

TRULY®

信利國際有限公司

Truly International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 00732

2019 年報

Annual Report



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EXECUTIVE DIRECTORS

Lam Wai Wah (Chairman)
Wong Pong Chun, James
Ma Wai Tong
Song Bei Bei
Dai Cheng Yun
Cheung Wing Cheung

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chung Kam Kwong
Ip Cho Ting, Spencer
Heung Kai Sing

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Ma Wai Tong

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F One Pacific Place
88 Queensway
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG LEGAL ADVISOR

Luk & Partners
In Association with
Morgan, Lewis & Bockius
Suites 1902-09, 19th Floor
Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

執行董事

林偉華(主席)
黃邦俊
馬煒堂
宋貝貝
戴成雲
張榮祥

獨立非執行董事

鍾錦光
葉祖亭
香啟誠

公司秘書及合資格會計師

馬煒堂

核數師

德勤 • 關黃陳方會計師行
註冊公眾利益實體核數師
香港
金鐘道88號
太古廣場一座35樓

香港股份過戶登記分處

卓佳秘書商務有限公司
香港皇后大道東183號
合和中心54樓

香港法律顧問

陸繼鏘律師事務所
與摩根路易斯律師事務所聯營
香港
皇后大道中15號
置地廣場公爵大廈
19樓1902-09室

GENERAL INFORMATION

一般資料

MAJOR BANKERS

Agricultural Bank of China Limited
Bank of China Limited
Bank of China (Hong Kong) Limited
China Construction Bank Corporation
China Construction Bank (Asia) Corporation Limited
CMB Wing Lung Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
Standard Chartered Bank (HK) Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

PRINCIPAL OFFICE

2/F Chung Shun Knitting Centre
1-3 Wing Yip Street
Kwai Chung, N.T.
Hong Kong

WEBSITE

<http://www.truly.com.hk>

主要往來銀行

中國農業銀行股份有限公司
中國銀行股份有限公司
中國銀行(香港)有限公司
中國建設銀行股份有限公司
中國建設銀行(亞洲)股份有限公司
招商永隆銀行有限公司
恒生銀行有限公司
中國工商銀行股份有限公司
渣打銀行(香港)有限公司
香港上海滙豐銀行有限公司

註冊辦事處

P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

主要辦事處

香港
新界葵涌
永業街1至3號
忠信針織中心2樓

網址

<http://www.truly.com.hk>

FINANCIAL HIGHLIGHTS

財務摘要

For the year ended 31 December

截至十二月三十一日止年度

		2019	2018	Change 變動
		二零一九年	二零一八年	
		HK\$'000 千港元	HK\$'000 千港元	
Revenue	收益	22,532,499	19,762,442	+14.0%
Gross profit	毛利	1,825,411	1,885,553	-3.2%
Profit for the year attributable to owners of the Company	本公司擁有人 應佔本年度溢利	562,456	74,190	+658.1%
EBITDA	稅息折舊及攤銷前利潤	2,288,349	1,758,630	+30.1%
EPS (HK cents)	每股盈利(港仙)			
— Basic	— 基本	17.10	2.36	+624.6%

The Board does not recommend the payment of final dividend for the year ended 31 December 2019 (2018: nil).

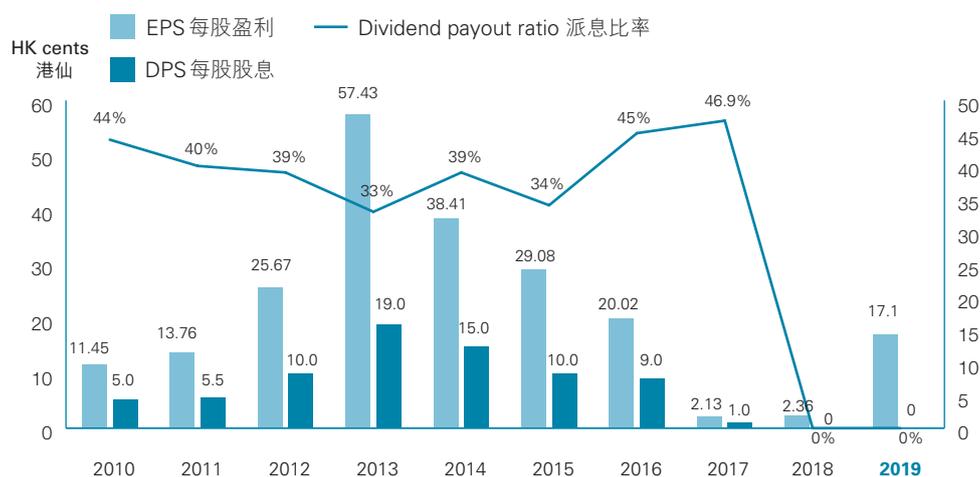
董事會不建議就截至二零一九年十二月三十一日止年度派發末期股息(二零一八年：無)。

FINANCIAL HIGHLIGHTS

財務摘要

Basic earnings per share, dividends per share and dividend payout ratio

每股基本盈利、每股股息及派息比率

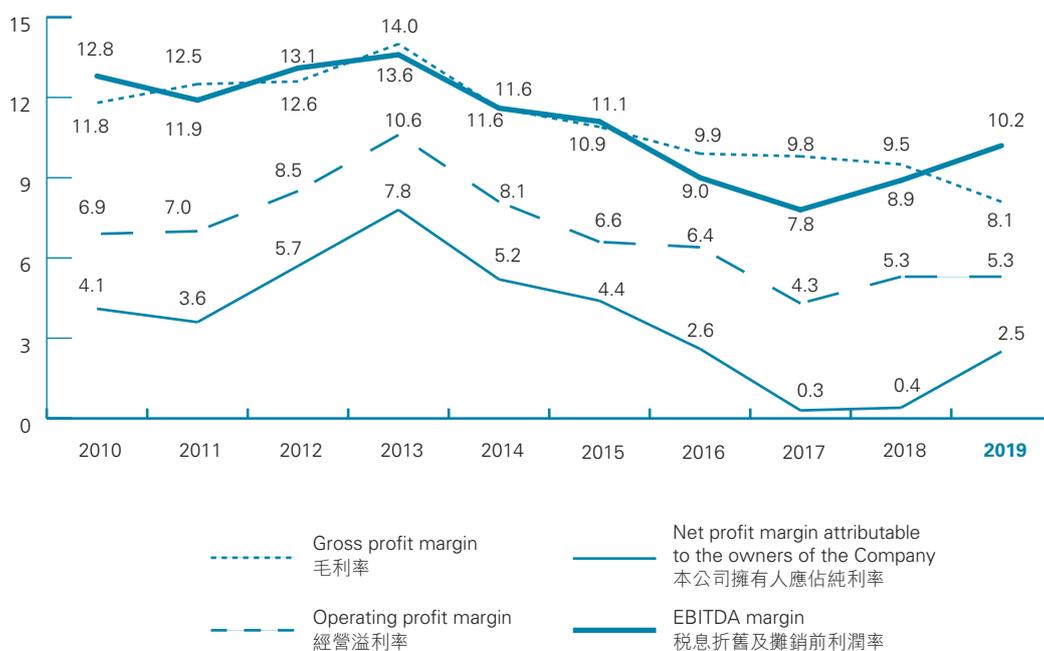


* The calculation of basic earnings per share and dividends per share for the year 2010 have been adjusted for the bonus issued and the share subdivision that have been approved by the shareholders at the extraordinary general meeting held on 19 January 2011.

* 二零一零年之每股基本盈利及每股股息之計算已就股東於二零一一年一月十九日舉行之股東特別大會上批准之已發行紅股及股份拆細作出調整。

Analysis of EBITDA, gross, operating and net profit margins (%)

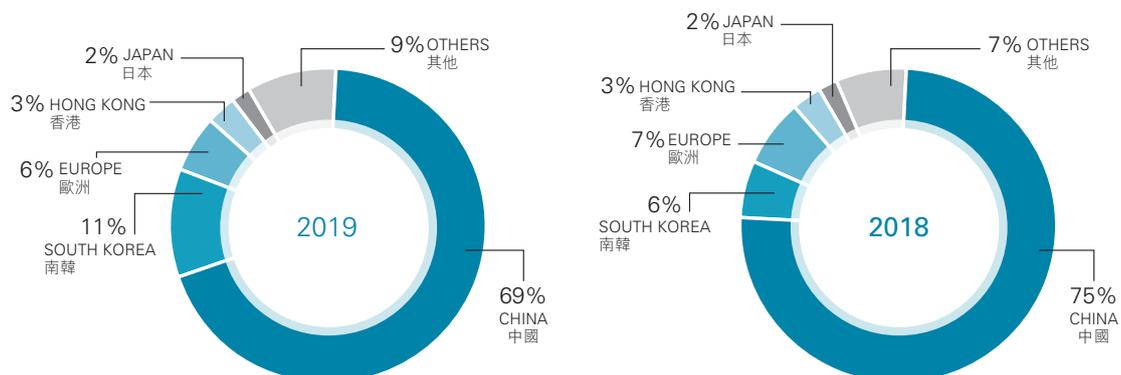
稅息折舊及攤銷前利潤率、毛利率、經營溢利率以及純利率分析 (%)



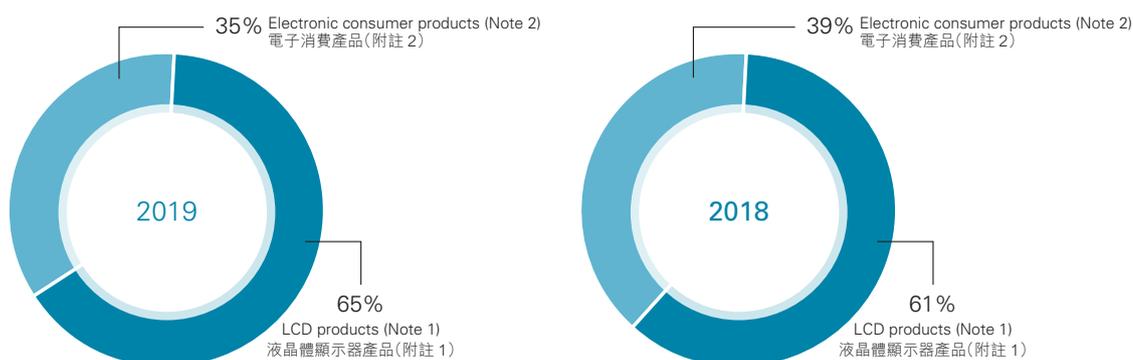
FINANCIAL HIGHLIGHTS

財務摘要

Turnover by geographical segments
按地區分類劃分之營業額



Turnover by operating segments
按經營分類劃分之營業額



Note 1: LCD products — manufacture and distribution of LCD products and touch panel products
附註1：液晶體顯示器產品 — 製造及分銷液晶體顯示器產品及觸控屏產品

Note 2: Electronic consumer products — manufacture and distribution of electronic consumer products such as CCM, fingerprint identification modules, personal health care products and electrical devices
附註2：電子消費產品 — 製造及分銷電子消費產品(例如微型相機模組、指紋識別模組、個人保健產品及電子設備)

FINANCIAL SUMMARY

財務資料概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收益	19,427,118	22,071,521	20,733,418	19,762,442	22,532,499
Gross profit	毛利	2,121,657	2,195,678	2,040,167	1,885,553	1,825,411
Finance costs	財務費用	(102,501)	(180,237)	(323,108)	(353,679)	(419,129)
Profit before tax	稅前溢利	1,123,356	872,352	187,288	253,319	736,857
Income tax expense	所得稅開支	(194,509)	(195,785)	(94,451)	(105,106)	(128,693)
Profit for the year	本年度溢利	928,847	676,567	92,837	148,213	608,164
Attributable to:	以下人士應佔：					
Owners of the Company	本公司擁有人	845,422	581,867	62,987	74,190	562,456
Non-controlling interests	非控股權益	83,425	94,700	29,850	74,023	45,708
		928,847	676,567	92,837	148,213	608,164
Earnings per share	每股盈利					
Basic	基本					
(HK cents per share)	(每股港仙)	29.08	20.02	2.13	2.36	17.10

ASSETS AND LIABILITIES

資產及負債

		At 31 December 於十二月三十一日				
		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current assets	非流動資產	8,504,196	10,099,418	14,371,223	14,154,947	13,978,778
Current assets	流動資產	9,730,248	13,197,343	12,567,607	10,899,554	11,007,458
Total assets	資產總值	18,234,444	23,296,761	26,938,830	25,054,501	24,986,236
Bank and other borrowings	銀行及其他借款	4,882,609	7,227,360	8,457,338	7,193,297	5,822,616
Bonds payable	應付債券	–	827,456	895,073	850,265	373,731
Other liabilities	其他負債	5,756,254	7,947,078	9,138,264	8,764,912	9,782,190
Total liabilities	負債總額	10,638,863	16,001,894	18,490,675	16,808,474	15,978,537
Net assets	資產淨值	7,595,581	7,294,867	8,448,155	8,246,027	9,007,699
Equity attributable to owners of the Company	本公司擁有人應佔權益	7,085,517	6,711,475	7,882,771	7,636,576	8,056,021
Non-controlling interests	非控股權益	510,064	583,392	565,384	609,451	951,678
Total equity	權益總額	7,595,581	7,294,867	8,448,155	8,246,027	9,007,699

THE CHAIRMAN'S STATEMENT

主席報告書

Truly International Holdings Limited (the "Company" and, together with its subsidiaries, the "Group") has made the record high revenue of the Group in 2019, and recorded a double digits revenue growth in 2019 when compared to 2018. Although it was a challenging year in 2019 for the smartphone industry under ups and downs of the continuing Sino-US trade frictions, the Group has been performed better than the management's expectation stated in 2018 annual report. The Group's revenue in 2019 was increased by approximately HK\$2.7 billion or 14.0% to approximately HK\$ 22.5 billion when compared to 2018. The major reasons for the revenue growth in 2019 were (i) the increase in market share of smartphone related products business under the situation of 6.2% year-over-year drop in the PRC domestic mobile phone shipment in 2019 (according to the report from China Academy of Information and Communication Technology) and (ii) continuing growth in non-smartphone related products business particular for industrial, medical and internet of things related products.

Under the very keen competition of smartphone related products business in 2019 and net allowance for inventory being made in 2019, the Group's gross profit margin has been decreased by approximately 1.4% to 8.1% when compared to 2018. Under the management's effective control on the Group's expenditures, the Group's administrative expenses in 2019 was reduced by approximately HK\$77 million or 19.4% when compared to 2018.

Profit for the year attributable to owners of the Company was significantly increased by approximately 6.6 times to approximately HK\$562 million when compared to 2018. It was mainly because (i) the significant improvement on the financial performance in 2019 of the major associate, Truly (Huizhou) Smart Display Limited* (信利(惠州)智能顯示有限公司) ("Truly Huizhou"), of the Group as expectation of the management stated in 2018 annual report and (ii) the relatively stable renminbi exchange rate in 2019 when compared to a significant drop in 2018. The successful financial improvement of Truly Huizhou is mainly because the management's appropriate change of production strategy and sales strategy to focus on AMOLED wearable products application. Share of losses from associates by the Group in 2019 was significantly decreased by approximately HK\$ 420 million when compared to 2018.

信利國際有限公司(「本公司」, 連同其附屬公司統稱「本集團」)於二零一九年錄得之收益創出新高, 二零一九年相對二零一八年在收益方面取得雙位數增長。儘管持續不斷之中美貿易摩擦於二零一九年起伏不定令智能手機行業面臨重重挑戰, 但本集團之表現仍較二零一八年年報所載管理層之預期理想。本集團於二零一九年之收益增至約225億港元, 較二零一八年增加約27億港元或14.0%。二零一九年收益有所增長主要歸因於(i)二零一九年智能手機相關產品業務在中國國內手機出貨量按年下跌6.2%(根據中國信息通信研究院報告)之情況下擴大市場份額; 及(ii)非智能手機相關產品業務(尤其是工業、醫療及物聯網相關產品)持續增長。

鑒於二零一九年智能手機相關產品業務競爭非常激烈及於二零一九年作出存貨撥備淨額, 本集團之毛利率減至8.1%, 較二零一八年下跌約1.4%。在管理層有效控制本集團支出下, 本集團於二零一九年之行政開支較二零一八年減少約0.77億港元或19.4%。

本公司擁有人應佔本年度溢利較二零一八年大增約6.6倍至約5.62億港元, 主要由於(i)本集團之主要聯營公司信利(惠州)智能顯示有限公司(「信利惠州」)於二零一九年之財務表現顯著改善, 符合二零一八年年報所載管理層之預期; 及(ii)人民幣匯率於二零一九年相對穩定, 而二零一八年則出現大幅貶值。信利惠州之財務表現得以有所改善, 主要原因為管理層適當改變生產策略及銷售策略, 專攻AMOLED穿戴式產品應用。本集團於二零一九年分佔聯營公司虧損較二零一八年顯著減少約4.20億港元。

* for identification purpose only

* 僅供識別

THE CHAIRMAN'S STATEMENT

主席報告書

For strengthening the Group's financial position and improving the Group's general working capital, a non wholly-owned subsidiary of the Company, Truly Opto-Electronics Limited (信利光電股份有限公司) ("Truly Opto"), had entered two equity investment agreements in May 2019 and October 2019 respectively to issue new shares and obtain in aggregate of RMB410 million and the Group's equity interest in Truly Opto has been diluted to approximately 78.76% as at 31 December 2019 from approximately 85.42% as at 31 December 2018. Truly Opto continues to be a subsidiary of the Company. Furthermore, Truly Opto issued RMB300 million Domestic Corporate Bonds in September 2019. As at 31 December 2019, the Group's gross debts amount was decreased to approximately HK\$6,295 million from approximately HK\$8,044 million as at 31 December 2018. In the fourth quarter of 2019, the Group has initiated the syndicated term loan refinancing with the outstanding amount of HK\$2,250 million which will be matured on 20 June 2020. The management believes that the syndicated term loan refinancing would be completed in the second quarter of 2020.

The Group's fifth generation TFT-LCD production plant in Shanwei has been entered into mass production period in the first quarter of 2020. The management expects that this TFT-LCD production plant can contribute to the Group by reducing the cost of TFT-LCD panels for production of LCD modules and touch modules since mass production. This TFT-LCD production plant has been verified by the Group's major customers in 2019.

The Group's another associated company in Sichuan for another fifth generation TFT-LCD production plant has been entered partially trial run and the full installation would be completed in 2020. The full trial run can be started in late 2020 or early 2021.

Under the current situation of the worldwide outbreak of COVID-19, 2020 is very difficult year to all industries and full of variables. However, COVID-19 in China is under control now and the virus daily infection confirmed case has been reducing. Besides, International Data Corporation recently estimates that mobile phone sales expected to decrease by 2.3% in 2020 after consideration of the effect of COVID-19. Furthermore, many countries government now implement many financial measures to alleviate the COVID-19 on economy. Therefore, the management has still confident to have some revenue growth in 2020.

為加強本集團之財務狀況及改善本集團之一般營運資金，本公司之非全資附屬公司信利光電股份有限公司(「信利光電」)先後於二零一九年五月及二零一九年十月訂立兩份股權投資協議，透過發行新股份籌集共人民幣4.10億元，而本集團於信利光電所佔股權則由二零一八年十二月三十一日約85.42%減至二零一九年十二月三十一日約78.76%。信利光電現繼續為本公司之一間附屬公司。此外，信利光電於二零一九年九月發行人民幣3億元之境內公司債券。於二零一九年十二月三十一日，本集團之債項總額由二零一八年十二月三十一日約80.44億港元減至約62.95億港元。於二零一九年第四季，本集團就將於二零二零年六月二十日到期為數22.50億港元之結欠款項籌組銀團定期貸款再融資。管理層相信該項銀團定期貸款再融資將於二零二零年第二季完成。

本集團設於汕尾之第五代TFT-LCD生產廠房已於二零二零年第一季進入量產。管理層預期此TFT-LCD生產廠房在量產後可減輕生產液晶顯示器模組及觸控模組所用TFT-LCD屏幕之成本，為本集團帶來貢獻。此TFT-LCD生產廠房已於二零一九年獲本集團之主要客戶認可。

本集團位於四川之另一間聯營公司為另一間第五代TFT-LCD生產廠房，有關廠房已進入局部試運行，將於二零二零年完成全面機器安裝。全面試運行可於二零二零年底或二零二一年初展開。

目前全球正爆發新型冠狀病毒，二零二零年各行各業將陷入困境，充滿變數。然而，中國之疫情現已受控，每日確診感染病毒個案不斷減少。此外，國際數據公司最近估計，經考慮新型冠狀病毒疫情之影響後，預期二零二零年手機銷售額將減少2.3%。此外，多國政府正實施多項財政措施減低疫情對經濟造成之影響。因此，管理層對能否於二零二零年取得收益增長仍然充滿信心。

THE CHAIRMAN'S STATEMENT

主席報告書

The management would like to express its appreciation to the Group's bankers, staff and workers for their continuing support and outstanding contribution. Additionally, the management wishes to extend its gratitude for customers, suppliers and other business partners.

管理層謹此感謝本集團各往來銀行、僱員及員工一直以來的鼎力支持及寶貴貢獻。此外，管理層謹此向客戶、供應商及其他業務夥伴致以謝忱。

Lam Wai Wah

Chairman

Hong Kong, 27 April 2020

主席

林偉華

香港，二零二零年四月二十七日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group is one of the largest manufacturers of smartphone component parts in the PRC and worldwide top-level automotive display suppliers. The Group is principally engaged in the manufacture and sale of liquid crystal display products including touch panel products and electronic consumer products including compact camera module, fingerprint identification modules, personal health care products and electrical devices.

BUSINESS REVIEW

Although it was a challenging year in 2019 for the smartphone industry under ups and downs of the continuing Sino-US trade frictions, the Group has been performed better than the management's expectation stated in 2018 annual report. The Group's revenue of 2019 made a record high amounting to approximately HK\$22.5 billion (2018: HK\$19.8 billion) and increased by 14.0% when compared to 2018.

Profit for the year attributable to the owners of the Company was significantly increased to approximately HK\$562 million (2018: approximately HK\$74 million) by approximately 658.1%. Basic earnings per share for the year increased significantly to 17.1 HK cents from 2.36 HK cents in 2018. It was mainly because (i) the significant improvement on the financial performance in 2019 of the major associate, Truly (Huizhou) Smart Display Limited* (信利(惠州)智能顯示有限公司) ("Truly Huizhou"), of the Group as expectation of the management stated in 2018 annual report and (ii) the relatively stable renminbi exchange rate in 2019 when compared to a significant drop in 2018. The successful financial improvement of Truly Huizhou mainly because the management's appropriate change of production strategy and sales strategy to focus on AMOLED wearable products application. Share of losses from associates by the Group in 2019 was significantly decreased by approximately HK\$420 million when compared to 2018.

No interim dividend was declared or paid during 2019 (2018: Nil). The Board does not recommend the payment of final dividend for the year ended 31 December 2019 (2018: nil).

The gross profit margin for the year decreased to approximately 8.1% (2018: 9.5%) and net profit margin for the year attributable to owners of the Company increased to 2.5% (2018: 0.4%). Decrease in gross profit margin was mainly affected by the keen competition for the smartphone business in 2019 and the net allowance for inventory being made during the year.

* for identification purpose only

本集團為中國最大智能手機元件部件製造商及全球頂級汽車顯示屏供應商之一。本集團之主要業務為製造及銷售液晶顯示器產品(包括觸控屏產品)及電子消費產品,包括微型相機模組、指紋識別模組、個人保健產品及電子設備。

業務回顧

儘管智能手機行業於二零一九年在持續不斷之中美貿易摩擦起伏不定下面臨重重挑戰,但本集團之表現仍較二零一八年年報所載管理層之預期理想。本集團於二零一九年錄得之收益創出新高,約為225億港元(二零一八年:198億港元),較二零一八年增加14.0%。

本公司擁有人應佔本年度溢利大幅增加約658.1%至約5.62億港元(二零一八年:約0.74億港元)。本年度每股基本盈利由二零一八年之2.36港仙大幅增至17.1港仙。主要由於(i)本集團之主要聯營公司信利(惠州)智能顯示有限公司(「信利惠州」)於二零一九年之財務表現顯著改善,符合二零一八年年報所載管理層之預期;及(ii)人民幣匯率於二零一九年相對穩定,而二零一八年則出現大幅貶值。信利惠州之財務表現得以有所改善,主要原因為管理層適當改變生產策略及銷售策略,專攻AMOLED穿戴式產品應用。本集團於二零一九年分佔聯營公司虧損較二零一八年顯著減少約4.20億港元。

於二零一九年並無宣派或派付中期股息(二零一八年:無)。董事會不建議就截至二零一九年十二月三十一日止年度派付末期股息(二零一八年:無)。

本年度毛利率下跌至約8.1%(二零一八年:9.5%),而本公司擁有人應佔本年度純利率則上升至2.5%(二零一八年:0.4%)。毛利率下跌主要受二零一九年智能手機業務競爭激烈及於本年度作出存貨撥備淨額所影響。

* 僅供識別

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The Group's LCD business including touch products was about 65% of the Group revenue in 2019 (2018: 61%). The increase in LCD business in 2019 was due to the significant increase in touch related products sales for smartphone related products business. Other businesses of the Group including the sales of compact camera modules, fingerprint identification products and printed circuit board were 35% of the Group's revenue in 2019 (2018: 39%). The growth in LCD business segment of the Group in 2019 was due to the sales growth in touch related products for smartphone related products business in 2019. LCD business would continue to be the core business of the Group in coming few years.

Both of the Group's smartphone related products revenue and non-smartphone related products revenue increased in 2019 when compared to 2018. The management would still tend to continuously enhance the development of non-smartphone related products business and improving the profit margin in coming years. The ultimate target of the Group's revenue mix is 50% of smartphone related products revenue and 50% of non-smartphone related products revenue.

The Group continues to put resources in the Group's research and development by spending around HK\$809 million in 2019 (2018: HK\$666 million). During the year, the Group continued to register many patents related manufacturing process of the PRC factories of the Group.

Segment Information

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of performance focuses on the sales of different types of products. Inter-segment sales are charged at prevailing market rates. Thus the Group is currently organised into two operating segments which are sales of LCD products and electronic consumer products. The information for each operating segment is as follows:

LCD products	—	manufacture and distribution of LCD products and touch panel products
Electronic consumer products	—	manufacture and distribution of electronic consumer products such as compact camera module, fingerprint identification modules, personal health care products and electrical devices

本集團之液晶顯示器業務(包括觸控產品)佔本集團二零一九年收益約65%(二零一八年: 61%)。二零一九年液晶顯示器業務增加, 歸因於智能手機相關產品業務之觸控相關產品銷售大幅增加。本集團其他業務(包括微型相機模組、指紋識別產品及印刷電路板銷售)佔本集團二零一九年收益之35%(二零一八年: 39%)。本集團液晶顯示器業務分類於二零一九年有所增長, 原因為智能手機相關產品業務所需觸控相關產品於二零一九年銷量增加。未來數年液晶顯示器業務將繼續為本集團之核心業務。

於二零一九年, 本集團之智能手機相關產品收益及非智能手機相關產品收益均較二零一八年增加。未來數年管理層仍將不斷加強發展非智能手機相關產品業務及提升利潤率。本集團之最終目標為達致智能手機相關產品收益及非智能手機相關產品收益各佔50%。

於二零一九年, 本集團繼續投入約8.09億港元(二零一八年: 6.66億港元)於集團研發工作。於本年度, 本集團繼續為旗下中國廠房註冊多項有關生產工序之專利。

分類資料

向本公司董事會(即主要營運決策者)報告以分配資源及評估表現的報告資料集中於不同類別產品的銷售。分類間銷售乃按現行市價支銷。因此, 本集團目前分為兩個經營分類, 即銷售液晶顯示器產品及電子消費產品。各經營分類的資料如下:

液晶顯示器產品	—	製造及分銷液晶顯示器產品及觸控屏產品
電子消費產品	—	製造及分銷電子消費產品(例如微型相機模組、指紋識別模組、個人保健產品及電子設備)

MANAGEMENT DISCUSSION AND ANALYSIS

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Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2019

分類收益及業績

本集團按經營及報告分類劃分的收益及業績分析如下：

截至二零一九年十二月三十一日止年度

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子消費 產品 HK\$'000 千港元	Segment total 分類總額 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	外銷	14,581,528	7,950,971	22,532,499	-	22,532,499
Inter-segment sales	分類間銷售	-	238,247	238,247	(238,247)	-
		14,581,528	8,189,218	22,770,746	(238,247)	22,532,499
RESULT	業績					
Segment result	分類業績	878,094	338,395	1,216,489	(11,162)	1,205,327
Finance costs	財務費用					(419,129)
Share of results of associates	分佔聯營公司業績					(23,968)
Unallocated other expenses	未分配其他開支					(17,782)
Unallocated other losses	未分配其他虧損					(7,591)
Profit before tax	稅前溢利					736,857

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For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子消費 產品 HK\$'000 千港元	Segment total 分類總額 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	外銷	12,070,050	7,692,392	19,762,442	-	19,762,442
Inter-segment sales	分類間銷售	-	239,302	239,302	(239,302)	-
		12,070,050	7,931,694	20,001,744	(239,302)	19,762,442
RESULT	業績					
Segment result	分類業績	686,423	377,164	1,063,587	(14,738)	1,048,849
Finance costs	財務費用					(353,679)
Share of results of associates	分佔聯營公司業績					(444,172)
Unallocated other expense	未分配其他開支					(18,984)
Unallocated other gain	未分配其他收益					21,305
Profit before tax	稅前溢利					253,319

Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, gain (loss) on fair value changes of derivative financial instruments, finance costs and share of results of associates. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

分類溢利指未分配中央行政管理成本、董事薪金、衍生金融工具公平價值變動收益(虧損)、財務費用及分佔聯營公司業績的各分類所賺取溢利。此為向主要營運決策者報告以分配資源及評估表現的計算方法。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Geographical information

The following table sets out information about (i) the Group's revenue from external customers by location of customers and (ii) the Group's non-current assets by location of assets.

地區資料

下表載列(i)本集團按客戶所在地區分類的外部客戶收益及(ii)本集團按資產所在地區分類的非流動資產的資料。

		Revenue from external customers		Non-current assets	
		外部客戶收益		非流動資產	
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
PRC	中國	15,631,008	14,731,111	13,801,607	13,959,915
South Korea	南韓	2,544,518	1,274,048	–	–
Europe	歐洲	1,272,751	1,352,908	–	–
Hong Kong (country of domicile)	香港 (本籍地)	576,667	655,161	96,190	94,314
Japan	日本	484,406	466,045	–	–
Others	其他	2,023,149	1,283,169	–	–
		22,532,499	19,762,442	13,897,797	14,054,229

Notes:

- (i) Regarding revenue arising from sales to external customers in Europe and others, no individual countries are material and hence separate disclosure is not required.
- (ii) Non-current assets exclude financial assets at fair value through profit or loss and deferred tax assets.

附註：

- (i) 就來自歐洲及其他地區外部客戶的銷售收益而言，概無個別國家佔有重大份額，故並無呈列獨立披露資料。
- (ii) 非流動資產不包括於損益以公平價值列賬之金融資產及遞延稅項資產。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Outlook

Under the current situation of the worldwide outbreak of COVID-19, 2020 is very difficult year to all industries and full of variables. However, COVID-19 in China is under control now and the virus daily infection confirmed case has been reducing. Besides, International Data Corporation recently estimates that mobile phone sales expected to decrease by 2.3% in 2020 after consideration of the effect of COVID-19. Furthermore, many countries government now implement many financial measures to alleviate the COVID-19 on economy. 5G smartphones has been launched by different major brands to the markets since 2019 and the 5G network has been continuously developing in China. It is positive to the mobile phone sales in 2020. Sino-US trade frictions would still be very important and uncertain to the global economy in 2020.

All in all, the management has still confident to have growth on both of the Group's revenue and profit attributable to the owners of the Company in 2020. The management would continue to implement tight cost and expenditure control. Besides, the management expects that (i) entering mass production in early 2020 by the 5th generation TFT-LCD production plant in Shanwei can start to contribute to the Group by reducing the cost of TFT-LCD panels for production of LCD modules and touch modules; and (ii) the major associate, Truly Huizhou, of the Group would turn to profit in 2020.

Proposed Spin-off Update

The management is still considering to submit a new application to CSRC within 2020 after the application not approved by the Public Offering Review Committee of CSRC in January 2019. Further announcement will be made by the Company as and when appropriate in compliance with the Listing Rules.

前景

目前全球正爆發新型冠狀病毒，二零二零年各行各業將陷入困境，充滿變數。然而，中國之疫情現已受控，每日確診感染病毒個案不斷減少。此外，國際數據公司最近估計，經考慮新型冠狀病毒疫情之影響後，預期二零二零年手機銷售額將減少2.3%。此外，多國政府正實施多項財政措施減低新型冠狀病毒疫情對經濟造成之影響。多個主要品牌自二零一九年起推出5G智能手機，而中國之5G網絡亦不斷發展，利好二零二零年之手機銷情。二零二零年中美貿易摩擦對全球經濟仍然非常重要及不明朗。

總括而言，管理層對本集團收益及本公司擁有人應佔溢利能否於二零二零年取得增長仍然充滿信心。管理層將繼續加緊控制成本及支出。此外，管理層預期(i)設於汕尾之第五代TFT-LCD生產廠房已於二零二零年初投入量產，可藉減輕生產液晶顯示器模組及觸控模組所用TFT-LCD屏幕之成本而開始為本集團帶來貢獻；及(ii)本集團主要聯營公司信利惠州將於二零二零年錄得溢利。

建議分拆進展

繼申請於二零一九年一月不獲中國證監會發行審核委員會批准後，管理層仍考慮於二零二零年內向中國證監會提交新申請。本公司將於適當時間根據上市規則刊發進一步公告。

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 December 2019 (the "Year") was approximately HK\$22.5 billion, representing an increase of approximately 14.0% or approximately HK\$2.7 billion year on year. The increase in the Group's revenue for the Year was mainly attributable to (i) the increase in market share of smartphone related products business under the situation of 6.2% year-over-year drop in the PRC domestic mobile phone shipment in 2019 (according to the report from China Academy of Information and Communication Technology) and (ii) continuing growth in non-smartphone related products business particular for industrial, medical and internet of things related products.

Gross Profit and Margin

The Group's gross profit for the Year was approximately HK\$1,825 million (2018: HK\$1,886 million) and the gross profit margin was approximately 8.1% (2018: 9.5%), which was approximately 1.4% lower than that for 2018.

The gross profit margin of the Group has been decreased from 9.5% in 2018 to 8.1% in 2019, because it was mainly affected by very keen competition on smartphone related products business and net allowance for inventory being made during the Year. The gross profit margin for the Year has been narrowed and particular in the fourth quarter.

Furthermore, the 5th generation TFT-LCD production line in the Shanwei of the Group was in the final trial production period during the Year, some indirect factory overheads were increased accordingly in the year. The gross profit and margin during the Year were affected also.

Other Income

The Group's other income for the Year was approximately HK\$146 million, representing an increase of approximately 42% or approximately HK\$43 million when compared with 2018. The increase in other income was mainly because the government grant of approximately HK\$76 million received in 2019 but only approximately HK\$29 million in 2018.

財務回顧

收益

本集團截至二零一九年十二月三十一日止年度(「本年度」或「年內」)之收益約為225億港元，按年增加約14.0%或約27億港元。本集團本年度收益增加主要由於(i)二零一九年智能手機相關產品業務在中國國內手機出貨量按年下跌6.2%(根據中國信息通信研究院報告)之情況下擴大市場份額；及(ii)非智能手機相關產品業務(尤其是工業、醫療及物聯網相關產品)持續增長。

毛利及毛利率

本集團於本年度之毛利約為18.25億港元(二零一八年：18.86億港元)，而毛利率則約為8.1%(二零一八年：9.5%)，較二零一八年下跌約1.4%。

本集團毛利率由二零一八年之9.5%下跌至二零一九年之8.1%，主要受智能手機相關產品業務競爭非常激烈及於本年度作出存貨撥備淨額所影響。本年度之毛利率有所收窄，尤其是第四季。

此外，本集團設於汕尾之第五代TFT-LCD生產廠房於本年度進入最後試產期，導致年內若干間接製造成本相應增加。本年度之毛利及毛利率亦受到影響。

其他收入

本集團於本年度之其他收入約為1.46億港元，較二零一八年增加約42%或約0.43億港元。其他收入增加主要由於二零一九年收訖政府補貼約0.76億港元，惟二零一八年則僅約0.29億港元。

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Other Gains or Losses

The Group's other gains or losses for the Year was approximately HK\$20 million net other losses, representing a decrease of approximately 81% or approximately HK\$88 million when compared with 2018. The decrease in net other losses was mainly because of net foreign exchange loss in 2019 being significantly decreased by approximately HK\$110 million when compared to 2018.

Distribution and Selling Expenses

The Group's distribution and selling expenses for the Year has been slightly decreased by approximately 3.0% or approximately HK\$13 million to approximately HK\$430 million when compared to 2018. The decrease in distribution and selling expenses under the situation of revenue being increased by 14% in 2019 was mainly attributable to the continuing tight expenditure control by the management.

Administrative Expenses

The Group's administrative expenses for the Year has been significantly decreased by approximately 19.4% or approximately HK\$77 million to approximately HK\$319 million when compared to 2018. The decrease in administrative expenses was mainly attributable to the continuing tight expenditure control being implemented since 2018.

Finance costs

The Group's finance costs for the Year has been significantly increased by approximately 18.5% or approximately HK\$65 million to approximately HK\$419 million when compared to 2018. The increase in finance costs was mainly attributable to the increase in interest rate of HIBOR and LIBOR in 2019 and the Group had some new higher fixed interest rate PRC loans during the Year.

Share of results of associates

The Group's share of loss of associates for the Year has been significantly decreased by approximately 95% or approximately HK\$420 million to approximately HK\$24 million when compared to 2018. The significant decrease in share of loss of associates was mainly attributable to the management's appropriate change of production strategy and sales strategy of the Group's major associate, Truly Huizhou, to focus on AMOLED wearable products application.

其他收益或虧損

本集團於本年度之其他收益或虧損為其他虧損淨額約0.2億港元，較二零一八年減少約81%或約0.88億港元。其他虧損淨額減少，主要由於二零一九年錄得之匯兌虧損淨額較二零一八年大幅減少約1.10億港元。

分銷及銷售費用

本集團於本年度之分銷及銷售費用較二零一八年輕微減少約3.0%或約0.13億港元至約4.30億港元。二零一九年分銷及銷售費用在收益增加14%之情況下減少，主要由於管理層繼續加緊控制支出。

行政費用

本集團於本年度之行政費用較二零一八年顯著減少約19.4%或約0.77億港元至約3.19億港元。行政費用減少主要由於自二零一八年起不斷實施嚴格控制支出措施。

財務費用

本集團於本年度之財務費用較二零一八年大幅增加約18.5%或約0.65億港元至約4.19億港元。財務費用增加主要由於二零一九年香港銀行同業拆息及倫敦銀行同業拆息利率上升，且本年度本集團有若干固定利率較高之新造中國貸款。

分佔聯營公司業績

本集團於本年度之分佔聯營公司虧損較二零一八年大幅減少約95%或約4.20億港元至約0.24億港元。分佔聯營公司虧損大幅減少主要由於管理層適當改變本集團主要聯營公司信利惠州之生產策略及銷售策略，專攻AMOLED穿戴式產品應用。

Income Tax Expenses

Pursuant to the relevant law and regulations in the PRC, two of the Company's PRC major subsidiaries were continuously approved as Hi-Tech Enterprise and entitled to 15% PRC enterprise income tax for three years from 2018 to 2020. Accordingly, PRC Enterprise Income Tax is provided at 15% for the year ended 31 December 2019 for these two major PRC subsidiaries.

Profit for the Year Attributable to Owners of the Company

Profit for the Year attributable to owners of the Company was significantly increased to approximately HK\$562 million by approximately of 658% or HK\$488 million when compared to 2018. It was mainly because (i) the significant improvement on the financial performance in 2019 of the major associate, Truly Huizhou, of the Group as expectation of the management stated in 2018 annual report and (ii) the relatively stable renminbi exchange rate in 2019 when compared to a significant drop in 2018. The successful financial improvement of Truly Huizhou is mainly because the management's appropriate change of production strategy and sales strategy to focus on AMOLED wearable products application. Share of losses from associates by the Group in 2019 was significantly decreased by HK\$420 million when compared to 2018.

Significant Investments, Acquisitions, Assets and Liabilities

Update on investment in a major associate — Truly Huizhou

Truly Huizhou has incurred operating loss approximately of HK\$25 million in 2019, which 59.7039% loss shared by the Group for the Year. It was significantly decreased by 96.5% or HK\$722 million when compared to 2018, which is mainly because the management's appropriate change of production strategy and sales strategy to focus on AMOLED wearable products application. The management expected that Truly Huizhou could turn to operating profit in 2020.

For the bank loans obtained by Truly Huizhou under the full guarantee provided by the Group in November 2015, the associate has started to repay by semi-annually instalments in November 2017. As at 31 December 2019, the relevant syndicated loan amount of Truly Huizhou under the Group's corporate guarantee has been reduced to approximately HK\$1.80 billion.

所得稅開支

根據中國相關法律及法規，本公司兩間中國主要附屬公司持續獲批為高新技術企業，於二零一八年至二零二零年止三年間可享15%中國企業所得稅率。因此，截至二零一九年十二月三十一日止年度，中國企業所得稅按15%稅率作出撥備。

本公司擁有人應佔本年度溢利

本公司擁有人應佔本年度溢利較二零一八年大幅增加約658%或4.88億港元至約5.62億港元。溢利大幅增加主要由於(i)本集團之主要聯營公司信利惠州於二零一九年之財務表現顯著改善，符合二零一八年年報所載管理層之預期；及(ii)人民幣匯率於二零一九年相對穩定，而二零一八年則出現大幅貶值。信利惠州之財務表現得以有所改善，主要因為管理層適當改變生產策略及銷售策略，專攻AMOLED穿戴式產品應用。本集團於二零一九年分佔聯營公司虧損較二零一八年顯著減少4.20億港元。

重大投資、收購、資產及負債

有關投資主要聯營公司 — 信利惠州之最新消息

信利惠州於二零一九年錄得經營虧損約0.25億港元，本集團於本年度分佔其中59.7039%，較二零一八年顯著減少96.5%或7.22億港元，主要由於管理層適當改變生產策略及銷售策略，專攻AMOLED穿戴式產品應用。管理層預期信利惠州可於二零二零年錄得經營溢利。

信利惠州於二零一五年十一月取得由本集團提供擔保之銀行貸款，並自二零一七年十一月起每半年分期償還。於二零一九年十二月三十一日，信利惠州獲本集團提供公司擔保之相關銀團貸款額已減至約18億港元。

Update on the 5th generation TFT-LCD Production Plant in Shanwei

The 5th generation TFT-LCD production plant in Shanwei has been completed in the final trial production period in 2019 and started the mass production in the first quarter of 2020. The management expects that this TFT-LCD production plant can contribute to the Group by reducing the cost of TFT-LCD panels for production of LCD modules and touch modules since mass production. This TFT-LCD production plant has been verified by the Group's major customers in 2019.

Litigation update in relation to Investment in Leshi Zhixin

In February 2017, Truly Electronics Manufacturing Limited (信利電子有限公司) ("Truly Electronics"), an indirectly wholly-owned subsidiary of the Company, entered into an investment agreement, pursuant to which Truly Electronics conditionally agreed to acquire in an aggregate of 2.3438% equity interest in Leshi Zhixin Electronic Technology (Tianjin) Limited* (樂視致新電子科技(天津)有限公司) ("Leshi Zhixin") at a consideration of RMB720,000,000. The first instalment of the consideration in the amount of RMB240 million was paid in March 2017. Subsequently, as the Company's management considered that a condition of the relevant investment agreement has been breached by Leshi Zhixin and/or Leshi Holding (Beijing) Co., Ltd.* (樂視控股(北京)有限公司) ("Leshi Holding"), Truly Electronics suspended the payment of the remaining instalments of the consideration in the amount of RMB480 million and terminated the said investment agreement in July 2017. In August 2017, Truly Electronics (as plaintiff) filed a civil complaint against Leshi Zhixin and Leshi Holding (as defendants) to seek rectification of the breach by Leshi Zhixin and Leshi Holding and refund of the first instalment of RMB240 million paid by Truly Electronics. For further details, please refer to the Company's announcements dated 29 August 2017, 23 March 2018, and the 2018 Annual Report of the Company.

The Group has been informed by the Group's PRC lawyer that a decision letter issued by the court of first instance has been received in early November 2019, which the court of first instance decided to turn down the Group's civil complaint in relation to the dispute on the investment agreement. Subsequently, the Group has lodged an objection to the high court in Beijing on 15 November 2019 and the Group is waiting for the hearing by the Beijing High Court.

Further announcements will be made by the Company as and when appropriate in compliance with the Listing Rules.

有關汕尾第五代 TFT-LCD 生產廠房之最新消息

於二零一九年設於汕尾之第五代 TFT-LCD 生產廠房已完成最終試產期，並於二零二零年第一季展開量產。管理層預期此 TFT-LCD 生產廠房在量產後可減輕生產液晶顯示器模組及觸控模組所用 TFT-LCD 屏幕之成本，為本集團帶來貢獻。此 TFT-LCD 生產廠房已於二零一九年獲本集團之主要客戶認可。

有關投資樂視致新之訴訟最新消息

於二零一七年二月，本公司間接全資附屬公司信利電子有限公司(「信利電子」)訂立投資協議，據此，信利電子有條件同意按代價人民幣 720,000,000 元收購樂視致新電子科技(天津)有限公司(「樂視致新」)合共 2.3438% 股權。首期代價人民幣 2.40 億元已於二零一七年三月支付。其後，由於本公司管理層認為樂視致新及／或樂視控股(北京)有限公司(「樂視控股」)違反相關投資協議其中一項條件，故信利電子暫停支付餘下多期代價人民幣 4.80 億元，並於二零一七年七月終止上述投資協議。於二零一七年八月，信利電子(作為原告)向樂視致新及樂視控股(作為被告)提出民事起訴，尋求糾正樂視致新及樂視控股之違約情況並退還信利電子支付之首期代價人民幣 2.40 億元。進一步詳情請參閱本公司日期為二零一七年八月二十九日及二零一八年三月二十三日之公告以及本公司二零一八年年報。

本集團中國律師向本集團表示，於二零一九年十一月初接獲原訟法院發出之裁定書，當中裁定駁回本集團就投資協議糾紛提出之民事起訴。其後，本集團於二零一九年十一月十五日向北京高級法院提出上訴，本集團現正等待北京高級法院聆訊。

本公司將於適當時間根據上市規則刊發進一步公告。

* for identification purpose only

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Update on investment in an associate, Truly (Renshou) High-end Display Technology Limited* (信利(仁壽)高端顯示科技有限公司) (“Truly Renshou”)

The Group has contributed RMB500 million by cash to Truly Renshou during 2017 according to the relevant agreements. Truly Renshou has completed the building construction of the fifth generation of TFT-LCD factory in Renshou in 2018 and has been entered partially trial run in 2019. The full installation of the machineries would be completed in 2020 and the full trial production of the factory would be started in late 2020 or early 2021 by the management’s estimation.

Update on Major Transaction Formation of the AMOLED JV Company

On 14 July 2017, Truly Electronics Manufacturing Limited (信利電子有限公司), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company, entered into the AMOLED JV agreement in relation to the formation of the AMOLED JV Company in Renshou County, Meishan City, Sichuan Province, the PRC as the project company for the AMOLED Project. The total investment of the AMOLED JV Company will be RMB27,900 million and production facilities for the sixth generation of AMOLED will be established. The Group will contribute RMB2,000 million for 13.3% equity interest. For detail of it, please refer to the announcement of the Company, Major Transaction Formation of the AMOLED JV Company, dated 14 July 2017.

As additional time is required for preparing and finalizing certain information to be included in the Circular, the dispatch of the Circular has been further delayed to a date on or before 29 May 2020. For detail of it, please refer to the announcement of the Company, Further Delay in Despatch of Circular in Relation to A Major Transaction for the Formation of the AMOLED JV Company, dated 28 February 2020.

Further announcements will be made by the Company as and when appropriate in compliance with the Listing Rules.

有關投資聯營公司信利(仁壽)高端顯示科技有限公司(「信利仁壽」)之最新消息

根據相關協議，本集團於二零一七年向信利仁壽注資現金人民幣5.00億元。信利仁壽已於二零一八年完成於仁壽縣興建第五代TFT-LCD廠房，並於二零一九年進行局部試運行。所有機器安裝將於二零二零年完成。管理層估計，該廠房將於二零二零年底或二零二一年初展開全面試產。

有關成立AMOLED合資公司之主要交易之最新消息

於二零一七年七月十四日，本公司於中國註冊成立之間接全資附屬公司信利電子有限公司訂立AMOLED合資協議，內容有關於中國四川省眉山市仁壽縣成立AMOLED合資公司，作為AMOLED項目之項目公司。AMOLED合資公司之投資總額將為人民幣279.00億元，第六代AMOLED生產設施將會建成。本集團將就13.3%股權注資人民幣20.00億元。詳情請參閱本公司日期為二零一七年七月十四日之公告「主要交易－成立AMOLED合資公司」。

由於需要更多時間編製及落實將載入通函內之若干資料，通函寄發日期已進一步延至二零二零年五月二十九日或之前。詳情請參閱本公司日期為二零二零年二月二十八日之公告「進一步延遲寄發通函－有關主要交易－關於成立AMOLED合資公司」。

本公司將於適當時間根據上市規則刊發進一步公告。

Potential Breaching and Breaching of Certain Banks and Other Borrowings Agreements (matured on 20 June 2020) and New Club Loan for Refinancing Initiated

In early June 2019, the Company has estimated that the Group might potentially breach certain financial covenants in relation to certain ratios of net borrowings of some bank loan agreements for the testing date on 30 June 2019. It was mainly because the relevant financial covenants are tightened up gradually from 2018 to 2020 and particularly after 31 December 2018. Therefore, the Group had written to lenders requesting for a waiver for complying with these financial covenants (i.e. the requirement of the ratio of the adjusted consolidated net borrowings (excluding (to the extent included) the related party contingent liabilities) of the Group to its consolidated tangible net worth and the ratio of the consolidated net borrowings of the Group to its consolidated tangible net worth be no more than 0.5 and 0.75, respectively) for the testing date on 30 June 2019 as mentioned above in early June 2019 and had successfully received the lenders' consent before 30 June 2019.

Besides, in November 2019, the Company has estimated that the Group might potentially breach certain financial covenants in relation to certain ratios of net borrowings and EBITDA to Interest expense of some bank loan agreements for the testing date on 31 December 2019. The Company has delivered the waiver request to the relevant banks accordingly in November 2019 and received the lenders' waiver approval before 31 December 2019.

A new club loan invitation for refinancing of the outstanding balance HK\$2.25 billion of the syndicated bank loan has been initiated in the fourth quarter of 2019, the Group has received some banks' commitments to participate the new club loan. The management expected that the Group would receive more commitments from other invited banks to participate the new club loan and the new club loan could be completed in the second quarter of 2020.

Liquidity and Financial Resources

The Group's assets have been decreased by approximately HK\$68 million and liabilities have been decreased by approximately HK\$830 million during the year.

As at 31 December 2019, the outstanding lease liabilities, bonds payable and bank and other borrowings, net of restricted bank deposits, cash and bank balances, were approximately HK\$5,657 million (2018: approximately HK\$6,821 million). It was decreased by approximately 17.1% or HK\$1,164 million when compared to these net borrowings as at 31 December 2018. These borrowing bear interest at prevailing market rate and their maturity profiles are shown in the financial statements. For non-current portion of these borrowings were matured within 5 years.

潛在違反及違反若干銀行及其他借款協議(於二零二零年六月二十日到期)及籌措再融資新俱樂部貸款

於二零一九年六月初，本公司估計本集團可能違反二零一九年六月三十日之測試日期多份銀行貸款協議有關借款淨額比率之財務契諾，主要由於相關財務契諾自二零一八年起至二零二零年止逐步收緊，尤其是二零一八年十二月三十一日之後。因此，本集團已於二零一九年六月初致函貸款人要求就上述二零一九年六月三十日之測試日期豁免遵守該等財務契諾(即本集團之經調整綜合借款淨額(不包括(倘已計入)關連人士或然負債)與其綜合有形資產淨值之比率及本集團綜合借款淨額與其綜合有形資產淨值之比率分別不超過0.5及0.75之規定)，並已於二零一九年六月三十日之前成功取得貸款人同意。

此外，於二零一九年十一月，本公司估計本集團可能違反二零一九年十二月三十一日之測試日期多份銀行貸款協議有關借款淨額比率以及稅息折舊及攤銷前利潤與利息開支比率之財務契諾。本公司已於二零一九年十一月向有關銀行遞交豁免要求，並於二零一九年十二月三十一日之前接獲貸款人之豁免批准。

本集團已於二零一九年第四季就再融資尚欠結餘為22.5億港元之銀團貸款發出新俱樂部貸款邀請，並已獲若干銀行承諾參與新俱樂部貸款。管理層預期本集團將收到其他獲邀銀行表示參與新俱樂部貸款之承諾，而新俱樂部貸款可於二零二零年第二季完成。

流動資金及財務資源

於本年度，本集團資產減少約0.68億港元，負債則減少約8.30億港元。

於二零一九年十二月三十一日，未償還租賃負債、應付債券以及銀行及其他借款(經扣除受限制銀行存款、現金及銀行結存)約為56.57億港元(二零一八年：約68.21億港元)，較二零一八年十二月三十一日之借款淨額減少約17.1%或11.64億港元。此等借款乃根據現行市場利率計息，其到期狀況載於財務報表內。此等借款之非即期部分於五年內到期。

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As at 31 December 2019, the Group had net current liabilities of approximately HK\$3,840 million (as at 31 December 2018, net current liabilities of approximately HK\$4,927 million) and its current ratio increased to 0.74 times as at 31 December 2019 from 0.69 times as at 31 December 2018. The major reason for the decrease in net current liabilities position as at 31 December 2019 was because the Group has reduced debts and new capital expenditures during the year, implemented some cost control measures and co-operations from customers and suppliers. The management would continue to improve the Group's net current liabilities position.

As at 31 December 2019, the Group has restricted bank deposits, cash and bank balances approximately HK\$638 million together with adequate unutilized banking facilities. The Group's working capital is mainly financed by internal cash flow generated from its operation and banking facilities granted by financial institutions. The gearing ratio based on total interest bearing debts, net of restricted bank deposits, cash and bank balances was approximately 70%, which has decreased from 89% at 31 December 2018.

Deemed Disposals of Shareholding Interest in A Subsidiary

First Equity Investment Agreement

On 31 May 2019, Truly Opto-Electronics Limited (信利光電股份有限公司) ("Truly Opto"), an indirect non wholly-owned subsidiary of the Company, entered into the First Equity Investment Agreement to issue new shares (approximately 5.53% of the enlarged registered capital of Truly Opto after the First Equity Investment) to an independent third party at the consideration of RMB290 million. After the First Equity Investment, the shareholding interests of the Company in Truly Opto has been decreased from approximately 85.42% to approximately 80.70%. For details of it, please refer to the announcement of the Company dated 31 May 2019.

Second Equity Investment Agreement

On 24 October 2019, Truly Opto entered into the Second Equity Investment Agreement to issue new shares (approximately 2.40% of the enlarged registered capital of Truly Opto after the Second Equity Investment) to an independent third party at the consideration of RMB120 million. After the Second Equity Investment, the shareholding interests of the Company in Truly Opto has been decreased from approximately 80.70% to approximately 78.76%. For details of it, please refer to the announcement of the Company dated 24 October 2019.

於二零一九年十二月三十一日，本集團之流動負債淨額約為38.40億港元（於二零一八年十二月三十一日：流動負債淨額約49.27億港元），而流動比率由二零一八年十二月三十一日之0.69倍上升至二零一九年十二月三十一日之0.74倍。於二零一九年十二月三十一日之流動負債淨額減少，主要由於本集團年內削減債務及新資本支出、實施若干成本控制措施及獲得客戶及供應商合作。管理層將繼續改善本集團之流動負債淨額狀況。

於二零一九年十二月三十一日，本集團之受限制銀行存款、現金及銀行結存約為6.38億港元，並有充足的尚未運用銀行備用額。本集團營運資金主要以其營運所產生內部現金流量及金融機構授出之銀行備用額撥付。按計息債務總額（經扣除受限制銀行存款、現金及銀行結存）計算之資本負債比率由二零一八年十二月三十一日之89%下跌至約70%。

視作出售一間附屬公司之股權

第一份股權投資協議

於二零一九年五月三十一日，本公司之間接非全資附屬公司信利光電股份有限公司（「信利光電」）訂立第一份股權投資協議，以代價人民幣2.90億元向一名獨立第三方發行新股份（相當於第一次股權投資後信利光電之經擴大註冊資本約5.53%）。於第一次股權投資後，本公司於信利光電所佔股權已由約85.42%減至約80.70%。詳情請參閱本公司日期為二零一九年五月三十一日之公告。

第二份股權投資協議

於二零一九年十月二十四日，信利光電訂立第二份股權投資協議，以代價人民幣1.20億元向一名獨立第三方發行新股份（相當於第二次股權投資後信利光電之經擴大註冊資本約2.40%）。於第二次股權投資後，本公司於信利光電所佔股權已由約80.70%減至約78.76%。詳情請參閱本公司日期為二零一九年十月二十四日之公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Material Acquisitions and Disposals

Save as disclosed in this report, the Group had no material acquisitions or disposal of subsidiaries and associated companies for the year ended 31 December 2019.

General

The state of the Group's current order books is strong. Additions to fixed assets mainly in construction in progress, furniture, fixture and equipment and plant and machinery were approximately HK\$1,198 million. As at 31 December 2019, the Group had no pledge or mortgage on its fixed assets.

Around 16,000 workers and staff are currently employed in Shan Wei factories of the Company in the PRC and around 100 personnel in the Group's Hong Kong office. Total staff costs for 2019 were approximately HK\$1,592 million.

Capital Commitments

Capital expenditure commitment of around HK\$400 million in respect of acquisition of property, plant and equipment was contracted for but not provided as at 31 December 2019.

Contingent Liabilities

(1) At 31 December 2019, the Group has given corporate guarantee for certain bank borrowings granted to the associate, Truly Huizhou, with the borrowing limit at approximately HK\$3.37 billion (2018: approximately HK\$3.42 billion) and the bank loans with the amount of approximately HK\$1.80 billion (2018: approximately HK\$2.43 billion) were utilised by the associate.

Besides, at 31 December 2019, the other shareholder of the associate provided corporate guarantee to the above bank borrowings in proportion to its respective ownership interest amounting to approximately HK\$792 million (2018: approximately HK\$804 million). A counter-indemnity in favour of the other shareholder is executed pursuant to which the Group undertakes to indemnify the other shareholder approximately 23.5% (2018: approximately 23.5%) of the liabilities arising from the bank borrowings.

The directors assess the risk of default of the associate at the end of reporting period and consider the risk to be insignificant and it is less likely that any guaranteed amount will be claimed by the counterparties.

重大收購及出售

除本報告所披露者外，截至二零一九年十二月三十一日止年度，本集團概無重大收購或出售附屬公司及聯營公司。

一般事項

本集團現時之訂單狀況穩建。固定資產添置（以在建工程、傢俬、裝置及設備以及廠房及機器為主）約為11.98億港元。於二零一九年十二月三十一日，本集團並無質押或抵押固定資產。

現時約有16,000名工人及僱員受聘於本公司位於國內汕尾之工廠，以及大約100名員工受聘於本集團香港辦事處。二零一九年員工總成本約為15.92億港元。

資本承擔

於二零一九年十二月三十一日，本集團收購物業、廠房及設備之已訂約但未撥備資本支出承擔約為4.00億港元。

或然負債

(1) 於二零一九年十二月三十一日，本集團就授予聯營公司信利惠州借款上限約為33.7億港元（二零一八年：約34.2億港元）之若干銀行借款作出公司擔保，而該聯營公司已動用銀行貸款約18.0億港元（二零一八年：約24.3億港元）。

此外，於二零一九年十二月三十一日，該聯營公司之其他股東按其相應擁有權益比例就上述銀行借款提供公司擔保約7.92億港元（二零一八年：約8.04億港元）。本集團以其他股東為受益人簽立反彌償保證，據此本集團承諾向其他股東彌償銀行借款所產生債務其中約23.5%（二零一八年：約23.5%）。

董事於報告期末評估聯營公司之違約風險後認為，有關風險並不重大，而交易對方申索任何擔保金額之可能性不大。

MANAGEMENT DISCUSSION AND ANALYSIS

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(2) Furthermore, the Company has received three notices of response to action from the Court according to which, on 31 October 2018, 6 November 2018 and 7 November 2018, the Claimant, Shenzhen Goodix Technology Co., Ltd. (深圳市匯頂科技股份有限公司) filed three civil complaints (the “Civil Complaints”) against the Defendants including a non-wholly owned subsidiary of the Company, namely, Truly Opto-Electronics Limited* (信利光電股份有限公司) (as 2nd defendant) (“Truly Opto”, together with the 1st defendant and 3rd defendant in the Civil Complaint, the “Defendants”). The Claimant alleged that the acts of the Defendants such as production, sale and promise to sale of optical fingerprint identification modules, lens components and chips without authorization from the Claimant caused an infringement upon the Claimant’s patents.

In each of the Civil Complaints, the Claimant sought a judgment from the Court to order that:

- (i) the Defendants shall immediately cease all acts of patent infringement including but not limited to ceasing production, sale and promise to sale of all products which are subject to the alleged infringement;
- (ii) the Defendants shall immediately destroy the abovementioned products;
- (iii) Truly Opto and the 1st defendant shall be jointly liable for compensating the economic loss suffered by the Claimant in the sum of RMB50,000,000 (three civil complaints in aggregate of RMB150 million), and the reasonable expenses incurred by the Claimant in seeking an injunction against the infringement acts in the sum of RMB500,000 (three civil complaints in aggregate of RMB1,500,000); and
- (iv) the Defendants shall be liable for the litigation expenses in relation to the Civil Complaint.

For details of these three litigations, please refer to the Announcements of the Company dated 20 November 2018 and 13 December 2018.

(2) 此外，本公司接獲三份由法院發出之應訴通知書，據此，索償人深圳市匯頂科技股份有限公司先後於二零一八年十月三十一日、二零一八年十一月六日及二零一八年十一月七日向該等被告(包括本公司非全資附屬公司信利光電股份有限公司(「信利光電」，作為第二被告，連同民事訴訟第一被告及第三被告統稱為「該等被告」))提出三宗民事訴訟(「民事訴訟」)。索償人指稱該等被告未經索償人授權進行製造、銷售及許諾銷售光學指紋識別模組、鏡頭組件及芯片等行為侵犯索償人之專利權。

針對各項民事訴訟，索償人向法院尋求判令：

- (i) 該等被告立即停止所有專利侵權行為，包括但不限於停止製造、銷售及許諾銷售所有涉嫌侵權產品；
- (ii) 該等被告立即銷毀上述產品；
- (iii) 信利光電及第一被告共同賠償索償人蒙受之經濟損失人民幣50,000,000元(三宗民事訴訟合共人民幣1.50億元)及索償人為尋求禁制侵權行為而產生之合理開支人民幣500,000元(三宗民事訴訟合共人民幣1,500,000元)；及
- (iv) 該等被告承擔與民事訴訟有關之訴訟費用。

有關上述三宗訴訟之詳情，請參閱本公司日期為二零一八年十一月二十日及二零一八年十二月十三日之公告。

* for identification purpose only

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

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The Three Civil Complaints were turned down by the decisions of the relevant court on 30 December 2019 and 3 March 2020 respectively. Therefore, the Group need not pay any compensation to the Claimant. For detail of it, please refer to the announcements of the Company dated 18 February 2020 and 4 March 2020.

Exposure to fluctuations in exchange rates will be considered to hedge, if any.

OTHER INFORMATION

Dividends

The Board does not recommend the payment of final dividend (2018: nil) for the year ended 31 December 2019.

No interim dividend (2018: nil) was declared during 2019.

The total dividend payout ratio for the year was zero.

Closure of Register of Members

For determining the entitlement to attend and vote at the 2020 Annual General Meeting, the Register of Members will be closed from Wednesday, 3 June 2020 to Friday, 5 June 2020, during the period no transfer of shares can be registered. In order to be eligible to attend and vote at the AGM, all transfers accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 June 2020.

該三宗民事訴訟先後於二零一九年十二月三十日及二零二零年三月三日遭有關法院駁回。因此，本集團毋須向索償人支付任何賠償。詳情請參閱本公司日期為二零二零年二月十八日及二零二零年三月四日之公告。

如有匯率波動風險，則會考慮進行對沖。

其他資料

股息

董事會不建議就截至二零一九年十二月三十一日止年度派付末期股息(二零一八年：無)。

於二零一九年並無宣派中期股息(二零一八年：無)。

年內之總派息比率為零。

暫停辦理股份過戶登記手續

為釐定出席二零二零年度股東週年大會並於會上投票之資格，本公司將於二零二零年六月三日(星期三)至二零二零年六月五日(星期五)暫停辦理股份過戶登記手續，期間不會進行任何股份過戶登記。為符合資格出席股東週年大會並於會上投票，所有股份過戶文件連同有關股票，須於二零二零年六月二日(星期二)下午四時三十分前，送達本公司股份過戶登記分處卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心54樓，以辦理登記手續。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

COVID-19

Since the Coronavirus disease (COVID-19) outbreak in the PRC in January 2020, the Chinese government have imposed various emergency measures and actions across multiple provinces and municipalities in the PRC to suppress the spread of the COVID-19, including delaying the return to work date after the Chinese Lunar New Year holiday.

As at the date of the announcement of the 2019 unaudited annual results of the Company, the Group's major production bases are located in Shanwei City and Huizhou City of Guangdong Province, and Renshou County, Meishan City of Sichuan Province, respectively. All these production bases are not in the regions seriously affected by the COVID-19, such as Hubei Province.

On 22 January 2020, the Group has activated the highest level of emergency plan, which was executed under the leadership of the Chairman Mr. Lam Wai Wah and the General Manager of the Group's Human Resources and Administrative Department Mr. Chen Shengneng, formulated the "Working Plan of Emergency Response Organizations and Management Groups for Epidemic Prevention", and established 9 teams covering overall coordination, temperature measurement, sterilization, canteen, dormitory, procurement, quarantine, monitoring and outreach publicity in order to make deliberate arrangement and deployment for the epidemic prevention and strictly implement various prevention and control measures. The Group received the city government in charge of the deputy mayor of industry personally led the team special class service, and invited the city CDC infectious disease prevention and control section chief as a consultant to provide professional medical guidance on the epidemic prevention to effectively protect the health of staff and production safety. The Group is based on local employees as the main workforce, and a higher degree of mechanical automation to achieve the advantages of ensuring an orderly progress of the resumption of production.

As at the date of the announcement of the 2019 unaudited annual results of the Company, the Group's capacity utilization has resumed normal. In March 2020, the COVID-19 outbreak has occurred in Europe and North America at high speed. Nevertheless, provided the inherent unpredictable nature and rapid spread relating to COVID-19 globally, the Group's business might be affected and the Directors of the Company will continue to closely monitor in this regard. Looking ahead, the Group will further improve the emergency response plan and conduct practical trainings to enhance the risk management and improve the internal control systems.

新型冠狀病毒

自中國於二零二零年一月爆發新型冠狀病毒疫症以來，中國政府已在國內多個省市實施各項緊急措施及行動遏止疫症擴散，包括延遲春節假期後之復工日期。

於本公司二零一九年度未經審核全年業績公告日期，本集團之主要生產基地分別位於廣東省汕尾市及惠州市以及四川省眉山市仁壽縣。該等生產基地並非位於疫情最嚴重之地區（如湖北省）。

於二零二零年一月二十二日，本集團啟動最高級別緊急應變計劃，由主席林偉華先生及集團人力資源及行政部總經理陳勝能先生領導執行，製訂了《疫情防控應急工作實施方案》，成立了綜合協調、測溫、消毒、食堂、宿舍、採購、隔離、監察和宣傳共9個工作小組，為防疫工作做了周密安排及部署，並嚴格落實各項防控措施。本集團獲市政府分管工業副市長親自率團隊專班服務，並邀請市疾病控制中心傳染病防治科長擔任顧問，為防疫工作提供專業醫學指導，以有效保障員工健康及安全生產。本集團以本地僱員作為主要勞動力，把握機械高度自動化之優勢，確保循序漸進地恢復生產。

於本公司二零一九年度未經審核全年業績公告日期，本集團之產能使用率已回復正常。於二零二零年三月，疫情已迅速蔓延至歐洲及北美洲。然而，鑒於新型冠狀病毒之病理難以預測，且在全球迅速擴散，本集團之業務可能受到影響，故本公司董事將繼續密切監察。展望未來，本集團將進一步提升緊急應變計劃及提供實用訓練，以加強風險管理及改善內部監控系統。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Customers and suppliers

In the year under review, sales to the five largest customers accounted for approximately 50% of the total sales of the Group and purchases from the five largest suppliers accounted for approximately 25% of the total purchases of the Group.

For the year ended 31 December 2019, our largest customer accounted for approximately 16% of the total sales of the Group.

For the year ended 31 December 2019, our largest supplier accounted for approximately 11% of the total purchases of the Group.

As at 31 December 2019, none of the directors, their associates, or any shareholders which to the knowledge of the directors owned more than 5% of the Company's issued share capital had any beneficial interests in the Group's five largest customers and/or five largest suppliers mentioned in the preceding paragraph.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and senior management of the Group are set out as follows:

Mr. Lam Wai Wah, aged 67, is the Chairman and Managing Director of the Company. He is the founder of the Group and has over 40 years of experience in the electronics industry. He is primarily responsible for the formulation of the Group's overall strategic planning and business development.

Mr. Wong Pong Chun, James, aged 61, is an Executive Director of the Company and the Chief Operating Officers of the Group. He is responsible for the Group's operations in respect of internal controls and risk management, investors' relationship and external affairs. He joined the Group in 1987.

Mr. Ma Wai Tong, aged 48, is an Executive Director of the Company, the Chief Financial Officer and the Company Secretary of the Group and the Company respectively since he joined the Group in January 2011. He is primarily responsible for financial and accounting management affairs of the Group. Mr. Ma is also a vice chairman and deputy general manager of a subsidiary of the Company. He had more than 20 years of auditing, accounting and financing experience and had been an independent Non-executive Director of a company listed in Hong Kong. Mr. Ma is a member of the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor's degree in Accountancy and a Master's degree of Professional Accounting from the Hong Kong Polytechnic University.

客戶及供應商

回顧年內，向五大客戶進行之銷售額佔本集團總銷售額約50%及自五大供應商之購貨額佔本集團總購貨額約25%。

截至二零一九年十二月三十一日止年度，本集團最大客戶佔本集團總銷售額約16%。

截至二零一九年十二月三十一日止年度，本集團最大供應商佔本集團總購貨額約11%。

於二零一九年十二月三十一日，概無董事、彼等之聯繫人或任何據董事所知擁有本公司已發行股本超過5%之股東於前段所述本集團五大客戶及／或五大供應商中擁有任何實益權益。

董事及高級管理人員

本公司董事及本集團高級管理人員之履歷載列如下：

林偉華先生，現年六十七歲，本公司之主席兼董事總經理。彼為本集團之創辦人，從事電子業超過四十年，主要負責制訂本集團之整體策略規劃及業務發展。

黃邦俊先生，現年六十一歲，本公司之執行董事兼本集團營運總監。彼負責本集團有關內部監控及風險管理方面之業務運作、投資者關係與對外事務。彼於一九八七年加入本集團。

馬煒堂先生，現年四十八歲，本公司之執行董事。彼自二零一一年一月加入本集團為本集團之財務總監及本公司之公司秘書。彼主要負責本集團財務及會計管理事務。馬先生亦是本公司一間附屬公司之副董事長及副總經理。彼擁有超過二十年之審計、會計及財務工作經驗，並曾為一間香港上市公司之獨立非執行董事。馬先生為香港會計師公會會員。彼持有香港理工大學之會計學學士學位及專業會計碩士學位。

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Mr. Song Bei Bei, age 43, is an Executive Director of the Company, a senior vice president and the purchasing and procurement director of the Group. He is responsible for the Group's raw material purchase affairs. Mr. Song is also a director of a subsidiary of the Company. Mr. Song joined the Group in 2001 as a design engineer in research and development department and was promoted to project manager and senior project manager during 2005 to 2013. During the period from 2014 to 2018, Mr. Song was further promoted to a senior management position of the Group. He graduated from the North China Institute of Technology with a Bachelor's Degree in Mechatronic Engineering.

Mr. Dai Cheng Yun, age 46, is an Executive Director of the Company, a vice president of the Group. He is responsible for the Group's panel factory operating affairs. Mr. Dai is also a director of a subsidiary and a vice chairman of an associate of the Company. He graduated from the Hunan University of Technology (formerly known as Hunan University of Commerce) with a Bachelor of Marketing Degree. Mr. Dai joined the Group in 2000 as a team head of technicians and was promoted to a senior management position during the period from 2006 to 2018.

Mr. Cheung Wing Cheung, age 49, is an Executive Director of the Company. He holds a Master of Philosophy Degree and a Bachelor of Engineering Degree from The University of Hong Kong, and a Bachelor of Laws Degree from the University of London. He is responsible for overseas sales and marketing affairs (excluding handheld phone products) of the Group. Mr. Cheung Wing Cheung has been serving the Group since year 2000 and in the senior management position for more than 10 years. Before joining the Group, he worked for the technical position from a multi-national technology company.

Mr. Chung Kam Kwong, aged 62, is an Independent Non-executive Director of the Company and the Chairman of the Group's Audit, Remuneration and Nomination Committees. He is a practising Certified Public Accountant in Hong Kong, fellow member of the Hong Kong Institute of Certified Public Accountants, fellow member of Australian Society of Certified Practising Accountants and a member of the Macau Society of Certified Practising Accountants. Mr. Chung has extensive experience in accounting and financial management and has been the independent Non-executive Director, management consultant and Company Secretary of a number of listed companies in Hong Kong.

宋貝貝先生，現年四十三歲，本公司執行董事兼本集團之高級副總裁及採購總監。彼主要負責本集團物料採購事務。宋先生亦是本公司一間附屬公司之董事。宋先生於二零零一年加入本集團為研發部之設計工程師，並於二零零五年至二零一三年進升為項目經理及高級項目經理。於二零一四年至二零一八年期間，宋先生再進一步進升為本集團之高級管理職位。彼畢業於華北工學院並取得機械電子工程學士學位。

戴成雲先生，現年四十六歲，本公司執行董事兼本集團之副總裁。彼主要負責本集團面板工廠營運事務。戴先生亦是本公司一間附屬公司之董事及一間聯營公司之副董事長。彼畢業於湖南工商大學(前名為湖南商業學院)並取得經濟學學士學位。戴先生於二零零零年加入本集團為技術員組長，並於二零零六年至二零一八年期間進升為本集團之高級管理職位。

張榮祥先生，現年四十九歲，本公司之執行董事。彼分別持有香港大學之工程學士學位及哲學碩士學位，並取得University of London之法律學士學位。彼主要負責集團海外銷售及市場事務(不包括手提電話產品)。張榮祥先生於二零零零年加入本集團及任職高級管理職位超過十年。彼於加入本集團之前，曾於一間跨國科技公司任職技術職位。

鍾錦光先生，現年六十二歲，本公司之獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會主席。彼為香港執業會計師，並為香港會計師公會資深會員、澳洲執業會計師公會資深會員，亦為澳門執業會計師公會成員。鍾先生於會計及財務管理上擁有豐富經驗，並為香港多間上市公司之獨立非執行董事、管理顧問及公司秘書。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Mr. Ip Cho Ting, Spencer, aged 61, is an Independent Non-executive Director and members of the Group's Audit, Remuneration and Nomination Committees. He is the holder of a Bachelor of Science degree from the University of Wisconsin, Green Bay, U.S.A. Mr. Ip is a Fellow Chartered Financial Practitioner. He is the Senior Financial Planning Consultant of a professional insurance company in Hong Kong. Mr. Ip is also an Accredited Mediator of the Hong Kong International Arbitration Centre.

Mr. Heung Kai Sing, aged 71, is an Independent Non-executive Director and members of the Group's Audit, Remuneration and Nomination Committees. He has experience in textile industry.

葉祖亭先生，現年六十一歲，獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會之成員。彼持有美國Green Bay威斯康辛大學之理學士學位。葉先生為一名特許財務策劃師，彼為香港一間專業保險公司之高級理財策劃顧問。葉先生亦是香港國際仲裁中心之認許調解員。

香啟誠先生，現年七十一歲，獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會之成員。彼於紡織業擁有豐富經驗。

By order of the Board
Lam Wai Wah
Chairman

Hong Kong, 27 April 2020

承董事會命
主席
林偉華

香港，二零二零年四月二十七日

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of liquid crystal display products including touch panel products and electronic consumer products including compact camera module, fingerprint identification modules, personal health care products and electrical devices.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 57.

No interim dividend has been paid or declared during the year ended 31 December 2019.

The directors do not propose the payment of the final dividend for the year ended 31 December 2019.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired plant and machinery amounting to HK\$498,758,000 and furniture, fixtures and equipment amounting to HK\$109,881,000 for the purpose of expanding its manufacturing capacity in Shan Wei City, Guangdong Province in the People's Republic of China.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year in the issued share capital of the Company are set out in note 36 to the consolidated financial statements.

董事會提呈截至二零一九年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司乃投資控股公司，其附屬公司之主要業務為製造及銷售液晶顯示器產品（包括觸控屏產品）及電子消費產品，包括微型相機模組、指紋識別模組、個人保健產品及電子設備。

業績及溢利分配

截至二零一九年十二月三十一日止年度的本集團業績載列於第57頁的綜合損益及其他全面收益表內。

於截至二零一九年十二月三十一日止年度並無派付或宣派中期股息。

董事不建議就截至二零一九年十二月三十一日止年度派發末期股息。

物業、廠房及設備

年內，本集團就擴充其位於中華人民共和國廣東省汕尾市之產能而添置總值為498,758,000港元之廠房及機器，以及總值為109,881,000港元之傢俬、裝置及設備。

本集團之物業、廠房及設備於年內之上述及其他變動詳情載於綜合財務報表附註17。

股本

本公司之已發行股本於年內之變動詳情載於綜合財務報表附註36。

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2019 were as follows:

		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Share premium	股份溢價	1,395,441	1,395,441
Special reserve	特別儲備	17,410	17,410
Retained profits	保留溢利	224,923	185,068
		1,637,774	1,597,919

Under the applicable laws of the Cayman Islands, the share premium of the Company is available for distributions or paying dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediate following the distribution or paying dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

The special reserve of the Company represents the difference between the net book values of the underlying assets of the Company's subsidiaries acquired at the date on which the shares of these companies were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisitions.

本公司之可分派儲備

於二零一九年十二月三十一日，本公司可分派予股東之儲備如下：

		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Share premium	股份溢價	1,395,441	1,395,441
Special reserve	特別儲備	17,410	17,410
Retained profits	保留溢利	224,923	185,068
		1,637,774	1,597,919

根據開曼群島之適用法例，本公司之股份溢價可依據其組織章程大綱或細則之條文向股東作出分派或支付股息，惟於緊隨作出分派或支付股息後，本公司須可於日常業務過程中支付到期債項。

本公司之特別儲備乃指於本公司收購其附屬公司之股份當日該等被收購公司之相關資產賬面淨值與本公司就收購而發行之本公司股份面值兩者間之差額。

Directors

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

Executive directors:

Lam Wai Wah
Wong Pong Chun, James
Ma Wai Tong
Song Bei Bei
Dai Cheng Yun
Cheung Wing Cheung

Independent non-executive directors:

Chung Kam Kwong
Ip Cho Ting, Spencer
Heung Kai Sing

In accordance with Articles 100 and 120 of the Company's Articles of Association, Lam Wai Wah, Ip Cho Ting, Spencer and Heung Kai Sing retire and, being eligible, offer themselves for re-election.

The independent non-executive directors are subject to retirement by rotation in accordance with the above articles.

No director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事

年內及截至本報告書之日期止，本公司之董事如下：

執行董事：

林偉華
黃邦俊
馬煒堂
宋貝貝
戴成雲
張榮祥

獨立非執行董事：

鍾錦光
葉祖亭
香啟誠

依據本公司組織章程細則第100條及第120條之規定，林偉華、葉祖亭及香啟誠將告退，惟合資格並表示願意膺選連任。

獨立非執行董事須按上述細則輪值告退。

擬於即將舉行之股東週年大會膺選連任之董事概無與本公司或其附屬公司訂立任何本集團不得於一年內免付賠償(法定賠償除外)而予以終止之服務合約。

董事之重大合約權益

本公司或其任何附屬公司概無訂立任何本公司董事直接或間接擁有重大權益，並且於本年底或年內任何時間仍然生效之重大合約。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2019, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions

(a) Ordinary shares of HK\$0.02 each of the Company

Name of director 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司之已發行 股本百分比 %
Lam Wai Wah 林偉華	Beneficial owner 實益擁有人	1,441,852,000	43.84
	Held by spouse (note 1) 由配偶持有(附註1)	74,844,000	2.28
		1,516,696,000	46.11
Wong Pong Chun, James 黃邦俊	Held by spouse (note 2) 由配偶持有(附註2)	1,650,000	0.05
Song Bei Bei 宋貝貝	Beneficial owner 實益擁有人	822,000	0.02
Dai Cheng Yun 戴成雲	Beneficial owner 實益擁有人	202,000	0.01
Cheung Wing Cheung 張榮祥	Beneficial owner 實益擁有人	566,000	0.02

董事之股份及相關股份權益

於二零一九年十二月三十一日，根據本公司遵照證券及期貨條例第352條所保存之登記冊所記錄，或根據上市公司董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司之資料，董事及其聯繫人擁有之本公司及其相聯法團之股份及相關股份權益如下：

好倉

(a) 本公司每股面值0.02港元之普通股

(b) Registered capital of the associated corporation of the Company

Truly Opto-Electronics Limited ("Truly Opto") (Note 3)

Name of director 董事姓名	Capacity 身份	Registered capital contributed (RMB) 提供註冊資本 (人民幣)	Percentage of paid up registered capital of Truly Opto 佔信利光電之繳足註冊資本百分比 %
Lam Wai Wah 林偉華	Beneficial owner 實益擁有人	647,360	0.1755
Wong Pong Chun, James 黃邦俊	Beneficial owner 實益擁有人	2,590,120	0.7024
Ma Wai Tong 馬煒堂	Beneficial owner 實益擁有人	396,100	0.1074
Cheung Wing Cheung 張榮祥	Beneficial owner 實益擁有人	324,020	0.0879

Notes:

- Lam Wai Wah is deemed to be interested in 74,844,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Chung King Yee, Cecilia.
- Wong Pong Chun, James is deemed to be interested in 1,650,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Lai Ching Mui, Stella.
- Truly Opto-Electronics Limited, a company registered in the People's Republic of China, is an indirect non-wholly owned subsidiary of the Company.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as at 31 December 2019.

(b) 本公司相聯法團之註冊資本

信利光電股份有限公司(「信利光電」)(附註3)

Registered capital contributed (RMB) 提供註冊資本 (人民幣)	Percentage of paid up registered capital of Truly Opto 佔信利光電之繳足註冊資本百分比 %
647,360	0.1755
2,590,120	0.7024
396,100	0.1074
324,020	0.0879

附註：

- 林偉華被視為擁有 74,844,000 股由其配偶鍾琮綺實益持有之本公司普通股權益。
- 黃邦俊被視為擁有 1,650,000 股由其配偶黎清梅實益持有之本公司普通股權益。
- 信利光電股份有限公司(於中華人民共和國註冊之公司)為本公司之間接非全資附屬公司。

除上文披露者外，於二零一九年十二月三十一日，各董事或其聯繫人概無擁有本公司或其任何相聯法團之任何股份及相關股份之任何權益或淡倉。

SHARE OPTIONS

During the year, the Company has not adopted any share option scheme.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed above under the heading "Directors' Interests in Shares and Underlying Shares", at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2019, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that other than the interests disclosed above in respect of Lam Wai Wah, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2019.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has not yet adopted new share option scheme during the year.

購股權

年內，本公司概無採納任何購股權計劃。

購買股份或債券之安排

除上文「董事之股份及相關股份權益」所披露之外，本公司或其任何附屬公司於年內並無參與任何安排，致使本公司之董事可透過收購本公司或任何其他法人團體之股份或債券而獲得利益。

主要股東

除上文所披露有關林偉華擁有之權益外，根據本公司遵照證券及期貨條例第336條所保存之主要股東登記冊所顯示，於二零一九年十二月三十一日，本公司並不知悉其於本公司之已發行股本中擁有任何其他有關權益或淡倉。

除上文披露者外，於二零一九年十二月三十一日，本公司並未獲悉本公司已發行股本中之任何其他有關權益或淡倉。

薪酬政策

本集團僱員之薪酬政策乃由薪酬委員會按僱員之貢獻、資歷及能力釐定。

本公司董事之酬金乃由薪酬委員會經考慮本公司之經營業績、個人表現及可資比較市場統計數據釐定。

年內，本公司尚未採納新購股權計劃。

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.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2019.

MODEL CODE

None of the Directors of the Company is aware of information that would reasonably indicate that the Company was not in the year under review in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the code provisions of the Corporate Governance Code (the "Code") for the purposes of reviewing and providing supervision over the Group's financial reporting matters, risk management and internal controls. The annual results of the Group for the year ended 31 December 2019 has been reviewed by the Audit Committee.

The Audit Committee comprises Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, with Mr. Chung Kam Kwong as chairman of the Audit Committee. They meet at least four times a year.

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

優先購買權

本公司之組織章程細則或開曼群島法例均無關於優先購買權之條文，規定本公司須按比例向現有股東發售新股。

購買、出售或贖回上市證券

截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

標準守則

根據本公司董事所知悉，並無資料合理顯示本公司於回顧年度未有遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十所載之上市發行人董事進行證券交易的標準守則。

審核委員會

本公司已遵照企業管治守則（「守則」）之守則條文成立審核委員會，以審閱及監督本集團財務申報事宜、風險管理及內部監控。本集團截至二零一九年十二月三十一日止年度之全年業績已經由審核委員會審閱。

審核委員會由鍾錦光先生、葉祖亭先生及香啟誠先生組成，而鍾錦光先生擔任審核委員會主席。彼等每年最少召開四次會議。

本集團已根據上市規則第3.13條接獲各獨立非執行董事分別發出有關其獨立性之年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

REMUNERATION AND NOMINATION COMMITTEES

The Company has a Remuneration Committee and a Nomination Committee respectively which were established in accordance with the relevant requirements of the Code. The two Committees are chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

CORPORATE GOVERNANCE

The Board considers that good corporate governance of the Company is essential to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintain and ensure high standards of corporate governance. We have complied with all the applicable code provisions set out in the "Corporate Governance Code" contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2019, except for a major deviation as below:

- Code Provision A.2.1 — The roles of the Chairman and the Chief Executive are not separated and are performed by the same individual, Mr. Lam Wai Wah. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the Company's management and believes that this structure will enable us to make and implement decisions promptly and efficiently.
- Code Provision E.1.2 — The Chairman did not attend the annual general meeting of the Company held on 30 May 2019 due to unexpected important business meeting.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner. More details are contained in the separate Corporate Governance Report on pages 40 to 49.

薪酬委員會及提名委員會

本公司已根據守則之相關規定分別成立薪酬委員會及提名委員會。該兩個委員會均由獨立非執行董事鍾錦光先生出任主席，並包括三名其他成員，即葉祖亭先生及香啟誠先生（獨立非執行董事）以及黃邦俊先生（本公司執行董事）。

企業管治

董事會認為本公司良好的企業管治對保障股東利益及提升本集團表現而言至關重要。董事會致力維持及確保高水準之企業管治。截至二零一九年十二月三十一日止年度內，本集團一直遵守上市規則附錄十四內之「企業管治守則」所載之所有適用守則條文，惟以下重大偏差除外：

- 守則條文第A.2.1條 — 主席及行政總裁之職位並未分開，由同一人（林偉華先生）出任。董事會將定期舉行會議，以考慮影響本公司運作之重大事宜。董事會認為此架構將不會導致董事會與本公司管理層之間之權力及授權失衡，並相信此架構將使本集團能快速及有效制訂及推行決策。
- 守則條文第E.1.2條 — 主席因須出席突然召開之重要商務會議，故缺席於二零一九年五月三十日舉行之本公司股東週年大會。

董事會將不斷檢討及改進本公司之企業管治實務及準則，確保業務活動及決策過程得到恰當及審慎之規管。更多詳情載於第40至49頁之獨立企業管治報告。

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2019.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$2,495,000.

AUDITORS

A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Lam Wai Wah
CHAIRMAN

Hong Kong, 27 April 2020

公眾持股量充裕程度

本公司於截至二零一九年十二月三十一日止年度內一直維持足夠之公眾持股量。

捐款

於年內，本集團捐出為數2,495,000港元之慈善及其他捐款。

核數師

在本公司之股東週年大會上將提呈一項決議案，以重新委聘德勤•關黃陳方會計師行連任本公司核數師一職。

代表董事會

主席
林偉華

香港，二零二零年四月二十七日

BOARD OF DIRECTORS AND BOARD COMMITTEES

The Board

The Board was responsible for the Company's corporate governance, and was ultimately accountable for the Company's activities, strategies and financial performance.

The Board was mainly responsible for formulating and approving the business strategies, objectives, policies and plans of the Company, and monitoring the execution of the Company's strategies. It was also responsible for overseeing the operating and financial performance of the Company and establishing appropriate risk control policies and procedures in order to ensure that the strategic objectives of the Company are materialized. In addition, the Board was also responsible for improving the corporate governance structure and enhancing communications with shareholders.

The Board has delegated the responsibilities for the execution of strategies and decision-making for day-to-day operation of the Company to the management team headed by the Managing Director, Mr. Lam Wai Wah.

The management reported regularly to the Board on the operating and financial performance of the Company. Development, expansion and other major capital expenditure and commitment, as well as major financing decisions were all reviewed and approved by the Board.

Connections between members of the Board

None of the members of the Board have any connections (including financial, business, family relationship and other material/related relationships) with each other during the period under review.

Director's dealing in securities

Having made specific enquiry of all the Directors, the Company confirmed that all Directors had complied with their obligations regarding dealings in securities under the Model Code set out in Appendix 10 of the Listing Rules during the period under review.

Non-executive directors

The non-executive Directors were not appointed for a specific term but were subject to retirement by rotation in accordance with the Company's Articles of Association.

董事會及董事會委員會

董事會

董事會負責本公司之企業管治，並對本公司之活動、策略及財務表現承擔最終責任。

董事會主要負責制訂及批准本公司之業務策略、目標、政策及計劃，以及監督本公司策略之執行。董事會亦負責監督本公司之經營及財務表現，制訂合適之風險監控政策及程序，以確保本公司策略性目標之實現。此外，董事會亦負責改善企業管治結構及增強與股東之溝通。

董事會將本公司之策略執行、日常經營決策等職責轉授予由董事總經理林偉華先生領導之管理層團隊。

管理層向董事會定期報告本公司之經營及財務表現。發展、擴張及其他重大資本開支及承擔以及重要融資決策均由董事會審閱及批准。

董事會成員之關連

於回顧期間，董事會成員之間概無任何關連（包括財務、業務、家庭關係及其他重大／關聯關係）。

董事之證券交易

經向所有董事作出特定查詢後，本公司確認所有董事於回顧期間內已遵守上市規則附錄十所載之標準守則關於證券交易之規定。

非執行董事

非執行董事無固定任期，惟須根據本公司之組織章程細則輪值告退。

Independent non-executive Directors

The Company has received confirmation from each of the independent non-executive Directors as regards his independence to the Company and considered that each of the independent non-executive Directors was independent to the Company during the period under review.

Directors' Training

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All directors are encouraged to attend relevant training courses at the Company's expenses. The Company has been encouraging the directors to participate continuous professional development courses and seminars organized by professional institutions or professional firms and reading materials on relevant topics so that they can continuously update and further improve their relevant knowledge and skills.

In addition, the Company Secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials.

Board committees

The Board was supported by three Board Committees. Each Board Committee has its own responsibilities, power and functions. The chairman of the respective Board Committees reported to the Board from time to time and made recommendations on matters discussed when appropriate.

Remuneration Committee

The Company has established the remuneration committee (the "Remuneration Committee") in compliance with the Listing Rules. The Remuneration Committee is governed by its terms of reference, which have been revised by the Board on 26 March 2012 pursuant to the CG Code, setting out the Remuneration Committee's authority, duties and responsibilities are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee is chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

獨立非執行董事

本公司已接獲各獨立非執行董事就彼等為本公司獨立人士之事宜而發出之確認書，並認為各獨立非執行董事於回顧期間內確屬本公司獨立人士。

董事培訓

董事須參與合適持續專業發展以提升及更新彼等之知識及技能，確保彼等對董事會作出知情及相關貢獻。本公司鼓勵全體董事出席相關培訓課程，費用由本公司支付。本公司一直鼓勵董事參與由專業機構或專業公司舉辦之持續專業發展課程及座談會以及相關主題之閱讀資料，從而讓彼等持續更新及進一步提升彼等之相關知識及技能。

此外，公司秘書不時向董事書面報告上市規則、企業管治常規及其他規管制度之最新變動及發展。

董事會委員會

董事會下設三個董事會委員會。各董事會委員會之職責、權力及職能各不相同。各董事會委員會主席不時向董事會報告，並於適當時候就所討論事務向董事會提供建議。

薪酬委員會

本公司已遵照上市規則成立薪酬委員會（「薪酬委員會」）。薪酬委員會受其職權範圍規管，該職權範圍已獲董事會於二零一二年三月二十六日根據企業管治守則修訂，當中載有薪酬委員會之權力、職務及職責之經修訂職權範圍可於本公司及聯交所網站查閱。

薪酬委員會由獨立非執行董事鍾錦光先生出任主席，並包括三名其他成員葉祖亭先生及香啟誠先生（獨立非執行董事）以及黃邦俊先生（本公司執行董事）。

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure of the remuneration of the directors and senior management and the specific remuneration packages of all executive directors and senior management. Details of the remuneration of each of the directors for the year are set out in Note 13 to the consolidated financial statements.

Four meetings were held during the year by the Remuneration Committee to review the remuneration packages and assess the performance of executive directors and the director's fees of the independent non-executive directors. All members of the Remuneration Committee attended the said meeting.

Nomination Committee

The Company has established the nomination committee (the Nomination Committee) in compliance with the Listing Rules. The Nomination Committee is governed by its terms of reference, which have been revised by the Board on 26 March 2012 and 20 August 2014 pursuant to the CG Code, setting out the Nomination Committee's authority, duties and responsibilities are available on the websites of the Company and the Stock Exchange.

The Nomination Committee is chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis and to make recommendations to the Board on matters relating to any proposed changes.

The Company has adopted a board diversity policy which sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Four meetings were held during the year by the Nomination Committee to review the nomination procedures and the current composition of the Board. All members of the Nomination Committee attended the said meeting.

Audit Committee

The Company has established the audit committee (the "Audit Committee") in compliance with the Listing Rules. The Audit Committee is governed by its terms of reference, which have been revised by the Board on 26 March 2012 and 18 November 2015 pursuant to the CG Code, setting out the Audit Committee's authority, duties and responsibilities are available on the websites of the Company and the Stock Exchange.

薪酬委員會之主要職責為就本公司有關董事及高級管理人員之薪酬政策及架構以及就全體執行董事及高級管理人員之具體薪酬待遇，向董事會提出建議。本年度各董事之薪酬詳情載於綜合財務報表附註13。

年內，薪酬委員會舉行四次會議，以審閱執行董事之薪酬待遇及評核執行董事之表現及獨立非執行董事之董事袍金。全體薪酬委員會成員均已出席上述會議。

提名委員會

本公司已遵照上市規則成立提名委員會（「提名委員會」）。提名委員會受其職權範圍規管，該職權範圍已獲董事會於二零一二年三月二十六日及二零一四年八月二十日根據企業管治守則修訂，當中載有提名委員會之權力、職務及職責之經修訂職權範圍可於本公司及聯交所網站查閱。

提名委員會由獨立非執行董事鍾錦光先生出任主席，並包括三名其他成員葉祖亭先生及香啟誠先生（獨立非執行董事）以及黃邦俊先生（本公司執行董事）。

提名委員會之主要職責為定期檢討董事會之架構、人數及組成，並就有關任何建議變動之事宜向董事會提出建議。

本公司已採納董事會成員多元化政策，其旨在列載董事會為達致及保持成員多元化而採取的方針，以提高董事會之有效性。

年內，提名委員會舉行四次會議，以審閱董事會之提名程序及現有成員。全體提名委員會成員均已出席上述會議。

審核委員會

本公司已遵照上市規則成立審核委員會（「審核委員會」）。審核委員會受其職權範圍規管，該職權範圍已獲董事會於二零一二年三月二十六日及二零一五年十一月十八日根據企業管治守則修訂，當中載有審核委員會之權力、職務及職責之經修訂職權範圍可於本公司及聯交所網站查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

The primary duties of the Audit Committee are to review and provide supervision over the Group's financial reporting matters, internal controls and the system of risk management.

審核委員會之主要職責為審閱及監察本集團財務申報事宜、內部監控及風險管理系統。

The Audit Committee comprises Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, with Mr. Chung Kam Kwong as chairman of the Audit Committee.

審核委員會由鍾錦光先生、葉祖亭先生及香啟誠先生組成，而鍾錦光先生擔任審核委員會主席。

The Audit Committee held four meetings during the year. All members of the Audit Committee attended the said meeting.

年內，審核委員會舉行四次會議。全體審核委員會成員均已出席上述會議。

The Board Meetings, Board Committees Meetings and General Meetings

董事會會議、董事會委員會會議及股東大會

The Directors' attendances at the Board Meetings, the Board Committees Meetings and General Meetings for the year ended 31 December 2019 were as follows:

於截至二零一九年十二月三十一日止年度，董事於董事會會議、董事會委員會會議及股東大會之出席情況如下：

Director 董事	Number of meetings attended 出席會議次數				General Meetings 股東大會
	Board 董事會	Board Committees 董事會委員會		Nomination 提名	
		Audit 審核	Remuneration 薪酬		
Executive directors: 執行董事：					
Lam Wai Wah 林偉華	4/4	n/a 不適用	n/a 不適用	n/a 不適用	0/1
Wong Pong Chun, James 黃邦俊	4/4	n/a 不適用	4/4	4/4	1/1
Ma Wai Tong 馬煒堂	4/4	n/a 不適用	n/a 不適用	n/a 不適用	1/1
Song Bei Bei 宋貝貝	4/4	n/a 不適用	n/a 不適用	n/a 不適用	0/1
Dai Cheng Yun 戴成雲	4/4	n/a 不適用	n/a 不適用	n/a 不適用	0/1
Cheung Wing Cheung 張榮祥	4/4	n/a 不適用	n/a 不適用	n/a 不適用	1/1
Independent non-executive directors: 獨立非執行董事：					
Chung Kam Kwong 鍾錦光	4/4	4/4	4/4	4/4	1/1
Heung Kai Sing 香啟誠	4/4	4/4	4/4	4/4	1/1
Ip Cho Ting, Spencer 葉祖亭	4/4	4/4	4/4	4/4	1/1
Total number of meeting(s) held 舉行會議總數	4	4	4	4	1

AUDITOR'S REMUNERATION

For the year ended 31 December 2019, the fees paid to the Company's external auditors amounted to HK\$4,000,000.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems of the Company and reviewing their effectiveness. The Board oversees the overall risk management of the Group and endeavours to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failures to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Throughout the year from 1 January 2019 to 31 December 2019, the Board conducted reviews of the effectiveness of the internal control system in all material respects including but not limited to operational, financial, risk management and compliance controls. The Group's system of internal control comprised a well-defined organizational and management structure with levels and limits of authority which was established to help achieve business objectives, safeguard assets against unauthorized access or disposal, ensure the maintenance of proper accounting records to produce reliable management and financial information for internal use and for publication purpose, help management mitigate potential risk factors and ensure compliance with relevant rules and regulations. The system was designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems so as to achieve the Group's objectives and long-term goals.

The process used to identify, evaluate and manage significant risks

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

Risk Identification

- Identifies risks that may potentially affect the Group's business and operations.

Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact and consequence on the business and the likelihood of their occurrence.

核數師之薪酬

截至二零一九年十二月三十一日止年度，支付予本公司外聘核數師之費用為4,000,000港元。

風險管理及內部監控

董事會負責本公司之風險管理及內部監控系統以及檢討其成效。董事會監督本集團整體風險管理，並致力於識別風險、監控已識別風險之影響及推動實行配合減輕風險之措施。本公司之風險管理及內部監控系統旨在管理(但非完全杜絕)未能導致業務目標之風險，亦只會就重大失實陳述或損失提供合理(但並非絕對)保證。於二零一九年一月一日至二零一九年十二月三十一日止年度期間，董事會就內部監控系統之成效進行檢討，有關檢討涵蓋所有重要監控領域，包括但不限於營運監控、財務監控、風險管理及合規監控。本集團內部監控系統包括一個明確界定標準及權限之組織及管理架構，旨在協助實現本集團之業務目標，保障資產免受未經授權使用或出售，確保備存適當會計記錄以提供可靠之管理及財務資料作內部使用及刊發之用，幫助管理層減低潛在風險因素，以及確保遵守有關法規及規定。該系統旨在合理(但並非絕對)保證並無重大失實陳述或損失情況，並管理(但非完全杜絕)營運系統之失誤風險以實現本集團之目的及長期目標。

用於識別、評估及管理重大風險之程序

本集團用於識別、評估及管理重大風險之程序概述如下：

風險識別

- 識別可能對本集團業務及營運構成潛在影響之風險。

風險評估

- 採用管理層制訂之評估標準，評估已識別風險；及
- 考慮風險對業務之影響及後果以及出現風險可能性。

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to the management and the Board regularly.

The main features of the risk management and internal control systems

Control procedures have been designed to safeguard assets against misappropriation and disposition; ensure compliance with relevant laws, rules and regulations; ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and to provide reasonable assurance against material misstatement, loss or fraud.

The process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects

The Board would be directly responsible for internal control of the Group and for reviewing its effectiveness.

The Board has engaged an external compliance consultancy and Internal control services limited as its risk management and internal control review adviser (“the Adviser”) to conduct the annual review of the risk management and internal control systems for the year ended 31 December 2019. Such review is conducted annually and cycles reviewed are under rotation basis. The scope of review was previously determined and approved by the Board. The Adviser has reported findings and areas for improvement to the Audit Committee and management. The Board and Audit Committee are of the view that there are no material internal control defects noted. All recommendations from the Adviser are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board therefore considered that the risk management and internal control systems are effective and adequate.

風險應對

- 透過比較風險評估之結果，排列風險處理次序；及
- 釐定風險管理策略及內部監控程序，以防止、避免或降低風險。

風險監察及匯報

- 持續並定期監察風險，並確保設有適當之內部監控程序；
- 於出現任何重大變動時，修訂風險管理策略及內部監控程序；及
- 定期向管理層及董事會匯報風險監察結果。

風險管理及內部監控系統之主要特點

監控程序乃為保障資產免遭挪用及處置；確保遵守相關法例、規則及規例；確保有關為業務用途或刊發而提供可靠財務資料之會計記錄得到妥善保管；及針對重大失實陳述、損失或欺詐提供合理保證而設。

檢討風險管理及內部監控系統成效以及處理重大內部監控不足之處所用程序

董事會直接負責本集團之內部監控，並檢討其成效。

董事會已委聘一間外部合規諮詢及內部監控服務有限公司作為其風險管理及內部監控審閱顧問（「顧問」），以就截至二零一九年十二月三十一日止年度之風險管理及內部監控系統進行年度檢討。該檢討每年進行，並輪流檢討各個週期。檢討範圍先前已獲董事會釐定及審批。顧問已向審核委員會及管理層匯報結果及有待改善的地方。董事會及審核委員會認為並無發現重大內部監控不足之處。顧問提供之所有建議均獲本集團適當跟進，以確保該等建議可於合理時間內執行。因此，董事會認為風險管理及內部監控系統充分有效。

The procedures and internal controls for the handling and dissemination of inside information

The Board assesses the likely impact of any unexpected and significant event that may impact the price of the Shares or their trading volume and decides whether the relevant information is considered inside information and needs to be disclosed as soon as reasonably practicable pursuant to Rules 13.09 and 13.10 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. Executive Directors and the legal advisor also may have responsibility for approving certain announcements and/or circulars to be issued by the Company under powers delegated by the Board from time to time.

FINANCIAL REPORTING

The directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements for the year 2019. The Management also provides all directors with monthly updates giving them a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

COMPANY SECRETARY

The position of Company Secretary is held by Mr. Ma Wai Tong, an Executive Director of the Company and the CFO of the Group. The Company Secretary reported to the Board chairman from time to time. All directors have access to the advice and services of the company secretary to ensure that board procedures, and all applicable laws, rules and regulations are followed.

Since Mr. Ma was appointed in 2011, he has to take no less than 15 hours of relevant professional training for the financing year commencing on or after 1 January 2012 and he has fulfilled the requirement during the year under review.

處理及發佈內幕消息之程序及內部監控

董事會評估任何無法預料及重大事件可能對股價或其成交量帶來之影響，並決定有關資料應否被視為內幕消息，及是否須根據上市規則第13.09及13.10條以及證券及期貨條例第XIVA部項下內幕消息條文在合理實際可行情況下盡快披露。根據董事會不時轉授之權力，執行董事及法律顧問亦可能須負責審批本公司將刊發之若干公告及／或通函。

財務匯報

董事經作出適當諮詢後認為，由於本集團於可見將來擁有足夠資源繼續現有營運，故適宜採納持續經營基準編製二零一九年財務報表。管理層亦每月向所有董事提供最新資料，載列有關本公司之表現、狀況及前景之中肯及易於理解之評估，內容足以讓整個董事會及各董事履行根據上市規則第3.08條及第13章之職責。

公司秘書

公司秘書一職由本公司執行董事兼本集團之財務總監馬煒堂先生擔任。公司秘書不時向董事會主席作出匯報。全體董事均已向公司秘書取得意見及服務，確保遵守董事會程序以及所有適用法例、規則及規例。

自馬先生於二零一一年獲委任起，彼須於二零一二年一月一日或之後開始之財政年度接受不少於15小時之相關專業培訓，而彼於回顧年內已符合有關規定。

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual directors. All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

INVESTOR RELATIONS

(1) Communication with Shareholders and Procedures for putting forward proposals at general meetings

All published information, including financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents are promptly posted on the Group's website at www.truly.com.hk. Viewers can also send enquiries and proposals putting forward for shareholders' consideration at shareholder meetings to the Board or senior management by email at enquiry@truly.com.hk or directly by raising questions at the general meeting of the Company.

(2) Procedures for Shareholders to convene an extraordinary general meeting

Shareholders shall have the right to request the Board to convene an extraordinary general meeting ("EGM") of the Company. Shareholders holding in aggregate of not less than one-tenth (10%) of the paid up capital of the Company which carries the right of voting at the general meeting of the Company may send a written request to the Board of the Company to request for a EGM. The written requisition, duly signed by the shareholders concerned, must state the purposes of the meeting and must be deposited at the Company's principle place of business in Hong Kong.

Shareholders who wish to move a resolution at general meetings may follow the procedures set out in the preceding paragraph.

(3) Constitutional Documents

There was no change to the Company's Memorandum and Articles of Association during the financial year 2019. A copy of the Memorandum and Articles of Association is posted on the websites of the Company and the Stock Exchange.

股東權利

為保障股東權益及權利，本公司將就各重大獨立事宜（包括選舉個別董事）於股東大會上提呈獨立決議案。股東大會上提呈之所有決議案將根據上市規則以投票方式表決，而投票表決之結果將於各股東大會結束後在本公司及聯交所網站刊載。

投資者關係

(1) 與股東之溝通及於股東大會上提呈建議之程序

所有刊發資料（包括財務報表、業績公告、股東大會通函及通告及相關解釋文件）均及時於本集團網站 www.truly.com.hk 發佈。閱覽該等資料之人士亦可透過發送電郵至 enquiry@truly.com.hk 向董事會或高級管理層查詢及寄發將於股東大會上提呈以供股東考慮之建議，或直接於本公司股東大會上提出問題。

(2) 股東召開股東特別大會的程序

股東將有權要求董事會召開本公司的股東特別大會（「股東特別大會」）。合共持有本公司附帶本公司股東大會投票權之繳足股本不少於十分之一（10%）之股東可向本公司董事會發出書面要求，要求召開股東特別大會。經有關股東正式簽署之書面要求必須陳述該大會之目的，且必須遞交至本公司位於香港的主要營業地點。

欲於股東大會上動議一項決議案之股東可遵循前段所載之程序。

(3) 憲章文件

於二零一九年財政年度，本公司之組織章程大綱及細則並無變動。組織章程大綱及細則之副本已於本公司及聯交所網站刊載。

DIVIDEND POLICY

Under the dividend policy adopted by the Company with effect from 28 March 2019, the Board may consider declaring and paying dividends to the Shareholders out of the Company's distributable reserves. Such declaration and payment of dividends shall remain to be determined at the sole discretion of the Board, subject to the requirements of all applicable laws and the memorandum and articles of association of the Company.

Under the dividend policy, in deciding whether to propose or declare a dividend and in determining the dividend amount and means of payment, the Board shall take into account, among others:

- (i) the actual and expected financial performance of the Group;
- (ii) the Group's liquidity position;
- (iii) the capital and debt level of the Group;
- (iv) retained profits and distributable reserves of the Company and major subsidiaries of the Group; and
- (v) the working capital requirements, capital expenditure requirements and future development plans of the Group.

The Board shall endeavor to strike a balance between providing immediate return to the shareholders through the payment of dividends whilst retaining adequate reserves as the Group's working capital and for the Group's future growth. There can be no assurance that dividends will be proposed, declared or paid by the Company in any particular amount at any time or from time to time.

The Board will from time to time review the dividend policy and may exercise at its absolute and sole discretion to update, amend and/or modify the Dividend Policy at any time as the Board deems fit and necessary. Details of the Company's dividend policy are set out in the announcement of the Company dated 28 March 2019.

股息政策

根據本公司採納的股息政策，自二零一九年三月二十八日起，董事會可考慮自本公司的可供分派儲備向股東宣派及派付股息。該等股息的分派及支付應由董事會全權酌情決定，惟必須遵守所有適用法規及本公司的組織章程大綱及章程細則。

根據該股息政策，於決定是否建議或宣派股息及釐定股息金額及分派方式時，董事會應考慮(其中包括)：

- (i) 本集團的實際及預期財務表現；
- (ii) 本集團的流動資金狀況；
- (iii) 本集團的資本及負債水平；
- (iv) 本公司及本集團主要附屬公司的保留溢利及可供分派儲備；及
- (v) 本集團的營運資金需求、資本開支需求及未來發展計劃。

董事會應盡力在透過分派股息而為股東提供即時回報與保留足夠儲備作為本集團的營運資金及作本集團未來增長之間取得平衡。本公司概不保證於任何時間或不時建議、宣派或派付任何特定金額的股息。

董事會將不時檢討該股息政策，並在其認為合適及必要時可隨時絕對及全權酌情更新、修訂及/或更改該股息政策。有關本公司股息政策的詳情載於本公司日期為二零一九年三月二十八日的公告內。

BOARD DIVERSITY POLICY

The Company recognises the importance of diversity to corporate governance and the board effectiveness.

The purpose of this policy is to set out the basic principles to be followed to ensure that the board of directors (the “Board”) has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

Board nomination and appointments will continue to be made on merit basis based on its business needs from time to time while taking into account diversity.

Selection of board candidates shall be based on a range of diversity perspectives with reference to the Company’s business model and specific needs, including but not limited to gender, race, language, cultural background, educational background, industry experience and professional experience.

董事會成員多元化政策

本公司認同董事會成員多元化對企業管治及董事會行之有效的重要性。

本政策旨在列載須遵從的基本原則，以確保董事會（「董事會」）成員在所需技能、經驗以及視角的多元化方面達到適當平衡，從而提升董事會的有效運作並保持高標準的企業管治水平。

董事會成員的提名與委任將繼續以用人唯才為原則，以不時的業務需求為基準，並考慮董事會成員多元化的裨益。

董事會甄選候選人將以一系列多元化範疇為基準，並參考本公司的業務模式和特定需求，包括但不限於性別、種族、語言、文化背景、教育背景、行業經驗和專業經驗。



TO THE SHAREHOLDERS OF
TRULY INTERNATIONAL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Truly International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 57 to 180, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

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.



致信利國際有限公司股東

(於開曼群島註冊成立之有限公司)

意見

本核數師行已完成審核第57至180頁所載信利國際有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一九年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表之附註，包括主要會計政策概要。

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一九年十二月三十一日之綜合財務狀況以及其截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露要求妥為編製。

意見之基礎

本行根據香港會計師公會頒佈之《香港審計準則》(「香港審計準則」)進行審核。本行在該等準則下承擔之責任已在本報告「核數師就審計綜合財務報表須承擔之責任」部分中作進一步闡述。根據香港會計師公會頒佈之《專業會計師道德守則》(「守則」)，本行獨立於 貴集團，並已履行守則中之其他專業道德責任。本行相信，本行所獲得之審計憑證能充足及適當地為本行之審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據本行之專業判斷，認為對本期綜合財務報表之審計最為重要之事項。這些事項是在本行審計整體綜合財務報表及出具意見時進行處理，而本行不會對這些事項提供單獨之意見。

Key audit matters

關鍵審計事項

Impairment assessment of interest in an associate

有關聯營公司權益之減值評估

We identified the impairment assessment of interest in an associate, Truly (Hui Zhou) Smart Display Limited ("Truly HZ"), as a key audit matter due to its significance in the context of the Group's consolidated financial statements.

於聯營公司信利(惠州)智能顯示有限公司(「信利惠州」)權益之減值評估對 貴集團之綜合財務報表關係重大，故本行視之為關鍵審計事項。

As disclosed in note 4 to the consolidated financial statements, the Group is required to assess at the end of each reporting period whether there is any indication that the carrying amount of interests in associates may be impaired. Since impairment indications exist, the Group assessed the interest in Truly HZ for impairment and considered no impairment of interest in Truly HZ is necessary as at 31 December 2019. As disclosed in note 21 to the consolidated financial statements, as at 31 December 2019, the carrying amount of interest in Truly HZ amounted to approximately HK\$608 million.

誠如綜合財務報表附註4所披露， 貴集團須於各報告期末評估有否任何跡象顯示聯營公司權益之賬面值可能出現減值。由於存在減值跡象， 貴集團對於信利惠州所佔權益進行減值評估，並認為於信利惠州所佔權益於二零一九年十二月三十一日毋須減值。誠如綜合財務報表附註21所披露，於二零一九年十二月三十一日，於信利惠州所佔權益之賬面值約為6.08億港元。

How our audit addressed the key audit matters

本行之審計如何處理關鍵審計事項

Our procedures in relation to the impairment assessment of interest in Truly HZ included:

本行就對信利惠州權益所作減值評估進行之程序包括：

- Obtaining an understanding and evaluating the appropriateness of the Group's accounting policy in assessing impairment for interests in associates;
- 了解及評價 貴集團就對聯營公司權益進行減值評估所採用會計政策是否恰當；
- Assessing the Group management's process for identifying the existence of impairment indicators for the interests in associates;
- 評估 貴集團管理層識別聯營公司權益是否存在減值跡象之過程；
- Where indicators of impairment have been identified, assessing the reasonableness of the recoverable amount of the associate and obtaining an understanding from the management about the financial position and future prospects of the associate;
- 倘已識別減值跡象，評估聯營公司之可收回金額是否合理並向管理層了解該聯營公司之財務狀況及未來前景；
- Assessing the reasonableness of key inputs and assumptions used by the management in their estimation of recoverable amount, including projections of cash flows and growth rate applied;
- 評估管理層於估計可收回金額時所採用主要輸入數據及假設(包括現金流量預測及所應用收益增長率)是否合理；
- Involvement of internal expert to assess the reasonableness of discount rate applied in the discounted cash flow model; and
- 使內部專家參與評估於折現現金流量模型應用之折現率是否合理；及
- Comparing cash flow projections to supporting evidence, such as projection of sales volume, and evaluating the reasonableness of the projection with reference to the future prospect of the associate as well as our knowledge of the industry and business.
- 比較現金流量預測與支持憑據(例如銷量預測)，並透過參考聯營公司之未來前景及基於本行對行業及業務之認識評價預測是否合理。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Key audit matters

關鍵審計事項

Assessment of the appropriateness of the going concern basis

評估持續經營基準之適切性

We identified the assessment of the appropriateness of the going concern basis as a key audit matter as it involves subjective management judgements and estimates based on management's assessment of the Group's operations in the future, availability of future financing and market conditions.

由於評估持續經營基準之適切性涉及管理層基於其對 貴集團於日後之營運、可動用之未來融資及市況而作出之複雜及主觀判斷和估算，本行將評估持續經營基準之適切性識別為關鍵審計事項。

As set out in note 2 to the consolidated financial statements, although the Group has generated a net profit of approximately HK\$608 million and positive operating cash flows of approximately HK\$2,205 million during the year ended 31 December 2019, the Group's current liabilities exceeded its current assets by approximately HK\$3,840 million as at 31 December 2019. 誠如綜合財務報表附註2所載，儘管 貴集團於截至二零一九年十二月三十一日止年度產生純利約6.08億港元及正數經營現金流量約22.05億港元， 貴集團於二零一九年十二月三十一日之流動負債仍超出其流動資產約38.40億港元。

The management of the Group believes that the Group will continue to generate positive operating cash flows in the coming twelve months. Taking into account the Group's cash balance of approximately HK\$504 million, unutilised bank facilities which amounted to approximately HK\$1,859 million as at 31 December 2019 and an additional bank facility amounted to HK\$1,520 million obtained subsequent to the year end, the management of the Group concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis.

貴集團管理層相信， 貴集團於未來十二個月將繼續產生正數經營現金流量。經計及 貴集團於二零一九年十二月三十一日之現金結餘約5.04億港元、未動用銀行融資約18.59億港元及於年度結算日之後取得一項金額15.20億港元之額外銀行融資， 貴集團管理層認為，按持續經營基準編製綜合財務報表屬適切之舉。

How our audit addressed the key audit matters

本行之審計如何處理關鍵審計事項

Our procedures in relation to the assessment of the appropriateness of the going concern basis of the Group included:

本行就 貴集團評估持續經營基準之適切性所進行之程序包括：

- Obtaining an understanding of management's liquidity assessment including the preparation of cash flow forecast by management;
- 了解管理層對流動資金進行之評估，包括管理層編製之現金流量預測；
- Comparing the cash flow forecast against the budget approved by the Board of Directors of the Group and checking the accuracy of the calculation of the cash flow forecast;
- 將現金流量預測與 貴集團董事會所批准預算進行比較，並核查現金流量預測之準確性；
- Challenging the key assumptions in management's cash flow forecast for the next twelve months against historical performance, economic and industry indicators, and other publicly available information;
- 根據過往表現、經濟及行業指標以及其他公開可得資料，就管理層用於未來十二個月現金流量預測之主要假設提出質疑；
- Checking the details of loan repayments in the cash flow forecast to supporting documents, such as borrowing agreements and repayment schedules;
- 核查現金流量預測之輔助文件內有關償還貸款之詳情，如借款協議及還款時間表；
- Agreeing the amount of unutilised bank facilities to borrowing agreements and bank confirmations; and
- 信納未動用銀行融資額與借款協議及銀行確認函一致；及
- Assessing the appropriateness of the related disclosures in the consolidated financial statements.
- 評估綜合財務報表所載相關披露之適當性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

OTHER INFORMATION

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

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

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

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

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內之所有資料，但不包括綜合財務報表及本行之核數師報告書。

本行對綜合財務報表之意見並不涵蓋其他資料。本行亦不對該等其他資料發表任何形式之鑒證結論。

就本行對綜合財務報表之審計而言，本行之責任是閱讀其他資料，並藉此考慮其他資料是否與綜合財務報表或本行在審計過程中得知之情況存在重大抵觸，或基於其他原因似乎存在重大錯誤陳述之情況。倘基於本行已執行之工作，所得結論為其他資料出現重大錯誤陳述，本行需要報告該事實。在這方面，本行並無任何報告。

董事及管治層就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》之披露規定擬備真實而中肯之綜合財務報表，並對其認為為使綜合財務報表之擬備不存在由於欺詐或錯誤而導致之重大錯誤陳述所需之內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，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，或別無其他實際之替代方案。

管治層須負責監督 貴集團之財務申報過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

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

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

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

核數師就審計綜合財務報表須承擔之責任

本行之目標，是根據議定之委聘條款對綜合財務報表整體是否不存在由於欺詐或錯誤而導致之重大錯誤陳述取得合理保證，並出具包括本行意見之核數師報告書。本行之報告僅向閣下作出，而並無其他用途。本行不會就本報告之內容對任何其他人士承擔或負上任何責任。合理保證是高水平之保證，但不能保證按照香港審計準則進行之審計，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，如果合理預期該等錯誤陳述單獨或匯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之經濟決定，則有關之錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，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之審計憑證，作為本行意見之基礎。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之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審計相關之內部控制，以設計適當之審計程序，但目的並非對貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

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

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

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

核數師就審計綜合財務報表須承擔之責任 (續)

- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取之審計憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對貴集團之持續經營能力產生重大疑慮。如果本行認為存在重大不確定性，則有必要在核數師報告書中提請使用者注意綜合財務報表中之相關披露。假若有關之披露不足，則本行須修改意見。本行之結論是基於截至核數師報告書日期止所取得之審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表之整體列報方式、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。
- 就貴集團內各實體或業務活動之財務資料獲得充足、適當之審計憑證，以便對綜合財務報表發表意見。本行負責集團審計之方向、監督和執行。本行為審計意見承擔全部責任。

除其他事項外，本行與管治層溝通了計劃之審計範圍、時間安排、重大審計發現等，包括本行在審計中識別出內部控制之任何重大不足之處。

本行還向管治層提交聲明，說明本行已符合有關獨立性之相關專業道德要求，並與彼等溝通有可能合理地被認為會影響本行獨立性之所有關係和其他事項，以及(在適用情況下)相關之防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

From the matters communicated with those charged with governance, 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 the independent auditor's report is Keung To Wai, David.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
27 April 2020

核數師就審計綜合財務報表須承擔之責任 (續)

從與管治層溝通之事項中，本行確定哪些事項對本期綜合財務報表之審計最為重要，因而構成關鍵審計事項。本行在核數師報告書中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在本行報告中溝通某事項造成之負面後果超過產生之公眾利益，本行決定不應在報告中溝通該事項。

出具本獨立核數師報告書之審計項目合夥人是姜道蔚。

德勤•關黃陳方會計師行
執業會計師

香港
二零二零年四月二十七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		NOTES	2019	2018
		附註	二零一九年 HK\$'000 千港元	二零一八年 HK\$'000 千港元
Revenue	收益	6	22,532,499	19,762,442
Cost of sales	銷售成本		(20,707,088)	(17,876,889)
Gross profit	毛利		1,825,411	1,885,553
Other income	其他收入	8	145,866	103,002
Other gains and losses	其他損益	9	(20,165)	(108,594)
Impairment losses under expected credit loss model, net of reversal	預期信用損失模式下之減值虧損，扣除撥回		(22,395)	10,073
Distribution and selling expenses	分銷及銷售費用		(430,027)	(443,334)
Administrative expenses	行政費用		(318,736)	(395,530)
Finance costs	財務費用	10	(419,129)	(353,679)
Share of results of associates	分佔聯營公司業績		(23,968)	(444,172)
Profit before tax	稅前溢利		736,857	253,319
Income tax expense	所得稅開支	11	(128,693)	(105,106)
Profit for the year	本年度溢利	12	608,164	148,213
Other comprehensive expense for the year	本年度其他全面開支			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>可能於其後重新分類至損益的項目：</i>			
Exchange differences arising on translation of foreign operations	換算海外業務所產生之外匯差額		(222,562)	(532,728)
Share of other comprehensive expense of associates	分佔聯營公司其他全面開支		(1,771)	(1,654)
Other comprehensive expense for the year	本年度其他全面開支		(224,333)	(534,382)
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額		383,831	(386,169)
Profit for the year attributable to:	本年度溢利應佔：			
Owners of the Company	本公司擁有人		562,456	74,190
Non-controlling interests	非控股權益		45,708	74,023
			608,164	148,213
Total comprehensive income (expense) for the year attributable to:	本年度全面收入(開支)總額應佔：			
Owners of the Company	本公司擁有人		350,076	(431,177)
Non-controlling interests	非控股權益		33,755	45,008
			383,831	(386,169)
Earnings per share	每股盈利	16		
Basic (HK cents per share)	基本(每股港仙)		17.10	2.36

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 • 於二零一九年十二月三十一日

		NOTES 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	12,123,153	12,307,604
Right-of-use assets	使用權資產	18	521,420	–
Prepaid lease payments	預付租賃款項	19	–	383,123
Intangible assets	無形資產	20	–	–
Goodwill	商譽		413	413
Interests in associates	於聯營公司的權益	21	1,179,815	1,231,064
Financial assets at fair value through profit or loss	於損益以公平價值列賬之金融資產	22	5,549	10,316
Deferred tax assets	遞延稅項資產	35	75,432	90,402
Deposits paid for acquisition of property, plant and equipment	就收購物業、廠房及設備支付訂金		72,996	132,025
			13,978,778	14,154,947
CURRENT ASSETS	流動資產			
Inventories	存貨	23	3,974,828	3,132,622
Prepaid lease payments	預付租賃款項	19	–	8,685
Loan receivable	應收貸款	24	–	–
Trade and other receivables	應收賬項及其他應收款項	25	3,735,030	5,020,366
Trade receivables at fair value through other comprehensive income	於其他全面收益以公平價值列賬之應收賬項	26	1,293,194	168,813
Amount due from an associate	應收聯營公司款項	28	1,348,250	1,346,194
Tax recoverable	可收回稅項		18,412	391
Restricted bank deposits	受限制銀行存款	29	134,064	132,104
Bank balances and cash	銀行結存及現金	29	503,680	1,090,379
			11,007,458	10,899,554
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬項及其他應付款項	30	9,178,327	8,547,580
Tax payable	應付稅項		54,342	48,149
Bank and other borrowings, unsecured	銀行及其他借款，無抵押	32	5,215,550	7,118,297
Amount due to an associate	結欠聯營公司款項	28	129,214	–
Contract liabilities	合約負債	31	251,017	112,491
Lease liabilities	租賃負債	33	19,048	–
Derivative financial instruments	衍生金融工具	27	283	–
			14,847,781	15,826,517
NET CURRENT LIABILITIES	流動負債淨額		(3,840,323)	(4,926,963)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		10,138,455	9,227,984

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 • 於二零一九年十二月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		NOTES 附註		
NON-CURRENT LIABILITIES	非流動負債			
Bank and other borrowings, unsecured	銀行及其他借款，無抵押	32	607,066	75,000
Bonds payable	應付債券	34	373,731	850,265
Lease liabilities	租賃負債	33	79,813	–
Deferred tax liabilities	遞延稅項負債	35	70,146	56,692
			1,130,756	981,957
NET ASSETS	資產淨值		9,007,699	8,246,027
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	36	65,785	65,785
Share premium and other reserves	股份溢價及其他儲備		7,990,236	7,570,791
Equity attributable to owners of the Company	本公司擁有人應佔權益		8,056,021	7,636,576
Non-controlling interests	非控股權益		951,678	609,451
TOTAL EQUITY	權益總額		9,007,699	8,246,027

The consolidated financial statements on pages 57 to 180 were approved and authorised for issue by the Board of Directors on 27 April 2020 and are signed on its behalf by:

載於第57至180頁之綜合財務報表已於二零二零年四月二十七日獲董事會批准及授權刊發，並由以下人士代表簽署：

Lam Wai Wah
林偉華
DIRECTOR
董事

Wong Pong Chun, James
黃邦俊
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Share capital	Share premium	Special reserve	Capital redemption reserve	Exchange reserve	Other reserves	Retained profits	Total equity attributable to owners of the Company	Non-controlling interests	Total
		股本	股份溢價	特別儲備	資本贖回儲備	外匯儲備	其他儲備	保留溢利	權益總額	非控股權益	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note a)			(note b)				
				(附註 a)			(附註 b)				
At 1 January 2018	於二零一八年一月一日	62,409	1,200,575	990	867	508,356	1,447,733	4,648,581	7,869,511	564,443	8,433,954
Profit for the year	本年度溢利	-	-	-	-	-	-	74,190	74,190	74,023	148,213
Other comprehensive expense for the year	本年度其他全面開支										
— Exchange differences arising on translation of foreign operations	— 換算海外業務所產生之外匯差額	-	-	-	-	(503,713)	-	-	(503,713)	(29,015)	(532,728)
— Share of other comprehensive expense of associates	— 分佔聯營公司其他全面開支	-	-	-	-	(1,654)	-	-	(1,654)	-	(1,654)
Total comprehensive (expense) income for the year	本年度全面(開支)收入總額	-	-	-	-	(505,367)	-	74,190	(431,177)	45,008	(386,169)
Transfer	轉撥	-	-	-	-	-	28,749	(28,749)	-	-	-
Issue of new shares	發行新股份	3,376	195,808	-	-	-	-	-	199,184	-	199,184
Cost of issuance of new shares	新股份發行成本	-	(942)	-	-	-	-	-	(942)	-	(942)
At 31 December 2018	於二零一八年十二月三十一日	65,785	1,395,441	990	867	2,989	1,476,482	4,694,022	7,636,576	609,451	8,246,027
Adjustment (see note 3)	調整(附註3)	-	-	-	-	-	-	(502)	(502)	(15)	(517)
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	65,785	1,395,441	990	867	2,989	1,476,482	4,693,520	7,636,074	609,436	8,245,510
Profit for the year	本年度溢利	-	-	-	-	-	-	562,456	562,456	45,708	608,164
Other comprehensive expense for the year	本年度其他全面開支										
— Exchange differences arising on translation of foreign operations	— 換算海外業務所產生之外匯差額	-	-	-	-	(210,609)	-	-	(210,609)	(11,953)	(222,562)
— Share of other comprehensive expense of associates	— 分佔聯營公司其他全面開支	-	-	-	-	(1,771)	-	-	(1,771)	-	(1,771)
Total comprehensive (expense) income for the year	本年度全面(開支)收入總額	-	-	-	-	(212,380)	-	562,456	350,076	33,755	383,831
Deemed disposal of partial interest in a subsidiary without losing control (see note 46(a))	視作出售一間附屬公司部分權益而不致失去控制權(附註46(a))	-	-	-	-	23,701	306,490	(260,320)	69,871	387,279	457,150
Transfer	轉撥	-	-	-	-	-	29,544	(29,544)	-	-	-
Dividends paid to non-controlling interests	已付非控股權益股息	-	-	-	-	-	-	-	-	(78,792)	(78,792)
At 31 December 2019	於二零一九年十二月三十一日	65,785	1,395,441	990	867	(185,690)	1,812,516	4,966,112	8,056,021	951,678	9,007,699

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Notes:

- (a) The special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisitions.
- (b) Other reserves comprise:
- (i) the statutory surplus reserve and the enterprise expansion reserve of the subsidiaries established in the People's Republic of China (the "PRC") other than Hong Kong. According to the Articles of Association of the PRC subsidiaries, a percentage of net profit as reported in the PRC statutory accounts should be transferred to the statutory surplus reserve and the enterprise expansion reserve determined at the discretion of the board of directors of these companies. The statutory surplus reserve can be set off against accumulated losses whilst the enterprise expansion reserve can be used for expansion of production facilities or an increase in registered capital; and
 - (ii) difference between the carrying amount of interest in a subsidiary disposed of and the consideration received arising from the decrease in equity interest in a subsidiary.

附註：

- (a) 特別儲備指所收購附屬公司之股份面值與本公司就收購而發行之股份面值兩者間之差額。
- (b) 其他儲備包括：
- (i) 在中華人民共和國(「中國」)(不包括香港)成立之附屬公司之法定盈餘儲備及企業發展儲備。根據中國附屬公司之組織章程細則，中國法定賬目內呈報之純利若干百分比須轉撥至法定盈餘儲備及企業發展儲備，該百分比乃由該等公司之董事會酌情決定。法定盈餘儲備可抵銷累計虧損，而企業發展儲備則可用於擴展生產設施或增加註冊資本；及
 - (ii) 出售一間附屬公司權益之賬面值與附屬公司股本權益減少產生之已收取代價兩者間之差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Profit before tax	稅前溢利	736,857	253,319
Adjustments for:	調整：		
Interest income	利息收入	(6,910)	(16,842)
Interest income from an associate	聯營公司之利息收入	(39,621)	(32,395)
Impairment losses under expected credit loss model on trade receivables, net of reversal	應收賬項預期信用損失模式項下減值虧損，扣除撥回	33,159	1,807
Allowance for inventories, net	存貨撥備淨額	149,644	16,085
Impairment losses under expected credit loss model on loan receivable, net of reversal	應收貸款預期信用損失模式項下減值虧損，扣除撥回	(10,764)	(11,880)
Recovery of other receivables written off in previous years	收回過往年度撇銷之其他應收款項	-	(2,851)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,115,593	1,151,632
Depreciation of right-of-use assets	使用權資產折舊	16,770	-
Release of prepaid lease payments	解除預付租賃款項	-	6,534
Loss on disposal/write-off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	10,449	20,665
Loss (gain) from changes in fair value of financial assets at fair value through profit or loss	於損益以公平價值列賬之金融資產公平價值變動虧損(收益)	4,767	(4,142)
Loss (gain) on fair value changes of derivative financial instruments, net	衍生金融工具公平價值變動虧損(收益)淨額	2,824	(17,163)
Government grants	政府津貼	(75,670)	(28,767)
Share of results of associates	分佔聯營公司業績	23,968	444,172
Finance costs	財務費用	419,129	353,679
Dividend income from financial assets at fair value through profit or loss	於損益以公平價值列賬之金融資產之股息收入	(1,563)	-
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	2,378,632	2,133,853
Increase in inventories	存貨增加	(1,057,858)	(647,257)
Decrease in trade and other receivables	應收賬項及其他應收款項減少	1,039,963	204,078
(Increase) decrease in trade receivables at fair value through other comprehensive income	於其他全面收益以公平價值列賬之應收賬項(增加)減少	(1,127,267)	238,292
Increase in amount due from an associate	應收聯營公司款項增加	(218,189)	(186,222)
Increase in trade and other payables	應付賬項及其他應付款項增加	974,042	81,431
Increase (decrease) in contract liabilities	合約負債增加(減少)	138,526	(3,180)
Increase in amount due to an associate	應付聯營公司款項增加	115,518	-
Government grants received for operating activities	已收政府津貼用於經營活動	74,712	27,618
Settlement of derivative financial instruments	結算衍生金融工具	(2,541)	(105,907)
Cash generated from operations	經營活動所賺取之現金	2,315,538	1,742,706
PRC withholding tax paid	已繳中國預扣稅	(5,235)	(5,203)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(105,246)	(107,421)
Tax paid for other jurisdictions	其他司法權區已繳稅項	(419)	(916)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	2,204,638	1,629,166

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
INVESTING ACTIVITIES			
Dividend income from financial asset at fair value through profit or loss	投資活動 於損益以公平價值列賬之 金融資產之股息收入	1,563	–
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,231,436)	(1,887,896)
Advance to an associate	向聯營公司墊款	(73,710)	(653,400)
Repayment from an associate	獲聯營公司還款	300,510	47,520
Deposits paid for acquisition of property, plant and equipment	就收購物業、廠房及 設備支付訂金	(72,996)	(132,025)
Additions of prepaid lease payments	預付租賃款項增加	–	(45,033)
Interest received	已收利息	56,437	21,268
Payments for right-of-use assets	就使用權資產付款	(47,212)	–
Proceeds from disposals of property, plant and equipment	出售物業、廠房及 設備所得款項	41,776	9,385
Placement of restricted bank deposits	存放受限制銀行存款	(479,715)	(376,140)
Release of restricted bank deposits	解除受限制銀行存款	477,755	374,432
Repayment of loan receivable	應收貸款還款	10,764	11,880
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(1,016,264)	(2,630,009)
FINANCING ACTIVITIES			
Repayment of bank and other borrowings	融資活動 償還銀行及其他借款	(9,809,471)	(10,526,784)
Repayment of loans from an associate	償還聯營公司貸款	(963,900)	–
Repayment of lease liabilities	償還租賃負債	(6,108)	–
Dividends paid to non-controlling interests	已付非控股權益股息	(78,792)	–
Interest paid for bank and other borrowings	已付銀行及其他借款利息	(364,368)	(297,746)
Interest paid for loans from an associate	已付聯營公司貸款利息	(23,311)	–
Interest paid for bonds payable	已付應付債券利息	(34,731)	(51,678)
Interest paid for lease liabilities	已付租賃負債利息	(260)	–
New bank and other borrowings raised	新造銀行及其他借款	8,562,619	9,349,994
New loans from an associate	新造聯營公司貸款	963,900	–
Repayments of bonds payable	償還應付債券	(807,868)	–
Proceeds on issue of bonds payable	發行應付債券所得款項	337,312	–
Proceeds from deemed disposal of partial interest in a subsidiary without losing control	視作出售一間附屬公司部分權益 而不致失去控制權所得款項	457,150	–
Proceeds from issue of new shares	發行新股份所得款項	–	199,184
Cost of issuance of new shares	新股份發行成本	–	(942)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(1,767,828)	(1,327,972)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額	(579,454)	(2,328,815)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值項目	1,090,379	3,465,844
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	(7,245)	(46,650)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年終之現金及現金等值項目， 指銀行結存及現金	503,680	1,090,379

1. GENERAL

Truly International Holdings Limited (the “Company”) is incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company. The Company is a public limited company with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its ultimate controlling party is Mr. Lam Wai Wah, who is also the Chairman and Managing Director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “General Information” to the annual report.

The functional currency of the Company is United States dollars (“US\$”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is different from the functional currency of the Company, as the directors of the Company (the “Directors”) consider that HK\$ is the most appropriate presentation currency in view of its place of listing.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the business of manufacture and sale of liquid crystal display (“LCD”) products including touch panel products and electronic consumer products including compact camera module, fingerprint identification modules, personal health care products and electrical devices.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements of the Company, the Directors have given careful consideration to the future liquidity of the Company and its subsidiaries (collectively referred to as the “Group”) in light of the fact that the Group’s current liabilities exceeded its current assets by approximately HK\$3,840 million as at 31 December 2019.

For the year ended 31 December 2019, the Group generated a net profit of approximately HK\$608 million and generated operating cash flows of approximately HK\$2,205 million. As at 31 December 2019, total cash and cash equivalents of approximately HK\$504 million were held by the Group and unutilised bank facilities amounted to approximately HK\$1,859 million were available. Subsequent to the year end, the Group obtained an additional bank facility amounted to approximately HK\$1,520 million. In the opinion of the Directors, the Group expects to continue to generate positive operating cash flows in the coming twelve months.

1. 一般事項

信利國際有限公司(「本公司」)於開曼群島根據開曼群島公司法註冊成立為一間受豁免公司。本公司為一間上市有限公司，其股份在香港聯合交易所有限公司(「聯交所」)上市。其最終控股人士為林偉華先生，亦為本公司主席兼董事總經理。本公司註冊辦事處及主要營業地點之地址於年報「一般資料」一節披露。

本公司之功能貨幣為美元(「美元」)。本公司董事(「董事」)經考慮其上市地點，認為港元(「港元」)為最適合之呈列貨幣，故綜合財務報表乃以本公司功能貨幣以外之港元呈報。

本公司乃投資控股公司，其附屬公司之主要業務為製造及銷售液晶體顯示器(「LCD」)產品(包括觸控屏產品)及電子消費產品，包括微型相機模組、指紋識別模組、個人保健護理產品及電子設備。

2. 綜合財務報表編製基準

編製本公司綜合財務報表時，鑑於本公司及其附屬公司(統稱「本集團」)於二零一九年十二月三十一日之流動負債超出其流動資產約38.40億港元，董事已審慎考慮本集團之未來流動資金。

截至二零一九年十二月三十一日止年度，本集團錄得純利約6.08億港元，並產生經營現金流量約22.05億港元。於二零一九年十二月三十一日，本集團持有現金及現金等值項目合共約5.04億港元，而未動用銀行融資約為18.59億港元。於年度結算日之後，本集團取得一項金額約15.20億港元之額外銀行融資。董事認為，本集團預期未來十二個月將繼續產生正數經營現金流量。

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Based on the aforesaid factors, the Directors are satisfied that the Group will have sufficient financial resources to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

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

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

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

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

HKFRS 16 “Leases”

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

2. 綜合財務報表編製基準(續)

基於上述因素，董事信納本集團將具備充足財務資源悉數應付其於可見將來到期之財務承擔。因此，綜合財務報表已按持續經營基準編製。

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂

於本年度強制生效之新訂香港財務報告準則及其修訂

於本年度，本集團已首次應用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂香港財務報告準則及其修訂：

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅處理之不確定性
香港財務報告準則第9號(修訂)	具負補償特性之預付款項
香港會計準則第19號(修訂)	計劃修訂、縮減或結算
香港會計準則第28號(修訂)	於聯營公司及合資公司之長期權益
香港財務報告準則(修訂)	香港財務報告準則二零一五年至二零一七年週期之年度改進

除下述者外，於本年度應用新訂香港財務報告準則及其修訂對本集團本年度及過往年度之財務狀況及財務表現及／或此等綜合財務報表所載披露資料並無任何重大影響。

香港財務報告準則第16號「租賃」

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

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

HKFRS 16 “Leases” (continued)

Definition of a lease

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

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

As a lessee

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

As at 1 January 2019, the Group recognised additional lease liabilities and measured right-of-use assets at the carrying amounts as if HKFRS 16 had been applied since commencement dates, but discounted using the incremental borrowing rates of the relevant group entities at the date of initial application by applying HKFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

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

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within twelve months of the date of initial application; and
- ii. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment.

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第16號「租賃」(續)

租賃之定義

本集團已選擇可行權宜方法，就先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包含租賃」識別為租賃之合約應用香港財務報告準則第16號，而並無對先前並未識別為包含租賃之合約應用該準則。因此，本集團並無重新評估於初始應用日期前已存在之合約。

對於在二零一九年一月一日或之後訂立或修改之合約，本集團於評估合約是否包含租賃時按照香港財務報告準則第16號所載之規定應用租賃之定義。

作為承租人

本集團已追溯應用香港財務報告準則第16號，並於初始應用日期二零一九年一月一日確認累計影響。

於二零一九年一月一日，本集團按賬面值確認額外租賃負債及計量使用權資產，猶如自開始日期已應用香港財務報告準則第16號，惟應用香港財務報告準則第16.C8(b)(i)條過渡規定於初始應用日期使用相關集團實體之遞增借貸利率折算。於初始應用日期之任何差額乃於期初保留溢利確認，比較資料不予重列。

於過渡期間根據香港財務報告準則第16號應用經修改追溯方法時，本集團已在與各別租賃合約相關之情況下，按逐項租賃基準對先前根據香港會計準則第17號分類為經營租賃之租賃應用下列可行權宜方法：

- i. 選擇不就租賃年期於由初始應用日期起計12個月內結束之租賃確認使用權資產及租賃負債；及
- ii. 對於類似經濟環境下有關於類似相關資產類別且具有類似剩餘年期之租賃組合應用單一折現率。

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

HKFRS 16 “Leases” (continued)

As a lessee (continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 3.68% to 4.56%.

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第16號「租賃」(續)

作為承租人(續)

就先前分類為經營租賃之租賃確認租賃負債時，本集團已應用於初始應用日期相關集團實體之遞增借貸利率。相關集團實體所應用之加權平均遞增借貸利率介乎3.68%至4.56%。

		At 1 January 2019 於二零一九年 一月一日 HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露之經營租賃承擔	8,510
Lease liabilities discounted at relevant incremental borrowing rates	按相關遞增借貸利率折算之租賃負債	8,466
Less: Recognition exemption — short-term leases	減：確認豁免 — 短期租賃	(504)
Practical expedient — leases with lease term ending within twelve months from the date of initial application	可行權宜方法 — 租賃年期於由初始應用日期起計十二個月內結束之租賃	(1,290)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019	涉及於二零一九年一月一日應用香港財務報告準則第16號時確認之經營租賃之租賃負債	6,672
Analysed as	分析為	
Current	流動	4,638
Non-current	非流動	2,034
		6,672

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

HKFRS 16 “Leases” (continued)

As a lessee (continued)

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

		Right-of-use assets 使用權資產 HK\$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	應用香港財務報告準則第16號時確認涉及經營租賃之使用權資產	6,155
Reclassified from prepaid lease payments (Note i)	自預付租賃款項重新分類(附註i)	391,808
Adjustments on rental deposit at 1 January 2019 (Note ii)	於二零一九年一月一日對租賃按金之調整(附註ii)	57
		398,020

Notes:

- (i) Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK\$8,685,000 and HK\$383,123,000 respectively were reclassified to right-of-use assets.
- (ii) Before the application of HKFRS 16, the Group considered refundable rental deposits paid as right and obligations under leases to which HKAS 17 applied under other receivables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, HK\$57,000 was adjusted to refundable rental deposits paid and right-of-use assets.

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第16號「租賃」(續)

作為承租人(續)

使用權資產於二零一九年一月一日之賬面值如下：

		Right-of-use assets 使用權資產 HK\$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	應用香港財務報告準則第16號時確認涉及經營租賃之使用權資產	6,155
Reclassified from prepaid lease payments (Note i)	自預付租賃款項重新分類(附註i)	391,808
Adjustments on rental deposit at 1 January 2019 (Note ii)	於二零一九年一月一日對租賃按金之調整(附註ii)	57
		398,020

附註：

- (i) 中國租賃土地之首期付款於二零一八年十二月三十一日分類為預租租賃款項。於應用香港財務報告準則第16號時，預付租賃款項之流動及非流動部分(金額分別為8,685,000港元及383,123,000港元)重新分類為使用權資產。
- (ii) 應用香港財務報告準則第16號前，本集團將已支付之可退回租賃按金視為其他應收款項中香港會計準則第17號適用之租賃項下權利及責任。根據香港財務報告準則第16號下租賃款項之定義，該等按金並非與使用相關資產之權利有關之款項，並作出調整以反映於過渡時之折算影響。因此，已付可退回租賃按金及使用權資產調整57,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

HKFRS 16 “Leases” (continued)

Interests in associates

The application of HKFRS 16 does not have material impact on the carrying amount of interests in associates.

The following table summarises the impact of transition of HKFRS 16 on retained profits and non-controlling interests at 1 January 2019.

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第16號「租賃」(續)

於聯營公司的權益

應用香港財務報告準則第16號不會對於聯營公司的權益之賬面值造成重大影響。

下表概述過渡至香港財務報告準則第16號對於二零一九年一月一日之保留溢利及非控股權益之影響。

		Impact of adopting HKFRS 16 at 1 January 2019 於二零一九年一月一日 採納香港財務報告準則第16號之影響 HK\$'000 千港元
Recognition of the difference between right-of-use assets and lease liabilities	確認使用權資產與租賃負債兩者間之差額	
— Retained profits	— 保留溢利	502
— Non-controlling interests	— 非控股權益	15
Impact at 1 January 2019	於二零一九年一月一日之影響	517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

HKFRS 16 “Leases” (continued)

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

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第16號「租賃」(續)

於二零一九年一月一日之綜合財務狀況表內確認之金額已作下列調整。並不包括不受變動影響之分項。

		Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under HKFRS 16 at 1 January 2019
		先前呈報於二零一八年十二月三十一日之賬面值 HK\$'000 千港元	調整 HK\$'000 千港元	根據香港財務報告準則第16號於二零一九年一月一日之賬面值 HK\$'000 千港元
Non-current assets	非流動資產			
Right-of-use assets	使用權資產	–	398,020	398,020
Prepaid lease payments	預付租賃款項	383,123	(383,123)	–
Current assets	流動資產			
Prepaid lease payments	預付租賃款項	8,685	(8,685)	–
Trade and other receivables	應收賬項及其他應收款項	5,020,366	(57)	5,020,309
Current liabilities	流動負債			
Lease liabilities	租賃負債	–	4,638	4,638
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	–	2,034	2,034
Capital and reserves	資本及儲備			
Share premium and other reserves	股份溢價及其他儲備	7,570,791	(502)	7,570,289
Non-controlling interests	非控股權益	609,451	(15)	609,436

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

為根據間接法呈報截至二零一九年十二月三十一日止年度之經營業務所產生現金流，已如上文所披露基於二零一九年一月一日之期初綜合財務狀況表計算營運資金變動。

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

New and amendments to HKFRSs in issue but not yet effective

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

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

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

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

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

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

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

Except for the amendments to HKFRSs and the revised Conceptual Framework for Financial Reporting mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂

本集團並無提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及其修訂：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號(修訂)	業務之定義 ²
香港財務報告準則第10號及香港會計準則第28號(修訂)	投資者與其聯營公司或合資公司之間之資產出售或注資 ³
香港會計準則第1號及香港會計準則第8號(修訂)	重大之定義 ⁴
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂	利率基準改革 ⁴

¹ 於二零二一年一月一日或之後開始之年度期間生效。

² 適用於收購日期為二零二零年一月一日或之後開始之首個年度期間開始或其後之業務合併及資產收購。

³ 於待定期限或之後開始之年度期間生效。

⁴ 於二零二零年一月一日或之後開始之年度期間生效。

除上述新訂香港財務報告準則及修訂外，於二零一八年頒佈一項經修訂財務報告概念框架，其相應修訂「修訂香港財務報告準則中對概念框架之提述」將於二零二零年一月一日或之後開始之年度期間生效。

除香港財務報告準則之修訂及下文所述之經修訂財務報告概念框架外，董事預期應用所有其他新訂香港財務報告準則及其修訂不會於可見未來對綜合財務報表構成重大影響。

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

New and amendments to HKFRSs in issue but not yet effective (continued)

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂(續)

修訂香港會計準則第1號及香港會計準則第8號重大之定義

該等修訂透過對作出重大性判斷加入額外指引及闡釋，對重大之定義進行改進。具體修訂為：

- 加入效果與遺漏或錯誤陳述資料類似之「模糊」重大資料之概念；
- 將影響使用者之重大性門檻由「可能影響」改為「在合理情況下預期可影響」；及
- 在決定財務報表應披露哪些資料時以「主要使用者」一詞取代範圍太廣之「使用者」。

該等修訂亦統一香港財務報告準則通篇之有關定義，並於二零二零年一月一日開始之本集團年度期間強制生效。預期應用該等修訂不會對本集團之財務狀況及表現構成重大影響，但可能影響綜合財務報表之呈列及披露。

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

New and amendments to HKFRSs in issue but not yet effective (continued)

Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in HKFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for the Group’s annual period beginning on or after 1 January 2020. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂(續)

二零一八年財務報告概念框架(「新框架」)及修訂香港財務報告準則中對概念框架之提述

新框架：

- 重新引入管理及審慎等詞語；
- 引入以權利為重點之新資產定義及可能比其所取代之定義更廣泛之新負債定義，惟並無改變負債與股本工具兩者間之區別；
- 討論歷史成本及現值計量，並提供有關如何為特定資產或負債選擇計量基準之額外指引；
- 載列財務表現之主要計量為損益，並僅於特殊情況下才會使用其他全面收益，及僅用於資產或負債之現值變動所產生之收入或開支；及
- 討論不確定性、終止確認、會計單位、報告實體及合併財務報表。

已作出相應修訂致使若干香港財務報告準則中之提述更新為新框架，而若干香港財務報告準則仍參考舊版之框架。該等修訂本自二零二零年一月一日或之後開始之本集團年度期間生效。除仍參照舊版框架之特定準則外，本集團將於新框架之生效日期根據新框架釐定會計政策，尤其是會計準則未涉及之交易、事件或條件。

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

4. 主要會計政策

綜合財務報表已按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露資料。

誠如下文所載會計政策所闡釋，綜合財務報表乃根據歷史成本法編製，惟於各報告期末若干按公平價值計量之金融工具除外。

歷史成本一般根據交易貨物及服務時所付代價之公平價值計量。

公平價值是指市場參與者之間在計量日進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格是直接觀察到的結果還是採用其他估值技術作出的估計。在對資產或負債的公平價值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的那些特徵。在此等綜合財務報表中計量和／或披露的公平價值均在此基礎上予以確定，但香港財務報告準則第2號「以股份為基礎支付」範圍內的以股份為基礎支付之交易、根據香港財務報告準則第16號（自二零一九年一月一日起）或香港會計準則第17號「租賃」（於應用香港財務報告準則第16號之前）入賬之租賃交易、以及與公平價值類似但並非公平價值的計量（例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

4. 主要會計政策 (續)

就按公平價值交易之金融工具及於後續期間使用不可觀察輸入數據計量公平價值之估值技術而言，估值技術予以調整致令初始確認時估值技術結果等於交易價格。

此外，根據公平價值計量之輸入值的可觀察程度及其對整體公平價值計量之重要性分為第一、第二或第三層，以作財務報告之用，敘述如下：

- 第一層輸入值指實體能於計量日在活躍市場上得到相同資產或負債之標價(未予調整)；
- 第二層輸入值指除包含在第一層標價以外，可直接或間接觀察之資產或負債輸入值；及
- 第三層輸入值指資產或負債之不可觀察輸入值。

主要會計政策載列如下。

綜合賬目之基準

綜合財務報表包括本公司及本公司控制之實體及附屬公司之財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Basis of consolidation** (continued)

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

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

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

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

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

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

4. 主要會計政策 (續)**綜合賬目之基準** (續)

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

損益及各其他全面收益項目乃歸屬予本公司擁有人及非控股權益。附屬公司之全面收入總額乃歸屬予本公司擁有人及非控股權益，即使導致非控股權益結餘出現虧絀。

附屬公司之財務報表於有需要情況下作出調整，致使其會計政策與本集團之會計政策一致。

所有與本集團成員公司之間交易有關之集團內公司間資產與負債、權益、收入、開支及現金流量於綜合賬目時悉數對銷。

附屬公司之非控股權益與本集團權益分開呈列，於清盤後相當於其持有人有權按比例分佔相關附屬公司資產淨值之現存所有權權益。

本集團於現有附屬公司所佔權益之變動

本集團於附屬公司所佔權益之變動倘不致令本集團失去對該等附屬公司之控制權，有關變動入賬列作權益交易。本集團之相關權益組成部分及非控股權益之賬面值須予調整，以反映於附屬公司所佔相對權益之變動，包括根據本集團及非控股權益之權益比例重新歸屬本集團及非控股權益之有關儲備。

非控股權益之調整金額與已付或已收代價公平價值之間任何差額均直接於權益中確認，並歸屬於本公司擁有人。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Investments in associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

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

4. 主要會計政策(續)**於聯營公司之投資**

聯營公司指本集團可施加重大影響力之實體。重大影響力指參與投資對象之財務及營運決策之權力，而非控制或聯合控制有關政策之權力。

聯營公司之業績及資產與負債採用權益會計法列入此等綜合財務報表。編製作權益會計處理用途之聯營公司財務報表所採用會計政策與本集團於類似情況就類似交易及事項所採用者一致。根據權益法，於聯營公司之投資初始以成本在綜合財務狀況表內確認，並於其後調整以確認本集團分佔聯營公司損益及其他全面收益。除損益及其他全面收益外，不會入賬處理聯營公司資產淨值變動，除非有關變動會導致本集團所持擁有權益出現變動則作別論。倘本集團分佔聯營公司虧損超出本集團所佔該聯營公司權益(包括任何實質上構成本集團於該聯營公司之淨投資一部分之任何長期權益)，則本集團會終止確認其分佔之進一步虧損。本集團會確認額外虧損，惟僅以本集團代表該聯營公司所招致法定或推定責任或所作付款為限。

於聯營公司之投資乃自投資對象成為聯營公司當日起按權益法入賬。收購於聯營公司之投資時，投資成本超出本集團應佔投資對象可識別資產及負債之公平價值淨額之差額會確認為商譽，及計入投資之賬面值內。倘於重新評估後本集團應佔可識別資產及負債公平價值淨額超逾投資成本，則差額於投資被收購期間即時於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates (continued)

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

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

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

4. 主要會計政策(續)

於聯營公司之投資(續)

本集團評估有否客觀證據證明於聯營公司之權益可能出現減值。倘存在任何客觀證據，投資(包括商譽)全部賬面值作為單一資產根據香港會計準則第36號進行減值測試，方法為將其可收回金額(即使用價值與公平價值減出售成本兩者中之較高者)與其賬面值作比較。任何已確認減值虧損不分配至任何構成投資賬面值一部分的資產(包括商譽)。根據香港會計準則第36號，確認任何減值虧損撥回以投資其後增加之可收回金額為限。

倘集團旗下實體與本集團聯營公司交易，本集團之綜合財務報表確認與該聯營公司交易所產生之損益僅限於該聯營公司與本集團以外之權益。

商譽

收購業務產生之商譽以收購業務日期設立之成本減累計減值虧損(如有)列賬。

就減值測試而言，商譽乃被分配到預期將從合併之協同效應中受益之本集團各有關現金賺取單位(或現金賺取單位之組別)，此乃就內部管理目的監察商譽之最低層次，並不大於經營分部。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described above.

Revenue from contracts with customers

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

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

4. 主要會計政策(續)

商譽(續)

已獲分配商譽之現金賺取單位(或現金賺取單位之組別)每年或(更頻繁地)每當該單位有可能出現減值之跡象時進行減值測試。當可收回金額少於其賬面值時,減值虧損之分配次序為首先用以削減任何商譽之賬面值,然後根據單位(或現金賺取單位之組別)內每項資產之賬面值按比例分配至其他資產。

於出售相關現金賺取單位或一組現金賺取單位內任何現金賺取單位時,商譽應佔金額計入釐定出售損益之金額內。當本集團出售現金賺取單位(或一組現金賺取單位內現金賺取單位)內業務時,所出售商譽金額按所出售業務(或現金賺取單位)與所保留現金賺取單位(或一組現金賺取單位)部分之相對價值計量。

本集團就收購一間聯營公司所產生商譽採納之政策載於上文。

客戶合約收益

本集團於達成履約責任時(或就此)確認收益,即與特定履約責任相關之貨品或服務「控制權」轉移至客戶時。

履約責任指一項明確貨品或服務(或一批貨品或服務)或一系列大致相同之明確貨品或服務。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

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

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

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

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

Property, plant and equipment

Property, plant and equipment including leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below), are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

4. 主要會計政策(續)

客戶合約收益(續)

倘符合以下其中一項條件，則控制權為隨時間轉移，而收益則參考相關履約責任之完成進度隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供利益；
- 本集團履約創建及增強客戶於本集團履約時控制之資產；或
- 本集團履約未創建對本集團具有替代用途之資產，而本集團有強制執行權收取至今已履約部分之款項。

否則，收益於客戶獲得明確貨品或服務控制權時確認。

合約負債指本集團因已自客戶收取代價(或代價款項已到期)而須向客戶轉讓貨品或服務之責任。

物業、廠房及設備

物業、廠房及設備(包括持作生產或提供貨品或服務用途，或用作行政用途之租賃土地及樓宇，惟下文所述之在建工程除外)乃於綜合財務狀況表按成本減其後累計折舊及其後累計減值虧損(如有)入賬。

作生產、供應或行政用途之在建物業按成本減任何已確認減值虧損列賬。成本包括將資產送往所需地點及達致所需狀況以便按管理層心目中的形式運作所產生的任何直接應計成本及(就合資格資產而言)根據本集團會計政策資本化之借款成本。該等資產於可作擬定用途時開始計算折舊，所用基準與其他物業資產相同。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Property, plant and equipment** (continued)**Ownership interests in leasehold land and building**

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” (upon application of HKFRS 16) or “prepaid lease payments” (before application of HKFRS 16) in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the reducing balance/straight-line methods. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. 主要會計政策 (續)**物業、廠房及設備** (續)**於租賃土地及樓宇之擁有權權益**

當本集團就同時包括租賃土地及樓宇部分之物業之擁有權權益支付款項時，整筆代價根據租賃土地及樓宇部分於初始確認時之相對公平價值按比例分配至該兩部分。

在能夠可靠分配相關付款之情況下，於租賃土地之權益在綜合財務狀況表內呈列為「使用權資產」（於應用香港財務報告準則第16號時）或「預付租賃款項」（於應用香港財務報告準則第16號前）。當代價無法在非租賃樓宇部分與相關租賃土地之不可分割權益之間可靠分配時，整項物業分類為物業、廠房及設備。

資產（在建工程除外）採用餘額遞減／直線法，按其估計可使用年期確認折舊，以撇銷其成本減剩餘價值。估計可使用年期、剩餘價值及折舊方法於各報告期末予以檢討，任何估計變動之影響乃按預先計提之基準入賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。出售或棄用物業、廠房及設備項目產生之任何收益或虧損按該資產之出售所得款項與賬面值之差額計算，並於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Leases****Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 3)**

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

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

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 3)**Short-term leases**

The Group applies the short-term lease recognition exemption to leases of buildings that have a lease term of twelve months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

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

4. 主要會計政策 (續)**租賃****租賃之定義 (根據附註3之過渡規定應用香港財務報告準則第16號時)**

倘合約為換取代價而給予在一段時間內控制可識別資產的用途，則該合約屬於租賃或包含租賃。

就於初始應用日期或之後訂立或修改之合約而言，本集團根據香港財務報告準則第16號項下定義於開始時、修改日期或購入日期(倘適用)評估合約是否屬於或包含租賃。該合約將不會重新評估，除非合約的條款及條件其後變動。

本集團作為承租人 (根據附註3之過渡規定應用香港財務報告準則第16號時)**短期租賃**

本集團對於租期為自開始日期起計12個月或以下且不包含購買選擇權之樓宇租賃應用短期租賃確認豁免。短期租賃之租賃付款於租賃年內以直線法或另一個有系統之基準確認為開支。

使用權資產

使用權資產之成本包括：

- 租賃負債之初始計量金額；
- 在開始日期或之前支付的任何租賃付款，扣除任何已收租賃獎勵金額；
- 本集團招致之任何初始直接成本；及
- 本集團為拆卸及移除相關資產、復原相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態預計將招致之成本。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 3) (continued)

Right-of-use assets (continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

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

Lease liabilities

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

4. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(根據附註3之過渡規定應用香港財務報告準則第16號時)(續)

使用權資產 (續)

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。

使用權資產於其估計可使用年期與租賃年期兩者中之較短期間按直線法折舊。

本集團在綜合財務狀況表內將使用權資產呈列為單獨項目。

可退還租賃按金

已付可退還租賃按金根據香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)入賬，初始按公平價值計量。於初始確認時對公平價值作出之調整被視為額外租賃付款，並列入使用權資產之成本。

租賃負債

在租賃開始日期，本集團按該日尚未支付之租賃付款現值確認及計量租賃負債。在計算租賃付款之現值時，如無法輕易確定租賃內含之利率，本集團使用租賃開始日期之遞增借貸利率。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 3) (continued)

Lease liabilities (continued)

The lease payments include:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

4. 主要會計政策 (續)

租賃 (續)

本集團作為承租人(根據附註3之過渡規定應用香港財務報告準則第16號時)(續)

租賃負債 (續)

租賃付款包括：

- 固定付款(包括實質上固定的付款)，扣除任何應收租賃獎勵；
- 取決於指數或比率之可變租賃付款，初始使用於開始日期的指數或比率計量；
- 本集團在餘值擔保下之預計應付款項；
- 購買選擇權之行使價(倘可合理確定本集團將行使該項選擇權)；及
- 終止租賃之罰款(倘租賃期反映出本集團行使終止租賃之選擇權)。

於開始日期後，租賃負債按累計利息及租賃付款作出調整。

每當變更租賃年期時，本集團均重新計量租賃負債(並對相關使用權資產作出相應調整)，在此情況下相關租賃負債透過折算經修訂租賃付款(使用於重新計量當日之經修訂折算率)重新計量。

本集團在綜合財務狀況表內將租賃負債呈列為單獨項目。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Leases** (continued)**The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 3)** (continued)**Lease modifications**

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessee (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

4. 主要會計政策 (續)**租賃** (續)

本集團作為承租人(根據附註3之過渡規定應用香港財務報告準則第16號時)(續)

租賃修訂

如果同時符合以下條件，本集團將租賃修訂入賬列作一項單獨租賃：

- 該項修訂通過加入一項或多項相關資產之使用權而擴大租賃範圍；及
- 租賃代價增加之金額與租賃範圍擴大部份之單獨價格及就反映特定合約之情況而對該單獨價格作出之任何適當調整相稱。

就並非入賬列作單獨租賃之租賃修訂而言，本集團透過使用於修訂生效日期之經修訂折現率折現經修訂租賃付款而按經修訂租賃之年期重新計量租賃負債。

本集團透過對相關使用權資產作出相應調整將租賃負債之重新計量入賬。倘經修訂合約包含一項租賃組成部分及一項或以上額外租賃或非租賃組成部分，本集團將經修訂合約之代價根據租賃組成部分之相對單獨價格及非租賃組成部分之合計單獨價格分配至每個租賃組成部分。

本集團作為承租人(於二零一九年一月一日之前)

倘租賃條款將擁有權之絕大部分風險及回報轉歸承租人，則租賃分類為融資租賃。所有其他租賃分類為經營租賃。

經營租賃付款(包括購入根據經營租賃所持土地之成本)於租賃年期按直線基準確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 3)

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, (i) the assets and liabilities of the Group's foreign operations are translated into US\$; (ii) the assets and liabilities of the Group denominated or translated into US\$ are then translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the exchange reserve.

4. 主要會計政策(續)

租賃(續)

本集團作為出租人

租賃之分類及計量

本集團作為出租人之租賃分類為融資或經營租賃。當租賃條款轉讓其相關資產擁有權之絕大部分風險與回報予承租人時，合約分類為融資租賃。所有其他租賃則分類為經營租賃。

來自經營租賃之租金收入於相關租賃之年期內按直線基準於損益中確認。磋商及安排經營租賃引致之初始直接成本均加入租賃資產之賬面值，而有關成本於租賃年期內按直線基準確認為開支。

本集團作為出租人(根據附註3之過渡規定應用香港財務報告準則第16號時)

可退還租賃按金

已收可退還租賃按金根據香港財務報告準則第9號入賬，初始按公平價值計量。對初始確認時之公平價值所作調整被視為來自承租人之額外租賃付款。

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)所確認之交易乃按交易日期之現行匯率入賬。於報告期末，以外幣列值之貨幣項目乃按該日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目則不予重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額乃於產生期間在損益中確認。

就呈報綜合財務報表而言，(i)本集團海外業務之資產及負債按報告期末之現行匯率換算為美元；(ii)本集團以美元計值或換算為美元之資產及負債其後按報告期末之現行匯率換算為本集團之呈列貨幣(即港元)。收入及開支項目則按期內平均匯率換算。所產生外匯差額(如有)於其他全面收益確認，並於外匯儲備項下權益累計。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

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

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. 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 profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to the state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

4. 主要會計政策(續)

借款成本

收購、建設或生產合資格資產(須經長時間方可作擬定用途或出售之資產)直接應佔之借款成本計入該等資產之成本中，直至該等資產大致可作其擬定用途或出售為止。

於計算一般借款的資本化率時，倘在相關資產達到預定用途或出售后任何特定借款仍然存在，則計入一般借款組別。有待用於合資格資產的開支的特定借款暫時投資所賺取的投資收入自合資格作撥充資本的借款成本扣除。

所有其他借款成本於產生之期間於損益中確認。

政府津貼

當能夠合理保證本集團符合政府津貼附帶之條件，並且將會收取有關津貼時，方會確認政府津貼。

政府津貼乃於本集團將擬用作補貼相關成本之津貼確認為開支之期間內有系統地於損益確認。特別是以本集團須購買、建設或以其他方式收購非流動資產作為首要條件之政府津貼於綜合財務狀況表確認為遞延收入，並於有關資產之可使用年期按系統及合理基準轉撥至損益。

用作已產生開支或虧損的補償，或向本集團提供即時財務援助而可收取(並無日後相關成本)的政府津貼，乃於其成為可收取的期間於損益內確認。

退休福利成本

國家管理退休福利計劃及強制性公積金計劃之供款於僱員提供使其有權享有供款之服務時確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

4. 主要會計政策(續)

短期僱員福利

短期僱員福利按預期於僱員提供服務時支付之福利未折現金額確認。除非其他香港財務報告準則規定或允許於資產成本內納入福利，否則所有短期僱員福利確認為開支。

負債乃就工資、薪金及年假等應付僱員福利(經扣除任何已付金額)予以確認。

稅項

所得稅開支指本期應付稅項與遞延稅項之總和。

本期應付稅項乃按本年度應課稅溢利計算。應課稅溢利因其他年度之應課稅收入或可扣稅支出或毋須課稅或不可扣稅之項目而與稅前溢利不同。本集團之本期稅項負債乃採用於報告期末已制定或實質制定之稅率計算。

遞延稅項乃就綜合財務報表內資產與負債之賬面值與計算應課稅溢利所用之相應稅基間之暫時差額而確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產通常於可能出現可用於扣減暫時差額之應課稅溢利時就所有可扣減暫時差額確認。若暫時差額乃因初始確認一項既不影響應課稅溢利亦不影響會計溢利之交易中(業務合併除外)之資產及負債而產生，則不會確認該等遞延稅項資產及負債。此外，倘暫時差額乃因初始確認商譽而產生，則不會確認遞延稅項負債。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Taxation** (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

4. 主要會計政策 (續)**稅項** (續)

遞延稅項負債乃按因附屬公司之投資所產生之應課稅暫時差額進行確認，惟倘本集團可控制暫時差額撥回及暫時差額有可能不會於可見未來撥回之情況則除外。因該等投資所產生可扣減暫時差額而產生之遞延稅項資產，僅於可能出現足夠應課稅溢利以致暫時差額的利益被利用，而在可見未來將預期可被撥回時確認。

遞延稅項資產之賬面值於報告期末進行檢討，並於不再可能有足夠應課稅溢利用於收回全部或部分資產時作出調減。

遞延稅項資產及負債乃按預期於償還負債或變現資產期間適用之稅率，根據於報告期末已制定或實質制定之稅率(及稅法)計算。

遞延稅項負債及資產的計量，反映本集團於報告期末預期將要收回或償還其資產及負債賬面值之稅務後果。

就計量本集團確認使用權資產及相關租賃負債之租賃交易之遞延稅項而言，本集團首先釐定稅項扣減是歸屬於使用權資產抑或租賃負債。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Intangible assets

Intangible assets acquired separately

Intangible assets including acquired technical know-how with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4. 主要會計政策(續)

稅項(續)

就稅項扣減歸屬於租賃負債之租賃交易而言，本集團會對使用權資產及租賃負債分開應用香港會計準則第12號「所得稅」之規定。由於應用初始確認豁免，故初始確認有關使用權資產及租賃負債之暫時差異不予確認。其後因重新計量租賃負債及租賃修訂而調整使用權資產及租賃負債之賬面值所產生之暫時差異(不受初始確認豁免規限)於重新計量或修訂當日確認。

倘有合法可強制執行權利以即期稅項資產抵銷即期稅項負債，且兩者均涉及由相同徵稅機關向相同課稅實體徵收之所得稅，則遞延稅項資產與負債互相抵銷。

本期及遞延稅項於損益中確認，惟倘與在其他全面收益或直接於權益中確認之項目有關，則本期及遞延稅項亦會分別於其他全面收益或直接於權益確認。

無形資產

分開收購之無形資產

具有限使用年期之無形資產(包括所收購的專門知識技術)乃按成本減累計攤銷及任何累計減值虧損入賬。攤銷具有限使用年期之無形資產時，採用直線法按該等資產之估計可使用年期確認。估計可使用年期及攤銷方法於各報告期末予以檢討，任何估計變動之影響乃按預先計提之基準入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Internally — generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the followings have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for an internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

4. 主要會計政策(續)

無形資產(續)

內部形成無形資產 — 研發費用

研究活動費用於其產生期間確認為開支。

由發展活動(或由一項處於發展階段的內部項目)所產生的內部形成無形資產，只會在以下各項全部被證明的情況下方會予以確認：

- 具可行性技術以完成無形資產並使其將可供使用或出售；
- 有意完成及使用或出售無形資產；
- 具能力可使用或出售無形資產；
- 無形資產如何產生可能的未來經濟利益；
- 有足夠之技術、財務及其他資源可完成發展項目並使用或出售無形資產；及
- 有能力可靠地計量無形資產在其發展階段所應佔的費用。

就內部形成之無形資產初始確認的金額為該無形資產首次符合上述所列的確認準則當日起產生的支出總和。如無法確認任何內部形成之無形資產，則開發費用於產生期間於損益確認。

於初始確認後，內部形成之無形資產按成本減累計攤銷及累計減值虧損(如有)計量，所用基準與分開收購之無形資產相同。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

4. 主要會計政策 (續)

存貨

存貨乃以成本及可變現淨值兩者之較低值入賬。存貨成本以先入先出法計算。可變現淨值乃按存貨之估計售價減所有估計完成成本及在市場上銷售所需成本計算。

金融工具

金融資產及金融負債乃當集團實體成為工具合約其中一方時確認。所有以一般方式買賣之金融資產均按買賣日期基準確認及取消確認。一般方式買賣指資產須於市場規則或慣例所設定之時限內交付之金融資產買賣。

金融資產及金融負債初步按公平價值計量，惟產生自客戶合約之應收賬項根據香港財務報告準則第15號初步計量除外。收購或發行金融資產及金融負債(不包括於損益以公平價值列賬之金融資產)直接應佔之交易成本於初始確認時加入金融資產公平價值或從金融負債公平價值扣除(倘適用)。收購於損益以公平價值列賬之金融資產或金融負債直接應佔之交易成本即時於損益確認。

實際利率法為計算金融資產或金融負債之攤銷成本以及於相關期間分配利息收入及利息開支之方法。實際利率指將估計未來現金收入及付款(包括所有構成實際利率不可或缺部分之已付或已收費用及點數、交易成本及其他溢價或折讓)於金融資產或金融負債預期年期或(倘適用)較短期間準確折現至初始確認時賬面淨值之利率。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

4. 主要會計政策 (續)

金融工具 (續)

金融資產

金融資產之分類及後續計量

符合下列條件之金融資產其後按攤銷成本計量：

- 金融資產乃於目的為出售及收取合約現金流量之商業模式內持有；及
- 合約條款於特定日期產生僅為支付本金及未償還本金利息之現金流量。

所有其他金融資產其後按於損益以公平價值列賬計量：

- 金融資產乃於目的為同時出售及收取合約現金流量之商業模式內持有；及
- 合約條款於特定日期產生僅為支付本金及未償還本金利息之現金流量。

所有其他金融資產其後按於損益以公平價值列賬計量。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Financial assets** (continued)**Classification and subsequent measurement of financial assets**
(continued)(i) *Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and trade receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) *Trade receivables classified as at FVTOCI*

Subsequent changes in the carrying amounts for trade receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

4. 主要會計政策 (續)**金融工具** (續)**金融資產** (續)**金融資產之分類及後續計量** (續)(i) *攤銷成本及利息收入*

其後按攤銷成本計量之金融資產及其後按於其他全面收益以公平價值列賬計量之應收賬項乃使用實際利率法確認利息收入。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值之金融資產除外（見下文）。就其後出現信貸減值之金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘出現信貸減值之金融工具因信貸風險改善而不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

(ii) *分類為於其他全面收益以公平價值列賬之應收賬項*

由於按實際利率法計算之利息收入而分類為於其他全面收益以公平價值列賬之應收賬項之賬面值其後變動於損益確認。該等應收款項所有其他賬面值變動於其他全面收益確認，並於於其他全面收益以公平價值列賬儲備累計。減值撥備於損益確認，並在不減少該等應收款項賬面值之情況下對其他全面收益作出相應調整。當該等應收款項取消確認時，先前於其他全面收益確認之累計收益或虧損將重新分類至損益。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Financial assets** (continued)**Classification and subsequent measurement of financial assets**
(continued)(iii) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, trade receivables at FVTOCI, loan receivable, amount due from an associate, restricted bank deposits and bank balances) and financial guarantee contract which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balance and/or collectively using a provision matrix with appropriate groupings for the remaining trade receivables.

4. 主要會計政策 (續)**金融工具** (續)**金融資產** (續)**金融資產之分類及後續計量** (續)

(iii) 於損益以公平價值列賬之金融資產不符合按攤銷成本計量或按於其他全面收益以公平價值列賬計量或指定為於其他全面收益以公平價值列賬之金融資產按於損益以公平價值列賬計量。

於各報告期末，於損益以公平價值列賬之金融資產按公平價值計量，而任何公平價值收益或虧損則於損益確認。於損益確認之收益或虧損淨額不包括金融資產所賺取之任何股息，並計入「其他收益及虧損」項目內。

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值

本集團就根據香港財務報告準則第9號面臨減值之金融資產(包括應收賬項及其他應收款項、於其他全面收益以公平價值列賬之應收賬項、應收貸款、應收聯營公司款項、受限制銀行存款及銀行結存)及財務擔保合約按預期信用損失模式評估減值。預期信用損失金額於各報告日更新，以反映自初始確認以來之信貸風險變動。

全期預期信用損失指於相關工具預期年期內所有潛在違約事件所產生之預期信用損失。相反，12個月預期信用損失(「12個月預期信用損失」)指預期將於報告日後12個月內可能發生違約事件所產生之全期預期信用損失部分。評估乃根據本集團過往信用損失經驗(就債務人之特定因素作出調整)、整體經濟狀況以及評估於報告日之現時狀況及未來狀況預測而進行。

本集團一直就應收賬項確認全期預期信用損失。該等資產之預期信用損失就結餘重大之應收賬項進行個別評估及／或就其餘應收賬項採用具有適當分組之撥備矩陣進行集體評估。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Financial assets** (continued)**Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9** (continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

4. 主要會計政策 (續)**金融工具** (續)**金融資產** (續)**根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值** (續)

就所有其他工具而言，本集團計量相等於12個月預期信用損失之虧損撥備，除非信貸風險自初始確認以來顯著增加，則本集團確認全期預期信用損失。評估應否確認全期預期信用損失是基於自初始確認以來發生違約情況之可能性或風險有否顯著增加。

(i) 信貸風險顯著增加

評估信貸風險自初始確認以來有否顯著增加時，本集團比較於報告日金融工具發生違約之風險與於初始確認日期金融工具發生違約之風險。作出該評估時，本集團考慮合理可作為依據之定量及定性資料，包括毋須付出不必要成本或努力即可獲得之過往經驗及前瞻性資料。

具體而言，評估信貸風險有否顯著增加時考慮下列資料：

- 金融工具之外部(如有)或內部信貸評級實際或預期嚴重惡化；
- 信貸風險之外界市場指標嚴重惡化，例如信貸息差大幅增加及債務人信貸違約掉期價顯著上升；
- 業務、財務或經濟狀況之現存或預計不利變動預期會導致債務人履行其債務責任之能力大幅下降；

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Financial assets** (continued)**Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9** (continued)

(i) Significant increase in credit risk (continued)

- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

4. 主要會計政策 (續)**金融工具** (續)**金融資產** (續)**根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值** (續)

(i) 信貸風險顯著增加 (續)

- 債務人之經營業績實際或預期嚴重惡化；
- 債務人之監管、經濟或技術環境實際或預期出現重大不利變動而導致債務人履行其債務責任之能力大幅下降。

不論上述評估結果如何，本集團假設合約付款逾期超過30日即代表信貸風險自初始確認以來顯著增加，除非本集團有合理可作為依據之資料顯示並非如此則作別論。

儘管上文所述，本集團假設倘債務工具釐定為於報告日具有低信貸風險，則債務工具之信貸風險自初始確認以來並無顯著增加。倘屬以下情況，債務工具釐定為具有低信貸風險：i) 違約風險偏低；ii) 借款人於短期內具備雄厚實力履行其合約現金流量責任；及iii) 長期經濟及業務狀況之不利變動可能但不一定削弱借款人履行其合約現金流量責任之能力。倘債務工具按國際通用定義界定之內部或外部信貸評級為「投資級別」，則本集團認為其信貸風險偏低。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Financial assets** (continued)**Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9** (continued)(i) *Significant increase in credit risk* (continued)

For financial guarantee contract, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk for financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) *Definition of default*

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4. 主要會計政策 (續)**金融工具** (續)**金融資產** (續)**根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值** (續)(i) *信貸風險顯著增加* (續)

就財務擔保合約而言，本集團成為不可撤回承擔一方當日被視為就評估減值進行初始確認之日期。於評估財務擔保合約之信貸風險有否顯著增加時，本集團考慮特定債務人之違約風險變動。

本集團定期監察確定信貸風險有否顯著增加所用標準之成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

(ii) *違約之定義*

就內部信貸風險管理而言，當內部建立或自外部取得之資料顯示債務人不大可能向其債權人(包括本集團)支付全額款項(不計及本集團所持任何抵押品)時，則本集團認為發生違約事件。

倘不考慮上述各項，本集團認為金融資產逾期超過90日即表示違約，除非本集團有合理可作為依據之資料顯示更滯後違約標準較為合適則作別論。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Financial assets** (continued)**Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9** (continued)(iii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4. 主要會計政策 (續)**金融工具** (續)**金融資產** (續)**根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值** (續)(iii) *出現信貸減值之金融資產*

當一項或多項對金融資產估計未來現金流量具有不利影響之事件發生時，即表示該金融資產出現信貸減值。金融資產出現信貸減值之證據包括下列事件之可觀察數據：

- (a) 發行人或借款人遇到嚴重財政困難；
- (b) 違反合約，例如違約或發生逾期事件；
- (c) 借款人之貸方出於與借款人財政困難有關之經濟或合約考慮而給予借款人在任何其他情況下均不予作出之讓步；
- (d) 借款人有可能破產或進行其他財務重組；或
- (e) 因出現財政困難導致該金融資產失去活躍市場。

(iv) *撤銷政策*

本集團在有資料顯示對手方陷入嚴重財政困難且無實際收回可能(例如對手方被清盤或已進入破產程序)或(就應收賬項而言)款項逾期超過三年(以較早發生者為準)時撤銷金融資產。經考慮法律意見(如適當)後，已撤銷金融資產仍可根據本集團之收回程序實施強制執行。撤銷構成一項取消確認事件。其後收回任何款項將於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contract for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值(續)

(v) 預期信用損失之計量及確認

預期信用損失之計量為違約概率、違約損失率(即違約時損失程度)及違約風險之函數。違約概率及違約損失率乃基於根據前瞻性資料調整之過往數據評估。預期信用損失之估計反映無偏概加權平均金額，以發生違約風險為權重確定。

預期信用損失通常為根據合約應付本集團之所有合約現金流量與本集團預計收取之現金流量(按初始確認時釐定之實際利率折現)之間差額。

就財務擔保合約而言，本集團僅須在債務人違反保證文書條款情況下作出付款。因此，預期虧損為償還持有人所產生信用損失之預期付款現值減去本集團預期從持有人、債務人或任何其他方收取之任何金額。

就財務擔保合約之預期信用損失而言，倘實際利率無法釐定，本集團將採用可反映當前市場對貨幣時間價值之評估及現金流量特定風險之折現率，惟僅當及僅限於調整折現率時方考慮該等風險，而非調整現金差額進行折現。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, restricted bank deposits and bank balances are each assessed as a separate group. Loan receivable and amount due from an associate is assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contract, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值(續)

(v) 預期信用損失之計量及確認(續)

倘預期信用損失按整體基準計量或針對個別工具級別可能尚未獲取證據之情況，金融工具乃按以下基準分類：

- 金融工具之性質(即本集團之應收賬項及其他應收款項、受限制銀行存款以及銀行結存各自按單獨組別評估。應收貸款及應收聯營公司款項按個別基準評估預期信用損失)；
- 逾期狀況；
- 債務人之性質、規模及行業；及
- 外部信貸評級(如有)。

管理層定期審閱分組，以確保各組別組成部分繼續維持類似信貸風險特徵。

利息收入乃根據金融資產之賬面總值計算，除非金融資產出現信貸減值，在此情況下，利息收入根據金融資產之攤銷成本計算。

財務擔保合約之虧損撥備按照香港財務報告準則第9號所釐定虧損撥備金額與在適當情況下以初始確認金額減去擔保期內確認累計收入金額兩者中之較高者確認。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)****Financial assets (continued)****Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)***(v) Measurement and recognition of ECL (continued)*

Except for trade receivables that are measured at FVTOCI and financial guarantee contract, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and loan receivable where the corresponding adjustment is recognised through a loss allowance account. For trade receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfer the financial asset and substantially all the risk and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of trade receivables classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

4. 主要會計政策 (續)**金融工具 (續)****金融資產 (續)****根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值 (續)***(v) 預期信用損失之計量及確認 (續)*

除按於其他全面收益以公平價值列賬計量之應收賬項及財務擔保合約外，本集團通過調整賬面值於損益確認所有金融工具之減值收益或虧損，惟相應調整通過虧損撥備賬確認之應收賬項及其他應收款項及應收貸款除外。至於按於其他全面收益以公平價值列賬計量之應收賬項，虧損撥備乃於其他全面收益確認，並於於其他全面收益以公平價值列賬儲備累計，而不會減少該等應收款項之賬面值。有關金額為涉及累計虧損撥備之於其他全面收益以公平價值列賬儲備之變動。

取消確認金融資產

僅當自資產收取現金流量之合約權利屆滿時，或本集團將金融資產及資產擁有權絕大部分風險及回報轉讓予另一實體時，本集團方會取消確認金融資產。

於取消確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收總代價之間差額於損益確認。

於取消確認分類為於其他全面收益以公平價值列賬之應收賬項時，先前於於其他全面收益以公平價值列賬儲備累計之累計收益或虧損重新分類至損益。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, bank and other borrowings, amount due to an associate and bonds payable) are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are initially measured at their fair values. It is subsequently measured at the higher of:

- (i) the amount of the loss allowance determined in accordance with HKFRS 9; and
- (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

4. 主要會計政策 (續)

金融工具 (續)

金融負債及權益

分類為債務或權益

債務及權益工具乃根據合同安排之性質以及金融負債及權益工具之定義分類為金融負債或權益。

權益工具

權益工具乃證明實體於扣減所有負債後之資產中擁有剩餘權益之任何合同。本公司發行之權益工具於扣除直接發行成本後按已收所得款項記賬。

按攤銷成本列賬之金融負債

金融負債(包括應付賬項及其他應付款項、銀行及其他借款、結欠聯營公司款項以及應付債券)其後以實際利率法按攤銷成本計量。

財務擔保合約

財務擔保合約乃規定發行人須作出特定付款以補償持有人因特定債務人未能根據債務工具條款支付到期款項而產生之虧損之合約。財務擔保合約負債初步按其公平價值計量，其後按以下各項之較高者計量：

- (i) 根據香港財務報告準則第9號釐定之虧損撥備金額；及
- (ii) 初始確認之金額減(倘適用)於擔保期內確認之累計攤銷。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Financial liabilities and equity** (continued)**Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

4. 主要會計政策 (續)**金融工具** (續)**金融負債及權益** (續)**取消確認金融負債**

本集團僅在本集團之責任獲解除、取消或屆滿時，方會取消確認金融負債。被取消確認之金融負債賬面值與已付及應付代價兩者間之差額於損益確認。

衍生金融工具

衍生工具於訂立衍生工具合約當日初步按公平價值確認，其後於報告期末按公平價值重新計量，計算所得之盈虧於損益確認。

物業、廠房及設備、使用權資產及無形資產(商譽除外)之減值虧損(見上文有關商譽之會計政策)

於報告期末，本集團檢討其具有限使用年期之物業、廠房及設備、使用權資產及無形資產之賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則須估計有關資產之可收回金額，以釐定減值虧損之程度(如有)。

物業、廠房及設備、使用權資產及無形資產之可收回金額予以個別估計，倘無法個別估計可收回金額，本集團則估算該資產所屬現金賺取單位之可收回金額。

此外，本集團評估是否有跡象顯示公司資產可能出現減值。倘存在此跡象，當能夠識別出一個合理而一致之分配基準時，公司資產亦分配至個別現金賺取單位，否則分配至能夠為其識別出一個合理而一致之分配基準之規模最小之現金賺取單位組別。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Impairment losses on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (continued)**

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units or the group of cash-generating unit. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. 主要會計政策(續)**物業、廠房及設備、使用權資產及無形資產(商譽除外)之減值虧損(見上文有關商譽之會計政策)(續)**

可收回金額乃公平價值減出售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量使用稅前折現率折現至其現值，該折現率反映貨幣時間價值之當前市場估計及未調整估計未來現金流量之資產(或現金賺取單位)特定風險。

倘估計資產(或現金賺取單位)之可收回金額低於其賬面值，資產(或現金賺取單位)之賬面值將被削減至其可收回金額。就無法按合理而一致之分配基準分配至現金賺取單位之公司資產或部分公司資產而言，本集團將一組現金賺取單位之賬面值(包括已分配至該組現金賺取單位之公司資產或部分公司資產之賬面值)與該組現金賺取單位或該現金賺取單位之可收回金額作比較。在分配減值虧損時，減值虧損之分配次序為首先用以削減任何商譽之賬面值(倘適用)，然後根據該單位或該組現金賺取單位內每項資產之賬面值按比例分配至其他資產。一項資產之賬面值不予削減至低於下列各項中之最高值：公平價值減出售成本(倘可計量)、其使用價值(倘可確定)及零。原應分配至該項資產之減值虧損金額按比例分配至該單位或該組現金賺取單位內之其他資產。減值虧損即時於損益確認。

倘減值虧損其後撥回，有關資產(或現金賺取單位或一組現金賺取單位)之賬面值將增加至其可收回金額之經修訂估計值，惟所增加之賬面值不得超過該項資產(或現金賺取單位或一組現金賺取單位)於過往年度並無確認減值虧損時所釐定之賬面值。減值虧損撥回即時於損益確認。

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying accounting policies

The following is the critical judgement, apart from those involving estimation (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of Truly (Hui Zhou) Smart Display Limited ("Truly HZ") as an associate

Note 21 describes that Truly HZ is an associate of the Group although the Group has 59.7% ownership interest and voting rights in Truly HZ. Other than the Group, there are two other shareholders in Truly HZ. The Directors assessed whether or not the Group has control over Truly HZ based on whether the Group has the practical ability to direct the relevant activities of Truly HZ unilaterally. Resolutions for relevant activities of Truly HZ require approval in shareholders' meetings as stated in the Articles of Association of Truly HZ. In making their judgement, the Directors considered the requirements for shareholders' meeting as stated in the Articles of Association of Truly HZ, in which it states a shareholders' meeting cannot be held without the presence of either one of the other two shareholders. On this basis, the Directors concluded that the Group does not have control but significant influence over Truly HZ because any resolutions to be passed in shareholders' meetings shall have the consent from either one of the other shareholders demonstrated by their action of being present in the meetings. Accordingly, Truly HZ is classified as an associate of the Group.

5. 關鍵會計判斷及估計不確定性的主要來源

於應用本集團的會計政策(於附註4載述)時,董事須就從其他來源不顯而易見的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及認為屬有關的其他因素為基礎。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘若會計估計修訂只影響該期間,則有關修訂會在修訂估計期間確認。倘若有關修訂既影響本期,亦影響未來期間,則有關修訂會在修訂期間及未來期間確認。

應用會計政策之關鍵判斷

除涉及估計之判斷(見下文)以外,以下為董事於應用本集團會計政策過程中所作對綜合財務報表中確認之金額產生最重大影響之關鍵判斷。

將信利(惠州)智能顯示有限公司(「信利惠州」)分類為聯營公司

誠如附註21所述,儘管本集團擁有信利惠州59.7%擁有權權益及投票權,惟信利惠州為本集團的聯營公司。除本集團外,信利惠州另有兩名股東。董事評估本集團是否對信利惠州擁有控制權時,乃基於本集團是否有實際能力單方面管理信利惠州的相關業務。信利惠州的組織章程細則訂明,信利惠州相關業務的決議案須於股東大會上批准。於作出判斷時,董事考慮信利惠州組織章程細則訂明有關股東大會的要求,其規定不得在其餘兩名股東其中一名缺席的情況下舉行股東大會。據此,董事認為本集團對信利惠州並無控制權但有重大影響力,因任何於股東大會上通過的決議案須經其餘股東其中一名藉出席會議來表示同意。因此,信利惠州分類為本集團聯營公司。

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5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

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

Provision of ECL for trade receivables

Credit-impaired trade receivables are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the not credit-impaired trade receivables which have similar credit risk characteristics. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivables and the ECL are disclosed in notes 25 and 38(b).

5. 關鍵會計判斷及估計不確定性的主要來源 (續)

估計不確定性的主要來源

以下為於報告期末極可能導致資產及負債之賬面值於下個財政年度內作出重大調整之未來相關主要假設及估計不明朗因素之其他主要來源。

應收賬項之預期信用損失撥備

出現信貸減值之應收賬項乃個別評估預期信用損失。此外，本集團使用撥備矩陣計算信用風險特徵相若而並無出現信貸減值之應收賬項之預期信用損失。撥備率按具有類似虧損型態之不同債務人組別之內部信貸評級計算。撥備矩陣以本集團歷史違約率為基準，當中計及毋須付出不必要成本或努力即可獲得合理可作為依據之前瞻性資料。於各報告日重新評估歷史觀察所得違約率，並考慮前瞻性資料之變動。

預期信用損失撥備極受估計變動影響。有關本集團應收賬項及預期信用損失之資料於附註25及38(b)披露。

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6. REVENUE

Disaggregation of revenue from contract with customers by types of products is analysed as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Sales of LCD products	銷售液晶體顯示器產品	14,581,528	12,070,050
Sales of electronic consumer products	銷售電子消費產品	7,950,971	7,692,392
		22,532,499	19,762,442

The Group is principally engaged in the manufacture and distribution of LCD products and electronic consumer products. The Group recognises the revenue at a point in time when the control of products is transferred to the customer, i.e. when the goods have been delivered to customer's specific location. A receivable is recognised by the Group when the goods are delivered to the customer's premises as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The customers have neither rights of return nor rights to defer or avoid payment for the goods once they are accepted by the customers. The normal credit period is 30 to 90 days upon delivery.

During the year ended 31 December 2019 and 2018, all performance obligations for sales of LCD products and electronic consumer products are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied performance obligations as at 31 December 2019 and 31 December 2018 are not disclosed.

6. 收益

按產品類別劃分之客戶合約收益分析如下：

本集團之主要業務為製造及分銷液晶體顯示器產品及電子消費產品。本集團於產品控制權轉移至客戶（即貨品已交付予客戶的指定地點）時確認收益。本集團於貨品交付至客戶處所時確認應收款項，此乃收取代價權利成為無條件之時間點，原因為有關款項只須經過一段時間即可收取。客戶一經接收貨物，即無權退貨亦無權推遲或逃避支付貨品款項。正常信貸期為交付後30至90日。

截至二零一九年及二零一八年十二月三十一日止年度，銷售液晶體顯示器產品及電子消費產品之履約責任均為期一年或以下。根據香港財務報告準則第15號之規定，毋須披露截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度分配至未履行履約責任之交易價格。

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7. SEGMENT INFORMATION

Information reported to the Company's executive directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of performance focuses on the sales of different types of products. Inter-segment sales are charged at prevailing market rates. Thus the Group is currently organised into two operating segments which are sales of LCD products and electronic consumer products. The information for each operating segment is as follows:

LCD products	—	manufacture and distribution of LCD products and touch panel products
Electronic consumer products	—	manufacture and distribution of electronic consumer products such as compact camera module, fingerprint identification modules, personal health care products and electrical devices

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2019

		LCD products 液晶體顯示器產品 HK\$'000 千港元	Electronic consumer products 電子消費產品 HK\$'000 千港元	Segment total 分類總額 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	外銷	14,581,528	7,950,971	22,532,499	—	22,532,499
Inter-segment sales	分類間銷售	—	238,247	238,247	(238,247)	—
		14,581,528	8,189,218	22,770,746	(238,247)	22,532,499
RESULT	業績					
Segment result	分類業績	878,094	338,395	1,216,489	(11,162)	1,205,327
Finance costs	財務費用					(419,129)
Share of results of associates	分佔聯營公司業績					(23,968)
Unallocated expenses	未分配開支					(17,782)
Unallocated other losses	未分配其他虧損					(7,591)
Profit before tax	稅前溢利					736,857

7. 分類資料

向本公司執行董事(即主要營運決策者)報告以分配資源及評估表現的報告資料集中於不同類別產品的銷售。分類間銷售乃按現行市價支銷。因此,本集團目前分為兩個經營分類,即銷售液晶體顯示器產品及電子消費產品。各經營分類的資料如下:

液晶體顯示器產品	—	製造及分銷液晶體顯示器產品及觸控屏產品
電子消費產品	—	製造及分銷電子消費產品(例如微型相機模組、指紋識別模組、個人保健產品及電子設備)

分類收益及業績

本集團按經營及報告分類劃分的收益及業績分析如下:

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7. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

For the year ended 31 December 2018

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Segment total 分類總額 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	外銷	12,070,050	7,692,392	19,762,442	-	19,762,442
Inter-segment sales	分類間銷售	-	239,302	239,302	(239,302)	-
		12,070,050	7,931,694	20,001,744	(239,302)	19,762,442
RESULT	業績					
Segment result	分類業績	686,423	377,164	1,063,587	(14,738)	1,048,849
Finance costs	財務費用					(353,679)
Share of results of associates	分佔聯營公司業績					(444,172)
Unallocated expenses	未分配開支					(18,984)
Unallocated other gains	未分配其他收益					21,305
Profit before tax	稅前溢利					253,319

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of central administration cost including directors' salaries, finance costs, share of results of associates, (loss) gain on fair value changes of derivative financial instruments and (loss) gain from changes in fair value of financial assets at FVTPL. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

7. 分類資料(續)

分類收益及業績(續)

截至二零一八年十二月三十一日止年度

經營分類之會計政策與附註4所述之本集團會計政策相同。分類溢利指未分配中央行政管理成本，包括董事薪金、財務費用、分佔聯營公司業績衍生金融工具公平價值變動(虧損)收益及於損益以公平價值列賬之金融資產公平價值變動(虧損)收益之各分類所賺取溢利。此為向主要營運決策者報告以分配資源及評估表現之計算方法。

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7. SEGMENT INFORMATION (continued)

Other information

For the year ended 31 December 2019

	LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Amounts included in the measure of segment profits:			
Allowance for inventories, net (included in cost of sales)	130,377	19,267	149,644
Depreciation (including amounts capitalised in inventories)	1,055,252	60,341	1,115,593
Depreciation of right-of-use assets	13,245	3,525	16,770
Loss on disposal/write off of property, plant and equipment	9,169	1,280	10,449
Impairment losses under expected credit loss model, net of reversal	21,468	927	22,395

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

	LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Amounts included in the measure of segment profits:			
Allowance for inventories, net (included in cost of sales)	7,871	8,214	16,085
Depreciation (including amounts capitalised in inventories)	876,659	274,973	1,151,632
Loss on disposal/write off of property, plant and equipment	18,178	2,487	20,665
Impairment losses under expected credit loss model, net of reversal	(10,793)	720	(10,073)

Segment assets and liabilities are not disclosed as they are not regularly reviewed by chief operating decision maker.

由於分類資產及負債並非由主要營運決策者定期審閱，故並無披露該等資產及負債。

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7. SEGMENT INFORMATION (continued)

Geographical information

The following table sets out information about (i) the Group's revenue from external customers by location of customers and (ii) the Group's non-current assets by location of assets.

		Revenue from external customers		Non-current assets	
		外部客戶收益		非流動資產	
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
The PRC	中國	15,631,008	14,731,111	13,801,607	13,959,915
South Korea	南韓	2,544,518	1,274,048	–	–
Hong Kong (place of domicile)	香港 (本籍地)	576,667	655,161	96,190	94,314
Japan	日本	484,406	466,045	–	–
Europe	歐洲	1,272,751	1,352,908	–	–
Others	其他	2,023,149	1,283,169	–	–
		22,532,499	19,762,442	13,897,797	14,054,229

Notes:

- (i) Regarding revenue arising from sales to external customers in Europe and others, no individual countries are material and hence separate disclosure is not required.
- (ii) Non-current assets exclude financial assets at FVTPL and deferred tax assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Customer A ¹	客戶甲 ¹	3,594,108	4,565,832
Customer B ¹	客戶乙 ¹	3,413,367	3,255,104

¹ Revenue from LCD products and electronic consumer products

7. 分類資料(續)

地區資料

下表載列(i)本集團按客戶所在地區分類的外部客戶收益及(ii)本集團按資產所在地區分類的非流動資產的資料。

附註：

- (i) 就來自歐洲及其他地區外部客戶的銷售收益而言，概無個別國家佔有重大份額，故並無呈列獨立披露資料。
- (ii) 非流動資產不包括於損益以公平價值列賬之金融資產及遞延稅項資產。

主要客戶資料

於相應年度對本集團總銷售額貢獻超過10%之客戶收益如下：

¹ 來自液晶顯示器產品及電子消費產品之收益

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8. OTHER INCOME

8. 其他收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other income includes:	其他收入包括：		
Government grants (see note 42)	政府津貼(見附註42)	75,670	28,767
Compensation income	賠償收入	4,846	11,372
Interest income	利息收入	6,910	16,842
Interest income from an associate	來自聯營公司之利息收入	39,621	32,395
Rental income	租金收入	9,150	11,543
Dividend income from financial assets at FVTPL	於損益以公平價值列賬之金融資產之股息收入	1,563	–
Consultation income from an associate	來自聯營公司之諮詢收入	4,996	–
Sundry income	雜項收入	3,110	2,083
		145,866	103,002

9. OTHER GAINS AND LOSSES

9. 其他損益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss on disposal/write-off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	10,449	20,665
Loss (gain) from changes in fair value of financial assets at FVTPL	於損益以公平價值列賬之金融資產公平價值變動虧損(收益)	4,767	(4,142)
Loss (gain) on fair value changes of derivative financial instruments, net	衍生金融工具公平價值變動虧損(收益)淨額	2,824	(17,163)
Net foreign exchange loss	外匯虧損淨額	2,125	112,085
Recovery of other receivables written off in previous years	收回於過往年度撇銷之其他應收款項	–	(2,851)
		20,165	108,594

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10. FINANCE COSTS

10. 財務費用

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on bank and other borrowings	銀行及其他借款之利息	356,703	300,542
Interest on bonds payable	應付債券之利息	38,855	53,137
Interest on loans from an associate	聯營公司貸款之利息	23,311	–
Interest on lease liabilities	租賃負債之利息	260	–
		419,129	353,679

11. INCOME TAX EXPENSE

11. 所得稅開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax:	本期稅項：		
PRC Enterprise Income Tax	中國企業所得稅	81,114	114,547
Other jurisdictions	其他司法權區	419	400
		81,533	114,947
Withholding tax	預扣稅	11,450	14,455
		92,983	129,402
Under(over)provision in prior years:	過往年度撥備不足(超額撥備)：		
Hong Kong	香港	–	(101)
The PRC	中國	7,286	(6,115)
		7,286	(6,216)
Deferred tax (see note 35)	遞延稅項(見附註35)	28,424	(18,080)
Income tax expense for the year	本年度所得稅開支	128,693	105,106

11. INCOME TAX EXPENSE (continued)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The Directors consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Income tax arising in the PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the relevant law and regulations in the PRC, PRC subsidiaries qualified as Hi-Tech Enterprise are entitled to 15% PRC enterprise income tax. The tax rate of the other PRC subsidiaries is 25%.

Pursuant to the PRC Enterprise Income Tax Law (the "EIT Law of PRC") and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holding companies incorporated in Hong Kong is subject to the PRC withholding tax at the applicable tax rates of 5% to 10%.

11. 所得稅開支 (續)

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，引入兩級制利得稅率制度。條例草案於二零一八年三月二十八日簽署成為法律並於翌日刊登憲報。根據兩級制利得稅率制度，合資格集團實體首2百萬港元溢利將按8.25%之稅率徵稅，而超過2百萬港元之溢利則按16.5%之稅率徵稅。不符合兩級制利得稅率制度資格之集團實體之溢利將繼續按16.5%之劃一稅率徵稅。董事認為，實施兩級制利得稅率制度所牽涉金額對綜合財務報表而言並不重大。香港利得稅乃就兩個年度內估計應課稅溢利按稅率16.5%計算。

於中國及其他司法權區產生之所得稅按相關司法權區之現行稅率計算。

根據中國相關法律及法規，符合高新技術企業資格之中國附屬公司所享有中國企業所得稅率為15%。其他中國附屬公司之稅率為25%。

根據中國企業所得稅法(「中國企業所得稅法」)及實施條例細則，自二零零八年一月一日起，就向於香港註冊成立之控股公司分派中國附屬公司賺取之溢利須按5%至10%之適用稅率繳納中國預扣稅。

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11. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before tax	稅前溢利	736,857	253,319
Add: share of results of associates	加：分佔聯營公司業績	23,968	444,172
		760,825	697,491
Tax at the average income tax rate of 15.35% (2018: 14.52%) (Note i)	按平均所得稅率 15.35% (二零一八年：14.52%) 課稅 (附註 i)	116,822	101,276
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	48,220	48,053
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(24,953)	(14,701)
Under(over)provision in respect of prior years	過往年度撥備不足(超額撥備)	7,286	(6,216)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	218	834
Utilisation of tax losses not recognised	動用未確認稅務虧損	(3,953)	(26,929)
Withholding tax on undistributed earnings of PRC subsidiaries	中國附屬公司未分派盈利之預扣稅	11,850	10,239
Withholding tax on interest income	利息收入之預扣稅	9,365	14,455
Underprovision of withholding tax in respect of PRC subsidiaries on distributed earnings in prior years	中國附屬公司過往年度已分派盈利之預扣稅撥備不足	2,085	—
Tax relief related to additional tax deduction on research expenses incurred (Note ii)	涉及就所產生研究開支給予額外扣稅之稅務寬減(附註 ii)	(39,084)	(19,017)
Others	其他	837	(2,888)
Income tax expense for the year	本年度所得稅開支	128,693	105,106

Notes:

- (i) The average income tax rate for the year ended 31 December 2019 and 2018 represents the weighted average tax rate of the operations in different jurisdictions on the basis of the relevant amounts of profit before tax and the tax rate of the relevant entities for the year.
- (ii) Pursuant to relevant law and regulations, the PRC subsidiaries are entitled to additional tax deduction on qualifying research and development costs expenditures for the year ended 31 December 2019 and 2018.

附註：

- (i) 截至二零一九年及二零一八年十二月三十一日止年度之平均所得稅率指根據稅前溢利相關款額及年內相關實體之稅率計算之不同司法權區業務之加權平均稅率。
- (ii) 根據相關法律及法規，截至二零一九年及二零一八年十二月三十一日止年度，中國附屬公司有權就合資格研發成本開支享有額外稅務扣減。

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12. PROFIT FOR THE YEAR

12. 本年度溢利

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the year has been arrived at after charging:	本年度溢利乃於扣除以下各項後達致：		
Auditor's remuneration	核數師酬金	4,000	3,200
Cost of inventories recognised as expenses	確認為開支之存貨成本	19,748,404	17,194,741
Allowance for inventories, net (included in cost of sales)	存貨撥備淨額(列入銷售成本)	149,644	16,085
Research expenses (included in cost of sales)	研究開支(列入銷售成本)	809,040	666,063
Depreciation of property, plant and equipment (including amounts capitalised in inventories)	物業、廠房及設備折舊 (包括於存貨資本化之金額)	1,115,593	1,151,632
Depreciation of right-of-use assets	使用權資產折舊	16,770	-
Expenses related to short-term leases	涉及短期租賃之開支	12,621	-
Operating lease rental in respect of rented premises	租賃物業之經營租約租金	-	13,299
Release of prepaid lease payments	解除預付租賃款項	-	6,534
Staff costs, inclusive of directors' remuneration (note 13):	員工成本， 包括董事酬金(附註13)：		
Salaries and other benefits	薪金及其他福利	1,479,348	1,704,709
Contributions to retirement benefit scheme	退休福利計劃供款	112,319	135,441
		1,591,667	1,840,150
Impairment losses under expected credit loss model, net of reversal	預期信用損失模式項下減值虧損， 扣除撥回		
Trade receivables	應收賬項	33,159	1,807
Loan receivable	應收貸款	(10,764)	(11,880)
		22,395	(10,073)

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13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

2019

(a) EXECUTIVE DIRECTORS

		Lam Wai Wah	Wong Pong Chun, James	Ma Wai Tong	Song Bei Bei	Dai Cheng Yun	Cheung Wing Cheung	Total
		林偉華	黃邦俊	馬煒堂	宋貝貝	戴成雲	張榮祥	總額
		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
Fees	袍金	-	-	-	-	-	-	-
Other emoluments:	其他酬金：							
Salaries and other benefits	薪金及其他福利	3,999	1,919	1,803	1,066	737	1,053	10,577
Performance related incentive payments (note)	與表現掛鈎之獎金 (附註)	243	312	290	-	-	85	930
Contributions to retirement benefit scheme	退休福利計劃供款	-	36	18	12	12	18	96
Sub-total	小計	4,242	2,267	2,111	1,078	749	1,156	11,603

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

13. 董事及行政總裁酬金

根據適用上市規則及公司條例披露年內董事及行政總裁之酬金如下：

二零一九年

(a) 執行董事

上述所示執行董事之酬金主要為彼等就管理本公司及本集團事務時提供服務之酬金。

(b) INDEPENDENT NON-EXECUTIVE DIRECTORS

		Chung Kam Kwong	Ip Cho Ting, Spencer	Heung Kai Sing	Total
		鍾錦光	葉祖亭	香啟誠	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Fees	袍金	264	132	132	528
Other emoluments:	其他酬金：				
Salaries and other benefits	薪金及其他福利	-	-	-	-
Performance related incentive payments	與表現掛鈎之獎金	-	-	-	-
Contributions to retirement benefit scheme	退休福利計劃供款	-	-	-	-
Sub-total	小計	264	132	132	528

(b) 獨立非執行董事

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13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

2019 (continued)

(b) INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

The independent non-executive directors' emoluments shown above were mainly for their services as Directors.

13. 董事及行政總裁酬金(續)

二零一九年(續)

(b) 獨立非執行董事(續)

上述所示獨立非執行董事之酬金主要為彼等就擔任董事時提供服務之酬金。

	HK\$'000 千港元
Total for all directors in 2019	二零一九年全體董事總計
	12,131

2018

(a) EXECUTIVE DIRECTORS

二零一八年

(a) 執行董事

		Wong Lam Pong Chun, Wai Wah James 林偉華 黃邦俊 HK\$'000 千港元	Cheung Tat Sang 張達生 HK\$'000 千港元 (Note i) (附註 i)	Ma Wai Tong 馬煒堂 HK\$'000 千港元 (Note ii) (附註 ii)	Song Bei Bei 宋貝貝 HK\$'000 千港元 (Note ii) (附註 ii)	Dai Cheng Yun 戴成雲 HK\$'000 千港元 (Note ii) (附註 ii)	Cheung Wing Cheung 張榮祥 HK\$'000 千港元 (Note ii) (附註 ii)	Total 總額 HK\$'000 千港元
Fees	袍金	-	-	-	-	-	-	-
Other emoluments:	其他酬金：							
Salaries and other benefits	薪金及其他福利	3,995	1,914	2,159	256	148	106	141
Performance related incentive payments (note)	與表現掛鈎之獎金(附註)	1,780	156	175	21	-	-	24
Contributions to retirement benefit scheme	退休福利計劃供款	6	36	31	3	2	1	3
Sub-total	小計	5,781	2,106	2,365	280	150	107	168
								10,957

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

上述所示執行董事之酬金主要為彼等就管理本公司及本集團事務時提供服務之酬金。

Notes:

附註：

- (i) Mr. Cheung Tat Sang resigned as an executive director of the Company on 8 November 2018.
- (ii) Mr. Ma Wai Tong, Mr. Song Bei Bei, Mr. Dai Cheng Yun and Mr. Cheung Wing Cheung were appointed as executive directors of the Company on 8 November 2018.

- (i) 張達生先生於二零一八年十一月八日辭任本公司執行董事。
- (ii) 馬煒堂先生、宋貝貝先生、戴成雲先生及張榮祥先生於二零一八年十一月八日獲委任為本公司執行董事。

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13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

2018 (continued)

(b) NON-EXECUTIVE DIRECTOR

		Li Jian Hua 李建華 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Fees	袍金	–	–
Other emoluments:	其他酬金：		
Salaries and other benefits	薪金及其他福利	1,930	1,930
Performance related incentive payments (note)	與表現掛鈎之獎金(附註)	–	–
Contributions to retirement benefit scheme	退休福利計劃供款	8	8
Sub-total	小計	1,938	1,938

The non-executive director's emolument shown above was mainly for his service as Director of the Company or its subsidiary. Mr. Li Jian Hua resigned as a non-executive director of the Company on 8 November 2018.

上述所示非執行董事之酬金主要為彼就擔任本公司或其附屬公司董事時提供服務之酬金。李建華先生於二零一八年十一月八日辭任本公司非執行董事。

(c) INDEPENDENT NON-EXECUTIVE DIRECTORS

		Chung Kam Kwong 鍾錦光 HK\$'000 千港元	Ip Cho Ting, Spencer 葉祖亭 HK\$'000 千港元	Heung Kai Sing 香啟誠 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Fees	袍金	264	132	132	528
Other emoluments:	其他酬金：				
Salaries and other benefits	薪金及其他福利	–	–	–	–
Performance related incentive payments	與表現掛鈎之獎金	–	–	–	–
Contributions to retirement benefit scheme	退休福利計劃供款	–	–	–	–
Sub-total	小計	264	132	132	528

(c) 獨立非執行董事

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13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

2018 (continued)

(c) INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

The independent non-executive directors' emoluments shown above were mainly for their services as Directors.

	HK\$'000 千港元
Total for all directors in 2018	13,423

Note: The performance related incentive payments are based on the remuneration approved by the remuneration committee for the years ended 31 December 2019 and 2018.

Mr. Lam Wai Wah is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

Neither the Chief Executive nor any of the Directors waived any emoluments during the years ended 31 December 2019 and 2018.

14. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included three (2018: two) directors and the chief executive, details of whose remunerations are set out in note 13 above. Details of the remuneration for the year of the remaining two (2018: three) highest paid employees who is neither a director nor chief executive of the Company are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	7,331	6,606
Performance related incentive payments	與表現掛鈎之獎金	136	350
Contributions to retirement benefit scheme	退休福利計劃供款	28	63
		7,495	7,019

13. 董事及行政總裁酬金(續)

二零一八年(續)

(c) 獨立非執行董事(續)

上述所示獨立非執行董事之酬金主要為彼等就擔任董事時提供服務之酬金。

	HK\$'000 千港元
Total for all directors in 2018	13,423

附註：與表現掛鈎之獎金乃根據截至二零一九年及二零一八年十二月三十一日止年度薪酬委員會批准之酬金釐定。

林偉華先生亦為本公司行政總裁，彼於上文披露之酬金包括彼作為行政總裁時提供服務之酬金。

截至二零一九年及二零一八年十二月三十一日止年度，概無行政總裁或任何董事放棄收取任何酬金。

14. 五名最高薪酬僱員

年內，本集團五名最高薪酬僱員包括三名(二零一八年：兩名)董事及行政總裁，其酬金詳情載於上文附註13。年內，餘下兩名(二零一八年：三名)既非董事亦非本公司行政總裁之最高薪僱員之酬金詳情如下：

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14. FIVE HIGHEST PAID EMPLOYEES (continued)

Their emoluments were within the following bands:

		2019 二零一九年 Number of employee 僱員數目	2018 二零一八年 Number of employee 僱員數目
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	–	1
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	–	1
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	–	1
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	1	–
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至 4,000,000 港元	–	–
HK\$4,000,001 to HK\$4,500,000	4,000,001 港元至 4,500,000 港元	1	–

15. DIVIDENDS

No dividend has been paid or declared by the Company for 2019, nor has any dividend been proposed since the end of the reporting period (2018: nil).

16. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

Earnings

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Earnings for the purposes of basic earnings per share	用以計算每股基本盈利之盈利		
Profit for the year attributable to owners of the Company	本公司擁有人應佔本年度溢利	562,456	74,190

Number of shares

		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Weighted average number of ordinary shares for the purposes of basic earnings per share	用以計算每股基本盈利之加權平均普通股數目	3,289,229	3,145,896

No diluted earnings per share is presented as there were no potential ordinary shares in issue for both years.

14. 五名最高薪酬僱員 (續)

有關僱員酬金之金額介乎：

15. 股息

本公司並無就二零一九年派付或宣派任何股息，自報告期末以來亦無建議任何股息(二零一八年：無)。

16. 每股盈利

每股基本盈利乃根據下列數據計算：

盈利

由於兩個年度並無潛在已發行普通股，故並無呈列每股攤薄盈利。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總額 HK\$'000 千港元
COST	成本						
At 1 January 2018	於二零一八年一月一日	1,656,926	1,720,424	13,851,113	38,818	1,856,455	19,123,736
Currency realignment	貨幣調整	(71,446)	(86,749)	(767,822)	(1,431)	(135,967)	(1,063,415)
Additions	添置	54,877	114,272	1,030,293	9,229	1,058,592	2,267,263
Disposals/write off	出售/撇銷	-	-	(91,504)	(1,076)	-	(92,580)
Transfers	調撥	-	-	116,095	-	(116,095)	-
At 31 December 2018	於二零一八年十二月三十一日	1,640,357	1,747,947	14,138,175	45,540	2,662,985	20,235,004
Currency realignment	貨幣調整	(27,891)	(36,097)	(307,300)	(451)	(19,613)	(391,352)
Additions	添置	1,060	109,881	498,758	1,812	586,877	1,198,388
Disposals/write off	出售/撇銷	-	(3)	(159,901)	(10,355)	-	(170,259)
Transfers	調撥	-	-	138,151	-	(138,151)	-
At 31 December 2019	於二零一九年十二月三十一日	1,613,526	1,821,728	14,307,883	36,546	3,092,098	20,871,781
DEPRECIATION	折舊						
At 1 January 2018	於二零一八年一月一日	411,537	861,517	5,929,186	31,688	-	7,233,928
Currency realignment	貨幣調整	(15,571)	(46,702)	(332,291)	(1,066)	-	(395,630)
Provided for the year	年度撥備	42,567	124,291	979,961	4,813	-	1,151,632
Eliminated on disposals/ write off	出售/撇銷對銷	-	-	(61,717)	(813)	-	(62,530)
At 31 December 2018	於二零一八年十二月三十一日	438,533	939,106	6,515,139	34,622	-	7,927,400
Currency realignment	貨幣調整	(7,167)	(21,086)	(147,697)	(381)	-	(176,331)
Provided for the year	年度撥備	44,141	149,172	920,685	1,595	-	1,115,593
Eliminated on disposals/ write off	出售/撇銷對銷	-	(2)	(113,925)	(4,107)	-	(118,034)
At 31 December 2019	於二零一九年十二月三十一日	475,507	1,067,190	7,174,202	31,729	-	8,748,628
CARRYING VALUES	賬面值						
At 31 December 2019	於二零一九年十二月三十一日	1,138,019	754,538	7,133,681	4,817	3,092,098	12,123,153
At 31 December 2018	於二零一八年十二月三十一日	1,201,824	808,841	7,623,036	10,918	2,662,985	12,307,604

The cost of leasehold land and buildings is depreciated over forty years or the terms of the respective leases, whichever is the shorter, using the straight-line method.

租賃土地及樓宇之成本以直線法以四十年年期或各自租賃年期(以較短者為準)折舊。

The other items of property, plant and equipment, other than construction in progress, are depreciated on a reducing balance method at the following rates per annum:

其他物業、廠房及設備項目(在建工程除外)以餘額遞減法,按以下年率計算折舊:

Furniture, fixtures and equipment	10% to 20%	傢俬、裝置及設備	10% 至 20%
Plant and machinery	11% to 15%	廠房及機器	11% 至 15%
Motor vehicles	25% to 30%	汽車	25% 至 30%

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18. RIGHT-OF-USE ASSETS

18. 使用權資產

		Leasehold land 租賃土地 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日				
Carrying amount	賬面值	391,808	6,212	–	398,020
As at 31 December 2019	於二零一九年十二月三十一日				
Carrying amount	賬面值	418,207	5,324	97,889	521,420
For the year ended 31 December 2019	截至二零一九年十二月 三十一日止年度				
Depreciation charge	折舊支出	11,537	4,423	810	16,770
Expense relating to short-term leases and other leases with lease terms end within twelve months of the date of initial application of HKFRS 16	涉及短期租賃及租期 於初始應用香港財務報告 準則第16號當日起計 十二個月內終結之 其他租賃之開支				12,621
Total cash outflow for leases	租賃之總現金流出				(66,201)
Additions to right-of-use assets	添置使用權資產				150,698

For both years, the Group leases various offices and plant and machinery for its operations. Lease contracts are entered into for fixed term of 13 months to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

於該兩個年度，本集團租用多個辦公室及機器供營運所需。所訂租賃合約之固定年期為13個月至5年不等。租賃條款乃按個別基準磋商，並包含一系列不同條款及條件。在釐定租賃年期及評估不可撤銷期間時，本集團應用合約之定義，並釐定可強制執行合約之期間。

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18. RIGHT-OF-USE ASSETS (continued)

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. The leasehold land components of these owned properties are presented separately as the payments made can be allocated reliably.

The Group regularly entered into short-term leases for various offices and plant and machinery. As at 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 12 and above.

19. PREPAID LEASE PAYMENTS

18. 使用權資產(續)

此外，本集團擁有多幢工業樓宇(其生產設施所在地)及辦公大樓。本集團為該等物業權益(包括相關租賃土地)之登記擁有人。該等自置物業之租賃土地部分單獨呈列為能夠可靠分配之付款。

本集團定期就多個辦公室以及廠房及機器訂立短期租賃。於二零一九年十二月三十一日，短期租賃組合與短期租賃開支於附註12及上文披露之短期租賃組合相若。

19. 預付租賃款項

		2018 二零一八年 HK\$'000 千港元
The Group's prepaid lease payments comprise:	本集團預付租賃款項包括：	
Land use rights in the PRC	在中國之土地使用權	391,808
Analysed for reporting purposes as:	就匯報目的分析如下：	
Non-current asset	非流動資產	383,123
Current asset	流動資產	8,685
		391,808

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20. INTANGIBLE ASSETS

20. 無形資產

		Technical know-how 技術專業知識 HK\$'000 千港元
COST	成本	
At 1 January 2018, 31 December 2018 and 31 December 2019	於二零一八年一月一日、二零一八年十二月三十一日及二零一九年十二月三十一日	23,230
AMORTISATION	攤銷	
At 1 January 2018 and 31 December 2018 and 31 December 2019	於二零一八年一月一日及二零一八年十二月三十一日及二零一九年十二月三十一日	23,230
CARRYING VALUES	賬面值	
At 31 December 2019	於二零一九年十二月三十一日	–
At 31 December 2018	於二零一八年十二月三十一日	–

Technical know-how are amortised on a straight-line basis over four years.

技術專業知識乃以直線法攤銷，攤銷期為四年。

21. INTERESTS IN ASSOCIATES

21. 於聯營公司的權益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of investments — unlisted	投資成本 — 非上市	2,574,599	2,574,599
Share of results and other comprehensive expense	應佔業績及其他全面開支	(1,274,575)	(1,248,836)
Exchange difference arising on translation	換算產生之外匯差額	(120,209)	(94,699)
		1,179,815	1,231,064

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21. INTERESTS IN ASSOCIATES (continued)

Details of the Group's associates at the end of the reporting period are as follows:

Name of entity 實體名稱	Form of entity 實體形式	Place of incorporation/ registration 註冊成立/ 登記地點	Principal place of operation 主要營業 地點	Class of shares 股份類別	Proportion of ownership interest held by the Group 本集團持有之 所有權益比例		Principal activities 主要業務
					2019 二零一九年	2018 二零一八年	
Truly HZ 信利惠州	Incorporated 註冊成立	The PRC 中國	The PRC 中國	Registered capital 註冊資本	59.7%* (Note i) (附註 i)	59.7%* (Note i) (附註 i)	Development and production of active-matrix organic light-emitting diode and LCD products 開發及生產有源矩陣有機發光二極管及液晶體顯示器產品
杭州登虹科技有限公司 (「杭州登虹科技」)	Incorporated 註冊成立	The PRC 中國	The PRC 中國	Registered capital 註冊資本	11.8%* (Note ii) (附註 ii)	11.8%* (Note ii) (附註 ii)	Development and production of intelligent camera 開發及生產智能相機
Truly (Renshou) High-end Display Technology Limited ("Truly RS") 信利(仁壽)高端顯示科技有限公司(「信利仁壽」)	Incorporated 註冊成立	The PRC 中國	The PRC 中國	Registered capital 註冊資本	7.1%* (Note iii) (附註 iii)	7.1%* (Note iii) (附註 iii)	Development and production of LCD products 開發及生產液晶體顯示器產品

* Rounded to one decimal point for disclosure purpose.

Notes:

- (i) According to the Articles of Association of Truly HZ, shareholders' meeting cannot be held without the presence of either one of the other two shareholders. The Directors consider that the Group does not have control but only significant influence over Truly HZ under such a term because any resolutions to be passed in shareholders' meetings shall have the consent from either one of the other shareholders demonstrated by their action of being present in the meetings. Truly HZ is therefore classified as an associate of the Group.
- (ii) The Group is able to exercise significant influence over 杭州登虹科技 because it has the power to appoint one out of five directors of 杭州登虹科技 under the Articles of Association of 杭州登虹科技 where the relevant activities of 杭州登虹科技 is directed by the board of directors.

21. 於聯營公司的權益(續)

本集團於報告期末之聯營公司詳情如下：

Name of entity 實體名稱	Form of entity 實體形式	Place of incorporation/ registration 註冊成立/ 登記地點	Principal place of operation 主要營業 地點	Class of shares 股份類別	Proportion of ownership interest held by the Group 本集團持有之 所有權益比例		Principal activities 主要業務
					2019 二零一九年	2018 二零一八年	
Truly HZ 信利惠州	Incorporated 註冊成立	The PRC 中國	The PRC 中國	Registered capital 註冊資本	59.7%* (Note i) (附註 i)	59.7%* (Note i) (附註 i)	Development and production of active-matrix organic light-emitting diode and LCD products 開發及生產有源矩陣有機發光二極管及液晶體顯示器產品
杭州登虹科技有限公司 (「杭州登虹科技」)	Incorporated 註冊成立	The PRC 中國	The PRC 中國	Registered capital 註冊資本	11.8%* (Note ii) (附註 ii)	11.8%* (Note ii) (附註 ii)	Development and production of intelligent camera 開發及生產智能相機
Truly (Renshou) High-end Display Technology Limited ("Truly RS") 信利(仁壽)高端顯示科技有限公司(「信利仁壽」)	Incorporated 註冊成立	The PRC 中國	The PRC 中國	Registered capital 註冊資本	7.1%* (Note iii) (附註 iii)	7.1%* (Note iii) (附註 iii)	Development and production of LCD products 開發及生產液晶體顯示器產品

* 就披露目的四捨五入至小數點後一個位。

附註：

- (i) 根據信利惠州的組織章程細則，不得在其餘兩名股東其中一名缺席的情況下舉行股東大會。董事認為在該條款下，本集團對信利惠州並無控制權，僅有重大影響力，因任何於股東大會上通過的決議案須經其餘股東其中一名藉出席會議來表示同意。因此，信利惠州分類為本集團聯營公司。
- (ii) 由於本集團有權根據杭州登虹科技之組織章程細則委任一名董事作為該公司五名董事之一，故本集團可對杭州登虹科技行使重大影響力，而杭州登虹科技的相關活動由董事會主導。

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21. INTERESTS IN ASSOCIATES (continued)

Notes: (continued)

- (iii) The Group has significant influence over Truly RS by virtue of the substantial voting right of 67.1% granted to the Group in the first ten years since the incorporation of Truly RS in 2017, as stated in the shareholders' agreement of Truly RS. Other than the Group, there are two other shareholders in Truly RS. According to the Articles of Association of Truly RS, shareholders' meeting cannot be held without the presence of either one of the other two shareholders. The Directors consider that the Group does not have control but only significant influence over Truly RS under such a term because relevant activities of the associate is directed through shareholder's meeting and any resolutions to be passed in shareholders' meetings shall have the consent from either one of the other shareholders demonstrated by their action of being present in the meetings. Truly RS is therefore classified as an associate of the Group.

Summarised financial information of material associates

Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Truly HZ

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	893,061	762,538
Non-current assets	非流動資產	4,967,503	5,358,061
Current liabilities	流動負債	3,678,099	2,704,731
Non-current liabilities	非流動負債	1,307,474	2,493,696
Revenue	收益	1,753,802	826,806
Loss for the year	本年度虧損	(25,256)	(747,252)
Other comprehensive expense for the year	本年度其他全面開支	(2,967)	(2,771)
Total comprehensive expense for the year	本年度全面開支總額	(28,223)	(750,023)

21. 於聯營公司的權益 (續)

附註：(續)

- (iii) 誠如信利仁壽股東協議所載，本集團對信利仁壽有重大影響力，原因是本集團自信利仁壽註冊成立起計首十年獲授67.1%重大投票權。除本集團外，信利仁壽尚有其他兩名股東。根據信利仁壽的組織章程細則，不得在其餘兩名股東其中一名缺席的情況下舉行股東大會。董事認為在該條款下，本集團對信利仁壽並無控制權，僅有重大影響力，因該聯營公司相關活動乃透過股東大會主導及任何於股東大會上通過的決議案須經其餘股東其中一名藉出席會議來表示同意。因此，信利仁壽分類為本集團聯營公司。

重大聯營公司的財務資料概要

有關本集團重大聯營公司的財務資料概要載列如下。以下財務資料概要指按照香港財務報告準則所編制聯營公司財務報表內所示的金額。

所有該等聯營公司乃採用權益會計法於此等綜合財務報表入賬。

信利惠州

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21. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates (continued)

Truly HZ (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net assets of Truly HZ	信利惠州資產淨值	874,991	922,172
Proportion of the Group's ownership interest in Truly HZ	本集團於信利惠州的所有權權益比例	59.7%	59.7%
		522,404	550,573
Goodwill	商譽	85,912	87,762
Carrying amount of the Group's interest in Truly HZ	本集團於信利惠州的權益的賬面值	608,316	638,335

Truly RS

信利仁壽

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	2,124,191	1,582,628
Non-current assets	非流動資產	9,303,851	6,833,228
Current liabilities	流動負債	1,333,953	449,854
Non-current liabilities	非流動負債	2,315,332	–
Loss and total comprehensive expense for the year	本年度虧損及全面開支總額	(19,723)	(4,891)

21. 於聯營公司的權益(續)

重大聯營公司的財務資料概要(續)

信利惠州(續)

上述財務資料概要與綜合財務報表內確認於聯營公司的權益的賬面值對賬如下：

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21. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates (continued)

Truly RS (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net assets of Truly RS	信利仁壽資產淨值	7,778,757	7,966,002
Proportion of the Group's ownership interest in Truly RS	本集團於信利仁壽的所有權權益比例	7.1%	7.1%
Carrying amount of the Group's interest in Truly RS	本集團於信利仁壽的權益的賬面值	555,626	569,000

Summarised financial information of an associate which is not material

杭州登虹科技

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The Group's share of (loss) profit and total comprehensive (expense) income	本集團應佔(虧損)溢利及全面(開支)收入總額	(7,481)	2,316
Carrying amount of the Group's interest in the associate	本集團於聯營公司的權益的賬面值	15,873	23,729

21. 於聯營公司的權益(續)

重大聯營公司的財務資料概要(續)

信利仁壽(續)

上述財務資料概要與綜合財務報表內確認於聯營公司的權益的賬面值對賬如下：

非重大聯營公司的財務資料概要

杭州登虹科技

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22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

22. 於損益以公平價值列賬之金融資產

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Listed equity shares in Hong Kong (Note) 於香港上市之權益股份(附註)	5,549	10,316

Note: The investment represents equity interest in a company with its shares listed on the Stock Exchange, which is stated at fair value. The fair value of listed equity security is determined based on quoted market bid price available from the Stock Exchange. During the year ended 31 December 2019, a fair value loss of HK\$4,767,000 (2018: a fair value gain of HK\$4,142,000) has been recognised in profit or loss.

附註：該投資指於一間公司之股本權益，該公司之股份於聯交所上市，並按公平價值列賬。上市股本證券之公平價值按於有關證券交易所所報之市場買入價釐定。截至二零一九年十二月三十一日止年度，公平價值虧損4,767,000港元(二零一八年：公平價值收益4,142,000港元)已於損益確認。

23. INVENTORIES

23. 存貨

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials 原材料	1,857,128	1,273,907
Work in progress 在製品	685,787	1,156,674
Finished goods 製成品	1,431,913	702,041
	3,974,828	3,132,622

24. LOAN RECEIVABLE

24. 應收貸款

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest-free loan receivable 免息應收貸款	-	10,764
Less: Allowance for credit losses 減：信用損失撥備	-	(10,764)
	-	-

During the year ended 31 December 2019, an amount of approximately HK\$10,764,000 (2018: HK\$11,880,000) has been received and accordingly the amount is recognised in profit or loss as a reversal of credit losses for loan receivable.

截至二零一九年十二月三十一日止年度，已收取款項約10,764,000港元(二零一八年：11,880,000港元)，因此該款項已於損益確認為應收貸款信用損失撥回。

As at 31 December 2018, the loan receivable of HK\$10,764,000 had been past due 90 days or more and was considered as in default. The Directors considered the amount as credit-impaired.

於二零一八年十二月三十一日，為數10,764,000港元之應收貸款已逾期90日或以上及視為已違約。董事認為該款項已出現信貸減值。

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25. TRADE AND OTHER RECEIVABLES

25. 應收賬項及其他應收款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and bills receivables	應收賬項及應收票據	3,773,869	4,928,290
Less: Allowance for credit losses	減：信用損失撥備	(612,719)	(586,447)
		3,161,150	4,341,843
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	578,059	682,702
Less: Allowance for credit losses	減：信用損失撥備	(4,179)	(4,179)
		573,880	678,523
Total trade and other receivables	應收賬項及其他應收款項總額	3,735,030	5,020,366

As at 31 December 2019, 31 December 2018 and 1 January 2018, the gross amount of trade receivables from contracts with customers (including trade receivables at FVTOCI (note 26)) amounted to HK\$5,067,063,000, HK\$5,097,103,000 and HK\$4,969,619,000 respectively.

The Group allows a credit period ranging from 30 to 90 days to its trade customers.

Included in the other receivables are other PRC tax recoverable of HK\$140,970,000 (2018: HK\$172,532,000).

The Group's trade and bills receivables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

於二零一九年十二月三十一日、二零一八年十二月三十一日及二零一八年一月一日，來自客戶合約之應收賬項(包括於其他全面收益以公平價值列賬之應收賬項(附註26))總額分別為5,067,063,000港元、5,097,103,000港元及4,969,619,000港元。

本集團給予其貿易客戶之信貸期介乎30至90日不等。

其他應收款項內包括其他可收回中國稅項140,970,000港元(二零一八年：172,532,000港元)。

本集團以有關集團實體功能貨幣以外之貨幣列值之應收賬項及應收票據載列如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Denominated in HK\$	以港元計值	3,934	14,932
Denominated in Euro	以歐元計值	37	37

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25. TRADE AND OTHER RECEIVABLES (continued)

The following is an aged analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period, net of the allowance for credit losses at the reporting date:

		2019 二零一九年			2018 二零一八年		
		Trade receivables	Bills receivables	Total	Trade receivables	Bills receivables	Total
		應收賬項	應收票據	合計	應收賬項	應收票據	合計
		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
Within 60 days	60日內	2,100,297	5,789	2,106,086	2,989,486	–	2,989,486
61 to 90 days	61至90日	713,932	–	713,932	968,389	–	968,389
More than 90 days	超過90日	341,132	–	341,132	383,968	–	383,968
		3,155,361	5,789	3,161,150	4,341,843	–	4,341,843

As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$569,149,000 (2018: HK\$465,255,000) which are past due as at the reporting date. Out of the past due balance, HK\$129,071,000 (2018: HK\$192,242,000) has been past due over 90 days or more and is not considered as in default based on good repayment records for those customers and continuous business relationship with the Group.

Details of impairment assessment of trade and other receivables are set out in note 38.

25. 應收賬項及其他應收款項(續)

於報告日之應收賬項及應收票據(於報告期末按發票日期呈列)減信用損失撥備之賬齡分析如下:

於二零一九年十二月三十一日,本集團之應收賬項結餘內包括總賬面值為569,149,000港元(二零一八年:465,255,000港元)之應收賬款,該等款項於報告日已過期。已過期結餘其中129,071,000港元(二零一八年:192,242,000港元)已過期超過90日或以上,但基於該等客戶之還款記錄良好及持續與本集團有業務往來關係,故並無被視為拖欠款項。

應收賬項及其他應收款項之減值評估詳情載於附註38。

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26. TRADE RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

26. 於其他全面收益以公平價值列賬之應收賬項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	應收賬項	1,289,128	31,848
Bills receivables	應收票據	4,066	136,965
		1,293,194	168,813

The following is an aging analysis of trade receivables at FVTOCI presented based on the invoice date at the end of the reporting year:

於報告年末按發票日期呈列於其他全面收益以公平價值列賬之應收賬項之賬齡分析如下：

		2019 二零一九年			2018 二零一八年		
		Trade receivables	Bills receivables	Total	Trade receivables	Bills receivables	Total
		應收賬項	應收票據	合計	應收賬項	應收票據	合計
		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
Within 60 days	60日內	1,176,506	1,227	1,177,733	29,663	114,300	143,963
61-90 days	61至90日	111,430	488	111,918	2,185	10,053	12,238
More than 90 days	超過90日	1,192	2,351	3,543	-	12,612	12,612
		1,289,128	4,066	1,293,194	31,848	136,965	168,813

Details of impairment assessment of trade receivables at FVTOCI are set out in note 38.

於其他全面收益以公平價值列賬之應收賬項之減值評估詳情載於附註38。

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27. DERIVATIVE FINANCIAL INSTRUMENTS

27. 衍生金融工具

	Notes 附註	Assets 資產		Liabilities 負債	
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Foreign currency forwards 外匯遠期	(i)	–	–	194	–
Structured foreign currency forward 結構式外匯遠期	(ii)	–	–	89	–
		–	–	283	–

Notes:

(i) Foreign currency forwards

The Group had entered into certain foreign currency forward contracts to hedge against the appreciation of Euro against Renminbi ("RMB") for certain agreed periods of time. The Group and the respective bank would settle with reference to the strike price on the predetermined settlement date on a gross basis as per the contract.

(ii) Structured foreign currency forward

The Group entered into a structured foreign currency forward contract with a bank to hedge against the appreciation of US\$ against HK\$ for an agreed period of time. The Group and the bank will settle on a net basis with reference to the difference between the spot rate of US\$ against HK\$ and the strike price on the predetermined settlement date as per the contract. The contract includes a knock-out provision whereby the contract will automatically be terminated in accordance with the terms set out in this contract.

附註：

(i) 外匯遠期

本集團訂立若干外匯遠期合約，以於若干協定期間內對沖歐元兌人民幣之升值。本集團與個別銀行將參考每份合約預先釐定結算日之行使價按總額基準結算。

(iii) 結構式外匯遠期

本集團與一間銀行訂立一份結構式外匯遠期合約，以於協定期間內對沖美元兌港元之升值。本集團與該銀行將按淨額基準並經參考美元兌港元之現貨匯率與每份合約預先釐定結算日之行使價之差額結算。該合約包括取消條文，故合約可根據合約所載條款自動終止。

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28. AMOUNT DUE FROM (TO) AN ASSOCIATE

Except for the amount due from an associate of approximately HK\$747,050,000 (2018: HK\$990,930,000) as at 31 December 2019 which is unsecured, interest bearing at 4.35% (2018: 4.35%) per annum and repayable on demand, the remaining balances of amount due from an associate are derived from normal business activities and are unsecured and interest-free. The Group allows a credit period of 90 days and there are no significant increase in credit risk of these amounts since initial recognition.

Amount due to an associate as at 31 December 2019 is derived from normal business activities and is unsecured and interest-free. A credit period of 90 days is allowed. During the year, loans from an associate of approximately HK\$964,000,000 with interest charged at rates from 7% to 8% per annum were advanced to and fully repaid by the Group.

29. RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH

28. 應收(付)聯營公司款項

除於二零一九年十二月三十一日為數約747,050,000港元(二零一八年: 990,930,000港元)之應收聯營公司款項為無抵押、按年利率4.35%(二零一八年: 4.35%)計息及須按要求償還外,其餘應收聯營公司款項結餘均源自一般業務活動,且屬無抵押及免息。本集團授出之信貸期為90日,而有關款項之信貸風險自初始確認以來並無大幅增加。

於二零一九年十二月三十一日,應付聯營公司款項源自一般業務活動及無抵押及免息。給予之信貸期為90日。年內,為數約964,000,000港元按年利率介乎7%至8%計息之聯營公司貸款已提供予本集團,並由本集團悉數償還。

29. 受限制銀行存款/銀行結存及現金

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash on hand and in bank	現金及銀行結存	503,680	879,425
Short-term bank deposits	短期銀行存款	-	210,954
		503,680	1,090,379
Restricted bank deposits	受限制銀行存款	134,064	132,104
		637,744	1,222,483

The Group's bank balances and deposits that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

本集團以有關集團實體功能貨幣以外之貨幣列值之銀行結存及存款載列如下:

		JPY 日圓 HK\$'000 千港元	HK\$ 港元 HK\$'000 千港元	US\$ 美元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元
As at 31 December 2019	於二零一九年 十二月三十一日	3,645	24,842	27,437	1,712
As at 31 December 2018	於二零一八年 十二月三十一日	18,263	170,540	17,144	172,213

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29. RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH (continued)

Bank deposits and bank balances carry interest at fixed and variable rates respectively which ranged from 0.01% to 2.35% (2018: 0.01% to 2.27%) per annum.

Restricted bank deposits is to secure bills payables and are therefore classified as current assets. The restricted bank deposits carry fixed interest rate ranged from 1.35% to 3% (2018: 1.35%) per annum. The restricted bank deposits will be released upon settlement of bills payables.

30. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

		2019 二零一九年			2018 二零一八年		
		Trade payables	Bills payables	Total	Trade payables	Bills payables	Total
		應付賬項	應付票據	合計	應付賬項	應付票據	合計
		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
Within 60 days	60日內	4,948,729	740,832	5,689,561	3,870,261	961,044	4,831,305
61 to 90 days	61至90日	765,278	142,978	908,256	527,891	237,012	764,903
More than 90 days	超過90日	806,835	331,246	1,138,081	812,813	86,926	899,739
		6,520,842	1,215,056	7,735,898	5,210,965	1,284,982	6,495,947

The credit period on purchases of goods ranges from 60 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

Included in other payables are deposits received with aggregate carrying amount of HK\$30,437,000 (2018: HK\$22,656,000), accruals of operating expenses with aggregate carrying amount of HK\$337,906,000 (2018: HK\$338,010,000), payables for the acquisition of property, plant and equipment with aggregate amount of HK\$872,304,000 (2018: HK\$1,054,299,000), government grants of HK\$8,291,000 (2018: HK\$9,431,000) and dividend payable of HK\$1,258,000 (2018: HK\$1,258,000).

29. 受限制銀行存款／銀行結存及現金(續)

銀行存款及銀行結存分別按固定及介乎0.01%至2.35%(二零一八年:0.01%至2.27%)之浮動年利率計息。

受限制銀行存款用以抵押應付票據，其因此分類為流動資產。受限制銀行存款按固定年利率1.35%至3%(二零一八年:1.35%)計息。受限制銀行存款將於應付票據結算時解除。

30. 應付賬項及其他應付款項

於報告期末按發票日期呈列之應付賬項及應付票據之賬齡分析如下：

採購貨品的信貸期介乎60至90日。本集團已制定適當財務風險管理政策，以確保於信貸期內支付所有應付款項。

其他應付款項包括總賬面值為30,437,000港元(二零一八年:22,656,000港元)之已收按金、總賬面值為337,906,000港元(二零一八年:338,010,000港元)之應計經營費用、總額為872,304,000港元(二零一八年:1,054,299,000港元)之就收購物業、廠房及設備之應付款項、8,291,000港元(二零一八年:9,431,000港元)之政府津貼及1,258,000港元(二零一八年:1,258,000港元)之應付股息。

30. TRADE AND OTHER PAYABLES (continued)

The Group's trade and bills payables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Denominated in HK\$	以港元計值	37,664	59,349
Denominated in JPY	以日圓計值	167,967	261,126

31. CONTRACT LIABILITIES

The amounts represent advance payment from customers. The Group typically receives a 50% deposit on acceptance of manufacturing order and remaining 50% deposit before delivery of products for customers assessed to be lower creditability.

Revenue recognised during the year ended 31 December 2019 included the whole amount of contract liabilities at the beginning of the year. There was no revenue recognised during the year ended 31 December 2019 that related to performance obligations that were satisfied in prior year.

As at 1 January 2018, contract liabilities amounted to HK\$115,671,000.

The increase in contract liabilities balance as at 31 December 2019 is mainly due to increase in advances received from customers during the year.

30. 應付賬項及其他應付款項(續)

本集團以有關集團實體功能貨幣以外之貨幣列值之應付賬項及應付票據載列如下：

31. 合約負債

該等款項指客戶預付款項。本集團一般於接受生產訂單時向被評為信用程度較低之客戶收取50%之訂金，並於交付產品前收取餘下50%。

於截至二零一九年十二月三十一日止年度確認之收益包括年初之全數合約負債。於截至二零一九年十二月三十一日止年度確認之收益並無涉及於上年度履行之履約責任。

於二零一八年一月一日，合約負債為115,671,000港元。

於二零一九年十二月三十一日，合約負債結餘增加主要由於年內所收取訂金客戶墊款增加。

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32. BANK AND OTHER BORROWINGS, UNSECURED

32. 銀行及其他借款，無抵押

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank loans	銀行貸款	3,525,307	5,656,370
Bills discounted with recourse	具追索權之貼現票據	5,789	–
Trust receipt loans	信託收據貸款	1,064,454	1,351,089
Other loans	其他貸款	1,227,066	185,838
		5,822,616	7,193,297
The Group's bank and other borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:	本集團以有關集團實體功能貨幣以外之貨幣列值之銀行及其他借款載列如下：		
Denominated in HK\$	以港元計值	3,420,798	6,190,837
Denominated in JPY	以日圓計值	76,290	94,881
Denominated in Euro	以歐元計值	91,064	–

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32. BANK AND OTHER BORROWINGS, UNSECURED (continued)

32. 銀行及其他借款，無抵押(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount repayable*:	應付賬面值*：		
Within one year	於一年內	5,215,550	1,901,820
More than one year, but not exceeding two years	一年後但於兩年內	60,716	62,500
More than two years, but not exceeding five years	兩年後但於五年內	546,350	12,500
		5,822,616	1,976,820
Carrying amount of bank loans that contain a repayment on demand clause (shown under current liabilities) but repayable:	於流動負債列為包含須按要求償還條款但未償還之應付銀行貸款之賬面值：		
Within one year	於一年內	–	544,015
More than one year, but not exceeding two years	一年後但於兩年內	–	165,966
More than two years, but not exceeding five years	兩年後但於五年內	–	–
		5,822,616	2,686,801
The carrying amount of bank loans that are repayable on demand due to breach of loan covenants (shown under current liabilities)	於流動負債列為因違反貸款契約而須按要求償還之銀行貸款之賬面值	–	4,506,496
		5,822,616	7,193,297
Less: Amount included under current liabilities (including bank loans with a repayable on demand clause)	減：列於流動負債中之款項（包括具有按要求償還條款之銀行貸款）	(5,215,550)	(7,118,297)
Amount due after one year shown under non-current liabilities	於非流動負債列為於一年後到期之款項	607,066	75,000

* The amount due are based on scheduled repayment dates set out in loan agreements.

* 到期款項乃根據載於貸款協議之預定還款日期計算。

**32. BANK AND OTHER BORROWINGS,
UNSECURED** (continued)

The Group's bank borrowings included fixed-rate borrowings of approximately HK\$2,128,867,000 (2018: HK\$937,757,000) which carry effective interest rates ranged from 2.03% to 7.13% per annum (2018: 2.22% to 5.22%) (which are also equal to contracted interest rates). The remaining Group's borrowings are variable-rate borrowings which carry interest at Hong Kong Interbank Offered Rate ("HIBOR"), London Interbank Offered Rate ("LIBOR") or Benchmark Loan Rate issued by the National Interbank Funding Center ("Benchmark Loan Rate") plus certain basis points. Interest is repriced every three months and the range of effective interest rates is at 1.60% to 5.00% (2018: 1.43% to 5.00%) per annum.

33. LEASE LIABILITIES**32. 銀行及其他借款，無抵押** (續)

本集團之銀行借款包括為數約2,128,867,000港元(二零一八年：937,757,000港元)之定息借款，實際年利率介乎2.03%至7.13%(二零一八年：2.22%至5.22%) (亦相當於合約利率)。本集團之其餘借款均為浮息借款，按香港銀行同業拆息、倫敦銀行同業拆息或全國銀行間同業拆借中心發佈的貸款基礎利率加若干基點計息。利息每三個月重定，實際利率介乎年利率1.60%至5.00%(二零一八年：1.43%至5.00%)。

33. 租賃負債

		2019 二零一九年 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：	
Within one year	一年內	19,048
Within a period of more than one year but not more than two years	一年後但於兩年內	30,832
Within a period of more than two years but not more than five years	兩年後但於五年內	48,981
		98,861
Less: Amount due for settlement with twelve months shown under current liabilities	減：流動負債所示於十二個月內結付之結欠款項	(19,048)
Amount due for settlement after twelve months shown under non-current liabilities	非流動負債所示於十二個月後結付之結欠款項	79,813

34. BONDS PAYABLE

In July 2016, 信利光電股份有限公司 (the “Issuer”), a non-wholly owned subsidiary of the Company, issued a tranche of domestic corporate bonds (the “Bonds”) with an aggregate principal amount of RMB750,000,000. The Bonds bear fixed interest at 5.8% per annum and is payable annually each year. The effective interest rate of the Bonds payable is 6% per annum. At the end of the third year after issuance, the Issuer has an option to adjust upward the interest rate of the Bonds and bondholders can exercise retractable option.

On 29 July 2019, following the exercise of the retractable option by the majority of the bondholders, the Issuer repurchased the Bonds with principal amount of RMB712,405,700 and paid the relevant interests. The remaining Bonds with principal amount of RMB37,594,300 without exercising the retractable option by the relevant investors would be held until maturity in July 2021 with the unadjusted coupon rate at 5.8% per annum.

On 10 September 2019, the Issuer issued a tranche of Bonds with an aggregate principal amount of RMB300,000,000. The Bonds bear fixed interest at 5.2% per annum and is payable annually each year. The effective interest rate of the Bonds payable is 5.5% per annum. The Bonds will mature in September 2022.

The Bonds are listed on the Shenzhen Stock Exchange.

34. 應付債券

於二零一六年七月，本公司非全資附屬公司信利光電股份有限公司（「發行人」）發行一批本金總額為人民幣750,000,000元的境內公司債券（「債券」）。債券之年利率固定為5.8%，每年派息一次。應付債券之實際年利率為6%。於發行後第三年末，發行人可選擇上調債券利率，而債券持有人則可行使回售選擇權。

於二零一九年七月二十九日，繼大多數債券持有人行使回售選擇權後，發行人購回本金額人民幣712,405,700元之債券並支付有關利息。餘下未被相關投資者行使回售選擇權本金額為人民幣37,594,300元之債券將按沒有調整之年利率5.8%被持有直至二零二一年七月到期為止。

於二零一九年九月十日，發行人發行一批本金總額為人民幣300,000,000元之債券。債券之年利率固定為5.2%，每年派息一次。應付債券之實際年利率為5.5%。債券將於二零二二年九月到期。

債券於深圳證券交易所上市。

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35. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presenting in the consolidated statement of financial position, the following is the analysis of the deferred tax balances for financial reporting purposes:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	70,146	56,692
Deferred tax assets	遞延稅項資產	(75,432)	(90,402)
		(5,286)	(33,710)

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

		Loss available for offsetting against future taxable profit 可用作抵銷未來應課稅溢利之虧損 HK\$'000 千港元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Allowance for loan receivables and inventories 應收款項及存貨撥備 HK\$'000 千港元	Undistributed profits of the PRC subsidiaries 中國附屬公司未分配溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	(45,191)	8,744	(17,798)	38,615	(15,630)
(Credit) charge to profit or loss for the year	於年度損益中(抵免)支銷	(22,583)	(906)	(4,830)	10,239	(18,080)
At 31 December 2018	於二零一八年十二月三十一日	(67,774)	7,838	(22,628)	48,854	(33,710)
Charge (credit) to profit or loss for the year	於年度損益中支銷(抵免)	22,190	1,604	(7,220)	11,850	28,424
At 31 December 2019	於二零一九年十二月三十一日	(45,584)	9,442	(29,848)	60,704	(5,286)

At the end of the reporting period, the Group has unused tax losses of HK\$477,557,000 (2018: HK\$655,204,000) available for offset against future profits. Deferred tax asset has been recognised in respect of approximately HK\$95,180,000 (2018: HK\$73,708,000) of such losses arising from the PRC and HK\$132,068,000 (2018: HK\$299,094,000) arising from Hong Kong. Unused tax losses in the tax jurisdiction of PRC may be carried forward for five years. No deferred tax asset has been recognised in respect of the remaining Hong Kong and PRC tax losses of approximately HK\$250,309,000 (2018: HK\$282,402,000) in aggregate due to the unpredictability of future profit streams.

35. 遞延稅項資產／負債

為於綜合財務狀況表中呈列，就財務呈報而言之遞延稅項結餘分析如下：

在本年度及過往年度內確認的主要遞延稅項負債(資產)及其變動如下：

於報告期末，本集團之未動用稅務虧損477,557,000港元(二零一八年：655,204,000港元)可用作抵銷未來溢利。分別就於中國及香港所產生該等虧損約95,180,000港元(二零一八年：73,708,000港元)及132,068,000港元(二零一八年：299,094,000港元)確認遞延稅項資產。於中國稅務司法權限適用之未用稅項虧損可結轉五年。由於未能估計未來溢利來源，因此並無就其餘香港及中國稅務虧損合共約250,309,000港元(二零一八年：282,402,000港元)確認遞延稅項資產。

35. DEFERRED TAX ASSETS/LIABILITIES (continued)

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. At 31 December 2019, deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to HK\$4,555,192,000 (2018: HK\$4,676,301,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

36. SHARE CAPITAL

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.02 per share	每股面值0.02港元之普通股		
Authorised:	法定：		
Balance at 1 January 2018, 31 December 2018 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日及 二零一九年十二月三十一日之結餘	5,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
Balance at 1 January 2018	於二零一八年一月一日之結餘	3,120,429,398	62,409
Issue of new shares	發行新股份	168,800,000	3,376
Balance at 31 December 2018 and 31 December 2019	於二零一八年十二月三十一日及 二零一九年十二月三十一日 之結餘	3,289,229,398	65,785

On 31 July 2018, the Company and Mr. Lam Wai Wah entered into a subscription agreement for the subscription of 168,800,000 new shares ("Subscription Shares 2018") at the subscription price of HK\$1.18 per share. On 6 November 2018, the subscription was completed and 168,800,000 shares, represented approximately 5.13% of the then issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares 2018. The gross and net proceeds from the subscription amounted to approximately HK\$199,184,000 and approximately HK\$198,242,000, respectively.

The proceeds from subscription were used as general working capital and to enhance the Group's equity.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

35. 遞延稅項資產／負債(續)

根據中國企業所得稅法，自二零零八年一月一日起，就中國附屬公司賺取之溢利所宣派的股息須繳納預扣稅。於二零一九年十二月三十一日，在綜合財務報表中，並無就中國附屬公司之保留溢利的暫時差額4,555,192,000港元(二零一八年：4,676,301,000港元)作出遞延稅項撥備，原因是本集團有能力控制撥回暫時差額的時間，亦有可能不會在可見未來撥回暫時差額。

36. 股本

於二零一八年七月三十一日，本公司與林偉華先生訂立認購協議，以按認購價每股1.18港元認購168,800,000股新股份(「二零一八年認購股份」)。於二零一八年十一月六日，認購事項已完成，並發行168,800,000股股份(相當於本公司經配發及發行二零一八年認購股份擴大之當時已發行股本約5.13%)。認購事項所得款項總額及所得款項淨額分別為約199,184,000港元及約198,242,000港元。

認購事項之所得款項已用作本集團一般營運資金及加強權益。

年內，概無本公司附屬公司已購入、出售或贖回本公司上市證券。

37. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt, which includes the borrowings, lease liabilities and bonds payable disclosed in notes 32, 33 and 34 respectively, net of cash and cash equivalents, and equity comprising issued share capital and reserves.

The Directors review the capital structure periodically. The Directors consider the cost of capital and the risks associates with the capital, and will balance its overall capital structure through the payment of dividends, new share issues of the Company and share buy-backs as well as raising of bank borrowings.

The Group's overall strategy remains unchanged from the prior year.

38. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<i>Financial assets</i>			
Financial assets at amortised cost	金融資產 按攤銷成本列賬之金融資產	5,433,676	7,260,113
Trade receivables at FVTOCI	於其他全面收益以公平價值 列賬之應收賬項	1,293,194	168,813
Financial assets at FVTPL	於損益以公平價值列賬之 金融資產	5,549	10,316
		6,732,419	7,439,242
<i>Financial liabilities</i>			
Amortised cost	金融負債 攤銷成本	15,057,824	15,677,170
Derivative financial instruments	衍生金融工具	283	-
		15,058,107	15,677,170

37. 資本風險管理

本集團進行資本管理以確保本集團內的實體能持續經營，同時透過優化債務與權益平衡為股東帶來最大回報。

本集團的資本架構由債務淨額(包括附註32、33及34分別披露之借款、租賃負債及應付債券，經扣除現金及現金等值項目)及股權(包括已發行股本及儲備)組成。

董事定期審查其資本架構。董事考慮資本成本及與資本相關之風險，並將透過支付股息、發行本公司新股份及回購股份以及籌集銀行借款平衡其總體資本架構。

本集團之整體策略仍與前一年相同。

38. 金融工具

a. 金融工具分類

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies

The Group's major financial instruments include restricted bank deposits, bank balances and cash, trade and other receivables, trade receivables at FVTOCI, loan receivable, amount due from an associate, financial assets at FVTPL, trade and other payables, bank and other borrowings, amount due to an associate, bonds payable, lease liabilities and derivative financial instruments. Details of these financial instruments are disclosed in respective notes.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group's activities expose primarily to the financial risks of changes in interest rates, foreign currency exchange rates and change in prices (see below).

(i) Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies which are different from US\$ and RMB, the functional currency of the respective group entities.

38. 金融工具(續)

b. 金融風險管理目標及政策

本集團之主要金融工具包括受限制銀行存款、銀行結存及現金、應收賬項及其他應收款項、於其他全面收益以公平價值列賬之應收賬項、應收貸款、應收聯營公司款項、於損益以公平價值列賬之金融資產、應付賬項及其他應付款項、銀行及其他借款、應付聯營公司款項、應付債券、租賃負債以及衍生金融工具。該等金融工具之詳情於各項附註作出披露。

有關該等金融工具之風險及降低該等風險的政策載於下文。管理層會管理及監察該等風險，以確保及時有效實施適當措施。

市場風險

本集團之業務主要承受利率及外匯匯率變動等金融風險以及價格變動風險(見下文)。

(i) 外幣風險

本集團之若干交易以外幣計值，該等外幣為相關集團實體功能貨幣美元及人民幣以外的貨幣。

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

The carrying amount of the Group's monetary assets, monetary liabilities and inter-group receivables and payables denominated in currencies other than the functional currency of the relevant group entities at the reporting date are as follows:

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 外幣風險(續)

於報告日，以相關集團實體功能貨幣以外貨幣計值之本集團貨幣資產、貨幣負債及集團內公司間應收款項及應付款項之賬面值如下：

		Liabilities 負債		Assets 資產	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
The Group	本集團				
HK\$	港元	3,465,897	6,252,587	37,558	219,089
JPY	日圓	254,983	357,604	3,645	18,263
Euro	歐元	91,064	–	57	37
RMB	人民幣	6,189	–	1,712	172,218
AUD	澳元	–	–	28	29
Inter-company balances	公司間結餘				
HK\$	港元	3,085,058	2,556,678	3,023,779	2,525,826
JPY	日圓	12,952	–	12,952	57
RMB	人民幣	91,866	87,912	4,258,347	4,887,413

38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax for the year in response to reasonably possible change in the functional currency of the relevant group entities i.e. US\$ or RMB to the relevant currencies which the Group has significant exposure at the reporting date. Since HK\$ are pegged to US\$ under the Linked Exchange Rate System, the management does not expect significant foreign currency exposure in relation to the exchange rate fluctuation between HK\$ and US\$. The Group mainly exposes to foreign currency risks other than US\$.

		2019 二零一九年		2018 二零一八年	
		US\$/RMB strengthens (weakens) 美元/人民幣 升值(貶值)	Increase (decrease) in profit 溢利增加 (減少) HK\$'000 千港元	US\$/RMB strengthens (weakens) 美元/人民幣 升值(貶值)	Increase (decrease) in profit 溢利增加 (減少) HK\$'000 千港元
JPY	日圓	3% (3%)	6,383 (6,383)	3% (3%)	8,701 (8,701)
Euro	歐元	3% (3%)	2,311 (2,311)	5% (5%)	(2) 2
RMB	人民幣	3% (3%)	(105,694) 105,694	5% (5%)	(212,491) 212,491
AUD	澳元	N/A 不適用 N/A 不適用	N/A 不適用 N/A 不適用	10% (10%)	(2) 2

As set out in note 27, at the end of the reporting period, the Group had foreign currency forwards and structured foreign currency forward which also expose the Group to currency fluctuation risks.

誠如附註27所載，於報告期末，本集團持有外匯遠期及結構式外匯遠期，故本集團面對外匯波動風險。

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 外幣風險(續)

敏感度分析

下表顯示由於有關集團實體之功能貨幣(即美元或人民幣)兌換本集團於報告日面對重大風險之相關貨幣可能出現之合理變動，而導致本集團本年度稅後溢利所產生之概約變動。由於根據聯繫匯率制度港元與美元掛鈎，管理層並不預期出現有關港元與美元匯率波動之重大外幣風險。本集團主要承受美元以外外幣之風險。

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis (continued)

For the foreign currency forwards with transactions denominated in Euro outstanding at 31 December 2019, if Euro was strengthened against RMB by 5%, the post-tax profit for the year ended 31 December 2019 would increase by approximately HK\$3,483,000, if Euro was weakened against RMB by 5%, the post-tax profit for the year ended 31 December 2019 would decrease by approximately HK\$4,125,000.

For structured foreign currency forward with transactions denominated in US\$ outstanding at 31 December 2019, if US\$ was strengthened against HK\$ by 3%, the post-tax profit for the year ended 31 December 2019 would increase by HK\$25,000, if US\$ was weakened against HK\$ by 3%, the post-tax profit for the year ended 31 December 2019 would decrease by HK\$4,808,000.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 外幣風險(續)

敏感度分析(續)

就於二零一九年十二月三十一日之未平倉歐元外匯遠期，倘歐元兌人民幣升值5%，截至二零一九年十二月三十一日止年度之稅後溢利將增加約3,483,000港元；倘歐元兌人民幣貶值5%，截至二零一九年十二月三十一日止年度之稅後溢利則減少約4,125,000港元。

就於二零一九年十二月三十一日之未平倉美元結構式外匯遠期，倘美元兌港元升值3%，截至二零一九年十二月三十一日止年度之稅後溢利將增加25,000港元；倘美元兌港元貶值3%，截至二零一九年十二月三十一日止年度之稅後溢利則減少4,808,000港元。

管理層認為，由於年終之風險未能反映本年內之風險，敏感度分析對固有外匯風險不具代表性。

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits, amount due from an associate, fixed-rate bank borrowing, lease liabilities and bonds payable. The Group is also exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances and variable-rate bank and other borrowings (see notes 29 and 32 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR and LIBOR arising from the Group's HK\$ denominated borrowings and the fluctuation of Benchmark Loan Rate arising from the Group's RMB denominated borrowings. The management considers the exposure to interest rate risk in relation to bank balances is insignificant due to the low interest rate. The Group currently does not use any derivative contract to hedge its exposure to interest rate risk. However, the management of the Company will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank borrowings. The analysis is prepared assuming the amount of liability outstanding at the reporting period was outstanding for the whole year. A 100 basis point (2018: 100 basis point) increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points (2018: 100 basis point) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2019 would decrease/increase by HK\$30,843,000 (2018: decrease/increase by HK\$52,234,000).

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團須承擔公平價值利率風險，該風險與定息銀行存款、應收聯營公司款項、定息銀行借款、租賃負債及應付債券有關。本集團亦須承擔現金流量利率風險，該風險乃來自銀行結存及浮息銀行借款以及其他借款(詳情見附註29及32)之現行市場利率變動。本集團之現金流量利率風險來自本集團以港元計值之借款，主要集中於香港銀行同業拆息及倫敦銀行同業拆息之變動；而來自本集團以人民幣計值之借款，則主要集中於貸款基準利率之變動。由於存款利率水平較低，因此管理層認為銀行結存之相關利率風險並不重大。本集團現時並無使用任何衍生合約以對沖其利率風險。然而，本公司管理層將於有需要時考慮對沖重大利率風險。

敏感度分析

以下敏感度分析乃根據浮息銀行借款之利率風險而釐定。該分析乃假定於報告期全年之負債款項尚未收回而編製。本公司乃使用100點子(二零一八年：100點子)之增加或減少，代表管理層對利率可能出現合理變動作出之評估。

倘利率上升/下跌100點子(二零一八年：100點子)，而所有其他變量維持不變，本集團於截至二零一九年十二月三十一日止年度之稅後溢利將減少/增加30,843,000港元(二零一八年：減少/增加52,234,000港元)。

38. FINANCIAL INSTRUMENTS (continued)**b. Financial risk management objectives and policies** (continued)**Market risk** (continued)**(iii) Other price risks**

The Group is exposed to equity price risk arising from investments in listed equity securities measured at FVTPL.

Price risk sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting period.

If equity prices had been 15% (2018: 15%) higher/lower, the post-tax profit for the year ended 31 December 2019 would increase/decrease by HK\$695,000 (2018: HK\$1,292,000) as a result of the changes in fair value of financial assets at FVTPL.

Credit risk and impairment assessment

As at 31 December 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group had concentration of credit risk as 19% (2018: 22%) of total trade receivables was due from the Group's largest trade debtor, which is a company located in the PRC.

In order to minimise credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

38. 金融工具 (續)**b. 金融風險管理目標及政策** (續)**市場風險** (續)**(iii) 其他價格風險**

本集團承受投資於損益以公平價值計量之上市股本證券產生之股本價格風險。

價格風險敏感度分析

以下敏感度分析乃根據於報告期之股本價格風險而釐定。

倘股本價格上升／下跌15% (二零一八年：15%)，則截至二零一九年十二月三十一日止年度之稅後溢利將因於損益以公平價值列賬之金融資產之公平價值變動而增加／減少695,000港元 (二零一八年：1,292,000港元)。

信貸風險及減值評估

於二零一九年十二月三十一日，本集團因對手方未能履行其責任而導致本集團出現財務虧損之信貸風險上限，為相關已確認金融資產於綜合財務狀況表所列之賬面值。

本集團最大應收貿易賬款應佔應收賬項總額之19% (二零一八年：22%)，故本集團之信貸風險集中。本集團之最大應收貿易賬款來自一間位於中國之公司。

為將信貸風險減至最低，本集團管理層已委派專職團隊釐定信貸上限、信貸批核及其他監察程序，以確保採取跟進行動收回逾期債項。此外，本集團應用預期信用損失模型或基於撥備矩陣對應收賬款結餘進行個別減值評估。就此而言，董事認為本集團之信貸風險已大為降低。

由於對手方均為信譽卓著之銀行，流動資金之信貸風險有限。

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Loan receivable was considered as credit-impaired and full provision was made as of 31 December 2018.

With respect of credit risk arising from other receivables, the Group performs impairment assessment under ECL model individually or based on provision matrix by considering historical settlement records, past experience, and also forward-looking information, as appropriate, for example, the Group has considered the consistently low historical default rate in connection with payments, and concluded that credit risk inherent in the Group's outstanding other receivables is insignificant. In addition, other receivables consist of a large number of counterparties which do not give rise to significant concentration of credit risk.

The Group's internal credit risk grading assessment comprises the following categories:

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

應收貸款被視為出現信貸減值，並於二零一八年十二月三十一日悉數計提撥備。

就其他應收款項產生之信貸風險而言，本集團根據預期信用損失模式個別地或基於撥備矩陣進行減值評估，並考慮歷史結算記錄、過往經驗及前瞻性資料(如適用)，例如，本集團已考慮付款之過往違約率持續偏低，故認為本集團尚未收取之其他應收款項之固有信貸風險並不重大。此外，其他應收款項來自多名並無出現重大信貸風險集中情況之對手方。

本集團之內部信貸風險評級評估包括以下類別：

Internal credit rating 內部信貸評級	Description 詳情	Trade receivables 應收賬項	Other financial assets/other item 其他金融資產/其他項目
Group A A類	The counterparty has a low risk of default based on historical repayment record and has a good reputation 根據過往還款記錄，對手方之違約風險偏低，且具有良好聲譽	Lifetime ECL — not credit-impaired 全期預期信用損失 — 無信貸減值	12m ECL — not credit-impaired 12個月預期信用損失 — 無信貸減值
Group B B類	The counterparty has higher creditability but sometime repays after due dates 對手方具有較高信譽，惟偶爾會逾期還款	Lifetime ECL — not credit-impaired 全期預期信用損失 — 無信貸減值	12m ECL — not credit-impaired 12個月預期信用損失 — 無信貸減值
Group C C類	The counterparty usually settles after due date with a higher risk of default 對手方通常於到期日後進行結算，違約風險較高	Lifetime ECL — not credit-impaired 全期預期信用損失 — 無信貸減值	Lifetime ECL — not credit-impaired 全期預期信用損失 — 無信貸減值
Group D D類	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL — credit-impaired 全期預期信用損失 — 有信貸減值	Lifetime ECL — credit-impaired 全期預期信用損失 — 有信貸減值
Group E E類	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人有嚴重財政困難，而本集團預期不大可能收回	Amount is written off 撇銷有關金額	Amount is written off 撇銷有關金額

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets and financial guarantee contract which are subject to ECL assessment:

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

下表詳細列出本集團須進行預期信用損失評估之金融資產及財務擔保合約所承受之信貸風險：

	Notes	External credit rating 外部 信貸評級	Internal credit rating 內部 信貸評級	12m or lifetime ECL 12個月或全期預期信用損失	Gross carrying amount 賬面總值	
	附註				2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables at FVTOCI 於其他全面收益以公平價值 列賬之應收賬項						
Trade receivables 應收賬項	26	N/A 不適用	(Note iii) (附註iii)	Lifetime ECL (provision matrix) 全期預期信用損失 (撥備矩陣)	1,289,128	31,848
Bills receivables 應收票據	26	A1-Ba1	N/A 不適用	12m ECL 12個月預期信用損失	4,066	136,965
Financial assets at amortised cost 按攤銷成本計量之金融資產						
Loan receivable 應收貸款	24	N/A 不適用	(Note i) (附註i)	Lifetime ECL (credit-impaired) 全期預期信用損失 (有信貸減值)	–	10,764
Amount due from an associate 應收聯營公司款項	28	N/A 不適用	(Note i) (附註i)	12m ECL 12個月預期信用損失	1,348,250	1,346,194
Restricted bank deposits 受限制銀行存款	29	A2-Baa1	N/A 不適用	12m ECL 12個月預期信用損失	134,064	132,104
Bank balances 銀行結存	29	A2-Ba1	N/A 不適用	12m ECL 12個月預期信用損失	503,680	1,090,379

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

	Notes 附註	External credit rating 外部 信貸評級	Internal credit rating 內部 信貸評級	12m or lifetime ECL 12個月或全期預期信用損失	Gross carrying amount 賬面總值	
					2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables 應收賬項	25	N/A 不適用	(Note iii) (附註iii)	Lifetime ECL (provision matrix) 全期預期信用損失 (撥備矩陣)	3,186,391	4,352,992
			Group D D類	Lifetime ECL (credit-impaired) 全期預期信用損失 (有信貸減值)	581,689	575,298
Bills receivables 應收票據	25	A2	N/A 不適用	12m ECL 12個月預期信用損失	5,789	–
Other receivables 其他應收款項	25	N/A 不適用	(Note i) (附註i)	12m ECL 12個月預期信用損失	23,111	80,412
		Ba2	N/A 不適用	Lifetime ECL (not credit- impaired) 全期預期信用損失 (無信貸減值)	267,600	273,360
Other item 其他項目						
Financial guarantee contract (Note ii) 財務擔保合約(附註ii)	47	N/A 不適用	Group A A類	12m ECL 12個月預期信用損失	1,893,806	2,521,180

38. FINANCIAL INSTRUMENTS (continued)**b. Financial risk management objectives and policies (continued)****Credit risk and impairment assessment (continued)**

Notes:

- i. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.
- ii. For financial guarantee contract, the gross carrying amount represents the maximum amount that the Group has guaranteed under the respective contract amounting to HK\$1,893,806,000 as at 31 December 2019 (2018: HK\$2,521,180,000). At the end of the reporting periods, the Directors have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contract. Accordingly, the loss allowance for financial guarantee contract issued by the Group is measured at an amount equal to 12m ECL. Based on the assessment of the management, the ECL on financial guarantee contract is insignificant.
- iii. For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors which are credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by debtors' aging.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2019 within lifetime ECL (not credit impaired). As at 31 December 2019, the debtors with credit-impaired amounted to HK\$581,689,000 (2018: HK\$575,298,000) are assessed individually, and the rest of debtors amounted to HK\$3,186,391,000 (2018: HK\$4,352,992,000) are assessed under a provision matrix based on internal credit rating.

38. 金融工具(續)**b. 金融風險管理目標及政策(續)****信貸風險及減值評估(續)**

附註：

- i. 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自初步確認以來有否大幅增加。
- ii. 財務擔保合約方面，賬面總值指本集團於二零一九年十二月三十一日根據個別合約作出擔保之最高金額為1,893,806,000港元(二零一八年：2,521,180,000港元)。於報告期末，董事已進行減值評估，所得結論為自初始確認財務擔保合約以來信貸風險並無顯著增加。因此，就本集團所發出財務擔保合約作出之虧損撥備乃按相等於12個月預期信用損失之金額計量。根據管理層之評估，財務擔保合約之預期信用損失並不重大。
- iii. 應收賬項方面，本集團已採用香港財務報告準則第9號之簡化法按全期預期信用損失計量虧損撥備。除出現信貸減值之應收賬款外，本集團採用按應收賬款之賬齡分類之撥備矩陣釐定該等項目之預期信用損失。

作為本集團信貸風險管理其中一環，本集團透過應收賬款之賬齡評估其客戶之減值，原因為該等客戶中有多名具有共同風險特徵之小型客戶，而該風險特徵代表客戶根據合約條款悉數付款之能力。下表提供有關應收賬項承受之信貸風險資料，該等資料乃根據於二零一九年十二月三十一日符合全期預期信用損失(無信貸減值)之撥備矩陣進行評估。於二零一九年十二月三十一日，為數581,689,000港元(二零一八年：575,298,000港元)已出現信貸減值之應收賬款乃個別地進行評估，而其餘為數3,186,391,000港元(二零一八年：4,352,992,000港元)之應收賬款則基於內部信貸評級根據撥備矩陣進行評估。

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued) Gross carrying amount

		2019 二零一九年			2018 二零一八年		
		Average loss rate 平均虧損率	Trade receivables 應收賬項 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元	Average loss rate 平均虧損率	Trade receivables 應收賬項 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Current (not past due)	即期(未逾期)	0.51%	2,599,469	13,257	0.15%	3,882,412	5,824
1-60 days past due	已逾期1至60日	1.47%	367,368	5,400	0.50%	263,368	1,317
61-90 days past due	已逾期61至90日	4.50%	81,790	3,680	1.13%	11,087	125
More than 90 days past due	已逾期90日以上	6.31%	137,764	8,693	1.98%	196,125	3,883
			3,186,391	31,030		4,352,992	11,149

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

In the opinion of the Directors, the trade receivables at the end of the reporting period which have been past due over 90 days are not considered as in default based on good repayment records for those customers and continuous business relationship with the Group.

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續) 賬面總值

估計虧損率乃按應收賬款於預計年內觀察所得之過往違約率進行估算，並就毋須付出不必要成本或努力即可獲得之前瞻性資料作出調整。管理層定期檢討有關分類以確保涉及特定應收賬款之相關資料為最新資料。

董事認為，於報告期末已逾期90日以上之應收賬項乃基於該等客戶之良好還款記錄及彼等與本集團持續之業務往來關係而不會視為拖欠款項。

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Gross carrying amount (continued)

Movement in the allowance for impairment of trade receivables

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

賬面總值(續)

應收賬項減值撥備之變動

		Lifetime ECL (not credit- impaired) 全期預期 信用損失 (無信貸減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期 信用損失 (有信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	10,022	578,113	588,135
Change due to financial instruments recognised as at 1 January 2018:	於二零一八年一月一日確認 金融工具引致之變動：			
— Transfer to credit-impaired	— 轉撥至信貸減值	(21)	21	—
— Impairment losses recognised	— 已確認減值虧損	195	659	854
— Impairment losses reversed	— 已撥回減值虧損	(8,329)	—	(8,329)
New financial assets originated	新增金融資產	9,282	—	9,282
Written off	撤銷	—	(3,495)	(3,495)
As at 31 December 2018	於二零一八年十二月三十一日	11,149	575,298	586,447
Change due to financial instruments recognised as at 1 January 2019:	於二零一九年一月一日確認 金融工具引致之變動：			
— Transfer to credit-impaired	— 轉撥至信貸減值	(263)	263	—
— Impairment losses recognised	— 已確認減值虧損	3,313	13,015	16,328
— Impairment losses reversed	— 已撥回減值虧損	(9,675)	—	(9,675)
New financial assets originated	新增金融資產	26,506	—	26,506
Written off	撤銷	—	(6,887)	(6,887)
As at 31 December 2019	於二零一九年十二月三十一日	31,030	581,689	612,719

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Gross carrying amount (continued)

Movement in the allowance for impairment of trade receivables (continued)

Changes in the loss allowance for trade receivables are mainly due to:

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

賬面總值(續)

應收賬項減值撥備之變動(續)

應收賬項虧損撥備變動主要由於：

	2019 二零一九年		2018 二零一八年	
	Increase (decrease) in lifetime ECL		Increase (decrease) in lifetime ECL	
	Not credit- impaired	Credit- impaired	Not credit- impaired	Credit- impaired
	無信貸減值	有信貸減值	無信貸減值	有信貸減值
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Trade debtors with gross carrying amount of HK\$13,278,000 (2018: HK\$680,000) defaulted and transferred to credit-impaired				
賬面總值為13,278,000港元之應收賬項(二零一八年：680,000港元)欠款及轉撥至信貸減值	(263)	263	(21)	21
New trade receivables with gross carrying amount of HK\$3,110,521,000 (2018: HK\$4,258,681,000)				
賬面總值為3,110,521,000港元(二零一八年：4,258,681,000港元)之新應收賬項	26,506	-	9,282	-

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Gross carrying amount (continued)

Movement in the allowance for impairment of loan receivable and other receivables

		Other receivables 其他應收款項 Lifetime ECL (not credit-impaired) 全期預期 信用損失 (無信貸減值) HK\$'000 千港元	Loan receivable 應收貸款 Lifetime ECL (credit-impaired) 全期預期 信用損失 (有信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	4,179	23,359	27,538
Reversal of allowance for loan receivable	撥回應收貸款撥備	–	(11,880)	(11,880)
Foreign exchange translation	外匯換算	–	(715)	(715)
As at 31 December 2018	於二零一八年十二月三十一日	4,179	10,764	14,943
Reversal of allowance for loan receivable	撥回應收貸款撥備	–	(10,764)	(10,764)
As at 31 December 2019	於二零一九年十二月三十一日	4,179	–	4,179

Changes in the loss allowance for loan receivable is mainly due to:

應收貸款虧損撥備變動主要由於：

		2019 二零一九年 Decrease in lifetime ECL (credit-impaired) 全期預期信用損失 (有信貸減值) 減少 HK\$'000 千港元	2018 二零一八年 Decrease in lifetime ECL (credit-impaired) 全期預期信用損失 (有信貸減值) 減少 HK\$'000 千港元
Settlement in full of a loan receivable with gross carrying amount of HK\$10,764,000 (2018: HK\$11,880,000)	悉數結清賬面總值10,764,000港元(二零一八年: 11,880,000港元)之應收貸款	(10,764)	(11,880)

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

賬面總值(續)

應收貸款及其他應收款項減值撥備之變動

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk

As at 31 December 2019, the Group's current liabilities exceeded its current assets by approximately HK\$3,840 million. Having taken into account the factors set out in note 2, the Directors consider the Group will have sufficient financial resources to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The Group's liquidity position is monitored closely by the management of the Company.

In the management of liquidity risk, the Group monitors its current and expected liquidity requirements regularly and ensuring sufficient liquid cash and adequate committed lines of funding from reputable financial institutions to meet the Group's liquidity requirements in the short and long term. The management of the Company also monitors the forecast and maintains a level of cash and cash equivalents adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The table includes both interest and principal cash flow. To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

流動資金風險

於二零一九年十二月三十一日，本集團之流動負債超出其流動資產約38.40億港元。考慮到附註2所載之因素，董事信納本集團將具備充足財務資源悉數應付其於可見將來到期之財務承擔。因此，綜合財務報表已按持續經營基準編製。

本集團之流動資金狀況由本公司管理層密切監控。

於管理流動資金風險時，本集團定期監察其現時及預期流動資金需求，並確保擁有充足之流動現金及獲得信譽卓著之金融機構之足夠信貸額度，以滿足本集團之短期及長期流動資金需求。本公司管理層亦會監督及維持充足之現金及現金等值項目水平，以為本集團之營運提供資金及減低現金流量波動之影響。

下表詳細呈列本集團非衍生金融負債之剩餘合約年期。該表根據本集團可被要求還款之最早日期金融負債之未折現現金流量而編製。具體而言，附有按要求償還條款之銀行貸款均列入最早之期限，不論銀行選擇行使權利之概率高低。該表包括利息及本金現金流量。倘利息流量是以浮動利率計算，則未折現金額乃根據報告期末之利率計算。

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

In addition, the following table details the Group's liquidity analysis for its derivative financial liabilities. The table has been drawn up based on the undiscounted contractual net cash outflows on derivative instruments that settle on a net basis and, the undiscounted gross inflows and outflows on those derivatives that require gross settlement. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

38. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

流動資金風險 (續)

此外，下表詳列本集團就其衍生金融負債所作之流動資金分析。下表乃根據以淨額基準結算之衍生工具之未折現合約現金流出淨額及須以總額結算之衍生工具之未折現流入及流出總額而編製。本集團衍生金融工具之流動資金分析乃根據合約到期日編製，此乃由於管理層認為合約到期日對於瞭解衍生工具現金流量之時間性十分重要。

	Weighted average interest rate	On demand or					Over 3 years	Total undiscounted cash flows	Carrying amount at 31 December
		0 to 3 months	4 – 6 months	7 – 12 months	1 – 2 years	2 – 3 years			
	加權平均利率 %	按要求或零至三個月 HK\$'000 千港元	四至六個月 HK\$'000 千港元	七至十二個月 HK\$'000 千港元	一至兩年 HK\$'000 千港元	兩至三年 HK\$'000 千港元	超過三年 HK\$'000 千港元	未折現現金流量總額 HK\$'000 千港元	於十二月三十一日之賬面值 HK\$'000 千港元
2019									
Non-derivative instruments									
Trade and other payables		8,732,263	-	-	-	-	-	8,732,263	8,732,263
Amount due to an associate		129,214	-	-	-	-	-	129,214	129,214
Fixed interest rate bank borrowings	5.48	973,439	391,340	251,459	83,057	585,277	-	2,284,572	2,128,867
Variable interest rate bank and other borrowings	4.20	1,078,478	2,512,309	167,110	19,525	-	-	3,777,422	3,693,749
Bonds payable	5.27	-	-	19,685	19,685	385,214	-	424,584	373,731
Lease liabilities	6.97	5,235	4,810	15,648	36,072	35,462	18,659	115,886	98,861
Financial guarantee contract		1,893,806	-	-	-	-	-	1,893,806	-
		12,812,435	2,908,459	453,902	158,339	1,005,953	18,659	17,357,747	15,156,685
Derivative – gross settlement									
Foreign currency forward									
— inflow		92,174	-	-	-	-	-	92,174	92,389
— outflow		(92,583)	-	-	-	-	-	(92,583)	(92,583)
		(409)	-	-	-	-	-	(409)	(194)
Derivatives – net settlement									
Structured foreign currency forward		13	(24)	(56)	(30)	-	-	(97)	(89)

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

38. 金融工具(續)

b. 金融風險管理目標及政策(續)

流動資金風險(續)

		Weighted average interest rate	On demand or 0 to 3 months	4 – 6 months	7 – 12 months	1 – 2 years	2 – 3 years	Over 3 years	Total undiscounted cash flows	Carrying amount at 31 December
		加權平均利率	按要求或零至三個月	四至六個月	七至十二個月	一至兩年	兩至三年	超過三年	未折現現金流量總額	於十二月三十一日之賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
2018	二零一八年									
Non-derivative instruments	非衍生工具									
Trade and other payables	應付賬項及其他應付款項	-	7,633,608	-	-	-	-	-	7,633,608	7,633,608
Fixed interest rate bank borrowings	定息銀行借款	4.45	749,525	59,396	140,148	-	-	-	949,069	937,757
Variable interest rate bank and other borrowings	浮息銀行借款及其他借款	4.17	5,894,130	200,607	144,761	65,712	13,037	-	6,318,247	6,255,540
Bonds payable	應付債券	5.8	-	-	49,547	49,547	883,152	-	982,246	850,265
Financial guarantee contract	財務擔保合約	-	2,521,180	-	-	-	-	-	2,521,180	-
			16,798,443	260,003	334,456	115,259	896,189	-	18,404,350	15,677,170

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38. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Bank loans with a repayment on demand clause and bank loans that are repayable on demand due to breach of loan covenants are included in the “on demand or 0 to 3 months” time band in the above maturity analysis. The aggregate carrying amounts of these bank loans amounted to HK\$5,216,477,000 as at 31 December 2018. Taking into account the Group’s financial position, the Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors believe that such bank loans will be repaid two years after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

Maturity analysis – Bank loans with a repayment on demand clause and bank loans that are repayable on demand due to breach of loan covenants based on scheduled repayments						
到期分析 – 按還款時間表具有按要求償還條款之銀行貸款及因違反貸款契約而須按要求償還之銀行貸款						
	0 to 3 months	4 – 6 months	7 – 12 months	1 – 2 years	Total undiscounted cash outflows	Carrying amount
	零至三個月	四至六個月	七至十二個月	一至兩年	未折現現金流出總額	賬面值
	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
31 December 2018						
二零一八年十二月三十一日	943,364	804,977	1,178,538	2,588,486	5,515,365	5,216,477

The amounts included above for financial guarantee contract are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

38. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

流動資金風險 (續)

具有按要求償還條款之銀行貸款及因違反貸款契約而須按要求償還之銀行貸款計入上述到期分析「按要求或零至三個月」期限內。該等銀行貸款於二零一八年十二月三十一日之賬面總值為5,216,477,000港元。考慮到本集團財務狀況，董事認為銀行不大可能行使酌情權要求即時還款。董事認為該等銀行貸款將按照貸款協議所載還款時間表於報告期末後兩年償還，有關詳情載列於下表：

計入上述財務擔保合約之金額為本集團於擔保交易對手申索金額時可能須根據全面擔保金額安排結算之最高金額。根據於報告期末之預期，本集團認為很可能毋須根據安排支付任何金額。然而，此項估計可予變動，視乎交易對手根據擔保提出申索之可能性而定，而此可能性則視乎由交易對手持之獲擔保金融應收款項會否蒙受信用損失而定。

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38. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group's financial assets at FVTPL, trade receivables at FVTOCI and derivative financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

38. 金融工具(續)

c. 金融工具之公平價值計量

此附註提供有關本集團如何釐定不同金融資產及金融負債之公平價值之資料。

(i) 按經常基準以公平價值計量之本集團金融資產及金融負債之公平價值

於各報告期末，本集團之於損益以公平價值列賬之金融資產、於其他全面收益以公平價值列賬之應收賬款及衍生金融工具乃按公平價值計量。下表為有關如何釐定此等金融資產及金融負債之公平價值之資料。

Financial assets/ financial liabilities 金融資產/金融負債	Fair value as at 於以下日期之公平價值		Fair value hierarchy 公平價值層次結構	Valuation techniques and key inputs 估值方法及主要輸入數據
	31 December 2019 二零一九年十二月三十一日	31 December 2018 二零一八年十二月三十一日		
Financial assets at FVTPL — listed equity shares in Hong Kong 於損益以公平價值列賬之金融資產 — 於香港上市之權益股份	Assets — HK\$5,549,000 資產 — 5,549,000 港元	Assets — HK\$10,316,000 資產 — 10,316,000 港元	Level 1 第1級	Quoted bid prices in an active market 於活躍市場中之報價
Trade receivables at FVTOCI 於其他全面收益以公平價值列賬之應收賬項	Assets — HK\$1,293,194,000 資產 — 1,293,194,000 港元	Assets — HK\$168,813,000 資產 — 168,813,000 港元	Level 2 第2級	Discounted cash flow method 現金流量折現法 The key input is market interest rate. 主要輸入數據為市場利率。
Foreign currency forwards (Note 1) 外匯遠期(附註1)	Liabilities — HK\$194,000 負債 — 194,000 港元	Liabilities — nil 負債 — 零	Level 2 第2級	Discounted cash flow method 現金流量折現法 The key inputs are foreign exchange spot rates and forward rates and interest rate curves. 主要輸入數據為外匯現貨及遠期利率以及利率曲線。
Structured foreign currency forward (Note 2) 結構式外匯遠期(附註2)	Liabilities — HK\$89,000 負債 — 89,000 港元	Liabilities — nil 負債 — 零	Level 3 第3級	Monte Carlo Simulation Method 蒙特卡羅模擬法 The key inputs are spot exchange rate on the date of valuation, strike rate, time to maturity, notional amount, payout amount for each settlement, risk-free rate of US\$ against HK\$ and the average implied volatility of the exchange rate as at valuation date. 主要輸入數據為估值日期即期匯率、執行利率、期限、名義金額、各次結算時之支出金額、人民幣兌美元無風險利率以及於估值日期匯率平均隱含波幅。

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38. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Note 1: The discounted cash flow method uses only observable market inputs.

Note 2: For structured foreign currency forward with transactions denominated in US\$, if the average implied volatility of the exchange rate is 5% higher/lower and held other variables constant, the Group's post-tax profit for the year ended 31 December 2019 would decrease by HK\$101,000/decrease by HK\$69,000. Due to the terms of the contracts, changes in the inputs adopted in the valuation model would lead to asymmetric changes in the fair values.

There is no transfer between different levels of the fair value hierarchy for the current period.

Fair value hierarchy as at 31 December 2019 and 2018

38. 金融工具(續)

c. 金融工具之公平價值計量(續)

(i) 按經常基準以公平價值計量之本集團金融資產及金融負債之公平價值(續)

附註1：折現現金流量法僅使用可觀察市場輸入數據。

附註2：美元結構式外匯遠期方面，倘匯率平均隱含波幅上升/下跌5%而其他可變因素不變，則本集團截至二零一九年十二月三十一日止年度之稅後溢利將減少101,000港元/減少69,000港元。因應合約條款，估值模型採納之輸入數據變動將導致公平價值產生不對稱變化。

於本期間公平價值層次結構之不同層次間並無轉移。

於二零一九年及二零一八年十二月三十一日之公平價值層次結構

		2019 二零一九年			Total 合計
		Level 1 第1級	Level 2 第2級	Level 3 第3級	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets	金融資產				
Financial assets at FVTPL	於損益以公平價值列賬之金融資產	5,549	-	-	5,549
Trade receivables at FVTOCI	於其他全面收益以公平價值列賬之應收賬項	-	1,293,194	-	1,293,194
		5,549	1,293,194	-	1,298,743
Financial liabilities	金融負債				
Derivative financial instruments	衍生金融工具	-	194	89	283

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38. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

		2018 二零一八年			Total 合計
		Level 1 第1級	Level 2 第2級	Level 3 第3級	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets	金融資產				
Financial assets at FVTPL	於損益以公平價值列賬之金融資產	10,316	–	–	10,316
Trade receivables at FVTOCI	於其他全面收益以公平價值列賬之應收賬項	–	168,813	–	168,813
		10,316	168,813	–	179,129

Reconciliation of Level 3 fair value measurement of financial liabilities

金融負債第3級公平價值計量之對賬

		Structured foreign currency forwards 結構式外匯遠期 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	58,516
Fair value gain credited to profit or loss	於損益中計入之公平價值收益	(32,107)
Net settlement	結算淨額	(26,409)
At 31 December 2018	於二零一八年十二月三十一日	–
Fair value gain credited to profit or loss	於損益中計入之公平價值收益	(656)
Net settlement	結算淨額	745
At 31 December 2019	於二零一九年十二月三十一日	89

The total gain of approximately HK\$418,000 (2018: nil) for the year included in profit or loss represents the total fair value gain related to structured foreign currency forwards held at the end of the reporting period that is included in "Other gains and losses".

本年度計入損益之總收益約418,000港元(二零一八年：無)指與計入「其他損益」之於報告期末所持結構式外匯遠期有關之公平價值收益總額。

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38. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

As at 31 December 2019, except for bonds payable with a fair value of HK\$376,417,000 (2018: HK\$843,230,000) based on quoted market price that is categorised into Level 1 fair value hierarchy, the Directors consider that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

39. OPERATING LEASE COMMITMENTS

The Group as lessee

At 31 December 2018, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	6,336
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	2,174
		8,510

Operating lease payments represented rentals payable by the Group for certain of its office premises. Leases were negotiated for terms of two to four years with fixed rentals.

38. 金融工具(續)

c. 金融工具之公平價值計量(續)

(ii) 並非按經常基準以公平價值計量之金融資產及金融負債之公平價值(惟須作出公平價值披露)

於二零一九年十二月三十一日，除公平價值為376,417,000港元(二零一八年：843,230,000港元)根據市場報價歸入第1級公平價值層次之應付債券外，董事認為於綜合財務報表按攤銷成本列賬之其他金融資產及金融負債之賬面值與其公平價值相若。

39. 經營租約承擔

本集團作為承租人

於二零一八年十二月三十一日，本集團根據不可撤銷經營租約於下列期限到期之未來最低租約付款承擔如下：

經營租約付款指本集團就其若干辦公室物業而應付之租金。租約之協定期限為兩至四年，並為固定租金。

39. OPERATING LEASE COMMITMENTS (continued)

The Group as lessor

Property rental income with fixed monthly rentals earned during the year was HK\$9,150,000 (2018: HK\$11,543,000), which was derived from letting of staff quarters included in the Group's property, plant and equipment.

Certain properties held for rental purposes have committed leases for the next two years.

Minimum lease payments receivable on leases are as follows:

		2019 二零一九年 HK\$'000 千港元
Within one year	一年內	421
In the second year	於第二年	205
		626

The Group had contracted with lessees for the following future minimum lease payments:

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	621
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	1,112
		1,733

39. 經營租約承擔 (續)

本集團作為出租人

本年度賺取之物業租金收入為9,150,000港元(二零一八年: 11,543,000港元)·該等租金收入來自出租計入本集團物業、廠房及設備之員工宿舍。

若干持作出租用途之物業未來兩年均附有已承諾之租賃。

以下為租賃之最低應收租賃付款:

本集團已就下列未來最低租賃付款與承租人訂立合約:

40. COMMITMENTS

40. 承擔

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	就收購物業、廠房及設備已訂約但未在綜合財務報表中撥備之資本支出	400,272	419,153

41. RETIREMENT BENEFITS SCHEMES

All of the Group's Hong Kong employees are required to join the Mandatory Provident Fund Scheme. The Group is required to contribute 5%, while the employees are required to contribute 5% of their salaries to the scheme to the maximum of HK\$1,500 (2018: HK\$1,500) per month for each employee.

According to the relevant laws and regulations in the PRC, the PRC subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

42. GOVERNMENT GRANTS

At the end of the reporting period, government grants of HK\$8,291,000 (2018: HK\$9,431,000) were included in trade and other payables, to subsidise the acquisition of property, plant and machinery for scientific research development. The amount has been treated as deferred income and will be transferred to profit or loss over the useful lives of the relevant assets. This policy resulted in a credit to profit or loss in the current year of HK\$958,000 (2018: HK\$1,149,000).

Incentive subsidies of HK\$74,712,000 (2018: HK\$27,618,000) have been received in the current year to encourage the operations of the PRC subsidiaries for the development on advance technology and export sales. The subsidiaries have complied with application rules of the incentives and, therefore, the Group recognised the grants in profit or loss.

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

41. 退休福利計劃

本集團之全體香港僱員均須參加強制性公積金計劃。本集團須作出5%供款，而僱員亦須向該計劃作出其薪酬5%之供款，每名僱員之每月供款最高為1,500港元(二零一八年：1,500港元)。

根據中國有關法律及規例，中國附屬公司須向國家管理的退休福利計劃作出相當於其僱員薪酬若干百分比之供款。本集團就退休福利計劃所負之責任僅為向該計劃作出所須供款。

42. 政府津貼

於報告期末，本集團用作資助收購物業、廠房及機器以開展科研發展之政府津貼8,291,000港元(二零一八年：9,431,000港元)列入應付賬項及其他應付款項。該數額已被視為遞延收入並按相關資產之可使用年期轉撥至損益。此政策導致本年度計入損益之金額為958,000港元(二零一八年：1,149,000港元)。

本年度收到政府為鼓勵中國附屬公司在先進技術及外銷業務方面的發展而授出的鼓勵津貼74,712,000港元(二零一八年：27,618,000港元)。該等附屬公司已遵守有關鼓勵之應用規則，因此，本集團於損益確認有關津貼。

43. 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債乃現金流量已或日後現金流量會於本集團綜合現金流量表分類為融資活動產生之現金流量。

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43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

43. 融資活動所產生負債之對賬 (續)

		Bank and other borrowings 銀行及其他借款 HK\$'000 千港元 (note 32) (附註32)	Lease liabilities 租賃負債 HK\$'000 千港元 (note 33) (附註33)	Loans from an associate 聯營公司貸款 HK\$'000 千港元 (note 28) (附註28)	Bonds payable 應付債券 HK\$'000 千港元 (note 34) (附註34)	Dividend payable 應付股息 HK\$'000 千港元	Interest payable 應付利息 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	8,457,338	-	-	895,073	1,258	34,863	9,388,532
Financing cash flows	融資現金流量	(1,176,790)	-	-	(51,678)	-	(297,746)	(1,526,214)
Currency realignment	貨幣調整	(35,132)	-	-	(46,267)	-	(1,439)	(82,838)
Interest expenses	利息開支	-	-	-	53,137	-	300,542	353,679
Non-cash transactions (note 44)	非現金交易 (附註44)	(52,119)	-	-	-	-	-	(52,119)
At 31 December 2018	於二零一八年十二月三十一日	7,193,297	-	-	850,265	1,258	36,220	8,081,040
Adjustment upon adoption of HKFRS 16 (note 3)	採納香港財務報告準則第16號時調整 (附註3)	-	6,672	-	-	-	-	6,672
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	7,193,297	6,672	-	850,265	1,258	36,220	8,087,712
Financing cash flows	融資現金流量	(1,246,852)	(6,368)	(23,311)	(505,287)	-	(364,368)	(2,146,186)
Currency realignment	貨幣調整	(37,209)	(81)	-	(10,102)	-	(472)	(47,864)
Interest expenses	利息開支	-	260	23,311	38,855	-	356,703	419,129
Non-cash transactions (note 44)	非現金交易 (附註44)	(86,620)	98,378	-	-	-	-	11,758
At 31 December 2019	於二零一九年十二月三十一日	5,822,616	98,861	-	373,731	1,258	28,083	6,324,549

44. MAJOR NON-CASH TRANSACTIONS

44. 重大非現金交易

During the year ended 31 December 2019, short-term borrowings on bills discounted with recourse of HK\$86,620,000 (2018: HK\$52,119,000) have been settled through bills receivables discounted to the relevant financial institutions.

截至二零一九年十二月三十一日止年度，有追索權之貼現票據之短期借貸86,620,000港元(二零一八年：52,119,000港元)已透過貼現應收票據向相關金融機構結清。

During the year ended 31 December 2019, right-of-use assets for new lease agreements entered into by the Group for land and buildings and plant and machinery with a total amount of HK\$98,378,000 and the same amount of lease liabilities were recognised.

截至二零一九年十二月三十一日止年度，本集團就訂立新租賃協議之土地及樓宇以及廠房及機器確認總值為98,378,000港元之使用權資產及相同金額之租賃負債。

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45. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions with related parties.

- (i) During the year, the Group entered into the following transactions with an associate.

Associate 聯營公司	Nature of transaction 交易性質	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Truly HZ 信利惠州	Sales 銷售	59,121	36,013
	Purchase 採購	1,422,452	647,757
	Interest income 利息收入	39,621	32,395
	Rental income 租金收入	120	120
	Expenses relating to short-term leases/rental expense 有關短期租賃之支出/租金支出	435	456
	Truly RS 信利仁壽	Purchase 採購	100,691
Purchase of plant and machinery 購置廠房及機器		16,922	–
Interest expense 利息支出		23,311	–
Expenses relating to short-term leases 有關短期租賃之支出		5,821	–
Consultation income 諮詢收入		4,996	–

- (ii) The remuneration of Directors and other members of key management during the year were as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term benefits 短期福利		15,079	14,475
Post-employment benefits 離職後福利		4,018	104
		19,097	14,579

The remuneration of Directors and key executives are determined by the remuneration committee having regard to the performance of individuals and market trends.

45. 關連人士交易

除綜合財務報表其他章節所披露者外，本集團與關連人士進行以下交易。

- (i) 年內，本集團與聯營公司訂立以下交易。

- (ii) 本年度董事及其他主要管理層成員之薪酬如下：

董事及主要行政人員之薪酬乃由薪酬委員會參考個人表現及市場趨勢後釐定。

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46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(a) General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

46. 本公司主要附屬公司資料

(a) 附屬公司之一般資料

於報告期末本公司直接及間接持有之附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/operation 註冊成立/登記/ 營業地點	Nominal value of issued and fully paid ordinary share capital/registered capital 已發行及繳足普通股 股本/註冊資本面值	Proportion ownership interest held by the Company 本公司持有之 所有權權益比例		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	
Truly Electronics Manufacturing Limited 信利電子有限公司	Hong Kong 香港	HK\$1,000,010 1,000,010港元	100%	100%	Trading of electronic calculators and electronic components 電子計算機及電子元件貿易
Truly Instrument Limited 信利儀器有限公司	Hong Kong 香港	HK\$100 100港元	100%	100%	Trading of electric tooth brush and health care products 電動牙刷及個人保健產品貿易
Truly Semiconductors Limited 信利半導體有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100%	100%	Trading of LCD products 液晶顯示器產品貿易
Truly Opto-electronics Limited (Note) 信利光電有限公司(附註)	Hong Kong 香港	HK\$1,000,000 1,000,000港元	78.8%	85.4%	Trading of compact camera module, fingerprint identification modules and touch panel 微型相機模組及觸控屏產品貿易
Truly Industrial Limited 信利工業有限公司	Hong Kong 香港	HK\$872,894 872,894港元	100%	100%	Trading of electronic components 電子元件貿易
Truly (USA) Inc. 信利電子有限公司*	United States of America 美國	US\$20,000 20,000美元	100%	100%	Marketing of electronic calculators 電子計算機市場營銷
信利半導體*	The PRC 中國	US\$137,500,000 137,500,000美元	100%	100%	Manufacture of electronic calculators and electronic components 製造電子計算機及電子元件
信利儀器(汕尾)有限公司*	The PRC 中國	US\$498,300,000 498,300,000美元	100%	100%	Manufacture of LCD products 製造液晶顯示器產品
信利儀器(汕尾)有限公司*	The PRC 中國	US\$1,000,000 1,000,000美元	100%	100%	Manufacture of electric toothbrush and health care products 製造電動牙刷及個人保健產品
信利光電股份有限公司(附註)	The PRC 中國	RMB368,769,402 (2018: RMB340,000,000) 人民幣368,769,402元 (二零一八年: 人民幣340,000,000元)	78.8%	85.4%	Manufacture of compact camera module, fingerprint identification modules and touch panel 製造微型相機模組及觸控屏產品
信利工業(汕尾)有限公司*	The PRC 中國	RMB280,000,000 人民幣280,000,000元	100%	100%	Manufacture of electronic component 製造電子元件
信元光電有限公司(附註)	The PRC 中國	RMB200,000,000 人民幣200,000,000元	74.4%	80%	Manufacture of electronic component 製造電子元件
信利電路有限公司*	The PRC 中國	RMB45,000,000 人民幣45,000,000元	100%	100%	Manufacture of electronic component 製造電子元件

* wholly foreign owned enterprise

* 外商獨資企業

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)**(a) General information of subsidiaries** (continued)

Note: Change in ownership interest in a subsidiary

On 31 May 2019, a PRC subsidiary, 信利光電股份有限公司, has increased its registered capital by RMB19,919,192 with cash considerations of approximately RMB290,000,000 (equivalent to HK\$323,350,000) from an independent third party (the "First Capital Increase"). In addition, 信利光電股份有限公司 has further increased its registered capital by RMB8,850,210 with cash considerations of approximately RMB120,000,000 (equivalent to HK\$133,800,000) from another independent third party (the "Second Capital Increase") on 24 October 2019. Upon the completion of the First Capital Increase and the Second Capital Increase, its registered capital increased from RMB340,000,000 to RMB368,769,402. The effective equity interest of the Group in 信利光電股份有限公司 and Truly Opto-electronics Limited, a wholly owned subsidiary of 信利光電股份有限公司, reduced from 85.4% to 80.7% and further reduced to 78.8%. The effective equity interest of the Group in 信元光電有限公司, a non-wholly owned subsidiary of 信利光電股份有限公司, reduced from 80% to 74.4%. An amount of HK\$387,279,000 (being the proportionate share of the carrying amount of the assets of 信利光電股份有限公司) has been transferred to non-controlling interests. The difference of HK\$69,871,000 between the increase in the non-controlling interests and consideration received has been credited to other reserves.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the result or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Except for Truly Electronics Manufacturing Limited and Truly (USA) Inc., all other subsidiaries are indirectly held by the Company.

None of the subsidiaries had any debt securities at the end of the year except for 信利光電股份有限公司 which has issued an aggregate principal amount of RMB337,594,300 of bonds payable, in which the Group has no interests.

46. 本公司主要附屬公司資料 (續)**(a) 附屬公司之一般資料** (續)

附註：於附屬公司之擁有權權益變動

於二零一九年五月三十一日，中國附屬公司信利光電股份有限公司獲一名獨立第三方給予現金代價約人民幣290,000,000元（相當於323,350,000港元）令其註冊資本增加人民幣19,919,192元（「第一次增資」）。此外，信利光電股份有限公司於二零一九年十月二十四日獲另一名獨立第三方給予現金代價約人民幣120,000,000元（相當於133,800,000港元）令其註冊資本進一步增加人民幣8,850,210元（「第二次增資」）。於完成第一次增資及第二次增資後，該公司之註冊資本由人民幣340,000,000元增至人民幣368,769,402元。本集團於信利光電股份有限公司及其全資附屬公司信利光電有限公司所佔實際股權由85.4%減至80.7%及進一步減至78.8%。本集團於信利光電股份有限公司之非全資附屬公司信元光電有限公司所佔實際股權由80%減至74.4%。387,279,000港元（即信利光電股份有限公司資產賬面值之按比例分佔權益）已轉撥至非控股權益。增加之非控股權益與所收代價兩者間之差額69,871,000港元已計入其他儲備。

上表列出董事認為主要影響本集團業績或資產之本公司附屬公司。董事認為詳列其他附屬公司之詳情將令年報篇幅過長。

除信利電子有限公司及Truly (USA) Inc.外，所有其他附屬公司均由本公司間接持有。

除信利光電股份有限公司發行本金總額人民幣337,594,300元之應付債券而本集團於當中並無權益外，於年末各附屬公司概無任何債務證券。

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46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 由非控股權益持有之所有權權益及投票權比例		Profit/(loss) attributable to non-controlling interests 非控股權益應佔溢利/(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
		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
信利光電股份有限公司*	The PRC 中國	21.2%	14.6%	45,640	75,634	943,560	601,679
Non-wholly owned subsidiary of 信利光電股份有限公司 信利光電股份有限公司之 非全資附屬公司							
信元光電有限公司	The PRC 中國	25.6%	20%	68	(1,611)	8,118	7,772
				45,708	74,023	951,678	609,451

* excluding non-controlling interests of 信利光電股份有限公司's subsidiary

* 不包括信利光電股份有限公司附屬公司之非控股權益

46. 本公司主要附屬公司資料(續)

(b) 擁有重大非控股權益之非全資附屬公司之詳情

下表載列擁有重大非控股權益之本集團非全資附屬公司之詳情：

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

(continued)

Summarised financial information in respect of the above subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

信利光電股份有限公司 and its subsidiaries

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	7,852,017	7,091,405
Non-current assets	非流動資產	5,120,307	5,218,258
Current liabilities	流動負債	7,487,036	7,264,732
Non-current liabilities	非流動負債	1,001,163	850,265
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,532,447	3,585,215
Non-controlling interests of 信利光電股份有限公司	信利光電股份有限公司非控股權益	943,560	601,679
Non-controlling interests of subsidiary of 信利光電股份有限公司	信利光電股份有限公司附屬公司之非控股權益	8,118	7,772

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	17,883,343	14,791,269
Expenses	開支	17,567,318	14,272,407
Profit for the year	本年度溢利	316,025	518,862

46. 本公司主要附屬公司資料(續)

(b) 擁有重大非控股權益之非全資附屬公司之詳情(續)

有關上述附屬公司擁有重大非控股權益之財務資料概要如下。下列財務資料概要為集團內公司間對銷前之金額。

信利光電股份有限公司及其附屬公司

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46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

(continued)

信利光電股份有限公司 and its subsidiaries (continued)

46. 本公司主要附屬公司資料(續)

(b) 擁有重大非控股權益之非全資附屬公司之詳情(續)

信利光電股份有限公司及其附屬公司(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit attributable to owners of the Company	本公司擁有人應佔溢利	270,317	444,839
Profit attributable to the non-controlling interests of 信利光電股份有限公司	信利光電股份有限公司非控股權益應佔溢利	45,640	75,634
Profit (loss) attributable to the non-controlling interests of subsidiary of 信利光電股份有限公司	信利光電股份有限公司附屬公司之非控股權益應佔溢利(虧損)	68	(1,611)
Profit for the year	本年度溢利	316,025	518,862
Other comprehensive income (expense) attributable to owners of the Company	本公司擁有人應佔其他全面收益(開支)	(59,844)	(167,450)
Other comprehensive expense attributable to the non-controlling interests of 信利光電股份有限公司	信利光電股份有限公司非控股權益應佔其他全面開支	(11,788)	(28,574)
Other comprehensive expense attributable to the non-controlling interests of subsidiary of 信利光電股份有限公司	信利光電股份有限公司附屬公司之非控股權益應佔其他全面開支	(165)	(441)
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)	(71,797)	(196,465)
Total comprehensive income attributable to owners of the Company	本公司擁有人應佔全面收益總額	210,473	277,389
Total comprehensive income attributable to the non-controlling interests of 信利光電股份有限公司	信利光電股份有限公司非控股權益應佔全面收益總額	33,852	47,060
Total comprehensive expense attributable to the non-controlling interests of subsidiary of 信利光電股份有限公司	信利光電股份有限公司附屬公司之非控股權益應佔全面開支總額	(97)	(2,052)
Total comprehensive income for the year	本年度全面收益總額	244,228	322,397
Dividends paid to non-controlling interests of 信利光電股份有限公司	已付信利光電股份有限公司非控股權益之股息	78,792	-
Net cash inflow (outflow) from operating activities	經營業務現金流入(流出)淨額	152,640	(11,539)
Net cash outflow from investing activities	投資活動現金流出淨額	(808,553)	(742,056)
Net cash inflow (outflow) from financing activities	融資活動現金流入(流出)淨額	238,960	(169,399)
Net cash outflow	現金流出淨額	(416,953)	(922,994)

47. CONTINGENT LIABILITIES

- (i) During the year ended 31 December 2018, a non-wholly owned subsidiary of the Company is a defendant in several legal actions in the PRC in respect of the claims for infringement of the claimant's patents. The claims against the non-wholly owned subsidiary are approximately RMB151.5 million (equivalent to approximately HK\$172.6 million) in aggregate.

On 30 December 2019 and 3 March 2020, the Company has received notices from the relevant court with court decisions of the civil complaints being turned down and no compensation is required to be paid by the Group.

(ii)

47. 或然負債

- (i) 截至二零一八年十二月三十一日止年度，本公司之非全資附屬公司為若干涉及就於中國侵犯申索人專利權提出申索之法律訴訟之被告人。針對該非全資附屬公司之申索合共約人民幣1.515億元(相當於約1.726億港元)。

於二零一九年十二月三十日及二零二零年三月三日，本集團接獲有關法院通知，表示駁回民事訴訟之法院裁決，故本集團毋須支付任何賠償。

(ii)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Corporate guarantee given by the Group for bank borrowings granted to:	本集團就授予以下人士之銀行借款作出公司擔保：		
An associate	聯營公司	1,893,806	2,521,180
and utilised by:	及由以下人士動用：		
An associate	聯營公司	1,800,204	2,427,493

In addition, at 31 December 2019, the other shareholder of an associate provided corporate guarantee to the above bank borrowings in proportion to its respective ownership interest amounting to approximately HK\$792 million (2018: HK\$804 million). A counter-indemnity in favour of the other shareholder is executed pursuant to which the Group undertakes to indemnify the other shareholder 23.5% (2018: 23.5%) of the liabilities arising from the bank borrowings.

The bank borrowings were secured by the associate's property, plant and equipment and the Directors assess the exposure of the corporate guarantee at the end of reporting period is insignificant. It is not likely that any guaranteed amount will be claimed by the counterparties and the fair value of the corporate guarantee is not significant.

此外，於二零一九年十二月三十一日，聯營公司之其他股東按其擁有權益比例就上述銀行借款提供公司擔保約7.92億港元(二零一八年：8.04億港元)。本集團以該其他股東為受益人簽立反彌償保證，據此本集團承諾向其他股東彌償銀行借款所產生負債之23.5%(二零一八年：23.5%)。

銀行借款以聯營公司之物業、廠房及設備作抵押，而董事於報告期末評估所面對公司擔保之風險不大。交易對手不大可能申索任何擔保金額，且公司擔保之公平價值並不重大。

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48. TRANSFERS OF FINANCIAL ASSETS

The following were the Group's bills receivables as at 31 December 2019 and 2018 that were discounted to banks on a full recourse basis.

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount of discounted bills receivables	已貼現應收票據之賬面值	5,789	—
Carrying amount of associated liabilities	相關負債之賬面值	(5,789)	—
Net position	淨狀況	—	—

The Group discounted bills receivables to banks by discounting those receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as discounted bills (see note 32). These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

48. 轉讓金融資產

以下為本集團於二零一九年及二零一八年十二月三十一日獲銀行按全面追索基準貼現之應收票據。

本集團按全面追索基準將應收票據交由銀行貼現。由於本集團並無轉移該等應收款項涉及之重大風險及回報，故繼續確認應收款項之全數賬面值，並將於轉讓時收訖之現金確認為貼現票據（見附註32）。該等金融資產於本集團之綜合財務狀況表按攤銷成本列賬。

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49. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

49. 本公司之財務狀況表及儲備

有關本公司於報告期末之財務狀況表之資料包括：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current Assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	446,009	446,009
Amount due from a subsidiary	應收附屬公司款項	1,258,169	1,217,941
		1,704,178	1,663,950
Current Assets	流動資產		
Other receivables	其他應收款項	360	445
Bank balances and cash	銀行結存及現金	2,019	2,111
		2,379	2,556
Current Liability	流動負債		
Other payables	其他應付款項	2,131	1,935
Net Current Assets	流動資產淨值	248	621
Net Assets	資產淨值	1,704,426	1,664,571
Capital and Reserves	資本及儲備		
Share capital	股本	65,785	65,785
Reserves	儲備	1,638,641	1,598,786
Total Equity	權益總額	1,704,426	1,664,571

		Share premium*	Special reserve#	Capital redemption reserve	Retained profits	Total
		股份溢價*	特別儲備#	贖回儲備	保留溢利	合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	1,200,575	17,410	867	148,052	1,366,904
Profit for the year	本年度溢利	-	-	-	37,016	37,016
Issue of new shares	發行新股份	195,808	-	-	-	195,808
Cost of issuance of new shares	發行新股份之成本	(942)	-	-	-	(942)
At 31 December 2018	於二零一八年 十二月三十一日	1,395,441	17,410	867	185,068	1,598,786
Profit for the year	本年度溢利	-	-	-	39,855	39,855
At 31 December 2019	於二零一九年 十二月三十一日	1,395,441	17,410	867	224,923	1,638,641

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49. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

- * Under the applicable laws of Cayman Islands, the share premium of the Company is available for distributions or paying dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution or paying dividend the Company is able to pay its debts as they fall due in the ordinary course of business.
- # The special reserve of the Company represents the difference between the net book values of the underlying assets of the Company's subsidiaries acquired at the date on which the shares of these companies were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisitions in prior year.

50. EVENTS AFTER THE REPORTING PERIOD

The outbreak of the 2019 Novel Coronavirus ("COVID-2019") in the world and the subsequent quarantine measures imposed by the Chinese government as well as the travel restrictions imposed by other countries in early 2020 have had a negative impact on the operations of the Group since January 2020, as the major suppliers and customers of the Group are located in the PRC and other affected regions. It has a negative impact on the market sentiment in the PRC and other affected regions. The Directors are still assessing the financial impact that the COVID-2019 will have on the Group's future consolidated financial statements. As at the date these consolidated financial statements are authorised for issue, the financial impact cannot be reasonably estimated.

49. 本公司之財務狀況表及儲備 (續)

- * 根據開曼群島之適用法例，本公司之股份溢價可依據其組織章程大綱或細則之條文向股東作出分派或支付股息，惟於緊隨作出分派或支付股息後，本公司須可於日常業務過程中支付到期債項。
- # 本公司之特別儲備乃指於本公司在收購其附屬公司之股份當日該等被收購公司之相關資產賬面淨值與本公司過往年度就收購而發行之本公司股份面值兩者間之差額。

50. 報告期後事項

二零二零年初全球爆發新型冠狀病毒及其後中國政府實施檢疫措施，加上其他國家實施旅遊限制，自二零二零年一月以來對本集團之業務營運構成負面影響，因本集團之主要供應商及客戶均位於中國及其他受影響地區。中國及其他受影響地區之市場氣氛亦受到不利影響。董事仍在評估新型冠狀病毒將對本集團日後之綜合財務報表構成之財務影響。於授權刊發本綜合財務報表之日，本集團仍無法合理估計財務影響之程度。

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