



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands and its members' liability is limited) Stock Code: 2314

(於開曼群島註冊成立及其成員責任為有限) 股份代號: 2314



ANNUAL REPORT 年報

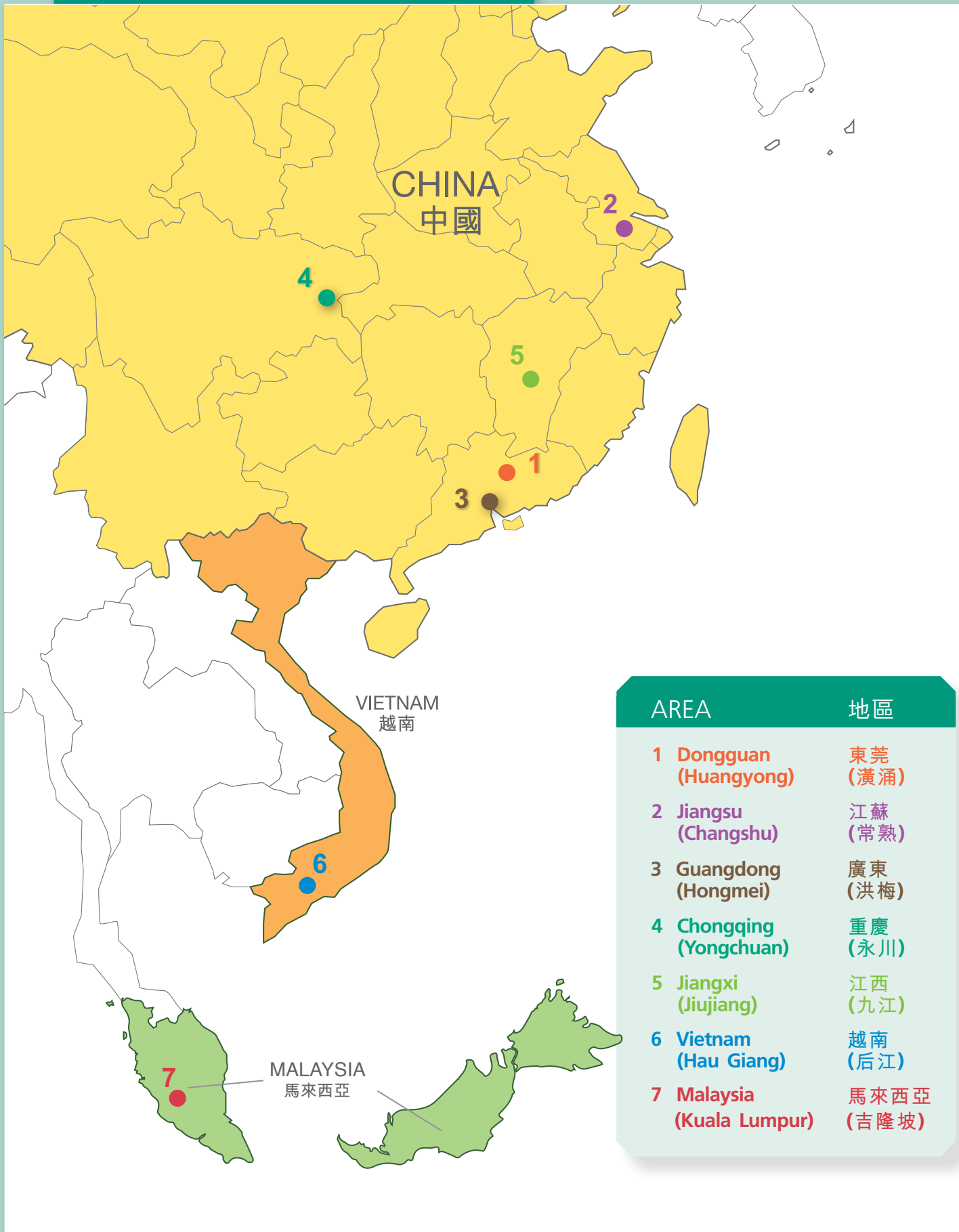
2019

* 僅供識別

* For identification purposes only

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1 Dongguan Lee & Man

東莞理文

Annual production capacity: 590,000 tons of paper
年產能： 59萬噸紙

2 Jiangsu Lee & Man

江蘇理文

Annual production capacity: 1.12 million tons of paper
年產能： 112萬噸紙

3 Guangdong Lee & Man

廣東理文

Annual production capacity: 2.30 million tons of paper and 110,000 tons of tissue paper
年產能： 230萬噸紙及11萬噸衛生紙

4 Chongqing Lee & Man

重慶理文

Annual production capacity: 900,000 tons of paper, 180,000 tons of pulp and 575,000 tons of tissue paper
年產能： 90萬噸紙、18萬噸木漿及57.5萬噸衛生紙

5 Jiangxi Lee & Man

江西理文

Annual production capacity: 720,000 tons of paper and 210,000 tons of tissue paper
年產能： 72萬噸紙及21萬噸衛生紙

6 Vietnam Lee & Man

越南理文

Annual production capacity: 550,000 tons of paper/products
年產能： 55萬噸紙/產品

7 Malaysia Lee & Man

馬來西亞理文

Annual production capacity: 400,000 tons of pulp board
年產能： 40萬噸漿板

PRODUCTS

產品

Kraft Linerboard	牛咭紙
Test Linerboard	掛面牛咭紙
Coated Duplex Board	塗布白板紙
White Top Linerboard	白面牛咭紙
High Strength Corrugating Medium	高強瓦楞芯紙
Pulp	木漿
Tissue Paper	衛生紙

BOARD OF DIRECTORS

Executive directors

Dr. Lee Man Chun Raymond *SBS JP (Chairman)*
Mr. Lee Man Bun *MH JP (Chief Executive Officer)*
Mr. Li King Wai Ross

Non-executive director

Professor Poon Chung Kwong *GBS JP*

Independent non-executive directors

Mr. Wong Kai Tung Tony
Mr. Peter A. Davies
Mr. Chau Shing Yim David

AUDIT COMMITTEE

Mr. Chau Shing Yim David *(Chairman)*
Mr. Wong Kai Tung Tony
Mr. Peter A. Davies

REMUNERATION COMMITTEE

Mr. Chau Shing Yim David *(Chairman)*
Mr. Wong Kai Tung Tony
Mr. Peter A. Davies

NOMINATION COMMITTEE

Dr. Lee Man Chun Raymond *SBS JP (Chairman)*
Mr. Chau Shing Yim David
Mr. Wong Kai Tung Tony
Mr. Peter A. Davies

AUTHORISED REPRESENTATIVES

Dr. Lee Man Chun Raymond *SBS JP*
Mr. Cheung Kwok Keung

COMPANY SECRETARY

Mr. Cheung Kwok Keung

REGISTERED OFFICE

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

董事會

執行董事

李文俊博士 *銀紫荊星章 太平紳士(主席)*
李文斌先生 *榮譽勳章 太平紳士(首席執行官)*
李經緯先生

非執行董事

潘宗光教授 *金紫荊星章 太平紳士*

獨立非執行董事

王啟東先生
Peter A. Davies先生
周承炎先生

審核委員會

周承炎先生 *(主席)*
王啟東先生
Peter A. Davies先生

薪酬委員會

周承炎先生 *(主席)*
王啟東先生
Peter A. Davies先生

提名委員會

李文俊博士 *銀紫荊星章 太平紳士(主席)*
周承炎先生
王啟東先生
Peter A. Davies先生

授權代表

李文俊博士 *銀紫荊星章 太平紳士*
張國強先生

公司秘書

張國強先生

註冊辦事處

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



PRINCIPAL OFFICE

5th Floor, Liven House
61–63 King Yip Street
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL BANKERS

In Hong Kong and Macau:

Hang Seng Bank
Standard Chartered Bank
Citibank, N.A.
HSBC
DBS
Bank of China (Hong Kong)

In the PRC:

China Construction Bank
Bank of China

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with
the Financial Reporting Council Ordinance

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

<http://www.leemanpaper.com>

總辦事處

香港
九龍觀塘
敬業街61–63號
利維大廈5樓

主要往來銀行

香港及澳門：

恒生銀行
渣打銀行
花旗銀行
滙豐銀行
星展銀行
中國銀行(香港)

中國：

中國建設銀行
中國銀行

核數師

德勤•關黃陳方會計師行
執業會計師
於《財務匯報局條例》下的
註冊公眾利益實體核數師

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

網址

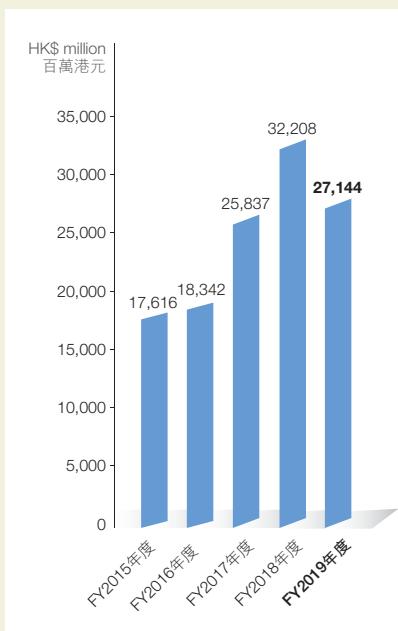
<http://www.leemanpaper.com>



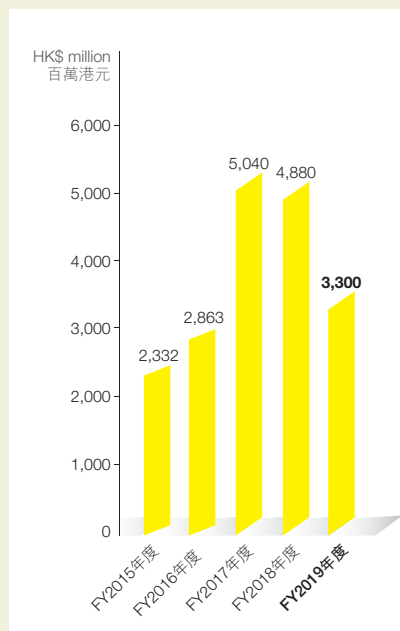
FINANCIAL HIGHLIGHTS

財務摘要

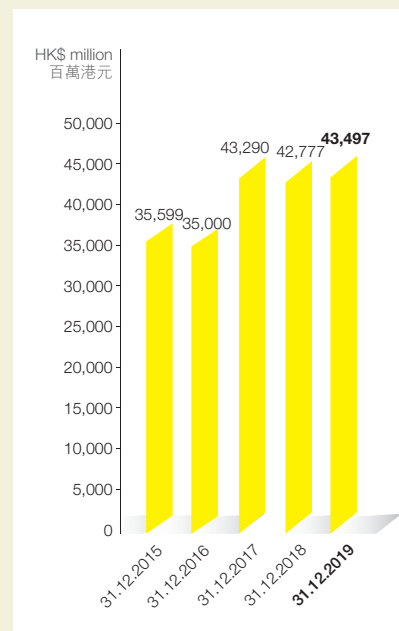
Revenue 收入



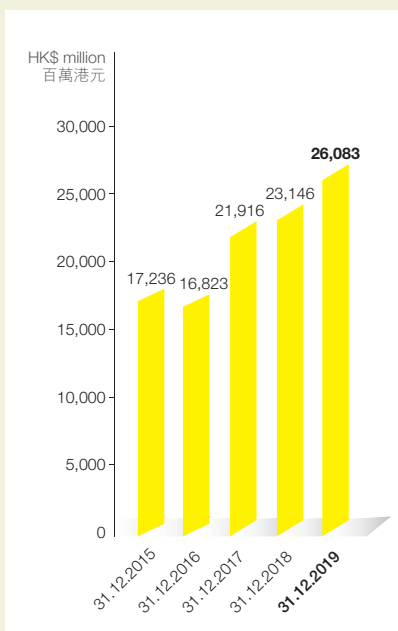
Profit for the year 年度盈利



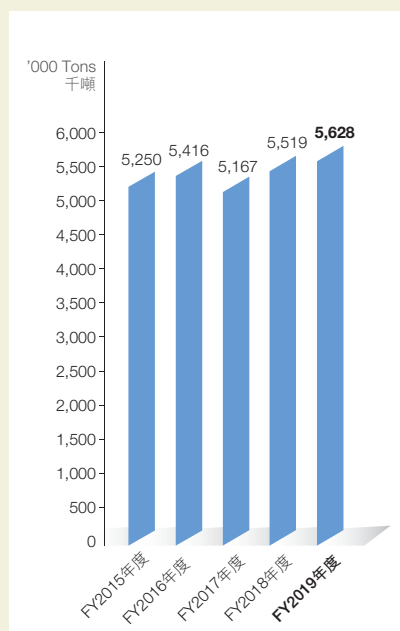
Total Assets 資產總值



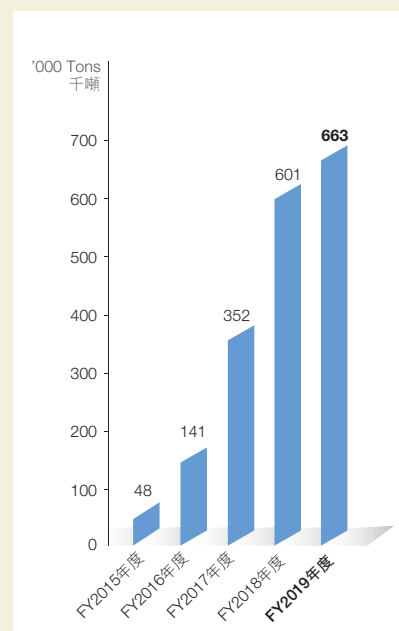
Total Equity 權益總值



Sales Volume (Packaging Paper) 銷售量 (包裝紙)



Sales Volume (Tissue Paper) 銷售量 (衛生紙)



FINANCIAL SUMMARY

財務概要

		Year ended 31 December 截至 12月31日止年度				2019
		2015	2016	2017	2018	HK\$'000
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	千港元
		千港元	千港元	千港元	千港元	千港元
RESULTS	業績					
Revenue	收入	17,615,641	18,341,677	25,836,884	32,208,082	27,144,210
Profit before tax	除稅前盈利	2,750,162	3,354,017	6,323,175	6,127,332	4,020,195
Income tax expense	利得稅支出	(418,487)	(491,274)	(1,282,883)	(1,247,112)	(719,930)
Profit for the year	年度盈利	2,331,675	2,862,743	5,040,292	4,880,220	3,300,265

		At 31 December 於12月31日				2019
		2015	2016	2017	2018	HK\$'000
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	千港元
		千港元	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	35,599,063	34,995,978	43,289,793	42,776,828	43,497,407
Total liabilities	總負債	(18,362,876)	(18,173,013)	(21,373,675)	(19,630,977)	(17,414,787)
Net assets	資產淨值	17,236,187	16,822,965	21,916,118	23,145,851	26,082,620



BUSINESS REVIEW AND OUTLOOK

In the year 2019, under the impact of supply-side reform, trade frictions and other factors, the paper manufacturing industry has been encountering challenges and adjustments. Lee & Man Paper has experienced slowdown amidst stability, recording decreases in both sales revenue and profit, which was within the expectation of the Group. The strategic goal of the Group remained unchanged. For the year 2019, the Group recorded total revenue of HK\$27.14 billion, decreased by 15.7% as compared to last year. Net profit decreased by 32.4% to HK\$3.30 billion. Earnings per share for the year was HK73.95 cents (2018: HK109.92 cents). The board of directors proposed a final dividend of HK13 cents (2018: HK15 cents) per share for 2019. During the year, the aggregate sales of the Group amounted to 6.29 million tons, while its net profit per ton was of HK\$525.

INDUSTRY AND BUSINESS REVIEW

According to ASKCI Consulting Company Limited, over the four years from 2014 to 2017, the operating income of the paper manufacturing industry in China continued to grow and the profitability also tended to be stable. However, from the second half of 2018, with the promotion of supply-side reform in Mainland China as well as the restriction of new capacity investment owing to the tightening of environmental policy, both supply and demand of the industry stayed low. In the international arena, the US-China trade war began in late August 2018, 25% tariffs on imported waste paper were imposed resulting in shortage of raw materials supply. At the same time, market demand from downstream remained poor. Amidst the impact of a series of factors, the profitability of the paper manufacturing industry has declined.

業務回顧及展望

2019年受供給側改革以及貿易摩擦等因素影響，造紙行業面臨著一定的挑戰和調整，理文造紙穩中有緩，2019年銷售收入及利潤均有所下降，但均在集團預期之內，集團戰略目標保持不變。2019年總收入比去年同期下跌15.7%至271.4億港元，淨利潤下跌32.4%至33.0億港元。年內每股盈利73.95港仙（2018年：109.92港仙）。董事會建議2019年派發末期股息每股13港仙（2018年：15港仙）。本集團2019年總銷售量為629萬噸，產品平均每噸淨利潤為525港元。

行業及業務回顧

根據中商產業研究院有限公司監測資料顯示，自2014–2017年近四年來，中國造紙行業營業收入保持穩步上漲，盈利能力也趨於穩定。但從2018年下半年開始，隨著內地供給側改革的推進，加之趨嚴的環保政策限制新增產能投放，使得行業供需狀態開始偏緊。國際上，2018年8月底，中美貿易戰開始展開，進口廢紙加徵25%關稅，高關稅使得原材料供應持續緊張，原料供給受限，同時下游需求不振。在一系列的因子影響下，造紙企業利潤有所下滑。



The paper manufacturing industry still faced certain pressure in 2019. In addition, the ongoing US-China trade friction resulted in the substantial increase in the cost of paper production, which has in turn affected consumer confidence. The Group has proactively responded to the changes in market. The Group has been committed to developing a vertical business model through active consolidation of its upstream resources covering pulp manufacturing and recycling of waste paper so as to achieve an integrated industrial chain to ensure the supply of raw materials. At the same time, by expanding scale, controlling costs and strengthening production capacity leveraging the existing business foundation, the Group will have more opportunities for business development.

BUSINESS PROSPECT

With the signing of the first phase of the US-China trade agreement at the beginning of the year, uncertainties have been greatly reduced and it is expected that market sentiments will be enhanced which should be conducive to global economic recovery supporting the potential economic growth of China. However, the recent novel coronavirus (COVID-19) epidemic might also be posting uncertainty to the situation. The Group will make a proactive effort to optimise the industrial chain for achieving diversification of the paper and pulp businesses. In the meantime, leveraging the existing business foundation, the Group will support the "Belt & Road" initiatives, targeting Southeast Asia market for international development and new production capacity increase. In future, the Group will continue to seek business opportunities in countries and cities along the Belt & Road and is confident in the long term development of the region.

2019年造紙行業依然面對一定壓力。加之，中美貿易摩擦仍在持續，造紙成本大幅攀升，影響消費者的消費信心。本集團因應市場變化，積極應對。集團一直致力於通過積極整合上游資源，發展涵蓋製漿及廢紙回收的垂直業務模式，向產業鏈一體化方向發展，確保原材料的供應；同時，集團在現有業務基礎上，不斷擴充規模，控制成本，提升產能，給集團帶來更多的業績增長機會。

業務前景

隨著年初中美貿易首階段協議的簽署大幅降低了不確定性，將提升市場情緒，有利於全球經濟復甦，支撐中國潛在經濟增長，但同時亦受最近新型冠狀病毒疫情之不明朗影響。本集團積極優化產業鏈，以實現紙張和紙漿業務的多元化。同時，在原有的生產規模的基礎上，集團響應「一帶一路」戰略，瞄準東南亞市場，拓展國際產業布局，增加新產能，未來將繼續在一帶一路國家以及城市發掘商機，集團對於一帶一路長遠發展抱有信心。



As for the tissue paper business, it is a major focus of the Group and an integrated product chain has been formed. Lee & Man Paper has endeavored to improve the quality of consumer tissue and boost its scale of production in order to satisfy people's needs for health and environmental protection as well as consumption requirements. The tissue business has maintained steady growth as a whole. The new tissue production lines with capacity of 100,000 tons at Jiangxi plant have commenced operation and the tissue business has become the new growth driver of the Group. The Group will focus on the requirements of the consumers and continue to adopt effective strategies for developing the tissue business.

Packaging paper is still the core business of the Group. Since the outbreak of the US-China trade war in 2018, the packaging paper business in Mainland China has relatively shrunk. In addition, Mainland China embarked on waste paper import restriction policy starting from 2017. The relevant policy restricted the supply of raw materials and had some bearing on the domestic paper manufacturing industry, in turn impacting the waste paper recycling of the Group. The Group will actively seek alternative methods for the import of waste paper.

The Group will stay committed to offering quality products to the public, adhere to a principle that places equal emphasis on production and operation as well as environmental protection, strengthen environmental management, step up efforts in reducing sewage, and implement energy conservation and emission reduction measures. In the long run, it is believed there is still substantial room for growth in the paper manufacturing industry. The Group will seize opportunities to expand its market coverage and maintain competitiveness in the prevailing paper manufacturing industry.

CONCLUSION

The Group would like to express its sincere gratitude to employees and shareholders for their strong support. Leveraging its leading position in the paper manufacturing industry and its consistently solid development advantage, the Group would further enhance its profitability and maximise the return to shareholders.

衛生紙業務方面，本集團高度重視生活用紙業務，已經實現全產品鏈打造。理文造紙一直致力於努力改善提高生活用紙的質量和生產規模，以滿足人們對健康和環保的要求，以及消費需求。衛生紙業務總體發展平穩，江西廠房的10萬噸新衛生紙生產線已投入生產，衛生紙業務已成為本集團新的增長動力。本集團會以客戶的需求為導向，將繼續採取有效的策略來發展衛生紙業務。

包裝紙業務是本集團的主要核心業務。自2018年中美貿易戰展開，內地包裝紙業務相對有所萎縮，加之從2017年開始，中國內地陸續推出了關於限制廢紙進口的政策。相關限制政策的出台一定程度上限制了原材料的供應，對國內造紙行業產生一定衝擊，集團的廢紙回收受到了一定影響。因此集團積極尋求其他方法替代廢紙入口。

本集團致力為大眾提供高品質的產品，並秉承生產經營與環境保護並重的宗旨，強化環保管理，加大減排力度，做到節能減耗。長遠而言，造紙行業仍然有比較大的發展空間。集團將抓住機遇，拓展市場規模，保持集團在現今造紙行業的市場競爭力。

結語

在此，本集團衷心感謝一直以來全體員工及股東的大力支持，憑藉集團於造紙業的龍頭地位以及貫徹始終的穩健發展優勢，進一步提升集團盈利能力，為股東帶來最大的利益。



RESULTS OF OPERATION

Revenue and net profit attributable to owners of the Company for the year ended 31 December 2019 was HK\$27.14 billion and HK\$3.30 billion respectively, while its net profit per tonne was HK\$525.

The earnings per share for the year was HK73.95 cents when compared with HK109.92 cents for the year ended 31 December 2018.

DISTRIBUTION AND SELLING EXPENSES

The Group's distribution and selling expenses was HK\$612 million for the year ended 31 December 2019 as compared to HK\$581 million for the year ended 31 December 2018. It represented about 2.3% of the revenue for the year ended 31 December 2019 and was increased as compared to about 1.8% for the year ended 31 December 2018.

GENERAL AND ADMINISTRATIVE EXPENSES

The Group's general and administrative expenses was HK\$1,163 million for the year ended 31 December 2019 as compared to HK\$1,518 million for the year ended 31 December 2018. It represented about 4.3% of the revenue for the year ended 31 December 2019 and was decreased as compared to that of 4.7% for the year ended 31 December 2018.

經營業績

截至2019年12月31日止年度的收入及本公司擁有人應佔純利分別為271.4億港元及33.0億港元，每噸純利525港元。

本年度的每股盈利為73.95港仙，截至2018年12月31日止年度則為109.92港仙。

分銷及銷售費用

本集團截至2019年12月31日止年度的分銷及銷售費用為6.12億港元，而截至2018年12月31日止年度為5.81億港元。截至2019年12月31日止年度的分銷及銷售費用佔收入約2.3%，較截至2018年12月31日止年度約1.8%增加。

日常及行政費用

本集團截至2019年12月31日止年度的日常及行政費用為11.63億港元，而截至2018年12月31日止年度為15.18億港元。截至2019年12月31日止年度的日常及行政費用佔收入約4.3%，較截至2018年12月31日止年度的4.7%下跌。



FINANCE COSTS

The Group's total finance costs (including the amounts capitalised) was HK\$418 million for the year ended 31 December 2019 as compared to HK\$389 million for the year ended 31 December 2018. The increase was mainly due to the increase in average interest rate on bank borrowings during the year.

INVENTORIES, DEBTORS' AND CREDITORS' TURNOVER

The inventory turnover of the Group's raw materials and finished products were 54 days and 10 days, respectively, for the year ended 31 December 2019 as compared to 61 days and 16 days, respectively, for the year ended 31 December 2018.

The Group's debtors' turnover days were 39 days for the year ended 31 December 2019 as compared to 35 days for the year ended 31 December 2018. This is in line with the credit terms granted by the Group to its customers.

The Group's creditors' turnover days were 27 days for the year ended 31 December 2019, which was comparable to 33 days for the year ended 31 December 2018.

財務成本

截至2019年12月31日止年度，本集團的總財務成本(包括已資本化金額)為4.18億港元，而於截至2018年12月31日止年度則為3.89億港元。成本增加主要由於年內銀行貸款平均利率上升。

存貨、應收賬款及應付賬款周轉期

本集團於截至2019年12月31日止年度的原料及製成品存貨周轉期分別為54日及10日，而於截至2018年12月31日止年度則分別為61日及16日。

本集團於截至2019年12月31日止年度的應收賬款周轉期為39日，而截至2018年12月31日止年度則為35日。此符合本集團給予客戶的信貸期。

本集團於截至2019年12月31日止年度的應付賬款周轉期為27日，與截至2018年12月31日止年度的33日相若。



LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total shareholders' fund of the Group as at 31 December 2019 was HK\$26,083 million (2018: HK\$23,146 million). As at 31 December 2019, the Group had current assets of HK\$12,491 million (2018: HK\$13,280 million) and current liabilities of HK\$8,460 million (2018: HK\$10,222 million). The current ratio was 1.48 as at 31 December 2019 as compared to 1.30 at 31 December 2018.

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong, Macau and the PRC. As at 31 December 2019, the Group had outstanding bank borrowings of HK\$12,336 million (2018: HK\$13,790 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 31 December 2019, the Group maintained bank balances and cash of HK\$2,919 million (2018: HK\$2,012 million). During the year, the Company issued USD300 million perpetual capital securities and the Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) further decreased from 0.51 as at 31 December 2018 to 0.36 as at 31 December 2019.

The Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

The Group's transactions and the monetary assets are principally denominated in Hong Kong dollars, Renminbi, United States dollars or Euro. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year ended 31 December 2019. The Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

流動資金、財務資源及資本結構

於2019年12月31日，本集團的股東資金總額為260.83億港元(2018年：231.46億港元)。於2019年12月31日，本集團的流動資產達124.91億港元(2018年：132.80億港元)，而流動負債則為84.60億港元(2018年：102.22億港元)。於2019年12月31日的流動比率為1.48，而於2018年12月31日則為1.30。

本集團一般以內部產生的現金流量，以及香港、澳門及中國之主要往來銀行提供的信貸備用額作為業務的營運資金。於2019年12月31日，本集團的未償還銀行貸款為123.36億港元(2018年：137.90億港元)。該等銀行貸款由本公司若干附屬公司提供的公司擔保作為抵押。於2019年12月31日，本集團持有銀行結餘及現金29.19億港元(2018年：20.12億港元)。年內，本公司發行了3.00億美元永續資本證券，使本集團的淨資本負債比率(借貸總額減現金及現金等價物除以股東權益)由2018年12月31日的0.51進一步下降至2019年12月31日的0.36。

本集團具備充裕現金及可供動用的銀行備用額以應付本集團的承擔及營運資金需要。

本集團的交易及貨幣資產主要以港元、人民幣、美元或歐元計值。截至2019年12月31日止年度內，本集團的營運或流動資金未曾因匯率波動而遇到任何重大困難或影響。本集團採用貨幣結構工具、外幣借貸或其他途徑，作外幣風險對沖之用。



EMPLOYEES

As at 31 December 2019, the Group had a workforce of about 8,300 people. Salaries of employees are maintained at competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group.

The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

僱員

於2019年12月31日，本集團員工約8,300名。僱員薪酬維持於具競爭力水平，並會每年評估，且密切留意有關勞工市場及經濟市況趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本集團盈利發放花紅。

本集團並無遭遇任何重大僱員問題，亦未曾因勞資糾紛令營運中斷，在招聘及挽留經驗豐富的員工方面亦不曾出現困難。本集團與僱員的關係良好。



CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Board of the Company believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximising shareholders' interests. During the year under review, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The objectives of the management structures within the Group, headed by the Board and led by the Chairman, are to deliver sustainable value to Shareholders.

The Chairman provides leadership to and oversees the effective functioning of the Board. With support of the Chief Executive Officer and the Company Secretary, the Chairman approves Board meeting agenda, and ensures Directors have proper briefing, and timely receive adequate and reliable information, on all Board matters.

The role of the Chairman is separate from that of the Chief Executive Officer, and different persons hold the separate offices. Chief Executive Officer heads the management and focuses on the day-to-day operations of the Group.

AUDIT COMMITTEE

The Audit Committee has reviewed with management, the Group's consolidated financial statements for the year ended 31 December 2019, the accounting principles and practices adopted and discussed auditing, internal controls and financial reporting matters.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions in 2004. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2019. The Model Code also applies to other specified senior management of the Group.

企業管治常規

本公司致力保持高水準之企業管治。本公司董事會相信，對本集團增長及對保障及提高股東權益而言，完善及合理的企業管治常規實在不可或缺。本公司於回顧年內一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「守則」)。

本集團內管理架構以主席領導的董事會為首，其目標是持續不斷為股東創造價值。

主席負責領導並監督董事會，使其得以有效發揮功能。在首席執行官及公司秘書的支援下，主席批准董事會會議議程，並確保董事獲給予恰當簡報，且及時就一切有關董事會的事宜發放充足可靠的資料。

主席與首席執行官的職務明確劃分，職務由不同人士擔任。首席執行官負責領導管理層，專門負責本集團的日常營運。

審核委員會

審核委員會與管理層已審閱本集團截至2019年12月31日止年度之綜合財務報表、所採納之會計原則及慣例，並已討論核數、內部監控及財務報告事宜。

董事之證券交易

本公司已於2004年採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易之行為守則。經本公司向所有董事作出具體查詢後，全體董事皆確認於截至2019年12月31日止整個年度已遵守標準守則所載之規定標準。標準守則亦適用於本集團之其他特定高級管理層。



BOARD OF DIRECTORS

Composition and Role

The Board comprises:

Executive directors:

Dr. Lee Man Chun Raymond *SBS JP (Chairman)*

Mr. Lee Man Bun *MH JP*

Mr. Li King Wai Ross

Non-executive director:

Professor Poon Chung Kwong *GBS JP*

Independent non-executive directors:

Mr. Wong Kai Tung Tony

Mr. Peter A. Davies

Mr. Chau Shing Yim David

During the year, the Board comprises of three executive directors (one of whom is the Chairman), one non-executive director and three independent non-executive directors. In addition, three of the independent non-executive directors possess appropriate legal, professional accounting qualifications and financial management expertise.

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

The independent non-executive directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive director an annual confirmation or confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The independent non-executive directors are explicitly identified in all of the Company's corporate communications.

董事會

架構及角色

董事會包括：

執行董事：

李文俊博士 *銀紫荊星章 太平紳士(主席)*

李文斌先生 *榮譽勳章 太平紳士*

李經緯先生

非執行董事：

潘宗光教授 *金紫荊星章 太平紳士*

獨立非執行董事：

王啟東先生

Peter A. Davies先生

周承炎先生

年內，董事會包括三位執行董事(其中一位為主席)、一位非執行董事及三位獨立非執行董事。此外，三位獨立非執行董事分別具適當之法律、專業會計師資格及財務管理經驗。

董事會主要著眼於本集團之整體策略及發展。董事會亦監察本集團經營業務之財務表現及內部監控。

獨立非執行董事亦在確保及監察有效企業管治之架構中擔當非常重要的角色。董事會相信每一位獨立非執行董事均有其獨立性及判斷力，彼等均合乎上市規則規定之特定獨立準則。本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出之年度獨立性確認函。而獨立非執行董事均可在本公司所有企業通訊內明確識別。



The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notice of at least 14 days have been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time before the meeting. Draft minutes of all board meetings are circulated to directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it.

During the year, full board meetings were held and the individual attendance of each director is set out below:

主席經徵詢全體董事，首要負責草擬及審批每次董事會會議之議程。開會通知最少於常務會議十四天前發送予各董事，如需要，董事可要求在議程內加插討論事項。召開常務會議時，一套完整議程連同開會文件會在開會前之合理時間內發送予各董事。草擬的會議紀錄亦會於合理時間內送交各董事省閱，方予確認。

董事會及董事委員會之會議紀錄由相關會議所委任之秘書保存，所有董事均有權查閱董事會文件及相關資料及適時地獲提供足夠資料，使董事會可於決策事項前作出有根據的判斷。

年內，已召開全體董事會會議，各董事出席情況詳列如下：

Name of director	董事姓名	Number of meetings attended/Total 出席會議／會議總次數
Dr. Lee Man Chun Raymond <i>SBS JP</i>	李文俊博士 銀紫荊星章 太平紳士	8/8
Mr. Lee Man Bun <i>MH JP</i>	李文斌先生 榮譽勳章 太平紳士	8/8
Mr. Li King Wai Ross	李經緯先生	8/8
Professor Poon Chung Kwong <i>GBS JP</i>	潘宗光教授 金紫荊星章 太平紳士	8/8
Mr. Wong Kai Tung Tony	王啟東先生	8/8
Mr. Peter A. Davies	Peter A. Davies先生	8/8
Mr. Chau Shing Yim David	周承炎先生	8/8



Each appointed director receives formal, comprehensive and tailored induction on the first occasion of his appointment to ensure proper understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

每位委任董事均於首次接受委任時獲得正式、全面及專門為其設計之入職培訓，以確保該董事對本公司之業務及運作均有適當之理解，並充分知悉彼於上市規則及相關監管規定下之責任及義務。

The directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. The participation by individual directors in the continuous professional development programme with appropriate emphasis on the roles, functions and duties of a director of a listed company in 2019 is recorded in the table below.

董事確認要持續發展並更新本身知識及技能方可為本公司作出貢獻。下表概列各董事於2019年就適切着重上市公司董事之角色、職能及職責之持續專業發展計劃之參與記錄。

Name of director	董事姓名	Attending external seminars/ programmes	
		Reading regulatory updates 閱讀監管規定更新資料	participating 參與 外界機構舉辦 研討會/活動
Executive directors	執行董事		
Dr. Lee Man Chun Raymond <i>SBS JP</i>	李文俊博士 銀紫荊星章 太平紳士	✓	✓
Mr. Lee Man Bun <i>MH JP</i>	李文斌先生 榮譽勳章 太平紳士	✓	✓
Mr. Li King Wai Ross	李經緯先生	✓	✓
Non-executive director	非執行董事		
Professor Poon Chung Kwong <i>GBS JP</i>	潘宗光教授 金紫荊星章 太平紳士	✓	✓
Independent non-executive directors	獨立非執行董事		
Mr. Wong Kai Tung Tony	王啟東先生	✓	✓
Mr. Peter A. Davies	Peter A. Davies先生	✓	✓
Mr. Chau Shing Yim David	周承炎先生	✓	✓



AUDIT COMMITTEE

The Audit Committee was established in 2003 and its current members include:

Mr. Chau Shing Yim David (*Chairman*)
Mr. Wong Kai Tung Tony
Mr. Peter A. Davies

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in legal, business and accounting on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. To conform to the provisions of the Code and the Listing Rules, the written terms of reference which describe the authority and duties of the Audit Committee were approved and adopted on 28 March 2012, and revised in (i) January 2016 to reflect the additional responsibilities of the Audit Committee arising from the Stock Exchange's proposal on risk management and internal control under the Code applicable to accounting periods beginning on or after 1 January 2016; and (ii) January 2019 to reflect the amendments of the Code with effect from 1 January 2019. A copy of the terms of reference is posted on the Company's website.

The Audit Committee meets regularly to review the Group's financial reporting and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the accounts for the year ended 31 December 2019.

審核委員會

審核委員會於2003年成立，現時成員包括：

周承炎先生(主席)
王啟東先生
Peter A. Davies先生

董事會認為各審核委員會成員均具備廣泛營商經驗，審核委員會當中兼備合適之法律、商業及會計專業。審核委員會之架構及成員符合上市規則第3.21條之規定。為符合守則條文及上市規則，描述審核委員會權限及職責之職權範圍已於2012年3月28日獲批准及採納，並已(i)於2016年1月經修訂，以反映聯交所按於2016年1月1日或之後開始的會計期間適用的守則就風險管理及內部監控提出建議所產生審核委員會額外職責；及(ii)於2019年1月經修訂，以反映自2019年1月1日起生效的守則修訂。職權範圍全文已刊載於本公司網頁內。

審核委員會定期開會以檢討本集團之財務匯報及給予股東之其他資料、內部監控系統、風險管理及審核過程之有效性及效能。審核委員會並為董事會及公司核數師之間之重要橋樑，在其職權範圍內持續檢討核數師之獨立性及效能。

審核委員會已與管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務匯報等事項進行討論，其中包括審閱截至2019年12月31日止年度的會計賬目。



During the year, three Audit Committee meetings were held and the individual attendance of each member is set out below:

年內，共召開三次審核委員會會議，個別成員的出席情況詳列如下：

Name of member	成員姓名	Number of attendance	出席次數
Mr. Chau Shing Yim David	周承炎先生		3/3
Mr. Wong Kai Tung Tony	王啟東先生		3/3
Mr. Peter A. Davies	Peter A. Davies先生		3/3

REMUNERATION COMMITTEE

薪酬委員會

The Remuneration Committee was established in 2005 and the current members include:

薪酬委員會於2005年成立，現時成員包括：

Mr. Chau Shing Yim David (*Chairman*)
Mr. Wong Kai Tung Tony
Mr. Peter A. Davies

周承炎先生(主席)
王啟東先生
Peter A. Davies先生

The Remuneration Committee has adopted the approach under paragraph B.1.2(c)(ii) of the Code and advises and makes recommendations to the Board on the Group's overall policy and structure for the remuneration of directors and senior management. The Remuneration Committee ensures that no director or any of his associate is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee were approved and adopted on 28 March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website.

薪酬委員會已採納守則規條之B.1.2(c)(ii)，向董事會就本集團董事及高級管理層之薪酬之整體政策及架構作出建議。薪酬委員會確保概無董事或其任何聯繫人參與釐定其本身之薪酬。為符合守則條文，薪酬委員會的職權範圍已於2012年3月28日獲批准及採納，並已刊載於本公司網頁內。

In determining the emolument payable to directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

在釐定應付予董事之酬金時，薪酬委員會乃考慮各項因素，包括同業薪金水平，董事所奉獻之時間及其職責，集團內部的僱傭情況及與表現掛鈎之酬金。

The Remuneration Committee meets regularly to determine the policy for the remuneration of directors and assess performance of executive directors and certain senior management. One Remuneration Committee meeting was held during the year and all members have attended in the meeting.

薪酬委員會定期開會以釐定董事之酬金政策及評估執行董事及若干高級管理層之表現。年內召開會議一次，所有成員均有出席會議。



NOMINATION COMMITTEE

The Nomination Committee was established on 28 March 2012 and the current members include:

Dr. Lee Man Chun Raymond *SBS JP (Chairman)*
Mr. Chau Shing Yim David
Mr. Wong Kai Tung Tony
Mr. Peter A. Davies

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of the independent non-executive directors. The terms of reference of the Nomination Committee were approved and adopted on 28 March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website.

The Nomination Committee reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. One Nomination Committee meeting was held during the year and all members have attended in the meeting.

Nomination Policy

Objectives

The key objectives of the Nomination Policy (the "Nomination Policy") shall inter-alia include the following:

- to set out the criteria and process for the nomination and appointment of directors of the Company;
- to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business; and
- to ensure the Board's continuity and appropriate leadership at the Board level.

提名委員會

提名委員會於2012年3月28日成立，現時成員包括：

李文俊博士 *銀紫荊星章太平紳士(主席)*
周承炎先生
王啟東先生
Peter A. Davies先生

提名委員會主要負責考慮及提名合適人選成為董事會成員，並負責定期檢討董事會構成，及制訂提名及委任董事之有關程序，就董事之委任及繼任計劃向董事會提供推薦意見，以及評估獨立非執行董事之獨立性。為符合守則條文，提名委員會的職權範圍已於2012年3月28日獲批准及採納，並已刊載於本公司網頁內。

提名委員會已檢討董事會目前之架構、規模及構成，以保證各董事具有適合本公司業務要求的均衡知識、技能及經驗。年內召開會議一次，所有成員均有出席會議。

提名政策

目標

提名政策(「提名政策」)的主要目標應包括(其中包括)以下內容：

- 就提名及委任本公司董事事宜，制定標準及程序；
- 確保董事會具有適用於公司業務需要之相應技能、經驗及多元化觀點的平衡；及
- 確保董事會的連續性及董事會層面的領導質素。



Appointment and Re-appointment of Director

Nomination Committee shall identify and ascertain the integrity, qualification, expertise and experience of the candidate who is considered for being appointed/re-elected as director and apply due diligence in compliance with all applicable provisions of the laws of the Cayman Islands and the Listing Rules including any amendments thereto from time to time. Also, the Nomination Committee shall consider recommendations for candidates to the Board from shareholders of the Company.

The Nomination Committee shall obtain all applicable declarations and undertakings as provided under the laws of the Cayman Islands and the Listing Rules. In the case of independent non-executive directors, the Nomination Committee shall ensure that the independent non-executive directors meet the criteria of independence as laid down in the Listing Rules.

While recommending any potential new member(s)/re-appointment of existing member(s) to the Board, the Nomination Committee shall consider the following:

- candidate's character, integrity, qualifications including professional qualifications, skills, knowledge and experience and diversity criteria under the Board Diversity Policy of the Company which are relevant to the Company's business and corporate strategy, other commitments and the like;
- any measurable objectives adopted for achieving diversity on the Board;
- requirement for the Board to have independent Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- the potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence, gender diversity and diversity of perspectives;

委任及續聘董事

提名委員會應辨識並確定被委任或重選為董事候選人的誠信、資格、專業知識和經驗，並根據所有適用的開曼群島法例及上市規則，包括其不時作出的任何修訂來進行盡職調查。此外，提名委員會應考慮本公司股東向董事會提出的候選人建議。

提名委員會應根據開曼群島法例和上市規則的規定獲得所有適用的聲明和承諾。就獨立非執行董事而言，提名委員會應確保獨立非執行董事符合上市規則所載的獨立性之標準。

在向董事會推薦任何潛在的新成員／續聘現有成員時，提名委員會應考慮以下事項：

- 候選人的性格、誠信、資歷包括專業資格、技能、知識及經驗及根據公司多元化政策制定與公司戰略及業務相關的多元化標準及其他承諾等；
- 為實現董事會多元化而採取的任何可計量的目標；
- 董事會按上市規則要求設立獨立董事及該候選人是否根據上市規則所載之獨立準則被視為獨立人士；
- 候選人在資歷、技能、經驗、獨立性、多元化性別及多元化觀點方面能為董事會帶來的潛在貢獻；



- willingness and ability to devote sufficient time to discharge duties as a member of the Board and/or Board committee(s);
 - such other criteria which are appropriate to the Company's business and corporate strategy and the Board's succession plan and, where applicable, which may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning; and
 - any other factors as the Nomination Committee may deem fit to consider in the best interests of the Company and shareholders of the Company.
- 願意並有能力投入足夠的時間履行董事會和／或董事會委員會成員的職責；
 - 其他適用於公司業務及公司策略及董事會繼任計劃的準則，以及在適當情況下，董事會及／或提名委員會不時採納及／或修訂的準則，以提名董事及／或進行繼任計劃；及
 - 提名委員會認為對本公司及本公司股東最佳利益的任何其他因素。

Once the Nomination Committee determines that an additional or replacement director is required, the Nomination Committee may take such measures that it considers appropriate in connection with its evaluation of a candidate, including inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the Nomination Committee, the Board or the management.

當提名委員會確定需要增加或替換董事，提名委員會可以採取其認為合適及相關的措施評估候選人包括對提出推薦或提名的人員進行查詢、聘用外間調查公司收集其他信息、或依賴提名委員會成員、董事會或管理層的認知。

The Nomination Committee may retain the services of other professional third parties to assist in identifying and evaluating potential candidates.

提名委員會可以聘用其他專業第三方提供服務以協助辨識和評估潛在的候選人。

The Nomination Committee and the Board shall ensure that the composition of the Board is in conformity with the laws of the Cayman Islands, the Listing Rules and all other applicable laws and regulations.

提名委員會和董事會應確保董事會的組成符合開曼群島法例、上市規則和所有其他適用法律法規。

In accordance with the Articles of Association and applicable laws and regulations, Mr. Li King Wai Ross and Mr. Chau Shing Yim David, shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

根據章程細則及適用法律法規，李經緯先生及周承炎先生將於應屆股東週年大會上輪值告退，惟符合資格並願意膺選連任。

The Nomination Committee recommended the re-appointment of the directors standing for re-election at the forthcoming annual general meeting of the Company.

提名委員會建議重續聘任願意於本公司應屆股東週年大會上膺選連任之董事。



BOARD DIVERSITY

The Company has devised a policy on Board diversity (the “Policy”) to ensure adequate diversity in its Board, with effect from 1 January 2019.

Vision

The Company believes diversity is important to enhance the Board’s effectiveness by encouraging a diversity of perspectives and to maintain high standards of corporate governance. The Company will continue to monitor and develop new objectives for implementing and achieving improved diversity on the Board as and when it considers appropriate with regard to the specific needs of the Company and the market from time to time.

Policy Statement

The Company recognises and embraces the benefits of having a diversified Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, which will include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and the like. The ultimate decision will be based on overall contribution that the selected candidates will bring to the Board and the Company.

Review of the Policy

The Nomination Committee will monitor the implementation of the Policy and will from time to time review the Policy, as appropriate, to ensure the effectiveness of the Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

董事會多元化

本公司已制定董事會成員多元化政策(「政策」)以確保董事會充分多元化，自2019年1月1日生效。

願景

本公司深信，多元化政策能夠鼓勵不同觀點百花齊放，對提升董事會效能及維持高水平企業管治至關重要。本公司將繼續因應本公司和市場不時的具體需求，在其認為有需要時監察及訂立新目標，藉以提升董事會的多元性。

政策聲明

本公司認可到並接納董事會多元化的成效，並將董事會層面的多元化視為保持本公司競爭優勢的一個重要因素。

可計量目標

甄選人選將按一系列多元化範疇為基準，當中將包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識等。最終將按入選候選人可為本公司及董事會帶來的整體貢獻而定。

政策檢討

提名委員會將監察該政策的執行，並將不時在適當時候檢討該政策，以確保該政策行之有效。提名委員會將會討論任何或需作出的修訂，供董事會考慮及審批。



During the year, the Company continued to monitor the board composition with regard to its diversity policy which requires board appointments to be made based on merit and candidates to be considered against an objective criteria, including diversity. In order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board, the Nomination Committee developed measurable objectives to implement this policy and monitored progress towards achieving these objectives during the year ended 31 December 2019.

The current board composition was also evaluated by reference to, among other things, the age, gender, cultural and educational background and professional experience of each director, against the Company's business model and specific needs.

EXTERNAL AUDITOR

For the year ended 31 December 2019, the fee payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries is set out below:

		HK\$'000 千港元
Audit services	審核服務	8,519
Non-audit services (included tax matters, review and other reporting services)	非審核服務(包括稅務事項、審閱及其他申報服務)	1,186
		9,705

RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management and internal control systems provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations effectively.

年內，本公司繼續監察董事會組成的多元化政策，該政策要求董事會委任以用人唯才為原則，並以多元化等客觀條件考慮董事人選。提名委員會為令董事會保持適當的才能、技能、經驗及背景組合及平衡，已訂立可計量目標以實施上述政策，並於截至2019年12月31日止年度監察達成有關目標的進度。

本公司亦參照每名董事的年齡、性別、文化及教育背景以及專業經驗等方面，因應本公司的業務模式及具體需求評核現任董事會的組成。

外聘核數師

於截止2019年12月31日止年度，就本公司及其附屬公司獲提供的審核及非審核服務向本公司外聘核數師應付的費用載列如下：

風險管理及內部監控

本集團的風險管理及內部監控系統透過清晰的管治架構、政策及程序以及彙報機制，有效地管理本集團各業務範疇的風險。



The Group has established a risk management framework, which consists of the Board, the Audit Committee and the Risk Management Taskforce (i.e. Senior Management). The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.

The Group has formulated and adopted Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritises the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established and assigned for those risks considered to be significant.

In addition, the Group has engaged an independent professional advisor to provide internal audit services, which assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Board at least once a year. The Board had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective.

本集團已設立風險管理組織架構，由董事會、審核委員會及風險管理小組(即高級管理層)組成。董事會負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，並全權負責監督風險管理及內部監控系統的設計、實施及監察其整體有效性。

本集團亦已制訂及採納企業風險管理制度，提供有效的識別、評估及管理重大風險的政策。風險管理小組至少每年一次對影響本集團實現業務目標的風險事項進行識別，並通過規範的機制進行評估及排序，對主要風險制定風險緩解計劃及指定風險負責人。

此外，本集團外聘獨立專業機構提供內部審計服務，以協助董事會及審核委員會持續監督本集團的風險管理及內部監控系統，識別內部監控設計及運行中的缺陷並提出適當的改進意見。如發現嚴重的內部監控缺失，會及時向審核委員會及董事會彙報，確保採取及時的補救措施。

風險管理報告和內部審計報告均至少每年提交審核委員會及董事會。董事會已就本集團的風險管理及內部監控系統是否有效進行年度檢討，包括但不限於本集團應付其業務轉變及外在環境轉變的能力、管理層持續監察風險管理及內部監控系統的工作範疇及素質、內部審計工作結果、向董事會傳達風險及內部監控結果的詳盡程度及次數、期內發生的重大監控失誤或發現的重大監控弱項以及有關影響、集團遵守上市規則規定的狀況等，並確認現有的風險管理及內部監控系統的有效性。



The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

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

DIRECTORS’ RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which gives a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2019, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

上述風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險。因此，該等系統只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

處理及發放內幕消息的程序和內部監控措施

本集團遵循證券及期貨條例(「證券及期貨條例」)和上市規則的規定，於知悉任何內幕消息後，在合理地切實可行的範圍內，會儘快向公眾披露該消息，除非有關消息屬於證券及期貨條例下任何安全港條文的範圍。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，會即時向公眾披露該消息。本集團亦致力確保公告中所載的資料不得在某事關重要的事實方面屬虛假或具誤導性，或因遺漏某事關重要的事實而屬虛假或具誤導性，以清晰及均衡的方式對正面及反面的事實作出同等披露。

董事的職責

董事須負責編製各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編製截至2019年12月31日止年度之賬目時，董事已貫徹採用合適之會計政策、採納合適的香港財務報告準則及香港會計準則、作出審慎及合理的調整及評估以及在持續經營基礎上編製。董事並須負責保存適當之會計記錄，以能合理準確地披露本集團任何時候之財務狀況。



INVESTOR RELATIONS AND COMMUNICATION

The Board is committed to providing clear and full information about the Group's performance to shareholders through the publication of interim results and annual results in a timely manner. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the website of the Company.

The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman and Directors and external auditors are available to answer questions on the Company's businesses at the meeting.

Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. In addition, procedures for demanding a poll are included in the circular to shareholders dispatched together with the annual report.

Dividend Policy

The Board considers sustainable returns to shareholders to be one of the main objectives of the Company. Stable dividend payment to shareholders is the primary objective of the Company.

Under the applicable laws of the Cayman Islands and the Articles of Association of the Company, all of the shareholders have equal rights to dividends and distributions. The Board determines the interim dividend and recommends the final dividend which requires the approval of shareholders. In addition to cash, dividends may be distributed in the form of shares. Any distribution of shares also requires the approval of shareholders.

與投資者交流及溝通

董事會致力透過刊發中期業績及年度業績，適時地將本集團之表現清晰及全面地提供予股東。除發送通函、通告及財務報告予股東，股東亦可透過本公司網頁獲取額外資訊。

股東週年大會提供一個良好的平台讓股東向董事會發表及交流意見。本公司發出不少於21天之通告，以鼓勵股東出席股東週年大會。主席、董事及外聘核數師均會列席會議，以便回答本公司業務上之提問。

各重大獨立事項(包括個別董事之選任)均會於股東週年大會上單獨提呈決議案。此外，載有投票表決程序之通函會與年報一併寄發予股東。

股息政策

董事會認為可持續的股東回報是本公司主要目標之一。向股東支付穩定的股息是公司的主要方針。

根據開曼群島的適用法律及本公司的章程細則，所有股東享有股息及分派的平等權利。董事會釐定中期股息及建議末期股息，而末期股息需要股東批准。除現金外，股息可以股份形式分派，任何股份分派亦需要股東批准。



Retained profits can be used to achieve growth in corporate value. The Board has been making effective use of retained profits to strengthen the operating base and the development of businesses. According to the dividend policy adopted by the Company on 1 January 2019, the Board takes into account the following factors when considering the declaration and payment of dividends:

- financial results;
- cash flow situation;
- availability of distributable profits;
- business conditions and strategies;
- future operations and earnings;
- development plans;
- cash requirements;
- capital requirements and expenditure plans;
- interests of shareholders as a whole;
- any restrictions on declaration and/or payment of dividends; and
- any other factors the Board may deem relevant.

In practice, the Company will not declare any dividend(s) where:

- there are reasonable grounds for believing that the Company is or would be, after a dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due;
- pursuant to dividend decision date, the Company is insolvent or bankrupt or where, as a result of paying dividends, the Company would be rendered insolvent or bankrupt; or
- there is any other case set forth by any law.

留存盈利能用於實現企業價值增長。董事會一直有效地運用留存盈利以鞏固營運基礎和發展業務。根據公司於2019年1月1日所採納的股息政策，董事會在考慮宣派及派付股息時，會考慮以下因素：

- 財務業績；
- 現金流情況；
- 可分配盈利的可用情況；
- 業務狀況和策略；
- 未來經營和收益；
- 發展企劃；
- 現金需求；
- 資本需求及開支計劃；
- 股東的整體利益；
- 任何就股息宣派及／或支付的限制；及
- 董事會可能視為相關的任何其他因素。

在實務上，本公司在以下情況下將不會宣派任何股息：

- 有合理理由相信本公司在支付股息後出現或將會出現當到期應付時無法償還其債務或無法履行其責任；
- 根據股息釐定日期，本公司無力償債或破產、或因支付股息而導致本公司無力償債或破產；或
- 任何法律規定之任何其他情況。



SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

Shareholder(s) holding not less than one-tenth of the paid up capital of the Company can make a written requisition to the Board or the Company Secretary to convene an extraordinary general meeting pursuant to article 58 of the Company's Articles of Association. The written requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited at the principal office of the Company, which is presently situated at 5/F., Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

There are no provisions under the Company's Articles of Association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

股東權利

為保障股東權益及權利，包括選舉各董事在內之各項重大事宜均會於股東大會上提呈獨立決議案。

股東大會上提呈之所有決議案將根據上市規則投票表決，投票結果將於股東大會結束後於本公司及聯交所網頁公布。

根據本公司章程細則第58條，持有不少於本公司已繳足股本十分之一的股東可提出書面請求予董事會或公司秘書要求召開股東特別大會。該書面請求須列明會議的目的，並由有關股東簽署及遞交至本公司的總辦事處，現時地址為香港九龍觀塘敬業街61-63號利維大廈5字樓。

根據本公司章程細則或開曼群島第22章公司法(1961年第3號法案，綜合及經修訂)，概無條文涉及股東在股東大會提出建議的程序(提名候選董事的建議除外)。股東可根據上述程序召開股東特別大會以處理其於書面請求提出的事宜。

股東亦可在本公司之股東大會上向董事會作出查詢。



ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

With growing concerns from the various walks of life on how enterprises have shouldered their social responsibilities, Lee & Man Paper Manufacturing Limited (“Lee & Man Paper”, the “Group” or “We”) has prepared this Environmental, Social and Governance Report (this “Report” or “ESG Report”) for the period between 1 January 2019 and 31 December 2019 (the “Year”) in accordance with the requirements under Appendix 27 “Environmental, Social and Governance Reporting Guide” of the Main Board Listing Rules of Hong Kong Stock Exchange in order that stakeholders can better understand our performance in respect of environment, social and governance (“ESG”) and related information.

REPORTING STANDARDS AND SCOPE

Unless otherwise stated, this Report focuses on the Group’s core paper manufacturing business in Guangdong, Jiangsu and Chongqing. The annual production capacities of these three plants ranked the top three of the Group, and their total production capacities accounted for over 70%¹ of all plants of the Group with thousands of employees hired, exerting a clear and significant impact on the Group’s operation and ESG performance, and therefore they are regarded as our primary reporting targets.

Comparing with last year, this Report includes additional and higher concerns to issues of climate change, global warming, and employment, and reports on various social key performance indicators and sets targets for certain environmental key performance indicators.

1 Since the plant invested by Lee & Man Paper in Malaysia is newly completed this year, its production capacity was not included in the calculation of the Year.

關於環境、社會及管治報告

隨著社會各界對企業社會責任愈趨關注，為了讓各持份者更加瞭解理文造紙有限公司（下稱「理文造紙」、「本集團」或「我們」）於2019年1月1日至2019年12月31日（下稱「本年度」）環境、社會及管治（下稱「ESG」）的表現及相關資料，本集團按照香港交易所主版上市規則附錄27《環境、社會及管治報告指引》的要求編製了本環境、社會及管治報告（下稱「本報告」、「ESG報告」）。

報告準則及範圍

除非另有所述，本報告涵蓋本集團位於廣東、江蘇及重慶的核心造紙業務。此三處廠房年產能居於本集團前三位，其總產能佔本集團所有廠房超過70%¹，合共擁有數千名員工，對本集團的營運以至ESG表現有明確而重大影響，亦因此作為我們的首要匯報對象。

與上年比較，本報告新增及加強對氣候變化、全球暖化、及僱傭議題的關注，匯報各項社會關鍵績效指標和為若干環境關鍵績效指標訂立目標。

1 由於理文造紙在馬來西亞投資的廠房為今年新落成，故未有納進本年度計算。



The Group reports on the policies, measures, performance and key performance indicators with significant impacts on ESG issues based on the following four principles.

- **Materiality:** Significant environmental and social issues are determined by key stakeholders;
- **Quantitative:** Measurable key performance indicators are reported in a quantitative way with narrative and comparative data where appropriate, and further improvement goals are set;
- **Balance:** The Group's ESG performance is reported in an objective and fair manner;
- **Consistency:** Consistent methodologies are used to make data comparable.

Information contained in this Report has been identified by the personnel in charge of the Group's ESG together with our key stakeholders, and material ESG issues have been prioritised in accordance with the materiality assessment. Preparation of the Report involved participation of the management and employees from all departments and has been approved by the Board to ensure the truthfulness and accuracy of the content and create values for all stakeholders.

ESG CULTURE AND VISION

Embracing people-oriented principle
Protecting environment and saving energy
Striving for improvements
Contributing to society

Lee & Man Paper always adhered to a principle that places equal emphasis on production and operation as well as environmental protection. Through sound corporate governance, we aim at creating a future in which operation will be performed in parallel with sustainable development. We continue to invest resources in climate change management, environmental conservation and technology research and development to reduce emissions and strive to produce sustainable products with the highest quality. With our long-term establishment of a people-oriented and efficient corporate culture, the vision of environmental protection and harmony will be promoted to the whole country and even beyond.

本集團按照以下四項原則匯報對ESG有重大影響的政策、措施、績效和關鍵績效指標：

- **重要性：**由主要持份者釐定最為重大的環境及社會事宜；
- **量化：**將能以數據呈現的關鍵績效指標量化匯報，提供適當說明及比較數據，並訂立進一步改善目標；
- **平衡：**客觀持平地匯報本集團ESG表現；
- **一致性：**沿用一致的披露統計方法使數據具可比性。

本報告的內容由本集團的ESG相關負責人員及重要持份者共同識別，並透過重要性評估以排列ESG的重要議題。本報告的編製獲得各部門的管理層及員工共同參與，最後由董事會進行審批，確認內容真實、準確，並能為各持份者創造價值。

ESG文化及理念

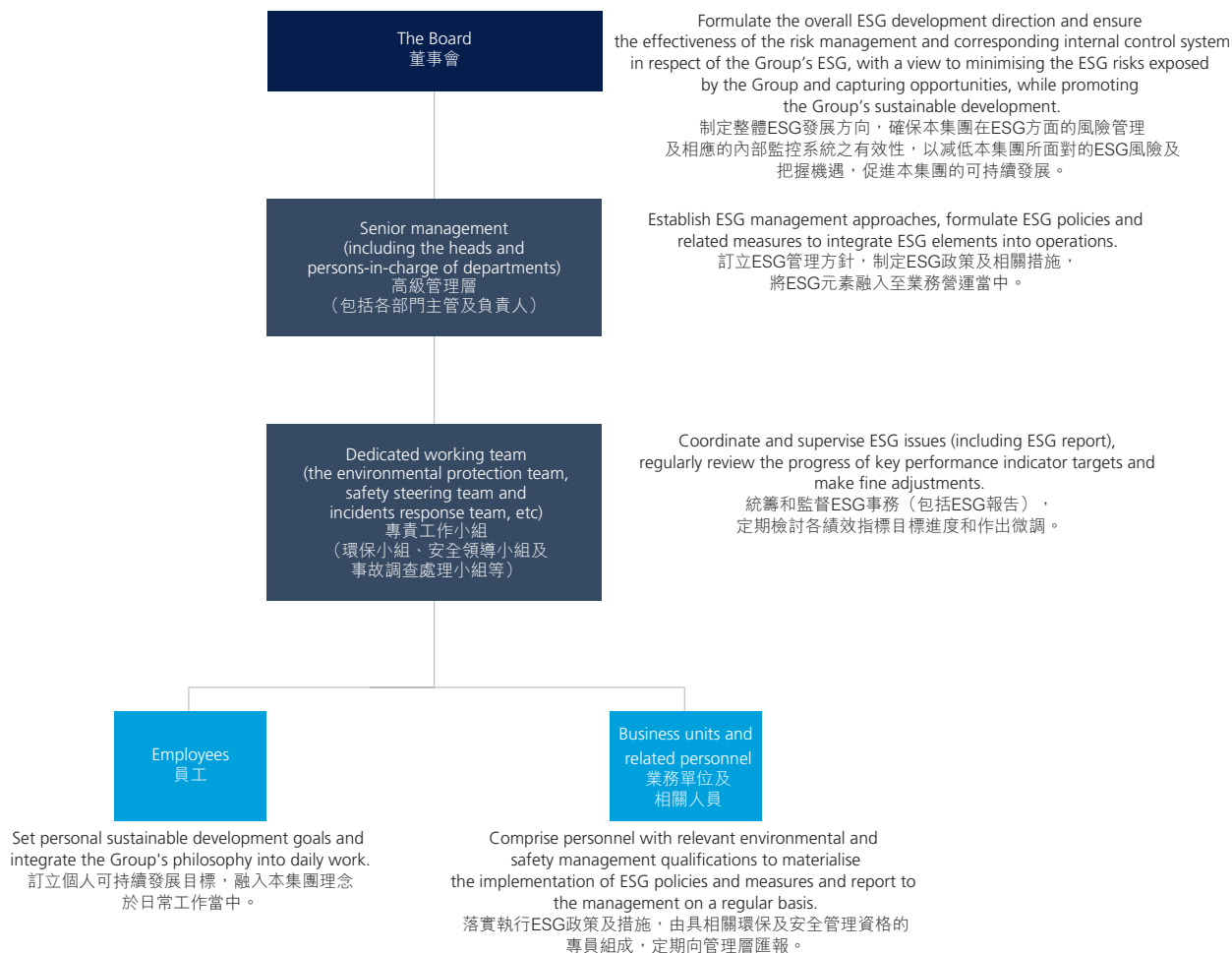
以人為本
環保節能
銳意進取
回饋社會

理文造紙秉承生產經營與環境保護並重的宗旨，通過良好的企業管治，創造經營與可持續發展並行的未來。我們不斷投放資源於氣候變化管理、環境保育及技術研發工作，減少排放，致力生產最優質和可持續發展的產品。長遠建設以人為本和高效率的企業文化，宣揚環保和諧的理念到全國以至海外。



ESG MANAGEMENT AND POLICIES

The Board of the Group attaches great importance to the Group's sustainable development and has established an ESG task force led by senior management, whose members including the heads of the quality control department, information and technology department, and human resources department, as well as administration managers and sales managers, etc., to identify major ESG issues, manage the Group's ESG risks and opportunities and monitor the Group's ESG performance on a regular basis, and report to the management. The management will assess its impact and develop long-term and short-term plans to address potential risks, which will be reviewed and approved by the Board. The Group's ESG structure is as follows:



ESG 管理及政策

本集團董事會高度重視本集團的可持續發展，設立了由高級管理層主理的ESG專責小組，成員包括品質保證部部長、信息科技部及人力資源部部長、行政經理、銷售經理等，以辨識重要ESG議題、定期管理本集團的ESG風險與機遇和監督本集團ESG表現，並向管理層匯報。管理層會評估其影響以及訂立長短期計劃解決潛在風險，最終由董事會覆核審批。本集團的ESG管治架構如下：



STAKEHOLDERS IDENTIFICATION AND ENGAGEMENT

持份者辨識與參與

Our stakeholders are internal and external interested parties of the Group, which are closely related to the ESG management and performance of the Group. By sorting out the individuals and parties that can affect or be affected by the operations of the Group, the management of each department summarises the following seven key stakeholder groups. The Group values the engagement of each stakeholder and actively collects their opinions and expectations through interactions in daily operation, understands the impacts brought to them by our operation, so as to identify the Group's ESG risks and opportunities.

我們的持份者為本集團內部和外部的利益相關群體，與本集團的ESG管理及表現息息相關。各部門管理層通過梳理可影響本集團營運或受本集團營運影響的個人及團體，歸納出以下七大重要持份者界別。本集團重視各持份者的參與，並在日常業務交流中積極收集其意見和期望，瞭解本集團業務對其之影響，從而辨識本集團的ESG風險與機遇。

Stakeholder groups 持份者界別	Stakeholder engagement 持份者參與辦法	
Employees 員工	Internal communication channels Intranet and employee newsletters 內部通訊渠道 內聯網及員工刊物	Performance evaluations and regular meetings Training and activities 表現評估及定期會議 培訓及活動
Customers 客戶	Official website Advertisements and communication 官方網站 宣傳及通訊	Service hotline and opinion survey Interviews and meetings with customers 服務熱線及意見調查 客戶面談及會議
Suppliers and business partners 供應商及業務夥伴	Business meetings Audit and performance evaluations 業務會議 審計及表現評估	Site visits Industry forums 實地考察 業界論壇
Investors and shareholders 投資者及股東	Annual general meeting Annual and interim reports 股東週年大會 年度及中期報告	Circulars and announcements 通函及公告
Government and regulatory authorities 政府及監管機關	Public consultation 公眾諮詢	Seminars and meetings 研討會及會議
Media 傳媒	Official website 官方網站	Press releases 新聞稿
Community groups 社區團體	Social services Charity activities 社會服務 慈善活動	Public consultation 公眾諮詢

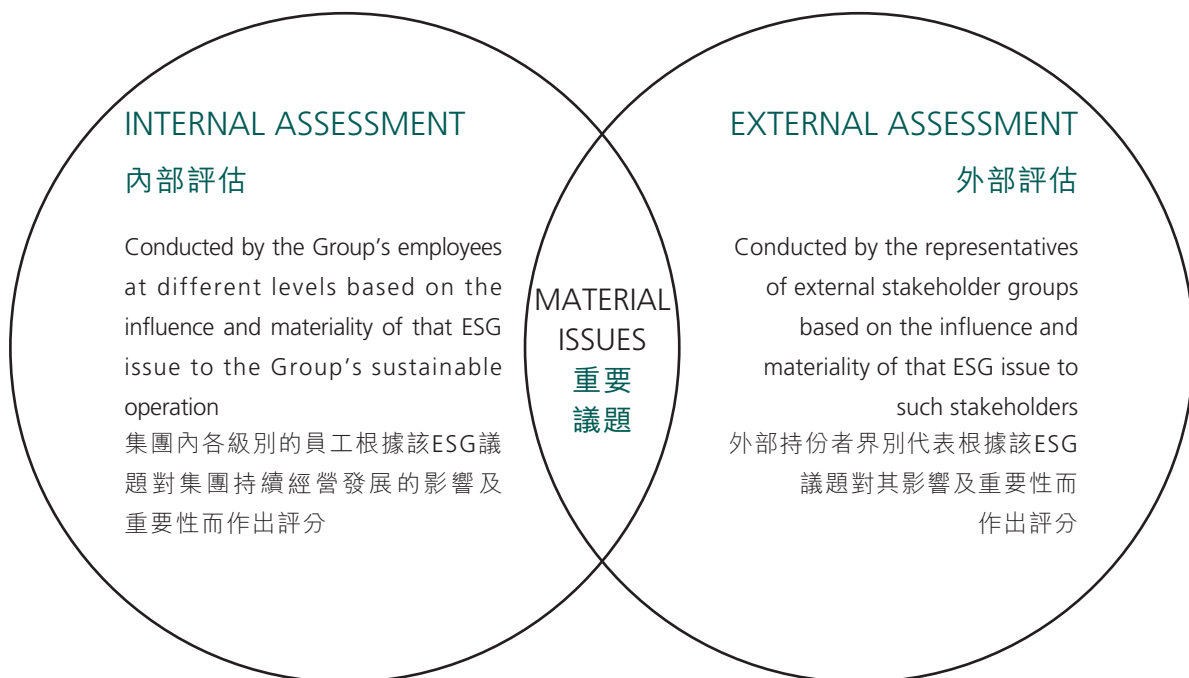


MATERIALITY ASSESSMENT

In order to determine the ESG issues that are significant to the Group, the Group has conducted an ESG materiality assessment with the representatives of the aforesaid key stakeholder groups through interview and questionnaire. Relevance and materiality of issues are assessed by internal and external stakeholders in order to identify and analyse the most significant ESG issues of the Group. Such ESG issues are determined in accordance with the ESG aspects as stated in the Appendix 27 “Environmental, Social and Governance Reporting Guide” of the Main Board Listing Rules of Hong Kong Stock Exchange and based on other factors which have an impact on the Group’s operation and management system, objectives and core value, and risks and opportunities.

重要性評估

為確定對本集團重要的ESG事宜，本集團以訪問及問卷形式與上述各持份者界別代表共同進行了ESG重要性評估，由內、外持份者評定議題相關性和重要性，以識別及分析對本集團而言最為重要的ESG議題，ESG議題根據香港交易所主版上市規則附錄27《環境、社會及管治報告指引》內所列出的ESG範疇，及其他對本集團的營運管理系統、目標及核心價值、風險及機遇構成影響的因素而釐定。

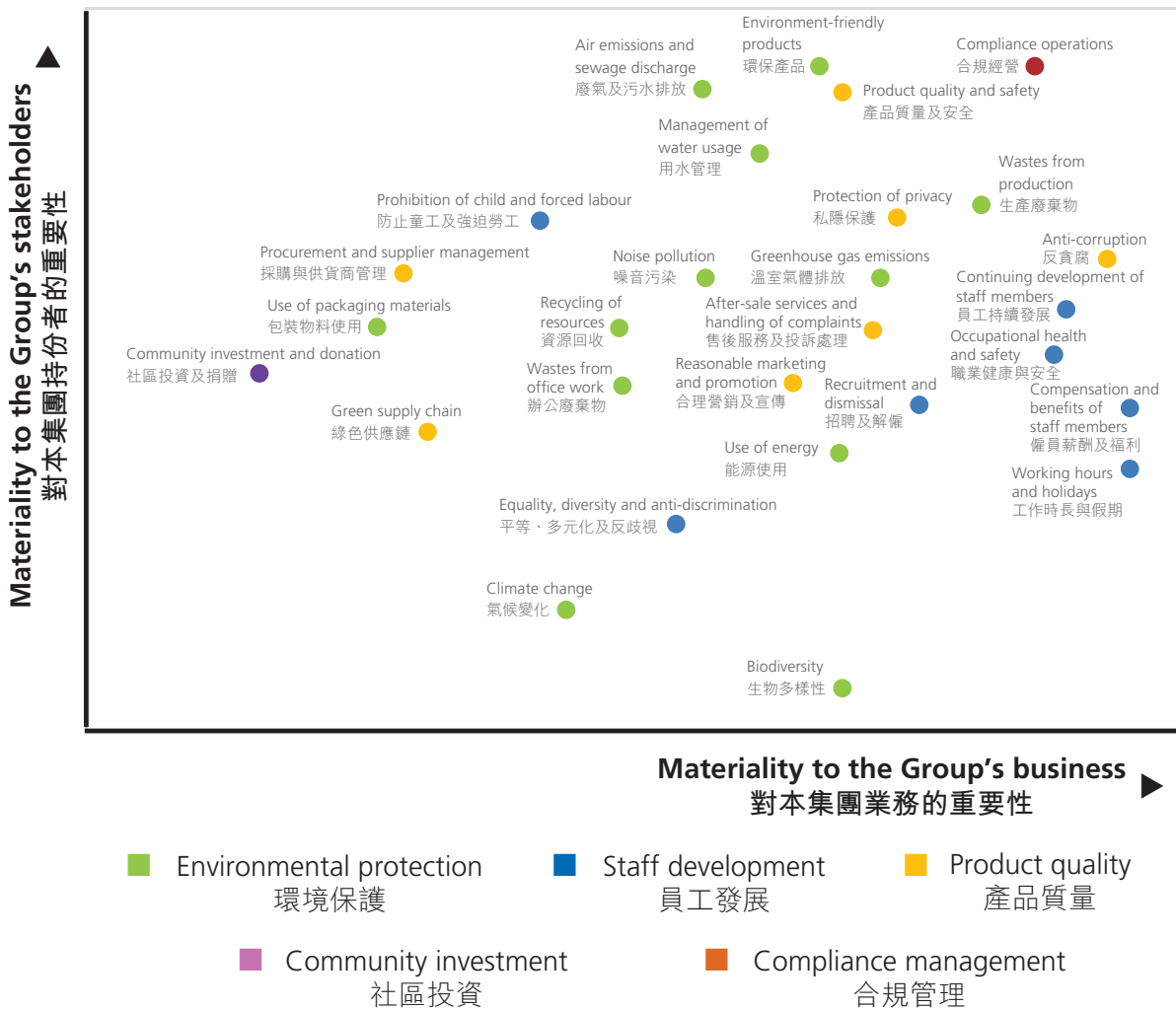


MATERIALITY MATRIX

Based on the assessments of all stakeholders on various issues, we have identified the top 28 issues that are most significant to the Group's stakeholders and our development, and these issues are ranked according to the materiality. In response to the increased concerns of the Group's stakeholders on social issues during the Year, the reporting focus of the Year has also been adjusted. The Group will continue to improve the group's development framework to meet the needs of stakeholders in ESG management.

重要性矩陣

結合各持份者就各項議題的評分，我們綜合了首要28個對本集團持份者及自身發展而言最為重要的ESG議題，並按其重要程度排列。因應本年度本集團持份者對社會議題的關注上升，本年度的匯報重心亦有所調整。本集團將會繼續完善集團發展框架，於ESG管理上滿足持份者所需。



Awards & Accolades for 2019

The Group has been putting continuous efforts since its inception with consistent commitment to our customers, employees and community. Adhering to a principle that places equal emphasis on production and operation as well as environmental protection, we stay committed to offering quality products and services to the customers. With the support from various sectors, we have received a number of recognition during the Year. The following table sets out some of the awards and accolades received in 2019:

2019年所獲獎項和榮譽

本集團自創立以來一路默默耕耘，對客戶、員工、社區承諾始終如一，秉承生產經營與環境保護並重的宗旨，為顧客帶來更優質的產品與服務。有賴各界支持，本年度我們獲得了多方認同與肯定。下列為2019年部分獎項和榮譽：

Awards & Accolades 獎項和榮譽	Issued by 頒發單位
Council member of Chongqing Hi-tech Enterprise Association* 重慶市高新技術企業協會理事單位	Chongqing Hi-tech Enterprise Association* 重慶市高新技術企業協會
Direct Reporting Enterprise of Steam Coal Price Index in Upper and Middle Yangtze River Region (Chongqing)* 長江中上游(重慶)動力煤價格指數直報企業	The China Coal Industry Association*, The China Trading Association*, Chongqing Economic and Information Technology Commission*, Shaanxi Coal Trading Centre Co., Ltd.* 中國煤炭工業協會、 中國煤炭運銷協會、 重慶市經濟和信息化委員會、 陝西煤炭交易中心有限公司
The Second Runner up of the Forklift Competition, Port Operation Category of the 2019 Chongqing Waterborne Transportation Industry Production Skill Contest* 2019年度重慶市水運行業勞動技能競賽 港口運營組叉車比賽第三名	Chongqing City Transportation Bureau*, Chongqing Federation of Trade Unions* 重慶市交通局、 重慶市總工會
Outstanding Labour Union* 星級基層工會	Federation of Trade Unions of Yongchuan District, Chongqing* 重慶市永川區總工會
Council member of Chongqing Big Data Industry Talent Consortium* 重慶市大數據產業人才聯盟理事單位	Chongqing Big Data Industry Talent Consortium* 重慶市大資料產業人才聯盟

* For identification purpose only
* 僅供識別



PEOPLE-ORIENTED

Anti-corruption

Anti-bribery and Anti-money Laundering

The Group attaches great importance to integrity supervision, and is committed to preventing corruption, bribery, fraud and other behaviors that are illegal and against commercial ethics, to make sure we have always observed laws and regulations on prevention of commercial crimes in our daily operations, including but not limited to the “Criminal Law of the People’s Republic of China”, the “Anti-Money Laundering Law of the People’s Republic of China”, the “Anti-Unfair Competition Law of the People’s Republic of China” and so forth. Enterprises are required under laws and regulations to abide by the principles of fairness, equality and integrity, to act in a lawful manner, to adhere to commercial ethics, and not to operate business by means of theft, bribery, deception, compulsion or other improper means.

The Group believes that anti-corruption depends on the internal and external cooperation of all parties. Therefore, all employees are required to abide by the “Standards for Commercial Ethics” compiled by the Group, which restricts employees to serve the Company and customers with professional compliance, equality, fairness, and integrity. The Worker’s Manual of the Group also clearly stipulates code of personal and professional conduct for their stringent compliance, pursuant to which employees are not allowed to accept any special privilege during transactions, including but not limited to rebates, expensive gifts, luxury hospitality, etc., so as not to affect their objective and professional judgment. The Group has also put in place a whistleblowing mechanism for employees to report any violations that will be investigated by independent personnel. We have regularly assessed and reviewed the internal management system to ensure that potential corruption risks can be effectively prevented. In order to emphasise the Group’s integrity policies and allow employees to clearly understand the Company’s anti-corruption policy and the importance of integrity, the human resources department and the legal department regularly provide anti-corruption trainings to the management and employees, and new comers are required to receive integrity education and training.

以人為本

反貪污

防止賄賂及洗黑錢

本集團高度重視廉潔監管，致力防範貪腐、賄賂、欺詐等違法和違反商業道德的行為，確保營運中遵守所有防止商業罪案有關的法例法規，包括及不限於《中華人民共和國刑法》、《中華人民共和國反洗錢法》、《中華人民共和國反不正當競爭法》等。法規要求企業需遵循平等、公平、誠信等原則，依法而行，堅守商業道德，不得以盜竊、賄賂、欺詐、脅迫或者以其他不正當手段經營。

本集團相信反貪污有賴多方內外合作達成。因此，所有員工需要遵守本集團編製的《商業道德規範》，制約員工以專業合規、平等公正、誠信正直的行為服務公司和客戶。本集團的員工守則中亦明文規定個人及專業操守讓員工嚴格跟隨，交易過程絕不允許員工接受任何特殊待遇，包括但不限於回扣、昂貴禮品、奢侈款待等，以免影響其客觀專業的判斷。本集團設立舉報機制讓員工通報任何違規行為，並由獨立人員調查。我們定期審核檢討內部管理系統，確保系統能有效預防潛在的貪污風險。人力資源部和法務部門定期為管理層和員工提供反貪污培訓，僱員入職時亦須接受廉潔教育培訓，以強調本集團廉潔方針，讓員工清晰瞭解公司反貪腐政策和對廉潔的重視程度。



In the meantime, business counterparties of the Group, including customers, suppliers and contractors are required to sign an “Undertaking to Eliminate Bribery” by promising no bribery will be conducted and integrity will be upheld together with the Group, and violators shall bear the losses and all legal consequences of the Group. The Group also encourages its partners to provide their anti-corruption policies for our reference, ensuring that both parties to cooperate on a fair, open and just basis.

During the Year, the Group did not find anything which constituted a breach of the aforesaid and other local laws and regulations related to anti-corruption or anti-money laundering.

Employment

Lee & Man Paper regards employees as one of its important assets and relies on their contributions to create a competitive advantage for the Company. The Group actively attracts and motivates outstanding talents, assists employees in developing their potential to realise the people-oriented core value.

同時，與本集團有業務往來的對象，包括客戶、供應商及承包商，需簽署《杜絕行賄承諾書》，保證杜絕一切賄賂行為，共同秉持廉潔原則，違反者需承擔本集團的損失及一切法律後果。本集團亦鼓勵合作方提供其反腐政策供我們跟隨參考，確保雙方基於公平、公開、公正的基礎下合作。

於本年度內，本集團並無任何違反上述所指及其他地區性的與反貪污及洗黑錢相關的法例法規的情況出現。

僱傭

理文造紙視員工為重要資產之一，有賴於員工的貢獻，為公司創造競爭優勢。本集團積極吸引和激勵優秀人才，協助員工發展潛能，實現以人為本的核心價值。



Given that staff in Mainland China represents a majority of the personnel of the Group, the Group fully complied with the requirements of the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China” and other relevant local employment laws and regulations. In accordance with the requirements, employees are entitled to compensation, holidays and leaves, occupational safety, trainings, insurance and benefits, the right to propose for the handling of labour disputes and other labour rights. The Group has established policies and procedures ensuring the implementation of statutory requirements and hence providing its employees with a work and living environment of higher level of quality, fairness and respect.

Recruitment, Promotion, Compensation and Benefits

Talents are always in demand and the Group has been eager to recruit those who share the same values and visions with us so that we can build a diversified and professional team full of passion. By external recruitment and internal promotion channels to recruit and promote staff, as well as the establishment of our internal “Recruitment Management Policy”, “Termination Management Policy” and other relevant guidelines to govern administrative works including staff recruitment, appraisal and termination, the Group ensured high efficiency, compliance and transparency throughout the process. The Group also distributed the Worker’s Manual to staff introducing its culture and core values, admission and appraisal, benefits and holidays, working hours and overtime regulation, training arrangements etc., ensuring that staff had full understanding of the human resources policy of the Group and the right to protect their own interests.

由於中國內地的員工佔本集團員工的大多數，因此本集團全面遵守中國內地的《中華人民共和國勞動法》、《中華人民共和國勞動合同法》等及其他相關的地域性僱傭法例法規要求。根據規定，僱員需享有勞動報酬、休息休假、勞動安全、培訓、保險福利、提請勞動爭議處理等及其他勞工權益。本集團已設立完善的規章制度以確保切實執行法規要求，並為員工提供更優質、平等、尊重的工作及生活環境。

招聘、晉升及薪酬福利

本集團求才若渴，希望吸納與我們有著相同價值觀和理念的人才加入，共同建設具多元化、充滿熱誠及專業的工作團隊。本集團透過外部招聘及內部晉升渠道以招攬及提拔員工，並已成立內部的《招聘管理制度》、《離職管理制度》及其他相關指引以規範員工招聘、考勤、離職等行政管理工作，確保過程高效合規並具透明度。本集團亦派發《員工手冊》向員工介紹本集團的文化及核心價值、入職與考勤、福利及假期、工時及加班規定、培訓安排等等，確保員工充份瞭解本集團的人力資源政策，並能維護自身權益。



In order to enable employees to better develop on the existing basis, improve work ability and strength to become outstanding talents, the management team maintains two-way communication with employees, and determines the salary, personal development plans and training of each employee in accordance with their performance, experience, expertise and job duties, to enable them to grow with the Company. We strive to provide employees with better-than-market benefits and compensation packages to attract and retain talents.

In terms of benefits, the Group maintains social insurances for its employees, ensuring that they can work only after being insured. It also takes full consideration of employees' needs by arranging convenient accommodation and meals for employees and their families. Our employees enjoy work injury leave, marital leave, maternity leave, compassionate leave, business trip leave, annual leave, personal leave, sick leave and medical insurance, share options and bonuses based on employee performance and the Group's profit.

We implement five-day work week arrangement with eight hours a day to ensure reasonable working hours so as to give employees sufficient rest and to avoid overwork. The additional working hours must be agreed and the "Overtime Request Form" must be filled by employees, and then the form should be submitted to the human resources department for record. For any complaints relating to working hours which are against employees' wishes or unreasonable, the Group will arrange follow-up investigations by the human resources department to protect employees' labour rights and interests.

為能讓員工在現有的基礎上更好地向上發展，提升工作能力和實力，成為優秀人才，管理團隊與員工保持雙向溝通，根據其表現、經驗、專業、工作範圍，訂立每一位員工的薪酬、個人發展計劃和培訓，與公司共同成長。我們爭取為員工提供較市場為優的福利和薪酬待遇以吸引和保留人才。

在福利方面，本集團會為員工辦理社會保險，確認受保才可以工作，並安排便利的住宿和膳食供員工及其家屬，全方位顧及員工需要。我們的員工享有工傷假、婚假、產假、喪假、出差假、年假、事假、病假等及醫療保障、購股權、按員工表現及本集團盈利發放的花紅。

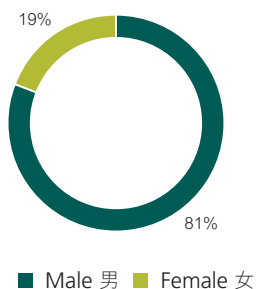
我們奉行五天工作周，每天工作八小時，確保合理的工作時間，讓員工有充足的休息，避免出現過勞的情況。額外安排的工作時數須得員工本人同意並填寫《加班申請單》，之後統一交予人力資源部備案。任何違反員工意願或不合理的工作時數投訴，本集團會安排人力資源部跟進調查，保障員工的勞動權益。



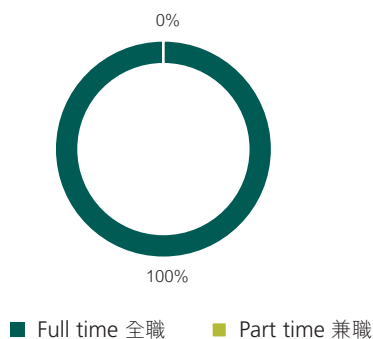
Employees' Data for the Year

本年度僱員數據

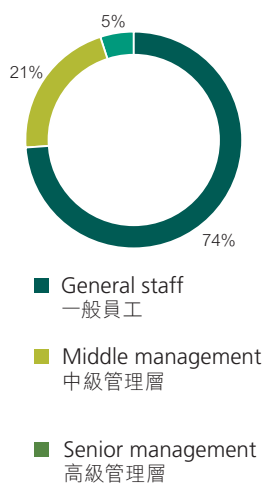
Employees by gender
僱員性別



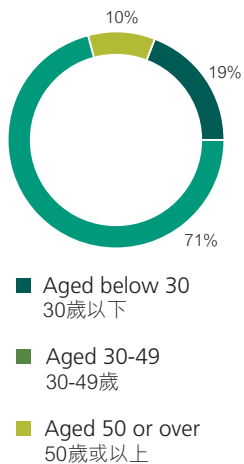
Employment types
僱員類型



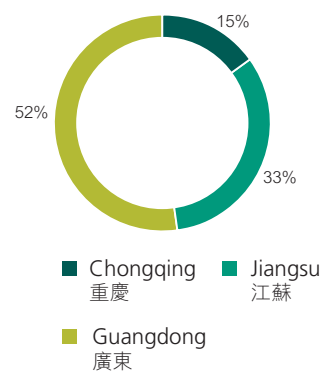
Employees by category
僱員類別



Employees by age
僱員年齡



Employees by region
各地區僱員總數



Employee turnover rate 僱員流失比率	Percentage of hiring in the Year 本年度內新聘百分比	Percentage of termination in the Year 本年度內離職百分比
By gender 性別		
Male 男	76%	79%
Female 女	24%	21%
By age group 年齡組別		
Aged below 30 30歲以下	49%	39%
Aged 30-49 30-49歲	50%	57%
Aged 50 or over 50歲或以上	1%	4%
By geographical region 區域分佈		
Chongqing Lee & Man 重慶理文	9%	12%
Jiangsu Lee & Man 江蘇理文	33%	31%
Guangdong Lee & Man 廣東理文	58%	57%



Employee Care

We foster employees' loyalty through a positive corporate culture, promote and strengthen cohesion among teams, cultivate closer relationship between employees and the Company, and achieve the objective of "a win-win situation for both employer and employee as one". The Group insists on maintaining good communication with employees. The interaction between employees and the Company can make both parties easier to hear and understand each other. We also continue to improve employee services in terms of meals, accommodation and amenities based on employees' needs.

We regularly provide recreational activities and festive celebration activities, such as the Spring Dinner, the National Day Celebration Dinner and sports competition and so on, to encourage employees and their families to participate so as to share the joy of life and promote physical and mental health of employees. In addition, the Group has set up an employees' welfare fund to help them meet emergency needs. If an employee or his/her family had a need for financial assistance due to an emergency, the Group would allocate funding to the employee to help them through the difficult time.

Recreational activities for employees

員工文娛康樂活動



Basketball game
籃球比賽



Chess gathering
象棋聚會

員工關懷

我們透過積極正面的企業文化去培養員工的忠誠度，促進並增強團隊間的凝聚力，拉近員工和公司關係，達致「勞僱同心、共存雙贏」的目標。本集團堅持與員工保持良好溝通，員工和公司的互動交流能讓雙方聲音更容易被聆聽和瞭解，我們亦按員工所需持續完善在膳食、住宿環境、娛樂設施等方面的員工服務。

我們定期提供文娛康樂和節日慶祝活動，包括春茗宴、慶祝國慶晚會、運動比賽等等，鼓勵員工及其家屬參與，共享天倫樂，促進員工身心健康發展。另外，本集團設立員工福利基金供員工應急之用。當員工及其家屬遇到危急情況需要財政支援時，本集團會從福利基金直接撥款員工，給予員工援助，幫助他們渡過困境。



Equal Opportunities and Anti-Discrimination

The Group encourages mutual respect and trust among our employees, strives to build a harmonious Lee & Man family, and prohibits any behavior that undermines a harmonious and integrated team. The Group is committed to creating a working environment with fairness, openness and mutual trust for its employees since its establishment. The Group has drawn up its “Management Rules against Discrimination, Harassment and Torture”, ensuring that our employees received equal treatments in our daily operations and in every aspect of our human resources arrangements and would not be subject to discrimination on grounds of ethnicity, nationality, religion, political affiliation, sex, marital status and physical disability. The Rules also prohibits all forms of harassment, coercion and misconduct so as to safeguard the wellbeing of our employees. The Group takes seriously any violation of the Code, and in the face of unfair treatment or harassment, employees can report such incidents in written form and put it into our “feedback box”, allowing the human resources department to conduct investigations and follow-up. The related employees will be informed of the results and any form of retaliation is strictly forbidden.

The human resources policies of the Group have been in compliance with all local labour laws in aspects such as recruitment, dismissal, salary and benefits, working hours and holiday entitlements. During the Year, the Group did not find anything which constituted a breach of the “Labour Law of the People’s Republic of China” and other relevant local laws and regulations in relation to employment and human resources.

平等機會及反歧視

本集團鼓勵員工互相尊重信任，建立和睦共融的理文大家庭，禁止任何破壞和諧融合團隊的行為。本集團自成立至今竭力為員工營造公平，公開及互信的工作環境。本集團已成立《反歧視、騷擾、虐待管理規程》確保員工於日常營運以及各人力資源範疇均受到公平對待，不會因為種族、國籍、宗教、政治信仰、性別、婚姻狀況、殘疾等受到不合理的對待。規列亦禁止任何形式的騷擾、威迫或不妥當行為，以保障每一位員工的身心健康。本集團嚴肅處理任何違反守則的個案，員工可將不公平或騷擾事件以書面形式投入本集團的「意見箱」中，並由人力資源部對事件進行調查及跟進，處理結果會告知相關員工，任何報復行為均是嚴厲禁止。

本集團的人力資源政策，包括聘用、離職、薪酬福利水平、工時、假期等方面，都遵從當地所有適用的勞工法例執行。於本年度內，本集團並沒有發現任何重大違反《中華人民共和國勞動法》及其他地區性的僱傭及人力資源相關的法例法規的情況。



Health and Safety

As the Group's production procedures involve the use of machinery and the operation with high risks, we have attached great importance to the occupational safety of our employees, and have taken all appropriate measures to safeguard the health and safety of our workplaces. The safety work of the Group is primarily governed under the "Law of Production Safety of the People's Republic of China", the "Law of the Prevention and Control of Occupational Diseases of the People's Republic of China" and other relevant safety regulations, standards and systems. The regulations emphasised that production safety is important for the safety of employees' lives and property. We shall take the objectives of "Safety First, with Emphasis on Prevention and Integrated Governance" (安全第一，預防為主，綜合治理) as our guiding principles to establish a sound system of accountability for production safety and the prevention and control of occupational diseases, and to form policies and procedures for safety management with a view to be effectively engaged in production safety. The Group complies with the requirements under laws and regulations in five ways as follows:

健康與安全

由於本集團的生產工序中涉及機械使用及較高危操作，因此我們非常重視員工的職業安全，並採取所有適當措施保障健康及安全的工作場所。本集團的安全工作主要受到中國內地的《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》及其他相關的安全法規、標準和制度所監管。法規強調安全生產的重要性，保障員工的生命和財產安全。我們以法規中的「安全第一，預防為主，綜合治理」的方針為綱領，建立完善的安全生產及職業病防治責任制，並成立安全管理規章制度，有效地經營安全生產工作。本集團分別從以下五方面貫徹法例法規的要求：

Occupational health and safety elements: 職業健康與安全元素：

- Policies and procedures for production safety management
安全生產管理規章制度
- Designated safety managers
安全管理專責人員
- Policy for safety roster and inspection
安全值班及檢查管理制度
- Safety education and training
安全教育及培訓
- Policy for prevention of occupational diseases and mechanism for management and inspection of accidents
職業病預防管理制度及事故管理和調查機制



Policies and procedures for Production Safety Management

We have formulated a sound "Policy for Production Safety Management" to provide for stringent standards for occupational safety. Employees shall comply with safety requirements specified in such policy including those on hazardous goods handling, fire safety management, warehouse safety management, safety requirements for special operators and so forth. Moreover, employees are required to implement the responsibility system for production safety, strictly follow processes and comply with the safety operation procedures. The Group has also issued its Worker's Manual setting forth policies and practices on occupational safety for reference by all employees, to facilitate the implementation of its safety policies;

Designated Safety Managers

We appointed safety managers to take responsibility for the supervision and monitoring of the safety affairs of the Group and to ensure its effectiveness. Safety managers shall, based on national laws and regulations and its objectives of safety management, determine the annual plan on safety work deployment and investment, and regularly convene safety meetings at all hierarchical levels of staff, to know the progress and effectiveness of its safety work and advocate the concepts of production safety to its employees;

Policy for Safety Roster and Inspection

A comprehensive policy for safety roster and inspection is in place, pursuant to which the departmental persons-in-charge shall regularly inspect equipment and facilities, warehouses, electricity and gases, meters, repair and maintenance, hygiene, fire safety equipment and fire safety systems and so forth, and immediate rectifications shall be adopted against potential threats to safety. On a daily basis, production staff shall inspect specified areas to further ensure production safety;

安全生產管理規章制度

我們制定完善的《安全生產管理規章制度》以提供嚴格的職業安全準則。員工需遵守制度中包括危險物品處理、消防安全管理、倉庫安全管理、對特殊作業人員的安全要求等；落實安全生產責任制，嚴格跟隨工藝，安全操作規程操作。本集團亦於員工手冊中詳細列明職業安全相關的政策及程序供所有員工參考，務求讓安全政策落實執行；

安全管理專責人員

我們委任安全管理人員對本集團的安全事務承擔監控責任並確保其有效性。安全管理人員需根據國家法律法規及安全管理方針，決定年度的安全工作部署及投入，並定期於各個員工階層中召開安全會議，瞭解安全工作進展及成效，以及向員工宣揚安全生產概念；

安全值班及檢查管理制度

我們實施全面的安全值班及檢查管理制度，由部門負責人定期檢查設備設施、存倉、電氣、儀錶、維修成果、衛生情況、防火設備及消防系統等，並即時對安全隱憂進行整改。生產人員更需每天為指定範圍進行檢查，進一步確保生產安全；



Safety Education and Training

We have established a mechanism for safety education and training, under which we systematically plan for training programs and provide trainings on policies and regulations, occupational safety and health, case study for accidents and emergency management, in response to employees' needs for safety trainings. Employees are required to meet pre-set training hours every year to ensure adequate acquisition of safety knowledges. The Group also regularly organises first aid, fire-fighting, evacuation and escape drills. Different posters and notices are also posted in production workshops to remind employees of the importance of occupational safety all the time; and

安全教育及培訓

我們成立安全教育及培訓機制，有系統地針對不同員工的安全培訓需求而規劃培訓課程，為員工提供政策及法規、職業安全及衛生、事故案例及應急管理等培訓，員工每年需達到既定的培訓學時，確保獲得足夠的安全工作知識。本集團亦定期安排急救、滅火、疏散、逃生等演習。生產車間亦貼有不同的職業安全海報和告示時刻提醒員工；及



Policy for Prevention and Control of Occupational Diseases and Mechanism for Management and Inspection of Accidents

Our policy for prevention of occupational diseases and mechanism for management and inspection of accidents are effective in safeguarding against the occurrence of occupational diseases, and in identifying accidents and unsafe factors. The Group has set out guidelines to be applied in case of emergency to ensure that employees respond in a correct and timely manner to minimise the loss arising from and impact of accidents.

職業病預防管理制度及事故管理和調查機制

我們的職業病預防管理制度及事故管理和調查機制能有效地預防職業病的發生，並識別事故和不安全因素。本集團已提供緊急事故應對指引，確保員工能做出正確及時的反應，盡量減少事故造成的損失和影響。



Looking forward, through the above measures, we strive to achieve the employee training compliance rate of over 99% for occupational safety. In terms of occupational health and safety, we will arrange body checks for all employees on annual basis. In addition, we will treat noises and air emissions in line with national standards and try to achieve the goal of zero mortality in safety accidents and year-round fire accidents. Over the last three years (including the reporting year), a total of 0 employee died at work and 7,373 working days were lost due to work-related injuries.

Caring for the safety of employees, the Group has continued to enhance its safeguards and investment on improving the employees' workplace, and has received recognition for its professionalism. Our plants in Hongmei, Jiangsu, Huangyong and Jiangxi were granted with ISO45001 certification for occupational health and safety, respectively. During the Year, the Group did not find anything which constituted material breach of the "Law of Production Safety of the People's Republic of China" and other local laws and regulations in relation to occupational health and safety.

Training and Development

Talent is the cornerstone of the Group's development. The Group treasures every employee and believes that an excellent team can create greater value for the Group. The Group has customised its "System for the Management of Training" for cultivating every employee by inspiring his/her potential and devising annual training programmes based on the combination of the needs of the Company and the individual needs of employees, thereby achieving joint development and attaining goals.

通過上述措施，展望未來，我們職業安全目標是員工培訓達標率超過99%；每年組織一次對全體員工進行職業健康安全體檢、符合國家標準的噪音和廢氣處理；零安全事故死亡率和全年火災事故。過去三年(包括匯報年度)，員工因工亡故的數字為0人，因工傷而損失工作的日數合共7,373天。

本集團心繫員工安全，不斷加強安全保障措施，投放更多資源改善員工工作環境，並獲得專業肯定。洪梅、江蘇、潢涌及江西廠房已分別得到ISO45001職業健康及安全認證。於本年度內，本集團並沒有發現任何重大違反《中華人民共和國安全生產法》及其他地區性的職業健康與安全相關的法例法規的情況。

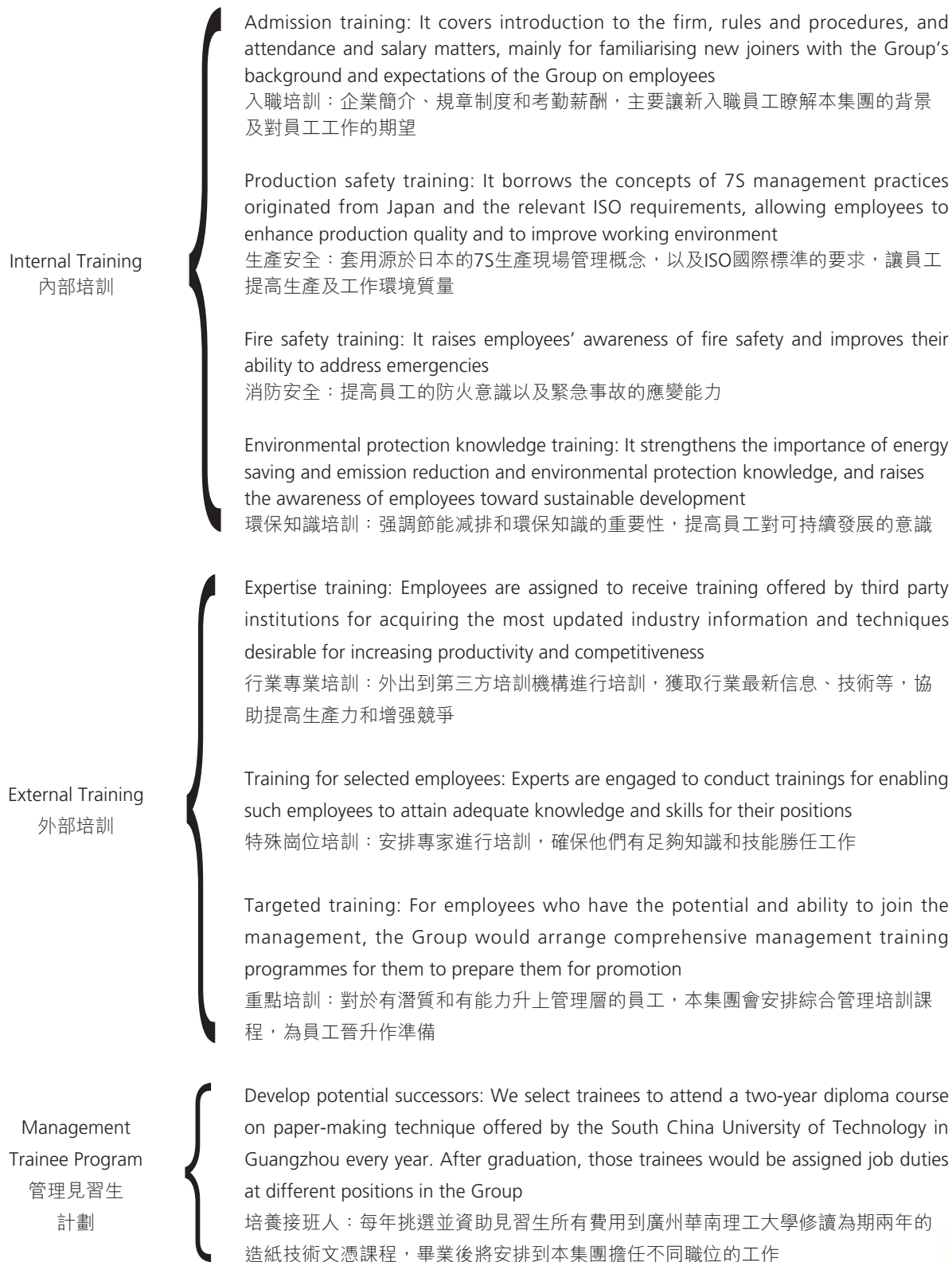
培訓及發展

人才是集團的發展基石，本集團珍視每位員工，我們相信優秀的團隊能本為集團創造更大的價值。本集團定制了《培訓管理制度》培育每一位員工，激發潛能，融合公司和員工個人需求，安排年度培訓計劃，達到共同成長，邁向目標。



The training programmes can be divided into three categories:

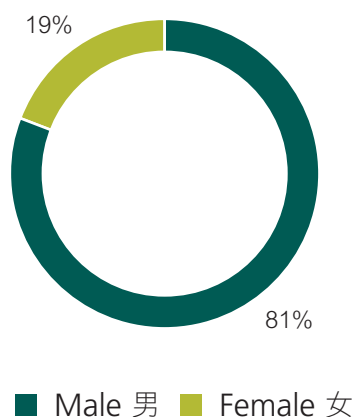
培訓內容分為三個範疇：



Training hours of each category

各類別的培訓時數

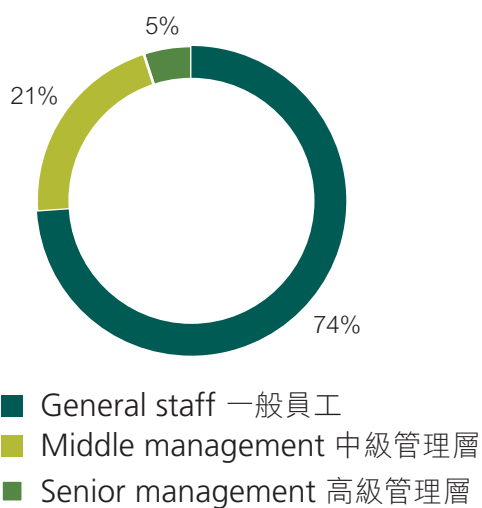
Training hour of employees, by gender
 受訓僱員性別



Total training hours
 總受訓時數

Male employees – 4,586 hours
 男員工 — 4,586小時
 Female employees – 1,073 hours
 女員工 — 1,073小時

Training hour of employees, by category
 受訓僱員類別



Total training hours
 總受訓時數

General staff – 4,238 hours
 一般員工 — 4,238小時
 Middle management – 1,165 hours
 中級管理層 — 1,165小時
 Senior management – 256 hours
 高級管理層 — 256小時



Labour Standards

Prohibition of Child and Forced Labour

The Group recruits qualified workers in adherence to the principles of fairness, openness and free will. Every subsidiary of the Group entered into legal employment contract with employees in accordance with the “Labour Contract Law of the People’s Republic of China” and there was no forced labour. In the meantime, the Group only recruits people who have attained the age of 16 in strict compliance with the “Labour Law of the People’s Republic of China” and other applicable local labour laws and regulations. The Group formulated its own “Management Rules for the Use of Minors as Labourers and Prohibition against the Use of Child Labour”(未成年工使用及禁止使用童工管理規定) to prevent the use of child or illegal labour and to protect the legitimate rights and interest of the minors. During the recruitment process, the human resources department would check the personal information of applicants and conduct background investigation. If such investigation generated any irregular result, the Group would retain the record and cease the application process accordingly. In the “Worker’s Manual”, the Group also encourages employees to whistleblow on the use of false identity documents in order to achieve effective control from different perspectives.

In view of the aforesaid internal control measures, during the Year, the Group did not find anything which constituted a material breach of any of the abovementioned labour standards or other relevant laws and regulations.

勞工準則

防止童工或強制勞工

本集團按照公平、公開、自願的原則招聘錄用合資格的工人。各個子公司根據《中華人民共和國勞動合同法》與員工簽訂合法僱傭合同，無強制使用勞工行為。同時，本集團嚴格按照《中華人民共和國勞動法》及其他適用的當地勞工法要求，只招聘錄用已達到滿16周歲的人士。本集團內部設立《未成年工使用及禁止使用童工管理規定》防止童工或不法勞工，保障未成年人的合法權益。人力資源部會在招聘流程中核對應聘者的個人資料並進行背景調查，本集團會保留任何調查結果異常之個案的錄用登記及核查材料，並終止應徵過程。本集團亦於《員工手冊》中鼓勵員工舉報他人使用虛假身份證明文件，從多方面達致管控目標。

基於以上的內部控制措施，於本年度內，本集團並沒有發現任何重大違反與上述所提及的勞工準則及其他相關的法例法規的情況。



ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATION

環保節能

Emissions

The Group is a world-leading manufacturer of containerboard, pulp and tissue paper and is in possession of several large scale manufacturing plants for papermaking, pulp-making and tissue paper in China. Therefore, the operation of the Group is principally governed by the “Law of the People’s Republic of China on Environmental Protection”, the “Law of the People’s Republic of China on Prevention and Control of Water Pollution”, the “Law of the People’s Republic of China on Prevention and Control of Air Pollution”, and the “Law of the People’s Republic of China on Prevention and Control of Environmental Pollution Due to Solid Wastes” and other local laws and regulations and emission standards in Mainland China.

排放物

本集團作為一家在全球具領導地位的箱板原紙、紙漿及衛生用紙生產商，目前於中國擁有具規模的造紙工廠、造漿廠及衛生用紙工廠，因此本集團在經營業務時主要受到中國內地的《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》和《中華人民共和國固體廢物污染環境防治法》等及其他地區性的法例法規及排放標準所規管。



In accordance with the requirements, environmental protection strategies adopted by enterprises shall follow a principle of “priority to protection, emphasis on prevention, integrated governance, public participation and liability assumption of damages”, in order to prevent and control pollution and damages with compliance measures, to establish an accountability system for environmental protection and to clarify responsibilities of enterprises and related responsible officers, hoping to create commercial value for all stakeholders while reducing the impact on environment. The use of advanced and latest pollutant treatment technologies are also encouraged by China for facilitating the environmentally-responsible development.

Being well aware that environmental protection is an important basis for its development, the Group has adopted a number of improvement and monitoring measures to ensure performance of our environmental responsibilities. The Group has established various environmental protection policies and measures including:

Setting Up Environmental Team

成立環保小組

Led by our Chief Executive Officer, the environmental team comprises of members having the relevant expertise, including senior flue gas treatment experts, sewage treatment technicians, environmental monitoring professionals and environmental protection technicians so as to ensure effective implementation of the following measures.

由首席執行官親自帶領，成員由合資格專才組成，包括高級煙氣治理師、污水處理人員、環境監測人員、環境保護專業技術人員，保證下列和相關環保措施有效地執行。

Duties of Environmental Team

環保小組職責

1. Holding internal control meetings regularly to review environmental issues in the plants, to update themselves with applicable environmental laws and regulations and to give advice on any improvements;
 2. On an ongoing basis, the team engages themselves in environmental protection measures to be taken in production processes, including those employed to lower water consumption, treat sewage water and air emissions more efficiently, save energy and monitoring emissions to ensure continued compliance with high environmental protection standards.
1. 定期召開內部監控會議，旨在審閱有關廠房內的環保事宜，通知各成員任何環保法律及規定的更新條文及對需要作出改善的地方提供適當建議；
 2. 持續投放時間完善生產過程中的環保措施，包括減少耗水量、應用更有效的廢水處理技術、節省能源耗用量、採用更好的廢氣處理技術及排放監控等，確保可持續地達到高環保標準。

根據要求，企業的環保策略需以保護優先、預防為主、綜合治理、公眾參與、損害擔責為原則，以合規措施防治污染和危害，並建立環境保護責任制度，明確企業及相關負責人員的責任，期望在為各持份者創造商業價值的同時，減低對環境的影響。國家亦鼓勵企業採用先進及最新技術處理污染物，推動環保發展。

本集團深明環境保護是長遠發展的重要基礎，因此採取多項改進措施及監控方法確保履行對保護環境的責任。本集團已成立各種環保政策與措施，包括：



Environmental policies and Measures

環保政策與措施

- ✓ set up policies for emissions treatment to provide clear targets and state the responsibilities and division of labour for environmental protection measures adopted by the Group;
- ✓ formulate guidelines for energy-saving and reduce emission at the source;
- ✓ as part of the various efforts to make us one of the companies which best complies with environmental protection principles in the world, our different plants have employed technologies with high efficiency to reduce emission and keep our emission below the latest emission standards laid down by the government as well as internationally applicable environmental management standards.
- ✓ 設立排放物處理辦法，為環保措施提供明確的目標和職責分工；
- ✓ 設立節約能源指引，從源頭減排；
- ✓ 各廠房利用高效率技術降低排放，保持低於政府最新的排放標準，以及國際環境管理標準，並努力成為全球最符合環保原則的公司之一。

The Group is committed to satisfying all applicable laws and regulations on environmental protection, including the aforementioned laws and regulations and other local law requirements and emission standards. During the Year, the Group did not find anything which constituted a breach of relevant environmental protection laws and regulations. Looking forward, in order to further alleviate the impact on environment, the Group has set up goals in various aspects: 2% reduction in air emissions, 1% reduction in sewage water emissions and 2% reduction in non-hazardous wastes.

本集團致力遵守所有與環境保護有關的法例法規，包括上述所提及的法例法規及其他地區性的法規要求及排放標準。於本年度內，本集團並沒有發現任何違反環境保護相關的法例法規的情況。放眼未來，為進一步降低對環境的影響，本集團設各種目標：空氣排放降低2%、廢水排放降低1%及無害廢棄物減少2%。



Air Emissions

To ensure sufficient power supply for operating paper-making machines in our production, the plants of the Group have had their own thermal power stations operating coal-fired generators and therefore, there have been gas emissions including nitrogen oxides and sulphur oxides. Different plants of the Group have established energy-saving policies to regulate energy consumption for production activities and offices. Relevant measures also include formulation of energy consumption targets, establishment of an inspection system for energy usage, training programs and promotion for energy conservation etc.

Case Study: Environmental-friendly Thermal Power Station

Environmental-friendly circulating fluidised bed boilers used in our thermal power stations can achieve efficient combustion of all kinds of coal. As the combustion temperature in this kind of boilers is lower than that in pulverised coal boilers, less nitrogen oxides would be generated.

In each coal-fired power station, the most advanced air emissions treatment facilities have been installed, including the employment of highly efficient bag filters to reduce ashes, SCR/SNCR de-nitration systems to eliminate nitrogen oxides, and limestone-gypsum flue gas desulfurisation system to curb sulphur dioxide gas. We successfully reduce smoke and sulphur by more than 99.9% and 90% respectively.

氣體排放

為確保生產過程當中有足夠的電力供應予造紙機器運作，本集團的工廠自設熱電站。熱電站透過燃煤發電機組發電，因而產生一定的氣體排放，包括氮氧化物和硫氧化物。本集團各個廠房均已建立節約能源政策以規管生產活動及辦公室所耗用的能源，相關措施亦包括制定耗能目標、建立能源使用巡視檢查制度、進行節能培訓及宣傳等。

個案研究：環保熱電站

本集團的熱電站一致採用環保型的循環流化床鍋爐，可以有效焚燒各種煤種，該種鍋爐燃燒溫度低於煤粉爐，產生的氮氧化物較低。

每個燃煤發電廠均配備最先進的廢氣處理設施，包括用高效布袋除塵器去除煙塵；用SCR/SNCR脫硝法去除氮氧化物；用石灰石膏脫硫法去除二氧化硫。目前煙塵去除率能達到99.9%以上，脫硫率達90%以上。



Our effective wet desulfurisation facility further reduced sulphur dioxide emissions to much less than 400 mg/m^3 as required by the "Emission Standard of Air Pollutants for Thermal Power Plants" (GB13223-2011) in China. The Group has monitored the quality of air emissions on a real-time basis by using online detection equipment to ensure outperforming the relevant national standard.

我們高效的濕法脫硫設施，進一步把二氧化硫排放量降至遠低於國家GB13223-2011《火電廠大氣污染物排放標準》要求的每立方米400毫克。本集團透過在線監察設備實時監測排放廢氣的質量，確保優於國家規定的要求。



Circulating Fluidised Bed Boilers
循環流化床鍋爐



Sewage Discharge

Water is indispensable in paper production operations. In order to reduce sewage discharge generated from its production and improve quality of sewage treatment so as to meet regulatory standards, the Group has put efforts into the following three aspects:

Management Planning

- Established a sound “Guidelines for Sewage Treatment”, setting out a list of key points for operating and inspecting sewage treatment facilities, procedures for repair and maintenance and duties of the relevant responsible teams, to further improve the performance of facilities and ensure its sewage output;
- Recruited sewage treatment technicians with professional qualifications and professionals responsible for reviewing the effectiveness of sewage treatment from auto-monitoring data;

污水排放

水是造紙生產過程中不可缺少的一環，為減低生產過程中的污水排放，提高水質處理，達到法規要求標準，本集團從以下三方面著手：

管理規劃

- 建立完善的《污水處理指引》，列出污水處理設備的操作及檢查要點、保養維護工序及相關負責團隊的職務，進一步提升設備的運行效能，保障輸出率；
- 聘請具專業資格的污水處理員和自動監測數據有效性審核人才；



High-tech Treatment Techniques

- Introduced the most effective sewage treatment techniques employed by the paper-making industry worldwide, specifically the combined use of physiochemical coagulation-sedimentation pre-treatment, anaerobic digestion and aerobic digestion technologies to achieve thorough treatment;
- Implemented the integrated management of sewage discharge. Our sewage treatment stations have been equipped with automatic programmable logic controllers and online surveillance systems to monitor the discharge of sewage;
- Strictly followed the monitoring requirements of the standards for water pollutants. With the use of internationally advanced sewage treatment techniques and facilities, we have successfully maintained stability in the volume and quality of sewage discharge, with the COD_{Cr} level of major pollutants as well as the levels of NH₃-N and SS in full compliance with the maximum limits on discharges by pulp and paper-making operations under National Standard "GB3544-2008"(Standard on Discharge of Water Pollutants by the Pulp and Paper-Making Industry). After multiple treatments, sewage discharged by the Group's operations has achieved more than 99.5% of pollutants removal;
- Achieved water re-use by the rate of more than 80% in its production and water discharge less than 10 m³ per tonne of paper produced. Our sewage treatment stations have been equipped with water re-use systems to raise sewage re-use and reduce water consumption;

高科技處理工藝

- 引進全球造紙工業中最有效的污水處理技術，採用混凝沉澱物化預處理、厭氧+好氧處理及三級深度處理的綜合工藝；
- 進行一體化管理，污水處理廠配備了自動化程控邏輯控制器系統，並設有網上污水監察系統；
- 嚴密跟隨標準的水污染物監測要求，本集團的污水處理工藝和設備達到國際先進水平，其中的主要污染物COD_{Cr}、NH₃-N、SS完全達到GB3544-2008《製漿造紙工業水污染物排放標準》所列明的製漿和造紙企業排放限值要求。經多重處理後，本集團排放的污水中99.5%以上的污染物已被移除；
- 生產用水循環利用率達80%以上，噸紙排水量低於10立方米／噸。污水處理站配置了水回用系統，提高了污水回用率，減少了水資源耗用量；



- Enabled a reasonable re-use of sludge and methane generated in the sewage treatment process. Water content of the sludge was lowered to around 50% with fully automatic recessed plate filters and then the dried sludge was burnt at thermal power stations in order to reduce solid wastes. The methane generated in the anaerobic treatment systems in the sewage stations was also collected and used as part of the fuel for the boilers in the power stations, thus greatly saving the coal required.
- 合理回收利用廢水處理過程中產生的污泥和沼氣，採用全自動隔膜板框壓濾技術使污泥含水率降低到50%左右，壓榨過的乾污泥輸送至熱電站進行焚燒，減少固廢污染。污水站厭氧處理系統產生的沼氣亦被收集並輸送至電站鍋爐摻燒，大大節約了燃煤。

Compliance With Regulatory Standards

符合法規要求

- Annually inspection on the air emissions and sewage disposal from boilers and sewage stations by environmental department;
- 每年聯繫環保部門對鍋爐和污水站排放的廢氣、廢水進行監測；
- Conduct regular calibration for air emissions and sewage online monitoring systems;
- 定期對在線連續監測廢氣、廢水系統進行較核；
- Conduct repair and maintenance for environmental equipment on a regular basis to meet the emission standards.
- 環保設備定期維護和保養，確保排放達標。



Cope with Climate Change

Global warming is affecting the natural climate by increasing the frequency and intensity of extreme weather and natural disasters such as rainstorm, flood and drought. To cope with the intensified threat of climate change, management of our Group has regularly assessed the potential risks of climate change and adopted preventive and contingency measures. In specific, we have selected location for our plants in a strategic way and made "Extreme Weather Catastrophes Contingency Plan". We will rank the extreme weather catastrophes into four degrees, namely very significant, significant, major and general according to the degree of harm. Meanwhile, we have established a clear response system and set up a leadership team in responses to extreme weather emergency, which expressly stipulates functions of each member, alert actions and emergency response arrangements. The Group conducts advocacy, trainings and drills for employees regularly, aiming at enhancing the vigilance and abilities towards disasters. We will assess how bad we will be affected by the extreme weather such as hurricane, rainstorm, thunder, hail, flood so that we can take relevant measures such as closing our plants, preventing the flood and providing safe place for our employees. With these measures, we will safeguard our employees' safety and avoid losses arising from the malfunction of equipment. In addition, our plants have their own thermal power stations and backup power which are necessary for a continuous and stable production and can reduce the risk of halt in production due to regional power blackout.

Greenhouse Gas Emissions

Greenhouse gases are mainly emitted from coal-fired power generation. The plants have their own thermal power stations operating coal-fired generators, which discharge direct and indirect greenhouse gases.

氣候變化應對

全球暖化令自然氣候改變，極端天氣加劇，增加暴雨、洪水及乾旱等天災的頻率和強度，令各類天災的破壞及影響程度大幅增加。為應對越趨嚴重的氣候威脅，本集團的管理層定期評估氣候變化的潛在風險，並採用預防及應變措施應對氣候變化。我們策略性為廠房選址，制定《極端天氣災害應急預案》，按照所造成的危害程度，將極端天氣災害分為四個等級：特別重大、重大、較大、一般。同時，制定清晰的應變體系，成立極端天氣應急救援領導小組，明文規定各成員職能、預警行動和應急響應安排。日常會定期向員工進行宣傳、培訓和演習，加強員工警惕和應災能力。於極端天氣出現時如颱風、暴雨、雷電、冰雹、洪水時評估影響，做好相關安全措施及提供安全場所讓員工暫避，保障員工生命安全和避免生產機械損失。同時，各廠房均設有熱電站和後備電源，保持持續穩定的生產運作，降低因區域性停電而停產的風險。

溫室氣體排放

本集團溫室氣體主要來自燃煤發電。工廠自設熱電站，透過燃煤發電機組生產電力，其間會產生直接及間接溫室氣體。



Emission Data

Major emissions, direct and indirect greenhouse gas² resulted from production activities for the Year within the reporting scope are as follows:

排放物數據

本年度報告範圍內生產活動所產生的主要排放物、直接及間接溫室氣體²如下：

Types of Emissions 排放物種類	Unit 單位	Data in 2019 2019年數據	Data in 2018 2018年數據
Nitrogen Oxides (NO _x) ³ 氮氧化物(NO _x) ³	tonnes 噸	1,137.41	1,785.90
Sulphur Dioxides (SO ₂) ³ 二氧化硫(SO ₂) ³	tonnes 噸	607.61	718.10
Particulate matter (PM) ³ 顆粒物(PM) ³	tonnes 噸	129.23	210.10
Water used for production 生產用水	tonnes 噸	49,669,913.00	50,858,912.00
Direct and indirect greenhouse gas (Scope 1 ⁴) 直接及間接溫室氣體(範圍一 ⁴)	tonnes carbon dioxide equivalent 噸二氧化碳當量	4,978,540.18	5,279,785.98
Other indirect greenhouse gas (Scope 3 ⁵) 其他間接溫室氣體(範圍三 ⁵)	tonnes carbon dioxide equivalent 噸二氧化碳當量	82,594.22	68,316.58

2 For the year 2018 and 2019, the intensities of greenhouse gas emission in aggregate (per tonne of products produced) are 1.32 tonnes and 1.27 tonnes carbon dioxide equivalent respectively. Moreover, since the electricity of the Group is powered by our own generator units without additional purchase of electricity, there is no indirect greenhouse gas emissions by the energy in Scope 2.

3 Emissions resulted from the Group's power generation activities that use fossil fuels.

4 Scope 1 emissions are the direct greenhouse gas emissions resulted from sources owned and controlled by the Group which are calculated in accordance with the Accounting Methods and Reporting Guidelines of Greenhouse Gas Emissions for Paper-Making and Paper Products Manufacturing Enterprises (Trial Implementation)《造紙和紙製品生產企業溫室氣體排放核算方法與報告指南(試行)》 issued by the PRC National Development and Reform Commission.

5 Scope 3 emissions are the indirect greenhouse gas emissions resulted from water used for the Group's production which are calculated in accordance with "Greenhouse gas reporting – Conversion factors 2019" issued by the Department for Business, Energy and Industrial Strategy of United Kingdom.

2 2018年度及2019年度總溫室氣體密度(按每噸產量單位)分別為1.32及1.27噸二氧化碳當量。另外,集團使用的電力由自身發電機組產生,並無外購電力,因此沒有範圍二能源間接溫室氣體排放。

3 排放物由本集團使用化石燃料的發電活動所產生。

4 範疇一排放指根據中國國家發展改革委員會發布的《造紙和紙製品生產企業溫室氣體排放核算方法與報告指南(試行)》計算,本集團擁有或控制的溫室氣體排放源所產生的直接溫室氣體排放。

5 範疇三排放指根據英國商業、能源暨工業策略部發布的"Greenhouse gas reporting - Conversion factors 2019"計算由本集團用水產生的間接溫室氣體排放。



Wastes

The wastes generated in our operations were mainly non-hazardous ones produced in the course of paper-making, together with a small quantity of wastes due to routine office work. In order to reduce and dispose of waste produced in the paper-making process, the Group has established the "Guidelines for Waste Management" to classify wastes of all production activities and clarify the workflow of processing. Policies also provide for guidelines for the storage, transport and disposal of wastes and require them to be recorded to ensure that treatment process is in compliance with rules and is safe.

The Group has principally reduced or disposed of wastes generated from its paper-making operations in three ways:

- Sewage treatment facilities in plants will filter sewage generated from the paper-making process. This process would generate certain amount of sludge. It is then burnt in boilers after treatment and deep drying. The energy generated by burning the waste in a circulating fluidised bed boilers could be reused in the paper-making process and therefore, not only secondary pollution would be avoided but also saving energy;
- The Group used lots of waste paper as a raw material in its paper-making operations, paper-making residue was left behind after extraction of useful fibres for the paper-making process. As the residue contained different impurities, the residue was carried to a washing line where reusable metal wires, aluminium cans and plastics in the residue were collected and sold to recyclers;
- Established "Directory of Hazardous Wastes", so as to clarify hazardous wastes before processing or disposal of the recyclable.

廢棄物

本集團營運所產生的廢物主要為造紙過程中所產生的無害廢棄物，亦有少量日常行政辦公所產生的廢棄物。針對造紙過程中所產生的廢棄物的減少和處理，本集團已設立《廢棄物管理指導書》對本集團所有活動生產的廢棄物進行分類，明確其處理操作流程。政策亦為廢棄物的存放、運輸及處置提供指引並要求記錄在案，確保處理過程安全合規。

本集團主要透過三種方式處理廢棄物：

- 工廠的污水處理設施過濾造紙過程中所產生的污水，並產生一定數量的污泥。污泥經處理及深度脫水後會送到鍋爐焚燒，通過循環流化床鍋爐焚燒的廢物所產生的能量用於造紙生產，不但不造成二次污染，還能節省能源消耗；
- 本集團在造紙生產過程中使用大量廢紙作為原料，廢紙經提取有用的造紙纖維後剩下造紙廢渣。本集團把造紙廢渣引進洗水線提取所含的有價值雜質，如鐵絲、塑料等，並將此等物料出售予回收商進行循環再造；
- 編製《危險廢棄物匯總表》，明確分類危險廢棄物，繼而處理或出售可回收部分。



The Group has actively adopted the aforesaid measures of treating wastes, striving to meet the standard of processing solid wastes, liquid wastes and hazardous wastes stipulated in the “Measures of Guangdong Province on Implementation of Administrative Licensing for Controlled Waste Treatment” and the “Measures on the Management of Hazardous Waste Transfer”.

集團積極使用上述措施處理廢棄物，務求100%達到《廣東省嚴控廢物處理行政許可實施辦法》和《危險廢物轉移聯單管理辦法》法規所要求的固廢、液廢和危廢執行處理。

Major wastes resulting from the Group’s production activities for the Year within the reporting scope are as follows:

本集團於本年度報告範圍內生產活動所產生的主要廢棄物如下：

Types of wastes 廢棄物種類	Unit 單位	Data in 2019 2019年數據	Data in 2018 2018年數據
Non-hazardous wastes 無害廢棄物			
Paper-making residue 造紙廢渣	tonnes 噸	189,685.27	360,246.44
Coal ash, cinder 煤灰、煤渣	tonnes 噸	776,140.99	921,275.13
Impurities contained in waste paper as raw material (Including plastics, metal wires) 廢紙原料所含雜質(包括塑料、鐵絲等)	tonnes 噸	47,461.94	13,953.10 ⁶
Sludge 污泥	tonnes 噸	249,974.68	249,429.85
Wood chip 木材木碎	tonnes 噸	165.67	224.60
Hazardous wastes⁷ 有害廢棄物 ⁷			
Waste batteries 廢電池	tonnes 噸	19.19	8.76
Used oil, waste paint, waste liquid etc 廢機油、廢油漆、廢液等	tonnes 噸	98.77	122.92
Used lamps/bulbs 廢燈管／燈泡	tonnes 噸	1.67	0.54

6 Data of waste aluminum in 2018 is restated after revision of calculation.

6 2018年度廢鋁數據計算修正後重述。

7 Types of Hazardous wastes are identified with reference to the “Directory of National Hazardous Wastes” issued by the Ministry of Environmental Protection of the People’s Republic of China.

7 參考中華人民共和國環境保護部發布的《國家危險廢物名錄》而識別有害廢棄物種類。



USE OF RESOURCES

With sustainable development as the prerequisite, the Group sets goals for resource consumption to protect environment, to make rational and scientific use of energy and resources and to reduce production costs. The Group has formulated the “Guide for Energy-saving and Control and Management of Resources” to regulate the use of energy and resources in various activities. The policy specifies the responsibilities of and division of labour among departments, whereby departments related to production including the procurement department, the production department and departments using maintenance workshops and facilities are required to control the consumption of energy and resources such as raw materials, equipment, water, electricity, paper, packaging materials and so on. Administrative departments including the human resources department, the administration department, the logistics department and so on are responsible for carrying out resources-saving education for all employees of the Group, monitoring, recording and comparing the monthly usage of energy and resources. Generally speaking, the Group takes “education as principal and supplementing with management and control” as the guideline for resources-saving, and lead employees to implement green production. The Group has also set targets for coal, electricity and water usage for the year by achieving 1% reduction in consumption per unit production of major factories on quarterly basis compared with that of corresponding period in last year and will conduct year-end review of the amount of resources usage for the year in order to pursue better environmental performance on an ongoing basis.

資源使用

本集團以可持續發展為前提，訂立各項資源消耗的目標，以保護環境，合理科學地使用能源及資源，並降低生產成本。本集團制定《節約能源資源控制管理指導書》以規範各活動中能源及資源的使用。該政策統一釐定部門的職責及分工，生產相關部門包括採購部、生產部、維修車間及設備使用部門等均需控制原材料、設備、水、電、紙、包裝物料等能源及資源的耗用，而行政部門包括人事部、行政部、後勤部等則需負責對本集團全員進行節約資源教育、監察、記錄及對比每月能源及資源的使用情況。整體而言，本集團以「思想教育為主、管理監控為副」作為節約資源的指導方針，帶領員工實踐環保綠色生產。本集團亦已訂立本年度的煤、電、水的耗用目標，主要廠房的單位產品消耗量每季度相對上年同期比下降1%，並於年末檢討本年度的資源使用量，持續追求更環保表現。



The Group has actively adopted measures for energy conservation and emissions reduction, striving to curb energy consumption in each of its production processes. Apart from ISO50001 energy management certification, the Group has indeed received commendations of the Government Examination Team for Energy-Saving and Emissions Reduction for our promotion and implementation of various measures to save energy, reduce emissions and achieve environmental protection alongside economic growth. Measures for saving energy and reducing consumption include:

- Reducing energy consumption by substituting high-performance equipment for older ones and making relevant changes to its electricity facilities;
 - Adopting efficiency-enhancing and energy-saving technologies such as the full use of frequency conversion and high voltage compensation devices;
 - Closely monitoring energy input and output as well as energy consumption by production and non-production operations with an effective mechanism for measuring, monitoring, analysing and appraising energy consumption, and the corresponding posts to manage the use of energy. The Group has installed water and electricity meters in various regions of the plants and implemented a system of rewards and punishments;
 - Departments are required to conduct data analysis and comparisons on a monthly basis to effectively promote energy conservation and environmental protection to the whole Group.
- 本集團積極開展節能降耗措施，致力降低生產過程中的能源耗量，並將節能降耗落實到每個生產環節，本集團內許多節能降耗措施的推廣與實施，以及實現經濟與環境保護雙贏的舉措，除了獲得ISO50001能源管理系統認證外，也得到了國家節能減排考核小組的表揚。節能降耗措施包括：
- 選購高效設備和改造用電設施，減少耗能；
 - 全面推廣使用變頻控制、高壓補償等節能技改方案，提高效率；
 - 有效的能源計量、監測、統計和考核制度及相應的能源管理崗位，幫助本集團對能源進、出廠及生產系統、非生產系統的能源消耗進行嚴格監管，本集團已於廠房的各區域安裝水錶及電錶，並實行獎優罰劣制；
 - 部門需每月對其進行數據統計及對比，有效推動節能環保至本集團的每一個角落。



Energy Consumption

The logistics and production processes in our daily operations have involved the use of great amounts of energy. Diesel and coal have been the major energy sources we used. Each plant has its own coal-fired generators to ensure availability of sufficient power necessary for the high power consuming paper-making machines, and therefore have not purchased electricity power from the national power grid.

Improving energy efficiency is one of the ways to effectively reduce energy consumption. To ensure coal quality has met standards, the Group adopts strict measures on management of coal storage and transportation. The Group also conducts regular repair and maintenance on generators to achieve an optimal operation of generators and efficient combustion of coal and in turn improve energy efficiency. In addition, the Group has also employed co-generation technology to turn residual heat from the power generation process into heat source for use in paper-making, thus considerably raising the efficiency of energy use and reducing the consumption of coal.

Additionally, in order to achieve energy-saving and reduce emissions, the Group requires the use of latest technologies in every segment along the production process. Moreover, the Group has introduced a number of projects which aimed at lowering energy consumption. For instance, there was variable-frequency modification of high electricity-consuming machines which helped to achieve better energy saving performance and lowered the production cost. Moreover, methane and certain of the solid wastes which were side products in the sewage treatment process referred in the "Sewage Discharges" and "Wastes" sections above could be burnt in boilers in the thermal power stations, therefore saving fuel for the coal boilers.

能源耗量

本集團日常營運中的運輸及生產過程都需要大量能源供相關機械運作。本集團使用的主要能源分別為柴油和煤，各廠房均自設燃煤發電機組以確保足夠電力為高耗电的造紙設備提供電力，並沒有向國家電網購買電力。

提升能源效率是其一有效降低能源耗量的方法。本集團採取嚴格措施管理煤的儲存及運輸過程，確保煤炭質量達標，本集團亦定期為發電機組進行保養及維護工作，使機組在最佳狀態下運行，讓煤充份燃燒，提升能源利用率。此外，本集團也使用熱電聯產技術，把發電的餘熱作為造紙熱源，大幅提高能源效率，減少煤耗。

此外，為達到節能減排目的，本集團要求在生產線上每個環節都盡量採用新的節能降耗技術，每年均有不少的節能改造項目，例如逐步將大能耗的電動機組改造成變頻控制，增加節能效率並減低生產成本。另外，上述「污水排放」和「廢棄物」部分提到污水處理過程中所產生的甲烷及部分固體廢物可以送到熱電站鍋爐燃燒，幫助燃煤鍋爐節省耗煤量。



The Group has also continued to optimise energy management. It has raised the efficiency of energy use both in the power generation process and in the paper-making process and have therefore successfully lowered the energy consumption per unit year by year. The Group regularly tracks and records energy consumption. During the Year, the overall energy consumption per tonne of paper produced by the Group was less than 0.34 tonne of standard coal, even lower than the national average which is approximately 0.60 tonne of standard coal comparatively.

本集團不斷優化能源管理，於發電過程以及造紙生產過程同時提高能源效益，令單位能耗每年持續降低，本集團定期追蹤及記錄能源耗量，於本年度內，本集團每生產一噸紙的綜合能耗少於0.34噸標準煤，更比國家每生產一噸紙耗用約0.60噸標準煤的平均數值大幅度為低。

The overall energy consumption per tonne of paper reduced by 18% compared to 6 years ago
生產一噸紙的綜合能耗比6年前低18%

Water Usage

As water has been a necessity for our paper-making operations, water used in our production has accounted for a major part of the Group's water consumption. In order to minimise the consumption of clean water resources,

- Regarding water source, the Group has upon governmental approval obtained its water supply by directly taking water from rivers and then carrying out purification process to satisfy the industrial water standard. In doing so, we have helped protect the valuable potable water resources.

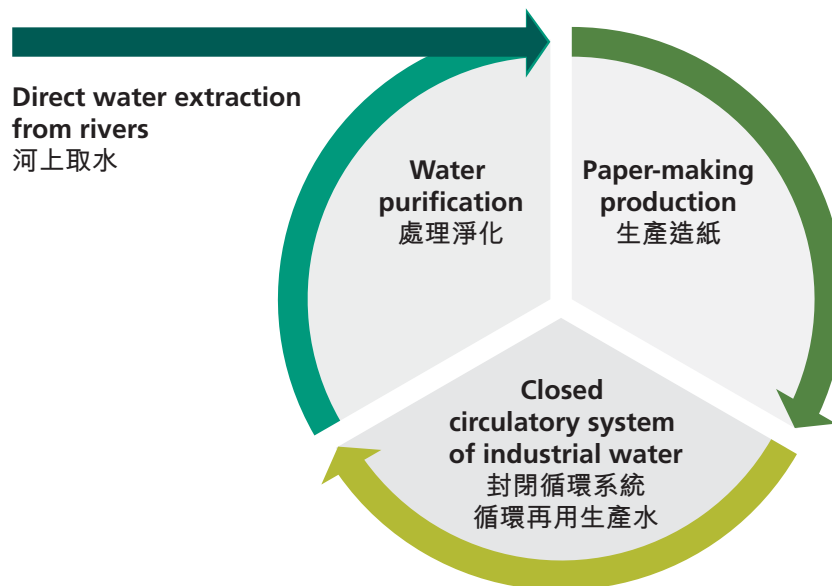
水資源使用

水是造紙過程中必需使用的資源，因此生產用水佔了本集團大部份的耗水量。為降低潔淨的水資源消耗，本集團在：

- 來源方面，經政府批示自行從河上取水，在取用適用水源上無任何問題；河水經處理淨化後滿足工業用水標準使用，保護較珍貴的飲用水資源。



- As for water saving, the Group encourages recycling and has principally adopted the strategy of employment of advanced and highly efficient sewage treatment techniques for reusing water in its production. The use of closed circulatory system for industrial water successfully increases the recycled water ratio in production to more than 80%. As a result, the amount of natural water required by the Group has been considerably lowered.
- In regard to maintenance, to prevent leakage from water pipelines and to preserve water resources, the Group also checks water pipes and repairs water tanks, water taps and other water supply facilities regularly.
- 節約用水方面，本集團鼓勵循環再用，主要策略為通過先進、高效率的污水處理工藝將生產用水循環再用，並建立工業用水的封閉循環系統，於生產過程中提高使用循環水的比例至80%以上，大大降低天然水的取用。
- 維護方面，會有專人定期檢查水管，修理水箱、水龍頭及其他供水設施，做好輸水管道的防滲漏工作，珍惜每一滴水資源。



Use of Packaging Materials

Some of our paper products required the use of plastic materials for packaging so as to prevent products from contamination or damages. The “Guidelines for Packaging Materials Management” is established by the manufacturing department for waste reduction purpose through packaging materials classification, labelling, storage and usage. Also, simple packaging will continue to be our principle so as to alleviate any environmental impacts.

包裝物料使用

本集團的紙類製品部分需使用塑料套料進行包裝，以避免產品受污染或損毀。本集團的生產部門已制定了《包裝物料管理指引》以規範包裝物料的分類、標識、存放及使用，減少物料浪費。本集團亦會繼續採用簡約包裝原則，減少對環境的影響。

Energy and Resource Usage Data

Through the above measures, the Group and our employees together achieved the objective of resources conservation. This year, energy and resource consumption in respect of production activities within the reporting scope of the Group were as follows:

能源及資源用量數據

通過以上措施，本集團與員工齊心協力實現節約資源的目標。本年度於本集團報告範圍內生產活動的能源及資源用量如下：

Energy and resource consumption	Unit	2019	Intensity	2018	Intensity
		2019年	(per tonne of production)	2018年	(per tonne of production)
能源及資源用量	單位	年度數據	密度(按每噸產量單位)	年度數據	密度(按每噸產量單位)
Types of fuel					
燃料種類					
Coal	tonnes	2,849,574.60	0.7132	3,022,876.46	0.7478
煤	噸				
Diesel	litres	5,622,280.49	1.4071	5,369,729.24	1.3284
柴油	公升				
Petrol	litres	152,493.93	0.0382	185,169.19	0.0458
汽油	公升				
Water resources					
水資源					
Water	tonnes	78,511,618.00	19.6497	64,939,718.67	16.0655
水	噸				
Packaging materials					
包裝物料					
Plastic materials	tonnes	326.52	0.0001	238.12	0.0001
塑料套料	噸				



ENVIRONMENT AND NATURAL RESOURCES

The use of the environment and natural resources is closely related to the climate change. The impact of commercial activities on the environment and natural resources has always been a great concern to the Group. As a commitment to reduce the logging of timber and reduce the impact of human activities on natural environment, we have been using recycled paper as the materials for paper-making, the primary business of the Group. In addition to complying with environmental regulations and international rules on protection for the natural environment, the Group has also incorporated concepts of environmental friendliness into our internal management and daily activities. In our striving to attain environmental sustainability, we have successfully received ISO 14001 Certification for Environmental Management.

With the aim of actively promoting environmental protection and efficient use of resources, we have monitored the potential effect of our business operations on the environment on an ongoing basis and promoted the green office and the green production environment in adherence to four principles, namely, "Reduce", "Re-use", "Recycle" and "Replace", in order to minimise the impact of our operations on the environment.

Noise Treatment

As our plants have been equipped with large paper-making machinery and coal-fired generators, their operation would cause rather big noises. In view of this, the Group has implemented the following measures:

- The Group has chosen to use low noise equipment and products as far as possible in the course of building the pulp and paper production lines and the thermal power stations in order that noises could be lowered at the sources;

環境及天然資源

環境及天然資源的運用和氣候變化息息相關，本集團十分著重商業活動對其的影響。本集團的主業務就是把廢紙回收再造，減少林木砍伐，減少人為活動對自然環境的影響。除了遵循環境相關法規及國際準則，適切地保護自然環境外，本集團亦將環境保護的概念融入內部管理及日常營運活動當中，並順利通過ISO 14001環境管理認證，致力達到環境永續之目標。

本集團以積極推動環境保護及有效使用資源為宗旨，實時監察業務營運對環境帶來的潛在影響，並通過減少、重用、回收及取代四個基本原則，推廣綠色辦公及生產環境，將營運對環境的影響減至最低。

噪音處理

本集團的廠房設有大型的造紙機械和燃煤發電機。因此，造紙設備和發電機組運作時會產生較大噪音。有見及此，本集團實施以下措施：

- 在製漿造紙生產線以及熱電站的搭建過程中盡量選用低噪音的設備和產品，從源頭降低噪音；



- In an effort to lower sound pollution to the environment, the Group has installed sound isolation facilities to contain noises due to running of machines and has added silencers on noisy equipment such as blowers and exhaust fans;
- The Group has built soundproof control rooms at the pulp and paper-making workshops where workers can work in a healthy environment without being influenced by the big noises;
- The Group has added more vegetation in the factory area to help dampen the spread of noises apart from purifying the air.
- 安裝隔聲降噪設施去應對機械運作時產生的噪音，為風機、排氣等高噪音設備安裝消音器，減少噪音帶來的環境影響；
- 於製漿造紙車間設置相應的隔音控制室，讓操作工人在隔音室內工作，減低高噪音環境對員工健康的影響；
- 增加廠房綠化植被的種植，幫助減弱噪音的傳播，亦同時淨化空氣。

Timber Logging

Among the paper produced by the Group, 98% was made from recovered paper and only 2% from timber virgin pulp. This was exactly an example of our utmost efforts to protect forests and creatures, and minimise the impact of our operations on the natural environment.

Though the pulp used in production is derived from timber logging, the Group has no activity in respect of deriving pulp directly from timber logging. In order to lower the price of raw materials and achieve the goal of environmental protection, the Group is committed to developing production machinery that can produce green sustainable product by treating tons of waste paper as raw material. In the future, the Group hopes to further raise the percentage of waste paper being used as raw material and become one of the containerboard manufacturers with the highest recycling rate in the world.

林木砍伐

本集團所生產的紙有98%採用回收廢紙，只有2%採用林木生產的原木漿，以最大限度的保護林木和生物，把對自然環境的影響降到最低。

本集團並無直接伐木取材之活動，但生產所採用之木漿由砍伐林木而來。為降低原材料價格和達到環保目標，本集團致力開發能處理以大量廢紙作原料的生產機器，生產可持續發展的綠色產品。未來，本集團希望進一步調高廢紙原料比例，並成為全球箱板原紙生產商中最高循環再用率的企業之一。



Environment-Friendly Products

The Group invested in the research and development of environment-friendly products maximising the efficiency of utilisation of wastes and minimising the addition of chemicals such as brightener and fluoescer. The Group currently produces products including test linerboard and environment friendly white linerboard coated in pursuit of becoming a leader of green products in the industry with an aim to alleviate the environmental impact caused in the process from producing to using its products and thus offering more environment-friendly choices to its customers.

Starting from the selection of raw material, the Group produces test linerboard with 100% use of recycled waste corrugated board, and uses waste paper as the main component of environment friendly white linerboard coated, turning wastes into treasures.

Environmental Awards and Certifications

As described in the sections on environmental protection above, the Group has been making great endeavours to keep possible pollutions and negative impacts of our operations on the environment to a minimum. The Group has received recognitions from government authorities, professional bodies and many others in the community including certifications and awards for the investments and efforts we have made in respect of environmental protection. Over the years, certifications and accolades won by the Group have included the following:

環保產品

本集團投入於研發環保產品，盡力提升廢料的使用效率及致力減少添加增白劑，熒光劑等化學品。集團目前生產環保箱板紙及環保塗布灰底白板紙，並持續追求成為行業的綠色產品領先者，減低產品在生產至使用過程中對環境的影響，為客戶提供更多環保選擇。

集團在原材料的選擇入手，製作環保箱板紙時百分之百使用回收而來的廢舊箱板紙；環保塗布灰底白板紙則使用廢報紙為主要成分，化廢為寶。

環保獎項及認證

如以上各環境相關部分所述，本集團努力不懈地減低營運時對環境所帶來的污染和負面影響。本集團於環境保護方面所投放的資源和努力得到不同政府部門以及專業機構的肯定，屢次獲得專業機構的認證和政府的環保獎項及獎勵，為社會各界所認同。本集團歷年所得到的認證及認可如下：



The Group/Specific Plants 本集團／廠房	Certifications/Accolades Obtained 認證／獎項
All of our plants in China and Vietnam plant 中國國內所有及越南廠房	ISO9001 Certification for Quality Management ISO9001質量管理認證
All of our plants in China and Vietnam plant 中國國內所有及越南廠房	ISO14001 Certification for Environmental Management ISO14001環境管理國際認證
All of our plants in China and Vietnam plant 中國國內所有及越南廠房	Forest Stewardship Council's Chain of Custody (FSC-COC) Certification 森林認證系統產銷監管鏈認證(FSC-COC)
Hongmei, Huangyong, Jiangsu and Jiangxi plants 洪梅、潢涌、江蘇、江西廠房	IECQ QC 080000 Certification for Hazardous Substance Process Management System IECQ QC 080000有害物質流程管理系統認證
Vietnam plant 越南廠房	OHSAS18001 Certificate for Occupational Health and Safety Management System OHSAS18001職業健康及安全管理系統認證
Hongmei, Huangyong, Jiangsu and Jiangxi plants 洪梅、潢涌、江蘇、江西廠房	ISO45001 Certificate for Occupational Health and Safety Management System ISO45001職業健康安全系統認證
Hongmei, Huangyong and Jiangsu plants 洪梅、潢涌、江蘇廠房	ISO50001 Certificate for Energy Management System ISO50001能源管理系統認證
Lee & Man Paper 理文造紙	Named a "National Outstanding Enterprise Proactively Fulfilling Social Responsibility" 全國積極履行社會責任突出企業
Lee & Man Paper 理文造紙	Hong Kong-Guangdong Cleaner Production Partner (Manufacturing) 粵港清潔生產夥伴(製造業)
Lee & Man Paper 理文造紙	Named an "Environment-Friendly Enterprise" 環境友好企業榮譽
Hongmei and Huangyong plants 洪梅、潢涌廠房	Named a "Cleaner Production Enterprise in Guangdong" and an "Outstanding Labour Law Compliant Enterprise in Guangdong" 廣東省清潔生產企業及廣東省勞動用工守法優秀企業
Hongmei plant 洪梅廠房	Named an "Advanced Energy Conversation Unit" 節能先進單位榮譽
Chongqing plant 重慶廠房	Named an "Advanced Ecological Improvement and Environmental Protection Unit" 環境保護先進單位榮譽



STRIVING FOR IMPROVEMENTS

Supply Chain Management

As a production enterprise, supply chain management has always been a critical aspect in our quality control system. The Group works closely with suppliers to enhance their sense of responsibility, help them mitigate environmental and social risks and build a green supply chain. We hope to work together with the supply chain partners to purchase environment-friendly products and services and to fulfill our commitment to environmental protection to the extent it is practicable and cost-effective. We have established a "Policy on Procurement and Suppliers Management" (採購與供貨商管理制度) to conduct a comprehensive assessment on suppliers and contractors in accordance with ISO guidelines in respect of, among others, their environmental protection policies, occupational safety policies, to ensure that they meet the requirements of national safety, environmental protection, laws and regulations, have a certain level of social responsibility management, reach the quality of the Group's production and service, and adhere to the sustainable procurement. In case of any irregularities, the Group will suspend or terminate the cooperation relationship with relevant suppliers.

Procurement of Raw Materials

The Group uses waste paper instead of virgin pulp as a raw material for paper-making, and the waste paper is supplied from all over the world including Netherlands, United Kingdom, United States and Canada. Our Group has arranged sourcing agents of waste paper around the world to collect waste papers and purchase the specific dedicated waste papers in person through various channels including recyclers, supermarkets, local authorities and retailers, so as to ensure the quality of our products. The raw materials are shipped by our logistics teams so that the Group can better control the logistics to ensure efficient transportation time and use of low-carbon mode. Besides, the Group has been operating more than 50 waste paper collecting and packing sites in Mainland China and has also been sponsoring a number of other business partners in China to source high quality waste paper locally as a way to develop paper sources as well as to support paper recycling, so as to improve the green supply chain.

銳意進取

供應鏈管理

作為一家生產企業，供應鏈管理一直為本集團質量控制系統之其中一項關鍵環節。集團與供應商緊密合作，提升其履責意識，幫助他們規避環境及社會風險，打造綠色供應鏈。我們希望與供應鏈的合作夥伴共同努力，在可行及符合經濟效益的情況下，選購環保產品及服務，實踐對環境保護承諾。集團成立了《採購與供貨商管理制度》，對供應商及承包商按照ISO體系進行綜合評估，包括其環保政策、職業安全政策等等，確保符合國家安全、環保、法規要求，有一定社會責任管理水平，達到集團生產質量和服務的品質，堅守可持續發展採購。如發現違規行為，集團會暫停或終止相關供應商的合作關係。

原材料採購

集團採用廢紙取代原木漿生產紙張，廢紙供應來自世界各地例如荷蘭、英國、美國及加拿大等。集團在各地安排廢紙採購代理，通過多個途徑，包括廢紙回收商、超級市場、地方政府部門及零售商戶收集廢紙，親身採購特定的專用廢紙，為公司產品素質把關。原材料由集團的貨運團隊運送，集團能更好把握物流，確保高效的運輸時間和低碳模式的使用。另一方面，本集團在中國國內經營逾50個廢紙回收及打包場，及資助一些國內商業夥伴回收當地的廢紙，幫助收集高質素的本地廢紙，開拓紙源及支持廢紙回收再造，邁向完善綠色供應鏈。



Product Responsibility

Product Safety

With customers as our first priority, the Group has always stressed the importance of fulfilling their requirements with high-quality products and services. The Group ensures that product information is made available to customers in a transparent, true and accurate manner during its sales process. The paper products of the Group are subject to the “Product Quality Law of the People’s Republic of China” and other laws, regulations and standards related to product safety and quality. Enterprises are required under laws and regulations to shoulder responsibility for product quality and ensure that products comply with quality and safety standards. As such, the Group has established the “Procedures for the Surveillance, Measuring and Control of Products”(產品監視和測量控制程序) to supervise and inspect incoming raw materials, semi-finished products and finished products.

產品責任

產品安全

本集團強調以客為尊，以高質素的產品和服務滿足客戶的需求。本集團確保在銷售過程中將透明、真實、準確的產品信息提供予客戶。本集團的紙製品受到《中華人民共和國產品質量法》及其他關於產品安全及品質的法例法規及標準所規管。法規要求企業需承擔產品質量責任，並確保產品符合質量及安全標準。本集團因此建立了《產品監視和測量控制程序》對外購原材料、半成品及成品進行監督及檢測。



As we highly value product safety, we have obtained IECQ QC 080000 certification for the hazardous substance process management of our four plants in Hongmei, Jiangsu, Huangyong and Jiangxi. As a proof that our paper products are free of banned hazardous substances, the certification can boost customers' confidence in the products of the Group. Meanwhile, the various plants of the Group have also successfully obtained ISO9001 certification for their quality management system. We have also obtained the Forest Stewardship Council's Chain of Custody (FSC-COC) certification, a proof that the Group values its product quality and the sustainability of forest operations. Moreover, the Group has established a risk assessment team to assess product quality and safety risks regularly in order to address issues promptly for protection of the Group's and customers' interests. We control our product quality in the aspects from source, production, finished products to after-sale tracking:

01 Source monitoring

01 來源監控

The Group requires suppliers to provide inspection reports on materials, warranty against the use of hazardous substances, MSDS and so forth. The quality department also conducts sample checking and batch inspection in respect of incoming materials to ensure the compliance with quality requirements. The purchasing department is responsible for preparing the list of qualified materials for reference of other departments.

本集團要求供應商提供物料的檢測報告、不使用有害物質保證書、綠色產品調查表及成份表(MSDS)等資料。而品質部亦會對來料進行抽檢及批量檢驗，確保其質量符合要求。採購部負責合格物料列表編制供其他部門參考。

本集團十分重視產品安全，洪梅、江蘇、潢涌及江西四間造紙廠房均取得IECQ QC 080000有害物質過程管理認證。此認證證明工廠所生產的紙制產品並無含有被禁的有害物質，增加客戶對本集團產品的信心。本集團廠房亦取得ISO9001質量管理認證和森林認證系統產銷監管鏈認證(FSC-COC)，證明本集團對於產品質量及維護森林的可持續經營的重視。此外，本集團成立了風險評估小組，定期評估產品質量、安全相關的風險以及早作出應對，保障本集團及客戶利益。我們從來源、生產、成品、售後跟進四方面為產品質素把關：

02 Production process

02 生產過程

The Group adopts automated and computer-monitored production processes, while the quality department conducts inspection on semi-finished products and records results on the logbook of inspection during production process, before moving on to the next stage. In case of any inadequacy, the relevant production staff members will be notified immediately for rectification.

本集團使用自動化電腦監測生產過程，品質部會對半成品進行檢驗，並將結果記錄於生產過程檢驗記錄上，方便進行下一階段工序。如發現品質不合格，則立即通知相關生產人員糾正。



03 Inspection of finished products

03 成品檢驗

The Group conducts inspection of finished products for physical index and the content of hazardous substances in accordance with the "Operation Guidelines on the Inspection of Finished Products" (成品檢驗作業指導書). Regular sample inspection will also be conducted on the finished paper products after sale, while scrap paper and pulp samples are sent to testing agencies for the inspection for hazardous substances.

本集團根據《成品檢驗作業指導書》的規定對成品的物理指標和有害物質含量進行檢驗。本集團亦會定期對售後的成品紙進行抽樣檢驗，並將廢紙、木漿板樣本送到有害物質檢測機構測試。

The Group takes customers' feedbacks seriously. If the customer has any questions about the quality after sale, the Group will arrange the customer service department and the specialist from sales department to go to the customer's site for verification and quality inspection. The specialist will keep personal and written communication with the customers in the process. If the products fail to meet the requirements of the order, the customer service department will assist to arrange the recall or discount according to the situation after checking by sales manager. With strict quality management and attentive customer service, the Group's products recalled in the Year accounted for 0.61% of the total sales, and the number of complaints on the products and services was 1,675.

04 After-sale Services

04 售後服務

In each of sales territories in China, the Group has professional after-sale service team to keep close contact with customers and ensure that their problems, complaints and opinions are properly addressed and handled. The Group has drawn up its "Operation Guidelines on Customer Services" (客戶服務作業指導書), which explicitly stipulates the problem handling time and follow-up process of the after-sales service team, so as to meet the customer requirements clearly and efficiently.

本集團於國內各銷售區設有專業的售後服務團隊，緊密與客戶保持聯繫，確保其疑難、投訴、意見均獲得適當解答和處理。本集團設立了《客戶服務作業指導書》，明文規定售後服務團隊的問題處理時間和跟進流程，清晰和高效率的去滿足客戶要求。

本集團認真看待顧客回饋，售後若客戶對品質有疑問，本集團會安排客戶服務部攜同銷售部專員到顧客現場查證，進行品質檢測，過程中專員保持與客戶親自和書面溝通，產品如確認未達訂單要求，在行銷經理審核後，由客戶服務部協助，按情況安排回收或折價。本集團憑著嚴密的品質管理和細心的待客服務，本年度產品回收為總銷售的0.61%，產品及服務的投訴數目為1,675。



Responsible Marketing

The Group pays great attention to build a good relationship of mutual trust with customers, presenting the most authentic and high-quality services and products to customers. Every salesperson has received professional training. The Group requires that the sales department strictly follows the "Operation Guidelines on Customer Services" prepared by the Group to regulate and standardise the behavior of employees, and ensures that the relevant sales and publicity materials are in line with the Group's guidelines. Once any false and exaggerated advertising means are found, the Group will impose severe punishment. The sales department also regularly holds meetings with the employees, and updates products information and marketing plans, so as to ensure that the employees have a clear understanding of the products and unify marketing methods.

Intellectual Property Rights

Our Group places high importance on intellectual property protection and respects the intellectual properties of others as intellectual property can promote innovation and progress. Our Group has over 200 registered patents and has formed the intellectual property department to coordinate and supervise the management of our intellectual property rights. In our daily operation, our employees and cooperators are required to comply with the regulations relating to intellectual property and the "Policy of Intellectual Property" and the "Risk Aversion Plan for Intellectual Property" prepared by the Group, and access to and transfer of core information within the Group is subject to clear limits of authority which are only limited to specific members of the senior management of the Group to avoid excessive information transfer and reduce the risk of data leakage. The Group will enter into technical contracts with third parties to safeguard the interests of technological achievements of both sides.

合理營銷

本集團重視與客戶建立互信良好的關係，呈現最真實優質的服務和產品予客戶。每一位銷售員都經過專業培訓，本集團要求嚴格銷售部按照集團編製的《客戶服務作業指導書》，規範和標準化員工的行為，確保有關的銷售及宣傳所用的資料均符合集團指引，一旦發現任何失實誇大的宣傳手段，集團將會嚴加處分。銷售部亦會定期與員工開會，更新產品資料和營銷方案，確保員工對產品有清晰的瞭解，統一營銷手法。

知識產權

知識產權促進創新和進步，本集團十分關注知識產權的維護，及尊重他人的知識產權。本集團擁有超過200多項的註冊專利，設有知識產權部協調和監督知識產權管理工作。在日常營運中，我們要求員工和合作方遵守知識產權相關的法例和集團編制的《知識產權管理制度》和《知識產權風險規避方案》，集團內核心信息的查閱和傳遞有明確的權限限制，僅限於集團特定的高級管理人員，避免過多的資訊交接，降低資料泄漏的風險；與第三方合作時簽訂技術合同，保障雙方科技成果的利益。



Data Privacy

The Group is well aware that personal information is governed under the “General Code on Civil Law of the People’s Republic of China” and other relevant laws and regulations, which require that enterprises shall maintain the right of use of personal information. As a result, the Group has formulated the confidential management policy and taken data protection measures necessary for protecting the interests of all stakeholders. We ensure that employees only have access to the operational data within their permission sets. We would not allow disclosure of information unauthorised by the information owner except otherwise required by law. During the Year, the Group did not find anything which constituted a material breach of the aforesaid and other local laws and regulations related to product and service quality.

CONTRIBUTING TO SOCIETY

Community Investment

Social Integration

Lee & Man Paper has always been working with communities in contributing to the society in three aspects, namely, environmental protection, support for the under-privileged and youth development, making progress together with the public. By fulfilling corporate social responsibility and increasing public welfare investment, our Group hopes to improve the ecological environment, assist social vulnerable groups and promote teenager development, thereby creating a bright future. The Group has provided support for the following projects during 2019:

資料保密

本集團明白個人資料受到《中華人民共和國民法通則》及其他相關的法例所監管，要求企業必須維護個人資料使用權。本集團因此建立了保密管理制度和實行了資料保護措施保障各持份者的利益。本集團確保員工只接觸到權限內的營運數據，除法例訂明的公示文件外，並不允許任何未經資料擁有者批准的披露。於本年度內，本集團並無任何重大違反上述所指及其他地區性的與產品、服務質量相關的法例法規的情況出現。

回饋社會

社區投資

社會共融

理文造紙一直與社區同行，於環境保育、弱勢支援、青年發展三個範疇貢獻社會，與大眾共同進步。集團希望透過履行企業社會責任，加大公益投入，改善生態環境、協助弱勢社群、促進青少年發展，創造美好的將來。本集團於2019年度為下列項目提供支持：



Environmental Protection

Attaching great importance to environmental protection, the Group actively engages in local environmental activities in preservation of the nature. Mr. Lee Man Bun (the Executive Director of the Company) donated HK\$130,000 respectively to New Youth Energy Think Tank Charitable Foundation for the environmental campaign of “Enough Plastic”. The campaign cooperated with famous photographers and many artists to share their experiences in using less and replacing disposable plastic products in daily life, wishing the community to form the habit of using less plastic products.

In addition, the Group has collaborated with the Environmental Protection Administration of Yongchuan District of Chongqing for the “Daluxi River Regulation Project”. In recent years, the rapid social and economic development in Yongchuan District and the development of towns along the Daluxi River and the industrial development have resulted in the discharge of a large amount of industrial sewage and untreated domestic sewage. Coupled with the water interception by upstream hydropower stations, the water quality of Daluxi River has deteriorated, hindering the economic development of Daluxi River Region seriously. The purpose of river regulation is to improve the water quality, implement comprehensive regulation towards the Daluxi River in Yongchuan District, and protect the natural environment. While proactively establishing the concept of ecological environmental protection in the community, it takes both economic development and environmental protection into consideration.

Support for the Under-privileged

The Group also donated RMB100,000 to support the charity project of the “Highway Construction for Alleviating Poverty in Siming Village” by Chongqing Charity Federation, promoting the infrastructure construction in Siming Village. Maintenance personnel have repaired 4.4 kilometers of village roads, which not only opened up an economic path and accelerated resource flows of the village, but also created a path for connecting the hearts and minds of villagers by breaking their scattered living modes for a long time. By installing 14 kilometer-long mountain road protective barriers between the village and the national highway, it protects the safety of villagers, conveying our concern and care. In terms of weak economy of village group members, leaders specialising in plantation and cultivation industry have facilitated the professionalisation and standardisation of plantation and cultivation industry so as to improve product quality and activate branding effect. Meanwhile, we have established the online sales channel for marketing the villagers’ specific farm products and wild mushrooms in order to enhance their popularity. To teach someone how to fish is better than to just give him a fish, only in this way can the villagers be self-sufficient and expand the ways of getting rich.

環境保育

本集團重視環境保護，積極投入地區的環保活動，守護大自然。本公司執行董事李文斌先生向新活力青年智庫慈善基金「『不要膠下去』環保活動」捐贈13萬港元，是次活動與著名攝影師和多位藝人合作，分享日常生活中減少使用及取代一次性塑膠的心得，希望鼓勵社會大眾養成減塑的習慣。

此外，本集團與重慶市永川區環境保護局合作支援「大陸溪河治理項目」。近年來隨著永川區社會經濟的快速發展和大陸溪河沿岸鄉鎮及工業的發展，大量工業廢水及未經處理的生活污水的排入，加上上游水電站的截流，致使大陸溪河流域水質退化，嚴重制約了大陸溪河流域經濟的發展。河水治理目的是優化水質，對大陸溪河流域永川境內段進行綜合整治，保育天然環境，積極在社區樹立生態環保理念，同時顧及經濟發展和環境保護。

弱勢支援

本集團亦向重慶市慈善總會「四明村扶貧公路建設」贊助了10萬元人民幣，推進四明村基礎設施建設。維修人員修繕村道4.4公里，不僅貫通經濟路，加快村資源流動，更貫通了民心路，打破了村民分散居住長期不來往的局面；加裝村到國道14公里山路防護欄，為村民外出保駕護航，用關懷傳遞溫情。針對村集體經濟薄弱問題，種養殖業牽頭專業負責人，推動種養殖專業化、規範化，提高產品品質和形成品牌效應；為村農特有產品、野生菌類建立線上銷售管道，提高知名度，授人以魚不如授人以漁，讓他們能在未來自給自足，拓展致富路。



The Group cares for the society and recognises some people may not receive appropriate medical care due to financial problems. For instance, families in low income or the elderly may not be able to pay for the additional medical expenses. In view of this, Mr. Lee Wan Keung Patrick donated approximately HK\$100,000 to Tung Wah Group of Hospitals in “TWGHs Free Medical Services Donation Scheme”, supporting medical services for grassroots and helping patients and under-privileged to live a healthy and happy life.

Meanwhile, the Group donated RMB50,000 to the “Yongchuan Examination Fund for Cervical Cancer and Breast Cancer” jointly established by Chongqing Women’s Federation and Chongqing Health Committee. The fund focuses on contributing resources on examination of cervical cancer and breast cancer which pose serious threat to women’s health. Since the launch of free screening for cervical cancer and breast cancer in Yongchuan District in 2009, the project has covered 23 towns and districts and completed the examination of cervical cancer and breast cancer for 235,787 women with detection of 422 cancer and lesion before cancer cases. 264 women from impoverished villages have received timely aid.

本集團心繫社會，明白部分人因經濟原因而得不到適當的醫療照顧，例如低收入家庭或老人家，未必可以負擔額外的醫療開支。有見及此，李運強先生在「愛心滿東華免費醫療服務捐助計劃」中向東華三院捐贈約10萬港元，支援基層人士醫療服務，希望幫助貧病者有健康快樂的人生。

同時，本集團向重慶市婦女聯合會和重慶市健康委員會合辦的「永川兩癌篩查基金」捐贈了5萬元人民幣，此基金致力投放資源在嚴重威脅婦女健康的宮頸癌和乳腺癌的檢查工作，永川區自2009年開展兩癌免費篩查項目以來，已覆蓋23個鎮區及街道，累計完成235,787名婦女兩癌篩查，檢出癌及癌前病變422名，264名貧困農村婦女得到了及時的救助。



Youth Development

The founders of the Group have spared no effort to support education and youth development. The Group has sponsored the building of a number of education facilities, including Patrick Lee Wan Keung Academic Building in Lingnan University, Hong Kong, whose construction was donated by Mr. Lee Man Bun in 2011, demonstrating the zeal of our founders for youth development.



Patrick Lee Wan Keung Academic Building in Lingnan University, Hong Kong
香港嶺南大學李運強教學大樓

The Group is also concerned about cultivating the youth to become future pillars of society. Mr. Lee Man Bun donated HK\$1.20 million to Hong Kong New Youth Energy Think Tank and sponsored HK\$300,000 to its charity show "The Sassy Princess" performed by Fuk Sing Opera Troupe, aiming at promoting the communication of youth organizations between Hong Kong and Mainland and encouraging the youth to make contribution and commitment to social affairs and public services.

In terms of the education for school-age children, Mr. Lee Man Bun donated RMB1.23 million to Yunnan Nuijiang Zhou School for buying books and sponsored HK\$1 million to Hong Kong Chinese Importers' and Exporters' Association Charity Foundation Limited for funding the "Reading Together" activity. The Group hopes that the children can develop habits of reading and exploring and can cultivate rich imagination and creativity by feeling the power of words.

The Group sponsored HK\$300,000 to the Third Inauguration Ceremony of Directors and Dinner Party in 2019 of Hong Kong Shine Tak Foundation and donated HK\$150,000 to the "2019 Shine Tak Charity Hiking" in order to support the civilian education for the youth and students in Hong Kong and help them to explore opportunities in new environment and challenges.

青年發展

本集團的創辦人對推動教育和青少年發展不遺餘力。在過往斥資興建多所教育設施，包括在2011年由李文斌先生捐贈助建的香港嶺南大學李運強教學大樓，充份顯示本集團各創辦人的熱心。

本集團亦關心培養青年人成為社會未來棟樑，李文斌先生捐出120萬港元到新活力青年智庫慈善基金，及贊助其慈善專場《福陞粵劇團戲寶·宮主刁蠻駙馬驕》30萬元港幣，促進香港與內地青年組織的交流，鼓勵青年對社會事務及公眾服務作出貢獻和承擔。

顧及學童學習教育，李文斌先生捐出123萬元人民幣購買圖書捐贈給雲南怒江州學校及贊助中出慈善基金有限公司「我們一起悅讀的日子」活動經費100萬港元，希望學童養成閱讀和探索的習慣，感受文字感染力，培養豐富的想像力和創造力。

本集團贊助善德基金會2019第3屆董事就職典禮及晚宴30萬港元和在「2019善德遠足百萬行」中捐出15萬港元，支持香港青少年及學生團體公民教育，於新環境和挑戰中尋找新機遇。



HKEX ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT GUIDE INDEX

香港交易所《環境、社會及管治報
告指引》索引

General Disclosures and KPIs	Description	Relevant Information in this Report
一般披露及 關鍵績效指標	描述	本報告 相關資料部分
A Environmental A 環境		
A1 Emissions A1 排放物		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
一般披露	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無 害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例。	排放物
A1.1	The types of emissions and respective emissions data.	Emission Data
A1.1	排放物種類及相關排放數據。	排放物數據
A1.2	Direct (Scope 1) and energy's indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission Data
A1.2	直接(範圍1)及能源間接(範圍2)排放溫室氣體排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	排放物數據



General Disclosures and KPIs 一般披露及 關鍵績效指標	Description 描述	Relevant Information in this Report 本報告 相關資料部分
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Wastes
A1.3	所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	廢棄物
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Wastes
A1.4	所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	廢棄物
A1.5	Description of emission targets established and steps taken to achieve them.	Emissions, Air Emissions, Sewage Discharge
A1.5	描述所訂立的排放量目標及為達到這些目標所採取的步驟。	排放物、氣體排放、污水排放
A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of waste reduction targets established and steps taken to achieve them.	Emissions, Wastes
A1.6	描述處理有害及無害廢棄物的方法，及描述所訂立的減廢目標及為達到這些目標所採取的步驟。	排放物、廢棄物
A2 Use of Resources A2 資源使用		
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials.	Use of Resources
一般披露	有效使用資源(包括能源、水及其他原材料)的政策。	資源使用
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy and Resource Usage Data
A2.1	按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	能源及資源用量數據



General Disclosures and KPIs 一般披露及 關鍵績效指標	Description 描述	Relevant Information in this Report 本報告 相關資料部分
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Energy and Resource Usage Data
A2.2	總耗水量及密度(如以每產量單位、每項設施計算)。	能源及資源用量數據
A2.3	Description of energy efficiency targets established and steps taken to achieve them.	Use of Resources, Energy Consumption
A2.3	描述所訂立的能源使用效益目標及為達到這些目標所採取的步驟。	資源使用、能源耗量
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and water efficiency targets established and steps taken to achieve them.	Use of Resources, Water Usage
A2.4	描述求取適用水源上可有任何問題，以及所訂立的用水效益目標及為達到這些目標所採取的步驟。	資源使用、水資源使用
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Energy and Resource Usage Data
A2.5	製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	能源及資源用量數據
A3 The Environment and Natural Resources		
A3 環境及天然資源		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
一般披露	減低發行人對環境及天然資源造成重大影響的政策。	環境及天然資源
A3.1	Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them.	Noise Treatment, Timber Logging, Environment-Friendly Products
A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	噪音處理、林木砍伐、環保產品



General Disclosures and KPIs 一般披露及 關鍵績效指標		Description 描述	Relevant Information in this Report 本報告 相關資料部分
A4 Climate Change A4 氣候變化			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which impacted, and those which may impact, the issuer.		Cope with Climate Change
一般披露	識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。		氣候變化應對
A4.1	Description of the significant climate-related issues that have impacted, and those which may impact, the issuer, and the actions taken to manage them.		Cope with Climate Change
A4.1	描述已經及可能會對發行人產生影響的重大氣候相關事宜，及應對行動。		氣候變化應對
B. Society B. 社會			
B1 Employment B1 僱傭			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Employment, Recruitment, Promotion, Compensation and Benefits, Employee Care, Equal Opportunities and Anti-Discrimination
一般披露	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。		僱傭、招聘、晉升及薪酬福利、員工關懷、平等機會及反歧視



General Disclosures and KPIs 一般披露及 關鍵績效指標	Description 描述	Relevant Information in this Report 本報告 相關資料部分
B1.1	Total workforce by gender, employment type (full-time or part-time), age group and geographical region.	Recruitment, Promotion, Compensation and Benefits
B1.1	按性別、僱傭類型(如全職或兼職)、年齡組別及地區劃分的僱員總數。	招聘、晉升及薪酬福利
B1.2	Employee turnover rate by gender, age group and geographical region.	Recruitment, Promotion, Compensation and Benefits
B1.2	按性別、年齡組別及地區劃分的僱員流失比率。	招聘、晉升及薪酬福利
B2 Health and Safety B2 健康與安全		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
一般披露	有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	健康與安全
B2.1	Number and rate of work-related fatalities in each of the past three years (including reporting year).	Health and Safety
B2.1	過去三年(包括匯報年度)每年因工亡故的人數及比率。	健康與安全
B2.2	Lost days due to work injury.	Health and Safety
B2.2	因工傷損失工作日數。	健康與安全
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	健康與安全



General Disclosures and KPIs 一般披露及 關鍵績效指標		Description 描述	Relevant Information in this Report 本報告 相關資料部分
B3 Training and development B3 發展培訓			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
一般披露		有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	培訓及發展
B3.1		The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Training and Development
B3.1		按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。	培訓及發展
B3.2		The average training hours completed per employee by gender and employee category.	Training and Development
B3.2		按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	培訓及發展
B4 Labour Standards B4 勞工準則			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevent child or forced labour.	Labour Standards
一般披露		有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	勞工準則
B4.1		Description of measures to review employment practices to avoid child or forced labour.	Prohibition of Child and Forced Labour
B4.1		描述檢討招聘慣例的措施以避免童工及強制勞工。	防止童工或強制勞工
B4.2		Description of steps taken to eliminate such non-compliance practices when discovered.	Prohibition of Child and Forced Labour
B4.2		描述在發現違規情況時消除有關情況所採取的步驟。	防止童工或強制勞工



General Disclosures and KPIs	Description	Relevant Information in this Report
一般披露及 關鍵績效指標	描述	本報告 相關資料部分
B5 Supply Chain Management B5 供應鏈管理		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
一般披露	管理供應鏈的環境及社會風險政策。	供應鏈管理
B5.1	Number of suppliers by geographical region.	Procurement of Raw Materials
B5.1	按地區劃分的供應商數目。	原材料採購
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.2	描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及相關執行及監察方法。	供應鏈管理
B5.3	Description of practices relating to identify environmental and social risks at every stage of the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.3	描述有關辨識供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監測方法。	供應鏈管理
B5.4	Description of practices that promote the use of environmentally friendly products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B5.4	描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監測方法。	供應鏈管理



General Disclosures and KPIs	Description	Relevant Information in this Report
一般披露及 關鍵績效指標	描述	本報告 相關資料部分
B6 Product Responsibility B6 產品責任		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters associated with products and services provided and methods of redress.	Product Safety, Responsible Marketing, Data Privacy
一般披露	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	產品安全、合理營銷、 資料保密
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Safety
B6.1	已售或已運送產品總數中因安全與健康理由而須回收的百分比。	產品安全
B6.2	Number of product and service-related complaints received and how they are dealt with.	Product Safety
B6.2	接獲關於產品及服務的投訴數目以及應對方法。	產品安全
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
B6.3	描述與維護及保障知識產權有關的慣例。	知識產權
B6.4	Description of quality assurance process and recall procedures.	Product Safety
B6.4	描述質量檢定過程及產品回收程序。	產品安全



General Disclosures and KPIs 一般披露及 關鍵績效指標	Description 描述	Relevant Information in this Report 本報告 相關資料部分
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Privacy
B6.5	描述消費者資料保障及私隱政策，以及相關執行及監察方法。	資料保密
B7 Anti-corruption B7 反貪污		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevent bribery, extortion, fraud and money laundering.	Anti-bribery and anti-money Laundering
一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	防止賄賂及洗黑錢
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-bribery and anti-money Laundering
B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	防止賄賂及洗黑錢
B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Anti-bribery and anti-money Laundering
B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	防止賄賂及洗黑錢



General Disclosures and KPIs 一般披露及 關鍵績效指標	Description 描述	Relevant Information in this Report 本報告 相關資料部分
B7.3	Description of anti-corruption training for directors and employees.	Anti-bribery and anti-money Laundering
B7.3	描述向董事及員工提供的反貪污培訓。	防止賄賂及洗黑錢
B8 Community Investment B8 社區投資		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take communities' interests into consideration.	Social Integration
一般披露	有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	社會共融
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Integration
B8.1	專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	社會共融
B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Integration
B8.2	在專注範疇所動用資源(如金錢或時間)。	社會共融



EXECUTIVE DIRECTORS

Dr. Lee Man Chun Raymond, aged 49, CPPCC National Committee, SBS JP, Chairman of the Company is in charge of corporate planning and investment projects. Dr. Lee has over 26 years of operational experience in paper manufacturing and is experienced in professional formula of paper making and product development. Dr. Lee was conferred the Honorary Degree of Doctor of Laws in 2014 and holds a Bachelor's Degree in Applied Science from the University of British Columbia in Canada. Dr. Lee was awarded the "Young Industrialist Award of Hong Kong 2002" and received an award for "2003 Hong Kong Ten Outstanding Young Persons Selection Awardees". Dr. Lee is the brother of Mr. Lee Man Bun, an Executive Director of the Company and Chief Executive Officer of the Group and is the brother-in-law of Mr. Li King Wai Ross, an Executive Director of the Company.

Mr. Lee Man Bun, aged 39, the member of the Political Consultative Committee of Guangdong Province, MH JP, Chief Executive Officer of the Group, is responsible for production management, sales, daily operation, quality improvement, repair and maintenance of production machines and factory staff management etc.. He holds a Bachelor's Degree of Applied Science in Chemical Engineering from the University of British Columbia in Canada. He is awarded the "Young Industrialist Award of Hong Kong 2015" and is the Founding Chairman of Hong Kong New Youth Energy Think Tank. He is the younger brother of Dr. Lee Man Chun Raymond, the Chairman and an Executive Director of the Company and is the brother-in-law of Mr. Li King Wai Ross, an Executive Director of the Company.

執行董事

李文俊博士，49歲，全國政協委員，銀紫荊星章太平紳士，本公司主席，負責本集團整體策劃及投資項目。李博士在造紙業擁有逾26年營運經驗，對造紙業的專業程式及產品開發擁有豐富經驗。李博士於2014年獲加拿大英屬哥倫比亞大學頒授榮譽法學博士及持有其應用科學學士學位。李博士獲頒「2002年香港青年工業家」及「2003年香港十大傑出青年」。李博士為本公司執行董事兼本集團首席執行官李文斌先生之哥哥，亦為本公司執行董事李經緯先生之內兄。

李文斌先生，39歲，廣東省政協委員，榮譽勳章太平紳士，本集團首席執行官，負責生產管理、銷售、日常運作、品質改進、機械維修和工廠員工管理等，彼持有加拿大英屬哥倫比亞大學應用科學化學工程學士學位。彼獲頒「2015年香港青年工業家」，亦是香港新活力青年智庫創會主席。彼為本公司主席及執行董事李文俊博士之弟弟，亦為本公司執行董事李經緯先生之內弟。

EXECUTIVE DIRECTORS (CONTINUED)

Mr. Li King Wai Ross, aged 44, an Executive Director of the Company, is responsible for the global procurement of recovered paper, logistics planning and optimisation, as well as external affairs for the Group. He holds a Master's Degree in Science in Electrical Engineering from Stanford University in USA and a Bachelor's Degree in Applied Science in Computer Engineering from University of British Columbia in Canada. He has over 18 years of experience in production management, operations and technological research and development. He is the brother-in-law of Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, both of whom are Executive Directors of the Company.

NON-EXECUTIVE DIRECTOR

Professor Poon Chung Kwong, aged 80, GBS JP, a Non-executive Director of the Company, is the Chairman of Virya Foundation Limited (a registered non-profit charitable organisation), the Emeritus Professor and the President Emeritus of the Hong Kong Polytechnic University. He devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at the Hong Kong Polytechnic University. Professor Poon obtained a Bachelor of Science (Honours) Degree from the University of Hong Kong, A Doctor of Philosophy Degree and a Higher Doctor of Science Degree from the University of London. He was a Postdoctoral Fellow at the California Institute of Technology and University of Southern California. He also held the Honorary Degree of Doctor of Humanities from the Hong Kong Polytechnic University in 2009. He was appointed a Non-official Justice of the Peace (JP) in 1989, received the OBE in 1991, the Gold Bauhinia Star (GBS) in 2002, "Leader of the Year Awards 2008 (Education)". In addition, Professor Poon was appointed as a member of the Legislative Council (1985-1991) and a member of the National Committee of the Chinese People's Political Consultative Conference (1998-2013). He is also an Independent Non-executive Director of Henderson Land Development Company Limited, The Hong Kong and China Gas Limited and Chevalier International Holdings Limited. All the aforesaid companies are listed on the Hong Kong Stock Exchange.

執行董事(續)

李經緯先生，44歲，本公司執行董事，負責本集團的全球廢紙採購業務，物流戰略及優化和負責集團對外事務。彼持有美國史丹福大學科學電子工程碩士學位及加拿大英屬哥倫比亞大學應用科學電腦工程學士學位，擁有逾18年生產管理，營運操作及技術研究開發經驗。彼為本公司執行董事李文俊博士之妹夫及李文斌先生之姐夫。

非執行董事

潘宗光教授，80歲，金紫荊星章太平紳士，本公司非執行董事，精進慈善基金有限公司(註冊非牟利慈善組織)會長、香港理工大學榮休教授及榮休校長。於2009年1月退休前，彼擔任香港理工大學校長之職達18年，在香港一直致力推動大學教育40年。潘教授早年考獲香港大學理學學士，英國倫敦大學哲學博士及高級理學博士，並在美國加州理工學院及南加州大學從事博士後研究。彼亦於2009年獲香港理工大學頒授榮譽人文博士學位。彼於1989年獲委任為非官守太平紳士(JP)、1991年獲頒英國官佐勳章(OBE)勳銜、2002年獲頒授金紫荊星章(GBS)、2008年獲頒「傑出領袖獎(教育)」。此外，潘教授曾被委任為立法局議員(1985-1991)及中國人民政治協商會議全國委員會委員(1998-2013)。彼為恒基兆業地產有限公司、香港中華煤氣有限公司及其士國際集團有限公司之獨立非執行董事。該等公司均於香港聯交所上市。



INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Kai Tung Tony, aged 77, an Independent Non-executive Director of the Company, has been a practicing lawyer in Hong Kong since 1968 and has also been admitted as a solicitor in England and Wales. He is currently a consultant at Messrs. Hastings & Co., Solicitors and Notaries. He is also an Independent Non-executive Director of the listed company, Lee & Man Chemical Company Limited.

Mr. Peter A. Davies, aged 77, an Independent Non-executive Director of the Company, is a retired lawyer. He has over 49 years of experience in the legal field, practising both as a solicitor and a barrister in England and Hong Kong. Over the years, he has been a partner of Messrs. Deacons, Solicitors, and a Directorate Officer and the head of the Insider Dealing Unit with the Department of Justice of Hong Kong. He was appointed to be a notary public in Hong Kong in 1974.

Mr. Chau Shing Yim, David, aged 56, an Independent Non-executive Director of the Company, has over 20 years of experience in corporate finance and was formerly a partner of one of the big four accounting firms in Greater China, holding the position as their Head of Merger and Acquisition and Corporate Advisory. Mr. Chau is a member of the Institute of Chartered Accountants of England and Wales ("ICAEW"), and was granted the Corporate Finance Qualification of ICAEW. He is also a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA") and was an ex-committee member of the Disciplinary Panel of HKICPA. Mr. Chau is a member as well as director of the Hong Kong Securities Institute and the Chairman of Corporate Outreach Committee. Mr. Chau is a member of Hospital Governing Committee of Pamela Youde Nethersole Eastern Hospital ("PYNEH") and the Trustee of the PYNEH Charitable Trust. He is also a member of Jinan Municipal Committee of the Chinese People's Political Consultation Conference.

Mr. Chau is an independent non-executive director of BC Technology Group Limited, China Evergrande Group, Evergrande Health Industry Group Limited, HengTen Networks Group Limited, IDG Energy Investment Group Limited and Man Wah Holdings Limited. All the aforesaid companies are listed on the Stock Exchange of Hong Kong.

獨立非執行董事

王啟東先生，77歲，本公司獨立非執行董事，自1968年以來為香港之執業律師，亦為英格蘭及威爾斯執業事務律師。彼現任希士廷律師行之顧問。彼亦為上市公司理文化工有限公司之獨立非執行董事。

Peter A. Davies先生，77歲，本公司獨立非執行董事，為退休律師。彼在法律界擁有逾49年經驗，曾於英國及香港任執業律師及大律師。過往曾擔任的近律師行合夥人以及香港律政司首長級職位，並曾出任內幕交易小組主管。彼於1974年獲委任為香港公證人。

周承炎先生，56歲，本公司獨立非執行董事，擁有超過20年企業融資經驗及曾為大中華四大會計師事務所其中之一的合夥人，任職合併和收購及企業諮詢組的主管。周先生為英國及威爾斯特許公認會計師公會的會員、獲英國及威爾斯特許公認會計師公會賦予企業融資資格。彼亦為香港會計師公會會員及曾為香港會計師公會紀律委員會委員。周先生是香港證券專業學會的董事及會員，同時出任該學會的企業外展委員會的主席。周先生也是東區尤德夫人那打素醫院醫院管治委員會成員及東區尤德夫人那打素醫院慈善信託基金成員。彼同時也是濟南市政協委員會委員。

周先生為BC科技集團有限公司、中國恒大集團、恒大健康產業集團有限公司、恒騰網路集團有限公司、IDG能源投資集團有限公司及敏華控股有限公司之獨立非執行董事。所有前述公司均於聯交所上市。



SENIOR MANAGEMENT

Mr. Cheung Kwok Keung, aged 53, is the Chief Financial Officer of the Group and the Company Secretary of the Company, is responsible for the internal supervision, management of the Group's financial matters and investor relationship. Mr. Cheung is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants and has over 31 years of experience in the field of auditing, accounting and financial management. He is an Independent Non-executive Director of China Aoyuan Property Group Limited and DCB Holdings Limited, which are listed on the Main Board and the GEM Board of the Hong Kong Stock Exchange respectively. He joined the Group in August 2002.

Mr. Yip Heong Kan, aged 49, is the General Manager of the Group, is responsible for cost controlling, corporate management and energy saving projects. He holds a Master's Degree in Business Administration from Open University of Hong Kong, is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. He has over 26 years of experience in auditing & accounting and corporate financial management. He joined the Group in June 2008.

Mr. Yan Jean Goo, aged 54, is the Deputy General Manager of Chongqing Lee & Man Tissue, is responsible for the overall operation & management of tissue business of the Group. He holds a Bachelor's Degree in Economics from the University of Xiamen and has over 32 years of experience in production and operation management. He joined the Group in November 2006.

高級管理層

張國強先生，53歲，本集團財務總監兼本公司之公司秘書，負責本集團之內部財政監督、管理及投資者關係。張先生為英國公認會計師公會資深會員及香港會計師公會會員，擁有逾31年核數、會計及財務管理經驗。彼為中國奧園地產集團股份有限公司及DCB控股有限公司之獨立非執行董事，該等公司分別於香港聯交所主板及創業板上市。彼於2002年8月加入本集團。

葉向勤先生，49歲，本集團總經理，負責本集團成本控制、企業管理及節能減排項目。彼持有香港公開大學工商管理碩士學位，彼為英國公認會計師公會資深會員及香港會計師公會會員，擁有逾26年核數及會計、企業財務管理經驗。彼於2008年6月加入本集團。

顏建國先生，54歲，重慶理文衛生紙副總經理，負責集團衛生紙業務的整體營運及管理。彼持有中國廈門大學經濟學學士學位，擁有逾32年的生產及營運管理經驗。彼於2006年11月加入本集團。



SENIOR MANAGEMENT (CONTINUED)

Mr. Ng Hok She Harry, aged 44, is the Head of Quality Assurance, responsible for the tissue paper production quality of the Group. Mr. Ng holds a Bachelor's Degree and a Master's Degree in Mechanical Engineering from McMaster University in Canada. He has over 18 years of experience in engineering safety aspects management. He joined the Group in October 2011.

Mr. Lee Ho Chung Jude, aged 45, is the Head of the Human Resources Department of the Group responsible for the human resources and information technology management of the Group. He holds a Bachelor's Degree in Applied Science & Engineering from University of Toronto in Canada and has over 20 years of experience in IT supervision and 12 years of senior management experience from different multinational companies. He joined the Group in October 2011.

Mr. Chung Wai Fu, aged 55, is the General Manager of Vietnam Lee & Man Paper, responsible for Vietnam plant operation and management. Mr. Chung holds a Bachelor Degree of Production and Logistics Management and a Master Degree of Business Administration in Human Resources Management from the University of Southern Queensland. He has over 26 years of management experience working in both multinational and local listed companies in China. Mr. Chung joined the Group in November 2008.

Ms. Li Yuen Ling, aged 58, is the Senior Finance Manager of the Group, is responsible for the Group's finance activities, as well as maintaining banking relationship for the Group. She joined the Lee & Man group in 1984 and has over 35 years of experience in accounting and finance for manufacturing operations.

高級管理層(續)

伍鶴時先生，44歲，本集團品質保證部長，負責衛生紙產品質量。彼持有加拿大麥克馬斯特大學機械工程的學士學位和碩士學位。彼擁有超過18年工程安全方面的管理經驗。彼於2011年10月加入本集團。

李浩中先生，45歲，本集團人力資源部部長，負責集團人力資源及資訊科技管理工作。彼持有加拿大多倫多大學應用科學工程學士學位，擁有逾20年跨國企業資訊科技經驗及12年的高級管理經驗。彼於2011年10月加入本集團。

鍾偉富先生，55歲，越南理文造紙總經理，負責越南造紙廠整體運作及管理。鍾先生持有南昆士蘭大學生產和物流管理學士學位及人力資源行政管理碩士學位，擁有逾26年管理跨國和中國本地上市公司經驗。鍾先生於2008年11月加入本集團。

李婉玲女士，58歲，本集團高級財務經理，負責本集團之財務事務及維繫與本集團往來銀行的關係。彼於1984年加入理文集團並擁有逾35年製造業務之會計及財務經驗。



SENIOR MANAGEMENT (CONTINUED)

Mr. Chu Kwok Lung, aged 57, is the Administration Manager of Guangdong Lee & Man Paper, is responsible for the daily operation and management of Guangdong Lee & Man Paper and has over 35 years of experience in manufacturing. He joined the Group in June 2006.

Mr. Chan Kong Sang, aged 60, is the Manager of power stations of the Group, is responsible for the set up and operation of various power plants. He holds a Bachelor's Degree of Science in Engineering from the University of Hong Kong and has over 37 years of experience in operation and managing production and engineering aspects of manufacturing businesses. He joined the Group in January 2001.

高級管理層(續)

朱國龍先生，57歲，廣東理文造紙行政經理，負責廣東理文造紙日常運作，擁有逾35年製造業經驗。彼於2006年6月加入本集團。

陳江生先生，60歲，本集團熱電站部長，負責各熱電站的建設及運行。彼持有香港大學工程理學士學位，擁有逾37年管理製造業業務的生產和工程營運經驗。彼於2001年1月加入本集團。



ULTIMATE SUPPLIERS AND BUYING AGENTS

Besides purchasing directly from the suppliers, the Group also engages certain independent buying agents to source waste paper from their ultimate suppliers mainly supermarkets, paper packing companies and recycling plants. The Group's buying agents in the United States and Europe, namely Ralison International Inc., Mark Lyndon International B.V. and Mark Lyndon Paper Enterprises (UK) Limited, are ultimately owned by Mr. Albert Chiu Tung-Choi, a distant relative of the Company's controlling shareholders, Dr. Lee Wan Keung Patrick, Dr. Lee Man Chun Raymond and Mr. Lee Man Bun. Dr. Lee Man Chun Raymond and Mr. Lee Man Bun are also executive directors of the Company. These buying agents are not "connected persons" of the Company pursuant to the Listing Rules. They receive a commission for sourcing the raw materials of waste paper and they did not trade and are contractually obliged not to take a position on or otherwise maintain an inventory of waste paper themselves. Their primary role is to coordinate the logistics in order to have the waste paper delivered to the Group, including on-site inspections and customs clearance, and thereby reduces the regulatory risk for the Group. The total prices paid for the waste paper (including the price of waste paper paid to ultimate suppliers and commission paid to the buying agents) were made on an arm's length basis. The Group sourced 2% and 19% of its total raw materials through these buying agents for the years ended 31 December 2019 and 2018 respectively. The commission paid to these buying agents amounted to HK\$9.6 million and HK\$81.9 million for the years ended 31 December 2019 and 2018 respectively. The Group ceased trading with the above three buying agents since April 2019.

None of the directors, their associates or any shareholder which owned more than 5% of the Company's issued share capital had any interest in the share capital of the five largest suppliers of the Group.

最終供應商及採購代理

除了向供應商直接採購之外，本集團亦委聘若干獨立採購代理，向彼等的最終供應商（主要為超級市場、紙品包裝公司及回收工場）採購廢紙。本集團位於歐美的採購代理 Ralison International Inc.、Mark Lyndon International B.V. 及 Mark Lyndon Paper Enterprises (UK) Limited 由本公司控股股東李運強博士、李文俊博士及李文斌先生（李文俊博士及李文斌先生亦為本公司執行董事）的遠親趙棟材先生最終擁有。根據上市規則，該等採購代理並非本公司「關連人士」。彼等透過採購廢紙原材料收取佣金，且彼等並不進行交易，以及合約上毋須負責或以其他方式保持彼等自身的廢紙存貨量。彼等的首要角色為協調物流，確保廢紙運送至本集團（包括實地檢查及清關），從而減輕本集團的監管風險。已支付的總廢紙價格（包括向最終供應商支付的廢紙價格及支付予採購代理的佣金）乃按公平原則釐定。截至2019年及2018年12月31日止年度，本集團透過採購代理採購佔其原材料總額分別為2%及19%。支付予該等採購代理之佣金於截至2019年及2018年12月31日止年度分別為9.6百萬港元及81.9百萬港元。自2019年4月起，本集團已終止與以上三間採購代理之貿易。

概無任何董事、彼等的聯繫人士或任何擁有本公司已發行股本5%以上的股東於本集團五大供應商的股本中擁有任何權益。



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

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries and a joint venture are set out in notes 45 and 22 respectively to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 120.

A final dividend for 2018 of HK15 cents per share amounting to HK\$657,000,000 and an interim dividend of HK13 cents per share amounting to HK\$568,577,000 in aggregate was paid to the shareholders during the year. The directors of the Company now recommend the payment of a final dividend of HK13 cents per share for the year ended 31 December 2019 to the shareholders on the register of members on 7 May 2020, amounting to approximately HK\$568 million in aggregate, subject to the approval of the shareholders at the forthcoming annual general meeting.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserves available for distribution to shareholders amounted to HK\$5,901,239,000 (2018: HK\$3,094,848,000), representing the aggregation of the share premium, the contributed surplus and the retained profits and net of the share repurchase reserve.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 7 of the annual report.

董事謹此提呈本公司及其附屬公司(「本集團」)截至2019年12月31日止年度之年報及經審核財務報表。

主要業務

本公司是一間投資控股公司，各主要附屬公司及合營企業的主要業務分別載於綜合財務報表附註45及22。

業績及分配

本集團截至2019年12月31日止年度的業績載於第120頁的綜合損益及其他全面收益表。

年內已向股東派發2018年末期股息每股15港仙，合共657,000,000港元及2019年中期股息每股13港仙，合共568,577,000港元。本公司董事現建議派發截至2019年12月31日止年度之末期股息每股13港仙，合共約5.68億港元，予於2020年5月7日名列股東名冊之股東。末期股息須待股東於應屆股東週年大會上批准方可作實。

可分派儲備

於2019年12月31日，本公司可供分派予股東之儲備為股份溢價、資本公積及留存盈利及扣除購回股份儲備合共5,901,239,000港元(2018年：3,094,848,000港元)。

五年財務概要

本集團最近五個財政年度之業績及資產及負債概要載於年報第7頁。



PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$2,863 million (2018: HK\$1,978 million) for the purpose of expanding its business. An amount of HK\$22,534,000 (2018: HK\$52,926,000) was transferred from property, plant and equipment to investment properties for generating rental income. Details of the movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

BUSINESS REVIEW AND PERFORMANCE

A review of the business of the Company and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are provided in the Chairman's Statement and Management Discussion and Analysis, respectively, set out on pages 8 and 10 and pages 11 to 14 of this Annual Report. The outlook of the Company's business is discussed throughout this Annual Report.

PRINCIPAL RISKS AND UNCERTAINTIES

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and are in addition to the matters referred to in the Chairman's Statement and Management Discussion and Analysis.

1. Economic climate and individual market performance

The impact of economic conditions of China would affect sales and results of the Group. The Group continues to implement its strategies to develop and strengthen penetration of the relevant markets. The management of the Group will continue to make efforts to strictly control costs and manage the usage of capital fund in order to maintain the Group's competitiveness in the paper industry.

In addition, the on-going US-China trade friction and recent novel coronavirus epidemic might post uncertainty to the Group's business performance, details of the uncertainty are set out in the Chairman's statement to the annual report.

物業、廠房及設備

年內，本集團購置物業、廠房及設備之成本約28.63億港元(2018年：19.78億港元)，以擴展業務。為數22,534,000港元(2018年：52,926,000港元)金額由物業、廠房及設備轉撥往產生租金收入之投資物業。本集團物業、廠房及設備於年內的變動詳情載於綜合財務報表附註17。

業務回顧及表現

於本年度內，本公司業務回顧及本集團表現之討論及分析以及與業績及財務狀況相關之重大因素分別載列於本年報第8頁至第10頁之主席報告及第11頁至第14頁之管理層討論及分析中。本公司的業務展望於本年報不同部分討論。

主要風險及不明朗因素

除主席報告及管理層討論及分析提述事宜以外，本公司根據公司條例(香港法例第622章)須予披露所面對的主要風險及不明朗因素如下。

1. 經濟氣候及個別市場表現

中國經濟情況的影響會影響本集團的銷售和業績。本集團繼續實施策略，以發展和加強不同地區的市場滲透，本集團管理層將繼續致力嚴控成本及加強資本運用以保持本集團在造紙業的競爭力。

此外，持續的中美貿易戰及近期之新型冠狀病毒疫情可能對本集團之業務表現帶來不確定性，不確定性之詳情載於本年報之主席報告中。



PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

2. Loss of key individuals or the inability to attract and retain talent

Lack of appropriately skilled and experienced resource could result in a delay in achieving the Group's strategic goals. The risk of the loss of key personnel is mitigated by regular reviews of recruitment and retention practices, remuneration packages and succession planning within the management team.

3. Customers' credit risk

The maximum exposure to credit risk by the Group which will cause a financial loss due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group only extends credit to customers based on careful evaluation of the customers' financial conditions and credit history. Credit sales of products are made to customers with an appropriate credit history. In addition, the Group reviews the recoverable amount of debt at the end of the reporting period to ensure that adequate impairment losses are recognised for irrecoverable amounts.

Details of the customers' credit risk are set out in note 38 to the consolidated financial statements.

4. Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with the relevant loan covenants.

Details of the liquidity risk are set out in note 38 to the consolidated financial statements.

主要風險及不明朗因素 (續)

2. 關鍵人物流失或無法吸引及挽留人才

缺乏適當技術和富經驗的資源，可能會阻延本集團實現策略目標。經常檢討招聘和挽留人才的做法、薪酬待遇和管理團隊內的繼任計劃降低了關鍵人員流失的風險。

3. 客戶的信貸風險

本集團因交易方未能履行責任而導致財務損失所承受之最高信貸風險來自綜合財務狀況表所載列已確認金融資產之賬面值。

為減低信貸風險，本集團管理層已指派一組人員負責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進行動收回逾期末付債項。本集團僅會在審慎評估客戶之財政狀況及信貸紀錄後增加客戶之信貸額。產品信貸銷售會提供予具有良好信貸紀錄之客戶。此外，本集團會於報告期末檢討債項之可收回數額，以確保就不可收回數額作出足夠之減值虧損。

客戶的信貸風險詳情載列於綜合財務報表附註38。

4. 流動資金風險

管理流動資金風險時，本集團會監察及保持管理層視為足夠水平之現金及現金等價物，以撥付本集團營運所需及減低現金流量波動之影響。管理層會監察銀行借貸之使用情況，確保遵守相關貸款契諾。

流動資金風險詳情載列於綜合財務報表附註38。



PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

5. Currency risk

The Group has foreign currency transactions and foreign currency borrowings, which expose the Group to foreign currency risk. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group has entered into certain foreign currency forward contracts to mitigate the risks as deemed appropriate.

Details of the currency risk are set out in note 38 to the consolidated financial statements.

6. Interest rate risk

The Group is mainly exposed to cash flow interest rate risk in relation to floating-rate bank balances and bank borrowings and fair value interest rate risk in relation to fixed-rate bank borrowings. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Details of the interest rate risk are set out in note 38 to the consolidated financial statements.

GROUP'S ENVIRONMENTAL POLICIES AND PERFORMANCE

Other than financial performance, the Group believes that a high standard of corporate social responsibility is essential for building up a good corporate and social relationship and motivating staff and creating a sustainable return to the Group. We are committed to contributing to the sustainability of the environment and community in which we conduct business and where our stakeholders live.

Particulars of the Company's environmental policies and performance are set out in the Environmental, Social and Governance Report on pages 31 to 93 of this Annual Report.

主要風險及不明朗因素 (續)

5. 貨幣風險

本集團因有外幣交易及外幣借貸，以致本集團承受外幣折算風險。本集團管理及監察外匯風險，以確保及時及有效地採取適當措施。本集團已適當訂立多項外幣遠期合約以降低有關風險。

貨幣風險詳情載列於綜合財務報表附註38。

6. 利率風險

本集團之現金流量利率風險主要是浮息銀行結餘及銀行借貸以及定息銀行借貸之公允值利率風險。管理層監控利率風險，並將在有需要時考慮對沖重大利率波動。

利率風險詳情載列於綜合財務報表附註38。

本集團的環境政策及表現

除財務表現外，本集團相信高標準之企業社會責任對建立良好企業及社會關係及激勵員工及為本集團創造可持續之回報均至為重要。本公司致力於為本公司業務經營及本公司權益人所在地區的環境及社群之可持續發展作出貢獻。

本公司之環保政策及表現詳情載列於本年報第31頁至第93頁之環境、社會及管治報告。



STAKEHOLDERS' ENGAGEMENT

We obtain and understand the views of our stakeholders regularly. This communication provides valuable feedback for our business and assists us to understand stakeholders' needs and assess the best way to leverage our resources and expertise to contribute to future business and community development.

Across the supply chain, we have taken steps through the year to ensure that we operate responsibly and in the interests of our customers, workforce, suppliers and other stakeholders.

An account of the Company's relationships with employees is included in the Management Discussion and Analysis from pages 11 to 14.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 35 to the consolidated financial statements.

During the year, the Company repurchased certain of its own ordinary shares through The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), details of which are set out in note 35 to the consolidated financial statements. The directors considered that the repurchases would increase the earnings per share of the Company. None of the Company's subsidiaries repurchased, sold or redeemed any of the Company's shares during the year.

權益人參與

我們定期取得及了解權益人的意見。這種溝通為我們的業務提供了寶貴的反饋意見，並協助我們了解權益人的需求並評估充分利用我們的資源和專業知識的最佳方法，有助未來的業務和社區發展。

在整個供應鏈中，我們年內已採取措施確保我們以負責任的態度經營業務，並符合我們的客戶、員工、供應商和其他權益人的利益。

本公司與僱員的關係記述載於第11頁至第14頁之管理層討論及分析。

股本

年內本公司股本的變動詳情載於綜合財務報表附註35。

年內，本公司於香港聯合交易所有限公司（「聯交所」）購回若干本公司普通股份，詳情載於綜合財務報表附註35。董事認為，購回股份可提高本公司每股盈利。年內概無本公司附屬公司購回、出售或贖回本公司任何股份。



DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive directors

Dr. Lee Man Chun Raymond, *SBS JP (Chairman)*
Mr. Lee Man Bun, *MH JP (Chief Executive Officer)*
Mr. Li King Wai Ross

Non-executive director

Professor Poon Chung Kwong, *GBS JP*

Independent non-executive directors

Mr. Wong Kai Tung Tony
Mr. Peter A. Davies
Mr. Chau Shing Yim David

In accordance with the Company's Articles of Association, Mr. Li King Wai Ross and Mr. Chau Shing Yim David retire and, being eligible, offer themselves for re-election.

Each of Dr. Lee Man Chun Raymond, Mr. Lee Man Bun and Mr. Li King Wai Ross has entered into a service agreement with the Company for an initial period of three years commencing 1 April 2017, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

The term of office of the non-executive director and each of the independent non-executive directors is the period up to his retirement as required by the Company's Articles of Association.

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

董事及董事的服務合約

年內及截至本報告刊發日期，本公司的董事如下：

執行董事

李文俊博士 銀紫荊星章 太平紳士(主席)
李文斌先生 榮譽勳章 太平紳士(首席執行官)
李經緯先生

非執行董事

潘宗光教授 金紫荊星章 太平紳士

獨立非執行董事

王啟東先生
Peter A. Davies先生
周承炎先生

根據本公司章程細則，李經緯先生及周承炎先生將退任，惟彼等合符資格並願意膺選連任。

李文俊博士、李文斌先生及李經緯先生各自與本公司訂立服務合約，年期由2017年4月1日起計，初步為期三年，此後一直存續，直至任何一方向另一方發出三個月事前書面通知予以終止為止。

非執行董事及各位獨立非執行董事的任期，直至其須根據本公司章程細則的規定退任為止。

概無擬於應屆股東週年大會重選之董事擁有本公司在一年內無法終止而無須支付補償(法定補償除外)之服務合約。



PERMITTED INDEMNITY PROVISION

During the year, a permitted indemnity provision that meets the requirements specified in section 469(2) of the Companies Ordinance for the benefit of the directors of the Company is in force.

CONTINUING DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of Rule 13.21 of the Rules Governing the Listing Securities on the Stock Exchange ("Listing Rules"), the following disclosure is included in respect of the Company's loan agreements, which contains covenants requiring performance obligations of the controlling shareholders of the Company as at the date of this Annual Report.

The Group has certain loan facility agreements where it would constitute an event of default if any one or all of Dr. Lee Wan Keung Patrick, Dr. Lee Man Chun Raymond and Mr. Lee Man Bun (together the "Controlling Shareholders"), the Controlling Shareholders of the Company, ceases to legally and beneficially own, directly or indirectly, in aggregate at least 51% of the entire issued share capital of and equity interest in the Company or do not, or cease to, exercise management control over the Company. Upon the occurrence of any of the above events, the outstanding liability under the loan facilities will become immediately due and payable.

獲准許彌償條文

年內，基於本公司董事利益並符合公司條例第469(2)部指定要求的獲准許彌償條文已生效。

根據上市規則第13.21條規定作出持續披露

根據聯交所證券上市規則(「上市規則」)第13.21條披露規定，下文披露就本公司於本年報日期包含本公司控股股東須履行指定責任的契諾條款之貸款協議而作出。

本集團有若干貸款融資協議，當中倘本公司控股股東，即李運強博士、李文俊博士及李文斌先生(統稱為「控股股東」)當中任何一人或全部人終止直接或間接法定實益擁有本公司全部已發行股本或股本權益合共最少51%，或未能，或終止對本公司行使控制權，將構成違約。當發生上述任何事件，貸款融資項下未償還負債將即時到期及應付。



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN EQUITY OR DEBT SECURITIES

As at 31 December 2019, the interests of the directors and the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, the Stock Exchange were as follows:

Long positions

Ordinary shares of HK\$0.025 each of the Company

Name of director 董事姓名	Capacity 身份	Percentage of the issued share capital of the Company	
		Number of ordinary shares 普通股數目	佔本公司已發行 股本百分比
Dr. Lee Man Chun Raymond 李文俊博士	Beneficial owner 實益擁有人	1,358,991,040	31.12%
Mr. Lee Man Bun 李文斌先生	Beneficial owner 實益擁有人	1,262,932,960	28.92%
Mr. Li King Wai Ross 李經緯先生	Held by spouse 由配偶持有	4,564,865	0.10%
Professor Poon Chung Kwong 潘宗光教授	Beneficial owner 實益擁有人	100,000	0.002%

Save as disclosed above, none of the directors or chief executives or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2019.

董事及主要行政人員於股本或債務證券中擁有的權益及淡倉

於2019年12月31日，董事及主要行政人員及彼等之聯繫人士在本公司及其相聯法團的股份、相關股份及債券中，擁有本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊所記錄之權益，或已知會本公司及根據上市發行人董事進行證券交易的標準守則已知會聯交所的權益如下：

好倉

本公司每股0.025港元之普通股

除上文所披露者外，於2019年12月31日，各董事、主要行政人員或彼等的聯繫人士概無在本公司或其任何相聯法團的股份、相關股份或債券中，擁有任何權益或淡倉。



ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debts securities (including debentures) of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, at 31 December 2019, other than directors and chief executives, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.025 each of the Company

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares held 持有已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Ms. Ho Tsz Wan 何芷韻女士	Held by spouse (note i) 由配偶持有(附註i)	1,262,932,960	28.92%
Dr. Lee Wan Keung Patrick 李運強博士	Beneficial owner 實益擁有人	507,342,000	11.62%
Ms. Lee Wong Wai Kuen 李黃惠娟女士	Held by spouse (note ii) 由配偶持有(附註ii)	507,342,000	11.62%

notes:

- (i) Under the SFO, Ms Ho Tsz Wan is deemed to be interested on the 1,262,932,960 ordinary shares as she is the spouse of Mr. Lee Man Bun.
- (ii) Under the SFO, Ms. Lee Wong Wai Kuen is deemed to be interested on the 507,342,000 ordinary shares as she is the spouse of Dr. Lee Wan Keung Patrick.

購買股份或債券之安排

本公司、其控股公司、或其任何附屬公司或同系附屬公司於年內任何時間概無參與訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券(包括債權證)而獲益。

主要股東

根據本公司按證券及期貨條例第336條須存置之主要股東登記冊所記錄，於2019年12月31日，下列股東(董事及主要行政人員除外)已知會本公司彼等於本公司已發行股本中擁有之相關權益。

好倉

本公司每股0.025港元之普通股

附註：

- (i) 根據證券及期貨條例，由於何芷韻女士是李文斌先生的配偶，故被視為擁有該1,262,932,960股普通股的權益。
- (ii) 根據證券及期貨條例，由於李黃惠娟女士是李運強博士的配偶，故被視為擁有該507,342,000股普通股的權益。

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company as at 31 December 2019.

除上述披露者外，本公司概無獲知會於2019年12月31日本公司股份或相關股份之任何其他相關權益或淡倉。



CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 15 to 30 of this Annual Report.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

CONNECTED TRANSACTIONS

Pursuant to Rule 14A.38 of the Listing Rules, the board of directors engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with Listing Rules. The independent non-executive directors have reviewed the continuing connected transactions and the unqualified letter from the auditor and have confirmed that the continuing connected transactions have been entered into by the Group in the ordinary and usual course of its business, on normal commercial terms, or on terms no less favourable than terms available to or from independent third parties, in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and within the relevant cap amounts as agreed by the Stock Exchange.

企業管治

本公司企業管治詳情載於本年報第15頁至第30頁之企業管治報告。

委任獨立非執行董事

根據上市規則第3.13條之指引，每位獨立非執行董事已向本公司確認其年度之獨立性，本公司認為所有獨立非執行董事確屬獨立人士。

關連交易

根據上市規則第14A.38條，董事會委聘本公司核數師，按照香港會計師公會頒布的香港鑒證業務準則第3000號下之「非審核或審閱過往財務資料之鑒證工作」規定，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。根據上市規則，核數師已對本集團的持續關連交易所作的審查結果及結論，發出載有其無保留意見的函件。獨立非執行董事已審閱持續關連交易及核數師無保留意見的函件，並已確認本集團所進行持續關連交易乃其日常及一般業務中按正常商業條款進行，或按照不遜於向或自獨立第三方給予之條款進行，且遵照管轄該等交易之協議條款，乃屬公平合理及符合本公司股東整體利益，及不超逾與聯交所協定的相關上限金額。



CONNECTED TRANSACTIONS (CONTINUED)

Details of the disclosure connected transactions for the year are set out in note 44 to the consolidated financial statements.

Save as disclosed above, there were no other transactions which are required to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the heading "Connected Transactions", no transactions, arrangements and contracts of significance, to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases and the aggregate sales attributable to the Group's five largest customers were less than 30% of the Group's total sales. In 2019, the largest supplier accounted for 7.8% of the Group's purchase of raw materials (2018: 8.6%).

None of the directors, their associates or any shareholder which, to the knowledge of the directors, owned more than 5% of the Company's issued share capital had any interest in the share capital of any of the Group's five largest suppliers.

SUFFICIENCY OF PUBLIC FLOAT

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

關連交易 (續)

本年度的須予披露之關連交易詳情載於綜合財務報表附註44。

除上文所披露者外，並無任何其他交易須按上市規則的規定須予披露為關連交易。

董事於交易、安排及重大合約中之權益

除「關連交易」一節所披露者外，本公司、其控股公司、附屬公司或同系附屬公司概無訂立於年結日或年內任何時間仍然生效，且本公司董事直接或間接在其中擁有重大利益的交易、安排及重大合約。

主要客戶及供應商

年內，本集團五大供應商之累計購貨少於本集團總購貨之30%及本集團五大客戶之累計銷售少於本集團總銷售之30%。於2019年，最大供應商佔本集團採購原材料7.8% (2018年：8.6%)。

概無董事、彼等的聯繫人士或任何(就董事所知)擁有本公司已發行股本5%以上之股東於本集團五大供應商的股本中擁有任何權益。

足夠之公眾持股量

按本公司可以得悉之公開資料所示及就董事所知悉，本公司於截至2019年12月31日止整個年度內皆保持足夠公眾持股量。



PRE-EMPTIVE RIGHTS

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

EMOLUMENT POLICY

The Group remunerates its employees based on their performance, experience and prevailing market rate. Other employee benefits including insurance, medical cover and share options are also provided.

The determination of emoluments of the Company's directors has taken into consideration their expertise and job specifications.

DONATIONS

During the year, the Group made charitable and other donations of HK\$3,253,000.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Lee Man Chun Raymond

CHAIRMAN
Hong Kong

5 March 2020

優先購股權

本公司之章程細則或開曼群島法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東發售新股份。

薪酬政策

本集團根據員工表現、經驗及市場價格釐定其薪酬。另提供其他員工福利包括保險、醫療保障及購股權。

本公司董事之薪酬釐定已考慮其專業及工作範圍。

捐款

年內，本集團作出的慈善及其他捐款合共3,253,000港元。

核數師

有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於股東週年大會上提呈。

代表董事會

李文俊

主席
香港

2020年3月5日





德勤

**TO THE MEMBERS OF
LEE & MAN PAPER MANUFACTURING LIMITED**

(incorporated in the Cayman Islands and its members' liability is limited)

OPINION

We have audited the consolidated financial statements of Lee & Man Paper Manufacturing Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 120 to 260, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

致理文造紙有限公司股東

(於開曼群島註冊成立及其成員責任為有限)

意見

本核數師行已審核列載於第120至第260頁內之理文造紙有限公司(「貴公司」)及其附屬公司(以下合稱為「貴集團」)之綜合財務報表，此綜合財務報表包括於2019年12月31日之綜合財務狀況表，截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2019年12月31日的綜合財務狀況及 貴集團於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥善編製。

意見的基礎

本行已根據香港會計師公會頒布的香港審計準則(「香港審計準則」)進行審計。本行在該等準則下承擔的責任在本報告核數師就審計綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒布的專業會計師道德守則(「守則」)，本行獨立於 貴集團，並已履行守則中的其他專業道德責任。本行相信，本行所獲得的審計憑證能充足及適當地為本行的審計意見提供基礎。



KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter

關鍵審計事項

Impairment assessment of trade receivables

應收貿易賬款之減值評估

We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgment and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period.

本行識別應收貿易賬款之減值評估為關鍵審計事項因應收貿易賬款對集團綜合財務狀況表之重要性及於報告期末就集團之應收貿易賬款之預期信貸虧損(「預期信貸虧損」)評估涉及主觀判斷及管理層的估計。

As at 31 December 2019, the Group's net trade receivables amounting to approximately HK\$2,932 million, which represented approximately 7% of total assets of the Group.

於2019年12月31日，集團應收貿易賬款淨額合共約29.32億港元，佔集團總資產約7%。

關鍵審計事項

關鍵審計事項是指根據本行的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在本行審計整體綜合財務報表及出具意見時進行處理的。本行不會對這些事項提供單獨的意見。

How our audit addressed the key audit matter

本行如何處理關鍵審計事項

Our procedures in relation to impairment assessment of trade receivables included:

本行就應收貿易賬款減值評估的步驟包括：

- Understanding how the impairment loss of trade receivables has been estimated by management and the approval procedures for recognising the impairment loss on trade receivables;
- 理解管理層如何估計應收貿易賬款減值虧損及於應收貿易賬款確認減值虧損之審批程序；



KEY AUDIT MATTER (CONTINUED)

Key audit matter

關鍵審計事項

Impairment loss on trade receivables

應收貿易賬款之減值虧損

As disclosed in note 4 to the consolidated financial statements, the management of the Group estimates the amount of ECL of trade receivables based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, aging, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables that are credit impaired are assessed for ECL individually. The loss allowance amount of the credit impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

如綜合財務報表附註4所披露，集團管理層根據預繳模式估計應收貿易賬款之預期信貸虧損金額，通過具備類似虧損模式的不同債務人組合，經考慮貿易債務人之內部信貸評級、賬齡、還款記錄及／或個別應收貿易賬款之逾期狀況。估計虧損率乃根據債務人預期年期的過往觀測的違約率及以前瞻性資料作調整。此外，應收貿易賬款就預期信貸虧損個別評估其信貸減值。應收貿易賬款信貸減值之虧損撥備金額乃按資產之賬面值與預期未來信貸虧損的代價之預測未來現金流量現值之差額來計量。

As disclosed in note 8 to the consolidated financial statements, the Group recognised an amount of HK\$54,548,000 in respect of impairment of trade receivables for the year.

如綜合財務報表附註8所披露，集團年內就應收貿易賬款確認減值金額為54,548,000港元。

關鍵審計事項(續)

How our audit addressed the key audit matter

本行如何處理關鍵審計事項

- Assessing the reasonableness of the methods and assumptions used in the Group's ECL model based on our understanding on the Group's customer portfolio and discussion with management and the independent qualified professional valuer including:
 - the credit quality of the customers, such as any experience in default, delay in payments, aging analysis and historical settlement pattern; and
 - 客戶的信貸質素，例如何違約記錄、延期付款、賬齡分析及過往結算模式；及
 - the provision rates, internal credit ratings, historical default rates and forward-looking information.
 - 撥備率、內部信貸評級、過往違約率及前瞻性資料。
- Evaluating the independent qualified professional valuer's competence, capabilities and objectivity.
- 評估獨立合資格專業估價師之才能、能力及客觀性。



OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事須對其他資料負責。其他資料包括刊載於年報內的全部資料，但不包括綜合財務報表及本行的核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的鑒證結論。

結合本行對綜合財務報表的審計，本行的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或本行在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於本行已執行的工作，如果本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。在這方面，本行沒有任何報告。

董事及負責管治人員就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例披露規定編製真實而公平的綜合財務報表，以及董事釐為必須的內部監控，以使編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

負責管治人員須履行監督貴集團的財務報告過程的責任。



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

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

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

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

核數師就審計綜合財務報表承擔的責任

本行的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告，根據協定的聘用條款僅向整體股東報告而非用作其他用途。本行概不就本報告的內容，對任何其他人士承擔任何責任及債務。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綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，本行運用了專業判斷並保持了專業懷疑態度。本行亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。



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

(CONTINUED)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 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。如果本行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則本行應當發表非無保留意見。本行的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公平反映相關交易和事項。
 - 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。本行負責貴集團審計的方向、監督和執行。本行為審計意見承擔全部責任。

核數師就審計綜合財務報表承擔 的責任(續)



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

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, we determine that matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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 the independent auditor's report is Mr. Ip Chiu Yin.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

5 March 2020

核數師就審計綜合財務報表承擔 的責任(續)

本行與 貴公司負責管治人員溝通，當中包括計劃的審計範圍、時間安排、重大審計發現等，包括本行在審計中識別出內部控制的任何重大缺陷。

本行還向 貴公司負責管治人員提交聲明，說明本行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本行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 貴公司負責管治人員溝通的事項中，本行確定哪事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。本行在核數師報告中描述此事項，除非法律法規不允許公開披露此事項，或在極端罕見的情況下，如果合理預期在本行報告中溝通某事項造成的負面後果超過產生的公眾利益，本行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葉超然先生。

德勤•關黃陳方會計師行
執業會計師
香港

2020年3月5日



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		NOTES 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Revenue	收入	5	27,144,210	32,208,082
Cost of sales	銷售成本		(22,051,176)	(24,699,596)
Gross profit	毛利		5,093,034	7,508,486
Other income	其他收入	7	889,955	1,015,109
Impairment losses on trade receivables, net of reversal	應收貿易賬款減值虧損 (扣除回撥)	8	(54,548)	(67,938)
Other gains and losses	其他收益及虧損	9	191,688	90,039
Distribution and selling expenses	分銷及銷售費用		(612,268)	(580,571)
General and administrative expenses	日常及行政費用		(1,162,805)	(1,518,181)
Finance costs	財務成本	10	(324,861)	(319,612)
Profit before tax	除稅前盈利		4,020,195	6,127,332
Income tax expense	利得稅支出	11	(719,930)	(1,247,112)
Profit for the year	年度盈利	12	3,300,265	4,880,220
Other comprehensive expense	其他全面支出			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至 損益之項目：</i>			
Exchange differences arising on translation of foreign operations	換算境外業務產生之 匯兌差額		(1,298,980)	(910,719)
Total comprehensive income for the year	年度總全面收益		2,001,285	3,969,501
Profit (loss) for the year attributable to:	以下人士應佔年度盈利(虧損)：			
Owners of the Company	本公司擁有人		3,235,605	4,880,206
Perpetual capital securities holders	永續資本證券持有人		64,721	—
Non-controlling interests	非控股權益		(61)	14
			3,300,265	4,880,220
Total comprehensive income (expense) attributable to:	以下人士應佔總全面收益 (支出)：			
Owners of the Company	本公司擁有人		1,936,602	3,969,410
Perpetual capital securities holders	永續資本證券持有人		64,721	—
Non-controlling interests	非控股權益		(38)	91
			2,001,285	3,969,501
Earnings per share	每股盈利	16	73.95	109.92
			HK cents 港仙	HK cents 港仙



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於2019年12月31日

		NOTES 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	28,176,728	27,443,999
Right-of-use assets	使用權資產	18	1,040,495	—
Prepaid lease payments	預付租賃款項	19	—	937,107
Investment properties	投資物業	20	584,336	592,003
Deposits paid for acquisition of property, plant and equipment and land use rights	購置物業、廠房及設備及土地使用權所付訂金	21	1,106,741	425,313
Interest in a joint venture	合營企業權益	22	—	—
Loan to a joint venture	合營企業貸款	22	98,343	98,343
			31,006,643	29,496,765
CURRENT ASSETS	流動資產			
Inventories	存貨	23	3,571,075	4,886,346
Prepaid lease payments	預付租賃款項	19	—	21,647
Loan to a joint venture	合營企業貸款	22	61,656	55,792
Trade and other receivables	應收貿易及其他賬款	24	5,355,998	5,956,979
Bills receivables discounted with recourse	附追索權之應收票據貼現	25	461,824	338,354
Amounts due from related companies	應收關連公司款項	26	120,749	9,003
Bank balances and cash	銀行結餘及現金	28	2,919,462	2,011,942
			12,490,764	13,280,063
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付貿易及其他賬款	29	2,832,628	3,670,936
Advances drawn on bills receivables discounted with recourse	附追索權之應收票據貼現預付款	25	461,824	338,354
Amounts due to related companies	應付關連公司款項	26	15,663	11,678
Derivative financial instruments	衍生金融工具	27	3	3,543
Tax payable	應付稅項		189,424	275,494
Lease liabilities	租賃負債	30	4,867	—
Contract liabilities	合約負債	31	81,395	96,107
Bank borrowings	銀行借貸	32	4,874,429	5,825,466
			8,460,233	10,221,578
NET CURRENT ASSETS	流動資產淨值		4,030,531	3,058,485
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		35,037,174	32,555,250



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
綜合財務狀況表(續)

At 31 December 2019 於2019年12月31日

		NOTES 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借貸	32	7,461,118	7,965,029
Lease liabilities	租賃負債	30	48,525	—
Deferred tax liabilities	遞延稅項負債	33	1,444,911	1,444,370
			8,954,554	9,409,399
			26,082,620	23,145,851
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	35	109,170	109,723
Reserves	儲備		23,650,317	23,033,372
Equity attributable to owners of the Company	本公司擁有人應佔權益		23,759,487	23,143,095
Perpetual capital securities	永續資本證券	36	2,322,814	—
Non-controlling interests	非控股權益		319	2,756
			26,082,620	23,145,851

The consolidated financial statements on pages 120 to 260 were approved and authorised for issue by the Board of Directors on 5 March 2020 and are signed on its behalf by:

第120至第260頁所載的綜合財務報表已於2020年3月5日經董事會批准及授權刊發，並由下列董事代表簽署：

LEE MAN CHUN RAYMOND 李文俊
CHAIRMAN 主席

LEE MAN BUN 李文斌
DIRECTOR 董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Share capital	Share premium	Translation reserve	Capital contribution reserve	Legal reserve	Special reserve	Other reserve	Share repurchase reserve	Retained profits	Sub-total	Non-controlling interests	Perpetual capital securities	Total equity
		股本	股份溢價	匯兌儲備	出資儲備	公積金	特別儲備	其他儲備	購回儲備	留存盈利	小計	非控股權益	資本證券	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note i) (附註i)	(note ii) (附註ii)	(note iii) (附註iii)	(note iv) (附註iv)	(note v) (附註v)					
At 1 January 2018	於2018年1月1日	112,635	1,869,192	621,498	12,552	97	(2,999)	(12,060)	—	19,315,203	21,916,118	—	—	21,916,118
Profit for the year	年度盈利	—	—	—	—	—	—	—	—	4,880,206	4,880,206	14	—	4,880,220
Exchange differences arising on translation of foreign operations	換算境外業務產生之匯兌差額	—	—	(910,796)	—	—	—	—	—	—	(910,796)	77	—	(910,719)
Total comprehensive (expenses) income for the year	年內總全面(支出)收益	—	—	(910,796)	—	—	—	—	—	4,880,206	3,969,410	91	—	3,969,501
Shares repurchased and cancelled	股份購回及註銷	(2,912)	(946,181)	—	—	—	—	—	—	—	(949,093)	—	—	(949,093)
Share repurchased and yet to be cancelled (note v)	股份購回及尚未註銷(附註v)	—	—	—	—	—	—	—	(17,236)	—	(17,236)	—	—	(17,236)
Dividends recognised as distributions (note 15)	確認為分派之股息(附註15)	—	(892,153)	—	—	—	—	—	—	(883,951)	(1,776,104)	—	—	(1,776,104)
Capital contribution by non-controlling interest	非控股權益出資	—	—	—	—	—	—	—	—	—	—	2,665	—	2,665
At 31 December 2018	於2018年12月31日	109,723	30,858	(289,298)	12,552	97	(2,999)	(12,060)	(17,236)	23,311,458	23,143,095	2,756	—	23,145,851
Profit (loss) for the year	年度盈利(虧損)	—	—	—	—	—	—	—	—	3,235,605	3,235,605	(61)	64,721	3,300,265
Exchange differences arising on translation of foreign operations	換算境外業務產生之匯兌差額	—	—	(1,299,003)	—	—	—	—	—	—	(1,299,003)	23	—	(1,298,980)
Total comprehensive (expenses) income for the year	年內總全面(支出)收益	—	—	(1,299,003)	—	—	—	—	—	3,235,605	1,936,602	(38)	64,721	2,001,285



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) 綜合權益變動表(續)

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

	Share capital	Share premium	Translation reserve	Capital contribution reserve	Legal reserve	Special reserve	Other reserve	Share repurchase reserve	Retained profits	Sub-total	Non-controlling interests	Perpetual capital securities	Total equity	
	股本	股份溢價	匯兌儲備	出資儲備	公積金	特別儲備	其他儲備	購回儲備	留存盈利	小計	非控股權益	資本證券	權益總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
				(note i) (附註i)	(note ii) (附註ii)	(note iii) (附註iii)	(note iv) (附註iv)	(note v) (附註v)						
Shares repurchased and cancelled	股份購回及註銷	(553)	—	—	—	—	—	17,236	(111,316)	(94,633)	—	—	(94,633)	
Dividends recognised as distributions (note 15)	確認為分派之股息(附註15)	—	—	—	—	—	—	—	(1,225,577)	(1,225,577)	—	—	(1,225,577)	
Distribution paid on perpetual capital securities (note 15)	永續資本證券已付分派(附註15)	—	—	—	—	—	—	—	—	—	—	(64,721)	(64,721)	
Capital withdrawal by non-controlling interest	非控股權益提取股本	—	—	—	—	—	—	—	—	—	(2,399)	—	(2,399)	
Issue of perpetual capital securities (note 36)	發行永續資本證券(附註36)	—	—	—	—	—	—	—	—	—	—	2,322,814	2,322,814	
At 31 December 2019	於2019年12月31日	109,170	30,858	(1,588,301)	12,552	97	(2,999)	(12,060)	—	25,210,170	23,759,487	319	2,322,814	26,082,620

notes:

- (i) The capital contribution reserve arose from the disposal of subsidiaries in prior years to a wholly owned subsidiary of the Group's then ultimate holding company.
- (ii) In accordance with the provisions of the Macao Commercial Code, the Company's subsidiaries in Macau are required to transfer a minimum of 25% of the annual net profit to a legal reserve, whenever dividend is declared by the subsidiaries, until the reserve reaches half of the capital of the subsidiaries. The reserve is not distributable to the shareholders.
- (iii) The special reserve represents the difference between the nominal value of the aggregate share capital of the subsidiaries acquired by the Group pursuant to the corporate reorganisation in September 2003, and the nominal value of the Company's shares issued for the acquisition.
- (iv) The other reserve arose from the acquisition of equity interests in subsidiaries from their non-controlling shareholders in prior years.
- (v) During the period from 20 December 2018 to 28 December 2018, 2,638,000 ordinary shares of the company were repurchased at an aggregate cost of HK\$17,236,000. Subsequently, the repurchased shares were cancelled on 29 January 2019, and accordingly, the Company's share capital and share premium were reduced by HK\$66,000 and HK\$17,170,000 respectively.

附註：

- (i) 出資儲備乃較早期間向本集團當時最終控股公司一家全資附屬公司出售附屬公司所得。
- (ii) 根據澳門商法典的條文，本公司位於澳門的附屬公司於分配盈利作股息分派時，應轉撥不少於年度純利25%的金額作為法定公積金，直至公積金達附屬公司股本的一半為止，該等公積金不得分派予股東。
- (iii) 特別儲備指根據本集團於2003年9月為重組收購所得的附屬公司的股本面值總額與本公司就收購事項而發行的股份面值的差額。
- (iv) 其他儲備由過往年度向附屬公司之非控股股東收購其於附屬公司股權權益產生。
- (v) 於2018年12月20日至2018年12月28日期間購回本公司普通股2,638,000股，合共成本17,236,000港元。購回股份隨後於2019年1月29日被註銷，據此，本公司股本及股份溢價分別減少66,000港元及17,170,000港元。



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前盈利	4,020,195	6,127,332
Adjustments for:	經調整：		
Finance costs	財務成本	324,861	319,612
Depreciation and amortisation	折舊及攤銷	151,792	138,745
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	7,363	10,777
Interest income	利息收入	(41,981)	(20,584)
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允價值 變動淨收益	(5,740)	(2,638)
Recognition of impairment losses on trade receivables, net	應收貿易賬款減值 虧損淨額確認	54,548	67,938
Operating cash flows before movements in working capital	營運資金變動前的 經營現金流量	4,511,038	6,641,182
Decrease in inventories	存貨減少	2,312,997	1,071,814
Decrease in trade and other receivables	應收貿易及其他賬款減少	271,708	516,480
(Increase) decrease in amounts due from related companies	應收關連公司款項 (增加)減少	(111,746)	12,706
Decrease in trade and other payables	應付貿易及其他賬款減少	(824,703)	(650,349)
Increase (decrease) in amounts due to related companies	應付關連公司 款項增加(減少)	3,985	(3,064)
Proceeds from and settlement of derivative financial instruments	結算衍生 金融工具所得款項	2,200	10,308
Cash generated from operations The PRC Enterprise Income Tax ("EIT") paid	經營業務產生的現金 已付中國企業所得稅 (「企業所得稅」)	6,165,479	7,599,077
Withholding tax paid	已付預扣稅	(218,700)	(153,820)
Interest paid	已付利息	(415,048)	(389,125)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	4,956,085	6,134,770



CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
綜合現金流量表(續)

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

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購置物業、廠房及設備	(2,326,277)	(1,864,390)
Deposit paid for acquisition of property, plant and equipment and land use rights	購置物業、廠房及設備及土地使用權所付訂金	(1,189,409)	(427,012)
Payments for right-of-use assets	使用權資產付款	(52,077)	—
Loan to a joint venture	合營企業貸款	(6,924)	(22,205)
Addition to investment properties	新增投資物業	(2,285)	(4,355)
Purchase of prepaid lease payments	購置預付租賃款項	—	(691)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	14,016	39,044
Interest received	已收利息	41,981	20,584
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(3,520,975)	(2,259,025)
FINANCING ACTIVITIES	融資活動		
Repayment of bank borrowings	償還銀行借貸	(18,200,370)	(17,318,680)
Dividends paid	已付股息	(1,225,577)	(1,776,104)
Issue of perpetual capital securities	發行永續資本證券	2,322,814	—
Payment on repurchase of shares	購回股份付款	(94,633)	(966,329)
Distribution paid on perpetual capital securities	已付永續資本證券分派	(64,721)	—
Repayments of lease liabilities	租賃負債還款	(10,349)	—
New bank borrowings raised	新籌集銀行借貸	16,745,422	16,031,471
Capital (withdrawal) contribution by non-controlling interest	非控股權益(提取股本)出資	(2,399)	2,665
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(529,813)	(4,026,977)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	905,297	(151,232)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初之現金及現金等價物	2,011,942	2,248,641
EFFECT OF EXCHANGE RATE CHANGES	滙率變動之影響	2,223	(85,467)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	年終之現金及現金等價物—銀行結餘及現金	2,919,462	2,011,942



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL

The Company is a public limited company incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2013 Revision) of the Cayman Islands on 21 May 2003 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Dr. Lee Man Chun Raymond, Mr. Lee Man Bun and Dr. Lee Wan Keung, Patrick are the substantial shareholders of the Company. The address of the registered office and the principal place of business of the Company is disclosed in the Corporate Information section of the annual report.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries and a joint venture are set out in notes 45 and 22, respectively.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

1. 一般資料

本公司是上市有限公司，於2003年5月21日根據開曼群島公司法(2013年修訂版)於開曼群島成立及登記為獲豁免有限公司，股份並於香港聯合交易所有限公司(「聯交所」)上市。李文俊博士、李文斌先生及李運強博士為本公司主要股東。本公司註冊辦事處及總辦事處之地址於本年報公司資料內披露。

本公司是一間投資控股公司，各主要附屬公司及合營企業的主要業務分別載於財務報表附註45及22。

綜合財務報表以港元(「港元」)列示，並為本公司之功能貨幣。



2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to HKFRSs that are mandatorily effective for the current year

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效的新訂及經修訂香港財務報告準則

本集團於本年度首次應用以下由香港會計師公會(「香港會計師公會」)頒布之新訂及經修訂香港財務報告準則：

香港財務報告準則 租賃 第16號	
香港(國際財務報告 所得稅處理的不確定性 詮釋委員會) 一 詮釋第23號	
香港財務報告準則 具不賠償條款的預付款 第9號(修訂本)	
香港會計準則 計劃修訂、削減或清償 第19號(修訂本)	
香港會計準則 於聯營及合營企業的 第28號(修訂本) 長期權益	
香港財務報告準則 2015年至2017年 (修訂本) 週期香港財務報告 準則的年度改進	

除下文所述，本年度應用新訂及經修訂香港財務報告準則對本集團於本年度及過往年度之財務表現及狀況及／或載於綜合財務報表之披露並無重大影響。



2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

HKFRS 16 Leases

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

Definition of a lease

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃

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

租賃之定義

本集團選用權宜方案，對過往應用香港會計準則第17號及香港(國際財務報告詮釋委員會)詮釋第4號釐定一項安排是否包含租賃所識別為租賃之合約應用香港財務報告準則第16號，而對過往並非識別為包含租賃的合約則不會應用此準則。因此，本集團並無重新評估在初始應用日期之前已經存在之合約。

就於2019年1月1日或之後訂立或修改之合約，本集團應用按照香港財務報告準則第16號所載規定為租賃之定義去評估一項合約是否包含租賃。



2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs that are mandatorily effective for the current year

(Continued)

HKFRS 16 Leases (Continued)

As a lessee

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

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) at transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

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

- elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in the People’s Republic of China (the “PRC”) was determined on a portfolio basis.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續) 作為承租人

本集團已追溯應用香港財務報告準則第16號並於初始應用日期，即2019年1月1日確認累計影響。

於2019年1月1日，本集團於過渡期應用香港財務報告準則第16號C8(b)(ii)以相關租賃負債之相等金額確認額外之租賃負債及使用權資產。於初始應用日期之任何差額於期初留存盈利確認及比較數字並無重列。

當於過渡期根據香港財務報告準則第16號應用修改追溯方法時，本集團對過往根據香港會計準則第17號分類為經營租約之租賃，以逐項租賃之基礎上，在各自的租賃合約相關範圍內應用以下權宜方案：

- 選擇對租期在初始應用日期12個月內完結之租賃不會確認使用權資產及租賃負債；
- 於初始應用日期計量使用權資產時撇除初始直接成本；
- 就剩餘租期相近之類似經濟環境的類似級別相關資產的租賃組合應用單一折現率。尤其是，就若干位於中華人民共和國(「中國」)之物業租賃折現率乃按組合基準釐定。



2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs that are mandatorily effective for the current year

(Continued)

HKFRS 16 Leases (Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee’s incremental borrowing rate applied is 4.3%.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

作為承租人(續)

當就過往分類為經營租約之租賃確認租賃負債時，本集團應用相關集團實體於初始應用日期之漸進借貸率。應用之承租人加權平均漸進借貸率為4.3%。

		1 January 2019 2019年 1月1日 HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日披露之經營租約承擔	26,566
Lease liabilities discounted at relevant incremental borrowing rate	按相關漸進借款利率折現之租賃負債	23,685
Less: Recognition exemption – short term leases	減：確認豁免－短期租賃	(13,220)
Lease liabilities as at 1 January 2019	於2019年1月1日之租賃負債	10,465
Analysed as:	分析為：	
Current	流動	2,910
Non-current	非流動	7,555
		10,465



2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs that are mandatorily effective for the current year
(Continued)

HKFRS 16 Leases (Continued)
As a lessee (Continued)

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)
作為承租人(續)

於2019年1月1日使用權資產之賬面值包含以下：

		Right-of-use assets 使用權資產
		HK\$'000 千港元
Right-of use assets relating to operating leases recognised upon application of HKFRS 16	當應用香港財務報告準則第16號確認經營租約有關之使用權資產	10,465
Reclassified from prepaid lease payments (note)	從預付租賃款項重新分類(備註)	958,754
		969,219
By class:	按級別：	
Leasehold lands	租賃土地	958,754
Land and buildings	土地及樓宇	10,465
		969,219

note: Upfront payments for leasehold lands in the PRC and Socialist Republic of Vietnam (“Vietnam”) were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK\$21,647,000 and HK\$937,107,000 respectively were reclassified to right-of-use assets.

備註：中國及越南社會主義共和國(「越南」)之租賃土地之預付款於2018年12月31日乃分類為預付租賃款項。當應用香港財務報告準則第16號時，預付租賃款項分別為21,647,000港元及937,107,000港元之流動及非流動金額乃重新分類至使用權資產。



2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs that are mandatorily effective for the current year
(Continued)

HKFRS 16 Leases (Continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

The transition to HKFRS 16 has no material impact on the Group’s retained profits as at 1 January 2019.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)
作為出租人

按照香港財務報告準則第16號過渡條文，本集團毋須就本集團作為出租人之租賃過渡作出調整，惟須就租賃於初始應用日期按照香港財務報告準則第16號入賬，因此比較數字並無重列。

香港財務報告準則第16號之過渡對本集團於2019年1月1日之留存盈利並無重大影響。



2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs that are mandatorily effective for the current year

(Continued)

HKFRS 16 Leases (Continued)

As a lessor (Continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)
作為出租人(續)

以下為對於2019年1月1日之綜合財務狀況表中確認之金額作出之調整。沒有受變動影響之項目並不包括在內。

		Carrying amounts previously reported at 31 December 2018 過往於2018年12月31日呈報之賬面值 HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	Carrying amounts under HKFRS 16 at 1 January 2019 根據香港財務報告準則第16號於2019年1月1日的賬面值 HK\$'000 千港元
Non-current Assets	非流動資產			
Prepaid lease payments	預付租賃款項	937,107	(937,107)	—
Right-of-use assets	使用權資產	—	969,219	969,219
Current Assets	流動資產			
Prepaid lease payments	預付租賃款項	21,647	(21,647)	—
Current Liabilities	流動負債			
Lease liabilities	租賃負債	—	2,910	2,910
Non-current Liabilities	非流動負債			
Lease liabilities	租賃負債	—	7,555	7,555

note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

備註：根據間接方法就呈報截至2019年12月31日止年度從經營活動所得現金流量，計算營運金變動已按上表所載之綜合財務狀況表於2019年1月1日之期初數字來計算。



2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs in issue but not yet effective

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

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

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

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, *the Amendments to References to the Conceptual Framework in HKFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒布但尚未生效的新訂及經修訂香港財務報告準則：

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

¹ 於2021年1月1日或之後開始之年度期間生效。

² 適用於收購日期為2020年1月1日或之後開始的首個年度期間開始當日或之後進行的業務合併及資產收購。

³ 於待定期日或之後開始之年度期間生效。

⁴ 於2020年1月1日或之後開始之年度期間生效。

除上文之新訂及經修訂香港財務報告準則外，2018年頒布了經修訂香港財務報告之概念框架。其重大修訂、*香港財務報告準則之概念框架指引之修訂*，將於2020年1月1日或之後開始之年度期間生效。

本公司董事預期應用所有新訂及經修訂香港財務報告準則於可見未來將不會對本集團綜合財務報表產生重大影響。



3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristic of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories*, or value in use in HKAS 36 *Impairment of Assets*.

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒布之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例規定之適用披露資料。

綜合財務報表按歷史成本法編製，惟於每個報告期末按公允值計量之若干金融工具除外，會計政策闡述於下文。

歷史成本一般按照交換貨物所付代價之公允值。

公允值為於計量日期在市場參與者之間進行有序交易就出售資產所收取或轉讓負債所支付的價格，不論該價格是直接可觀察或使用另一種估值方式估計得出。在估計一項資產或負債之公允值時，本集團考慮市場參與者於計量日期為該資產或負債定價時會考慮之特質。就於該等綜合財務報表中計量及／或披露之公允值乃按此基準釐定，惟於香港財務報告準則第2號以股份為基礎付款範疇下的以股份為基礎付款之交易、按照香港財務報告準則第16號(自2019年1月1日起)或香港會計準則第17號(應用香港財務報告準則第16號前)入賬之租賃交易及一些類似公允值但非公允值的計量(例如香港會計準則第2號存貨之可變現淨值或香港會計準則第36號資產減值的使用價值)則除外。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

3. 主要會計政策(續)

此外，就財務申報而言，公允值計量根據公允值計量輸入數據之可觀察程度及輸入數據對公允值整體計量之重要性被分類為第1、第2或第3級，載述如下：

- 第1級輸入數據為實體於計量日期在活躍市場就相同資產或負債取得之報價(未經調整)；
- 第2級輸入數據為就資產或負債直接或間接可觀察之輸入數據，包括在第一級內之報價除外；及
- 第3級輸入數據為資產或負債的不可觀察輸入數據。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

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

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

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

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

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

3. 主要會計政策(續)

主要會計政策載列如下：

綜合賬目基準

本綜合財務報表包含本公司以及由本公司及其附屬公司控制的實體之財務報表。取得控制權是指本公司：

- 對被投資方行使權力；
- 因參與被投資方之業務而獲得或有權獲得可變回報；及
- 有能力行使其權力而影響其回報。

倘事實及情況顯示上述三項控制因素其中一項或多項改變，則本集團會重新評估其是否仍然控制被投資方。

當本集團取得附屬公司之控制權，便將該附屬公司綜合入賬；當本集團失去附屬公司之控制權，便停止將該附屬公司綜合入賬。具體而言，年內收購或出售之附屬公司之收入及支出會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團對該附屬公司之控制權終止當日為止。

損益及其他全面收益的各個項目乃歸屬於本公司擁有人及非控股權益。即使會導致非控股權益出現虧絀結餘，附屬公司之總全面收益仍會歸屬於本公司擁有人及非控股權益。

倘需要，附屬公司之財務報表將作出調整，以使其會計政策與本集團之會計政策一致。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

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

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

Investment in a joint venture

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

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

3. 主要會計政策(續)

綜合賬目基準(續)

所有集團內成員間有關資產及負債、權益、收入、支出及現金流量之交易均於綜合賬目時全數對銷。

附屬公司之非控股權益與本集團之權益分開呈列，呈列其現時持有權益當相關附屬公司清盤時可享有其持股比例的資產淨值。

合營企業權益

合營企業是一種共同安排，據此共同控制該安排的各方擁有該安排的淨資產。共同控制為一項合約協定共享控制之安排，僅會於決定相關事項須共享控制的各方一致同意時方會出現。

合營企業之業績及資產與負債乃按權益會計法列入綜合財務報表內。按權益法列賬的合營企業的財務報表乃採用本集團在類似情況就類似交易及事件所採用的劃一會計政策而編製。根據權益法，合營企業權益於綜合財務狀況表初始按成本確認，及其後調整以確認本集團應佔該合營企業之損益及其他全面收益。合營企業淨資產於損益及其他全面收益表以外之變動毋須入賬，除非該變動是由於本集團擁有權權益變動所致。當本集團應佔合營企業之虧損超出其於該合營企業之權益(即包括任何實質上構成本集團於該合營企業之投資淨額之長期權益)，則本集團不再確認其應佔之進一步虧損。僅會於本集團已產生法定或推定責任或替該合營企業支付款項之情況下，方會確認額外虧損。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in a joint venture (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3. 主要會計政策(續)

合營企業權益(續)

合營企業權益於當被投資方成為合營企業當日採用權益法入賬。收購合營企業權益時，投資成本超出本集團應佔被投資方可識別資產及負債淨公允值之任何數額乃確認為商譽，並包括在該投資的賬面值中。經重估本集團應佔被投資方可識別資產及負債淨公允值超出投資成本之任何數額則立即在收購該投資之期間在損益確認。

本集團會評估是否有客觀證據證明合營企業有可能出現減值。當有任何客觀證據出現時，投資全數賬面值(包括商譽)根據香港會計準則第36號資產減值作為單一資產作減值測試，方法為將賬面值與可收回金額(使用價值及公允值之較高者減出售成本)加以比較。任何已確認之減值虧損不會分配往任何資產，包括商譽，乃構成該投資賬面值的一部分。倘該投資之可收回金額其後增加，則根據香港會計準則第36號確認該減值虧損之撥回。

當集團實體與本集團之合營企業進行交易時，與合營企業交易所產生的損益僅於與本集團無關之合營企業權益，方於本集團之綜合財務報表確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers

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

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

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

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

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

3. 主要會計政策(續)

來自客戶合約的收入

本集團於完成履約責任時(或就此)確認收入,即於特定履約責任相關的貨品或服務的「控制權」轉移予客戶時。

履約責任指不同的貨品或服務(或一籃子貨品或服務)或一系列不同的貨品或服務其大致上相同。

經參考相關履約責任的完成進度,當達至下面其中一項時,控制權隨時間的推移而轉移及收入隨時間的推移而確認:

- 客戶同時接收及耗用由本集團執行本集團履約所提供的效益;
- 客戶控制由本集團執行本集團的履約產生及提升的資產;或
- 本集團的履約不會產生對本集團有其他用途的資產及本集團對迄今完成的履約之付款有可執行之權利。

否則,則當客戶取得不同貨品或服務的控制權時按一個時間點確認收入。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

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

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

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

The Group recognises revenue under the following accounting policies:

- (i) Revenue from sale of packaging paper, pulp and tissue paper is recognised at a point in time when the customer obtains control of goods;
- (ii) Revenue from supply of steam and electricity is recognised at a point in time upon transition steam and electricity to users; and
- (iii) Revenue from rendering of wharf cargo handling service is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

3. 主要會計政策(續)

來自客戶合約的收入(續)

合約資產指本集團有權以本集團尚未成為無條件轉移予客戶的貨品或服務以換取代價。此乃根據香港財務報告準則第9號作評估減值。相反，應收款項指本集團無條件的可收取代價，即到期前只需等待到期支付代價。

合約負債指本集團已從客戶收取代價(或代價金額已到期)而本集團有責任去轉移貨品或服務予客戶。

屬同一合約之合約資產及合約負債按淨額入賬及列示。

本集團按以下會計政策確認收入：

- (i) 來自銷售包裝紙、木漿及衛生紙之收入於客戶取得貨品的控制權時按一個時間點確認；
- (ii) 來自供應蒸氣及電力之收入於傳送蒸氣及電力予用家時按一個時間點確認；及
- (iii) 來自經營碼頭貨運服務之收入隨時間的推移而確認，因客戶同時接收及耗用由本集團執行本集團履約所提供的效益。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)

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

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

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

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

3. 主要會計政策(續)

租賃

租賃之定義(按附註2所載過渡應用香港財務報告準則第16號)

當合約傳達權利以控制使用一項已識別資產一段期間以換取代價，則該合約乃(或包含)一項租賃。

於初始應用日期或之後訂立或修改或由業務合併引起之合約，本集團根據香港財務報告準則第16號之定義於初始時，修改日期及或收購日期，倘適用，評估一份合約是否(或包含)一項租賃。除非合約之條款及條件其後改變，此合約將不會再評估。

本集團作為承租人(按附註2所載過渡應用香港財務報告準則第16號)作為權宜方案，當本集團合理預期於綜合財務報表之影響將不會跟組合內之個別租賃有重大差別時，類似性質的租賃乃按組合基準入賬。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(按附註2所載過渡應用香港財務報告準則第16號)(續)

短期租賃及低值資產租賃

本集團對租約期自開始日期計12個月或更短者且並無包含購買權之員工宿舍及辦公室物業應用短期租賃確認豁免。同時就低值資產租賃也應用確認豁免。短期租賃及低值資產租賃之租賃付款於租約期內按直線法或其他系統基準確認為費用。

使用權資產

使用權資產成本包括：

- 租賃負債初始計量金額；
- 於開始日期或之前作出之任何租賃付款，減去任何已收租賃補助；
- 本集團涉及之任何初始直接成本；及
- 本集團涉及拆卸及遷移相關資產，恢復相關資產所在地點或恢復相關資產按租賃條款及條件要求之狀況之估計成本。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

Right-of-use assets (Continued)

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

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. The right-of-use assets that meet the definition of investment property are presented within "investment properties".

Refundable rental deposits

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

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(按附註2所載過渡應用香港財務報告準則第16號)(續)使用權資產(續)

本集團合理確定於租賃期完結時可獲得相關租賃資產擁有權之使用權資產，從開始日期至可使用年期完結計算折舊。否則，使用權資產按其估計可使用年期及租賃年期較短者，以直線法計算折舊。

本集團將不符合投資物業定義之使用權資產於綜合財務狀況表以獨立項目列。符合投資物業定義之使用權資產則併入「投資物業」列示。

可退回之租金按金

已付之可退回租金按金根據香港財務報告準則第9號金融工具(「香港財務報告則第9號」)入賬及以公允值初始計量。就於初始計量之公允值所作之調整乃視為額外租賃付款及包括在使用權資產成本內。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(按附註2所載過渡應用香港財務報告準則第16號)(續)

租賃負債

於租賃開始日期，本集團以該日未付租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘隱含在租賃中之利率未能明顯確定，本集團則採用租賃開始日期之漸進借貸率。

租賃付款包括：

- 固定付款(包括實質上固定付款)減去任何應收租賃補助；
- 取決於一項指數或比率之浮動租賃付款，按開始日期之指數或比率初始計量；
- 本集團於剩餘價值擔保之預期應付金額；
- 倘本集團合理確定將會行使購買權之行使價；及
- 倘租期影響本集團行使終止租賃權，終止租賃所支付之罰金。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments. The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

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

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(按附註2所載過渡應用香港財務報告準則第16號)(續)

租賃負債(續)

於開始日期後，租賃負債按利息增長及租賃付款作調整。每當出現下列情況，本集團重新計量租賃負債(及對相關使用權資產作出對應調整)：

- 租期已變更或行使購買權之評估變更，在此情況下相關租賃負債按於重新計量當日之已修訂折現率將已修訂租賃付款折現來重新計量。
- 租賃付款變更乃由於按照市場租金檢視之市場租金率變更／根據保證剩餘價值之預期付款變更，在此情況下相關租賃負債按初始折現率將已修訂租賃付款折現來重新計量。

本集團將租賃負債於綜合財務狀況表以獨立項目列示。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

Lease modifications

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

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

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

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

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(按附註2所載過渡應用香港財務報告準則第16號)(續)

租賃修改

本集團將租賃修改入賬為單獨之租賃，倘：

- 修改增加租賃範圍，加入一項或多項相關資產之使用權；及
- 租賃代價增加與範圍增加的獨立價格相稱，並對該獨立價格進行任何適當之調整以反映特定合同的情況。

就租賃修改並無入賬為獨立租賃而言，本集團按修改租賃之租期以於修改生效日期之修訂折現率將修訂租賃付款折現來重新計量租賃負債。

本集團就重新計量租賃負債以相關使用權資產作出對應調整來入賬。當修改合約包含租賃部分及一項或多項額外租賃或非租賃部分，本集團按租賃部分之相關獨立價格及非租賃部分之合計獨立價格將修改合約之代價分配至各自租賃部分。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as lessee (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(於2019年1月1日前)

凡租賃之條款規定擁有權所附帶之一切風險及回報實質上轉移至承租人，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

經營租賃款項，包括購置持有作經營租賃之土地成本，乃按租賃年期以直線法確認為費用。

集團作為出租人

租賃之分類及計量

集團作為出租人之租賃分類為融資或經營租賃。凡租賃之條款規定相關資產擁有權所附帶之一切風險及回報實質上轉移至承租人，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

融資租賃承租人應欠金額於開始日期以租賃淨投資之相等金額確認為應收賬款，以隱含在相關租賃之利率計量。初始直接成本(該等涉及製造商或經銷出租人的除外)包含在租賃淨投資之初始計量。利息收入分配至各會計期間以反映本集團於相關租賃淨投資餘額之恆定期收益率。

經營租賃產生之租金收入按直線法於相關租賃期內在損益確認。磋商及安排一項經營租賃涉及的初始直接成本乃加至租賃資產之賬面值及該等成本以直線法於租賃期內確認為費用，惟按公允值模式計量之投資物業除外。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as a lessor (Continued)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. 主要會計政策(續)

租賃(續)

集團作為出租人(續)

分配代價予合約之組成部分

當合約包含租賃及非租賃部分時，本集團應用香港財務報告準則第15號去分配合約代價予租賃及非租賃部分。非租賃部分按其相關獨自銷售價格從租賃部分區分出來。

可退回租金按金

收回可退回租金按金根據香港財務報告準則第9號入賬及按公允值初始計量。對初始確認之公允值的調整乃視為承租人之額外租賃付款。

租賃修改

本集團就經營租賃修改為新租賃之入賬，從修改日期起，將原租賃有關之任何預付及應付租賃付款作為新租賃之租賃付款。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

3. 主要會計政策(續)

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用換算匯率確認。於報告期末，以外幣定值之貨幣項目均按結算日之適用匯率重新換算。非貨幣項目按外幣過往成本計量而毋須重新換算。

結算及重新換算貨幣項目所產生之匯兌差額於其產生期間於損益內確認，惟源自其結算並無計劃及不大可能出現的應收或應付境外業務之貨幣項目的匯兌差額(因此構成境外業務淨投資之一部分)除外，該差額初始於其他全面收益表確認及當出售或部分出售本集團之權益時重新由權益分類至損益。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃採用報告期末當日之匯率換算為本集團之列賬貨幣(即港元)，而收入及支出項目乃按該期間之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之匯率。所產生之匯兌差額(如有)乃於其他全面收益確認及於匯兌儲備項下累計權益。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

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

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

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and state-managed retirement benefit scheme are recognised as an expense when the employees have rendered services entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

3. 主要會計政策(續)

借貸成本

與購置、建造或生產合資格資產(需一段長時間方可作擬定用途或可供銷售的資產)直接有關之借貸成本均加至該等資產之成本，直至該等資產大致可作其擬定用途或可供銷售為止。

所有其他借貸成本均於產生期間於損益中確認。

退休福利成本

根據強制性公積金計劃(「強積金計劃」)及國家管理的退休福利計劃的付款於僱員提供服務使其可享有供款時確認為費用。

短期僱員福利

短期僱員福利按當僱員提供服務時預期將支付之未折現福利金額確認。所有短期僱員福利確認為費用，除非另一香港財務報告準則規定或准許將福利概括入一項資產的成本中。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策(續)

稅項

利得稅支出指現時應付稅項及遞延稅項的總和。

現時應付稅項乃按年度應課稅盈利計算。應課稅盈利與綜合損益及其他全面收益表中所報除稅前盈利不同乃源於其他年度應課稅或可扣稅的收入或開支項目及從未課稅及扣稅的項目。本集團之本期稅項乃按報告期末已實行或大致上已實行之稅率計算。

遞延稅項乃根據綜合財務報表之資產及負債賬面值與計算應課稅盈利所採用相應稅基的暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額予以確認。遞延稅項資產一般就所有可扣稅暫時差額確認，惟僅於可能有應課稅盈利將可以使用該可扣稅暫時差額時確認。倘暫時差額乃由初始確認一項不影響應課稅盈利或會計盈利的交易的其他資產及負債所引起，則有關遞延資產及負債不予確認。

遞延稅項負債一般就與附屬公司之投資及合營企業權益而引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回及暫時差額有可能不會於可見將來撥回之情況則除外。與該等投資及權益相關的可扣稅暫時差額所產生的遞延稅項資產，僅在可能有足夠應課稅盈利將可以使用暫時差額之效益且預計於可見將來可以撥回時確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

3. 主要會計政策(續)

稅項(續)

遞延稅項資產之賬面值於各報告期末作檢討，並在沒可能會有足夠應課稅盈利以收回全部或部分資產時加以遞減。

遞延稅項資產及負債按預期負債清償或資產變現期間內應用之稅率，以報告期末已生效或實際上已生效之稅率(及稅法)為基準計量。

遞延稅項負債及資產之計量反映本集團於報告期末所預期對收回或償還其資產及負債之賬面值之方式所產生的稅務後果。

就本集團確認使用權資產及相關租賃負債之租賃交易計量遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. 主要會計政策(續)

稅項(續)

就稅項扣減乃歸因於租賃負債之租賃交易，本集團對使用權資產及租賃負債分開應用香港會計準則第12號所得稅規定。由於應用初始確認豁免，使用權資產及租賃負債有關之暫時差額並無於初始確認時及租賃期內確認。

當有法定行使權以本期稅項資產抵銷本期稅項負債，及當該些稅項為同一稅務機關向同一應稅實體所徵收之所得稅，遞延稅項資產及負債會被抵銷。

本期及遞延稅項於損益確認，惟倘稅項涉及於其他全面收益或直接於權益確認之項目，在此情況下，本期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment, including buildings, held for use in the production of goods or for administrative purposes, other than construction in progress, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Properties in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策(續)

物業、廠房及設備

除在建工程外，物業、廠房及設備，包括樓宇(持有作貨物生產或行政用途)乃按成本減去其後之累計折舊及累計減值虧損(如有)列入綜合財務狀況表。

永久業權土地毋須計算折舊及以成本減去其後累計減值虧損計量。

為生產或行政用途之在建中物業，按成本減任何已確認之減值虧損列賬。成本包括將資產移至必要的位置及條件，使其能夠以管理層預期之方式運行應佔之直接成本，及對合資格資產按照本集團的會計政策進行資本化之借貸成本。該等資產的折舊按其他物業資產之相同基準，在資產可投入擬定用途時開始計提折舊。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (Continued)

Ownership interest in leasehold land and buildings

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策(續)

物業、廠房及設備(續)

租賃土地及樓宇之擁有權權益

當本集團向一項包括租賃土地及樓宇部分之物業擁有權權益付款時，全數代價乃按初始確認時之相關公允值比例，於租賃土地及樓宇部分之間進行分配。

倘有關款項能夠可靠分配時，則入賬列作經營租賃的租賃土地權益乃於綜合財務狀況表列作「使用權資產」(當應用香港財務報告準則第16號時)或「預付租賃款項」(於應用香港財務報告準則第16號前)。當代價未能夠在非租賃樓宇部分及相關租賃土地的未分割權益之間可靠地分配時，整個物業乃分類為物業、廠房及設備。

物業、廠房及設備之折舊乃按其估計可使用年期，於計及其估計剩餘價值後，以直線法撇銷其成本。估計可使用年期、剩餘價值及折舊方法於各報告期末予以檢討，任何估計變動的影響按前瞻基準入賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟效益時剔除確認。出售或報廢一項物業、廠房及設備，按其出售所得款項與該資產賬面值間之差額計算盈虧，並計入損益。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

3. 主要會計政策(續)

投資物業

投資物業乃持有作賺取租金及／或尋求資本增值之物業。

投資物業初始按成本計量，成本包括任何直接應佔支出。在初始確認後，投資物業按成本減去其後之累計折舊及任何累計減值虧損列示。折舊採用直線法，並計及其估計殘餘值確認，從而在投資物業的估計可使用年期內撇銷其成本。

當投資物業出售或永久停止使用及預計不會從該物業出售中獲得未來經濟利益時，則剔除確認投資物業。剔除確認物業產生之收益或虧損(按其出售所得款項淨額與該資產賬面值間之差額計算)於剔除確認該物業之期間計入損益。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策(續)

物業、廠房及設備及使用權資產減值

於報告期末，本集團須審閱其有限使用年期之物業、廠房及設備及使用權資產的賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則估計相關資產的可收回金額，以釐定減值虧損的幅度(如有)。

物業、廠房及設備及使用權資產的可收回金額會個別估計。倘不能個別估計可收回金額，則本集團會估計其資產所屬現金產生單位的可收回金額。

此外，本集團評估是否有跡象顯示企業資產可能出現減值。倘出現此跡象，當可識別合理及貫徹一致的分配基準時，企業資產亦會被分配到個別的現金產生單位，否則或被分配到可識別分配基準屬合理及貫徹一致的最小的現金產生單位組別中。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment and right-of-use assets (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

物業、廠房及設備及使用權資產 減值(續)

可收回金額為公允值減出售成本或使用價值之較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率折現至其貼現值，該貼現率反映目前市場對資金時間值之評估以及估計未來現金流量未經調整之資產(或現金產生單位)的獨立風險。

倘某項資產(或現金產生單位)之可收回金額估計低於其賬面值，則該項資產(或現金產生單位)之賬面值須削減至其可收回金額。減值虧損即時在損益中確認。

倘日後撥回減值虧損，有關資產(或現金產生單位)之賬面值須增加至其經重新估計之可收回金額，惟增加之賬面值不得超出倘有關資產(或現金產生單位)並無於過往年度確認任何減值虧損所應釐定之賬面值。撥回之減值虧損即時在損益中確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 主要會計政策(續)

存貨

存貨按成本或可變現淨值兩者中之較低者列賬。存貨成本按先入先出基準釐定。可變現淨值指存貨估計售價減估計完成所需之全部成本以及銷售所需之成本。

金融工具

金融資產及金融負債於集團實體成為工具訂約條文之訂約方時確認。

金融資產及金融負債乃按公平值作初始計量，惟來自客戶合約而產生的應收貿易賬款則根據香港財務報告準則第15號作初始計量。因收購或發行金融資產及金融負債(按公允值計入損益之金融資產及金融負債除外)而直接應佔之交易成本於初始確認時，按適用情況加入或扣自該項金融資產或金融負債之公允值。因收購按公允值計入損益之金融資產及金融負債而直接應佔之交易成本即時於損益確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss (“FVTPL”), except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量

金融資產當符合至以下情況時則其後以攤銷成本計量：

- 金融資產由以收取合約現金流量為目的之業務模式持有；及
- 合約條款導致於特定日期僅按未清償本金金額支付本金及利息之現金流量。

金融資產當符合至以下情況時則其後按公允值計入其他全面收益(「公允值計入其他全面收益」)計量：

- 金融資產由同時以收取合約現金流量及出售為目的之業務模式持有；及
- 合約條款導致於特定日期僅按未清償本金金額支付本金及利息之現金流量。

所有其他金融資產其後按公允值計入損益(「按公允值計入損益」)計量，惟於初始應用香港財務報告準則第9號日期／初始確認一項金融資產時，本集團可能不可撤銷地選擇於其他全面收益呈列權益投資公允值其後變動(倘該權益投資既非持有作買賣亦非於應用香港財務準則第3號業務合併時收購者於業務合併確認之或然代價)則除外。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

金額資產分類為持有作買賣，倘：

- 原本購入乃以短期出售為目的；或
- 於初始確認時其為本集團共同管理的已識別金融工具組合之一部分並具短期賺取盈利的最近實際模式；或
- 其為並非指定及有效對沖工具之衍生工具。

此外，倘可對銷或顯著減少一項會計錯配，本集團可能不可撤銷地指定一項須按攤銷成本計量或按公允值計入其他全面收益計量的金融資產以按公允值計入損益來計量。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

攤銷成本及利息收入

利息收入就其後按攤銷成本計量之金融資產及其後按公允值計入其他全面收益計量之債務工具／應收款項以實際利率法確認。利息收入對金融資產賬面總值應用實際利率法計算，除非該金融資產其後轉變為信貸減值(見下文)。就金融資產其後轉變為信貸減值，利息收入按該金融資產下一報告期間之攤銷成本應用實際利率法確認。若信貸減值的金融工具之信貸風險改善而該金融資產再毋須信貸減值，利息收入對金融資產於自釐定該資產再毋須信貸減值之報告期間開始對金融資產賬面總值採用實際利率法確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, loan to a joint venture, bills receivables discounted with recourse, amounts due from related companies and bank balances.) The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

本集團於金融資產就預期信貸虧損確認虧損撥備乃視乎香港財務準則第9號項下的減值(包括應收貿易及其他賬款、合營企業貸款、附追索權應收票據貼現、應收關連公司款項及銀行結餘)。預期信貸虧損金額於每個報告日期更新以反映自初始確認以來之信貸風險變動。

終身預期信貸虧損指由所有可能違約事件超出相關工具預期壽命將引致之預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指終身預期信貸虧損預期從可能於報告日期後12個月內的違約事件引致之部分。所作評估基於本集團過往信貸虧損記錄，並調整債務人的特定因素，普遍經濟狀況及同時對於報告日期之現況及預測未來狀況之評估。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The Group always recognises lifetime ECL for trade receivables. The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

本集團通常就應收貿易賬款確認終身預期信貸虧損。本集團通常就無顯著財務部分之應收貿易賬款確認終身預期信貸虧損。對這些資產之預期信貸虧損，具重大結餘的應收賬款乃個別評估及／或採用預繳模式對適用組別共同評估。

就所有其他工具，本集團以相等於12個月預期信貸虧損計量虧損撥備，除非自初始確認後信貸風險顯著增加，本集團則確認終身預期信貸虧損。評估是否應確認終身預期信貸虧損乃基於自初始確認後發生違約的可能性或風險是否顯著增加。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生違約之風險與於初始確認日期金融工具發生違約之風險作比較。作出評估時，本集團同時考慮合理及有理據的定量及定性資料，包括過往經驗及毋須不必要的成本或費力而可得之前瞻性資料。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著增加(續)

具體而言，以下為評估信貸風險是否顯著增加所考慮的資料：

- 金融工具之外部(如有)或內部信貸評級實質上或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如信用利差、債務人信用違約掉期價格顯著增加；
- 現行或預測業務的不利逆轉，財政或經濟狀況預期會導致債務人顯著減低其履行債務責任的能力；
- 債務人經營業績實質上或預期顯著惡化；



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- (i) Significant increase in credit risk (Continued)
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

- (i) 信貸風險顯著增加(續)
- 債務人於法規、經濟、或技術環境實質或預期的重大不利逆轉導致債務人顯著減低其履行債務責任的能力。

無論上述評估之結果如何，當合約付款逾期超過30天，本集團即假定信貸風險自初始確認以來顯著增加，除非本集團有合理及有理據的資料另作證明。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著增加(續)

儘管如此，若債務工具於報告日期被釐定為低信貸風險，本集團則假設該債務工具之信貸風險自初始確認以來並無顯著增加。債務工具被釐定為低信貸風險，倘i)其違約風險屬低；ii)借款人具強勁能力於近期履行其合約現金流量責任；及iii)長遠的經濟及業務狀況不利逆轉可能，但不一定，減低借款人履行其合約現金流量責任的能力。當債務工具於內部或外部信貸評級為按全球理解定義的「投資級別」，本集團認為該債務工具屬低風險。

本集團定期監控用作識別是否出現信貸風險顯著增加的標準之有效性及當適用時修訂標準以確保該標準乃於金額逾期前可識別信貸風險的顯著增加。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(ii) 違約的定義

就內部信貸風險管理，當內部開發資料或取得外部資料顯示債務人不太可能全數支付其債權人，包括本集團(並未考慮本集團持有任何抵押品)，本集團認為發生違約事件。

不管上述情況如何，當金融資產逾期超過90天，本集團認為已發生違約事件，除非本集團具合理及有理據資料顯示滯後違約標準更為合適。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(iii) 信貸減值金融資產

當一項及多項違約事件發生令該金融資產估計未來現金流量具不利影響，金融資產則信貸減值。金融資產減值的證據包括以下事件之可觀察數據：

- (a) 發行人或借款人存在嚴重財政困難；
- (b) 違約，即如違約或過期事件；
- (c) 借款人之貸款人，就有關借款人財政困難之經濟或合約原因，給予借款人一般貸款人不會考慮的讓步；



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- (iii) Credit-impaired financial assets (Continued)
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
 - (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (iv) Write-off policy
- The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

- (iii) 信貸減值金融資產(續)
- (d) 借款人有可能面臨破產或其他財務重組；或
 - (e) 因財政困難該金融資產已消失於活躍市場。
- (iv) 撇銷政策
- 當有資料顯示對手方存在嚴重財政困難及並無實際把握收回款項，例如，當對手方已進行清盤或已進入破產程序，或如為應收貿易賬款，當金額乃逾期超過兩年，以較早者為準，本集團撇銷金融資產。金融資產的撇銷可能仍須根據本集團回收程序的執行方式，當適用時考慮法律建議。撇銷構成剔除確認事項。任何其後回撥於損益確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損的計量及確認

預期信貸虧損計量具違約可能性，默認虧損(即違約的損失幅度)及違約曝光的功能。違約可能性及默認虧損的評估乃基於過往數據經前瞻性資料作調整。預期信貸虧損的估計反映不偏倚及概率加權金額乃按發生違約相關風險的比重來釐定。

一般而言，預期信貸虧損為根據合約所有應欠本集團合約現金流量與本集團於初始確認時預期收到，按實際利率折現的現金流量的差額。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

當預期信貸虧損按共同基準計量，或適用於個別工具級別的證據可能尚未提供的情況下，金融工具將按以下基準組合：

- 金融工具的性质(本集團之應收貿易及其他賬款、應收融資租賃及應收客戶欠款均各自按分開的組別評估。貸款予關連方則就預期信貸虧損作個別評估)；
- 逾期狀況；
- 債務人之性質、規模及行業；及
- 當適用時之外部信貸評級。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

管理層定期審視組別情況以確保每一組別裡面繼續具備類似的信貸風險特徵。

利息收入按金融資產賬面總值計算，而已作信貸減值之金融資產則除外，在此情況下，利息收入則按金融資產之攤銷成本計算。

本集團就所有金融工具經調整其賬面值於損益賬確認減值收益或虧損，而應收貿易賬款則除外，其相關調整乃通過虧損撥備賬確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and reward of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

剔除確認金融資產

倘從資產收取現金流量之合約權利已屆滿，或本集團轉讓金融資產及已將其於資產擁有權之絕大部分風險及回報轉移予另一實體，本集團方會剔除確認金融資產。倘本集團既無轉移亦無保留絕大部分風險及回報及繼續控制已轉移資產，本集團於資產確認其留存權益及就可能須支付金額確認聯營負債。倘本集團保留已轉移金融資產之絕大部分風險及回報，本集團繼續確認該金融資產並就已收取款項確認抵押借貸。

於剔除確認一項以攤銷成本計量的金融資產時，資產賬面值與已收及應收代價之差額，將於損益中確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

A financial instrument issued by a group entity, which includes no contractual obligations for the Group to deliver cash or other financial assets to the holders or to exchange financial assets or financial liabilities with the holders under conditions that are potentially unfavorable to the Group, is classified as an equity instrument and is initially recorded at the proceeds received. Perpetual capital securities issued by the Company that have the above characteristics are classified as equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具

分類為債務或權益

債務及權益工具按所訂立之合約安排性質，以及金融負債及權益工具之定義而分類為金融負債或權益。

權益工具

權益工具為證明一實體經扣除其所有負債後的資產剩餘權益之任何合約。本公司發行的權益工具按收取所得款項減直接發行成本確認。

購回本公司自身權益工具直接於權益中扣減確認。購買、出售、發行及註銷本公司自身權益工具概不會在損益確認。

集團實體發行金融工具，當中並無包含本集團轉移現金或其他金融資產予持有人或在可能對本集團不利的情況下與持有人交換金融資產或金融負債之合約責任，則分類為權益工具並以已收款項初始記賬。本公司發行之永續資本證券具備上述特質乃分類為權益工具。

金融負債

所有金融負債是其後以實際利率法按攤銷成本或按公允值計入損益計量。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

按公允值計入損益之金融負債

當金融負債乃(i)應用香港財務報告準則第3號於業務合併的收購者之或然代價；(ii)持有作買賣；或(iii)已釐訂為按公允值計入損益，則分類為按公允值計入損益之金融負債。

金融負債乃持有作買賣，倘：

- 原本購入目的乃作近期內回購；或
- 於初始確認時其為本集團共同管理的已識別金融工具的投資組合一部分及具備短期賺取盈利的最近實際模式；或
- 其為衍生工具，除非該衍生工具為財務擔保合同或指定及有效對沖工具。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

按公允值計入損益之金融負債(續)

持有作買賣之金融負債或於業務合併的收購者之或然代價以外之金融負債，可於初始確認時指定為按公允值計入損益之金融負債，倘：

- 此類指定抵消或顯著減少計量或確認的不一致(否則會出現)；或
- 金融負債構成金融資產或金融負債組別或同時兩者之一部分，則根據本集團制定之風險管理或投資策略，及按該基準內部提供相關組別資料去管理，及其表現按公允值基準評估；或
- 其構成一份包含一項或多項組合衍生工具的合約之一部分，及香港財務報告準則第9號准許所有合併合約指定為按公允值計入損益。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL (Continued)

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including bank borrowings, trade and other payables and advances drawn on bills receivables discounted with recourse are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

按公允值計入損益之金融負債(續)

就指定為按公允值計入損益之金融負債而言，金融負債公允值變動金額乃該金融負債應估信貸風險之變動，於其他全面收益確認，除非於其他全面收益確認負債之信貸風險變動影響將產生或擴大於損益賬的一項會計錯配。於其他全面收益確認之金融負債信貸風險之應估公允值變動，其後不會重新分類至損益；取而代之，於剔除確認金融負債時將轉入留存盈利中。

按攤銷成本之金融負債

金融負債包括銀行借貸、應付貿易及其他賬款及附追索權之應收票據貼現預付款乃隨後以實際利率法按攤銷成本計量。

剔除確認金融負債

僅於本集團之責任獲解除、註銷或屆滿時，本集團方會剔除確認金融負債。剔除確認之金融負債賬面值與已付及應付代價之差額於損益中確認。

金融資產與金融負債之對銷

當及僅當本集團有法定行使權力去對銷已確認金額，並擬以淨額結算，或同時變現資產及清償負債時，金融資產及金融負債方予對銷並以淨額於綜合財務狀況表列示。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

衍生金融工具

衍生工具以衍生工具合約簽訂日之公允值作初次確認及其後以報告期間末之公允值重新計量。所產生的收益或虧損於損益內確認。

4. 估計不明朗因素之主要來源

於應用本集團之會計政策(載列於附註3)時,本公司董事需對未能透過其他來源直接確定之資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃建基於過往經驗及其他被視為相關之因素。實際業績可能有別於該等估計。

估計及相關假設乃按持續基準被審閱。如對會計估計之修訂僅影響進行修訂之期間,則於該期間確認修訂,或如修訂同時影響目前及未來期間,則於修訂及未來期間確認。



4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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

Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings through groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration of forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 24 and 38(ii).

4. 估計不明朗因素之主要來源 (續)

下文是有關未來期間的主要假設以及報告期末之估計不明朗因素之其他主要來源，該等假設及不明朗因素具有會造成在下一個財政年度對資產以及負債的賬面值作出重大調整的重大風險。

應收貿易賬款預期信貸虧損撥備

本集團就應收貿易賬款採用預繳模式計算預期信貸虧損。撥備率根據具備類似虧損模式的不同債務人組合作內部信貸評級。暫繳模式為本集團根據過往的違約率並考慮前瞻性資料，乃合理及毋須不必要的成本或費力而可得之理據。於每一報告日期，會再次評估過往觀測的違約率並考慮前瞻性資料的變化。此外，具重大結餘及信貸減值的應收貿易賬款會被個別評估預期信貸虧損。

預期信貸虧損撥備對估計的變化相當敏感。有關預期信貸虧損及本集團應收貿易賬款的資料於附註24及38(ii)披露。



4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Recognition of deferred tax

As at 31 December 2019, a deferred tax asset in relation to unused tax losses of approximately HK\$212,000,000 (2018: HK\$137,000,000) was not recognised in the consolidated statement of financial position due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the expectation for future profit streams changes, a recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

As at 31 December 2019, no further deferred tax liabilities have been recognised on the undistributed profits of certain group companies in the PRC after 2008 as the Group plans to retain those profits in the respective entities for their daily operations and future developments. In case there is a change in such plan, additional tax liabilities will arise, which will be recognised in the profit or loss for the period in which the management intends to declare such profits in the foreseeable future or the Group's future development plan is amended, whichever is earlier. Details of the above unrecognised accumulated profits are set out in note 33.

4. 估計不明朗因素之主要來源 (續)

遞延稅項確認

於2019年12月31日，由於無法預計未來盈利流向，有關未動用稅務虧損之遞延稅項資產約212,000,000港元(2018年：約137,000,000港元)並未於綜合財務狀況表確認。遞延稅項資產變現主要視乎將來是否有足夠未來盈利或稅項暫時差額可供動用。倘預期未來盈利流向有變，可能作出遞延稅項資產確認，並於發生此確認之期間在損益中確認。

於2019年12月31日，並無就於中國之集團公司自2008年後之未分配盈利確認遞延稅項負債，乃由於本集團計劃保留相關公司的盈利以供日常營運及將來發展。倘此計劃有變，將產生額外稅項負債，其將於未來可預見管理層擬宣派該等盈利或本集團之未來發展計劃修訂時(以較早者為準)之期間，於損益中確認。上述未確認累計盈利之詳情載於附註33。



5. REVENUE

(i) Disaggregation of revenue from contracts with customers

5. 收入

(i) 來自客戶合約的收入分析

Types of goods 貨品類別	Segments 分部	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Sales of packaging paper (including linerboard and corrugating medium) 銷售包裝紙 (包括牛咭紙及 瓦楞芯紙)	Packaging paper 包裝紙	22,387,672	27,156,142
Sales of pulp 銷售木漿	Pulp 木漿	1,693	3,959
Sales of tissue paper 銷售衛生紙	Tissue paper 衛生紙	4,754,845	5,047,981
		27,144,210	32,208,082
Timing of revenue recognition 收入確認之時間			
A point in time 一個時間點		27,144,210	32,208,082



5. REVENUE (CONTINUED)

(ii) Performance obligations for contracts with customers

The Group sells packaging paper, pulp and tissue paper directly to customers.

Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the specific location (delivery) as agreed in the sales contracts. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 45 to 90 days upon delivery.

6. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating and reportable segments under HKFRS 8 *Operating Segments*, based on information reported to the Company's executive directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance, which focuses on types of goods delivered. The Group's operating and reportable segments under HKFRS 8 – *Operating Segments* are as follows:

- (i) Packaging paper – Kraft linerboard, test linerboard, coated duplex board, white top linerboard and high strength corrugating medium;
- (ii) Pulp; and
- (iii) Tissue paper.

5. 收入(續)

(ii) 客戶合約的履約責任

本集團直接向客戶銷售包裝紙、木漿和衛生紙。

當貨物已運送至銷售合同協定的指定地點且貨物控制權已轉移，方確認收入。運送貨物後，客戶已可全權支配分銷及價錢去出售貨物，負責銷售貨物及承擔貨物報廢及損失的風險。一般信貸期為付運後45至90天。

6. 分部資料

以下為根據香港財務報告準則第8號經營分部對本集團按經營及可報告分部的收入及業績的分析，向本公司執行董事，即主要經營決策者（「主要經營決策者」）作為資源分配及評估分部表現而呈報之資料，集中於所交付貨物之類別。本集團於香港財務報告準則第8號—經營分部項下之經營及可報告分部載列如下：

- (i) 包裝紙—牛咭紙、掛面牛咭紙、塗布白板紙、白面牛咭紙及高強瓦楞芯紙；
- (ii) 木漿；及
- (iii) 衛生紙。



6. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

Year ended 31 December 2019

6. 分部資料(續)

分部收入及業績

以下為按經營及可報告分部劃分之
本集團收入及業績分析：

截至2019年12月31日止年度

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入						
External sales	對外銷售	22,387,672	1,693	4,754,845	27,144,210	—	27,144,210
Inter-segment sales	分部之間銷售	—	926,144	—	926,144	(926,144)	—
		22,387,672	927,837	4,754,845	28,070,354	(926,144)	27,144,210
SEGMENT PROFIT	分部盈利	3,514,538	253	563,472	4,078,263	—	4,078,263
Net gain from fair value changes of derivative financial instruments	衍生金融工具 公允價值變動 淨收益						5,740
Unallocated income	未分配之收入						310,118
Unallocated expenses	未分配之支出						(49,065)
Finance costs	財務成本						(324,861)
Profit before tax	除稅前盈利						4,020,195



6. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (Continued)

Year ended 31 December 2018

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入						
External sales	對外銷售	27,156,142	3,959	5,047,981	32,208,082	—	32,208,082
Inter-segment sales	分部之間銷售	—	1,189,078	—	1,189,078	(1,189,078)	—
		27,156,142	1,193,037	5,047,981	33,397,160	(1,189,078)	32,208,082
SEGMENT PROFIT	分部盈利	5,455,810	898	840,108	6,296,816	—	6,296,816
Net gain from fair value changes of derivative financial instruments	衍生金融工具 公允值變動 淨收益						2,638
Unallocated income	未分配之收入						250,802
Unallocated expenses	未分配之支出						(103,312)
Finance costs	財務成本						(319,612)
Profit before tax	除稅前盈利						6,127,332

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of net gain from fair value changes of derivative financial instruments, rental income, interest income, net exchange gain, finance costs and other unallocated administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

6. 分部資料(續)

分部收入及業績(續)

截至2018年12月31日止年度

經營分部之會計政策與附註3所描述之本集團會計政策一致。分部盈利指各分部所賺取盈利，而並無分配來自衍生金融工具公允值變動淨收益、租金收入、利息收入、匯兌淨收益、財務成本及其他未分配行政費用。此乃向主要經營決策者作為資源分配及表現評估而呈報之計量方法。

分部之間銷售乃按現行市場價格計算。



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綜合財務報表附註(續)

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

6. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

6. 分部資料(續)

分部資產及負債

以下為按可報告分部劃分之本集團資產及負債分析：

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
As at 31 December 2019	於2019年12月31日				
Segment assets	分部資產	31,501,578	1,767,513	7,308,854	40,577,945
Unallocated assets	未分配之資產				2,919,462
Consolidated total assets	綜合總資產				43,497,407
Segment liabilities	分部負債	993,060	23,540	521,363	1,537,963
Unallocated liabilities	未分配之負債				15,876,824
Consolidated total liabilities	綜合總負債				17,414,787
		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
As at 31 December 2018	於2018年12月31日				
Segment assets	分部資產	31,024,498	2,031,539	7,708,849	40,764,886
Unallocated assets	未分配之資產				2,011,942
Consolidated total assets	綜合總資產				42,776,828
Segment liabilities	分部負債	1,654,893	18,316	84,353	1,757,562
Unallocated liabilities	未分配之負債				17,873,415
Consolidated total liabilities	綜合總負債				19,630,977



6. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than bank balances and cash and other assets used jointly by reportable segments, and all liabilities are allocated to operating segments other than derivative financial instruments, tax payable, bank borrowings, deferred tax liabilities and other liabilities for which reportable segments are jointly liable.

Other segment information

6. 分部資料(續)

分部資產及負債(續)

為考核分部表現及於分部間分配資源，所有資產均分配予經營分部(銀行結餘及現金及由可報告分部共同所用之其他資產除外)以及所有負債均分配予經營分部(衍生金融工具、應付稅項、銀行借貸、遞延稅項負債及可報告分部共同應付之其他負債除外)。

其他分部資料

		Packaging paper	Pulp	Tissue paper	Consolidated
		包裝紙	木漿	衛生紙	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 31 December 2019	於2019年12月31日				
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產包括以下金額：				
Addition to non-current assets (note)	非流動資產增加(附註)	3,320,223	70,702	264,496	3,655,421
Depreciation of property, plant and equipment and right-of-use assets	物業、廠房及設備及使用權資產折舊	1,054,776	78,812	191,768	1,325,356
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	6,936	174	253	7,363
Impairment loss recognised in profit or loss on trade receivables	於損益確認之應收貿易賬款減值虧損	54,548	—	—	54,548



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綜合財務報表附註(續)

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6. SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
At 31 December 2018	於2018年12月31日				
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或 分部資產包括 以下金額：				
Addition to non-current assets (note)	非流動資產增加 (附註)	1,677,541	102,941	564,727	2,345,209
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	996,617	78,651	191,735	1,267,003
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	10,731	2	44	10,777
Amortisation of prepaid lease payments	預付租賃款項 攤銷	17,359	607	3,726	21,692
Impairment loss recognised (reversed) in profit or loss on trade receivables	於損益確認(回撥)之 應收貿易賬款減值 虧損	69,000	—	(1,062)	67,938

note: Amounts included additions to property, plant and equipment, right-of-use assets/prepaid lease payments and deposits paid for acquisition of property, plant and equipment.

No other amounts are regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets.

6. 分部資料(續)

其他分部資料(續)

附註：金額包括新增物業、廠房及設備、使用權資產／預付租賃款項及購置物業、廠房及設備所付訂金。

概無其他金額乃定期提供予主要經營決策者而並無包括在計量分部損益或分部資產的金額中。



6. SEGMENT INFORMATION (CONTINUED)

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Packaging paper (including linerboard and corrugating medium)	包裝紙 (包括牛咭紙及瓦楞芯紙)	22,387,672	27,156,142
Pulp	木漿	1,693	3,959
Tissue paper	衛生紙	4,754,845	5,047,981
		27,144,210	32,208,082

Geographical information

Over 95% (2018: 96%) of the Group's revenue were derived from external customers in the PRC.

Information about the Group's non-current assets is presented based on the geographical location of the assets.

6. 分部資料(續)

來自主要產品的收入

以下為本集團來自主要產品的收入分析：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Packaging paper (including linerboard and corrugating medium)	包裝紙 (包括牛咭紙及瓦楞芯紙)	22,387,672	27,156,142
Pulp	木漿	1,693	3,959
Tissue paper	衛生紙	4,754,845	5,047,981
		27,144,210	32,208,082

地域資料

本集團之收入超過95%(2018年: 96%)來自中國外部客戶。

本集團非流動資產資料乃按資產所在地呈列。

		Non-current assets 非流動資產	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
The PRC other than Hong Kong	中國，香港除外	26,067,151	27,132,105
Vietnam	越南	2,465,140	2,349,426
Malaysia	馬來西亞	2,343,481	—
Hong Kong	香港	130,871	15,234
		31,006,643	29,496,765



6. SEGMENT INFORMATION (CONTINUED)

Information about major customers

None of the Group's customers contributed over 10% of the Group's total revenue for the current and prior reporting period.

6. 分部資料(續)

有關主要客戶之資料

本期或上期報告期內並無本集團客戶佔本集團總收入超過10%。

7. OTHER INCOME

7. 其他收入

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Value added tax and other tax refund	增值稅退款及其他退稅	434,513	632,990
Income from supply of steam and electricity	供應蒸氣及電力收入	36,910	30,678
Income from wharf cargo handling	經營碼頭貨運收入	20,804	19,446
Sales of materials and waste paper	物料及廢紙銷售	85,257	65,130
Interest income from banks	銀行利息收入	41,981	20,584
Others	其他	270,490	246,281
		889,955	1,015,109



8. IMPAIRMENT LOSSES ON TRADE RECEIVABLES, NET OF REVERSAL

8. 應收貿易賬款減值虧損(扣除回撥)

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Impairment losses recognised on:	減值虧損確認：		
– Trade receivables	– 應收貿易賬款	54,548	67,938

Details of impairment assessment are set out in note 38(ii).

減值評估詳情載於附註38(ii)。

9. OTHER GAINS AND LOSSES

9. 其他收益及虧損

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Net foreign exchange gain	淨滙兌收益	193,197	98,178
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允價值變動淨收益	5,740	2,638
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(7,363)	(10,777)
Others	其他	114	—
		191,688	90,039



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10. FINANCE COSTS

10. 財務成本

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Interest expense on lease liabilities	租賃負債利息費用	3,174	—
Interest on bank borrowings	銀行借貸利息	415,048	389,125
Less: amounts capitalised to property, plant and equipment	減去：物業、廠房及設備之資本化金額	(93,361)	(69,513)
		324,861	319,612

Borrowing costs capitalised during the year arose from the general borrowings and are calculated by applying a capitalisation rate ranging from 3.20% to 3.30% (2018: 2.43% to 3.10%) per annum to expenditures on qualifying assets.

年內之資本化借貸成本乃於一般借貸中產生，並以合資格資產開支之資本化年利率由3.20%至3.30% (2018年：由2.43%至3.10%)計算。

11. INCOME TAX EXPENSE

11. 利得稅支出

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Income tax recognised in profit or loss:	於損益內確認之利得稅：		
Current tax	本期稅項		
– The PRC EIT	– 中國企業所得稅	489,506	884,183
– PRC withholding tax on dividend distribution	– 分派股息之中國預扣稅	218,700	153,820
– Others	– 其他	567	—
		708,773	1,038,003
Under-provision in previous year	去年不足撥備		
– The PRC EIT	– 中國企業所得稅	3,797	732
Deferred tax (note 33)	遞延稅項(附註33)		
– Charge to profit or loss	– 計入損益	7,360	208,377
		719,930	1,247,112
Total income tax recognised in profit or loss	於損益內確認之總利得稅		



11. INCOME TAX EXPENSE (CONTINUED)

The Group's profit is subject to taxation from the place of its operations where its profit is generated and is calculated at the rate prevailing in the relevant jurisdictions.

The PRC

The Group's subsidiaries in the PRC are subject to corporate income tax at the rate of 25% except that six (2018: six) of these subsidiaries are entitled to preferential rate of 15% for the Group's financial year ended 31 December 2019.

Hong Kong

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

11. 利得稅支出(續)

本集團之盈利須於其盈利賺取的營運地方繳納稅項，稅項按個別司法管轄區適用之稅率計算。

中國

本集團於中國的附屬公司之適用企業所得稅稅率為25%，而其中六間(2018年：六間)附屬公司於截至2019年12月31日止財政年度享有減免企業所得稅稅率15%。

香港

於2018年3月21日，香港立法會通過2017年稅務(修訂)(第7號)條例草案(「條例草案」)，條例草案引入利得稅兩級制稅率。該條例草案於2018年3月28日簽署成為法律，並於翌日在憲報刊登。根據兩級制利得稅率，合資格集團實體的首兩百萬港元盈利將按8.25%徵稅，超過兩百萬港元的盈利將按16.5%徵稅。不符合利得稅兩級制資格的集團實體之盈利將繼續按16.5%的劃一稅率徵稅。

本公司董事認為實施利得稅兩級制所涉及的金額對綜合財務報表屬微不足道。香港利得稅於兩個年度均按估計應課稅盈利以16.5%計算。



11. INCOME TAX EXPENSE (CONTINUED)

Macau

The Macau subsidiaries incorporated under Decree-Law no. 58/99/M are exempted from Macau complementary tax (Macau income tax) as long as they comply with the relevant regulations and do not sell their products to a Macau resident.

Vietnam

The Vietnam subsidiaries are subjected to Vietnam Corporate Income Tax at a rate of 10%. They are entitled to a corporate income tax exemption for four years from the first profit-making year and a reduction of 50% for the following nine years. No provision for Vietnam Corporate Income Tax has been made for both years as the Vietnam subsidiaries entitled tax exemption for both years.

Malaysia

The Malaysia subsidiaries are subjected to Malaysia Corporate Income Tax at a rate of 24%. No provision for Malaysia Corporate Income Tax has been made for both years as the Malaysia subsidiaries did not have assessable profits subject to Malaysia Corporate Income Tax during the years.

Others

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

11. 利得稅支出(續)

澳門

澳門附屬公司根據第58/99/M號法令註冊成立，均獲豁免繳納澳門補充稅(澳門所得稅)，前提為其須遵守相關法規且不得向澳門本土公司出售產品。

越南

越南附屬公司須按10%稅率繳納越南企業所得稅，其享有自首個產生盈利年度起計四年獲豁免企業所得稅及隨後九年50%減免。由於越南附屬公司於兩個年度均享有稅務豁免，故並無為兩個年度計提越南企業所得稅撥備。

馬來西亞

馬來西亞附屬公司須按24%稅率繳納馬來西亞企業所得稅。由於馬來西亞附屬公司於年內並無馬來西亞企業所得稅之應課稅盈利，故並無為兩個年度計提馬來西亞企業所得稅撥備。

其他

其他司法管轄區產生的稅項則按個別司法管轄區適用之稅率計算。



11. INCOME TAX EXPENSE (CONTINUED)

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 利得稅支出(續)

年內稅務開支與根據綜合損益及其他全面收益表的盈利對賬如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Profit before tax	除稅前盈利	4,020,195	6,127,332
Tax at the applicable tax rate of 25% (2018: 25%) (note)	應用稅率25%之稅款 (2018年：25%)(附註)	1,005,049	1,531,833
Tax effect of expenses not deductible for tax purpose	不可扣稅的支出的 稅務影響	181,408	163,134
Tax effect of income not taxable for tax purpose	毋須課稅的收入的 稅務影響	(80,775)	(25,314)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	3,886	17,969
Effect of tax exemption granted to Macau and Vietnam subsidiaries	澳門及越南附屬公司 獲豁免繳稅的影響	(66,999)	(101,366)
Effect of concessionary rates granted to the PRC subsidiaries	中國附屬公司 獲優惠稅率的影響	(375,788)	(308,148)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區營運的附屬 公司的不同稅率的影響	49,352	(31,728)
Under-provision in previous years	過往年度不足撥備	3,797	732
Tax charge for the year	年內稅務開支	719,930	1,247,112

note: This represents the domestic income tax rate in the jurisdiction where a substantial portion of the Group's operation is based.

附註：此代表本集團絕大部分業務營運所在之司法權區之當地所得稅率。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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For the year ended 31 December 2019 截至2019年12月31日止年度

12. PROFIT FOR THE YEAR

12. 年度盈利

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	年度盈利經扣除(計入):		
Directors' emoluments (note 13)	董事酬金(附註13)	38,345	38,050
Staff salaries and other benefits, excluding those of directors	員工薪金及其他福利, 不包括董事	1,105,753	1,183,240
Contributions to retirement benefit schemes, excluding those of directors	退休福利計劃供款, 不包括董事	87,022	82,120
Total employee benefit expense Capitalised in inventories	僱員福利開支總額 庫存資本化	1,231,120 (901,030)	1,303,410 (915,230)
		330,090	388,180
Auditors' remuneration	核數師酬金		
– Audit services	– 核數服務	8,519	7,866
– Non-audit services	– 非核數服務	1,186	1,082
Cost of inventories recognised as expense	存貨成本確認為支出	22,051,176	24,699,596
Amortisation of prepaid lease payments	預付租賃款項攤銷	—	21,692
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	1,293,075	1,267,003
Depreciation of investment properties	投資物業折舊	22,576	22,314
Depreciation of right-of-use assets	使用權資產折舊	32,281	—
Total depreciation and amortisation Capitalised in inventories	折舊及攤銷總額 庫存資本化	1,347,932 (1,196,140)	1,311,009 (1,172,264)
		151,792	138,745
Operating lease rentals in respect of land and buildings	土地及樓宇的 經營租賃租金	41,426	35,076



12. PROFIT FOR THE YEAR (CONTINUED)

12. 年度盈利(續)

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Gross rental income from investment properties	投資物業之租金總收入		
Less:	減：	(24,196)	(28,097)
– direct operating expenses incurred for investment properties that generated rental income during the year	一年內產生租金收入的投資物業之直接營運開支	419	246
– direct operating expenses incurred for investment properties that did not generate rental income during the year	一年內非產生租金收入的投資物業之直接營運開支	350	174
		(23,427)	(27,677)



13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Directors' and Chief Executive Officer's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, were as follows:

13. 董事及首席執行官酬金

年內董事及首席執行官的酬金根據適用上市規則及公司條例披露如下：

		Other emoluments 其他酬金			
		Fees 袍金	Salaries and other benefits 薪金及其他福利	Contributions to retirement benefit schemes 退休福利計劃供款	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2019	2019年				
<i>Executive directors</i>		<i>執行董事</i>			
Dr. Lee Man Chun Raymond	李文俊博士	16,500	—	—	16,500
Mr. Lee Man Bun	李文斌先生				
(Chief Executive Officer)	(首席執行官)	14,830	1,670	—	16,500
Mr. Li King Wai Ross	李經緯先生	2,983	717	—	3,700
<i>Non-executive director</i>		<i>非執行董事</i>			
Professor Poon Chung Kwong	潘宗光教授	295	—	—	295
<i>Independent non-executive directors</i>		<i>獨立非執行董事</i>			
Mr. Wong Kai Tung Tony	王啟東先生	450	—	—	450
Mr. Peter A. Davies	Peter A. Davies先生	450	—	—	450
Mr. Chau Shing Yim David	周承炎先生	450	—	—	450
		35,958	2,387	—	38,345



13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

13. 董事及首席執行官酬金(續)

		Other emoluments 其他酬金			
		Fees 袍金	Salaries and other benefits 薪金及 其他福利	Contributions to retirement benefit schemes 退休福利 計劃供款	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2018	2018年				
<i>Executive directors</i> 執行董事					
Dr. Lee Man Chun Raymond	李文俊博士	16,500	—	—	16,500
Mr. Lee Man Bun	李文斌先生				
(Chief Executive Officer)	(首席執行官)	14,988	1,512	—	16,500
Mr. Li King Wai Ross	李經緯先生	2,983	717	—	3,700
<i>Non-executive director</i> 非執行董事					
Professor Poon Chung Kwong	潘宗光教授	—	—	—	—
<i>Independent non-executive directors</i> 獨立非執行董事					
Mr. Wong Kai Tung Tony	王啟東先生	450	—	—	450
Mr. Peter A. Davies	Peter A. Davies先生	450	—	—	450
Mr. Chau Shing Yim David	周承炎先生	450	—	—	450
		35,821	2,229	—	38,050

The executive directors', non-executive directors' and independent non-executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group and for their services as directors of the Company respectively.

上述執行董事、非執行董事及獨立非執行董事之酬金主要結合了他們分別為本公司及本集團管理事務及作為本公司董事的服務之酬金。



13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

Dr. Lee Man Chun Raymond is also the Chairman of the Company and his emoluments disclosed above include those for services rendered by him as the Chairman.

For the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors waived any emoluments during these periods.

14. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments in the Group, three (2018: three) were directors of the Company whose emoluments are included in the disclosures in note 13. The aggregate emoluments of the five highest paid individuals, including directors, were as follows:

13. 董事及首席執行官酬金(續)

李文俊博士亦為本公司主席，上述披露之酬金包括其作為主席所提供的服務之酬金。

截至2019年及2018年12月31日止年度，本集團並無支付任何酬金予董事作為誘使其加入或加入本集團後或失去其辦公室之補償。該等期間並無任何董事放棄酬金。

14. 五位最高酬金人士

本集團最高酬金之五位人士，其中三位(2018年：三位)為本公司董事而其酬金已於附註13披露。五位最高酬金人員(包括董事)之合計酬金如下：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Salaries and other benefits 薪金及其他福利	41,158	41,695
Contributions to retirement benefit schemes 退休福利計劃供款	36	18
	41,194	41,713



14. FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

The emoluments were within the following bands:

		2019 No. of employee 員工人數	2018 No. of employee 員工人數
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	—
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	—	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	1
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	1	1
HK\$16,000,001 to HK\$16,500,000	16,000,001港元至16,500,000港元	2	2
		5	5

14. 五位最高酬金人士(續)

酬金介乎下列組別：

15. DIVIDENDS/DISTRIBUTION TO PERPETUAL CAPITAL SECURITIES

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Dividends recognised as distribution:	確認為分派之股息：		
Final dividend of HK\$0.15 in respect of the year ended 31 December 2018 (2018: final dividend of HK\$0.20 in respect of the year ended 31 December 2017) per share	截至2018年12月31日止年度之末期股息每股0.15港元(2018年：截至2017年12月31日止年度之末期股息每股0.20港元)	657,000	892,153
Interim dividend of HK\$0.13 in respect of the year ended 31 December 2019 (2018: interim dividend of HK\$0.20 in respect of the year ended 31 December 2018) per share	截至2019年12月31日止年度之中期股息每股0.13港元(2018年：截至2018年12月31日止年度之中期股息每股0.20港元)	568,577	883,951
		1,225,577	1,776,104

15. 股息／永續資本證券之分派



15. DIVIDENDS/DISTRIBUTION TO PERPETUAL CAPITAL SECURITIES (CONTINUED)

A final dividend of HK\$0.13 per share in respect of the year ended 31 December 2019 (2018: final dividend of HK\$0.15 per share in respect of the year ended 31 December 2018) has been proposed by the directors and is subject to approval by shareholders at the forthcoming annual general meeting.

In addition, the Company has made a distribution on perpetual capital securities of HK\$64,721,000 (2018: nil) to the securities holders during the year ended 31 December 2019.

16. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit for the year attributable to owners of the Company of HK\$3,235,605,000 (2018: HK\$4,880,206,000) and weighted average number of 4,375,449,449 (2018: 4,439,977,907) shares in issue during the year.

No diluted earnings per share in both years was presented as there were no potential ordinary shares outstanding during both years.

15. 股息／永續資本證券之分派(續)

董事建議派發截至2019年12月31日止年度末期股息每股0.13港元(2018年：截至2018年12月31日止年度末期股息每股0.15港元)，惟須待股東在應屆股東大會批准。

此外，於截至2019年12月31日年度，本公司就永續資本證券作出分派64,721,000港元(2018年：無)予證券持有人。

16. 每股盈利

每股盈利乃以本公司擁有人應佔本年度盈利3,235,605,000港元(2018年：4,880,206,000港元)及年內已發行股份加權平均數4,375,449,449股(2018年：4,439,977,907)為基準計算。

由於兩個年度內並無未行使之潛在普通股，因此並無呈列每股攤薄盈利。



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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Freehold lands and owned properties 永久業權 土地及 持有物業 HK\$'000 千港元	Computer system 電腦系統 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬·固定 裝置及設備 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Motor vehicles and yacht 汽車及遊艇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
COST	成本								
At 1 January 2018	2018年1月1日	6,666,099	52,341	1,040,500	526,530	139,663	21,928,620	4,523,973	34,877,726
Exchange realignment	匯兌重新組合	(278,269)	(2,413)	(31,971)	(21,885)	(2,983)	(572,437)	(38,456)	(948,414)
Additions	添置	49,705	589	11,185	4,723	2,971	286,504	1,622,646	1,978,323
Transfers	轉撥	603,277	9,481	21,949	24,679	8,616	2,565,948	(3,233,950)	—
Transfer to investment properties (Note 20)	轉撥至投資物業 (附註20)	—	—	—	—	—	—	(52,926)	(52,926)
Transfer to prepaid lease payments	轉撥至預付租賃 款項	—	—	—	—	—	—	(5,799)	(5,799)
Disposals/written off	出售/撇賬	—	—	(6,359)	(2,078)	(15,239)	(55,780)	—	(79,456)
At 31 December 2018	2018年12月31日	7,040,812	59,998	1,035,304	531,969	133,028	24,152,855	2,815,488	35,769,454
Exchange realignment	匯兌重新組合	(103,357)	(1,022)	(13,089)	(9,057)	(1,121)	(782,213)	(29,500)	(939,359)
Additions	添置	123,695	803	6,910	4,728	741	147,960	2,578,496	2,863,333
Transfers	轉撥	358,888	3,709	20,944	9,206	3,921	663,346	(1,060,014)	—
Transfer to investment properties (Note 20)	轉撥至投資物業 (附註20)	—	—	—	—	—	—	(22,534)	(22,534)
Transfer to right-of-use assets	轉撥至使用權資產	—	—	—	—	—	—	(5,016)	(5,016)
Disposals/written off	出售/撇賬	(1,798)	(639)	(2,384)	(23)	(6,343)	(29,810)	—	(40,997)
At 31 December 2019	2019年12月31日	7,418,240	62,849	1,047,685	536,823	130,226	24,152,138	4,276,920	37,624,881
DEPRECIATION	折舊								
At 1 January 2018	2018年1月1日	1,791,980	43,719	512,599	263,607	56,115	4,750,851	—	7,418,871
Exchange realignment	匯兌重新組合	(81,031)	(996)	(19,212)	(11,375)	(1,802)	(216,368)	—	(330,784)
Provided for the year	年內撥備	323,556	6,324	21,066	27,431	8,389	880,237	—	1,267,003
Eliminated on disposals/ written off	出售/撇賬時 對銷	—	—	(5,774)	(2,069)	(3,407)	(18,385)	—	(29,635)
At 31 December 2018	2018年12月31日	2,034,505	49,047	508,679	277,594	59,295	5,396,335	—	8,325,455
Exchange realignment	匯兌重新組合	(36,762)	(484)	(7,980)	(5,054)	(745)	(99,734)	—	(150,759)
Provided for the year	年內撥備	329,795	5,427	20,646	27,071	11,237	898,899	—	1,293,075
Eliminated on disposals/ written off	出售/撇賬時 對銷	(1,004)	(64)	(2,219)	(7)	(5,789)	(10,535)	—	(19,618)
At 31 December 2019	2019年12月31日	2,326,534	53,926	519,126	299,604	63,998	6,184,965	—	9,448,153
CARRYING VALUE	賬面值								
At 31 December 2019	2019年12月31日	5,091,706	8,923	528,559	237,219	66,228	17,967,173	4,276,920	28,176,728
At 31 December 2018	2018年12月31日	5,006,307	10,951	526,625	254,375	73,733	18,756,520	2,815,488	27,443,999



17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

notes:

- (i) The above owned properties of the Group represent owned properties on land under medium-term lease in the PRC.
- (ii) Certain owned properties of the Group are erected on land in the PRC with respect to which the Group has not been granted formal title of ownership. At 31 December 2019, the carrying value of such owned properties was HK\$1,760,103,000 (2018: HK\$1,985,043,000). In the opinion of directors, the absence of formal title to these owned properties does not impair the value of the relevant owned properties to the Group as the Group has paid substantially the full purchase consideration of these land use rights and the probability of being evicted on the ground of an absence of formal title is remote. The directors also believe that formal title of these owned properties will be granted to the Group in due course.
- (iii) As disclosed in note 44, certain portions of the owned properties have been leased to a related party. These owned properties were not reclassified as investment properties as the leased portions are insignificant.
- (iv) Depreciation is provided to write off the cost of property, plant and equipment other than freehold lands and construction in progress over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

Owned properties	20 to 50 years
Computer system	10%
Furniture, fixtures and equipment	20%
Leasehold improvements	5% – 15%
Motor vehicles and yacht	5% – 20%
Plant and machinery	3 $\frac{1}{3}$ % – 20%

17. 物業、廠房及設備(續)

附註：

- (i) 上述之本集團持有物業乃於中國中期租賃土地上之持有物業。
- (ii) 集團有若干持有物業建於仍未授予集團正式擁有權之中國土地上。於2019年12月31日，該等持有物業之賬面值為1,760,103,000港元(2018年：1,985,043,000港元)。董事認為欠缺該等持有物業正式擁有權並不會損害集團相應持有物業價值，因為本集團已支付大部分購買該等土地使用權之代價及以欠缺正式擁有權的理由而收回土地的機會是微乎其微。董事亦相信在不久將來集團會獲授予該等持有物業之正式擁有權。
- (iii) 如附註44所述，持有物業當中若干部分已租予一關連人士。由於租賃部分微不足道，該等持有物業並未分類為投資物業。
- (iv) 除在建工程及永久業權土地外，物業、廠房及設備在計及其預計剩餘價值後，於預計可用年期以直線法計提折舊以撇銷成本，年率如下：

持有物業	20至50年
電腦系統	10%
傢俬、固定裝置及設備	20%
租賃物業裝修	5%–15%
汽車及遊艇	5%–20%
廠房及機器	3 $\frac{1}{3}$ %–20%



18. RIGHT-OF-USE ASSETS

18. 使用權資產

		Leasehold lands 租賃土地 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 1 January 2019	於2019年1月1日			
Carrying amount	賬面值	958,754	10,465	969,219
As at 31 December 2019	於2019年12月31日			
Carrying amount	賬面值	985,503	54,992	1,040,495
For the year ended 31 December 2019	截至2019年12月31日 止年度			
Depreciation charge	折舊費用	22,369	9,912	32,281
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16	短期租賃及租期於初始應用香港財務報告準則第16號日期12個月內完結之其他租賃之相關費用			13,220
Total cash outflows for leases	租賃之現金流出合計			62,426
Additions to right-of-use assets	使用權資產增加			108,095



18. RIGHT-OF-USE ASSETS (CONTINUED)

For both years, the Group entered into leases for certain of its staff quarters and office premises. Lease contracts are entered into for fixed term of 1 year to 19 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group has obtained the land use right certificates for all leasehold lands except for leasehold lands with carrying amount of HK\$13,347,000 (2018: HK\$56,172,000) in which the Group is in the process of obtaining.

The Group regularly entered into short-term leases for staff quarters. As at 31 December 2019, the portfolio of these outstanding short-term leases is similar to the portfolio during the year ended 31 December 2019 with the corresponding short-term lease expense disclosed in note 12.

In addition, lease liabilities of HK\$51,002,000 are recognised with related right-of-use assets of HK\$108,095,000 as at 31 December 2019. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

18. 使用權資產(續)

於兩個年度，本集團就若干員工宿舍及辦公室物業訂立租賃。租賃合約以固定租期1年至19年訂立。租賃條款乃按個別基準磋商，並包含廣泛的不同條款及條件。於釐定租期及評估不可撤銷期限年期時，本集團應用合約之定義及釐定可行使合約之期間。

此外，本集團擁有數個其主要生產設施所在之工業樓宇及辦公室樓宇。本集團乃此等物業權益(包括相關租賃土地)之登記持有人。購入此等物業權益時作出一次性預付款。僅當所支付款項能夠可靠地分配時，此等持有物業之租賃土地部分方會獨立列示。

本集團已取得所有租賃土地之土地使用權証，除了賬面值為13,347,000港元(2018年：56,172,000港元)之租賃土地本集團正在處理取証中。

本集團就員工宿舍定期訂立短期租賃。於2019年12月31日，此等未完結短期租賃組合乃近似附註12所載截至2019年12月31日止年度相應短期租賃費用之組合。

此外，於2019年12月31日，與使用權資產108,095,000港元有關之租賃負債51,002,000港元已被確認。除抵押權益外，租賃協議並無就出租人持有之租賃資產施加任何契諾。租賃資產不可用作借貸之抵押用途。



19. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise leasehold land held under medium-term leases located in:

		2018
		HK\$'000
		千港元
The PRC	中國	908,880
Vietnam	越南	49,874
		958,754
Analysed for reporting purposes as:		因報告用途而作之分析：
Non-current asset	非流動資產	937,107
Current asset	流動資產	21,647
		958,754

19. 預付租賃款項

本集團預付租賃款項包括中期租賃項下之租賃土地位於：

20. INVESTMENT PROPERTIES

The Group leases out commercial and industrial properties under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 10 years, with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the lease contracts contain annual lease payment that are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and lessee's option to purchase the property at the end of lease term.

20. 投資物業

本集團根據經營租賃出租商業及工業物業，租金每月應付。租賃通常初始年期為1至10年，承租人單方面有權延續租賃至初始年期外。大部分租賃合約在租期內固定年度租賃付款。

本集團在租賃安排並無承受外幣風險，因所有租賃乃按集團實體相關功能貨幣計值。租賃合約並無包含剩餘價值保證及承租人於租期完結時購入物業之權利。



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20. INVESTMENT PROPERTIES (CONTINUED)

20. 投資物業(續)

		HK\$'000 千港元
COST		
成本		
At 1 January 2018	於2018年1月1日	598,054
Transfer from property, plant and equipment (note 17)	轉撥自物業、廠房及設備 (附註17)	52,926
Additions	添置	4,355
Exchange realignment	匯兌重新組合	(26,215)
At 31 December 2018	於2018年12月31日	629,120
Transfer from property, plant and equipment (note 17)	轉撥自物業、廠房及設備 (附註17)	22,534
Additions	添置	2,285
Exchange realignment	匯兌重新組合	(10,957)
At 31 December 2019	於2019年12月31日	642,982
DEPRECIATION		
折舊		
At 1 January 2018	於2018年1月1日	16,452
Provided for the year	年內撥備	22,314
Exchange realignment	匯兌重新組合	(1,649)
At 31 December 2018	於2018年12月31日	37,117
Provided for the year	年內撥備	22,576
Exchange realignment	匯兌重新組合	(1,047)
At 31 December 2019	於2019年12月31日	58,646
CARRYING VALUE		
賬面值		
At 31 December 2019	於2019年12月31日	584,336
At 31 December 2018	於2018年12月31日	592,003

During the year ended 31 December 2019, certain property, plant and equipment situated in PRC with carrying amounts of HK\$22,534,000 (2018: HK\$52,926,000) was transferred to investment properties as the management had changed the use of the properties.

於截至2019年12月31日止年度，由於管理層已改變物業用途，賬面值為數22,534,000港元(2018年：52,926,000港元)之若干位於中國之物業、廠房及設備已轉撥往投資物業。



20. INVESTMENT PROPERTIES (CONTINUED)

The fair value of the Group's commercial properties at 31 December 2019 was HK\$138,999,000 (31 December 2018: HK\$142,298,000). The fair value of the commercial properties has been arrived at based on a valuation carried out by 重慶啟利房地產土地資產評估有限公司 (2018: 重慶啟利房地產土地資產評估有限公司), an independent qualified professional valuer not connected with the Group using the market comparable approach, with reference to recent market prices for similar properties in similar locations and conditions, where appropriate.

The fair value of the Group's industrial properties at 31 December 2019 was HK\$488,336,000 (31 December 2018: HK\$475,926,000). The fair value of the industrial properties has been arrived at based on a valuation carried out by 重慶啟利房地產土地資產評估有限公司 (2018: 重慶啟利房地產土地資產評估有限公司), an independent qualified professional valuer not connected with the Group using the income capitalisation approach by reference to the market rentals of all lettable properties and capitalisation rate observed by the valuer for the similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties.

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

20. 投資物業(續)

本集團的商業物業於2019年12月31日之公允值為138,999,000港元(2018年12月31日: 142,298,000港元)。商業物業之公允值根據與本集團無關連之獨立合資格專業估價師重慶啟利房地產土地資產評估有限公司(2018年: 重慶啟利房地產土地資產評估有限公司), 按市場比較法參考就同類物業於近似位置及狀況(倘適用)之近期市場價格作出之估值得出。

本集團的工業物業於2019年12月31日之公允值為488,336,000港元(2018年12月31日: 475,926,000港元)。工業物業之公允值根據與本集團無關連之獨立合資格專業估價師重慶啟利房地產土地資產評估有限公司(2018年: 重慶啟利房地產土地資產評估有限公司), 按收益法參考附近同類物業所有可出租物業的市場租金及估價師參考所知的資本化率並根據估價師對相關物業具體情況的瞭解作出調整後作出的估值得出。

於估計投資物業之公允值時, 有關物業之最高及最佳用途為其目前用途。



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20. INVESTMENT PROPERTIES (CONTINUED)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2019 and 2018 are as follows:

Category 類別	Fair value hierarchy 公允價值級別	Fair value 公允價值		Carrying value 賬面值		Valuation Technique 估值方式	Key unobservable inputs 主要不可觀察依據	Relationship of unobservable inputs to fair value 不可觀察依據對公允價值之關係
		2019 HK\$'000 千港元	2018 HK\$'000 千港元	2019 HK\$'000 千港元	2018 HK\$'000 千港元			
Commercial properties 商業物業	Level 3 第3級	138,999	142,298	138,764	141,116	Market comparable approach 市場比較法	Transaction prices for similar properties after accounting for floor areas and floor level – Renminbi ("RMB") 71,744 per square meter 同類物業經計及樓面面積及樓層 之交易價格—每平方米人民幣 (「人民幣」)71,744元	An increase/decrease in the market transaction prices for similar properties would result in an increase/decrease in fair value and vice versa. 同類物業市場交易價格增加/減 少會相應引致公允價值增加/ 減少，反之亦然
Industrial properties 工業物業	Level 3 第3級	488,336	475,926	445,572	450,887	Income capitalisation approach 收益法	Capitalisation rate of 3% to 5% 資本化率為3%至5% Average monthly rent of RMB5.25 per square meter per month 平均月租為每月每平方米 人民幣5.25元	The fair values of the Group's industrial properties are inversely related to capitalisation rates which were determined by prevailing market transactions, conditions and expectations. 本集團工業物業公允價值與資本化 率成反比，資本化率則取決 於現行市場交易、狀況及預 期 In addition, increase in fair value of industrial properties is also attributable to the increase in market rental during the year. 此外，工業物業公允價值的增加亦 歸因於年內市場租金的增加

There were no transfers into or out of Level 3 during the year.

年內並無公允價值轉入或轉出第3級。

20. 投資物業(續)

於2019年及2018年12月31日，本集團投資物業詳情及公允價值級別之有關資料載述如下：



20. INVESTMENT PROPERTIES (CONTINUED)

All of the Group's investment properties are located in the PRC.

The above investment properties are depreciated on a straight-line basis at the following rates per annum:

Buildings	20–50 years
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21. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

The deposits were paid by the Group in connection with the acquisition of property, plant and equipment and land use rights for new production facilities. The related commitments for acquisition of property, plant and equipment are disclosed in note 40.

22. INTEREST IN A JOINT VENTURE

20. 投資物業(續)

本集團所有投資物業均位於中國。

上述投資物業按直線基準計提折舊，年率如下：

樓宇	20至50年
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21. 購置物業、廠房及設備及土地使用權所付訂金

所付訂金是本集團為了新生產設施而購置的物業、廠房及設備及土地使用權的訂金。購置物業、廠房及設備的有關承擔於附註40披露。

22. 合營企業權益

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cost of an unlisted investment in joint venture	於合營企業之未上市投資成本	—	—
Exchange realignment	匯兌重新組合	—	—
Share of profit and other comprehensive income	應佔盈利及其他全面收益	—	—
		—	—
Loan to a joint venture (note ii)	合營企業貸款(附註ii)		
– current	– 流動	61,656	55,792
– non-current	– 非流動	98,343	98,343
		159,999	154,135



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22. INTEREST IN A JOINT VENTURE (CONTINUED)

22. 合營企業權益(續)

notes:

- (i) Details of the Group's joint venture and its subsidiary at the end of the reporting periods are as follows:

附註：

- (i) 於報告期末本集團之合營企業及其附屬公司詳情如下：

Name of joint venture and its subsidiary 合營企業及 其附屬公司名稱	Form of entity 實體形式	Place of incorporation and operations 成立及營運地點	Proportion of issued and fully paid up capital held by the Group 本集團持有已發行及繳足股本比例				Principal activity 主要業務
			Directly		Indirectly		
			直接	直接	間接	間接	
			2019 %	2018 %	2019 %	2018 %	
Joint venture:							
合營企業：							
Southern Hill Company Limited 南峰有限公司	Limited incorporated 有限公司成立	Hong Kong 香港	50	50	—	— Investment holding 投資控股	
Its wholly-owned subsidiary:							
其全資擁有附屬公司：							
瑞昌理物流有限公司 (Ruichang Lee & Man Logistics Company Limited)	Limited incorporated 有限公司成立	The PRC 中國	—	—	50	50 Provision of port facilities 提供港口設施	

- (ii) The amounts are unsecured, interest-free and have no fixed term of repayment and provided to a joint venture in the form of a shareholder's loan and forms part of the net investment in the joint venture, except for an amount of RMB55,491,000 (equivalent to approximately HK\$61,656,000) which carries interest at the fixed rate of 3.8% per annum, and is repayable on 31 December 2020.

- (ii) 除為數人民幣55,491,000元(相等於約61,656,000港元)乃按固定年利率3.8%計息及須於2020年12月31日還款外,該貸款乃無抵押、免息及無固定還款期,並以股東借款形式提供及成為合營企業淨投資的一部分。



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23. INVENTORIES

23. 存貨

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Raw materials	原料	2,743,664	3,610,014
Finished goods	製成品	827,411	1,276,332
		3,571,075	4,886,346

24. TRADE AND OTHER RECEIVABLES

24. 應收貿易及其他賬款

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Trade receivables	應收貿易賬款	3,067,681	3,143,965
Less: allowance for credit losses	減：信貸虧損撥備	(135,924)	(84,973)
		2,931,757	3,058,992
Bills receivables	應收票據	722,502	1,093,681
		3,654,259	4,152,673
Prepayments and deposits for purchase of raw materials	購買原料預付款項及訂金	696,219	551,886
Other deposits and prepayments	其他訂金及預付款項	268,576	193,939
Value-added tax receivables	應收增值稅款項	457,045	595,667
Other receivables	應收其他賬款	279,899	462,814
		5,355,998	5,956,979

As at 1 January 2018, trade receivables from contracts with customers amounted to HK\$3,113,488,000.

於2018年1月1日，來自客戶合約的應收貿易賬款為3,113,488,000港元。



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24. TRADE AND OTHER RECEIVABLES (CONTINUED)

notes:

- (i) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory and trustworthy credit history. Credit limits attributed to customers are reviewed regularly. The Group allows its customers an average credit period of 45 to 90 days. The following is an aged analysis of trade and bills receivables presented based on the invoice date.

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	3,579,848	3,355,730
31-60 days	31-60日	35,789	683,939
61-90 days	61-90日	4,925	74,183
91-120 days	91-120日	15,811	21,103
Over 120 days	120日以上	17,886	17,718
		3,654,259	4,152,673

As at 31 December 2019, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of HK\$38,622,000 (2018: HK\$44,592,000) which are past due as at the reporting date. Out of the past due balances, HK\$33,697,000 (2018: HK\$17,667,000) has been past due 90 days or more and is not considered as in default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customers. Other than bills received, the Group does not hold any collateral over these balances.

As at 31 December 2019, the trade receivables of an aggregate carrying amount of HK\$920,526,000 (2018: HK\$733,280,000) was secured by customers' property interests and machinery being held as collateral.

- (ii) Trade and other receivables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
HK\$	港元	45,608	73,729
US\$	美元	58,703	75,083

- (iii) Details of impairment assessment of trade and other receivables are set out in note 38(ii).

24. 應收貿易及其他賬款(續)

附註：

- (i) 本集團於接納任何新客戶前，會評估該潛在客戶的信貨質量及界定其信貸限額。信貸銷售將會給予信貸記錄良好的客戶，客戶信貸限額定期予以檢討。本集團給予客戶的平均信貸期為45日至90日。以下為按發票日期呈列之應收貿易及票據賬款的賬齡分析。

於2019年12月31日，本集團應收貿易賬款結餘中包括賬面值合共38,622,000港元(2018年：44,592,000港元)之應收貿易賬款於報告期末已告逾期。在該逾期結餘當中，為數33,697,000港元(2018年：17,667,000港元)已逾期90天或以上及未被視為違約，因本集團根據每一客戶之過往還款記錄，財務狀況及現行信譽狀況，認為此等結餘可予以收回。除已收票據外，本集團並未就此等結餘持有任何抵押品。

於2019年12月31日，賬面值合共920,526,000港元(2018年：733,280,000港元)之應收貿易賬款，持有客戶之物業權益及機器抵押品作為擔保。

- (ii) 並非以有關集團實體功能貨幣計值的應收貿易及其他賬款如下：

- (iii) 應收貿易及其他賬項之減值評估詳情載於附註38(ii)。



25. TRANSFERS OF FINANCIAL ASSETS

The following were the Group's financial assets as at 31 December 2019 and 2018 that were transferred to banks by discounting/endorsing these receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a collateralised borrowing. These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

25. 金融資產轉讓

以下為本集團於2019年及2018年12月31日以全額追索權模式貼現／背書轉讓予銀行之金融資產。由於本集團並未將此等應收賬款相關之絕大部分風險及回報轉移，故其繼續確認應收賬款之全部賬面值，並將轉讓所收取現金確認為抵押貸款。此等金融資產於本集團之綜合財務狀況表以攤銷成本列賬。

		Bills receivables discounted to banks with full recourse	
		銀行附追索權之 應收票據貼現	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount of transferred assets	轉讓資產的賬面金額	461,824	338,354
Carrying amount of transferred liabilities	轉讓負債的賬面金額	(461,824)	(338,354)
Net position	淨額狀況	—	—



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26. AMOUNTS DUE FROM (TO) RELATED COMPANIES

Amounts due from related companies disclosed pursuant to the Hong Kong Companies Ordinance Cap 622G are as follows:

26. 應收(付)關連公司款項

根據香港公司法條例第622G予以披露之應收關連公司款項如下：

Name of related company 關連公司名稱	Terms 條款	Balance at 31 December 2019 於2019年 12月31日結餘 HK\$'000 千港元	Balance at 1 January 2019 於2019年 1月1日結餘 HK\$'000 千港元	Maximum amount outstanding during the year 年內未付最高金額	
				2019 HK\$'000 千港元	2018 HK\$'000 千港元
Lee & Man Industrial Manufacturing Limited ("LMIML") (note a) 理文實業有限公司(「理文實業」) (附註a)	Unsecured and non-interest bearing 無抵押及免息	6,505	9,003	10,684	23,246
Lee & Man Chemical Company Limited and its Subsidiaries ("LMC Group") 理文化工有限公司及其附屬公司 (「理文化工集團」)	Unsecured and non-interest bearing 無抵押及免息	14,130	—	14,716	—
On Wah Environmental Protection Technology Company Limited ("On Wah") (note b) 安華環保科技有限公司(「安華」) (附註b)	Unsecured and non-interest bearing 無抵押及免息	100,114	—	100,114	—
		120,749	9,003		



26. AMOUNTS DUE FROM (TO) RELATED COMPANIES (CONTINUED)

The amounts due from related companies represent trade balance due from LMIML and LMC Group. The amounts are unsecured, interest-free with credit period of 45 days and are aged less than 45 days.

notes:

- (a) The company is indirectly wholly owned by the spouse of Mr. Li King Wai Ross, who is also a daughter of Dr. Lee Wan Keung Patrick, the substantive shareholder of the Company. Mr. Li King Wai Ross is a director of the Company.
- (b) The company is indirectly controlled by Ms. Lee Man Ching, a sister of Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, the directors of the Company.

The amounts due from related companies that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Amounts due from related companies	應收關連公司款項		
- HK\$	- 港元	—	1,567

The amounts due to related companies represent trade balance due to LMC Group. LMC Group is beneficially owned and controlled by Mr. Lee Man Yan, an associate of Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, the directors of the Company. The amounts are unsecured, interest-free, with average credit period of 30 days and are aged less than 30 days.

26. 應收(付)關連公司款項(續)

應收關連公司款項乃應收理文實業及理文化工集團的貿易結餘。該等數額乃無抵押、免息、附帶信貸期45日及賬齡少於45日。

附註：

- (a) 該公司為李經緯先生之配偶，亦為本公司主要股東李運強博士之女兒間接全資擁有。李經緯先生為本公司董事。
- (b) 該公司由本公司董事李文俊博士及李文斌先生之妹妹／姐姐李文禎女士間接控制。

並非以有關集團實體功能貨幣計值的應收關連公司款項載列如下：

應付關連公司款項乃應付理文化工集團的貿易結餘。理文化工集團由本公司董事李文俊博士及李文斌先生之聯繫人士李文恩先生實益擁有及控制。該等數額乃無抵押、免息，平均信貸期30日及賬齡少於30日。



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27. DERIVATIVE FINANCIAL INSTRUMENTS

27. 衍生金融工具

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Derivative financial liabilities	衍生金融負債		
– net settlement	– 淨額交收		
Foreign currency forward contracts (note)	外幣遠期合約 (附註)	3	3,543

note:

Foreign currency forward contracts

Major terms of the foreign currency forward contracts outstanding as at 31 December 2019 are as follows:

Notional amount

概念金額

2 contracts to buy USD1,868,000 in total
2份合約共買1,868,000美元

Major terms of the foreign currency forward contracts outstanding as at 31 December 2018 are as follows:

Notional amount

概念金額

4 contracts to buy EUR18,396,000 in total
4份合約共買18,396,000歐元

The above contracts will mature within twelve months (2018: twelve months) after the end of the reporting period.

The fair values of the above derivative financial instruments were calculated using discounted cash flow analysis based on the applicable forward foreign exchange rates.

附註：

外幣遠期合約

於2019年12月31日未完結外幣遠期合約之主要條款如下：

Currency conversion

貨幣轉換

USD 1 to HK\$7.7869–7.7894
1美元兌7.7869港元–7.7894港元

於2018年12月31日未完結外幣遠期合約之主要條款如下：

Currency conversion

貨幣轉換

EUR1 to HK\$9.1380–9.2866
1歐元兌9.1380–9.2866港元

上述合約將於報告期末後12個月(2018年：12個月)內到期。

上述衍生金融工具之公允值乃根據適用遠期外幣匯率分析之折現現金流量計算。



28. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less.

Bank balances and cash that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

28. 銀行結餘及現金

銀行結餘及現金包括本集團持有的現金及原到期日為3個月或以內的短期銀行存款。

並非以有關集團實體功能貨幣計值的銀行結餘及現金載列如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
HK\$	港元	20,071	25,350
US\$	美元	1,578,729	353,337
Euro ("EUR")	歐元(「歐元」)	192	25,869

29. TRADE AND OTHER PAYABLES

29. 應付貿易及其他賬款

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Trade and bills payables	應付貿易及票據賬款	1,387,515	1,935,034
Construction fee payable	應付工程款	554,603	616,327
Accruals	應計費用	605,361	745,179
Other payables	其他應付款項	285,149	374,396
		2,832,628	3,670,936



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29. TRADE AND OTHER PAYABLES (CONTINUED)

notes:

- (i) The average credit period taken for trade purchases ranges from 30 to 120 days. The following is an aged analysis of the trade and bills payables presented based on the invoice date at the end of the reporting period.

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Aged:	賬齡:		
Not exceeding 30 days	不超過30日	759,184	776,731
31-60 days	31-60日	189,914	448,024
61-90 days	61-90日	243,733	396,863
91-120 days	91-120日	123,059	287,573
Over 120 days	120日以上	71,625	25,843
		1,387,515	1,935,034

- (ii) Trade and other payables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
HK\$	港元	1,367	466
EUR	歐元	27,677	230,832
US\$	美元	547,889	1,300,535

29. 應付貿易及其他賬款(續)

附註:

- (i) 貿易購貨之平均賬期由30至120日不等。下表為於報告期末按發票日期之應付貿易及票據賬款之賬齡分析。

- (ii) 並非以有關集團實體功能貨幣計值的應付貿易及其他賬款如下:



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30. LEASE LIABILITIES

30. 租賃負債

		31 December 2019 2019年 12月31日 HK\$'000 千港元
Lease Liabilities payable:	應付租賃負債：	
Within one year	一年內	4,867
Within a period of more than one year but not more than two years	超過一年但少於兩年之期間	6,497
Within a period of more than two years but not more than five years	超過兩年但少於五年之期間	5,940
Within a period of more than five years	超過五年之期間	36,088
		53,392
Less: Amount due for settlement with 12 months shown under current liabilities	減：12個月內應清償之金額於流動負債列示	(4,867)
Amount due for settlement after 12 months shown under non-current liabilities	12個月後應清償之金額於非流動負債列示	48,525



31. CONTRACT LIABILITIES

31. 合約負債

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Receipts in advance from customers	來自客戶之預收款	81,395	96,107

Contract liabilities represent receipts in advance from customers for unsatisfied performance obligations and are recognised as revenue when the Group performs its obligations under the contracts. At contract inception, performance obligation is expected to be satisfied within one year.

合約負債指來自客戶對未完成履約責任之預收款，並當本集團完成合約的履約責任時確認為收入。在合約開始時，履約責任預期在一年內完成。

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

下表列示於本年度之收入確認中，有多少屬合約負債結轉及有多少屬過往期間已完成之履約責任。

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Revenue recognised that was included in the contract liability balance at the beginning of the year	包括在合約負債年初結餘之收入確認	92,025	128,260



32. BANK BORROWINGS

The Group's bank borrowings, all of which are unsecured, comprised:

32. 銀行借貸

本集團之銀行借貸(全部均為無抵押)包括:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Bank loans	銀行貸款	12,162,312	13,395,908
Bank import loans	銀行進口貸款	173,235	394,587
		12,335,547	13,790,495
The bank borrowings are repayable as follows: 銀行借貸的還款期如下:			
Within one year	一年內	4,874,429	5,825,466
More than one year, but not exceeding two years	超過一年但少於兩年	1,389,486	3,979,408
More than two years, but not exceeding five years	超過兩年但少於五年	6,071,632	3,985,621
		12,335,547	13,790,495
Less: Amount due within one year shown under current liabilities	減: 列示為流動負債的一年內到期款項	(4,874,429)	(5,825,466)
Amount due after one year	一年後到期款項	7,461,118	7,965,029



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32. BANK BORROWINGS (CONTINUED)

The exposure of the Group's borrowings are as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Fixed-rate borrowings	定息借貸	316,891	—
Variable-rate borrowings	浮息借貸	12,018,656	13,790,495
		12,335,547	13,790,495

notes:

- (i) As at 31 December 2019, the Group's variable-rate borrowings carry variable interest rates ranging from Hong Kong Interbanks Offered Rate ("HIBOR") plus 0.80% to HIBOR plus 1.35% (2018: ranging from HIBOR 0.90% to HIBOR 1.40%).

The weighted average effective interest rate of the Group's bank borrowings are as follows:

		2019	2018
Variable-rate borrowings	浮息借貸	3.95%	3.34%

- (ii) HK\$3,770,485,000 (2018: HK\$5,206,987,000) in bank borrowings of HK\$4,874,429,000 (2018: HK\$5,825,466,000) which are repayable within one year contain repayable on demand clauses.

32. 銀行借貸(續)

本集團借貸風險如下：

附註：

- (i) 於2019年12月31日，本集團浮息借貸年息率由香港銀行同業拆息(「香港銀行同業拆息」)加0.80%至1.35%(2018年：香港銀行同業拆息加0.90%至1.40%)。

本集團銀行借貸之實際利率加權平均數如下：

- (ii) 一年內到期銀行借貸4,874,429,000港元(2018年：5,825,466,000港元)當中，3,770,485,000港元(2018年：5,206,987,000港元)含應要求還款之條款。



33. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised and movement thereon during the current and prior year:

		Accelerated tax depreciation 加速稅項 折舊 HK\$'000 千港元	Undistributed earnings of the PRC subsidiaries 中國附屬 公司之 未分配盈利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	1,015,037	266,971	1,282,008
Charge to profit or loss	計入損益	107,263	101,114	208,377
Exchange differences	匯兌差額	(46,015)	—	(46,015)
At 31 December 2018	於2018年12月31日	1,076,285	368,085	1,444,370
Charge (credit) to profit or loss	計入(撥入)損益	109,675	(102,315)	7,360
Exchange differences	匯兌差額	(897)	(5,922)	(6,819)
At 31 December 2019	於2019年12月31日	1,185,063	259,848	1,444,911

As at 31 December 2019, the Group had unused tax losses of approximately HK\$212,000,000 (2018: HK\$197,000,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses for both years due to unpredictability of future profit streams. As at 31 December 2019, tax losses of approximately HK\$37,000,000 (2018: HK\$37,000,000) attributable to the PRC subsidiaries, approximately HK\$84,000,000 (2018: HK\$84,000,000) attributable to the Vietnam subsidiaries will expire at various dates up to and including 2022 (2018: 2022) and approximately HK\$61,000,000 (2018: HK\$51,000,000) attributable to the Malaysia subsidiaries will expire at various dates up to and including 2026. The remaining tax losses of approximately HK\$30,000,000 (2018: HK\$25,000,000) attributable to the Hong Kong subsidiaries may be carried forward indefinitely.

33. 遞延稅項負債

下表為主要已確認遞延稅項負債於本年度及上年度之變動。

於2019年12月31日，本集團尚未動用但可用作抵扣未來盈利之稅項虧損約為212,000,000港元(2018年：197,000,000港元)。由於無法預計未來盈利流向，兩個年度並未就該等虧損確認為遞延稅項資產。於2019年12月31日，稅項虧損約37,000,000港元(2018年：37,000,000港元)來自中國附屬公司及約84,000,000港元(2018年：84,000,000港元)來自越南附屬公司，將於直至並包括2022年(2018年：2022年)之多個不同日期到期，及約61,000,000港元(2018年：51,000,000港元)來自馬來西亞附屬公司之稅務虧損將於直至並包括2026年之多個不同日期到期。餘下之稅項虧損約30,000,000港元(2018年：25,000,000港元)來自香港附屬公司，將可無限期中結轉。



33. DEFERRED TAX LIABILITIES (CONTINUED)

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to HK\$7,023 million (2018: HK\$7,023 million) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

34. RETIREMENT BENEFITS PLANS

Defined contribution scheme

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the MPF scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes monthly the lower of HK\$1,500 or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees.

The only obligation of the Group with respect of MPF Scheme is to make the required contribution payable on the future years.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefit scheme operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in profit or loss of HK\$87,022,000 (2018: HK\$82,120,000) represents contributions payable to these plans by the Group at rates specified in the rules of the schemes. As at 31 December 2019, contributions of HK\$77,225 (2018: HK\$58,340) due in respect of the year ended 31 December 2019 had not been paid to the plans. The amounts were paid subsequently to the end of the reporting period.

33. 遞延稅項負債(續)

根據中國企業所得稅法，自2008年1月1日起從中國附屬公司賺取的盈利宣派股息加徵預扣稅。中國附屬公司留存盈利合共70.23億港元(2018年：70.23億港元)應佔之暫時差額並無於綜合財務報表計提遞延稅項，因本集團可控制暫時差額回撥的時間及暫時差額有可能在可見的未來將不會回撥。

34. 退休福利計劃

界定供款計劃

本集團在香港為所有合資格僱員設立一項強積金計劃。強積金計劃的資產與本集團的資產分開持有，以及撥入信託人管理的基金。本集團按1,500港元或有關月薪成本的5%，以較低者為準，向強積金計劃供款，與僱員之供款一致。

本集團對強積金計劃的唯一責任就是在未來年度作出所需應付供款。

中國附屬公司聘用的僱員均參與中國政府營辦的國家管理退休福利計劃。中國附屬公司須按僱員薪金的若干百分比，向退休福利計劃供款，作為福利之用。本集團對退休福利計劃的唯一責任就是作出指定供款。

於損益中確認之總支出87,022,000港元(2018年：82,120,000港元)為本集團按計劃規定之指定比率就該等計劃之應付供款。於2019年12月31日，就截至2019年12月31日止年度尚有未付計劃供款77,225港元(2018年：58,340港元)。該等款項已在報告期末隨後支付。



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35. SHARE CAPITAL

35. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
	Note 附註		
Authorised:	法定：		
Ordinary shares of HK\$0.025 each at 1 January 2018, 31 December 2018 and 31 December 2019	於2018年1月1日、 2018年12月31日及 2019年12月31日 每股0.025港元的普通股	8,000,000,000	200,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.025 each at 1 January 2018	於2018年1月1日 每股0.025港元的普通股	4,505,404,000	112,635
Share repurchased and cancelled	股份購回及註銷 (i)	(116,496,000)	(2,912)
Ordinary shares of HK\$0.025 each at 31 December 2018	於2018年12月31日 每股0.025港元的普通股	4,388,908,000	109,723
Share repurchased and cancelled	股份購回及註銷 (i)	(22,100,000)	(553)
Ordinary shares of HK\$0.025 each at 31 December 2019	於2019年12月31日 每股0.025港元的普通股	4,366,808,000	109,170



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35. SHARE CAPITAL (CONTINUED)

Note:

- (i) The Company repurchased its own shares through the Stock Exchange as follows:

2019

Month of repurchases	購回月份	No. of ordinary shares of HK\$0.025 each 每股0.025港元之普通股	Price paid per share 每股支付價格		Aggregate consideration paid (including expenses) 合計已付代價(含使費) HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2019	2019年1月	6,270,000	6.54	6.48	40,790
August 2019	2019年8月	12,169,000	4.13	3.94	49,631
October 2019	2019年10月	1,023,000	4.09	4.06	4,212
		19,462,000			94,633

2018

Month of repurchases	購回月份	No. of ordinary shares of HK\$0.025 each 每股0.025港元之普通股	Price paid per share 每股支付價格		Aggregate consideration paid (including expenses) 合計已付代價(含使費) HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2018	2018年1月	5,404,000	9.21	8.96	49,149
March 2018	2018年3月	39,236,000	9.00	8.21	344,724
June 2018	2018年6月	32,764,000	8.90	7.83	273,321
August 2018	2018年8月	16,209,000	8.18	7.02	124,020
September 2018	2018年9月	4,163,000	7.19	7.07	29,901
October 2018	2018年10月	14,059,000	7.14	6.61	97,716
December 2018	2018年12月	7,299,000	6.57	6.34	47,498
		119,134,000			966,329

Out of 119,134,000 ordinary shares repurchased during 2018, 116,496,000 shares were cancelled during the year ended 31 December 2018 while the remaining 2,638,000 ordinary shares were cancelled in January 2019.

於截至2018年12月31日止年度119,134,000股購回普通股當中，116,496,000股股份已於年內被註銷，而餘下之2,638,000股普通股隨後在2019年1月被註銷。

35. 股本(續)

附註：

- (i) 本公司於聯交所購回自身之股份如下：

2019年

Month of repurchases	購回月份	No. of ordinary shares of HK\$0.025 each 每股0.025港元之普通股	Price paid per share 每股支付價格		Aggregate consideration paid (including expenses) 合計已付代價(含使費) HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2019	2019年1月	6,270,000	6.54	6.48	40,790
August 2019	2019年8月	12,169,000	4.13	3.94	49,631
October 2019	2019年10月	1,023,000	4.09	4.06	4,212
		19,462,000			94,633

2018年

Month of repurchases	購回月份	No. of ordinary shares of HK\$0.025 each 每股0.025港元之普通股	Price paid per share 每股支付價格		Aggregate consideration paid (including expenses) 合計已付代價(含使費) HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2018	2018年1月	5,404,000	9.21	8.96	49,149
March 2018	2018年3月	39,236,000	9.00	8.21	344,724
June 2018	2018年6月	32,764,000	8.90	7.83	273,321
August 2018	2018年8月	16,209,000	8.18	7.02	124,020
September 2018	2018年9月	4,163,000	7.19	7.07	29,901
October 2018	2018年10月	14,059,000	7.14	6.61	97,716
December 2018	2018年12月	7,299,000	6.57	6.34	47,498
		119,134,000			966,329



36. PERPETUAL CAPITAL SECURITIES

On 29 May 2019, the Company (the "Issuer") issued USD300 million perpetual capital securities at an issue price of 100 per cent which are listed on the Stock Exchange. Distribution is payable semi-annually in arrears based on a fixed rate of 5.5 per cent per annum. Distribution by the Issuer may be deferred at its sole discretion. These perpetual capital securities have no fixed maturity and are redeemable in whole, but not in part, at the Issuer's option on 29 May 2024, or any distribution payment date falling thereafter at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower rank.

Distribution to holders of perpetual capital securities may be deferred at the Group's discretion and in which event, the Company and the Issuer will not declare/pay any dividends or distributions, redeem, reduce, cancel or buy-back any of the Company's and/or the Issuer's share capital.

37. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include the bank borrowings, and equity attributable to equity holders of the Company, comprising issued share capital, various reserves and perpetual capital securities.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

36. 永續資本證券

於2019年5月29日，本公司(「發行人」)發行了3.00億美元永續資本證券，以100%的發行價在聯交所上市。應付分派乃每半年按每年5.5%的固定比率分派。發行人可自行決定將分派遞延。此等永續資本證券並無固定到期日及可按發行人的選擇於2024年5月29日或隨後任何分派付款日期以本金金額連同所有應計、未付或遞延分派將永續資本證券全數(並非部分)贖回。當任何分派乃未付或遞延，本公司將不可宣派、派發股息或作出分派或就分派類似的定期付款，或購回、贖回或購入任何較低級別的證券。

對永續資本證券持有人的分派，可由本集團酌情遞延付款，在此情況下，本公司及發行人將不會宣派／派發任何股息或分派，贖回、減少、註銷或購回任何本公司及／或發行人之股本。

37. 資本風險管理

本集團管理其資本以確保本集團的實體可持續經營業務，並透過最佳債務及權益比例為權益持有人提供最高回報。本集團的整體政策維持與去年一致。

本集團的資本結構包括債務，當中包括銀行借貸以及本公司權益持有人應佔權益(包括已發行股本及多項儲備及永續資本證券)。

本公司董事不時檢討資本結構。作為檢討的一部分，董事考慮資本成本以及與各類資本有關的風險。根據董事的建議，本集團將通過派付股息、發行新股及購回股份以及發行新債或贖回現債平衡其整體資本結構。



38. FINANCIAL INSTRUMENTS

(i) Categories of financial instruments

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本的金融資產	7,596,192	7,128,921
Financial liabilities	金融負債		
Fair value through profit or loss – derivative financial instruments	按公允值計入損益 – 衍生金融工具	3	3,543
Amortised cost	攤銷成本	15,040,301	17,066,283

(ii) Financial risk management objectives and policies

The Group's major financial instruments include loan to a joint venture, trade and other receivables, bills receivables discounted with recourse, amounts due from (to) related companies, derivative financial instruments, bank balances and cash, trade and other payables, advances drawn on bills receivable discounted with recourse and bank borrowings. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

38. 金融工具

(i) 金融工具類別

(ii) 財務風險管理目的及政策

本集團的主要金融工具包括合營企業貸款、應收貿易及其他賬款、附追索權之應收票據貼現、應收(付)關連公司款項、衍生金融工具、銀行結餘及現金、應付貿易及其他賬款、附追索權之應收票據貼現預付款及銀行借貸。金融工具的詳情於相關附註披露。與該等金融工具有關的風險包括市場風險(貨幣風險、利率風險及商品價格風險)、信貸風險及流動資金風險。如何緩和該等風險的政策載列於下文。管理層管理及監控該等風險，以確保及時有效地採用適當的措施。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk

(a) Currency risk

The Group has foreign currency transactions, which expose the Group to market risk arising from changes in foreign exchange rates. In order to mitigate the foreign currency risk, foreign currency forward contracts are entered into by the Group for certain material foreign currency transactions. Management monitors other foreign currency exposure closely and will consider the use of hedging instruments when the need arises.

The carrying amounts of the Group's significant monetary assets and monetary liabilities, excluding intercompany balances and derivative financial instruments, that are denominated in currencies other than the functional currency of the relevant group entities at the reporting dates are as follows:

Monetary assets (note):

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
HK\$	港元	65,680	100,647
US\$	美元	1,637,718	428,420
EUR	歐元	192	25,869

Monetary liabilities (note):

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
HK\$	港元	1,367	466
US\$	美元	721,321	1,301,297
EUR	歐元	27,677	233,878

note: The above amounts exclude HK\$/US\$ amounts where the functional currency of the relevant group entities is US\$/HK\$ because HK\$ is pegged to the US\$, as a result of which the exchange exposure is not significant.

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

市場風險

(a) 貨幣風險

本集團存在外幣交易，令本集團須承受外幣匯率變動引起的市場風險。為了降低外幣風險，本集團就若干重大外幣交易訂立外幣遠期合同。管理層將密切監察其他外幣風險，並考慮於必要時運用對沖工具。

本集團於報告日並非以相關集團實體功能貨幣計值之主要貨幣資產及貨幣負債(內部公司往來及衍生金融工具除外)的賬面值如下：

貨幣資產(附註)：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
HK\$	65,680	100,647
US\$	1,637,718	428,420
EUR	192	25,869

貨幣負債(附註)：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
HK\$	1,367	466
US\$	721,321	1,301,297
EUR	27,677	233,878

附註：上述金額未包括相關集團實體功能貨幣為美元/港元的港元/美元金額，由於港元與美元掛鈎，因此並無重大滙兌風險。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(a) Currency risk (Continued)

In addition, intercompany balances denominated in foreign currencies are as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Assets	資產		
US\$	美元	349,671	445,639
HK\$	港元	316,729	221,007
RMB	人民幣	—	335,593
EUR	歐元	51,237	67,148
Liabilities	負債		
US\$	美元	377,220	777,962
HK\$	港元	552,686	654,449
RMB	人民幣	5,340,356	1,391,529
EUR	歐元	51,237	67,148

Sensitivity analysis

The Group is primarily exposed to the fluctuation of EUR against HK\$, and HK\$ and US\$ against RMB.

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

市場風險(續)

(a) 貨幣風險(續)

此外，以外幣計值之內部公司往來結餘如下：

敏感度分析

本集團主要面對歐元兌港元、和港元及美元兌人民幣的波動影響。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(a) Currency risk (Continued)

The following tables detail the Group's sensitivity to a 5% (2018: 5%) increase and decrease in the functional currency of the relevant group entities against the relevant foreign currencies to the extent that the exposures have not been hedged. 5% (2018: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items (including intercompany balances denominated in foreign currencies) and adjusts their translation at the year end for a 5% change in foreign currency rates. On this basis, there will be an increase/decrease in post-tax profit and equity where the functional currency of the relevant group entities strengthens against the foreign currencies by 5%, and vice versa.

		(Decrease) increase in post-tax profit		Increase (decrease) in equity	
		稅後盈利(減少)增加		權益增加(減少)	
		2019	2018	2019	2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
HK\$	港元	(6,736)	(3,212)	14,418	18,197
US\$	美元	(43,703)	67,601	(3)	10,992
RMB	人民幣	4,085	2,360	222,960	44,085
EUR	歐元	1,167	10,183	(7)	45

38. 金融工具(續)

(ii) 財務風險管理目的及政策 (續)

市場風險(續)

(a) 貨幣風險(續)

下表詳述本集團在並無對沖風險的情況下，相關集團實體之功能貨幣兌其相關外幣上升及下降5% (2018年：5%) 的敏感度。5% (2018年：5%) 為對內向主要管理人員匯報外幣風險時採用的敏感度比率，為管理層就外幣匯率的合理可能變動作出的評估。敏感度分析只包括以外幣計值的未償付貨幣項目(包括以外幣定值之內部公司往來)，並於年終調整其換算，以反映外幣匯率的5%變動。在此基準下，當相關集團實體之功能貨幣兌外幣升值5%，稅後盈利及權益將增加/減少，反之亦然。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(a) Currency risk (Continued)

All foreign currency forward contracts in note 27 are to hedge the rise of USD against HK\$ (2018: the rise of EUR against HK\$).

The following tables detail the Group's sensitivity to a 5% (2018: 5%) strengthening or weakening on the foreign currencies and all other variables were held constant.

		2019		2018	
		Strengthening by 5% leading to increase in post-tax profit 升值5%導致 稅後盈利增加 HK\$'000 千港元	Weakening by 5% leading to decrease in post-tax profit 貶值5%導致 稅後盈利減少 HK\$'000 千港元	Strengthening by 5% leading to increase in post-tax profit 升值5%導致 稅後盈利增加 HK\$'000 千港元	Weakening by 5% leading to decrease in post-tax profit 貶值5%導致 稅後盈利減少 HK\$'000 千港元
USD	美元	725	725	—	—
EUR	歐元	—	—	8,267	8,267
		725	725	8,267	8,267

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

市場風險(續)

(a) 貨幣風險(續)

載於附註27之所有外幣遠期合約乃對沖美元兌港元上升(2018年: 歐元兌港元上升)。

下表詳述本集團對外幣升值及貶值5%(2018年: 5%)的敏感度, 並假設所有其他變數保持不變。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(b) Interest rate risk

The Group's bank balances carry floating-rate of interests and have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rates. However, the Group considers that the bank balances are within short maturity period, and the fluctuation in interest rate and the cash flow interest rate risk arising from bank balances are insignificant.

The Group's fair value and cash flow interest risks mainly relate to fixed and variable rates borrowings respectively. The Group has not entered into any interest rate hedging contracts, but considers that the interest rate of bank borrowings is relatively stable and so no interest rate swap was used to hedge the exposure to interest rate risk in current year. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

市場風險(續)

(b) 利率風險

本集團銀行結餘乃浮息，由於現行市場利率波動，銀行結餘承受現金流量利率風險。然而，本集團認為該銀行結餘乃短期內到期，且從銀行結餘引伸的利率波動及現金流量利率風險微不足道。

本集團之公允值及現金流量利率風險主要分別與定息及浮息借貸有關。本集團並無訂立任何利率對沖合約，惟認為銀行借貸的利率相對穩定，所以在本年度未有以利率掉期對沖利率風險。管理層監控利率風險程度及當有需時會考慮對沖重大的利率風險。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(b) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank borrowings, to the extent that they were not hedged by effective instruments, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For bank borrowings at variable-rate of HK\$12,018,656,000 (2018: HK\$13,790,495,000), if interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2019 after taking into account the capitalisation of borrowing costs using the capitalisation rate ranging from 3.20% to 3.30% (2018: 2.43% to 3.10%) would decrease/increase by HK\$35,862,000 (2018: decrease/increase by HK\$44,495,000).

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

市場風險(續)

(b) 利率風險(續)

敏感度分析

下列的敏感度分析根據於報告期末非衍生工具的利率風險釐定。就浮息銀行借貸，當該等借貸並非由有效工具對沖，分析乃假設於報告期末未償付負債於全年均為未償付而編製。利率增加或減少50基點為對內向主要管理人員匯報利率風險時採用的敏感度比率，為管理層就利率的合理可能變動的評估。

就為數12,018,656,000港元(2018年:13,790,495,000港元)之浮息銀行借貸而言，倘利率上升/下跌50基點，而所有其他變數維持不變，本集團截至2019年12月31日止年度的稅後盈利經計及以資本化利率由3.20%至3.30%(2018年:2.43%至3.10%)計算之資本化借貸成本後，將減少/增加35,862,000港元(2018年:減少/增加44,495,000港元)。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

As at 31 December 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model under application of HKFRS 9 on trade balances individually or based on provision matrix. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with good reputation.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Accordingly, the Group's concentration of credit risk is considered minimal.

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

信貸風險及減值評估

於2019年12月31日，本集團因對手方未能履行責任而導致財務虧損的最高信貸風險來自綜合財務狀況表載列的各項已確認金融資產的賬面值。

為盡量減低信貸風險，本集團管理層已委任一組人員釐定信貸限額、信貸審批以及其他監控程序，確保就收回逾期債項採取跟進行動。此外，本集團在應用香港財務報告準則第9號根據預期信貸虧損模式對應收貿易賬款個別地或按預繳模式進行減值評估。就此，董事認為本集團之信貸風險已大大減少。

由於交易方均為信譽評級良好之銀行，故流動資金及衍生金融工具之信貸風險有限。

本集團的應收貿易賬款包括大量客戶，涵蓋多個行業及地理區域。因此，本集團集中信貸風險極低。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

In addition to the credit risk on trade debts, the Group is also exposed to concentration on credit risk on its loan to a joint venture. Because the Group's involvement in the management of joint venture, the Group is in a position to monitor their financial performance and would take timely actions to safeguard its assets and/or to minimise its losses. Accordingly, management believes that the Group's exposure to the credit risk associated with loan to joint venture is low.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 摘要	Trade receivables 應收貿易賬款	Other financial assets/other items 其他金融資產/其他項目
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方違約風險較低且並未出現逾期金額	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 監測風險	Debtor frequently repays after due dates but usually settle in full 債務人頻繁地逾期還款但通常會全數清償	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 可疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 通過內部開發資料或外部資料顯示自初始確認以來信貸風險顯著增加	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據指出該資產乃信貸減值	Lifetime ECL – credit-impaired 終身預期信貸虧損 – 信貸減值	Lifetime ECL – credit-impaired 終身預期信貸虧損 – 信貸減值
Write-off 撇賬	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據指出債務人正面對嚴重財政困難且本集團並無實際把握收回款項	Amount is written off 款項撇賬	Amount is written off 款項撇賬

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

信貸風險及減值評估(續)

除了貿易債務的信貸風險外，本集團於合營企業貸款上存在集中信貸風險。因為本集團參與合營企業的管理，本集團身處監控其財務表現的位置並可採取及時行動以保護其資產及／或減低虧損。因此，管理層相信本集團在給予合營企業貸款引發的信貸風險屬低。

本集團之內部信貸風險級別評估包括以下類別：



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's trade and other receivables, loan to a joint venture, bills receivables discounted with recourse and amounts due from related companies which are subject to ECL assessment:

Financial assets at amortised costs

	Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或終身 預期信貸虧損	2019 Gross carrying amount 2019年 總賬面值 HK\$'000 千港元	2018 Gross carrying amount 2018年 總賬面值 HK\$'000 千港元
Trade receivables 應收貿易賬款	24	N/A 不適用	(Note 2) (附註2)	Lifetime ECL (provision matrix) 終身預期信貸 虧損(預繳模式) Credit-impaired 信貸減值	3,050,647	3,126,931
			Loss 虧損		17,034	17,034
					3,067,681	3,143,965
Amounts due from related companies 應收關連公司款項	26	N/A 不適用	(Note 1) (附註1)	12-month ECL 12個月預期信貸	120,749	9,003
Bank balances 銀行結餘	28	Low risk 低風險	N/A 不適用	12-month ECL 12個月預期信貸	2,917,366	2,003,561
Bills receivables 應收票據	24	Low risk 低風險	N/A 不適用	12-month ECL 12個月預期信貸	722,502	1,093,681
Bills receivables discounted with recourse 附追索權之應收票據 貼現	25	Low risk 低風險	N/A 不適用	12-month ECL 12個月預期信貸	461,824	338,354
Loan to a joint venture 合營企業貸款	22	N/A 不適用	(Note 1) (附註1)	12-month ECL 12個月預期信貸	159,999	154,135
Other receivables 應收其他賬款	24	N/A 不適用	(Note 1) (附註1)	12-month ECL 12個月預期信貸	279,899	462,814

38. 金融工具(續)

(ii) 財務風險管理目的及政策 (續)

信貸風險及減值評估(續)

下表詳述須受預期信貸虧損評估之本集團應收貿易及其他賬款、合營企業貸款、附追索權之應收票據貼現及應收關連公司款項的信貸風險：

按攤銷成本入賬的金融資產



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)
Financial assets at amortised costs (Continued)

Notes:

- For the purposes of internal credit risk management, the Group uses past due and repayment information to assess whether credit risk has increased significantly since initial recognition.

		Not past due/ No fixed repayment terms 非過期/無固定 還款條款 HK\$'000 千港元
Amounts due from related companies	應收關連公司款項	120,749
Loan to a joint venture	合營企業貸款	159,999
Other receivables	應收其他賬款	279,899

- For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balance or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by internal credit rating. The average loss rates for the year ended 31 December 2019 was 3.90% (2018: 2.17%).

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

信貸風險及減值評估(續)
按攤銷成本入賬的金融資產(續)

附註：

- 本集團以逾期及還款資料去評估自初始確認以來信貸風險是否大幅增加作為內部信貸風險管理。

- 就應收貿易賬款，本集團應用香港財務報告準則第9號的簡化方法以終身預期信貸虧損去評估虧損撥備。除具重大未付結餘或信貸減值之應收賬款外，本集團對此等項目採用預繳模式按內部信貸評級組別去釐定預期信貸虧損。截至2019年12月31日止年度之平均虧損率為3.90% (2018年: 2.17%)。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as significant source of liquidity. As at 31 December 2019, the Group has available unutilised banking facilities of approximately HK\$15,093,800,000 (2018: HK\$15,134,144,000). Details of bank borrowings are set out in note 32.

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

流動資金風險

就管理流動資金風險而言，本集團監察及保持其視為足以為本集團營運提供資金，以及減輕現金流量波動影響之現金及現金等價物水平。管理層監察銀行借貸之情況並確保遵守貸款契諾。

本集團有賴於銀行借貸為重要流動資金來源，於2019年12月31日，本集團未動用之銀行授信額度約為15,093,800,000港元(2018年：15,134,144,000港元)，銀行借貸詳情載於附註32。

下表詳述依據經協定還款條款本集團金融負債的餘下合約到期日。就非衍生金融負債而言，下表乃根據本集團須還款最早日期當日之金融負債未折現現金流量作出。具體而言，附帶應要求還款條款之銀行借貸，被包括在最早時限之內，不論銀行是否選擇行使其權利。其他非衍生金融負債之到期日根據議定的還款日期計算。下表已包括利息及本金現金流量。在某種程度上，利息流是浮動利率，未折現金額來自報告期末的利率曲線。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

In addition, the following tables detail the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash flows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

Liquidity tables

		Weighted average effective interest rate	Repayable on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Carrying amount at 31 December 2019
		實際利率加權平均數 % 百分比	應要求還款 或少於1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	1至5年 HK\$'000 千港元	未折現 現金流量合計 HK\$'000 千港元	2019年 12月31日 之賬面值 HK\$'000 千港元
31 December 2019	2019年12月31日							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	應付貿易及其他賬款	—	1,641,645	397,446	188,176	—	2,227,267	2,227,267
Advance drawn on bills receivables discounted with recourse	附追索權應收票據貼現預付款	—	461,824	—	—	—	461,824	461,824
Amounts due to related companies	應付關連公司款項	—	15,663	—	—	—	15,663	15,663
Bank borrowings – fixed rates	銀行借貸 – 一定息	3.82	53,631	87,750	179,325	—	320,706	316,891
Bank borrowings – variable-rate	銀行借貸 – 浮息	3.95	3,996,137	18,686	559,901	8,355,698	12,930,422	12,018,656
			6,168,900	503,882	927,402	8,355,698	15,955,882	15,040,301

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

流動資金風險(續)

另外，下表詳述本集團衍生金融工具之流動性分析。該表乃根據按淨額結算的衍生工具以未折現金約淨現金流量列示。倘應付款項不固定，則所披露款項乃參照於報告期末現行利率收益曲線所示預測利率釐定。本集團根據合約到期日編製衍生金融工具的流動性分析，因管理層認為合約到期日乃了解衍生工具現金流之時間的重要因素。

流動資金表



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金表(續)

	Weighted average effective interest rate	Repayable on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Carrying amount at 31 December 2018
	實際利率加權平均數 %	應要求還款或少於1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	1至5年 HK\$'000 千港元	未折現金流量合計 HK\$'000 千港元	12月31日之賬面值 HK\$'000 千港元
31 December 2018							
2018年12月31日							
Non-derivative financial liabilities							
Trade and other payables	—	1,767,455	844,886	313,416	—	2,925,757	2,925,757
Advance drawn on bills receivables discounted with recourse	—	338,354	—	—	—	338,354	338,354
Amounts due to related companies	—	11,677	—	—	—	11,677	11,677
Bank borrowings – variable-rate	3.34	5,213,694	199,715	427,071	8,506,982	14,347,462	13,790,495
		7,331,180	1,044,601	740,487	8,506,982	17,623,250	17,066,283



38. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

Bank borrowings with a repayment on demand clause are included in the "repayable on demand or less than 1 month" time band in the above maturity analysis. As at 31 December 2019 and 2018, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$3,770,485,000 and HK\$5,206,987,000 respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid after the reporting date in accordance with the following scheduled repayment dates set out in the loan agreements:

Bank borrowings subject to repayment on demand clause based on scheduled repayments:

		Weighted average effective interest rate 實際利率 加權平均數 %	Less than 1 month 少於1個月 HK\$'000 千港元	1-3 months 1至3個月 HK\$'000 千港元	3 months to 1 year 3個月至1年 HK\$'000 千港元	Total undiscounted cash flows 未折現 現金流量合計 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 31 December 2019	於2019年12月31日	3.95	3,677,156	101,120	246	3,778,522	3,770,485
As at 31 December 2018	於2018年12月31日	3.34	4,905,124	284,593	27,517	5,217,234	5,206,987

38. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金表(續)

附帶應要求還款條款之銀行借貸按上述到期日分析計入「應要求還款或少於1個月」之期間。於2019年及2018年12月31日，該等銀行貸款之未折現本金總額分別為3,770,485,000港元及5,206,987,000港元。考慮到本集團之財務狀況，董事相信，銀行不大可能行使酌情權，要求本集團即時還款。董事相信，該等銀行借貸將於本報告日期之後根據貸款協議所載之既定還款日期償還如下：

附帶應要求還款條款之銀行借貸按其既定還款期：



38. FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Fair value

Fair value measurements recognised in the statement of financial position

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ Financial liabilities 金融資產／金融負債	Fair value as at 31 December 2019 於2019年12月31日 之公允值	Fair value hierarchy 公允值級別	Valuation techniques and key inputs 估值方式及主要依據
Foreign currency forward contracts classified as derivative financial instruments in the consolidated statement of financial position 外幣遠期合約於綜合財務狀況表分類為衍生金融工具	Liabilities – HK\$3,000 負債— 3,000港元	Level 2 第2級	Future discounted cash flows are estimated based on the applicable forward foreign exchange rates 未來折現現金流量乃基於適用外幣遠期匯價估算
Financial assets/ Financial liabilities 金融資產／金融負債	Fair value as at 31 December 2018 於2018年12月31日 之公允值	Fair value hierarchy 公允值級別	Valuation techniques and key inputs 估值方式及主要依據
Foreign currency forward contracts classified as derivative financial instruments in the consolidated statement of financial position 外幣遠期合約於綜合財務狀況表分類為衍生金融工具	Liabilities – HK\$3,543,000 負債— 3,543,000港元	Level 2 第2級	Future discounted cash flows are estimated based on the applicable forward foreign exchange rates 未來折現現金流量乃基於適用外幣遠期匯價估算

The directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

38. 金融工具(續)

(iii) 公允值

於財務狀況表確認之公允值計量

本附註提供本集團如何釐定不同金融資產及金融負債公允值之資料。

本集團某些金融資產及金融負債於各報告期末按公允值計量。下表提供如何釐定該等金融資產及金融負債公允值的資料(尤其估計方式及所使用之依據)。

董事認為於綜合財務報表金融資產及金融負債按攤銷成本呈報之賬面值相若其公允值。



38. FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

As at 31 December 2019

38. 金融工具(續)

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債

下表披露包括於可執行總淨額結算安排或類似協議項下之金融資產及金融負債，並已涵蓋類似金融工具，不論其是否已於本集團綜合財務狀況表對銷。

待對銷、可執行總淨額結算安排及類似協議項下之金融資產

於2019年12月31日

Description	摘要	Gross amount of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position			
		於綜合財務狀況表對銷之已確認金融資產總額	於綜合財務狀況表呈示之金融資產淨額	Financial instruments	Cash collateral received	Net amount	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Bank balances	銀行結餘	717	—	717	—	—	737



38. FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements (Continued)

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

As at 31 December 2019

38. 金融工具(續)

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債(續)

待對銷、可執行總淨額結算安排及類似協議項下之金融負債

於2019年12月31日

Description	摘要	Gross amount	Net amounts	Related amounts not set off			Net amount
		of recognised financial assets set off in the consolidated statement of financial position	of financial liabilities presented in the consolidated statement of financial position	in the consolidated statement of financial position			
		Gross amounts of recognised financial liabilities	financial position	financial position	Financial instruments	Cash collateral pledged	
		已確認金融負債總額	於綜合財務狀況表對銷之已確認金融資產總額	於綜合財務狀況表呈示之金融負債淨額	衍生金融工具	現金抵押品	淨額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Derivative financial liabilities	衍生金融負債						
- Foreign currency forward contracts	- 外幣遠期合約	(3)	—	(3)	—	—	(3)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

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

38. FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements (Continued)

As at 31 December 2018

Description	摘要	Gross amount	Net amounts	Related amounts not set off			Net amount
		of recognised financial assets set off in the consolidated statement of financial position	of financial liabilities presented in the consolidated statement of financial position	in the consolidated statement of financial position			
		Gross amounts of recognised financial liabilities	financial position	financial position	Financial instruments	Cash collateral pledged	
		已確認金融負債總額	於綜合財務狀況表對銷之已確認金融資產總額	於綜合財務狀況表呈示之金融負債淨額	衍生金融工具	現金抵押品	淨額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Derivative financial liabilities	衍生金融負債						
– Foreign currency forward contracts	– 外幣遠期合約	(3,543)	—	(3,543)	—	—	(3,543)

38. 金融工具(續)

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債(續)

於2018年12月31日



39. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings, which fall due as follows:

		2018 HK\$'000 千港元
Within one year	一年內	15,827
In the second to fifth year inclusive	第二至第五年內	7,987
Over five years	超過五年	2,752
		26,566

Operating lease payments represent rentals payable by the Group for staff quarters and certain of its office properties. For staff quarters and office properties, leases are negotiated for terms ranged from 1 year to 10 years with fixed rentals.

The Group as lessor

During the year ended 31 December 2019, rental income in respect of industrial properties, office spaces, certain shops and staff quarters and plant and machinery in the PRC was HK\$58,919,000 (2018: HK\$62,350,000), net of negligible outgoings. Leases are within one to ten years.

39. 經營租約

集團作為承租人

於報告期末，本集團根據不可撤銷的土地及樓宇經營租約於日後承擔的最低租賃付款如下：

	2018 HK\$'000 千港元
Within one year	15,827
In the second to fifth year inclusive	7,987
Over five years	2,752
	26,566

經營租賃款項指本集團就員工宿舍及其若干辦公室物業應付的租金。員工宿舍及辦公室物業經磋商租期由一年至十年，期內租金不變。

集團作為出租人

於截至2019年12月31日止年度，有關中國的工業物業、辦公室、若干商舖和員工宿舍及廠房及機器的租金收入(經扣除微不足道之開支)為58,919,000港元(2018年：62,350,000港元)。租賃期為一年至十年。



39. OPERATING LEASES (CONTINUED)

The Group as lessor (Continued)

Minimum lease payments receivable on leases are as follows:

		2019 HK\$'000 千港元
Within one year	一年內	55,889
In the second year	於第二年	57,425
In the third year	於第三年	53,294
In the fourth year	於第四年	54,646
In the fifth year	於第五年	55,392
After five years	於五年後	149,630
		426,276

The Group had contracted with tenants for the following future minimum lease payments:

		2018 HK\$'000 千港元
Within one year	一年內	54,549
In the second to fifth years inclusive	第二至第五年內	217,468
After five years	超過五年	190,531
		462,548

39. 經營租約(續)

集團作為出租人(續)

租賃之應收最低租賃付款如下：

本集團已與租戶簽訂合約的日後最低租賃付款為：

40. CAPITAL COMMITMENTS

40. 資本承擔

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Capital expenditures contracted for but not provided in the consolidated financial statements in respect of acquisition of:	就已訂約但未於綜合財務報表中撥備有關下列購置的資本開支：		
– property, plant and equipment	– 物業、廠房及設備	3,194,166	2,358,009
– land use rights	– 土地使用權	135,121	241,021
		3,329,287	2,599,030



41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

41. 核對融資活動產生的負債

下表詳細列出本集團由融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債是指現金流量或未來現金流量被分類在本集團之綜合現金流量表內融資活動所得之現金流量。

		Lease liabilities 租賃負債	Bank borrowings 銀行借貸	Dividend payable 應付股息	Distribution payable on perpetual capital securities 永續資本證券應付分派	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於2018年1月1日	—	15,077,704	—	—	15,077,704
Financing cash flows	融資現金流量	—	(1,287,209)	(1,776,104)	—	(3,063,313)
Declaration of dividend	宣派股息	—	—	1,776,104	—	1,776,104
At 31 December 2018	於2018年12月31日	—	13,790,495	—	—	13,790,495
Adjustment upon application of HKFRS 16	應用香港財務報告準則第16號之調整	10,465	—	—	—	10,465
At 1 January 2019 (restated)	於2019年1月1日 (經重列)	10,465	13,790,495	—	—	13,800,960
Finance cost recognised (Note 10)	財務成本確認(附註10)	3,174	—	—	—	3,174
Additions	增加	51,002	—	—	—	51,002
Exchange realignment	匯兌重新組合	(900)	—	—	—	(900)
Financing cash flows	融資現金流量	(10,349)	(1,454,948)	(1,225,577)	(64,721)	(2,755,595)
Declaration of dividend	宣派股息	—	—	1,225,577	—	1,225,577
Distribution of perpetual capital securities	永續資本證券分派	—	—	—	64,721	64,721
At 31 December 2019	於2019年12月31日	53,392	12,335,547	—	—	12,388,939



42. NON-CASH TRANSACTIONS

For the year ended 31 December 2019, the Group's acquisition of property, plant and equipment was settled through transfer of deposits paid in the prior years to the extent of HK\$505,415,000 (2018: HK\$93,210,000).

For the year ended 31 December 2018, the Group's acquisition of prepaid lease payments was settle through transfer of deposits paid in the prior years to the extent of HK\$54,649,000.

43. INFORMATION OF FINANCIAL POSITION OF THE COMPANY

A summarised statement of financial position of the Company as at 31 December 2019 and 2018 is as follows:

42. 非現金交易

截至2019年12月31日止年度，本集團購置物業、廠房及設備當中505,415,000港元(2018年：93,210,000港元)乃從過往年度的已付訂金轉撥。

截至2018年12月31日止年度，本集團購置預付租賃款項當中54,649,000港元乃從過往年度的已付訂金轉撥。

43. 本公司財務狀況資料

本公司於2019年及2018年12月31日之財務狀況表概述如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Non-current asset	非流動資產		
Investments in subsidiaries	附屬公司投資	637,977	637,977
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	13,536,657	12,315,476
Other receivables	應收其他賬款	1,946	10
Bank balances	銀行結餘	1,552,805	2,567
		15,091,408	12,318,053
Current liabilities	流動負債		
Other payables	應付其他賬款	5,749	4,759
Amount due to a subsidiary	應付附屬公司款項	7,455,134	9,746,700
		7,460,883	9,751,459
Net current assets	流動資產淨值	7,630,525	2,566,594
		8,268,502	3,204,571
Share capital	股本	109,170	109,723
Reserves (Note)	儲備(附註)	5,901,239	3,094,848
Perpetual capital securities	永續資本證券	2,258,093	—
Total equity	總權益	8,268,502	3,204,571



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綜合財務報表附註(續)

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

43. INFORMATION OF FINANCIAL POSITION OF
THE COMPANY (CONTINUED)

43. 本公司財務狀況資料(續)

Note: Movements in reserves

附註：儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Share repurchase reserve 股份購回儲備 HK\$'000 千港元	Retained profits 留存盈利 HK\$'000 千港元	Total reserve 總儲備 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	1,869,192	634,977	—	188,819	2,692,988
Shares repurchased and cancelled	股份購回及註銷	(946,181)	—	(17,236)	—	(963,417)
Profit for the year	年度盈利	—	—	—	3,141,381	3,141,381
Dividends recognised as distributions	確認為分派之股息	(892,153)	—	—	(883,951)	(1,776,104)
At 31 December 2018	於2018年12月31日	30,858	634,977	(17,236)	2,446,249	3,094,848
Shares repurchased and cancelled	股份購回及註銷	—	—	17,236	(111,316)	(94,080)
Profit for the year	年度盈利	—	—	—	4,126,048	4,126,048
Dividends recognised as distributions	確認為分派之股息	—	—	—	(1,225,577)	(1,225,577)
At 31 December 2019	於2019年12月31日	30,858	634,977	—	5,235,404	5,901,239

The contributed surplus of the Company represents the difference between the aggregate net tangible assets of the subsidiaries acquired by the Company pursuant to a group reorganisation in September 2003 and the nominal value of the Company's shares issued for the acquisition.

本公司之實繳盈餘乃本公司透過2003年9月之集團重組所收購之附屬公司之有形資產淨值總額與本公司就該收購而發行之股本面值之差額。



44. RELATED AND CONNECTED PARTY DISCLOSURES

During the year, the Group had significant transactions with related parties, certain of which are also deemed to be connected parties pursuant to the Listing Rules. Significant transactions with these parties during the year are as follows:

(i) Related and connected party transactions

44. 相關及關連人士披露

年內，本集團與相關人士(若干人士亦同時根據上市規則被視作為關連人士)進行重大交易。年內與該等人士進行的重大交易如下：

(i) 相關及關連人士交易

Name of party 關連人士名稱	Nature of transactions 交易性質	2019 HK\$'000 千港元	2018 HK\$'000 千港元
LMIML (as defined in note 26) 理文實業(定義見附註26)	Finished goods sold by the Group 集團出售製成品	33,311	84,079
	Income from supply of steam and electricity 提供蒸氣及電力之收入	1,637	2,249
	Raw materials purchased by the Group 集團購買原料	3,061	3,035
Lee & Man Paper Products Company Limited (note a) 理文紙品有限公司(附註a)	Licence fee expenses incurred by the Group 集團許可權費支出	1,903	1,987
LMC Group (as defined in note 26) 理文化工集團(定義見附註26)	Income from supply of steam and electricity 提供蒸氣及電力之收入	71,490	74,600
	Raw materials purchased by the Group 集團購買原料	91,383	108,375
	Rental income in respect of office spaces 辦公室租金收入	1,849	1,928
	Steam and electricity fee paid by the Group 集團已付蒸氣及發電服務費	70,779	72,030
	Rental fee paid by the Group 集團已付租金	2,156	2,509
Winfibre Group (note b) Winfibre 集團(附註b)	Agent fee paid by the Group 集團已付代理費	56,121	—
On Wah (as defined in note 26) 安華(定義見附註26)	Raw materials purchased by the Group 集團購買原材料	27,090	—



44. RELATED AND CONNECTED PARTY DISCLOSURES (CONTINUED)

(i) Related and connected party transactions (Continued)

notes:

- (a) The company is indirectly wholly owned by the spouse of Mr. Li King Wai Ross, who is also a daughter of Dr. Lee Wan Keung Patrick, a substantial shareholder of the Company. Mr. Li King Wai Ross is a director of the Company.
- (b) The companies are ultimately controlled by Mr. Ng Yu Hung, a step brother of Dr. Lee Wan Keung Patrick, a substantial shareholder of the Company.

(ii) Related and connected party balances

Details of the Group's outstanding balances with related parties who are also the connected parties are set out in the consolidated statement of financial position and note 26.

(iii) Compensation of key management personnel

The remunerations of the directors and other members of key management during the year were as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Short-term benefits	短期福利	41,158	41,695
Post-employment benefits	退休福利	36	18
		41,194	41,713

44. 相關及關連人士披露(續)

(i) 相關及關連人士交易(續)

附註：

- (a) 該公司為李經緯先生之配偶彼亦為本公司主要股東李運強博士之女兒間接全資擁有。李經緯先生為本公司董事。
- (b) 該等公司由本公司主要股東李運強博士之繼兄弟伍于鴻先生最終控制。

(ii) 相關及關連人士結餘

本集團與相關人士同時亦為關連人士之未償還結餘詳情載於綜合財務狀況表及附註26。

(iii) 主要管理層成員薪酬

董事及其他主要管理層成員於年內之酬金如下：



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45. PARTICULARS OF PRINCIPAL SUBSIDIARIES
OF THE COMPANY

Details of the Company's principal subsidiaries at 31 December 2019 and 2018 are as follows:

45. 本公司主要附屬公司詳情

本公司主要附屬公司於2019年及2018年12月31日的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/registration and operations 註冊成立/設立/ 登記及營運地點	Nominal value of issued and fully paid share capital/ registered capital 已發行及繳足股本面值/ 註冊資本	Proportion ownership interest held by the Company 本公司所持擁有權比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2019	2018	2019	2018	
Able Advance International Limited	British Virgin Islands (note i) 英屬處女群島(附註i)	Ordinary shares – US\$4 普通股 – 4美元	100%	100%	—	—	Investment holding 投資控股
Lee & Man Industries Company Limited	British Virgin Islands (note i) 英屬處女群島(附註i)	Ordinary share – US\$1 普通股 – 1美元	—	—	100%	100%	Investment holding 投資控股
Vantage Dragon Limited 利龍有限公司	Hong Kong 香港	Ordinary shares – HK\$2 普通股 – 2港元	—	—	100%	100%	Investment holding 投資控股
Million Profit Corporation Limited 萬潤興業有限公司	Hong Kong 香港	Registered capital – HK\$100 普通股 – 100港元	—	—	100%	100%	Investment holding 投資控股
Lee Kwok (Macao Commercial Offshore) Trading Limited 利國(澳門離岸商業服務)貿易 有限公司	Macau 澳門	MOP100,000 澳門幣100,000元	—	—	100%	100%	Procurement of raw materials 採購原料
Wang Kei (Macao Commercial Offshore) Trading Limited 宏基(澳門離岸商業服務)貿易有限公司	Macau 澳門	MOP100,000 澳門幣100,000元	—	—	100%	100%	Procurement of raw materials 採購原料
(Dongguan Lee & Man Paper Factory Co. Ltd.) 東莞理文造紙廠有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$156,480,000 註冊資本 – 156,480,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
(Guangdong Lee & Man Paper Manufacturing Limited) 廣東理文造紙有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$680,000,000 註冊資本 – 680,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
(Jiangsu Lee & Man Paper Manufacturing Company Limited) 江蘇理文造紙有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$393,000,000 註冊資本 – 393,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
(Chongqing Lee & Man Paper Manufacturing Limited) 重慶理文造紙有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$322,430,000 註冊資本 – 322,430,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易



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45. PARTICULARS OF PRINCIPAL SUBSIDIARIES
OF THE COMPANY (CONTINUED)

45. 本公司主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/registration and operations 註冊成立/設立/ 登記及營運地點	Nominal value of issued and fully paid share capital/ registered capital 已發行及繳足股本面值/ 註冊資本	Proportion ownership interest held by the Company 本公司所持擁有權比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2019	2018	2019	2018	
(Chongqing Lee & Man Pulp Manufacturing Limited) 重慶理文制漿有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$172,830,000 註冊資本–172,830,000美元	—	—	100%	100%	Manufacturing and trading of pulp 製漿生產及貿易
(Jiangxi Lee & Man Paper Manufacturing Limited) 江西理文造紙有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$100,000,000 註冊資本–100,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
(Chongqing Lee & Man Tissue Manufacturing Limited) 重慶理文衛生用紙製造有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$425,000,000 註冊資本–425,000,000美元	—	—	100%	100%	Manufacturing and trading of tissue products 衛生紙產品生產及貿易
Vietnam Lee & Man Paper Manufacturing Limited	Vietnam 越南	Registered capital – US\$300,000,000 註冊資本–300,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
Grand Fortress Global Limited 盛堡環球有限公司	British Virgin Islands (note i) 英屬處女群島(附註i)	Ordinary shares – US\$100 普通股–100美元	—	—	100%	100%	Investment holding 投資控股

notes:

- (i) These companies operate in Hong Kong.
- (ii) These companies are foreign investment enterprises established in the PRC.

附註：

- (i) 該等公司在香港運作。
- (ii) 該等公司為在中國成立之外商投資企業。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表列出據董事認為主要影響本集團業績或資產與負債的本公司附屬公司。董事認為，列出其他附屬公司的詳情會使本附註過於冗長。

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

於年末或年內任何時間，各附屬公司概無任何未償還的債務證券。



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