



CHINA TING GROUP

華鼎集團

Stock Code 股份代號 : 3398

Annual Report 2020 年報





CONTENTS 目錄

Financial Highlights 財務摘要	3
Corporate Information 公司資料	6
Chairman's Statement 主席報告	11
Management Discussion and Analysis 管理層討論及分析	15
Directors and Senior Management 董事及高層管理人員	24
Corporate Governance Report 企業管治報告	31
Corporate Risk Management and Internal Control Report 企業風險管理與內部控制報告	43
Report of the Directors 董事會報告	51
Independent Auditor's Report 獨立核數師報告	65
Consolidated Balance Sheet 綜合資產負債表	75
Consolidated Statement of Comprehensive Income 綜合全面收入表	77
Consolidated Statement of Changes in Equity 綜合權益變動報表	79
Consolidated Statement of Cash Flows 綜合現金流量報表	81
Notes to the Consolidated Financial Statements 綜合財務報表附註	82
Five-year Financial Summary 五年財務概要	190
Schedule of Principal Investment Properties 主要投資物業表	192





FINANCIAL HIGHLIGHTS

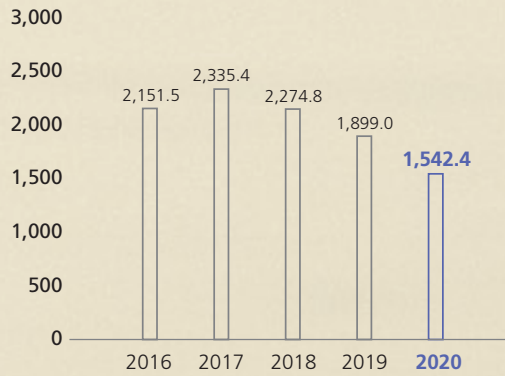
財務摘要

Financial Highlights

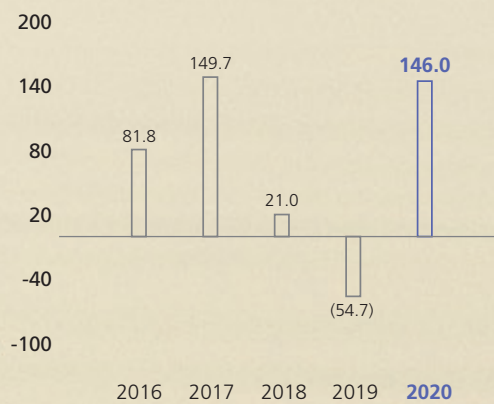
財務摘要

		Year ended 31 December		
		截至十二月三十一日止年度		
		2020	2019	
		二零二零年	二零一九年	
		HK\$ million	HK\$ million	Change
		百萬港元	百萬港元	變動
Revenue	收入			
OEM Business	原設備製造業務	1,138.3	1,459.5	(22.0)
Fashion Retail Business	時裝零售業務	382.1	420.2	(9.1)
Property Investment Business	物業投資業務	22.0	19.3	14.0
		1,542.4	1,899.0	(18.8)
Operating profit/(loss)	經營溢利/(虧損)	297.6	(29.7)	N/A不適用
Profit/(Loss) attributable to the Company's equity holders	本公司股權持有人應佔溢利/(虧損)	146.0	(54.7)	N/A不適用
Equity attributable to the Company's equity holders	本公司股權持有人應佔權益	2,843.3	2,514.5	
Equity per share (HK\$)	每股權益(港元)	1.35	1.20	

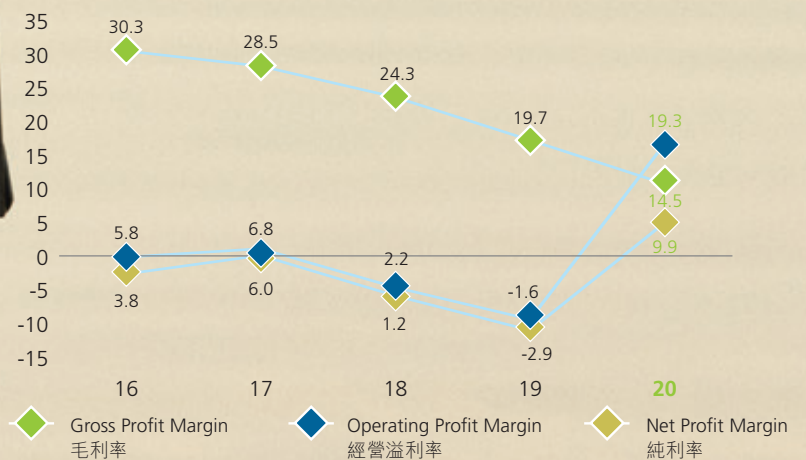
Revenue (HK\$'million)
收入(百萬港元)



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

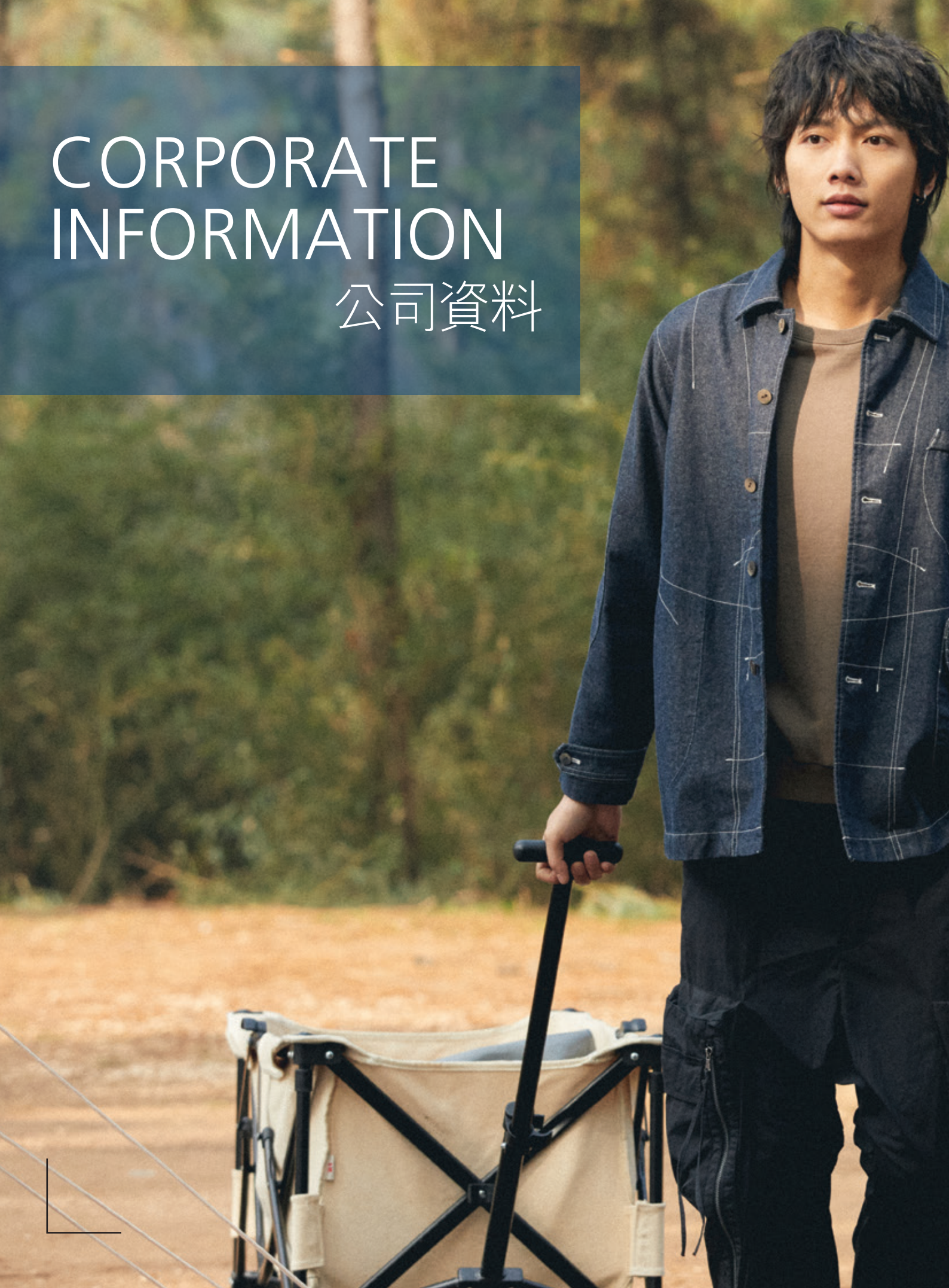


Margins
溢利率



CORPORATE INFORMATION

公司資料





Executive Directors

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

Independent Non-executive Directors

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

Notes:

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

Company Secretary and Qualified Accountant

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

Authorized Representatives

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

Head Office and Principal Place of Business in Hong Kong

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

Registered Office

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

Company Website

www.chinating.com.hk

Principal Bankers

Nanyang Commercial Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

Legal Adviser

Squire Patton Boggs

執行董事

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

獨立非執行董事

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

附註：

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

公司秘書及合資格會計師

鄭浩龍先生 *CPA, FCCA*

授權代表

丁雄尔先生
鄭浩龍先生 *CPA, FCCA*

香港總辦事處暨主要營業地點

香港
九龍觀塘
敬業街55號
皇廷廣場27樓

註冊辦事處

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

公司網站

www.chinating.com.hk

主要往來銀行

南洋商業銀行有限公司
香港上海滙豐銀行有限公司

法律顧問

翰宇國際律師事務所

Auditor

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor

Principal Share Registrar

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

Hong Kong Branch Share Registrar

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

2021 Annual General Meeting

3 June 2021

Closure of Register of Members

For the Annual General Meeting

— From 31 May 2021 to 3 June 2021 (both days inclusive)

核數師

羅兵咸永道會計師事務所
執業會計師及註冊公共利益實體核數師

股份過戶登記總處

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

股份過戶登記處香港分處

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

二零二一年股東週年大會

二零二一年六月三日

暫停辦理股份過戶登記手續

就股東週年大會而言

— 從二零二一年五月三十一日至二零二一年六月三日(包括首尾兩日)







CHAIRMAN'S STATEMENT

主席報告



On behalf of the board of directors of China Ting Group Holdings Limited, I hereby present the annual operation report of the Company and its subsidiaries for 2020.

In 2020, the unexpected novel coronavirus pandemic (“COVID-19”) swept the world, causing the worst global economic recession since the Great Depression in 1930, with all the world’s major economies, except China, recording negative GDP growth. Since the major customer base of the Group concentrated in the United States, the country worst hit by the pandemic, the Group’s OEM/ODM business fell off a cliff since the beginning of 2020. Although the US and European markets restarted subsequently, and transactions partially resumed in stages, the overall market remained sluggish and customers placed orders very cautiously, resulting in a sharp decline in foreign OEM business. In response to the decline in foreign trade, the trading department of the Group exerted active efforts to develop domestic customers and achieved an outstanding progress. 2020 is a year in which the Group’s domestic trade business surpassed foreign trade business for the first time ever, and also a year which featured the widest range of customer type in the Group’s history, laying a solid foundation for the diversification of the Group’s trade customers in the future, and literally marked the first year of transformation and upgrading for the Group’s OEM/ODM business.

Against the backdrop of the outstanding fight against COVID-19 in China, the domestic retail market regained its vitality early. In terms of brand retail business, the Group continued to increase its investment in e-commerce business, especially the live streaming e-commerce business. Meanwhile, it enhanced the cooperation with consignees to strengthen the capabilities of expanding physical channels. At the same time, the Group also made new achievements in brand introduction, and entered into brand operation agreements with JOTT, a French down brand, and VOLCOM, a professional ski and surf brand, thereby further broadening the Group’s portfolio of retail brands. In 2020, the Group managed to record a growth in both the number of brand stores and brand performance against the adverse trend.

Affected by a series of factors such as demolition and relocation by the government and tightening of environmental protection policies, the share of the Group’s business of weaving, as well as printing and dyeing businesses continued to shrink. The Group’s industrial park operation business segment, however, experienced a rapid growth, with more than 80% of the space leased out by the end of 2020, generating a stable source of income. Looking forward, the Group will continue to step up its efforts on the upgrade and modification of industrial parks and improve the investment solicitation and operation capabilities of them.

2020 is a difficult year. I would like to take this opportunity to thank all our shareholders for their confidence in and support for us, and to express my gratitude to our management team and staff for their diligent and hard work as always. In 2021, we will continue to devote united and joint efforts for the future development of China Ting.

TING MAN YI
Chairman

Hong Kong
26 March 2021

本人代表華鼎集團控股有限公司董事會，呈列本公司及其附屬公司的二零二零年度營運報告。

2020年，新冠疫情突如其來的席捲全球，造成自1930年大蕭條以來最嚴重的全球經濟衰退，全球主要經濟體除中國以外，GDP增長值均為負數。我集團最主要的客戶群體集中於疫情最嚴重的美國，因此自2020年初始，OEM／ODM業務就遭遇了斷崖式的下跌。雖後期美歐市場重啟，階段性、局部性的恢復交易，但總體市場活躍度不高，客戶下單非常謹慎，OEM外貿業務大幅度下滑。為了應對外貿頹勢，集團貿易部門積極開展國內客戶開拓工作，並取得了卓有成效的進展。2020年是集團歷史上，內貿業務首次超越外貿業務的一年，也是集團歷史上，客戶種類最豐富的一年，為集團未來貿易客戶多元化打下了堅實的基礎，是集團OEM／ODM真正意義上轉型升級的元年。

在國內抗疫形勢一片大好的背景之下，中國的零售市場較早的恢復了活力，品牌零售業務方面，集團繼續加大對電子商務業務的投入，特別是直播電商業務；同時加強與聯營商的合作，增強實體渠道的拓展能力；與此同時，集團在品牌引進方面也有了新的收穫，與法國羽絨品牌JOTT，專業滑雪及衝浪品牌VOLCOM達成了品牌運營協議，進一步拓寬了集團的零售品牌矩陣；在2020年實現品牌門店數量和品牌業績的逆勢成長。

織造業務和印染業務受到政府拆遷和環境保護政策收緊等一系列因素的影響，在集團業務份額中所佔比例持續縮減；但與此同時集團的園區運營業務板塊在快速成長，在2020年底已實現80%以上空間出租，並獲得了穩定的收入來源。集團未來將繼續加大園區升級改造的力度，和提升園區招商運營的水平。

2020年是艱難的一年，本人亦藉此機會感謝全體股東對我們的信心和支持，同時對管理團隊和員工的勤奮努力致以謝意。2021年我們將繼續團結在一起，為華鼎未來的發展共同努力。

丁敏兒
主席

香港
二零二一年三月二十六日



Smile it's
VOLCOM

VOLCOM
GORE-TEX



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



(1) Business Review

In 2020, the coronavirus disease 2019 (the “COVID-19”) pandemic plagued the global economy severely, and the blockade measures implemented by various countries and territories had brought the global economy to halt. As a result, the unemployment rate soared, and the gross domestic product (GDP) in the PRC commenced to decline in the second quarter of 2020. Although the GDP took on a sharp rebound in the third quarter with the blockade lifted and the economy restarted after the pandemic eased, a strike back of the pandemic occurred thereafter, which has caused the economic activities to contract again in the fourth quarter and resulting in a remarkable slowdown of the economic recovery. According to the World Economic Outlook released by the International Monetary Fund in October 2020, the global economy is expected to shrink by 4.4% in 2020, representing the most severe recession since the Great Depression in the 1930s in the United States. Driven by the “internal circulation” economic initiative, the domestic economy in China managed to achieve a positive growth in the second quarter with an annual GDP growth of 1.9%, yet it was still much lower than expectation due to the unfavourable impact of the international economic environment.

(1) 業務回顧

二零二零年，2019新型冠狀病毒肺炎（「新冠肺炎疫情」）重創全球經濟，各國封鎖措施一度使全球經濟停擺，失業率飆升，中國國內生產總值（GDP）於二零二零年第二季度開始下跌；疫情緩解後解封重啟經濟雖然使三季度GDP大幅反彈，但也造成疫情反撲，四季度經濟活動再次收縮，令經濟復甦明顯減緩。根據國際貨幣基金組織於二零二零年十月發佈的《全球經濟展望》，二零二零年全球經濟預計將萎縮4.4%，為上世紀30年代美國大蕭條以來最嚴重的衰退。中國國內經濟在「內循環」經濟舉措的拉動之下，雖然在第二季度就實現了正增長，全年GDP增幅1.9%，但也因為國際經濟環境的不利影響，GDP增幅遠低於預期水平。

Because of the COVID-19 pandemic, the Group's OEM/ODM business experienced a cliff-like decline in the foreign trade orders in the first quarter. Although the Group put significant efforts on the development of customers in the domestic market, it still failed to make up for the decrease in the orders of the global market. The OEM/ODM business recorded a decline of 22.0% in total sales. In addition, due to the construction of a government initiated infrastructure project in Hangzhou, part of the land owned by six subsidiaries of the Company was expropriated and the production activities at the factory plants have been relocated. The Group has received compensation from the PRC government and by the end of December 2020, the Group's production activities have been resumed to the normal levels.

The year of 2020 was also challenging for the retail business. The domestic market in the PRC was paralyzed from February to May 2020. Although the domestic consumption in the PRC experienced slight rebound, it was not back to the normal levels. Against this unfavourable trend, the retail team of China Ting focused on the brand building connotation, improving the team capability, controlling the level of inventory and strengthening the sales channels. By the end of 2020, China Ting has opened nearly 100 new stores and seized the opportunities to enhance our market position. It is foreseeable that the newly opened stores will make contributions to our revenue in the future. Looking back on the whole year, the retail business revenue amounted to HK\$382.1 million, representing a year-on-year decrease of 9.1%.

(2) Financial Review

Review of operations

During the year ended 31 December 2020, the Group's revenue amounted to HK\$1,542.4 million, representing a decrease of 18.8% when compared with the total revenue of the Group of HK\$1,899.0 million in 2019. The gross profit for the year ended 31 December 2020 was HK\$223.7 million, representing a decrease of 40.3% as compared with HK\$374.4 million in 2019. The net profit attributable to equity holders of the Company for the year ended 31 December 2020 was HK\$146.0 million and the net asset value per share as at 31 December 2020 was HK\$1.35.

集團OEM/ODM業務在新冠肺炎疫情的影響下，外貿訂單在第一季度經歷了斷崖式下降，雖然集團針對國內市場進行了大力度的客戶開發，仍無法彌補全球市場訂單的下滑，OEM/ODM業務總銷售額下滑22.0%；另外，因杭州政府倡議的基礎設施項目修築，本公司六家附屬公司所擁有的部分土地被徵收，廠房生產活動被遷移。集團自中國政府收到補償金，至二零二零年十二月底，集團的生產活動恢復至正常水平。

二零二零年對於零售業務也是充滿挑戰的一年。中國國內市場於二零二零年二月至五月處於癱瘓狀態，中國國內消費雖有輕微反彈，但未恢復至正常水平。在逆勢之下，華鼎的零售團隊著力做好品牌內涵塑造，團隊能力提升，庫存管控及銷售渠道建設4項工作。截止二零二零年底，華鼎新開店舖近100家，把握機遇提升市場地位，並可預見新開店舖將會在未來為我們貢獻收入。回顧全年，零售業務收入為382.1百萬港元，同比下降9.1%。

(2) 財務回顧

營運回顧

截至二零二零年十二月三十一日止年度，本集團的收入為1,542.4百萬港元，較二零一九年的本集團總收入1,899.0百萬港元下跌18.8%。截至二零二零年十二月三十一日止年度，毛利為223.7百萬港元，較二零一九年374.4百萬港元下降40.3%。截至二零二零年十二月三十一日止年度的本公司股權持有人應佔淨溢利為146.0百萬港元，而於二零二零年十二月三十一日的每股資產淨值為1.35港元。

OEM and ODM business

During the year ended 31 December 2020, the revenue derived from our OEM/ODM business recorded a decrease of 22.0% from HK\$1,459.5 million in 2019 to HK\$1,138.3 million in 2020. Products made from silk, cotton and synthetic fabrics continue to be the major products which contributed HK\$881.6 million (2019: HK\$1,234.2 million), representing 77.4% (2019: 84.5%) of the total turnover of our OEM/ODM business for the year ended 31 December 2020.

In respect of market concentration, sales to the market in the United States of America ("US") amounted to HK\$494.8 million in 2020 (2019: HK\$683.2 million), which accounted for 43.5% (2019: 46.8%) of the OEM/ODM revenue. Sales to European Union and other markets in 2020 were HK\$174.9 million (2019: HK\$219.4 million) and HK\$468.6 million (2019: HK\$557.6 million), respectively.

Fashion retail business

During the year ended 31 December 2020, the retail sales of the Group amounted to HK\$382.1 million, representing a decrease of 9.1% when compared with the revenue of HK\$420.2 million in 2019. Finity, the major brand of the Group, contributed HK\$220.9 million to the retail business, representing an increase of 0.2% as compared with HK\$220.4 million for the year 2019.

In terms of retail revenue analysis by sales channels, sales from concessionary counters amounted to HK\$111.4 million (2019: HK\$175.2 million), accounting for 29.2% of total retail turnover for the year ended 31 December 2020. Sales from e-commerce, freestanding stores and franchisees for the year ended 31 December 2020 amounted to HK\$179.8 million (2019: HK\$152.9 million), HK\$7.9 million (2019: HK\$15.6 million) and HK\$83.0 million (2019: HK\$75.8 million), respectively.

原設備製造及原設計製造業務

截至二零二零年十二月三十一日止年度，來自本集團原設備製造／原設計製造業務的收入錄得下跌22.0%，由二零一九年的1,459.5百萬港元減少至二零二零年的1,138.3百萬港元。截至二零二零年十二月三十一日止年度，以絲綢、棉及合成纖維製造的產品繼續為主要產品，帶來881.6百萬港元（二零一九年：1,234.2百萬港元）收入，佔本集團原設備製造／原設計製造業務總營業額77.4%（二零一九年：84.5%）。

在市場集中情況方面，於二零二零年，往美利堅合眾國（「美國」）市場的銷售額為494.8百萬港元（二零一九年：683.2百萬港元），佔原設備製造／原設計製造業務收入43.5%（二零一九年：46.8%）。於二零二零年，往歐盟及其他市場的銷售額分別為174.9百萬港元（二零一九年：219.4百萬港元）及468.6百萬港元（二零一九年：557.6百萬港元）。

時裝零售業務

截至二零二零年十二月三十一日止年度，本集團零售額為382.1百萬港元，較二零一九年的收入420.2百萬港元下跌9.1%。本集團的主要品牌Finity為零售業務帶來220.9百萬港元，較二零一九年的220.4百萬港元增長0.2%。

按銷售渠道對零售收入作出之分析，截至二零二零年十二月三十一日止年度，專櫃銷售額為111.4百萬港元（二零一九年：175.2百萬港元），佔總零售營業額29.2%。截至二零二零年十二月三十一日止年度，電商、專賣店及專營代理商的銷售額分別為179.8百萬港元（二零一九年：152.9百萬港元）、7.9百萬港元（二零一九年：15.6百萬港元）及83.0百萬港元（二零一九年：75.8百萬港元）。

Property Investment Business

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

During the year ended 31 December 2020, the revenue from our property investment business amounted to HK\$22.0 million (2019: HK\$19.3 million).

Liquidity and financial resources

The Group continues to retain a solid financial position. During the year, the Group’s working capital needs were principally supported by the financial resources generated from its ordinary course of business. As of 31 December 2020, the cash and cash equivalents were HK\$577.2 million, representing an increase of 26.7% from HK\$455.6 million as of 31 December 2019. The Group had bank borrowings of HK\$270.1 million as of 31 December 2020 (2019: HK\$424.9 million). The debt to equity ratio (total borrowings as a percentage of total equity) was 9.4% (2019: 16.7%). The Directors consider that the Group has adequate financial resources to support its working capital requirement and future expansion.

(3) Business Outlook

Although the COVID-19 vaccination programs have been rolled out in a number of countries and territories, it may not be able to reduce the number of the confirmed cases in the short term, which, coupled with the emergence of mutant viruses, cause the trend of pandemic development worldwide to continue. Therefore, whether the global economy can get rid of the economic recession is uncertain. As such, the Group’s OEM/ODM business will be under the negative impact of the pandemic for a long period of time, and may not be able to recover in the very near future. Although the domestic economy in the PRC sees an overall upturn, the development remains unbalanced, with bio-medicine and health-related sectors being the main drivers for the GDP growth. However, the consumers’ income has dropped significantly compared with the previous year and the unemployment rate is also higher than that in the last year. Therefore, the OEM/ODM business aiming at the domestic market in the PRC will also be adversely affected by the macro-environment.

物業投資業務

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

截至二零二零年十二月三十一日止年度，我們物業投資業務的收入為22.0百萬港元（二零一九年：19.3百萬港元）。

流動資金及財務資源

本集團繼續保持穩固的財務狀況。年內，本集團主要以其日常業務過程中產生的財務資源支持營運資金需要。截至二零二零年十二月三十一日，現金及現金等值項目為577.2百萬港元，較二零一九年十二月三十一日的455.6百萬港元增加26.7%。截至二零二零年十二月三十一日，本集團的銀行借貸為270.1百萬港元（二零一九年：424.9百萬港元）。負債對權益比率（總借貸佔權益總額的百分比）為9.4%（二零一九年：16.7%）。董事認為本集團具備足夠財務資源支持其營運資金需求及未來擴展。

(3) 業務展望

儘管多個國家及地區已啟動疫苗接種計劃，但短期內可能無法令確診病例減少，加之變異病毒的出現，全球範圍內疫情發展的趨勢仍將繼續，全球經濟能否走出衰退仍未可知。因此集團的OEM/ODM業務將在相當長的一段時間內受到疫情的負面影響，可能無法在極短時間內恢復；中國國內經濟雖然總體向好，但是發展不平衡，主要依靠生物醫藥及健康相關板塊在快速拉動GDP增長，然而消費者收入較往年有了明顯下降，失業率也高於去年，因此針對中國國內市場的OEM/ODM業務也將受到大環境的不利影響。

Management Discussion and Analysis

管理層討論及分析

As mentioned above, due to the decline in the domestic consumption in the PRC, we focused on the development of our retail business in 2021, but at the same time, we also believe that 2021 is a year of opportunities for brand development. When all the brands worldwide are facing difficulties, we are in a better position to introduce more international brands into the PRC market, while further strengthening our brand connotation, recognition and market position through a variety of communication channels, and leveraging on consignee to continue to open 300 stores. In addition, we are also optimistic on the emerging sales method of live broadcast, and will make use of new technologies and new channels to build up the Group's branded businesses. We hope the overall economy will recover in the second half of 2021 and bring a strong rebound in the retail market.

Upon completion of the land expropriation within China Ting Industrial Park, China Ting will invest in a comprehensive upgrades and modifications of the production facilities in 2021, which is expected to improve the land utilisation rate and also reform and upgrade the industrial structure of the buildings from a simple two-storey standard plant to an industrial complex that caters for diverse needs. Such modifications would not only bring considerable property income to China Ting, but also provide sufficient space for our diversified development in future.

(4) Human Resources

As of 31 December 2020, the Group had approximately 4,000 full-time employees. Staff costs for 2020 stand at HK\$343.9 million, representing a decrease of 20.2% when compared with HK\$431.2 million for the year 2019.

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

如前所述，因中國國內消費下降，我們於二零二一年專注於發展零售業務，但同時我們也認為二零二一年是品牌發展充滿機遇的一年，在全球品牌都面臨困難的時候，我們更處於有利地位可以引入更多的國際品牌進入中國市場；同時我通過多種傳播渠道，進一步強化品牌內涵，辨識度和市場地位；利用聯營商的力量繼續開設300家店舖，同時我們也看好直播這一新興的銷售手段，將運用新技術新渠道打造集團品牌業務。期望二零二一年下半年整體經濟有所恢復，同時帶來零售市場的強勢反彈。

在華鼎工業園內徵地完成後，二零二一年華鼎將投入資金進行生產設施的全面提升改造，此次改造預期將提升土地利用效率，同時對樓宇的產業結構也進行了改造升級，由過去單純的二層式標準廠房升級成滿足多元需求的複合型產業園區。此次改造，不僅能為華鼎帶來可觀的物業收益，同時為華鼎未來多元化發展提供了空間保障。

(4) 人力資源

截至二零二零年十二月三十一日，本集團僱用約4,000名全職僱員。二零二零年的員工成本維持於343.9百萬港元，較二零一九年的431.2百萬港元下降20.2%。

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

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

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

CAPITAL EXPENDITURE AND COMMITMENTS

The Group exercised careful control over capital expenditure. The Group incurred capital expenditures of HK\$162.2 million for the year ended 31 December 2020 which was primarily used in the expansion of the China Ting International Fashion Base and the leasehold improvement of the Group's retail outlets and factories. Capital commitments contracted for but not incurred by the Group as at 31 December 2020 amounted to HK\$15.4 million, which were mainly related to the construction of the China Ting International Fashion Base.

資本開支及承擔

本集團審慎控制資本開支。截至二零二零年十二月三十一日止年度，本集團產生資本開支162.2百萬港元，主要用於擴張華鼎國際時尚產業基地及本集團裝修租賃的零售商店及工廠。於二零二零年十二月三十一日，本集團已訂約但未產生的資本承擔為15.4百萬港元，主要與建設華鼎國際時尚產業基地有關。

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Saved as disclosed in this report, there was no significant investment, material acquisition and disposal of subsidiaries during the year ended 31 December 2020.

重要投資、重大收購及附屬公司出售事項

除本報告所披露者外，截至二零二零年十二月三十一日止年度，概無任何重要投資、重大收購及附屬公司出售事項。

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATE

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

財政政策及匯率波動風險敞口

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

The sales and purchase of raw materials of the Group are mainly denominated in USD and Renminbi ("RMB"). During the period, approximately 45.6% and 54.3% of revenue were denominated in USD and RMB respectively, and approximately 11.1% and 88.9% of purchase of raw materials were denominated in USD and RMB respectively.

本集團的原材料銷售及採購主要以美元及人民幣（「人民幣」）計值。期內，收入的約45.6%及54.3%分別以美元及人民幣計值，原材料採購的約11.1%及88.9%分別以美元及人民幣計值。

Management Discussion and Analysis

管理層討論及分析

As of 31 December 2020, approximately 37.4%, 61.6% and 0.9% of cash and bank balances were denominated in USD, RMB and HK\$, respectively, and approximately 26.4% and 73.6% of bank borrowings were denominated in RMB and HK\$, respectively.

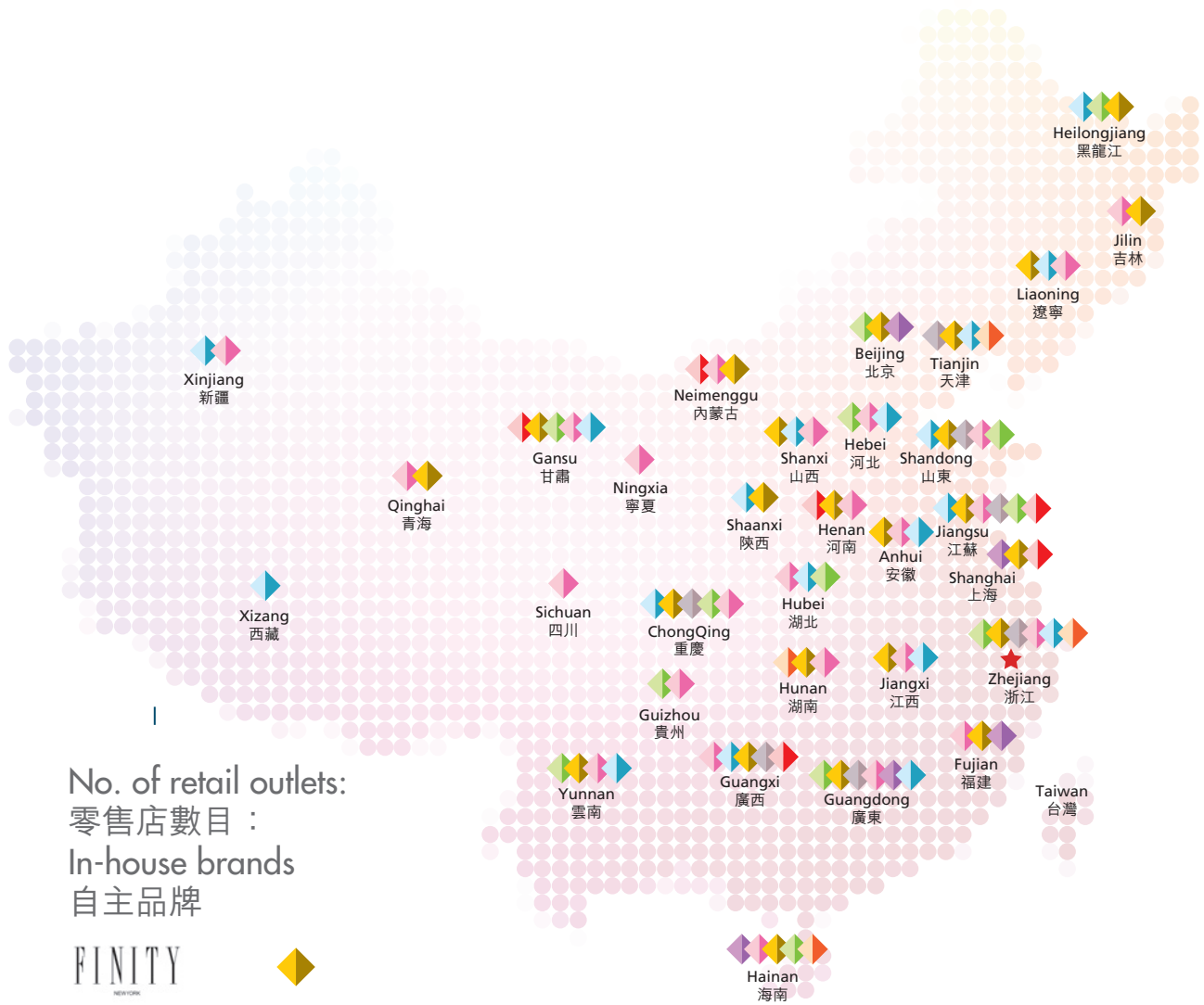
Regarding the trade disputes between China and the United States, it is expected that on-going currency fluctuation of RMB against USD is unavoidable. To minimise the impact, we will monitor the foreign currency risk closely to ensure the net exposure is at an acceptable level. The Directors may consider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

於二零二零年十二月三十一日，有約37.4%、61.6%及0.9%的現金及銀行結餘分別以美元、人民幣及港元計值，有約26.4%及73.6%的銀行借款分別以人民幣及港元計值。

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

A Nationwide Retail Network

全國性的零售網絡



No. of retail outlets:

零售店數目：

In-house brands

自主品牌

FINITY

ÉLANIE

RIVER STONE

xxx *Tenta*

SPRAYGROUND

VILEBREQUIN

VOLCOM
TRUE TO THIS

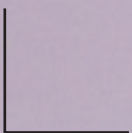
JOTT

DIRECTORS AND SENIOR MANAGEMENT

董事及高層
管理人員

Ten

TOXICITY RE ASSA





ta

ye

Directors and Senior Management

董事及高層管理人員

Executive Directors

Mr. TING Man Yi, aged 64, is the Chairman of the Group and an executive Director. He is also a director of Longerview Investments Limited (“Longerview”) and Firmsuccess Limited (“Firmsuccess”), both being substantial shareholders of the Company. Mr. TING is also a director of certain subsidiaries of the Group. Mr. TING started the business of the Group in December 1992 and has considerable experience in the silk fabric and silk garment manufacturing and trading business. Prior to establishing the initial company of the Group, Mr. TING worked for Hangzhou Silk Industrial Company (杭州市絲綢工業公司) from 1981 to 1986. Mr. TING is currently responsible for the overall strategic planning of the Group, especially overseeing the expansive manufacturing industrial complex in Hangzhou, as well as the planning and implementation of major new investments and projects of the Group. Mr. TING is the elder brother of Mr. TING Hung Yi and Mr. DING Jianer.

Mr. TING Hung Yi, aged 60 is the Chief Executive Officer of the Group and an executive Director. He is also a member of the nomination committee and the remuneration committee of the Company, a director of Longerview, In Holdings Limited (“In Holdings”) (a substantial shareholder of the Company) and certain subsidiaries of the Group. Mr. TING joined the Group in May 2002 and is principally responsible for the strategic development of the Group’s OEM, ODM, and retail businesses. Prior to joining the Group, Mr. TING was the general manager of a trading company in Hong Kong between 1991 and 2002. Mr. TING graduated from Zhejiang Sci-Tech University (浙江理工大學), formerly known as Zhejiang Institute of Silk Textiles (浙江絲綢工學院), in 1987 and has over 30 years of experience in the operations of garment export. Mr. TING is the younger brother of Mr. TING Man Yi and Mr. DING Jianer.

Mr. DING Jianer, aged 61, is an executive Director of the Group. He is also a director of Longerview, Willport Investments Limited (“Willport”) (a substantial shareholder of the Company) and certain subsidiaries of the Group. Mr. DING joined the Group in October 1996 when he was first involved in the management and business operations of Shenzhen Fuhowe Fashion Company Limited. He has considerable experience in the silk garment manufacturing business, with focus on various specific areas ranging from the operations of weaving plants, sales and marketing to printing and dyeing and is responsible for the Group’s fabric research and development along with innovative techniques. Mr. DING is the younger brother of Mr. TING Man Yi and the elder brother of Mr. TING Hung Yi.

執行董事

丁敏兒先生，64歲，本集團主席兼執行董事。彼亦為Longerview Investments Limited (「Longerview」)、Firmsuccess Limited (「Firmsuccess」)(均為本公司之主要股東)之董事。丁先生亦為本集團若干附屬公司之董事。丁先生於一九九二年十二月開展本集團業務，並在絲綢面料及絲綢成衣製造及貿易業務擁有豐富經驗。彼成立本集團的初始公司前，曾於一九八一年至一九八六年間在杭州市絲綢工業公司任職，現時負責本集團的整體策略規劃，尤其是監督本集團位於杭州的龐大工業園，以及規劃及實行本集團的主要全新投資及項目。丁先生為丁雄尔先生和丁建兒先生的胞兄。

丁雄尔先生，60歲，本集團行政總裁兼執行董事。彼亦為本公司之提名委員會及薪酬委員會成員，以及Longerview、In Holdings Limited (「In Holdings」，為本公司之主要股東)及本集團若干附屬公司之董事。丁先生於二零零二年五月加盟本集團，主要負責本集團原設備製造、原設計製造及零售業務的策略發展。丁先生加盟本集團前，曾於一九九一年至二零零二年間出任香港一家貿易公司的總經理。彼於一九八七年畢業於浙江理工大學(前稱浙江絲綢工學院)，經營成衣出口業務逾三十年。丁先生為丁敏兒先生及丁建兒先生的胞弟。

丁建兒先生，61歲，本集團執行董事。彼亦為Longerview、Willport Investments Limited (「Willport」，為本公司之主要股東)及本集團若干附屬公司之董事。丁先生於一九九六年十月加盟本集團，起初參與深圳富豪時裝有限公司的管理工作及業務營運。彼在絲綢成衣製造業務經驗豐富，專注於織造廠營運、銷售及營銷以至印染等不同範疇，並負責本集團利用創新技術的布料研究及發展。丁先生為丁敏兒先生的胞弟，並為丁雄尔先生的胞兄。

Mr. CHEUNG Ting Yin, Peter, aged 57, is an executive Director of the Company and the managing director of China Ting Garment Mfg (Group) Limited and Concept Creator Fashion Limited. He is also a director of certain subsidiaries of the Group. Mr. CHEUNG has extensive experience in the garment and textile industry and joined the Group in January 2000, and oversees the Group's sales and marketing teams. Mr. CHEUNG obtained a Bachelor of Arts (cum laude) Degree from the University of Washington in 1987, and a Master's Degree in Business Administration from Simon Fraser University in 1990. Mr. CHEUNG was admitted as a member of the Golden Key National Honor Society and Phi Beta Kappa in 1986 and 1988, respectively.

Independent Non-executive Directors

Mr. CHENG Chi Pang, aged 63, was appointed as an independent non-executive Director in November 2005. He is also a member of the audit committee, the nomination committee and the remuneration committee of the Company. Mr. CHENG obtained a Bachelor's Degree in Business in 1992, a Master's Degree in Business Administration in 1997 and a Master's Degree in Laws (Chinese and Comparative Law) in 2009. Mr. CHENG is an associate member of each of the Hong Kong Institute of Certified Public Accountants, CPA Australia, the Taxation Institute of Hong Kong and a member of the Institute of Chartered Accountants in England and Wales.

Mr. CHENG is a Certified Public Accountant practicing in Hong Kong with over 30 years of experience in auditing and business advisory as well as financial management. Mr. CHENG was chief executive and group financial controller of NWS Holdings Limited ("NWSH") (Stock code: 0659), the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Prior to joining NWSH, he was a senior manager of an international accounting firm. Mr. CHENG has been appointed as the chairman of Vantage Partner CPA Limited with effect from 1 January 2020. He is also an independent non-executive director and chairman of audit committee of Tianjin Port Development Holdings Limited (stock code: 3382) which is listed on the Stock Exchange and chief executive officer of L&E Consultants Limited. Mr. CHENG was an independent non-executive director of Fortune Sun (China) Holdings Limited (stock code: 0352), a company listed on the Stock Exchange, from June 2006 to June 2019.

Mr. WONG Chi Keung, aged 66, was appointed as an independent non-executive Director in November 2005. He is also the chairman of the audit committee and the remuneration committee of the Company. Mr. WONG holds a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and CPA Australia, an associate member of The Institute of Chartered Secretaries and Administrators and The Chartered Institute of Management Accountants. Mr. WONG is also the Responsible Officer of CASDAQ International Capital Market (HK) company Limited and is licensed to carry out certain regulated activities under the Securities and Futures Ordinance namely asset management and advising on securities.

張定賢先生，57歲，本公司執行董事兼華鼎(製衣)集團有限公司及創越時裝有限公司的董事總經理。彼亦為本集團若干附屬公司之董事。張先生在成衣及紡織業積累豐富經驗，並於二零零零年一月加盟本集團，負責監督本集團的銷售及營銷團隊。張先生於一九八七年獲取華盛頓大學文學士(優等)學位，後於一九九零年獲西門弗雷澤大學(Simon Fraser University)頒授工商管理碩士學位。張先生於一九八六年及一九八八年先後獲認許為 Golden Key National Honor Society及Phi Beta Kappa會員。

獨立非執行董事

鄭志鵬先生，63歲，於二零零五年十一月獲委任為獨立非執行董事。彼亦為本公司之審核委員會、提名委員會及薪酬委員會成員。鄭先生於一九九二年取得商學士學位、於一九九七年取得工商管理碩士學位及於二零零九年取得法學(中國法與比較法)碩士學位。鄭先生是香港會計師公會、澳洲會計師公會及香港稅務學會的會員，並為英格蘭與威爾士特許會計師公會的會員。

鄭先生是香港執業會計師，在審核及商業諮詢以及財務管理方面積逾三十年經驗。鄭先生曾出任於香港聯合交易所有限公司(「聯交所」)上市的新創建集團有限公司(「新創建」，股份代號：0659)的主要行政人員及集團財務總監。在加入新創建前，彼曾於一家國際會計師事務所擔任高級經理。鄭先生獲委任為Vantage Partner CPA Limited的主席，自二零零二年一月一日起生效。彼現時亦擔任天津港發展控股有限公司(一間於聯交所上市的公司，股份代號：3382)之獨立非執行董事暨審核委員會主席，以及利達商業顧問有限公司行政總裁。鄭先生於二零零六年六月至二零一九年六月擔任富陽(中國)控股有限公司(一間於聯交所上市的公司，股份代號：0352)之獨立非執行董事。

黃之強先生，66歲，於二零零五年十一月獲委任為獨立非執行董事。彼亦為本公司之審核委員會及薪酬委員會主席。黃先生獲澳洲阿得雷德大學頒發工商管理碩士學位，並為香港會計師公會、英國特許公認會計師公會及澳洲會計師公會之資深會員，及英國特許秘書及行政人員公會及英國特許管理會計師公會之會員；亦為卡斯達克國際資本市場(香港)有限公司之註冊負責人員，持牌進行證券及期貨條例下若干受規管活動，即資產管理及證券顧問。

Directors and Senior Management

董事及高層管理人員

Mr. WONG has over 40 years of experience in finance, accounting and management, and was, for over 10 years, an executive director, deputy general manager, group financial controller and company secretary of Yuexiu Property Company Limited (formerly known as Guangzhou Investment Company Limited, stock code: 0123), a company listed on the Stock Exchange. He is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited (stock code: 0214), Asia Standard International Group Limited (stock code: 0129), Century City International Holdings Limited (stock code: 0355), Changyou Alliance Group Limited (formerly known as Fortunet e-Commerce Group Limited, stock code: 1039), Golden Eagle Retail Group Limited (stock code: 3308), Paliburg Holdings Limited (stock code: 0617), Regal Hotels International Holdings Limited (stock code: 0078), Yuan Heng Gas Holdings Limited (formerly known as Ngai Lik Industrial Holdings Limited, stock code: 0332), Zhuguang Holdings Group Company Limited (stock code: 1176) and Asia Standard Hotel Group Limited (stock code: 0292), which are all listed on the Stock Exchange. Mr. WONG was also an independent non-executive director of TPV Technology Limited and Nickel Resources International Holdings Company Limited, which are listed on the Stock Exchange until their withdrawal from listing effective on 14 November 2019 and 13 February 2020, respectively.

Mr. LEUNG Man Kit, aged 67, was appointed as an independent non-executive Director in November 2005. He is also the chairman of the nomination committee and a member of the audit committee of the Company. Mr. LEUNG obtained a Bachelor's Degree in Social Science from the University of Hong Kong in 1977. Mr. LEUNG has over 30 years of experience in project finance and corporate finance and has held senior positions with Peregrine Capital (China) Limited, Crosby Securities (HK) Limited and Swiss Bank Corporation, Hong Kong Branch. Mr. LEUNG was also a director of Emerging Markets Partnership (Hong Kong) Limited which was the principal adviser to the AIG Infrastructure Fund L.P.

Mr. LEUNG is an independent non-executive director and audit committee member of NetEase, Inc., a company listed on NASDAQ (stock code: NTESE) and the Stock Exchange (stock code: 9999). Mr. LEUNG is also an independent non-executive director and chairman of the audit committee of Orange Sky Golden Harvest Entertainment (Holdings) Limited (stock code: 1132) and Luye Pharma Group Ltd (stock code: 2186) which are all companies listed on the Stock Exchange. Mr. LEUNG was an executive director of Unitas Holdings Limited (stock code: 8020), a company listed on GEM of the Stock Exchange from September 2011 to November 2018 and an independent non-executive director of China Electronics Optics Valley Union Holding Company Limited (stock code: 0798) from March 2014 to May 2020 and China Huiyuan Juice Group Limited (stock code: 1886) from June 2012 to January 2019, both of which are listed on the Stock Exchange.

黃先生於財務、會計及管理方面積累了逾四十年之經驗，並曾出任越秀地產股份有限公司(前稱越秀投資有限公司，股份代號：0123)之執行董事、副總經理、集團財務總監及公司秘書超過十年，該公司於聯交所上市。黃先生亦為匯漢控股有限公司(股份代號：0214)、泛海國際集團有限公司(股份代號：0129)、世紀城市國際控股有限公司(股份代號：0355)、暢由聯盟集團有限公司(前稱鑫網易商集團有限公司，股份代號：1039)、金鷹商貿集團有限公司(股份代號：3308)、百利保控股有限公司(股份代號：0617)、富豪酒店國際控股有限公司(股份代號：0078)、元亨燃氣控股有限公司(前稱毅力工業集團有限公司，股份代號：0332)、珠光控股集團有限公司(股份代號：1176)及泛海酒店集團有限公司(股份代號：0292)之獨立非執行董事兼審核委員會成員，上述所有公司均在聯交所上市。黃先生過去亦為曾在聯交所上市的公司冠捷科技有限公司及鎳資源國際控股有限公司之獨立非執行董事，直至該兩家公司分別於二零一九年十一月十四日及二零二零年二月十三日起撤銷上市為止。

梁民傑先生，67歲，於二零零五年十一月獲委任為獨立非執行董事。彼亦為本公司之提名委員會主席，並為審核委員會成員。梁先生於一九七七年取得香港大學社會科學學士學位。梁先生在項目融資及企業融資方面擁有逾三十年經驗，並曾出任百富勤融資(中國)有限公司、高誠證券(香港)有限公司及瑞士銀行香港分行之高層成員。梁先生亦曾任 Emerging Markets Partnership (Hong Kong) Limited之董事，該公司曾是美國友邦集團亞洲基礎設施投資基金之總顧問。

梁先生為NetEase, Inc. (分別於美國納斯達克(股票代碼：NTESE)及聯交所(股份代號：9999)上市的公司)之獨立非執行董事兼審核委員會成員。梁先生亦為橙天嘉禾娛樂(集團)有限公司(股份代號：1132)及綠葉製藥集團有限公司(股份代號：2186)之獨立非執行董事兼審核委員會主席，上述所有公司均在聯交所上市。梁先生於二零一一年九月至二零一八年十一月擔任宏海控股集團有限公司(一間於聯交所GEM上市的公司，股份代號：8020)之執行董事，並分別於二零一四年三月至二零二零年五月及於二零一二年六月至二零一九年一月擔任於聯交所上市的兩家公司中電光谷聯合控股有限公司(股份代號：0798)及中國滙源果汁集團有限公司(股份代號：1886)之獨立非執行董事。

Corporate Management Team

Export, OEM and ODM Business

Ms. TING Lai, aged 35, is a vice president of the Group. Ms TING joined the Group in August 2009, and is responsible for overseeing its export business and product development in Hangzhou. Ms TING obtained a Bachelor of Economics from the University of California, Los Angeles (UCLA) in 2008 and a Master of Business Administration (MBA) from the University of Hong Kong in 2014, and is currently studying courses for the Doctor of Business Administration (DBA) in the City University of Hong Kong, with extensive experience in apparel production management and product quality control. Ms. TING is the eldest daughter of Mr. TING Man Yi, Chairman of the Group.

Weaving and Apparel Production Management

Mr. WEI Dong, aged 44, is a vice president of the Group and is responsible for overseeing the Group's production management and managing the third manufacturing business division. He joined the Group in August 2004. Mr. WEI obtained a Bachelor of International Accounting from Zhejiang Institute of Finance & Economics, with over ten years of experience in apparel production management and product quality control. He is also the husband of the niece of Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer.

Mr. CHEN Guo Lin, aged 60, is a vice president of the Group and is responsible for overseeing the Group's production management and managing the second manufacturing business division. He joined the Group in August 2004, with over 20 years of experience in apparel production management and product quality control. Mr. CHEN is the brother-in-law of Mr. TING Man Yi, Chairman of the Group.

Mr. DING Lurui, aged 42, is a vice president of the Group and is responsible for overseeing the Group's production management and managing the first manufacturing business division. Mr. DING graduated from China Central Radio & TV University, and joined the Group in September 1999, with extensive experience in apparel manufacturing management, production management and product quality control. Mr. DING is the nephew of Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer.

Retail and Brand Management

Mr. TING Yu, aged 32, is a Vice President of the Group. Mr. TING joined the Group in 2011, and was initially responsible for the operation and development of the brand of RIVERSTONE and is mainly responsible for the operation and development of all the brands of the Group at present. Mr. TING graduated from The University of Manchester with a bachelor's degree in 2010, and then from Cass Business School of City University of London, U.K. with a master's degree in 2011. Mr. TING has advanced concepts of innovation and years of experience in retail management. Mr. TING is the eldest son of Mr. TING Hung Yi, the Chief Executive Officer of the Group.

企業管理團隊

出口、原設備製造及原設計製造業務

丁儷女士，35歲，本集團副總裁。丁女士於二零零九年八月加入本集團，負責監督本集團於杭州的出口業務及產品發展工作。丁女士於二零零八年獲得美國加州大學洛杉磯分校(UCLA)經濟學學士，二零一四年獲得香港大學工商管理碩士(MBA)，香港城市大學工商管理博士(DBA)在讀，在服裝生產管理及產品質量監控方面經驗豐富。丁女士為集團主席丁敏兒先生之長女。

織造及服裝生產管理

韋東先生，44歲，本集團副總裁，負責監督本集團的生產管理工作，分管製造事業三部。彼於二零零四年八月加入本集團，韋先生獲浙江財經學院國際會計學士學位，具有超過十年服裝生產管理及產品質量監控的經驗。彼亦為丁敏兒先生、丁雄尔先生及丁建兒先生之外甥女婿。

陳國林先生，60歲，本集團副總裁，負責監督本集團的生產管理工作，分管製造事業二部。彼於二零零四年八月加入本集團，具有超過二十年服裝生產管理及產品質量監控的經驗。陳先生為集團主席丁敏兒先生的襟弟。

丁呂睿先生，42歲，本集團副總裁，負責監督本集團的生產管理工作，分管製造事業一部。丁先生畢業於中央廣播電視大學，彼於一九九九年九月加入本集團，具有豐富的服裝製造管理、生產管理以及產品質量監控經驗。丁先生為丁敏兒先生、丁雄尔先生及丁建兒先生的姪兒。

零售及品牌管理

丁雨先生，32歲，本集團副總裁，於二零一一年加入本集團，起初負責品牌RIVERSTONE(瑞弗史東)的營運與發展，現在主要負責集團所有品牌的營運及發展。丁先生於二零一零年學士學位畢業於英國曼賈斯特大學(The University of Manchester)，於二零一一年碩士學位畢業於英國倫敦城市大學卡斯商學院(Cass Business School)，擁有先進的創新理念和多年的零售管理經驗。丁先生為集團總裁丁雄尔先生之長子。

Directors and Senior Management

董事及高層管理人員

Mr. TING Fan, aged 32, is a Vice President of the Group and a director of a subsidiary of the Group. Mr. TING joined the Group in 2011 and is mainly responsible for investor relations and global business development at present. Mr. TING graduated from The University of Manchester in 2010, and then from Cass Business School of City University of London, U.K. with a master's degree in 2011. Mr. TING has extensive experience in market development and sales management, and has been in charge of the introduction and management of some international fashion brands, like TRENTA and SPRAY GROUND. Mr. TING is the second son of Mr. TING Hung Yi, the Chief Executive Officer of the Group.

Accounting and Finance

Mr. CHENG Ho Lung, Raymond, aged 43, is the Financial Controller and also the company secretary (the "Company Secretary") of the Group. Mr. CHENG joined the Group in May 2005, and is responsible for the Group's overall matters related to financial and treasury management, financial accounting and reporting, budgetary control, taxation and statutory audit. Mr. CHENG graduated from the Hong Kong University of Science and Technology and also holds a Master's Degree in Business Administration (MBA) from the Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Association of Chartered Certified Accountants. Prior to joining the Group, Mr. CHENG worked as audit manager for an international accounting firm in Hong Kong.

Administration and Public Relations

Ms. CHEN Shu, aged 40, is a vice president of the Group. Ms CHEN joined the Group in August 2003, and is responsible for the administration, human resources and public relations of the Group. Ms CHEN obtained a Bachelor of Law from Wuhan University and a Bachelor of Management from Central China Normal University in 2003, and a Master of Human Resources Management from Monash University in 2009. She has accumulated over 15 years of extensive experience in human resources management and public relations.

丁帆先生，32歲，本集團副總裁，亦為本集團一家附屬公司的董事。丁先生於二零一一年加入本集團，現在主要負責投資者關係及全球業務發展。丁先生於二零一零年畢業於英國曼賈斯特大學，並於二零一一年獲英國倫敦城市大學卡斯商學院碩士學位，丁先生在市場開發、銷售管理方面具有豐富經驗，曾負責引進管理TRENTA及SPRAY GROUND等國際時尚品牌。丁先生為集團總裁丁雄尔先生之次子。

會計及財務

鄭浩龍先生，43歲，本集團的財務總監以及公司秘書（「公司秘書」）。鄭先生於二零零五年五月加入本集團，現負責本集團財務及財資管理、財務會計及申報、財政預算監控、稅務及法定審核方面之整體事務。鄭先生畢業於香港科技大學，並持有香港中文大學工商管理碩士學位。彼亦為香港會計師公會會員及英國特許公認會計師公會資深會員。鄭先生加盟本集團前，曾在香港一家國際會計師事務所擔任核數經理。

行政與公共關係

陳舒女士，40歲，本集團副總裁，陳女士於二零零三年八月加入本集團，負責集團行政、人力資源及公共關係工作。陳女士於二零零三年獲武漢大學法學學士及華中師範大學管理學學士學位，陳女士於二零零九年獲莫納什大學(Monash University)人力資源管理碩士學位。在人力資源管理及公共關係領域積累了超過15年的資歷，經驗豐富。

The Directors recognise the importance of corporate governance and are committed to maintain high-standards of corporate governance in the management structure and internal control procedures of the Group, in order to make sure that all business activities of the Group and the decision-making process are properly regulated to safeguard shareholders' interests and as well as the Company's assets. We recognize the value and importance of achieving high corporate governance standards to promote corporate transparency and accountability and to enhance shareholders' value. This report summarises how the principles as set forth in the Corporate Governance Code and Corporate Governance Report have been applied in respect of the year ended 31 December 2020. The company has complied with the principles and code provisions set forth in the Corporate Governance Code (the "CG Code") under Appendix 14 to The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2020.

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

The Board of Directors

Board Composition

The Board currently comprises seven directors for the year ended 31 December 2020 and the composition is set forth as follows:

Mr. TING Man Yi

丁敏兒先生

Mr. TING Hung Yi

丁雄尔先生

Mr. DING Jianer

丁建兒先生

Mr. CHEUNG Ting Yin, Peter

張定賢先生

Mr. CHENG Chi Pang

鄭志鵬先生

Mr. WONG Chi Keung

黃之強先生

Mr. LEUNG Man Kit

梁民傑先生

Chairman and Executive Director

主席兼執行董事

Chief Executive Officer and Executive Director

行政總裁兼執行董事

Executive Director

執行董事

Executive Director

執行董事

Independent Non-Executive Director

獨立非執行董事

Independent Non-Executive Director

獨立非執行董事

Independent Non-Executive Director

獨立非執行董事

董事認為企業管治對本集團管理架構及內部監控程序而言至為重要，並致力維持高水平的企業管治，以確保本集團一切業務活動及決策過程得以妥善規管，保障股東利益及本公司的資產。我們認識到實現高水平的企業管治對改善企業透明度及問責性以及提升股東價值之意義及重要性。本報告概述於截至二零二零年十二月三十一日止年度如何應用企業管治守則及企業管治報告所載的原則。本公司已於截至二零二零年十二月三十一日止整個年度內遵守聯交所證券上市規則（「上市規則」）附錄14下的企業管治守則（「企業管治守則」）所載的原則及守則規定。

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

董事會

董事會組成

截至二零二零年十二月三十一日止年度，董事會目前由七位董事組成，其組成載列如下：

Corporate Governance Report 企業管治報告

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

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

The Board delegates day-to-day operations of the Company to the management of the Group, who possesses extensive operating experience and industry knowledge, and also instructs the management to implement the Board's decisions and resolutions. In addition, the Board has also delegated certain specific responsibilities to various Board committees, namely, the Audit Committee, the Remuneration Committee and Nomination Committee. The Board currently comprises four executive Directors and three independent non-executive Directors. Details of the Directors are set forth on pages 26 to 28 of this report.

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

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

董事會負責領導及監控本集團。董事會之主要角色為：

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

董事會將本公司的日常營運事務授權本集團管理層處理，管理層擁有豐富的營運經驗及行業知識，亦指示管理層施行董事會的決定及決議案。此外，董事會亦將若干項具體職責授權各董事會委員會，即審核委員會、薪酬委員會及提名委員會承擔。董事會目前由四位執行董事及三位獨立非執行董事組成。董事的詳情載列於本報告第26至第28頁。

董事會亦須履行其職權範圍所載之企業管治職能，包括：

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

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

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

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

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

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

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

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

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

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

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

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

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

Corporate Governance Report

企業管治報告

Board Meetings

The Board, Audit Committee, Remuneration Committee and Nomination Committee had held 4, 2, 1 and 1 meetings respectively in 2020. The attendance at the Board meetings, respective Board Committee meetings and general meeting held in 2020 are as follows:

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

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

Training and Development

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

董事會會議

董事會、審核委員會、薪酬委員會及提名委員會於二零二零年分別舉行4次、2次、1次及1次會議。二零二零年舉行的董事會會議、董事會委員會各自的會議及股東大會的出席記錄如下：

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

培訓及發展

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

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

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

Directors' Training

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

The Directors confirmed that they have complied with the code provision A.6.5 of the CG Code for the year ended 31 December 2020 and they participated in the following types of continuous professional development:

Executive Directors

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

執行董事

丁敏兒先生
丁雄尔先生
丁建兒先生
張定賢先生

Independent Non-executive Directors

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

獨立非執行董事

鄭志鵬先生
黃之強先生
梁民傑先生

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

所有董事均獲提供一份董事手冊，載有作為於聯交所上市公司董事的董事職務及職責（包括關連及須具報交易；於本公司證券的權益披露以及上市規則附錄10所載的上市發行人董事進行證券交易的標準守則（「標準守則」），亦包括集團架構及組織章程細則。所有董事均已參與持續專業發展以重溫及發展彼等的知識及技能，並獲得有關企業管治常規發展的最新資料。此乃確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

董事參與持續專業發展計劃的記錄由公司秘書保存。

董事培訓

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

截至二零二零年十二月三十一日止年度，董事確認彼等已遵守企業管治守則的守則條文第A.6.5條，並參與以下類別的持續專業發展：

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

- (I), (III)
(I), (III)
(I), (III)
(I), (III)
(II), (III)
(II), (III)
(II), (III)

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

Directors' and officers' liabilities

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

Compliance with Model Code

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set forth in the Model Code and its amendments from time to time as the code of conduct for Directors in their dealings in the Company's securities. Formal written notices are sent to the Directors prior to the commencement of the periods of 30 days immediately preceding the publication of our interim results announcement and 60 days immediately preceding the publication of our annual results announcement, as a reminder that Directors may not deal in the securities of the Company during those periods up to and including the date of publication of results. Having made specific enquiry with the Directors, all the Directors have confirmed that they have complied with the required standards under the Model Code throughout the year ended 31 December 2020.

Chairman and Chief Executive Officer

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

Independent Non-Executive Directors

The Company has complied with Rules 3.10(1) and (2) and Rules 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, one independent non-executive Director of which has the appropriate professional qualifications or accounting or related finance management expertise and the independent non-executive Directors represent at least one-third of the Board. All three independent non-executive Directors have been appointed for a term of three years, commencing from 18 November 2020. All of them have satisfied the independence criteria, and each of them has made such confirmation on independence pursuant to Rule 3.13 of the Listing Rules. The Directors are of the view that all independent non-executive Directors have met the independence guidelines set forth in Rule 3.13 of the Listing Rules.

董事及高級職員的責任

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

遵守標準守則

本公司採納標準守則所載上市發行人董事進行證券交易的標準守則及其不時的修訂，作為董事買賣本公司證券的行為守則。董事分別在緊接中期業績公佈刊發前30天期間及緊接年度業績公佈刊發前60天期間開始之前獲發正式書面通知，以提醒董事在該等期間直至並包括業績刊發當日不得買賣本公司的任何證券。向董事作出特定查詢後，所有董事均已確認彼等已於截至二零二零年十二月三十一日止年度一直遵守標準守則所規定的標準。

主席與行政總裁

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

獨立非執行董事

本公司已遵守上市規則第3.10(1)及(2)條以及第3.10(A)條，內容有關委任至少三位獨立非執行董事，其中一位獨立非執行董事具備適當專業資格或會計或相關財務管理專長，以及獨立非執行董事至少佔董事會三分之一。三位獨立非執行董事的任期全部由二零二零年十一月十八日開始，為期三年。彼等全部符合獨立準則，並已根據上市規則第3.13條各自發出獨立確認。董事認為全體獨立非執行董事均符合上市規則第3.13條所載的獨立指引。

Board Committees

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

Remuneration Committee

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

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

One Remuneration Committee meeting was held in 2020 and reviewed and made recommendations to the Board the Directors' fees and the emoluments of the executive Directors and remuneration package of senior management. Mr. TING Hung Yi and Mr. WONG Chi Keung attended the meeting.

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

董事會委員會

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

薪酬委員會

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

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

薪酬委員會曾於二零二零年舉行一次會議，並檢討董事袍金及執行董事酬金以及高層管理人員的薪酬方案，並就此向董事會作出推薦建議。丁雄尔先生及黃之強先生有出席會議。

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

Corporate Governance Report

企業管治報告

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than Directors) by band for the year ended 31 December 2020 is set forth below:

In the band of

薪酬組別

Below HK\$1,000,001

1,000,001港元以下

Nomination Committee

The Nomination Committee of the Board consists of Mr. TING Hung Yi, Mr. CHENG Chi Pang and Mr. LEUNG Man Kit. The chairman of the Nomination Committee is Mr. LEUNG Man Kit. The Nomination Committee is established primarily for the purpose of regularly reviewing the structure, size and composition of the Board and making recommendations to the Board on nominations and appointment of Directors and succession planning for Directors. The Nomination Committee selects and recommends appropriate candidates, based on his or her prior experience and qualifications, to the Board on the appointment of Directors of the Group. The Nomination Committee has recommended to the Board the Directors who should retire and make themselves available for election pursuant to the Company's Articles of Association, assessed the independence of all independent non-executive Directors. Its terms of reference are available on request and are also posted on the website of the Company. The Nomination Committee was established on 18 November 2005. One Nomination Committee meeting, discussing the nomination procedures, was held in 2020 and all the committee members attended the meeting.

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

根據企業管治守則的守則條文第B.1.5條，於截至二零二零年十二月三十一日止年度按薪酬組別劃分之高級管理層成員(董事除外)的薪酬載列如下：

Number of individuals

人數

8

提名委員會

董事會轄下的提名委員會由丁雄尔先生、鄭志鵬先生及梁民傑先生組成。提名委員會主席為梁民傑先生。提名委員會成立之主要目的是定期檢討董事會之架構、規模和組成，及就董事之提名及委任與繼任計劃向董事會提出建議。提名委員會負責根據候選人的過往經驗及資歷，就委任本集團董事進行挑選並就此向董事會推薦合適候選人。提名委員會已向董事會建議根據本公司組織章程細則須退任及可膺選連任之董事人選，評估全體獨立非執行董事之獨立性。委員會的職權範圍可應要求提供，並在本公司網站登載。提名委員會於二零零五年十一月十八日成立。提名委員會曾於二零二零年舉行一次討論提名程序的會議，全體委員會成員均有出席會議。

提名委員會的具體職權範圍在本公司及聯交所網站登載。

Audit Committee

The Audit Committee of the Board comprises three independent non-executive Directors, Mr. WONG Chi Keung, Mr. CHENG Chi Pang and Mr. LEUNG Man Kit. Mr. WONG Chi Keung is the chairman of the Audit Committee. The Audit Committee assists the Board to review the financial reporting process, evaluate the effectiveness of the risk management and internal control systems, and corporate governance of the Group and oversee the auditing processes. The authority, role and responsibilities of the Audit Committee are set out in written terms of reference which are available on request and are also posted on the website of the Company and the Stock Exchange. The Audit Committee was established on 18 November 2005. The Company has been in full compliance with requirements of Rule 3.21 in the Listing Rules throughout the year. Two Audit Committee meetings were held, together with senior management and the external auditor in 2020. All the committee members attended these meetings.

During 2020, the Audit Committee reviewed the recent updates and development of accounting and financial reporting standards and assessed their potential impact on the Group, overseeing the relationship with the Company's external auditor (including making recommendation to the Board on the appointment, re-appointment and removal of the external auditor), considered the external auditor's proposed audit fees; discussed with the external auditor their independence and the nature and scope of the audit; reviewed the interim and annual financial statements, particularly judgemental areas, before submission to the Board; reviewed the Group's adherence to the code provisions in the CG Code, reviewed the Group's financial control, internal control and risk management systems and discussed with the external auditor on the Group's financial reporting function, in particular on the adequacy of resources of the Group's accounting and financial reporting function, qualifications and experience of our staff and their training program, conducted an annual review of non-exempt continuing connected transactions of the Group. The Audit Committee recommended the Board to adopt the interim and annual report for 2020.

The remuneration of the auditor of the Company, PricewaterhouseCoopers, for audit and non-audit services (namely taxation services and interim review) rendered during 2020 was HK\$2.6 million and HK\$0.5 million, respectively. The Audit Committee's specific terms of reference are posted on the websites of the Company and Stock Exchange.

Accountability and Audit

The consolidated financial statements of the Company for the year ended 31 December 2020 have been reviewed by the Audit Committee and audited by external auditor, PricewaterhouseCoopers.

審核委員會

董事會轄下的審核委員會由黃之強先生、鄭志鵬先生及梁民傑先生三位獨立非執行董事組成。黃之強先生擔任審核委員會主席。審核委員會協助董事會檢討財務申報程序、評估本集團風險管理及內部監控制度及企業管治的效能及監督審核過程。審核委員會的權限、角色及職責載列於書面職權範圍內，可應要求提供，並在本公司及聯交所網站登載。審核委員會於二零零五年十一月十八日成立。本公司已於年內全面遵守上市規則第3.21條之規定。審核委員會曾於二零二零年與高層管理人員及外聘核數師舉行兩次會議。全體委員會成員均有出席此等會議。

於二零二零年，審核委員會已審閱會計及財務報告準則之最近更新及發展並評估可能對本集團產生之影響；監督與本公司外聘核數師的關係（包括就委任、續聘及撤換外聘核數師向董事會提供建議）；審議外聘核數師的建議審核費用；與外聘核數師討論彼等的獨立性以及審核的性質及範圍；於提交予董事會前審閱中期及年度財務報表（尤其是涉及自行判斷的範圍）；審閱本集團是否遵守企業管治守則的守則條文；檢討本集團之財務監控、內部監控及風險管理系統，並與外聘核數師討論本集團之財務申報職能，特別是本集團在會計及財務申報職能方面的資源、員工資歷及經驗是否足夠，以及員工培訓計劃；就本集團之不獲豁免持續關連交易進行年度審閱。審核委員會建議董事會採納二零二零年中期及年度報告。

本公司核數師羅兵咸永道會計師事務所就二零二零年內所提供的審核及非審核服務（即稅務服務及中期審閱）而收取的薪酬分別為2.6百萬港元及0.5百萬港元。審核委員會的具體職權範圍在本公司及聯交所網站登載。

問責及審核

本公司截至二零二零年十二月三十一日止年度的綜合財務報表已經由審核委員會審閱及由外聘核數師羅兵咸永道會計師事務所審核。

Director's Responsibilities for the Consolidated Financial Statements

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

The statement of the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Group is set forth in the independent auditor's report on pages 65 to 74.

Internal Control

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

The Board is also responsible for making appropriate assertions on the adequacy of internal controls over financial reporting and the effectiveness of disclosure controls and procedures. For the year ended 31 December 2020, the Board has, through the Audit Committee of the Board with the assistance of the management, conducted reviews of the effectiveness of these internal control systems, including without limitation to financial control, operations control, compliance control and risk management functions, on a regular basis. For the year ended 31 December 2020, based on the assessment made by the Audit Committee, the senior management and the internal audit team, the Board is satisfied that there is an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group.

Company Secretary

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

董事對綜合財務報表的責任

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

本公司核數師就彼等對本集團綜合財務報表的申報責任的聲明載於第65至74頁的獨立核數師報告。

內部監控

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

董事會亦負責對財務申報的內部監控充足性以及披露監控及程序的有效性作出適當聲明。截至二零二零年十二月三十一日止年度，董事會已透過董事會轄下的審核委員會並在管理層的協助下，定期檢討此等內部監控制度的有效性，包括但不限於財務監控、營運監控、合規監控及風險管理功能。於截至二零二零年十二月三十一日止年度，根據審核委員會、高層管理人員及內部審核團隊作出之評估，本集團已備有持續進程序以確認、評估及管理本集團所面對之重大風險，董事會對此感到滿意。

公司秘書

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

Shareholder Relations

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

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

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

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

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

股東關係

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

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

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

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

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

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

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

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

Investor Relations

A printed copy of the memorandum and articles of association of the Company has been published on the websites of the Company and the Stock Exchange. There has been no changes in the Company's constitutional documents during the year ended 31 December 2020.

Dividend Policy

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

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

股東召開股東大會及於股東大會上提呈建議的權利

根據組織章程細則第58條，於遞交要求當日持有不少於本公司繳足股本(附有於本公司股東大會上投票的權利)十分一之本公司股東(「遞交要求人士」)有權透過向董事會或本公司的公司秘書發出書面要求，要求(「要求」)董事會召開股東特別大會(「股東特別大會」)以審議要求中指定的任何業務交易。

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

投資者關係

本公司組織章程大綱及組織章程細則的印刷本已於本公司及聯交所網站登載。本公司的章程文件於截至二零二零年十二月三十一日止年度並無更改。

股息政策

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

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

Corporate Risk Management and Internal Control Report

企業風險管理與內部控制報告

I. Project Review

i. Significance and important statement

According to the Corporate Risk Management and Internal Control Regulation Rules and relevant guidance and other internal control regulation requirements (hereafter referred as the "Corporate Internal Control Standard System"), combining with the internal control policy and appraisal measures of China Ting Group Holdings Limited (hereinafter referred to as the "Company"), on the basis of regular supervision and special supervision on internal control, we have conducted an investigation on the risk management and internal control for the period from 1 January 2020 to 31 December 2020.

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

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

一、項目回顧

1、項目意義及重要聲明

據《企業風險管理與內部控制監管規則》及其配套指引的規定和其他內部控制監管要求(以下簡稱企業內部控制規範體系),結合華鼎集團控股有限公司(以下簡稱公司)內部控制制度和評價辦法,在內部控制日常監督和專項監督的基礎上,我們對公司二零二零年一月一日到二零二零年十二月三十一日的風險管理與內部控制進行了調查。

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

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

II. Risk Identification and Risk Analysis

i. Scope of internal control appraisal

In accordance with enterprise development condition and new trend of social policy and regulation in 2020, businesses and items involved in this appraisal comprise development strategy, human resource, social responsibility, enterprise culture, capital event, procurement, assets management, business event, research and development, construction, guarantee business, outsourcing business, financial management, budget management, contract management, internal information transmission, information system, environmental factors and emergency management; and high risk areas with attention mainly include business management risk, financial management risk, labor management risk, production management risk, inventory risk, sale risk and major decision legal risk.

ii. Risk level identification

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

iii. Significant risk categories and summary

According to feedbacks on our internal control questionnaires and by ways of interviewing with our president group, monitoring risk indexes and others, the following seven risks were identified as significant risks of the Group during the period from 1 January 2020 to 31 December 2020, for which we need to adopt efficient risk management and control measures.

二、風險識別與風險分析

1、內控評價範圍

根據二零二零年企業發展現狀和社會政策法規新發展，本次納入評價範圍的業務和事項包括：發展戰略、人力資源、社會責任、企業文化、資金活動、採購活動、資產管理、業務活動、研究與開發、工程項目、擔保業務、外包業務、財務管理、預算管理、合同管理、內部信息傳遞、信息系統、環境因素及应急管理；重點關注的高風險領域主要包括：業務管理風險、財務管理風險、人力管理風險、生產管理風險、存貨風險、銷售風險和重大決策法律風險。

2、風險等級識別

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

3、重大風險類別與概述

依據內控問卷反饋，總裁班子成員訪談，以及風險指標監控等手段，鑑別以下7項風險為集團二零二零年一月一日至二零二零年十二月三十一日期間最大的風險，需要採用有效的風險管控手段。

Corporate Risk Management and Internal Control Report

企業風險管理與內部控制報告

Risk 風險名稱	Risk description 風險描述	Assignment 賦值
Risk of worldwide outbreak of COVID-19 全球疫情爆發風險	From the beginning of 2020, the WHO raised the global risk assessment of COVID-19 to "very high" at global level, and by the end of the year, the major economies worldwide were still facing extremely severe COVID-19 situations. The sharp declines in consumption behaviors and apparel consumption demand, closed places for consumption, unemployment caused by the closure of many enterprises, and weak consumer confidence resulting from the COVID-19 will affect the performance of the Company to a great extent. 自二零二零年初，世衛組織將新冠肺炎疫情全球風險級別上調為「非常高」，全球至年末，主要經濟體國家疫情態勢仍然十分嚴峻。受疫情影響而急劇下降的消費行為和服裝消費需求，關閉的消費場所，直至因企業大量關閉而導致的失業，和消費信心不振，都將在很大程度上影響公司業績。	30 Especially serious risk 30 特別重大風險
Risk of currency inflation 貨幣通脹風險	In 2020, in order to alleviate unemployment and economic downturn caused by COVID-19 pandemic, the eight major economies in the world issued additional circulating currencies of approximately RMB100 trillion in total, and the total currency supply of the world's 12 largest economies increased up to 20% within one year, which will inevitably result in a series of consequences including inflation. 二零二零年，全球主要8大經濟體，為了緩解疫情帶來的失業和經濟低迷，共增發約100萬億人民幣的流動性貨幣，全球12大主要經濟體的貨幣總供應量，一年之間增幅高達20%。瘋狂的貨幣放水，必然帶來通貨膨脹的一系列後果。	20 Significant risk 20 重大風險
Impact of land requisition and demolition and resettlement for viaduct construction 高架建設徵地拆遷影響	After nearly a year of evaluation and negotiation, the People's Government of Yuhang District signed a land acquisition and demolition and resettlement agreement with China Ting Group at the end of 2020. This land acquisition and demolition and resettlement caused six weaving and garment processing companies in China Ting Industrial Park to relocate in different places, thereby affecting their production capacity and employee stability to a certain extent. 經過近1年的評估和談判，餘杭區政府於二零二零年底與華鼎集團簽訂徵地拆遷協議，此次徵遷使得華鼎產業園中6家織造及成衣加工企業異地安置，產能及員工穩定在一定程度上收到影響。	20 Significant risk 20 重大風險

Corporate Risk Management and Internal Control Report

企業風險管理與內部控制報告

Risk 風險名稱	Risk description 風險描述	Assignment 賦值
Weak investment invitation and operating capabilities of industrial park	The new properties of 100,000 square meters of the Group in Yuhang Economic Development Zone in Hangzhou were launched into the market at the end of October 2020, the plants constructed on adjacent land parcels in the meantime were also launched into the market in succession, and the Group will conduct modification on part of the park after demolition, which will inevitably pose challenges on the investment invitation and operation management capabilities of the park, while the Group is currently weak in investment invitation and operation management capabilities without strong market competitiveness.	20 Significant risk
園區招商及運營能力弱	集團位於杭州餘杭經濟開發區內的10萬方新建廠房已於二零二零年十月底投放市場，附近地塊同期在建廠房也陸續投放市場，集團部分拆遷完畢後，也將進行改建，屆時會有大批廠房向市場投放，勢必對集團園區招商以及運營管理能力發起考驗，而目前集團在招商運營管理能力方面較弱，並不具備較強的市場競爭力。	20 重大風險
Weak capability of responding to emergency	The COVID-19 pandemic that outbreak unexpectedly in early 2020 is the most widespread disease with the greatest impact on social order in the past 20 years. Faced with such a sudden disaster, the Company does not have a corresponding emergency plan and is not well prepared.	18 Significant risk
突發事件應對能力弱	二零二零年初突然爆發的新冠病毒疫情是近20年來波及範圍最廣，對社會秩序影響最大的一次的疾病。面對突如其來的災難，企業沒有相應的應急預案，準備不足。	18 重大風險

III. Risk Management and Improvement Report

三、風險管理與改善報告

i. Risk management summary

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

ii. Significant risk indexes supervision and control

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

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

1、風險管理概述

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

2、重大風險指標監控與管控

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

針對本次內控調查識別的5項集團風險，我們提出下表所列風險監控指標，同時對風險進行積極應對，以期達到管控風險，避免風險發生或儘量減小風險危害結果的根本目的。

Corporate Risk Management and Internal Control Report

企業風險管理與內部控制報告

Risk 風險名稱	Risk supervision index 風險監控指標	Risk control measures 風險管控措施
Risk of outbreak of COVID-19 pandemic worldwide 全球疫情爆發風險	<ol style="list-style-type: none"> 1. Real-time development of COVID-19 pandemic worldwide 2. Impact of COVID-19 pandemic on the economy of various countries 	<ol style="list-style-type: none"> 1. Actively resuming our efforts in the domestic market and with our customers against the backdrop of the stabilizing COVID-19 situation in China and the recovery of market activities 2. Actively exploring the growth points of the post-pandemic market as a result of COVID-19 pandemic, and paying attention to the product and market development in the fields of health and sports 3. Operating prudently, reducing inventory and increasing cash to fight against the sustaining sluggish market performance resulting from COVID-19 pandemic
	<ol style="list-style-type: none"> 1. 國際疫情實時動態 2. 各國因疫情防控而產生的經濟影響 	<ol style="list-style-type: none"> 1. 國內疫情形勢趨穩，市場活動復甦，因此要積極做好國內市場和客戶的工作 2. 積極探索因疫情而帶來的疫情後市場爆點，關注健康運動領域的產品和市場開拓 3. 謹慎運營，減少庫存，增加現金，以抗擊因疫情而可能產生的持續市場低迷
Risk of currency inflation 貨幣通脹風險	<ol style="list-style-type: none"> 1. Paying attention to the currency policies of various countries 2. Monitoring the fluctuations in the market prices of raw materials 	<ol style="list-style-type: none"> 1. Establishing sound systems for account receivables and other receivables and enhancing risk awareness 2. Exerting great efforts on the procurement of raw materials
	<ol style="list-style-type: none"> 1. 關注各國貨幣政策 2. 關注原材料市場價格波動 	<ol style="list-style-type: none"> 1. 建立健全的應收賬款、其他應收款制度，增強風險意識 2. 做好原材料採購工作

Corporate Risk Management and Internal Control Report

企業風險管理與內部控制報告

Risk 風險名稱	Risk supervision index 風險監控指標	Risk control measures 風險管控措施
Impact of land requisition and demolition and resettlement for viaduct construction	<ol style="list-style-type: none"> 1. Planning documents and implementation progress of the government 2. Policies and documents of the government for the compensation regarding land requisition 	<ol style="list-style-type: none"> 1. Keeping close contact with government authorities, and striving for more compensation according to the government's compensation standards for land requisition 2. Preparing for capacity transfer in advance and building new production bases to ensure that the production schedule is not affected in the transition period and that the production capacity remains adequate and stable 3. Actively refining the business structure of the Company based on the new planning of the industrial park, with a focus on the development such industrial forms as trade, research and development, brand management and new retail
高架建設徵地拆遷影響	<ol style="list-style-type: none"> 1. 政府規劃文件及規劃實施進度 2. 政府徵地補償相關政策文件 	<ol style="list-style-type: none"> 1. 與政府部門保持密切聯繫，根據政府徵地補償標準，為企業爭取更多的補償款項 2. 提前做好產能轉移的準備，建設新的生產基地，以確保過渡時期生產進度不受影響，產能保持充足穩定 3. 根據新的園區規劃方案，積極改造公司業務結構，重點打造貿易，研發，品牌管理，新零售等產業形態
Weak investment invitation and operating capabilities of industrial park	<ol style="list-style-type: none"> 1. Condition of the lease market for industrial properties 2. Real-time status of China Ting's properties for lease 	<ol style="list-style-type: none"> 1. Making full use of the resources inside and outside the Group, enhancing market exploration, and attracting high-quality customers 2. Improving internal property service and management capabilities, improving customer satisfaction, and giving full play to the resources for attracting investments through customers 3. Striving to cooperate with the government and professional operating agencies to rapidly complete investment invitation, and striving for supportive policies for the industrial park
園區招商運營能力弱	<ol style="list-style-type: none"> 1. 工業廠房租賃市場行情 2. 華鼎租賃物業實時情況 	<ol style="list-style-type: none"> 1. 充分利用集團內外部資源，加大市場開拓力度，招引優質客戶入駐 2. 完善內部物業服務和管理能力，提高入駐客戶滿意度，充分發揮以商招商的資源 3. 爭取與政府及專業運營機構合作，快速完成招商工作，並爭取園區扶持政策
Weak capability of responding to emergency	<ol style="list-style-type: none"> 1. Perfection of emergency plans and routine drills 2. Staff structure for emergency prevention and control 	<ol style="list-style-type: none"> 1. Improving the perfection of the emergency plans and the practicality of routine drills 2. Exerting great efforts on the daily training and positioning of the staff for emergency prevention and control
突發事件應對能力弱	<ol style="list-style-type: none"> 1. 應急預案制度完善度及常規預演 2. 應急防控人員架構 	<ol style="list-style-type: none"> 1. 加大應急預案的完善程度及常規演習實戰性 2. 做好應急防控人員的日常培訓和定崗定職工作

iii. Continuous improvement measures

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

iv. Conclusion

Based on the results of the internal control review for the year ended 31 December 2020 and the assessment of the Audit Committee thereon, no significant deficiency in risk management and internal controls systems are noted. The Board therefore is satisfied that appropriate and effective risk management and internal control systems have been maintained for the year ended 31 December 2020.

3、持續改進辦法

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

4、結論

根據截至二零二零年十二月三十一日止年度的內部監控審閱結果及審核委員會對結果的評估，未發現風險管理及內部監控系統存在重大缺陷。因此，董事會信納截至二零二零年十二月三十一日止年度已維持適當及有效的風險管理及內部監控系統。

The Directors are pleased to present their report together with the audited financial statements for the financial year ended 31 December 2020.

Principal Business Activities

The principal business activity of the Company is investment holding. Details of the principal business activities of the subsidiaries of the Company are set forth in note 10 to the consolidated financial statements.

The Group's principal business activities during the financial year ended 31 December 2020 were garment manufacturing for export, retailing branded fashion apparel and property investment in Mainland China.

An analysis of the Group's performance for the financial year ended 31 December 2020 by business and geographical segments is set out in note 5 to the consolidated financial statements.

Business Review

Details of the activities during the year as required by Schedule 5 to the Hong Kong Companies Ordinance, including fair review of the Group's business, a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, are set out in the sections "Chairman's Statement" on pages 11 to 14, "Management Discussion and Analysis" on pages 15 to 23 and Corporate Risk Management and Internal Control Report on pages 43 to 50 of this report.

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

Subsidiaries

Particulars of the Company's principal subsidiaries as of 31 December 2020 are set forth in note 10 to the consolidated financial statements.

Results and Appropriations

The Group's consolidated results for the financial year ended 31 December 2020 are set forth in the consolidated statement of comprehensive income on pages 77 and 78 of this report.

The Directors do not recommend the payment of any dividend for the year ended 31 December 2020.

董事欣然呈列董事會報告，連同截至二零二零年十二月三十一日止財政年度的經審核財務報表。

主要業務

本公司的主要業務是投資控股，本公司附屬公司的主要業務詳情載於綜合財務報表附註10。

本集團截至二零二零年十二月三十一日止財政年度的主要業務是在中國內地製造成衣以供出口、零售品牌時裝及投資物業。

本集團於截至二零二零年十二月三十一日止財政年度按業務及地區分部分類的業績分析載於綜合財務報表附註5。

業務回顧

香港公司條例附表5所規定的年內活動詳情(包括對本集團業務的中肯審視、對本集團面對的主要風險及不明朗因素的描述，以及本集團業務相當可能有的未來發展的揭示)載於本報告第11至第14頁的「主席報告」、第15至第23頁的「管理層討論及分析」及第43至第50頁的企業風險管理與內部控制報告各節。

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

附屬公司

有關本公司於二零二零年十二月三十一日之主要附屬公司詳情載於綜合財務報表附註10。

業績及分配

本集團截至二零二零年十二月三十一日止財政年度的綜合業績載於本報告第77及第78頁之綜合全面收入表內。

截至二零二零年十二月三十一日止年度，董事並無建議任何股息派付。

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 190 and 191 of this report.

Borrowings

Details of the borrowings of the Group are set forth in note 24 to the consolidated financial statements.

Share Capital and Share Options

No new shares or share options were issued during the year. Details of shares issued by the Company are set forth in note 20 to the consolidated financial statements.

Principal Properties

Details of the principal properties held for investment purpose are set out on note 8 to the consolidated financial statements. Further details of the Group's investment properties are set out on page 192 of this report.

Distributable Reserves

As of 31 December 2020, the Company's reserves available for distributions amounted to HK\$1,532.4 million comprising share premium, contributed surplus and retained earnings.

Major Customers and Suppliers

During the financial year ended 31 December 2020, sales made to the Group's top five customers and the largest customer accounted for approximately 27.0% and 7.9% of the total sales. The Group purchased less than 30.0% of its goods and services from its five largest suppliers.

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

Relationship with Customers, Suppliers and Employees

The Group values relationships with, and have been maintaining good relationships with its customers, raw material and garment manufacturing suppliers and the employees of the Group. During the year ended 31 December 2020, there were no material dispute between the Group and its customers, suppliers and employees.

財務概要

本集團過去五個財政年度的業績、資產及負債概要載於本報告第190及第191頁。

借貸

有關本集團之借貸詳情載於綜合財務報表附註24。

股本及購股權

年內概無發行任何新股份或購股權。有關本公司已發行股份的詳情載於綜合財務報表附註20。

主要物業

有關持作投資目的的主要物業詳情載於綜合財務報表附註8。有關本集團投資物業的進一步詳情載於本報告第192頁。

可供分派儲備

截至二零二零年十二月三十一日，本公司的可供分派儲備為1,532.4百萬港元，包括股份溢價、繳入盈餘及保留盈利。

主要客戶及供應商

截至二零二零年十二月三十一日止財政年度，本集團向五大客戶及最大客戶銷售所得的銷售額分別佔總銷售額約27.0%及7.9%。本集團向五大供應商採購的貨物及服務低於其採購額的30.0%。

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

與客戶、供應商及僱員之關係

本集團重視與客戶、原材料及成衣製造供應商及其僱員之關係，並且一直與彼等維持良好關係。於截至二零二零年十二月三十一日止年度，本集團與其客戶、供應商及僱員之間並無重大爭議。

Environmental Policy and Performance

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

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

Compliance with laws and Regulations

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

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

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

環境政策及表現

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

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

遵守法律及法規

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

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

* 英文版法律名稱由中文翻譯而來，僅供識別。

Report of the Directors

董事會報告

Directors

The Directors of the Company for the year ended 31 December 2020 and up to the date of this report are:

Executive Directors:

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

Independent non-executive Directors:

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

In accordance with article 87 of the Company's Articles of Association, Mr. DING Jianer, Mr. CHEUNG Ting Yin, Peter and Mr. WONG Chi Keung will retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting (the "Annual General Meeting").

Change in Information of Directors

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

Name of Director	Details of changes
Independent Non-Executive Director:	
Mr. WONG Chi Keung	Appointed as an independent non-executive director, the Chairman of Audit Committee and Remuneration Committee of Asia Standard Hotel Group Limited (stock code: 0292) with effect from 15 January 2021
Mr. LEUNG Man Kit	Resigned as an independent non-executive director and also ceases to act as the chairman of the Audit Committee and a member of the Remuneration Committee of China Electronics Optics Valley Union Holding Company Limited (stock code: 0798) with effect from 8 May 2020

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

董事

於截至二零二零年十二月三十一日止年度及直至本報告刊發日期止的本公司現任董事如下：

執行董事：

丁敏兒先生 (主席)
丁雄尔先生 (行政總裁)
丁建兒先生
張定賢先生

獨立非執行董事：

鄭志鵬先生
黃之強先生
梁民傑先生

根據本公司章程細則第87條細則，丁建兒先生、張定賢先生及黃之強先生將會退任，並符合資格可在應屆股東週年大會（「股東週年大會」）上膺選連任。

董事資料變更

須根據上市規則第13.51B(1)條予以披露的本公司董事資料變動載列如下：

董事名稱	變更詳情
獨立非執行董事：	
黃之強先生	獲委任為泛海酒店集團有限公司 (股份代號：0292) 之獨立非執行董事、審核委員會及薪酬委員會主席，由二零二一年一月十五日起生效
梁民傑先生	辭任中電光谷聯合控股有限公司 (股份代號：0798) 之獨立非執行董事，並不再出任審核委員會主席及薪酬委員會成員，自二零二零年五月八日起生效

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

Confirmation of Independence of Independent Non-executive Directors

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

Directors' and Senior Management's Biographies

Biographical details of the Directors and the senior management of the Group are set forth on pages 24 to 30 of this report.

Directors' Service Contracts

The annual salary and bonus of each of Mr. TING Man Yi, Mr. TING Hung Yi, Mr. DING Jianer and Mr. CHEUNG Ting Yin, Peter for the financial year ended 31 December 2020 was HK\$2.8 million, HK\$2.8 million, HK\$2.0 million, and HK\$1.5 million, respectively. The annual salary and bonus of each executive Director shall be recommended by the Remuneration Committee and decided by the Board and subject to the annual review by the Remuneration Committee of the Company, provided that any increment shall not be more than 15% of the annual salary received by each executive Director for the immediate preceding year.

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

Each of the independent non-executive Director has signed a letter of appointment dated 18 November 2020 with the Company under which each of them has agreed to act as an independent non-executive Director for a period of three years, commencing from 18 November 2020, unless terminated in accordance with the terms and conditions specified therein. The initial annual fee payable to Mr. WONG Chi Keung, Mr. CHENG Chi Pang and Mr. LEUNG Man Kit is HK\$360,000, HK\$240,000 and HK\$240,000, respectively.

獨立非執行董事之獨立確認書

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

董事及高層管理人員之履歷

有關董事及本集團高層管理人員的履歷，詳情載於本年報第24至第30頁。

董事服務合約

於截至二零二零年十二月三十一日止財政年度，丁敏兒先生、丁雄尔先生、丁建兒先生及張定賢先生各自可分別獲得年薪及花紅2.8百萬港元、2.8百萬港元、2.0百萬港元及1.5百萬港元。各執行董事的年薪及花紅須由薪酬委員會建議及由董事會釐定，並由本公司薪酬委員會每年檢討，惟任何加薪幅度不得多於各執行董事於緊接上一年度所獲年薪的15%。

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

各獨立非執行董事已於二零二零年十一月十八日與本公司簽署委任書，據此，彼等各自同意由二零二零年十一月十八日起出任獨立非執行董事三年，惟根據委任書訂明的條款及條件終止則除外。初步應向黃之強先生、鄭志鵬先生及梁民傑先生支付的年度袍金分別為360,000港元、240,000港元及240,000港元。

Report of the Directors

董事會報告

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

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

Except for the continuing connected transactions disclosed on pages 62 to 63 of this report, no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2019: Nil).

Emolument Policy of the Group

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

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

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

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

董事於對本公司業務而言屬重大的交易、安排及合約中擁有的重大權益

除本報告第62至63頁披露的持續關連交易外，概無有關本公司業務且本公司為訂約方及董事或與董事有關連之實體直接或間接擁有重大權益的重大交易、安排及合約於年末或年內任何時間存續（二零一九年：無）。

本集團之酬金政策

本公司有關董事薪酬的政策如下：

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

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

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

As of 31 December 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions), or were required, pursuant to section 352 of the SFO, to be entered in the register required to be maintained, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

(a) Interests in the Shares of the Company

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

* The approximate percentage of interest in the Company is based on the issued share capital of the Company as of 31 December 2020.

佔本公司權益概約百分比乃按本公司截至二零二零年十二月三十一日的已發行股本計算。

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

截至二零二零年十二月三十一日，董事及本公司最高行政人員於本公司及其相聯法團（按證券及期貨條例（「證券及期貨條例」）第十五部的涵義）的股份、相關股份或債權證中，擁有根據證券及期貨條例第十五部第7及8分部的規定已知會本公司及聯交所的權益及淡倉（包括根據該等條文規定被當作或被視作擁有的權益及淡倉），或根據證券及期貨條例第352條規定須登記於需存置的登記冊內的權益及淡倉，或根據標準守則規定須知會本公司及聯交所的權益及淡倉如下：

(a) 於本公司股份的權益

Report of the Directors

董事會報告

Notes:

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

附註：

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

(b) Interests in the Shares of Associated Corporations

(b) 於相聯法團股份的權益

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

Notes:

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

附註：

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

Save as disclosed above, as of 31 December 2020, none of the Directors or the chief executive of the Company and any of their associates had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，截至二零二零年十二月三十一日，概無董事或本公司最高行政人員及彼等之任何聯繫人於本公司及其相聯法團（按證券及期貨條例第十五部的涵義）的任何股份、相關股份或債權證中，擁有或被視作擁有已根據證券及期貨條例第352條登記於本公司需存置的登記冊內的任何權益或淡倉，或已根據標準守則規定知會本公司及聯交所的任何權益或淡倉。

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

So far as the Directors are aware, as of 31 December 2020, the persons, other than Directors and chief executive of the Company, having interests or short positions in the shares, underlying shares or debentures of the Company, which were required to be entered into the register kept by the Company pursuant to section 336 of the SFO, were as follows:

主要股東於本公司股份及相關股份中擁有的權益及／或淡倉

據董事所知，截至二零二零年十二月三十一日，於本公司股份、相關股份或債權證中擁有權益或淡倉，而根據證券及期貨條例第336條須登記於本公司需存置的登記冊內的人士（並非董事或本公司最高行政人員）如下：

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

The approximate percentage of interest in the Company is based on the issued share capital of the Company as of 31 December 2020.

佔本公司權益概約百分比乃按本公司截至二零二零年十二月三十一日的已發行股本計算。

Notes:

附註：

- The letter "L" stands for the substantial shareholders' long position in the shares.
- Longerview is owned as to 41.5% by Firmsuccess. As such, Longerview is a controlled corporation (within the meaning of the SFO) of Firmsuccess. Firmsuccess is therefore deemed to be interested in the 1,490,000,000 shares held by Longerview.
- Longerview is owned as to 40.5% by In Holdings. As such, Longerview is a controlled corporation (within the meaning of the SFO) of In Holdings. In Holdings is therefore deemed to be interested in the 1,490,000,000 shares held by Longerview.

- 字母「L」指主要股東於股份中的好倉。
- Firmsuccess擁有Longerview的41.5%。因此，Longerview為Firmsuccess的受控制法團（按證券及期貨條例的涵義）。故此，Firmsuccess被視作擁有Longerview持有的1,490,000,000股股份的權益。
- In Holdings擁有Longerview的40.5%。因此，Longerview為In Holdings的受控制法團（按證券及期貨條例的涵義）。故此，In Holdings被視作擁有Longerview持有的1,490,000,000股股份的權益。

4 Pursuant to a shareholders' agreement dated 18 November 2005 and entered into between the Controlling Shareholders, each of the Controlling Shareholders (other than Longerview) has agreed to enter into pre-emptive arrangements in respect of their shareholding in Longerview. For the purpose of Part XV of the SFO, each of Firmsuccess, In Holdings and Willport is therefore deemed to have effective voting power in respect of the 1,490,000,000 shares held by Longerview. As such, Willport is also deemed to be interested in the 1,490,000,000 shares held by Longerview.

Save as disclosed above, as of 31 December 2020, the Directors were not aware of any other person or corporation having an interest or short positions in the shares, underlying shares or debentures of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Directors' and Controlling Shareholders' Interest in Competing Business

As of 31 December 2020, none of the Directors and their respective associates (as defined in the Listing Rules) or the controlling shareholders of the Company (as defined in the Listing Rules) had any interest in a business, which competes or may compete with the business of the Group.

Permitted Indemnity Provisions

During the year ended 31 December 2020, appropriate insurance covering for the Directors' and senior management's liabilities arising out of activities of the Group has been arranged by the Company. As of the date of this report, such insurance covering remained effective.

Pre-emptive Rights

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

Purchase, Sale or Redemption of Shares

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's shares during the year ended 31 December 2020.

Model Code for Directors' Securities Transaction

Details of compliance by the Directors with the Model Code are set forth in the Corporate Governance Report on pages 31 to 42 of this report.

4 根據各控股股東於二零零五年十一月十八日訂立的股東協議，各控股股東（Longerview除外）已同意就彼等於Longerview之股權訂立優先購買安排。就證券及期貨條例第XV部而言，Firmsuccess、In Holdings及Willport各自因此被視作擁有Longerview所持1,490,000,000股股份的實際投票權。因此，Willport亦被視作擁有Longerview持有的1,490,000,000股股份的權益。

除上文所披露者外，截至二零二零年十二月三十一日，董事概無知悉任何其他人士或法團於本公司股份、相關股份或債權證中擁有根據證券及期貨條例第336條須登記於本公司需存置的登記冊內的權益或淡倉。

董事及控股股東於競爭業務的權益

截至二零二零年十二月三十一日，董事及其各自的聯繫人（定義見上市規則）或本公司控股股東（定義見上市規則）概無在與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

獲准許的彌償條文

於截至二零二零年十二月三十一日止年度，本公司已安排就董事及高級管理層於本集團業務過程中引致的責任購買適當保險。截至本年報日期，有關保險仍然有效。

優先購買權

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

購買、出售或贖回股份

本公司或其任何附屬公司於截至二零二零年十二月三十一日止年度內概無購買、出售或贖回本公司股份。

董事進行證券交易的標準守則

有關董事遵守標準守則之詳情載於本報告第31至第42頁之企業管治報告內。

Continuing Connected Transaction

Particulars of Transaction

During the year ended 31 December 2020, the Group entered into a non-exempt continuing connected transaction (as disclosed in the announcement of the Company dated 20 December 2019). A supply contract dated 20 December 2019 was entered into between Hangzhou Huasheng Accessories Company Limited (“Huasheng Accessories”) and various members of the Group for a period from 1 January 2020 to 31 December 2022, whereby Huasheng Accessories has undertaken to supply to members of the Group the required plastic bags and hangers at such prices which are not higher than the prices offered to independent third parties after taking into consideration the prevailing market rates for providing similar products from time to time. For the year ended 31 December 2020, the aggregate purchase of plastic bags and hangers by the Group from Huasheng Accessories amounted to HK\$3.1 million (2019: HK\$5.7 million) which was below the annual cap of HK\$10.0 million.

Information on Connected Person

Huasheng Accessories

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

Confirmations

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

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

持續關連交易

交易詳情

截至二零二零年十二月三十一日止年度，本集團已進行不獲豁免持續關連交易（誠如本公司日期為二零一九年十二月二十日的公佈所披露）。杭州華盛輔料有限公司（「華盛輔料」）與多間本集團成員公司於二零一九年十二月二十日訂立供應合約，年期由二零二零年一月一日起至二零二二年十二月三十一日止，據此，華盛輔料承諾以不高於提供予獨立第三方的價格（經計及不時提供同類產品的當時市價），向本集團成員公司供應所需的塑料袋及衣架。截至二零二零年十二月三十一日止年度，本集團向華盛輔料採購塑料袋及衣架的總額為3.1百萬港元（二零一九年：5.7百萬港元），低於10.0百萬港元的年度上限。

有關關連人士的資料

華盛輔料

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

確認事項

獨立非執行董事已審閱上述的本集團不獲豁免持續關連交易，並確認該交易：

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

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 62 to 63 of this report in accordance with Rules 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Related Parties Transaction

Details of the related party transactions undertaken by the Group during the year ended 31 December 2020 are set out in note 34 to the consolidated financial statements.

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

Sufficiency of Public Float

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

Audit Committee

The Company has established an Audit Committee, comprising three independent non-executive Directors, and has adopted terms of reference which are in compliance with the Listing Rules. The primary duties of the Audit Committee are to review financial information of the Group, make recommendation on the external auditor and supervise the financial reporting process and internal control system of the Group and to provide comments and advice to the Board. The Audit Committee has reviewed the audited financial statements of the Company and audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

本公司核數師已獲委聘根據香港會計師公會頒佈之香港保證委聘準則第3000號「過往財務資料之審核或審閱以外之保證委聘」，並參照實務指引第740號「香港上市規則項下持續關連交易之核數師函件」，對本集團之持續關連交易作出匯報。核數師已發出其無保留意見函件，詳載其根據上市規則第14A.56條對本集團於本報告第62至第63頁所披露持續關連交易之發現及結論。本公司已向聯交所提交核數師函件副本。

關連人士交易

截至二零二零年十二月三十一日止年度，由本集團進行之關連人士交易之詳情載於綜合財務報表附註34。

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

公眾持股量充足

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

審核委員會

本公司已成立審核委員會，由三位獨立非執行董事組成，並已採納符合上市規則的職權範圍。審核委員會的主要職責為審閱本集團財務資料，向外聘核數師作出推薦建議及監管本集團財務申報程序以及內部監控制度，並向董事會提供意見及建議。審核委員會已分別審閱本公司及本集團截至二零二零年十二月三十一日止財政年度的經審核財務報表及經審核綜合財務報表。

Report of the Directors 董事會報告

Auditor

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

On Behalf of the Board

TING Man Yi

Chairman

Hong Kong, 26 March 2021

核數師

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

代表董事會

主席

丁敏兒

香港，二零二一年三月二十六日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

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

致華鼎集團控股有限公司股東
(於開曼群島註冊成立之有限公司)

Qualified Opinion

保留意見

What we have audited

The consolidated financial statements of China Ting Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 75 to 189, which comprise:

我們已審計的內容

華鼎集團控股有限公司(「貴公司」)及其附屬公司(「貴集團」)列載於第75至189頁的綜合財務報表，當中包括：

- the consolidated balance sheet as at 31 December 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

- 於二零二零年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合全面收入表；
- 截至該日止年度的綜合權益變動報表；
- 截至該日止年度的綜合現金流量報表；及
- 綜合財務報表附註，包括重大會計政策概要。

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們的保留意見

我們認為，除我們報告中「保留意見的基礎」一節所述事項可能產生的影響外，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實公允地反映貴集團於二零二零年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

Basis for Qualified Opinion

As discussed in note 16 to the consolidated financial statements, the Group held financial assets at fair value through profit or loss ("FVPL in Zhejiang Haoran") with respect to Zhejiang Haoran Property Company Limited ("Zhejiang Haoran") during the year up to 30 June 2020 (the "date of disposal"), which represented the Group's equity interests in, shareholder's loans and advances granted to Zhejiang Haoran. As set out in our auditor's report dated 26 March 2020 on the Group's consolidated financial statements for the year ended 31 December 2019, we have previously qualified our audit opinion due to limitation on the scope in relation to the carrying value and classification of the FVPL in Zhejiang Haoran as we were unable to obtain sufficient appropriate audit evidence on whether any adjustments were necessary to the carrying value of HK\$305 million and the related negative exchange reserve balance of HK\$34 million as at 31 December 2019 and the corresponding fair value gain of HK\$21 million and exchange loss of HK\$5 million for the year ended 31 December 2019 as well as whether the classification of the FVPL in Zhejiang Haoran as current assets is appropriate.

The Group had sought for recovery of the shareholders' loan and advance to Zhejiang Haoran and to enforce its right as a shareholder of Zhejiang Haoran through legal proceedings since 2016. The fair value of the FVPL in Zhejiang Haoran as at 31 December 2019 was estimated by management using the adjusted net asset value approach, as described in note 16 to the consolidated financial statements, based on the financial information of Zhejiang Haoran as at 31 December 2016 and other information made available to the Group during the legal proceeding because management of Zhejiang Haoran did not provide such required up to date financial information to the Group.

During the year ended 31 December 2020, the Group disposed of its entire interest in Zhejiang Haoran to the major shareholder of Zhejiang Haoran at a consideration of approximately HK\$491 million. Management assumed there was no change in the fair value during the year up to the date of disposal. Hence, the Group recognised a gain on disposal of HK\$193 million in the consolidated statement of comprehensive income for the year ended 31 December 2020 calculated as the difference between the consideration and the carrying value of the FVPL of Zhejiang Haoran at HK\$299 million.

保留意見的基礎

如綜合財務報表附註16所討論，貴集團於本年度直至二零二零年六月三十日（「出售日期」）止持有與浙江浩然置業有限公司（「浙江浩然」）相關的按公平值列賬在損益表中處理之金融資產（「於浙江浩然的按公平值列賬在損益表中處理之金融資產」），其代表貴集團於浙江浩然的股權以及向其提供的股東貸款及墊款。如我們就貴集團截至二零一九年十二月三十一日止年度的綜合財務報表發出的日期為二零二零年三月二十六日的核數師報告所載，因於浙江浩然的按公平值列賬在損益表中處理之金融資產的賬面值及分類的審計範圍受限，我們先前提出了保留的審計意見，原因是我們無法獲取充分及適當的審計證據，以確定是否需要對二零一九年十二月三十一日的賬面值305百萬港元以及相關負匯兌儲備結餘34百萬港元以及截至二零一九年十二月三十一日止年度的相應公平值收益21百萬港元及匯兌虧損5百萬港元作出任何調整，並確定將於浙江浩然的按公平值列賬在損益表中處理之金融資產分類為流動資產是否恰當。

自二零一六年以來，貴集團已尋求通過法律程序收回對浙江浩然的股東貸款及墊款，並行使其作為浙江浩然股東的權利。由於浙江浩然的管理層並未向貴集團提供所需的最新財務資料，因此於浙江浩然的按公平值列賬在損益表中處理之金融資產於二零一九年十二月三十一日之公平值乃由管理層根據浙江浩然於二零一六年十二月三十一日的財務資料以及貴集團於法律程序中獲得的其他資料使用綜合財務報表附註16所述的經調整資產淨值法估計得出。

於截至二零二零年十二月三十一日止年度，貴集團將其於浙江浩然的全部權益出售予浙江浩然的主要股東，代價為約491百萬港元。管理層假定公平值於本年度直至出售日期前並無變化。因此，貴集團按代價與於浙江浩然的按公平值列賬在損益表中處理之金融資產的賬面值299百萬港元之間的差額，於截至二零二零年十二月三十一日止年度的綜合全面收入表中確認處置收益193百萬港元。

Up to the date of this report, management was unable to provide us with sufficient appropriate audit evidence we considered necessary to assess management's valuation of the FVPL in Zhejiang Haoran as at 1 January 2020 and at the date of disposal. We were unable to determine whether any adjustments were necessary to the balance of the FVPL in Zhejiang Haoran as at 1 January 2020 and at the date of disposal of HK\$305 million and HK\$299 million, respectively. Any adjustments to the carrying value of FVPL in Zhejiang Haoran as at 1 January 2020 and at the date of disposal could have a significant consequential effect on the fair value gain of nil, disposal gain of HK\$193 million and exchange loss of HK\$6 million recognised in the consolidated statement of comprehensive income for the year ended 31 December 2020. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments to the aforementioned fair value gain, disposal gain and related exchange loss for the year ended 31 December 2020 is necessary.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

截至本報告日期，就評估管理層對於浙江浩然的按公平值列賬在損益表中處理之金融資產於二零二零年一月一日及於出售日期的估值而言，管理層尚無法為我們提供我們認為屬必要的充分及恰當審計證據。我們無法確定是否需要對於浙江浩然的按公平值列賬在損益表中處理之金融資產分別於二零二零年一月一日及於出售日期的結餘305百萬港元及299百萬港元作出任何調整。對於浙江浩然的按公平值列賬在損益表中處理之金融資產於二零二零年一月一日及於出售日期的賬面值作出的任何調整，均可能對截至二零二零年十二月三十一日止年度的綜合全面收入表中確認的公平值收益零、處置收益193百萬港元及匯兌虧損6百萬港元產生重大影響。我們無法執行其他令人滿意的審計程序，以確定是否需要對截至二零二零年十二月三十一日止年度的上述公平值收益、處置收益及相關匯兌虧損作出任何調整。

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的保留意見提供基礎。

獨立性

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters identified in our audit are summarised as follows:

- Impairment of trade receivables
- Impairment of inventories

Key Audit Matter

關鍵審計事項

Impairment of trade receivables

應收貿易賬款減值

Refer to notes 3.1(d), 4(b) and 15 to the consolidated financial statements

請參閱綜合財務報表附註3.1(d)、4(b)及15

As at 31 December 2020, the Group had gross trade receivables of HK\$425 million and provision for impairment of trade receivables of HK\$100 million.

於二零二零年十二月三十一日，貴集團擁有應收貿易賬款總額425百萬港元及應收貿易賬款減值撥備100百萬港元。

Provision is made for lifetime expected credit losses on trade receivables.

撥備乃按應收貿易賬款的存續期預期信貸虧損計提。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項為我們審計整體綜合財務報表及出具意見時進行處理的關鍵審計事項，而我們不會對該等事項提供單獨的意見。除「保留意見的基礎」一節所述的事項外，我們已將下述事項確定為將在我們報告中溝通的關鍵審計事項：

我們於審計中識別的關鍵審計事項概述如下：

- 應收貿易賬款的減值
- 存貨減值

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

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

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

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

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

Key Audit Matter

關鍵審計事項

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

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

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

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

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

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

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We tested on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices. 我們通過核對相關銷售發票抽樣測試應收貿易賬齡情況的準確性。

We tested on a sample basis, the subsequent settlement of trade receivables against bank receipts. 我們對照銀行進賬單抽樣測試應收貿易賬款的後續結算情況。

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

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

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

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

Independent Auditor's Report

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment of inventories

存貨減值

Refer to notes 4(c) and 13 to the consolidated financial statements

請參閱綜合財務報表附註4(c)及13

As at 31 December 2020, the Group held net inventories amounting to HK\$923 million. Inventories are stated at the lower of cost and net realisable value ("NRV") in the consolidated financial statements. The cost of inventories may not be fully recoverable if they are aged and damaged, or become obsolete, or if their selling prices have declined.

於二零二零年十二月三十一日，本集團持有存貨淨額923百萬港元。存貨於綜合財務報表中按成本與可變現淨值（「可變現淨值」）之較低者列賬。若存貨已經陳舊、毀損、過時或售價下跌，則存貨成本可能無法完全收回。

Management determined the lower of cost and NRV of inventories by considering the ageing profile, status and estimated selling price of individual inventory items.

管理層釐定存貨的成本與可變現淨值的較低者時，會考慮個別存貨項目的庫齡、狀況及估計售價。

Management calculated the NRV at period end based on the estimated selling price less selling expenses, taking into account historical experience of selling products of similar nature and expectation of future sales based on current market condition.

管理層經考慮出售類似性質產品的過往經驗及按當前市況對未來銷售的預期，根據估計售價減銷售開支計算期末的可變現淨值。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We understood and validated the control procedures performed by management, including its procedures in estimating the NRV of the inventories and conducting periodic review on inventory obsolescence.

我們了解及驗證管理層執行的控制程式，包括其估計存貨可變現淨值及定期覆核存貨過時的程序。

We observed management's inventory counts to identify whether there is any damaged or obsolete inventories.

我們對管理層盤點存貨進行監盤，以識別出有否有任何損壞或過時存貨。

We tested, on a sample basis, the accuracy of the ageing profile of individual inventory item by checking to the underlying procurement correspondences and invoices.

透過檢查相關採購資料及發票，我們以抽樣方式測試個別存貨項目庫齡之準確性。

We tested on a sample basis, the subsequent usage or sales of selected inventory items, obtained through the usage or sales reports subsequent to the year end as a basis to identify inventory obsolescence. Where there are no subsequent usage or sales of the respective items after year end, we discussed with management their assessment on estimated future utilisation, corroborating explanations with the inventory ageing, sales orders and marketability of the relevant finished goods by using our industry knowledge.

我們以抽樣方式測試選定存貨於年終後之使用或銷售情況，透過取得年終後的使用或銷售報告，識別出過時存貨。倘相關存貨於年終後並無用量或銷售，我們與管理層討論其對估計存貨未來使用率作出之評估，透過我們對行業的認識，佐證有關存貨庫齡、銷售訂單及相關製成品適銷性的解釋。

Key Audit Matter

關鍵審計事項

Management applied a provisioning methodology for slow moving inventories based on inventory ageing and made specific provision for long aged inventories. It also conducted periodic review on inventory obsolescence, including performance of periodic inventory counts and review of holding period for individual inventory items.

管理層按存貨庫齡對滯銷存貨應用撥備方法，並就長期陳舊存貨作出特定撥備。管理層亦會就存貨是否過時進行定期審查，包括定期進行存貨盤點及審閱個別存貨項目的持有期。

We focused on this area due to the magnitude of the balance to the financial position of the Group, and the significant judgement and estimates involved in determining the provision for impairment of inventories.

我們因 貴集團財務狀況表餘額較大以及在釐定存貨減值撥備時需要估計及判斷而關注此方面。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We also tested, on a sample basis, the NRV of selected inventory items by comparing the selling price subsequent to the year end against the carrying values of individual finished goods. Where there are no subsequent sales of the respective finished goods after the year end, we discussed with management as to the realisable value of the products, corroborating explanations with the inventory ageing, sales orders, historical margins, and current market conditions by using our industry knowledge and external market analysis, as appropriate.

我們亦以抽樣方式測試選定存貨項目之可變現淨值，在測試中將個別製成品於年終後的售價與其賬面值作一比較。對於年終後並無出售的相關製成品，我們與管理層討論該產品的可變現值，並透過我們對行業的認識及外部市場分析(如適用)，佐證有關存貨年期、銷售訂單、過往毛利率及現行市況的解釋。

We consider the provision for impairment of inventories as at 31 December 2020 was supportable by available evidence.

我們認為，於二零二零年十二月三十一日的存貨減值撥備能夠以可得證據作支持。

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

其他信息

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

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

Independent Auditor's Report

獨立核數師報告

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the fair value of the FVPL in Zhejiang Haoran and the related exchange reserve balance as at 1 January 2020 and at the date of disposal, the fair value gain, disposal gain and relevant exchange loss for the year ended 31 December 2020. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。誠如上文「保留意見的基礎」一節所述，我們無法獲取充分及適當的審計證據，以確定於二零二零年一月一日及於出售日期於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值以及相關匯兌儲備結餘，以及截至二零二零年十二月三十一日止年度的公平值收益、處置收益及相關匯兌虧損。因此，我們無法判斷其他信息是否存在有關該事項的重大錯誤陳述。

董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

Independent Auditor's Report

獨立核數師報告

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Chiu Kong, Edmond.

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

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

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

出具本獨立核數師報告的審計項目合夥人是陳朝光。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 March 2021

羅兵咸永道會計師事務所
執業會計師

香港，二零二一年三月二十六日

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2020 於二零二零年十二月三十一日

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
ASSETS			
Non-current assets			
Property, plant and equipment	6	533,320	480,208
Right-of-use assets	7	176,457	189,768
Investment properties	8	476,556	371,232
Intangible assets	9	42,901	14,574
Interests in associates	11	1,544	1,236
Promissory note	15	31,949	24,227
Deferred income tax assets	22	99,809	86,417
		1,362,536	1,167,662
Current assets			
Inventories	13	923,289	982,023
Trade and other receivables			
	15	1,080,058	647,615
Financial assets at fair value through profit or loss ("FVPL")	16	6,248	310,505
Financial assets at fair value through other comprehensive income ("FVOCI")	17	8,640	9,087
Promissory note	15	9,382	12,380
Entrusted loans	15	—	5,643
Tax recoverable		6,585	6,413
Pledged bank deposits	18	5,193	4,815
Fixed deposits	18	26,128	10,020
Cash and bank balances	18	577,172	455,596
Assets held for sale	19	2,642,695 8,880	2,444,097 8,590
		2,651,575	2,452,687
Total assets		4,014,111	3,620,349

The notes on pages 82 to 189 are an integral part of these consolidated financial statements.

第82至189頁之附註為該等綜合財務報表的組成部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2020 於二零二零年十二月三十一日

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	20	209,982	209,982
Reserves	21	2,633,364	2,304,541
Non-controlling interests		2,843,346	2,514,523
		31,169	22,967
Total equity		2,874,515	2,537,490
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	22	114,378	87,293
Lease liabilities	7	17,026	18,539
		131,404	105,832
Current liabilities			
Trade and other payables			
Contract liabilities			
Lease liabilities			
Bank borrowings			
Current income tax liabilities			
		1,008,192	977,027
Total liabilities		1,139,596	1,082,859
Total equity and liabilities		4,014,111	3,620,349

The consolidated financial statements on pages 75 to 189 were approved by the Board of Directors on 26 March 2021 and were signed on its behalf.

TING Man Yi
丁敏兒
Director
董事

TING Hung Yi
丁雄尔
Director
董事

第75至189頁的綜合財務報表於二零二一年三月二十六日由董事會批准，並由以下董事代為簽署。

The notes on pages 82 to 189 are an integral part of these consolidated financial statements.

第82至189頁之附註為該等綜合財務報表的組成部分。

Consolidated Statement of Comprehensive Income

綜合全面收入表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	5	1,542,425	1,899,011
Cost of sales	29	(1,318,699)	(1,524,650)
Gross profit		223,726	374,361
Other income, net	25	22,610	33,846
Other gains, net	26	608,271	62,886
Net (provision for)/reversal of impairment loss of financial assets	15	(109,667)	9,425
Selling, marketing and distribution costs	29	(188,174)	(228,630)
Administrative expenses	29	(259,189)	(281,598)
Operating profit/(loss)		297,577	(29,710)
Finance income	27	5,127	8,997
Finance costs	27	(9,604)	(15,241)
Share of profits/(losses) of associates			
溢利/(虧損)	11	166	(585)
Share of losses of joint ventures	12	—	(573)
Profit/(loss) before income tax		293,266	(37,112)
Income tax expense	28	(140,272)	(18,547)
Profit/(loss) for the year		152,994	(55,659)
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences		135,947	(41,893)
Fair value gains on transfers of owner-occupied properties to investment properties, net of tax		49,833	—
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value (losses)/gains on FVOCI		(1,749)	301
Other comprehensive income/(loss), net of tax		184,031	(41,592)
Total comprehensive income/(loss)		337,025	(97,251)

The notes on pages 82 to 189 are an integral part of these consolidated financial statements.

第82至189頁之附註為該等綜合財務報表的組成部分。

Consolidated Statement of Comprehensive Income

綜合全面收入表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit/(loss) attributable to:			
	以下人士應佔之溢利／ (虧損)：		
Equity holders of the Company	本公司股權持有人	146,044	(54,686)
Non-controlling interests	非控制性權益	6,950	(973)
		152,994	(55,659)
Total comprehensive income/(loss) attributable to:			
	以下人士應佔之全面 收入／(虧損)總額：		
Equity holders of the Company	本公司股權持有人	328,823	(96,762)
Non-controlling interests	非控制性權益	8,202	(489)
		337,025	(97,251)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company during the year (expressed in HK cents per share)			
	年內本公司股權持有人應 佔溢利／(虧損)之每股 盈利／(虧損)(以每股 股份港仙呈列)		
— basic	— 基本	31	6.96
			(2.60)
— diluted	— 攤薄	31	6.96
			(2.60)

The notes on pages 82 to 189 are an integral part of these consolidated financial statements.

第82至189頁之附註為該等綜合財務報表的組成部分。

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔						Total equity 權益總額 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Non-controlling interests 非控制性權益 HK\$'000 千港元	
		Note 附註						
At 1 January 2020	於二零二零年一月一日	209,982	978,251	527,986	798,304	2,514,523	22,967	2,537,490
Comprehensive income	全面收入							
Profit for the year	年內溢利	—	—	—	146,044	146,044	6,950	152,994
Other comprehensive income/(loss)	其他全面收入/(虧損)							
Currency translation differences	貨幣換算差額	21	—	134,695	—	134,695	1,252	135,947
Fair value losses on FVOCI	按公平值計入其他全面收入之 金融資產之公平值虧損	17	—	(1,749)	—	(1,749)	—	(1,749)
Revaluation surplus upon transfers of owner-occupied properties to investment properties, net of tax	自用物業轉為投資物業後之 重估盈餘，扣除稅項		—	49,833	—	49,833	—	49,833
Total comprehensive income	全面收入總額		—	182,779	146,044	328,823	8,202	337,025
Transactions with owners	與擁有人之交易							
Transfer to statutory reserves	轉撥至法定儲備		—	51,984	(51,984)	—	—	—
Total transactions with equity holders of the Company	與本公司股權持有人之交易總額		—	51,984	(51,984)	—	—	—
At 31 December 2020	於二零二零年十二月三十一日	209,982	978,251	762,749	892,364	2,843,346	31,169	2,874,515

The notes on pages 82 to 189 are an integral part of these consolidated financial statements.

第82至189頁之附註為該等綜合財務報表的組成部分。

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔					Total	Non- controlling interests 非控制性 權益	Total equity 權益總額
		Share capital	Share premium	Other reserves	Retained earnings				
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	其他儲備 HK\$'000 千港元	保留盈利 HK\$'000 千港元	總計 HK\$'000 千港元			
At 1 January 2019	於二零一九年一月一日	209,982	978,251	555,145	867,907	2,611,285	28,724	2,640,009	
Comprehensive loss	全面虧損								
Loss for the year	年內虧損	—	—	—	(54,686)	(54,686)	(973)	(55,659)	
Other comprehensive (loss)/income	其他全面(虧損)/收入								
Currency translation differences	貨幣換算差額	21	—	(42,377)	—	(42,377)	484	(41,893)	
Fair value gain on FVOCI	按公平值計入其他全面收入之 金融資產之公平值收益	17	—	301	—	301	—	301	
Total comprehensive loss	全面虧損總額	—	—	(42,076)	(54,686)	(96,762)	(489)	(97,251)	
Transactions with owners	與擁有人之交易								
Transfer to statutory reserves	轉撥至法定儲備	—	—	14,917	(14,917)	—	—	—	
Dividend paid to a non-controlling shareholder	已付非控股股東股息	—	—	—	—	—	(5,268)	(5,268)	
Total transactions with equity holders of the Company	與本公司股權持有人之交易總額	—	—	14,917	(14,917)	—	(5,268)	(5,268)	
At 31 December 2019	於二零一九年十二月三十一日	209,982	978,251	527,986	798,304	2,514,523	22,967	2,537,490	

The notes on pages 82 to 189 are an integral part of these consolidated financial statements.

第82至189頁之附註為該等綜合財務報表的組成部分。

Consolidated Statement of Cash Flows

綜合現金流量報表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash flows from operating activities			
Net cash used in operations	32(a)	(93,856)	(75,024)
Interest paid		(9,604)	(15,241)
Income tax paid		(7,385)	(18,418)
Net cash used in operating activities		(110,845)	(108,683)
Cash flows from investing activities			
Purchases of property, plant and equipment		(162,232)	(185,045)
Proceeds from disposal of property, plant and equipment	32(b)	2,321	7,974
Compensation from expropriation of land and properties	32(c)	189,202	—
Compensation from requisition and demolition of land and properties	32(d)	—	24,448
Purchases of right-of-use assets		—	(14,381)
Purchases of intangible assets		(15,758)	—
Purchases of FVOCI		—	—
Repayment of entrusted loans		5,643	175,867
Proceeds from disposal of FVPL in Zhejiang Haoran	16	376,723	—
Acquisition of a subsidiary	35	—	3,512
(Increase)/decrease in fixed deposits with initial term of over three months		(16,108)	10,533
(Increase)/decrease in pledged deposits		(378)	46,142
Interest received		3,334	10,514
Net cash generated from investing activities		381,480	79,564
Cash flows from financing activities			
Proceeds from bank borrowings		480,453	544,106
Repayment of bank borrowings		(639,425)	(484,896)
Lease payments		(13,138)	(12,243)
Dividend paid to a non-controlling shareholder		—	(5,268)
Net cash (used in)/generated from financing activities	32(e)	(172,110)	41,699
Net increase in cash and cash equivalents		98,525	12,580
Cash and cash equivalents at 1 January		455,596	448,547
Exchange difference		23,051	(5,531)
Cash and cash equivalents at 31 December	18	577,172	455,596

The notes on pages 82 to 189 are an integral part of these consolidated financial statements.

第82至189頁之附註為該等綜合財務報表的組成部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 General information

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

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

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

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

2 Summary of significant accounting policies

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

2.1 Basis of preparation

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

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

1 一般資料

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

本公司及其附屬公司(統稱為「本集團»)之業務為製造及銷售成衣以及物業投資。

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

除另有說明外·此等綜合財務報表乃以港元(「港元»)呈列。

2 重大會計政策概要

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

2.1 編製基準

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

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

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) Amended standards and conceptual framework adopted by the Group

The following amended standards and conceptual framework have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2020:

Conceptual framework for financial reporting 2018	Revised conceptual framework for financial reporting
Amendments to HKAS 1 and HKAS 8	Definition of material
Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Hedge accounting

The adoption of these amended standards and conceptual framework did not result in any substantial change to the Group's accounting policies. The amended standards and conceptual framework listed above did not have any significant impact on the amounts recognised in prior years and are not expected to significantly affect the current or future years.

2 重大會計政策概要(續)

2.1 編製基準(續)

(a) 本集團採納之經修訂準則及概念框架

以下經修訂準則及概念框架已由本集團於二零二零年一月一日或之後開始的財政年度首次採納：

二零一八年財務報告概念框架	經修訂之財務報告概念框架
香港會計準則第1號及香港會計準則第8號(修訂本)	重要性的定義
香港財務報告準則第3號(修訂本)	業務的定義
香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第9號(修訂本)	對沖會計

採納該等經修訂準則及概念框架並無導致本集團會計政策出現任何重大變更。上文所列之該等經修訂準則及概念框架並無對以往年度確認的金額產生任何重大影響，且預期不會對本年度或未來年度產生重大影響。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards and annual improvements not yet adopted

		Effective for accounting periods beginning on or after
Amendments to HKFRS 16	Covid-19-related rent concessions	1 June 2020
Amendments to HKAS 16	Property, plant and equipment — proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts — cost of fulfilling a contract	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual improvements	Annual improvements to HKFRSs 2018-2020	1 January 2022
Amendments to HKAS 1	Presentation of financial statements, classification of liabilities as current or non-current	1 January 2023
HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The above new and amended standards and annual improvements are not expected to have a material impact on the consolidated financial statements of the Group.

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 尚未採納之新訂及經修訂準則以及年度改進

		於以下日期或 之後開始之 年度期間生效
香港財務報告準則第16號(修訂本)	新冠疫情相關租金優惠	二零二零年六月一日
香港會計準則第16號(修訂本)	物業、廠房及設備：達致擬定用途前的所得款項	二零二二年一月一日
香港會計準則第37號(修訂本)	虧損合約 — 履約成本	二零二二年一月一日
香港財務報告準則第3號(修訂本)	引用概念框架	二零二二年一月一日
年度改進	香港財務報告準則二零一八年至二零二零年之年度改進	二零二二年一月一日
香港會計準則第1號(修訂本)	財務報表的呈列、負債分類為流動或非流動	二零二三年一月一日
香港財務報告準則第17號	保險合約	二零二三年一月一日
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間出售或注入資產	待定

上述新訂及經修訂準則以及年度改進預期不會對本集團綜合財務報表產生重大影響。

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

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

(a) Business combination

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

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

2 重大會計政策概要(續)

2.2 附屬公司

2.2.1 綜合賬目

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

(a) 業務合併

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

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

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

- (a) *Business combination (Continued)*
Acquisition-related costs are expensed as incurred.

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

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

- (b) *Changes in ownership interests in subsidiaries without change of control*
Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2 重大會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

- (a) *業務合併(續)*
收購相關成本於產生時支銷。

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

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

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

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(c) Disposal of subsidiaries

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

2.2.2 Separate financial statements

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

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

2 重大會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

(c) 處置附屬公司

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

2.2.2 獨立財務報表

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

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

2 Summary of significant accounting policies (Continued)

2.3 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (Note 2.5), after initially being recognised at cost.

2.4 Joint arrangements

The Group's joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method. Interests in joint ventures are accounted for using the equity method (Note 2.5), after initially being recognised at cost in the consolidated balance sheet.

2.5 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2 重大會計政策概要(續)

2.3 聯營公司

聯營公司指本集團對其擁有重大影響力但並不擁有控制權或共同控制權的所有實體。本集團一般持有其20%至50%的投票權。於聯營公司之投資初步按成本確認後以權益會計法入賬(見附註2.5)。

2.4 合營安排

本集團的合營安排分類為共同經營或合營公司。分類視乎各投資者之合約權利及責任而定，而非合營安排之法律結構。

本集團已評估其合營安排的性質，並將其確定為合營公司。聯營公司按權益法入賬。於聯營公司之權益初始於綜合資產負債表按成本確認後，採用權益法(附註2.5)入賬。

2.5 權益法

根據權益會計法，投資初始以成本確認，其後作出調整，以於損益確認本集團分佔收購後投資公司的溢利或虧損以及於其他全面收入確認本集團分佔投資公司的其他全面收入變動。已收或應收聯營公司及合營公司的股息確認為投資賬面值的扣減。

當本集團分佔按權益入賬之投資的虧損等於或超過其於該實體的權益(包括任何其他無抵押長期應收款項)，本集團不會確認進一步虧損，除非本集團已承擔責任或已代表其他實體支付款項。

2 Summary of significant accounting policies (Continued)

2.5 Equity method (Continued)

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.12.

2.6 Segment reporting

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

2.7 Foreign currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

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

2 重大會計政策概要(續)

2.5 權益法(續)

本集團與其聯營公司及合營公司之間未變現交易收益按本集團在該等實體的權益予以對銷。除非交易提供證據證明所轉讓的資產出現減值，否則未變現虧損亦予以對銷。按權益入賬之投資公司的會計政策已按需要作出變更，以確保與本集團採用的會計政策符合一致。

按權益入賬之投資的賬面值乃根據附註2.12所述的政策進行減值測試。

2.6 分部報告

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

2.7 外幣換算

(a) *功能及呈報貨幣*

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

(b) *交易及結餘*

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

2 Summary of significant accounting policies (Continued)

2.7 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

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

(c) Group companies

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

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

2 重大會計政策概要(續)

2.7 外幣換算(續)

(b) 交易及結餘(續)

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

(c) 集團公司

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

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

2 Summary of significant accounting policies (Continued)

2.7 Foreign currency translation (Continued)

(c) Group companies (Continued)

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

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

2.8 Property, plant and equipment

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

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

2 重大會計政策概要(續)

2.7 外幣換算(續)

(c) 集團公司(續)

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

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

2.8 物業、廠房及設備

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

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

2 Summary of significant accounting policies (Continued)

2.8 Property, plant and equipment (Continued)

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

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

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

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

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

2 重大會計政策概要(續)

2.8 物業、廠房及設備(續)

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

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

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

出售所得收益及虧損乃透過比較所得款項及賬面值釐定，並包括在綜合損益表內。

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

2 Summary of significant accounting policies (Continued)

2.9 Investment properties

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

2.10 Assets held for sale

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

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

2 重大會計政策概要(續)

2.9 投資物業

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

2.10 持作出售資產

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

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

2 Summary of significant accounting policies (Continued)

2.11 Intangible assets

(a) Goodwill

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

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

(b) Trademarks

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

(c) Customer relationships

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

2 重大會計政策概要(續)

2.11 無形資產

(a) 商譽

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

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

(b) 商標

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

(c) 客戶關係

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

2 Summary of significant accounting policies (Continued)

2.11 Intangible assets (Continued)

(d) Supply rights

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

2.12 Impairment of non-financial assets

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

2.13 Financial assets

(a) Classification

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

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

2 重大會計政策概要(續)

2.11 無形資產(續)

(d) 供應權

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

2.12 非金融資產之減值

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

2.13 金融資產

(a) 分類

本集團將其金融資產分為以下幾類：

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

2 Summary of significant accounting policies (Continued)

2.13 Financial assets (Continued)

(a) Classification (Continued)

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

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

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

(b) Recognition and derecognition

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

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated profit or loss.

2 重大會計政策概要(續)

2.13 金融資產(續)

(a) 分類(續)

分類取決於本集團管理金融資產的業務模式及現金流量的合約條款。

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

本集團於及僅於其管理資產的業務模式變更時將債務投資重新分類。

(b) 確認及終止確認

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

(c) 計量

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

2 Summary of significant accounting policies (Continued)

2.13 Financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

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

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

2 重大會計政策概要(續)

2.13 金融資產(續)

(c) 計量(續)

債務工具

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

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

2 Summary of significant accounting policies (Continued)

2.13 Financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

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

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

(d) Impairment

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

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

2 重大會計政策概要(續)

2.13 金融資產(續)

(c) 計量(續)

股本工具

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

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

(d) 減值

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

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

2 Summary of significant accounting policies (Continued)

2.14 Offsetting financial instruments

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

2.15 Inventories

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

2.16 Trade receivables

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

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

2 重大會計政策概要(續)

2.14 抵銷金融工具

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

2.15 存貨

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

2.16 應收貿易賬款

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

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

2 Summary of significant accounting policies (Continued)

2.17 Cash and cash equivalents

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

2.18 Share capital

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

2.19 Trade and other payables

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

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

2.20 Borrowings

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

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

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

2 重大會計政策概要(續)

2.17 現金及現金等值項目

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

2.18 股本

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

2.19 應付貿易賬款及其他應付款項

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

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

2.20 借款

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

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

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

2 Summary of significant accounting policies (Continued)

2.21 Borrowing costs

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

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

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

2.22 Current and deferred income tax

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

(a) Current income tax

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

2 重大會計政策概要(續)

2.21 借貸成本

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

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

所有其他借貸成本於其產生期間於綜合損益內確認。

2.22 即期及遞延所得稅

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

(a) 即期所得稅

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

2 Summary of significant accounting policies (Continued)

2.22 Current and deferred income tax (Continued)

(b) *Deferred income tax*

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

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

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

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

2 重大會計政策概要(續)

2.22 即期及遞延所得稅(續)

(b) *遞延所得稅*

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

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

遞延稅項資產僅在未來將有應課稅金額可供使用該等暫時差額及虧損時方會確認。

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

2 Summary of significant accounting policies (Continued)

2.22 Current and deferred income tax (Continued)

(b) *Deferred income tax (Continued)*

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

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

2.23 Employee benefits

(a) *Pension obligations*

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

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

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

2 重大會計政策概要(續)

2.22 即期及遞延所得稅(續)

(b) *遞延所得稅(續)*

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

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

2.23 僱員福利

(a) *退休金責任*

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

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

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

2 Summary of significant accounting policies (Continued)

2.23 Employee benefits (Continued)

(b) Employee leave entitlements

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

(c) Profit sharing and bonus plans

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

(d) Share-based compensation

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

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

2 重大會計政策概要(續)

2.23 僱員福利(續)

(b) 僱員應有假期

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

(c) 分享溢利及花紅計劃

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

(d) 以股份支付之報酬

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

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

2 Summary of significant accounting policies (Continued)

2.24 Contingent liabilities

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

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

2.25 Provisions

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

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

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

2 重大會計政策概要(續)

2.24 或然負債

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

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

2.25 撥備

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

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

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

2 Summary of significant accounting policies (Continued)

2.26 Revenue recognition

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

(a) Sales of goods — OEM garment sales

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

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

2 重大會計政策概要(續)

2.26 收入確認

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

(a) 銷售貨物 — 原設備製造成衣銷售

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

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

2 Summary of significant accounting policies (Continued)

2.26 Revenue recognition (Continued)

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

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

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

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

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

(c) Commission income

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

2 重大會計政策概要(續)

2.26 收入確認(續)

(a) 銷售貨物 — 原設備製造成衣銷售(續)

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

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

(b) 銷售貨物 — 品牌時裝零售

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

(c) 佣金收入

佣金收入於提供服務時於一段時間內確認。

2 Summary of significant accounting policies (Continued)

2.26 Revenue recognition (Continued)

(d) Rental income

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

(e) Financing components

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

2.27 Interest income

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

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

2 重大會計政策概要(續)

2.26 收入確認(續)

(d) 租金收入

根據經營租賃租出資產之租金收入於租期內以直線法確認。

(e) 融資成分

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

2.27 利息收入

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

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

2 Summary of significant accounting policies (Continued)

2.28 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

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

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

2.29 Leases (as a lessee)

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

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

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

2 重大會計政策概要(續)

2.28 政府補助金

當有合理保證會收到補助金且本集團將遵照所有附帶條件時，政府補助金會以其公平值確認。

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

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

2.29 租賃(作為承租人)

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

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

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

2 Summary of significant accounting policies (Continued)

2.29 Leases (as a lessee) (Continued)

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

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

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

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

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

2.30 Dividend distribution

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

2 重大會計政策概要(續)

2.29 租賃(作為承租人)(續)

將根據合理確定之延期選擇權作出之租賃付款亦計入負債之計量。

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

使用權資產按包含以下各項之成本計量：

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

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

2.30 股息分派

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

3 Financial risk management

3.1 Financial risk factors

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

(a) Foreign exchange risk

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

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

At 31 December 2020, if RMB had weakened/strengthened by 5% (2019: 5%) against the US\$ with all other variables held constant, results for the year and equity holders' equity would have been approximately HK\$4,321,000 (2019: HK\$2,259,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of US\$ denominated monetary assets and liabilities held by the Group's entities in the PRC.

3 財務風險管理

3.1 財務風險因素

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

(a) 外匯風險

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

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

於二零二零年十二月三十一日，倘人民幣兌美元貶值/升值5%（二零一九年：5%），而所有其他變數維持不變，年內業績及股權持有人之權益將減少/增加約4,321,000港元（二零一九年：2,259,000港元），主要因換算本集團於中國之實體所持有以美元計值之貨幣資產及負債所產生之匯兌虧損/收益。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Price risk

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

At 31 December 2020, if there had been a 5% (2019: 5%) increase/decrease in the market value of FVPL with all other variables held constant, the Group's result for the year would have been approximately HK\$312,000 (2019: HK\$282,000) higher/lower.

At 31 December 2020, if there had been a 5% (2019: 5%) increase/decrease in the market value of FVOCI with all other variables held constant, the Group's equity would have been approximately HK\$609,000 (2019: HK\$454,000) higher/lower.

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 價格風險

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

於二零二零年十二月三十一日，倘按公平值列賬在損益表中處理之金融資產之市值增加/減少5%（二零一九年：5%），而其他所有變數維持不變，則本集團之年內業績將增加/減少約312,000港元（二零一九年：282,000港元）。

於二零二零年十二月三十一日，倘按公平值計入其他全面收入之金融資產之市值增加/減少5%（二零一九年：5%），而其他所有變數維持不變，則本集團之股權將增加/減少約609,000港元（二零一九年：454,000港元）。

本集團尚未訂立任何衍生工具來管理該等風險。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates except for bank deposits, as most of the interest-bearing assets including promissory notes and loan receivables are at fixed rate. The Group's exposure to changes in interest rates is mainly attributable to its bank deposits and borrowings. Bank deposits and borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The interest rates of the Group's bank deposits and the rates and terms of the Group's borrowings are disclosed in Notes 18 and 24 to the consolidated financial statements, respectively.

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

At 31 December 2020, if interest rates had been increased/decreased by one percentage point (2019: one percentage point) with all other variables were held constant, the Group's result for the year would have been HK\$1,659,000 (2019: HK\$2,852,000) lower/higher and HK\$5,081,000 (2019: HK\$3,928,000) higher/lower, respectively, resulting from the change in the interest expense on bank borrowings and interest income on bank deposits.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 現金流量及公平值利率風險

除銀行存款外，本集團之收入及經營現金流量大致不受市場利率波動影響，原因為大部份付息資產(包括承兌票據及應收貸款)按固定利率計息。本集團所面對之利率波動風險主要來自其銀行存款及借款。按浮動利率計息之銀行存款及借款令本集團面對現金流量利率風險。按固定利率計息之借款令本集團面臨公平值利率風險。本集團之銀行存款利率及本集團借款之利率及條款分別於綜合財務報表附註18及24中披露。

本集團並無使用任何利率掉期對沖其利率風險。

於二零二零年十二月三十一日，倘利率增加/減少一個百分點(二零一九年：一個百分點)，而所有其他變數維持不變，本集團之年內業績會因銀行借款利息開支及銀行存款利息收入變動而分別減少/增加1,659,000港元(二零一九年：2,852,000港元)及增加/減少5,081,000港元(二零一九年：3,928,000港元)。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk

(i) Risk management

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

The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. OEM garment sales to large or long-established customers with good repayment history comprise a significant proportion of the total Group's OEM garment sales. The Group also has policies on granting different settlement methods to different customers to monitor the credit exposure. Letters of credit are normally required from new customers and existing customers with short trading history for settlement purposes. Sales to retail customers are made in cash, via credit cards, through online payment service providers or collected by department stores/online retailers on behalf of the Group. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances. At 31 December 2020, trade and bill receivables amounted to approximately HK\$425,172,000 (2019: HK\$431,260,000) were due from companies operating under international and domestically well-known brand retailers and PRC department stores. Loss allowances of HK\$99,859,000 (2019: HK\$72,304,000) has been provided for such trade and bill receivables as at 31 December 2020.

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險

(i) 風險管理

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

本集團亦設有政策以確保向具備合適信貸記錄之客戶銷售產品。向具備良好還款記錄之大型或長期客戶銷售原設備製造成衣佔本集團原設備製造成衣銷售總額之重要部分。本集團之另一政策乃向不同客戶授出不同清償方式，以監管信貸風險。新客戶及交易記錄較短之現有客戶一般須以信用證清償。零售客戶之銷售乃以現金、信用卡或通過線上付服務供應商進行，或由百貨公司／線上零售商代本集團收取。本集團過往收回應收貿易賬款及其他應收款項之經驗並無超出有關撥備。於二零二零年十二月三十一日，應收貿易賬款及應收票據約425,172,000港元(二零一九年：431,260,000港元)為應收國際及國內知名品牌零售商所經營之公司以及中國百貨公司之款項。於二零二零年十二月三十一日已就該等應收貿易賬款及應收票據計提虧損撥備99,859,000港元(二零一九年：72,304,000港元)。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(i) Risk management (Continued)

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

(ii) Security

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

(iii) Impairment of financial assets

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

- Trade receivables
- Other financial assets at amortised costs

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

Trade receivables

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(i) 風險管理(續)

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

(ii) 抵押品

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

(iii) 金融資產的減值

本集團有兩類金融資產須受預期信貸虧損模型所規限：

- 應收貿易賬款
- 按攤銷成本列賬之其他金融資產

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

應收貿易賬款

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

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(iii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Measurement of expected credit loss on individual basis

Trade receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As at 31 December 2020, the balances of such individually assessed trade receivables and the loss allowance in respect of these receivables are HK\$68,000,000 (2019: HK\$29,719,000) and HK\$32,907,000 (2019: HK\$29,715,000), respectively.

Measurement of expected credit loss on collective basis

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2020 or 2019, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(iii) 金融資產的減值(續)

應收貿易賬款(續)

單獨計量預期信貸虧損

與已知出現財務困難或高度懷疑無法收取應收款項的客戶有關的應收貿易賬款單獨評估計提減值撥備。於二零二零年十二月三十一日，單獨評估的應收貿易賬款結餘以及就該等應收款項計提的虧損撥備分別為68,000,000港元(二零一九年：29,719,000港元)及32,907,000港元(二零一九年：29,715,000港元)。

共同計量預期信貸虧損

為計量預期信貸虧損，本集團已根據共有的信貸風險特徵及逾期日數對應收貿易賬款進行分組。預期虧損率乃基於分別於二零二零年或二零一九年十二月三十一日前12個月期間的銷售額付款情況以及該期間內發生的相應歷史信貸虧損。歷史虧損率會進一步作出調整，以反映影響客戶結算應收款項能力的宏觀經濟因素的當前及前瞻性資料。

3 Financial risk management (Continued) 3 財務風險管理(續)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(iii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Measurement of expected credit loss on collective basis (Continued)

On that basis, the loss allowance as at 31 December 2020 was determined as follows for trade receivables:

3.1 財務風險因素(續)

(d) 信貸風險(續)

(iii) 金融資產的減值(續)

應收貿易賬款(續)

共同計量預期信貸虧損(續)

根據該基準，於二零二零年十二月三十一日已就應收貿易賬款釐定如下虧損撥備：

		Up to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	Over 120 days	Total
		30天以內	31至60天	61至90天	91至120天	120天以上	總計
		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
At 31 December 2020	於二零二零年十二月三十一日						
Expected loss rate	預期虧損率	2.4%	2.6%	8.4%	24.7%	69.0%	
Gross carrying amount	賬面值總額	167,369	40,278	33,078	48,061	68,386	357,172
Loss allowance	虧損撥備	4,063	1,028	2,790	11,864	47,207	66,952
		Up to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	Over 120 days	Total
		30天以內	31至60天	61至90天	91至120天	120天以上	總計
		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
At 31 December 2019	於二零一九年十二月三十一日						
Expected loss rate	預期虧損率	2.5%	2.8%	5.2%	6.4%	47.8%	
Gross carrying amount	賬面值總額	190,614	65,353	30,951	49,456	65,166	401,540
Loss allowance	虧損撥備	4,831	1,858	1,618	3,157	31,124	42,588

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(iii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Measurement of expected credit loss on collective basis (Continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. During the year ended 31 December 2020, trade receivables amounting to HK\$29,002,000 (2019: Nil) have been directly written off and trade receivables previously provided for amounting to HK\$15,035,000 (2019: Nil) have been written off.

Other financial assets at amortised cost

Other financial assets at amortised cost include promissory note, entrusted loans and other receivables (except for prepayments). Management assesses the credit quality of the counterparties, taking into account the historical risk of default and capacity to meet its contractual cash flow obligations in the near term.

An impairment loss has been provided for the Group's entrusted loans as at 31 December 2018, which was full reversed during the year ended 31 December 2019.

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(iii) 金融資產的減值(續)

應收貿易賬款(續)

共同計量預期信貸虧損(續)

當無合理收回預期時撇銷應收貿易賬款。應收貿易賬款的減值虧損於經營溢利內呈列為減值虧損淨額。先前已撇銷之金額其後收回則計入相同條目內。截至二零二零年十二月三十一日止年度，金額為29,002,000港元(二零一九年：無)的應收貿易賬款已直接撇銷，而先前已計提撥備的應收貿易賬款15,035,000港元(二零一九年：無)亦已撇銷。

按攤銷成本列賬之其他金融資產

按攤銷成本列賬之其他金融資產包括承兌票據、委託貸款及其他應收款項(預付款項除外)。管理層經考慮歷史違約風險及近期內滿足合約現金流量責任的能力評估交易對手的信貸質素。

本集團於二零一八年十二月三十一日已就委託貸款計提減值虧損撥備，但於截至二零一九年十二月三十一日止年度全額撥回。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(iii) Impairment of financial assets (Continued)

Other financial assets at amortised cost (Continued)

During the year ended 31 December 2020, the Group entered into a debt restructuring arrangement with the issuer of the promissory note to rearrange the settlement of such debtor's certain trade receivables and promissory note (See Note 9 for more details). An impairment loss of HK\$29,656,000 (2019: Nil) has been provided for as a result of such debt restructuring. As at 31 December 2020, an impairment loss of HK\$4,807,000 (2019: Nil) has been provided for the revised non-interest bearing promissory note.

Also, the amount due from a joint venture of HK\$3,910,000 has been fully impaired as at 31 December 2020 (See Note 15 for more details).

Other than mentioned above, as at 31 December 2020 the Group's other financial assets at amortised cost are considered to be of low credit risk primarily because historically they had no history of default and the debtors had a strong capacity to meet its contractual cash flow obligations in the near term (2019: Same). No impairment losses are provided for such financial assets as at 31 December 2020 as the impairment losses are considered immaterial (2019: Same).

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(iii) 金融資產的減值(續)

按攤銷成本列賬之其他金融資產(續)

截至二零二零年十二月三十一日止年度，本集團與承兌票據發行人訂立債務重組安排，以重新安排該債務人之若干應收貿易賬款及承兌票據的結算(更多詳情見附註9)。已就此債務重組計提減值虧損29,656,000港元(二零一九年：無)。於二零二零年十二月三十一日，已就經修訂之免息承兌票據計提減值虧損4,807,000港元(二零一九年：無)。

此外，應收一間合營公司款項3,910,000港元於二零二零年十二月三十一日已全額減值(更多詳情見附註15)。

除以上所述者外，於二零二零年十二月三十一日，按攤銷成本列賬之其他金融資產被認為屬低信貸風險，主要是由於過往彼等並無違約記錄且債務人擁有較強的能力滿足其近期內的合約現金流量責任(二零一九年：相同)。於二零二零年十二月三十一日，因減值虧損被視為微乎其微，故並無就該等金融資產計提減值虧損撥備(二零一九年：相同)。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

(iv) FVPL

The entity is also exposed to credit risk in relation to investments that are measured at FVPL. The maximum exposure at the end of the reporting period is the carrying amounts of these investments.

(e) Concentration risk

During the year ended 31 December 2020, the Group's sales to the top 5 customers who are international well-known brand retailers accounted for approximately 27.5% (2019: 29.0%) of the total revenue. The Group aims to maintain long-term relationship with reputable customers in the expansion of its business.

(f) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group's primary cash requirements have been for purchases of materials, machinery and equipment and payments of employee benefit expenses. The Group finances its working capital requirements through a combination of funds generated from operations and bank loans. The Group generally operates with a working capital surplus.

As at 31 December 2020, except for the lease liabilities and term loans as shown in the table below, all the Group's contractual obligations mature within 1 year.

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 信貸風險(續)

(iv) 按公平值列賬在損益表中處理之金融資產實體亦因按公平值列賬在損益表中處理之投資而面臨信貸風險。於報告期末的最大風險為該等投資的賬面值。

(e) 集中風險

截至二零二零年十二月三十一日止年度，本集團向五大客戶(均為國際知名品牌零售商)之銷售額佔總收入約27.5%(二零一九年：29.0%)。本集團為擴張業務，致力維持與聲譽良好客戶之長遠關係。

(f) 流動資金風險

流動資金風險管理審慎，令本集團可維持足夠現金及透過充足已承諾信貸融資取得資金。本集團之目標乃通過保持取得已承諾信貸額，維持資金之靈活性。

本集團主要現金需求乃用於採購材料、機械及設備以及支付僱員福利開支。本集團以經營業務及銀行貸款所得資金應付其營運資金需求。本集團營運資金一般具備盈餘。

於二零二零年十二月三十一日，除下表所示之租賃負債及定期借款外，本集團所有合約債務於一年內到期。

3 Financial risk management (Continued) 3 財務風險管理(續)

3.1 Financial risk factors (Continued)

(f) Liquidity risk (Continued)

The following table summarises the maturity analysis of a term loan with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreement. The amounts include interest payments computed using contractual rates. Taking into account the Group's financial position, the directors do not consider that it was probable that the bank would exercise its discretion to demand immediate repayment. The directors believe that such term loan will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

3.1 財務風險因素(續)

(f) 流動資金風險(續)

下表概述一項有期貸款之到期日分析，貸款具備應要求償還條款，乃根據貸款協議所載之協定還款時間表而定。金額包括使用合約利率計算之利息付款。經考慮本集團之財務狀況，董事認為銀行將不可能行使其酌情權以要求即時償還。董事相信該有期貸款將根據貸款協議所載之還款日期時間表予以償還。

		Within 1 year 一年內 HK\$'000 千港元	Between 1 and 2 years 一至兩年 HK\$'000 千港元	Between 2 and 5 years 二至五年 HK\$'000 千港元	Over 5 years 超過五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2020	於二零二零年十二月三十一日					
Bank borrowings	銀行借款	182,847	29,673	54,070	15,782	282,372
Lease liabilities	租賃負債	10,403	5,788	10,434	1,696	28,321
		193,250	35,461	64,504	17,478	310,693
At 31 December 2019	於二零一九年十二月三十一日					
Bank borrowings	銀行借款	230,479	38,989	69,276	16,944	355,688
Lease liabilities	租賃負債	11,606	5,432	9,234	5,044	31,316
		242,085	44,421	78,510	21,988	387,004

3 Financial risk management (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or increase debt.

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as bank borrowings of approximately HK\$270,129,000 (2019: HK\$424,855,000) divided by total equity of HK\$2,874,515,000 (2019: HK\$2,537,490,000). The ratios as at 31 December 2020 and 2019 are 9.4% and 16.7%, respectively.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

See Notes 8 and 9 for disclosure of the investment properties and intangible assets that were measured at fair value.

3 財務風險管理(續)

3.2 資本風險管理

本集團管理資本之目標為保障本集團繼續以持續基準經營之能力，藉以為股東帶來回報及為其他利益相關者帶來利益，以及維持最佳之資本架構，從而降低資本成本。為維持或調整資本架構，本集團可對支付予股東之股息金額作出調整、向股東退回資本、發行新股或增加債務。

本集團以負債對權益比率監察資本。是項比率乃以銀行借款約270,129,000港元(二零一九年：424,855,000港元)除以權益總額2,874,515,000港元(二零一九年：2,537,490,000港元)計算。於二零二零年及二零一九年十二月三十一日之比率分別為9.4%及16.7%。

3.3 公平值估計

下表以估價方法分析按公平值列賬之金融工具，各級別定義如下：

- 相同資產或負債於活躍市場之報價(未經調整)(級別1)。
- 資產或負債可直接(即價格)或間接(即從價格中得出之參數)觀察獲得之參數(包括在級別1內之報價除外)(級別2)。
- 資產或負債並非根據可觀察獲得之市場數據(即不可觀察獲得之參數)得出之參數(級別3)。

有關按公平值計量的投資物業及無形資產的披露資料，請參閱附註8及9。

3 Financial risk management (Continued) 3 財務風險管理(續)

3.3 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2020.

		Level 1 級別1 HK\$'000 千港元	Level 2 級別2 HK\$'000 千港元	Level 3 級別3 HK\$'000 千港元
Assets	資產			
FVPL	按公平值列賬在損益表中處理之金融資產			
— Listed equity securities	— 上市股本證券	6,248	—	—
FVOCI	按公平值計入其他全面收入之金融資產			
— Listed equity securities	— 上市股本證券	7,297	—	—
— Unlisted equity securities	— 非上市股本證券	—	—	1,343
		13,545	—	1,343

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2019.

		Level 1 級別1 HK\$'000 千港元	Level 2 級別2 HK\$'000 千港元	Level 3 級別3 HK\$'000 千港元
Assets	資產			
FVPL	按公平值列賬在損益表中處理之金融資產			
— Listed equity securities	— 上市股本證券	5,647	—	—
— FVPL in Zhejiang Haoran	— 於浙江浩然的按公平值列賬在損益表中處理之金融資產	—	—	304,858
FVOCI	按公平值計入其他全面收入之金融資產			
— Listed equity securities	— 上市股本證券	9,087	—	—
		14,734	—	304,858

3.3 公平值估計(續)

下表呈列本集團於二零二零年十二月三十一日按公平值計量之金融資產及負債。

下表呈列本集團於二零一九年十二月三十一日按公平值計量之金融資產及負債。

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 1

The fair value of FVPL and FVOCI traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 classified as trading securities comprise primarily equity investments listed on Shanghai Stock Exchange and the National Association of Securities Dealers Automated Quotations (the "NASDAQ").

Financial instruments in level 3

As at 31 December 2019, the Group's equity interests in, shareholder's loans and advances granted to Zhejiang Haoran represented the Group's FVPL which were included in level 3. The basis of fair value measurement and valuation technique of such FVPL are set out in Note 16(ii) to the consolidated financial statements. Such FVPL have been fully disposed of by the Group during the year ended 31 December 2020.

As at 31 December 2020, the Group's FVOCI investment in unlisted equity interests were included in level 3. The basis of fair value measurement and valuation technique of such FVOCI are set out in Note 17 to the consolidated financial statements.

3 財務風險管理(續)

3.3 公平值估計(續)

級別1之金融工具

於活躍市場買賣之按公平值列賬在損益表中處理之金融資產及按公平值計入其他全面收入之金融資產公平值乃根據於結算日之市場報價得出。如果該等報價可以容易地及規律地從交易所、經銷商、經紀、產業集團、定價服務或管理機構中獲得，並且該等價格代表按公平基準進行之真實及定期市場交易，則該市場被視為活躍市場。本集團所持金融資產採用之市場報價為當前買入價。該等工具包括在級別1內。包括在級別1內之工具分類為買賣證券，主要包括於上海證券交易所及美國全國證券交易商協會自動報價表(「納斯達克」)上市之股權投資。

級別3之金融工具

於二零一九年十二月三十一日，本集團於浙江浩然的權益以及向其提供的股東貸款及墊款指本集團計入級別3的按公平值列賬在損益表中處理之金融資產。該按公平值列賬在損益表中處理之金融資產的公平值計量基準及估值技術載於綜合財務報表附註16(ii)。截至二零二零年十二月三十一日止年度，本集團已將該按公平值列賬在損益表中處理之金融資產全部出售。

於二零二零年十二月三十一日，本集團對非上市權益的按公平值計入其他全面收入之投資計入級別3。該按公平值計入其他全面收入之金融資產的公平值計量基準及估值技術載於綜合財務報表附註17。

3 Financial risk management (Continued) 3 財務風險管理(續)

3.3 Fair value estimation (Continued)

Financial instruments in level 3 (Continued)

The following table presents the changes in level 3 instruments for the years ended 31 December 2019 and 2020.

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	304,858	288,876
Addition	添置	1,267	—
Disposal	出售	(306,779)	—
Fair value gain — unrealised (Note 26)	公平值收益 — 未變現 (附註26)	—	21,361
Exchange differences	匯兌差額	1,997	(5,379)
At 31 December	於十二月三十一日	1,343	304,858

There were no transfers between level 1, 2 and 3 during the year (2019: Same).

年內在級別1、2及3之間並無進行轉移(二零一九年：相同)。

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4 重要會計估計及判斷

本集團持續評審估計及判斷，且該等估計及判斷乃基於過往經驗及其他因素，包括按情況而言相信屬合理之未來事項預測。

本集團就未來事項作出估計及假設。該等因而產生之會計估計按定義甚少與相關實際結果相等。有很大機會對下一財政年度資產及負債之賬面值構成重大調整之估計及假設詳列如下。

4 Critical accounting estimates and judgements (Continued)

(a) Fair value of FVPL in Zhejiang Haoran as at 1 January 2020 and the date of disposal

The Group held FVPL in Zhejiang Haoran during the year up to the date of disposal, which is comprised of the equity interest in, shareholders' loans and advances to Zhejiang Haoran.

Fair value of such FVPL as at 31 December 2019 is determined based on the valuation performed by management using asset-based valuation techniques. Management used their judgement to select adjusted net asset value approach as the appropriate valuation approach, supplemented by direct comparison approach adopted to value the commercial property project held by Zhejiang Haoran.

As at 31 December 2019, management used their judgement to adopt Zhejiang Haoran's financial information as at 31 December 2016 being its latest financial information made available to the Group as key inputs in the valuation. The fair value of the property project held by Zhejiang Haoran and construction costs incurred for such property project subsequent to 31 December 2016 had been adjusted to take into account certain more up to date financial information and other information made available in the process of court proceedings in late 2019. No interest expense had been accrued subsequent to 31 December 2016. Other inputs adopted in the valuation of FVPL in Zhejiang Haoran, such as the minority interest discount rate of 40%, also required a degree of judgement and estimate.

Such FVPL in Zhejiang Haoran has been fully disposed of by the Group in the current year. See Note 16(ii) for more details. Management assumed there was no change in the fair value of such FVPL during the year up to the date of disposal.

4 重要會計估計及判斷(續)

(a) 於浙江浩然的按公平值列賬在損益表中處理之金融資產於二零二零年一月一日及出售日期的公平值

本集團於年內持有於浙江浩然的按公平值列賬在損益表中處理之金融資產，直至出售日期為止，其包括於浙江浩然的股權以及向其提供的股東貸款及墊款。

該按公平值列賬在損益表中處理之金融資產於二零一九年十二月三十一日的公平值乃基於管理層使用基於資產的估值技術進行估值而釐定。管理層運用彼等的判斷，選擇經調整資產淨值法作為合適的估值方法，並輔以直接比較法評估浙江浩然所持有的商業物業項目。

於二零一九年十二月三十一日，管理層使用彼等的判斷採納浙江浩然於二零一六年十二月三十一日的財務資料(即本集團可獲取的最新財務資料)作為估值的關鍵輸入值。浙江浩然所持物業項目的公平值及該物業項目於二零一六年十二月三十一日後產生的建築成本，已經考慮二零一九年年底進行法院訴訟的過程中可取得的若干額外最新財務資料及其他資料後作出調整。於二零一六年十二月三十一日後並無產生利息開支。就於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值進行估值時採用的其他輸入值(如少數股東權益折讓率40%)亦需要一定的判斷及估計。

於本年度，本集團已將該按公平值列賬在損益表中處理之金融資產全部出售。更多詳情見附註16(ii)。管理層假設該按公平值列賬在損益表中處理之金融資產於年內直至出售日期的公平值並無變動。

4 Critical accounting estimates and judgements (Continued)

(b) Trade and other receivables (including promissory notes)

The Group makes provision for expected credit losses of trade and other receivables based on an estimate of the recoverability of these receivables. Provisions are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of trade and other receivables requires the use of estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables and the provision for expected credit losses in the period in which such estimate has been changed.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(d).

(c) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycles. Management will reassess the estimations by the balance sheet date.

4 重要會計估計及判斷(續)

(b) 應收貿易賬款及其他應收款項 (包括承兌票據)

本集團基於對應收貿易賬款及其他應收款項可收回性的估計就該等應收款項計提預期信貸虧損撥備。當有事件或情況變動表明結餘可能不會收回時對應收貿易賬款及其他應收款項應用撥備。確定應收貿易賬款及其他應收款項的減值需要運用估計。當預期有別於原始估計，有關差異將對估計發生變動期間的應收款項賬面值及預期信貸虧損撥備產生影響。

金融資產的虧損撥備乃基於有關違約風險及預期虧損率的假設。基於其過往歷史、現行市場狀況及於各報告期末的前瞻性估計，本集團於作出假設及選擇計算減值的輸入值時使用判斷。有關關鍵假設及輸入值的詳情披露於附註3.1(d)。

(c) 存貨的可變現淨值

存貨的可變現淨值根據於業務日常經營過程中的估計售價減估計完工成本與銷售開支計算。該等估計乃基於當前市況及相同性質產品的過往製造與銷售經驗得出，且或會因為應對嚴峻的行業週期而引致客戶偏好及競爭對手行動而出現大幅波動。管理層將於結算日重新評估該等估計。

4 Critical accounting estimates and judgements (Continued)

(d) Useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

At each balance sheet date, management review internal and external sources of information to identify indications that the property, plant and equipment may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated profit or loss whenever the carrying amount of an asset exceeds its recoverable amounts. If an indication of impairment is identified, the Group is required to estimate the recoverable value, representing the greater of the asset's fair value less cost to sell or its value in use. Changes in any of these estimates could result in a material change to the asset carrying amount in the consolidated financial statements.

(e) Fair value of intangible assets with finite useful lives

The Group held certain exclusive supply right/supply right which arose from debt restructuring arrangements entered with customers or linked to other investment the Group made in the customer. The fair values of these intangible assets will reflect market participants' expectations at the acquisition date about the probability that the expected future economic benefits embodied in the asset will flow to the entity and are determined by discounting estimated future net cash flows generated by the assets as there is no active market for such assets exist. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets.

4 重要會計估計及判斷(續)

(d) 物業、廠房及設備之可使用年期及殘值

本集團管理層釐定物業、廠房及設備之估計可使用年期、殘值及相關折舊費用。有關估計乃基於類似性質及功能之物業、廠房及設備之實際可使用年期的過往經驗得出，且或會因為應對嚴峻的行業週期而引致技術革新及競爭對手行動而出現大幅波動。倘可使用年期少於過往估計年期或將撇銷或撇減技術淘汰或已丟棄或售出的非戰略性資產，管理層將增加折舊費用。

於各結算日，管理層會審閱內外部資料來源，以識別是否有跡象顯示物業、廠房及設備可能出現減值，或先前確認的減值虧損是否不再存在或可能已經減少。若確有任何上述跡象，則會估計資產之可收回金額。若資產的賬面值超過其可收回金額，則會於綜合損益內確認減值虧損。若發現減值跡象，本集團須估計可收回價值，即該資產的公平值減出售成本或其使用價值(以較高者為準)。若任何該等估計發生改變，則可能導致該資產在綜合財務報表內的賬面值發生重大改變。

(e) 有限可使用年期的無形資產的公平值

本集團持有若干獨家供應權/供應權，該等權利產生於與客戶訂立的債務重組安排或與本集團對客戶作出的其他投資掛鈎。該等無形資產的公平值將反映市場參與者於收購日期對該資產所蘊含的預期未來經濟利益流入實體的可能性的預期，且通過貼現資產所產生的估計未來現金流量淨額而釐定，因為該等資產不存在活躍市場。對未來現金流量的預期及貼現率運用不同的假設，將改變無形資產的估值。

4 Critical accounting estimates and judgements (Continued)

(f) Fair value of investment properties

The fair value of investment properties is determined at each balance sheet date based on valuation techniques (Note 8). In making the judgement, consideration is given to assumptions that are mainly based on market conditions existing as at the balance sheet date, expected rental from future leases in the light of current market conditions and appropriate term and reversionary yields. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(g) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimate is changed.

4 重要會計估計及判斷(續)

(f) 投資物業公平值

投資物業公平值乃基於估值技術(附註8)於各結算日釐定。在作出判斷時，會考慮主要基於結算日的現有市況得出的假設、根據現行市況及適當租期判斷的來自日後租賃的預期租金以及復歸收益率。該等估計會定期與實際市場數據以及本集團訂立的實際交易進行比較。

(g) 所得稅

本集團須在多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重大判斷。於日常業務過程中有多項無法釐定最終稅款之交易及計算。本集團根據對額外稅項是否到期繳付之估計，就預期稅務審計事宜確認負債。倘該等事項最終稅款結果有別於最初記錄之金額，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

與若干臨時差額有關的遞延稅項資產在管理層認為可能有未來應課稅溢利供臨時差額或稅項虧損使用時確認。若有關預期有別於原有估計，相關差異將影響估計變更所在期間內遞延稅項資產及所得稅費用的確認。

5 Segment information

The chief operating decision-maker has been identified as the executive directors. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors assess the performance of the operating segments based on profit before income tax, which is consistent with that in the consolidated financial statements. Other information, as noted below, is also provided to the executive directors. The executive directors consider the Group has four reportable segments: (1) manufacturing and sale of garments on an original equipment manufacturer basis ("OEM"); (2) manufacturing and retailing of branded fashion apparel ("Retail"); (3) property development in the PRC ("Property development"); and (4) property investment in the PRC ("Property investment").

Total segment assets exclude certain investment properties located in Hong Kong, corporate assets, listed equity securities at FVPL, FVOCI and entrusted loans, all of which are managed on a central basis. These are part of the reconciliation to total consolidated balance sheet assets.

Turnover comprises sale of goods and rental income. Sales between segments are carried out based on terms agreed. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

5 分部資料

執行董事已獲確立為主要營運決策人。執行董事審閱本集團之內部報告以評估表現及分配資源。管理層已根據此等報告決定營運分部。

執行董事根據與綜合財務報表相符之除所得稅前溢利評估營運分部之表現。其他資料，如下所述者，亦已提供予執行董事。執行董事認為本集團擁有四項可報告之分部：(1)按原設備製造(「原設備製造」)基準製造及銷售成衣；(2)製造及零售品牌時裝(「零售」)；(3)於中國之物業開發(「物業開發」)；及(4)於中國之物業投資(「物業投資」)。

分部資產總額不包括按中心基準管理之若干位於香港的投資物業、企業資產、按公平值列賬在損益表中處理之上市股本證券、按公平值計入其他全面收入之金融資產及委託貸款。此等項目須與綜合資產負債表之資產總額對賬。

營業額包括貨品銷售額及租金收入。分部之間之銷售乃基於雙方同意之條款進行。呈報予執行董事之外部方收入之計量方式乃與綜合全面收入表相同。

5 Segment information (Continued)

5 分部資料(續)

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Property development 物業開發 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度					
Total revenue	收入總額	1,144,935	382,069	—	25,880	1,552,884
Inter-segment revenue	分部間收入	(6,610)	—	—	(3,849)	(10,459)
Revenue (from external customers)	收入(來自外部客戶)	1,138,325	382,069	—	22,031	1,542,425
Timing of revenue recognition	收入確認的時間					
At a point in time	於一個時點	1,138,325	382,069	—	—	1,520,394
Over time	於一段時間內	—	—	—	22,031	22,031
		1,138,325	382,069	—	22,031	1,542,425
Segment (loss)/profit before income tax and gain on expropriation of land and properties	除所得稅前分部(虧損)/溢利以及土地及物業徵用收益	(301,391)	(24,326)	176,877	14,419	(134,421)
Gain on expropriation of land and properties	土地及物業徵用收益	366,746	64,792	—	—	431,538
Segment profit before income tax	除所得稅前分部溢利	65,355	40,466	176,877	14,419	297,117
Fair value losses on investment properties	投資物業的公平值虧損	—	—	—	(1,013)	(1,013)
Gain on disposal of FVPL in Zhejiang Haoran	出售於浙江浩然的按公平值列賬在損益表中處理之金融資產的收益	—	—	193,275	—	193,275
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(65,723)	(19,968)	—	—	(85,691)
Depreciation of right-of-use assets	使用權資產折舊	(10,833)	(8,489)	—	—	(19,322)
Amortisation of intangible assets	無形資產攤銷	(5,734)	(775)	—	—	(6,509)
Finance income	融資收入	4,951	176	—	—	5,127
Finance costs	融資成本	(6,768)	(2,836)	—	—	(9,604)
Share of profits of associates	分佔聯營公司溢利	166	—	—	—	166
Income tax expense	所得稅開支	(118,827)	(9,918)	(7,922)	(3,605)	(140,272)

Notes to the Consolidated Financial Statements
綜合財務報表附註

5 Segment information (Continued)

5 分部資料(續)

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Property development 物業開發 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度					
Total revenue	收入總額	1,471,793	420,169	—	23,172	1,915,134
Inter-segment revenue	分部間收入	(12,222)	—	—	(3,901)	(16,123)
Revenue (from external customers)	收入(來自外部客戶)	1,459,571	420,169	—	19,271	1,899,011
Timing of revenue recognition	收入確認的時間					
At a point in time	於一個時點	1,459,571	420,169	—	—	1,879,740
Over time	於一段時間內	—	—	—	19,271	19,271
		1,459,571	420,169	—	19,271	1,899,011
Segment (loss)/profit before income tax	除所得稅前分部(虧損)/溢利	(22,725)	(47,353)	21,361	11,686	(37,031)
Fair value gains on investment properties	投資物業的公平值收益	—	—	—	11,803	11,803
Fair value gains on FVPL	按公平值列賬在損益表中處理之金融資產之公平值收益	—	—	21,361	—	21,361
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(66,572)	(21,528)	—	—	(88,100)
Depreciation of right-of-use assets	使用權資產折舊	(9,205)	(9,784)	—	—	(18,989)
Amortisation of intangible assets	無形資產攤銷	(4,103)	(775)	—	—	(4,878)
Finance income	融資收入	8,796	201	—	—	8,997
Finance costs	融資成本	(12,984)	(2,257)	—	—	(15,241)
Share of losses of associates	分佔聯營公司虧損	(585)	—	—	—	(585)
Share of losses of joint ventures	分佔合營公司虧損	—	(573)	—	—	(573)
Income tax (expense)/credit	所得稅(開支)/抵免	(20,912)	5,287	—	(2,922)	(18,547)

5 Segment information (Continued)

5 分部資料(續)

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Property development 物業開發 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2020	於二零二零年十二月三十一日					
Total segment assets	分部資產總額	2,159,002	1,362,716	—	446,556	3,968,274
Total segment assets include:	分部資產總額包括：					
Interests in associates	於聯營公司之權益	1,544	—	—	—	1,544
Additions to non-current assets (other than financial instruments and deferred income tax assets)	添置非流動資產(金融 工具及遞延所得稅 資產除外)	179,167	33,867	—	—	213,034
Tax recoverable	可收回稅項	3,816	2,769	—	—	6,585
Deferred income tax assets	遞延所得稅資產	18,383	81,426	—	—	99,809

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Property development 物業開發 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2019	於二零一九年十二月三十一日					
Total segment assets	分部資產總額	1,909,885	1,012,849	304,858	342,432	3,570,024
Total segment assets include:	分部資產總額包括：					
Interests in associates	於聯營公司之權益	1,236	—	—	—	1,236
FVPL	按公平值列賬在損益表中 處理之金融資產	—	—	304,858	—	304,858
Additions to non-current assets (other than financial instruments and deferred income tax assets)	添置非流動資產(金融 工具及遞延所得稅 資產除外)	230,227	23,488	—	—	253,715
Tax recoverable	可收回稅項	3,116	3,297	—	—	6,413
Deferred income tax assets	遞延所得稅資產	17,898	68,519	—	—	86,417

Notes to the Consolidated Financial Statements
綜合財務報表附註

5 Segment information (Continued)

A reconciliation of reportable segments' profit/(loss) before income tax to total profit/(loss) before income tax is provided as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Total segment profit/(loss) before income tax	除所得稅前分部溢利／ (虧損)總額	297,117	(37,031)
Net fair value gains of FVPL	按公平值列賬在損益表中 處理之金融資產公平值 收益淨額	1,275	4,160
Corporate overhead	企業經常費用	(6,673)	(6,621)
Fair value gains on investment properties	投資物業的公平值收益	1,200	1,800
Rental income	租金收入	347	580
Profit/(loss) before income tax per consolidated statement of comprehensive income	綜合全面收入表所列除所 得稅前溢利／(虧損)	293,266	(37,112)

A reconciliation of reportable segments' assets to total assets is provided as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Total segment assets	分部資產總額	3,968,274	3,570,024
FVPL	按公平值列賬在損益表中 處理之金融資產	6,248	5,647
FVOCI	按公平值計入其他全面 收入之金融資產	8,640	9,087
Corporate assets	企業資產	949	1,148
Investment properties	投資物業	30,000	28,800
Entrusted loans	委託貸款	—	5,643
Total assets per consolidated balance sheet	綜合資產負債表所列資產 總額	4,014,111	3,620,349

5 分部資料(續)

可報告分部之除所得稅前溢利／(虧損)與除所得稅前溢利／(虧損)總額之對賬如下：

可報告分部之資產與資產總額之對賬如下：

5 Segment information (Continued)

The Company is domiciled in the Cayman Islands. The results of its revenue from external customers based on the destination where the products are delivered are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
The PRC	中國	842,020	942,921
North America	北美	494,824	683,230
European Union	歐盟	174,879	219,406
Hong Kong	香港	26,710	36,021
Other countries	其他國家	3,992	17,433
		1,542,425	1,899,011

The total of non-current assets other than interests in associates, promissory note and deferred income tax assets located in the following geographical areas are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
The PRC	中國	1,005,205	840,397
Hong Kong	香港	209,135	197,765
North America	北美	14,894	17,620
		1,229,234	1,055,782

For the year ended 31 December 2020, there was no customer individually accounted for more than 10% of the Group's total revenue.

For the year ended 31 December 2019, revenue of approximately HK\$235,839,000 derived from a single external customer which was attributable to the OEM reportable segment accounted for greater than 10% of the Group's revenue. There was no other customers which individually accounted for more than 10% of the Group's total revenue for the year ended 31 December 2019.

5 分部資料(續)

本公司於開曼群島註冊成立。根據產品交付地點劃分之外部客戶收入結果如下：

位於以下地區之非流動資產總額(不包括於聯營公司之權益、承兌票據及遞延所得稅資產)如下：

截至二零二零年十二月三十一日止年度，概無單一客戶佔本集團總收入的10%以上。

截至二零一九年十二月三十一日止年度，約235,839,000港元之收入來自單一外部客戶，乃歸屬於原設備製造之可報告分部，並佔本集團收入之10%以上。截至二零一九年十二月三十一日止年度，概無其他客戶單獨佔本集團總收入的10%以上。

5 Segment information (Continued)

The contract liabilities represent the advance payments received from counterparties for goods or services that have not yet been transferred or provided to the counterparties. As at 31 December 2020, the Group has recognised the following liabilities related to contracts with customers:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current contract liabilities	流動合約負債	37,794	22,791

The following table shows the amount of the revenue recognised during the year ended 31 December 2020 relates to contract liabilities carried forward:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合約負債結餘的 已確認收入	20,096	23,618

The Group expects their performance obligations under the contracts with customers to be satisfied primarily over the period of one year.

5 分部資料(續)

合約負債指就尚未轉讓或提供予交易對方的貨物或服務自交易對方收取的預付款。於二零二零年十二月三十一日，本集團確認與客戶合約相關的以下負債：

下表載列截至二零二零年十二月三十一日止年度因結轉合約負債而確認的收入金額：

本集團預期彼等於客戶合約項下的履約責任將主要於一年期間內完成。

6 Property, plant and equipment

6 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Vehicles	Furniture, fittings and equipment	Construction in progress	Total
		樓宇	租賃物業裝修	廠房及機械	汽車	傢俬、裝置及設備	在建工程	總值
		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
At 1 January 2019	於二零一九年一月一日							
Cost	成本	679,591	251,161	385,864	38,208	68,337	12,532	1,435,693
Accumulated depreciation	累計折舊	(328,762)	(208,044)	(326,878)	(36,968)	(65,395)	—	(966,047)
Net book amount	賬面淨值	350,829	43,117	58,986	1,240	2,942	12,532	469,646
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	350,829	43,117	58,986	1,240	2,942	12,532	469,646
Reclassification to right-of-use assets	重新分類至使用權資產	(77,454)	—	—	—	—	—	(77,454)
Exchange differences	匯兌差額	(3,627)	(871)	(546)	(31)	(20)	(1,608)	(6,703)
Additions	添置	35,427	42,351	16,615	3,906	671	101,601	200,571
Acquisition of a subsidiary (Note 35)	收購附屬公司(附註35)	—	—	—	—	274	—	274
Disposals	出售	(190)	—	(1,841)	(365)	(97)	—	(2,493)
Transfers	轉撥	1,418	(66)	197	—	66	(1,615)	—
Depreciation	折舊	(27,285)	(27,862)	(28,645)	(2,945)	(1,363)	—	(88,100)
Demolition and relocation (Note 26)	拆除及重遷(附註26)	—	—	(15,533)	—	—	—	(15,533)
Closing net book amount	年末賬面淨值	279,118	56,669	29,233	1,805	2,473	110,910	480,208
At 31 December 2019	於二零一九年十二月三十一日							
Cost	成本	599,964	280,027	320,215	35,403	58,921	110,910	1,405,440
Accumulated depreciation	累計折舊	(320,846)	(223,358)	(290,982)	(33,598)	(56,448)	—	(925,232)
Net book amount	賬面淨值	279,118	56,669	29,233	1,805	2,473	110,910	480,208
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	279,118	56,669	29,233	1,805	2,473	110,910	480,208
Exchange differences	匯兌差額	9,818	3,239	1,471	105	619	11,333	26,585
Additions	添置	—	33,569	24,706	1,247	2,782	99,928	162,232
Disposals	出售	—	—	(4,151)	(134)	(53)	—	(4,338)
Transfers	轉撥	—	—	2,737	—	9,416	(12,153)	—
Depreciation	折舊	(24,819)	(32,577)	(24,841)	(1,328)	(2,126)	—	(85,691)
Expropriation (Note 26)	徵用(附註26)	(23,704)	(6,560)	(6,044)	(120)	(66)	—	(36,494)
Transfers to investment properties (Note)	轉撥至投資物業(附註)	(9,182)	—	—	—	—	—	(9,182)
Closing net book amount	年末賬面淨值	231,231	54,340	23,111	1,575	13,045	210,018	533,320
At 31 December 2020	於二零二零年十二月三十一日							
Cost	成本	545,111	318,641	314,300	35,950	74,375	210,018	1,498,395
Accumulated depreciation	累計折舊	(313,880)	(264,301)	(291,189)	(34,375)	(61,330)	—	(965,075)
Net book amount	賬面淨值	231,231	54,340	23,111	1,575	13,045	210,018	533,320

6 Property, plant and equipment (Continued)

Depreciation expenses of approximately HK\$35,440,000 (2019: HK\$38,168,000) and HK\$50,251,000 (2019: HK\$49,932,000) have been charged to cost of sales and administrative expenses, respectively.

As at 31 December 2020, buildings with net book amount of approximately HK\$139,678,000 (2019: HK\$87,658,000) were pledged as securities for the Group's bank borrowings (Note 24).

Note: During the year ended 31 December 2020, the Group transferred certain owner-occupied properties located in Hangzhou to investment properties and rented them out (Note 8):

6 物業、廠房及設備(續)

折舊開支約35,440,000港元(二零一九年: 38,168,000港元)及50,251,000港元(二零一九年: 49,932,000港元)已分別於銷售成本及行政開支扣除。

於二零二零年十二月三十一日,賬面淨值約139,678,000港元(二零一九年: 87,658,000港元)之樓宇獲抵押作為本集團銀行借款(附註24)之擔保。

附註: 截至二零二零年十二月三十一止年度,本集團將位於杭州的若干自用物業轉為投資物業並出租(附註8):

		2020 二零二零年 HK\$'000 千港元
On the date of transfer	於轉撥日期	
— Fair value of properties transferred	— 所轉撥物業的公平值	59,101
— Carrying amounts of properties transferred	— 所轉撥物業的賬面值	(9,182)
Excess of fair values over carrying amounts	公平值超過賬面值的金額	49,919
Less: Deferred taxation (Note 22)	減: 遞延稅項(附註22)	(12,480)
Revaluation surplus recognised in other comprehensive income	於其他全面收入確認的重估盈餘	37,439

7 Leases

7 租賃

(i) Amounts recognised in the consolidated balance sheet

(i) 於綜合資產負債表確認的金額

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Right-of-use assets	使用權資產		
Leasehold land and land use rights	租賃土地及土地使用權	151,325	161,431
Properties	物業	24,967	28,099
Office equipment	辦公設備	165	238
		176,457	189,768
Lease liabilities	租賃負債		
— Current portion	— 即期部分	9,721	10,885
— Non-current portion	— 非即期部分	17,026	18,539
		26,747	29,424

Additions to the right-of-use assets during the year ended 31 December 2020 were approximately HK\$9,844,000 (2019: HK\$44,301,000).

截至二零二零年十二月三十一日止年度添置的使用權資產約為9,844,000港元(二零一九年: 44,301,000港元)。

As at 31 December 2020, leasehold land and land use rights with net book amount of approximately HK\$104,597,000 (2019: HK\$98,818,000) were pledged as securities for the Group's bank borrowings (Note 24).

於二零二零年十二月三十一日，賬面淨值約104,597,000港元(二零一九年: 98,818,000港元)之租賃土地及土地使用權獲抵押作為本集團多項銀行借款(附註24)之擔保。

During the year ended 31 December 2020, the Group transferred certain portion of owner-occupied land used rights located in Hangzhou to investment properties and rented them out (Note 8):

截至二零二零年十二月三十一日止年度，本集團將位於杭州的自用土地使用權的若干部分轉為投資物業並出租(附註8)：

7 Leases (Continued)

(i) Amounts recognised in the consolidated balance sheet (Continued)

		2020 二零二零年 HK\$'000 千港元
On the date of transfer	於轉撥日期	
— Fair values of land use rights transferred	— 所轉撥土地使用權的公平值	19,566
— Carrying amounts of land use rights transferred	— 所轉撥土地使用權的賬面值	(3,040)
Excess of fair values over carrying amounts	公平值超過賬面值的金額	16,526
Less: Deferred taxation (Note 22)	減：遞延稅項(附註22)	(4,132)
Revaluation surplus recognised in other comprehensive income	於其他全面收入確認的重估盈餘	12,394

7 租賃(續)

(i) 於綜合資產負債表確認的金額(續)

(ii) Amounts recognised in the consolidated statements of comprehensive income

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Depreciation charge of right-of-use assets	使用權資產折舊費用		
Properties	物業	13,578	13,261
Leasehold land and land use rights	租賃土地及土地使用權	5,671	5,655
Office equipment	辦公設備	73	73
		19,322	18,989
Interests on lease liabilities	租賃負債利息	895	857
Expenses relating to short-term leases	短期租賃開支	6,322	10,704

(ii) 於綜合全面收入表確認的金額

The total cash outflow for leases during the year ended 31 December 2020 was approximately HK\$20,355,000 (2019: HK\$23,804,000).

截至二零二零年十二月三十一日止年度的租賃現金流出總額約為20,355,000港元(二零一九年：23,804,000港元)。

7 Leases (Continued)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various properties and office equipment. Rental contracts are typically made for fixed term of 1 to 3 years, but may have extension options as described in (v) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants.

(iv) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(v) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

7 租賃(續)

(iii) 本集團的租賃活動及其會計處理

本集團租賃多項物業及辦公設備。租賃合約一般具有一至三年的固定期限，但可能附有延長租賃的選擇權(見下文(v))。

租賃條款獨立協商，且包含各種不同的條款及條件。租賃安排不會強加任何契諾。

(iv) 可變租賃付款

部分物業租賃包含與店鋪產生的銷售額掛鈎的可變付款條款。對於個別店鋪而言，基於可變付款條款的租賃付款最高可達100%，且所採用的銷售額比例範圍較大。使用可變付款條款的原因有多種，包括使新設店鋪的固定成本基數最小化。取決於銷售額的可變租賃付款在觸發可變租賃付款的條件發生當期於損益內確認。

(v) 延長及終止選擇權

本集團若干物業租賃包含延長及終止選擇權。該等條款的使用目的在於使合約管理的操作靈活性最大化。所持的大部分延長及終止選擇權僅可由本集團行使，而不可由相應的出租人行使。

8 Investment properties

8 投資物業

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	371,232	363,711
Exchange differences	匯兌差額	26,470	(6,082)
Transfers from owner-occupied properties (Notes 6 and 7)	轉自自用物業(附註6及7)	78,667	—
Fair value gains (Note 26)	公平值收益(附註26)	187	13,603
At 31 December	於十二月三十一日	476,556	371,232

Amounts recognised in the consolidated statement of comprehensive income:

綜合全面收入表確認之金額：

Rental revenue from property investment in the PRC	中國物業投資的租金收入	22,031	19,271
Other rental income	其他租金收入	6,295	5,392
Direct operating expenses arising from investment properties that generate rental income	產生租金收入之投資物業所產生的直接經營開支	(241)	(121)
		28,085	24,542

The Group measures its investment properties at fair value.

本集團按公平值計量其投資物業。

As at 31 December 2020 and 2019, the fair values of the Group's investment properties located in Hong Kong and Hangzhou are determined on the basis of valuation carried out by the directors and an independent qualified valuer (the "Valuer"), respectively.

於二零二零年及二零一九年十二月三十一日，本集團位於香港及杭州的投資物業之公平值乃基於董事及一名獨立合資格估值師(「估值師」)分別作出的估值釐定。

Valuations were determined either with reference to current prices in an active market of similar properties, or where such information is not available, information from a variety of sources were considered including:

估值的釐定參考類似物業於活躍市場的當前價格，倘該類信息無法獲得時，則參考以下各來源的信息：

- (i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;

- (i) 不同性質之物業於活躍市場之當前價格或類似物業於較不活躍市場之近期價格(須就反映上述差異作出調整)；

8 Investment properties (Continued)

- (ii) discounted cash flow projections based on reliable estimates of future cash flows; or
- (iii) capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Fair values of the Group's investment properties located in Hong Kong are determined by the directors of the Company with reference to current prices in an active market of similar properties.

Fair values of the Group's investment properties located in Hangzhou are derived by the Valuer using the investment method of the income approach, by taking into account the current rental income from the existing tenancy agreements and reversionary income potential by adopting appropriate term/reversionary yields, which are derived from analysis of sales transaction and the Valuer's interpretation of prevailing investor requirements or expectations. For the reversionary potential of the properties, the Valuer refers market price of similar comparable properties.

Term and reversionary yields are estimated by the Valuer based on the risk profile of the investment properties being valued. The higher the yields, the lower the fair value. As at 31 December 2020, yield ranged from 6.0% to 6.5% (2019: 6.0% to 6.5%) were adopted in the term yields analysis for the Group's investment properties in Hangzhou.

Prevailing market price are estimated based on recent sales transactions within the subject properties and other comparable properties. The lower the prices, the lower is the fair value. As at 31 December 2020, prevailing market prices ranged from HK\$21 to HK\$25 (2019: HK\$23 to HK\$28) per month per square meter were adopted in the term and reversionary analysis for the Group's investment properties in Hangzhou.

The valuation gains are included in "Other gains, net" in the consolidated statement of comprehensive income (Note 26). The following table analyses the investment properties carried at fair value by valuation methods.

8 投資物業(續)

- (ii) 根據未來現金流量之可靠估計而作出之貼現現金流量預測；或
- (iii) 根據物業之估計市場收入淨額以及源自市場憑證分析所得之資本化比率而作出之資本化收入預測。

本集團於香港的投資物業之公平值經本公司董事參考類似物業於活躍市場的當前價格釐定。

本集團於杭州的投資物業之公平值由估值師使用投資法之收益法，經考慮現有租賃協議之現時租金收入及租金上升潛力(採用合適租期/租金上升率(透過分析銷售交易及估值師對當時投資者的要求或預期的詮釋得出))得出。物業復歸潛力方面，估值師會參照類似可比較物業之市場價格。

估值師基於被估值之投資物業的風險狀況估計期限及租金上升率。上升率越高，公平值越低。於二零二零年十二月三十一日，本集團位於杭州的投資物業的長期上升率之分析所採納的上升率介乎6.0%至6.5%(二零一九年：6.0%至6.5%)。

現行市場價格乃基於目標物業內及其他可資比較物業的近期交易情況估計。價格越低，公平值越低。於二零二零年十二月三十一日，本集團位於杭州的投資物業的期限及上升率分析所採納的現行市場價格介乎每月每平方米21港元至25港元(二零一九年：23港元至28港元)。

估值收益乃計入綜合全面收入表之「其他收益淨額」(附註26)。下表分析以估值法按公平值列賬之投資物業。

8 Investment properties (Continued)

Fair value hierarchy

Recurring fair value measurements
Investment properties as at 31 December 2020

經常性公平值計量
於二零二零年十二月
三十一日之投資物業

— The PRC
— Hong Kong

Investment properties as at 31 December 2019

於二零一九年十二月
三十一日之投資物業

— The PRC
— Hong Kong

8 投資物業(續)

公平值級別

Fair value measurements using 採用以下各項之公平值計量

		Quoted prices in active markets for identical assets 相同資產於 活躍市場之報價 (Level 1) (級別1) HK\$'000 千港元	Significant other observable inputs 其他重大可 觀察參數 (Level 2) (級別2) HK\$'000 千港元	Significant unobservable inputs 重大不可 觀察參數 (Level 3) (級別3) HK\$'000 千港元
		—	—	446,556
		—	—	30,000
		—	—	476,556
		—	—	342,432
		—	—	28,800
		—	—	371,232

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers among levels 1, 2 and 3 during the year (2019: Same).

本集團之政策為於引致轉移之事件或情況有變當日確認轉入及轉出之公平值級別。

於年內在級別1、2及3之間並無進行轉移(二零一九年：相同)。

8 Investment properties (Continued)

Fair value measurements using significant unobservable inputs (Level 3)

8 投資物業(續)

使用重大不可觀察參數(級別3)之公平值計量

		Investment properties 投資物業		
		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	28,800	342,432	371,232
Transfers from owner-occupied properties	轉自自用物業	—	78,667	78,667
Gains/(losses) from fair value adjustment	公平值調整所得收益/ (虧損)	1,200	(1,013)	187
Exchange differences	匯兌差額	—	26,470	26,470
At 31 December 2020	於二零二零年十二月三十一日	30,000	446,556	476,556
Total valuation gains/(losses) for the year included in profit or loss for assets held at the end of the year, under "Other gains, net"	在「其他收益淨額」下就年末所持資產計入損益中之年內估值收益/(虧損)總額	1,200	(1,013)	187
At 1 January 2019	於二零一九年一月一日	27,000	336,711	363,711
Gains from fair value adjustment	公平值調整所得收益	1,800	11,803	13,603
Exchange differences	匯兌差額	—	(6,082)	(6,082)
At 31 December 2019	於二零一九年十二月三十一日	28,800	342,432	371,232
Total valuation gains for the year included in profit or loss for assets held at the end of the year, under "Other gains, net"	在「其他收益淨額」下就年末所持資產計入損益中之年內估值收益總額	1,800	11,803	13,603

Level 3 fair values of investment properties have been derived using the comparable sales transactions as available in the relevant market or using the valuation result based on income approach to derive the fair value of the properties.

級別3之投資物業公平值已使用在相關市場之可資比較銷售交易或使用收益法得出的估值結果入賬，以計算物業之公平值。

9 Intangible assets

9 無形資產

		Goodwill 商譽 HK\$'000 千港元	Trademark 商標 HK\$'000 千港元	Customer relationship 客戶關係 HK\$'000 千港元	Supply right 供應權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日					
Cost	成本	92,786	55,740	14,691	35,844	199,061
Accumulated amortisation	累計攤銷	—	(49,974)	(14,691)	(30,987)	(95,652)
Accumulated impairment	累計減值	(92,786)	—	—	—	(92,786)
Net book amount	賬面淨值	—	5,766	—	4,857	10,623
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度					
Opening net book amount	年初賬面淨值	—	5,766	—	4,857	10,623
Additions	添置	—	—	—	8,843	8,843
Amortisation	攤銷	—	(775)	—	(4,103)	(4,878)
Exchange differences	匯兌差額	—	—	—	(14)	(14)
Closing net book amount	年末賬面淨值	—	4,991	—	9,583	14,574
At 31 December 2019	於二零一九年十 二月三十一日					
Cost	成本	92,786	55,740	14,691	44,723	207,940
Accumulated amortisation	累計攤銷	—	(50,749)	(14,691)	(35,140)	(100,580)
Accumulated impairment	累計減值	(92,786)	—	—	—	(92,786)
Net book amount	賬面淨值	—	4,991	—	9,583	14,574
Year ended 31 December 2020	截至二零二零年 十二月三十一日止年度					
Opening net book amount	年初賬面淨值	—	4,991	—	9,583	14,574
Additions (Note)	添置(附註)	—	—	—	40,958	40,958
Amortisation	攤銷	—	(775)	—	(5,734)	(6,509)
Impairment	減值	—	—	—	(7,074)	(7,074)
Exchange differences	匯兌差額	—	—	—	952	952
Closing net book amount	年末賬面淨值	—	4,216	—	38,685	42,901
At 31 December 2020	於二零二零年 十二月三十一日					
Cost	成本	92,786	55,740	14,691	77,790	241,007
Accumulated amortisation	累計攤銷	—	(51,524)	(14,691)	(32,031)	(98,246)
Accumulated impairment	累計減值	(92,786)	—	—	(7,074)	(99,860)
Net book amount	賬面淨值	—	4,216	—	38,685	42,901

9 Intangible assets (Continued)

During the year, amortisation expenses of approximately HK\$775,000 (2019: HK\$775,000) and HK\$5,734,000 (2019: HK\$4,103,000) have been charged in selling, marketing and distribution costs and against revenue, respectively.

Note:

During the year ended 31 December 2020, the Group's additions of intangible assets represented supply right for Bernard Chaus, Inc. ("Bernard Chaus") and Cartelo brand apparel products amounting to HK\$25,200,000 and HK\$15,758,000, respectively.

On 1 August 2020, the Group entered into a debt restructuring agreement ("Debt Restructuring Agreement") with Bernard Chaus pursuant to which the then outstanding promissory note principal of US\$5,000,000 (approximately HK\$38,675,000) (Note 15) and the outstanding trade receivables of US\$9,092,000 (approximately HK\$70,330,000) (Note 15) were converted into a consolidated debt, of which US\$8,000,000 (approximately HK\$61,880,000) is to be repaid by 40 equal monthly instalments of US\$200,000 (approximately HK\$1,547,000) with the first payment to be made on 1 August 2020 and the balance of US\$6,092,000 (approximately HK\$47,125,000) to be recovered through the supply right for at least 1,500,000 units of garments that Bernard Chaus is obligated to purchase from the Group annually for 40 months starting from 1 August 2020. As at 1 August 2020, the fair value of such exclusive supply right was determined by the Valuer using the income approach. Key inputs to the valuation include forecasted return rate of such supply right and discount rate. There are no interrelationships between those inputs. The better the forecasted return rate, the higher the fair value. The higher the discount rate, the lower the fair value. During the current year, the forecasted return rate and discount rate of 9.88% and 10.73%, respectively, are adopted in the valuation for the Group's supply right for Bernard Chaus.

On 24 August 2020, the Group entered into an exclusive supply agreement with an investee (the "Investee"), which is a company incorporated in the PRC principally engaged in development and trading of Cartelo brand apparel products, pursuant to which the Group was granted exclusive supply right by the Investee for Cartelo brand apparel products for a term of 88 months from the date of the agreement. As at the date of the agreement, the fair value of such exclusive supply right was determined by the Valuer using the income approach. Key inputs to the valuation include forecasted return rate of such exclusive supply right and discount rate. There are no interrelationships between those inputs. The better the forecasted return rate, the higher the fair value. The higher the discount rate, the lower the fair value. During the current year, the forecasted return rate and discount rate of 6.87% and 13.33%, respectively, are adopted in the valuation for the Group's exclusive supply right for Cartelo brand apparel products.

During the year ended 31 December 2020, management considered there was an impairment indicator on the exclusive supply right with Xcel Design Group, LLC ("Xcel") and has performed an impairment assessment as at 31 December 2020 to determine the recoverable amount using value-in-use calculation. Based on the results of the assessment, management is of the view that the recoverable amount of the exclusive supply right with Xcel as at 31 December 2020 became lower than its carrying amount and such shortfall led to an impairment of exclusive supply right of HK\$7,047,000 during the year ended 31 December 2020.

9 無形資產(續)

年內，攤銷開支約775,000港元(二零一九年：775,000港元)及5,734,000港元(二零一九年：4,103,000港元)已分別自銷售、營銷及分銷成本以及收入內扣除。

附註：

截至二零二零年十二月三十一日止年度，本集團添置無形資產，指Bernard Chaus, Inc. (「Bernard Chaus」)及Cartelo品牌服裝產品的供應權，分別為25,200,000港元及15,758,000港元。

於二零二零年八月一日，本集團與Bernard Chaus訂立債務重組協議(「債務重組協議」)，據此，當時未償還承兌票據本金額5,000,000美元(約38,675,000港元)(附註15)及未償還應收貿易賬款9,092,000美元(約70,330,000港元)(附註15)轉換為一項合併債務，其中8,000,000美元(約61,880,000港元)將分40期償還，每月等額支付200,000美元(約1,547,000港元)，首筆付款已於二零二零年八月一日支付，而結餘6,092,000美元(約47,125,000港元)將通過供應權收回，即自二零二零年八月一日起40個月的期限內，Bernard Chaus每年有責任向本集團購買至少1,500,000套成衣。於二零二零年八月一日，該獨家供應權的公平值乃由估值師採用收益法釐定。估值時使用的主要輸入數據包括該供應權的預測收益率和貼現率。該等輸入數據之間並無相互關係。預測收益率越高，則公平值越高。貼現率越高，則公平值越低。於本年度，本集團對Bernard Chaus的供應權估值時所採用的預測收益率和貼現率分別為9.88%及10.73%。

於二零二零年八月二十四日，本集團與一間於中國註冊成立並主要從事Cartelo品牌服裝產品開發及貿易的被投資方(「被投資方」)訂立獨家供應協議，據此，本集團獲被投資方授予Cartelo品牌服裝產品的獨家供應權，自協議簽訂之日起為期88個月。於協議簽訂之日，該獨家供應權的公平值乃由估值師採用收益法釐定。估值時使用的主要輸入數據包括該獨家供應權的預測收益率和貼現率。該等輸入數據之間並無相互關係。預測收益率越高，則公平值越高。貼現率越高，則公平值越低。於本年度，本集團對Cartelo品牌服裝產品的獨家供應權估值時所採用的預測收益率和貼現率分別為6.87%及13.33%。

截至二零二零年十二月三十一日止年度，管理層認為與Xcel Design Group, LLC (「Xcel」)的獨家供應權存在減值跡象，故於二零二零年十二月三十一日進行了減值評估，運用使用價值計算來確定可收回金額。根據評估結果，管理層認為於二零二零年十二月三十一日與Xcel的獨家供應權的可收回金額低於其賬面值，而該差額導致截至二零二零年十二月三十一日止年度該獨家供應權減值7,047,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 Subsidiaries

The particulars of the Group's principal subsidiaries as at 31 December 2020 are set out as follows:

10 附屬公司

於二零二零年十二月三十一日，本集團主要附屬公司之詳情載列如下：

Name 名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點 及法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/ 實收股本詳情	Equity interest attributable to the Group 本集團應佔股權	
				2020 二零二零年	2019 二零一九年
Indirectly held: 間接持有：					
Bolinding Hangzhou Textile Technology Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing and retailing, trademark holding and property investment in PRC	US\$30,000,000	100%	100%
伯林鼎杭州纺织科技有限公司	中國·外商獨資企業	成衣製造及零售、持有商標及物業投資(中國)	30,000,000美元	100%	100%
China Ting Fashion Trading Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	HK\$5,000,000	100%	100%
華鼎時裝貿易有限公司	香港·有限公司	投資控股(香港)	5,000,000港元	100%	100%
China Ting Garment Mfg (Group) Limited	Hong Kong, limited liability company	Garment trading in Hong Kong	HK\$5,000,000	100%	100%
華鼎製衣(集團)有限公司	香港·有限公司	成衣貿易(香港)	5,000,000港元	100%	100%
Concept Creator Fashion Limited	Hong Kong, limited liability company	Garment trading in Hong Kong	HK\$200,000	100%	100%
創越時裝有限公司	香港·有限公司	成衣貿易(香港)	200,000港元	100%	100%
Concept Creator Limited	Hong Kong, limited liability company	Garment trading in Hong Kong	HK\$10,000	100%	100%
創越有限公司	香港·有限公司	成衣貿易(香港)	10,000港元	100%	100%
Concept Creator Investments (Hong Kong) Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	HK\$100,000	100%	100%
創越投資(香港)有限公司	香港·有限公司	投資控股(香港)	100,000港元	100%	100%
Diny (Hangzhou) Fashion Company Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing and retailing and trademark holding in the PRC	US\$3,130,000	100%	100%
迪妮(杭州)時裝有限公司	中國·外商獨資企業	成衣製造及零售及持有商標(中國)	3,130,000美元	100%	100%
Finity Fashion (Shenzhen) Company Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing and retailing and trademark holding in the PRC	HK\$10,000,000	100%	100%
菲妮迪(深圳)有限公司	中國·外商獨資企業	成衣製造及零售及持有商標(中國)	10,000,000港元	100%	100%
Finity International Fashion Company Limited	The PRC, wholly foreign owned enterprise	Garment manufacturing and retailing and trademark holding in the PRC	US\$10,900,000	100%	100%
菲妮迪國際時裝有限公司	中國·外商獨資企業	成衣製造及零售及持有商標(中國)	10,900,000美元	100%	100%

10 Subsidiaries (Continued)

10 附屬公司(續)

Name 名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點 及法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/ 實收股本詳情	Equity interest attributable to the Group 本集團應佔股權	
				2020 二零二零年	2019 二零一九年
Hangzhou China Ting Fashion Company Limited 杭州華鼎時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$4,180,000 4,180,000美元	100%	100%
Hangzhou China Ting Tailored Fashion Company Limited 杭州華鼎西服時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$8,000,000 8,000,000美元	100%	100%
China Ting Woollen Textile Company Limited 華貝納(杭州)毛紡染整有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Wool textile and garment manufacturing in the PRC 毛紡產品及成衣製造(中國)	US\$59,500,000 59,500,000美元	100%	100%
Hangzhou Fuding Fashion Company Limited 杭州富鼎時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$2,000,000 2,000,000美元	100%	100%
Hangzhou Fuxi Fashion Company Limited 杭州富茜時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment retailing in the PRC 成衣零售(中國)	US\$200,000 200,000美元	100%	100%
Hangzhou Huaxing Silk Printing Company Limited 杭州華星絲綢印染有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Printing and dyeing of silk and other high-quality fabrics in the PRC 絲綢及其他優質面料印染(中國)	US\$8,000,000 8,000,000美元	100%	100%
China Ting (Hangzhou) Textile Technology Company Limited 華鼎(杭州)紡織科技有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$16,000,000 16,000,000美元	100%	100%
He Shan Tri-Star Silk Dyeing and Printing Work Limited 鶴山三星絲綢印染企業有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Printing and dyeing of silk and other high quality fabrics in the PRC 絲綢及其他優質面料印染(中國)	US\$3,321,000 3,321,000美元	100%	100%
Zhongshan Tri-Star Textile Printing Technology Company Limited 中山三星紡織印花科技有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Printing and dyeing of silk and other high quality fabrics in the PRC 絲綢及其他優質面料印染(中國)	RMB6,250,000 人民幣 6,250,000元	100%	100%

Notes to the Consolidated Financial Statements
綜合財務報表附註

10 Subsidiaries (Continued)

10 附屬公司(續)

Name 名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點 及法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/ 實收股本詳情	Equity interest attributable to the Group 本集團應佔股權	
				2020 二零二零年	2019 二零一九年
Hong Kong Fuhowe Fashion Company Limited 香港富豪時裝有限公司	Hong Kong, limited liability company 香港·有限公司	Investment holding in HK 投資控股(香港)	HK\$100,000 100,000港元	100%	100%
Interfield Industrial Limited 中都實業有限公司	Hong Kong, limited liability company 香港·有限公司	Fabric printing and dyeing 面料印染	HK\$23,410,000 23,410,000港元	100%	100%
Shenzhen Fuhowe Fashion Company Limited 深圳富豪時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$1,610,000 1,610,000美元	100%	100%
Zhejiang China Ting Brand Management Company Limited 浙江華鼎品牌管理有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing and retailing and trademark holding in the PRC 成衣製造及零售及持有商標(中國)	US\$8,200,000 8,200,000美元	100%	100%
Zhejiang China Ting Jincheng Silk Company Limited 浙江華鼎金誠絲綢有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Silk fabric weaving in the PRC 絲綢面料織造(中國)	US\$2,520,000 2,520,000美元	100%	100%
Zhejiang China Ting Knitwear Company Limited 浙江華鼎針織品有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Knitwear manufacturing in the PRC 針織品製造(中國)	US\$3,820,000 3,820,000美元	100%	100%
Zhejiang China Ting Textile Technology Company Limited 浙江華鼎紡織科技有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Home textile weaving in the PRC 家紡產品織造(中國)	US\$11,200,000 11,200,000美元	100%	100%
Zhejiang Concept Creator Fashion Company Limited 浙江創越時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$5,000,000 5,000,000美元	100%	100%
Zhejiang Fucheng Fashion Company Limited 浙江富成時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$4,000,000 4,000,000美元	100%	100%
Zhejiang Fuhowe Fashion Company Limited 浙江富豪時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$4,200,000 4,200,000美元	100%	100%
Zhejiang China Ting Group Company Limited 浙江華鼎集團有限責任公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Properties holding and garment trading 持有物業及成衣貿易	RMB50,000,000 人民幣 50,000,000元	92%	92%

10 Subsidiaries (Continued)

10 附屬公司(續)

Name 名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點 及法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/ 實收股本詳情	Equity interest attributable to the Group 本集團應佔股權	
				2020 二零二零年	2019 二零一九年
Zhejiang Huali Fashion Company Limited 浙江華勵時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$2,150,000 2,150,000美元	100%	100%
Zhejiang Huayue Silk Products Company Limited 浙江華越絲綢製品有限公司	The PRC, sino-foreign joint venture 中國·中外合資企業	Spun silk fabric weaving in the PRC 絹絲面料織造(中國)	US\$2,500,000 2,500,000美元	55%	55%
Zhejiang Xinan Fashion Company Limited 浙江信安時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$3,580,000 3,580,000美元	100%	100%
China Ting Finity International Fashion Retail Company Limited 華鼎菲妮迪國際時裝零售有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing and retailing and trademark holding in the PRC 成衣製造及零售及持有商標 (中國)	US\$8,500,000 8,500,000美元	100%	100%
Hangzhou Weiding Technology Limited ("Hangzhou Weiding") 杭州唯鼎科技有限公司(「杭州唯鼎」)	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment trading and retailing in the PRC 成衣貿易及零售(中國)	RMB30,000,000 人民幣 30,000,000元	100%	100%
Yudu Chuangyue Huali Intelligent Garment Company Limited 于都創越華勵智能服裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	RMB19,073,307 人民幣 19,073,307元	97.6%	97.6%
China Ting Fashion (Ganzhou) Company Limited 華鼎服飾(贛州)有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$2,644,853 2,644,853美元	96%	96%
Guizhou Tianzhu China Ting Garment (Mfg) Company Limited 貴州省天柱縣華鼎制衣有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	RMB5,000,000 人民幣 5,000,000元	100%	100%
Finity Garment Company Limited 菲妮迪服裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing and retailing in the PRC 成衣製造及零售(中國)	US\$15,000,000 15,000,000美元	100%	—
China Ting Fashion Group (USA) LLC China Ting Fashion Group (USA) LLC	US, limited liability company 美國·有限公司	Garment trading in US 成衣貿易(美國)	US\$1,000 1,000美元	100%	100%

The English names of certain subsidiaries referred herein represent management's best effort in translating the Chinese names of these subsidiaries as no English names have been registered.

The above table includes the subsidiaries of the Group which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. Giving details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

由於本文所提述之若干附屬公司並無登記英文名稱，故該等英文名稱乃管理層盡力翻譯其中文名稱所得。

上表包括董事認為主要影響年內業績或組成本集團大部份資產淨值之本集團附屬公司。董事認為，刊登其他附屬公司之資料會使篇幅過長。

11 Interests in associates

11 於聯營公司之權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interests in associates	於聯營公司之權益	1,544	1,236

Movements of interests in associates are as follows:

於聯營公司之權益變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	1,236	1,846
Share of profits/(losses)	分佔溢利／(虧損)	166	(585)
Exchange differences	匯兌差額	142	(25)
At 31 December	於十二月三十一日	1,544	1,236

The particulars of the Group's associates as at 31 December 2020 are set out as follows:

本集團於二零二零年十二月三十一日之聯營公司之詳情載列如下：

Name 名稱	Country of incorporation and type of legal entity 註冊成立國家及法定實體類別	Particular of issued/paid-in capital 已發行／實收股本詳情	Equity interest attributable to the Group 本集團應佔股權		Principal activities 主要業務
			2020 二零二零年	2019 二零一九年	
Hangzhou Ranyue Clothing Company Limited ("Hangzhou Ranyue") 杭州冉悅服裝有限公司(「杭州冉悅」)	The PRC, limited liability company 中國，有限公司	RMB1,400,000 人民幣1,400,000元	28.57%	28.57%	Wholesale and retail of garments 成衣批發及零售
Hangzhou Huasheng Accessories Company Limited ("Huasheng Accessories") 杭州華盛輔料有限公司(「杭州華盛」)	The PRC, wholly foreign owned enterprise 中國，外商獨資企業	US\$250,000 250,000美元	25%	25%	Accessories and plastic bags manufacturing 製造輔料及塑料袋

The Group has no contingent liabilities relating to its interests in associates.

本集團並無擁有與其於聯營公司之權益有關的或然負債。

Directors of the Company are of the view that the financial information of the associates is not material to the Group and thus no disclosure has been made with this regard.

本公司董事認為，聯營公司的財務資料對本集團而言並不重大，因此並無就此作出披露。

12 Interest in a joint venture

12 於合營公司之權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Share of net assets	分佔資產淨值	—	—

Movements of interests in joint ventures are as follows:

於合營公司之權益變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	—	14,690
Share of losses	分佔虧損	—	(573)
Elimination of profits from downstream transactions	對銷下游交易溢利	—	(36)
Fair value gain on interest in a joint venture in a step-up acquisition (Note 35)	分步收購於合營公司之權益的公平值收益 (附註35)	—	1,155
Step-up acquisition of a joint venture which became a subsidiary (Note 35)	分步收購合營公司而成為附屬公司(附註35)	—	(14,988)
Exchange differences	匯兌差額	—	(248)
At 31 December	於十二月三十一日	—	—

The particulars of the Group's joint venture as at 31 December 2020 are set out as follows:

本集團於二零二零年十二月三十一日之合營公司之詳情載列如下：

Name 名稱	Country of incorporation and type of legal entity 註冊成立國家及法定實體類別	Particular of issued/paid-in capital 已發行/實收股本詳情	Equity interest attributable to the Group 本集團應佔股權		Principal activities 主要業務
			2020 二零二零年	2019 二零一九年	
Ting Camuto Enterprises Limited ("Ting Camuto")	Hong Kong, limited liability company	US\$5,100,000	51%	51%	Garment retailing
Ting Camuto Enterprises Limited (「Ting Camuto」)	香港，有限公司	5,100,000美元	51%	51%	成衣零售

The Group has no contingent liabilities relating to its interest in a joint venture.

本集團並無擁有與其於合營公司之權益有關的或然負債。

Directors of the Company are of the view that the financial information of the joint venture is not material to the Group and thus no disclosure has been made with this regard.

本公司董事認為，合營公司的財務資料對本集團而言並不重大，因此並無就此作出披露。

13 Inventories

13 存貨

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Raw materials	原材料	119,752	134,526
Work in progress	在製品	153,189	153,559
Finished goods	製成品	820,326	795,805
		1,093,267	1,083,890
Less: Provision for inventories	減：存貨撥備	(169,978)	(101,867)
		923,289	982,023

The cost of inventories recognised as expense and included in cost of sales amounted to approximately HK\$843,926,000 (2019: HK\$888,403,000).

確認為開支並計入銷售成本之存貨成本約為843,926,000港元(二零一九年：888,403,000港元)。

Movements on the provision for impairment of inventories are as follows:

存貨減值撥備的變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	101,867	64,295
Charged to the consolidated profit or loss	計入綜合損益	105,704	39,263
Write-off	撇銷	(47,094)	—
Exchange differences	匯兌差額	9,501	(1,691)
At 31 December	於十二月三十一日	169,978	101,867

As at 31 December 2020, inventories aged over four years amounted to HK\$47,094,000 were considered obsolete and written-off.

於二零二零年十二月三十一日，庫齡超過四年且金額為47,094,000港元的存貨因被認為過時而撇銷。

14 Financial instruments by category

14 按類別劃分之金融工具

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本列賬之 金融資產		
Trade and bill receivables	應收貿易賬款及應收 票據	325,313	358,956
Other financial assets at amortised cost	按攤銷成本列賬之其他 金融資產	580,814	172,867
Pledged bank deposits	已抵押銀行存款	5,193	4,815
Fixed deposits	定期存款	26,128	10,020
Cash and cash equivalents	現金及現金等值項目	577,172	455,596
FVPL	按公平值列賬在損益表中 處理之金融資產	6,248	310,505
FVOCI	按公平值計入其他全面 收入之金融資產	8,640	9,087
		1,529,508	1,321,846
Financial liabilities	金融負債		
Liabilities at amortised cost	按攤銷成本列賬之負債		
Trade and other payables	應付貿易賬款及其他 應付款項	480,679	443,716
Lease liabilities	租賃負債	26,747	29,424
Borrowings	借款	270,129	424,855
		777,555	897,995

15 Trade and other receivables

15 應收貿易賬款及其他應收款項

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade and bill receivables (Note (i))	應收貿易賬款及應收票據 (附註(i))	425,172	431,260
Less: Loss allowance (Note 3.1(d))	減：虧損撥備 (附註3.1(d))	(99,859)	(72,304)
Trade and bill receivables, net	應收貿易賬款及應收票據 淨額	325,313	358,956
Amounts due from related parties (Note 34(c))	應收關連方款項 (附註34(c))	36,386	42,008
Compensation receivable from government (Note 26)	應收政府補償金 (附註26)	283,802	—
Disposal proceed receivable of FVPL in Zhejiang Haoran (Note 16)	出售於浙江浩然的按公平 值列賬在損益表中處理 之金融資產的應收所得 款項(附註16)	118,765	—
Prepayments	預付款項	192,382	143,213
Entrusted loans	委託貸款	—	5,643
Deposits and other receivables	按金及其他應收款項	123,410	103,438
		1,080,058	653,258
Promissory note (Note (ii))	承兌票據(附註(ii))		
— Non-current portion	— 非即期部分	31,949	24,227
— Current portion	— 即期部分	9,382	12,380
		41,331	36,607

The amounts due from related parties are unsecured, interest-free and repayable on demand.

應收關連方款項為無抵押、免息及按要求償還。

15 Trade and other receivables (Continued) 15 應收貿易賬款及其他應收款項 (續)

Notes:

(i) Trade and bill receivables

The ageing analysis of gross trade and bill receivables based on invoice date is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Up to 30 days	0至30日	157,004	190,614
31 to 60 days	31至60天	50,284	65,354
61 to 90 days	61至90天	51,521	30,951
91 to 120 days	91至120天	66,172	63,952
Over 120 days	超過120天	100,191	80,389
		425,172	431,260

For OEM garment sales, the Group's trade receivables from its customers are generally settled by way of letters of credit or telegraphic transfer with credit periods of not more than 90 days.

For sales of branded fashion apparel to franchisees, the Group normally requests payments in advance or deposits from such customers, with the remaining balances settled immediately upon delivery of goods. The Group also grants open account terms of 30 credit days to long-established customers with good repayment history.

Retail sales are settled in cash, by credit cards, through internet payment service providers or collected by department stores/online retailers on behalf of the Group. The agreed credit terms with credit card companies are usually within 14 days. Department stores and online retailers are normally required to settle the proceeds to the Group within 2 months from the date of sale.

Bill receivables are with average maturity dates of within 2 months.

The carrying amounts of trade and other receivables approximate their fair values.

As at 31 December 2020, the trade receivables from five customers accounted for 24% (2019: 32%) of the total trade receivables. The loss allowance increased by HK\$71,294,000 (2019: HK\$6,691,000) for trade receivables during the current year. Information about the Group's exposure to credit risk and the impairment of trade receivables can be found in Note 3.1(d).

附註：

(i) 應收貿易賬款及應收票據

應收貿易賬款及應收票據總額按發票日期之賬齡分析如下：

就原設備製造成衣銷售而言，本集團來自其客戶之應收貿易賬款一般以信用狀或電匯方式清償，信貸期不超過90日。

就對專營代理商進行之品牌時裝銷售而言，本集團一般要求該等客戶預付款項或按金，餘額則於貨品付運後即時清償。本集團亦會向還款紀錄良好之長期客戶授出30個信貸日之記賬交易期限。

零售乃以現金或信用卡、通過網上支付服務供應商結算或由百貨公司/線上零售商代本集團收取。與信用卡公司協定之信貸期通常為14日以內。本集團一般要求百貨公司及線上零售商於銷售日起計兩個月內向本集團清償所得款項。

應收票據之平均到期日為兩個月內。

應收貿易賬款及其他應收款項之賬面值與其公平值相若。

於二零二零年十二月三十一日，來自五名客戶的應收貿易賬款佔應收貿易賬款總額的24% (二零一九年：32%)。於本年度，應收貿易賬款的虧損撥備增加71,294,000港元(二零一九年：6,691,000港元)。有關本集團所面臨的信貸風險及應收貿易賬款減值的資料可參閱附註3.1(d)。

15 Trade and other receivables (Continued)

Notes: (Continued)

(i) Trade and bill receivables (Continued)

Movements on the allowance for impairment of trade receivables are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	72,304	66,137
Charged to the consolidated profit or loss	計入綜合損益	71,294	6,691
Write-off	撇銷	(44,037)	—
Exchange differences	匯兌差額	298	(524)
At 31 December	於十二月三十一日	99,859	72,304

(ii) Promissory note

As at 31 December 2019, the promissory note represented a senior unsecured promissory note with outstanding principal of US\$5,000,000 (approximately HK\$38,675,000) converted from trade receivables due from Bernard Chaus, which was interest bearing at 5.25% per annum and repayable by January 2023.

Such promissory note formed part of the Debt Restructuring Agreement the Group entered with Bernard Chaus on 1 August 2020 (See Note 9 for details). Under the revised debt arrangement with Bernard Chaus, a revised non-interest bearing promissory note has been arranged with principal of US\$8,000,000 (approximately HK\$61,880,000), which was to be repaid by 40 equal monthly instalments of US\$200,000 (approximately HK\$1,547,000) with the first payment commencing on 1 August 2020.

The carrying amounts of the Group's net trade and other receivables (excluding prepayments, promissory note and entrusted loans) are denominated in the following currencies:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
HK\$	港元	1,549	3,607
RMB	人民幣	743,903	288,974
US\$	美元	140,695	210,947
Euro	歐元	1,529	875
		887,676	504,403

The carrying amounts of other receivables are current and do not contain any impaired assets.

15 應收貿易賬款及其他應收款項 (續)

附註：(續)

(i) 應收貿易賬款及應收票據 (續)

應收貿易賬款減值撥備的變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	72,304	66,137
Charged to the consolidated profit or loss	計入綜合損益	71,294	6,691
Write-off	撇銷	(44,037)	—
Exchange differences	匯兌差額	298	(524)
At 31 December	於十二月三十一日	99,859	72,304

(ii) 承兌票據

於二零一九年十二月三十一日，承兌票據指由應收Bernard Chaus貿易賬款轉換所得之一份優先無抵押承兌票據，未償還本金額為5,000,000美元（約38,675,000港元），按年息5.25%計息，並須於二零二三年一月償還。

該承兌票據構成本集團與Bernard Chaus於二零二零年八月一日訂立的債務重組協議之一部分。根據與Bernard Chaus的經修訂債務安排，經修訂之不計息承兌票據已就本金額8,000,000美元（約61,880,000港元）作出安排，將分40期償還，每月等額支付200,000美元（約1,547,000港元），首筆付款於二零二零年八月一日支付。

本集團應收貿易賬款及其他應收款項（不包括預付款項、承兌票據及委託貸款）淨值之賬面值以下列貨幣計值：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
HK\$	港元	1,549	3,607
RMB	人民幣	743,903	288,974
US\$	美元	140,695	210,947
Euro	歐元	1,529	875
		887,676	504,403

其他應收款項之賬面值為即期款項，且並未包括任何減值資產。

16 FVPL

16 按公平值列賬在損益表中處理之金融資產

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Listed equity securities (Note (i))	上市股本證券(附註(i))	6,248	5,647
FVPL in Zhejiang Haoran (Note (ii))	於浙江浩然的按公平值列賬在損益表中處理之金融資產(附註(ii))		
— Equity interests	— 股權	—	61,838
— Shareholder's loans	— 股東貸款	—	226,631
— Advances	— 墊款	—	16,389
		—	304,858
		6,248	310,505

Movement of the Group's FVPL for the year ended 31 December 2020 is as follows:

本集團截至二零二零年十二月三十一日止年度的按公平值列賬在損益表中處理之金融資產變動如下：

		Listed equity securities 上市股本證券 HK\$'000 千港元	FVPL in Zhejiang Haoran 於浙江浩然的按公平值列賬在損益表中處理之金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	5,647	304,858	310,505
Additions	添置	478	—	478
Disposals	處置	(839)	(306,779)	(307,618)
Fair value gain — unrealised (Note 26)	公平值收益 — 未變現(附註26)	600	—	600
Exchange differences	匯兌差額	362	1,921	2,283
At 31 December 2020	於二零二零年十二月三十一日	6,248	—	6,248

16 FVPL (Continued)

Movement of the Group's FVPL for the year ended 31 December 2019 is as follows:

		Listed equity securities	FVPL in Zhejiang Haoran 於浙江浩然的按公平值列賬在損益表中處理之金融資產	Total
		上市股本證券 HK\$'000 千港元	之金融資產 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	15,393	288,876	304,269
Additions	添置	142	—	142
Disposals	處置	(10,111)	—	(10,111)
Fair value gain — unrealised (Note 26)	公平值收益 — 未變現 (附註26)	356	21,361	21,717
Exchange differences	匯兌差額	(133)	(5,379)	(5,512)
At 31 December 2019	於二零一九年十二月三十一日	5,647	304,858	310,505

Notes:

(i) The fair value of all equity securities is based on their current bid prices in an active market.

(ii) **FVPL in Zhejiang Haoran**

Zhejiang Haoran is a company engaged in commercial property development in Hangzhou. The principal asset of Zhejiang Haoran is a commercial property project located in Hangzhou (the "Property").

As at 31 December 2019, FVPL in Zhejiang Haoran represented the Group's 29% equity interest in, shareholder's loans and advances granted to Zhejiang Haoran totalled RMB272,511,000 (approximately HK\$304,858,000). The Group had sought for recovery of a portion of shareholder's loans and advance to Zhejiang Haoran and to enforce its right as a shareholder of Zhejiang Haoran through legal proceedings since 2016.

16 按公平值列賬在損益表中處理之金融資產(續)

本集團截至二零一九年十二月三十一日止年度的按公平值列賬在損益表中處理之金融資產變動如下：

		Listed equity securities	FVPL in Zhejiang Haoran 於浙江浩然的按公平值列賬在損益表中處理之金融資產	Total
		上市股本證券 HK\$'000 千港元	之金融資產 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	15,393	288,876	304,269
Additions	添置	142	—	142
Disposals	處置	(10,111)	—	(10,111)
Fair value gain — unrealised (Note 26)	公平值收益 — 未變現 (附註26)	356	21,361	21,717
Exchange differences	匯兌差額	(133)	(5,379)	(5,512)
At 31 December 2019	於二零一九年十二月三十一日	5,647	304,858	310,505

附註：

(i) 所有股本證券的公平值乃按其於活躍市場的現行購買價格得出。

(ii) **於浙江浩然的按公平值列賬在損益表中處理之金融資產**

浙江浩然為一間於杭州從事商業物業開發的公司。浙江浩然的主要資產為位於杭州的商業物業項目(「該物業」)。

於二零一九年十二月三十一日，於浙江浩然的按公平值列賬在損益表中處理之金融資產指本集團於浙江浩然29%的股權以及向浙江浩然授出的股東貸款及墊款總額人民幣272,511,000元(約304,858,000港元)。自二零一六年以來，本集團已尋求通過法律程序收回對浙江浩然的部分股東貸款及墊款，並行使其作為浙江浩然股東的權利。

16 FVPL (Continued)

Notes: (Continued)

(ii) FVPL in Zhejiang Haoran (Continued)

The Group was unable to obtain sufficient financial information of Zhejiang Haoran as at and for the year ended 31 December 2019 because management of Zhejiang Haoran did not provide such required financial information to the Group. As a result, the fair value of FVPL in Zhejiang Haoran as at 31 December 2019 was estimated by management using the adjusted net asset value approach based on Zhejiang Haoran's financial information as at 31 December 2016 which was the latest financial information available to the Group. The fair value of the Property and construction costs incurred for the Property subsequent to 31 December 2016 have been adjusted to take into account certain more up to date financial information and other information made available in the process of legal proceedings in late 2019. No interest expense has been accrued subsequent to 31 December 2016. A minority interest discount rate of 40% was applied in the valuation as at 31 December 2019. The directors considered that the above-mentioned assumptions and basis applied in the fair value assessment of FVPL in Zhejiang Haoran were appropriate and represented their best estimates as at 31 December 2019.

Management assumed there was no change in the fair value of FVPL in Zhejiang Haoran during the year and the fair value of such FVPL at the date of disposal was of HK\$298,971,000. On 30 June 2020, the FVPL in Zhejiang Haoran was disposed of by the Group to a company designated by the major shareholder of Zhejiang Haoran (the "buyer") at a consideration of HK\$491,482,000 and a disposal gain of HK\$193,275,000 was recognised accordingly in the Group's consolidated statement of comprehensive income for the year ended 31 December 2020.

Disposal proceed of HK\$376,723,000 has been received by the Group during the current year while the remaining balance of HK\$118,765,000 has been recorded as part of the Group's other receivables as at 31 December 2020. Based on the agreement between the Group and the buyer, such outstanding disposal proceed is expected to be settled by the end of 31 December 2021.

16 按公平值列賬在損益表中處理之金融資產(續)

附註：(續)

(ii) 於浙江浩然的按公平值列賬在損益表中處理之金融資產(續)

本集團無法獲得浙江浩然於二零一九年十二月三十一日及截至該日止年度的充分財務資料，因為浙江浩然的管理層未向本集團提供所要求的財務資料。因此，於浙江浩然的按公平值列賬在損益表中處理之金融資產於二零一九年十二月三十一日的公平值乃由管理層根據浙江浩然於二零一六年十二月三十一日的財務資料(即本集團可獲取的最新財務資料)使用經調整資產淨值法估計得出。該物業的公平值及該物業於二零一六年十二月三十一日後產生的建築成本，已經考慮二零一九年年底進行法律訴訟的過程中可取得的若干額外最新財務資料及其他資料後作出調整。於二零一六年十二月三十一日後並無產生利息開支。於二零一九年十二月三十一日估值時採用的少數股東權益折讓率為40%。董事認為，於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值評估中所應用之上述假設及基準屬恰當，且代表彼等於二零一九年十二月三十一日的最佳估計。

管理層假定於浙江浩然的按公平值列賬在損益表中處理之金融資產的公平值於本年度並無變化，且該按公平值列賬在損益表中處理之金融資產於出售日期的公平值為298,971,000港元。於二零二零年六月三十日，本集團將於浙江浩然的按公平值列賬在損益表中處理之金融資產出售予浙江浩然主要股東指定的一家公司(「買家」)，代價為491,482,000港元，並相應於本集團截至二零二零年十二月三十一日止年度的綜合全面收入表內確認處置收益193,275,000港元。

本集團於本年度內已收到處置所得款項376,723,000港元，而餘額118,765,000港元入賬計入本集團於二零二零年十二月三十一日的其他應收款項。基於本集團與買家之間的協議，預期該未償還處置所得款項將於二零二一年十二月三十一日結束前結清。

17 FVOCI

17 按公平值計入其他全面收入之金融資產

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Listed equity securities (Note (i))	上市股本證券(附註(i))	7,297	9,087
Unlisted equity securities (Note (ii))	非上市股本證券(附註(ii))	1,343	—
		8,640	9,087

Movement of the Group's FVOCI for the year ended 31 December 2020 is as follows:

本集團截至二零二零年十二月三十一日止年度的按公平值計入其他全面收入之金融資產變動如下：

		Listed equity securities 上市股本證券 HK\$'000 千港元	Unlisted equity securities 非上市股本證券 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	9,087	—	9,087
Additions	添置	—	1,267	1,267
Net fair value losses charged to equity	計入權益的公平值虧損淨額	(1,749)	—	(1,749)
Exchange differences	匯兌差額	(41)	76	35
At 31 December 2020	於二零二零年十二月三十一日	7,297	1,343	8,640

17 FVOCI (Continued)

Movement of the Group's FVOCI for the year ended 31 December 2019 is as follows:

		Listed equity securities 上市股本證券 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	—
Additions	添置	8,786
Net fair value gains credited to equity	自權益扣除的公平值收益淨額	301
At 31 December 2019	於二零一九年十二月三十一日	9,087

Notes:

- (i) As at 31 December 2020, the Group's FVOCI comprised 777,778 (2019: 777,778) common stocks of Xcel Brands, Inc., a company incorporated in the United States and listed in the NASDAQ. The fair value of all listed equity securities is based on their current bid prices in an active market.
- (ii) During the year ended 31 December 2020, the Group entered into two agreements with the Investee under which the Group invested RMB15,200,000 (approximately HK\$17,111,000) to purchase 6.5% equity interest of the Investee and was granted exclusive supply right by the Investee for Cartelo brand apparel (See Note 9 for more details). As at the date of the agreement and 31 December 2020, the fair values of the Group's investment in the Investee were determined by the Valuer using the net asset value approach. The fair values were within level 3 of the fair value hierarchy (Note 3.3). Key inputs to the valuation include the net asset value of the Investee and discounts for lack of marketability and control. There is no interrelationships with those inputs. The higher the net asset value of the Investee, the higher the fair value. The higher the discounts for lack of marketability and control, the lower the fair value.

附註：

- (i) 於二零二零年十二月三十一日，本集團按公平值計入其他全面收入之金融資產包括Xcel Brands, Inc. (一間於美國註冊成立並於納斯達克上市的公司)的777,778股(二零一九年：777,778股)普通股。所有上市股本證券的公平值均基於其在活躍市場上的當前報價而釐定。
- (ii) 截至二零二零年十二月三十一日止年度，本集團與被投資方訂立兩份協議，據此，本集團投資人民幣15,200,000元(約17,111,000港元)購買被投資方6.5%的股權，而本集團獲被投資方授予Cartelo品牌服裝的獨家供應權(更多詳情見附註9)。於協議簽訂之日及二零二零年十二月三十一日，本集團於被投資方投資的公平值乃由估值師採用資產淨值法釐定。相關公平值屬於公平值層級(附註3.3)中的第3級。估值時使用的主要輸入數據包括被投資方的資產淨值和缺乏適銷性及控制權的折讓率。該等輸入數據之間並無相互關係。被投資方的資產淨值越高，則公平值越高。缺乏適銷性及控制權的折讓率越高，則公平值越低。

17 按公平值計入其他全面收入之金融資產(續)

本集團截至二零一九年十二月三十一日止年度的按公平值計入其他全面收入之金融資產變動如下：

18 Cash and bank balances, fixed deposits and pledged bank deposits

18 現金及銀行結餘、定期存款及已抵押銀行存款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash at bank and in hand	銀行結餘及手頭現金	448,933	298,787
Short-term bank deposits (Note (a))	短期銀行存款(附註(a))	128,239	156,809
Cash and cash equivalents	現金及現金等值項目	577,172	455,596
Fixed deposits (Note (b))	定期存款(附註(b))	26,128	10,020
Pledged bank deposits (Note (c))	已抵押銀行存款(附註(c))	5,193	4,815
		608,493	470,431

The Group's cash and bank balances are denominated in the following currencies:

本集團的現金及銀行結餘以下列貨幣計值：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
HK\$	港元	5,480	3,088
RMB (Note (d))	人民幣(附註(d))	374,588	373,966
US\$	美元	227,625	92,910
Other currencies	其他貨幣	800	467
		608,493	470,431

Notes:

- (a) The effective interest rate on short-term bank deposits is 2.46% (2019: 2.60%) per annum; short-term bank deposits have a maturity ranging from 7 days to less than 3 months.
- (b) As at 31 December 2020, the effective interest rate on the Group's fixed deposits is 2.29% (2019: 1.75%) per annum; fixed deposits have a maturity period ranging from 3 months to less than 1 year.
- (c) Bank deposits of approximately HK\$5,193,000 (2019: HK\$4,815,000) have been pledged for trade finance facilities made available to the Group by relevant banks. The effective interest rate on pledged bank deposits is 0.30% (2019: 1.30%) per annum.
- (d) The Group's cash and bank balances denominated in RMB are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

附註：

- (a) 短期銀行存款之實際年利率為2.46%(二零一九年：2.60%)；短期銀行存款之到期日介乎7日至3個月以下。
- (b) 於二零二零年十二月三十一日，本集團定期存款的實際年利率為2.29%(二零一九年：1.75%)；定期存款之到期期限介乎3個月至1年。
- (c) 約5,193,000港元(二零一九年：4,815,000港元)之銀行存款已予抵押，以為本集團取得相關銀行之貿易融資信貸。已抵押銀行存款之實際年利率為0.30%(二零一九年：1.30%)。
- (d) 本集團以人民幣計值之現金及銀行結餘均存放於中國之銀行。該等以人民幣計值之結餘兌換外幣及將資金匯出中國，須受中國政府頒佈之外匯管制規則及規例所限制。

19 Assets held for sale

As at 31 December 2020, property, land and properties of approximately HK\$8,880,000 (2019: HK\$8,590,000) have been presented as held for sale following the decision of the Group's management to sell such assets in the near term. Several rounds of open tender have been arranged with the assistance of local government to sell such assets since late 2019. Due to the changes of local property market and urban planning, the Group and the local government are still in the process of identifying appropriate potential buyers as the date of this report. Such assets held for sale are currently open to tender through public auction platforms.

19 持作出售資產

於二零二零年十二月三十一日，自本集團管理層作出決定於近期內出售約8,880,000港元(二零一九年：8,590,000港元)的土地及物業後，該等資產已呈列為持作出售。自二零一九年年底以來，本集團已在當地政府的協助下安排數輪出售該等資產的公開競標。由於當地房地產市場及城市規劃的變更，本集團與當地政府於本報告日期仍在物色合適的潛在買家。目前，該等持作出售資產正在通過公開競標平台進行公開招標。

20 Share capital

20 股本

		Number of shares 股份數目 (in '000) (千股)	Total 總計 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股0.10港元之普通股		
Authorised:	法定：		
At 1 January 2019, 31 December 2019 and 2020	於二零一九年一月一日 以及二零一九年及 二零二零年十二月 三十一日	10,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2019, 31 December 2019 and 2020	於二零一九年一月一日 以及二零一九年及 二零二零年十二月 三十一日	2,099,818	209,982

Notes to the Consolidated Financial Statements
綜合財務報表附註

21 Reserves

21 儲備

		Share premium	Capital reserve	Contributed surplus	Statutory reserves	Share-based compensation reserve	Capital redemption reserve	Revaluation reserves	Exchange reserve	Retained earnings	Total
		股份溢價	資本儲備	繳入盈餘	法定儲備	以股份支付報酬儲備	資本贖回儲備	重估儲備	外匯儲備	保留盈利	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note) (附註)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	978,251	7,746	(4,624)	142,149	7,071	2,241	235,162	165,400	867,907	2,401,303
Loss for the year	年內虧損	—	—	—	—	—	—	—	—	(54,686)	(54,686)
Transfer to statutory reserves	轉入法定儲備	—	—	—	14,917	—	—	—	—	(14,917)	—
Currency translation differences	貨幣換算差額	—	—	—	—	—	—	—	(42,377)	—	(42,377)
Fair value gains on FVOCI	按公平值計入其他全面收入之 金融資產的公平值收益	—	—	—	—	—	—	301	—	—	301
At 31 December 2019	於二零一九年十二月三十一日	978,251	7,746	(4,624)	157,066	7,071	2,241	235,463	123,023	798,304	2,304,541
At 1 January 2020	於二零二零年一月一日	978,251	7,746	(4,624)	157,066	7,071	2,241	235,463	123,023	798,304	2,304,541
Profit for the year	年內溢利	—	—	—	—	—	—	—	—	146,044	146,044
Transfer to statutory reserves	轉入法定儲備	—	—	—	51,984	—	—	—	—	(51,984)	—
Currency translation differences	貨幣換算差額	—	—	—	—	—	—	—	134,695	—	134,695
Fair value gains on FVOCI	按公平值計入其他全面收入之 金融資產的公平值收益	—	—	—	—	—	—	(1,749)	—	—	(1,749)
Fair value gains on transfers of owner-occupied properties to investment properties, net of tax	自用物業轉為投資物業之公平值 收益，扣除稅項	—	—	—	—	—	—	49,833	—	—	49,833
At 31 December 2020	於二零二零年十二月三十一日	978,251	7,746	(4,624)	209,050	7,071	2,241	283,547	257,718	892,364	2,633,364

Note: Statutory reserves include statutory reserve fund and enterprise expansion fund. In accordance with relevant rules and regulations on foreign investment enterprises established in the PRC, the Company's PRC subsidiaries are required to transfer an amount of their profit for the year to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to make good of previous years' losses or to increase the capital of these subsidiaries.

The appropriation to the enterprise expansion fund is solely determined by the board of directors of the subsidiaries in the PRC. The enterprise expansion fund can only be used to increase capital of group companies or to expand their production operations upon approval by the relevant authority.

附註：法定儲備包括法定公積金及企業發展基金。根據於中國設立外商投資企業之相關規則及規例，本公司之中國附屬公司須將一筆年度溢利金額轉撥至法定公積金，直至累計公積金總額達其註冊資本50%。經相關機構批准後，法定公積金僅可用以彌補以往年度之虧損或增加此等附屬公司之資本。

企業發展基金之分配純粹由中國各附屬公司之董事會釐定。經相關機構批准後，企業發展基金僅可用作增加集團屬下公司之資本，或用作擴充其生產業務。

22 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Deferred income tax assets	遞延所得稅資產	99,809	86,417
Deferred income tax liabilities	遞延所得稅負債	(114,378)	(87,293)
		(14,569)	(876)

Deferred income tax assets and deferred income tax liabilities are expected to be settled after more than 12 months.

The movements in net deferred income tax (liabilities)/assets are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	(876)	(4,673)
Credited to the consolidated profit or loss (Note 28)	計入綜合損益(附註28)	1,747	4,115
Charged to equity (Note 28)	自權益扣除(附註28)	(16,612)	—
Exchange differences	匯兌差額	1,172	(318)
At 31 December	於十二月三十一日	(14,569)	(876)

22 遞延所得稅

當出現可依法執行之權利以將即期稅項資產與即期稅項負債抵銷且遞延所得稅與同一財務機關相關時，即會抵銷遞延所得稅資產及負債。抵銷數額如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
遞延所得稅資產	99,809	86,417
遞延所得稅負債	(114,378)	(87,293)
	(14,569)	(876)

遞延所得稅資產及遞延所得稅負債預期於超逾十二個月後清償。

遞延所得稅(負債) / 資產淨額之變動如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
於一月一日	(876)	(4,673)
計入綜合損益(附註28)	1,747	4,115
自權益扣除(附註28)	(16,612)	—
匯兌差額	1,172	(318)
於十二月三十一日	(14,569)	(876)

Notes to the Consolidated Financial Statements
綜合財務報表附註

22 Deferred income tax (Continued)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

22 遞延所得稅(續)

遞延所得稅資產及負債於年內之變動(不計及於同一稅務司法權區抵銷之結餘)如下:

		Decelerated tax depreciation	Provisions for inventories	Net fair value losses of FVPL	Government grants	Tax losses	Total
		減慢稅項折舊	存貨撥備	按公平值列賬在損益表中處理之金融資產之公平值虧損淨額	政府補助金	稅項虧損	總計
		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
Deferred income tax assets	遞延所得稅資產						
At 1 January 2019	於二零一九年一月一日	29,126	56,722	1,895	367	—	88,110
Exchange differences	匯兌差額	(556)	(1,084)	(43)	(5)	—	(1,688)
Credited/(charged) to the consolidated profit or loss	於綜合損益計入/(扣除)	3,097	6,105	671	(46)	829	10,656
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	31,667	61,743	2,523	316	829	97,078
Exchange differences	匯兌差額	2,749	4,237	146	17	—	7,149
Credited/(charged) to the consolidated profit or loss	於綜合損益計入/(扣除)	709	7,909	(196)	(45)	—	8,377
At 31 December 2020	於二零二零年十二月三十一日	35,125	73,889	2,473	288	829	112,604

		Accelerated tax depreciation	Revaluation of buildings and land use rights	Undistributed profits of PRC entities	Total
		加快稅項折舊	重估樓宇及土地使用權	中國企業未分配溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Deferred income tax liabilities	遞延所得稅負債				
At 1 January 2019	於二零一九年一月一日	707	82,829	9,247	92,783
Exchange differences	匯兌差額	—	(1,370)	—	(1,370)
Charged to the consolidated profit or loss	自綜合損益扣除	425	4,425	1,691	6,541
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	1,132	85,884	10,938	97,954
Exchange differences	匯兌差額	—	5,977	—	5,977
Charged to the consolidated profit or loss	自綜合損益扣除	129	611	5,890	6,630
Charged to equity	自權益扣除	—	16,612	—	16,612
At 31 December 2020	於二零二零年十二月三十一日	1,261	109,084	16,828	127,173

22 Deferred income tax (Continued)

As at 31 December 2020, deferred income tax liabilities of approximately HK\$9,555,000 (2019: HK\$1,730,000) have not been established for the withholding taxation that would be payable on the unremitted earnings of certain subsidiaries in the PRC totaling HK\$191,100,000 (2019: HK\$1,034,599,000) as the Company controls the dividend policies of these subsidiaries and it is not probable that these subsidiaries would distribute such earnings in the foreseeable future.

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK\$103,662,000 (2019: HK\$79,587,000) in respect of losses amounting to approximately HK\$661,812,000 (2019: HK\$412,092,000), that can be carried forward against future taxable income. The tax losses expire from 2021 to 2025 (2019: 2020 to 2024).

23 Trade and other payables

22 遞延所得稅(續)

於二零二零年十二月三十一日，未就中國若干附屬公司尚未匯出盈利共191,100,000港元(二零一九年：1,034,599,000港元)需付之預扣稅確認遞延所得稅負債約9,555,000港元(二零一九年：51,730,000港元)，因本公司控制該等附屬公司的股息政策且該等附屬公司不太可能於可見將來分派該等盈利。

倘相關稅務利益可透過未來應課稅溢利變現，則會就結轉稅務虧損確認遞延所得稅資產。本集團並無就可結轉以抵銷未來應課稅收入之虧損約661,812,000港元(二零一九年：412,092,000港元)而確認遞延所得稅資產約103,662,000港元(二零一九年：79,587,000港元)。稅項虧損由二零二一年至二零二五年(二零一九年：二零二零年至二零二四年)屆滿。

23 應付貿易賬款及其他應付款項

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade and bill payables	應付貿易賬款及應付票據	340,233	316,615
Accrued employee benefit expenses	應計僱員福利開支	35,212	43,893
Customer deposits	客戶按金	50,587	29,982
VAT and other tax payables	增值稅及其他應付稅項	38,510	23,440
Accrued operating expenses	應計營運開支	49,361	42,723
Other payables	其他應付款項	55,387	55,144
Amounts due to related parties (Note 34(c))	應付關連方款項 (附註34(c))	487	1,259
		569,777	513,056

23 Trade and other payables (Continued)

The ageing analysis of trade and bill payables based on invoice date is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Up to 30 days	0至30日	239,971	228,231
31 to 60 days	31至60日	35,011	41,071
61 to 90 days	61至90日	10,826	12,155
Over 90 days	超過90日	54,425	35,158
		340,233	316,615

Bill payables are with average maturity dates of within 2 months.

The amounts due to related parties are unsecured, interest-free and repayable on demand.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
HK\$	港元	35,572	29,940
RMB	人民幣	442,322	396,284
Other currencies	其他貨幣	7,541	9,780
		485,435	436,004

The carrying amounts of trade and other payables approximate their fair values.

23 應付貿易賬款及其他應付款項 (續)

應付貿易賬款及應付票據按發票日期之賬齡分析如下：

應付票據之平均到期日為兩個月內。

應付關連方款項為無抵押、免息及按要求償還。

本集團的應付貿易賬款及其他應付款項的賬面值以下列貨幣計值：

應付貿易賬款及其他應付款項的賬面值與其公平值相若。

24 Bank borrowings

24 銀行借款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank borrowings — secured	銀行借款 — 有抵押	270,129	424,855

Borrowings are analysed as follows:

借款分析如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank borrowing due for repayment within one year which contains a repayment on demand clauses — secured	一年內到期應還並載有應要求償還條款之銀行借款 — 有抵押	107,246	225,582
Bank borrowing due for repayment after one year which contains a repayment on demand clauses — secured	一年後到期應還並載有應要求償還條款之銀行借款 — 有抵押	91,493	115,930
Term loan due for repayment within one year — secured	一年內到期應還之有期貨款 — 有抵押	71,390	83,343
Total bank borrowings	銀行借款總額	270,129	424,855

At 31 December 2020, the secured bank borrowings were secured by certain buildings (Note 6) and right-of-use assets (Note 7) with aggregated net book value of approximately HK\$244,275,000 (2019: HK\$186,476,000).

於二零二零年十二月三十一日，有抵押銀行借款以總賬面淨值約為244,275,000港元（二零一九年：186,476,000港元）之若干樓宇（附註6）及使用權資產（附註7）抵押。

An analysis of the carrying amounts of the Group's bank borrowings by type and currency is as follows:

本集團銀行借款賬面值按種類及貨幣之分析如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
HK\$ at floating rates	港元，浮動利率	198,739	226,026
US\$ at floating rates	美元，浮動利率	—	115,486
RMB at fixed rates	人民幣，固定利率	71,390	83,343
		270,129	424,855

24 Bank borrowings (Continued)

The effective interest rates per annum at the balance sheet date are as follows:

		2020 二零二零年	2019 二零一九年
HK\$	港元	2.29%	3.12%
US\$	美元	not applicable 不適用	3.63%
RMB	人民幣	4.41%	5.29%

The carrying amounts of bank borrowings approximate their fair values.

The Group has the following undrawn borrowing facilities:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Floating rate expiring within one year	浮動利率，一年內屆滿	405,236	265,555
Fixed rate expiring within one year	固定利率，一年內屆滿	353,609	72,156
		758,845	337,711

The facilities expiring within one year are annual facilities subject to review at various dates during 2020.

25 Other income, net

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Compensation received (Note 15(iii))	已收補償金(附註15(iii))	—	14,106
Government grants	政府補助金	11,577	10,628
Rental income	租金收入	7,217	5,393
Investment income	投資收入	2,223	1,732
Building management income	樓宇管理收入	1,150	1,707
Reversal of over-stated commission income	撥回超額列賬佣金收入	—	(168)
Others	其他	443	448
		22,610	33,846

24 銀行借款(續)

於結算日之實際年利率如下：

		2020 二零二零年	2019 二零一九年
HK\$	港元	2.29%	3.12%
US\$	美元	not applicable 不適用	3.63%
RMB	人民幣	4.41%	5.29%

銀行借款之賬面值與其公平值相若。

本集團未提取借款融資如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Floating rate expiring within one year	浮動利率，一年內屆滿	405,236	265,555
Fixed rate expiring within one year	固定利率，一年內屆滿	353,609	72,156
		758,845	337,711

一年內屆滿之融資為年度融資，須於二零二零年內不同日期予以審閱。

25 其他收入淨額

26 Other gains, net

26 其他收益淨額

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Gain on expropriation of land and properties (Note (a))	土地及物業徵用收益 (附註(a))	431,538	—
Gain on requisition and demolition of land and properties (Note (b))	土地及物業徵用及拆除收益 (附註(b))	—	8,915
Gain on disposal of FVPL in Haoran (Note 16)	出售於浙江浩然的按公平值列賬在損益表中處理之金融資產的收益 (附註16)	193,275	—
Net exchange (losses)/gains	匯兌(虧損)/收益淨額	(16,426)	7,689
Fair value gain on FVPL — unrealised	按公平值列賬在損益表中處理之金融資產的公平值收益 — 未變現	600	21,717
Fair value gain on FVPL — realised	按公平值列賬在損益表中處理之金融資產的公平值收益 — 已變現	675	3,804
Fair value gains on investment properties (Note 8)	投資物業的公平值收益 (附註8)	187	13,603
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備的(虧損)/收益	(2,017)	5,481
Reversal of provision for customer claims	客戶索賠撥備轉回	439	522
Fair value gain on interest in a joint venture in a step-up acquisition (Note 35)	分步收購於合營公司之權益之公平值收益 (附註35)	—	1,155
		608,271	62,886

Notes:

- (a) During the year ended 31 December 2020, the Group's land and properties located in Hangzhou with net book value of HK\$41,466,000 (2019: Nil) were expropriated by local government. Relevant compensation amounted to HK\$473,004,000 (2019: Nil) were granted by local government with this regard, resulting in a net gain of HK\$431,538,000 (2019: Nil).

Compensation proceed of HK\$189,202,000 (2019: Nil) has been received by the Group during the current year while the remaining balance of HK\$283,802,000 (2019: Nil) was recorded as part of the Group's other receivables as at 31 December 2020, among which HK\$189,202,000 was subsequently received by the Group in January 2021.

- (b) During the year ended 31 December 2019, the Group's land and properties located in Hangzhou, of a net book value of HK\$15,533,000 were made requisitioned by local government to be demolished and/or relocated. Relevant compensation amounted to HK\$24,448,000 were granted by local government with this regard, resulting in a net gain of HK\$8,915,000. Such compensation has been fully received by the Group during the year ended 31 December 2019.

附註：

- (a) 截至二零二零年十二月三十一日止年度，本集團位於杭州的賬面淨值為41,466,000港元(二零一九年：無)的土地及物業被當地政府徵用。當地政府就此授予相關補償金473,004,000港元(二零一九年：無)，因而產生淨收益431,538,000港元(二零一九年：無)。

本集團於本年度內已收到補償金款項189,202,000港元(二零一九年：無)，而餘額283,802,000港元(二零一九年：無)入賬計入本集團於二零二零年十二月三十一日的其他應收款項。本集團隨後於二零二一年一月已收到其中的189,202,000港元。

- (b) 截至二零一九年十二月三十一日止年度，本集團位於杭州的賬面淨值為15,533,000港元的土地及物業因經當地政府徵用而被拆除及/或重遷。當地政府就此授予補償金24,448,000港元，因而產生淨收益8,915,000港元。截至二零一九年十二月三十一日止年度，本集團已悉數收到補償金。

27 Finance income and costs

27 融資收入及成本

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Finance income — interest income on	融資收入 — 利息收入		
	來自		
— bank deposits	— 銀行存款	3,334	5,601
— promissory notes	— 承兌票據	1,793	3,396
		5,127	8,997
Finance costs	融資成本		
— interest expense on bank borrowings	— 銀行借款利息開支	(11,457)	(13,653)
— interest expense on lease liabilities	— 租賃負債利息開支	(895)	(857)
— loss on modification of promissory note	— 承兌票據修訂虧損	—	(2,877)
		(12,352)	(17,387)
— amount capitalised (Note)	— 資本化金額(附註)	2,748	2,146
		(9,604)	(15,241)
Finance cost, net	融資成本淨額	(4,477)	(6,244)

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year, in this case 3.05% (2019: 3.54%).

附註：於釐定將予以資本化的借款成本金額時使用的資本化率為年內本集團的一般性借款所適用的加權平均利率3.05%（二零一九年：3.54%）。

28 Income tax expense

28 所得稅開支

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current income tax	即期所得稅		
— Hong Kong profits tax (Note (a))	— 香港利得稅 (附註(a))	3,357	4,296
— PRC enterprise income tax (Note (b))	— 中國企業所得稅 (附註(b))	113,693	9,904
— (Over)/under-provision in prior years	— 過往年度(超額撥備)/撥備不足	(59)	114
Withholding tax	預扣稅	25,028	8,348
Deferred income tax (Note 22)	遞延所得稅(附註22)	(1,747)	(4,115)
		140,272	18,547

Notes:

(a) Hong Kong profits tax has been provided for at the rate of 8.25% on the estimated assessable profit up to HK\$2,000,000 and 16.5% on any part of estimated assessable profit over HK\$2,000,000 for the year ended 31 December 2020 (2019: Same).

(b) The PRC enterprise income tax is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations. The standard PRC enterprise income tax rate is 25% during the years ended 31 December 2020 and 2019.

During the years ended 31 December 2020 and 2019, a subsidiary of the Group, Hangzhou Fuxi Fashion Co. Ltd., is qualified for a preferential income tax rate of 15% under the tax breaks to small and micro business. The remaining PRC subsidiaries of the Group are subject to standard PRC enterprise income tax rate of 25%.

附註：

(a) 截至二零二零年十二月三十一日止年度，就估計應課稅溢利不超過2,000,000港元而言，香港利得稅以稅率8.25%作出撥備，而就估計應課稅溢利超過2,000,000港元以上的任何部分而言，以稅率16.5%作出撥備(二零一九年：相同)。

(b) 中國企業所得稅乃基於在中國註冊成立的附屬公司按中國稅法及法規計算的法定利潤而計算。於截至二零二零年及二零一九年十二月三十一日止年度，標準的中國企業所得稅稅率為25%。

於截至二零二零年及二零一九年十二月三十一日止年度，本集團的一家附屬公司杭州富茜時裝有限公司根據小微企業的減稅優惠而合資格享有15%的優惠所得稅稅率。本集團的餘下中國附屬公司均以25%的標準中國企業所得稅稅率繳稅。

Notes to the Consolidated Financial Statements
綜合財務報表附註

28 Income tax expense (Continued)

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	293,266	(37,112)
Tax calculated at domestic tax rates applicable to profits in the respective jurisdictions	按各司法權區溢利適用之本地稅率計算之稅項	61,685	(7,141)
Income not subject to tax	毋須課稅之收入	(7,676)	(6,802)
Utilisation of previously unrecognised tax losses	動用以往未確認之稅項虧損	(26,667)	(1,668)
Expenses not deductible for tax purposes (Over)/under-provision in prior years	不可扣稅之開支 過往年度(超額撥備)/撥備不足	20,474	4,535
Tax losses not recognised	未確認之稅項虧損	(59)	114
Withholding tax	預扣稅	67,487	21,161
		25,028	8,348
Income tax expense	所得稅開支	140,272	18,547

The tax charge relation to components of other comprehensive income/(loss) is as follows:

		2020 二零二零年			2019 二零一九年		
		Before tax 除稅前 HK\$'000 千港元	Tax 稅項 HK\$'000 千港元	After tax 除稅後 HK\$'000 千港元	Before tax 除稅前 HK\$'000 千港元	Tax 稅項 HK\$'000 千港元	After tax 除稅後 HK\$'000 千港元
Currency translation differences	貨幣換算差額	135,947	—	135,947	(41,893)	—	(41,893)
Fair value gains on transfers of owner-occupied properties and land use rights to investment properties (Notes 6 and 7)	自用物業及土地使用權轉為投資物業之公平值收益(附註6及7)	66,445	(16,612)	49,833	—	—	—
Fair value (losses)/gains on FVOCI	按公平值計入其他全面收入之金融資產的公平值(虧損)/收益	(1,749)	—	(1,749)	301	—	301
Other comprehensive income/(loss)	其他全面收入/(虧損)	200,643	(16,612)	184,031	(41,592)	—	(41,592)
Deferred tax (Note 22)	遞延稅項(附註22)		(16,612)			—	

28 所得稅開支(續)

本集團就除所得稅前溢利/(虧損)之稅項與應用綜合實體之溢利適用之加權平均稅率計算之理論稅款差異如下:

其他全面收入/(虧損)組成部分之稅項支出如下:

29 Expenses by nature

29 按性質分類之開支

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Auditor's remuneration	核數師酬金		
— Audit services	— 審核服務	2,600	3,300
— Non-audit services	— 非審核服務	400	500
Amortisation of intangible assets (Note 9)	無形資產攤銷(附註9)	6,509	4,878
Depreciation of property, plant and equipment (Note 6)	物業、廠房及設備折舊(附註6)	85,691	88,100
Depreciation of right-of-use assets (Note 7)	使用權資產折舊(附註7)	19,322	18,989
Employee benefit expenses (including directors' emolument) (Note 30)	僱員福利開支(包括董事酬金)(附註30)	343,934	431,198
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動	24,151	20,912
Raw materials and consumables used	已耗用原材料及消耗品	819,775	867,491
Processing and subcontracting charges	加工及分包費用	180,473	263,110
Direct operating expenses arising from investment properties that generate rental income	產生租金收入之投資物業之直接營運開支	241	121
Operating lease rental in respect of property, plant and equipment	物業、廠房及設備之經營租賃租金	6,322	10,704
Provision for impairment for inventories (Note 13)	存貨減值撥備(附註13)	105,704	39,263
Others	其他	170,940	286,312
Total cost of sales, selling, marketing and distribution costs and administrative expenses	銷售成本、銷售、營銷及分銷成本以及行政開支總額	1,766,062	2,034,878

30 Employee benefit expenses (including directors' emoluments)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries, wages and bonuses	薪金、工資及花紅	283,741	362,566
Pension costs — defined contribution plans (Note)	退休金成本 — 定額供款計劃(附註)	19,586	51,465
Staff welfare	員工福利	40,607	17,167
		343,934	431,198

Note:

Employees in the Group's PRC subsidiaries are required to participate in defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute 26.7% (2019: 26.4%) of employees' basic salary to the scheme to fund the retirement benefits of the employees.

The Group has also established a mandatory provident fund scheme ("MPF scheme") in Hong Kong. The assets of the MPF scheme are held in separate trustee-administered funds. Both the Group and the employees are required to contribute 5% of the employee's relevant income up to a maximum of HK\$1,500 per employee per month.

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2019: four) directors of the Company whose emoluments are reflected in the analysis presented in Note 35. The emoluments payable to the remaining one (2019: one) individual during the year are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Basic salaries, housing allowances and other allowances	基本薪金、房屋津貼及其他津貼	845	897
Contributions to pension plans	退休金計劃供款	18	18
Discretionary bonuses	酌情花紅	90	180
		953	1,095

30 僱員福利開支(包括董事酬金)

附註：

本集團中國附屬公司之僱員須參與由當地市政府管理及營辦之定額供款退休計劃。本集團中國附屬公司最低按僱員基本薪金之26.7%(二零一九年：26.4%)向該計劃供款，為僱員之退休福利撥資。

本集團亦於香港設立強制性公積金計劃(「強積金計劃」)。強積金計劃之資產由獨立信託人監管。本集團及僱員均須每月按僱員相關收入之5%作出供款，上限為每名僱員1,500港元。

(a) 五名最高薪酬人士

本集團年內最高薪酬之五名人士包括本公司四名董事(二零一九年：四名)，其酬金於附註35所呈列之分析內反映。年內，應付餘下一名人士(二零一九年：一名)之酬金如下：

30 Employee benefit expenses (including directors' emoluments) (Continued)

(a) Five highest paid individuals (Continued)

The emoluments fell within the following band:

		Number of individuals 人數	
		2020 二零二零年	2019 二零一九年
Emolument band	酬金範圍		
HK\$1,000,001–HK\$1,500,000	1,000,001港元至 1,500,000港元	—	1
HK\$500,001–HK\$1,000,000	500,001港元至 1,000,000港元	1	—
		1	1

31 Earnings/(loss) per share

(a) The calculation of basic earnings/loss per share is based on the Group's profit attributable to equity holders of the Company of approximately HK\$146,044,000 (2019: loss of HK\$54,686,000) and weighted average number of ordinary shares in issue during the year of 2,099,818,000 (2019: 2,099,818,000).

(b) Diluted earnings/loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

During the years ended 31 December 2020 and 2019, there were no dilutive potential ordinary shares deemed to be issued under the share option scheme as there are no outstanding options during the years ended 31 December 2020 and 2019.

30 僱員福利開支(包括董事酬金)(續)

(a) 五名最高薪酬人士(續)

酬金範圍如下：

		Number of individuals 人數	
		2020 二零二零年	2019 二零一九年
Emolument band	酬金範圍		
HK\$1,000,001–HK\$1,500,000	1,000,001港元至 1,500,000港元	—	1
HK\$500,001–HK\$1,000,000	500,001港元至 1,000,000港元	1	—
		1	1

31 每股盈利／(虧損)

(a) 每股基本盈利／虧損乃根據本公司股權持有人應佔本集團溢利約146,044,000港元(二零一九年：虧損54,686,000港元)及年內已發行普通股之加權平均數2,099,818,000股(二零一九年：2,099,818,000股)計算。

(b) 每股攤薄盈利／虧損乃假設所有潛在攤薄股份兌換後，根據發行在外的股份之加權平均數作出調整計算。

截至二零二零年及二零一九年十二月三十一日止年度，概無視作將予根據購股權計劃發行任何潛在攤薄普通股，原因是截至二零二零年及二零一九年十二月三十一日止年度概無尚未行使的購股權。

32 Notes to consolidated statement of cash flows 32 綜合現金流量報表附註

(a) Reconciliation of operating profit/(loss) to net cash used in operations is as follows:

(a) 經營溢利／（虧損）與經營所用現金淨額對賬如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Operating profit/(loss)	經營溢利／（虧損）	297,577	(29,710)
Adjustments for:	調整：		
— Depreciation of property, plant and equipment	— 物業、廠房及設備折舊	85,691	88,100
— Depreciation of right-of-use assets	— 使用權資產折舊	19,322	18,989
— Amortisation of intangible assets	— 無形資產攤銷	6,509	4,878
— Loss/(gain) on disposal of property, plant and equipment	— 出售物業、廠房及設備虧損／（收益）	2,017	(5,481)
— Gain on expropriation of land and properties	— 土地及物業徵用收益	(431,538)	—
— Gain on requisition and demolition of land and properties	— 土地及物業徵用及拆除收益	—	(8,915)
— Net fair value gains on FVPL	— 按公平值列賬在損益表中處理之金融資產之公平值收益淨額	(600)	(21,717)
— Gain on disposal of FVPL in Zhejiang Haoran	— 出售於浙江浩然的按公平值列賬在損益表中處理之金融資產的收益	(193,275)	—
— Fair value gains on investment properties	— 投資物業之公平值收益	(187)	(13,603)
— Provision for impairment of inventories	— 存貨減值撥備	105,704	39,263
— Provision for/(reversal of) impairment losses on financial assets	— 金融資產減值虧損撥備／（撥回）	109,667	(9,425)
— Impairment losses on intangible assets	— 無形資產減值虧損	7,074	—
— Fair value gain on interest in a joint venture in a step-up acquisition	— 分步收購於合營公司之權益之公平值收益	—	(1,155)
— Elimination of profits from downstream transactions	— 對銷下游交易溢利	—	36
Changes in working capital:	營運資金之變動：		
— Inventories	— 存貨	(46,970)	(35,875)
— Trade and other receivables	— 應收貿易賬款及其他應收款項	(101,100)	64,866
— FVPL	— 按公平值列賬在損益表中處理之金融資產	361	9,969
— Trade and other payables	— 應付貿易賬款及其他應付款項	45,892	(175,244)
Net cash used in operations	經營所用現金淨額	(93,856)	(75,024)

32 Notes to consolidated statement of cash flows (Continued) 32 綜合現金流量報表附註(續)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

(b) 於綜合現金流量報表內，出售物業、廠房及設備之所得款項包括：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net book amounts	賬面淨值	4,338	2,493
(Loss)/gain on disposal of property, plant and equipment (Note 26)	出售物業、廠房及設備(虧損)/收益(附註26)	(2,017)	5,481
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	2,321	7,974

(c) In the consolidated statement of cash flows, compensation from expropriation of land and properties comprise:

(c) 於綜合現金流量報表內，土地及物業徵用補償金包括：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net book amounts	賬面淨值	41,466	—
Gain on expropriation of land and properties (Note 26)	土地及物業徵用收益(附註26)	431,538	—
Compensation from expropriation of land and properties	土地及物業徵用補償金	473,004	—
<i>Representing:</i>	表示為：		
— Compensation received from government	— 已收政府補償金	189,202	—
— Compensation receivable from government (Note 15)	— 應收政府補償金(附註15)	283,802	—
		473,004	—

32 Notes to consolidated statement of cash flows (Continued) 32 綜合現金流量報表附註(續)

(d) In the consolidated statement of cash flows, compensation from local government's requisition and demolition of land and properties comprise:

(d) 於綜合現金流量報表內，當地政府徵用及拆除土地及物業的補償金包括：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net book amounts	賬面淨值	—	15,533
Gain on requisition and demolition of land and properties (Note 26)	土地及物業徵用及拆除收益(附註26)	—	8,915
Compensation from requisition and demolition of land and properties	土地及物業徵用及拆除補償金	—	24,448

(e) Net debt reconciliation

This section sets out the reconciliation of liabilities arising from financing activities for each of the years presented.

(e) 負債淨額對賬

本節載列於各報告年度融資活動產生之負債對賬。

		Dividend payable 應付股息 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Borrowings 借款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	—	—	367,057	367,057
Initial application of HKFRS 16	初始應用香港財務報告準則第16號	—	11,941	—	11,941
Additions	添置	—	29,921	—	29,921
Dividends declared	宣派股息	5,268	—	—	5,268
Cash flows	現金流量	(5,268)	(12,243)	59,210	41,699
Exchange differences	匯兌差額	—	(195)	(1,412)	(1,607)
At 31 December 2019	於二零一九年十二月三十一日	—	29,424	424,855	454,279
At 1 January 2020	於二零二零年一月一日	—	29,424	424,855	454,279
Additions	添置	—	9,844	—	9,844
Cash flows	現金流量	—	(13,138)	(158,972)	(172,110)
Exchange differences	匯兌差額	—	617	4,246	4,863
At 31 December 2020	於二零二零年十二月三十一日	—	26,747	270,129	296,876

33 Commitments

(a) Capital commitment

At 31 December 2020, the Group had the following capital commitments:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contracted but not provided for:	已訂約但未撥備：		
— Property, plant and equipment	— 物業、廠房及設備	15,371	101,620

(b) Operating lease commitments as lessor

The Group leases offices, dormitories and plant under non-cancellable operating lease agreements. The leases have varying terms between 1 and 5 years, escalation claims and renewal rights.

At 31 December 2020, the Group had total future minimum lease receipts under non-cancellable operating leases falling due as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
— No later than 1 year	— 不超過1年	28,066	16,215
— Later than 1 year and no later than 2 years	— 超過1年 但不超過2年	24,430	13,266
— Later than 2 years and no later than 3 years	— 超過2年 但不超過3年	18,849	10,879
— Later than 3 years and no later than 4 years	— 超過3年 但不超過4年	4,795	5,889
— Later than 4 years and no later than 5 years	— 超過4年 但不超過5年	3,697	532
— Later than 5 years	— 5年以上	15,445	—
		95,282	46,781

33 承擔

(a) 資本承擔

於二零二零年十二月三十一日，本集團擁有以下資本承擔：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contracted but not provided for:	已訂約但未撥備：		
— Property, plant and equipment	— 物業、廠房及設備	15,371	101,620

(b) 經營租賃承擔 — 作為出租人

本集團根據不可撤銷經營租賃協議租賃辦公室、宿舍及廠房。該等租賃的年期(1年及5年之間)、加租權及續約權各有不同。

於二零二零年十二月三十一日，本集團根據於以下年期到期之不可撤銷經營租賃之未來最低租賃款項收入總額如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
— No later than 1 year	— 不超過1年	28,066	16,215
— Later than 1 year and no later than 2 years	— 超過1年 但不超過2年	24,430	13,266
— Later than 2 years and no later than 3 years	— 超過2年 但不超過3年	18,849	10,879
— Later than 3 years and no later than 4 years	— 超過3年 但不超過4年	4,795	5,889
— Later than 4 years and no later than 5 years	— 超過4年 但不超過5年	3,697	532
— Later than 5 years	— 5年以上	15,445	—
		95,282	46,781

33 Commitments (Continued)

(c) Operating lease commitment as lessee

From 1 January 2019, the Group has recognised right-of-use assets for non-cancellable operating lease where the Group is a lessee, except for short-term and low-value leases. The future aggregate minimum lease payments under non-cancellable operating leases not recognised in the consolidated financial statements are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Land and buildings	土地及樓宇		
— No later than 1 year	— 不超過1年	966	632

34 Significant related party transactions

The Group is controlled by Longerview Investments Limited (incorporated in the British Virgin Islands), which owns 71% of the Company's shares. The remaining 29% of the shares are widely held. The ultimate parent of the Group is Longerview Investments Limited (incorporated in the British Virgin Islands).

The directors are of the view that the following companies are related parties of the Group:

Name	Relationship with the Group
Huasheng Accessories	An associate
Hangzhou Ranyue	An associate
Ting Camuto	A joint venture
Hangzhou Weiding*	A joint venture*

The name of Huasheng Accessories, Hangzhou Ranyue and Hangzhou Weiding referred to in the above represents management's best efforts at translating the Chinese name of these companies as no English name has been registered or available.

* Hangzhou Weiding became a wholly owned subsidiary during the year ended 31 December 2019 (Note 35).

33 承擔(續)

(c) 經營租賃承擔 — 作為承租人

自二零一九年一月一日起，本集團已就本集團作為承租人的不可撤銷經營租賃確認使用權資產，惟短期及低價值租賃除外。不可撤銷經營租賃項下未於綜合財務報表內確認的日後最低租賃付款總額如下：

34 重大關連方交易

本集團為Longerview Investments Limited (於英屬處女群島註冊成立)所控制，其持有本公司71%之股份。餘下之29%股份由公眾持有。本集團之最終母公司為Longerview Investments Limited (於英屬處女群島註冊成立)。

董事認為下列公司為本集團之關連方：

名稱	與本集團之關係
華盛輔料	聯營公司
杭州冉悅	聯營公司
Ting Camuto	合營公司
杭州唯鼎*	合營公司*

由於華盛輔料、杭州冉悅及杭州唯鼎並無登記或可供使用英文名稱，故英文名稱乃管理層盡力翻譯其中文名稱所得。

* 杭州唯鼎於截至二零一九年十二月三十一日止年度內成為一間全資附屬公司(附註35)。

34 Significant related party transactions (Continued)

(a) Transactions with related parties

In the opinion of the directors, the transactions below were conducted in the ordinary and usual course of business and the pricing of these transactions was determined based on mutual negotiation and agreement between the Group and the related parties.

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Purchases of accessories from Huasheng Accessories	向華盛輔料採購輔料	3,073	5,694
Sales of garments to Hangzhou Ranyue	向杭州冉悅銷售成衣	16,593	52,909
Sales of garments to Hangzhou Weiding*	向杭州唯鼎銷售成衣*	—	889

(b) Key management compensation

The aggregate remuneration of key personnel management, including amounts paid to the Company's directors and certain of the highest paid employees, as disclosed in Notes 30 and 37, is as following:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	11,210	12,221
Post-employment benefits	退休福利	108	110
		11,318	12,331

34 重大關連方交易(續)

(a) 與關連方進行之交易

董事認為，下文之交易乃於日常及正常業務過程中進行，而此等交易之定價則根據本集團與關連方互相磋商及協議而釐定。

(b) 主要管理層之報酬

主要管理層人員的薪酬總額(包括附註30及37所披露付予本公司董事及若干最高薪酬人士的金額)如下：

34 Significant related party transactions (Continued)

(c) Year-end balances with related parties

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Receivable from a joint venture	應收合營公司款項	—	3,684
Receivables from associates	應收聯營公司款項	36,386	38,324
Payables to associates	應付聯營公司款項	487	1,259

* The terms of balances with related parties are disclosed in Notes 15 and 23, respectively.

The carrying amounts of these balances approximate their fair values.

The amounts due from/to related parties were denominated in RMB.

As at 31 December 2020, amount due from a joint venture of HK\$3,910,000 has been fully impaired.

35 Business Combination

In November 2019, the Group acquired 50% equity interest of Hangzhou Weiding, a former joint venture of the Group, at a consideration of HK\$14,987,000 settled in form of inventories. A fair value gain on the interest in a joint venture of HK\$1,155,000 has been recognised as "Other gains, net" in the consolidated profit or loss for the year ended 31 December 2019.

34 重大關連方交易(續)

(c) 與關連方之年末結餘

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Receivable from a joint venture	應收合營公司款項	—	3,684
Receivables from associates	應收聯營公司款項	36,386	38,324
Payables to associates	應付聯營公司款項	487	1,259

* 與關連方之結餘之條款分別於附註15及23披露。

此等結餘之賬面值與其公平值相若。

應收/應付關連方款項以人民幣計值。

於二零二零年十二月三十一日，應收一間合營公司款項3,910,000港元已全額減值。

35 業務合併

於二零一九年十一月，本集團收購本集團前合營公司杭州唯鼎50%的股權，代價為14,987,000港元，以存貨結算。截至二零一九年十二月三十一日止年度，於合營公司之權益的公平值收益1,155,000港元已於綜合損益內確認為「其他收益淨額」。

35 Business Combination (Continued)

The following table summarises the consideration paid for the acquisition, the fair value of assets acquired and liabilities assumed at the acquisition date.

35 業務合併(續)

下表概述就收購支付之代價以及所得資產及所承擔負債於收購日期之公平值。

		2019 二零一九年 HK\$'000 千港元
Purchase consideration settled in form of inventories	以存貨結算之購買代價	15,376
Cash received from the other shareholder of the joint venture	自合營公司另一股東收到之現金	(389)
Fair value of consideration transferred in the form of inventories	以存貨支付代價之公平值	14,987
Fair value of previously held interest in the joint venture (Note 12)	先前於合營公司所持權益之公平值 (附註12)	14,988
Total deemed purchase consideration	視作購買代價總額	29,975
Fair value of net assets acquired — shown as below	所得淨資產之公平值 — 列示如下	29,975
Goodwill purchased	購入商譽	—

The fair values of the identifiable assets acquired and liabilities assumed are as follows:

所得可識別資產及所承擔負債之公平值如下：

		2019 二零一九年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	274
Prepayments and other receivables	預付款項及其他應收款項	4,071
Inventories	存貨	22,614
Cash and bank balances	現金及銀行結餘	3,123
Other payables and accrued liabilities	其他應付款項及應計負債	(107)
Total identifiable net assets acquired	所得可識別淨資產總值	29,975

36 Balance sheet and reserve movement of the Company 36 本公司之資產負債表及儲備變動

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
ASSETS	資產		
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	1,216,961	1,211,775
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	536,241	539,932
Other receivables and prepayments	其他應收款項及預付款項	290	303
Cash and bank balances	現金及銀行結餘	659	858
		537,190	541,093
Total assets	資產總額	1,754,151	1,752,868
EQUITY	權益		
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益		
Share capital	股本	209,982	209,982
Reserves	儲備 (a)	1,541,722	1,541,146
Total equity	權益總額	1,751,704	1,751,128
LIABILITIES	負債		
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	2,447	1,740
Total equity and liabilities	權益及負債總額	1,754,151	1,752,868

Note:

(a) Reserve movement of the Company

附註：

(a) 本公司之儲備變動

		Other reserve 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	1,455,617	85,998	1,541,615
Loss for the year	年內虧損	—	(469)	(469)
At 31 December 2019	於二零一九年十二月三十一日	1,455,617	85,529	1,541,146
At 1 January 2020	於二零二零年一月一日	1,455,617	85,529	1,541,146
Profit for the year	年內溢利	—	576	576
At 31 December 2020	於二零二零年十二月三十一日	1,455,617	86,105	1,541,722

37 Benefits and interests of directors

The remuneration of each director of the Company paid or payable by the Group is set out below:

For the year ended 31 December 2020:

Name	姓名	Fees 袍金 HK\$'000 千港元	Basic Salary 基本薪金 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Estimated money value of other benefit 其他福利 估計金錢價值 HK\$'000 千港元	Housing allowances 房屋津貼 HK\$'000 千港元	Contributions to pension plans 退休金計劃 供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Ting Man Yi	丁敏兒	—	2,813	—	—	—	18	2,831
Ding Jianer	丁建兒	—	1,997	—	—	—	18	2,015
Ting Hung Yi (Chief Executive Officer)	丁雄尔(行政總裁)	—	2,813	—	—	—	18	2,831
Cheung Ting Yin, Peter	張定賢	—	1,446	—	—	—	18	1,464
Cheng Chi Pang	鄭志鵬	240	—	—	—	—	—	240
Wong Chi Keung	黃之強	360	—	—	—	—	—	360
Leung Man Kit	梁民傑	240	—	—	—	—	—	240
		840	9,069	—	—	—	72	9,981

For the year ended 31 December 2019:

Name	姓名	Fees 袍金 HK\$'000 千港元	Basic Salary 基本薪金 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Estimated money value of other benefit 其他福利估 計金錢價值 HK\$'000 千港元	Housing allowances 房屋津貼 HK\$'000 千港元	Contributions to pension plans 退休金計劃 供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Ting Man Yi	丁敏兒	—	3,000	—	—	—	18	3,018
Ding Jianer	丁建兒	—	2,130	—	—	—	18	2,148
Ting Hung Yi (Chief Executive Officer)	丁雄尔(行政總裁)	—	3,000	—	—	—	18	3,018
Cheung Ting Yin, Peter	張定賢	—	1,534	—	—	—	18	1,552
Cheng Chi Pang	鄭志鵬	240	—	—	—	—	—	240
Wong Chi Keung	黃之強	360	—	—	—	—	—	360
Leung Man Kit	梁民傑	240	—	—	—	—	—	240
		840	9,664	—	—	—	72	10,576

No emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or payable, directly or indirectly, to the directors during the year (2019: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2019: Nil). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2019: None).

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2019: None).

37 董事之福利及權益

本集團已付或應付本公司各董事之薪酬載列如下：

截至二零二零年十二月三十一日止年度：

截至二零一九年十二月三十一日止年度：

年內，概無就終止董事服務而直接或間接向董事支付或應付予任何酬金、退休福利、付款或福利(二零一九年：無)。概無就提供董事服務而向第三方提供或應付第三方任何代價(二零一九年：無)。概無為董事、其控制法團及關連實體利益而訂立之貸款、準貸款或其他交易(二零一九年：無)。

於年末及年內任何時間均無存續本公司為其中一方且本公司董事於其中直接或間接擁有重大權益之與本公司業務有關之任何重大交易、安排及合約(二零一九年：無)。

Five-year Financial Summary

五年財務概要

As at 31 December 2020 於二零二零年十二月三十一日

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out below.

本集團過去五個財政年度經登載的業績及資產、負債及非控制性權益概要列載如下。

For the financial years ended 31 December
截至十二月三十一日止財政年度
(Amounts expressed in HK\$'000, unless specified)
(除另有指明外，全以千港元呈列)

		2016 二零一六年	2017 二零一七年	2018 二零一八年	2019 二零一九年	2020 二零二零年
Revenue	收入	2,151,522	2,335,429	2,274,818	1,899,011	1,542,425
Cost of sales	銷售成本	(1,500,291)	(1,670,143)	(1,711,636)	(1,524,650)	(1,318,699)
Gross profit	毛利	651,231	665,286	563,182	374,361	223,726
Other income, net	其他收入淨額	12,704	29,267	21,476	33,846	22,610
Other gains, net	其他收益淨額	43,891	53,435	52,115	62,886	608,271
Selling, marketing and distribution costs	銷售、營銷及分銷成本	(278,655)	(277,417)	(258,431)	(228,630)	(188,174)
Administrative expenses	行政開支	(304,840)	(312,478)	(310,324)	(281,598)	(259,189)
Net (provision for)/reversal of impairment loss of financial assets	金融資產減值虧損(撥備)/撥回淨額	—	—	(19,025)	9,425	(109,667)
Operating profit/(loss)	經營溢利/(虧損)	124,331	158,093	48,993	(29,710)	297,577
Finance income/(costs), net	融資收入/(成本)淨額	1,314	2,678	(3,261)	(6,244)	(4,477)
Share of (losses)/profits of associates	分佔聯營公司(虧損)/溢利	(141)	(632)	146	(585)	166
Share of losses of joint ventures	分佔合營公司虧損	(5,088)	(2,791)	(4,603)	(573)	—
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	120,416	157,348	41,275	(37,112)	293,266
Income tax expense	所得稅開支	(39,084)	(16,901)	(14,067)	(18,547)	(140,272)
Profit/(loss) for the year	年度溢利/(虧損)	81,332	140,447	27,208	(55,659)	152,994
Non-controlling interests	非控制性權益	495	9,242	(6,163)	973	(6,950)
Profit/(loss) attributable to equity holders of the Company	本公司股權持有人應佔溢利/(虧損)	81,827	149,689	21,045	(54,686)	146,044

Five-year Financial Summary

五年財務概要

As at 31 December 2020 於二零二零年十二月三十一日

As at 31 December

於十二月三十一日

(Amounts expressed in HK\$'000, unless specified)

(除另有指明外，全以千港元呈列)

		2016 二零一六年	2017 二零一七年	2018 二零一八年	2019 二零一九年	2020 二零二零年
Non-current Assets	非流動資產	971,559	870,359	1,030,889	1,167,662	1,362,536
Current Assets	流動資產	2,222,989	2,668,188	2,788,853	2,452,687	2,651,575
Total Assets	資產總值	3,194,548	3,538,547	3,819,742	3,620,349	4,014,111
Non-current Liabilities	非流動負債	13,861	21,752	83,136	105,832	131,404
Current Liabilities	流動負債	881,647	967,534	1,096,597	977,027	1,008,192
Total Liabilities	負債總值	895,508	989,286	1,179,733	1,082,859	1,139,596
Total Equity	權益總值	2,299,040	2,549,261	2,640,009	2,537,490	2,874,515
Net Current Assets	流動資產淨值	1,341,342	1,700,654	1,692,256	1,475,660	1,643,383
Total Assets Less Current Liabilities	資產總值減流動負債	2,312,901	2,571,013	2,723,145	2,643,322	3,005,919

Schedule of Principal Investment Properties

主要投資物業表

Particulars 詳情	Approximate Gross Floor Area (Square meters) 概約總樓面面積 (平方米)	Lease Term 租期	Usage 用途	Group's interest (%) 本集團的權益 (%)
Block 1, No. 18 Wu Zhou Road, Yun He Jie Dao, Yuhang District, Hangzhou City, Zhejiang Province, the PRC 中國浙江省 杭州市餘杭區 運河街道 五洲路18號1幢	33,172.9	Medium term 中期	Industrial 工業	100%
Factory complex at No. 195 Xin Tian Road, Yuhang Economic Development Zone, Yuhang District, Hangzhou City, Zhejiang Province, the PRC 中國浙江省 杭州市餘杭區 餘杭經濟開發區 新天路195號廠房綜合體	54,774.0	Medium term 中期	Industrial 工業	100%
Portions of Blocks 1, 4 and 7, No. 191 Xin Tian Road, Yun He Jie Dao, Yuhang District, (No. 191 Xin Tian Road, Yuhang Economic Development Zone), Hangzhou City, Zhejiang Province, the PRC 中國浙江省 杭州市餘杭區 運河街道 新天路191號 (餘杭經濟開發區新天路191號)1、4及7幢部分	12,334.0	Medium term 中期	Industrial 工業	100%
Flat G-J, 4/F. with portion of flat roof, Lladro Center, Nos. 72-80 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong Kwun Tong Inland Lot No. 87 香港九龍觀塘 開源道第72-80號 溢財中心 4樓G-J室(連單位屋頂部分) (觀塘內地段87號)	315.4	Medium term 中期	Commercial 商業	100%



CHINA TING GROUP HOLDINGS LIMITED
華鼎集團控股有限公司

Annual Report 2020 年報