生之匯兌盈虧，均於綜合損益表中確認。

以外幣按公平值計量的非貨幣項目使用釐定公平值當日的匯率進行換算。按公平值列賬的資產及負債的換算差額作為公平值損益的一部分列報。例如，按公平值列賬在損益表中處理的權益等非貨幣資產及負債的換算差額作為公平值損益的一部分在損益中確認，而分類為按公平值列賬在其他全面收入處理的權益等非貨幣資產的換算差額在其他全面收入中確認。

2 Summary of significant accounting policies (Continued)

2.7 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were previously recorded in equity are recognised in the consolidated profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2 重大會計政策概要(續)

2.7 外幣換算(續)

(c) 集團公司

本集團所有實體(全部均非採用高通脹經濟體系貨幣)之功能貨幣倘有別於呈報貨幣,其業績及財務狀況乃按以下方式換算為呈報貨幣:

- (i) 各資產負債表所列資產及負債按該結算日之收市匯率換算;
- (ii) 各損益表所列收支按平均匯率換算(除非此平均匯率並非合理地概括反映於交易日期當時匯率之累計影響,在此情況下,收支則按交易日期之匯率換算);及
- (iii) 因此產生之一切匯兌差額均於其他全面收入中確認。

於綜合賬目時,換算海外業務投資淨值所產生之匯兌差額將於股東權益中處理。當處置或出售部份海外業務時,先前於權益入賬之匯兌差額乃於綜合損益表中確認為銷售收益或虧損之一部份。

收購海外實體所產生之商譽及公平值調整列作海外實體資產及負債,並按收市匯率換算。

2 Summary of significant accounting policies (Continued)

2.8 Property, plant and equipment

Property, plant and equipment, except for construction in progress, are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20–40 years or shorter of remaining lease term or useful life
Leasehold improvements	5 years
Plant and machinery	5–10 years
Vehicles	3–10 years
Furniture, fittings and equipment	5–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated profit or loss.

2 重大會計政策概要(續)

2.8 物業、廠房及設備

物業、廠房及設備(在建工程除外)按歷史成本減累計折舊及累計減值虧損後列賬。歷史成本包括收購該等項目直接應佔開支。

只有在項目有關之未來經濟利益將有可能流入本集團及項目成本能可靠計量時，其後成本才會列入資產賬面值或確認為一項單獨資產(視乎適用者而定)。替代部份之賬面值終止確認。所有其他維修及維護則於其產生之財政期間內在損益表扣除。

物業、廠房及設備折舊以直線法計算，按其估計可使用年期將其成本分配至其剩餘價值，估計可使用年期如下：

樓宇	20–40年或按餘下租賃年期或可使用年期之較短者
租賃物業裝修	5年
廠房及機械	5–10年
汽車	3–10年
傢俬、裝修及設備	5–10年

資產剩餘價值及可使用年期於每個報告期間審閱及調整(如適用)。倘資產賬面值大於其估計可收回金額，則該資產賬面值即時撇減至其可收回金額(附註2.12)。

出售所得收益及虧損乃透過比較所得款項及賬面值釐定，並包括在綜合損益表內。

2 Summary of significant accounting policies (Continued)

2.8 Property, plant and equipment (Continued)

Construction in progress represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses. Cost includes the costs of construction of buildings, costs of plant and machinery, and borrowing costs arising from borrowings used to finance these assets during the year of construction or installation and testing. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to respective property, plant and equipment and depreciated in accordance with the policy as stated above.

2.9 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group's entities, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Changes in fair values are recognised in the consolidated profit or loss, as part of the "other gains, net".

2.10 Assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2 重大會計政策概要(續)

2.8 物業、廠房及設備(續)

在建工程指在建或有待裝置之樓宇、廠房及機械，並按成本減去累計減值虧損後入賬。成本包括樓宇建築成本、廠房及機械成本以及就作為該等資產於興建或安裝及測試年內融資之借貸產生之借貸成本。在建工程直至有關資產完成及可作擬定用途前不計提折舊撥備。當有關資產投入運作時，將成本轉撥至相關物業、廠房及設備，並按上文所述之政策計提折舊。

2.9 投資物業

持作長期租金收益或資本升值或上述兩者之物業，而並非由本集團內各實體佔用之物業，均列作投資物業。投資物業初步以成本(包括相關交易成本)計量。經初步確認後，投資物業按公平值列賬。公平值變動於綜合損益表中確認為「其他收益淨額」之一部份。

2.10 持作出售資產

倘非流動資產的賬面值可主要通過出售交易而非持續使用收回，會分類為持作出售。就此而言，除僅須符合出售相關資產或出售組別的慣常條款外，資產必須可即時按現狀出售，且出售機會極高。分類為出售組別的附屬公司所有資產及負債均重新分類為持作出售，不論本集團於出售後是否保留於前附屬公司的非控制性權益。

分類為持作出售的非流動資產(投資物業及金融資產除外)按賬面值或公平值減銷售成本之較低者計量。分類為持作出售的物業、廠房及設備與無形資產不會折舊或攤銷。

2 Summary of significant accounting policies (Continued)

2.11 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate/joint venture at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates/joint ventures is included in interests in associates/joint ventures and is tested annually for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination in which the goodwill arose identified according to operating segment.

(b) Trademarks

Trademarks are shown at historical cost. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 years.

2 重大會計政策概要(續)

2.11 無形資產

(a) 商譽

商譽指收購成本超出本集團於收購日期分佔已收購附屬公司／聯營公司／合營公司可識別資產淨值之公平值之差額。收購附屬公司所產生之商譽計入無形資產。收購聯營公司／合營公司之商譽則計入於聯營公司／合營公司之權益，並作為整體結餘之一部份每年測試減值。獨立確認之商譽會每年測試減值及以成本減累計減值虧損列賬。商譽之減值虧損並不會撥回。出售實體之收益及虧損包括與已售實體有關之商譽賬面值。

商譽獲分配至現金產生單位(「現金產生單位」)以測試減值。該分配乃就預期可於根據營運分部所識別商譽產生之業務合併協同效應中受惠之一項現金產生單位或一組現金產生單位而作出。

(b) 商標

商標以歷史成本列示。商標之可使用年期有限，並按成本減累計攤銷列賬。攤銷使用直線法計算，將商標成本於其預計可使用年期十年內分配。

2 Summary of significant accounting policies (Continued)

2.11 Intangible assets (Continued)

(c) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship of 10 years.

(d) Exclusive supply rights

Exclusive supply rights represent the rights to sell pre-determined amount of garments to customers over certain periods of time pursuant to the legal binding agreements entered into between the Group and the customers. Exclusive supply rights are stated at cost less accumulated amortisation and any impairment losses. Exclusive supply rights are amortised over the unexpired periods of the agreements.

2.12 Impairment of non-financial assets

Assets that have an indefinite useful life or have not yet available for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 重大會計政策概要(續)

2.11 無形資產(續)

(c) 客戶關係

於業務合併過程中獲得之客戶關係按收購日期之公平值確認。客戶關係之可使用年期有限，並按成本減累計攤銷列賬。攤銷乃按客戶關係之估計可使用年期10年使用直線法計算。

(d) 獨家供應權

獨家供應權指根據本集團與客戶訂立具法律約束力之協議於若干期間內向客戶出售預先釐定數額之成衣之權利。獨家供應權按成本減累計攤銷及任何減值虧損列賬。獨家供應權按有關協議尚未屆滿之期限攤銷。

2.12 非金融資產之減值

無既定可使用年期或尚未可供使用之資產毋須計提攤銷，並每年進行一次減值測試。當出現事件或情況改變顯示未必能收回賬面值時，則會檢討該等資產之減值。減值虧損按資產賬面值超過其可收回數額(即資產公平值減出售成本與使用價值兩者之較高者)之差額確認。就評估減值而言，資產按可獨立識別現金流量之最低水平分類。除商譽以外而出現減值之非金融資產可於各報告日期就可能撥回減值進行審閱。

2 Summary of significant accounting policies (Continued)

2.13 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 重大會計政策概要(續)

2.13 金融資產

(a) 分類

本集團將其金融資產分為以下幾類：

- 其後按公平值列賬 (在其他全面收入或損益表中處理)之金融資產；及
- 按攤銷成本列賬之金融資產。

分類取決於本集團管理金融資產的業務模式及現金流量的合約條款。

就按公平值計量的資產而言，收益及虧損將於損益或其他全面收入列賬。就並非持作買賣的權益工具投資而言，將取決於本集團是否於初始確認時作出不可撤回選擇，將權益投資以按公平值計入其他全面收入入賬。

本集團於及僅於其管理資產的業務模式變更時將債務投資重新分類。

(b) 確認及終止確認

常規買賣金融資產於交易日 (本集團承諾買賣資產之日期) 確認。從該等金融資產收取現金流量之權利屆滿或已轉讓而本集團已轉移所有權之絕大部份風險及回報時，則會終止確認金融資產。

2 Summary of significant accounting policies (Continued)

2.13 Financial assets (Continued)

(c) Measurement

At initial recognition, the Group 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 重大會計政策概要(續)

2.13 金融資產(續)

(c) 計量

初始確認時，本集團的金融資產按公平值計量，倘屬並非按公平值列賬在損益表中處理之金融資產，另加收購該金融資產直接可歸屬之交易成本。按公平值列賬在損益表中處理之金融資產之交易成本於綜合損益支銷。

債務證券

債務證券的後續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團的債務證券有兩種計量分類：

- 按攤銷成本：倘為收取合約現金流量而持有的資產的現金流量僅為支付本金及利息，則該等資產按攤銷成本計量。該等金融資產的利息收入使用實際利率法計入融資收入。終止確認產生的任何收益或虧損直接於綜合損益中確認，並與外匯收益及虧損一併於其他收益／(虧損)呈列。減值虧損呈列為綜合全面收入表內的單獨項目。
- 按公平值列賬在損益表中處理：不符合以攤銷成本計量或按公平值計入其他全面收入的資產則按公平值列賬在損益表中處理。其後按公平值列賬在損益表中處理之債務投資的收益或虧損於綜合損益確認，並於其產生期間於其他收益／(虧損)以淨額列示。

2 Summary of significant accounting policies (Continued)

2.13 Financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(d) for further details.

2 重大會計政策概要(續)

2.13 金融資產(續)

(c) 計量(續)

股本工具

本集團其後按公平值計量所有股權投資。倘本集團管理層已選擇於其他全面收入呈列股權投資的公平值收益及虧損，則於終止確認該投資後，公平值收益及虧損不再重新分類至損益。當本集團收取付款的權利確立時，該投資的股息繼續於損益中確認為其他收入。

按公平值列賬在損益表中處理之金融資產的公平值變動於綜合損益(如適用)的其他收益/(虧損)中確認。按公平值計入其他全面收入的股權投資的減值虧損(及減值虧損撥回)不會與公平值的其他變動分開呈報。

(d) 減值

本集團以前瞻基準評估與債務證券相關的預期信貸虧損。所應用的減值方法取決於信貸風險是否顯著增加。

就應收貿易賬款而言，本集團採用香港財務報告準則第9號所允許的簡化方法，該方法規定將自初步確認應收款項起確認預期存續期虧損，進一步詳情請參閱附註3.1(d)。

2 Summary of significant accounting policies (Continued)

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. The Group has no offsetting arrangement of financial instruments.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the applicable variable selling expenses.

2.16 Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(d) for further information about the Group's accounting for trade receivables and a description of the Group's impairment policies.

2 重大會計政策概要(續)

2.14 抵銷金融工具

倘有法律上可強制執行之權利以抵銷已確認之金額，且有意以淨額基準結算，或變現資產及清償債務將同時進行，則金融資產及負債可予抵銷，並於綜合資產負債表內列報淨額。法律上可強制執行之權利不得視乎未來事件而定，並須於一般業務過程中以及公司或對手方出現違約、資不抵債或破產之事件時均可強制執行。本集團並無設有金融工具的抵銷安排。

2.15 存貨

存貨按成本與可變現淨值兩者之較低者列賬。成本使用加權平均法釐定。製成品及在製品之成本包括原材料、直接工資、其他直接成本及相關生產經常開支(按一般營運產能計算)，不包括借貸成本。可變現淨值指在日常業務過程中之估計售價，減估計完工成本及適用變動銷售開支。

2.16 應收貿易賬款

應收貿易賬款乃於一般業務過程中就已售貨品應收客戶之金額。倘應收貿易賬款預期於一年或以下(或於業務一般營運週期內(如較長))收回，則分類為流動資產。否則，乃呈列為非流動資產。

應收貿易賬款初步按無條件的對價金額確認，除非對價含有重大融資成分，則按公平值計量。本集團持有應收貿易賬款的目標乃收取合約現金流量，因此其後使用實際利率法按攤銷成本計量。有關本集團應收貿易賬款的會計處理及本集團減值政策說明的進一步資料請參閱附註3.1(d)。

2 Summary of significant accounting policies (Continued)

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

2 重大會計政策概要(續)

2.17 現金及現金等值項目

在綜合現金流量報表中，現金及現金等值項目包括手頭現金、隨時可提取之銀行存款及原期限為三個月或以下之其他高流動性短期投資。

2.18 股本

普通股分類為權益。發行新股或購股權直接應佔之增量成本在權益中列為所得款項之減項(扣除稅項)。

2.19 應付貿易賬款及其他應付款項

應付貿易賬款為就一般業務過程中從供應商處獲得的商品或服務而應支付之債務。如付款於一年或以內(或正常營業週期內(如較長))到期，則應付貿易賬款被分為流動負債。否則，則呈列為非流動負債。

應付貿易賬款及其他應付款項初步以公平值確認，其後使用實際利率法以攤銷成本計量。

2.20 借款

借款初步以公平值確認(扣除所產生之交易成本)。借款其後以攤銷成本列賬；所得款項(扣除交易成本)及贖回價值之任何差額，使用實際利率法於借款期間在綜合全面收入表予以確認。

倘有可能將會提取部份或全部貸款融資，則設立有關融資所支付之費用乃確認為貸款之交易成本。按此情形，費用遞延至提取融資為止。倘無證據顯示有可能將會提取部分或全部有關融資，則費用會資本化為就流動資金服務支付之預付款項並於其相關之融資期間攤銷。

除非本集團有無條件權利將償還負債之期限延至結算日後最少十二個月，否則借款分類為流動負債。

2 Summary of significant accounting policies (Continued)

2.21 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated profit or loss in the period in which they are incurred.

2.22 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要(續)

2.21 借貸成本

可直接歸屬且需經較長時間的購建或生產活動方能達至預定可使用或出售狀態的合資格資產的一般及特定借貸成本，計入該等資產的成本，直至達至其預定可使用或出售狀況為止。

尚未使用於合資格資產的特定借貸作短期投資賺取的投資收入，於合資格資本化的借貸成本中扣除。

所有其他借貸成本於其產生期間於綜合損益內確認。

2.22 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項會於綜合損益表中確認，惟倘其與於其他全面收入或直接於權益中確認之項目有關則除外。在此情況下，稅項分別在其他全面收入或直接於權益中確認。

(a) 即期所得稅

即期所得稅開支乃根據本集團營運所在及產生應課稅收入之國家於結算日已頒行或實質上已頒行之稅法計算。管理層定期就適用稅務條例有待詮釋之情況評估退稅狀況，以及於適當時基於預期將支付予稅務機關之款項釐定撥備金額。

2 Summary of significant accounting policies (Continued)

2.22 Current and deferred income tax (Continued)

(b) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2 重大會計政策概要(續)

2.22 即期及遞延所得稅(續)

(b) *遞延所得稅*

遞延所得稅使用負債法就資產及負債之稅基與其在綜合財務報表所列賬面值之間所產生之暫時差額全額計提撥備。然而，如暫時差額源自商譽的初步確認，則不會確認遞延稅項負債。如遞延所得稅乃源自業務合併以外之交易中初步確認之資產或負債，而在交易時並不影響會計及應課稅溢利或虧損，則亦不會入賬處理。遞延所得稅使用報告期末已頒行或實質上已頒行，並預期在相關遞延所得稅資產實現時或遞延所得稅負債償還時應用之稅率(及稅法)計算。

與按公平值計量的投資物業有關的遞延稅項負債乃經假設相關物業將可通過出售悉數收回而釐定。

遞延稅項資產僅在未來將有應課稅金額可供使用該等暫時差額及虧損時方會確認。

若本集團能夠控制有關暫時差額的撥回時間且有關差額可能不會於可見將來撥回，則不會就國外業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債。

2 Summary of significant accounting policies (Continued)

2.22 Current and deferred income tax (Continued)

(b) *Deferred income tax (Continued)*

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the consolidated profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 重大會計政策概要(續)

2.22 即期及遞延所得稅(續)

(b) *遞延所得稅(續)*

若有依法可強制執行的權利可抵銷即期稅項資產及負債，以及若遞延稅項結餘與相同徵稅機關有關，則遞延稅項資產及負債可予抵銷。若實體有依法可強制執行的權利可抵銷並擬按淨值基準結算或同時變現資產及結算負債，則即期稅項資產及稅項負債可予抵銷。

即期及遞延稅項於綜合損益內確認，惟倘其與在其他全面收入內確認或直接於權益內確認的項目有關則另作別論。在此情況下，相關稅項亦分別於其他全面收入內確認或直接於權益內確認。

2 Summary of significant accounting policies (Continued)

2.23 Employee benefits

(a) Pension obligations

The Group participates in a number of defined contribution plans in Hong Kong and the People's Republic of China ("PRC"), the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and the relevant Group's entities. The Group pays contributions to the pension plans on a mandatory, contractual or voluntary basis which are calculated as a percentage of the employees' salaries.

The Group has no legal or constructive obligations to make further payments once the required contributions have been paid, even if the plans do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

The contributions are recognised as employee benefit expense when they are due and are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 重大會計政策概要(續)

2.23 僱員福利

(a) 退休金責任

本集團於香港及中華人民共和國(「中國」)參與多個定額供款計劃，其資產一般由信託管理基金分開持有。退休金計劃所需資金一般由僱員及相關之本集團實體作出供款。本集團以強制、合約或自願基準向退休金計劃作出供款，款項按僱員薪金之百分比計算。

一旦已支付規定供款，即使計劃並無足夠資產向所有僱員支付與當年度及過往年度僱員服務有關之福利，本集團亦無任何法律或推定責任再支付其他款項。

該等供款於其到期時確認為僱員福利開支，且不會以僱員在全數供款歸屬前退出計劃而被沒收之供款作扣減。預繳供款確認為資產，惟須以可獲現金退款或扣減日後供款為限。

2 Summary of significant accounting policies (Continued)

2.23 Employee benefits (Continued)

(b) Employee leave entitlements

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

(c) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the consolidated profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2 重大會計政策概要(續)

2.23 僱員福利(續)

(b) 僱員應有假期

僱員應有年假乃於應計予僱員時確認。本集團已就截至結算日僱員提供服務所產生年假之估計負債作出撥備。僱員應有病假及產假於放假時方予確認。

(c) 分享溢利及花紅計劃

本集團根據一條公式(考慮經若干調整後本公司股東應佔溢利)就花紅及分享溢利確認負債及開支。本集團於合約規定或過往慣例產生推定責任時確認撥備。

(d) 以股份支付之報酬

本集團推行一項按股本結算、以股份支付報酬之計劃。為換取授出購股權而獲得之僱員服務公平值乃確認為開支。將於歸屬期內支銷之總金額乃參照已授出購股權之公平值釐定，不包括任何非市場歸屬條件之影響(例如盈利能力及銷售量增長目標)。有關預期歸屬之購股權數目之假設已包括非市場歸屬條件。於各結算日，有關實體會修訂其估計預期歸屬之購股權數目，並在綜合損益表內確認修訂原有估計(如有)之影響，以及對權益作出相應調整。

在購股權行使時，已收取並經扣除任何直接應佔交易成本之所得款項均計入股本(面值)及股份溢價中。

2 Summary of significant accounting policies (Continued)

2.24 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2 重大會計政策概要(續)

2.24 或然負債

或然負債為因過去事件而可能出現之責任，其存在將視乎日後會否出現一項或多項本集團不可完全控制之不確定事件方可確實。其亦可為因過去事件而產生之現有責任，但由於未必需要經濟資源流出或該責任數額無法可靠計量而未有確認。

或然負債不會確認但會於綜合財務報表附註中披露。當流出之可能性出現變化導致可能出現流出時，則會確認為撥備。

2.25 撥備

本集團若因過往事件而有法定或推定責任，並可能須要資源流出以履行有關責任，而相關金額能作出可靠估計，則會確認撥備。本集團不會就日後經營虧損確認撥備。

倘出現多項類似責任，會考慮責任之整體類別後釐定清償責任會否導致資源流出。即使同類別責任中任何一項可能流出資源的機會不大，仍會確認撥備。

撥備按管理層對報告期末結算現有責任所需開支之最佳估計的現值計量。用於釐定現值之貼現率為反映當前對貨幣時間價值及有關責任特定風險的市場評估的稅前比率。因時間流逝而增加的撥備確認為利息開支。

2 Summary of significant accounting policies (Continued)

2.26 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax ("VAT"), returns and discounts and after eliminating sales within the Group.

(a) Sales of goods — OEM garment sales

Sales are recognised when control of the garment has transferred, being when the goods are delivered to the customers, the customers have full discretion over the goods and there is no unfulfilled obligation that could affect the customers' acceptance of the goods. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to customers, and either customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts (if any). Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with credit terms that are consistent with market practice. The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.

2 重大會計政策概要(續)

2.26 收入確認

收入乃於本集團業務活動之正常過程中銷售貨物及服務之已收或應收代價之公平值。收入乃扣除增值稅、退貨及折扣以及對銷本集團內銷售後列示。

(a) 銷售貨物 — 原設備製造成衣銷售

當成衣的控制權轉移時(即貨品已交付予客戶,客戶對貨品有絕對酌情權,且概無可影響客戶接納貨品的未履行責任時),則確認銷售。當產品運送到指定地點時交付即告完成。當客戶按照銷售合約接納產品,或接納條款已失效,或本集團有客觀證據證明所有接納標準均已達成時,產品陳舊過時及遺失之風險轉由客戶承擔。

該等銷售的收入乃基於合約規定的價格,經扣除估計量折扣(如有)後確認。本公司利用累積的經驗採用預計估值法估計折扣及計提撥備,且收入僅於重大撥回極大可能不會產生時確認。直至報告期末,當預期向客戶應付有關銷售量的折扣時確認退款負債(計入應付貿易賬款及其他應付款項)。由於銷售之信貸期符合市場慣例,故並不存在融資因素。本集團於質保期內為瑕疵產品提供退款的責任被確認為撥備。

2 Summary of significant accounting policies (Continued)

2.26 Revenue recognition (Continued)

(a) Sales of goods — OEM garment sales (Continued)

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

If the services rendered or products delivered by the Group exceed the payments made by the counter parties, a contract asset is recognised. If the payments exceed the services rendered or products delivered, a contract liability is recognised.

(b) Sales of goods — retailing of branded fashion apparel

Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are in cash or by credit cards or collected by department stores on behalf of the Group. The recorded revenue includes credit card fees payable for the transaction. Such credit card fees are included in selling, marketing and distribution costs. It is the Group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale. Because the number of goods returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

2 重大會計政策概要(續)

2.26 收入確認(續)

(a) 銷售貨物 — 原設備製造成衣銷售(續)

當貨品已及時交付，且代價成為無條件時，應收款項方可獲得確認，原因是有關款項僅隨時間推移即為到期應付。

倘若本集團所提供之服務或交付之產品超過交易對方作出的付款，則確認合約資產。若付款超過所提供之服務或交付之產品，則確認合約負債。

(b) 銷售貨物 — 品牌時裝零售

銷售貨物於集團屬下實體向客戶出售產品時確認。零售銷售乃以現金或信用卡支付，或由百貨公司代本集團收取。所記錄收入包括交易之應付信用卡費用。該等信用卡費用列入銷售、營銷及分銷成本。向最終客戶銷售產品附退貨權利乃本集團之政策。銷售時，乃依靠累積經驗就該等退貨作出估計及撥備。由於多年來退貨數量保持穩定，已確認之累計收入不太可能發生重大轉回。該假設的波動及估計退貨量於各報告日期重新評估。

2 Summary of significant accounting policies (Continued)

2.26 Revenue recognition (Continued)

(c) Commission income

Commission income is recognised over the period when the services are rendered.

(d) Rental income

Rental income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

(e) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

2.27 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income from FVPL is included in the net fair value gains or losses on these assets as part of "other gains, net" in the consolidated statement of comprehensive income. Interest income from financial assets that are held for cash management purposes is presented as "finance income" where it is earned. Any other interest income is included in "other income".

2 重大會計政策概要(續)

2.26 收入確認(續)

(c) 佣金收入

佣金收入於提供服務時於一段時間內確認。

(d) 租金收入

根據經營租賃租出資產之租金收入於租期內以直線法確認。

(e) 融資成分

本集團預期不會存在向客戶轉讓已承諾貨品或服務與客戶支付款項之間間隔一年以上的任何合約。因此，本集團並無就貨幣的時間價值調整任何交易價格。

2.27 利息收入

利息收入就金融資產的賬面值總額應用實際利率計算，惟其後發生信貸減值的金融資產除外。就已發生信貸減值的金融資產而言，則就該金融資產的賬面淨值(經扣除虧損撥備)應用實際利率。

按公平值列賬在損益表中處理之金融資產的利息收入計入該等資產的公平值收益或虧損淨額，作為綜合全面收入表內的「其他收益淨額」。為現金管理目的而持有的金融資產的利息收入於賺取所在項目下呈列為「融資收入」。任何其他利息收入計入「其他收入」。

2 Summary of significant accounting policies (Continued)

2.28 Government grants

Government grants are subsidies on export of textile and clothing and assistance on certain projects approved by local government. Government grants are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

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

Government grants relating to the purchase of property, plant and equipment are deducted from the carrying amount of the relevant assets. Such grant is recognised in the consolidated profit or loss over the life of the depreciable asset as a reduced depreciation expense.

2.29 Leases (as a lessee)

As explained in Note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Note 2.2.

Until 31 December 2018, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to consolidated profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

2 重大會計政策概要(續)

2.28 政府補助金

政府補助金為地方政府批准對紡織品及衣物出口之補貼及若干項目之資助。當有合理保證會收到補助金且本集團將遵照所有附帶條件時，政府補助金會以其公平值確認。

與成本有關之政府補助金乃於綜合損益表中於與擬補償之成本相匹配的期間作出遞延及確認。

與購買物業、廠房及設備有關之政府補助金自相關資產的賬面值扣除。相關補助金於可折舊資產的使用年期內在綜合損益中確認為扣減折舊開支。

2.29 租賃(作為承租人)

如上文附註2.2所述，本集團已變更其作為承租人的租賃的相關會計政策。新會計政策概述如下，有關變更的影響載於附註2.2。

直至二零一八年十二月三十一日，所有權的一大部分風險及回報不會轉移至本集團(作為承租人)的租賃均被分類為經營租賃。根據經營租賃作出之付款(扣除自出租人收到的任何優惠)按直線法於租期內自綜合損益扣除。

自二零一九年一月一日起，本集團於可使用租賃資產日期將租賃確認為一項使用權資產及相應負債。每筆租賃付款均在相應負債與融資成本之間分攤。融資成本於租期內計入損益，以使各期負債餘額產生的期間利率保持一致。使用權資產按直線法於資產可使用年期與租期兩者中較短者計提折舊。

2 Summary of significant accounting policies (Continued)

2.29 Leases (as a lessee) (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less lease incentives receivable (if any); and
- variable lease payment that are linked to sales of the retail store(s).

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 重大會計政策概要(續)

2.29 租賃(作為承租人)(續)

租賃產生的資產及負債初步按現值基準計量。租賃負債包括下列租賃付款的現值淨額：

- 固定付款(包括實質固定付款)，減應收租賃優惠(如有)；及
- 與零售店銷售額掛鈎之可變租賃付款。

將根據合理確定之延期選擇權作出之租賃付款亦計入負債之計量。

租賃付款按租賃內暗含利率貼現。倘無法及時釐定該利率(本集團的租賃大多為此情況)，則採用承租人的增量借款利率，即個別承租人為在類似經濟環境下獲得與使用權資產價值相近的資產，以類似條款、抵押及條件借入資金而必須支付的利率。

2 Summary of significant accounting policies (Continued)

2.29 Leases (as a lessee) (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date less any lease incentives received.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mainly comprise IT equipment and small items of office furniture.

2.30 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

2 重大會計政策概要(續)

2.29 租賃(作為承租人)(續)

使用權資產按包含以下各項之成本計量：

- 租賃負債之初始計量金額；及
- 於開始日期或之前作出的任何租賃付款減任何已收取之租賃優惠。

與短期租賃及低價值資產租賃相關之款項，按直線法於損益內確認為開支。短期租賃為租期為12個月或以內的租賃。低價值資產主要包括IT設備及小件辦公室家具。

2.30 股息分派

向本公司股東之股息分派在本公司股東或董事(如適用)批准股息之期間於本集團及本公司財務報表中確認為負債。

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk, concentration risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

The Group mainly operates in Hong Kong and the PRC. Sales are made to overseas customers as well as the customers in the PRC while purchases are mainly from suppliers in Hong Kong and the PRC. The functional currencies of the Group's entities in Hong Kong and the PRC are US\$ and Renminbi ("RMB"), respectively.

Foreign exchange risks arise on monetary assets and liabilities being denominated in a currency that is not the functional currency. The Group's entities in the PRC have monetary assets and liabilities denominated in US\$, which is not their functional currencies. The Group does not speculate on foreign currencies.

At 31 December 2019, if RMB had weakened/strengthened by 5% (2018: 5%) against the US\$ with all other variables held constant, results for the year and equity holders' equity would have been approximately HK\$2,259,000 (2018: HK\$5,617,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of US\$ denominated monetary assets and liabilities held by the Group's entities in the PRC.

3 財務風險管理

3.1 財務風險因素

本集團業務面對多種財務風險：市場風險（包括外匯風險、價格風險、現金流量及公平值利率風險）、信貸風險、集中風險及流動資金風險。本集團之整體風險管理程序專注於金融市場之不可預測性，並尋求將對本集團財務表現之潛在不利影響降至最低。

(a) 外匯風險

本集團主要於香港及中國經營業務，並向海外及中國客戶銷售，及主要向香港及中國之供應商進行採購。本集團位於香港及中國之實體之功能貨幣分別為美元及人民幣（「人民幣」）。

以非功能貨幣計值之貨幣資產及負債引致外匯風險。本集團位於中國之實體擁有以美元計值之貨幣資產及負債，而美元並非彼等之功能貨幣。本集團並無參與外幣投機活動。

於二零一九年十二月三十一日，倘人民幣兌美元貶值／升值5%（二零一八年：5%），而所有其他變數維持不變，年內業績及股權持有者之權益將減少／增加約2,259,000港元（二零一八年：5,617,000港元），主要因換算本集團於中國之實體所持有以美元計值之貨幣資產及負債所產生之匯兌虧損／收益。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Price risk

The Group is exposed to equity securities price risk because certain listed securities held by the Group are classified in the consolidated balance sheet as FVPL and FVOCI. Result for the year and equity holders' equity would increase/decrease as a result of gains/losses on listed securities classified as FVPL and FVOCI.

At 31 December 2019, if there had been a 5% (2018: 5%) increase/decrease in the market value of FVPL with all other variables held constant, the Group's result for the year would have been approximately HK\$282,000 (2018: HK\$770,000) higher/lower.

At 31 December 2019, if there had been a 5% (2018: not applicable) increase/decrease in the market value of FVOCI with all other variables held constant, the Group's equity would have been approximately HK\$454,000 (2018: not applicable) higher/lower.

The Group has not entered into derivatives to manage such exposures.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 價格風險

由於本集團所持有之若干上市股本證券於綜合資產負債表中被分類為按公平值列賬在損益表中處理之金融資產及按公平值計入其他全面收入之金融資產，故本集團面臨上市股本證券價格風險。年內業績及股權持有人的權益會因為分類為按公平值列賬在損益表中處理之金融資產及按公平值計入其他全面收入之金融資產之上市股本證券之收益／虧損而增加／減少。

於二零一九年十二月三十一日，倘按公平值列賬在損益表中處理之金融資產之市值增加／減少5%（二零一八年：5%），而其他所有變數維持不變，則本集團之年內業績將增加／減少約282,000港元（二零一八年：770,000港元）。

於二零一九年十二月三十一日，倘按公平值計入其他全面收入之金融資產之市值增加／減少5%（二零一八年：不適用），而其他所有變數維持不變，則本集團之股權將增加／減少約454,000港元（二零一八年：不適用）。

本集團尚未訂立任何衍生工具來管理該等風險。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates except for bank deposits, as most of the interest-bearing assets including promissory notes and loan receivables are at fixed rate. The Group's exposure to changes in interest rates is mainly attributable to its bank deposits and borrowings. Bank deposits and borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The interest rates of the Group's bank deposits and the rates and terms of the Group's borrowings are disclosed in Notes 19 and 25 to the consolidated financial statements, respectively.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

At 31 December 2019, if interest rates had been increased/decreased by one percentage point (2018: one percentage point) with all other variables were held constant, the Group's result for the year would have been HK\$2,852,000 (2018: HK\$2,551,000) lower/higher and HK\$3,928,000 (2018: HK\$4,342,000) higher/lower, respectively, resulting from the change in the interest expense on bank borrowings and interest income on bank deposits.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 現金流量及公平值利率風險

除銀行存款外，本集團之收入及經營現金流量大致不受市場利率波動影響，原因為大部份付息資產(包括承兌票據及應收貸款)按固定利率計息。本集團所面對之利率波動風險主要來自其銀行存款及借款。按浮動利率計息之銀行存款及借款令本集團面對現金流量利率風險。按固定利率計息之借款令本集團面臨公平值利率風險。本集團之銀行存款利率及本集團借款之利率及條款分別於綜合財務報表附註19及25中披露。

本集團並無使用任何利率掉期對沖其利率風險。

於二零一九年十二月三十一日，倘利率已增加／減少一個百分點(二零一八年：一個百分點)，而所有其他變數維持不變，本集團之年內業績會因銀行借款利息開支及銀行存款利息收入變動而分別減少／增加2,852,000港元(二零一八年：2,551,000港元)及增加／減少3,928,000港元(二零一八年：4,342,000港元)。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk

(i) Risk management

The Group is exposed to credit risk in relation to its cash and bank balances, promissory notes, entrusted loans and trade and other receivables (except for prepayments). The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. OEM garment sales to large or long-established customers with good repayment history comprise a significant proportion of the total Group's OEM garment sales. The Group also has policies on granting different settlement methods to different customers to monitor the credit exposure. Letters of credit are normally required from new customers and existing customers with short trading history for settlement purposes. Sales to retail customers are made in cash, via credit cards, through online payment service providers or collected by department stores/online retailers on behalf of the Group. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances. At 31 December 2019, trade and bill receivables amounted to approximately HK\$431,260,000 (2018: HK\$528,710,000) were due from companies operating under international and domestically well-known brand retailers and department stores in the PRC. Loss allowances of HK\$72,304,000 (2018: HK\$66,137,000) has been provided for such trade and bill receivables as at 31 December 2019.

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險

(i) 風險管理

本集團就現金及銀行結餘、承兌票據、委託貸款以及應收貿易賬款及其他應收款項(預付款項除外)而面臨信貸風險。本集團所面臨之最大信貸風險為該等金融資產的賬面值。

本集團亦設有政策以確保向具備合適信貸記錄之客戶銷售產品。向具備良好還款記錄之大型或長期客戶銷售原設備製造成衣佔本集團原設備製造成衣銷售總額之重要部分。本集團之另一政策乃向不同客戶授出不同清償方式，以監管信貸風險。新客戶及交易記錄較短之現有客戶一般須以信用證清償。零售客戶之銷售乃以現金、信用卡或通過線上付服務供應商進行，或由百貨公司/線上零售商代本集團收取。本集團過往收回應收貿易賬款及其他應收款項之經驗並無超出有關撥備。於二零一九年十二月三十一日，應收貿易賬款及應收票據約431,260,000港元(二零一八年：528,710,000港元)為應收國際及國內知名品牌零售商所經營之公司以及於中國之百貨公司之款項。於二零一九年十二月三十一日已就該等應收貿易賬款及應收票據計提虧損撥備72,304,000港元(二零一八年：66,137,000港元)。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(i) Risk management (Continued)

The Group has policies to place its cash and cash equivalents only with major financial institutions with good reputation and does not expect any losses from non-performance by these financial institutions.

(ii) Security

For certain trade receivables the Group may obtain security in the form of letters of credit which can be called upon if the counterparty is in default.

For the Group's entrusted loans, there are certain land and properties pledged as securities. See Note 16(iii) for further details.

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(i) 風險管理(續)

本集團亦有政策，將其現金及現金等值項目僅存放於信譽良好之主要金融機構，且並不預期會因此等金融機構違約而產生任何損失。

(ii) 抵押品

就若干應收貿易賬款而言，本集團可以信用證形式取得抵押品，可於交易對方違約時請求支付。

就本集團的委託貸款而言，有若干土地及物業獲抵押作為抵押品。進一步詳情請參閱附註16(iii)。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(iii) Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Other financial assets at amortised costs

While cash and bank balances are also subject to the impairment requirements of HKFRS 9, the identified impairment loss is immaterial.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, except for those individually significant trade receivables or trade receivables at default which are tested individually.

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(iii) 金融資產的減值

本集團有兩類金融資產須受預期信貸虧損模型所規限：

- 應收貿易賬款
- 按攤銷成本列賬之其他金融資產

儘管現金及銀行結餘亦須遵守香港財務報告準則第9號的減值規定，但已識別的減值虧損並不重大。

應收貿易賬款

本集團應用香港財務報告準則第9號的簡化方法計量預期信貸虧損，該方法就所有應收貿易賬款使用存續期預期虧損撥備，惟單項金額重大的應收貿易賬款或單獨測試的已違約應收貿易賬款除外。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(iii) Impairment of financial assets (Continued)

Measurement of expected credit loss on individual basis

Trade receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As at 31 December 2019, the balances of such individually assessed trade receivables and the loss allowance in respect of these receivables are HK\$29,719,000 (2018: HK\$50,664,000) and HK\$29,715,000 (2018: HK\$23,271,000), respectively.

Measurement of expected credit loss on collective basis

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2019 or 2018, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(iii) 金融資產的減值(續)

單獨計量預期信貸虧損

與已知出現財務困難或高度懷疑無法收取應收款項的客戶有關的應收貿易賬款單獨評估計提減值撥備。於二零一九年十二月三十一日，單獨評估的應收貿易賬款結餘以及就該等應收款項計提的虧損撥備分別為29,719,000港元(二零一八年：50,664,000港元)及29,715,000港元(二零一八年：23,271,000港元)。

共同計量預期信貸虧損

為計量預期信貸虧損，本集團已根據共有的信貸風險特徵及逾期日數對應收貿易賬款進行分組。預期虧損率乃基於分別於二零一九年或二零一八年十二月三十一日前12個月期間的銷售額付款情況以及該期間內發生的相應歷史信貸虧損。歷史虧損率會進一步作出調整，以反映影響客戶結算應收款項能力的宏觀經濟因素的當前及前瞻性資料。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(iii) Impairment of financial assets (Continued)

Measurement of expected credit loss on collective basis (Continued)

On that basis, the loss allowance as at 31 December 2019 was determined as follows for trade receivables:

		Up to 30 days 30天以內 HK\$'000 千港元	31 to 60 days 31至60天 HK\$'000 千港元	61 to 90 days 61至90天 HK\$'000 千港元	91 to 120 days 91至120天 HK\$'000 千港元	Over 120 days 120天以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2019	於二零一九年 十二月 三十一日						
Expected loss rate	預期虧損率	2.5%	2.8%	5.2%	6.4%	47.8%	
Gross carrying amount	賬面值總額	190,614	65,353	30,951	49,456	65,166	401,541
Loss allowance	虧損撥備	4,831	1,858	1,618	3,157	31,124	42,589
<hr/>							
		Up to 30 days 30天以內 HK\$'000 千港元	31 to 60 days 31至60天 HK\$'000 千港元	61 to 90 days 61至90天 HK\$'000 千港元	91 to 120 days 91至120天 HK\$'000 千港元	Over 120 days 120天以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2018	於二零一八年 十二月 三十一日						
Expected loss rate	預期虧損率	1.9%	2.4%	5.1%	5.7%	50.9%	
Gross carrying amount	賬面值總額	231,397	62,304	47,255	77,631	59,459	478,046
Loss allowance	虧損撥備	4,315	1,473	2,402	4,404	30,272	42,866

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

當無合理收回預期時撇銷應收貿易賬款。應收貿易賬款的減值虧損於經營溢利內呈列為減值虧損淨額。先前已撇銷之金額其後收回則計入相同條目內。

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(iii) 金融資產的減值(續)

共同計量預期信貸虧損(續)

根據該基準，於二零一九年十二月三十一日已就應收貿易賬款釐定如下虧損撥備：

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(iii) Impairment of financial assets (Continued)

Other financial assets at amortised cost

Other financial assets at amortised cost include promissory note, entrusted loans and other receivables (except for prepayments). Management assesses the credit quality of the counterparties, taking into account the historical risk of default and capacity to meet its contractual cash flow obligations in the near term.

An impairment loss has been provided for the Group's entrusted loans as at 31 December 2018, which was full reversed during the year ended 31 December 2019. See Note 16 for details.

As at 31 December 2019, other financial assets at amortised cost are considered to be of low credit risk primarily because historically they had no history of default and the debtors had a strong capacity to meet its contractual cash flow obligations in the near term (2018: Same). No impairment losses are provided for such financial assets as at 31 December 2019 (2018: Same).

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(iii) 金融資產的減值(續)

按攤銷成本列賬之其他金融資產

按攤銷成本列賬之其他金融資產包括承兌票據、委託貸款及其他應收款項(預付款項除外)。管理層經考慮歷史違約風險及滿足近期內合約現金流量責任的能力評估交易對手的信貸質素。

本集團於二零一八年十二月三十一日已就委託貸款計提減值虧損撥備，但於截至二零一九年十二月三十一日止年度全額撥回。有關詳情請參閱附註16。

於二零一九年十二月三十一日，按攤銷成本列賬之其他金融資產被認為屬低信貸風險，主要是由於過往彼等並無違約記錄且債務人擁有較強的能力滿足其近期內的合約現金流量責任(二零一八年：相同)。於二零一九年十二月三十一日並無就該等金融資產計提減值虧損撥備(二零一八年：相同)。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(iv) FVPL

The entity is also exposed to credit risk in relation to investments that are measured at FVPL. The maximum exposure at the end of the reporting period is the carrying amounts of these investments.

(e) Concentration risk

During the year ended 31 December 2019, the Group's sales to the top 5 customers who are international well-known brand retailers accounted for approximately 29.0% (2018: 33.3%) of the total revenue. The Group aims to maintain long-term relationship with reputable customers in the expansion of its business.

(f) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group's primary cash requirements have been for purchases of materials, machinery and equipment and payments of employee benefit expenses. The Group finances its working capital requirements through a combination of funds generated from operations and bank loans. The Group generally operates with a working capital surplus.

As at 31 December 2019, except for the lease liabilities and term loans as shown in the table below, all the Group's contractual obligations mature within 1 year.

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(iv) 按公平值列賬在損益表中處理之金融資產實體亦因按公平值列賬在損益表中處理之投資而面臨信貸風險。於報告期末的最大風險為該等投資的賬面值。

(e) 集中風險

截至二零一九年十二月三十一日止年度，本集團向五大客戶(均為國際知名品牌零售商)之銷售額佔總收入約29.0%(二零一八年：33.3%)。本集團為擴張業務，致力維持與聲譽良好客戶之長遠關係。

(f) 流動資金風險

流動資金風險管理審慎，令本集團可維持足夠現金及透過充足已承諾信貸融資取得資金。本集團之目標乃通過保持取得已承諾信貸額，維持資金之靈活性。

本集團主要現金需求乃用於採購材料、機械及設備以及支付僱員福利開支。本集團以經營業務及銀行貸款所得資金應付其營運資金需求。本集團營運資金一般具備盈餘。

於二零一九年十二月三十一日，除下表所示之租賃負債及定期借款外，本集團所有合約債務於一年內到期。

3 Financial risk management (Continued) 3 財務風險管理(續)

3.1 Financial risk factors (Continued)

(f) Liquidity risk (Continued)

The following table summarises the maturity analysis of a term loan with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreement. The amounts include interest payments computed using contractual rates. Taking into account the Group's financial position, the directors do not consider that it was probable that the bank would exercise its discretion to demand immediate repayment. The directors believe that such term loan will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

3.1 財務風險因素(續)

(f) 流動資金風險(續)

下表概述一項有期貨款之到期日分析，貸款具備應要求償還條款，乃根據貸款協議所載之協定還款時間表而定。金額包括使用合約利率計算之利息付款。經考慮本集團之財務狀況，董事認為銀行將不可能行使其酌情權以要求即時償還。董事相信該有期貨款將根據貸款協議所載之還款日期時間表予以償還。

		Within 1 year 一年內 HK\$'000 千港元	Between 1 and 2 years 一至兩年 HK\$'000 千港元	Between 2 and 5 years 二至五年 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
At 31 December 2019	於二零一九年 十二月三十一日					
Bank borrowings	銀行借款	230,479	38,989	69,276	16,944	355,668
Lease liabilities	租賃負債	11,606	5,432	9,234	5,044	31,316
		242,085	44,421	78,510	21,988	386,984
At 31 December 2018	於二零一八年 十二月三十一日					
Bank borrowings	銀行借款	181,092	41,332	79,232	13,954	315,610

3 Financial risk management (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or increase debt.

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as bank borrowings of approximately HK\$424,855,000 (2018: HK\$367,057,000) divided by total equity of HK\$2,537,490,000 (2018: HK\$2,640,009,000). The ratios as at 31 December 2019 and 2018 are 16.7% and 13.9%, respectively.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

See Notes 8 and 10 for disclosure of the investment properties and intangible assets that were measured at fair value.

3 財務風險管理(續)

3.2 資本風險管理

本集團管理資本之目標為保障本集團繼續以持續基準經營之能力，藉以為股東帶來回報及為其他利益相關者帶來利益，以及維持最佳之資本架構，從而降低資本成本。

為維持或調整資本架構，本集團可對支付予股東之股息金額作出調整、向股東退回資本、發行新股或增加債務。

本集團以負債對權益比率監察資本。是項比率乃以銀行借款約424,855,000港元(二零一八年：367,057,000港元)除以權益總額2,537,490,000港元(二零一八年：2,640,009,000港元)計算。於二零一九年及二零一八年十二月三十一日之比率分別為16.7%及13.9%。

3.3 公平值估計

下表以估價方法分析按公平值列賬之金融工具，各級別定義如下：

- 相同資產或負債於活躍市場之報價(未經調整)(級別1)。
- 資產或負債可直接(即價格)或間接(即從價格中得出之參數)觀察獲得之參數(包括在級別1內之報價除外)(級別2)。
- 資產或負債並非根據可觀察獲得之市場數據(即不可觀察獲得之參數)得出之參數(級別3)。

有關按公平值計量的投資物業及無形資產的披露資料，請參閱附註8及10。

3 Financial risk management (Continued) 3 財務風險管理(續)

3.3 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2019.

3.3 公平值估計(續)

下表呈列本集團於二零一九年十二月三十一日按公平值計量之金融資產及負債。

		Level 1 級別1 HK\$'000 千港元	Level 2 級別2 HK\$'000 千港元	Level 3 級別3 HK\$'000 千港元
Assets	資產			
FVPL	按公平值列賬在損益表中處理之金融資產			
— Listed equity securities	— 上市股本證券	5,647	—	—
— FVPL in Zhejiang Haoran	— 於浙江浩然的按公平值列賬在損益表中處理之金融資產	—	—	304,858
FVOCI	按公平值計入其他全面收入之金融資產			
— Listed equity securities	— 上市股本證券	9,087	—	—
		14,734	—	304,858

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2018.

下表呈列本集團於二零一八年十二月三十一日按公平值計量之金融資產及負債。

		Level 1 級別1 HK\$'000 千港元	Level 2 級別2 HK\$'000 千港元	Level 3 級別3 HK\$'000 千港元
Assets	資產			
FVPL	按公平值列賬在損益表中處理之金融資產			
— Listed equity securities	— 上市股本證券	15,393	—	—
— FVPL in Zhejiang Haoran	— 於浙江浩然的按公平值列賬在損益表中處理之金融資產	—	—	288,876
		15,393	—	288,876

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 1

The fair value of FVPL and FVOCI traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 classified as trading securities comprise primarily equity investments listed on Shanghai Stock Exchange and the National Association of Securities Dealers Automated Quotations (the "NASDAQ").

Financial instruments in level 3

The Group's equity interests in, shareholder's loans and advances granted to Zhejiang Haoran represented the Group's FVPL which are included in level 3. The basis of fair value measurement and valuation technique of such FVPL are set out in Note 17(ii) to the consolidated financial statements.

3 財務風險管理(續)

3.3 公平值估計(續)

級別1之金融工具

於活躍市場買賣之按公平值列賬在損益表中處理之金融資產及按公平值計入其他全面收入之金融資產公平值乃根據於結算日之市場報價得出。如果該等報價可以容易地及規律地從交易所、經銷商、經紀、產業集團、定價服務或管理機構中獲得，並且該等價格代表按公平基準進行之真實及定期市場交易，則該市場被視為活躍市場。本集團所持金融資產採用之市場報價為當前買入價。該等工具包括在級別1內。包括在級別1內之工具分類為買賣證券，主要包括於上海證券交易所及美國全國證券交易商協會自動報價表(「納斯達克」)上市之股權投資。

級別3之金融工具

本集團於浙江浩然的權益以及向其提供的股東貸款及墊款指本集團計入級別3的按公平值列賬在損益表中處理之金融資產。該等按公平值列賬在損益表中處理之金融資產的公平值計量基準及估值技術載於綜合財務報表附註17(ii)。

3 Financial risk management (Continued) 3 財務風險管理(續)

3.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

The following table presents the changes in level 3 instruments for the years ended 31 December 2018 and 2019.

		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	288,876	286,002
Reclassified upon the adoption of HKFRS 9	於採納香港財務報告準則第9號後重新分類	—	17,528
Fair value gain — unrealised (Note 27)	公平值收益 — 未變現 (附註27)	21,361	—
Exchange differences	匯兌差額	(5,379)	(14,654)
At 31 December	於十二月三十一日	304,858	288,876

There were no transfers between level 1, 2 and 3 during the year (2018: Same).

3.3 公平值估計(續)

級別3之金融工具(續)

下表呈列截至二零一八年及二零一九年十二月三十一日止年度之級別3工具變動。

年內在級別1、2及3之間並無進行轉移(二零一八年：相同)。

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of FVPL in Zhejiang Haoran

FVPL in Zhejiang Haoran is comprised of the equity interest in, shareholders' loans and advances to Zhejiang Haoran.

Fair value of such FVPL is determined based on the valuation performed by management using asset based valuation techniques. Management used their judgement to select Adjusted NAV approach as the appropriate valuation approach, supplemented by direct comparison approach adopted to value the commercial property project held by Zhejiang Haoran.

Management used their judgement to adopt Zhejiang Haoran's financial information as at 31 December 2016 being its latest financial information made available to the Group as key inputs in the valuation. The fair value of the property project held by Zhejiang Haoran and construction costs incurred for such property project subsequent to 31 December 2016 have been adjusted to take into account certain more up to date financial information and other information made available in the process of court proceedings in late 2019. No interest expense has been accrued subsequent to 31 December 2016. Other inputs adopted in the valuation of FVPL in Zhejiang Haoran, such as the minority interest discount rate of 40%, also required a degree of judgement and estimate.

4 重要會計估計及判斷

本集團持續評審估計及判斷，且該等估計及判斷乃基於過往經驗及其他因素，包括按情況而言相信屬合理之未來事項預測。

本集團就未來事項作出估計及假設。該等因而產生之會計估計按定義甚少與相關實際結果相等。有很大機會對下一財政年度資產及負債之賬面值構成重大調整之估計及假設詳列如下。

(a) 於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值

於浙江浩然的按公平值列賬在損益表中處理之金融資產包括於浙江浩然的股權以及向其提供的股東貸款及墊款。

該等按公平值列賬在損益表中處理之金融資產的公平值乃基於管理層使用基於資產的估值技術進行估值而釐定。管理層運用彼等的判斷，選擇經調整資產淨值法作為合適的估值方法，並輔以直接比較法評估浙江浩然所持有的商業物業項目。

管理層使用彼等的判斷採納浙江浩然於二零一六年十二月三十一日的財務資料（即本集團可獲取的最新財務資料）作為估值的關鍵輸入值。浙江浩然所持物業項目的公平值及該物業項目於二零一六年十二月三十一日後產生的建築成本，已經考慮二零一九年年底進行法院訴訟的過程中可取得的若干最新財務資料及其他資料後作出調整。於二零一六年十二月三十一日後並無產生利息開支。就於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值進行估值時採用的其他輸入值（如少數股東權益折讓率40%）亦需要一定的判斷及估計。

4 Critical accounting estimates and judgements (Continued)

(b) Trade and other receivables (including promissory notes and entrusted loans)

The Group makes provision for expected credit losses of trade and other receivables based on an estimate of the recoverability of these receivables. Provisions are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of trade and other receivables requires the use of estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables and the provision for expected credit losses in the period in which such estimate has been changed.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(d).

4 重要會計估計及判斷(續)

(b) 應收貿易賬款及其他應收款項 (包括承兌票據及委託貸款)

本集團基於對應收貿易賬款及其他應收款項可收回性的估計就該等應收款項計提預期信貸虧損撥備。當有事件或情況變動表明結餘可能不會收回時對應收貿易賬款及其他應收款項應用撥備。確定應收貿易賬款及其他應收款項的減值需要運用估計。當預期有別於原始估計，有關差異將對估計發生變動期間的應收款項賬面值及預期信貸虧損撥備產生影響。

金融資產的虧損撥備乃基於有關違約風險及預期虧損率的假設。基於其過往歷史、現行市場狀況及於各報告期末的前瞻性估計，本集團於作出假設及選擇計算減值的輸入值時使用判斷。有關關鍵假設及輸入值的詳情披露於附註3.1(d)。

4 Critical accounting estimates and judgements (Continued)

(c) Useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

At each balance sheet date, management review internal and external sources of information to identify indications that the property, plant and equipment may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated profit or loss whenever the carrying amount of an asset exceeds its recoverable amounts. If an indication of impairment is identified, the Group is required to estimate the recoverable value, representing the greater of the asset's fair value less cost to sell or its value in use. Changes in any of these estimates could result in a material change to the asset carrying amount in the consolidated financial statements.

(d) Fair value of investment properties

The fair value of investment properties is determined at each balance sheet date based on valuation techniques (Note 8). In making the judgement, consideration is given to assumptions that are mainly based on market conditions existing as at the balance sheet date, expected rental from future leases in the light of current market conditions and appropriate term and reversionary yields. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

4 重要會計估計及判斷(續)

(c) 物業、廠房及設備之可使用年期及殘值

本集團管理層釐定物業、廠房及設備之估計可使用年期、殘值及相關折舊費用。有關估計乃基於類似性質及功能之物業、廠房及設備之實際可使用年期的過往經驗得出，且或會因為應對嚴峻的行業週期而引致技術革新及競爭對手行動而出現大幅波動。倘可使用年期少於過往估計年期或將撇銷或撇減技術淘汰或已丟棄或售出的非戰略性資產，管理層將增加折舊費用。

於各結算日，管理層會審閱內外部資料來源，以識別是否有跡象顯示物業、廠房及設備可能出現減值，或先前確認的減值虧損是否不再存在或可能已經減少。若確有任何上述跡象，則會估計資產之可收回金額。若資產的賬面值超過其可收回金額，則會於綜合損益內確認減值虧損。若發現減值跡象，本集團須估計可收回價值，即該資產的公平值減出售成本或其使用價值(以較高者為準)。若任何該等估計發生改變，則可能導致該資產在綜合財務報表內的賬面值發生重大改變。

(d) 投資物業公平值

投資物業公平值乃基於估值技術(附註8)於各結算日釐定。在作出判斷時，會考慮主要基於結算日的現有市況得出的假設、根據現行市況及適當租期判斷的來自日後租賃的預期租金以及復歸收益率。該等估計會定期與實際市場數據以及本集團訂立的實際交易進行比較。

4 Critical accounting estimates and judgements (Continued)

(e) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycles. Management will reassess the estimations by the balance sheet date.

(f) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimate is changed.

4 重要會計估計及判斷(續)

(e) 存貨的可變現淨值

存貨的可變現淨值根據於業務日常經營過程中的估計售價減完工估計成本與銷售開支計算。該等估計乃基於當前市況及相同性質產品的過往製造與銷售經驗得出，且或會因為應對嚴峻的行業週期而引致客戶偏好及競爭對手行動而出現大幅波動。管理層將於結算日重新評估該等估計。

(f) 所得稅

本集團須在多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重大判斷。於日常業務過程中有多項無法釐定最終稅款之交易及計算。本集團根據對額外稅項是否到期繳付之估計，就預期稅務審計事宜確認負債。倘該等事項最終稅款結果有別於最初記錄之金額，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

與若干臨時差額有關的遞延稅項資產在管理層認為可能有未來應課稅溢利供臨時差額或稅項虧損使用時確認。若有關預期有別於原有估計，相關差異將影響估計變更所在期間內遞延稅項資產及所得稅費用的確認。

5 Segment information

The chief operating decision-maker has been identified as the executive directors. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors assess the performance of the operating segments based on profit before income tax, which is consistent with that in the financial statements. Other information, as noted below, is also provided to the executive directors. The executive directors consider the Group has four reportable segments: (1) manufacturing and sale of garments on an original equipment manufacturer basis ("OEM"); (2) manufacturing and retailing of branded fashion apparel ("Retail"); (3) property development in the PRC ("Property development"); and (4) property investment in the PRC ("Property investment").

Total segment assets exclude certain investment properties located in Hong Kong, corporate assets, listed equity securities at FVPL, FVOCI and entrusted loans, all of which are managed on a central basis. These are part of the reconciliation to total condensed consolidated balance sheet assets.

5 分部資料

執行董事已獲確立為主要營運決策人。執行董事審閱本集團之內部報告以評估表現及分配資源。管理層已根據此等報告決定營運分部。

執行董事根據與財務報表相符之除所得稅前溢利評估營運分部之表現。其他資料，如下所述者，亦已提供予執行董事。執行董事認為本集團擁有四項可報告之分部：(1)按原設備製造(「原設備製造」)基準製造及銷售成衣；(2)製造及零售品牌時裝(「零售」)；(3)於中國之物業開發(「物業開發」)；及(4)於中國之物業投資(「物業投資」)。

分部資產總額不包括按中心基準管理之若干位於香港的投資物業、企業資產、按公平值列賬在損益表中處理之上市股本證券、按公平值計入其他全面收入之金融資產及委託貸款。此等項目須與簡明綜合資產負債表之資產總額對賬。

5 Segment information (Continued)

Turnover comprises sale of goods and rental income. Sales between segments are carried out based on terms agreed. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

5 分部資料(續)

營業額包括貨品銷售額及租金收入。分部之間之銷售乃基於雙方同意之條款進行。呈報予執行董事之外部方收入之計量方式乃與綜合全面收入表相同。

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Property development 物業開發 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度					
Total revenue	收入總額	1,471,793	420,169	—	23,172	1,915,134
Inter-segment revenue	分部間收入	(12,222)	—	—	(3,901)	(16,123)
Revenue (from external customers)	收入(來自外部客戶)	1,459,571	420,169	—	19,271	1,899,011
Timing of revenue recognition	收入確認的時間					
At a point in time	於一個時點	1,459,571	420,169	—	—	1,879,740
Over time	於一段時間內	—	—	—	19,271	19,271
		1,459,571	420,169	—	19,271	1,899,011
Segment (loss)/profit before income tax	除所得稅前分部(虧損)/溢利	(22,725)	(47,353)	21,361	11,686	(37,031)
Fair value gains on investment properties	投資物業的公平值收益	—	—	—	11,803	11,803
Fair value gains on FVPL	按公平值列賬在損益表中處理之金融資產之公平值收益	—	—	21,361	—	21,361
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(66,572)	(21,528)	—	—	(88,100)
Depreciation of right-of-use assets	使用權資產折舊	(9,205)	(9,784)	—	—	(18,989)
Amortisation of intangible assets	無形資產攤銷	(4,103)	(775)	—	—	(4,878)
Finance income	融資收入	8,796	201	—	—	8,997
Finance costs	融資成本	(12,984)	(2,257)	—	—	(15,241)
Share of losses of associates	分佔聯營公司虧損	(585)	—	—	—	(585)
Share of losses of joint ventures	分佔合營公司虧損	—	(573)	—	—	(573)
Income tax (expense)/credit	所得稅(開支)/抵免	(20,912)	5,287	—	(2,922)	(18,547)

5 Segment information (Continued)

5 分部資料(續)

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度				
Total revenue	收入總額	1,799,594	479,604	14,842	2,294,040
Inter-segment revenue	分部間收入	(15,553)	—	(3,669)	(19,222)
Revenue (from external customers)	收入(來自外部客戶)	1,784,041	479,604	11,173	2,274,818
Timing of revenue recognition	收入確認的時間				
At a point in time	於一個時點	1,784,041	479,604	—	2,263,645
Over time	於一段時間內	—	—	11,173	11,173
		1,784,041	479,604	11,173	2,274,818
Segment profit/(loss) before income tax	除所得稅前分部溢利/(虧損)	105,664	(58,688)	4,825	51,801
Fair value gains on investment properties	投資物業的公平值收益	—	—	5,433	5,433
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(71,135)	(25,016)	—	(96,151)
Amortisation of land use rights	土地使用權攤銷	(1,514)	(32)	—	(1,546)
Amortisation of intangible assets	無形資產攤銷	(4,256)	(2,442)	—	(6,698)
Impairment loss on goodwill	商譽減值虧損	(4,930)	—	—	(4,930)
Finance income	融資收入	7,129	213	—	7,342
Finance costs	融資成本	(8,637)	(1,966)	—	(10,603)
Share of losses of joint ventures	分佔合營公司虧損	—	(4,603)	—	(4,603)
Income tax (expense)/credit	所得稅(開支)/抵免	(22,059)	9,198	(1,206)	(14,067)

5 Segment information (Continued)

5 分部資料(續)

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Property development 物業開發 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2019	於二零一九年十二月三十一日					
Total segment assets	分部資產總額	1,909,885	1,012,849	304,858	342,432	3,570,024
Total segment assets include:	分部資產總額包括：					
Interests in associates	於聯營公司之權益	1,236	—	—	—	1,236
FVPL	按公平值列賬在損益表中處理之金融資產	—	—	304,858	—	304,858
Additions to non-current assets (other than financial instruments and deferred income tax assets)	添置非流動資產(金融工具及遞延所得稅資產除外)	230,227	23,488	—	—	253,715
Tax recoverable	可收回稅項	3,116	3,297	—	—	6,413
Deferred income tax assets	遞延所得稅資產	17,898	68,519	—	—	86,417
As at 31 December 2018	於二零一八年十二月三十一日					
Total segment assets	分部資產總額	1,977,042	992,556	288,876	336,711	3,595,185
Total segment assets include:	分部資產總額包括：					
Interests in associates	於聯營公司之權益	1,846	—	—	—	1,846
Interests in joint ventures	於合營公司之權益	—	14,690	—	—	14,690
FVPL	按公平值列賬在損益表中處理之金融資產	—	—	288,876	—	288,876
Additions to non-current assets (other than financial instruments and deferred income tax assets)	添置非流動資產(金融工具及遞延所得稅資產除外)	52,039	18,778	—	—	70,817
Tax recoverable	可收回稅項	8,555	1,384	—	—	9,939
Deferred income tax assets	遞延所得稅資產	15,676	62,787	—	—	78,463

5 Segment information (Continued)

A reconciliation of reportable segments' profit before income tax to total profit before income tax is provided as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total segment (loss)/profit before income tax	除所得稅前分部(虧損)/溢利總額	(37,031)	51,801
Net fair value gains/(losses) of FVPL	按公平值列賬在損益表中處理之金融資產公平值收益/(虧損)淨額	4,160	(3,822)
Corporate overhead	企業經常費用	(6,621)	(6,100)
Fair value gain/(loss) on investment properties	投資物業的公平值收益/(虧損)	1,800	(1,300)
Rental income	租金收入	580	696
(Loss)/profit before income tax per consolidated statement of comprehensive income	綜合全面收入表所列除所得稅前(虧損)/溢利	(37,112)	41,275

A reconciliation of reportable segments' assets to total assets is provided as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total segment assets	分部資產總額	3,570,024	3,595,185
FVPL	按公平值列賬在損益表中處理之金融資產	5,647	15,393
FVOCI	按公平值計入其他全面收入之金融資產	9,087	—
Corporate assets	企業資產	1,148	16,142
Investment properties	投資物業	28,800	27,000
Entrusted loans	委託貸款	5,643	166,022
Total assets per consolidated balance sheet	綜合資產負債表所列資產總額	3,620,349	3,819,742

5 分部資料(續)

可報告分部之除所得稅前溢利與除所得稅前溢利總額之對賬如下：

可報告分部之資產與資產總額之對賬如下：

5 Segment information (Continued)

The Company is domiciled in the Cayman Islands. The results of its revenue from external customers based on the destination where the products are delivered 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
The PRC	中國	942,921	1,216,129
North America	北美	683,230	820,163
European Union	歐盟	219,406	196,928
Hong Kong	香港	36,021	25,556
Other countries	其他國家	17,433	16,042
		1,899,011	2,274,818

The total of non-current assets other than interests in associates, interests in joint ventures, promissory note and deferred income tax assets (there are no employment benefit assets and rights arising under insurance contracts) located in the following geographical areas 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
The PRC	中國	840,397	774,616
Hong Kong	香港	197,765	144,545
North America	北美	17,620	2,613
		1,055,782	921,774

5 分部資料(續)

本公司於開曼群島註冊成立。根據產品交付地點劃分之外部客戶收入結果如下：

位於以下地區之非流動資產總額(不包括於聯營公司之權益、於合營公司之權益、承兌票據及遞延所得稅資產(保險合約未有產生僱員福利資產及權利))如下：

5 Segment information (Continued)

For the year ended 31 December 2019, revenues of approximately HK\$235,839,000 (2018: HK\$316,404,000) are derived from a single external customer (2018: Same). These revenues are attributable to the OEM reportable segment and accounted for greater than 10% of the Group's revenue. There are no other customers which individually accounted for more than 10% of the Group's total revenue (2018: Same).

The contract liabilities represent the advance payments received from counterparties for goods or services that have not yet been transferred or provided to the counterparties. As at 31 December 2019, the Group has recognised the following liabilities related to contracts with customers:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current contract liabilities	流動合約負債	22,791	29,534

The following table shows the amount of the revenue recognised during the year ended 31 December 2019 relates to contract liabilities carried forward:

		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 the contract liabilities balance at the beginning of the year	計入年初合約負債結餘的 已確認收入	23,618	23,718

The Group expects their performance obligations under the contracts with customers to be satisfied primarily over the period of one year.

5 分部資料(續)

截至二零一九年十二月三十一日止年度，約235,839,000港元(二零一八年：316,404,000港元)之收入來自單一外部客戶(二零一八年：相同)。該等收入乃歸屬於原設備製造之可報告分部，並佔本集團收入之10%以上。概無其他客戶單獨佔本集團總收入的10%以上(二零一八年：相同)。

合約負債指就尚未轉讓或提供予交易對方的貨物或服務自交易對方收取的預付款。於二零一九年十二月三十一日，本集團確認與客戶合約相關的以下負債：

下表載列截至二零一九年十二月三十一日止年度因結轉合約負債而確認的收入金額：

本集團預期彼等於客戶合約項下的履約責任將主要於一年期間內完成。

6 Property, plant and equipment

6 物業、廠房及設備

		Buildings (2018: Leasehold land and buildings) 樓宇 (二零一八年： 租賃土地及樓宇) HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機械 HK\$'000 千港元	Vehicles 汽車 HK\$'000 千港元	Furniture, fittings and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日							
Cost	成本	722,865	223,360	478,206	42,046	70,784	1,047	1,538,308
Accumulated depreciation	累計折舊	(302,794)	(180,573)	(381,173)	(41,331)	(64,387)	—	(970,258)
Net book amount	賬面淨值	420,071	42,787	97,033	715	6,397	1,047	568,050
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	420,071	42,787	97,033	715	6,397	1,047	568,050
Exchange differences	匯兌差額	(10,911)	(1,664)	(5,236)	(66)	(314)	(465)	(18,656)
Additions	添置	—	29,465	25,049	1,852	2,217	12,234	70,817
Disposals	出售	(35)	—	(10,631)	(566)	(61)	—	(11,293)
Depreciation	折舊	(27,933)	(27,471)	(37,791)	(695)	(2,261)	—	(96,151)
Demolition and relocation (Note 27)	拆除及重遷(附註27)	(954)	—	(9,438)	—	(1,136)	(284)	(11,812)
Transfer from investment property (Note 8)	轉自投資物業(附註8)	37,815	—	—	—	—	—	37,815
Transfers to investment properties (Note)	轉至投資物業(附註)	(62,070)	—	—	—	(1,900)	—	(63,970)
Transfers to assets held for sale (Note 20)	轉至持作出售資產 (附註20)	(5,154)	—	—	—	—	—	(5,154)
Closing net book amount	年末賬面淨值	350,829	43,117	58,986	1,240	2,942	12,532	469,646
At 31 December 2018	於二零一八年十二月三十一日							
Cost	成本	679,591	251,161	385,864	38,208	68,337	12,532	1,435,693
Accumulated depreciation	累計折舊	(328,762)	(208,044)	(326,878)	(36,968)	(65,395)	—	(966,047)
Net book amount	賬面淨值	350,829	43,117	58,986	1,240	2,942	12,532	469,646
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	350,829	43,117	58,986	1,240	2,942	12,532	469,646
Reclassification to right-of-use assets (Note 2.2)	重新分類至使用權資產 (附註2.2)	(77,454)	—	—	—	—	—	(77,454)
Exchange differences	匯兌差額	(3,627)	(871)	(546)	(31)	(20)	(1,608)	(6,703)
Additions	添置	35,427	42,351	16,615	3,906	671	101,601	200,571
Acquisition of a subsidiary (Note 36)	收購附屬公司(附註36)	—	—	—	—	274	—	274
Disposals	出售	(190)	—	(1,841)	(365)	(97)	—	(2,493)
Transfers	轉撥	1,418	(66)	197	—	66	(1,615)	—
Depreciation	折舊	(27,285)	(27,862)	(28,645)	(2,945)	(1,363)	—	(88,100)
Demolition and relocation (Note 27)	拆除及重遷(附註27)	—	—	(15,533)	—	—	—	(15,533)
Closing net book amount	年末賬面淨值	279,118	56,669	29,233	1,805	2,473	110,910	480,208
At 31 December 2019	於二零一九年十二月三十一日							
Cost	成本	599,964	280,027	320,215	35,403	58,921	110,910	1,405,440
Accumulated depreciation	累計折舊	(320,846)	(223,358)	(290,982)	(33,598)	(56,448)	—	(925,232)
Net book amount	賬面淨值	279,118	56,669	29,233	1,805	2,473	110,910	480,208

6 Property, plant and equipment (Continued)

Depreciation expenses of approximately HK\$38,168,000 (2018: HK\$51,087,000) and HK\$49,932,000 (2018: HK\$45,064,000) have been charged in cost of sales and administrative expenses, respectively.

As at 31 December 2019, buildings with net book amount of approximately HK\$87,658,000 were pledged as securities for the Group's bank borrowings (Note 25).

As at 31 December 2018, leasehold land and buildings with net book amount of approximately HK\$125,674,000 were pledged as securities for the Group's bank borrowings (Note 25).

Note: During the year ended 31 December 2018, the Group transferred certain owner-occupied properties located in Hangzhou to investment properties and rented them out (Note 8):

6 物業、廠房及設備(續)

折舊開支約38,168,000港元(二零一八年: 51,087,000港元)及49,932,000港元(二零一八年: 45,064,000港元)已分別於銷售成本及行政開支扣除。

於二零一九年十二月三十一日,賬面淨值約87,658,000港元之樓宇獲抵押作為本集團銀行借款(附註25)之擔保。

於二零一八年十二月三十一日,賬面淨值約125,674,000港元之租賃土地及樓宇獲抵押作為本集團銀行借款(附註25)之擔保。

附註: 截至二零一八年十二月三十一止年度,本集團將杭州的若干自用物業轉為投資物業並出租(附註8):

		2018 二零一八年 HK\$'000 千港元
On the date of transfer	於轉撥日期	
— Fair value of properties transferred	— 所轉撥物業的公平值	300,261
— Carrying amounts of properties transferred	— 所轉撥物業的賬面值	(63,970)
Excess of fair values over carrying amounts	公平值超過賬面值的金額	236,291
Less: Deferred taxation (Note 23)	減: 遞延稅項(附註23)	(59,073)
Revaluation surplus recognised in other comprehensive income	於其他全面收入確認的重估盈餘	177,218

7 Leases

(i) Amounts recognised in the consolidated balance sheet

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 1 January 2019 於二零一九年 一月一日 HK\$'000 千港元
Right-of-use assets	使用權資產		
Leasehold land and land use rights	租賃土地及土地使用權	161,431	153,838
Properties	物業	28,099	11,629
Office equipment	辦公設備	238	312
		189,768	165,779
Lease liabilities	租賃負債		
— Current portion	— 即期部分	10,885	7,801
— Non-current portion	— 非即期部分	18,539	4,140
		29,424	11,941

Additions to the right-of-use assets during the year ended 31 December 2019 were approximately HK\$44,301,000.

As at 31 December 2019, leasehold land and land use rights with net book amount of approximately HK\$98,818,000 were pledged as securities for the Group's bank borrowings (Note 25).

(i) 於綜合資產負債表確認的金額

截至二零一九年十二月三十一日止年度添置的使用權資產約為44,301,000港元。

於二零一九年十二月三十一日，賬面淨值約98,818,000港元之租賃土地及土地使用權獲抵押作為本集團多項銀行借款(附註25)之擔保。

7 租賃

7 Leases (Continued)

(ii) Amounts recognised in the consolidated statements of comprehensive income

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Depreciation charge of right-of-use assets		
Properties	13,261	—
Leasehold land and land use rights	5,655	—
Office equipment	73	—
	18,989	—
Interests on lease liabilities	857	—
Expenses relating to short-term leases	10,704	—

The total cash outflow for leases during the year ended 31 December 2019 was approximately HK\$23,804,000.

(iii) The Group's leasing activities and how these are accounted for

The Group leases various properties and office equipment. Rental contracts are typically made for fixed deposits of 1 to 3 years, but may have extension options as described in (v) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants.

7 租賃(續)

(ii) 於綜合全面收入表確認的金額

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Depreciation charge of right-of-use assets		
物業	13,261	—
租賃土地及土地使用權	5,655	—
辦公設備	73	—
	18,989	—
租賃負債利息	857	—
短期租賃開支	10,704	—

截至二零一九年十二月三十一日止年度的租賃現金流出總額約為23,804,000港元。

(iii) 本集團的租賃活動及其會計處理

本集團租賃多項物業及辦公設備。租賃合約一般具有一至三年的固定期限，但可能附有延長租賃的選擇權(見下文(v))。

租賃條款獨立協商，且包含各種不同的條款及條件。租賃安排不會強加任何契諾。

7 Leases (Continued)

(iv) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(v) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

7 租賃(續)

(iv) 可變租賃付款

部分物業租賃包含與店舖產生的銷售額掛鈎的可變付款條款。對於個別店舖而言，基於可變付款條款的租賃付款最高可達100%，且所採用的銷售額比例範圍較大。使用可變付款條款的原因有多種，包括使新設店舖的固定成本基數最小化。取決於銷售額的可變租賃付款在觸發可變租賃付款的條件發生當期於損益內確認。

(v) 延長及終止選擇權

本集團若干物業租賃包含延長及終止選擇權。該等條款的使用目的在於使合約管理的操作靈活性最大化。所持的大部分延長及終止選擇權僅可由本集團行使，而不可由相應的出租人行使。

8 Investment properties

8 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
At 1 January	於一月一日	363,711	88,721
Transfer to owner-occupied property (Note)	轉至自用物業(附註)	—	(58,026)
Transfers from owner-occupied properties (Notes 6 and 9)	轉自自用物業(附註6及9)	—	345,069
Exchange differences	匯兌差額	(6,082)	(16,186)
Fair value gains (Note 27)	公平值收益(附註27)	13,603	4,133
At 31 December	於十二月三十一日	371,232	363,711
Amounts recognised in the consolidated statement of comprehensive income:	綜合全面收入表確認之金額：		
Rental revenue from property investment in the PRC	中國投資物業的租金收入	19,271	11,173
Other rental income	其他租金收入	5,392	6,210
Direct operating expenses arising from investment properties that generate rental income	產生租金收入之投資物業所產生的直接經營開支	(121)	(316)
		24,542	17,067

Note: The lease on one of the Group's investment properties located in Hangzhou was expired in August 2018, upon which the property with a carrying value of HK\$58,026,000 was transferred from investment property to owner-occupied property and land use right of the Group amounting to HK\$37,815,000 (Notes 6) and HK\$20,211,000 (Note 9), respectively.

附註：本集團位於杭州的一處投資物業的租約已於二零一八年八月屆滿，此後，賬面值為58,026,000港元的該物業由投資物業分別轉撥至本集團的自有物業及土地使用權，金額分別為37,815,000港元(附註6)及20,211,000港元(附註9)。

8 Investment properties (Continued)

The Group measures its investment properties at fair value.

As at 31 December 2019 and 2018, the fair values of the Group's investment properties located in Hong Kong and Hangzhou are determined on the basis of valuation carried out by the directors and an independent qualified valuer (the "Valuer"), respectively.

Valuations were determined either with reference to current prices in an active market of similar properties, or where such information is not available, information from a variety of sources were considered including:

- (i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- (ii) discounted cash flow projections based on reliable estimates of future cash flows; or
- (iii) capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Fair values of the Group's investment properties located in Hong Kong are determined by the directors of the Company with reference to current prices in an active market of similar properties.

Fair values of the Group's investment properties located in Hangzhou are derived by the Valuer using the investment method of the income approach, by taking into account the current rental income from the existing tenancy agreements and reversionary income potential by adopting appropriate term/reversionary yields, which are derived from analysis of sales transaction and the Valuer's interpretation of prevailing investor requirements or expectations. For the reversionary potential of the properties, the Valuer refers market price of similar comparable properties.

Term and reversionary yields are estimated by the Valuer based on the risk profile of the investment properties being valued. The higher the yields, the lower the fair value. As at 31 December 2019, yield ranged from 6.0% to 6.5% (2018: 6.0% to 6.5%) were adopted in the term yields analysis for the Group's investment properties in Hangzhou.

8 投資物業(續)

本集團按公平值計量其投資物業。

於二零一九年及二零一八年十二月三十一日，本集團位於香港及杭州的投資物業之公平值乃基於董事及一名獨立合資格估值師(「估值師」)分別作出的估值釐定。

估值的釐定參考類似物業於活躍市場的當前價格，倘該類信息無法獲得時，則參考以下各來源的信息：

- (i) 不同性質之物業於活躍市場之當前價格或類似物業於較不活躍市場之近期價格(須就反映上述差異作出調整)；
- (ii) 根據未來現金流量之可靠估計而作出之貼現現金流量預測；或
- (iii) 根據物業之估計市場收入淨額以及源自市場憑證分析所得之資本化比率而作出之資本化收入預測。

本集團於香港的投資物業之公平值經本公司董事參考類似物業於活躍市場的當前價格釐定。

本集團於杭州的投資物業之公平值由估值師使用投資法之收益法，經考慮現有租賃協議之現時租金收入及租金上升潛力(採用合適租期/租金上升率(透過分析銷售交易及估值師對當時投資者的要求或預期的詮釋得出))得出。物業復歸潛力方面，估值師會參照類似可比較物業之市場價格。

估值師基於被估值之投資物業的風險狀況估計期限及租金上升率。上升率越高，公平值越低。於二零一九年十二月三十一日，本集團位於杭州的投資物業的長期上升率之分析所採納的上升率介乎6.0%至6.5%(二零一八年：6.0%至6.5%)。

8 Investment properties (Continued)

Prevailing market price are estimated based on recent sales transactions within the subject properties and other comparable properties. The lower the prices, the lower is the fair value. As at 31 December 2019, prevailing market prices ranged from HK\$23 to HK\$28 (2018: HK\$21 to HK\$25) per month per square meter were adopted in the term and reversionary analysis for the Group's investment properties in Hangzhou.

The valuation gains are included in "Other gains, net" in the consolidated statement of comprehensive income (Note 27). The following table analyses the investment properties carried at fair value by valuation methods.

Fair value hierarchy

		Fair value measurements using 採用以下各項之公平值計量		
		Quoted prices in active markets for identical assets (Level 1) 相同資產於活躍 市場之報價 (級別1) HK\$'000 千港元	Significant other observable inputs (Level 2) 其他重大 可觀察參數 (級別2) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大 不可觀察參數 (級別3) HK\$'000 千港元
Recurring fair value measurements	經常性公平值計量			
Investment properties as at 31 December 2019	於二零一九年十二月 三十一日之投資物業			
— The PRC	— 中國	—	—	342,432
— Hong Kong	— 香港	—	—	28,800
		—	—	371,232
Investment properties as at 31 December 2018	於二零一八年十二月 三十一日之投資物業			
— The PRC	— 中國	—	—	336,711
— Hong Kong	— 香港	—	—	27,000
		—	—	363,711

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers among levels 1, 2 and 3 during the year (2018: Same).

8 投資物業(續)

現行市場價格乃基於目標物業內及其他可資比較物業的近期交易情況估計。價格越低，公平值越低。於二零一九年十二月三十一日，本集團位於杭州的投資物業的期限及上升率分析所採納的現行市場價格介乎每月每平方米23港元至28港元(二零一八年：21港元至25港元)。

估值收益乃計入綜合全面收入表之「其他收益淨額」(附註27)。下表分析以估值法按公平值列賬之投資物業。

公平值級別

Fair value measurements using 採用以下各項之公平值計量

Quoted prices in active markets for identical assets (Level 1) 相同資產於活躍 市場之報價 (級別1) HK\$'000 千港元	Significant other observable inputs (Level 2) 其他重大 可觀察參數 (級別2) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大 不可觀察參數 (級別3) HK\$'000 千港元
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本集團之政策為於引致轉移之事件或情況有變當日確認轉入及轉出之公平值級別。

於年內在級別1、2及3之間並無進行轉移(二零一八年：相同)。

8 Investment properties (Continued)

Fair value measurements using significant unobservable inputs (Level 3)

8 投資物業(續)

使用重大不可觀察參數(級別3)之公平
值計量

		Investment properties 投資物業		
		Hong Kong 香港	PRC 中國	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	27,000	336,711	363,711
Gains from fair value adjustment	公平值調整所得收益	1,800	11,803	13,603
Exchange differences	匯兌差額	—	(6,082)	(6,082)
At 31 December 2019	於二零一九年十二月三十一日	28,800	342,432	371,232
Total valuation gains for the year included in profit or loss for assets held at the end of the year, under "Other gains, net"	在「其他收益淨額」下就年末所持資產計入損益中之年內估值收益總額	1,800	11,803	13,603
At 1 January 2018	於二零一八年一月一日	28,300	60,421	88,721
Transfer to an owner-occupied property	轉至自用物業	—	(58,026)	(58,026)
Transfers from owner-occupied properties	轉自自用物業	—	345,069	345,069
(Losses)/gains from fair value adjustment	公平值調整所得(虧損)/收益	(1,300)	5,433	4,133
Exchange differences	匯兌差額	—	(16,186)	(16,186)
At 31 December 2018	於二零一八年十二月三十一日	27,000	336,711	363,711
Total valuation (losses)/gains for the year included in profit or loss for assets held at the end of the year, under "Other gains, net"	在「其他收益淨額」下就年末所持資產計入損益中之年內估值(虧損)/收益總額	(1,300)	5,433	4,133

Level 3 fair values of investment properties have been derived using the comparable sales transactions as available in the relevant market or using the valuation result based on income approach to derive the fair value of the properties.

級別3之投資物業公平值已使用在相關市場之可資比較銷售交易或使用收益法得出的估值結果入賬，以計算物業之公平值。

9 Land use rights

9 土地使用權

		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	76,384	70,334
Reclassification to right-of-use assets (Note 7)	重新分類至使用權資產 (附註7)	(76,384)	—
Transfer from investment property (Note 8)	轉自投資物業(附註8)	—	20,211
Transfers to investment properties (Note)	轉至投資物業(附註)	—	(4,248)
Transfers to assets held for sale (Note 20)	轉至持作出售資產 (附註20)	—	(3,520)
Demolition and relocation (Note 27)	拆除及重遷(附註27)	—	(1,466)
Exchange differences	匯兌差額	—	(3,381)
Amortisation	攤銷	—	(1,546)
At 31 December	於十二月三十一日	—	76,384

Note: During the year ended 31 December 2018, the Group transferred certain portion of the owner-occupied land used rights located in Hangzhou to investment properties and rented them out (Note 8):

附註：截至二零一八年十二月三十一日止年度，本集團將杭州的若干自用土地使用權轉為投資物業並出租(附註8)：

		2018 二零一八年 HK\$'000 千港元
On the date of transfer	於轉撥日期	
— Fair values of land use rights transferred	— 所轉撥土地使用權的公平值	44,808
— Carrying amounts of land use rights transferred	— 所轉撥土地使用權的賬面值	(4,248)
Excess of fair values over carrying amounts	公平值超過賬面值的金額	40,560
Less: Deferred taxation (Note 23)	減：遞延稅項(附註23)	(10,140)
Revaluation surplus recognised in other comprehensive income	於其他全面收入確認的重估盈餘	30,420

As at 31 December 2018, land use rights with net book amount approximately HK\$6,456,000 were pledged as securities for the Group's bank borrowings (Note 25).

於二零一八年十二月三十一日，賬面淨值約6,456,000港元之土地使用權獲抵押作為本集團銀行借款(附註25)之擔保。

10 Intangible assets

10 無形資產

		Goodwill 商譽 HK\$'000 千港元 Note (a) 附註(a)	Trademark 商標 HK\$'000 千港元 Note (b) 附註(b)	Customer relationship 客戶關係 HK\$'000 千港元	Exclusive supply right 獨家供應權 HK\$'000 千港元 Note (c) 附註(c)	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日					
Cost	成本	92,786	55,740	14,691	35,894	199,111
Accumulated amortisation	累計攤銷	—	(47,532)	(14,691)	(26,731)	(88,954)
Accumulated impairment	累計減值	(87,856)	—	—	—	(87,856)
Net book amount	賬面淨值	4,930	8,208	—	9,163	22,301
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	4,930	8,208	—	9,163	22,301
Amortisation	攤銷	—	(2,442)	—	(4,256)	(6,698)
Impairment	減值	(4,930)	—	—	—	(4,930)
Exchange differences	匯兌差額	—	—	—	(50)	(50)
Closing net book amount	年末賬面淨值	—	5,766	—	4,857	10,623
At 31 December 2018	於二零一八年十二月三十一日					
Cost	成本	92,786	55,740	14,691	35,844	199,061
Accumulated amortisation	累計攤銷	—	(49,974)	(14,691)	(30,987)	(95,652)
Accumulated impairment	累計減值	(92,786)	—	—	—	(92,786)
Net book amount	賬面淨值	—	5,766	—	4,857	10,623
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	—	5,766	—	4,857	10,623
Additions	添置	—	—	—	8,843	8,843
Amortisation	攤銷	—	(775)	—	(4,103)	(4,878)
Exchange differences	匯兌差額	—	—	—	(14)	(14)
Closing net book amount	年末賬面淨值	—	4,991	—	9,583	14,574
At 31 December 2019	於二零一九年十二月三十一日					
Cost	成本	92,786	55,740	14,691	44,723	207,940
Accumulated amortisation	累計攤銷	—	(50,749)	(14,691)	(35,140)	(100,580)
Accumulated impairment	累計減值	(92,786)	—	—	—	(92,786)
Net book amount	賬面淨值	—	4,991	—	9,583	14,574

During the year, amortisation expenses of approximately HK\$775,000 (2018: HK\$2,442,000) and HK\$4,103,000 (2018: HK\$4,256,000) have been charged in selling, marketing and distribution costs and against revenue, respectively.

年內，攤銷開支約775,000港元(二零一八年：2,442,000港元)及4,103,000港元(二零一八年：4,256,000港元)已分別自銷售、營銷及分銷成本以及收入內扣除。

10 Intangible assets (Continued)

Notes:

(a) Impairment tests for goodwill

Goodwill is allocated to the CGUs identified for OEM garment business and fabric printing and dyeing business that are expected to benefit from the synergies of the business combinations. The goodwill being allocated to OEM garment business and fabric printing and dyeing business was resulted from the acquisitions of Zhejiang China Ting Group Company Limited and Interfield Industrial Limited, respectively, and was included in the OEM segment. Such goodwill has been fully impaired in previous years.

(b) The trademark represents the right to use the FINITY brand and TRENTA brand.

(c) In July 2009, the Group entered into an exclusive supply agreement with Bernard Chau, Inc. ("Bernard Chau") pursuant to which Bernard Chau appointed the Group as the sole supplier of all its career wear and casual sportswear in the PRC for a term of 10 years from the date of such agreement. In return the Group agreed to pay Bernard Chau an exclusive supply premium of US\$4,000,000 (approximately HK\$31,015,000).

In May 2017, the Group entered into an agreement with Xcel Design Group, LLC ("Xcel") pursuant to which the Group was appointed as the sole supplier in the PRC/Asia of certain women's apparel to certain Xcel's retail licensees for a term of 44 months from the date of such agreement. In return the Group agreed to pay Xcel an exclusive supply premium of US\$500,000 (approximately HK\$3,867,000). Such agreement was terminated and replaced by a supplemental agreement on 31 December 2019, pursuant to which Xcel granted the Group an exclusive supply right for certain women's apparel to certain Xcel's retail licensees in the PRC/Asia for a term of 60 months in order to mitigate the Group's loss from trade receivables of a customer which is an affiliate of Xcel. As at 31 December 2019, the fair value of such exclusive supply right is determined by an independent qualified valuer using the income approach. The fair value is within level 3 of the fair value hierarchy (Note 3.3). Key inputs to the valuation include forecasted return rate of such exclusive supply right and discount rate. There is no interrelationships with those inputs. The better the forecasted return rate, the higher the fair value. The higher the discount rate, the lower the fair value.

In November 2017, the Group entered into an exclusive supply agreement with Hangzhou Ranyue pursuant to which the Group was appointed as the sole supplier of Hangzhou Ranyue for a term of 10 years from the date of the agreement. In return the Group agreed to pay Hangzhou Ranyue an exclusive supply premium of RMB845,000 (approximately HK\$1,003,000).

10 無形資產(續)

附註：

(a) 商譽減值測試

商譽獲分配予就原設備製造成衣業務及面料印染業務(該兩項業務預期可因業務合併而獲協同效益)而識別之現金產生單位。因收購浙江華鼎集團有限責任公司及中都實業有限公司而分別獲分配至原設備製造成衣業務及面料印染業務之商譽列入原設備製造分部。該等商譽已於過往年度全部減值。

(b) 商標代表使用FINITY(菲妮迪)和TRENTA品牌之權利。

(c) 於二零零九年七月，本集團與Bernard Chau, Inc. (「Bernard Chau」)達成獨家供應協議。據此，Bernard Chau委任本集團為其旗下所有上班服及運動便服在中國之獨家供應商，為期由協議日期起計十年。本集團同意支付4,000,000美元(約31,015,000港元)獨家供應報酬予Bernard Chau。

於二零一七年五月，本集團與Xcel Design Group, LLC (「Xcel」)達成協議。根據協議，本集團被委託為在中國/亞洲向若干Xcel的零售許可商分銷若干女裝之獨家供應商，為期由協議日期起計四十四個月。本集團同意支付500,000美元(約3,867,000港元)獨家供應報酬予Xcel。該協議已於二零一九年十二月三十一日經由補充協議終止及替換。據此，Xcel將在中國/亞洲向若干零售許可商分銷若干女裝的獨家供應權授予本集團，為期六十個月，以減輕本集團因一名客戶(為Xcel的聯屬人士)的應收貿易賬款而蒙受的損失。於二零一九年十二月三十一日，有關獨家供應權的公平值乃由獨立合資格估值師使用收益法而釐定。該公平值屬於公平值層級(附註3.3)中的第3級。估值時使用的主要輸入數據包括有關獨家供應權的預測收益率及折現率。該等輸入數據之間並無相互關係。預測收益率越高，公平值越高。折現率越高，公平值越低。

於二零一七年十一月一日，本集團與杭州冉悅達成獨家供應協議。根據協議，本集團被委託為杭州冉悅的獨家供應商，為期由協議日期起計十年。本集團同意支付人民幣845,000元(約1,003,000港元)獨家供應報酬予杭州冉悅。

11 Subsidiaries

The particulars of the Group's principal subsidiaries as at 31 December 2019 are set out as follows:

11 附屬公司

於二零一九年十二月三十一日，本集團主要附屬公司之詳情載列如下：

Name 名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點及 法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/實收 股本詳情	Equity interest attributable to the Group 本集團應佔股權	
				2019 二零一九年	2018 二零一八年
Indirectly held: 間接持有：					
Bolinding Hangzhou Textile Technology Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing and retailing, trademark holding and property investment in PRC	US\$30,000,000	100%	100%
伯林鼎杭州纺织科技有限公司	中國·外商獨資企業	成衣製造及零售、持有商標及 物業投資(中國)	30,000,000美元		
China Ting Fashion Trading Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	HK\$5,000,000	100%	100%
華鼎時裝貿易有限公司	香港·有限公司	投資控股(香港)	5,000,000港元		
China Ting Garment Mfg (Group) Limited	Hong Kong, limited liability company	Garment trading in Hong Kong	HK\$5,000,000	100%	100%
華鼎製衣(集團)有限公司	香港·有限公司	成衣貿易(香港)	5,000,000港元		
Concept Creator Fashion Limited	Hong Kong, limited liability company	Garment trading in Hong Kong	HK\$200,000	100%	100%
創越時裝有限公司	香港·有限公司	成衣貿易(香港)	200,000港元		
Concept Creator Limited	Hong Kong, limited liability company	Garment trading in Hong Kong	HK\$10,000	100%	100%
創越有限公司	香港·有限公司	成衣貿易(香港)	10,000港元		
Concept Creator Investments (Hong Kong) Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	HK\$100,000	100%	100%
創越投資(香港)有限公司	香港·有限公司	投資控股(香港)	100,000港元		
Diny (Hangzhou) Fashion Company Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing and retailing and trademark holding in the PRC	US\$3,130,000	100%	100%
迪妮(杭州)時裝有限公司	中國·外商獨資企業	成衣製造及零售及持有商標 (中國)	3,130,000美元		
Finity Fashion (Shenzhen) Company Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing and retailing and trademark holding in the PRC	HK\$10,000,000	100%	100%
菲妮迪(深圳)有限公司	中國·外商獨資企業	成衣製造及零售及持有商標 (中國)	10,000,000港元		

11 Subsidiaries (Continued)

11 附屬公司(續)

Name 名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點及 法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/實收 股本詳情	Equity interest attributable to the Group 本集團應佔股權	
				2019 二零一九年	2018 二零一八年
Finity International Fashion Company Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing and retailing and trademark holding in the PRC	US\$10,900,000	100%	100%
菲妮迪國際時裝有限公司	中國·外商獨資企業	成衣製造及零售及持有商標 (中國)	10,900,000美元		
Hangzhou China Ting Fashion Company Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing in the PRC	US\$4,180,000	100%	100%
杭州華鼎時裝有限公司	中國·外商獨資企業	成衣製造(中國)	4,180,000美元		
Hangzhou China Ting Tailored Fashion Company Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing in the PRC	US\$8,000,000	100%	100%
杭州華鼎西服時裝有限公司	中國·外商獨資企業	成衣製造(中國)	8,000,000美元		
China Ting Woollen Textile Company Limited	The PRC, wholly foreign owned enterprise	Wool textile and garment manufacturing in the PRC	US\$59,500,000	100%	100%
華貝納(杭州)毛紡染整 有限公司	中國·外商獨資企業	毛紡產品及成衣製造(中國)	59,500,000美元		
Hangzhou Fuding Fashion Company Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing in the PRC	US\$2,000,000	100%	100%
杭州富鼎時裝有限公司	中國·外商獨資企業	成衣製造(中國)	2,000,000美元		
Hangzhou Fuxi Fashion Company Limited	The PRC, wholly foreign owned enterprise	Garment retailing in the PRC	US\$200,000	100%	100%
杭州富茜時裝有限公司	中國·外商獨資企業	成衣零售(中國)	200,000美元		
Hangzhou Huaxing Silk Printing Company Limited	The PRC, wholly foreign owned enterprise	Printing and dyeing of silk and other high quality fabrics in the PRC	US\$8,000,000	100%	100%
杭州華星絲綢印染有限公司	中國·外商獨資企業	絲綢及其他優質面料印染 (中國)	8,000,000美元		
China Ting (Hangzhou) Textile Technology Company Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing in the PRC	US\$16,000,000	100%	100%
華鼎(杭州)紡織科技有限公司	中國·外商獨資企業	成衣製造(中國)	16,000,000美元		
He Shan Tri-Star Silk Dyeing and Printing Work Limited	The PRC, wholly foreign owned enterprise	Printing and dyeing of silk and other high quality fabrics in the PRC	US\$3,321,000	100%	100%
鶴山三星絲綢印染企業 有限公司	中國·外商獨資企業	絲綢及其他優質面料印染 (中國)	3,321,000美元		
Zhongshan Tri-Star Textile Printing Technology Company Limited	The PRC, wholly foreign owned enterprise	Printing and dyeing of silk and other high quality fabrics in the PRC	RMB6,250,000	100%	100%
中山三星紡織印花科技 有限公司	中國·外商獨資企業	絲綢及其他優質面料印染 (中國)	人民幣 6,250,000元		

11 Subsidiaries (Continued)

11 附屬公司(續)

Name 名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點及 法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/實收 股本詳情	Equity interest attributable to the Group 本集團應佔股權	
				2019 二零一九年	2018 二零一八年
Hong Kong Fuhowe Fashion Company Limited 香港富豪時裝有限公司	Hong Kong, limited liability company 香港, 有限公司	Investment holding in HK 投資控股(香港)	HK\$100,000 100,000港元	100%	100%
Interfield Industrial Limited 中都實業有限公司	Hong Kong, limited liability company 香港, 有限公司	Fabric printing and dyeing 面料印染	HK\$23,410,000 23,410,000港元	100%	100%
Shenzhen Fuhowe Fashion Company Limited 深圳富豪時裝有限公司	The PRC, wholly foreign owned enterprise 中國, 外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$1,610,000 1,610,000美元	100%	100%
Zhejiang China Ting Brand Management Company Limited 浙江華鼎品牌管理有限公司	The PRC, wholly foreign owned enterprise 中國, 外商獨資企業	Garment manufacturing and retailing and trademark holding in the PRC 成衣製造及零售及持有商標 (中國)	US\$8,200,000 8,200,000美元	100%	100%
Zhejiang China Ting Jincheng Silk Company Limited 浙江華鼎金誠絲綢有限公司	The PRC, wholly foreign owned enterprise 中國, 外商獨資企業	Silk fabric weaving in the PRC 絲綢面料織造(中國)	US\$2,520,000 2,520,000美元	100%	100%
Zhejiang China Ting Knitwear Company Limited 浙江華鼎針織品有限公司	The PRC, wholly foreign owned enterprise 中國, 外商獨資企業	Knitwear manufacturing in the PRC 針織品製造(中國)	US\$3,820,000 3,820,000美元	100%	100%
Zhejiang China Ting Textile Technology Company Limited 浙江華鼎紡織科技有限公司	The PRC, wholly foreign owned enterprise 中國, 外商獨資企業	Home textile weaving in the PRC 家紡產品織造(中國)	US\$11,200,000 11,200,000美元	100%	100%
Zhejiang Concept Creator Fashion Company Limited 浙江創越時裝有限公司	The PRC, wholly foreign owned enterprise 中國, 外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$5,000,000 5,000,000美元	100%	100%
Zhejiang Fucheng Fashion Company Limited 浙江富成時裝有限公司	The PRC, wholly foreign owned enterprise 中國, 外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$4,000,000 4,000,000美元	100%	100%
Zhejiang Fuhowe Fashion Company Limited 浙江富豪時裝有限公司	The PRC, wholly foreign owned enterprise 中國, 外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$4,200,000 4,200,000美元	100%	100%
Zhejiang China Ting Group Company Limited 浙江富豪時裝有限公司	The PRC, wholly foreign owned enterprise 中國, 外商獨資企業	Properties holding and garment trading 持有物業及成衣貿易	RMB50,000,000 人民幣 50,000,000元	92%	92%
Zhejiang Huali Fashion Company Limited 浙江華勵時裝有限公司	The PRC, wholly foreign owned enterprise 中國, 外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$2,150,000 2,150,000美元	100%	100%

11 Subsidiaries (Continued)

11 附屬公司(續)

Name 名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點及 法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/實收 股本詳情	Equity interest attributable to the Group 本集團應佔股權	
				2019 二零一九年	2018 二零一八年
Zhejiang Huayue Silk Products Company Limited 浙江華越絲綢製品有限公司	The PRC, sino-foreign joint venture 中國·中外合資企業	Spun silk fabric weaving in the PRC 絹絲面料織造(中國)	US\$2,500,000 2,500,000美元	55%	55%
Hangzhou China Ting Industries Investment Company Limited 杭州華鼎實業投資有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Investment holding in the PRC 投資控股(中國)	RMB35,000,000 人民幣 35,000,000元	100%	100%
Zhejiang Xinan Fashion Company Limited 浙江信安時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$3,580,000 3,580,000美元	100%	100%
China Ting Finity International Fashion Retail Company Limited 華鼎菲妮迪國際時裝零售有限 公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing and retailing and trademark holding in the PRC 成衣製造及零售及持有商標 (中國)	US\$8,500,000 8,500,000美元	100%	100%
Hangzhou Weiding Technology Limited ("Hangzhou Weiding") 杭州唯鼎科技有限公司 ([杭州唯鼎])	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment trading and retailing in the PRC 成衣貿易及零售(中國)	RMB30,000,000 人民幣 30,000,000元	100%	Note
Yudu Chuangyue Huali Intelligent Garment Company Limited 于都創越華勵智能服裝有限 公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	RMB19,073,307 人民幣 19,073,307元	97.6%	—
China Ting Fashion (Ganzhou) Company Limited 華鼎服飾(贛州)有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$2,644,853 2,644,853美元	96%	—
Guizhou Tianzhu China Ting Garment (Mfg) Company Limited 貴州省天柱縣華鼎制衣有限 公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	RMB5,000,000 人民幣 5,000,000元	100%	—

Note: Hangzhou Weiding, a former joint venture of the Group, was acquired by the Group through a step-up acquisition during the year. Details are shown in Note 36.

附註：杭州唯鼎為本集團先前的合營公司，於年內被本集團採用分步收購的方式而收購。詳情請參閱附註36。

11 Subsidiaries (Continued)

The English names of certain subsidiaries referred herein represent management's best effort in translating the Chinese names of these subsidiaries as no English names have been registered.

The above table includes the subsidiaries of the Group which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. Giving details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

11 附屬公司(續)

由於本文所提述之若干附屬公司並無登記英文名稱，故該等英文名稱乃管理層盡力翻譯其中文名稱所得。

上表包括董事認為主要影響年內業績或組成本集團大部份資產淨值之本集團附屬公司。董事認為，刊登其他附屬公司之資料會使篇幅過長。

12 Interests in associates

12 於聯營公司之權益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interests in associates	於聯營公司之權益	1,236	1,846

Movements of interests in associates are as follows:

於聯營公司之權益變動如下：

		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	於一月一日	1,846	1,806
Share of (losses)/profits	分佔(虧損)/溢利	(585)	146
Exchange differences	匯兌差額	(25)	(106)
At 31 December	於十二月三十一日	1,236	1,846

12 Interests in associates (Continued)

The particulars of the Group's associates as at 31 December 2019 are set out as follows:

Name 名稱	Country of incorporation and type of legal entity 註冊成立國家及法定實體類別	Particular of issued/ paid-in capital 已發行/實收股本詳情	Equity interest attributable to the Group 本集團應佔股權		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	
Hangzhou Ranyue Clothing Company Limited ("Hangzhou Ranyue") 杭州冉悅服裝有限公司 〔杭州冉悅〕	The PRC, limited liability company	RMB1,400,000	28.57%	28.57%	Wholesale and retail of garments 成衣批發及零售
Hangzhou Huasheng Accessories Company Limited ("Huasheng Accessories") 杭州華盛輔料有限公司 〔杭州華盛〕	The PRC, wholly foreign owned enterprise	US\$250,000 250,000美元	25%	25%	Accessories and plastic bags manufacturing 製造輔料及塑料袋

The Group has no contingent liabilities relating to its interests in associates.

Directors of the Company are of the view that the financial information of the associates is not material to the Group and thus no disclosure has been made with this regard.

12 於聯營公司之權益(續)

本集團於二零一九年十二月三十一日之聯營公司之詳情載列如下：

本集團並無擁有與其於聯營公司之權益有關的或然負債。

本公司董事認為，聯營公司的財務資料對本集團而言並不重大，因此並無就此作出披露。

13 Interests in joint ventures

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Share of net assets	分佔資產淨值	—	14,690

13 於合營公司之權益

13 Interests in joint ventures (Continued)

(a) Movements of interests in joint ventures 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
At 1 January	於一月一日	14,690	3,307
Additions	添置	—	17,781
Share of losses	分佔虧損	(573)	(4,603)
Elimination of profits from downstream transactions	對銷下游交易溢利	(36)	(1,183)
Fair value gain on interest in a joint venture in a step-up acquisition (Note 36)	分步收購於合營公司之權益的公平值收益 (附註36)	1,155	—
Step-up acquisition of a joint venture which became a subsidiary (Note 36)	分步收購合營公司而成為附屬公司 (附註36)	(14,988)	—
Exchange differences	匯兌差額	(248)	(612)
At 31 December	於十二月三十一日	—	14,690

13 於合營公司之權益(續)

(a) 於合營公司之權益變動如下：

		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	於一月一日	14,690	3,307
Additions	添置	—	17,781
Share of losses	分佔虧損	(573)	(4,603)
Elimination of profits from downstream transactions	對銷下游交易溢利	(36)	(1,183)
Fair value gain on interest in a joint venture in a step-up acquisition (Note 36)	分步收購於合營公司之權益的公平值收益 (附註36)	1,155	—
Step-up acquisition of a joint venture which became a subsidiary (Note 36)	分步收購合營公司而成為附屬公司 (附註36)	(14,988)	—
Exchange differences	匯兌差額	(248)	(612)
At 31 December	於十二月三十一日	—	14,690

13 Interests in joint ventures (Continued)

(b) The particulars of the Group's joint ventures as at 31 December 2019 are set out as follows:

Name 名稱	Country/place of incorporation/ establishment and type of legal entity 註冊成立/成立國家/ 地點及法定實體類別	Particular of issued/ paid-in capital 已發行/實收股本詳情	Equity interest attributable to the Group 本集團應佔股權		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	
Ting Camuto Enterprises Limited ("Ting Camuto")	Hong Kong, limited liability company	US\$5,100,000	51%	51%	Garment retailing
Ting Camuto Enterprises Limited ("Ting Camuto")	香港·有限公司	5,100,000美元			成衣零售
Hangzhou Weiding	The PRC, limited liability company	RMB15,000,000	Note	50%	Garment trading and retailing
杭州唯鼎	中國·有限公司	人民幣15,000,000元	附註		成衣貿易及零售

Note: During the year, the Group acquired 50% equity interest of Hangzhou Weiding, a former joint venture of the Group as at 31 December 2018. Subsequent to the acquisition, the Group held the entire equity interest of Hangzhou Weiding. Details are shown in Note 36.

附註：年內，本集團收購杭州唯鼎（於二零一八年十二月三十一日為本集團的合營公司）的50%股權。於收購後，本集團持有杭州唯鼎的全部股權。詳情請參閱附註36。

The Group has no contingent liabilities relating to its interests in joint ventures.

本集團並無擁有與其於合營公司之權益有關的或然負債。

Directors of the Company are of the view that the financial information of the joint ventures is not material to the Group and thus no disclosure has been made with this regard.

本公司董事認為，合營公司的財務資料對本集團而言並不重大，因此並無就此作出披露。

13 於合營公司之權益(續)

(b) 本集團於二零一九年十二月三十一日之合營公司之詳情載列如下：

14 Inventories

14 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	原材料	134,526	131,504
Work in progress	在製品	153,559	148,623
Finished goods	製成品	795,805	779,829
		1,083,890	1,059,956
Less: Provision for inventories	減：存貨撥備	(101,867)	(64,295)
		982,023	995,661

The cost of inventories recognised as expense and included in cost of sales amounted to approximately HK\$888,403,000 (2018: HK\$987,416,000).

確認為開支並計入銷售成本之存貨成本約為888,403,000港元(二零一八年：987,416,000港元)。

Movements on the provision for impairment of inventories are as follows:

存貨減值撥備的變動如下：

		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	於一月一日	64,295	207,553
Charged to the consolidated profit or loss	計入綜合損益	39,263	30,441
Write-off	撇銷	—	(168,651)
Exchange differences	匯兌差額	(1,691)	(5,048)
At 31 December	於十二月三十一日	101,867	64,295

As at 31 December 2018, inventories aged over four years amounted to HK\$168,651,000 were considered obsolete and written-off.

於二零一八年十二月三十一日，賬齡超過四年且金額為168,651,000港元的存貨因被認為過時而撇銷。

15 Financial instruments by category

15 按類別劃分之金融工具

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本列賬之金融資產		
Trade and bill receivables	應收貿易賬款及應收票據	358,956	462,573
Other financial assets at amortised cost	按攤銷成本列賬之其他金融資產	172,867	303,994
Pledged bank deposits	已抵押銀行存款	4,815	50,957
Fixed deposits	定期存款	10,020	20,553
Cash and cash equivalents	現金及現金等值項目	455,596	448,547
FVPL	按公平值列賬在損益表中處理之金融資產	310,505	304,269
FVOCI	按公平值計入其他全面收入之金融資產	9,087	—
		1,321,846	1,590,893
Financial liabilities	金融負債		
Liabilities at amortised cost	按攤銷成本列賬之負債		
Trade and other payables	應付貿易賬款及其他應付款項	443,716	620,234
Lease liabilities	租賃負債	29,424	—
Borrowings	借款	424,855	367,057
		897,995	987,291

16 Trade and other receivables

16 應收貿易賬款及其他應收款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and bill receivables (Note (i))	應收貿易賬款及應收票據 (附註(i))	431,260	528,710
Less: Loss allowance (Note 3.1(d))	減：虧損撥備 (附註3.1(d))	(72,304)	(66,137)
Trade and bill receivables, net	應收貿易賬款及應收票據 淨額	358,956	462,573
Amounts due from related parties (Note 35(c))	應收關連方款項 (附註35(c))	42,008	45,649
Promissory note (Note (ii))	承兌票據(附註(ii))	36,607	38,124
Entrusted loans (Note (iii))	委託貸款(附註(iii))	5,643	166,022
Prepayments	預付款項	143,213	143,075
Deposits and other receivables	按金及其他應收款項	103,438	110,336
		689,865	965,779
Non-current portion	非即期部分		
— Promissory note (Note (ii))	— 承兌票據(附註(ii))	24,227	—
— Prepayments for property, plant and equipment	— 物業、廠房及設備 預付款項	—	15,526
Current portion	即期部分	665,638	950,252
		689,865	965,778

The amounts due from related parties are unsecured, interest-free and repayable on demand.

應收關連方款項為無抵押、免息及按要求償還。

16 Trade and other receivables (Continued)

Notes:

(i) Trade and bill receivables

The ageing analysis of gross trade and bill receivables based on 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
Up to 30 days	0至30日	190,614	239,711
31 to 60 days	31至60天	65,354	71,560
61 to 90 days	61至90天	30,951	58,526
91 to 120 days	91至120天	63,952	94,501
Over 120 days	超過120天	80,389	64,412
		431,260	528,710

For OEM garment sales, the Group's trade receivables from its customers are generally settled by way of letters of credit or telegraphic transfer with credit periods of not more than 90 days.

For sales of branded fashion apparel to franchisees, the Group normally requests payments in advance or deposits from such customers, with the remaining balances settled immediately upon delivery of goods. The Group also grants open account terms of 30 credit days to long-established customers with good repayment history.

Retail sales are settled in cash, by credit cards, through internet payment service providers or collected by department stores/online retailers on behalf of the Group. The agreed credit terms with credit card companies are usually within 14 days. Department stores and online retailers are normally required to settle the proceeds to the Group within 2 months from the date of sale.

Bill receivables are with average maturity dates of within 2 months.

The carrying amounts of trade and other receivables approximate their fair values.

As at 31 December 2019, the trade receivables from five customers accounted for 32% (2018: 28%) of the total trade receivables. The loss allowance increased by HK\$6,691,000 (2018: HK\$19,025,000) for trade receivables during the current year. Information about the Group's exposure to credit risk and the impairment of trade receivables can be found in Note 3.1(d).

16 應收貿易賬款及其他應收款項 (續)

附註：

(i) 應收貿易賬款及應收票據

應收貿易賬款及應收票據總額按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
Up to 30 days	0至30日	190,614	239,711
31 to 60 days	31至60天	65,354	71,560
61 to 90 days	61至90天	30,951	58,526
91 to 120 days	91至120天	63,952	94,501
Over 120 days	超過120天	80,389	64,412
		431,260	528,710

就原設備製造成衣銷售而言，本集團來自其客戶之應收貿易賬款一般以信用狀或電匯方式清償，信貸期不超過90日。

就對專營代理商進行之品牌時裝銷售而言，本集團一般要求該等客戶預付款項或按金，餘額則於貨品付運後即時清償。本集團亦會向還款紀錄良好之長期客戶授出30個信貸日之記賬交易期限。

零售乃以現金或信用卡、通過網上支付服務供應商結算或由百貨公司/線上零售商代本集團收取。與信用卡公司協定之信貸期通常為14日以內。本集團一般要求百貨公司及線上零售商於銷售日起計兩個月內向本集團清償所得款項。

應收票據之平均到期日為兩個月內。

應收貿易賬款及其他應收款項之賬面值與其公平值相若。

於二零一九年十二月三十一日，來自五名客戶的應收貿易賬款佔應收貿易賬款總額的32% (二零一八年：28%)。於本年度，應收貿易賬款的虧損撥備增加6,691,000港元(二零一八年：19,025,000港元)。有關本集團所面臨的信貸風險及應收貿易賬款減值的資料可參閱附註3.1(d)。

16 Trade and other receivables (Continued)

Notes: (Continued)

(i) Trade and bill receivables (Continued)

Movements on the allowance for impairment of trade receivables 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
At 1 January	於一月一日	66,137	48,650
Charged to the consolidated profit or loss	扣除自綜合損益	6,691	19,025
Exchange differences	匯兌差額	(524)	(1,538)
At 31 December	於十二月三十一日	72,304	66,137

(ii) Promissory note

The promissory note represents a senior unsecured promissory note with principal amounted to US\$10,000,000 (approximately HK\$77,350,000) converted from trade receivables due from a major customer which will be payable in various instalments until July 2019. The promissory note is interest bearing at 5.25% per annum.

On 1 July 2019, an amendment was reached with this major customer pursuant to which the repayment schedule of the then outstanding principal of US\$5,000,000 is changed from 24 July 2019 to as follows:

- principal amount of US\$500,000 plus accrued interest to be due and payable on 24 January 2020;
- principal amount of US\$1,000,000 plus accrued interest to be due and payable on 24 July 2020;
- principal amount of US\$500,000 plus accrued interest to be due and payable on 24 July 2021; and
- remaining principal amount of US\$3,000,000 plus accrued interest to be due and payable by three equal instalments on 24 January and 24 July 2022 and 24 January 2023, respectively.

Other terms and conditions remain unchanged under the amendment. Such an amendment resulted in a loss of approximately HK\$2,877,000 in the consolidated profit or loss for the year ended 31 December 2019 and approximately HK\$24,227,000 of the promissory note were classified as non-current assets as at 31 December 2019.

16 應收貿易賬款及其他應收款項 (續)

附註：(續)

(i) 應收貿易賬款及應收票據 (續)

應收貿易賬款減值撥備的變動如下：

		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	於一月一日	66,137	48,650
Charged to the consolidated profit or loss	扣除自綜合損益	6,691	19,025
Exchange differences	匯兌差額	(524)	(1,538)
At 31 December	於十二月三十一日	72,304	66,137

(ii) 承兌票據

承兌票據指由應收一名主要客戶貿易賬款轉換所得之一份優先無抵押承兌票據，本金額為10,000,000美元（約77,350,000港元），會於直至二零一九年七月分多期支付。承兌票據按年利率5.25%計息。

於二零一九年七月一日，本集團與該主要客戶達成一項修訂，據此，當時未償還本金5,000,000美元的還款計劃由二零一九年七月二十四日變更為以下時間：

- 本金額500,000美元加應計利息將於二零二零年一月二十四日到期應付；
- 本金額1,000,000美元加應計利息將於二零二零年七月二十四日到期應付；
- 本金額500,000美元加應計利息將於二零二一年七月二十四日到期應付；及
- 剩餘本金額3,000,000美元加應計利息將分別於二零二二年一月二十四日、二零二二年七月二十四日及二零二三年一月二十四日分三期等額支付。

該修訂下的其他條款及條件均無變動。該修訂導致截至二零一九年十二月三十一日止年度的綜合損益中產生虧損約2,877,000港元，並導致約24,227,000港元的承兌票據被分類為於二零一九年十二月三十一日的非流動資產。

16 Trade and other receivables (Continued)

Notes: (Continued)

(iii) Entrusted loans

On 24 December 2012, the Group entered into three secured entrusted loans ("Entrusted Loan A") with total principals amounting to RMB30,000,000 (approximately HK\$33,561,000) due from a company established in the PRC ("Borrower A") through a lending agent, a commercial bank in the PRC. Entrusted Loan A is interest-bearing at 18% per annum payable on a quarterly basis and the principal would be payable on or before 25 December 2014. An affiliate of Borrower A pledged to the lending agent certain number of properties located at Yuhang District in Hangzhou as collaterals.

Further on 5 February 2013, the Group entered into another eight secured entrusted loans ("Entrusted Loan B") with total principals amounting to RMB130,000,000 (approximately HK\$145,430,000) due from a company established in the PRC, an affiliate of Borrower A ("Borrower B"), through a lending agent which is also a commercial bank in the PRC. Entrusted Loan B is interest-bearing at 18% per annum payable on a monthly basis and the principal would be payable on or before 5 February 2014. An affiliate of Borrower B pledged to the lending agent a parcel of land located at Lin'an City in Hangzhou as collateral.

Entrusted Loans A and B became default in 2014 and on 18 November 2014, Borrower A and B filed voluntary bankruptcy at the People's Court of Yuhang District (the "Yuhang Court") which then approved the appointment of the administrator and accepted the petition for bankruptcy proceedings.

Two rounds of open tenders were held by the administrator in November 2017 and March 2018, respectively, to identify potential restructuring investors, which were both terminated with no qualified investor identified.

As at 31 December 2018, the fair value of pledged collaterals held by the Group for entrusted loans was determined based on the valuation performed by an independent qualified valuer using market based valuation techniques. Based on the valuation results, Entrusted Loan A of approximately HK\$16,169,000 was impaired as at 31 December 2018 while the fair value of the pledged collaterals for Entrusted Loan B is higher than its principal amounts and the directors are of the opinion that there is no impairment for Entrusted Loan B as at 31 December 2018.

In June 2019, a restructuring investor was successfully identified through open tender with the restructuring plan approved by the Yuhang Court in July 2019. Up to 31 December 2019, the Group has received the loan principals of Entrusted Loans A and B of RMB24,956,000 (approximately HK\$28,324,000) and RMB130,000,000 (approximately HK\$147,543,000), respectively, with compensation of interests for Entrusted Loan A of RMB12,430,000 (approximately HK\$14,106,000). Such interests have been recorded as "Other income, net" (Note 26) in the Group's consolidated profit or loss for the year ended 31 December 2019. The carrying amount of the outstanding loan principals of Entrusted Loan A as at 31 December 2019 was of RMB5,044,000 (approximately HK\$5,643,000), which was determined based on the amount provided in the court-approved restructuring documents and such outstanding loan balances have been fully received by the Group as of the date of this report.

16 應收貿易賬款及其他應收款項 (續)

附註：(續)

(iii) 委託貸款

於二零一二年十二月二十四日，本集團透過借款代理(為一間中國商業銀行)就應收一間於中國成立之公司(「借款人A」)之款項訂立三份有抵押委託貸款(「委託貸款A」)，本金總額為人民幣30,000,000元(約33,561,000港元)。委託貸款A按年息18%計息，須每季支付，而本金應於二零一四年十二月二十五日或之前支付。借款人A之聯屬公司將位於杭州市餘杭區之若干物業抵押予借款代理作為抵押品。

此外，於二零一三年二月五日，本集團透過借款代理(亦為一間中國商業銀行)就應收一間於中國成立之公司(「借款人B」)的款項訂立另外八份有抵押委託貸款(「委託貸款B」)，本金總額為人民幣130,000,000元(約145,430,000港元)。委託貸款B按年息18%計息，須每月支付，而本金將於二零一四年二月五日或之前支付。借款人B的聯屬公司將一塊位於杭州臨安的土地抵押予借款代理作為抵押品。

委託貸款A及B於二零一四年開始拖欠，於二零一四年十一月十八日，借款人A與B向餘杭區人民法院(「餘杭法院」)提出自願破產。法院當時批准委任破產管理人及接納破產法律程序的呈請。

破產管理人於二零一七年十一月及二零一八年三月分別進行兩輪公開招標，以物色潛在重組投資者，惟均因未物色到合資格投資者而告終止。

於二零一八年十二月三十一日，本集團就委託貸款所持已抵押抵押品的公平值乃按獨立合資格估值師使用基於市場的估值方法進行的估值而釐定。根據估值結果，約16,169,000港元的委託貸款A於二零一八年十二月三十一日已出現減值，而委託貸款B的已抵押抵押品的公平值高於其本金額，因此，董事認為委託貸款B於二零一八年十二月三十一日並未減值。

於二零一九年六月，已通過公開招標成功物色一名重組投資者，而重組計劃已於二零一九年七月獲餘杭法院批准通過。直至二零一九年十二月三十一日為止，本集團已分別收到委託貸款A及B的本金額人民幣24,956,000元(約28,324,000港元)及人民幣130,000,000元(約147,543,000港元)，以及委託貸款A的利息賠償人民幣12,430,000元(約14,106,000港元)。該等利息已於本集團截至二零一九年十二月三十一日止年度的綜合損益中列賬為「其他收入淨額」(附註26)。於二零一九年十二月三十一日，委託貸款A的未償還貸款本金的賬面值為人民幣5,044,000元(約5,643,000港元)，乃基於經法院批准的重組文件中所列金額而釐定，而於本報告日期，本集團已悉數收到上述未償還貸款本金。

16 Trade and other receivables (Continued) **16 應收貿易賬款及其他應收款項 (續)**

Notes: (Continued)

附註：(續)

(iii) Entrusted loans (Continued)

Movements of the entrusted loans are as follows:

(iii) 委託貸款 (續)

委託貸款之變動如下：

		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	於一月一日	166,022	174,443
Reversal of impairment loss for Entrusted Loan A	撥回委託貸款A的減值虧損	16,116	—
Settlement received during the year	年內收到結算款項	(175,867)	—
Exchange differences	匯兌差額	(628)	(8,421)
At 31 December	於十二月三十一日	5,643	166,022

The carrying amounts of the Group's net trade and other receivables (excluding prepayments, promissory note and entrusted loans) are denominated in the following currencies:

本集團應收貿易賬款及其他應收款項(不包括預付款項、承兌票據及委託貸款)淨值之賬面值以下列貨幣計值：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	3,607	5,148
RMB	人民幣	288,974	345,577
US\$	美元	210,947	264,798
Euro	歐元	875	3,035
		504,403	618,558

The carrying amounts of other receivables are current and do not contain any impaired assets.

其他應收款項之賬面值為即期款項，且並未包括任何減值資產。

17 FVPL

17 按公平值列賬在損益表中處理之金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Listed equity securities (Note (i))	上市股本證券(附註(i))	5,647	15,393
FVPL in Zhejiang Haoran (Note (ii))	於浙江浩然的按公平值列賬在損益表中處理之金融資產(附註(ii))		
— Equity interests	— 股權	61,838	41,511
— Shareholder's loans	— 股東貸款	226,631	230,683
— Advances	— 墊款	16,389	16,682
		304,858	288,876
		310,505	304,269

Movement of the Group's FVPL for the year ended 31 December 2019 is as follows:

本集團截至二零一九年十二月三十一日止年度的按公平值列賬在損益表中處理之金融資產變動如下：

		Listed equity securities 上市股本證券 HK\$'000 千港元	FVPL in Zhejiang Haoran 於浙江浩然的按公平值列賬在損益表中處理之金融資產 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	15,393	288,876	304,269
Additions	添置	142	—	142
Disposals	處置	(10,111)	—	(10,111)
Fair value gain — unrealised (Note 27)	公平值收益 — 未變現 (附註27)	356	21,361	21,717
Exchange differences	匯兌差額	(133)	(5,379)	(5,512)
At 31 December 2019	於二零一九年十二月三十一日	5,647	304,858	310,505

17 FVPL (Continued)

Movement of the Group's FVPL for the year ended 31 December 2018 is as follows:

		Listed equity securities	FVPL in Zhejiang Haoran 於浙江浩然的 按公平值列賬 在損益表中處理 之金融資產	Total
		上市股本證券 HK\$'000 千港元	之金融資產 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	19,967	—	19,967
Additions	添置	136	—	136
Disposals	處置	(12)	—	(12)
Reclassified from available-for-sale financial assets on adoption of HKFRS 9	於採納香港財務報告準則 第9號時自可供出售金 融資產重新分類	—	286,002	286,002
Reclassified from other receivables on adoption of HKFRS 9	於採納香港財務報告準則 第9號時自其他應收款 項重新分類	—	17,528	17,528
Fair value loss — unrealised (Note 27)	公平值虧損 — 未變現 (附註27)	(3,869)	—	(3,869)
Exchange differences	匯兌差額	(829)	(14,654)	(15,483)
At 31 December 2018	於二零一八年十二月 三十一日	15,393	288,876	304,269

17 按公平值列賬在損益表中處理之金融資產(續)

本集團截至二零一八年十二月三十一日止年度的按公平值列賬在損益表中處理之金融資產變動如下：

Listed equity securities	FVPL in Zhejiang Haoran 於浙江浩然的 按公平值列賬 在損益表中處理 之金融資產	Total
上市股本證券 HK\$'000 千港元	之金融資產 HK\$'000 千港元	總計 HK\$'000 千港元

At 1 January 2018	於二零一八年一月一日	19,967	—	19,967
Additions	添置	136	—	136
Disposals	處置	(12)	—	(12)
Reclassified from available-for-sale financial assets on adoption of HKFRS 9	於採納香港財務報告準則 第9號時自可供出售金 融資產重新分類	—	286,002	286,002
Reclassified from other receivables on adoption of HKFRS 9	於採納香港財務報告準則 第9號時自其他應收款 項重新分類	—	17,528	17,528
Fair value loss — unrealised (Note 27)	公平值虧損 — 未變現 (附註27)	(3,869)	—	(3,869)
Exchange differences	匯兌差額	(829)	(14,654)	(15,483)
At 31 December 2018	於二零一八年十二月 三十一日	15,393	288,876	304,269

17 FVPL (Continued)

Notes:

- (i) The fair value of all equity securities is based on their current bid prices in an active market.
- (ii) **FVPL in Zhejiang Haoran**

Zhejiang Haoran is a company engaged in commercial property development in Hangzhou. The principal asset of Zhejiang Haoran is a commercial property project located in Hangzhou (the "Property").

As at 31 December 2019, FVPL in Zhejiang Haoran represented the Group's 29% equity interest in, shareholders' loans and advances granted to Zhejiang Haoran totalled RMB272,511,000 (approximately HK\$304,858,000) (2018: RMB253,690,000 (approximately HK\$288,876,000)).

Repayment of the shareholder's loans of RMB211,285,000 (approximately HK\$236,363,000) has been in default since 2014. In March 2017 and August 2017, the Group issued two legal letters to Zhejiang Haoran to demand for repayment of a portion of the shareholder's loans of RMB172,700,000 (approximately HK\$193,198,000) and part of the advances of RMB7,250,000 (approximately HK\$8,111,000), respectively. In June and August 2018, the aforesaid legal claims were overruled by the Hangzhou Intermediate People's Court and the People's Court of Yuhang District (collectively the "Courts"), respectively. While the judgements from the Courts stated that the Group has the legal right to recover such shareholder loans and advances, it was ruled that the Group would not be able to exercise such right to demand for repayment until such time when Zhejiang Haoran winds up and has repaid all third party debts. Management disagreed with the Courts' judgments on the basis that there is no legal evidence indicating such shareholder's loans and advances are subordinated to other creditors and the Group's legal right to recover such loans shall be well before Zhejiang Haoran is wound up. In July and August 2018, the Group lodged appeals to the relevant courts in the PRC for the repayment claims regarding such shareholder's loans and advances, respectively, which were dismissed by the relevant courts in February 2019 and the original judgements made by the Courts were sustained. On 12 August 2019, the Group applied for retrial of the judgment in relation to the shareholder's loans before the Supreme People's Court. In October 2019, the Supreme People's Court organised mediation for the Group and Zhejiang Haoran in order to solve the disputes. Accordingly, the Group and Zhejiang Haoran have submitted mediation proposals to the Supreme People's Court since October 2019. The mediation process is still ongoing as of the date of this report.

During the years ended 31 December 2018 and 2019, the Group took further legal actions against Zhejiang Haoran, including petitions to enforce its right as a shareholder of Zhejiang Haoran to access to its books and records and specific financial information which the relevant courts ruled favourable to the Group in August and December 2019, respectively. The Group is currently in the process of enforcing execution of accessing the Zhejiang Haoran's books and records, including the sales contracts of the Property. The Group planned to enforce execution of accessing to Zhejiang Haoran's specific financial information but such plan was postponed due to the coronavirus outbreak. Management plans to apply for enforce execution of such court orders in the near future.

17 按公平值列賬在損益表中處理之金融資產(續)

附註：

- (i) 所有股本證券的公平值乃按其於活躍市場的現行購買價格得出。
- (ii) **於浙江浩然的按公平值列賬在損益表中處理之金融資產**

浙江浩然為一間於杭州從事商業物業開發的公司。浙江浩然的主要資產為位於杭州的商業物業項目(「該物業」)。

於二零一九年十二月三十一日，於浙江浩然的按公平值列賬在損益表中處理之金融資產指本集團於浙江浩然29%的股權以及向浙江浩然授出的股東貸款及墊款總額人民幣272,511,000元(約304,858,000港元)(二零一八年：人民幣253,690,000元(約288,876,000港元))。

股東貸款人民幣211,285,000元(約236,363,000港元)的還款自二零一四年起已違約。於二零一七年三月及二零一七年八月，本集團分別向浙江浩然發出兩封法律函件，要求償還部分股東貸款人民幣172,700,000元(約193,198,000港元)及部分墊款人民幣7,250,000元(約8,111,000港元)。於二零一八年六月及八月，杭州中級人民法院及餘杭區人民法院(統稱「法院」)分別駁回上述法律申索。儘管法院的判決指出，本集團有合法權利收回有關股東貸款及墊款，但經裁定，在浙江浩然清算及償還所有第三方債務之前，本集團無法行使該等權利要求其還款。管理層不認同法院判決，理據為概無法律憑證顯示該股東貸款及墊款的優先次序低於其他債權人，而本集團有權於浙江浩然清盤前收回有關貸款。於二零一八年七月及八月，本集團向中國相關法院分別就該股東貸款及墊款的還款要求提出上訴，但該等上訴於二零一九年二月被相關法院駁回，維持法院原判。於二零一九年八月十二日，本集團向最高人民法院申請複審有關股東貸款的判決。於二零一九年十月，最高人民法院為本集團及浙江浩然組織調解以解決相關爭議。因此，本集團及浙江浩然已自二零一九年十月起向最高人民法院提交多輪調解議案。截至本報告日期，調解程序仍在進行中。

截至二零一八年及二零一九年十二月三十一日止年度，本集團向浙江浩然提出進一步法律訴訟，包括增強其作為浙江浩然之股東查閱賬目、記錄，以及具體財務資料的權利之呈請，而相關法院分別於二零一九年八月及十二月作出有利於本集團的裁決。本集團目前正在強制執行查閱浙江浩然賬目及記錄的權利，包括該物業的銷售合約。本集團計劃強制執行查閱浙江浩然具體財務資料的權利，但該計劃因新型冠狀病毒疫情爆發而遭延誤。管理層計劃於近期申請強制執行相關法院判令。

17 FVPL (Continued)

Notes: (Continued)

(ii) FVPL in Zhejiang Haoran (Continued)

The Group was unable to obtain sufficient financial information of Zhejiang Haoran as at and for the year ended 31 December 2019. As such, the fair value of FVPL in Zhejiang Haoran as at 31 December 2019 was estimated by management using the Adjusted NAV approach based on Zhejiang Haoran's financial information as at 31 December 2016. The fair value of the Property and construction costs incurred for the Property subsequent to 31 December 2016 have been adjusted to take into account certain more up to date financial information and other information made available in the process of court proceedings in late 2019. No interest expense has been accrued subsequent to 31 December 2016. A minority interest discount rate of 40% was applied in the valuation as at 31 December 2019.

As a result, a fair value gain of HK\$21,361,000 was recorded in the Group's consolidated profit or loss for the year for the FVPL in Zhejiang Haoran.

Having obtained advice from the Group's legal counsel and considering the latest progress of the legal proceedings, the directors of the Company considered the Group has adequate merits and basis on the ongoing proceedings. Thus, the directors of the Company considered that the assumptions and basis applied in the fair value assessment of the FVPL in Zhejiang Haoran are appropriate and continued to represent their best estimates and believe such financial assets will be realised in the coming twelve months from 31 December 2019.

17 按公平值列賬在損益表中處理之金融資產(續)

附註：(續)

(ii) 於浙江浩然的按公平值列賬在損益表中處理之金融資產(續)

本集團無法獲得浙江浩然於二零一九年十二月三十一日及截至該日止年度的充足財務資料。因此，於浙江浩然的按公平值列賬在損益表中處理之金融資產於二零一九年十二月三十一日的公平值乃由管理層根據浙江浩然於二零一六年十二月三十一日的財務資料採用經調整資產淨值法估計。該物業的公平值及該物業於二零一六年十二月三十一日後產生的建築成本，已經考慮二零一九年年底進行法院訴訟的過程中可取得的若干最新財務資料及其他資料後作出調整。於二零一六年十二月三十一日後並無產生利息開支。於二零一九年十二月三十一日估值時採用的少數股東權益折讓率為40%。

因此，本集團就於浙江浩然的按公平值列賬在損益表中處理之金融資產而於本年度綜合損益中錄得21,361,000港元的公平值收益。

經本集團律師告知並經考慮相關法律程序的最新進展，本公司董事認為，本集團在其後的訴訟中佔據足夠的理據及依據。因此，本公司董事認為，於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值評估中所應用之假設及基準屬恰當且繼續代表彼等的最佳估計，並認為該等金融資產將於二零一九年十二月三十一日起計未來十二個月內變現。

18 FVOCI

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Listed equity securities	上市股本證券	9,087	—

Movement of the Group's FVOCI for the year ended 31 December 2019 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
At 1 January	於一月一日	—	—
Additions	添置	8,786	—
Net fair value gains charged to equity	自權益扣除的公平值收益淨額	301	—
At 31 December	於十二月三十一日	9,087	—

As at 31 December 2019, the Group's FVOCI comprised 777,778 (2018: Nil) common stocks of Xcel Brands, Inc., a company incorporated in the United States and listed in the NASDAQ. The fair value of all equity securities is based on their current bid prices in an active market.

18 按公平值計入其他全面收入之金融資產

本集團截至二零一九年十二月三十一日止年度的按公平值計入其他全面收入之金融資產變動如下：

於二零一九年十二月三十一日，本集團按公平值計入其他全面收入之金融資產包括 Xcel Brands, Inc. (一間於美國註冊成立並於納斯達克上市的公司) 的 777,778 (二零一八年：零) 股普通股。所有股本證券的公平值均基於其在活躍市場上的當前報價而釐定。

19 Cash and bank balances, fixed deposits and pledged bank deposits

19 現金及銀行結餘、定期存款及已抵押銀行存款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash at bank and in hand	銀行結餘及手頭現金	298,787	402,833
Short-term bank deposits (Note (a))	短期銀行存款(附註(a))	156,809	45,714
Cash and cash equivalents	現金及現金等值項目	455,596	448,547
Fixed deposits (Note (b))	定期存款(附註(b))	10,020	20,553
Pledged bank deposits (Note (c))	已抵押銀行存款 (附註(c))	4,815	50,957
		470,431	520,057

The Group's cash and bank balances are denominated in the following currencies:

本集團的現金及銀行結餘以下列貨幣計值：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	3,088	9,318
RMB (Note (d))	人民幣(附註(d))	373,966	314,924
US\$	美元	92,910	193,773
Other currencies	其他貨幣	467	2,042
		470,431	520,057

Notes:

- (a) The effective interest rate on short-term bank deposits is 2.60% (2018: 2.62%) per annum; short-term bank deposits have a maturity ranging from 7 days to less than 3 months.
- (b) As at 31 December 2019, the effective interest rate on the Group's fixed deposits is 1.75% (2018: 3.68%) per annum; fixed deposits have a maturity period ranging from 3 months to less than 1 year.
- (c) Bank deposits of approximately HK\$4,815,000 (2018: HK\$50,957,000) have been pledged for trade finance facilities made available to the Group by relevant banks. The effective interest rate on pledged bank deposits is 1.30% (2018: 1.45%) per annum.
- (d) The Group's cash and bank balances denominated in RMB are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

附註：

- (a) 短期銀行存款之實際年利率為2.60%(二零一八年：2.62%)；短期銀行存款之到期日介乎7日至3個月以下。
- (b) 於二零一九年十二月三十一日，本集團定期存款之實際年利率為1.75%(二零一八年：3.68%)；定期存款之到期期限介乎3個月至1年。
- (c) 約4,815,000港元(二零一八年：50,957,000港元)之銀行存款已予抵押，以為本集團取得相關銀行之貿易融資信貸。已抵押銀行存款之實際年利率為1.30%(二零一八年：1.45%)。
- (d) 本集團以人民幣計值之現金及銀行結餘均存放於中國之銀行。該等以人民幣計值之結餘兌換外幣及將資金匯出中國，須受中國政府頒佈之外匯管制規則及規例所限制。

20 Assets held for sale

As at 31 December 2019, property, plant and equipment and right-of-use assets of approximately HK\$8,590,000 (2018: HK\$8,674,000) have been presented as held for sale following the decision of the Group's management to sell such assets in the near term. Several rounds of open tender have been arranged with the assistance of local government to sell such assets since late 2018. Due to the changes of local property market and urban planning, the Group and the local government are still in the process of identifying appropriate potential buyers as the date of this report. Such assets held for sale are currently open to tender through public auction platforms.

21 Share capital

20 持作出售資產

於二零一九年十二月三十一日，自本集團管理層作出決定於近期內出售約8,590,000港元(二零一八年：8,674,000港元)的物業、廠房及設備以及使用權資產後，該等資產已呈列為持作出售。自二零一八年年底以來，本集團已在當地政府的協助下安排數輪出售該等資產的公開競標。由於當地房地產市場及城市規劃的變更，本集團與當地政府於本報告日期仍在物色合適的潛在買家。目前，該等持作出售資產正在通過公開競標平台進行公開招標。

21 股本

		Number of shares 股份數目 (in '000) (千股)	Total 總計 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股0.10港元之普通股		
Authorised:	法定：		
At 1 January 2018, 31 December 2018 and 2019	於二零一八年一月一日、二零一八年及二零一九年十二月三十一日	10,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2018, 31 December 2018 and 2019	於二零一八年一月一日、二零一八年及二零一九年十二月三十一日	2,099,818	209,982

22 Reserves

22 儲備

		Share premium	Capital reserve	Contributed surplus	Statutory reserves	Share-based compensation reserve 以股份支付	Capital redemption reserve	Revaluation reserves	Exchange reserve	Retained earnings	Total
		股份溢價	資本儲備	繳入盈餘	法定儲備	報酬儲備	資本贖回儲備	重估儲備	外匯儲備	保留盈利	總計
		HK\$'000	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	千港元
At 1 January 2018	於二零一八年一月一日	978,251	7,746	(4,624)	136,849	7,071	2,241	27,524	308,734	852,162	2,315,954
Profit for the year	年內溢利	—	—	—	—	—	—	—	—	21,045	21,045
Transfer to statutory reserves	轉入法定儲備	—	—	—	5,300	—	—	—	—	(5,300)	—
Currency translation differences	貨幣換算差額	—	—	—	—	—	—	—	(143,334)	—	(143,334)
Revaluation surplus upon transfers of owner-occupied properties to investment properties	自用物業轉為投資物業之重估盈餘	—	—	—	—	—	—	207,638	—	—	207,638
At 31 December 2018	於二零一八年十二月三十一日	978,251	7,746	(4,624)	142,149	7,071	2,241	235,162	165,400	867,907	2,401,303
At 1 January 2019	於二零一九年一月一日	978,251	7,746	(4,624)	142,149	7,071	2,241	235,162	165,400	867,907	2,401,303
Loss for the year	年內虧損	—	—	—	—	—	—	—	—	(54,686)	(54,686)
Transfer to statutory reserves	轉入法定儲備	—	—	—	14,917	—	—	—	—	(14,917)	—
Currency translation differences	貨幣換算差額	—	—	—	—	—	—	—	(42,377)	—	(42,377)
Fair value gains on FVOCI	按公平值計入其他全面收入之金融資產的公平值收益	—	—	—	—	—	—	301	—	—	301
At 31 December 2019	於二零一九年十二月三十一日	978,251	7,746	(4,624)	157,066	7,071	2,241	235,463	123,023	798,304	2,304,541

Note: Statutory reserves include statutory reserve fund and enterprise expansion fund. In accordance with relevant rules and regulations on foreign investment enterprises established in the PRC, the Company's PRC subsidiaries are required to transfer an amount of their profit for the year to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to make good of previous years' losses or to increase the capital of these subsidiaries.

The appropriation to the enterprise expansion fund is solely determined by the board of directors of the subsidiaries in the PRC. The enterprise expansion fund can only be used to increase capital of group companies or to expand their production operations upon approval by the relevant authority.

附註：法定儲備包括法定公積金及企業發展基金。根據於中國設立外商投資企業之相關規則及規例，本公司之中國附屬公司須將一筆年度溢利金額轉撥至法定公積金，直至累計公積金總額達其註冊資本50%。經相關機構批准後，法定公積金僅可用以彌補以往年度之虧損或增加此等附屬公司之資本。

企業發展基金之分配純粹由中國各附屬公司之董事會釐定。經相關機構批准後，企業發展基金僅可用作增加集團屬下公司之資本，或用作擴充其生產業務。

23 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts 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
Deferred income tax assets	遞延所得稅資產	86,417	78,463
Deferred income tax liabilities	遞延所得稅負債	(87,293)	(83,136)
		(876)	(4,673)

Deferred income tax assets and deferred income tax liabilities are expected to be settled after more than 12 months.

The movements in net deferred income tax (liabilities)/assets 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
At 1 January	於一月一日	(4,673)	59,110
Credited to the consolidated profit or loss (Note 29)	計入綜合損益(附註29)	4,115	6,668
Debited to equity (Note 29)	借記權益(附註29)	—	(69,213)
Exchange differences	匯兌差額	(318)	(1,238)
At 31 December	於十二月三十一日	(876)	(4,673)

23 遞延所得稅

當出現可依法執行之權利以將即期稅項資產與即期稅項負債抵銷且遞延所得稅與同一財務機關相關時，即會抵銷遞延所得稅資產及負債。抵銷數額如下：

遞延所得稅資產及遞延所得稅負債預期於超逾十二個月後清償。

遞延所得稅(負債)/資產淨額之變動如下：

23 Deferred income tax (Continued)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

23 遞延所得稅(續)

遞延所得稅資產及負債於年內之變動(不計及於同一稅務司法權區抵銷之結餘)如下:

		Decelerated tax depreciation	Provisions for inventories	Net fair value losses of FVPL 按公平值列賬在損益表中處理之金融資產之公平值虧損淨額	Government grants	Tax losses	Total
		減慢稅項折舊 HK\$'000 千港元	存貨撥備 HK\$'000 千港元	值虧損淨額 HK\$'000 千港元	政府補助金 HK\$'000 千港元	稅項虧損 HK\$'000 千港元	總計 HK\$'000 千港元
Deferred income tax assets	遞延所得稅資產						
At 1 January 2018	於二零一八年一月一日	27,663	51,891	1,308	—	—	80,862
Exchange differences	匯兌差額	(1,440)	(2,779)	(87)	(14)	—	(4,320)
Credited to the consolidated profit or loss	計入綜合損益	2,903	7,610	674	381	—	11,568
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	29,126	56,722	1,895	367	—	88,110
Exchange differences	匯兌差額	(556)	(1,084)	(43)	(5)	—	(1,688)
Credited/(charged) to the consolidated profit or loss	於綜合損益計入/(扣除)	3,097	6,105	671	(46)	829	10,656
At 31 December 2019	於二零一九年十二月三十一日	31,667	61,743	2,523	316	829	97,078

		Accelerated tax depreciation	Revaluation of buildings and land use rights	Undistributed profits of PRC entities	Total
		加快稅項折舊 HK\$'000 千港元	重估樓宇及土地使用權 HK\$'000 千港元	中國企業未分配溢利 HK\$'000 千港元	總計 HK\$'000 千港元
Deferred income tax liabilities	遞延所得稅負債				
At 1 January 2018	於二零一八年一月一日	544	16,044	5,164	21,752
Exchange differences	匯兌差額	(2)	(3,080)	—	(3,082)
Charged to the consolidated profit or loss	自綜合損益扣除	165	652	4,083	4,900
Charged to equity arising from revaluation of owner-occupied properties upon transfer to investment properties	因自用物業轉至投資物業後重估而自股本扣除	—	69,213	—	69,213
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	707	82,829	9,247	92,783
Exchange differences	匯兌差額	—	(1,370)	—	(1,370)
Charged to the consolidated profit or loss	自綜合損益扣除	425	4,425	1,691	6,541
At 31 December 2019	於二零一九年十二月三十一日	1,132	85,884	10,938	97,954

23 Deferred income tax (Continued)

As at 31 December 2019, deferred income tax liabilities of approximately HK\$51,730,000 (2018: HK\$58,502,000) have not been established for the withholding taxation that would be payable on the unremitted earnings of certain subsidiaries in the PRC totaling HK\$1,034,599,000 (2018: HK\$1,170,042,000) as the Company controls the dividend policies of these subsidiaries and it is not probable that these subsidiaries would distribute such earnings in the foreseeable future.

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK\$79,587,000 (2018: HK\$66,380,000) in respect of losses amounting to approximately HK\$412,092,000 (2018: HK\$269,403,000), that can be carried forward against future taxable income. The tax losses expire from 2020 to 2024 (2018: 2019 to 2023).

24 Trade and other payables

23 遞延所得稅(續)

於二零一九年十二月三十一日，未就中國若干附屬公司尚未匯出盈利共1,034,599,000港元(二零一八年：1,170,042,000港元)需付之預扣稅確認遞延所得稅負債約51,730,000港元(二零一八年：58,502,000港元)，因本公司控制該等附屬公司的股息政策且該等附屬公司不太可能於可見將來分派該等盈利。

倘相關稅務利益可透過未來應課稅溢利變現，則會就結轉稅務虧損確認遞延所得稅資產。本集團並無就可結轉以抵銷未來應課稅收入之虧損約412,092,000港元(二零一八年：269,403,000港元)而確認遞延所得稅資產約79,587,000港元(二零一八年：66,380,000港元)。稅項虧損由二零二零年至二零二四年(二零一八年：二零一九年至二零二三年)屆滿。

24 應付貿易賬款及其他應付款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and bill payables	應付貿易賬款及應付票據	316,615	503,088
Accrued employee benefit expenses	應計僱員福利開支	43,893	48,474
Customer deposits	客戶按金	29,982	27,389
VAT and other tax payables	增值稅及其他應付稅項	23,440	16,864
Other payables and accruals	其他應付款項及應計費用	97,867	97,077
Amounts due to related parties (Note 35(c))	應付關連方款項 (附註35(c))	1,259	1,269
		513,056	694,161

24 Trade and other payables (Continued)

The ageing analysis of trade and bill payables based on 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
Up to 30 days	0至30日	228,231	304,335
31 to 60 days	31至60日	41,071	65,514
61 to 90 days	61至90日	12,155	32,570
Over 90 days	超過90日	35,158	100,669
		316,615	503,088

Bill payables are with average maturity dates of within 2 months.

The amounts due to related parties are unsecured, interest-free and repayable on demand.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	29,940	30,027
RMB	人民幣	396,284	575,627
Other currencies	其他貨幣	9,780	14,580
		436,004	620,234

The carrying amounts of trade and other payables approximate their fair values.

24 應付貿易賬款及其他應付款項 (續)

應付貿易賬款及應付票據按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
Up to 30 days	0至30日	228,231	304,335
31 to 60 days	31至60日	41,071	65,514
61 to 90 days	61至90日	12,155	32,570
Over 90 days	超過90日	35,158	100,669
		316,615	503,088

應付票據之平均到期日為兩個月內。

應付關連方款項為無抵押、免息及按要求償還。

本集團的應付貿易賬款及其他應付款項的賬面值以下列貨幣計值：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	29,940	30,027
RMB	人民幣	396,284	575,627
Other currencies	其他貨幣	9,780	14,580
		436,004	620,234

應付貿易賬款及其他應付款項的賬面值與其公平值相若。

25 Bank borrowings

25 銀行借款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank borrowings — secured	銀行借款 — 有抵押	424,855	367,057

Borrowings are analysed as follows:

借款分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank borrowing due for repayment within one year which contains a repayment on demand clauses — secured	一年內到期應還並載有應要求償還條款之銀行借款 — 有抵押	225,582	178,495
Bank borrowing due for repayment after one year which contains a repayment on demand clauses — secured	一年後到期應還並載有應要求償還條款之銀行借款 — 有抵押	115,930	127,073
Term loan due for repayment within one year — secured	一年內到期應還之有期貨款 — 有抵押	83,343	61,489
Total bank borrowings	銀行借款總額	424,855	367,057

At 31 December 2019, the secured bank borrowings were secured by certain buildings (Note 6) and right-of-use assets (Note 7) with aggregated net book value of approximately HK\$186,476,000. At 31 December 2018, the secured bank borrowings were secured by certain buildings (Note 6) and land use rights (Note 8) with aggregated net book value of approximately HK\$132,130,000.

於二零一九年十二月三十一日，有抵押銀行借款以總賬面淨值約為186,476,000港元之若干樓宇(附註6)及使用權資產(附註7)抵押。於二零一八年十二月三十一日，有抵押銀行借款以總賬面淨值約為132,130,000港元之若干樓宇(附註6)及土地使用權(附註8)抵押。

25 Bank borrowings (Continued)

An analysis of the carrying amounts of the Group's bank borrowings by type and currency 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
HK\$ at floating rates	港元，浮動利率	226,026	219,699
US\$ at floating rates	美元，浮動利率	115,486	85,869
RMB at fixed rates	人民幣，固定利率	83,343	61,489
		424,855	367,057

The effective interest rates per annum at the balance sheet date are as follows:

		2019 二零一九年	2018 二零一八年
HK\$	港元	3.12%	3.04%
US\$	美元	3.63%	3.98%
RMB	人民幣	5.29%	5.27%

The carrying amounts of bank borrowings approximate their fair values.

The Group has the following undrawn borrowing facilities:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Floating rate expiring within one year	浮動利率，一年內屆滿	265,555	320,186
Fixed rate expiring within one year	固定利率，一年內屆滿	72,156	58,073
		337,711	378,259

The facilities expiring within one year are annual facilities subject to review at various dates during 2019.

25 銀行借款(續)

本集團銀行借款賬面值按種類及貨幣之分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$ at floating rates	港元，浮動利率	226,026	219,699
US\$ at floating rates	美元，浮動利率	115,486	85,869
RMB at fixed rates	人民幣，固定利率	83,343	61,489
		424,855	367,057

於結算日之實際年利率如下：

		2019 二零一九年	2018 二零一八年
HK\$	港元	3.12%	3.04%
US\$	美元	3.63%	3.98%
RMB	人民幣	5.29%	5.27%

銀行借款之賬面值與其公平值相若。

本集團未提取借款融資如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Floating rate expiring within one year	浮動利率，一年內屆滿	265,555	320,186
Fixed rate expiring within one year	固定利率，一年內屆滿	72,156	58,073
		337,711	378,259

一年內屆滿之融資為年度融資，須於二零一九年內不同日期予以審閱。

26 Other income, net

26 其他收入淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Compensation received (Note 16(iii))	已收補償金(附註16(iii))	14,106	—
Government grants	政府補助金	10,628	2,846
Rental income	租金收入	5,393	6,210
Investment income	投資收入	1,732	2,556
(Reversal of over-stated)/commission income	(撥回超額列賬)/佣金收入	(168)	4,953
Others	收入	2,155	4,911
		33,846	21,476

27 Other gains, net

27 其他收益淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net exchange gains	匯兌收益淨額	7,689	31,637
Fair value gain/(loss) on FVPL — unrealised	按公平值列賬在損益表中處理之金融資產的公平值收益/(虧損) — 未變現	21,717	(3,869)
Fair value gain on FVPL — realised	按公平值列賬在損益表中處理之金融資產的公平值收益 — 已變現	3,804	47
Fair value gains on investment properties (Note 8)	投資物業的公平值收益(附註8)	13,603	4,133
Gain on requisition and demolition of property, plant and equipment and land use rights (Note)	物業、廠房及設備以及土地使用權徵用及拆除收益(附註)	8,915	27,071
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備的收益/(虧損)	5,481	(3,959)
Reversal of provision for customer claims	客戶索賠撥備轉回	522	1,985
Fair value gain on interest in a joint venture in a step-up acquisition (Note 36)	分步收購於合營公司之權益之公平值收益(附註36)	1,155	—
Impairment loss on goodwill (Note 10)	商譽減值虧損(附註10)	—	(4,930)
		62,886	52,115

Note: During the year ended 31 December 2019, the Group's property, plant and equipment and land use rights located in Hangzhou, of a net book value of HK\$15,533,000 (2018: HK\$13,278,000), were made requisition of by local government to be demolished and/or relocated. Relevant compensation amounted to HK\$24,448,000 (2018: HK\$40,349,000) were granted by local government with this regard, resulting in a net gain of HK\$8,915,000 (2018: HK\$27,071,000). Such compensation has been fully received by the Group during the year ended 31 December 2019 (2018: Same).

附註：截至二零一九年十二月三十一日止年度，本集團位於杭州的賬面淨值為15,533,000港元(二零一八年：13,278,000港元)的物業、廠房及設備以及土地使用權因經當地政府徵用而被拆除及/或重遷。當地政府就此授予補償金24,448,000港元(二零一八年：40,349,000港元)，因而產生淨收益8,915,000港元(二零一八年：27,071,000港元)。截至二零一九年十二月三十一日止年度，本集團已悉數收到補償金(二零一八年：相同)。

28 Finance income and costs

28 融資收入及成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Finance income — interest income on	融資收入 — 利息收入		
	來自		
— bank deposits	— 銀行存款	5,601	4,265
— promissory notes	— 承兌票據	3,396	3,077
		8,997	7,342
Finance costs	融資成本		
— interest expense on bank borrowings	— 銀行借款利息開支	(13,653)	(10,149)
— interest expense on lease liabilities	— 租賃負債利息開支	(857)	—
— loss on modification of promissory note (Note 16(ii))	— 承兌票據修訂虧損 (附註16(ii))	(2,877)	—
— other interest expense	— 其他利息開支	—	(454)
		(17,387)	(10,603)
— amount capitalised (Note)	— 資本化金額(附註)	2,146	—
		(15,241)	(10,603)
Finance cost, net	融資成本淨額	(6,244)	(3,261)

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year, in this case 3.54% (2018: Not applicable).

附註：於釐定將予以資本化的借款成本金額時使用的資本化率為年內本集團的一般性借款所適用的加權平均利率3.54%(二零一八年：不適用)。

29 Income tax expense

29 所得稅開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current income tax	即期所得稅		
— Hong Kong profits tax (Note (a))	— 香港利得稅 (附註(a))	4,296	8,663
— PRC enterprise income tax (Note (b))	— 中國企業所得稅 (附註(b))	9,904	16,077
— Under/(over)-provision in prior years	— 過往年度撥備不足/ (超額撥備)	114	(4,005)
Withholding tax	預扣稅	8,348	—
Deferred income tax (Note 23)	遞延所得稅(附註23)	(4,115)	(6,668)
		18,547	14,067

Notes:

(a) Hong Kong profits tax has been provided for at the rate of 8.25% on the estimated assessable profit up to HK\$2,000,000 and 16.5% on any part of estimated assessable profit over HK\$2,000,000 for the year ended 31 December 2019 (2018: Same).

(b) The PRC enterprise income tax is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations. The standard PRC enterprise income tax rate is 25% during the years ended 31 December 2019 and 2018.

During the years ended 31 December 2019 and 2018, a subsidiary of the Group, Hangzhou Fuxi Fashion Co. Ltd., is qualified for a preferential income tax rate of 15% under the tax breaks to small and micro business. The remaining PRC subsidiaries of the Group are subject to standard PRC enterprise income tax rate of 25%.

附註：

(a) 截至二零一九年十二月三十一日止年度，就估計應課稅溢利不超過2,000,000港元而言，香港利得稅以稅率8.25%作出撥備，而就估計應課稅溢利超過2,000,000港元以上的任何部分而言，以稅率16.5%作出撥備(二零一八年：相同)。

(b) 中國企業所得稅乃基於在中國註冊成立的附屬公司按中國稅法及法規計算的法定利潤而計算。於截至二零一九年及二零一八年十二月三十一日止年度，標準的中國企業所得稅稅率為25%。

於截至二零一九年及二零一八年十二月三十一日止年度，本集團的一家附屬公司杭州富茜時裝有限公司根據小微企業的減稅優惠而合資格享有15%的優惠所得稅稅率。本集團的餘下中國附屬公司均以25%的標準中國企業所得稅稅率繳稅。

29 Income tax expense (Continued)

The tax on the Group's loss/profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

29 所得稅開支(續)

本集團就除所得稅前虧損/溢利之稅項與應用綜合實體之溢利適用之加權平均稅率計算之理論稅款差異如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(37,112)	41,275
Tax calculated at domestic tax rates applicable to profits in the respective jurisdictions	按各司法權區溢利適用之本地稅率計算之稅項	(7,141)	8,376
Income not subject to tax	毋須課稅之收入	(6,802)	(944)
Utilisation of previously unrecognised tax losses	動用以往未確認之稅項虧損	(1,668)	(6,472)
Expenses not deductible for tax purposes	不可扣稅之開支	4,535	6,384
Under/(over)-provision in prior years	過往年度撥備不足/ (超額撥備)	114	(4,005)
Tax losses not recognised	未確認之稅項虧損	21,161	10,728
Withholding tax	預扣稅	8,348	—
Income tax expense	所得稅開支	18,547	14,067

29 Income tax expense (Continued)

The tax charge in relation to components of other comprehensive (loss)/income is as follows:

29 所得稅開支(續)

其他全面(虧損)/收入組成部分之稅項支出如下：

		2019 二零一九年			2018 二零一八年		
		Before tax 除稅前 HK\$'000 千港元	Tax 稅項 HK\$'000 千港元	After tax 除稅後 HK\$'000 千港元	Before tax 除稅前 HK\$'000 千港元	Tax 稅項 HK\$'000 千港元	After tax 除稅後 HK\$'000 千港元
Currency translation differences	貨幣換算差額	(41,893)	—	(41,893)	(144,098)	—	(144,098)
Fair value gains on transfers of owner-occupied properties and land use rights to investment properties (Notes 6 and 8)	自用物業及土地使用權轉為投資物業之公平值收益(附註6及8)	—	—	—	276,851	(69,213)	207,638
Fair value gain on FVOCI	按公平值計入其他全面收入之金融資產的公平值收益	301	—	301	—	—	—
Other comprehensive (loss)/income	其他全面(虧損)/收入	(41,592)	—	(41,592)	132,753	(69,213)	63,540
Deferred tax (Note 23)	遞延稅項(附註23)		—			(69,213)	

30 Expenses by nature

30 按性質分類之開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Auditor's remuneration	核數師酬金		
— Audit services	— 審核服務	3,300	3,300
— Non-audit services	— 非審核服務	500	500
Amortisation of land use rights (Note 9)	土地使用權攤銷(附註9)	—	1,546
Amortisation of intangible assets (Note 10)	無形資產攤銷(附註10)	4,878	2,442
Depreciation of property, plant and equipment (Note 6)	物業、廠房及設備折舊(附註6)	88,100	96,151
Depreciation of right-of-use assets (Note 7)	使用權資產折舊(附註7)	18,989	—
Employee benefit expenses (including directors' emolument) (Note 31)	僱員福利開支(包括董事酬金)(附註31)	431,198	537,969
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動	20,912	89,853
Raw materials and consumables used	已耗用原材料及消耗品	867,491	897,563
Processing and subcontracting charges	加工及分包費用	263,110	353,021
Direct operating expenses arising from investment properties that generate rental income	產生租金收入之投資物業之直接營運開支	121	316
Operating lease rental in respect of property, plant and equipment	物業、廠房及設備之經營租賃租金	10,704	18,449
Provision for impairment for inventories (Note 14)	存貨減值撥備(附註14)	39,263	30,441
Others	其他	286,312	248,840
Total cost of sales, selling, marketing and distribution costs and administrative expenses	銷售成本、銷售、營銷及分銷成本以及行政開支總額	2,034,878	2,280,391

31 Employee benefit expenses (including directors' emoluments)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, wages and bonuses	薪金、工資及花紅	362,566	457,745
Pension costs — defined contribution plans (Note)	退休金成本 — 定額供款計劃(附註)	51,465	59,045
Staff welfare	員工福利	17,167	21,179
		431,198	537,969

Note:

Employees in the Group's PRC subsidiaries are required to participate in defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute 26.4% (2018: 26.6%) of employees' basic salary to the scheme to fund the retirement benefits of the employees.

The Group has also established a mandatory provident fund scheme ("MPF scheme") in Hong Kong. The assets of the MPF scheme are held in separate trustee-administered funds. Both the Group and the employees are required to contribute 5% of the employee's relevant income up to a maximum of HK\$1,500 per employee per month.

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2018: four) directors of the Company whose emoluments are reflected in the analysis presented in note 35. The emoluments payable to the remaining one (2018: one) individual during the year 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
Basic salaries, housing allowances and other allowances	基本薪金、房屋津貼及其他津貼	897	871
Contributions to pension plans	退休金計劃供款	18	18
Discretionary bonuses	酌情花紅	180	350
		1,095	1,239

31 僱員福利開支(包括董事酬金)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, wages and bonuses	薪金、工資及花紅	362,566	457,745
Pension costs — defined contribution plans (Note)	退休金成本 — 定額供款計劃(附註)	51,465	59,045
Staff welfare	員工福利	17,167	21,179
		431,198	537,969

附註：

本集團中國附屬公司之僱員須參與由當地市政府管理及營辦之定額供款退休計劃。本集團中國附屬公司最低按僱員基本薪金之26.4%(二零一八年：26.6%)向該計劃供款，為僱員之退休福利撥資。

本集團亦於香港設立強制性公積金計劃(「強積金計劃」)。強積金計劃之資產由獨立信託人監管。本集團及僱員均須每月按僱員相關收入之5%作出供款，上限為每名僱員1,500港元。

(a) 五名最高薪酬人士

本集團年內最高薪酬之五名人士包括本公司四名董事(二零一八年：四名)，其酬金於附註35所呈列之分析內反映。年內，應付餘下一名人士(二零一八年：一名)之酬金如下：

31 Employee benefit expenses (including directors' emoluments) (Continued)

(a) Five highest paid individuals (Continued)

The emoluments fell within the following band:

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Emolument band	酬金範圍		
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至 1,500,000港元	1	1

32 (Loss)/earnings per share

(a) The calculation of basic loss/earnings per share is based on the Group's loss attributable to equity holders of the Company of approximately HK\$54,686,000 (2018: profit of HK\$21,045,000) and weighted average number of ordinary shares in issue during the year of 2,099,818,000 (2018: 2,099,818,000).

(b) Diluted loss/earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

During the years ended 31 December 2019 and 2018, there were no dilutive potential ordinary shares deemed to be issued under the share option scheme as there are no outstanding options during the years ended 31 December 2019 and 2018.

31 僱員福利開支(包括董事酬金)(續)

(a) 五名最高薪酬人士(續)

酬金範圍如下：

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Emolument band	酬金範圍		
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至 1,500,000港元	1	1

32 每股(虧損)/盈利

(a) 每股基本虧損/盈利乃根據本公司股權持有人應佔本集團虧損約54,686,000港元(二零一八年：溢利21,045,000港元)及年內已發行普通股之加權平均數2,099,818,000股(二零一八年：2,099,818,000股)計算。

(b) 每股攤薄虧損/盈利乃假設所有潛在攤薄股份兌換後，根據發行在外的股份之加權平均數作出調整計算。

截至二零一九年及二零一八年十二月三十一日止年度，概無視作將予根據購股權計劃發行任何潛在攤薄普通股，原因是截至二零一九年及二零一八年十二月三十一日止年度概無尚未行使的購股權。

33 Notes to consolidated statement of cash flows 33 綜合現金流量報表附註

(a) Reconciliation of operating (loss)/profit to net cash (used in)/generated from operations is as follows:

(a) 經營(虧損)/溢利與經營(所用)/所得現金淨額對賬如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating (loss)/profit	經營(虧損)/溢利	(29,710)	48,993
Adjustments for:	調整:		
— Depreciation of property, plant and equipment	— 物業、廠房及設備折舊	88,100	96,151
— Depreciation of right-of-use assets	— 使用權資產折舊	18,989	—
— Amortisation of land use rights	— 土地使用權攤銷	—	1,546
— Amortisation of intangible assets	— 無形資產攤銷	4,878	6,698
— (Gain)/loss on disposal of property, plant and equipment	— 出售物業、廠房及設備(收益)/虧損	(5,481)	3,959
— Gain on requisition and demolition of property, plant and equipment and land use rights	— 物業、廠房及設備以及土地使用權徵用及拆除收益	(8,915)	(27,071)
— Net fair value (gains)/losses on FVPL	— 按公平值列賬在損益表中處理之金融資產之公平值(收益)/虧損淨額	(21,717)	3,869
— Fair value gains on investment properties	— 投資物業之公平值收益	(13,603)	(4,133)
— Provision for impairment of inventories	— 存貨減值撥備	39,263	30,441
— (Reversal of)/provision for impairment losses on financial assets	— 金融資產減值虧損(撥回)/撥備	(9,425)	19,025
— Impairment loss on goodwill	— 商譽減值虧損	—	4,930
— Fair value gain on interest in a joint venture in a step-up acquisition	— 分步收購於合營公司之權益之公平值收益	(1,155)	—
— Elimination of profits from downstream transactions	— 對銷下游交易溢利	36	1,183
Changes in working capital:	營運資金之變動:		
— Inventories	— 存貨	(35,875)	(127,292)
— Trade and other receivables	— 應收貿易賬款及其他應收款項	64,866	(90,145)
— FVPL	— 按公平值列賬在損益表中處理之金融資產	9,969	(124)
— Trade and other payables	— 應付貿易賬款及其他應付款項	(175,244)	49,983
Net cash (used in)/generated from operations	經營(所用)/所得現金淨額	(75,024)	18,013

33 Notes to consolidated statement of cash flows (Continued) 33 綜合現金流量報表附註(續)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

(b) 於綜合現金流量報表內，出售物業、廠房及設備之所得款項包括：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net book amounts	賬面淨值	2,493	11,293
Gain/(loss) on disposal of property, plant and equipment (Note 27)	出售物業、廠房及設備 收益/(虧損)(附註27)	5,481	(3,959)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	7,974	7,334

(c) In the consolidated statement of cash flows, compensation from local government's requisition and demolition of property, plant and equipment and land use rights comprise:

(c) 於綜合現金流量報表內，當地政府徵用及拆除物業、廠房及設備以及土地使用權的補償金包括：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net book amounts	賬面淨值	15,533	13,278
Gain on requisition and demolition of property, plant and equipment and land use rights (Note 27)	物業、廠房及設備以及 土地使用權徵用及 拆除收益(附註27)	8,915	27,071
Compensation from requisition and demolition of property, plant and equipment and land use rights	物業、廠房及設備以及 土地使用權徵用及 拆除補償金	24,448	40,349

33 Notes to consolidated statement of cash flows (Continued) 33 綜合現金流量報表附註(續)

(d) Net debt reconciliation

This section sets out the reconciliation of liabilities arising from financing activities for each of the years presented.

(d) 負債淨額對賬

本節載列於各報告年度融資活動產生之負債對賬。

		Dividend payable 應付股息 HK\$'000 千港元	Lease Liabilities 租賃負債 HK\$'000 千港元	Borrowings 借款 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	—	—	247,271	247,271
Cash flows	現金流量	—	—	122,571	122,571
Exchange differences	匯兌差額	—	—	(2,785)	(2,785)
At 31 December 2018	於二零一八年十二月三十一日	—	—	367,057	367,057
At 1 January 2019	於二零一九年一月一日	—	—	367,057	367,057
Initial application of HKFRS 16 (Note 2.2)	初始應用香港財務報告準則第16號(附註2.2)	—	11,941	—	11,941
Additions	添置	—	29,921	—	29,921
Dividends declared	宣派股息	5,268	—	—	5,268
Cash flows	現金流量	(5,268)	(12,243)	59,210	41,699
Exchange differences	匯兌差額	—	(195)	(1,412)	(1,607)
At 31 December 2019	於二零一九年十二月三十一日	—	29,424	424,855	454,279

34 Commitments

(a) Capital commitment

At 31 December 2019, the Group had the following capital commitments:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Contracted but not provided for:		
— Property, plant and equipment	101,620	34,721
— Investment in Hangzhou Weiding	—	11,387
	101,620	46,108

(b) Operating lease commitments as lessor

The Group leases offices, dormitories and plant under non-cancellable operating lease agreements. The leases have varying terms between 1 and 5 years, escalation claims and renewal rights.

At 31 December 2019, the Group had total future minimum lease receipts under non-cancellable operating leases falling due as follows:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
— No later than 1 year	16,215	17,326
— Later than 1 year and no later than 2 years	13,266	14,353
— Later than 2 years and no later than 3 years	10,879	12,334
— Later than 3 years and no later than 4 years	5,889	10,663
— Later than 4 years and no later than 5 years	532	7,865
	46,781	62,541

34 承擔

(a) 資本承擔

於二零一九年十二月三十一日，本集團擁有以下資本承擔：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Contracted but not provided for:		
— 物業、廠房及設備	101,620	34,721
— 於杭州唯鼎的投資	—	11,387
	101,620	46,108

(b) 經營租賃承擔 — 作為出租人

本集團根據不可撤銷經營租賃協議租賃辦公室、宿舍及廠房。該等租賃的年期(1年及5年之間)、加租權及續約權各有不同。

於二零一九年十二月三十一日，本集團根據於以下年期到期之不可撤銷經營租賃之未來最低租賃款項收入總額如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
— 不超過1年	16,215	17,326
— 超過1年但不超過2年	13,266	14,353
— 超過2年但不超過3年	10,879	12,334
— 超過3年但不超過4年	5,889	10,663
— 超過4年但不超過5年	532	7,865
	46,781	62,541

34 Commitments (Continued)

(c) Lease commitment as lessee

From 1 January 2019, the Group has recognised right-of-use assets for these lease where the Group is a lessee, except for short-term and low-value leases. As at 31 December 2018, the future aggregate minimum lease payments under non-cancellable operating leases not recognised in the consolidated financial statements 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
Land and buildings	土地及樓宇		
— No later than 1 year	— 不超過1年	632	14,975
— Later than 1 year and no later than 5 years	— 超過1年 但不超過5年	—	7,485
		632	22,460
Property, plant and equipment	物業、廠房及設備		
— No later than 1 year	— 不超過1年	—	78
— Later than 1 year and no later than 5 years	— 超過1年 但不超過5年	—	254
		—	332
Total	總計	632	22,792

34 承擔(續)

(c) 租賃承擔 — 作為承租人

自二零一九年一月一日起，本集團已就本集團作為承租人的租賃確認使用權資產，惟短期及低價值租賃除外。於二零一八年十二月三十一日，不可撤銷經營租賃項下未於綜合財務報表內確認的日後最低租賃付款總額如下：

35 Significant related party transactions

The Group is controlled by Longerview Investments Limited (incorporated in the British Virgin Islands), which owns 71% of the Company's shares. The remaining 29% of the shares are widely held. The ultimate parent of the Group is Longerview Investments Limited (incorporated in the British Virgin Islands).

The directors are of the view that the following companies are related parties of the Group:

Name	Relationship with the Group
Huasheng Accessories	An associate
Hangzhou Ranyue	An associate
Ting Camuto	A joint venture
Hangzhou Weiding*	A joint venture*

The name of Huasheng Accessories, Hangzhou Ranyue and Hangzhou Weiding referred to in the above represents management's best efforts at translating the Chinese name of these companies as no English name has been registered or available.

* Hangzhou Weiding became a wholly owned subsidiary during the current year (Note 36).

(a) Transactions with related parties

In the opinion of the directors, the transactions below were conducted in the ordinary and usual course of business and the pricing of these transactions was determined based on mutual negotiation and agreement between the Group and the related parties.

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Purchases of accessories from Huasheng Accessories	向華盛輔料採購輔料	5,694	7,114
Sales of garments to Hangzhou Ranyue	向杭州冉悅銷售成衣	52,909	153,288
Sales of garments to Hangzhou Weiding*	向杭州唯鼎銷售成衣*	889	18,163

35 重大關連方交易

本集團為Longerview Investments Limited (於英屬處女群島註冊成立)所控制，其持有本公司71%之股份。餘下之29%股份由公眾持有。本集團之最終母公司為Longerview Investments Limited (於英屬處女群島註冊成立)。

董事認為下列公司為本集團之關連方：

名稱	與本集團之關係
華盛輔料	聯營公司
杭州冉悅	聯營公司
Ting Camuto	合營公司
杭州唯鼎*	合營公司*

由於華盛輔料、杭州冉悅及杭州唯鼎並無登記或可供使用英文名稱，故英文名稱乃管理層盡力翻譯其中文名稱所得。

* 杭州唯鼎於本年度內成為一間全資附屬公司(附註36)。

(a) 與關連方進行之交易

董事認為，下文之交易乃於日常及正常業務過程中進行，而此等交易之定價則根據本集團與關連方互相磋商及協議而釐定。

35 Significant related party transactions (Continued)

(b) Key management compensation

The aggregate remuneration of key personnel management, including amounts paid to the Company's directors and certain of the highest paid employees, as disclosed in Notes 31 and 38, is as following:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	12,221	12,993
Post-employment benefits	退休福利	110	116
		12,331	13,109

(c) Year-end balances with related parties

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Receivable from a joint venture	應收合營公司款項	3,684	3,749
Receivables from associates	應收聯營公司款項	38,324	41,900
Payables to associates	應付聯營公司款項	1,259	1,203
Payable to a joint venture	應付合營公司款項	—	66

* The terms of balances with related parties are disclosed in Notes 16 and 24, respectively.

The carrying amounts of these balances approximate their fair values.

The amounts due from/to related parties were denominated in RMB.

35 重大關連方交易(續)

(b) 主要管理層之報酬

主要管理層人員的薪酬總額(包括附註31及38所披露付予本公司董事及若干最高薪酬人士的金額)如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	12,221	12,993
Post-employment benefits	退休福利	110	116
		12,331	13,109

(c) 與關連方之年末結餘

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Receivable from a joint venture	應收合營公司款項	3,684	3,749
Receivables from associates	應收聯營公司款項	38,324	41,900
Payables to associates	應付聯營公司款項	1,259	1,203
Payable to a joint venture	應付合營公司款項	—	66

* 與關連方之結餘之條款分別於附註16及24披露。

此等結餘之賬面值與其公平值相若。

應收/應付關連方款項以人民幣計值。

36 Business Combination

In November 2019, the Group acquired 50% equity interest of Hangzhou Weiding, a former joint venture of the Group, at a consideration of HK\$14,987,000 settled in form of inventories. A fair value gain on the interest in a joint venture of HK\$1,155,000 has been recognised as "Other gains, net" in the consolidated profit or loss for the current year.

The following table summarises the consideration paid for the acquisition, the fair value of assets acquired and liabilities assumed at the acquisition date.

36 業務合併

於二零一九年十一月，本集團收購本集團前合營公司杭州唯鼎50%的股權，代價為14,987,000港元，以存貨結算。於合營公司之權益的公平值收益1,155,000港元已於本年度綜合損益內確認為「其他收益淨額」。

下表概述就收購支付之代價以及所得資產及所承擔負債於收購日期之公平值。

		2019 二零一九年 HK\$'000 千港元
Purchase consideration settled in form of inventories	以存貨結算之購買代價	15,376
Cash received from the other shareholder of the joint venture	自合營公司另一股東收到之現金	(389)
Fair value of consideration transferred in the form of inventories	以存貨支付代價之公平值	14,987
Fair value of previously held interest in the joint venture (Note 13)	先前於合營公司所持權益之公平值 (附註13)	14,988
Total deemed purchase consideration	視作購買代價總額	29,975
Fair value of net assets acquired — shown as below	所得淨資產之公平值 — 列示如下	29,975
Goodwill purchased	購入商譽	—

The fair values of the identifiable assets acquired and liabilities assumed are as follows:

所得可識別資產及所承擔負債之公平值如下：

		2019 二零一九年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	274
Prepayments and other receivables	預付款項及其他應收款項	4,071
Inventories	存貨	22,614
Cash and bank balances	現金及銀行結餘	3,123
Other payables and accrued liabilities	其他應付款項及應計負債	(107)
Total identifiable net assets acquired	所得可識別淨資產總值	29,975

37 Balance sheet and reserve movement of the Company **37 本公司之資產負債表及儲備變動**

	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
ASSETS			
Non-current assets			
Investments in subsidiaries		1,211,775	1,218,446
Current assets			
Amounts due from subsidiaries		539,932	535,101
Other receivables and prepayments		303	360
Cash and bank balances		858	326
		541,093	535,787
Total assets		1,752,868	1,754,233
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		209,982	209,982
Reserves	(a)	1,541,146	1,541,615
Total equity		1,751,128	1,751,597
LIABILITIES			
Current liabilities			
Other payables and accruals		1,740	2,636
Total equity and liabilities		1,752,868	1,754,233

37 Balance sheet and reserve movement of the Company (Continued)

Note:

(a) Reserve movement of the Company

		Other reserve 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 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	1,455,617	86,992	1,542,609
Loss for the year	年內虧損	—	(994)	(994)
At 31 December 2018	於二零一八年十二月三十一日	1,455,617	85,998	1,541,615
At 1 January 2019	於二零一九年一月一日	1,455,617	85,998	1,541,615
Loss for the year	年內虧損	—	(469)	(469)
At 31 December 2019	於二零一九年十二月三十一日	1,455,617	85,529	1,541,146

37 本公司之資產負債表及儲備變動(續)

附註：

(a) 本公司之儲備變動

38 Benefits and interests of directors

The remuneration of each director of the Company paid or payable by the Group is set out below:

For the year ended 31 December 2019:

38 董事之福利及權益

本集團已付或應付本公司各董事之薪酬載列如下：

截至二零一九年十二月三十一日止年度：

Name 姓名	Fees 袍金 HK\$'000 千港元	Basic Salary 基本薪金 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Estimated money value of other benefit 其他福利估計 HK\$'000 千港元	Housing allowances 房屋津貼 HK\$'000 千港元	Contributions to pension plans 退休金計劃 供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Ting Man Yi 丁敏兒	—	3,000	—	—	—	18	3,018
Ding Jianer 丁建兒	—	2,130	—	—	—	18	2,148
Ting Hung Yi 丁雄尔 (Chief Executive Officer) (行政總裁)	—	3,000	—	—	—	18	3,018
Cheung Ting Yin, Peter 張定賢	—	1,534	—	—	—	18	1,552
Cheng Chi Pang 鄭志鵬	240	—	—	—	—	—	240
Wong Chi Keung 黃之強	360	—	—	—	—	—	360
Leung Man Kit 梁民傑	240	—	—	—	—	—	240
	840	9,664	—	—	—	72	10,576

38 Benefits and interests of directors (Continued)

For the year ended 31 December 2018:

Name	Fees	Basic salary	Discretionary bonus	Estimated money value of other benefit	Housing allowances	Contributions to pension plans	Total
姓名	袍金	基本薪金	酌情花紅	其他福利估計	房屋津貼	退休金計劃	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
Ting Man Yi 丁敏兒	—	3,000	—	—	—	18	3,018
Ding Jianer 丁建兒	—	2,130	—	—	—	18	2,148
Ting Hung Yi 丁雄尔 (Chief Executive Officer) (行政總裁)	—	3,000	—	—	—	18	3,018
Cheung Ting Yin, Peter 張定賢	—	1,495	—	—	—	18	1,513
Cheng Chi Pang 鄭志鵬	240	—	—	—	—	—	240
Wong Chi Keung 黃之強	360	—	—	—	—	—	360
Leung Man Kit 梁民傑	240	—	—	—	—	—	240
	840	9,625	—	—	—	72	10,537

During the year, no emoluments, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2018: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2018: Nil). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2018: None).

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: None).

38 董事之福利及權益(續)

截至二零一八年十二月三十一日止年度：

Name	Fees	Basic salary	Discretionary bonus	Estimated money value of other benefit	Housing allowances	Contributions to pension plans	Total
姓名	袍金	基本薪金	酌情花紅	其他福利估計	房屋津貼	退休金計劃	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
Ting Man Yi 丁敏兒	—	3,000	—	—	—	18	3,018
Ding Jianer 丁建兒	—	2,130	—	—	—	18	2,148
Ting Hung Yi 丁雄尔 (Chief Executive Officer) (行政總裁)	—	3,000	—	—	—	18	3,018
Cheung Ting Yin, Peter 張定賢	—	1,495	—	—	—	18	1,513
Cheng Chi Pang 鄭志鵬	240	—	—	—	—	—	240
Wong Chi Keung 黃之強	360	—	—	—	—	—	360
Leung Man Kit 梁民傑	240	—	—	—	—	—	240
	840	9,625	—	—	—	72	10,537

年內，概無就終止董事服務而直接或間接向董事支付或給予任何酬金、退休福利、付款或福利；亦無任何應付款項(二零一八年：無)。概無就提供董事服務而向第三方提供或應付第三方任何代價(二零一八年：無)。概無為董事、其控制法團及關連實體利益而訂立之貸款、準貸款或其他交易(二零一八年：無)。

於年末及年內任何時間均無存續本公司為其中一方且本公司董事於其中直接或間接擁有重大權益之與本公司業務有關之任何重大交易、安排及合約(二零一八年：無)。

39 Subsequent event

Following the outbreak of Coronavirus Disease 2019 (“the COVID-19 outbreak”) in early 2020, a series of precautionary and control measures have been and continued to be implemented across the PRC, including extension of the Chinese New Year holidays nationwide, postponement of work resumption after the Chinese New Year holidays in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, quarantine of certain residents, heightening of hygiene and epidemic prevention requirements in factories and offices and encouraged social distancing.

Certain retail stores and overseas OEM customers of the Group experienced difficulty in resuming their normal operations in the short term. Consequently, shipment schedules of certain goods have been postponed and the Group has been closely monitoring the status of the shipment. Certain cancellation of orders has taken place as of the date of this report. Based on the latest market situation, management expects the Group’s business performance for the six months ending 30 June 2020 to be unfavorable.

In preparing the consolidated financial statements, the Group tested non-current assets including but not limited to intangible assets and property, plant and equipment for impairment and the recoverable amount of the relevant CGUs exceeds its carrying amount, thus no provision for impairment is made. In performing this assessment, the Group estimated the present value of future cash flows of the CGUs based on the conditions as at 31 December 2019. In the asset impairment tests to be performed in 2020, COVID-19 outbreak and its impact on the present value of estimated future cash flows of the CGUs will be considered. As of the date of this report, the Group is still in the process of assessing the impacts of the COVID-19 on the performance of the relevant CGUs and is currently unable to estimate the quantitative impacts to the Group.

Following the COVID-19 outbreak, the Group also expects to experience longer trade receivable turnover time, which may lead to an increase in the expected credit loss on trade receivables. As of the date of this report, the impacts of the COVID-19 outbreak on the Group’s customers’ financial positions and the macro-economic conditions as a whole are still uncertain, the Group is unable to quantify the related financial effects.

The Group will pay close attention to the development of the COVID-19 outbreak, perform further assessment of its impact and take relevant measures where needed.

39 期後事件

2019新型冠状病毒肺炎於二零二零年年初爆發(「新冠疫情」)後，中國實行了一系列的預防及控制措施，該等措施仍在繼續執行中，包括全國延長春節假期，部分地區推遲春節假期後的復工，在一定程度上對居民出行及交通安排實施限制與管控，對部分居民實施隔離，加強工廠及辦公室的衛生及防疫要求，鼓勵擴大社交距離等。

本集團的若干零售店及海外原設備製造客戶於短期內難以恢復正常經營。因此，若干貨物的出貨時間安排被延後，而本集團始終密切關注出貨狀態。截至本報告日期已出現部分訂單取消的情況。根據最新市場狀況，管理層預期本集團於截至二零二零年六月三十日止六個月的業務表現將不容樂觀。

於編製綜合財務報表時，本集團對非流動資產進行了減值測試，包括但不限於無形資產以及物業、廠房及設備，而相關現金產生單位的可收回金額超過其賬面值，因此毋須計提減值撥備。於進行本評估時，本集團根據二零一九年十二月三十一日的狀況估計現金產生單位的未來現金流量現值。於二零二零年將進行的資產減值測試中，將需考慮新冠疫情及其對現金產生單位的估計未來現金流量現值的影響。於本報告日期，本集團仍在評估新冠疫情對相關現金產生單位表現的影響，而目前無法估計對本集團的定量影響。

發生新冠疫情後，本集團亦預期應收貿易賬款周轉時間將會變長，故可能會導致應收貿易賬款的預期信貸虧損增加。截至本報告日期，新冠疫情對本集團客戶的財務狀況及整體宏觀經濟狀況造成的影響仍不明確，因此本集團無法量化相關財務影響。

本集團將密切關注新冠疫情的發展動向，進一步評估相關影響，並於必要時採取相應措施。

Five-year Financial Summary

五年財務概要

As at 31 December 2019 於二零一九年十二月三十一日

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out below.

本集團過去五個財政年度經登載的業績及資產、負債及非控制性權益概要列載如下。

For the financial years ended 31 December
截至十二月三十一日止財政年度
(Amounts expressed in HK\$'000, unless specified)
(除另有指明外，全以千港元呈列)

		2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年	2019 二零一九年
Revenue	營業額	2,386,175	2,151,522	2,335,429	2,274,818	1,899,011
Cost of sales	銷售成本	(1,691,292)	(1,500,291)	(1,670,143)	(1,711,636)	(1,524,650)
Gross profit	毛利	694,883	651,231	665,286	563,182	374,361
Other income	其他收入	23,334	12,704	29,267	21,476	33,846
Other (losses)/gains, net	其他(虧損)/收益淨額	(109,737)	43,891	53,435	52,115	62,886
Selling, marketing and distribution costs	銷售、營銷及分銷成本	(311,591)	(278,655)	(277,417)	(258,431)	(228,630)
Administrative expenses	行政開支	(309,935)	(304,840)	(312,478)	(310,324)	(281,598)
Net impairment loss provided for financial assets	就金融資產計提的減值虧損撥備淨額	—	—	—	(19,025)	9,425
Operating profit/(loss)	經營溢利/(虧損)	(13,046)	124,331	158,093	48,993	(29,710)
Finance income/(costs), net	融資收入/(成本)淨額	18,656	1,314	2,678	(3,261)	(6,244)
Share of profit/(losses) of associates	分佔聯營公司溢利/(虧損)	11	(141)	(632)	146	(585)
Share of (losses)/profits of joint ventures	分佔合營公司(虧損)/溢利	(5,057)	(5,088)	(2,791)	(4,603)	(573)
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	564	120,416	157,348	41,275	(37,112)
Income tax expense	所得稅開支	(41,697)	(39,084)	(16,901)	(14,067)	(18,547)
(Loss)/profit for the year	年度(虧損)/溢利	(41,133)	81,332	140,447	27,208	(55,659)
Non-controlling interests	非控制性權益	2,035	495	9,242	(6,163)	973
(Loss)/profit attributable to equity holders of the Company	本公司股權持有人應佔(虧損)/溢利	(39,098)	81,827	149,689	21,045	(54,686)

Five-year Financial Summary 五年財務概要

As at 31 December 2019 於二零一九年十二月三十一日

As at 31 December

於十二月三十一日

(Amounts expressed in HK\$'000, unless specified)

(除另有指明外，全以千港元呈列)

		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
Non-current Assets	非流動資產	1,104,284	971,559	870,359	1,030,889	1,167,662
Current Assets	流動資產	2,307,498	2,222,989	2,668,188	2,788,853	2,452,687
Total Assets	資產總值	3,411,782	3,194,548	3,538,547	3,819,742	3,620,349
Non-current Liabilities	非流動負債	12,738	13,861	21,752	83,136	105,832
Current Liabilities	流動負債	996,264	881,647	967,534	1,096,597	977,027
Total Liabilities	負債總值	1,009,002	895,508	989,286	1,179,733	1,082,859
Total Equity	權益總值	2,402,780	2,299,040	2,549,261	2,640,009	2,537,490
Net Current Assets	流動資產淨值	1,311,234	1,341,342	1,700,654	1,692,256	1,475,660
Total Assets Less Current Liabilities	資產總值減流動負債	2,415,518	2,312,901	2,571,013	2,723,145	2,643,322

Schedule of Principal Investment Properties

主要投資物業表

Particulars 詳情	Approximate Gross Floor Area (Square meters) 概約總樓面面積 (平方米)	Lease Term 租期	Usage 用途	Group's interest (%) 本集團的權益 (%)
Block 1, No. 18 Wu Zhou Road, Yun He Jie Dao, Yuhang District, Hangzhou City, Zhejiang Province, the PRC 中國浙江省 杭州市餘杭區 運河街道 五洲路18號1幢	33,172.9	Medium term 中期	Industrial 工業	100%
Factory complex at No. 195 Xin Tian Road, Yuhang Economic Development Zone, Yuhang District, Hangzhou City, Zhejiang Province, the PRC 中國浙江省 杭州市餘杭區 餘杭經濟開發區 新天路195號廠房綜合體	54,759.2	Medium term 中期	Industrial 工業	100%
Flat G-J, 4/F. with portion of flat roof, Lladro Center, Nos. 72-80 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong Kwun Tong Inland Lot No. 87 香港九龍觀塘 開源道第72-80號 溢財中心 4樓G-J室(連單位屋頂部分) (觀塘內地段87號)	315.4	Medium term 中期	Commercial 商業	100%



