

# KINGDOM

KINGDOM HOLDINGS LIMITED

金達控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

(於開曼群島註冊成立的有限公司)

(Stock code 股份代號 : 528)



ANNUAL REPORT 2018 年報



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors:

Mr. Ren Weiming (*Chairman*)  
Mr. Shen Yueming  
Mr. Zhang Hongwen  
Ms. Shen Hong

#### Non-executive Director:

Mr. Ngan Kam Wai Albert

#### Independent non-executive Directors:

Mr. Lau Ying Kit  
Mr. Lo Kwong Shun Wilson  
Mr. Yan Jianmiao

### AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)  
Mr. Yan Jianmiao  
Mr. Lo Kwong Shun Wilson

### REMUNERATION COMMITTEE

Mr. Yan Jianmiao (*Chairman*)  
Mr. Zhang Hongwen  
Mr. Lo Kwong Shun Wilson

### NOMINATION COMMITTEE

Mr. Lo Kwong Shun Wilson (*Chairman*)  
Mr. Lau Ying Kit  
Mr. Shen Yueming

### COMPANY SECRETARY

Mr. Chan Yan Kwan Andy

### LEGAL ADVISERS TO THE COMPANY AS TO HONG KONG LAW

Sidley Austin

### AUDITORS

Ernst & Young

### AUTHORISED REPRESENTATIVES

Mr. Ren Weiming  
Mr. Chan Yan Kwan Andy

### 董事會

#### 執行董事：

任維明先生 (主席)  
沈躍明先生  
張鴻文先生  
沈鴻女士

#### 非執行董事：

顏金煒先生

#### 獨立非執行董事：

劉英傑先生  
羅廣信先生  
嚴建苗先生

### 審核委員會

劉英傑先生 (主席)  
嚴建苗先生  
羅廣信先生

### 薪酬委員會

嚴建苗先生 (主席)  
張鴻文先生  
羅廣信先生

### 提名委員會

羅廣信先生 (主席)  
劉英傑先生  
沈躍明先生

### 公司秘書

陳仁君先生

### 本公司有關香港法律之法律顧問

盛德律師事務所

### 核數師

安永會計師事務所

### 授權代表

任維明先生  
陳仁君先生

## REGISTERED OFFICE

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

## HEADQUARTERS IN CHINA

Henggang Town  
Haiyan County  
Zhejiang Province  
China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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 AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East, Hong Kong

## PRINCIPAL BANKERS

Bank of China, Rugao Branch  
Bank of China, Haiyan Branch

## STOCK CODE

00528

## COMPANY WEBSITE ADDRESS

<http://www.kingdom-china.com>

## INVESTOR RELATIONS CONTACT

Email: [ir@kingdom-china.com](mailto:ir@kingdom-china.com)

## 註冊辦事處

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

## 中國總辦事處

中國  
浙江省  
海鹽縣  
橫港鎮

## 香港主要營業地點

香港  
皇后大道東183號  
合和中心  
54樓

## 主要股份過戶登記處

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

## 香港股份過戶登記分處

卓佳證券登記有限公司  
香港皇后大道東183號  
合和中心22樓

## 主要往來銀行

中國銀行如皋支行  
中國銀行海鹽支行

## 股份代號

00528

## 公司網址

<http://www.kingdom-china.com>

## 投資者聯繫方式

電郵: [ir@kingdom-china.com](mailto:ir@kingdom-china.com)

## Chairman's Statement 主席報告書

I am pleased to present the annual report of Kingdom Holdings Limited (the “**Company**”) and its subsidiaries (collectively, “**Kingdom**” or the “**Group**”) for the year ended 31 December 2018 (the “**Year**”).

As the world's largest manufacturer of linen yarn, Kingdom produced 18,523 tonnes of linen yarn during the Year, which accounted for more than 10% of the global supply.

During the Year, the Group's pure linen yarn exports amounted to 11,472 tonnes (2017: 11,734 tonnes), roughly at a comparative level as last year. Kingdom accounted for approximately 44.4% of the total pure linen yarn export from China in 2018 (2017: 45.0%), which maintained the Group's leading position as the largest pure linen yarn exporter in China for 16 consecutive years.

Kingdom is a key leader and promoter of organic and sustainable linen, and is a world's leading manufacturer of organic linen yarn and organic linen fibers, and established a raw material production base in Yili, Xinjiang, the PRC mainly for the production of organic flax. There were 620 tonnes of organic linen yarn produced in 2018.

The trend of environment-friendliness and the use of natural fibers has been set. Linen yarn, as one of the most environmentally friendly fibers, will surely benefit from this trend. The global demand of linen yarn has rebounded, coupled with the rapid growth of the Chinese flax consumer market and the constrained capacity expansion in 2017, has driven the average selling price of linen yarn to a historical level during the Year. Total turnover of the Group increased by 21.6% despite similar quantity of linen yarn sold compared to the year 2017. Our top five markets are China, India, Italy, Korea and Turkey.

Having said that, the geo-political environment is to be alerted and protectionism is expected to be on the rise. The Indian government had initiated an anti-dumping investigation of linen yarn originating in or exported from China during the Year and recommended to impose definitive anti-dumping duty for five years ranging from USD0.5 to USD4.83 per kilogram of “flax yarn” of below 70 Lea Count (or below 42 Nm) originating in or exported from China. Such duty will be partially reflected in the selling price to our customers in India. On the other end, the China-US trade tension will continue to evolve in the foreseeable future. However, given that most of the Group's direct customers or end consumer brands are not US based, any impact of China-US trade war would be indirect and limited.

本人欣然提呈金達控股有限公司(「**本公司**」)及其附屬公司(統稱「**金達**」或「**本集團**」)截至二零一八年十二月三十一日止年度(「**年內**」)的年度報告。

金達作為全球最大的亞麻紗制造商，年內生產亞麻紗18,523噸，佔全球總量的10%以上。

年內，本集團純亞麻紗出口量為11,472噸(二零一七年：11,734噸)，與去年大體相當。金達佔中國二零一八年純亞麻紗出口總量約44.4%(二零一七年：45.0%)，保持本集團的市場領先地位，連續十六年穩佔中國最大的純亞麻紗出口商席位。

金達是全球有機亞麻和可持續亞麻的主要引領者和推動者，也是全球主要的有機亞麻紗和有機亞麻纖維制造商，亦在中國新疆伊犁設立原材料生產基地，主要生產有機亞麻。二零一八年生產有機亞麻紗620噸。

推動環保及使用天然纖維已成趨勢。亞麻紗乃最環保的纖維之一，必然受惠於此趨勢。自二零一七年底起，全球亞麻紗需求回升，加上中國亞麻消費市場快速增長和二零一七年產能擴張衝動得到控制，推動亞麻紗平均銷售價格於年內達至歷史最高水平。儘管本集團所銷售的亞麻紗數量與二零一七年類似，但本集團總營業額增長21.6%。我們的五大市場為中國、印度、意大利、韓國及土耳其。

儘管如此，地緣政治環境需予以警惕，保護主義預期將會抬頭。印度政府已於年內對原產於或進口自中國的亞麻紗發起反傾銷調查並建議對原產於或進口自中國的低於70縷紗織數(或低於42公支)的「亞麻紗」徵收五年介乎每公斤0.5美元至4.83美元的明確反傾銷稅。有關稅項將部分於向印度客戶銷售的價格中體現。另一方面，中美貿易衝突於可預見未來將繼續演變。然而，鑒於本集團的大多數直接客戶或終端客戶品牌並非位於美國，因此受到中美貿易戰的影響屬間接及有限。

## Chairman's Statement 主席報告書

Technological innovation of Kingdom has always been at the forefront of the industry. In 2018, the Group applied for 14 patents, including 8 invention patents with 7 patents granted. These achievements will gradually become Kingdom's core competitiveness.

Kingdom also started manufacturing industrial hemp yarn through its joint venture in Heilongjiang Province which was established in 2016, in which the Group has a 72.72% equity interest. The joint venture company has built a new industrial hemp and linen yarn factory with annual production capacity of 4,000 tonnes of yarn in Heilongjiang Province. It is also the Group's maiden attempt to explore the industrial hemp yarn market. The Heilongjiang factory is equipped with advanced technology equipment, which is leading in the global industrial hemp industry and leading in the production industry. The production of industrial hemp yarn accounts for approximately 60% of the overall production in China in 2018.

The Group is also committed to investing in Ethiopia for new production facilities and has acquired a parcel of land with a site area of 300,000 square meters located in Adama Industrial Park, Adama, Ethiopia. The Ethiopia project is expected to generate savings on land lease, labour, energy and tax and there are possibly exemptions of quota and custom duty for exports of linen yarn manufactured in Ethiopia to a vast number of countries in the world. The Company believes this strategic investment in Ethiopia will have significant long-term benefits to the Group. The Ethiopia production facility is expected to commence trial production in late 2019/early 2020.

The board (the "Board") of directors (the "Directors") of the Company remains its confidence in the future of the Group's operation and profitability. To show the Group's appreciation to the shareholders of the Company (the "Shareholders") for their trust and support while reserving resources for the Group's immediate and future expansion, the Board has recommended the payment of a final dividend for the Year of HK6.0 cents per ordinary share of the Company ("Share") (2017: HK2.0 cents per Share).

On behalf of the Board, I would like to thank the entire staff for their devotion and contributions in the past year. I would also like to express my sincere gratitude to the Shareholders and business partners for their continuous support for the Group.

**Ren Weiming**  
Chairman

Haiyan County, Zhejiang Province, the PRC, 22 March 2019

金達技術創新一直致立於行業的前沿，2018年，集團申請專利14項，其中發明專利8項，已授權專利7項，這些成果將逐步成為金達的核心競爭力。

金達亦透過於二零一六年在黑龍江省成立的合資公司（本集團擁有其72.72%股權）開始生產工業大麻紗。合資公司於黑龍江省已興建一座年產能為4,000噸紗線的新工業大麻和亞麻紗廠。此舉亦為本集團首次嘗試開拓工業大麻紗市場。黑龍江工廠技術裝備在全球工業大麻行業領先，生產行業中領先，二零一八年生產工業大麻紗佔全國總產量約60%。

本集團亦致力於埃塞俄比亞投資興建新生產設施，並已在埃塞俄比亞阿達瑪的阿達瑪工業園取得一幅地盤面積達30萬平方米的土地。預計埃塞俄比亞項目將節省土地租賃，勞動力，能源和稅收方面的費用，並且可能免除埃塞俄比亞製造的亞麻紗線出口到世界上許多國家的配額和關稅。本公司認為，埃塞俄比亞的戰略投資將為本集團帶來重大的長期利益。預期埃塞俄比亞生產設施將於二零一九年底／二零二零年初開始試產。

本公司董事（「董事」）會（「董事會」）對本集團未來的經營和盈利仍充滿信心。為答謝本公司股東（「股東」）對本集團的信任及支持，並同時為本集團近期及未來發展預留資源，董事會建議派發年內末期股息為本公司每股普通股（「股份」）6.0港仙（二零一七年：每股股份2.0港仙）。

本人謹此代表董事會，感謝本集團全體員工過去一年所作的努力與貢獻，同時感激一眾股東及業務夥伴一直給予本集團鼎力支持。

主席  
任維明

中國浙江省海鹽縣，二零一九年三月二十二日







# Five Year Financial Summary

## 五年財務摘要

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

本集團最近五個財政年度的業績以及資產及負債摘要（摘錄自己刊發經審核財務報表）載列如下。

		Year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
REVENUE	收入	1,245,643	1,023,962	856,243	1,025,403	914,279
Cost of sales	銷售成本	(987,762)	(907,694)	(704,365)	(761,358)	(669,278)
Gross profit	毛利	257,881	116,268	151,878	264,045	245,001
Other income and gains	其他收益及得益	24,308	25,575	54,358	12,274	14,309
Selling and distribution costs	銷售及分銷成本	(48,687)	(39,361)	(37,951)	(38,687)	(37,870)
Administrative expenses	行政開支	(73,020)	(49,670)	(58,968)	(55,628)	(48,168)
Other expenses	其他開支	(6,818)	(38,200)	(643)	(4,432)	(12,931)
Finance costs	財務成本	(21,520)	(17,712)	(16,059)	(13,236)	(10,751)
Share of profit and loss of an associate	應佔一間聯營公司溢利及虧損	-	-	-	(28)	36
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／（虧損）	132,144	(3,100)	92,615	164,308	149,626
Income tax (expense)/Credit	所得稅（開支）／抵免	(28,957)	3,722	(22,586)	(43,939)	(39,149)
PROFIT FOR THE YEAR	年內溢利	103,187	622	70,029	120,369	110,477
Attributable to:	應佔：					
Owners of the parent	母公司擁有人	102,006	(3,132)	66,344	120,369	110,477
Non-controlling interests	非控制性權益	1,181	3,754	3,685	-	-

## ASSETS AND LIABILITIES

## 資產及負債

		As at 31 December 於十二月三十一日				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Total assets	資產總值	2,127,748	1,962,416	1,930,435	1,599,847	1,490,055
Total liabilities	負債總額	(974,239)	(912,220)	(843,999)	(555,869)	(528,393)
Non-controlling interests	非控制性權益	(40,620)	(32,439)	(18,685)	-	-
Net assets	資產淨值	1,112,889	1,017,757	1,067,751	1,043,978	961,662

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

According to the National Bureau of Statistics of the People's Republic of China (the "PRC" or "China"), the GDP growth rate in China for the year ended 31 December 2018 (the "Year") was 6.6%. The overall textile industry in China recorded a growth of 8.1% in export during the Year. The cotton price was relatively stable throughout 2018 which was good for the recovery of the market demand of linen yarn.

According to the statistics of the General Administration of Customs of the PRC, the total volume of pure linen yarn exports of China in 2018 dropped by approximately 1.0% year-on-year, while the total volume of all textile with linen (including pure linen and linen mixed with other fabrics) of China in 2018, on the other hand, grew by approximately 0.1% year-on-year. In the trough of the economic cycle, the low level of cotton yarn price may lead to a reduction in demand for pure linen yarn from fashion brands and garment manufacturers, which favours cotton or cotton/linen blended yarn and enables products made of these materials to be more appealing to relatively cost conscious consumers. The market has proven that pure linen yarn is a preferred choice over linen mixed yarn once the price is not the only concern. For years, the Group has been focusing on upholding excellent quality and offering tailored customer services. As such, the Group has always been a key partner of major overseas linen fabric and garment manufacturers.

During the Year, the Group's pure linen yarn exports amounted to 11,472 tonnes (2017: 11,734 tonnes). The Group accounted for approximately 44.4% of the total pure linen yarn export from China in 2018 (2017: 45.0%), signifying the Group's continuous leading position as the largest pure linen yarn exporter in China for 16 consecutive years.

### 業務回顧

根據中華人民共和國（「中國」）國家統計局，中國截至二零一八年十二月三十一日止年度（「本年度」）的國內生產總值增長率為6.6%。年內，中國紡織業出口整體錄得8.1%的增長。棉花價格於整個二零一八年度相對穩定，有助亞麻紗的市場需求復甦。

根據中國海關總署的統計數據顯示，二零一八年中國的純亞麻紗總出口量按年下跌約1.0%，而另一方面，二零一八年中國的全部含亞麻織物（包括純亞麻及亞麻與其他纖維混合面料）總量按年增長約0.1%。在低迷的經濟週期，棉紗價格處於偏低水平可能降低時裝品牌及成衣製造商對純亞麻紗的需求。為以成本吸納更多消費者，時裝品牌及成衣製造商可能傾向選擇棉紗或棉麻混紗作為產品原材料。市場證明，倘價格不是唯一關注的問題，則純亞麻紗比亞麻混紡紗更受青睞。憑藉多年來本集團對優良品質的專注和全面貼身的服務，因此，本集團一直以來都是海外主要亞麻纖維和成衣製造商的重要夥伴。

本年度內，本集團純亞麻紗出口量為11,472噸（二零一七年：11,734噸）。本集團佔中國二零一八年純亞麻紗出口總量約44.4%（二零一七年：45.0%），足證本集團的市場領先地位，連續十六年穩佔中國最大的純亞麻紗出口商席位。

# Management Discussion and Analysis

## 管理層討論及分析

As a result of the recovery of the global market demand of pure linen yarn since the end of 2017 and the Group's strategic upward price adjustments during the Year, revenue of the Group for the Year increased by approximately 21.6% year-on-year to RMB1,245,643,000 (2017: RMB1,023,962,000). Gross profit surged by approximately 121.8% year-on-year to RMB257,881,000 (2017: RMB116,268,000) and overall gross margin rebounded to 20.7% in 2018 (2017: 11.4%), as a result of the price adjustments in 2018. Profit for the year was RMB103,187,000, representing a remarkable growth as compared from RMB622,000 in 2017. Basic earnings per Share amounted to RMB0.17 (2017: loss per Share of RMB0.01). To reciprocate the Shareholders for their continuous support for the Group while reserving resources for further expansions, the Board has recommended the payment of a final dividend of HK6.0 cents per Share for the Year (2017: HK2.0 cents per Share).

### Major Markets and Customers

Being the largest linen yarn exporter in China, the Group has a sales network covering over 20 countries and regions around the world. In order to timely seize market opportunity, keep abreast of market trends and deliver comprehensive and efficient services, the Group has established presence in major overseas linen textile and consumer markets. The Group currently has one subsidiary in Italy and agents in Turkey, Portugal, Lithuania, India and Korea. The Group's subsidiary in Italy keeps its own inventories so that it can serve the immediate needs and tighten its co-operations with high-end customers in Europe. During the Year, revenue derived from overseas sales amounted to RMB774,953,000, representing approximately 62.2% of the Group's total revenue. In particular, revenue from European Union countries amounted to approximately RMB307,854,000, representing approximately 24.7% of the Group's total revenue, while revenue from non-European Union countries amounted to approximately RMB467,099,000, representing approximately 37.5% of the Group's total revenue. During the Year, despite the Department of Commerce, Government of India has initiated anti-dumping investigation of linen yarn originating in or exported from China, India continued to overtake Italy since 2017 as the largest export market of the Group and accounted for approximately 28.9% of the Group's total export revenue, followed by, in descending order, Italy, Korea, Turkey, Portugal and Lithuania.

由於全球純亞麻紗需求自二零一七年底起復甦和本集團於本年度策略性上調價格，本集團於本年度之收入同比增長約21.6%至人民幣1,245,643,000元（二零一七年：人民幣1,023,962,000元）。於二零一八年，由於調整價格，毛利按年大幅增長約121.8%至人民幣257,881,000元（二零一七年：人民幣116,268,000元），整體毛利率反彈至20.7%（二零一七年：11.4%）。年內溢利為人民幣103,187,000元，較二零一七年度人民幣622,000元錄得顯著增長。每股股份基本盈利達人民幣0.17元（二零一七年：每股股份虧損人民幣0.01元）。為答謝股東一直以來支持本集團及預留資源作進一步擴展，董事會建議派付本年度的末期股息每股股份6.0港仙（二零一七年：每股股份2.0港仙）。

### 主要市場及客戶

作為中國最大的亞麻紗出口企業，本集團的業務廣佈全球20多個國家與地區。為能適時捕捉市場機遇、掌握市場脈搏及提供更全面快捷的服務，本集團已於海外主要的亞麻紡織和消費者市場建立業務。目前，本集團已在意大利設立一家附屬公司，並在土耳其、葡萄牙、立陶宛、印度及韓國設立代理。其中，本集團的意大利附屬公司備有存貨，方便即時發貨，深化與歐洲高端客戶的合作關係。於本年度，海外銷售貢獻收入達人民幣774,953,000元，佔本集團總收入約62.2%。其中，歐盟國家貢獻收入約人民幣307,854,000元，佔本集團總收入約24.7%，而非歐盟國家則合共貢獻收入約人民幣467,099,000元，佔本集團總收入約37.5%。於本年度內，儘管印度政府商務部開始針對原產於或進口自中國的亞麻紗開展反傾銷調查，印度繼續自二零一七年起取代意大利成為本集團最大的出口市場，佔本集團總出口收入約28.9%，其後依次為意大利、韓國、土耳其、葡萄牙和立陶宛。

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

Domestic sales in China increased by approximately 21.6% during the Year to RMB470,690,000, representing approximately 37.8% of the Group's total revenue. In light of the increasing income level, there have been fundamental changes in the consumption patterns of the general public in China. Consumers' concerns have shifted from pure practicality to quality and the ability to reflect their personal taste. Linen textiles are not only anti-bacterial and comfortable, but also highly environment-friendly in their production process. Therefore, linen textiles perfectly suit the taste of new-generation consumers who may have a stronger preference over environment-friendly and sustainable products. Many leading domestic and overseas trend-setting brands and fast-moving fashion brands have now embarked on their own linen selections. For example, a famous Japanese brand has not only launched a linen garment line, but also introduced a tracking system for the use of its raw materials to allow its product quality and environment-friendliness to be monitored by itself together with its consumers.

中國的國內銷售於本年度內增長約21.6%至人民幣470,690,000元，佔本集團總收入約37.8%。隨着中國普羅大眾收入水平上升，消費模式發生了根本的轉變。消費者從過去僅關注實用面的消費理念逐步升級至注重品質優良、能彰顯個性理念的產品。亞麻紡織品不僅抗菌舒適，其生產過程也非常環保。因此亞麻紡織品十分符合新一代消費者對環保和可持續發展產品愈發濃厚的喜好。目前，國內外許多大型流行品牌、快速時尚品牌均已開拓亞麻服飾系列。例如，一個著名日本品牌不僅開展了亞麻系列服飾，同時亦引入了原材料追蹤機制，使其可與消費者一同監督產品品質和環保要求。

### Sales Analysis by Domestic and Overseas Markets

### 國內外市場銷售分析

		FY2018		FY2017		Year-on-year change	Year-on-year change
		二零一八年財政年度		二零一七年財政年度		in revenue	in revenue
		人民幣千元	%	人民幣千元	%	收入	收入
						按年變動	按年變動
						人民幣千元	%
China	中國	470,690	37.8%	387,135	37.8%	83,555	21.6%
European Union	歐盟	307,854	24.7%	251,705	24.6%	56,149	22.3%
Non-European Union	非歐盟	467,099	37.5%	385,122	37.6%	81,977	21.3%
<b>Total Revenue</b>	<b>總收入</b>	<u>1,245,643</u>	100.0%	<u>1,023,962</u>	100.0%	221,681	21.6%

# Management Discussion and Analysis

## 管理層討論及分析

### Raw Material Procurement and Related Strategies

During the Year, prices of fibre flax, the major raw material of linen yarn, maintained a steady growth. The Group mainly sources its fibre flax from well-established origins such as France, Belgium and the Netherlands. Being one of the largest buyers in these regions, the Group enjoys strong bargaining power when dealing with suppliers. Furthermore, the Group has formulated systematic procurement strategies under which the Group will procure raw materials according to the level of fibre flax harvest, the Group's inventory level and the market prices of fibre flax so as to stabilise its raw material costs and overall market demand and supply as well as reducing the price fluctuations of raw materials. Apart from sourcing raw materials abroad, the Group has established a raw material production base in Yili, Xinjiang, the PRC mainly for the production of organic flax. This production base currently has an annual production capacity of approximately 400 tonnes. Going forward, the Group will continue to look for other suitable flax cultivation bases in other regions with the aim to further stabilise the price fluctuations and supply of raw materials.

### Production Bases and Productivity

As at 31 December 2018, the Group had four production bases in China. The one in Rugao City, Jiangsu Province, the PRC has an annual production capacity of 6,000 tonnes. Another two production bases are located in Haiyan County, Zhejiang Province, the PRC, among which the first Haiyan plant has an annual production capacity of 7,000 tonnes and the second Haiyan plant has an annual production capacity of 5,000 tonnes. The Group has established its fourth facility in Heilongjiang Province in China with an annual capacity of 4,000 tonnes for flax and industrial hemp yarn. Currently, the designed annual linen and industrial hemp yarn production capacity of the Group amounts to 22,000 tonnes based on standardized 24Nm specification. The utilization rate of each of the production bases was close to 100% during the Year.

### 原材料採購及相關策略

於本年度內，亞麻紗主要原材料亞麻纖維價格保持平穩略升的趨勢。本集團的亞麻纖維主要從法國、比利時和荷蘭等優質亞麻產地進口。本集團是以上產地最大的採購商之一，因此與供應商交易時具有較強議價能力。此外，本集團按照亞麻收成狀況、本身庫存水平及亞麻纖維市場價格等因素，有系統地制定採購原材料策略，從而穩定其原材料成本及市場整體供需，並減輕原材料價格波動。除了在海外採購原材料，本集團亦在中國新疆伊犁設立原材料生產基地，主要生產有機亞麻。此生產基地目前的年產能約為400噸。展望將來，本集團將繼續在其他地區物色其他適合的亞麻種植基地，以進一步穩定原材料的價格波動和供應。

### 生產基地及產能

於二零一八年十二月三十一日，本集團在中國共設立四個生產基地。一個位於中國江蘇省如皋市，年產能為6,000噸。另外兩個生產基地設於中國浙江省海鹽縣，其中，海鹽一期廠房年產能為7,000噸，而海鹽二期廠房年產能為5,000噸。本集團在中國黑龍江省建立第四個生產基地，其亞麻紗及工業大麻紗的年產能達4,000噸。目前，按標準24公支規格計，本集團的亞麻紗和工業大麻紗設計年產能達到22,000噸。於本年度內，各生產基地的利用率接近100%。

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

The Group's production bases are continuously under improvement. New production bases are equipped with the latest management systems, technologies and equipment, a combination of which has resulted in a smooth operation and reduced unnecessary procedures and wastage of raw materials, which has improved our overall production efficiency. These systems have not only made the production processes more environment-friendly, but also reduced the production costs of the Group and have laid a solid foundation of profit growth for the Group in the long run. For further details of the measures taken by the Group in relation to environmental protection, please refer to the separate Environmental, Social and Governance Report of the Group for the Year, which is expected to be despatched together with the annual report of the Company for the Year before the end of April 2019.

The Group owns a 72.72% equity interest in the flax and industrial hemp yarn manufacturing facility in Heilongjiang and it is the Group's maiden attempt to explore the industrial hemp yarn market, as the Company believes industrial hemp yarn market will grow rapidly in the next few years due to the national policy in China to promote the planting of industrial hemp in the Heilongjiang region and the use of the industrial hemp textile products.

本集團的生產基地正在持續完善中。新的生產基地配置最新的管理系統及技術設備，運作流暢，減少不必要的工序及原材料的浪費，得以提升整體生產效率。這些系統不僅使生產工序更加環保，更減低了本集團的生產成本，為本集團從長遠上提升溢利奠定穩固基礎。有關本集團採取的環保措施的進一步詳情，請參閱另行刊發的本年度本集團環境、社會及管治報告（預期於二零一九年四月底前連同本公司本年度年報一併寄發）。

本集團於黑龍江省一座亞麻及工業大麻紗生產設施擁有72.72%股權，此項投資為本集團進軍工業大麻紗市場的首項舉措，本公司相信，受惠於國家推動黑龍江地區工業大麻種植及工業大麻紡織品應用的國策，工業大麻紗市場將於未來數年急速增長。

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

In addition, the Group is also committed to investing in Ethiopia for new production facilities and has acquired a parcel of land with a site area of 300,000 square meters located in Adama Industrial Park, Adama, Ethiopia. The phase one development of this land parcel will further boost the annual production capacity of the Group by 5,000 tonnes. The Board believes that the federal government of Ethiopia is keen to develop the Kingdom Linen Yarn Factories project to be constructed on this land parcel into one of the model projects of the “Belt & Road” initiative in Ethiopia. The Chinese government also encouraged manufacturers to expand overseas by facilitating political risk insurance coverage by state-owned insurance company. The Ethiopia project is expected to generate savings on land lease, labour, energy and tax and there are possibly exemptions of quota and custom duty for exports of linen yarn manufactured in Ethiopia to a vast number of countries in the world. Despite there have been on and off ethno-political conflicts since October 2016 leading to the resignation of the Prime Minister of Ethiopia in February 2018, the Government of Ethiopia had reaffirmed their commitment in maintaining the industrialization agenda that has already been initiated. The Board believes the strategic investment in Ethiopia will have significant long-term benefit to the Group. On 25 January 2018, the Group entered into a master agreement with The IT Electronics Eleventh Design & Research Institute Scientific and Technological Engineering Corporation Limited\* (信息產業電子第十一設計研究院科技工程股份有限公司) (“EDRI”) for the engineering, procurement and construction/turnkey contract for the Ethiopia project at an aggregate contract price of RMB208,670,000. The construction of the factory is close to completion and machinery and equipment will be installed in 2019 and the Ethiopia production facility is expected to commence trial production in late 2019/early 2020.

此外，本集團亦致力於埃塞俄比亞投資興建新生產設施，並已於埃塞俄比亞阿達瑪的阿達瑪工業園取得一幅地盤面積達300,000平方米的土地。土地的第一期發展項目將令本集團的年產能進一步提高5,000噸。董事會相信，埃塞俄比亞聯邦政府積極將金達亞麻紗工廠項目（將於該幅土地上興建的項目）發展成為「一帶一路」在埃塞俄比亞的示範項目之一。中國政府亦安排國營保險公司提供政治風險保障，鼓勵製造商拓展海外市場。預期埃塞俄比亞項目有望減省土地租賃、勞動、能源及稅項的費用，並可能獲幾乎全球各國為埃塞俄比亞生產的亞麻紗出口提供配額及關稅豁免。儘管自二零一六年十月起持續發生民族政治衝突，導致埃塞俄比亞總理於二零一八年二月辭職，但埃塞俄比亞政府已重申其會竭力維持已啟動的工業化進程。董事會認為於埃塞俄比亞的戰略投資將會為本集團帶來長期的可觀利益。於二零一八年一月二十五日，本集團與信息產業電子第十一設計研究院科技工程股份有限公司（「**第十一設計研究院**」）訂立主協議，內容有關埃塞俄比亞項目的工程、採購及施工／一體化合約，合約總價為人民幣208,670,000元。有關工廠的工程接近完成且機器及設備將於二零一九年安裝，埃塞俄比亞生產設施預期將於二零一九年底／二零二零年初開始試產。

\* For identification purpose only



# Management Discussion and Analysis

## 管理層討論及分析

### Existing and planned production bases

### 現有及已規劃生產基地

No.	Factory	Location	Country	Annual capacity (Tonnes) 年產能 (噸)	Utilisation/Status
編號	廠房	地點	國家		利用率/狀況
1	Haiyan 1st Factory 海鹽一期廠房	Zhejiang 浙江	China 中國	7,000	Close to 100% 接近100%
2	Rugao Factory 如皋廠房	Jiangsu 江蘇	China 中國	6,000	Close to 100% 接近100%
3	Haiyan 2nd Factory 海鹽二期廠房	Zhejiang 浙江	China 中國	5,000	Close to 100% 接近100%
4	Qinggang Factory 青崗廠房	Heilongjiang 黑龍江	China 中國	4,000	Close to 100% 接近100%
5	Ethiopia Factory 埃塞俄比亞廠房	Adama 阿達瑪	Ethiopia 埃塞俄比亞	5,000	Expects trial production in late 2019/early 2020 預期二零一九年底/ 二零二零年初開始試產

# Management Discussion and Analysis

## 管理層討論及分析

### Patents, Awards and Recognition

The Group has continued to invest in technology and innovation. As at 31 December 2018, the Group owned 64 registered patents and there were another 28 patents applications pending formal approval by relevant authorities.

### FINANCIAL REVIEW

#### Revenue

For the Year, the Group's revenue increased by approximately 21.6% to approximately RMB1,245,643,000 (2017: RMB1,023,962,000). The increase of revenue was mainly attributable to the upward price adjustments of pure linen yarn sold during the Year. As a result of global market impact and the Group's strategic upward price adjustments, revenue for all markets (including domestic market, European countries and non-European countries) recorded similar growth during the Year.

#### Gross Profit and Gross Profit Margin

For the Year, the Group's gross profit surged to RMB257,881,000, representing a year-on-year growth of approximately 121.8% (2017: RMB116,268,000). Gross profit margin for the Year rebounded to 20.7% (2017: 11.4%) as a result of recovery of the market demand of linen yarn and the upward selling price adjustments of the linen yarn during the Year.

#### Other Income and Gains

For the Year, other income and gains of RMB24,308,000 (2017: RMB25,575,000) were mainly represented by the net exchange gain of RMB19,235,000 (2017: net exchange loss of RMB28,894,000), various government grants which amounted to RMB2,501,000 (2017: RMB24,135,000) and interest income of RMB1,043,000 (2017: RMB899,000).

### 專利、獎項及殊榮

本集團繼續投資於技術創新，於二零一八年十二月三十一日，本集團擁有64項註冊專利，另有28項專利申請，有待相關機關正式審批。

### 財務回顧

#### 收入

於本年度，本集團的收入增加約21.6%至約人民幣1,245,643,000元（二零一七年：人民幣1,023,962,000元）。收入增加主要是由於本年度純亞麻紗銷售價格上調所致。於本年度，由於全球市場影響及本集團採取上調價格的策略，故所有市場（包括國內市場、歐盟國家及非歐盟國家）收入錄得相似增長率。

#### 毛利及毛利率

於本年度，本集團毛利按年大幅增長約121.8%至人民幣257,881,000元（二零一七年：人民幣116,268,000元）。由於亞麻紗市場需求復甦和本集團於本年度上調亞麻紗銷售價格，本年度毛利率反彈至20.7%（二零一七年：11.4%）。

#### 其他收益及得益

於本年度，其他收益及得益為人民幣24,308,000元（二零一七年：人民幣25,575,000元）主要指匯兌得益淨額人民幣19,235,000元（二零一七年：匯兌虧損淨額人民幣28,894,000元）、多筆政府補助人民幣2,501,000元（二零一七年：人民幣24,135,000元）及利息收入人民幣1,043,000元（二零一七年：人民幣899,000元）。

# Management Discussion and Analysis

## 管理層討論及分析

### Selling and Distribution Expenses

For the Year, the Group's selling and distribution expenses amounted to approximately RMB48,687,000 (2017: RMB39,361,000), which accounted for approximately 3.9% (2017: 3.8%) of the Group's revenue. The slight increase in the selling and distribution expenses as a percentage of revenue in the Year was mainly due to a cumulative adjustment of the commission provision being made in 2017 and resulting in a lower sales agent commission expense recorded in last year.

### Administrative Expenses

For the Year, the Group's administrative expenses amounted to approximately RMB73,020,000 (2017: RMB49,670,000), representing an increase of approximately 47.0% as compared to the year ended 31 December 2017. The increase of administrative expenses was mainly due to additional research and development costs of RMB6,201,000, consulting fee of RMB2,410,000, personnel costs of RMB3,091,000, depreciation charge of RMB2,375,000 and amortization charges of RMB4,007,000.

### Other Expenses

Other expenses of the Group for the Year mainly represent a loss on derivative financial instruments of RMB3,438,000 (2017: RMB7,002,000). The decrease in other expenses was mainly due to there being a net exchange loss of RMB28,894,000 in last year but a net exchange gain for the Year and reported in Other Income and Gains above.

### Finance Costs

For the Year, finance costs amounted to approximately RMB21,520,000 (2017: RMB17,712,000), representing an increase of approximately 21.5%. The increase in finance costs was mainly due to fewer interest expenses were capitalised due to the completion of the Heilongjiang factory which commenced full operation during the Year.

### 銷售及分銷開支

於本年度，本集團銷售及分銷開支約為人民幣48,687,000元（二零一七年：人民幣39,361,000元），佔本集團收入約3.9%（二零一七年：3.8%）。本年度銷售及分銷開支佔收入之百分比略有增加，主要是由於二零一七年就佣金撥備作出累計調整，導致去年錄得較低的銷售代理佣金開支所致。

### 行政開支

於本年度，本集團行政開支約為人民幣73,020,000元（二零一七年：人民幣49,670,000元），較截至二零一七年十二月三十一日止年度增加約47.0%。行政開支增加主要是由於額外研發成本、諮詢費、人員成本、折舊費用及攤銷費用分別為人民幣6,201,000元、人民幣2,410,000元、人民幣3,091,000元、人民幣2,375,000元及人民幣4,007,000元所致。

### 其他開支

於本年度，本集團其他開支主要包括衍生金融工具虧損人民幣3,438,000元（二零一七年：人民幣7,002,000元）。其他開支減少主要由於去年錄得匯兌虧損淨額人民幣28,894,000元，而本年度錄得匯兌得益淨額，並於其他收益及得益中呈報。

### 財務成本

於本年度，財務成本約為人民幣21,520,000元（二零一七年：人民幣17,712,000元），增幅約21.5%。財務成本增加主要是由於黑龍江廠房於本年度開始全面營運，導致資本化的利息開支較少所致。

# Management Discussion and Analysis

## 管理層討論及分析

### Income Tax Expenses

Income tax expense for the Year was approximately RMB28,957,000 (2017: income tax credit of approximately RMB3,722,000). The income tax credit in last year was mainly due to the reversal of provision of dividend withholding tax provided in 2013. It was accrued at 10% but actual charged by tax authorities was 5%. According to PRC tax laws, the time limit of recovery of tax by tax authorities is three years. The effective tax rate for the year ended 31 December 2018 was 21.9%.

### Profit for the Year

As a result, the Group recorded a net profit for the Year of approximately RMB103,187,000 (2017: approximately RMB622,000), representing a surge of approximately 165 times as compared to the year ended 31 December 2017.

### Minority Interests

The minority interests amounted to RMB1,181,000 which represent the share of the net profit of the 27.28% of equity interests of Heilongjiang Jinda Flax and Hemp Co., Ltd.\* (黑龍江金達麻業有限公司), attributable to the minority shareholders during the Year (2017: RMB3,754,000).

### Profit Attributable to Owners of the Parent

During the Year, the Group recorded a profit attributable to owners of the parent of approximately RMB102,006,000, as compared to a loss attributable to owners of the parents of RMB3,132,000 for the year ended 31 December 2017.

### Other Intangible Assets

As at 31 December 2018, the Group's intangible assets were mainly certified emission rights in 2012 for a term of 20 years, which amounted to RMB5,248,000 (2017: RMB5,834,000). Intangible assets are subject to amortisation based on their useful lives. For the Year, the amortisation of intangible assets was approximately RMB586,000 (2017: RMB536,000).

### 所得稅開支

本年度所得稅開支約為人民幣28,957,000元(二零一七年: 所得稅抵免約人民幣3,722,000元)。去年錄得所得稅抵免乃主要由於轉回二零一三年的股息預扣稅撥備。其乃按10%的稅率計息, 但稅務機關實際收取的稅率為5%。根據中國稅法, 稅務機關徵收稅款的收回時限為三年。截至二零一八年十二月三十一日止年度的實際稅率為21.9%。

### 年內溢利

因此, 本集團於本年度錄得純利約人民幣103,187,000元(二零一七年: 約人民幣622,000元), 較截至二零一七年十二月三十一日止年度大幅增加約165倍。

### 少數股東權益

為數人民幣1,181,000元之少數股東權益指本年度少數股東應佔黑龍江金達麻業有限公司27.28%股權所佔純利(二零一七年: 人民幣3,754,000元)。

### 母公司擁有人應佔虧損

於本年度, 本集團的母公司擁有人應佔溢利約為人民幣102,006,000元, 而截至二零一七年十二月三十一日止年度母公司擁有人應佔虧損為人民幣3,132,000元。

### 其他無形資產

於二零一八年十二月三十一日, 本集團的無形資產主要為於二零一二年獲取為期20年的認證排放權, 金額為人民幣5,248,000元(二零一七年: 人民幣5,834,000元)。無形資產按其可使用年期攤銷。於本年度, 無形資產攤銷約為人民幣586,000元(二零一七年: 人民幣536,000元)。

# Management Discussion and Analysis

## 管理層討論及分析

### Inventories

As at 31 December 2018, inventories of the Group increased by approximately 4.9% to RMB557,087,000 (2017: RMB531,212,000), the average inventory turnover days decreased from 209 days as at 31 December 2017 to 201 days as at 31 December 2018. The lower number of inventory turnover days was mainly attributable to the increase of sales of linen yarn during the Year and the decrease in finished goods inventory balance as a result of global market impact and the Group's strategic price adjustment.

### Trade and Notes Receivables

As at 31 December 2018, trade and notes receivables of the Group decreased by approximately 4.9% to RMB295,115,000 (2017: RMB310,215,000), the average accounts receivable turnover days decreased from 108 days as at 31 December 2017 to 89 days as at 31 December 2018.

### Trade and Notes Payables

As at 31 December 2018, trade and notes payables of the Group increased by approximately 29.5% to approximately RMB245,675,000 (2017: RMB189,783,000). There were additional purchases of raw materials at the end of the Year to ensure stable supply. The average accounts payable turnover days increased to 80 days during the Year (2017: 64 days).

### Interest-bearing Bank Loans

As at 31 December 2018, the Group's interest-bearing bank loans amounted to approximately RMB559,384,000 (2017: RMB595,161,000), representing a decrease of approximately 6.0%.

### 存貨

於二零一八年十二月三十一日，本集團的存貨增加約4.9%至人民幣557,087,000元（二零一七年：人民幣531,212,000元），存貨平均週轉日數則由二零一七年十二月三十一日的209日減少至二零一八年十二月三十一日的201日。由於受全球市場和本集團策略性調價影響，存貨週轉日數減少主要是由於年內亞麻紗的銷售量增加及製成品存貨結餘減少所致。

### 應收貿易賬款及應收票據

於二零一八年十二月三十一日，本集團的應收貿易賬款及應收票據減少約4.9%至人民幣295,115,000元（二零一七年：人民幣310,215,000元），應收賬款平均週轉日數則由二零一七年十二月三十一日的108日減少至二零一八年十二月三十一日的89日。

### 應付貿易賬款及應付票據

於二零一八年十二月三十一日，本集團的應付貿易賬款及應付票據增加約29.5%至約人民幣245,675,000元（二零一七年：人民幣189,783,000元）。本集團於本年度年終增加採購原材料，以確保穩定供應。應付賬款平均週轉日數於本年度增至80日（二零一七年：64日）。

### 計息銀行貸款

於二零一八年十二月三十一日，本集團的計息銀行貸款達約人民幣559,384,000元（二零一七年：人民幣595,161,000元），減少約6.0%。

# Management Discussion and Analysis

## 管理層討論及分析

### Liquidity and Financial Resources

As at 31 December 2018, the Group has net current assets of approximately RMB314,058,000 (2017: RMB307,836,000). The Group financed its operations with internally generated resources and bank loans during the Year. As at 31 December 2018, the Group had cash and cash equivalents of approximately RMB241,826,000 (2017: RMB173,824,000).

The liquidity ratio of the Group as at 31 December 2018 was approximately 134.5% (2017: 137.2%). Total equity of the Group as at 31 December 2018 was approximately RMB1,153,509,000 (2017: RMB1,050,196,000).

As at 31 December 2018, the Group had bank loans repayable within 12 months from the statement of financial position date of approximately RMB508,984,000 (2017: RMB519,561,000) and long-term loans of approximately RMB50,400,000 (2017: RMB75,600,000). Together these loans represented a gross debt gearing (i.e. total borrowings/total equity) of approximately 48.5% (2017: 56.7%).

### 流動資金及財務資源

於二零一八年十二月三十一日，本集團的流動資產淨值約為人民幣314,058,000元（二零一七年：人民幣307,836,000元）。本集團於本年度以內部資源及銀行貸款為其營運提供資金。於二零一八年十二月三十一日，本集團的現金及現金等價物約為人民幣241,826,000元（二零一七年：人民幣173,824,000元）。

本集團於二零一八年十二月三十一日的流動比率約為134.5%（二零一七年：137.2%）。本集團於二零一八年十二月三十一日的總權益約為人民幣1,153,509,000元（二零一七年：人民幣1,050,196,000元）。

於二零一八年十二月三十一日，本集團須於由結算日起計十二個月內償還的銀行貸款約為人民幣508,984,000元（二零一七年：人民幣519,561,000元），並有長期貸款約人民幣50,400,000元（二零一七年：人民幣75,600,000元）。該等貸款合共反映的總資本負債率（即總借貸／總權益）約為48.5%（二零一七年：56.7%）。

# Management Discussion and Analysis

## 管理層討論及分析

### CAPITAL COMMITMENTS

As at 31 December 2018, outstanding contractual capital commitments of the Group in respect of purchase of property, plant and equipment not provided for in the annual financial statements amounted to approximately RMB146,431,000 (2017: RMB36,283,000).

### MATERIAL ACQUISITION AND DISPOSAL

On 25 January 2018, the Group entered into a master agreement with EDRI, pursuant to which EDRI agreed to provide the procurement service and the management service to the Group for the development of the linen yarn factory project in Ethiopia (“**Ethiopia Project**”) at an aggregate contract price of RMB208,670,000.

On 27 September 2018, the Group entered into the equipment purchase agreement with Zhejiang Golden Eagle Co., Ltd.\* (浙江金鷹股份有限公司) to revise certain terms of the original agreement entered on 11 February 2015, pursuant to which the parties agreed to amend the details and specifications of the equipment for the Ethiopia Project to be purchased by the Group and as a result of which, the consideration amended to RMB49,048,000.

Saved as disclosed above, the Group did not have any material acquisitions or disposals during the Year.

### CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any contingent liabilities (2017: Nil).

### 資本承擔

於二零一八年十二月三十一日，本集團就購買物業、廠房及設備未在全年財務報表內計提撥備的未償還合約資本承擔約為人民幣146,431,000元（二零一七年：人民幣36,283,000元）。

### 重大收購及出售

於二零一八年一月二十五日，本集團與第十一設計研究院訂立主協議，據此，第十一設計研究院同意為本集團提供採購服務及管理服務，以供開發位於埃塞俄比亞的合約總價為人民幣208,670,000元的亞麻紗項目（「**埃塞俄比亞項目**」）。

於二零一八年九月二十七日，本集團與浙江金鷹股份有限公司訂立設備購買協議以修訂於二零一五年二月十一日訂立之原協議之若干條款，據此，訂約各方同意修訂本集團將予購買的埃塞俄比亞項目設備的詳情及規格，因此，代價將修訂為人民幣49,048,000元。

除上文所披露者外，本集團於本年度內並無任何重大收購或出售。

### 或有負債

於二零一八年十二月三十一日，本集團並無任何或有負債（二零一七年：無）。

\* For identification purpose only

# Management Discussion and Analysis

## 管理層討論及分析

### CHARGE OF ASSETS

As at 31 December 2018, the current interest-bearing bank borrowings with a carrying amount of RMB267,056,000 were secured by certain property, plant and equipment, prepaid land lease payments, and inventories with carrying amounts of RMB80,992,000 (2017: RMB112,775,000), RMB43,806,000 (2017: RMB27,421,000) and Nil (2017: RMB40,000,000), respectively.

As at 31 December 2018, the non-current interest-bearing bank borrowings with a carrying amount of RMB50,400,000 were secured by certain property, plant and equipment and prepaid land lease payments of the Group with carrying amounts of RMB74,962,000 (2017: RMB78,961,000) and RMB15,102,000 (2017: RMB15,422,000), respectively.

### FOREIGN CURRENCY RISK

The Group's transactions are mainly denominated in Renminbi, United States Dollars, Euro and Hong Kong Dollars. The exchange rate changes of such currencies were monitored regularly and managed appropriately. Currently, the Company also has certain foreign currency forward contracts and cross-currencies swap contracts entered into by utilising its credit line, and derivative financial instruments of approximately RMB3,438,000 which were recognised by the Group as a current liability as at 31 December 2018 (2017: RMB7,002,000).

### 資產抵押

於二零一八年十二月三十一日，賬面金額為人民幣267,056,000元的即期計息銀行借貸以賬面金額分別為人民幣80,992,000元（二零一七年：人民幣112,775,000元）、人民幣43,806,000元（二零一七年：人民幣27,421,000元）及零（二零一七年：人民幣40,000,000元）的若干物業、廠房及設備、土地租賃預付款項及存貨作抵押。

於二零一八年十二月三十一日，賬面金額為人民幣50,400,000元的非即期計息銀行借貸以本集團賬面金額分別為人民幣74,962,000元（二零一七年：人民幣78,961,000元）及人民幣15,102,000元（二零一七年：人民幣15,422,000元）的若干物業、廠房及設備以及土地租賃預付款項作抵押。

### 外幣風險

本集團的交易主要以人民幣、美元、歐元及港元為單位。本集團定期監察該等貨幣之間的匯率變動，並作出妥善管理。目前，本公司亦運用信貸額訂立了若干外匯遠期合約及交叉貨幣掉期合約，而於二零一八年十二月三十一日，本集團已確認約人民幣3,438,000元衍生金融工具為流動負債（二零一七年：人民幣7,002,000元）。



# Management Discussion and Analysis

## 管理層討論及分析

### REMUNERATION POLICY AND SHARE OPTION SCHEME

As at 31 December 2018, the Group had a total of 3,048 employees (2017: 2,706 employees). Total staff costs incurred for the Year increased by approximately 9.4% to RMB183,823,000 (2017: RMB167,984,000). The additional headcount was mainly attributable to the workforce recruited for the new Heilongjiang factory during the Year.

The Group offers comprehensive and competitive remuneration, retirement scheme and benefit packages to its employees. The Group is required to make contributions (retirement insurance and unemployment insurance) to a social security scheme in China. The remuneration policy for the employees of the Group is formulated by the Board with reference to the employee's respective qualification, experience, responsibilities and contributions to the Group, as well as the prevailing market rate of remuneration for a similar position. The remuneration of the Directors are determined by the Board and the remuneration committee of the Company with the mandate given by the Shareholders at the annual general meeting having regard to the Group's operating results, individual performance and comparable market statistics. The Group also provides both internal and external training programmes for its employees from time to time.

The Group has also adopted share option schemes and a share award plan for the purpose of providing incentives and rewards to the Directors, including independent non-executive Directors, and other employees of the Group who have contributed to the success of the Group's operations.

### 薪酬政策及購股權計劃

於二零一八年十二月三十一日，本集團合共聘有3,048名僱員（二零一七年：2,706名僱員）。年內產生的員工總成本增加約9.4%至人民幣183,823,000元（二零一七年：人民幣167,984,000元）。員工人數增加主要是由於本年度黑龍江新廠僱用勞工所致。

本集團為其僱員提供全面及具競爭力的薪酬、退休計劃及福利待遇。本集團須向中國社會保障計劃供款（退休保險及失業保險）。本集團僱員的薪酬政策由董事會參照各僱員的資歷、經驗、所承擔責任、對本集團的貢獻及類似職位的現行市場薪酬水平而釐定。董事會及本公司薪酬委員會獲股東於股東週年大會上授權，根據本集團經營業績、董事個別表現及可比較市場數字而釐定董事薪酬。本集團亦不時為其僱員提供內部及外部培訓課程。

本集團亦已設立購股權計劃及股份獎勵計劃，目的為向對本集團業務的成功作出貢獻的董事（包括獨立非執行董事）及本集團的其他僱員提供激勵及獎勵。

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## 管理層討論及分析

### PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The Group is principally engaged in the manufacturing of linen yarn and the sale of the products to over 20 countries. Overseas sales are invoiced in United States Dollars, except sales by our subsidiary in Italy which are invoiced in Euro. Domestic sales in China are invoiced in Renminbi. Raw materials (fiber flax) are imported from Europe. The principal risks and uncertainties facing the Group include the demand for linen yarn, protectionism of certain countries and possible punitive tariffs of products made in China, stable supplies of raw materials, continuous decline in cotton price, depreciation of United States Dollars against Renminbi, and the execution risk of the new expansion project in Ethiopia.

### OUTLOOK AND PLANS

The demand of linen yarn has rebounded since the end of 2017 and remained robust throughout the Year. Taking into account that no massive production capacity had launched in the linen yarn market since 2016, while some of the smaller and less efficient competitors exited the market, the average selling price of linen yarn reached its historical high. The trend of environment-friendliness and the use of natural fibers has been set. Linen yarn, as one of the most environmentally-friendly fibers, will surely benefit from this trend. In addition, China has become one of the largest consumer markets for linen textile products. The Company is confident in the sustainable demand for linen yarn in the coming years, as the Chinese government encourages domestic consumption for its GDP growth and transformation of its economy to lessen the reliance on exports. The Company is also cautiously optimistic that the selling price of linen yarn is likely to maintain, if not further increase in 2019.

Protectionism is expected to be on the rise. The Department of Commerce, Government of India has recommended imposition of definitive anti-dumping duty for five years ranging from USD0.5 to USD4.83 per kilogram of "flax yarn" of below 70 Lea Count (or below 42 Nm) originating in or exported from China. The Group's linen yarn will be subject to USD2.42/kg of such definitive anti-dumping duty for export to India from 2019 onwards. Such duty will be partially reflected in the selling price to the customers. The China-US trade tension is likely to continue in the coming months, if not in years. The Company is fortunate that most of the Group's direct customers or end consumer brands are not US based hence the impact of China-US trade war would be indirect and limited.

### 本集團面對的主要風險及不明朗因素

本集團主要從事亞麻紗生產，並向超過20個國家銷售產品。海外銷售的發票以美元為單位，惟意大利附屬公司進行銷售的發票則以歐元為單位。中國內地銷售的發票以人民幣為單位。原材料（亞麻纖維）從歐洲進口。本集團面對的主要風險及不明朗因素包括對亞麻紗的需求、若干國家的貿易保護主義及可能對中國製產品徵收懲罰性關稅、穩定的原材料供應、棉花價格持續下跌、美元兌人民幣貶值及埃塞俄比亞新擴充項目的執行風險。

### 前景及計劃

自二零一七年底以來，亞麻紗需求已反彈並於本年度保持強勁。經考慮亞麻紗市場二零一六年以來並無發佈大量產能，而若干規模較小且效率較低的競爭對手已退出市場，亞麻紗的平均銷售價格達至歷史高位。推動環保及使用天然纖維已成趨勢。亞麻紗乃最環保的纖維之一，必然受惠於此趨勢。此外，中國已成為亞麻紡織產品的最大消費者市場之一。由於中國政府鼓勵國內消費以拉動GDP增長並進行經濟轉型以減少出口依賴，本公司對未來數年的亞麻紗持續需求充滿信心。本公司亦認為亞麻紗銷售價格於二零一九年即便未進一步上漲亦很可能企穩，對此持謹慎樂觀態度。

貿易保護主義預期會抬頭。印度政府商務部已建議對原產於或進口自中國的低於70縷紗織數（或低於42公支）的「亞麻紗」徵收五年介乎每公斤0.5美元至4.83美元的明確反傾銷稅。本集團出口至印度的亞麻紗自二零一九年起須按2.42美元／公斤繳納該等明確反傾銷稅。有關稅項將部分於向客戶銷售的價格中體現。中美貿易衝突即便不會持續數年，亦很可能在未來數月繼續。本公司慶幸，本集團的大多數直接客戶或終端客戶品牌並非位於美國，因此受到中美貿易戰的影響屬間接及有限。



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The Ethiopia project has a planned site area of approximately 300,000 square metres and will be constructed in phases. The first phase will have a production capacity of 5,000 tonnes of regular linen yarn and is expected to commence trial production in late 2019/early 2020.

Going forward, leveraging its headquarters in China, the Group will continue to explore and penetrate into the domestic market and promote the use of linen fabrics so as to tap into the enormous market of China with a population of 1.3 billion. With respect to the overseas market, the Group will further strengthen its communications and interactions with stakeholders of other linen textile production and consumption regions through organizing exchanges and conferences, and participating in product and technology exhibitions. Such initiatives are expected to reinforce the Group's relationship with its clients, strengthen its brand image, further reinforce the Group's leadership in the industry and secure mutual growth in both the domestic and overseas markets.

埃塞俄比亞項目的規劃地盤面積約為300,000平方米，將分期興建。第一期的產能將達5,000噸常規亞麻紗，預計將於二零一九年底／二零二零年初年開始試生產。

展望將來，本集團將發揮以中國為總部的優勢，繼續深耕及滲透國內市場，推廣亞麻纖維的應用，打進坐擁十三億龐大人口的中國市場。在海外市場方面，本集團將繼續加強與其他亞麻紡織生產及消費地區的持份者的交流互動，舉行交流活動與會議，參與產品與技術展覽等。該等舉措有望鞏固本集團與客戶之間的關係，提升品牌形象，進一步穩固本集團的行業領軍地位，在國內外市場取得並行增長。





# Directors and Senior Management

## 董事及高級管理層

### CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. Ren Weiming (任維明), aged 59, is the chairman of the Group and an executive Director. Mr. Ren is responsible for the overall management of the Group and making decisions on the business development strategy of the Group. Mr. Ren has worked in the silk and textile industry since 1979. He has been the chairman and general manager of Zhejiang Kingdom Creative Co., Ltd. (“**Kingdom Creative**”), a company which is owned as to 67.12% by Mr. Ren since 2000. Mr. Ren started to engage in the linen yarn manufacturing business through Haiyan Ziwei Flax Co., Ltd. in December 2001 as its director. He joined the Group in March 2003 when the first operating member of the Group, Zhejiang Jinyuan Flax Co., Ltd. (“**Zhejiang Jinyuan**”) was established. Mr. Ren is a director of all subsidiaries of the Group except Zhaosu Jindi Flax Co., Ltd (“**Zhaosu Jindi**”). He obtained various awards including National Township Entrepreneur awarded by the Ministry of Agriculture of the PRC, National Excellent Young Factory Manager and Zhejiang Provincial Excellent Entrepreneur. He was a representative of the 9th and 10th National People’s Congress of Zhejiang Province. Mr. Ren is currently the vice president of China Bast and Leaf Fibers Textile Association and the vice-president of The Hong Kong General Chamber of Textiles Ltd. He is also a director of Kingdom Investment Holdings Limited (“**Kingdom Investment**”) with discloseable interests in the Shares under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”). Mr. Ren is also a director of Bank of Jiaying Co., Ltd., Zhejiang Jinxiu Jiangnan Silk Co., Ltd. (“**Jinxu Jiangnan**”) and Huitong Financial Leasing (Shanghai) Co., Ltd. (“**Huitong**”).

### EXECUTIVE DIRECTOR

Mr. Shen Yueming (沈躍明), aged 57, is an executive Director. Mr. Shen is a director of Zhejiang Jinyuan, Jiangsu Jinyuan Flax Co., Ltd. (“**Jiangsu Jinyuan**”), Zhejiang Jinda Flax Co., Ltd (“**Zhejiang Jinda**”) and Zhaosu Jindi, all are wholly-owned subsidiaries of the Company. Mr. Shen is also a director of Heilongjiang Jinda Flax & Hemp Co., Ltd. (“**Heilongjiang Jinda**”), a non-wholly owned subsidiary of the Company. Mr. Shen is responsible for the day-to-day operations and management of the Group and also takes part in the decision making of the Group. He is also a director of Kingdom Creative, Jinxiu Jiangnan and Huitong. Mr. Shen joined the Group in March 2003.

### 主席兼執行董事

任維明先生，現年五十九歲，本集團主席兼執行董事。任先生負責本集團一切管理事宜，並為本集團業務發展計劃的決策人。任先生自一九七九年投身絲綢及紡織行業。彼自二零零零年起擔任浙江金達創業股份有限公司（「**金達創業**」，一家由任先生擁有67.12%權益的公司）主席兼總經理。藉擔任海鹽紫薇亞麻有限公司的董事，任先生於二零零一年十二月開始從事製造亞麻紗業務。彼於二零零三年三月（即本集團首間營運成員公司浙江金元亞麻有限公司（「**浙江金元**」）成立之時）加入本集團。除昭蘇金地亞麻有限公司（「**昭蘇金地**」）外，任先生為本集團所有附屬公司之董事。彼曾獲得許多獎項，包括中國農業部全國鄉鎮企業家、全國優秀青年廠長及浙江省優秀企業經營者。彼為浙江省第九屆及第十屆人民代表大會代表。任先生現為中國麻紡織行業協會副理事長及香港紡織商會副會長。彼亦擔任Kingdom Investment Holdings Limited（「**Kingdom Investment**」）的董事，該公司於股份中擁有根據香港法例第571章證券及期貨條例（「**證券及期貨條例**」）第XV部第2及第3分部條文須予披露的權益。任先生現時亦為嘉興銀行股份有限公司、浙江錦繡江南絲綢有限公司（「**錦繡江南**」）及滙通融資租賃（上海）有限公司（「**滙通**」）的董事。

### 執行董事

沈躍明先生，現年五十七歲，執行董事。沈先生為浙江金元、江蘇金元亞麻有限公司（「**江蘇金元**」）及浙江金達亞麻有限公司（「**浙江金達**」）及昭蘇金地的董事，該等公司全部均為本公司的全資附屬公司。沈先生亦為本公司的非全資附屬公司黑龍江金達麻業有限公司（「**黑龍江金達**」）之董事。沈先生負責本集團日常營運及管理事宜，亦參與本集團決策。彼現為金達創業、錦繡江南及滙通的董事。沈先生於二零零三年三月加入本集團。

## Directors and Senior Management 董事及高級管理層

### EXECUTIVE DIRECTOR

Mr. Zhang Hongwen (張鴻文), aged 52, is an executive Director. Mr. Zhang is the director of Zhejiang Jinyuan, Jiangsu Jinyuan, Zhejiang Jinda and Zhaosu Jindi Flax Co., Ltd (“**Zhaosu Jindi**”). He is also a director of Kingdom Creative, Huitong, Jinxiu Jiangnan, Zhejiang Yuyuan Photovoltaic Co., Ltd. (“**Zhejiang Yuyuan**”) and Mega East Investment Limited. Before joining the Group in 2003, Mr. Zhang was the assistant to the general manager and the head of capital clearing division of Kingdom Creative from 2000 to 2002.

### EXECUTIVE DIRECTOR

Ms. Shen Hong (沈鴻), aged 52, is an executive Director. Ms. Shen is the management controller of the Group. She completed her professional accounting studies at Zhejiang Long March Finance School in the PRC in July 1994 and has more than 20 years of experience in finance-related area. Ms. Shen is the director of Heilongjiang Jinda and Zhaosu Jindi. Ms. Shen is also a director of Kingdom Creative. Before joining the Group in March 2003, she worked in Kingdom Creative as the head of finance management department.

### NON-EXECUTIVE DIRECTOR

Mr. Ngan Kam Wai Albert (顏金煒), aged 69, is a non-executive Director. Mr. Ngan is the chairman of Millionfull Company Limited, a company incorporated in Hong Kong and engaged in the trading of linen and linen blend textiles. Mr. Ngan was a member of the 9th and 10th Fujian Provincial People’s Political Consultative Conference and vice-chairman of Po Leung Kuk from April 2010 to March 2012. He was the president of The Hong Kong General Chamber of Textiles Ltd. from September 2009 to August 2011 and has been appointed as the permanent honorary chairman of The Hong Kong General Chamber of Textiles Ltd. in September 2011 and a director of HuaQiao University in 2002. On 22 November 2011, he became a member of the Election Committee of the Chief Executive Election of the Hong Kong Special Administrative Region. He joined the Group in September 2004. He is also the chairman of the board of directors of Millionfull International Co., Ltd (“**Millionfull International**”) which has discloseable interests in the Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO. He is also a director of Huitong.

### 執行董事

張鴻文先生，現年五十二歲，執行董事。張先生為浙江金元、江蘇金元、浙江金達及昭蘇金地亞麻有限公司（「**昭蘇金地**」）的董事。彼現時亦為金達創業、滙通、錦繡江南、浙江昱源光伏有限公司（「**浙江昱源**」）及誠東投資有限公司的董事。於二零零三年加入本集團之前，張先生於二零零零年至二零零二年為金達創業的總經理助理兼資金結算部的主管。

### 執行董事

沈鴻女士，現年五十二歲，執行董事。沈女士為本集團管理總監。彼於一九九四年七月完成中國浙江長征財經進修學院的會計專業課程，擁有逾20年的財務相關經驗。沈女士現為黑龍江金達及昭蘇金地董事。沈女士亦為金達創業董事。於二零零三年三月加入本集團之前，彼在金達創業任職財務管理部門主管。

### 非執行董事

顏金煒先生，現年六十九歲，非執行董事。顏先生擔任億裕有限公司主席。該公司在香港註冊成立，從事亞麻及亞麻混合纖維紡織品貿易。顏先生為中國人民政治協商會議福建省第九屆及第十屆委員會成員及於二零一零年四月至二零一二年三月為保良局副主席。彼於二零零九年九月至二零一一年八月期間出任香港紡織商會會長，並於二零一一年九月獲委任為香港紡織商會永遠榮譽會長及於二零零二年獲委任為華僑大學的董事。彼於二零一一年十一月二十二日當選香港特別行政區行政長官選舉委員會委員。彼於二零零四年九月加入本集團。彼亦為Millionfull International Co., Ltd（「**Millionfull International**」）的董事會主席，該公司於股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須予披露的權益。彼現時亦為滙通的董事。

## Directors and Senior Management 董事及高級管理層

### INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lau Ying Kit (劉英傑), aged 45, is an independent non-executive Director. Mr. Lau is currently an independent non-executive director of Xiezhong International Holdings Limited (Stock Code: 3663), China Wood Optimization (Holding) Limited (Stock Code: 1885), United Strength Power Holdings Limited (Stock Code: 2337) and Sinco Pharmaceuticals Holdings Limited (Stock Code: 6833), companies listed on the Main Board of the The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”). Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a master’s degree in finance from the City University of Hong Kong. He has extensive experience in financial and accounting in China and Hong Kong. He joined the Group in November 2006.

### INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lo Kwong Shun Wilson (羅廣信), aged 45, is an independent non-executive Director. Mr. Lo has more than 10 years of working experience in investment banking and advising on corporate finance. Mr. Lo is currently a deputy general manager of Guotai Junan Capital Limited. Mr. Lo is also an independent non-executive director of Raymond Industrial Limited (Stock Code: 229), a company listed on the Main Board of the Stock Exchange. Mr. Lo also has three years of experience in the field of auditing and accounting. Mr. Lo is a member of the American Institute of Certified Public Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He obtained his bachelor’s degree in commerce from the University of British Columbia in Canada in 1995. He joined the Group in May 2010.

### 獨立非執行董事

劉英傑先生，現年四十五歲，獨立非執行董事。劉先生現為協眾國際控股有限公司（股份代號：3663）、中國優材（控股）有限公司（股份代號：1885）、眾誠能源控股有限公司（股份代號：2337）及興科蓉醫藥控股有限公司（股份代號：6833）（上述公司均在香港聯合交易所有限公司（「聯交所」）主板上市）的獨立非執行董事。劉先生是香港會計師公會資深會員，並持有香港城市大學金融學碩士學位。彼於中國和香港有豐富金融及會計經驗。彼於二零零六年十一月加入本集團。

### 獨立非執行董事

羅廣信先生，現年四十五歲，獨立非執行董事。羅先生於投資銀行及企業融資顧問方面擁有超過10年經驗。羅先生現時為國泰君安融資有限公司之副總經理。羅先生亦為一間在聯交所主板上市的利民實業有限公司（股份代號：229）之獨立非執行董事。羅先生亦擁有三年核數及會計經驗。羅先生為美國會計師公會及香港會計師公會會員。彼於一九九五年獲取加拿大英屬哥倫比亞大學商科學士學位。彼於二零一零年五月加入本集團。



## Directors and Senior Management 董事及高級管理層

### INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Yan Jianmiao (嚴建苗), aged 53, has been appointed as an independent non-executive Director at the conclusion of the annual general meeting on 30 May 2016. Mr. Yan is currently a professor of Department of International Economics of Zhejiang University ("ZJU"), a director of China Society of World Economics (CSWE), an executive director of Zhejiang International Economics and Trade Association, an academic counselor of Hangzhou WTO consulting center and a researcher of the Center for Research of Private Economy (CRPE) of ZJU. Prior to holding these positions, Mr. Yan served as a deputy director in Department of International Trade of Hangzhou University and a director of Department of International Economics of ZJU. Mr. Yan was an independent director of Hundsun Technologies Inc. (Stock Code: 600570), a company listed on the Shanghai Stock Exchange, from March 2010 to October 2014. He is currently an independent director of TC Medical Co. Ltd (Stock Code: 600763), and Zhejiang Xinan Chemical Industrial Group Co. Ltd (Stock Code: 600596), both listed on the Shanghai Stock Exchange. Mr. Yan graduated from Hangzhou University in 1985 with a Bachelor of Economics degree. He obtained a master degree in economics from the Shanghai Academy of Social Sciences in 1988. Mr. Yan was a senior visiting scholar of Le Havre Business School in France in 1997 and obtained a PhD in Economics from ZJU in 2005. He joined the Group in May 2016.

### 獨立非執行董事

嚴建苗先生，現年五十三歲，於二零一六年五月三十日的股東週年大會結束時獲委任為獨立非執行董事。嚴先生現時為浙江大學（「浙大」）國際經濟學系教授、中國世界經濟學會理事、浙江省國際經濟貿易學會常務理事、杭州市WTO諮詢服務中心學術顧問及浙大民營經濟研究中心研究員。於擔任上述職務前，嚴先生曾任杭州大學國際貿易系副主任，浙大國際經濟學系系主任。嚴先生於二零一零年三月至二零一四年十月為上海證券交易所上市公司恒生電子股份有限公司（證券代碼：600570）的獨立董事。彼現時為上海證券交易所上市公司通策醫療投資股份有限公司（證券代碼：600763）及浙江新安化工集團股份有限公司（證券代碼：600596）的獨立董事。嚴先生在一九八五年畢業於杭州大學，獲經濟學學士學位；在一九八八年取得上海社會學院經濟學碩士學位。嚴先生於一九九七年任法國Le Havre Business School（勒阿弗爾商學院）高級訪問學者，在二零零五年取得浙大哲學博士學位（主修經濟學）。彼於二零一六年五月加入本集團。

## Directors and Senior Management 董事及高級管理層

### SENIOR MANAGEMENT

Mr. Chan Yan Kwan Andy (陳仁君), aged 50, is the chief financial officer and company secretary of the Company. Mr. Chan has over 20 years of experience in accounting and the financial sector. From July 2004 to January 2014, he was the group financial controller and company secretary of Natural Beauty Bio-Technology Limited (Stock Code: 157), a company listed on the Main Board of the Stock Exchange, responsible for financial planning and monitoring. Prior to July 2004, he worked in an international accounting firm and served senior financial positions in a company listed on the NASDAQ Stock Market and a renowned German exhibition company. Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and was a holder of Practitioner's Endorsement certificate issued by the Hong Kong Institute of Chartered Secretaries from 2010 to 2018. He graduated from the University of Hull in the United Kingdom with a bachelor's degree in economics and accounting in 1992 and graduated from the Ivey Business School with Western University (formerly Richard Ivey School of Business with University of Western Ontario), Canada with an Executive MBA in 2008. Mr. Chan joined the Group in January 2014.

### 高級管理層

陳仁君先生，現年五十歲，本公司之財務總監兼公司秘書。陳先生於會計及財務方面擁有逾20年的經驗。於二零零四年七月至二零一四年一月期間，彼為自然美生物科技有限公司（股份代號：157，一間在聯交所主板上市的公司）的集團財務總監兼公司秘書，負責財務規劃及監督。於二零零四年七月之前，彼曾任職於一間國際會計師行，亦曾於一間納斯達克證券市場上市公司及一間著名德國展覽公司擔任高級財務職位。陳先生為香港會計師公會及英國特許公認會計師公會資深會員，並從二零一零年至二零一八年持有由香港特許秘書公會頒發的從業者認可證書。彼於一九九二年畢業於英國赫爾大學，持有經濟及會計學學士學位，以及於二零零八年畢業於加拿大西部大學Ivey商學院（Ivey Business School）（前稱西安大略大學Richard Ivey商學院（Richard Ivey School of Business）），持有行政人員工商管理碩士學位。陳先生於二零一四年一月加入本集團。

It is the Board's pleasure in presenting their annual report on the affairs of the Group together with the audited financial statements for the Year.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 1 to the financial statements.

## RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 84.

## BUSINESS REVIEW

The business review of the Group for the Year is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 4 to 5 and pages 9 to 25 respectively of this annual report. Save as disclosed in the note 38 of the financial statements on page 206, there have been no major events affecting the Group that have occurred since the end of the Year. An indication of likely future developments in the Group's business can be found in the Chairman's Statement and Management Discussion and Analysis of this annual report.

An analysis of the Group's performance using financial key performance indicators is provided in the Five Year Financial Summary on page 8 and Financial Review sections from pages 16 to 24 respectively of this annual report.

The Group is committed to supporting the environmental sustainability. In the pursuit of excellent operating results, the Group also puts a lot of effort into sustainable development. For example, the Group's factories proactively adopted all kinds of environmental protection and energy conservation equipment. The consumption of steam, water and electricity per tonne of yarn manufactured reduced by 13%, 8% and 2% respectively during the Year.

For details of the Group's performance on environmental, social and governance ("ESG") aspects including relationships with various stakeholders and compliance with relevant laws and regulations that have a significant impact on the Group, please refer to the Group's separate ESG report for the Year.

董事會欣然提呈本集團截至年內關其事務的年報連同經審核財務報表。

## 主要業務

本公司是一家投資控股公司，其主要附屬公司的業務載於財務報表附註1。

## 業績

本集團年內業績載於第84頁的合併損益表。

## 業務回顧

本集團年內的業務回顧載於本年報第4頁至第5頁的「主席報告書」及第9頁至第25頁的「管理層討論及分析」各節。年末後，除第206頁財務報表附註38所披露者外，概無發生對本集團有影響的重大事件。本集團業務相當可能有的未來發展的揭示載於本年報「主席報告書」及「管理層討論及分析」。

本集團表現運用財務關鍵表現指標進行的分析載於本年報第8頁的五年財務摘要以及第16頁至第24頁的財務回顧各節。

本集團致力支持環境永續發展。在追求理想經營業績的同時，本集團亦努力實現可持續發展。舉例而言，本集團的廠房積極採用各種環保節能設備。年內，生產一噸紗線所耗用的蒸汽、水及電分別減少13%、8%及2%。

有關本集團的環境、社會及管治表現（包括本集團與其利益相關者的關係及遵守對本集團構成重大影響的相關法律及法規的情況）的說明，請參閱本集團另行刊發的年內環境、社會及管治報告。

# Report of the Directors

## 董事會報告

### DIVIDEND

At a meeting of the Board held on 22 March 2019, the Board recommended the payment of a final dividend of HK6.0 cents per ordinary Share for the Year. The proposed final dividend, if approved by the Shareholders at the forthcoming annual general meeting of the Company, will be paid on or before 5 July 2019 to the Shareholders whose names appear on the register of members of the Company as at 6 June 2019.

None of the Shareholders has waived or agreed to waive any dividend.

### RESERVES

Movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 88.

### DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's distributable reserves calculated under the Companies Law of the Cayman Islands amounted to RMB639,992,000 (31 December 2017: RMB619,024,000).

### DONATIONS

Charitable and other donations made by the Group during the Year amounted to approximately RMB132,000 (31 December 2017: RMB209,000).

### SHARE CAPITAL

Details of the movements in the share capital of the Group are set out in note 26 to the financial statements.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 8.

### PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group acquired property, plant and equipment of approximately RMB162,585,000. Details of the movements are set out in note 13 to the financial statements.

### 股息

於二零一九年三月二十二日舉行的董事會會議上，董事會建議派發年內末期股息每股普通股6.0港仙。如股東於本公司應屆股東週年大會上批准，建議末期股息將於二零一九年七月五日或之前向於二零一九年六月六日名列本公司股東名冊的股東派付。

概無股東放棄或同意放棄任何股息。

### 儲備

本集團於年內的儲備變動載於第88頁的合併權益變動表。

### 可分派儲備

於二零一八年十二月三十一日，本公司根據開曼群島公司法計算的可分派儲備達人民幣639,992,000元（二零一七年十二月三十一日：人民幣619,024,000元）。

### 捐款

本集團於年內作出的慈善及其他捐款約為人民幣132,000元（二零一七年十二月三十一日：人民幣209,000元）。

### 股本

本集團股本的變動詳情載於財務報表附註26。

### 財務摘要

本集團在過去五個財政年度的業績及資產和負債的概要載於第8頁。

### 物業、廠房及設備

年內，本集團購入約人民幣162,585,000元的物業、廠房及設備，變動詳情載於財務報表附註13。

## DIRECTORS

During the Year and up to the date of this annual report, the Directors were:

### Executive Directors

Mr. Ren Weiming (*Chairman*)  
Mr. Shen Yueming  
Mr. Zhang Hongwen  
Ms. Shen Hong

### Non-executive Director

Mr. Ngan Kam Wai Albert

### Independent non-executive Directors

Mr. Lau Ying Kit  
Mr. Lo Kwong Shun Wilson  
Mr. Yan Jianmiao

Pursuant to article 87 of the Articles of Association of the Company (the “Articles”), one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at least once every three years and be eligible for re-election. In accordance with article 87 of the Articles, Mr. Ren Weiming, Mr. Zhang Hongwen and Mr. Lo Kwong Shun Wilson shall retire from office by rotation at the forthcoming annual general meeting. All retiring Directors, being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting.

As Mr. Lo Kwong Shun Wilson will be serving as an independent non-executive Director for nine years in May 2019 since his appointment on 7 May 2010, pursuant to code provision A.4.3 of Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of the Securities on the Stock Exchange (the “Listing Rules”), his further appointment should be subject to a separate resolution to be approved by the Shareholders. Mr. Lo will offer himself for re-election as an independent non-executive Director at the forthcoming annual general meeting of the Company by way of a separate resolution to be held on 24 May 2019.

## 董事

年內及直至本報告日期的董事如下：

### 執行董事

任維明先生 (主席)  
沈躍明先生  
張鴻文先生  
沈鴻女士

### 非執行董事

顏金煒先生

### 獨立非執行董事

劉英傑先生  
羅廣信先生  
嚴建苗先生

根據本公司組織章程細則(「細則」)第87條，於本公司每屆股東週年大會上，當時為數三分之一的董事(或如董事人數並非三的倍數，則須為最接近但不少於三分之一的董事人數)均須輪席退任，惟每位董事須最少每三年退任一次，並可膺選連任。按照細則第87條，任維明先生、張鴻文先生及羅廣信先生須於應屆股東週年大會上輪席退任。所有退任董事合資格並願意於應屆股東週年大會上膺選連任為董事。

羅廣信先生自二零一零年五月七日獲委任為獨立非執行董事，於二零一九年五月將任職達九年。根據聯交所證券上市規則(「上市規則」)附錄十四所載企業管治守則(「企業管治守則」)的守則條文A.4.3，其是否獲續任應以獨立決議案形式由股東審議通過。羅先生將合資格於二零一九年五月二十四日舉行的本公司應屆股東週年大會上以獨立決議案方式重選為獨立非執行董事。

# Report of the Directors

## 董事會報告

### DIRECTORS' SERVICE CONTRACTS

None of the Directors has any unexpired service contract with the Group which is not determinable within one year without payment of compensation, other than normal statutory compensation.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or its subsidiaries, and a controlling shareholder or any of its subsidiaries, was a party and in which a Director has a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year except as disclosed under the section headed "Connected Transactions" below and note 34 to the financial statements.

### INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Director a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Board considers all of the independent non-executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

### PERMITTED INDEMNITY AND INSURANCE

Pursuant to the Articles, every Director or other officer of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto; provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. The Company has arranged appropriate directors' and officers' liability insurance coverage in respect of legal action against the directors and officers of the Group.

### 董事的服務合約

本集團並無與董事訂立任何不可於一年內免付補償（一般法定賠償除外）予以終止的未屆滿服務合約。

### 董事於重大交易、安排或合約的權益

於年末或於年內任何時間，本公司或其附屬公司及控股股東或其任何附屬公司概無訂立有關本集團業務而董事直接或間接擁有重大權益的重大交易、安排或合約，惟根據以下「關連交易」一節及財務報表附註34所披露者除外。

### 獨立非執行董事的獨立性

本公司已獲各獨立非執行董事根據上市規則第3.13條確認其獨立性，董事會認為，根據上市規則第3.13條，全體獨立非執行董事均為獨立人士。

### 獲准許的彌償及保險

根據細則，本公司的每一名董事或其他高級職員有權因執行彼等各自職務或就此而可能承擔或蒙受的所有訴訟、費用、支出、損失、損害及開支獲得以本公司的資產及溢利作出的彌償保證及免受損害；惟此彌償保證並不延伸至與上述人士的任何欺詐或不誠實行為有關的任何事項。本公司已為就可能針對本集團董事及高級職員的法律訴訟安排適當的董事及高級職員責任保險。

## REMUNERATION POLICY

The Remuneration Committee considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors and senior management. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

Details of Directors' remuneration are set out in note 8 to the financial statements.

The remunerations of the senior management of the Company, during the Year fall within the following range:

## 薪酬政策

薪酬委員會考慮及向董事會建議本公司支付予董事及高級管理層的薪酬及其他福利。薪酬委員會定期監察所有董事及高級管理層的薪酬，以確保彼等的薪酬及補償水平為合適。

董事薪酬的詳情載於財務報表附註8。

年內，本公司高級管理層的薪酬介乎下列幅度：

	<b>No. of senior management 高級管理層人數</b>
RMB1,000,001 – RMB1,500,000      人民幣1,000,001元至人民幣1,500,000元	<b>1</b>

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out on pages 28 to 32 of this annual report.

## 董事及高級管理層的履歷詳情

董事及高級管理層履歷詳情載於本年報第28頁至第32頁。

# Report of the Directors

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the Directors and their associates had the following interests in the Shares, underlying Shares and debentures of the Company and its associated corporations within the meaning of the SFO, which were recorded or required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules:

### 董事及最高行政人員於股份、相關股份及債券擁有的權益及淡倉

於二零一八年十二月三十一日，董事及彼等的聯繫人於本公司及其相聯法團（定義見證券及期貨條例）的股份、相關股份及債券中，擁有根據證券及期貨條例第352條已記入或須記入該條規定存置的登記冊或按照上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益如下：

Name of Director	董事姓名	Long/short position	Personal interests (Note 1)	Corporate interests	Total number of Shares held	Approximately percentage of issued Shares (%)
		好倉／淡倉	個人權益 (附註1)	公司權益	所持股份總數	佔已發行股份概約百分比(%)
Mr. Ren Weiming	任維明先生	Long position 好倉	12,072,000	299,500,000 (Note 2) (附註2)	311,572,000	49.48
Mr. Ngan Kam Wai Albert	顏金煒先生	Long position 好倉	418,000	67,000,000 (Note 3) (附註3)	67,418,000	10.71
Ms. Shen Hong	沈鴻女士	Long position 好倉	480,000	–	480,000	0.08



## Notes:

1. The Shares are registered under the names of the Directors who are the beneficial Shareholders.
2. Mr. Ren Weiming holds approximately 76.38% of the issued share capital of Kingdom Investment. Mr. Ren therefore holds a controlling interest in Kingdom Investment and is deemed under the SFO to be interested in the Shares held by Kingdom Investment.
3. Mr. Ngan Kam Wai Albert and Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan, hold approximately 51.00% and 23.00% of the issued share capital of Millionfull International and 57.98% and 29.76% of the issued share capital of Millionfull Company Limited, respectively. Mr. Ngan therefore holds controlling interests in both Millionfull International and Millionfull Company Limited and is deemed under the SFO to be interested in 64,800,000 Shares, i.e. 10.29%, held by Millionfull International and 2,200,000 Shares, i.e. 0.35%, held by Millionfull Company Limited.

## Share options

During the Year, no share options were granted to the Directors or any of their associates.

Save as disclosed above, as at 31 December 2018, none of the Directors or their associates had or were deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded or required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the Year was the Company or any of its subsidiaries a party or parties to any arrangement to enable the Directors to acquire benefits by means of acquisition of Shares in or debentures of the Company or any other body corporate.

## 附註:

1. 該等股份以作為實益股東的董事的名義登記。
2. Kingdom Investment由任維明先生持有約76.38%的已發行股本。因此，任先生對Kingdom Investment持有控制權益。根據證券及期貨條例，任先生因而被視為於由Kingdom Investment持有的股份中擁有權益。
3. Millionfull International由顏金煒先生及顏陳秀吉女士（顏先生的配偶）分別持有約51.00%及23.00%的已發行股本，而億裕有限公司則由彼等分別持有57.98%及29.76%的已發行股本。因此，顏先生對Millionfull International及億裕有限公司持有控制權益。根據證券及期貨條例，顏先生因而被視為於由Millionfull International持有的64,800,000股股份（即10.29%）及由億裕有限公司持有的2,200,000股股份（即0.35%）中擁有權益。

## 購股權

年內，並無授出購股權予董事或彼等任何的聯繫人。

除以上所披露者外，於二零一八年十二月三十一日，概無董事或彼等的聯繫人於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有或被視為擁有根據證券及期貨條例第352條已記入或須記入該條規定存置的登記冊或按照標準守則須知會本公司及聯交所的任何權益或淡倉。

除以上所披露者外，本公司或其任何附屬公司於年內任何時候均無訂立任何安排，使董事以收購本公司或任何其他法人團體的股份或債券的方式獲得利益。

# Report of the Directors

## 董事會報告

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director, as at 31 December 2018, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares of the Company which were recorded or required to be recorded in the register required to be kept under Section 336 of the SFO:

### 主要股東的權益及淡倉

就任何董事目前所知，於二零一八年十二月三十一日，以下人士（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條已記入或須記入該條規定存置的登記冊的權益或淡倉：

Name of Shareholder	Capacity	Long/short position	Number of Shares	Approximately percentage of issued Shares (%) 佔已發行股本概約百分比(%)
股東名稱	身份	好倉／淡倉	股份數目	
Kingdom Investment Holdings Limited (Note 1)	Beneficial owner	Long position	299,500,000	47.56
Kingdom Investment Holdings Limited (附註1)	實益擁有人	好倉		
Millionfull International Co., Ltd. (Note 2)	Beneficial owner	Long position	64,800,000	10.29
Millionfull International Co., Ltd. (附註2)	實益擁有人	好倉		

Notes:

- Kingdom Investment is owned as to 76.38% by Mr. Ren Weiming, an executive Director and substantial Shareholder of the Company.
- Millionfull International is owned as to 51.00% by Mr. Ngan Kam Wai Albert, a non-executive Director, and 23.00% by Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan.

附註：

- 本公司執行董事兼主要股東任維明先生擁有 Kingdom Investment 76.38%的權益。
- 非執行董事顏金煒先生及顏陳秀吉女士（顏先生的配偶）分別擁有 Millionfull International 51.00% 及23.00%的權益。

Save as disclosed above, as at 31 December 2018, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or underlying Shares which were recorded or required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

除以上所披露者外，於二零一八年十二月三十一日，本公司並無獲任何人士（本公司董事或最高行政人員除外）知會，其於股份或相關股份中擁有任何根據證券及期貨條例第336條已記入或須記入該條規定由本公司存置的登記冊的權益或淡倉。

## SHARE OPTION SCHEME

Pursuant to the written resolutions of the sole Shareholder of the Company passed on 15 November 2006, the Company adopted a share option scheme (the “**Old Scheme**”).

A new share option scheme (the “**New Scheme**”) with Shareholders’ approval at the annual general meeting held on 30 May 2016 was adopted on the same date.

Subject to the terms of the Old Scheme and the New Scheme, the Board may at its discretion grant options to: (i) any Director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (“**Affiliate**”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any Director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. Subject to the aforesaid limit, the total number of Shares available for issue under options which may be granted under the New Scheme and any other schemes must not, in aggregate, exceed 62,967,800 Shares, being 10% of the number of issued shares of the Company as at 30 May 2016, the date of adoption of the New Scheme, unless separate shareholders’ approval has been obtained.

The maximum entitlement for any one participant under the New Scheme shall not in any 12-month period up to the date of grant exceed 1% of the issued share capital of the Company from time to time.

The period within which the options must be exercised will be specified by the Board at the time of the grant, and must expire no later than 10 years from the date of grant of option.

## 購股權計劃

根據本公司唯一股東於二零零六年十一月十五日通過的書面決議案，本公司採納一項購股權計劃（「**舊計劃**」）。

本公司於二零一六年五月三十日舉行的股東週年大會上經股東批准，於同日採納一項新購股權計劃（「**新計劃**」）。

在舊計劃及新計劃條款的規限下，董事會可自行酌情向下列人士授出購股權：(i)本集團或本集團持有權益的公司或該等公司的附屬公司（「**關聯公司**」）任何董事、僱員、顧問、客戶、供應商、代理、業務夥伴或諮詢人或承辦商；或(ii)以本集團或關聯公司任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴、諮詢人或承辦商為受益人或酌情對象的信託或酌情信託的受託人；或(iii)本集團或關聯公司任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴、諮詢人或承辦商實益擁有的公司。

因行使根據新計劃及任何其他計劃授出而尚未行使的所有購股權可發行的股份數目整體上限，不得超過不時已發行股份的30%。根據上述的上限，因行使根據新計劃及任何其他計劃可授出購股權所涉及及可供發行的股份總數，合共不得超過62,967,800股股份（即於新計劃採納日期二零一六年五月三十日本公司已發行股份的10%），惟獲得股東另行批准則除外。

新計劃的任何一名參與者於直至授出日期止的任何十二個月期間的最高利益不得超過本公司不時已發行股本的1%。

購股權須行使的期間將由董事會於授出時指定，且最遲須於由授出購股權當日起計十年時屆滿。

# Report of the Directors

## 董事會報告

The subscription price for any Share shall not be less than the highest of (i) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day, (ii) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option and (iii) the nominal value of a Share.

Options carrying rights to subscribe for a maximum of 22,250,000 Shares were granted on 24 August 2015 (the "Date of Grant") pursuant to the Old Scheme and 16,250,000 options remained outstanding under the Old Scheme as at 31 December 2018, representing approximately 2.58% of the Shares of the Company in issue as at the date of this annual report, with details as follows:

任何股份的認購價不得低於以下的最高者：(i)授出有關購股權日期聯交所每日報價表所列股份收市價，且該日必須為營業日；(ii)相等於緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價的金額；及(iii)股份面值。

本公司於二零一五年八月二十四日（「授出日期」）根據舊計劃授出附帶權利可認購最多22,250,000股股份，且於二零一八年十二月三十一日根據舊計劃仍有16,250,000份未行使的購股權（相當於本公司於本年報日期已發行股份的約2.58%），詳情如下：

Grantees	Date of Grant	Exercise price per Share	Number of Shares issuable under the options					As at 31/12/2018	Exercise period
			As at 1/1/2018	Granted during the year	Exercised during the year	Forfeited during the year	Cancelled during the year		
承授人	授出日期	每股行使價 HK\$ 港元	於 二零一八年 一月一日	年內授出	年內行使	年內沒收	年內註銷	於 二零一八年 十二月 三十一日	行使期
Employees of the Group in aggregate 本集團僱員總計	24/08/2015 二零一五年八月二十四日	2.0	5,750,000	-	-	-	-	5,750,000	Note 1 附註1
Supplier 供應商	24/08/2015 二零一五年八月二十四日	2.0	2,500,000	-	-	-	-	2,500,000	Note 1 附註1
Sales agents 銷售代理	24/08/2015 二零一五年八月二十四日	2.0	8,000,000	-	-	-	-	8,000,000	Note 1 附註1
Total 合計			16,250,000	-	-	-	-	16,250,000	Note 1 附註1

### Note 1:

Subject to the Old Scheme, the share options (the "Share Options") granted to the grantees are valid for a period of four years commencing on the Date of Grant and shall be exercisable during the following periods:

- (i) up to 30% of the Share Options granted shall be vested and exercisable at any time after the expiration of six (6) months from the Date of Grant; and
- (ii) the remaining Share Options granted shall be vested and exercisable at any time after the expiration of twenty-four (24) months from the Date of Grant.

Share Options carrying rights to subscribe for 16,250,000 Shares (representing approximately 3.53% of the Company's issued Shares as at the date of this annual report) have been vested and become exercisable at an exercise price of HK\$2.00 per Share.

No Share Option under the Old Scheme was exercised during the Year. No option was granted or exercised under the New Scheme during the Year.

### SHARE AWARD PLAN

The Company has adopted a share award plan ("Share Award Plan") on 26 August 2016. The purpose of the Share Award Plan is to incentivize, recognize and reward eligible persons for their contribution to the Group, attract and retain personnel, and align the interests of award holders with that of the Shareholders to promote the long-term development and financial performance of the Company.

The Board may, from time to time and at its sole discretion, select any eligible person to participate in the Share Award Plan and determine the number of Shares to be awarded and the terms and conditions of the awards. Awards shall be satisfied by Shares acquired in the market at the prevailing market price and no new Shares will be allotted and issued under the Share Award Plan. The trustee of the Share Award Plan ("Trustee") shall hold the awarded Shares on trust for the award holders until the awarded Shares are vested in the relevant award holders according to the Share Award Plan rules. Upon vesting, the Trustee shall either transfer the vested awarded Shares at no cost to such award holders or sell the vested awarded Shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders.

### 附註1:

在舊計劃的規限下，向承授人授出的購股權（「該等購股權」）的有效期限為由授出日期起計四年，並可行使如下：

- (i) 所獲授該等購股權的最多30%於由授出日期起計六(6)個月屆滿後歸屬，並可隨時行使；及
- (ii) 所獲授的其餘該等購股權於由授出日期起計二十四(24)個月屆滿後歸屬，並可隨時行使。

附帶權利可認購16,250,000股股份（約佔本公司於本年報日期之已發行股份的3.53%）的該等購股權已經歸屬，可按行使價每股2.00港元行使。

年內，概無該等購股權根據舊計劃獲行使。年內，概無購股權根據新計劃獲授出或行使。

### 股份獎勵計劃

本公司於二零一六年八月二十六日採納一項股份獎勵計劃（「股份獎勵計劃」）。股份獎勵計劃之目的為激勵、認可及獎勵合資格人士為本集團作出的貢獻、吸引及挽留人員以及使獎勵持有人與股東利益一致，以推動本公司長期發展及提升本公司財務表現。

董事會可不時按其全權酌情決定選擇任何合資格人士參與股份獎勵計劃及釐定將授予的股份數目和獎勵的條款及條件。獎勵將以按當時市價從市場上購入之股份撥付而概不會根據股份獎勵計劃配發及發行任何新股份。股份獎勵計劃受託人（「受託人」）應以信託方式為獎勵持有人持有獎勵股份，直至獎勵股份根據股份獎勵計劃規則歸屬予有關獎勵持有人為止。於歸屬後，受託人須按照該獎勵持有人作出的指示，將已歸屬之獎勵股份免費轉讓予該獎勵持有人，抑或於市場上按當時現行之市價盤出售已歸屬之獎勵股份並將所得款項淨額匯付予獎勵持有人。

# Report of the Directors

## 董事會報告

The Trustee had purchased an aggregate of 19,400,000 Shares on the market in 2017 to hold on trust for the selected persons pursuant to the terms and conditions of the Share Award Plan rules and the trust deed. On 25 May 2018, 19,400,000 Shares have been awarded to selected persons of which 19,370,000 Shares have been accepted pursuant to the Share Award Plan. The Board will constantly review and determine at its absolute discretion such number of Awarded Shares to be awarded to the selected persons under the Share Award Plan with such vesting conditions as the Board may deem appropriate.

### INTERESTS IN CONTRACT OF SIGNIFICANCE

No contracts of significance have been entered into between the Company or any of its subsidiaries and any controlling Shareholder or any of its subsidiaries during the Year.

### MANAGEMENT CONTRACTS

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

### MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's five largest customers accounted for approximately 21.8% of the Group's total sales for the Year and sales to the Group's largest customer accounted for approximately 5.6% of the Group's total sales for the Year. Purchases from the Group's five largest suppliers accounted for approximately 40.0% of the Group's total purchases for the Year and purchase from the Group's largest supplier accounted for approximately 24.7% of the Group's total purchases for the Year.

None of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued shares) had any interests in the Group's five largest customers or suppliers noted above.

於二零一七年，受託人已根據股份獎勵計劃規則及信託契約的條款及條件於市場上購入合共19,400,000股股份，並以信託方式為獲選人士持有該等股份。於二零一八年五月二十五日，已根據股份獎勵計劃向獲選人士授出19,400,000股股份，其中，19,370,000股股份已獲接納。董事會將不斷檢討及全權酌情釐定根據股份獎勵計劃將向獲選人士授出的獎勵股份數目以及董事會可能視為合適的歸屬條件。

### 於重大合約的權益

本公司或其任何附屬公司與任何控股股東或其任何附屬公司於年內並無訂立任何重大合約。

### 管理層合約

年內並未訂立或存在有關本公司業務全部或任何重大部分的管理及行政的合約。

### 主要客戶及供應商

年內，銷售予本集團五大客戶的銷售額佔本集團年內總銷售額約21.8%，而銷售予本集團最大客戶佔年內本集團總銷售額約5.6%。從本集團五大供應商處採購的金額佔本集團年內總採購額約40.0%，而從本集團最大供應商的採購額約佔年內本集團總採購額24.7%。

概無董事、其緊密聯繫人或本公司任何股東（就董事所知擁有本公司已發行股份5%以上）於上述本集團五大客戶或供應商中有任何權益。

### CONNECTED TRANSACTIONS

#### Continuing connected transactions

The Group had entered into the following continuing connected transactions with its connected persons and which subsisted during the Year. The transactions constituted “continuing connected transactions” for the Company under Chapter 14A of the Listing Rules.

#### 1. Lease agreements

- (a) Jinyuan Lease Agreement on 30 December 2017, a lease agreement (the “**Jinyuan Lease Agreement**”) was entered into by Zhejiang Jinyuan, an indirect wholly-owned subsidiary of the Company with Zhejiang Kingdom Creative, a company which Mr. Ren Weiming has a controlling equity interest pursuant to which Zhejiang Jinyuan has leased a property located at Building 13 to 16, Henggang Xing Heng Road, Haiyan County, Zhejiang Province, the PRC, from Kingdom Creative as the Group’s office, for a term from 1 January 2018 to 31 December 2020 at an annual rental of RMB200,000.
- (b) Jinlainuo Lease Agreement on 30 January 2017, a lease agreement (the “**Jinlainuo Lease Agreement**”) was entered into by Zhejiang Jinlainuo Fiber Co., Ltd., an indirect wholly-owned subsidiary of the Company (“**Zhejiang Jinlainuo**”) with Kingdom Creative pursuant to which Zhejiang Jinlainuo has leased a property located at Building 18 to 25, Henggang Xing Heng Road, Haiyan County, Zhejiang Province, the PRC, from Kingdom Creative for its manufacturing facilities, for a term of three years from 1 January 2017 to 31 December 2019 at an annual rental of RMB300,000. Due to business realignment, Zhejiang Jinlainuo is in the process of de-registration. Upon mutual agreement of both parties, the Jinlainuo Lease Agreement ended on 30 June 2018 and will be leased by Zhejiang Jinyuan. The lease agreement of the same properties with a term of one year from 1 July 2018 to 30 June 2019 with an annual rent of RMB300,000 (same as the original Zhejiang Jinlainuo Lease Agreement).

### 關連交易

#### 持續關連交易

本集團與關連人士訂立下列持續關連交易，且於年內存續。根據上市規則第十四A章，該等交易構成本公司的「持續關連交易」。

#### 1. 租賃協議

- (a) 金元租賃協議於二零一七年十二月三十日，浙江金元，本公司的間接全資附屬公司與金達創業，一間由任維明先生擁有控股權的公司訂立租賃協議（「**金元租賃協議**」），據此，浙江金元向金達創業租用位於中國浙江省海鹽縣橫港興橫路13至16號樓的物業，作為本集團辦事處，年期由二零一八年一月一日開始至二零二零年十二月三十一日止，每年租金為人民幣200,000元。
- (b) 金萊諾租賃協議於二零一七年一月三十日，浙江金萊諾纖維有限公司（「**浙江金萊諾**」，本公司的間接全資附屬公司）與金達創業訂立租賃協議（「**金萊諾租賃協議**」），據此，浙江金萊諾向金達創業租用位於中國浙江省海鹽縣橫港興橫路18至25號樓的物業，作為其製造廠房，年期由二零一七年一月一日開始至二零一九年十二月三十一日止，為期三年，每年租金為人民幣300,000元。由於業務重新調整，浙江金萊諾目前正在進行註銷登記。經雙方共同協定，金萊諾租賃協議於二零一八年六月三十日終止，且將由浙江金元租賃。相同物業的租賃協議租期由二零一八年七月一日至二零一九年六月三十日止，為期一年，每年租金為人民幣300,000元（與原浙江金萊諾租賃協議相同）。

# Report of the Directors

## 董事會報告

### 2. Purchases of chemicals and additives

During the year ended 31 December 2018, the Group purchased chemicals and additives for scouring and bleaching from Jinxiu Jiangnan with an amount of RMB452,000 (2017: RMB1,023,000). Mr. Ren Weiming has a controlling equity interest over this company. The raw material purchase was made according to published prices and conditions offered by the supplier to its major customers.

Rental and other terms for these lease arrangements were negotiated between the parties on arm's length basis with reference to the then prevailing market rates. As each of the applicable percentage ratios for the Jinyuan Lease Agreement and the Jinlainuo Lease Agreement (on an aggregated basis) are less than 0.1%, and the purchases of chemicals and additives transactions were conducted on normal commercial terms and all the percentage ratios (other than the profits ratio) were less than 5% and the total consideration less than HK\$3,000,000, the above lease agreements and purchases of chemicals and additives transactions are exempted from all reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Photovoltaic Electricity Purchase Agreement on 30 June 2017, Zhejiang Jinda and Zhejiang Jinyuan, both indirect wholly-owned subsidiaries of the Company, entered into a purchase agreement (the "**Photovoltaic Electricity Purchase Agreement**") with Zhejiang Yuyuan, pursuant to which Zhejiang Jinda and Zhejiang Jinyuan agreed to purchase electricity from Zhejiang Yuyuan for electricity generated from the photovoltaic electricity system owned, managed and operated by Yuyuan for a term of three years commencing from 1 July 2017 and ending on 30 June 2020, at an annual cap of no more than RMB3,500,000 per year. Mr. Ren Weiming, who ultimately controls the Group, also has a controlling equity interest over Zhejiang Yuyuan.

During the year ended 31 December 2018, the Group purchased electricity from Zhejiang Yuyuan with an amount of RMB2,333,000.

### 2. 採購化學品及添加劑

截至二零一八年十二月三十一日止年度，本集團向錦繡江南採購用於煮漂工藝的化學品及添加劑，金額為人民幣452,000元（二零一七年：人民幣1,023,000元）。任維明先生擁有該公司的控股權益。原材料採購乃根據供應商向其主要客戶提供的已公佈價格及條件作出。

該等租賃安排的租金及其他條款由訂約各方參照當時現行的市場價格後按公平磋商原則釐定。由於金元租賃協議及金萊諾租賃協議彙集計算後各個適用百分比率低於0.1%及採購化學品及添加劑交易按正常商業條款進行，且所有百分比率（盈利比率除外）均低於5%及總代價低於3,000,000港元，故上述租賃協議及採購化學品及添加劑交易獲豁免遵守上市規則第十四A章項下的所有申報、公告及獨立股東批准的規定。

2. 光伏發電購售電合同於二零一七年六月三十日，浙江金達及浙江金元（均為本公司的間接全資附屬公司）與浙江昱源訂立購買合同（「**光伏發電購售電合同**」），據此，浙江金達及浙江金元同意向浙江昱源購買昱源所擁有、管理及運行的光伏發電系統產生的電能，年期由二零一七年七月一日起至二零二零年六月三十日止為期三年，每年的年度上限不會超過人民幣3,500,000元。本集團最終控股人士任維明先生亦擁有浙江昱源控股權益。

截至二零一八年十二月三十一日止年度，本集團向浙江昱源購買電力人民幣2,333,000元。



The price of electricity was made with a discount rate of approximately 3.5% to the market prices. As the applicable percentage ratios (other than the profits ratio) for the Photovoltaic Electricity Purchase Agreement, on an annual basis, exceed 0.1% but are less than 5%, the transactions contemplated under the Photovoltaic Electricity Purchase Agreement is only subject to the reporting, announcement and annual review requirements, but is exempted from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For further details, please also refer to the announcements of the Company dated 30 June 2017 and 3 July 2017.

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

- (i) in the ordinary and usual course of the business of the Company;
- (ii) either (a) on normal commercial terms; or (b) where there are no available comparable terms, on terms no less favorable to the Company than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditors of the Company was engaged to report on the continuing connected transactions as contemplated under the Photovoltaic Electricity Purchase Agreement and the auditors confirmed the compliance of all matters set out in Rule 14A.56 of the Listing Rules.

Save as disclosed in note 34 to the financial statements, there was no other transaction which needs to be disclosed as a connected transaction in accordance with the requirements of the Listing Rules during the Year.

## BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2018 are set out in note 25 to the financial statements.

電價按市價下浮約3.5%。由於光伏發電購售電合同的適用百分比率（盈利比率除外）按年計算超過0.1%但少於5%，故根據上市規則第十四A章，光伏發電購售電合同項下擬進行的交易僅須遵守有關申報、公告及年度審查規定，惟獲豁免遵守有關通函、獨立財務顧問意見及獨立股東批准的規定。有關進一步詳情，請參閱本公司日期為二零一七年六月三十日及二零一七年七月三日之公告。

獨立非執行董事已審閱上述持續關連交易，並確認交易：

- (i) 於本公司的一般及日常業務過程中進行；
- (ii) (a)按正常商業條款；或(b)（如無可供比較的條款）按不遜於本公司向獨立第三方提供或從獨立第三方取得的條款進行；及
- (iii) 按照監管交易的有關協議，按公平合理及符合股東的整體利益的條款進行。

本公司核數師獲委聘就光伏發電購售電合同項下擬進行的持續關連交易作出報告，且核數師確認遵守上市規則第14A.56條所載全部事項。

除於財務報表附註34所披露者外，年內並無其他交易需要根據上市規則的規定披露為關連交易。

## 銀行貸款及其他借貸

本集團截至二零一八年十二月三十一日的銀行貸款及其他借貸詳情載於財務報表附註25。

# Report of the Directors

## 董事會報告

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

The Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the Year.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

### PENSION SCHEMES

Details of the Group's pension scheme are set out in note 2.4 and note 7 to the financial statements.

### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float as required under the Listing Rules throughout the Year.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Set out below is information disclosed pursuant to Rule 8.10(2) of the Listing Rules:

As at 31 December 2018, none of the Directors nor their respective associates had interests in businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group.

Mr. Ren Weiming ("Mr. Ren") holds directorships and/or interests respectively, either directly and/or through Kingdom Creative, in certain private companies (the "**Private Companies**"). The Private Companies are engaged in the silk and/or silk products manufacturing and/or trading industry, banking and finance leasing (the "**Excluded Business**"), which are fundamentally different from the products manufactured by the Group.

### 購買、出售或贖回本公司上市股份

本公司或其任何附屬公司於本年度概無購買、出售或贖回本公司之任何上市證券。

### 優先購買權

細則及開曼群島公司法第22章（一九六一年法例三·經合併及修訂）並無優先購買權的條文。

### 退休金計劃

本集團退休金計劃詳情載於財務報表附註2.4及附註7。

### 足夠公眾流通量

於本年度，本公司已按上市規則規定保持足夠公眾流通量。

### 董事於競爭業務中的權益

以下所載乃根據上市規則第8.10(2)條披露的資料：

於二零一八年十二月三十一日，概無董事或其各自的聯繫人於與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有權益。

任維明先生（「任先生」）分別於若干私人公司（「該等私人公司」）出任董事及／或直接及／或透過金達創業持有權益。該等私人公司從事製造絲綢及／或絲質產品及／或貿易行業、銀行及融資租賃（「除外業務」），基本上與本集團製造的產品不同。

## Report of the Directors 董事會報告

Mr. Ren undertakes, subject to the exceptions mentioned in the prospectus of the Company dated 30 November 2006 (the “Prospectus”), that he will not, and will procure that his associates will not (a) either on his own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly be interested or involved or engaged in or acquire or hold an interest (in each case whether as a shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise) in any business which is or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the Group’s business, those other businesses of the Group as set out in the Prospectus, in Hong Kong, the PRC and any other country or jurisdiction to which the Group markets or sells its products and/or in which any member of the Group carries on business mentioned above from time to time (“**Restricted Activity**”), or (b) either on his own account or in conjunction with or on behalf of any person, firm or company, or as a principal, shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise, directly or indirectly, solicit, interfere with or endeavour to entice away from any member in the Group any person, firm, company or organisation who to its or his knowledge is now or has been a customer, supplier or employee of any member in the Group.

By reasons of the fact that the Excluded Business does not pose any direct or indirect actual competition with the Group’s business and that Mr. Ren has already given an undertaking as above referred to, the Group is therefore capable of carrying on its business independently of, and at arms’ length from, the Excluded Business as described above.

Presently, Mr. Ren has no plan to inject the aforesaid Excluded Business into the Group.

The Company has received from Kingdom Investment and Mr. Ren an annual confirmation that it/he has fully complied with its/his obligations under the deed of non-competition in favour of the Company dated 27 November 2006 during the Year.

在本公司日期為二零零六年十一月三十日的招股章程（「招股章程」）所述的例外情況規限下，任先生承諾彼將不會並促使其聯繫人將不會(a)就其本身或聯同或代表任何人士、商號或公司直接或間接擁有或參與或從事或收購或持有任何業務的權益（於各情況下不論以股東、合夥人、代理、顧問、僱員或其他方式，亦不論為取得利益、回報或其他目的），而上述業務會或很可能會從事於香港、中國及本集團不時推銷或銷售其產品及／或本集團任何成員公司不時進行上述業務的任何其他國家或司法權區與本集團業務、招股章程所載的本集團其他業務直接或間接構成競爭或很可能構成競爭的任何業務（「受限制活動」），或(b)就其本身或聯同或代表任何人士、商號或公司或以主事人、股東、合夥人、代理、顧問、僱員或其他身份，亦不論為取得利益、回報或其他目的，直接或間接招攬、干預或設法誘使據其所知現時或曾經為本集團任何成員公司客戶、供應商或僱員的任何人士、商號、公司或組織離開本集團任何成員公司。

由於除外業務不會對本集團業務構成任何直接或間接實際競爭，及任先生已作出上述承諾，故本集團業務能夠從上述的除外業務中獨立出來及按公平協商原則進行。

目前任先生並無計劃將上述除外業務注入本集團。

年內，本公司已收到Kingdom Investment及任先生的年度確認書，確認其已全面遵守日期為二零零六年十一月二十七日以本公司為受益人的不競爭契諾。

# Report of the Directors

## 董事會報告

### CORPORATE STRATEGY AND LONG TERM BUSINESS MODEL

The Company strives to be one of the largest linen yarn manufacturers in the world through its commitment to sustainable development and technical innovation, developing proprietary intellectual property rights, branding of products and pursuing advanced management for lean management and excellent performance to generate or preserve value over a longer term.

### DIVIDEND POLICY

The Company has adopted a dividend policy on 14 December 2018 (the “Dividend Policy”).

Pursuant to the Dividend Policy, the annual dividend to be distributed by the Company to the Shareholders shall be not less than 20% of the Group’s profit attributable to Shareholders in any financial year, subject to the criteria set out in the Dividend Policy.

Such declaration and payment of dividends shall remain to be determined at the sole discretion of the Board and subject to all applicable requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Articles.

In proposing any dividend payout, the Board shall also take into account, inter alia, the Group’s actual and expected financial performance; Shareholders’ interests; general business conditions and strategies; the Group’s expected working capital requirements and future expansion plans; possible effects on the Group’s creditworthiness; general economic conditions, business cycle of the Group’s business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and other factors that the Board deems appropriate.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time. The payment of dividend is also subject to any restriction under the Companies Law of the Cayman Islands and any other applicable laws, rules and regulations, as well as the articles of association of the Company (as amended from time to time).

### 公司策略及長期業務模式

本公司致力於可持續發展及技術創新，開發自主知識產權，產品品牌營銷，追求卓越管理從而達致精益管理及優秀表現，銳意成為全球最大型亞麻紗製造商之一，長期創造或維持價值。

### 股息政策

本公司已於二零一八年十二月十四日採納一項股息政策（「股息政策」）。

根據股息政策，本公司於任何財政年度向股東分派的年度股息將不少於股東應佔本集團溢利的20%，惟受股息政策內所載條件規限。

有關股息宣派及派付仍由董事會全權酌情釐定並受香港法例第622章《公司條例》項下全部適用規定及細則規限。

董事會在建議任何股息派付時，亦須考慮到（其中包括）本集團的實際及預期財務表現、股東權益、一般業務狀況及策略、本集團的預期營運資金要求及日後擴張計劃、對於本集團的信譽的潛在影響、一般經濟狀況、本集團業務的業務周期及可能影響本公司的業務或財務表現及財政狀況的其他內在或外在因素，以及董事會認為合適的其他因素。

本公司將繼續檢討該股息政策，並且保留權利以其全權絕對酌情決定權於任何時間更新、修訂及／或修改該股息政策。該股息政策並不構成本公司作出之具法律約束力的承諾，表示將以任何具體金額支付股息，及／或本公司並無義務於任何時間或不時宣派股息。派付股息亦須遵守開曼群島公司法及任何其他適用法律、規則及法規以及本公司的章程細則（經不時修訂）項下之任何限制條件。

## CORPORATE GOVERNANCE

The Group's principal corporate governance practices are set out on pages 54 to 75.

## CLOSURE OF REGISTER OF MEMBERS

In order to determine who are entitled to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Friday, 17 May 2019 to Friday, 24 May 2019, both days inclusive, during which period no transfer of Shares will be effected. In order to determine who are entitled to attend and vote at the forthcoming annual general meeting of the Company, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 16 May 2019.

In order to determine who are entitled to the proposed final dividend (subject to approval by the Shareholders at the forthcoming annual general meeting), the register of members of the Company will be closed from Wednesday, 5 June 2019 to Thursday, 6 June 2019, both days inclusive, during which period no transfer of Shares will be effected. In order to determine who are entitled to the proposed final dividend (subject to approval by the Shareholders at the annual general meeting), unregistered holders of shares of the Company shall ensure that, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at above address for registration not later than 4:30 p.m. on Tuesday, 4 June 2019. The proposed final dividend, subject to Shareholders' approval at the forthcoming annual general meeting, will be paid to Shareholders on or before Friday, 5 July 2019 whose names appear on the register of members of the Company at the close of business on Thursday, 6 June 2019.

## AUDITORS

Ernst & Young will retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting. The Company has not changed its auditors in the preceding three years.

On behalf of the Board

**Ren Weiming**  
Chairman

Haiyan County, the PRC, 22 March 2019

## 企業管治

本集團的主要企業管治常規載於第54頁至第75頁。

## 暫停股份過戶登記手續

為釐定出席本公司股東週年大會並於會上投票的權利，本公司將於二零一九年五月十七日（星期五）至二零一九年五月二十四日（星期五）（包括首尾兩日）暫停辦理股份過戶登記手續，於該期間將不會辦理股份過戶。為釐定出席本公司應屆股東週年大會並於會上投票的權利，本公司股份的未登記持有人應確保所有過戶文件連同相關股票必須不遲於二零一九年五月十六日（星期四）下午四時三十分交回本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓），以辦理登記手續。

為釐定享有建議末期股息（有待股東於股東週年大會上批准）的權利，本公司將於二零一九年六月五日（星期三）至二零一九年六月六日（星期四）（包括首尾兩日）暫停辦理股份過戶登記手續，於該期間將不會辦理股份過戶。為釐定享有建議末期股息（有待股東於股東週年大會上批准）的權利，本公司股份的未登記持有人應確保所有過戶文件連同相關股票必須不遲於二零一九年六月四日（星期二）下午四時三十分交回本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址如上），以辦理登記手續。待股東於應屆股東週年大會上批准後，建議末期股息將於二零一九年七月五日（星期五）或之前向於二零一九年六月六日（星期四）營業時間結束時名列本公司股東名冊的股東派付。

## 核數師

安永會計師事務所將於應屆股東週年大會上退任，而會上將提呈續聘安永會計師事務所為本公司核數師的決議案。在過去三年內，本公司未有更換核數師。

代表董事會

主席  
任維明  
中國海鹽縣，二零一九年三月二十二日





# Corporate Governance Report

## 企業管治報告

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Company's Shareholders. The Directors believe that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code contained in Appendix 14 of the Listing Rules.

In the opinion of the Directors, save for the deviation to code provisions A.2.1 as disclosed below, the Company has complied with the applicable code provisions as set out in the CG Code throughout the Year.

#### Code Provision A.2.1

Under code provision A.2.1 of the CG Code, the roles of the chairman and chief executive officer of the Company should be separate and should not be performed by the same individual. The Company does not have any officer with the title of "chief executive officer". Mr. Ren Weiming, who acts as the chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board meets regularly to consider major matters affecting the operations of the Company. Given the nature and extent of the Group's operation and Mr. Ren's extensive experience in the industry, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to operate efficiently. The Board will continuously review this structure from time to time to ensure appropriate and timely action to meet changing circumstances, if necessary.

### 遵守上市規則企業管治守則

本公司致力建立良好企業管治常規及程序，以成為具透明度及負責任的組織，並對本公司股東公開及負責。董事相信，良好企業管治常規對維持及提升投資者信心日益重要。本公司的企業管治常規建基於上市規則附錄十四所載企業管治守則內的原則及守則條文。

董事認為，除下文所披露偏離守則的守則條文A.2.1的情況外，本公司於本年度一直遵守企業管治守則內的適用守則條文。

#### 守則條文A.2.1

根據企業管治守則的守則條文A.2.1，本公司主席與行政總裁的角色應有區分，並不應由一人同時兼任。本公司目前並無任何高級職員擁有「行政總裁」職銜。任維明先生為本公司主席，亦負責監察本集團一般營運。董事會將定期舉行會議，以考慮影響本公司營運的主要事宜。基於本集團業務性質及規模，以及任先生於業內的豐富經驗，董事會認為此架構將不會損害董事會與本公司管理層之間的權力及職權平衡，且有助於建立有力而穩定的領導層，使本公司能有效營運。董事會將持續不時審閱該架構以確保採取合適及及時行動以應對瞬息萬變的情形（如必要）。



## MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code regarding securities transactions by Directors and devised its own code of conduct regarding Directors' dealings in the Company's securities on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries with all Directors, all the Directors have confirmed that they have complied with the provisions of the Model Code and the Company's code of conduct regarding Directors' securities transactions for the year ended 31 December 2018 and up to the date of this annual report.

## THE BOARD

The Board consists of eight Directors, four of whom are executive Directors, one of whom is non-executive Director and three of whom are independent non-executive Directors. The functions and duties conferred on the Board include: overseeing the Group's businesses, strategic decisions and performance, promoting the success of the Company by directing and supervising its affairs, convening Shareholders' meetings and reporting on the work of the Board to the Shareholders at Shareholders' meetings as may be required by the applicable laws, implementing resolutions passed at Shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Articles and the applicable laws. The senior management is delegated with the authority and responsibilities by the Board for the day-to-day management and operations of the Group.

## 董事進行證券交易的標準守則

本公司已就董事進行證券交易採納董事進行證券交易的標準守則及就董事進行本公司證券交易制訂其本身的操守準則，其條款不遜於標準守則所載的規定標準。經向全體董事作出特定查詢後，全體董事已確認於截至二零一八年十二月三十一日止年度及直至本年報日期，一直遵守標準守則的條文及本公司有關董事進行證券交易的行為守則。

## 董事會

董事會成員包括八名董事，其中四名為執行董事、一名為非執行董事及三名為獨立非執行董事。董事會的職能及職責包括：監察本集團的業務、戰略決策及表現、透過帶領及監督本公司事務促進本公司成功、召開股東大會及按適用法例要求於股東大會上向股東匯報董事會的工作、執行於股東大會通過的決議案、釐定本公司的業務計劃及投資計劃、制定本公司的年度預算及期末賬目、制定本公司股息和分紅的建議以及行使細則及適用法律所賦予的其他權力、職能及職責。高級管理層獲董事會授予權力及責任以處理本集團日常管理及營運。

# Corporate Governance Report

## 企業管治報告

The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company.

董事會定期舉行會議審閱本公司的財務及營運表現，並考慮及批准本公司整體策略及政策。

The composition of the Board and attendance of individual Directors at meetings of the Board, the Remuneration Committee, the Audit Committee and the Nomination Committee during the Year under review are as follows:

於回顧年內，董事會組成成員及個別董事出席董事會、薪酬委員會、審核委員會及提名委員會會議的情況如下：

		Relevant Meetings Attended/Held			
		出席／舉行相關會議			
		Board	Remuneration	Audit	Nomination
		董事會	薪酬委員會	審核委員會	提名委員會
<b>Directors</b>	<b>董事</b>				
<b>Executive Directors</b>	<b>執行董事</b>				
Mr. Ren Weiming (Chairman of the Board)	任維明先生 (董事會主席)	4/4			
Mr. Shen Yueming	沈躍明先生	4/4			1/1
Mr. Zhang Hongwen	張鴻文先生	4/4	1/1		
Ms. Shen Hong	沈鴻女士	4/4			
<b>Non-executive Director</b>	<b>非執行董事</b>				
Mr. Ngan Kam Wai Albert	顏金煒先生	4/4			
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>				
Mr. Lau Ying Kit (Chairman of the Audit Committee)	劉英傑先生 (審核委員會主席)	4/4		3/3	1/1
Mr. Lo Kwong Shun Wilson (Chairman of the Nomination Committee)	羅廣信先生 (提名委員會主席)	4/4	1/1	3/3	1/1
Mr. Yan Jianmiao (Chairman of the Remuneration Committee)	嚴建苗先生 (薪酬委員會主席)	4/4	1/1	3/3	

## Corporate Governance Report 企業管治報告

The biographical details of the current Board members are set out under the section headed “Directors and Senior Management” on pages 28 to 32 of this annual report. Save as otherwise disclosed, there is no relationship (including financial, business, family or other material relationship) between any members of the Board or senior management of the Company.

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

During the Year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise, and the independent non-executive Directors represented over one-third of the Board.

The Company has received from each of its independent non-executive Directors a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Board considers all of the independent non-executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

董事會現時成員的履歷詳情載於本年報第28頁至第32頁的「董事及高級管理層」一節。除另有披露者外，董事會成員或本公司高級管理層之間概無任何關連（包括財務、業務、家族或其他重大關連）。

董事名單（按分類表示）亦於本公司根據上市規則不時刊發的所有公司通訊內披露。獨立非執行董事亦根據上市規則在所有公司通訊中有明確識別。

上市規則規定須委任至少三名獨立非執行董事，其中至少一名獨立非執行董事必須具備適當專業資格，或具備適當會計或相關財務管理專長，且獨立非執行董事必須佔董事會成員人數至少三分之一。年內，董事會於任何時候均符合此項規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立性確認書，而董事會認為按照上市規則第3.13條，全體獨立非執行董事均為獨立人士。

# Corporate Governance Report

## 企業管治報告

All Board members have separate and independent access to the Company's senior management to fulfil their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. All Directors also have access to the company secretary who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. An agenda and accompanying Board/committee papers are distributed to the Directors/Board committee members with reasonable notice in advance of the meetings. Minutes of Board meetings and meetings of Board committees, which records in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the company secretary and are available for inspection by the Directors.

Pursuant to article 87 of the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at least once every three years and is eligible for re-election. In accordance with article 87 of the Articles, Mr. Ren Weiming, Mr. Zhang Hongwen and Mr. Lo Kwong Shun Wilson shall retire from office by rotation at the forthcoming annual general meeting. All retiring Directors being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting.

As Mr. Lo Kwong Shun Wilson will be serving as an independent non-executive Director for nine years in May 2019 since his appointment on 7 May 2010, pursuant to Code provision A.4.3 of the CG Code, his further appointment should be subject to a separate resolution to be approved by Shareholders. Mr. Lo will offer himself for re-election as an independent non-executive Director at the forthcoming annual general meeting of the Company by way of a separate resolution to be held on 24 May 2019.

所有董事會成員有個別及獨立接觸本公司高級管理層的機會，以履行他們的職責，及在適當的情況下根據合理的要求尋求獨立專業的意見，費用由本公司承擔。所有董事亦可接觸公司秘書，彼負責確保董事會程序及所有適用規則及法規皆獲遵守。議程及隨附的董事會／董事委員會文件會在會議舉行前的合理時間內通知發送董事／委員會成員。記錄了董事會考慮及達成決策的事宜詳情（包括任何董事提出的關注問題或反對意見）的董事會會議及董事委員會會議的會議記錄，由公司秘書保存及可由董事查閱。

根據細則第87條，於本公司每屆股東週年大會上，當時在任的董事中三分之一（或倘彼等的數目並非三的倍數，則取最接近但不少於三分之一的數目）須輪席退任，惟每名董事須最少每三年退任一次，並可膺選連任。根據細則第87條，任維明先生、張鴻文先生及羅廣信先生須於應屆股東週年大會上輪席退任。退任董事全部合資格並願意於應屆股東週年大會上膺選連任為董事。

羅廣信先生自二零一零年五月七日獲委任為獨立非執行董事，於二零一九年五月將任職達九年。根據企業管治守則的守則條文A.4.3，其是否獲續任應以獨立決議案形式由股東審議通過。羅先生將於二零一九年五月二十四日舉行的本公司應屆股東週年大會上以獨立決議案方式膺選連任為獨立非執行董事。

## DIRECTORS' RESPONSIBILITY

The following statement, which sets out the responsibilities of the Directors in relation to the financial statements, should be read in conjunction with, but be distinguished from, the Independent Auditors' Report on pages 78 to 83 which states the reporting responsibilities of the Group's auditors.

### Annual Report and Accounts

The Directors acknowledge their responsibilities to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Group.

### Accounting Policies

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies that are consistently applied, and that all applicable accounting standards have been followed.

### Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable the preparation of financial statements in accordance with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the applicable accounting standards.

### Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## 董事職責

以下聲明列出董事對財務報表的責任，它必須連同第78頁至第83頁的獨立核數師報告一起閱讀，但兩者又必須區別開來。獨立核數師報告列明本集團核數師的報告責任。

### 年報及賬目

董事確認其有責任於每個財政年度編製真實而公允地反映本集團事務狀況的財務報表。

### 會計政策

董事認為在編製財務報表時，本集團持續採用適當的會計政策，並遵從所有適用的會計準則。

### 會計記錄

董事負責確保本集團保存的會計記錄能合理準確地披露本集團的財務狀況，從而根據香港《公司條例》（第622章）的披露規定及適用的會計準則來編製財務報表。

### 保障資產

董事負責採取一切合理及所需的步驟以保障本集團的資產，並防止及查察欺詐及其他不當行為。

# Corporate Governance Report

## 企業管治報告

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual.

The Company does not have any officer with the title of “chief executive officer”. Mr. Ren Weiming, who acts as the chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board meets regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to operate efficiently.

### NON-EXECUTIVE DIRECTORS

Mr. Ngan Kam Wai Albert, a non-executive Director, renewed his service agreement with the Company for a term of three years on 1 January 2019.

Mr. Lo Kwong Shun Wilson and Mr. Lau Ying Kit, independent non-executive Directors, renewed their appointments with the Company with the same terms for another three years on 1 January 2019. Mr. Yan Jianmiao was appointed as an independent non-executive Director, the appointment of which was approved at the annual general meeting of the Company held on 30 May 2016. Mr. Yan has entered into a letter of appointment with the Company for a term of three years with similar terms as other independent non-executive Directors with effect on 30 May 2016.

### 主席及行政總裁

根據企業管治守則的守則條文A.2.1，主席與行政總裁的角色應有區分，並不應由一人同時兼任。

本公司目前並無任何高級職員擁有「行政總裁」職銜。任維明先生為本公司主席，亦負責監察本集團一般營運。董事會將定期舉行會議，以考慮影響本公司營運的主要事宜。董事會認為此架構將不會損害董事會與本公司管理層之間的權力及職權平衡，且有助於建立有力而穩定的領導層，使本公司能有效營運。

### 非執行董事

非執行董事顏金煒先生已經與本公司重續服務協議，由二零一九年一月一日起為期三年。

獨立非執行董事羅廣信先生及劉英傑先生已與本公司以相同條款重續任期，任期由二零一九年一月一日起，為期三年。嚴建苗先生已獲委任為獨立非執行董事，其委任已於二零一六年五月三十日召開的本公司股東週年大會上獲批准。嚴先生已與本公司訂立委任函，條款與其他獨立非執行董事相若，任期由二零一六年五月三十日起為期三年。

## DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

During the Year, the Directors are provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates the Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. During the Year, the Company arranged a training covering topics on latest changes on corporate governance, disclosure of interests obligations under the SFO and Takeover Codes for Directors' continuous professional development. All Directors attended the training.

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged liability insurance to indemnify its Directors and officers in respect of legal actions against them. During the Year, no claim had been made against the Directors and officers of the Company.

## COMPANY SECRETARY

During the Year, Mr. Chan Yan Kwan Andy, the company secretary of the Company, attended relevant professional training for not less than 15 hours.

## BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2 of this annual report.

## 董事持續培訓及發展

年內，董事定期獲知會本公司的最近期表現、狀況及前景，使董事會整體及各董事能履行彼等的職責。此外，本集團鼓勵全體董事參與持續專業發展，發展及增進知識及技能。本公司不時為董事提供有關上市規則及其他適用監管規定的最新發展，確保彼等遵守及知悉良好的企業管治常規。本公司已於年內為董事的持續專業發展安排一次有關企業管治、披露於證券及期貨條例項下之權益責任及收購守則最新變動的培訓。全體董事均出席該培訓。

## 董事及高級職員的責任保險及彌償保險

本公司已安排責任保險，以就針對董事及高級職員的法律訴訟向彼等作出彌償。年內並無任何人士向本公司董事及高級職員提出索償。

## 公司秘書

年內，本公司的公司秘書陳仁君先生已出席不少於15小時的相關專業培訓。

## 董事委員會

董事會已成立三個委員會，分別為審核委員會、薪酬委員會及提名委員會，以監察本公司各特定範疇的事務。本公司董事會轄下所有委員會均按具體的書面職權範圍成立。董事會轄下各委員會的職權範圍已登載於本公司及聯交所的網站，且可應股東要求提供。

各董事委員會成員大部分為獨立非執行董事，各董事委員會的主席及成員名單載於本年報第2頁「公司資料」。

# Corporate Governance Report

## 企業管治報告

### REMUNERATION COMMITTEE

The Remuneration Committee has adopted written terms of reference prepared by reference to the requirements under the code provision B.1.2 of the CG Code. The primary functions of the Remuneration Committee are to consider and recommend to the Board the remuneration and other benefits paid by the Company to the Directors and senior management. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

The Remuneration Committee comprises one executive Director and two independent non-executive Directors, namely Mr. Zhang Hongwen, Mr. Yan Jianmiao (chairman of the Remuneration Committee) and Mr. Lo Kwong Shun Wilson.

The Remuneration Committee shall meet at least once every year to review the remuneration policy and structure and determination of the annual remuneration packages of the executive Directors and the senior executives and other related matters. The Remuneration Committee shall make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration.

One Remuneration Committee meeting was held during the Year. At the meeting, the Remuneration Committee reviewed and approved the remuneration of the Directors, after comparing with that of similar textile companies listed on the Stock Exchange. The attendance record of each member of the Remuneration Committee at the said meeting is set out in the table below:

Name of Directors	董事姓名	Attendance/Number of Meetings 出席／會議次數
Mr. Zhang Hongwen	張鴻文先生	1/1
Mr. Yan Jianmiao (Chairman)	嚴建苗先生 (主席)	1/1
Mr. Lo Kwong Shun Wilson	羅廣信先生	1/1

### 薪酬委員會

薪酬委員會已採納書面職權範圍，此乃參照企業管治守則的守則條文B.1.2的規定編製。薪酬委員會的主要職能為考慮及向董事會建議本公司支付予董事及高級管理層的薪酬及其他福利。薪酬委員會定期監察所有董事及高級管理層的薪酬，以確保彼等的薪酬及補償水平為適合。

薪酬委員會成員包括一名執行董事張鴻文先生以及兩名獨立非執行董事嚴建苗先生（薪酬委員會主席）及羅廣信先生。

薪酬委員會須最少每年舉行一次會議，審閱薪酬政策及架構，並釐定執行董事及高級行政人員的年度薪酬組合及其他有關事宜。薪酬委員會應就本公司全體董事及高級管理層的薪酬政策及架構向董事會提供推薦建議。

薪酬委員會於年內舉行了一次會議。於會議上，薪酬委員會經比較於聯交所上市的類似紡織品公司的董事薪酬後，審閱及批准董事薪酬。各薪酬委員會成員於上述會議的出席記錄載於下表：



## NOMINATION COMMITTEE

The Nomination Committee (“NC”) has adopted written terms of reference prepared by reference to the requirements under the code provision A.5.2 of the CG Code. The primary functions of the NC are to review the Board’s diversity policy and to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, based on skills, knowledge and experience, to complement the Company’s corporate strategy. The NC also determined the policy for the nomination of Directors and the nomination procedures and the process and criteria adopted by the NC to select and recommend candidates for directorship. The NC comprises one executive Director and two independent non-executive Directors, namely Mr. Shen Yueming, Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson (chairman of the Nomination Committee).

One meeting was held during the Year. At the meeting, the NC reviewed its terms of reference, the structure, size and composition of the Board, nomination policy and Board’s diversity policy. The NC also evaluated the independence of Mr. Lo Kwong Shun Wilson, an independent non-executive Director, who will be serving for the Company for nine years in May 2019. The attendance record of each member of the NC at the said meeting is set out in the table below:

## 提名委員會

提名委員會(「提名委員會」)已採納書面職權範圍，此乃參照企業管治守則的守則條文A.5.2的規定編製。提名委員會的主要職能為配合本公司的公司策略而檢視董事會多元化政策，並根據董事的技能、知識及經驗，就委任或續任董事及董事繼任計劃向董事會提供推薦建議。提名委員會亦已制定董事提名政策及提名程序，並採納其甄選及建議董事人選的程序及準則。提名委員會成員包括一名執行董事沈躍明先生以及兩名獨立非執行董事劉英傑先生及羅廣信先生(提名委員會主席)。

於年內舉行了一次會議。於會議上，提名委員會檢討其職權範圍、董事會的架構、規模及成員、提名政策以及董事會多元化政策。提名委員會亦評估獨立非執行董事羅廣信先生之獨立性，彼於二零一九年五月將於本公司任職九年。各提名委員會成員於上述會議的出席記錄載於下表：

Name of Directors	董事姓名	Attendance/Number of Meetings 出席／會議次數
Mr. Shen Yueming	沈躍明先生	1/1
Mr. Lau Ying Kit	劉英傑先生	1/1
Mr. Lo Kwong Shun Wilson ( <i>Chairman</i> )	羅廣信先生(主席)	1/1

# Corporate Governance Report

## 企業管治報告

### Nomination Policy

#### Objective

The NC shall nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election as directors including independent non-executive directors of the Company (“INEDs”) at general meetings or appoint as directors including INEDs to fill casual vacancies.

The NC may, as it considers appropriate, nominate a number of candidates more than the number of directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.

The ultimate responsibility for selection and appointment of directors rest with the entire Board.

#### Selection Criteria

The factors listed below would be used as reference by the NC in assessing the suitability of a proposed candidate.

- Reputation for integrity
- Accomplishment and experience in the textile industry
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

### 提名政策

#### 目標

提名委員會將向董事會提名適合候選人，以供其考慮及向股東推薦以在股東大會上膺選為董事（包括本公司獨立非執行董事（「獨立非執行董事」）或委任為董事（包括獨立非執行董事）以填補臨時空缺。

提名委員會如認為適當，可在將於股東大會上獲委任或連任的董事人數，或需要填補的臨時空缺數目之外，提名多名候選人。

甄選及委任董事的最終責任由董事會全體承擔。

#### 甄選標準

提名委員會於評估擬任候選人的適當性時將以下列因素作為參考。

- 信譽
- 於紡織行業之成就及經驗
- 就可投入時間及相關事務關注作出的承諾
- 各方面的多元性，包括但不限於性別、年齡（18歲或以上）、文化教育背景、種族、專業經驗、技能、知識及任職時長

## Corporate Governance Report 企業管治報告

These factors are for reference only, and not meant to be exhaustive and decisive. The NC has the discretion to nominate any person, as it considers appropriate.

Retiring INEDs are eligible for nomination by the Board to stand for re-election at a general meeting. For those who have served as INEDs for a period of 9 consecutive years may be stand for re-election at a general meeting, subject to a separate resolution to be approved by shareholders at the general meeting. For the avoidance of doubt, the 9-year period for determining the independence of an INED for nomination by the Board to stand for election at a general meeting would count from his/her date of first appointment as an INED until the date of the forthcoming annual general meeting.

Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as an INED and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as an INED.

### *Nomination Procedures*

The secretary of the NC shall call a meeting of the NC, and invite nominations of candidates from Board members if any, for consideration by the NC prior to its meeting. The NC may also put forward candidates who are not nominated by Board members.

For filling a casual vacancy, the NC shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the NC shall make nominations to the Board for its consideration and recommendation.

Until the issue of the shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

該等因素僅供參考，而非詳盡及絕對。提名委員會如認為適當，可酌情提名任何人士。

退任獨立非執行董事合資格獲董事會提名於股東大會上膺選連任。於連續九年期間擔任獨立非執行董事的人士可於股東大會上膺選連任，惟須經股東於股東大會上批准獨立決議案。為免生疑問，用於釐定獨立非執行董事獲董事會提名以於股東大會上膺選的獨立性的九年期間從其首次獲委任為獨立非執行董事日期起計直至應屆股東週年大會日期。

擬任候選人須按規定格式提交必要個人資料，連同彼等書面同意書，同意獲委任為獨立非執行董事及就彼等膺選獨立非執行董事或相關事宜於任何文件或相關網站公開披露彼等的個人數據。

### *提名程序*

提名委員會秘書將召開提名委員會會議，並邀請董事會成員提名候選人（如有）以供提名委員會於其會議前考慮。提名委員會亦可推薦並非由董事會成員提名的候選人。

就填補臨時空缺而言，提名委員會將作出推薦建議以供董事會考慮及批准。就推薦候選人以於股東大會上膺選而言，提名委員會向董事會提名候選人以供其考慮及推薦。

於發出股東通函前，獲提名人士不得假設其已獲董事會推薦以於股東大會上膺選。

# Corporate Governance Report

## 企業管治報告

In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, a circular will be sent to Shareholders. The circular will set out the names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to Shareholders.

A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

As there may be more candidates than the vacancies available, and the “highest number of votes” method will be used to determine who shall be elected as an INED.

The NC may request candidates to provide additional information and documents, if considered necessary.

### Board Diversity Review and Policy

Selection of candidates will be based on a range of diversity perspectives, including but not limited to, textile industry experience, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

為提供有關獲董事會提名以於股東大會上膺選的候選人資料，本公司將向股東寄發通函。向股東發出的通函將根據適用法律、規則及法規規定載列擬任候選人的姓名、簡要履歷（包括資格及相關經驗）獨立性、建議薪酬以及任何其他資料。

准許候選人於股東大會前透過向公司秘書送達書面通知撤銷其候選資格。

董事會對於有關其推薦候選人以於任何股東大會膺選的所有事項擁有最終決定權。

由於候選人人數可能大於空缺數量，將採用「最高票數」法決定獨立非執行董事人選。

提名委員會如認為有必要，可要求候選人提供其他資料及文件。

### 董事會多元性審核及政策

甄選候選人時將會以不同的多元性角度為基準，包括但不限於在紡織行業的經驗、性別、年齡、文化及教育背景、道德水平、專業經驗、技能、知識及服務年期。最終決定將會以獲選的候選人為董事會帶來的裨益及貢獻為依歸。

## Corporate Governance Report 企業管治報告

During the Year, the NC had reviewed and compared the diversity of the Board with all the listed companies in Hong Kong, in terms of number of all directors, number of INEDs, gender and average age. The NC also reviewed the professional qualification and expertise of all the Directors. The Board's composition (together with details on textile industry experience, age, gender and holding of office in textile association) are as follows:

年內，提名委員會已審核董事會的多元性，並就所有董事人數、獨立非執行董事人數、性別及平均年齡方面與香港所有上市公司比較。提名委員會亦已審核本公司所有董事之專業資格及專業知識。董事會的組成（包括有關紡織行業的經驗、年齡、性別及有否於紡織業協會擔任職務之詳情）如下：

Name 姓名	Textile Industry experience 紡織行業經驗	Age 年齡	Gender 性別	Hold office in Textile Association 有否於紡織業協會擔任職務
REN Weiming 任維明	Yes 有	59	Male 男	Yes 有
SHEN Yueming 沈躍明	Yes 有	57	Male 男	No 否
ZHANG Hongwen 張鴻文	Yes 有	52	Male 男	No 否
SHEN Hong 沈鴻	Yes 有	52	Female 女	No 否
NGAN Kam Wai Albert 顏金煒	Yes 有	69	Male 男	Yes 有
LAU Ying Kit 劉英傑	No 否	45	Male 男	No 否
LO Kwong Shun Wilson 羅廣信	No 否	45	Male 男	No 否
YAN Jianmiao 嚴建苗	No 否	53	Male 男	No 否

### Measurable objectives

The Company's measurable objectives of the Board diversity policy are as follows:

- 1) At least half of the members of the Board should have textile industry experience.
- 2) At least one Director should hold office/honorary title in the textile association in order to ensure the Company to receive first-hand information about the development and challenges of the industry.
- 3) Gender is not the key consideration. It will be based on merit and contribution that the selected candidates will bring to the Board.

### 可計量目標

本公司的董事會多元性政策的可計量目標如下：

- 1) 最少一半董事會成員具紡織行業經驗。
- 2) 最少一名董事於紡織業協會擔任職務／擁有榮譽職銜，以確保本公司取得行業發展及挑戰的第一手資料。
- 3) 性別並非主要考慮因素。獲選的候選人對董事會帶來的裨益及貢獻將為考慮的依歸。

# Corporate Governance Report

## 企業管治報告

### AUDIT COMMITTEE

The Audit Committee was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group as well as the Group's internal audit function and to provide advice and comments to the Board.

The Audit Committee is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

- to develop and review the Group's policies and practices on corporate governance and make recommendations;
- to review and monitor the training and continuous professional development of the directors and senior management;
- to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Group; and
- to review the Group's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

The Audit Committee consists of three members, namely Mr. Lau Ying Kit, Mr. Lo Kwong Shun Wilson and Mr. Yan Jianmiao, all of whom are independent non-executive Directors. Mr. Lau Ying Kit, who has appropriate professional qualifications and experience in accounting matters, was appointed as the Chairman of the Audit Committee.

### 審核委員會

審核委員會遵照上市規則第3.21及3.22條成立，並訂出符合企業管治守則的書面職權範圍。審核委員會的主要職責為檢討及監察本集團財務申報程序、風險管理及內部監控制度以及本集團的內部審核職能，並向董事會提供意見及評議。

審核委員會負責釐定本公司的企業管治政策，並履行下列企業管治職責：

- 制訂及檢討本集團有關企業管治的政策及常規，並提出推薦建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本集團遵守所有法律及監管規定（如適用）的政策及常規；
- 制訂、檢討及監察適用於本集團僱員及董事的行為守則及遵例手冊（如有）；及
- 檢討本集團遵守守則及於企業管治報告內披露規定的情況。

審核委員會由三名成員組成，分別為劉英傑先生、羅廣信先生及嚴建苗先生，全屬獨立非執行董事。於會計事宜擁有適當專業資格及經驗的劉英傑先生獲委任為審核委員會主席。

# Corporate Governance Report

## 企業管治報告

The attendance record of each member of the Audit Committee at the said meetings is set out in the table below:

各審核委員會成員於上述會議的出席記錄載於下表：

Name of Directors	董事姓名	Attendance/Number of Meetings 出席／會議次數
Mr. Lau Ying Kit ( <i>Chairman</i> )	劉英傑先生 (主席)	3/3
Mr. Lo Kwong Shun Wilson	羅廣信先生	3/3
Mr. Yan Jianmiao	嚴建苗先生	3/3

During the Year, the Audit Committee held three meetings. At the meetings, the Audit Committee reviewed the final results of 2017, interim results of 2018 and the continuing connected transactions with the external auditors, and met with the external auditors twice without the presence of the management in 2018. The Audit Committee also reviewed and approved the internal audit report and considered the effectiveness of the Group's internal audit function.

年內，審核委員會共舉行三次會議。於會議上，審核委員會與外部核數師共同審閱二零一七年的全年業績、二零一八年的中期業績以及持續關連交易，並於二零一八年與外部核數師進行了兩次會面（管理層人員未出席）。審核委員會亦審閱及批准內部審核報告及審議本集團內部審核職能之有效性。

During the Year, the Audit Committee also reviewed the Company's corporate governance policies and practices, the Group's internal control functions, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, internal control and risk management, the compliance with the Model Code, and the Company's compliance with the CG Code and disclosures in this Corporate Governance Report.

年內，審核委員會亦已檢討本公司的企業管治政策及常規、本集團內部監控職能、董事及高級管理層的培訓及持續專業發展、本公司遵守法律及監管規定的政策及常規、內部監控及風險管理、遵守標準守則的情況，以及本公司遵守企業管治守則的情況以及本企業管治報告中的披露。

The Directors are collectively responsible for preparing the consolidated financial statements of the Group which have been prepared on a going concern basis, and complies with the requirements of the Listing Rules. There has been no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditors.

董事共同負責按持續經營基準，並遵照上市規則的規定編製本集團的合併財務報表。就遴選及委任外部核數師一事，董事及審核委員會之間並無分歧。

# Corporate Governance Report

## 企業管治報告

### INTERNAL CONTROL AND RISK MANAGEMENT

The Company has in place a sound and effective internal control to safeguard Shareholders' investment and assets of the Company and its subsidiaries. The Audit Committee is entrusted by the Board to monitor the effectiveness of the Company's internal control and risk management systems on an ongoing basis so as to ensure that the internal control and risk management systems in place, including the resources, staff qualifications and experience, training programmes, accounting, internal audit, compliance and financial reporting functions of the Company are adequate.

The Company has established written policies and procedures applicable to all operating units to ensure the effectiveness of internal controls. The Company also has a process for identifying, evaluating and managing significant risks associated with the achievement of its operational objective. The day-to-day operation of the Company is entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board/Audit Committee. The Company carries out reviews on the effectiveness of the internal control systems from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

The Company has established an optimized risk management and internal control system consisting of the Board, Audit Committee, management team, internal control and all departments of the Company. In respect of risk management and internal control, all departments of the Company are the first line of defence, the internal control and management team are the second line of defence and the Audit Committee under the Board are the third line of defence. The Board is ultimately responsible for the development of a sound risk management and internal control system of the Company and the effective implementation of risk management, and is the highest decision-making authority for risk management and internal control of the Company.

### 內部監控及風險管理

本公司採納良好及有效的內部監控，保障股東投資以及本公司及其附屬公司的資產。審核委員會受董事會之託，持續監察本公司內部監控及風險管理系統的成效，從而確保本公司施行內部監控及風險管理系統，包括足夠的資源、員工資格及經驗、培訓計劃、會計、內部審計、合規及財務申報職能。

本公司已制定適用於所有營運單位的書面政策及程序，確保內部監控的成效。本公司亦有識別、評估及管理與達成營運目標有關的重大風險的程序。本公司的日常營運則委託個別部門，對其本身部門的行為及表現進行問責，並須嚴格遵守董事會／審核委員會制定的政策。本公司不時檢討內部監控系統成效，確保其能夠符合及應對靈活及不時轉變的經營環境。

本公司已設立經優化的風險管理及內部監控系統，當中包括董事會、審核委員會、管理團隊，內部監控及本公司所有部門。至於風險管理及內部監控，本公司所有部門為第一道防線，內部監控及管理團隊為第二道防線，而董事會轄下的審核委員會則為最後一道防線。董事會最終負責發展一個全面的風險管理及內部監控系統以及有效實行風險管理，並為本公司風險管理及內部監控的最高決策權力。



## Corporate Governance Report 企業管治報告

The primary objective of risk management is to have all the business risks effectively identified, measured, analysed and controlled, such as having them measured against defined limits, monitored, reported and managed (including mitigation of risks), followed by the pursuit of business development on the premise of keeping risks in check. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee conducted review and assessment of the effectiveness of the Company's internal control systems twice during the Year including financial, operational and compliance controls and risk management.

During the Year, the Company scrutinized and identified potential risks associated with its corporate structure and business operation by executing basic risk management procedures in all key operations. A risk register of the Company was established to gain substantial information on its overall risk characteristics, providing a solid foundation for risk management and internal control.

The Company conducted an analysis and assessment on the identified risks based on their possibility and influence, so as to determine the risk levels and identify the significant risks faced by the Company. A summary of key risks identified from the perspective of global economy, industry and company level was reviewed and discussed by the Audit Committee and the Board.

Based on review of the results of risk management and internal control, no material failure or weakness was found in respect of risk monitoring during the Year. The management procedures of financial reports and information disclosure of the Company is in compliance with the Listing Rules. The Board considered that the risk management and internal control of the Company is effective during the Year and up to date of this annual report.

風險管理的主要目的為有效識別、計量、分析及監控所有業務風險，例如按界定上限計量、監察、匯報及管理（包括減低）該等風險，繼而在風險監察得當的情況下發展業務。該等系統旨在管理而非消除無法達成業務目標的風險，並僅能為重大錯誤陳述或損失提供合理而非絕對的保證。

年內，審核委員會已對本公司的內部監控系統成效進行兩次檢討及評估，包括財務、經營、合規監控及風險管理。

年內，本公司透過於所有主要營運執行基本風險管理程序，審視並識別與公司架構及業務營運有關的潛在風險。本公司已設立風險登記冊以獲取有關其整體風險特性的重要資料，為風險管理及內部監控提供堅實基礎。

本公司依照所識別風險出現的可能性及造成的影響對該等風險進行分析及評估，以釐定本公司的風險水平及識別本公司所面對的重大風險。審核委員會及董事會已審閱及討論從全球經濟、行業及公司層面識別的主要風險概要。

經審閱風險管理及內部監控的結果，年內並無發現有關風險監控的重大缺失或不足。本公司財務報告及資料披露的管理程序符合上市規則。董事會認為，本公司的風險管理及內部監控在年內及直至本年度報告日期行之有效。

# Corporate Governance Report

## 企業管治報告

### INSIDE INFORMATION

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of its obligations under Chapter 13 of the Listing Rules and the SFO and the overriding principle that any inside information of the Company should be announced as soon as practicable. The Company reviews from time to time its internal guidelines on inside information or potentially price sensitive information with reference to its own and industry circumstances and the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission.

The Company's policy contains a strict prohibition on unauthorized use of confidential or inside information. The Chairman and the chief financial officer of the Company are the key spokespersons of the Company in all external media communications.

The purpose of streamlining the communications of the Group with the media is to regulate all media communication activities, protect the interests of the Company and keep inside information strictly confidential prior to its disclosure.

### AUDITORS' REMUNERATION

During the Year, the remuneration paid to the Company's external auditors, Ernst & Young, is set out as follows:

Service rendered	提供的服務	Fee paid 已付費用 RMB'000 人民幣千元
Audit Services	審核服務	1,800

The responsibilities of the external auditors with respect to the 2018 financial statements are set out in the section headed "Independent Auditors' Report" on pages 78 to 83. Save as disclosed above and in the section headed "Independent Auditors' Report", the Company did not engage Ernst & Young for any non-audit services during the Year.

### 內幕消息

就處理及發佈內幕消息的程序及內部監控而言，本公司察悉其於上市規則第十三章及證券及期貨條例下的責任，亦察悉應在切實可行範圍內盡快公佈任何內幕消息的凌駕性原則。本公司不時參照其本身及行業情況以及證券及期貨事務監察委員會發出的《內幕消息披露指引》，檢討其有關內幕消息或潛在股價敏感資料的內部指引。

本公司的政策嚴格禁止未經授權使用機密資料或內幕消息。本公司主席及財務總監為本公司所有對外媒體通訊的主要發言人。

精簡本集團與媒體通訊旨在監管所有媒體通訊活動、保障本公司利益及確保內幕消息於披露前保持機密。

### 核數師薪酬

於年內支付予本公司外部核數師安永會計師事務所的薪酬載列如下：

外部核數師就二零一八年財務報表的責任載於第78頁至第83頁的「獨立核數師報告」一節。除以上及「獨立核數師報告」一節所披露者外，本公司於年內並無委聘安永會計師事務所提供任何其他非審核服務。

## SHAREHOLDERS' RIGHTS

### (i) Procedures for Shareholders to convene an extraordinary general meeting (the "EGM") (including making proposals/moving a resolution at the EGM to be called by the Board)

- Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the "Company Secretary"), to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including putting forward proposals or moving a resolution at the EGM.
- Eligible Shareholders who wish to require an EGM to be called by the Board for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for the attention of the Company Secretary. The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM, the agenda of the EGM including the details of the business(es) proposed to be transacted at the EGM, signed by the Eligible Shareholder(s) concerned.
- The Company will check the Requisition and the identity and the shareholding of the Eligible Shareholder will be verified with the Company's branch share registrar. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM within two months and/or include the proposal or the resolution proposed by the Eligible Shareholder at the EGM after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not convene an EGM and/or include the proposal or the resolution proposed by the Eligible Shareholder at the EGM.

## 股東權利

### (i) 股東召開股東特別大會的程序（包括於董事會召開的股東特別大會提呈建議／動議決議案）

- 任何一位或以上於遞呈要求日期持有不少於本公司實繳股本（附有本公司股東大會上投票權）十分之一的股東（「合資格股東」）於任何時候均有權透過向本公司董事會或公司秘書（「公司秘書」）發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項，包括於股東特別大會上提呈建議或動議決議案。
- 有意要求董事會召開股東特別大會以於會上提呈建議或動議決議案的合資格股東，必須將經由合資格股東簽署的書面要求（「要求」）遞呈至本公司的香港主要營業地點香港皇后大道東183號合和中心54樓，收件人應註明為公司秘書。要求必須清楚列明合資格股東的姓名、其於本公司的股權、召開股東特別大會的理由、股東特別大會的議程（包括建議於股東特別大會上處理的事項詳情），並經由合資格股東簽署。
- 本公司將檢視要求，並向本公司的股份過戶登記分處驗證合資格股東的身份及股權。倘要求被認為恰當及完整，則公司秘書將要求董事會於遞呈要求後兩個月內召開股東特別大會及／或於股東特別大會中載列合資格股東提呈的建議或決議案。與之相反，倘要求被驗證為不完整，則合資格股東將獲告知有關結論，而董事會據此不會召開股東特別大會及／或於股東特別大會中載列合資格股東提呈的建議或決議案。

# Corporate Governance Report

## 企業管治報告

- If within 21 days of the deposit of the Requisition, the Board has not advised the Eligible Shareholders of any outcome to the contrary and fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the Articles, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

### (ii) Procedures for sending enquiries to the Board

Shareholders of the Company may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by post or email to [ir@kingdom-china.com](mailto:ir@kingdom-china.com) for the attention of the investors relation department of the Company.

## INVESTOR RELATIONS

The Group firmly believes the importance of communicating with the investment community and the Shareholders in attaining a high level of transparency. Since its listing, the Group has maintained various communication channels with analysts and fund managers such as one-to-one meetings, telephone communications, and press releases. The general meetings of the Company provide a platform for communication between the Shareholders and the Board. The Chairman of the Board as well as Chairmen of the Remuneration Committee, Nomination Committee and Audit Committee or if, in their absence, other members of the respective committees, and where applicable, the independent board committee, are available to answer questions at the Shareholders' meetings. The Company endeavours to provide timely and accurate information to the investors to enhance the understanding of the investors about the linen industry, as well as the business development strategy and direction of the Group.

- 倘遞呈要求後21日內，董事會未有將任何否定的結論告知合資格股東，亦未有安排召開股東特別大會，則合資格股東可自行根據細則召開股東特別大會，而有關合資格股東因董事會未有召開大會而合理產生的所有開支應由本公司向有關合資格股東作出償付。

### (ii) 向董事會提問的程序

本公司股東可將向董事會作出的提問及疑問以郵遞方式遞呈至本公司的香港主要營業地點香港皇后大道東183號合和中心54樓，收件人應註明為董事會，或電郵至[ir@kingdom-china.com](mailto:ir@kingdom-china.com)，收件人應註明為本公司投資者關係部。

## 投資者關係

本集團深信與投資者及股東保持有效的溝通，有助於保持本集團高度透明。本集團自上市以來，以多種渠道與分析員及基金經理聯繫，如透過一對一會議、電話交流及發放新聞稿。本公司的股東大會提供一個股東與董事會之間溝通的平台。董事會主席、薪酬委員會主席、提名委員會主席及審核委員會主席，或（如上述人士未克出席）各相關委員會的其他成員，以及獨立董事委員會（如適用）的成員，將可於股東大會上回答問題。本公司致力為投資者提供準確、及時訊息，以進一步提升投資者對亞麻行業、本集團業務發展策略和動向的了解。

# Corporate Governance Report 企業管治報告

The Group will continue to maintain a close relationship with investors and develop greater understanding about the Group for international investors, to enhance investors' confidence in the Group.

There is no change in the Articles during the Year. An up-to-date version of the Company's Articles is also available on the websites of the Company and the Stock Exchange.

As at 31 December 2018, the market capitalisation of the Company was approximately HK\$799,691,060 based on 629,678,000 Shares outstanding at the closing price of HK\$1.27 per share.

The details of the substantial shareholders can be found on page 40 of this annual report.

## CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Kingdom Holdings Limited  
Level 54 Hopewell Centre,  
183 Queen's Road East, Hong Kong  
(For the attention of the Board of Directors)

Fax: +852 3628 2284

Email: ir@kingdom-china.com

## DISCLAIMER

The contents of the section headed "Shareholders' Rights" are for reference and disclosure compliance purposes only. The information does not represent and should not be regarded as legal or other professional advice from the Company to the shareholders. Shareholders should seek their own independent legal or other professional advice as to their rights as shareholders of the Company. The Company disclaims all liabilities and losses incurred by its shareholders in reliance on any contents of this section headed "Shareholders' Rights".

本集團將繼續維持與投資者緊密的關係，及加強國際投資者對本集團的認識，以增強投資者對本集團的信心。

細則於年內並無任何變動。本公司細則的最新版本亦已登載於本公司及聯交所網站。

於二零一八年十二月三十一日，本公司市值約為799,691,060港元，乃基於629,678,000股發行在外股份按收市價每股1.27港元計算。

主要股東之詳情可參閱本年報40頁。

## 聯絡資料

股東可透過以下途徑發出上述提問或要求：

地址：金達控股有限公司  
香港皇后大道東  
183號合和中心54樓  
(收件人：董事會)

傳真：+852 3628 2284

電郵：ir@kingdom-china.com

## 免責聲明

「股東權利」一節所載內容僅供參考，並僅為遵守披露規定而提供。有關資料並不表示且不應被視為本公司給予股東的法律或其他專業意見。股東務請就彼等作為本公司股東享有的權利尋求獨立法律或其他專業意見。本公司概不就其股東因倚賴本節「股東權利」任何內容而產生的任何責任及損失承擔責任。





# Independent Auditor's Report

## 獨立核數師報告



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

### OPINION

We have audited the consolidated financial statements of Kingdom Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 84 to 208, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

致金達控股有限公司  
(於開曼群島註冊成立的有限公司)股東

### 意見

我們已審計列載於第84至208頁的金達控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表，此合併財務報表包括於二零一八年十二月三十一日的合併財務狀況表與截至該日止年度的合併損益表、合併全面收益表、合併權益變動表和合併現金流量表，以及合併財務報表附註，包括主要會計政策概要。

我們認為，該等合併財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的《國際財務報告準則》(「國際財務報告準則」)真實而中肯地反映了貴集團於二零一八年十二月三十一日的合併財務狀況及截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

### 意見的基礎

我們已根據香港會計師公會(「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「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。



# Independent Auditor's Report 獨立核數師報告

## KEY AUDIT MATTERS

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

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

## 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已經履行了本報告「核數師就審計合併財務報表承擔的責任」部分闡述的責任，包括與這些事項相關的責任。相應地，我們的審計工作包括執行為應對評估合併財務報表的重大錯誤陳述風險而設計的程序。我們執行審計程序的結果，包括應對下述事項所執行的程序，為對隨附的合併財務報表發表審計意見提供了基礎。

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 該事項在審計中是如何應對的
<p><i>Assessment on impairment for non-current assets</i> 非流動資產的減值評估</p>	
<p>As at 31 December 2018, the carrying amount of property, plant and equipment, prepaid land lease payments and intangible assets was RMB874 million which represented 41% of the Group's total assets. As the carrying amount of the Group's net assets was higher than the Company's market capitalisation, management performed an impairment test on its non-current assets. This assessment requires management to make certain key assumptions, such as cash flow projections covering a five-year period, the future growth rate and the discount rate which are highly judgemental.</p> <p>於二零一八年十二月三十一日，物業、廠房及設備、土地租賃預付款項及無形資產的賬面金額為人民幣874,000,000元，佔貴集團資產總值的41%。由於貴集團資產淨值的賬面金額高於貴公司的市值，故管理層已對非流動資產進行減值測試。此舉要求管理層作出若干關鍵假設，如五年期現金流量預測、未來增長率及貼現率，非常主觀。</p>	<p>Our audit procedures included assessing the key assumptions including those related to future increases in turnover, expected growth rates and discount rates, projection period and disposal values of the non-current assets at the end of the projection period applied. In performing our audit procedures, we involved our internal valuation specialists in assessing the valuation methodology used and the key assumptions applied.</p> <p>我們的審計程序包括評估該等關鍵假設，包括與於預測期末適用的未來營業額增長、預期增長率及折現率、預測期及非流動資產的出售價值有關者。於進行審計程序時，我們已委聘內部估值專家評估所用估值方法及關鍵假設。</p>

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (continued)

### 關鍵審計事項 (續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 該事項在審計中是如何應對的
<i>Assessment on impairment for non-current assets</i> 非流動資產的減值評估	
The Company provided detailed information in note 3 to the financial statements. 貴公司於財務報表附註3提供有關詳情。	We also reviewed the historical financial performance of the business units and compared them with the original forecasts when evaluating management's budgeting process. 我們亦已檢討業務單立的歷史財務表現，並與其原有預測比較，從而評估管理層制定預算的過程。

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises Chairman's Statement, Management Discussion and Analysis, Report of the Directors and Corporate Governance Report included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to report that fact.

### 年報內的其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的主席報告書、管理層討論及分析、董事會報告及企業管治報告，但不包括合併財務報表及我們的核數師報告。預期我們於本核數師報告日期之後可查閱年報。

我們對合併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。

結合我們對合併財務報表的審計，我們的責任是閱讀上文指出可供查閱的其他信息，在此過程中，考慮其他信息是否與合併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。我們閱讀年報時，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。

# Independent Auditor's Report 獨立核數師報告

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

## 董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併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。

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

審核委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。

## 核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅對全體股東作出報告，除此以外，本報告並無其他用途。我們不會就核數師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匯總起來可能影響合併財務報表使用者依賴合併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。

# Independent Auditor's Report

## 獨立核數師報告

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

(continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 識別和評估由於欺詐或錯誤而導致合併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監控，以設計適當的審計程序，但目的並非對 貴集團內部監控的有效性發表意見。
  - 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。
  - 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合併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。
  - 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。

### 核數師就審計合併財務報表承擔的責任 (續)

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：

# Independent Auditor's Report 獨立核數師報告

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

(continued)

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

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. 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 Shun Lung Wai.

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

22 March 2019

## 核數師就審計合併財務報表承擔的責任 (續)

- 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，以便對合併財務報表發表意見。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。

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監控的任何重大缺陷。

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。

從與審核委員會溝通的事項中，我們確定哪些事項對本期合併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孫龍偉。

**安永會計師事務所**  
執業會計師  
香港中環  
添美道1號  
中信大廈22樓

二零一九年三月二十二日

# Consolidated Statement of Profit or Loss

## 合併損益表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
REVENUE	收入	5	1,245,643	1,023,962
Cost of sales	銷售成本		(987,762)	(907,694)
Gross profit	毛利		257,881	116,268
Other income and gains	其他收益及得益	5	24,308	25,575
Selling and distribution expenses	銷售及分銷開支		(48,687)	(39,361)
Administrative expenses	行政開支		(73,020)	(49,670)
Other expenses	其他開支		(6,818)	(38,200)
Finance costs	財務成本	6	(21,520)	(17,712)
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	7	132,144	(3,100)
Income tax (expense)/credit	所得稅(開支)／抵免	10	(28,957)	3,722
PROFIT FOR THE YEAR	年內溢利		103,187	622
Attributable to:	由下列項目應佔：			
Owners of the parent	母公司擁有人		102,006	(3,132)
Non-controlling interests	非控制性權益		1,181	3,754
EARNINGS/(LOSS) PER SHARE	母公司普通股權益			
ATTRIBUTABLE TO ORDINARY	持有人應佔每股			
EQUITY HOLDERS OF THE PARENT	盈利／(虧損)			
Basic	基本	12	RMB 人民幣0.17元	RMB 人民幣(0.01)元
Diluted	攤薄	12	RMB 人民幣0.16元	RMB 人民幣(0.01)元

# Consolidated Statement of Comprehensive Income

## 合併全面收益表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
PROFIT FOR THE YEAR	年內溢利	<u>103,187</u>	<u>622</u>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	將於往後期間可能重新 分類至損益的其他全面 收益：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	<u>86</u>	<u>613</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額	<u>103,273</u>	<u>1,235</u>
Attributable to:	由下列項目應佔：		
Owners of the parent	母公司擁有人	<u>102,092</u>	(2,519)
Non-controlling interests	非控制性權益	<u>1,181</u>	<u>3,754</u>
		<u>103,273</u>	<u>1,235</u>

# Consolidated Statement of Financial Position

## 合併財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

			<b>31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元</b>	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
NON-CURRENT ASSETS	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	<b>803,778</b>	726,532
Investment properties	投資物業	14	<b>6,929</b>	7,529
Prepaid land lease payments	土地租賃預付款項	15	<b>63,062</b>	64,837
Other intangible assets	其他無形資產	16	<b>7,248</b>	5,834
Prepayments for equipment	設備預付款項		<b>17,139</b>	7,571
Deferred tax assets	遞延稅項資產	17	<b>5,596</b>	14,640
Other non-current assets	其他非流動資產		<b>407</b>	407
Total non-current assets	非流動資產總值		<b>904,159</b>	827,350
CURRENT ASSETS	<b>流動資產</b>			
Inventories	存貨	18	<b>557,087</b>	531,212
Trade and notes receivables	應收貿易賬款及應收票據	19	<b>295,115</b>	310,215
Prepayments, deposits and other receivables	預付款、押金及其他應收款項	20	<b>60,704</b>	68,650
Other current assets	其他流動資產		-	851
Pledged deposits	已抵押存款	22	<b>68,857</b>	50,314
Cash and cash equivalents	現金及現金等價物	22	<b>241,826</b>	173,824
Total current assets	流動資產總值		<b>1,223,589</b>	1,135,066
CURRENT LIABILITIES	<b>流動負債</b>			
Trade and notes payables	應付貿易賬款及應付票據	23	<b>245,675</b>	189,783
Other payables and accruals	其他應付款項及預提費用	24	<b>123,300</b>	93,979
Derivative financial instruments	衍生金融工具	21	<b>3,438</b>	7,002
Interest-bearing bank borrowings	計息銀行借貸	25	<b>508,984</b>	519,561
Dividend payable	應付股息		<b>1</b>	-
Tax payable	應付稅項		<b>28,133</b>	16,054
Other current liability	其他流動負債		-	851
Total current liabilities	流動負債總額		<b>909,531</b>	827,230
NET CURRENT ASSETS	<b>流動資產淨值</b>		<b>314,058</b>	307,836
TOTAL ASSETS LESS CURRENT LIABILITIES	<b>資產總值減流動負債</b>		<b>1,218,217</b>	1,135,186



# Consolidated Statement of Financial Position

## 合併財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

		<i>Notes</i>	<b>31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元</b>	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		<b>1,218,217</b>	1,135,186
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	17	<b>14,308</b>	9,390
Interest-bearing bank borrowings	計息銀行借貸	25	<b>50,400</b>	75,600
Total non-current liabilities	非流動負債總額		<b>64,708</b>	84,990
Net assets	資產淨值		<b>1,153,509</b>	1,050,196
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	26	<b>6,329</b>	6,329
Treasury shares	庫存股份	28	<b>(19,508)</b>	(19,508)
Reserves	儲備	30	<b>1,126,068</b>	1,030,936
			<b>1,112,889</b>	1,017,757
Non-controlling interests	非控制性權益		<b>40,620</b>	32,439
Total equity	權益總額		<b>1,153,509</b>	1,050,196

**Ren Weiming**  
任維明  
Director  
董事

**Shen Yueming**  
沈躍明  
Director  
董事

# Consolidated Statement of Changes In Equity

## 合併權益變動表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔											
		Share capital	Share premium	Treasury shares	Merger reserve	Statutory reserve	Share option reserve	Share award reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	庫存股份	合併儲備	法定儲備	購股權儲備	股份獎勵儲備	匯兌儲備	保留溢利	總計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 26)	(note 30)	(note 28)	(note 30)	(note 30)	(note 27)	(note 29)	(note 30)				
		(附註26)	(附註30)	(附註28)	(附註30)	(附註30)	(附註27)	(附註29)	(附註30)				
At 1 January 2017	於二零一七年一月一日	6,329	270,955	-	196,816	112,536	2,012	-	(3,634)	482,737	1,067,751	18,685	1,086,436
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	(3,132)	(3,132)	3,754	622
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	-	613	-	613	-	613
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	-	-	-	-	613	(3,132)	(2,519)	3,754	1,235
Capital injection	注資	-	-	-	-	-	-	-	-	-	-	10,000	10,000
Final 2016 dividend declared	已宣派二零一六年末期股息	-	(2,636)	-	-	-	-	-	-	(25,526)	(28,162)	-	(28,162)
Repurchase of share capital	購回股本	-	-	(19,508)	-	-	-	-	-	-	(19,508)	-	(19,508)
Equity-settled share option arrangements	以權益結算購股權安排	-	-	-	-	-	195	-	-	-	195	-	195
Equity-settled share award plan	以權益結算股份獎勵計劃	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from retained profits	轉撥自保留溢利	-	-	-	-	1,679	-	-	-	(1,679)	-	-	-
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	<u>6,329</u>	<u>268,319*</u>	<u>(19,508)</u>	<u>196,816*</u>	<u>114,215*</u>	<u>2,207*</u>	<u>-</u>	<u>(3,021)*</u>	<u>452,400*</u>	<u>1,017,757</u>	<u>32,439</u>	<u>1,050,196</u>
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	102,006	102,006	1,181	103,187
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	-	86	-	86	-	86
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	-	86	102,006	102,092	1,181	103,273
Capital injection	注資	-	-	-	-	-	-	-	-	-	-	7,000	7,000
Final 2017 dividend declared	已宣派二零一七年末期股息	-	-	-	-	-	-	-	-	(10,527)	(10,527)	-	(10,527)
Equity-settled share award plan	以權益結算股份獎勵計劃	-	-	-	-	-	-	3,567	-	-	3,567	-	3,567
Transfer from retained profits	轉撥自保留溢利	-	-	-	-	13,519	-	-	-	(13,519)	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	<u>6,329</u>	<u>268,319*</u>	<u>(19,508)</u>	<u>196,816*</u>	<u>127,734*</u>	<u>2,207*</u>	<u>3,567*</u>	<u>(2,935)*</u>	<u>530,360*</u>	<u>1,112,889</u>	<u>40,620</u>	<u>1,153,509</u>

\* These reserve accounts comprise the consolidated reserves of RMB1,126,068,000 (2017: RMB1,030,936,000) in the consolidated statement of financial position.

\* 該等儲備賬包括合併財務狀況表的合併儲備人民幣1,126,068,000元(二零一七年:人民幣1,030,936,000元)。

# Consolidated Statement of Cash Flows

## 合併現金流量表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量		
Profit (loss) before tax	除稅前溢利(虧損)	132,144	(3,100)
Adjustments for:	就下列各項作出的調整:		
Fair value losses on derivative instruments – transactions not qualifying as hedges	衍生工具的公允價值虧損 – 不合資格作對沖的交易	3,438	7,002
Equity-settled share option expense	以權益結算購股權開支	–	195
Equity-settled share award expense	以權益結算股份獎勵計劃	3,567	–
Depreciation	折舊	71,424	60,717
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	1,814	1,446
Amortisation of other intangible assets	其他無形資產攤銷	586	536
Reversal of impairment of inventories	存貨減值轉回	(1,179)	(4,540)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備 項目虧損	405	730
Provision/(reversal of provision) for impairment of trade receivables	應收貿易賬款減值 撥備/(撥備轉回)	412	(312)
Finance costs	財務成本	21,520	17,712
Bank interest income	銀行利息收入	(1,044)	(899)
		<b>233,087</b>	<b>79,487</b>
Increase in inventories	存貨增加	(24,696)	(17,081)
Decrease/(increase) in trade and notes receivables	應收貿易賬款及應收票據 減少/(增加)	14,688	(11,939)
Decrease/(increase) in prepayments, deposits and other receivables	預付款、押金及其他應收款項 減少/(增加)	7,907	(24,215)
Increase from other non-current assets	其他非流動資產增加	–	(407)
Proceeds from pledged deposits	已抵押存款的所得款項	110,839	69,183
New pledged deposits	新造已抵押存款	(141,520)	(57,513)
(Increase)/decrease in derivative financial assets	衍生金融資產(增加)/減少	(7,002)	5,788
Increase in trade and notes payables	應付貿易賬款及應付票據增加	55,892	60,294
Increase in other payables and accruals	其他應付款項及預提費用增加	29,321	43,665
Cash generated from operations	經營產生的現金	<b>278,516</b>	<b>147,262</b>
Interest received	已收利息	1,044	899
Income tax paid	已付所得稅	(2,916)	(14,463)
Net cash flows from operating activities	經營活動產生的現金流量淨額	<b>276,644</b>	<b>133,698</b>

# Consolidated Statement of Cash Flows

## 合併現金流量表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Purchases of items of property, plant and equipment and intangible assets	購置物業、廠房及設備項目以及無形資產	(150,142)	(150,355)
Prepayments for equipment	設備預付款項	(17,139)	(7,571)
Proceeds from disposal of items of intangible assets	出售無形資產所得款項	-	1,767
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	14,111	3,557
Net cash flows used in investing activities	投資活動所用的現金流量淨額	<u>(153,170)</u>	<u>(152,602)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
Share repurchase	購回股份	-	(19,508)
New bank loans	新造銀行貸款	756,804	779,245
Repayment of bank loans	償還銀行貸款	(792,581)	(815,987)
Proceeds from pledged deposits	已抵押存款的所得款項	(59,794)	(70,183)
New pledged deposits	新造已抵押存款	71,932	82,554
Interest paid	已付利息	(26,392)	(25,351)
Dividends paid	已付股息	(10,526)	(28,162)
Capital contribution from non-controlling shareholders	非控股股東出資	5,000	10,000
Net cash flows used in financing activities	融資活動所用現金流量淨額	<u>(55,557)</u>	<u>(87,392)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額	67,917	(106,296)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	173,824	279,511
Effect of foreign exchange rate changes, net	匯率變動影響淨額	85	609
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	<u>241,826</u>	<u>173,824</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	241,826	173,824
Cash and cash equivalents as stated in the statement of financial position	財務狀況表所列的現金及現金等價物	<u>241,826</u>	<u>173,824</u>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION

Kingdom Holdings Limited was incorporated in the Cayman Islands as an exempted company with limited liability on 21 July 2006. The Company's shares were listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 December 2006.

The Group is principally engaged in the manufacture and sale of linen yarns.

The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; and the principal place of business is located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

#### Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Nominal value of issued ordinary/ registered share capital 已發行 普通股面值/註冊股本	Percentage of equity attributable to the Company 本公司 應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Overseas Kingdom Limited Overseas Kingdom Limited	British Virgin Islands ("BVI") 26 July 2006 英屬處女群島 (「英屬處女群島」) 二零零六年七月二十六日	HK\$0.01/HK\$500 0.01港元/500港元	100%	-	Investment holding 投資控股
Kingdom Group Holdings Limited ("Hong Kong Kingdom") 金達集團控股有限公司 (「香港金達」)	Hong Kong, China 10 September 2004 中國香港 二零零四年九月十日	HK\$1,250,000 1,250,000港元	-	100%	Investment holding and trading 投資控股及貿易
Zhejiang Jinyuan Flax Co., Ltd. 浙江金元亞麻有限公司	PRC 18 March 2003 中國 二零零三年三月十八日	US\$43,820,000 43,820,000美元	-	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗

### 1. 公司及集團資料

金達控股有限公司於二零零六年七月二十一日在開曼群島註冊成立為獲豁免有限公司。本公司股份於二零零六年十二月十二日在香港聯合交易所有限公司(「聯交所」)上市。

本集團主要從事生產及銷售亞麻紗。

本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands；其主要營業地點則位於香港皇后大道東183號合和中心54樓。

#### 有關附屬公司的資料

本公司附屬公司詳情如下：

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION

(continued)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Nominal value of issued ordinary/ registered share capital 已發行 普通股面值/註冊股本	Percentage of equity attributable to the Company 本公司 應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Jiangsu Jinyuan Flax Co., Ltd. 江蘇金元亞麻有限公司	PRC 17 October 2003 中國 二零零三年十月十七日	US\$18,500,000 18,500,000美元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Jiangsu Ziwei Flax Co., Ltd. 江蘇紫薇亞麻有限公司	PRC 26 October 2006 中國 二零零六年十月二十六日	US\$10,000,000 10,000,000美元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Zhejiang Jinda Flax Co., Ltd. 浙江金達亞麻有限公司	PRC 28 May 2012 中國 二零一二年五月二十八日	RMB100,000,000 人民幣100,000,000元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Zhejiang Jinlainuo Fiber Co., Ltd. 浙江金萊諾纖維有限公司	PRC 28 February 2012 中國 二零一二年二月二十八日	RMB10,000,000 人民幣10,000,000元	–	100%	Manufacture and sale of linen fibre 生產及銷售亞麻紗
Zhaosu Jindi Flax Co., Ltd. 昭蘇金地亞麻有限公司	PRC 23 May 2007 中國 二零零七年五月二十三日	RMB30,000,000 人民幣30,000,000元	–	100%	Processing of agricultural products 農產品加工

### 1. 公司及集團資料 (續)

# Notes to Financial Statements 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

## 1. CORPORATE AND GROUP INFORMATION

(continued)

## 1. 公司及集團資料 (續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Nominal value of issued ordinary/ registered share capital 已發行 普通股面值/註冊股本	Percentage of equity attributable to the Company 本公司 應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Kingdom Europe S.R.L. Kingdom Europe S.R.L.	Italy 7 September 2007 意大利 二零零七年九月七日	EUR502,646 502,646歐元	–	100%	Trading 貿易
Kingdom (Ethiopia) Linen PLC ("Kingdom (Ethiopia)") Kingdom (Ethiopia) Linen PLC (「Kingdom (Ethiopia)」)	Ethiopia 16 July 2014 埃塞俄比亞 二零一四年七月十六日	US\$5,715,000 RMB61,530,000 5,715,000美元 人民幣61,530,000元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Heilongjiang Jinda Flax Hemp Co., Ltd. 黑龍江金達麻業有限公司	PRC 11 March 2016 中國 二零一六年三月十一日	RMB110,000,000 人民幣110,000,000元	–	73%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Heilongjiang Kangyuan Flax and Hemp Seed Co., Ltd. Heilongjiang Kangyuan Flax and Hemp Seed Co., Ltd.	PRC 23 February 2018 中國 二零一八年二月二十三日	RMB10,000,000 人民幣10,000,000元	–	75%	Research and sale of flax and hemp seed 研究及銷售亞麻及大麻籽

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000), except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

### 2.1 編製基準

本財務報表乃按照國際會計準則委員會頒佈的《國際財務報告準則》(包括所有《國際財務報告準則》、《國際會計準則》及詮釋)及香港《公司條例》的披露規定編製。除衍生金融工具採用公允價值計量外，本財務報表乃根據歷史成本慣例編製。除非另有標明，否則本財務報表以人民幣呈列而所有價值已四捨五入至最接近的千位數(人民幣千元)。

#### 合併基準

合併財務報表包括本公司及其附屬公司(統稱「本集團」，截至二零一八年十二月三十一日止年度的財務報表。附屬公司為由本公司直接或間接控制的實體(包括結構性實體)。倘本集團參與投資對象業務可獲得或有權獲得可變回報以及能透過對投資對象行使其權力(即本集團獲賦予現有能力以主導投資對象相關活動的既存權利)影響該等回報，即代表本集團取得控制權。

倘本公司直接或間接擁有的投資對象表決權或類似權利不足大多數，本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

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



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.1 BASIS OF PREPARATION (continued)

#### Basis of consolidation (continued)

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

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

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

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

### 2.1 編製基準 (續)

#### 合併基準 (續)

附屬公司與本公司的財務報表的報告期間相同，並採用一致會計政策編製。附屬公司的業績由本集團取得控制權的日期起合併入賬，並繼續合併入賬直至該等控制權終止日期為止。

所有集團內公司間資產及負債、權益、收入、開支及與本集團成員公司間交易有關的現金流量均於合併賬目時全數抵銷。

倘有事實或情況顯示上文有關附屬公司的會計政策所述的三項控制權元素其中一項或多項出現改變，則本集團會重新評估其是否控制投資對象。附屬公司擁有權權益的變動（並無失去控制權）按權益交易入賬。

倘本集團失去對附屬公司的控制權，則會終止確認(i)該附屬公司的資產（包括商譽）及負債、(ii)任何非控制性權益的賬面金額及(iii)於權益內記錄的累計換算差額；及確認(i)所收代價的公允價值、(ii)任何保留投資的公允價值及(iii)損益中任何因此產生的盈餘或虧絀。過往於其他全面收益內確認的本集團應佔部分按與猶如本集團直接出售有關資產或負債時所規定的相同基準重新分類至損益或保留溢利（如適用）。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	<i>Amendments to IFRS 1 and IAS 28</i>

Other than as explained below regarding the impact of IFRS 9 and IFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

### 2.2 會計政策及披露的變動

本集團已就本年度的財務報表首次採納下列新訂及經修訂《國際財務報告準則》。

《國際財務報告準則》第2號的修訂本	以股份付款交易的分類及計量
《國際財務報告準則》第4號的修訂	在《國際財務報告準則》第4號「保險合約」下應用《國際財務報告準則》第9號「金融工具」
《國際財務報告準則》第9號	金融工具
《國際財務報告準則》第15號	客戶合約收入
《國際財務報告準則》第15號的修訂本	澄清《國際財務報告準則》第15號客戶合約收入
《國際會計準則》第40號的修訂本	轉讓投資物業
《國際財務報告詮釋委員會》第22號	外幣交易及墊付代價
年度改進二零一四年至二零一六年週期	《國際財務報告準則》第1號及《國際會計準則》第28號的修訂本

惟下文所闡述之有關《國際財務報告準則》第9號及《國際財務報告準則》第15號的影響除外，採納上述新訂及經修訂準則對該等財務報表並無產生重大財務影響。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

#### IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group adopted IFRS 9 from 1 January 2018. The Group has not adjusted the applicable opening balances at 1 January 2018 because the adoption of IFRS 9 has limited effect on the Group's statements of financial position.

#### (a) *Classification and measurement*

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IAS 39 measurement categories of financial assets, including financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial investments and held-to-maturity investments have been replaced by:

### 2.2 會計政策及披露的變動 (續)

#### 《國際財務報告準則》第9號金融工具

《國際財務報告準則》第9號金融工具於二零一八年一月一日或之後開始的年度期間取代《國際會計準則》第39號金融工具：確認及計量，合併金融工具會計處理的所有三個方面：分類及計量；減值；及對沖會計處理。

本集團自二零一八年一月一日起採納《國際財務報告準則》第9號。由於採納《國際財務報告準則》第9號對本集團財務狀況表的影響有限，故本集團並未調整於二零一八年一月一日的適用期初結餘。

#### (a) 分類及計量

為釐定其分類及計量類別，《國際財務報告準則》第9號要求所有金融資產（權益工具及衍生工具除外）按實體管理資產的業務模式及工具合約現金流量特徵進行評估。

《國際會計準則》第39號金融資產的計量類別（包括按公允價值計入損益的金融資產、貸款及應收款項、可供出售金融投資及持至到期投資）已由以下類別替代：

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

#### IFRS 9 *Financial Instruments* (continued)

(a) *Classification and measurement (continued)*

Debt instruments at amortised cost;

Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition;

Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition; and

Financial assets at fair value through profit or loss.

As of 1 January 2018, the category of loans and receivables under IAS 39, including cash and cash equivalents, trade and notes receivables, financial assets included in prepayments, deposits and other receivables and pledged deposits, were transferred to debt instruments at amortised cost under IFRS 9. Meanwhile, financial assets at fair value through profit or loss remained unchanged under IFRS 9.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39.

### 2.2 會計政策及披露的變動(續)

#### 《國際財務報告準則》第9號金融工具(續)

(a) 分類及計量(續)

按攤銷成本列賬的債務工具：

按公允價值計入其他全面收益的債務工具，於終止確認時盈虧結轉至損益；

按公允價值計入其他全面收益的權益工具，於終止確認時概無盈虧結轉至損益；及

按公允價值計入損益的金融資產。

於二零一八年一月一日，《國際會計準則》第39號項下的貸款及應收款項類別（包括現金及現金等價物、應收貿易賬款及應收票據、計入預付款、押金及其他應收款項的金融資產以及已抵押存款）已根據《國際財務報告準則》第9號轉移至按攤銷成本列賬的債務工具。同時，根據《國際財務報告準則》第9號，按公允價值計入損益的金融資產保持不變。

本集團金融負債的會計處理與《國際會計準則》第39號的會計處理大致相同。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

#### IFRS 9 *Financial Instruments* (continued)

##### (b) Impairment

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group applied the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade and notes receivables. Furthermore, the Group applied the general approach and record twelve-month expected credit losses that are estimated based on the possible default events and credit losses expected over the remaining life of the exposure for which there has been a significant increase in credit risk since initial recognition on its financial assets included in deposits and other receivables. The adoption of the standard had no material impact on the Group's financial performance and position.

#### IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 and its amendments replace IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard requires entities to exercise judgement, taking into consideration all of the relevant fact and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

### 2.2 會計政策及披露的變動 (續)

#### 《國際財務報告準則》第9號金融工具 (續)

##### (b) 減值

《國際財務報告準則》第9號規定按攤銷成本或按公允價值計入其他全面收益列賬的債務工具、租賃應收款項、貸款承擔及財務擔保合約（並非根據《國際財務報告準則》第9號按公允價值計入損益入賬）所作減值，須根據預期信貸虧損模式按十二個月基準或可用年期基準入賬。本集團已應用簡化方式，將根據於所有應收貿易賬款及應收票據餘下可用年期內的所有現金差額現值估計的可用年期預期虧損入賬。此外，本集團已應用一般方式並按十二個月預期信貸虧損入賬，該等虧損乃基於可能遭遇的違約事件及餘下風險（就自初始確認以來，有關其計入押金及其他應收款項的金融資產信貸風險已顯著增加的風險）年期內的預期信貸虧損進行估計。採納該準則不會對本集團財務表現及狀況產生重大影響。

#### 《國際財務報告準則》第15號客戶合約收入

《國際財務報告準則》第15號及其修訂本取代《國際會計準則》第11號建築合約、《國際會計準則》第18號收入及相關詮釋，並適用於所有客戶合約收入（附帶有限的例外情況）。《國際財務報告準則》第15號建立五步模式，將客戶合約收入入賬。根據《國際財務報告準則》第15號，收入按能反映實體預期有權就向客戶轉讓貨物或服務而換取的代價金額確認。《國際財務報告準則》第15號的原則為計量及確認收入提供架構更完善的方法。該準則要求實體作出判斷，並考慮將該模式各步驟應用於其客戶合約時的所有相關事實及情況。該準則亦訂明將獲得合約的遞增成本及履行合約直接相關的成本入賬。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

#### IFRS 15 Revenue from Contracts with Customers (continued)

The Group adopted IFRS 15 using the modified retrospective method of adoption after performing a detailed assessment on the impact of the adoption.

The Group is involved in the business of selling linen yarns. The Group's contracts with customers for the sale of linen yarns only include one performance obligation. The Group has concluded that revenue should be recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

Before the adoption of IFRS 15, the Group recognised consideration received from customers in advance in other payables and accruals. Under IFRS 15, the amount is classified as contract liabilities which is also included in other payables and accruals. Therefore, upon adoption of IFRS 15, the Group reclassified RMB6,595,000 from advances from customers to contract liabilities as at 1 January 2018 in relation to the consideration received from customers in advance as at 1 January 2018. As at 31 December 2018, under IFRS 15, RMB24,036,000 was reclassified from advances from customers to contract liabilities in relation to the consideration received from customers in advance for the sale of goods.

As for the disclosure requirements for the consolidated financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature and timing are affected by economic factors. Refer to Note 5 for the disclosure on disaggregated revenue.

In conclusion, the adoption of IFRS 15 did not have a significant impact on the consolidated financial statements of the Group.

### 2.2 會計政策及披露的變動(續)

#### 《國際財務報告準則》第15號客戶合約收入(續)

本集團就採納之影響作出詳盡評估後，使用經修改回溯性採納方法採納《國際財務報告準則》第15號。

本集團經營銷售亞麻紗業務。本集團銷售亞麻紗之客戶合約僅包括一項履約責任。本集團認為收入應在資產控制權轉讓予客戶時的某個時間點（通常為交付貨物時）確認。因此，採納《國際財務報告準則》第15號不會對收入確認之時間產生影響。

於採納《國際財務報告準則》第15號前，本集團於其他應付款項及預提費用內確認預收客戶代價。根據《國際財務報告準則》第15號，該金額分類為合約負債，亦計入其他應付款項及預提費用。因此，於採納《國際財務報告準則》第15號後，本集團於二零一八年一月一日將人民幣6,595,000元自客戶墊款重新分類至與於二零一八年一月一日預收客戶代價有關的合約負債。於二零一八年十二月三十一日，根據《國際財務報告準則》第15號，人民幣24,036,000元自客戶墊款重新分類至與就銷售貨物預收客戶代價有關的合約負債。

關於合併財務報表的披露規定，本集團將確認的客戶合約收入細分為描述收入的性質及時間如何受經濟因素影響的類別。有關經細分收入的披露資料請參閱附註5。

總而言之，採納《國際財務報告準則》第15號不會對本集團合併財務報表產生重大影響。

# Notes to Financial Statements

## 財務報表附註

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

Amendments to IFRS 3	<i>Definition of a Business</i> <sup>2</sup>
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> <sup>1</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint venture</i> <sup>4</sup>
IFRS 16	<i>Leases</i> <sup>1</sup>
IFRS 17	<i>Insurance Contracts</i> <sup>3</sup>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> <sup>2</sup>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> <sup>1</sup>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> <sup>1</sup>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> <sup>1</sup>
Annual Improvements 2015-2017 Cycle	<i>Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>4</sup> No mandatory effective date yet determined but available for adoption

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

### 2.3 已頒佈但尚未生效的《國際財務報告準則》

本集團並無於本財務報表應用以下已頒佈但尚未生效的新訂及經修訂《國際財務報告準則》。

《國際財務報告準則》第3號的修訂本	業務的定義 <sup>2</sup>
《國際財務報告準則》第9號的修訂本	提早還款特性及負補償 <sup>1</sup>
《國際財務報告準則》第10號及《國際會計準則》第28號的修訂本	投資者與其聯營公司或合營公司之間出售或注入資產 <sup>4</sup>
《國際財務報告準則》第16號	租賃 <sup>1</sup>
《國際財務報告準則》第17號	保險合約 <sup>3</sup>
《國際會計準則》第1號及《國際會計準則》第8號的修訂本	重大的定義 <sup>2</sup>
《國際會計準則》第19號的修訂本	計劃修訂、縮減或結算 <sup>1</sup>
《國際會計準則》第28號的修訂本	於聯營公司及合營企業的長期權益 <sup>1</sup>
《國際財務報告詮釋委員會詮釋》第23號	所得稅處理的不確定性 <sup>1</sup>
年度改進二零一五年至二零一七年週期	《國際財務報告準則》第3號、《國際財務報告準則》第11號、《國際會計準則》第12號及《國際會計準則》第23號的修訂本 <sup>1</sup>

<sup>1</sup> 於二零一九年一月一日或之後開始的年度期間生效

<sup>2</sup> 於二零二零年一月一日或之後開始的年度期間生效

<sup>3</sup> 於二零二一年一月一日或之後開始的年度期間生效

<sup>4</sup> 尚未釐定強制生效日期，惟可供採納

有關預期適用於本集團的《國際財務報告準則》的進一步資料描述如下。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

#### IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases, IFRIC 4 *Determining whether an arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts

### 2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

#### 《國際財務報告準則》第16號租賃

《國際財務報告準則》第16號取代《國際會計準則》第17號「租賃」、《國際財務報告詮釋委員會詮釋》第4號「釐定安排是否包含租賃」、《常務詮釋委員會詮釋公告》第15號「經營租賃－獎勵」及《常務詮釋委員會詮釋公告》第27號「評估涉及租賃法律形式的交易本質」。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人會確認作租賃付款的負債（即租賃負債）及確認代表於租賃期內使用相關資產的權利的資產（即使用權資產）。除非使用權資產符合《國際會計準則》第40號投資物業的定義或有關所採納重估模式之物業、廠房及設備類別，否則使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及使用權資產的折舊開支。承租人亦將須於發生若干事件時重新計量租賃負債，例如因租賃期變更或用於釐定未來租賃付款的指數或比率變更而引致該等付款變更。承租人一般將重新計量租賃負債的數額確認為使用權資產的調整。《國際財務報告準則》第16號大致沿用《國際會計準則》第17號內出租人的會計處理。出租人將繼續使用與《國際會計準則》第17號相同的分類原則將所有租賃分類，並將之分為經營租賃及融資租賃。《國際財務報告準則》第16號要求承租人及出租人作出較《國際會計準則》第17號所規定之更多披露。承租人可選擇使用全面回溯性或經修改回溯性方法應用該標準。本集團預期自二零一九年一月一日採納《國際財務報告準則》第16號。本集團計劃採納《國際財務報告準則》第16號的過渡性條文，以確認初次採納的累計影響，並對二零一九年一月一日的保留盈利年初結餘作出調整，以及不會重列比較數字。此外，本集團計劃將新規定應用於先前已應用《國際會計準則》第17號而識別



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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

#### IFRS 16 Leases (續)

that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16. As disclosed in note 32 to the financial statements, at 31 December 2018, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB4,196,000. The Group has estimated that right-of-use assets and lease liabilities be recognised at 1 January 2019 will not be significant.

#### Amendments to IAS 1 and IAS 8 Definition of Material

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

### 2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

《國際財務報告準則》第16號租賃(續)為租賃的合約，並按剩餘租賃付款的現值計量租賃負債，以及使用本集團於初次應用日期的增量借貸利率貼現。使用權資產將按租賃負債金額計量，並按緊接初次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃對租賃期限自初次應用日期起計十二個月內終止之租賃合約使用該準則所允許的豁免。於二零一八年，本集團已就採納《國際財務報告準則》第16號的影響進行詳細評估。如於財務報表附註32所披露，於二零一八年十二月三十一日，本集團合共約有人民幣4,196,000元之不可撤銷經營租賃下之未來最低租賃付款。本集團已估於二零一九年一月一日確認的有使用權資產及租賃負債將並不重大。

#### 《國際會計準則》第1號及《國際會計準則》第8號的修訂本重大的定義

《國際會計準則》第1號及《國際會計準則》第8號的修訂本對重大予以新定義。該新定義指出，如省略、錯誤陳述或模糊該等資料可以合理地預期會影響通用財務報表的主要用戶於該等財務報表的基礎上作出的決定。該修訂本澄清重大性將取決於資料的性質或程度。倘可合理預期錯誤陳述資料會影響主要用戶作出決定，則該等錯誤陳述資料屬重大。本集團預期自二零二零年一月一日起採納該修訂本。該修訂本預期不會對本集團的財務報表產生任何重大影響。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

#### IFRIC 23 *Uncertainty over Income Tax Treatments*

IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

### 2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

#### 《國際財務報告詮釋委員會》詮釋第23號 *所得稅處理的不確定性*

《國際財務報告詮釋委員會》詮釋第23號處理有關當會計處理涉及會影響《國際會計準則》第12號應用的不確定性因素(常稱為「不確定課稅情況」)時,如何將所得稅(即期或遞延)入賬。該詮釋並不適用於《國際會計準則》第12號範疇以外的稅項或徵費,亦無載列與不確定稅務處理有關的利息及罰款之特定要求。詮釋具體處理(i)實體有否單獨考慮不確定稅務處理;(ii)稅務當局調查稅務處理時,實體作出的假設;(iii)實體如何釐定應課稅溢利或稅務虧損、稅基、未動用稅務虧損、未動用稅務抵免及稅率;以及(iv)實體如何考慮事實及情況變動。該詮釋即將在不利用後見之明的情況下全面追溯應用,或按應用的累積影響追溯應用(作為初始採納當日期初權益的調整,且並不會重列比較資料)。本集團預期自二零一九年一月一日起採納該詮釋。該修訂本預期不會對本集團的財務報表產生重大影響。

# Notes to Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Fair value measurement

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

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

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

### 2.4 主要會計政策概要

#### 公允價值計量

本集團於每個報告期末按公允價值計量其衍生金融工具。所謂公允價值，乃指市場參與者之間於計量日期進行的有序交易中，就出售資產所收取或轉讓負債所支付的價格。公允價值計量乃基於假設出售資產或轉讓負債的交易於資產或負債的主要市場或（在未有主要市場的情況下）於資產或負債的最有利市場進行。主要或最有利市場須為本集團可參與的市場。資產或負債的公允價值乃使用市場參與者為資產或負債定價所用的假設計量（假設市場參與者按彼等的最佳經濟利益行事）。

非金融資產的公允價值計量計及市場參與者可從使用該資產得到最高及最佳效用，或把該資產售予另一名可從使用該資產得到最高及最佳效用的市場參與者中產生經濟利益的能力。

本集團使用適用於不同情況且具備充分數據計量公允價值的估值技巧，以盡量利用相關可觀察輸入值及盡量減少使用不可觀察輸入值。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fair value measurement (continued)

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

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

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

#### Impairment of non-financial assets

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

### 2.4 主要會計政策概要 (續)

#### 公允價值計量 (續)

所有於財務報表計量或披露公允價值的資產及負債，均按就公允價值計量整體而言屬重要的最低層輸入值在下述的公允價值等級架構進行分類：

- 第一層 – 按同等資產或負債於活躍市場上的報價（未經調整）計算
- 第二層 – 按估值技巧計算，而該等估值技巧中就公允價值計量而言屬重要的最低層輸入值為可直接或間接觀察的數據
- 第三層 – 按估值技巧計算，而該等估值技巧中就公允價值計量而言屬重要的最低層輸入值為不可觀察的數據

就按經常性基準於財務報表內確認的資產及負債而言，本集團於每個報告期末藉由重新評估分類（基於就公允價值計量整體而言屬重大的最低層輸入值）以決定等級架構內各層之間是否出現轉移。

#### 非金融資產減值

倘若一項資產（存貨、遞延稅項資產及金融資產除外）存在減值跡象，或需要進行年度減值測試，則估計資產的可收回金額。一項資產的可收回金額是指資產或現金產出單元的使用價值與其公允價值扣除出售成本兩者之中的較高者。除非該資產因主要依附於其他資產或一組資產產生現金流入而按該資產所屬現金產出單元釐定可收回金額，否則可收回金額以個別資產釐定。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of non-financial assets (continued)

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

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

#### Related parties

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

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

or

### 2.4 主要會計政策概要 (續)

#### 非金融資產減值 (續)

僅當資產的賬面金額超過其可收回金額時，才確認減值虧損。對使用價值進行評估時，預期未來現金流量以反映當前市場評定的貨幣時間價值以及資產特有風險的稅前折現率折現至現值。減值虧損於產生期內自損益表與減值資產職能一致的開支類別扣除。

在每個報告期末需評估是否有跡象表明以往確認的減值虧損可能不復存在或有所減少。若有此跡象存在，則估計可收回金額。僅當釐定該項資產的可收回金額的估計有所改變時，以往就該項資產（除商譽外）已確認的減值虧損才可轉回，惟轉回後的數額不能高於該項資產以前年度沒有確認減值虧損時的賬面金額（減去折舊／攤銷後）。該等減值虧損轉回應於產生期內計入損益表，除非該項資產是以重估值入賬，則該等減值虧損轉回應按重估資產的相關會計政策入賬。

#### 關連方

在下列情況下，一方將被視為與本集團有關：

- (a) 該方或其直系親屬：(i)控制或共同控制本集團；(ii)可對本集團發揮重大影響力；或(iii)為本集團或其母公司的主要管理層成員；

或

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related parties (continued)

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

### 2.4 主要會計政策概要 (續)

#### 關連方 (續)

- (b) 該方為符合下列任何一項條件的實體：
- (i) 該實體與本集團為同一集團的成員；
  - (ii) 某一實體為另一實體（或其母公司、附屬公司或同系附屬公司）的聯營公司或合營公司；
  - (iii) 該實體與本集團為同一名第三方的合營公司；
  - (iv) 某一實體為一名第三方的合營公司，而另一實體為該名第三方的聯營公司；
  - (v) 該實體乃為本集團或與其有關連的任何實體的僱員福利而設的離職後福利計劃；
  - (vi) 該實體受(a)項所指人士控制或共同控制；
  - (vii) (a)(i)項所指人士可對該實體發揮重大影響力或為該實體（或該實體的母公司）的主要管理層成員；及
  - (viii) 該實體或其所構成集團任何成員公司向本集團或本集團母公司提供主要管理層成員服務。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

Plant and buildings	4.5%
Machinery	9.0%
Office equipment	18.0%
Motor vehicles	22.5%
Leasehold improvements	Over the lease terms

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

### 2.4 主要會計政策概要 (續)

#### 物業、廠房及設備及折舊

物業、廠房及設備（在建工程除外）乃以成本減累計折舊及任何減值虧損列示。當一項物業、廠房及設備分類為持作出售或當其為組成分類為持作出售的處置組合一部分時，無須折舊並根據《國際財務報告準則》第5號入賬。一項物業、廠房及設備的成本包括其購買價格及將資產運抵指定地點並使其達到預定可使用狀態的任何直接可歸屬成本。

物業、廠房及設備項目投入運作後產生的支出，如維修保養等，一般於產生期間的損益表內扣除。如符合確認條件，則主要檢查開支作為重置項目於資產賬面金額資本化。當物業、廠房及設備的重大部分每隔一段期間需要替換時，本集團確認該部分為有個別可使用年期的個別資產並將之折舊。

折舊乃按物業、廠房及設備各項目的估計可使用年期以直線法計算，將其成本撇銷至其剩餘價值。用作此用途的主要年折舊率如下：

廠房及樓宇	4.5%
機器	9.0%
辦公室設備	18.0%
汽車	22.5%
租賃物業裝修	租賃期內

倘物業、廠房及設備項目的不同部分的可使用年期有別，該項目的成本乃按合理基準分配至不同部分且個別進行折舊。至少須於各財政年度結束時檢討及調整（如適用）剩餘價值、可使用年期及折舊方法。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment and depreciation (continued)

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

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

#### Investment properties

Investment properties are interests in buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

The Group's investment properties are accounted for using the cost model. The initial recognition and subsequent measurement of land and buildings that are leased out are accounted for using the same measurement and depreciation methods as those of plant and buildings.

#### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The useful life of the intangible asset of the Group is 20 years.

### 2.4 主要會計政策概要 (續)

#### 物業、廠房及設備及折舊 (續)

物業、廠房及設備項目包括初始確認的任何重大部分，於出售時或預期於日後使用或出售該項目將不會產生任何經濟利益時終止確認。於資產終止確認的年度，因出售或報銷而於損益表內確認的任何盈虧，乃有關資產的出售所得款項淨額與賬面金額之間的差額。

在建工程指興建中的樓宇，並以成本值減任何減值虧損列賬，且不予折舊。成本包括建築期間的直接建築成本。在建工程於竣工及可投入使用時重新分類為合適的物業、廠房及設備類別。

#### 投資物業

投資物業乃為賺取租金收入及／或資本增值，而非為了生產或供應產品或服務或行政用途或在日常業務過程中出售而持有的樓宇的權益。

本集團的投資物業使用成本模型入賬。已租出的土地及樓宇的初始確認及後續計量使用與廠房及樓宇所用者相同的計量及折舊方法入賬。

#### 無形資產

單獨購買的無形資產初始確認時按成本計量。無形資產的可使用年期評估為有限或無限。年期有限的無形資產隨後於可使用經濟年期內攤銷，並於有跡象顯示無形資產出現減值時進行減值評估。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度結束時檢討一次。本集團無形資產的可使用年期為20年。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

#### Leases

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

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

### 2.4 主要會計政策概要 (續)

#### 研發成本

所有研究成本均於產生時在損益表內扣除。

開發新產品項目所產生的開支只會在下列情況下資本化並作遞延處理：本集團可顯示完成該項無形資產以作使用或出售用途在技術上為可行；本集團有意完成該項無形資產，並能夠使用或出售該項資產；該項資產日後將如何產生經濟利益；完成該項目的可用資源量及是否有能力可靠地計量在開發過程中所需開支。不符合此等標準的產品開發開支在產生時支銷。

遞延開發成本以成本減任何減值虧損列賬，並以直線法在相關產品的商業年期（自其投入商業生產日期起計，不超過五至七年）內攤銷。

#### 租賃

凡資產擁有權的絕大部分回報及風險（不包括法定所有權）轉歸本集團所有的租賃，均列作融資租賃。於融資租賃開始時，租賃資產的成本乃按最低租賃付款的現值撥充資本，並連同債務（不包括利息部分）一併入賬，藉以反映購買與融資情況。根據已資本化的融資租賃持有的資產（包括土地租賃預付款項及融資租賃）納入物業、廠房及設備內，並按租賃期或資產的估計可使用年期兩者中的較短者折舊。有關租賃的財務成本乃於損益表內扣除，從而提供租賃期內的固定週期支出比率。

透過融資性質租購合約所獲得的資產入賬為融資租賃，惟按其估計可使用年期折舊。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leases (continued)

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

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

#### Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018)

##### *Initial recognition and measurement*

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

### 2.4 主要會計政策概要 (續)

#### 租賃 (續)

資產擁有權絕大部分回報及風險仍然由出租人擁有的租賃列為經營租賃。倘本集團為出租人，由本集團按經營租賃租出的資產包括在非流動資產內，而根據經營租賃應予收取的租金於租賃期按直線法計入損益表。倘本集團為承租人，根據經營租賃應予支付的租金扣除從出租人收取的任何優惠於租賃期按直線法於損益表內扣除。

經營租賃所涉及的土地租賃預付款項初步按成本列賬，其後於租賃期內按直線基準確認。

#### 投資及其他金融資產（《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策）(續)

##### *初始確認及計量*

金融資產於初始確認時分類為其後按攤銷成本、按公允價值計入其他全面收益及按公允價值計入損益計量。

於初始確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分的應收貿易賬款外，本集團初始按公允價值加上（倘金融資產並非按公允價值計入損益）交易成本計量金融資產。並無重大融資成分的應收貿易賬款根據下文就「收入確認（自二零一八年一月一日起適用）」所載之政策按《國際財務報告準則》第15號釐定的交易價格計量。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

##### *Initial recognition and measurement (continued)*

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產（《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策）（續）

##### *初始確認及計量（續）*

為使金融資產按攤銷成本或按公允價值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息（「純粹為支付本金及利息」）的現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。

所有以一般方式購買及出售的金融資產於交易日（即本集團承諾購買或出售資產當日）予以確認入賬。一般方式購買及出售為須在市場規例或慣例一般規定的期間內將資產交付的金融資產購買或出售。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

##### Subsequent measurement

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

##### Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

##### Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產(《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策)(續)

##### 後續計量

金融資產視乎其分類進行後續計量如下：

##### 按攤銷成本列賬之金融資產(債務工具)

倘滿足以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

按攤銷成本列賬之金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，於損益表內確認盈虧。

##### 按公允價值計入其他全面收益的金融資產(債務工具)

倘滿足以下兩個條件，本集團將按公允價值計入其他全面收益計量債務投資：

- 於旨在持有金融資產以收取合約現金流量及出售金融資產的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

##### *Subsequent measurement (continued)*

Financial assets at fair value through other comprehensive income (debt instruments) (continued)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

### 2.4 主要會計政策概要 (續)

投資及其他金融資產(《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策)(續)

##### *後續計量(續)*

按公允價值計入其他全面收益的金融資產(債務工具)(續)

就按公允價值計入其他全面收益的債務投資而言，利息收入、外匯重估及減值虧損或撥回於損益表中確認，並按與按攤銷成本列賬之金融資產相同的方式計量。其餘公允價值變動於其他全面收益中確認。終止確認時，於其他全面收益中確認的累計公允價值變動將重新計入損益表。

指定按公允價值計入其他全面收益的金融資產(股權投資)

於初始確認時，本集團可選擇於股權投資符合《國際會計準則》第32號金融工具：呈報項下的股權定義且並非持作買賣時，將其股權投資不可撤回地分類為指定按公允價值計入其他全面收益的股權工具。分類乃按個別工具基準釐定。

該等金融資產的盈虧概不會被重新計入損益表。當確立支付權時，與股息相關的經濟利益很可能流入本集團且股息的金額能夠可靠計量時將股息於損益表中確認為其他收益，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等得益於其他全面收益入賬。指定按公允價值計入其他全面收益的股權投資不受減值評估影響。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

##### *Subsequent measurement (continued)*

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through other comprehensive income.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策) (續)

##### *後續計量 (續)*

按公允價值計入損益的金融資產

按公允價值計入損益的金融資產包括持作買賣的金融資產，於初始確認時指定按公允價值計入損益的金融資產，或強制要求按公允價值計量的金融資產。倘金融資產收購作短期出售或購回用途，則該等金融資產乃歸類為持作買賣。衍生工具（包括獨立的內含衍生工具）亦被歸類為持作買賣，除非被指定為實際對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產，不論其業務模式如何，均按公允價值計入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公允價值計入其他全面收益分類，但於初始確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公允價值計入損益。

按公允價值計入損益的金融資產於財務狀況表按公允價值入賬，而淨公允價值變動於損益表內確認。

該類別包括本集團並無不可撤銷地選擇按公允價值計入其他全面收益進行分類的衍生工具。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018)

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, and loans and receivables, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

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

##### *Subsequent measurement*

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

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策)

##### *初始確認及計量*

金融資產在初始確認時乃歸類為按公允價值計入損益的金融資產以及貸款及應收款項 (如適用)。金融資產初始確認時，乃按公允價值另加收購金融資產應佔的交易成本計量，惟按公允價值計入損益的金融資產除外。

所有以一般方式購買及出售的金融資產於交易日 (即本集團承諾購買或出售資產當日) 予以確認入賬。一般方式購買及出售為須在市場規例或慣例一般規定的期間內將資產交付的金融資產購買或出售。

##### *後續計量*

金融資產視乎其分類進行後續計量如下：

##### 按公允價值計入損益的金融資產

按公允價值計入損益的金融資產包括持作買賣金融資產及於初始確認時指定按公允價值計入損益的金融資產。倘金融資產收購作短期出售用途，該等金融資產乃歸類為持作買賣。衍生工具 (包括獨立的內含衍生工具) 亦被歸類為持作買賣，除非根據《國際會計準則》第39號的定義被指定為實際對沖工具則除外。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

##### *Subsequent measurement (continued)*

Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition (applicable before 1 January 2018)” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans or administrative expenses for receivables.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策) (續)

##### *後續計量 (續)*

按公允價值計入損益的金融資產 (續)

按公允價值計入損益的金融資產於財務狀況表按公允價值入賬，淨公允價值正數變動則於損益表內呈列為其他收益及得益，而淨公允價值負數變動則呈列為財務成本。淨公允價值變動不包括該等金融資產賺取的任何股息或利息，該等股息或利息根據下文「收入確認 (於二零一八年一月一日之前適用)」所載的政策確認。

金融資產只會於符合《國際會計準則》第39號的條件時於初始確認當日指定為於初始確認時指定按公允價值計入損益的金融資產。

##### *貸款及應收款項*

貸款及應收款項乃具有固定或可釐定付款額及並非於活躍市場報價的非衍生金融資產。於初始計量後，有關資產其後以實際利率法按攤銷成本減任何減值撥備計量。攤銷成本的計算乃計及任何收購折讓或溢價，並包括構成實際利率整體一部分的費用或成本。實際利率攤銷列入損益表內的其他收益及得益。減值產生的虧損於損益表內確認為貸款的財務成本或應收款項的行政開支。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018)

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### 2.4 主要會計政策概要 (續)

終止確認金融資產（《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策及《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策）

一項金融資產（或（如適用）一項金融資產的一部分或一組類似金融資產的一部分）主要在以下情形被終止確認（即從本集團的合併財務狀況表移除）：

- 從資產取得現金流量的權利已過期；或
- 本集團已轉移其從資產取得現金流量的權利或已根據「轉付」安排承擔將取得的現金流量全部向第三方支付義務，且不得有重大延誤；及(a)本集團已轉移該資產的絕大部分風險及回報，或(b)本集團既沒有轉移也沒有保留該資產的絕大部分風險及回報，但是已轉移該資產的控制權。

倘本集團已轉移其從資產取得現金流量的權利或已訂立轉付安排，則會評估保留資產擁有權風險與回報的情況。倘沒有轉移也沒有保留資產的絕大部分風險與回報，也沒有轉移資產的控制權，則本集團按其於被轉移資產的持續參與程度確認該資產。在此情況下，本集團亦確認相關債務。被轉移資產及相關債務乃基於反映本集團保留的權利與義務的基礎計量。

本集團以擔保形式持續涉及轉讓資產，該已轉讓資產乃以該項資產的原賬面金額與本集團可能須支付的最高代價兩者中的較低者計量。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018)

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

##### *General approach*

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

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

### 2.4 主要會計政策概要 (續)

#### 金融資產減值（《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策）

本集團確認對並非按公允價值計入損益的所有債務工具預期信貸虧損的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

##### *一般方式*

預期信貸虧損分兩個階段進行確認。就自初始確認起未有顯著增加的信貸風險而言，預期信貸虧損提供予由未來十二個月內可能發生違約事件而導致的信貸虧損（十二個月預期信貸虧損）。就自初始確認起已經顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備（全期預期信貸虧損）。

於各報告日期，本集團評估金融工具之信貸風險自初始確認以來是否顯著增加。於作出此項評估時，本集團會將金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險進行比較，並考慮合理可靠的資料，包括過往經驗及無需付出不必要成本或精力即可獲得的前瞻性資料。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

##### General approach (continued)

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

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

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

### 2.4 主要會計政策概要 (續)

#### 金融資產減值 (《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策) (續)

##### 一般方式 (續)

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

按公允價值計入其他全面收益的債務投資及按攤銷成本列賬的金融資產於一般方式下會產生減值，除採用簡化方式計量的應收貿易賬款及合約資產外，該等債務投資及金融資產將按以下階段分類以計量預期信貸虧損，詳情如下。

- 第1階段 – 自初始確認以來信貸風險並無顯著增加且虧損撥備乃按相當於十二個月預期信貸虧損計量的金融工具
- 第2階段 – 自初始確認以來信貸風險顯著增加但並無信貸減值金融資產且虧損撥備乃按相當於全期預期信貸虧損計量的金融工具
- 第3階段 – 於報告日期已發生信貸減值 (但並非購買或源生信貸減值) 且虧損撥備乃按相當於全期預期信貸虧損計量的金融資產

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

##### *Simplified approach*

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

#### Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### 2.4 主要會計政策概要 (續)

#### 金融資產減值（《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策）（續）

##### *簡化方式*

就並無重大融資成分的應收貿易賬款及應收票據，本集團採用簡化方式計算預期信貸虧損。根據簡化方式，本集團將不追蹤信貸風險的變化，而是於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算的撥備矩陣，並按與債務人相關之前瞻性因素及經濟環境調整。

#### 金融資產減值（《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策）

本集團於每個報告期末評估是否有客觀跡象顯示一項金融資產或一組金融資產已減值。倘自資產初始確認後發生的一項或多項事件對該項金融資產或該組金融資產的估計未來現金流量產生影響，而有關影響能可靠地估計，則存在減值。減值跡象可以包括一名債務人或一組債務人正經歷嚴重財務困難、利息或本金款項違約或被拖欠的跡象、彼等可能將進入破產或其他財務重組及可見數據表示估計未來現金流量出現一個可計量的減少，比如與拖欠相關聯的未付清款項或經濟狀況的變化。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

##### *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assessed them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

### 2.4 主要會計政策概要 (續)

#### 金融資產減值(《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策)(續)

##### *按攤銷成本列賬的金融資產*

就按攤銷成本列賬的金融資產而言，本集團首先單獨評估每項個別重大的金融資產或合併評估個別不重大的金融資產是否存在減值。倘本集團確認一項單獨評估的金融資產沒有減值的客觀跡象出現，則不論重大與否，均會連同一組有類似信貸風險特徵的金融資產合併評估減值。被單獨評估減值且減值虧損已被確認或持續被確認的資產不包括於減值合併評估。

任何已識別減值虧損金額乃按資產的賬面金額與估計現金流量(不包括未產生的未來信貸虧損)現值兩者之間的差額計量。估計未來現金流量現值按金融資產原本實際利率(即於初始確認時計算的實際利率)折現。

資產賬面金額透過使用撥備賬扣減，虧損金額在損益表內確認。利息收入繼續按已減少的賬面金額累計，所用利率為就計量減值虧損對未來現金流量進行折現的利率。貸款及應收款項及任何相關撥備於實際上不大可能於日後收回，而全部抵押品均已變現或轉移至本集團時撇銷。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

##### *Financial assets carried at amortised cost (continued)*

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

#### Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

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

The Group's financial liabilities include trade and other payables, derivative financial instruments and interest-bearing bank and other borrowings.

##### *Subsequent measurement*

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

### 2.4 主要會計政策概要 (續)

#### 金融資產減值（《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策）（續）

##### *按攤銷成本列賬的金融資產（續）*

倘於後續期間，減值虧損的估計數額增加或減少，而增加或減少的原因乃與減值確認後發生的事件相關，則先前確認的減值虧損會通過調整撥備賬予以增加或減少。倘一項未來的撤銷於後來收回，則該收回於損益表內計入其他開支。

#### 金融負債（《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策及《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策）

##### *初始確認及計量*

金融負債在初始確認時乃歸類為按公允價值計入損益的金融負債、貸款及借貸或應付款項（如適用）。

所有金融負債初始時均按公允價值確認，如屬貸款及借貸及應付款項，則減去直接應佔交易成本。

本集團的金融負債包括應付貿易賬款及其他應付款項、衍生金融工具及計息銀行借貸及其他借貸。

##### *後續計量*

金融負債視乎其分類進行後續計量如下：

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018) (continued)

##### *Loans and borrowings*

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

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

#### Derecognition of financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

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

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

### 2.4 主要會計政策概要 (續)

金融負債（《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策及《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策）

##### *貸款及借貸*

初始確認後，計息銀行借貸其後使用實際利率法按攤銷成本計量，惟倘折現的影響不重要，則按成本列賬。當終止確認負債及於使用實際利率法進行攤銷時，於損益表內確認盈虧。

攤銷成本的計算已考慮任何收購折讓或溢價，及構成實際利率整體一部分的費用或成本。實際利率攤銷列入損益表內的財務成本。

終止確認金融負債（《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策及《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策）

當金融負債的責任被解除或取消或屆滿時，金融負債將被終止確認。

倘現有金融負債由同一放債人以條款極為不同的負債所取代，或現有負債的條款作出重大修訂，該等交換或修訂乃視為終止確認原負債及確認新負債處理，有關賬面金額的差額於損益表內確認。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Offsetting of financial instruments (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

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

#### Derivative financial instruments (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

##### *Initial recognition and subsequent measurement*

The Group uses derivative financial instruments, such as forward currency contracts and cross-currency swaps, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

#### **Inventories**

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

### 2.4 主要會計政策概要 (續)

對銷金融工具（《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策及《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策）

如有現行可強制執行的法律權利對銷已確認的數額且有意向以淨值為基礎結算，或變賣資產與解除負債同時進行的情況下，金融資產與金融負債方會相互對銷，而淨值列入財務狀況表。

衍生金融工具（《國際財務報告準則》第9號項下自二零一八年一月一日起適用之政策及《國際會計準則》第39號項下於二零一八年一月一日之前適用之政策）

##### *Initial recognition and subsequent measurement*

本集團使用衍生金融工具（如遠期貨幣合約及換匯換利掉期）對沖其外幣風險。該等衍生金融工具於初始確認時按訂立衍生合約當日的公允價值確認，其後再按公允價值重新計量。衍生工具在公允價值為正數時以資產列賬，而於公允價值為負數時則按負債列賬。

衍生工具公允價值變動產生的任何盈虧乃直接計入損益表，惟現金流量對沖的實際部分於其他全面收益內確認，其後如對沖項目影響損益，則重新分類至損益。

#### **存貨**

存貨以其成本與可變現淨值兩者中的較低者列賬。成本按加權平均計算法釐定，而在製品及製成品則包括直接物料、直接勞工及適當比例間接成本。可變現淨值按估計售價減去估計完工及出售將予產生的成本釐定。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Cash and cash equivalents

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

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

#### Income tax

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

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

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

### 2.4 主要會計政策概要 (續)

#### 現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括手頭現金、活期存款及可隨時轉換為已知數額現金並於購入後一般在三個月內到期，且沒有重大價值變動風險的短期高流通量投資，再扣除在催繳時須償還及構成本集團現金管理整體一部分的銀行透支。

就合併財務狀況表而言，現金及現金等價物包括手頭及銀行現金（包括定期存款），以及近似現金性質而其用途不受限制的資產。

#### 所得稅

所得稅包括即期及遞延稅項。有關於損益外確認的項目的所得稅於損益以外的其他全面收益或直接於權益內確認。

即期稅項資產及負債乃於計及本集團經營所在國家的當前詮釋及慣例後，根據於報告期末已頒佈或實質上已頒佈的稅率（及稅務法例），按預期可向稅務機關收回或支付予稅務機關數額計算。

遞延稅項就於報告期末資產及負債的稅項基準及其於財務報告內的賬面金額的所有暫時性差額以負債法撥備。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

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

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

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

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

### 2.4 主要會計政策概要 (續)

#### 所得稅 (續)

所有應課稅暫時性差額均被確認為遞延稅項負債，惟下列情況除外：

- 倘若遞延稅項負債的起因，是由於在一宗非屬業務合併的交易中初始確認資產或負債，而且在交易時，對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司的投資的應課稅暫時性差額而言，倘若撥回暫時性差額的時間可以控制，以及暫時性差額不大可能在可見將來撥回。

對於所有可扣減暫時性差額、結轉的未動用稅項抵免及未動用稅項虧損，若日後有可能出現應課稅溢利，可用以抵扣該等可扣減暫時性差額、結轉的未動用稅項抵免及未動用稅項虧損，則遞延稅項資產一律確認入賬，惟下列情況除外：

- 倘若有關可扣減暫時性差額的遞延稅項資產的起因，是由於在一宗非屬業務合併的交易中初始確認資產或負債，而且在交易時，對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司的投資的可扣減暫時性差額而言，只有在暫時性差額有可能在可見將來撥回，而且日後有可能出現應課稅溢利，可用以抵扣該等暫時性差額時，方會確認遞延稅項資產。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

### 2.4 主要會計政策概要 (續)

#### 所得稅 (續)

遞延稅項資產的賬面金額在每個報告期末予以檢討。若不再可能有足夠應課稅溢利用以抵扣全部或部分遞延稅項資產，則扣減遞延稅項資產賬面金額。過往未確認的遞延稅項資產於每個報告期末重新評估，並於有充足應課稅溢利有可能用以抵扣將收回的全部或部分遞延稅項資產時確認。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈的稅率（及稅務法例），以資產被變現或負債被清還期間預期的適用稅率計算。

倘存在可合法強制執行權利，可以即期稅項資產抵銷即期稅項負債，及倘遞延稅項與同一課稅實體及同一稅務機關有關，則遞延稅項資產及遞延稅項負債可互相對銷。

#### 政府補助

如能就收取政府補助及將可符合該補助所有附帶條件作出合理保證，該補助乃按公允價值予以確認。若有關補助涉及某一開支項目，則須按有系統方式於其擬補償的成本支銷期間確認為收入。

若有關補助與某一資產有關，則公允價值計入遞延收入賬，並在有關資產的預計可使用年期內逐年按等額分期撥入損益表，或自資產的賬面金額扣減並以扣減折舊開支的方式撥入損益表。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition (applicable from 1 January 2018)

##### *Revenue from contracts with customers*

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

##### *Sale of linen yarn, hemp yarn and scraps*

Revenue from the sale of linen yarn, hemp yarn and scraps is recognised at the point in time when control of the goods is transferred to the customers, generally upon delivery of the goods.

##### *Revenue from other sources*

Rental income is recognised on a time proportion basis over the lease terms.

##### *Other income*

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

### 2.4 主要會計政策概要 (續)

#### 收入確認 (自二零一八年一月一日起適用)

##### *客戶合約收入*

當貨物的控制權轉移至客戶時，客戶合約收入按能反映本集團預期有權就該等貨物而換取的代價金額確認。

##### *銷售亞麻紗、工業大麻紗及廢料*

銷售亞麻紗、工業大麻紗及廢料的收入於貨物的控制權轉移至客戶的時間點確認，通常於交付貨物時確認。

##### *其他來源的收入*

租金收入於租賃期內按時間比例基準確認。

##### *其他收入*

利息收入按應計基準以實際利率法使用可在金融工具預計年期或更短期間 (如適用) 將估計未來現金收入準確折現至金融資產賬面淨值的利率確認。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition (applicable before 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on a time proportion basis over the lease terms; and
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

#### Share-based payments

The Company operates a share option scheme and a share award plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Further details are given in note 27 and note 29 to the financial statements.

### 2.4 主要會計政策概要 (續)

#### 收入確認 (於二零一八年一月一日之前適用)

當經濟利益極有可能歸本集團所有及收入數額能可靠地計算時，收入方被確認，其基準如下：

- (a) 貨品銷售在附於擁有權的主要風險及回報已轉移至買方，且本集團並無保留通常視為與擁有權相關程度的管理權或已售貨品的有效控制權時確認；
- (b) 租金收入於租賃期內按時間比例基準確；及
- (c) 利息收入按應計基準以實際利率法使用可在金融工具預計年期將估計未來現金收入折現至金融資產賬面淨值的利率確認。

#### 以股份付款

本公司設有一項購股權計劃及股份獎勵計劃，為所有對本集團業務成功作出貢獻的合資格參與人提供激勵及獎賞。本集團的僱員會以股份付款形式收取薪酬，而僱員會提供服務作為權益工具的代價（「以權益結算交易」）。

與僱員進行以權益結算交易的成本，乃參照授出日期的公允價值計量。進一步詳情載於財務報表附註27及附註29。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Share-based payments (continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

### 2.4 主要會計政策概要 (續)

#### 以股份付款 (續)

以權益結算交易的成本連同權益相應增加部分在表現及／或服務條件獲履行的期間於僱員福利開支內確認。在歸屬日期前的每個報告期末就以權益結算交易所確認的累計開支，乃反映歸屬期屆滿的程度及本集團對將最終歸屬的權益工具數目的最佳估計。某一期間內在損益表內的扣除或進賬，乃反映已確認累計開支於該期初與該期終時的變動。

釐訂獎勵獲授當日的公允價值時，並無計及服務及非市場表現條件，惟已評估達成該等條件的可能性，作為本集團對將最終歸屬的權益工具數目的最佳估計。市場表現條件已於權益獲授當日的公允價值反映。倘獎勵隨附任何其他條件，而毋須提供相關服務，則視該等條件為非歸屬條件。除非有提供服務及／或存在有關表現條件，否則非歸屬條件會於獎勵的公允價值反映，從而引致即時支銷獎勵。

對於因未達成非市場表現及／或服務條件而最終未歸屬的獎勵，不會確認任何開支。倘獎勵包括一項市場或非歸屬條件，只要所有其他表現及／或服務條件已獲達成，則交易仍會被視為已歸屬，而不論該市場或非歸屬條件是否獲達成。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Share-based payments (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

#### Pension scheme

Pursuant to the relevant regulations, the Group has participated in a local municipal government pension scheme (the "Scheme"), whereby the Group is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above. Contributions under the Scheme are charged to the statement of profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

### 2.4 主要會計政策概要 (續)

#### 以股份付款 (續)

倘以權益結算的獎勵的條款有所變更，惟已符合獎勵的原先條款，則所確認的開支最少須達到猶如條款並無任何變更的水平。此外，倘按變更日期的計量，任何變更導致以股份支付的款項的總公允價值有所增加，或對僱員帶來其他利益，則應該就該等變更確認開支。

倘以權益結算的獎勵被註銷，應被視為已於註銷日期歸屬，而任何尚未確認的獎勵開支會立刻確認。此包括未符合屬本集團或僱員控制範圍內的非歸屬條件的任何獎勵。然而，若新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則已註銷的獎勵及新獎勵均應被視為原獎勵的變更，一如前段所述。

未行使購股權的攤薄影響已於計算每股盈利時反映為額外股份攤薄。

#### 退休金計劃

根據有關規例，本集團已參與地方市政府的退休金計劃（「計劃」），為撥支提供僱員的退休福利，本集團須將僱員的基本薪金的若干百分比作為計劃供款。地方政府承擔本集團現在及未來全部退休僱員的退休福利責任。如上所述，根據計劃，本集團唯一責任為持續作出所需供款。計劃供款於產生時自損益表扣除。計劃並無規定沒收供款可用作減少未來供款。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Borrowing costs

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

#### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

#### Foreign currencies

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

### 2.4 主要會計政策概要 (續)

#### 借貸成本

如借貸成本直接歸屬於收購、興建或生產合資格資產（即須經一段相當長時間作準備方可作擬定用途或銷售的資產），則撥充資本作為該等資產成本的一部分。當有關資產大致可作擬定用途或銷售時，即終止將該等借貸成本撥充資本。將待用於合資格資產開支的指定借貸進行臨時投資所賺取的投資收入，則從資本化借貸成本扣除。所有其他借貸成本均於其產生期間支銷。借貸成本包括利息及與公司因借取資金而產生的其他成本。

#### 股息

末期股息於股東大會上獲股東批准時，獲確認為一項負債。

#### 外幣

本財務報表以人民幣呈列，即本公司的功能貨幣。本集團內的實體各自決定其功能貨幣，各實體的財務報表項目均以所定功能貨幣計量。本集團內的實體的外幣交易初始按有關功能貨幣於交易當日的匯率換算入賬。以外幣計值的貨幣資產及負債，按有關功能貨幣於報告期末的匯率換算。因結算或換算貨幣項目而產生的差額於損益表內確認。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies (continued)

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

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

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

### 2.4 主要會計政策概要 (續)

#### 外幣 (續)

按歷史成本列賬、以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公允價值列賬、以外幣計量的非貨幣項目，採用計量公允價值日期的匯率換算。重新換算非貨幣項目所產生的盈虧的處理方法與確認按公允價值計量的項目公允價值變動的盈虧者一致（換言之，於其他全面收益或損益內確認公允價值盈虧的項目的匯兌差額，亦分別於其他全面收益或損益內確認）。

若干海外附屬公司使用人民幣以外貨幣作為功能貨幣。於報告期末，該等實體的資產與負債按報告期末的匯率換算為人民幣，其損益表則按年內的加權平均匯率換算為人民幣。

因此而產生的匯兌差額於其他全面收益內確認並於匯兌儲備內累計。出售海外業務時，有關該項海外業務的其他全面收益部分在損益表內確認。

就合併現金流量表而言，海外附屬公司的現金流量按現金流動當日的匯率換算為人民幣。海外附屬公司在整個年度內經常產生的現金流量按年內的加權平均匯率換算為人民幣。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

#### Judgements

There is no significant effect on the amounts recognised in the consolidated financial statements arising from the judgements, apart from those involving estimations, made by management in the process of applying the Group's accounting policies.

#### Estimation uncertainty

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

### 3. 重大會計判斷及估計

管理層在編製本集團合併財務報表時須作出判斷、估計及假設，而有關判斷、估計及假設會對收入、開支、資產及負債所申報的金額及其隨附披露以及對或然負債的披露造成影響。該等假設及估計的不確定性或引致須對在未來受影響的資產及負債的賬面金額進行重大調整。

#### 判斷

除涉及估計的判斷外，管理層於應用本集團的會計政策的過程中所作出的判斷對合併財務報表所確認的金額並無重大影響。

#### 估計不確定性

於報告期末，存在對下一個財政年度資產及負債的賬面金額作出重大調整的重大風險且關於未來的主要假設及估計不確定性的其他主要來源如下。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Estimation uncertainty (continued)

- (a) Impairment of non-current assets (other than goodwill)
- The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amounts of the non-current asset of the Group has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. The assumption that has the most significant impact on the determination of the recoverable amount of its assets is the discount rate. The pre-tax discount rate applied to the cash flow projections as at 31 December 2018 was 22%.

- (b) Deferred tax assets
- Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

### 3. 重大會計判斷及估計 (續)

#### 估計不確定性 (續)

- (a) 非流動資產 (商譽除外) 減值
- 本集團於每個報告期末評估所有非金融資產是否有任何減值跡象。於有跡象顯示未必可收回賬面金額時，非金融資產會接受減值測試。當資產或現金產生單位的賬面值超過其可收回金額 (指其公允價值扣除出售成本與其使用價值兩者之中的較高者)，即存在減值。公允價值扣除出售成本乃根據類似資產的具約束力公平磋商銷售交易所得的數據或可觀察市場價格減出售資產的遞增成本計算。於計算使用價值時，管理層須估計預期該項資產或現金產生單位的未來現金流量，並選擇合適折現率計算該等現金流量的現值。

本集團非流動資產的可收回金額已根據使用價值計算法釐定，並以經管理層批准的五年期財政預算所預測的現金流量為基準。對釐定其資產可收回金額構成最大影響的假設為折現率。於二零一八年十二月三十一日，用作預測現金流量的稅前折現率為22%。

- (b) 遞延稅項資產
- 遞延稅項資產僅在有可能出現應課稅溢利可用以抵扣未動用稅項虧損時，方會就該等虧損獲得確認。在釐定可確認的遞延稅項資產金額時，管理層須根據未來應課稅溢利可能的時間及水平連同未來稅項規劃策略，作出重要判斷。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Estimation uncertainty (continued)

##### (c) Write-down of inventories

The Group's inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the age and conditions of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed annually for write-down, if appropriate. The carrying amount of inventories at 31 December 2018 was RMB557,087,000 (2017: RMB531,212,000). Further details are contained in note 18 to the financial statements.

##### (d) Provision for expected credit losses on trade and notes receivables

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade and notes receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer type and rating, coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### 3. 重大會計判斷及估計 (續)

#### 估計不確定性 (續)

##### (c) 存貨撇減

本集團的存貨以其成本與可變現淨值兩者中的較低者列賬。本集團經參考存貨貨齡及存貨狀況以及考慮影響有關存貨銷路的經濟情況後按所估計的可變現價值撇減其存貨。存貨將每年進行檢討，並於適當情況下予以撇減。於二零一八年十二月三十一日，存貨的賬面金額為人民幣557,087,000元（二零一七年：人民幣531,212,000元）。其他詳情載於合併財務報表附註18。

##### (d) 應收貿易賬款及應收票據預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易賬款及應收票據的預期信貸虧損（「預期信貸虧損」）。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組（即地理位置、信用證及其他信貸保險形式的保障範圍）而逾期的日數計算。

撥備矩陣最終基於本集團的歷史觀察違約率。本集團將通過調整矩陣以調整歷史信貸虧損經驗及前瞻性資料。例如，若預測經濟狀況（如國內生產總值）於未來一年內惡化，從而導致製造行業的違約數量增加，歷史違約率將得到調整。於各報告日期，歷史觀察違約率將會予以更新，並分析前瞻性估計的變化。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Estimation uncertainty (continued)

(d) (continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and notes receivables is disclosed in note 19 to the financial statements.

(e) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives 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 management will write off or write down technically obsolete or non-strategic assets that have been abandoned. The carrying amount of property, plant and equipment at 31 December 2018 was RMB803,778,000 (2017: RMB726,532,000). Further details are contained in note 13 to the financial statements.

### 3. 重大會計判斷及估計 (續)

#### 估計不確定性 (續)

(d) (續)

對歷史觀察違約率、預測經濟狀況及預期信貸虧損之間的相關性評估乃一項重要的估計。預期信貸虧損的金額對環境及預測經濟狀況敏感。本集團的歷史信貸虧損經驗及對經濟狀況的預測亦可能無法表示客戶於日後的實際違約情況。有關本集團應收貿易賬款及應收票據的預期信貸虧損資料於財務資料附註19披露。

(e) 物業、廠房及設備的可使用年期

本集團管理層釐定其物業、廠房及設備的估計可使用年期及相關折舊費用。該項估計乃根據類似性質及功能的物業、廠房及設備的實際可使用年期的過往經驗而釐定。並可能因技術創新及競爭者對嚴峻行業週期的反應而有重大改變。當可使用年期較之前估計年期短，管理層將增加折舊費用，或將撇銷或撇減技術上過時或非策略性的已報廢資產。於二零一八年十二月三十一日，物業、廠房及設備的賬面金額為人民幣803,778,000元（二零一七年：人民幣726,532,000元）。進一步載於財務報表附註13。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is primarily the manufacture and sale of linen yarns. Management reviews the consolidated results when making decisions about allocating resources and assessing the performance of the Group. Accordingly, no segment analysis is presented.

#### Geographical information

(a) Revenue from external customers

An analysis of the Group's geographical information on revenue attributed to the regions on the basis of customer locations for the year ended 31 December 2018 is set out in the following table:

Mainland China	中國大陸
European Union	歐盟國
Non-European Union	非歐盟國

(b) Non-current assets

Mainland China	中國大陸
Ethiopia	埃塞俄比亞

### 4. 經營分部資料

為方便管理，本集團已組織成一個單一業務單位，即生產及銷售亞麻紗。管理層於就分配本集團資源作出決定及評估本集團表現時會審閱合併業績。因此，本集團並無呈列分部分析。

#### 地理資料

(a) 來自外部客戶收入

下表載列本集團於截至二零一八年十二月三十一日止年度按客戶所在地劃分的地區應佔收入的地理資料分析：

Revenue from external customers	
來自外部客戶收入	
2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
470,690	387,135
307,854	251,705
467,099	385,122
<b>1,245,643</b>	<b>1,023,962</b>

(b) 非流動資產

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
780,140	799,555
118,423	13,155
<b>898,563</b>	<b>812,710</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

#### 4. OPERATING SEGMENT INFORMATION (continued)

##### Geographical information (continued)

The non-current asset information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

##### Information about major customers

No revenue amounting to 10 percent or more of the Group's total revenue was derived from sales to a single customer for the year ended 31 December 2018 (2017: Nil).

#### 5. REVENUE, OTHER INCOME AND GAINS

Revenue from contracts with customers, which is also the Group's turnover, represents the sales value of linen yarn, hemp yarn and scraps, net of sales tax and deduction of any sales discounts and returns. The performance obligation is satisfied upon delivery of linen yarn, hemp yarn and scraps and payment is generally due within 30 to 150 days from delivery, except for new customers, where payment in advance is normally required.

An analysis of revenue from contracts with customers, other income and gains is as follows:

Type of goods	貨品類型
Sales of linen yarn, hemp yarn and scraps	銷售亞麻紗、工業大麻紗及廢料
Timing of revenue recognition	收入確認時間
Goods transferred at a point in time	於某一時點轉讓的貨品

Revenue recognised that was included in contract liabilities at the beginning of the reporting period was RMB6,595,000.

#### 4. 經營分部資料 (續)

##### 地理資料 (續)

上文所載之持續經營業務的非流動資產資料乃基於資產(金融工具及遞延稅項資產除外)所處的位置。

##### 有關主要客戶的資料

於截至二零一八年十二月三十一日止年度，並無向單一客戶進行的銷售收入佔本集團總收入10%或以上(二零一七年：無)。

#### 5. 收入、其他收益及得益

客戶合約收入(亦即本集團營業額)指亞麻紗、工業大麻紗及廢料的銷售價值，經扣除銷售稅及扣減任何銷售折扣及退還。履約責任於交付麻紗、工業大麻紗及廢料時完成，且款項通常應自交付後30至150日內支付，惟新客戶通常須預付款項。

客戶合約收入、其他收益及得益之分析如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<u>1,245,643</u>	<u>1,023,962</u>
<u>1,245,643</u>	<u>1,023,962</u>

所確認的計入報告期初合約負債的收入為人民幣6,595,000元。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 5. REVENUE, OTHER INCOME AND GAINS (continued)

### 5. 收入、其他收益及得益 (續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Other income</b>	<b>其他收益</b>		
Bank interest income	銀行利息收入	1,044	899
Government grants	政府補助	2,501	24,135
Foreign exchange gains, net	外匯收益淨額	19,235	-
Others	其他	1,528	541
		<u>24,308</u>	<u>25,575</u>

### 6. FINANCE COSTS

### 6. 財務成本

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest on bank loans	銀行貸款的利息	26,392	25,351
Less: interest capitalised	減：資本化利息	(4,872)	(7,639)
		<u>21,520</u>	<u>17,712</u>



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

### 7. 除稅前溢利／（虧損）

本集團除稅前溢利／（虧損）於扣除／（計入）下列各項後得出：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cost of inventories sold	出售存貨成本	987,762	907,694
Depreciation	折舊	71,424	60,717
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	1,814	1,446
Amortisation of other intangible assets	其他無形資產攤銷	586	536
Research and development ("R&D") expenses	研究及開發（「研發」）開支	13,052	6,851
Minimum lease payments under operating leases:	經營租賃項下的最低租賃款項：		
Land and buildings	土地及樓宇	1,689	1,745
Auditors' remuneration	核數師酬金	1,800	1,800
Employee benefit expense (including directors' and chief executive's remuneration):	僱員福利開支（包括董事及最高行政人員薪酬）：		
Wages, salaries and other benefits	工資、薪金及其他福利	168,986	157,354
Pension scheme contributions	退休金計劃供款	11,270	10,435
Equity-settled share award expense	以權益結算股份獎勵開支	3,567	-
Equity-settled share option expense	以權益結算購股權開支	-	195
		<b>183,823</b>	<b>167,984</b>
Foreign exchange differences, net	外匯差額，淨額	(19,235)	28,894
Fair value loss on derivative instruments – transactions not qualifying as hedges	衍生工具的公允價值虧損 – 不合資格作對沖的交易	3,438	7,002
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備的虧損	405	730
Reversal of impairment of inventories	轉回存貨減值	(1,179)	(4,540)
Provision/(reversal of provision) for impairment of trade receivables	應收貿易賬款減值撥備／（撥備轉回）	412	(312)
Finance costs	財務成本	21,520	17,712
Bank interest income	銀行利息收入	(1,044)	(899)

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

Fees	袍金
Other emoluments:	其他酬金：
Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Pension scheme contributions	退休金計劃供款

#### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

Mr. Lau Ying Kit	劉英傑先生
Mr. Yan Jianmiao	嚴建苗先生
Mr. Lo Kwong Shun Wilson	羅廣信先生

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

### 8. 董事及最高行政人員薪酬

年內，根據上市規則、香港《公司條例》第383(1)(a)、(b)、(c)及(f)條以及《公司(披露董事利益資料)規例》第2部披露的董事及最高行政人員薪酬如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
437	437
3,600	3,700
123	111
<b>4,160</b>	<b>4,248</b>

#### (a) 獨立非執行董事

年內向獨立非執行董事支付的袍金如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
125	125
104	104
104	104
<b>333</b>	<b>333</b>

年內並無應付獨立非執行董事的其他酬金(二零一七年：無)。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

#### (b) Executive directors, non-executive director and the chief executive (continued)

2017

Executive directors	執行董事
Mr. Ren Weiming*	任維明先生*
Mr. Shen Yueming	沈躍明先生
Mr. Zhang Hongwen	張鴻文先生
Ms. Shen Hong	沈鴻女士
Non-executive director	非執行董事
Mr. Ngan Kam Wai Albert	顏金煒先生

### 8. 董事及最高行政人員薪酬 (續)

#### (b) 執行董事、非執行董事及最高行政人員 (續)

二零一七年

	Salaries, allowances and benefits	Pension scheme contributions	Total remuneration
Fees in kind	in kind		
袍金	實物利益	退休金計劃供款	薪酬總額
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
–	1,500	37	1,537
–	850	37	887
–	750	37	787
–	600	–	600
–	3,700	111	3,811
104	–	–	104
104	–	–	104
104	3,700	111	3,915

\* Mr. Ren Weiming, who acts as an executive director of the Company, is also the chief executive officer of the Company.

\* 身為本公司執行董事的任維明先生，亦兼任本公司行政總裁。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2017: four) directors including the chief executive, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining one (2017: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Share award plan (note 29)	股份獎勵計劃(附註29)
Pension scheme contributions	退休金計劃供款

The number of non-director and non-chief executive, highest paid employees whose remuneration fell within the following band is as follows:

HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元
--------------------------------	-------------------------

During the year ended 31 December 2018, none of the directors and chief executive, or any of the non-director and non-chief executive, highest paid employees waived or agreed to waive any remuneration (2017: Nil). None of the directors and the chief executive, or any of the non-director and non-chief executive, highest paid employees received any payment from the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2017: Nil).

### 9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括四名(二零一七年：四名)董事，當中包括最高行政人員，其薪酬詳情載於上文附註8。年內，餘下一名(二零一七年：一名)非本公司董事或最高行政人員的最高薪酬僱員的薪酬詳情如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
1,299	1,298
59	–
16	16
<b>1,374</b>	<b>1,314</b>

薪酬處於以下範圍的非董事及非最高行政人員的最高薪酬僱員人數如下：

Number of employees 僱員人數	
2018 二零一八年	2017 二零一七年
<b>1</b>	<b>1</b>

於截至二零一八年十二月三十一日止年度，概無董事及最高行政人員或任何非董事及非最高行政人員的最高薪酬僱員放棄或同意放棄任何薪酬(二零一七年：無)。概無董事及最高行政人員或任何非董事及非最高行政人員的最高薪酬僱員從本集團收取任何款項以吸引其加入本集團或於加入本集團時作為獎勵或作為離職補償(二零一七年：無)。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 10. INCOME TAX

Major components of the Group's income tax expense/(credit) for the year are as follows:

Current – Mainland China	即期–中國大陸
– Charge for the year	– 年內支出
– Overprovision in respect of prior years	– 過往年度超額撥備
Current – Hong Kong	即期–香港
– Charge for the year	– 年內支出
– Overprovision in respect of prior years	– 過往年度超額撥備
Current – Italy	即期–意大利
– Charge for the year	– 年內支出
Deferred (note 17)	遞延(附註17)
Total tax charge/(credit) for the year	年內稅項支出/(抵免)總額

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.
- (ii) In accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, the provision for current income tax of Mainland China has been based on a statutory rate of 25% of the assessable profits of the Company for the year except for Zhaosu Jindi Flax Co., Ltd. (“Zhaosu Jindi”) and Zhejiang Jinlainuo Fiber Co., Ltd. (“Zhejiang Jinlainuo”), two indirectly wholly-owned subsidiaries of the Group. Zhaosu Jindi is engaged in the preliminary processing of agricultural products and is exempted from PRC income tax. Also, Zhejiang Jinlainuo obtained the High-new Technology Certificate for the years from 2017 to 2020 and was entitled to a tax rate of 15%.

### 10. 所得稅

本集團於年內的所得稅開支/(抵免)主要項目如下:

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
12,429	13,232
(105)	–
1,849	1,089
(423)	–
1,245	187
13,962	(18,230)
<b>28,957</b>	<b>(3,722)</b>

- (i) 根據開曼群島及英屬處女群島規則及法規，本集團毋須繳納開曼群島或英屬處女群島任何所得稅。
- (ii) 根據已通過並於二零零八年一月一日生效的《中國企業所得稅法》，中國大陸即期所得稅撥備已根據年內本公司的應課稅溢利按25%法定稅率計算，惟本集團的兩間間接全資附屬公司昭蘇金地亞麻有限公司(「昭蘇金地」)及浙江金萊諾纖維有限公司(「浙江金萊諾」)除外。昭蘇金地從事農產品的初加工業務，獲豁免繳付中國所得稅。浙江金萊諾則取得於二零一七年至二零二零年各個年度的高新技術認證，可享有15%稅率。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 10. INCOME TAX (continued)

- (iii) Hong Kong profits tax has been provided at the rate of 8.25% on the estimated assessable profits arising in Hong Kong up to HK\$2 million. And the assessable profits over HK\$2 million are subject to a tax rate of 16.5%.
- (iv) Pursuant to the rules and regulations of Italy, the Group is subject to tax at an income tax rate of 28.82%, which comprises the Italy Corporate Income Tax at 24% and the Italy Regional Income Tax at 4.82%.

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

### 10. 所得稅 (續)

- (iii) 香港利得稅按於香港產生的至多2百萬港元估計應課稅溢利以8.25%稅率計提撥備。超過2百萬港元的應課稅溢利須按16.5%的稅率繳稅。
- (iv) 根據意大利規則及法規，本集團須按28.82%稅率繳納所得稅，當中包括按24%稅率計算的意大利企業所得稅及按4.82%稅率計算的意大利地區所得稅。

按本公司及其大部份附屬公司位處的司法管轄權區的法定稅率計算適用於除稅前溢利的稅項開支，與按實際稅率計算的稅項開支的對賬如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit/(loss) before tax	除稅前溢利／(虧損)	<u>132,144</u>	<u>(3,100)</u>
Tax at an applicable tax rate of 25%	按適用的25%稅率計算的稅項	33,036	(775)
Effect of different/beneficial tax rates	不同／優惠稅率影響	(1,463)	(558)
Overprovision in respect of prior years	過往年度超額撥備	(528)	-
Income not subject to tax	不需課稅的收益	(2,023)	(1,600)
Tax losses utilised from prior years	動用過往年度稅項虧損	-	(327)
Tax losses not recognised	未確認的稅項虧損	126	-
Expenses not deductible for tax	不可扣稅的開支	1,495	3,122
Tax credit arising from additional deduction of R&D expenditures of a PRC subsidiary	一間中國附屬公司研發開支加計扣除產生的稅項抵免	(2,374)	(742)
Accrual/(Reversal) of withholding tax liability	預扣稅項負債計提／(撥回)	688	(2,842)
Total tax charge/(credit) for the year	年內稅項支出／(抵免)總額	<u>28,957</u>	<u>(3,722)</u>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 11. DIVIDEND

Proposed final – HK6.0 cents  
(2017: HK2.0 cents) per ordinary share

建議末期股息—每股普通股6.0港仙  
(二零一七年：2.0港仙)

At a meeting of the board of directors held on 22 March 2019, the payment of a final dividend of HK6.0 cents per ordinary share totalling approximately RMB33,103,000 was recommended for the year ended 31 December 2018, which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

### 12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 610,278,000 (2017: 615,060,000) in issue during the year, as adjusted to reflect the shares purchased by the Trustee during the year.

The calculation of the diluted earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

### 11. 股息

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

**33,103**

**10,527**

於二零一九年三月二十二日舉行的本公司董事會會議上，董事會建議派發截至二零一八年十二月三十一日止年度末期股息每股普通股6.0港仙，合共約人民幣33,103,000元，須待本公司股東於應屆股東週年大會上批准後，方可作實。

### 12. 母公司普通股權益持有人應佔每股盈利／（虧損）

每股基本盈利／（虧損）金額乃根據母公司普通股權益持有人應佔年內溢利／（虧損）及年內已發行普通股加權平均數610,278,000股（二零一七年：615,060,000股）計算，並已作出調整以反映年內受託人購買的股份。

每股攤薄盈利／（虧損）金額乃根據母公司普通股權益持有人應佔年內溢利／（虧損）計算。計算時使用的普通股加權平均數乃年內已發行普通股數目（與計算每股基本盈利所使用者相同），以及假設全部攤薄潛在普通股被視為獲行使或兌換為普通股後無償發行的普通股加權平均數。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(continued)

The calculations of basic and diluted earnings/(loss) per share are based on:

### 12. 母公司普通股權益持有人應佔每股盈利／（虧損）（續）

每股基本及攤薄盈利／（虧損）的計算方式如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Earnings/(loss) attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	<u>102,006</u>	<u>(3,132)</u>
	<b>Number of shares 股份數目</b>	
	2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<b>610,278</b>	615,060
Effect of dilution – weighted average number of ordinary shares:		
Share options	<b>16,250</b>	16,250
Share award plan	<b>11,837</b>	–
	<u><b>638,365*</b></u>	<u>631,310</u>

\* Because the exercise price of share options is higher than the market price, the share options were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amount is based on the earnings for the year of RMB102,006,000 and the weighted average number of ordinary shares of 622,115,000 in issue during the year.

\* 由於購股權的行使價高於市價，故於計算每股攤薄盈利時已忽略購股權。因此，每股攤薄盈利的數額乃依照年內盈利人民幣102,006,000元及年內已發行普通股加權平均數622,115,000股計算。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT

#### 31 December 2018

### 13. 物業、廠房及設備

二零一八年十二月三十一日

		Plant and buildings 廠房及建築物	Machinery 機器	Office equipment 辦公室設備	Motor vehicles 汽車	Leasehold improvements 租賃物業裝修	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2017 and at 1 January 2018:	於二零一七年十二月三十一日及二零一八年一月一日:							
Cost	成本	364,757	685,301	94,430	10,626	19,780	83,490	1,258,384
Accumulated depreciation	累計折舊	(101,328)	(369,950)	(37,239)	(8,740)	(14,595)	-	(531,852)
Net carrying amount	賬面淨額	<u>263,429</u>	<u>315,351</u>	<u>57,191</u>	<u>1,886</u>	<u>5,185</u>	<u>83,490</u>	<u>726,532</u>
At 1 January 2018, net of accumulated depreciation	於二零一八年一月一日，扣除累計折舊	263,429	315,351	57,191	1,886	5,185	83,490	726,532
Additions	添置	205	679	4,046	136	2,687	154,832	162,585
Depreciation provided during the year	年內折舊撥備	(15,981)	(40,331)	(10,963)	(1,540)	(2,009)	-	(70,824)
Transfers	轉撥	28,326	18,732	21,285	206	1,918	(70,467)	-
Disposals	出售	(278)	(142)	(50)	(13)	-	(14,033)	(14,516)
Exchange realignment	匯兌調整	-	1	-	-	-	-	1
At 31 December 2018, net of accumulated depreciation	於二零一八年十二月三十一日，扣除累計折舊	<u>275,701</u>	<u>294,290</u>	<u>71,509</u>	<u>675</u>	<u>7,781</u>	<u>153,822</u>	<u>803,778</u>
At 31 December 2018:	於二零一八年十二月三十一日:							
Cost	成本	391,982	703,113	119,345	10,847	24,385	153,822	1,403,494
Accumulated depreciation	累計折舊	(116,281)	(408,823)	(47,836)	(10,172)	(16,604)	-	(599,716)
Net carrying amount	賬面淨額	<u>275,701</u>	<u>294,290</u>	<u>71,509</u>	<u>675</u>	<u>7,781</u>	<u>153,822</u>	<u>803,778</u>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

31 December 2017

### 13. 物業、廠房及設備 (續)

二零一七年十二月三十一日

		Plant and buildings 廠房及 建築物 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業 裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2016 and at 1 January 2017:	於二零一六年 十二月三十一日及 二零一七年一月一日:							
Cost	成本	277,023	599,553	62,799	10,335	16,371	127,446	1,093,527
Accumulated depreciation	累計折舊	(90,236)	(352,653)	(29,896)	(8,102)	(11,103)	-	(491,990)
Net carrying amount	賬面淨額	<u>186,787</u>	<u>246,900</u>	<u>32,903</u>	<u>2,233</u>	<u>5,268</u>	<u>127,446</u>	<u>601,537</u>
At 1 January 2017, net of accumulated depreciation	於二零一七年一月一日， 扣除累計折舊	186,787	246,900	32,903	2,233	5,268	127,446	601,537
Additions	添置	3,987	7,692	3,674	294	3,408	170,340	189,395
Depreciation provided during the year	年內折舊撥備	(11,992)	(36,482)	(7,512)	(640)	(3,491)	-	(60,117)
Transfers	轉撥	85,969	99,470	28,857	-	-	(214,296)	-
Disposals	出售	(1,322)	(2,233)	(731)	(1)	-	-	(4,287)
Exchange realignment	匯兌調整	-	4	-	-	-	-	4
At 31 December 2017, net of accumulated depreciation	於二零一七年 十二月三十一日， 扣除累計折舊	<u>263,429</u>	<u>315,351</u>	<u>57,191</u>	<u>1,886</u>	<u>5,185</u>	<u>83,490</u>	<u>726,532</u>
At 31 December 2017:	於二零一七年 十二月三十一日:							
Cost	成本	364,757	685,301	94,430	10,626	19,780	83,490	1,258,384
Accumulated depreciation	累計折舊	(101,328)	(369,950)	(37,239)	(8,740)	(14,595)	-	(531,852)
Net carrying amount	賬面淨額	<u>263,429</u>	<u>315,351</u>	<u>57,191</u>	<u>1,886</u>	<u>5,185</u>	<u>83,490</u>	<u>726,532</u>

As at 31 December 2018, the Group's property, plant and equipment with a net carrying amount of approximately RMB155,954,000 (2017: RMB191,736,000) were pledged to secure bank loans granted to the Group as set out in notes 25(i) and 25(ii).

誠如附註25(i)及25(ii)所載，於二零一八年十二月三十一日，本集團賬面淨額約人民幣155,954,000元（二零一七年：人民幣191,736,000元）的物業、廠房及設備已予質押，作為本集團獲授銀行貸款的擔保。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 14. INVESTMENT PROPERTIES

### 14. 投資物業

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面金額	7,529	8,129
Depreciation provided during the year	年內折舊撥備	(600)	(600)
Carrying amount at 31 December	於十二月三十一日的賬面金額	<b>6,929</b>	<b>7,529</b>

The Group's investment properties are commercial properties in Shanghai and Jiaying, the PRC. The directors of the Company have determined that the investment properties consist of one class of asset, i.e., commercial, based on the nature, characteristics and risks of the property. The Group's investment properties were revalued on 31 December 2018 based on valuations performed by Haiyan Zhonglian Asset Assessment Limited Corporation, independent professionally qualified valuers, at RMB21,089,000. Each year, the Group's property manager and the chief financial officer decide, after approval from the audit committee, to appoint which external valuer to be responsible for the external valuations of the Group's investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 32(a) to the consolidated financial statements.

本集團的投資物業乃位於中國上海及嘉興的商用物業。本公司董事根據投資物業的性質、特性及風險，確定投資物業由一類資產組成，即商用類別。於二零一八年十二月三十一日，本集團根據獨立專業合資格估值師海鹽中聯資產評估有限公司所進行的估值工作，將本集團的投資物業重新估值為人民幣21,089,000元。每年，本集團的物業經理及財務總監在取得審核委員會的批准後，選定並委任一名外聘估值師負責對本集團的投資物業進行外部估值。甄選標準包括市場知識、聲譽、獨立性及是否維持專業水準。

投資物業按經營租賃出租予第三方，其進一步詳情於合併財務報表附註32(a)概述。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 14. INVESTMENT PROPERTIES (continued)

#### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

Recurring fair value measurement for: 經常性公允價值計量：  
Commercial properties 商用物業

### 14. 投資物業(續)

#### 公允價值等級架構

下表顯示本集團投資物業的公允價值計量等級架構：

Fair value measurement as at 31 December 2018 using 採用以下項目於二零一八年十二月三十一日 進行的公允價值計量			
Quoted prices in active markets 於活躍市場 的報價 (Level 1) (第一層) RMB'000 人民幣千元	Significant observable inputs 重大可觀察 輸入值 (Level 2) (第二層) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察 輸入值 (Level 3) (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
-	-	21,089	21,089

Fair value measurement as at 31 December 2017 using 採用以下項目於二零一七年十二月三十一日 進行的公允價值計量			
Quoted prices in active markets 於活躍市場 的報價 (Level 1) (第一層) RMB'000 人民幣千元	Significant observable inputs 重大可觀察 輸入值 (Level 2) (第二層) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察 輸入值 (Level 3) (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
-	-	20,854	20,854

Recurring fair value measurement for: 經常性公允價值計量：  
Commercial properties 商用物業

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 14. INVESTMENT PROPERTIES (continued)

#### Fair value hierarchy (continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3. (2017: Nil)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

### 14. 投資物業(續)

#### 公允價值等級架構(續)

年內，公允價值計量在第一層及第二層之間概無轉移，亦無轉入第三層或自第三層轉出(二零一七年：無)。

以下為投資物業估值所用的估值方法及主要輸入值的概要：

	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入值	Range or weighted average 範圍或加權平均數	
			2018 二零一八年	2017 二零一七年
Shanghai Commercial Property I 上海商用物業I	Discounted cash flow method 現金流量折現法	Estimated rental value (per sq. m. and per month) 估計租金價值 (每平方米及每月)	RMB222 人民幣222元	RMB222 人民幣222元
		Rent growth (p.a.) 租金增長(每年)	3%-5%	3%-5%
		Long term vacancy rate 長期空置率	Nil 無	Nil 無
		Discount rate 折現率	3.35%	4.25%

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 14. INVESTMENT PROPERTIES (continued)

#### Fair value hierarchy (continued)

	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入值	Range or weighted average 範圍或加權平均數	
			2018 二零一八年	2017 二零一七年
Shanghai Commercial Property II 上海商用物業II	Discounted cash flow method 現金流量折現法	Estimated rental value (per sq. m. and per month) 估計租金價值 (每平方米及每月) 租金增長(每年) Rent growth (p.a.)	<b>RMB235</b> 人民幣235元  3%-5%	RMB235 人民幣235元  3%-5%
		Long term vacancy rate 長期空置率	<b>Nil</b> 無	Nil 無
		Discount rate 折現率	<b>3.35%</b>	4.25%
Jiaxing Commercial Property 嘉興商用物業	Discounted cash flow method 現金流量折現法	Estimated rental value (per sq. m. and per month) 估計租金價值 (每平方米及每月)  Rent growth (p.a.) 租金增長(每年)	<b>RMB65</b> 人民幣65元  <b>Nil</b> 無	RMB63 人民幣63元  Nil 無
		Long term vacancy rate 長期空置率	<b>Nil</b> 無	Nil 無
		Discount rate 折現率	<b>6.90%</b>	6.90%

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 14. INVESTMENT PROPERTIES (continued)

#### Fair value hierarchy (continued)

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

### 14. 投資物業 (續)

#### 公允價值等級架構 (續)

根據現金流量折現法，公允價值乃採用資產的壽命期內有關擁有權的利益及負債（包括退出價值或終端價值）的假設進行估計。該方法涉及對物業權益的一連串現金流量的預測。市場衍生的折現率應用於預測現金流量以便確立與資產有關的收益流的現值。退出收益通常是單獨決定且不同於折現率。

現金流量的持續時間及流入和流出的具體時間乃由諸如租金檢討、租約續租及相關轉租、重建或翻新等事件決定。適當的持續時間受市場行為（即物業類別的特性）影響。定期現金流量按總收益扣除空置、不可收回開支、收賬損失、租賃獎勵、維修費用、代理和佣金費用及其他經營和管理費用估算。該一連串定期經營收益淨額，連同預計於預測期終結時的終端價值估計金額，會進行折現。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 15. PREPAID LAND LEASE PAYMENTS

### 15. 土地租賃預付款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cost:	成本：		
At beginning of year	年初	80,500	80,500
Additions	添置	40	-
At end of year	年末	<u>80,540</u>	<u>80,500</u>
Accumulated amortisation:	累計攤銷：		
At beginning of year	年初	(14,031)	(12,585)
Charge for the year	年內支出	(1,814)	(1,446)
At end of year	年末	<u>(15,845)</u>	<u>(14,031)</u>
Carrying amount at end of year	年末賬面金額	<b>64,695</b>	66,469
Current portion included in prepayments, deposits and other receivables	計入預付款、押金及 其他應收款項的流動部分	<u>(1,633)</u>	<u>(1,632)</u>
Non-current portion	非流動部分	<b><u>63,062</u></b>	<b><u>64,837</u></b>

As at 31 December 2018, the Group's prepaid land lease payments with a net carrying amount of approximately RMB58,908,000 (2017: RMB42,843,000) were pledged to secure bank loans granted to the Group as set out in notes 25(i) and 25(ii).

Lease prepayments represent costs paid to the PRC land bureau for obtaining land use rights in respect of land located in Mainland China with a lease period of 50 years when granted.

誠如附註25(i)及25(ii)所載，於二零一八年十二月三十一日，本集團賬面淨額約人民幣58,908,000元（二零一七年：人民幣42,843,000元）的土地租賃預付款項已予質押，作為本集團獲授銀行貸款的擔保。

租賃預付款項指向中國土地管理局支付以取得位於中國大陸的土地的土地使用權的成本，獲授時的租賃期為50年。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 16. OTHER INTANGIBLE ASSETS 31 December 2018

At 1 January 2018, net of accumulated amortisation	於二零一八年一月一日， 扣除累計攤銷	
Additions	添置	
Disposal	出售	
Amortisation provided during the year	年內攤銷撥備	
At 31 December 2018, net of accumulated amortisation	於二零一八年 十二月三十一日， 扣除累計攤銷	
At 31 December 2018:	於二零一八年 十二月三十一日：	
Cost	成本	
Accumulated amortisation	累計攤銷	
Net carrying amount	賬面淨額	

31 December 2017

At 1 January 2017, net of accumulated amortisation	於二零一七年一月一日， 扣除累計攤銷	8,137
Additions	添置	-
Disposal	出售	(1,767)
Amortisation provided during the year	年內攤銷撥備	(536)
At 31 December 2017, net of accumulated amortisation	於二零一七年十二月三十一日， 扣除累計攤銷	5,834
At 31 December 2017:	於二零一七年十二月三十一日：	
Cost	成本	9,956
Accumulated amortisation	累計攤銷	(4,122)
Net carrying amount	賬面淨額	5,834

### 16. 其他無形資產 二零一八年十二月三十一日

Patents and licences 專利及 特許權 RMB'000 人民幣千元	Certified emission rights 認證排放權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
-	5,834	5,834
2,000	-	2,000
-	-	-
-	(586)	(586)
<b>2,000</b>	<b>5,248</b>	<b>7,248</b>
2,000	9,852	11,852
-	(4,604)	(4,604)
<b>2,000</b>	<b>5,248</b>	<b>7,248</b>

二零一七年十二月三十一日

Certified  
emission rights  
認證排放權  
RMB'000  
人民幣千元

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 17. DEFERRED TAX

The movements in deferred tax assets and liabilities of the Group during the year are as follows:

#### Deferred tax assets:

	Accruals	Allowance for doubtful debts	Provision for inventories	Elimination of unrealised profits	Depreciation in excess of related depreciation allowance	Loss available for offsetting against future taxable profit	Fair value loss on derivative financial instruments	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017		2,299	326	1,172	1,220	619	58	5,694
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 10)		(287)	(35)	(279)	(196)	3,786	1,692	12,265
At 31 December 2017 and 1 January 2018		2,012	291	893	1,024	4,405	1,750	17,959
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 10)		(171)	101	(87)	803	294	(890)	(7,534)
At 31 December 2018		1,841	392	806	1,827	4,699	860	10,425

### 17. 遞延稅項

本集團遞延稅項資產及負債於年內的變動如下：

#### 遞延稅項資產：

	Accruals	Allowance for doubtful debts	Provision for inventories	Elimination of unrealised profits	Depreciation in excess of related depreciation allowance	Loss available for offsetting against future taxable profit	Fair value loss on derivative financial instruments	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
於二零一七年一月一日		2,299	326	1,172	1,220	619	58	5,694
年內計入合併損益表／ (自合併損益表扣除) 的遞延稅項(附註10)		(287)	(35)	(279)	(196)	3,786	1,692	12,265
於二零一七年十二月三十一日 及二零一八年一月一日		2,012	291	893	1,024	4,405	1,750	17,959
年內計入合併損益表／ (自合併損益表扣除) 的遞延稅項(附註10)		(171)	101	(87)	803	294	(890)	(7,534)
於二零一八年十二月三十一日		1,841	392	806	1,827	4,699	860	10,425

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 17. DEFERRED TAX (continued)

#### Deferred tax liabilities:

		Withholding tax on undistributed profits of the Mainland China subsidiaries 中國大陸 附屬公司 未分派溢利 的預扣稅 RMB'000 人民幣千元	Fair value gains on derivative financial instruments 衍生 金融工具的 公允價值得益 RMB'000 人民幣千元	Unrealised exchange gain 未變現 匯兌收益 RMB'000 人民幣千元	Depreciation allowance in excess of related depreciation 折舊撥備 超出有關折舊 的金額 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	13,645	1,505	–	3,524	18,674
Deferred tax charged/ (credited) to the consolidated statement of profit or loss during the year (note 10)	年內自合併損益表扣除/ (計入合併損益表) 的遞延稅項(附註10)	(6,595)	(1,505)	878	1,257	(5,965)
At 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日	7,050	–	878	4,781	12,709
Deferred tax charged/(credited) to the consolidated statement of profit or loss during the year (note 10)	年內自合併損益表扣除/ (計入合併損益表) 的遞延稅項(附註10)	4,381	–	(878)	2,925	6,428
At 31 December 2018	於二零一八年 十二月三十一日	11,431	–	–	7,706	19,137

Pursuant to the Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings generated after 31 December 2007.

根據《企業所得稅法》，在中國大陸境內成立的外商投資企業向外國投資者宣派的股息須徵收10%的預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後產生的盈利。

### 17. 遞延稅項(續)

#### 遞延稅項負債：

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 17. DEFERRED TAX (continued)

#### Deferred tax liabilities: (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

Deferred tax of the Group as at 31 December 2018 and 2017 relates to the following:

Deferred tax assets arising from:

- Allowance for doubtful debts
- Provision for inventories
- Elimination of unrealised profits
- Accruals
- Fair value losses on derivative financial instruments
- Depreciation in excess of related depreciation allowance
- Losses available for offsetting against future taxable profit

下列各項產生的遞延稅項資產：

- 呆賬撥備
- 存貨撥備
- 抵銷未變現溢利
- 預提費用
- 衍生金融工具的公允價值虧損
- 折舊超出有關折舊撥備的金額
- 用以抵銷日後課稅溢利之虧損

### 17. 遞延稅項 (續)

#### 遞延稅項負債：(續)

為作呈列之用，若干遞延稅項資產及負債已於合併財務狀況表內對銷。為作財務呈報之用，本集團的遞延稅項結餘分析如下：

本集團於二零一八年及二零一七年十二月三十一日的遞延稅項與下列各項有關：

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
392	291
806	893
1,827	1,024
1,841	2,012
860	1,750
4,699	4,405
-	7,584
<b>10,425</b>	<b>17,959</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 17. DEFERRED TAX (continued)

#### Deferred tax liabilities: (continued)

Deferred tax liabilities arising from:	下列各項產生的遞延稅項負債：
– Withholding tax on undistributed profits of Mainland China subsidiaries	– 中國大陸附屬公司未分派溢利的預扣稅
– Depreciation allowance in excess of related depreciation	– 折舊撥備超出有關折舊的金額
– Unrealised exchange gain in Italy	– 意大利未變現匯兌收益

Deferred tax, net 遞延稅項淨額

Reflected in the consolidated statement of financial position: 於合併財務狀況表內反映：

– Deferred tax assets	– 遞延稅項資產
– Deferred tax liabilities	– 遞延稅項負債

As at 31 December 2018, other than the amount recognised in the consolidated financial statements, deferred tax has not been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such unremitted earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB376,354,000 at 31 December 2018 (2017: RMB340,350,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

### 17. 遞延稅項 (續)

#### 遞延稅項負債：(續)

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
(11,431)	(7,050)
(7,706)	(4,781)
–	(878)
<b>(19,137)</b>	<b>(12,709)</b>
<b>(8,712)</b>	<b>5,250</b>
<b>5,596</b>	14,640
<b>(14,308)</b>	<b>(9,390)</b>

於二零一八年十二月三十一日，除合併財務報表內確認的金額外，本集團並無就其在中國大陸成立的附屬公司須繳納預扣稅的未匯出盈利所應付的預扣稅確認遞延稅項。董事認為，該等附屬公司於可預見將來不大可能分派該等未匯出盈利。於二零一八年十二月三十一日，與於中國大陸附屬公司的投資有關而並無就此確認遞延稅項負債的暫時性差額總額合共約為人民幣376,354,000元（二零一七年：人民幣340,350,000元）。

本公司向其股東派付股息並無附帶所得稅稅務後果。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 18. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

As at 31 December 2018, inventories with a carrying amount of nil (2017: RMB40,000,000) were pledged to secure bank loans granted to the Group as set out in note 25(i).

### 19. TRADE AND NOTES RECEIVABLES

Trade receivables	應收貿易賬款
Notes receivable	應收票據
Impairment	減值

### 18. 存貨

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
362,836	326,175
38,451	37,995
155,800	167,042
<b>557,087</b>	<b>531,212</b>

於二零一八年十二月三十一日，賬面金額為零（二零一七年：人民幣40,000,000元）的存貨已予質押，作為本集團獲授銀行貸款的擔保，如附註25(i)所載。

### 19. 應收貿易賬款及應收票據

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
234,075	194,552
61,765	116,589
(725)	(926)
<b>295,115</b>	<b>310,215</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 19. TRADE AND NOTES RECEIVABLES (continued)

Customers are normally granted credit terms ranging from 30 days to 150 days depending on the creditworthiness of the individual customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

The Group's notes receivable were all aged within six months and were neither past due nor impaired.

An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

Within 1 month	一個月內
1 to 2 months	一個月至兩個月
2 to 3 months	兩個月至三個月
Over 3 months	三個月以上

### 19. 應收貿易賬款及應收票據 (續)

客戶一般獲授予信貸期30天至150天，視乎個別客戶的信譽而定。本集團力求持續嚴格控制未收回的應收款項，並設有信貸控制部以將信貸風險減至最低。高級管理層定期審閱逾期結餘。應收貿易賬款並不計息。

本集團的應收票據賬齡均為六個月內，並無逾期亦無減值。

於報告期末，本集團的應收貿易賬款按發票日分類並扣減虧損撥備的賬齡分析如下：

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
127,962	74,737
46,125	59,856
36,677	40,177
22,586	18,856
<b>233,350</b>	<b>193,626</b>



# Notes to Financial Statements 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

## 19. TRADE AND NOTES RECEIVABLES (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

At beginning of year	於一月一日	<b>926</b>	1,238
Impairment losses, net (note 7)	減值虧損淨額 (附註7)	<b>412</b>	(312)
Amount written off as uncollectible	撇減為不可收回之金額	<b>(613)</b>	–
		<b>725</b>	926

### Impairment under IFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

## 19. 應收貿易賬款及應收票據 (續)

應收貿易賬款減值虧損撥備變動如下：

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>926</b>	1,238
<b>412</b>	(312)
<b>(613)</b>	–
<b>725</b>	926

### 《國際財務報告準則》第9號項下截至二零一八年十二月三十一日止年度的減值

於各報告日期均採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組（即地理位置、客戶類別及評級、信用證及其他信貸保險形式的保障範圍）而逾期的日數計算。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。一般而言，倘應收貿易賬款逾期超過一年，則予以撇銷，且不受執行工作規限。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 19. TRADE AND NOTES RECEIVABLES (continued)

#### Impairment under IFRS 9 for the year ended 31 December 2018 (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

Expected credit loss rate	預期信貸虧損率
Gross carrying amount (RMB'000)	總賬面值 (人民幣千元)
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)

#### Impairment under IAS 39 for the year ended 31 December 2017

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under IAS 39 is as follows:

Neither past due nor impaired
Less than 1 month past due
1 to 3 months past due
Over 3 months past due

### 19. 應收貿易賬款及應收票據(續)

《國際財務報告準則》第9號項下截至二零一八年十二月三十一日止年度的減值(續)

下表使用撥備矩陣載列有關本集團應收貿易賬款信用風險狀況的資料:

於二零一八年十二月三十一日

Current	Past due			Total
	Less than 1 month	1 to 3 months	Over 3 months	
即期	少於一個月	一至三個月	超過三個月	總計
0.00%	0.00%	1.25%	21.18%	0.31%
210,296	16,669	3,918	3,192	234,075
-	-	49	676	725

《國際會計準則》第39號項下截至二零一七年十二月三十一日止年度的減值  
根據《國際會計準則》第39號並非個別或集體視為減值的二零一七年十二月三十一日應收貿易賬款的賬齡分析如下:

31 December  
2017  
二零一七年  
十二月三十一日  
RMB'000  
人民幣千元

既無逾期亦無減值	176,783
逾期一個月內	9,545
逾期一個月至三個月	4,672
逾期三個月以上	2,338
	<u>193,338</u>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 19. TRADE AND NOTES RECEIVABLES (continued)

#### Impairment under IAS 39 for the year ended 31 December 2017 (continued)

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under IAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

The carrying amount of the trade and notes receivables approximates to their fair value due to their short term maturity.

#### Notes receivable that are not derecognised in their entirety

As at 31 December 2018, the Group endorsed certain notes receivable accepted by banks in the PRC (the "Endorsed Notes") with a carrying amount of RMB33,097,000 (31 December 2017: RMB9,831,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors of the Company, the Group has retained the substantial risks and rewards, which include default risks relating to these Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the endorsement, the Group does not retain any rights on the use of the Endorsed Notes, including sale, transfer or pledge of the Endorsed Notes to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Notes to which the suppliers have recourse was RMB33,097,000 as at 31 December 2018 (31 December 2017: RMB9,831,000).

### 19. 應收貿易賬款及應收票據 (續)

《國際會計準則》第39號項下截至二零一七年十二月三十一日止年度的減值(續)既無逾期亦無減值的應收款項與眾多不同客戶有關，該等客戶近期沒有違約歷史。

已逾期但未減值的應收款項與多名獨立客戶有關，該等客戶與本集團有良好的過往記錄。根據以往經驗，本公司董事認為根據《國際會計準則》第39號無需對該等結餘作減值撥備，因為信貸質素無顯著變化且該等結餘仍被認為可以全部收回。

由於短期內到期，故應收貿易賬款及應收票據的賬面金額與其公允價值相若。

#### 並無全數終止確認的應收票據

於二零一八年十二月三十一日，本集團向其若干供應商背書若干由中國的銀行接納的應收票據（「經背書票據」），賬面金額為人民幣33,097,000元（二零一七年十二月三十一日：人民幣9,831,000元），以結清應付該等供應商的應付貿易賬款（「背書」）。本公司董事認為，本集團仍保留重大風險及回報，包括有關該等經背書票據的違約風險，故本集團繼續確認經背書票據及相關已結清應付貿易賬款的全部賬面金額。於背書後，本集團並無保留任何使用經背書票據的權利，包括向任何其他第三方出售、轉讓或質押經背書票據。以供應商具有追索權的經背書票據結清的應付貿易賬款於二零一八年十二月三十一日的賬面總額為人民幣33,097,000元（二零一七年十二月三十一日：人民幣9,831,000元）。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 19. TRADE AND NOTES RECEIVABLES (continued)

#### Notes receivable that are derecognised in their entirety

As at 31 December 2018, the Group endorsed certain notes receivable accepted by banks in the PRC (the “Derecognised Notes”) to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB10,745,000 (31 December 2017: RMB11,384,000). The Derecognised Notes had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Notes have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors of the Company, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors of the Company, the fair values of the Group’s Continuing Involvement in the Derecognised Notes are not significant.

The Group has not recognised any gain or loss on the date of transfer of the Derecognised Notes in 2018 (2017: Nil). No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The Endorsement has been made evenly throughout the year.

### 19. 應收貿易賬款及應收票據 (續)

#### 全數終止確認的應收票據

於二零一八年十二月三十一日，本集團向其若干供應商背書若干由中國的銀行接納的應收票據（「終止確認票據」），賬面總額為人民幣10,745,000元（二零一七年十二月三十一日：人民幣11,384,000元），以結清應付該等供應商的應付貿易賬款。終止確認票據由報告期末起計一至六個月內到期。根據中國票據法，經背書票據的持有人有權於中國的銀行違約時向本集團提出追索（「持續參與」）。本公司董事認為，本集團已轉移有關終止確認票據的絕大部分風險及回報。因此，本集團已終止確認終止確認票據及相關應付貿易賬款的全部賬面金額。本集團持續參與終止確認票據及購回該等終止確認票據的未貼現現金流量的最高損失風險相等於有關賬面金額。本公司董事認為，本集團持續參與終止確認票據的公允價值並不重大。

於二零一八年，本集團並未於轉讓終止確認票據當日確認任何得益或虧損（二零一七年：無）。本集團均無於年內或累計確認持續參與的任何得益或虧損。背書乃於年內平均作出。

# Notes to Financial Statements 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

## 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

## 20. 預付款、押金及其他應收款項

Value added tax recoverable	可收回增值稅
Prepayments	預付款
Prepaid land lease payment due within one year	於一年內到期的土地租賃預付款項
Deposits and other receivables	押金及其他應收款項

<b>31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元</b>	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>34,684</b>	40,691
<b>12,085</b>	8,978
<b>1,633</b>	1,632
<b>12,302</b>	17,349
<b><u>60,704</u></b>	<b><u>68,650</u></b>

The above balances are unsecured and non-interest-bearing and have no fixed terms of repayment.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

The carrying amount of prepayments, deposits and other receivables approximates to their fair value due to their short term maturity.

上述結餘為無抵押、不計息及無固定還款期。

上述資產既未逾期亦無減值。計入上述結餘的金融資產與近期並無拖欠記錄的應收款項有關。

由於短期內到期，故預付款、押金及其他應收款項的賬面金額與其公允價值相若。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 21. DERIVATIVE FINANCIAL INSTRUMENTS

Liabilities:	負債：
Foreign currency forward contracts – current	外匯遠期合約 — 即期
Cross-currency swap	換匯換期掉期

- (i) The Group uses forward currency contracts to manage some of its foreign currency transaction exposures. These currency forward contracts are not designated as cash flows, fair value or net investment hedges and are entered into for periods consistent with foreign currency transaction exposures, generally from one to twelve months. These contracts will mature within 2019.
- (ii) In 2018, the Group entered into cross-currency swap agreements with banks to manage the interest rate and currency risks. These contracts will mature within 2019.

The derivatives are measured at fair value as at 31 December 2018.

### 21. 衍生金融工具

	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Note 附註		
(i)	414	555
(ii)	3,024	6,447
	<b>3,438</b>	<b>7,002</b>

- (i) 本集團使用貨幣遠期合約管理其部分外幣交易風險，該等貨幣遠期合約未指定為現金流量、公允價值或淨投資對沖，而訂立的期間與外幣交易風險一致（一般為一至十二個月）。該等合約將於二零一九年內到期。
- (ii) 於二零一八年，本集團與銀行訂立交叉貨幣掉期協議，以管理利率及貨幣風險。該等合約將於二零一九年內到期。

於二零一八年十二月三十一日，衍生工具按公允價值計量。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

### 22. 現金及現金等價物以及已抵押存款

		<b>31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元</b>	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	<b>310,683</b>	224,138
Time deposits	定期存款	-	-
		<b>310,683</b>	224,138
Less: Pledged deposits for letter of credits	減：已就信用狀抵押的存款	<b>(58,775)</b>	(50,187)
Pledged deposits for bank loans	已就銀行貸款抵押的存款	<b>(10,082)</b>	-
Pledged deposits for forward contracts	已就遠期合約抵押的存款	-	(127)
		<b>241,826</b>	173,824
Cash and cash equivalents	現金及現金等價物	<b>241,826</b>	173,824
Denominated in RMB	以人民幣計值	<b>126,019</b>	82,819
Denominated in HK\$	以港元計值	<b>4,317</b>	2,483
Denominated in EUR	以歐元計值	<b>11,522</b>	16,412
Denominated in USD	以美元計值	<b>150,387</b>	121,813
Denominated in other currencies	以其他貨幣計值	<b>18,438</b>	611
		<b>310,683</b>	224,138

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

人民幣不可自由兌換為其他貨幣。然而，根據中國大陸的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款按根據每日銀行存款利率計算之浮動利率計息。銀行結餘與已抵押存款存放於近期無違約歷史且信譽良好之銀行。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 23. TRADE AND NOTES PAYABLES

An ageing analysis of the trade and notes payables as at 31 December 2018, based on the payment due date, is as follows:

Due within 1 month or on demand	一個月內到期或於要求時償還
Due after 1 month but within 3 months	一個月以後但三個月內到期
Due after 3 months but within 6 months	三個月以後但六個月內到期

The above balances are unsecured and non-interest-bearing. The carrying amount of trade and notes payables at the end of each reporting period approximates to their fair value due to their short term maturity.

### 24. OTHER PAYABLES AND ACCRUALS

Contract liabilities	合約負債
Payroll payables	應付薪金
Advances from customers	客戶墊款
Accruals	預提費用
Other payables	其他應付款項

### 23. 應付貿易賬款及應付票據

於二零一八年十二月三十一日，按付款到期日分類的應付貿易賬款及應付票據賬齡分析如下：

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
157,645	115,400
88,030	62,361
–	12,022
<b>245,675</b>	<b>189,783</b>

上述結餘為無抵押及不計息。於各報告期末，由於短期內到期，故應付貿易賬款及應付票據的賬面金額與其公允價值相若。

### 24. 其他應付款項及預提費用

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
24,036	–
23,997	19,610
–	6,595
2,120	3,152
73,147	64,622
<b>123,300</b>	<b>93,979</b>

(i)



# Notes to Financial Statements 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

## 24. OTHER PAYABLES AND ACCRUALS (continued)

- (i) Details of contract liabilities as at 31 December 2018 and 1 January 2018 are as follows:

<i>Short-term advances received from customers</i>	收取客戶的短期墊款
Sale of goods	貨品銷售

The above balances are unsecured and non-interest-bearing. The carrying amount of other payables and accruals at the end of each reporting period approximates to their fair value due to their short term maturity.

## 24. 其他應付款項及預提費用 (續)

- (i) 於二零一八年十二月三十一日及二零一八年一月一日的合約負債詳情如下：

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>24,036</b>	<b>6,595</b>

上述結餘為無抵押及不計息。於各報告期末，由於短期內到期，故其他應付款項及預提費用的賬面金額與其公允價值相若。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 25. INTEREST-BEARING BANK BORROWINGS

### 25. 計息銀行借貸

		2018 二零一八年			2017 二零一七年		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>						
Secured bank loans	有抵押銀行貸款	2.48 – 5.05	2019	267,056	1.49 – 4.57	2018	334,221
Unsecured bank loans	無抵押銀行貸款	2.55 – 5.22	2019	241,928	2.08 – 4.70	2018	185,340
<b>Subtotal</b>	<b>小計</b>			<b>508,984</b>			<b>519,561</b>
<b>Non-current</b>	<b>非即期</b>						
Secured bank loans	有抵押銀行貸款	4.28	2021	50,400	4.28	2021	75,600
<b>Total</b>	<b>總計</b>			<b>559,384</b>			<b>595,161</b>

Analysed into:  
Bank loans repayable:

Within one year

In the second year

In the third to fifth years, inclusive

分析

應償還銀行貸款：

一年內

第二年

第三至第五年（包括首尾兩年）

**31 December  
2018  
二零一八年  
十二月三十一日  
RMB'000  
人民幣千元**

31 December  
2017  
二零一七年  
十二月三十一日  
RMB'000  
人民幣千元

**508,984**

519,561

**25,200**

25,200

**25,200**

50,400

**559,384**

**595,161**

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 25. INTEREST-BEARING BANK BORROWINGS

(continued)

Notes:

- (i) As at 31 December 2018, the current interest-bearing bank borrowings with a carrying amount of RMB267,056,000 were secured by certain property, plant and equipment, prepaid land lease payments, and inventories with carrying amounts of RMB80,992,000 (2017: RMB112,775,000), RMB43,806,000 (2017: RMB27,421,000) and Nil (2017: RMB40,000,000), respectively.
- (ii) As at 31 December 2018, the non-current interest-bearing bank borrowings with a carrying amount of RMB50,400,000 were secured by certain property, plant and equipment and prepaid land lease payments of the Group with carrying amounts of RMB74,962,000 (2017: RMB78,961,000) and RMB15,102,000 (2017: RMB15,422,000), respectively.

The carrying amount of the current interest-bearing bank loans of the Group approximates to their fair value due to their short-term maturity.

The fair values of the non-current interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2018 was assessed to be insignificant. Management has assessed that the carrying amount of the non-current interest-bearing bank loans of the Group approximates to their fair value due to their floating interest rate.

### 25. 計息銀行借貸 (續)

附註：

- (i) 於二零一八年十二月三十一日，賬面金額為人民幣267,056,000元的即期計息銀行貸款以賬面金額分別為人民幣80,992,000元（二零一七年：人民幣112,775,000元）、人民幣43,806,000元（二零一七年：人民幣27,421,000元）及零（二零一七年：人民幣40,000,000元）的若干物業、廠房及設備、土地租賃預付款項及存貨作抵押。
- (ii) 於二零一八年十二月三十一日，賬面金額為人民幣50,400,000元的非即期計息銀行借貸以本集團賬面金額分別為人民幣74,962,000元（二零一七年：人民幣78,961,000元）及人民幣15,102,000元（二零一七年：人民幣15,422,000元）的若干物業、廠房及設備及土地租賃預付款項作抵押。

由於短期內到期，故本集團即期計息銀行貸款的賬面金額與其公允價值相若。

非即期計息銀行借貸的公允價值按適用於具有類似條款、信貸風險及剩餘年期的工具的現行利率折現預期未來現金流量計算。於二零一八年十二月三十一日，本集團本身對計息銀行借貸的不履約風險被評定為並不重大。按管理層的評估，本集團的非即期計息銀行貸款由於按浮動利率計息，故其賬面金額與其公允價值相若。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 26. SHARE CAPITAL

#### Authorised:

Ordinary shares of HK\$0.01 each

每股0.01港元普通股

### 26. 股本

#### 法定：

31 December 2018 二零一八年 十二月三十一日		31 December 2017 二零一七年 十二月三十一日	
Number of shares 股份數目	Amount 金額 HK\$'000 千港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
<u>3,000,000,000</u>	<u>30,000</u>	<u>3,000,000,000</u>	<u>30,000</u>

#### Issued and fully paid:

At the beginning and the end  
of the year

於年初及年末

#### 已發行及繳足：

31 December 2018 二零一八年十二月三十一日			31 December 2017 二零一七年十二月三十一日		
Number of shares 股份數目	Amount 金額		Number of shares 股份數目	Amount 金額	
	HK\$'000 千港元	RMB'000 equivalent 人民幣千元 (等值)		HK\$'000 千港元	RMB'000 equivalent 人民幣千元 (等值)
<u>629,678,000</u>	<u>6,297</u>	<u>6,329</u>	<u>629,678,000</u>	<u>6,297</u>	<u>6,329</u>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 27. SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the Company’s directors, including independent non-executive directors, other employees, suppliers, customers, agents, partners or advisers of or contractors of the Group in the Company’s subsidiaries. The Scheme became effective on 15 November 2006 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$0.01 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than four years from the date of offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company’s shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the share.

### 27. 購股權計劃

本公司設有一項購股權計劃（「計劃」），乃為對本集團業務成就作出貢獻的合資格參與人提供激勵及獎賞而設。計劃的合資格參與人包括本公司董事（包括獨立非執行董事）及隸屬於本公司附屬公司的本集團其他僱員、供應商、客戶、代理、夥伴、顧問或承建商。計劃自二零零六年十一月十五日起生效，除非被取消或修訂，否則將自該日起計十年有效。

根據計劃現時獲准授出的未行使購股權的最高數目，數額於行使時相等於本公司於任何時間已發行股份的10%。根據計劃內每名合資格參與人獲授的購股權而可予發行的最高股份數目，於任何十二個月期間內不可超過本公司於任何時間已發行股份的1%。授出超過此限的購股權須經股東於股東大會上批准。

授出購股權的要約可於提呈日期起計21日內由承授人支付名義代價合共0.01港元接納。授出的購股權的行使期由董事決定，並於一至三年歸屬期後開始，且於不遲於提呈購股權日期起四年內任何日子或計劃屆滿日期終止（以較早者為準）。

購股權行使價由董事釐定，惟不能低於下列各項的最高者：(i)於提呈購股權日期本公司股份於聯交所的收市價；(ii)緊接提呈日期前五個交易日本公司股份於聯交所的平均收市價；及(iii)股份面值。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 27. SHARE OPTION SCHEME (continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the year:

At 1 January	於一月一日
Forfeited	沒收
At 31 December	於十二月三十一日

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of options 購股權數目 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期
4,875	2.0	24/2/2016-23/8/2019 二零一六年二月二十四日至二零一九年八月二十三日
11,375	2.0	24/8/2017-23/8/2019 二零一七年八月二十四日至二零一九年八月二十三日
<u>16,250</u>		

\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

### 27. 購股權計劃 (續)

購股權並無賦予持有人收取股息或於股東大會上投票的權利。

年內，計劃項下尚未行使的購股權如下：

2018 二零一八年	
Exercise price HK\$ per share 行使價 每股港元	Number of options '000 購股權數目 千份
2.00	16,250
	—
	<u>16,250</u>

於報告期末尚未行使購股權的行使價及行使期如下：

\* 在進行供股、發行紅股或本公司股本出現其他類似變動的情況下，購股權的行使價須作出調整。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 27. SHARE OPTION SCHEME (continued)

No share options were granted during the year ended 31 December 2018 (2017: Nil), of which the Group recognised no share option expense (2017: RMB195,000) during the year ended 31 December 2018.

The fair value of equity-settled share options granted was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	股息率(%)	5.86
Spot stock price (HK\$ per share)	現貨股價(每股港元)	1.28
Historical volatility (%)	歷史波幅(%)	41.49
Risk-free interest rate (%)	無風險利率(%)	0.96
Expected life of options (year)	購股權預計年期(年)	4.00
Weighted average share price (HK\$ per share)	加權平均股價(每股港元)	1.47

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

At the end of the reporting period and at the date of approval of the consolidated financial statements, the Company had no share options exercised under the Scheme.

At the end of the reporting period, the Company had 16,250,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 16,250,000 additional ordinary shares of the Company and additional share capital of RMB28,477,000 (before issue expenses).

### 27. 購股權計劃(續)

於截至二零一八年十二月三十一日止年度概無授出購股權(二零一七年:無),其中本集團於截至二零一八年十二月三十一日止年度確認概無購股權開支(二零一七年:人民幣195,000元)。

已授出的以權益結算購股權的公允價值乃於授出日期利用二項式模型估計,當中已考慮授出購股權的條款及條件。下表列出所用模型的輸入值:

#### Share options granted on 24 August 2015 於二零一五年 八月二十四日 授出的購股權

購股權預計年期乃根據過去三年的歷史數據釐定,未必能顯示可能出現的行使模式。預期波幅反映歷史波幅可顯示未來走勢的假設,惟實際結果或會有別。

於報告期末及於合併財務報表獲批准日期,本公司並無已根據計劃行使的購股權。

於報告期末,本公司有16,250,000份根據計劃尚未行使的購股權。在本公司現行資本架構下,悉數行使尚未行使的購股權將導致發行16,250,000股本公司額外普通股及人民幣28,477,000元額外股本(扣除發行開支前)。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 28. TREASURY SHARES

### 28. 庫存股份

		31 December 2018 二零一八年十二月三十一日			31 December 2017 二零一七年十二月三十一日		
		Number of shares 股份數目	Amount 金額		Number of shares 股份數目	Amount 金額	
			HK\$'000 千港元	RMB'000 equivalent 人民幣千元 (等值)		HK\$'000 千港元	RMB'000 equivalent 人民幣千元 (等值)
			(Audited) (經審核)	(Audited) (經審核)		(Audited) (經審核)	(Audited) (經審核)
At the beginning	於年初	19,400,000	22,160	19,508	-	-	-
Repurchase of shares	購回股份	-	-	-	19,400,000	22,160	19,508
At the end	於年末	19,400,000	22,160	19,508	19,400,000	22,160	19,508

On 26 August 2016, the Company adopted a share award plan, which is not subject to the provisions of Chapter 17 of the Listing Rules (the "Share Award Plan"). The board of directors may, at their discretion, grants shares of the Company to eligible participants. The Company has appointed a trustee for administration of the Share Award Plan (the "Trustee"). The principal activity of the Trustee is administrating and holding the Company's shares for the Share Award Plan for the benefit of the Company's award holders. The Company's shares will be purchased by the Trustee in the market with cash paid by the Company and held in the trust for relevant award holders until such shares are vested in accordance with the provisions of the Share Award Plan. Upon vesting, the Trustee shall either transfer the vested awarded shares at no cost to such award holders or sell the vested awarded shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders. The total number of the Company's shares purchased by the Trustee under the Share Award Plan will not exceed 5% of the total issued shares of the Company at the beginning of the fiscal year. During the year ended 31 December 2017, the Trustee purchased 19,400,000 shares of the Company at a total consideration of approximately RMB19,508,000. At the end of the reporting period, 19,370,000 shares were granted under the Share Award Plan.

於二零一六年八月二十六日，本公司採納一項股份獎勵計劃（「股份獎勵計劃」），該計劃不受上市規則第十七章條文所規限。董事會可酌情向合資格參與人授出本公司股份。本公司已委聘受託人（「受託人」）管理股份獎勵計劃。受託人的主要活動乃為本公司獎勵持有人的利益就股份獎勵計劃管理及持有本公司股份。本公司之股份將由受託人於市場上使用本公司支付之現金購入並以信託方式為相關獎勵持有人而持有，直至有關股份根據股份獎勵計劃條文予以歸屬為止。於歸屬後，受託人須按照該獎勵持有人作出的指示，將已歸屬之獎勵股份免費轉讓予該獎勵持有人，抑或於市場上按當時現行之市價盤出售已歸屬之獎勵股份並將所得款項淨額匯付予獎勵持有人。於財政年度初，受託人根據股份獎勵計劃購入的本公司股份總數將不會超過本公司已發行股份總數的5%。截至二零一七年十二月三十一日止年度，受託人以總代價約人民幣19,508,000元購入本公司19,400,000股股份。於報告期末，根據股份獎勵計劃授出19,370,000股股份。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 29. SHARE AWARD PLAN

On 25 May 2018, the Board (including all independent non-executive Directors), based on the recommendation of the remuneration committee, resolved to grant a total of 19,370,000 Awarded Shares, which have been acquired by the Trustee from the open market by using the Company's internal resources, to 92 employees who were eligible persons ("Grantees").

The 19,370,000 awarded shares to be granted to the Grantees represented (i) nearly 3.08% of the issued share capital of the Company as at the grant date; and (ii) the value of approximately RMB19,508,000 based on the calculation of the shares purchase records.

1,010,000 of 19,370,000 awarded shares were granted to 37 Grantees who were employees and have served the Group for 30 years or more, or each of employee couples who have served the Group for 30 years or more. These nearly 1 million awarded shares will be vested on the first anniversary upon the grant date.

30% of 18,360,000 of 19,370,000 awarded shares shall vest on the first anniversary upon the grant date and the other 30% and 40% shares shall vest on the second and third anniversaries upon the grant date respectively.

Moreover, these 18,360,000 awarded shares shall be vested or not depending on two requirements: the Group's net profit target and personnel annual performance evaluation. For the net profit target, the Group's audited net profit should reach RMB100 million in 2019, RMB150 million in 2020, and RMB200 million in 2021. If the Group missed target in year one, the 30% shares awarded cannot vest only if the Group meets the target in next year. And if the Group continuously misses the target in year two, the shares of year one will no longer be vested. As for the personnel evaluation, the Grantees shall receive 100% awarded shares for that year if the evaluation result is "Pass" and receive 75% or 50% awarded shares for "Need Improvements" and "Fail".

### 29. 股份獎勵計劃

於二零一八年五月二十五日，董事會（包括全體獨立非執行董事）根據薪酬委員會之推薦建議，議決向92名屬合資格人士之僱員（「承授人」）授出合共19,370,000股獎勵股份，該等獎勵股份由受託人使用本公司之內部資源於公開市場上收購。

向承授人授出之該等19,370,000股獎勵股份相當於(i)本公司於授出日期之已發行股本近3.08%；及(ii)價值約人民幣19,508,000元（依據股份購買記錄計算）。

19,370,000股獎勵股份中的1,010,000股授予37名承授人（彼等為僱員並已服務本集團30年或以上，或各自已服務本集團30年或以上並為夫婦關係之僱員）。該等近一百萬之獎勵股份將於授出日期後第一週年歸屬。

19,370,000股獎勵股份中的18,360,000股於授出日期後第一週年歸屬30%，另外30%及40%股份分別於授出日期後第二週年及第三週年歸屬。

此外，該等18,360,000股獎勵股份是否歸屬取決於兩項規定：本集團的純利目標及人員年度業績評估。就純利目標而言，本集團經審核純利於二零一九年應達到人民幣100,000,000元、於二零二零年應達到人民幣150,000,000元及於二零二一年應達到人民幣200,000,000元。倘本集團於第一年未達到目標，則僅當本集團於第二年達到目標時方予以歸屬30%。倘本集團於第二年持續未達到目標，則第一年的股份將不再歸屬。就人員評估而言，倘承授人之評估結果為「通過」，則可獲得該年度100%的獎勵股份，而倘為「需要改進」及「不及格」將獲得75%或50%的獎勵股份。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 29. SHARE AWARD PLAN (continued)

On 25 May 2018, the Company communicated the share awards with its employees by the Notice of Share Awards Plan. By the Notice of Share Awards Plan, the Company and the employees shared a full understanding of the terms and conditions of the arrangement. Hence 25 May 2018 is the Grant Date.

The fair value of share awards was HK\$0.97 per share, which was the market price of the shares on 25 May 2018.

The Company assumed that the employees' resignation rate would be 1.23% and the employees' evaluation result would be 95% of "Pass" and 5% of "Need improvements" and the achievement possibility of net profit target would be 100%.

At the end of the reporting period, share award expense of RMB3,567,000 was amortised under the Share Award Plan.

### 30. RESERVES

The changes in the reserves of the Group during the year have been disclosed in the consolidated statement of changes in equity of the Group.

#### Merger reserve

Merger reserve represents the difference between the shareholders' total capital contributions to Hong Kong Kingdom over the nominal value of the shares issued by the Company in exchange therefor as at the date of a reorganisation (the "Reorganisation") of the Group to rationalise the group structure in preparation for the listing of the Company's shares on the Stock Exchange. Details of the Reorganisation are set out in the prospectus of the Company dated 30 November 2006.

### 29. 股份獎勵計劃 (續)

於二零一八年五月二十五日，本公司透過股份獎勵計劃通知與其員工溝通股份獎勵事宜。透過股份獎勵計劃通知，本公司及僱員充分瞭解安排的條款及條件。因此，二零一八年五月二十五日即授出日期。

股份獎勵的公允價值為每股0.97港元，即股份於二零一八年五月二十五日的市價。

本公司假設僱員辭職率為1.23%，而僱員評估結果為95%「通過」，5%「需要改進」以及純利目標的完成可能性為100%。

於報告期末，人民幣3,567,000元的股份獎勵開支已根據股份獎勵計劃攤銷。

### 30. 儲備

年內本集團儲備變動已於本集團合併權益變動表內披露。

#### 合併儲備

合併儲備指為籌備本公司股份於聯交所上市，本集團進行重組（「重組」）以精簡集團架構當日，香港金達的股東出資總額與本公司為交換而發行的股份面值的差額。重組詳情載於本公司日期為二零零六年十一月三十日的招股章程內。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 30. RESERVES (continued)

#### PRC statutory reserve

##### General reserve fund

The subsidiaries in Mainland China are required to transfer at least 10% of their profit after taxation, as determined under the PRC accounting regulations, to the general reserve fund until the reserve balance reaches 50% of their respective registered capital. The transfer to this reserve must be made before the distribution of dividends to shareholders.

The general reserve fund can be used to make good losses and convert into share capital by the issue of new shares to shareholders in proportion to their existing equity holdings.

#### Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of overseas subsidiaries.

#### Share option reserve

Details of the Company's share option scheme and the share options issued under the Scheme are included in note 27 to the financial statements.

#### Share award reserve

Details of the Company's share award plan and the share award granted under the plan are included in note 29 to the financial statements.

#### Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in the share premium account are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay its debts as they fall due in the ordinary course of business.

### 30. 儲備 (續)

#### 中國法定儲備

##### 一般儲備金

中國大陸的附屬公司須提撥其按中國會計規章釐定的除稅後溢利最少10%至一般儲備金，直至儲備結餘達到其各自註冊資本的50%為止。提撥此儲備須於分派股息予股東前進行。

一般儲備金可用作補償虧損及以按股東現有持股比例向其發行新股份的方式轉換為股本。

#### 匯兌儲備

匯兌儲備包括換算海外附屬公司財務報表所產生的所有匯兌差額。

#### 購股權儲備

本公司的購股權計劃及根據計劃已發行的購股權詳情，載於財務報表附註27。

#### 股份獎勵儲備

本公司的股份獎勵計劃及根據該計劃授出的股份獎勵的詳情，載於財務報表附註29。

#### 股份溢價

股份溢價賬的應用受開曼群島公司法監管。根據開曼群島公司法，倘緊隨建議分派股息日期後，本公司能夠於日常業務過程中清還到期債務，則股份溢價賬中的基金可分派予本公司股東。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

There were no major non-cash transactions during the current financial year.

#### (b) Changes in liabilities arising from financing activities

2018

At 1 January	於一月一日
Changes from financing cash flows	融資現金流量之變動
At 31 December	於十二月三十一日

2017

At 1 January	於一月一日
Changes from financing cash flows	融資現金流量之變動
At 31 December	於十二月三十一日

### 31. 合併現金流量表附註

#### (a) 主要非現金交易

於當前財政年度並無主要非現金交易。

#### (b) 融資活動產生之負債變動

二零一八年

Interest-bearing  
bank borrowings  
計息銀行借貸  
RMB'000  
人民幣千元

595,161  
(35,777)

595,384

二零一七年

Interest-bearing  
bank borrowings  
計息銀行借貸  
RMB'000  
人民幣千元

631,903  
(36,742)

595,161

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 32. OPERATING LEASE COMMITMENTS

#### (a) As lessor

The Group leases its investment properties (note 14 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from two to five years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

Less than one year	一年內
In the second to fifth years	第二至第五年

### 32. 經營租賃承擔

#### (a) 作為出租人

本集團根據經營租賃安排租賃其投資物業（財務報表附註14），該等租賃經磋商的年期介乎兩年至五年。此等租賃的條款一般亦規定租戶支付保證金及訂明可根據當時的市況定期對租金作出調整。

於二零一八年十二月三十一日，本集團根據與租戶訂立的不可撤銷經營租賃有以下年期內的未來最低租賃應收款項總額：

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
600	660
—	600
<b>600</b>	<b>1,260</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 32. OPERATING LEASE COMMITMENTS (continued)

#### (b) As lessee

The Group leases certain of its office properties and warehouse properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from three to six years, and those for office equipment are for terms of two years.

Non-cancellable operating lease rentals were payable as follows:

Less than one year	一年內
In the second to fifth years	第二至第五年
After five years	五年後

The Group leases certain properties located in Mainland China, Hong Kong and Italy as the Group's offices. The leases run for an initial period of three to six years.

### 32. 經營租賃承擔(續)

#### (b) 作為承租人

本集團根據經營租賃安排租用其若干辦公室物業及倉庫物業。該等物業的租賃經磋商的年期介乎三年至六年，而辦公室設備的租賃期則為兩年。

不可撤銷經營租賃租金於以下年期應付：

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
2,255	2,192
1,461	3,291
480	660
<b>4,196</b>	<b>6,143</b>

本集團在中國大陸、香港及意大利租用若干物業作為本集團的辦公室，初始租賃期為三至六年。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 33. CAPITAL COMMITMENTS

Capital commitments in respect of the purchase of items of property, plant and equipment outstanding as at 31 December 2018 but not provided for in the financial statements were as follows:

Contracted for 已訂約

### 33. 資本承擔

有關購置物業、廠房及設備項目於二零一八年十二月三十一日尚未支付但並未在財務報表內計提撥備的資本承擔如下：

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>146,431</b>	36,283

### 34. RELATED PARTY TRANSACTIONS

#### (a) Transactions with companies controlled by one of the Company's directors

- (i) During the year ended 31 December 2018, the Group leased offices and manufacturing facilities located in Mainland China from Zhejiang Kingdom Creative Co., Ltd. ("Kingdom Creative") and incurred operating lease charges of RMB500,000 (2017: RMB490,000). Mr. Ren Weiming has a controlling equity interest in Kingdom Creative. The lease expenses were made according to published prices and conditions offered by the lessor to its major customers.

### 34. 關連方交易

#### (a) 與由本公司一名董事控制的公司進行的交易

- (i) 於截至二零一八年十二月三十一日止年度，本集團向浙江金達創業股份有限公司（「金達創業」）租用多個位於中國大陸的辦公室及製造廠房，所產生的經營租賃費用為人民幣500,000元（二零一七年：人民幣490,000元）。任維明先生擁有金達創業的控股權益。租賃費用乃根據由出租人向其主要客戶提供的已公佈價格及條件作出。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 34. RELATED PARTY TRANSACTIONS (continued)

#### (a) Transactions with companies controlled by one of the Company's directors (continued)

- (ii) During the year ended 31 December 2018, the Group purchased electricity from Zhejiang Yuyuan Solar Co., Ltd. with an amount of RMB2,333,000 (2017: RMB2,433,000). Mr. Ren Weiming has a controlling equity interest in this company. The electricity purchase was made according to published prices and conditions offered by the supplier to its major customers.
- (iii) During the year ended 31 December 2018, the Group purchased raw materials from Zhejiang Jinxiu Jiangnan Silk Co., Ltd. with an amount of RMB452,000 (2017: RMB1,023,000). Mr. Ren Weiming has a significant influence on this company. The raw material purchase was made according to published prices and conditions offered by the supplier to its major customers.

#### (b) Compensation of key management personnel of the Group

Short term employee benefits	短期僱員福利
Post-employment benefits	離職後福利

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

The related party transactions in respect of note (a) above also constitute connected transactions as defined in Chapter 14A of the Listing Rules.

### 34. 關連方交易

#### (a) 與由本公司一名董事控制的公司進行的交易(續)

- (ii) 於截至二零一八年十二月三十一日止年度，本集團以人民幣2,333,000元(二零一七年：人民幣2,433,000元)向浙江昱源光伏有限公司購電。任維明先生擁有該公司的控股權益。購電乃根據由供應商向其主要客戶提供的已公佈價格及條件作出。
- (iii) 截至二零一八年十二月三十一日止年度，本集團向浙江錦繡江南絲綢有限公司採購金額為人民幣452,000元(二零一七年：人民幣1,023,000元)的原材料。任維明先生對該公司有重大影響力。原材料採購乃根據供應商向其主要客戶提供的已公佈價格及條件作出。

#### (b) 本集團主要管理人員的補償

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
4,899	4,998
140	128
<b>5,039</b>	<b>5,126</b>

董事及最高行政人員酬金的進一步詳情載於財務報表附註8。

上文附註(a)涉及的關連方交易亦構成關連交易(定義見上市規則第十四A章)。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2018

#### Financial assets

Trade and notes receivables  
Financial assets included in deposits and other receivables  
Cash and cash equivalents  
Pledged deposits

應收貿易賬款及應收票據  
計入押金及其他應收款項的  
金融資產  
現金及現金等價物  
已抵押存款

#### Financial liabilities

Interest-bearing bank borrowings 計息銀行借貸  
Financial liabilities included in other payables 計入其他應付款項的  
金融負債  
Derivative financial instruments 衍生金融工具  
Trade and notes payables 應付貿易賬款及應付票據

### 35. 按類別分類的金融工具

於報告期末，各類別金融工具的賬面金額如下：

二零一八年

#### 金融資產

#### Financial assets at amortised cost 按攤銷成本列賬 的金融資產 RMB'000 人民幣千元

295,115  
12,302  
241,826  
68,857

**618,100**

#### 金融負債

Financial liabilities at amortised cost 按攤銷成本列賬的 金融負債 RMB'000 人民幣千元	Financial liabilities at fair value through profit or loss 按公允價值計入損益的 金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
559,384	–	559,384
73,147	–	73,147
–	3,438	3,438
245,675	–	245,675
<b>878,206</b>	<b>3,438</b>	<b>881,644</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 35. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

2017

#### Financial assets

Trade and notes receivables  
Financial assets included in  
deposits and other receivables  
Cash and cash equivalents  
Pledged deposits

應收貿易賬款及應收票據  
計入押金及其他應收款項的  
金融資產  
現金及現金等價物  
已抵押存款

Loans and  
receivables  
貸款及  
應收款項  
RMB'000  
人民幣千元

310,215

17,349

173,824

50,314

551,702

#### Financial liabilities

Interest-bearing bank borrowings 計息銀行借貸  
Financial liabilities included in 計入其他應付款項的  
other payables 金融負債  
Derivative financial instruments 衍生金融工具  
Trade and notes payables 應付貿易賬款及應付票據

#### 金融負債

Financial liabilities at amortised cost 按攤銷成本列賬的 金融負債 RMB'000 人民幣千元	Financial liabilities at fair value through profit or loss 按公允價值計入損益的 金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
595,161	–	595,161
64,622	–	64,622
–	7,002	7,002
189,783	–	189,783
<u>849,566</u>	<u>7,002</u>	<u>856,568</u>

595,161

–

595,161

64,622

–

64,622

–

7,002

7,002

189,783

–

189,783

849,566

7,002

856,568

### 35. 按類別分類的金融工具 (續)

二零一七年

#### 金融資產

#### 金融負債

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

### 36. 金融工具的公允價值及公允價值等級架構

本集團金融工具的賬面金額及公允價值（其賬面金額與公允價值合理相若者除外）如下：

	Carrying amounts 賬面金額		Fair values 公允價值	
	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Financial liabilities</b>				
Derivative financial instruments	<b>3,438</b>	7,002	<b>3,438</b>	7,002
<b>金融負債</b>				
衍生金融工具	<b>3,438</b>	7,002	<b>3,438</b>	7,002

Management has assessed that the fair values of cash and cash equivalents, trade and notes receivables, financial assets included in prepayments, deposits and other receivables, pledged deposits, current interest-bearing bank loans, trade and notes payables, dividend payable, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments. The carrying amount of the non-current interest-bearing bank loans of the Group approximates to their fair value because the loans have a floating interest rate.

按管理層的評估，現金及現金等價物、應收貿易賬款及應收票據、計入預付款、押金及其他應收款項的金融資產、已抵押存款、即期計息銀行貸款、應付貿易賬款及應付票據、應付股息、計入其他應付款項及預提費用的金融負債的公允價值與其賬面金額相若，主要是由於該等工具短期內到期所致。本集團的非即期計息銀行貸款由於按浮動利率計息，故其賬面金額與其公允價值相若。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including forward currency contracts and cross-currency swap, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

As at 31 December 2018, the market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the financial instruments recognised at fair value.

### 36. 金融工具的公允價值及公允價值等級架構 (續)

以本集團財務經理為首的財務部負責釐定金融工具公允價值計量的政策及程序。財務經理直接向財務總監及審核委員會匯報。於各報告日期，財務部分析金融工具的價值變動並釐定估值所採用的主要輸入值。估值由財務總監審閱及批准。審核委員會每年討論估值過程及結果兩次以進行中期及年度財務呈報。

金融資產及負債的公允價值按當前交易（強制或清算出售除外）中雙方自願交換工具的金額入賬。

本集團與多個對手方（主要為具AAA信貸評級的金融機構）訂立衍生金融工具。衍生金融工具（包括遠期貨幣合約及換匯換利掉期）乃採用與遠期定價及掉期模型類似的估值技巧計量（採用現值計算）。該等模型納入了多項不同的市場可觀察輸入值，包括對手方的信貸素質、外匯即期及遠期匯率與利率曲線。遠期貨幣合約的賬面金額與其公允價值相同。

於二零一八年十二月三十一日，按市值標價的衍生資產狀況已扣除涉及衍生工具對手方違約風險應佔的信貸評估調整。對手方信貸風險的變動對按公允價值確認的金融工具並無重大影響。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

#### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### Liabilities measured at fair value:

Financial liabilities at fair value through profit or loss – foreign exchange forward contracts

Financial liabilities at fair value through profit or loss – cross-currency swap

按公允價值計入損益的金融負債

– 外匯遠期合約

按公允價值計入損益的金融負債

– 換匯換利掉期

### 36. 金融工具的公允價值及公允價值等級架構 (續)

#### 公允價值等級架構

下表顯示本集團金融工具的公允價值計量等級架構：

#### 按公允價值計量的負債：

Fair value measurement using  
採用以下項目進行的公允價值計量

	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
31 December 2018 二零一八年 十二月 三十一日 RMB'000 人民幣千元	於活躍市場 的報價 第一層 RMB'000 人民幣千元	重大可觀察 輸入值 第二層 RMB'000 人民幣千元	重大不可觀察 輸入值 第三層 RMB'000 人民幣千元
	(414)	–	(414)
	(3,024)	–	(3,024)
	<b>(3,438)</b>	<b>–</b>	<b>(3,438)</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

#### Fair value hierarchy (continued)

Financial liabilities at fair value through profit or loss – foreign exchange forward contracts	按公允價值計入損益的金融負債 – 外匯遠期合約	(555)	–	(555)	–
Financial liabilities at fair value through profit or loss – cross-currency swap	按公允價值計入損益的金融負債 – 換匯換利掉期	(6,447)	–	(6,447)	–
		<u>(7,002)</u>	<u>–</u>	<u>(7,002)</u>	<u>–</u>

During the year ended 31 December 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements (2017: Nil).

### 36. 金融工具的公允價值及公允價值等級架構 (續)

#### 公允價值等級架構 (續)

31 December 2017 二零一七年十二月三十一日 RMB'000 人民幣千元	Fair value measurement using 採用以下項目進行的公允價值計量		
	Quoted prices in active markets Level 1 於活躍市場的報價 第一層 RMB'000 人民幣千元	Significant observable inputs Level 2 重大可觀察 輸入值 第二層 RMB'000 人民幣千元	Significant unobservable inputs Level 3 重大不可觀察 輸入值 第三層 RMB'000 人民幣千元
(555)	–	(555)	–
(6,447)	–	(6,447)	–
<u>(7,002)</u>	<u>–</u>	<u>(7,002)</u>	<u>–</u>

於截至二零一八年十二月三十一日止年度，公允價值計量在第一層及第二層之間概無轉移，亦無轉入第三層或自第三層轉出（二零一七年：無）。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise interest-bearing bank loans, trade and notes payables, dividend payable and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade and notes receivables, prepayments, deposits and other receivables, pledged deposits and cash and cash equivalents that arise directly from its operations.

The Group also enters into derivative transactions, including principally forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank loans with floating interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

### 37. 財務風險管理目標及政策

本集團的主要金融負債（衍生工具除外）包括計息銀行貸款、應付貿易賬款及應付票據、應付股息及其他應付款項。該等金融負債主要目的是為本集團提供經營業務所需資金。本集團擁有多種不同的金融資產，如應收貿易賬款及應收票據、預付款、押金及其他應收款項、已抵押存款以及現金及現金等價物，乃直接因經營業務而產生。

本集團亦進行衍生工具交易，主要包括遠期貨幣合約，旨在管理本集團營運及其融資來源產生的貨幣風險。

本集團的金融工具產生的主要風險為利率風險、外幣風險、信貸風險及流動性風險。董事會檢討並協定下文概述管理各風險的政策。本集團有關衍生工具的會計政策載於財務報表附註2.4。

#### 利率風險

本集團的市場利率變動風險主要與本集團按浮動利率計息的銀行貸款有關。本集團並無使用衍生金融工具對沖其利率風險。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax for the year (through the impact on the floating rate borrowings). The change in the interest rates has no impact on the Group's equity excluding retained profits.

<b>2018</b>	<b>二零一八年</b>
RMB	人民幣
RMB	人民幣
<b>2017</b>	<b>二零一七年</b>
RMB	人民幣
RMB	人民幣

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency sales and purchases and certain trade receivables, payables and bank balances that are denominated in US\$, EUR and HK\$, which are currencies other than the functional currencies of the Group, and expose the Group to foreign currency risk.

### 37. 財務風險管理目標及政策 (續)

下表顯示當所有其他變數不變時，本集團年內除稅前溢利對利率合理可能變動的敏感度（透過對浮動利率借貸的影響）。利率變動對本集團的權益（保留溢利除外）並無影響。

Increase/ (decrease) in interest rate 利率 上升／(下跌)	Increase/ (decrease) in profit before tax 除稅前溢利 增加／(減少) RMB'000 人民幣千元
(1%)	215
<b>1%</b>	<b>(215)</b>
(1%)	177
<b>1%</b>	<b>(177)</b>

#### 外幣風險

外幣風險為因外幣匯率變動而導致金融工具的公允價值或未來現金流量波動的風險。本集團的外幣買賣、若干應收貿易賬款、應付款項及銀行結餘並非以本集團的功能貨幣列值，而以美元、歐元及港元列值，使本集團面對外幣風險。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

The Group manages its foreign currency risk by entering into foreign currency forward contracts to hedge its exposure to fluctuations on the translation into RMB of its foreign operations of sales in US\$ and EUR, as described in note 21. It is the Group's policy to ensure that the net exposure is kept to an acceptable level by buying or selling foreign currencies at a fixed rate where necessary to address short term imbalances. Management will continue to monitor foreign exchange exposure and will continue to consider hedging significant foreign currency exposure by using financial instruments such as foreign currency forward contracts.

The following table demonstrates the sensitivity to a reasonably possible change in the US\$, EUR and HK\$ exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives). The change in foreign currency exchange rate has no impact on the equity excluding retained profits.

### 37. 財務風險管理目標及政策 (續)

#### 外幣風險 (續)

如附註21所述，本集團透過訂立外匯遠期合約對沖其將海外業務以美元及歐元列值的銷售換算為人民幣時波動的風險，從而管理其外幣風險。本集團的政策為於有需要時透過按固定匯率買入或賣出外幣解決短期失衡，以確保風險淨額保持於可接受水平。管理層將繼續監控外匯風險，並繼續考慮透過使用金融工具（如外幣遠期合約）對沖重大外幣風險。

下表顯示當所有其他變數不變時，本集團除稅前溢利對美元、歐元及港元匯率合理可能變動的敏感度（由於貨幣資產及負債（包括外幣衍生工具）的公允價值變動）。外幣匯率變動對權益（保留溢利除外）並無影響。

Year ended 31 December 2018

截至二零一八年

十二月三十一日止年度

If RMB weakens against US\$

如人民幣兌美元轉弱

5

7,989

If RMB strengthens against US\$

如人民幣兌美元轉強

(5)

(7,989)

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
5	7,989
(5)	(7,989)

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

Year ended 31 December 2017

If RMB weakens against US\$  
If RMB strengthens against US\$

截至二零一七年

十二月三十一日止年度  
如人民幣兌美元轉弱  
如人民幣兌美元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
--	--

5	11,237
(5)	(11,237)

Year ended 31 December 2018

If RMB weakens against EUR  
If RMB strengthens against EUR

截至二零一八年

十二月三十一日止年度  
如人民幣兌歐元轉弱  
如人民幣兌歐元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
--	--

5	(3,455)
(5)	3,455

# Notes to Financial Statements 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Foreign currency risk (continued)

Year ended 31 December 2017

If RMB weakens against EUR  
If RMB strengthens against EUR

截至二零一七年  
十二月三十一日止年度  
如人民幣兌歐元轉弱  
如人民幣兌歐元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
--	--

5  
(5)

5,659  
(5,659)

Year ended 31 December 2018

If RMB weakens against HK\$  
If RMB strengthens against HK\$

截至二零一八年  
十二月三十一日止年度  
如人民幣兌港元轉弱  
如人民幣兌港元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	(Decrease)/ increase in profit before tax 除稅前溢利 (減少)/增加 RMB'000 人民幣千元
--	--

5  
(5)

(549)  
549

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

Year ended 31 December 2017

If RMB weakens against HK\$

If RMB strengthens against HK\$

截至二零一七年

十二月三十一日止年度

如人民幣兌港元轉弱

如人民幣兌港元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
5	1,022
(5)	(1,022)

#### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk is primarily attributable to trade and notes receivables and deposits and other receivables. Management has a credit policy in place and the exposures to credit risk are monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of customers is assessed through credit verification procedures.

### 37. 財務風險管理目標及政策 (續)

#### 外幣風險 (續)

#### 信貸風險

信貸風險乃指因對手方將未能履行其於金融工具或客戶合約項下的責任而導致財務損失的風險。本集團的信貸風險主要來自應收貿易賬款及應收票據以及押金及其他應收款項。管理層已制訂信貸政策，並持續監控信貸風險。本集團對要求信貸高於若干金額的所有客戶進行信貸評估。

客戶信貸風險按本集團有關客戶信貸風險管理的既定政策、程序及監控進行管理。客戶的信貸質素透過信用核實程序進行評估。

# Notes to Financial Statements 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Credit risk (continued)

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets.

## 37. 財務風險管理目標及政策 (續)

### 信貸風險 (續)

於二零一八年十二月三十一日的最高風險及年結階段

下表顯示基於本集團信貸政策的信貸質素及最高信貸風險，該信貸政策主要依據逾期資料（除非其他資料無需付出不必要成本或精力即可獲得）及於二零一八年十二月三十一日的年結階段分類。所列金額為金融資產賬面總值。

		12-month	Lifetime ECLs			
		ECLs	Simplified approach			
		十二個月	全期預期信貸虧損			
		預期信貸	Stage 1	Stage 2	Stage 3	
		虧損	第1階段	第2階段	第3階段	簡化方法
			RMB'000	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and notes receivables*	應收貿易賬款及應收票據*		-	-	-	295,840
Financial assets included in deposits and other receivables	計入押金及其他應收款項的金融資產					
- Normal**	- 正常**	12,302	-	-	-	-
Pledged deposits	已抵押存款					
- Not yet past due	- 尚未逾期	68,857	-	-	-	-
Cash and cash equivalents	現金及現金等價物					
- Not yet past due	- 尚未逾期	241,826	-	-	-	-
		<b>322,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>295,840</b>
						<b>618,825</b>

\* For trade and notes receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 19 to the financial statements.

\*\* The credit quality of the financial assets included in deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

\* 就本集團採用簡化方法予以減值的應收貿易賬款及應收票據，基於撥備矩陣的資料披露於財務報表附註19。

\*\* 計入押金及其他應收款項的金融資產的信貸質素於其未逾期時被視為「正常」，且自初始確認以來概無資料表明金融資產的信貸風險顯著增加。否則，金融資產的信貸質素將被視為「呆賬」。

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk (continued)

Maximum exposure as at 31 December 2017

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, and pledged deposits, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and notes receivables are disclosed in note 19 to the financial statements.

#### Liquidity risk

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, was as follows:

Interest-bearing bank loans	計息銀行貸款
Trade and notes payables	應付貿易賬款及應付票據
Other payables and accruals	其他應付款項及預提費用

### 37. 財務風險管理目標及政策 (續)

#### 信貸風險 (續)

於二零一七年十二月三十一日的最高信貸風險

本集團其他金融資產(包括現金及現金等價物、已抵押存款)因對手方違約而產生的最高信貸風險相等於該等工具的賬面金額。

由於本集團僅與獲認可且信譽良好的第三方進行交易，因此毋須收取抵押品。信貸集中風險乃按客戶/對手方管理。由於本集團應收貿易賬款的客戶基礎廣泛分散，故本集團並無重大信貸集中風險。

有關本集團來自應收貿易賬款及應收票據的信貸風險的進一步量化數據於財務報表附註19披露。

#### 流動性風險

下列為本集團於報告期末的金融負債到期情況(按合約未折現付款)：

	As at 31 December 2018					Total
	於二零一八年十二月三十一日					
On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years		
按要求	少於三個月	三至十二個月	一至五年	多於五年		總計
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
-	118,332	399,023	56,659	-	-	574,014
157,645	88,030	-	-	-	-	245,675
73,147	-	-	-	-	-	73,147
<b>230,792</b>	<b>206,362</b>	<b>399,023</b>	<b>56,659</b>	<b>-</b>	<b>-</b>	<b>892,836</b>

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, was as follows: (continued)

		As at 31 December 2017 於二零一七年十二月三十一日					
		Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Interest-bearing bank loans	計息銀行貸款	-	140,324	386,535	81,904	608,763	
Trade and notes payables	應付貿易賬款及應付票據	115,400	62,361	12,022	-	189,783	
Other payables and accruals	其他應付款項及預提費用	64,622	-	-	-	64,622	
		<u>180,022</u>	<u>202,685</u>	<u>398,557</u>	<u>81,904</u>	<u>863,168</u>	

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the Group's objectives, policies or processes for managing capital during the years ended 31 December 2018 and 31 December 2017.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes interest-bearing bank loans, trade and notes payables, an amount due to an associate and other payables and accruals, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

### 37. 財務風險管理目標及政策 (續)

#### 信貸風險 (續)

下列為本集團於報告期末的金融負債到期情況(按合約未折現付款):(續)

		As at 31 December 2017 於二零一七年十二月三十一日					
		Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Interest-bearing bank loans	計息銀行貸款	-	140,324	386,535	81,904	608,763	
Trade and notes payables	應付貿易賬款及應付票據	115,400	62,361	12,022	-	189,783	
Other payables and accruals	其他應付款項及預提費用	64,622	-	-	-	64,622	
		<u>180,022</u>	<u>202,685</u>	<u>398,557</u>	<u>81,904</u>	<u>863,168</u>	

#### 資本管理

本集團資本管理的首要目標為保障本集團持續經營的能力，並維持穩健的資本比率，以支持其業務及為股東爭取最大價值。

本集團管理其資本架構，並視乎經濟狀況的變動作出調整。為維持或調整資本架構，本集團可調整向股東派付的股息、向股東退還資本或發行新股份。於截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度，本集團並無對資本管理的目標、政策或程序作出改變。

本集團使用負債比率監控資本，負債比率界定為債務淨額除以資本總額加債務淨額。債務淨額包括計息銀行貸款、應付貿易賬款及應付票據、應付一間聯營公司款項以及其他應付款項及預提費用，減去現金及現金等價物。資本包括母公司擁有人應佔權益。於報告期末的負債比率如下：

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Capital management (continued)

Interest-bearing bank loans	計息銀行貸款
Trade and notes payables	應付貿易賬款及應付票據
Other payables and accruals (note 24)	其他應付款項及預提費用 (附註24)
Less: Cash and cash equivalents	減：現金及現金等價物
Net debt	債務淨額
Total equity	權益總額
Capital and net debt	資本及債務淨額
Gearing ratio	負債比率

### 37. 財務風險管理目標及政策 (續)

#### 資本管理 (續)

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
559,384	595,161
245,675	189,783
73,147	64,622
(241,826)	(173,824)
<b>636,380</b>	675,742
<b>1,153,509</b>	1,050,196
<b>1,789,889</b>	1,725,938
<b>36%</b>	39%

### 38. EVENTS AFTER THE REPORTING PERIOD

On 22 March 2019, the board of directors of the Company proposed a final dividend of HK6.0 cents per ordinary share totalling approximately RMB33,103,000 for the year ended 31 December 2018, which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting (note 11).

### 38. 報告期後事項

於二零一九年三月二十二日，本公司董事會建議就截至二零一八年十二月三十一日止年度派發每股普通股6.0港仙的末期股息，合共約人民幣33,103,000元。股息須經本公司股東於應屆股東週年大會上批准（附註11）。



# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

### 39. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

		<b>31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元</b>	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
NON-CURRENT ASSETS	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	<b>373,362</b>	373,362
CURRENT ASSETS	<b>流動資產</b>		
Amounts due from subsidiaries	應收附屬公司款項	<b>290,381</b>	283,159
Other receivables	其他應收款項	<b>2,522</b>	1,473
Prepayments	預付款	<b>172</b>	–
Cash and cash equivalents	現金及現金等價物	<b>404</b>	1,085
Total current assets	流動資產總值	<b>293,479</b>	285,717
CURRENT LIABILITIES	<b>流動負債</b>		
Interest-bearing bank borrowings	計息銀行借貸	<b>11,391</b>	26,331
Amounts due to subsidiaries	應付附屬公司款項	<b>6,921</b>	4,746
Dividends payable	應付股息	<b>1</b>	–
Payroll payable	應付薪金	<b>–</b>	442
Total current liabilities	流動負債總額	<b>18,313</b>	31,519
NET CURRENT ASSETS	<b>流動資產淨值</b>	<b>275,166</b>	254,198
TOTAL ASSETS LESS CURRENT LIABILITIES	<b>資產總值減 流動負債</b>	<b>648,528</b>	627,560
Net assets	資產淨值	<b>648,528</b>	627,560
EQUITY	<b>權益</b>		
Issued capital	已發行股本	<b>6,329</b>	6,329
Reserves (note)	儲備(附註)	<b>642,199</b>	621,231
Total equity	權益總額	<b>648,528</b>	627,560

# Notes to Financial Statements

## 財務報表附註

As at 31 December 2018 於二零一八年十二月三十一日

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

Company

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Treasury shares 庫存股份 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	270,955	370,213	-	2,012	-	643,180
Profit for the year	年內溢利	-	-	-	-	25,526*	25,526
Final 2016 dividend declared	已宣派二零一六年末期股息	(2,636)	-	-	-	(25,526)	(28,162)
Share repurchased	購回股份	-	-	(19,508)	-	-	(19,508)
Equity-settled share option arrangements	以權益結算購股權安排	-	-	-	195	-	195
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	268,319	370,213	(19,508)	2,207	-	621,231
Profit for the year	年內溢利	-	-	-	-	31,495*	31,495
Final 2017 dividend declared	已宣派二零一六年末期股息	-	-	-	-	(10,527)	(10,527)
At 31 December 2018	於二零一八年十二月三十一日	268,319	370,213	(19,508)	2,207	20,968	642,199

#### Contributed surplus

Contributed surplus represents the excess of the fair value of the shares of Hong Kong Kingdom at the date of the Reorganisation over the nominal value of the shares issued by the Company in exchange therefor.

\* Profit for the year of 2018 includes dividends from subsidiaries attributable to previous years' profits of RMB33,438,000 (2017: RMB27,122,000)

### 40. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 22 March 2019.

### 39. 本公司財務狀況表 (續)

附註：

本公司儲備概述如下：

本公司

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Treasury shares 庫存股份 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	270,955	370,213	-	2,012	-	643,180
Profit for the year	年內溢利	-	-	-	-	25,526*	25,526
Final 2016 dividend declared	已宣派二零一六年末期股息	(2,636)	-	-	-	(25,526)	(28,162)
Share repurchased	購回股份	-	-	(19,508)	-	-	(19,508)
Equity-settled share option arrangements	以權益結算購股權安排	-	-	-	195	-	195
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	268,319	370,213	(19,508)	2,207	-	621,231
Profit for the year	年內溢利	-	-	-	-	31,495*	31,495
Final 2017 dividend declared	已宣派二零一六年末期股息	-	-	-	-	(10,527)	(10,527)
At 31 December 2018	於二零一八年十二月三十一日	268,319	370,213	(19,508)	2,207	20,968	642,199

#### 繳入盈餘

繳入盈餘指於重組日期香港金達股份的公允價值超出本公司為交換而發行的股份面值的數額。

\* 二零一八年內溢利包括源自附屬公司應佔過往年度溢利的股息人民幣33,438,000元(二零一七年：人民幣27,122,000元)

### 40. 批准合併財務報表

董事會已於二零一九年三月二十二日批准及授權刊發本合併財務報表。



地址：中國浙江省海鹽縣橫港集鎮  
Add : Henggang Town, Haiyan County, Zhejiang Province, China  
E-mail: ir@kingdom-china.com

[www.kingdom-china.com](http://www.kingdom-china.com)

