



Perfect Optronics Limited
圓美光電有限公司

(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 : 8311

Annual Report 2019
年報

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Contents

目錄

Corporate Information 公司資料	3
Chairman's Statement 主席報告	5
Management Discussion and Analysis 管理層討論及分析	8
Corporate Governance Report 企業管治報告	23
Environmental, Social and Governance Report 環境、社會及管治報告	44
Biographical Details of Directors and Senior Management 董事及高級管理層個人資料	67
Report of the Directors 董事會報告	72
Independent Auditor's Report 獨立核數師報告	88
Consolidated Statement of Comprehensive Income 綜合全面收益表	96
Consolidated Statement of Financial Position 綜合財務狀況表	97
Consolidated Statement of Changes in Equity 綜合權益變動表	99
Consolidated Statement of Cash Flows 綜合現金流量表	101
Notes to the Consolidated Financial Statements 綜合財務報表附註	102
Financial Summary 財務摘要	176

BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Wai Tak
(Chairman & Chief Executive Officer)
Mr. Liu Ka Wing
Mr. Tse Ka Wing

Independent non-executive Directors

Mr. Wong Yik Chung John
Mr. Wong Chi Chiu
Mr. Li Shui Yan
Mr. Cho Chi Kong (appointed on 1 January 2020)
Mr. Kan Man Wai (appointed on 1 January 2020)

BOARD COMMITTEES

Audit Committee

Mr. Wong Yik Chung John (Chairman)
Mr. Wong Chi Chiu
Mr. Li Shui Yan
Mr. Cho Chi Kong (appointed on 1 January 2020)
Mr. Kan Man Wai (appointed on 1 January 2020)

Remuneration Committee

Mr. Wong Chi Chiu (Chairman)
Mr. Cheng Wai Tak
Mr. Wong Yik Chung John
Mr. Cho Chi Kong (appointed on 1 January 2020)
Mr. Kan Man Wai (appointed on 1 January 2020)

Nomination Committee

Mr. Cheng Wai Tak (Chairman)
Mr. Wong Yik Chung John
Mr. Li Shui Yan
Mr. Cho Chi Kong (appointed on 1 January 2020)
Mr. Kan Man Wai (appointed on 1 January 2020)

COMPANY SECRETARY

Mr. Tse Ka Wing

COMPLIANCE OFFICER

Mr. Liu Ka Wing

AUTHORISED REPRESENTATIVES

Mr. Cheng Wai Tak
Mr. Tse Ka Wing

AUDITOR

PricewaterhouseCoopers

董事會

執行董事

鄭偉德先生
(主席及行政總裁)
廖嘉榮先生
謝家榮先生

獨立非執行董事

黃翼忠先生
黃智超先生
李瑞恩先生
曹志光先生(於二零二零年一月一日獲委任)
簡文偉先生(於二零二零年一月一日獲委任)

董事會委員會

審核委員會

黃翼忠先生(主席)
黃智超先生
李瑞恩先生
曹志光先生(於二零二零年一月一日獲委任)
簡文偉先生(於二零二零年一月一日獲委任)

薪酬委員會

黃智超先生(主席)
鄭偉德先生
黃翼忠先生
曹志光先生(於二零二零年一月一日獲委任)
簡文偉先生(於二零二零年一月一日獲委任)

提名委員會

鄭偉德先生(主席)
黃翼忠先生
李瑞恩先生
曹志光先生(於二零二零年一月一日獲委任)
簡文偉先生(於二零二零年一月一日獲委任)

公司秘書

謝家榮先生

監察主任

廖嘉榮先生

授權代表

鄭偉德先生
謝家榮先生

核數師

羅兵咸永道會計師事務所

REGISTERED OFFICE

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註冊辦事處

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Cayman Islands

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總部及香港主要營業地點

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
Clifton House
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PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

股份過戶登記總處

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Nanyang Commercial Bank (China), Limited

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
南洋商業銀行(中國)有限公司

STOCK CODE

8311

股份代號

8311

COMPANY WEBSITE

www.perfect-optronics.com

公司網站

www.perfect-optronics.com

Chairman's Statement

主席報告

On behalf of the Board of Directors (the "Board"), I present the annual results of Perfect Optronics Limited and its subsidiaries (the "Group") for the year ended 31 December 2019 (the "Year") to all of its shareholders.

REVIEW OF OPERATIONAL RESULTS

2019 was a turbulent year for global economy. Domestic mobile phone shipments in the People's Republic of China (the "PRC" or "China") decreased. Influenced by the economic uncertainties and Sino-American trade tension and combined with the shrinking market and continuous market concentration to major brands in the mobile phone market, the Group's business continued to make loss during the Year, but nonetheless, the amount of loss decreased as compared with 2018.

The Group's revenue for the Year amounted to approximately HK\$166.6 million, representing a decrease of 34% as compared with 2018. Consolidated loss attributable to equity holders of the Company for the Year amounted to approximately HK\$34.1 million, representing a decrease in loss of approximately HK\$21.7 million as compared with 2018.

During the Year, trades of medium-to-large sized display products decreased as compared with 2018 but remained as a key revenue generator of the Group. To widen our revenue base, we proactively develop our new electronic signage business and it began to contribute notable revenue to the Group during the Year. To promote its electronic signage products, the Group showcased its electronic signage products in the Learning & Teaching Expo 2019 and Retail Asia Conference & Expo in Hong Kong. Meanwhile, our long-standing partners, Innolux Corporation ("Innolux") and Novatek Microelectronics Corp. ("Novatek") completed their investments in our subsidiary engaging in electronic signage business during the Year. Their participation strengthened our confidence to capture the rising market in electronic signage. Furthermore, we set up a branch in Taiwan in late 2019 to expand our electronic signage business.

本人謹此代表董事會(「董事會」)向各股東提呈圓美光電有限公司及其附屬公司(「本集團」)截至二零一九年十二月三十一日止年度(「本年度」)的全年業績。

經營業績回顧

二零一九年，全球經濟動盪不穩。中華人民共和國(「中國」)國內手機付運量減少。受制於經濟不確定因素及中美貿易局勢緊張，加上手機市場縮減及市場越趨集中於大型品牌，本集團業務於本年度繼續錄得虧損，惟虧損額較二零一八年收窄。

本集團的本年度收入為約166.6百萬港元，較二零一八年減少34%。本年度本公司權益持有人應佔綜合虧損為約34.1百萬港元，較二零一八年虧損減少約21.7百萬港元。

於本年度，中至大尺寸顯示產品貿易較二零一八年減少，但仍然是本集團的一個主要收入來源。為擴闊收入基礎，我們積極開發新電子廣告板業務及其於本年度開始為本集團貢獻顯著的收入。為推廣電子廣告板產品，本集團於香港的學與教博覽2019及亞洲零售論壇暨博覽會展示其電子廣告板產品。同時，長期夥伴群創光電股份有限公司(「群創光電」)及聯詠科技股份有限公司(「聯詠科技」)於本年度完成對我們從事電子廣告板業務的附屬公司的投資。彼等的參與使我們更有信心於冒起的電子廣告板市場把握機遇。此外，我們已於二零一九年底設立台灣分公司以擴張電子廣告板業務。

As for the Group's investment, the Group subscribed certain preferred shares of Mobvoi Inc. ("Mobvoi") in early 2015. Following the Group's subscription, Mobvoi completed several rounds of fundraising and introduced world class enterprises such as Google and Volkswagen as its investors. Mobvoi is principally engaged in the business of developing and providing voice search artificial intelligence ("AI") systems on mobile, smart wearable, automotive and other devices. For its consumer-facing business, Mobvoi launched the Mobvoi mobile app, smartwatches, wireless smart earphones, smart rearview mirror, smart speakers and other AI software and hardware products. Mobvoi has become a recognizable consumer AI wearable brand on a global scale. With expanded AI capabilities and experience for consumer-level applications, Mobvoi extended its business to enterprise-level applications, providing a consumer-facing experience for enterprises. Mobvoi had recently completed a further round of issuance of new preferred shares to investors and the Group's shareholding in Mobvoi (on a fully diluted and as converted basis) was diluted from approximately 1.53% to approximately 1.50%. We understand such fundraising enables Mobvoi to further reinforce its new technological research, which may possibly fetch lucrative investment return for the Group.

Looking forward, the global economic outlook in 2020 remains uncertain due to the impact of trade conflicts, continuous downward pressure on the economic growth in China, as well as the recent outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak"). To reduce the impact of the uncertainties of the economy, the Group will continue to proactively enlarge its revenue base and seize business opportunities. Furthermore, the Group will go full steam to maintain its competence and create greater value for the Group and the shareholders of the Company amidst all these challenges in 2020.

至於本集團的投資，於二零一五年初，本集團認購Mobvoi Inc. (「Mobvoi」) 的若干優先股。本集團認購後，Mobvoi完成多次集資及引入Google及Volkswagen等世界級企業為投資者。Mobvoi主要從事開發及提供應用於手機、智能穿戴式設備、車用及其他設備的語音搜索人工智能(「人工智能」)系統業務。於針對消費者的業務方面，Mobvoi推出Mobvoi手機應用程式、智能手錶、無線智能耳機、智能倒後鏡、智能喇叭及其他人工智能軟件及硬件產品。Mobvoi已晉身全球知名消費人工智能穿戴式設備品牌之列。利用對消費層面應用程式的廣泛人工智能實力及經驗，Mobvoi開拓業務至企業層面的應用，為企業提供針對消費者的體驗。Mobvoi近期完成對投資者發行另一輪優先股，而本集團於Mobvoi的股權(按全面攤薄及已轉換基準)由約1.53%攤薄至約1.50%。我們理解該集資讓Mobvoi進一步加強其新技術研究及有望為本集團產生可觀的投資回報。

展望未來，鑑於貿易衝突的影響、中國經濟增長下行壓力持續及近期爆發2019冠狀病毒病(「COVID-19疫情」)，二零二零年全球經濟前景將仍然不確定。為減低經濟不確定因素的影響，本集團將繼續積極擴大其收入基礎及把握業務機遇。此外，儘管二零二零年荊棘滿途，本集團將竭盡所能維持其實力及為本集團及其股東締造更大價值。

APPRECIATION

I, on behalf of the Board, would like to present my sincere gratitude to our shareholders, business partners and customers for their support and trust over the years. I also highly appreciate the contribution and dedication of our management and staff.

Cheng Wai Tak
Chairman
Perfect Optronics Limited

Hong Kong
18 March 2020

致謝

本人謹此代表董事會衷心感謝股東、業務夥伴及客戶多年來的支持及信賴。本人亦非常感激我們管理層和全體員工所作的貢獻和付出。

鄭偉德
主席
圓美光電有限公司

香港
二零二零年三月十八日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND PROSPECTS

Business Review

The Group is principally engaged in the trading, development and sale of display and optics products and related electronic components. The Group also processes some of the products that it sells.

2019 was a turbulent year for the global economy. The Sino-American trade frictions continued and uncertainties of the economy increased. China's domestic mobile phone shipments dropped by 6.2% to 388.6 million units in 2019 as compared with 2018, according to a report issued by the China Academy of Information and Communications Technology. The demand for mobile phones was shrinking. Furthermore, the market concentration of China mobile phones in certain dominating major brands continued in 2019, which continuously affected the Group being an upstream mobile phone component supplier for those scattered non-mainstream or second tier mobile phone manufacturers. All these unfavourable factors adversely affected the Group's performance during the Year. Sales of the Group remained weak even though the Group's financial performance had improved during the Year. The Group recorded an approximately 34% decrease in revenue to approximately HK\$166,607,000 for the Year as compared to approximately HK\$254,072,000 for 2018. Loss for the Year attributable to equity holders of the Company amounted to approximately HK\$34,078,000, represented a decrease in loss of approximately HK\$21,702,000 as compared to the loss of approximately HK\$55,780,000 for 2018.

業務回顧及前景

業務回顧

本集團主要從事顯示及光學產品及相關電子部件的貿易、開發及銷售。本集團亦為其銷售的部分產品進行加工。

二零一九年，全球經濟動盪不穩。中美貿易摩擦持續，經濟不確定性增加。根據中國信息通信研究院刊發的報告，二零一九年的中國國內手機付運量較二零一八年下跌6.2%至388.6百萬部。手機需求縮減。此外，二零一九年，中國手機市場持續集中於若干主流大型品牌，本集團作為供貨予分散兼非主流或二線手機製造商的上游手機元件供應商，繼續受到影響。上述種種不利因素對本集團在本年度的表現構成負面影響。本集團的銷售仍然疲弱，惟本集團本年度的財務表現有所改善。於本年度，本集團錄得收入約為166,607,000港元，較二零一八年之約254,072,000港元減少約34%。本公司權益持有人應佔本年度虧損為約34,078,000港元，較二零一八年虧損約55,780,000港元減少虧損約21,702,000港元。

Display Products Segment

Under the continuously weak performance of the sales of the Group's mobile phone display panels in the small-sized display panel market, the sales of the medium-to-large sized display products, including display modules for computer notebooks, monitors and televisions, remained as the key revenue driver of the Group during the Year. However, the sales of medium-to-large sized display products also declined during the Year as compared with 2018 as the Group inclined to be more prudent in the procurement of products in light of the uncertainties in China's economy and the oversupply situation in the display panels market during the Year. During the Year, the Group recorded a revenue of approximately HK\$164,149,000 from its display products segment, represented a decrease of approximately 34% as compared with approximately HK\$249,518,000 for 2018. Sales of thin film transistor liquid crystal display ("TFT-LCD") panels and modules amounted to approximately HK\$135,040,000 during the Year, represented a drop of approximately 40% from that for the year ended 31 December 2018 of approximately HK\$226,154,000. Sales of polarisers and light guide plates during the Year amounted to approximately HK\$4,721,000 (2018: HK\$5,208,000) and approximately HK\$2,332,000 (2018: HK\$9,174,000) respectively, which represented a decrease of approximately HK\$487,000 and approximately HK\$6,842,000 respectively as compared with those for 2018. Such decreases offset the increases in the Group's sales of integrated circuits ("ICs") and electronic signage during the Year. Sales of ICs during the Year amounted to approximately HK\$5,325,000, which represented an increase of approximately HK\$2,057,000 as compared with 2018.

顯示產品分部

基於本集團於小尺寸顯示面板市場的手機顯示面板銷售表現持續疲弱，銷售中至大尺寸顯示產品，包括手提電腦、顯示器及電視機的顯示模組，繼續為本集團於本年度的主要收入動力。然而，中至大尺寸顯示產品於本年度的銷售亦較二零一八年下跌，因為本集團鑑於中國經濟的不確定因素及本年度內顯示面板市場供過於求的情況而傾向更加審慎採購產品。本集團於本年度自其顯示產品分部錄得收入約164,149,000港元，較二零一八年的約249,518,000港元減少約34%。於本年度，薄膜電晶體液晶顯示（「TFT-LCD」）面板及模組的銷售額為約135,040,000港元，較截至二零一八年十二月三十一日止年度的約226,154,000港元下跌約40%。於本年度，偏光板及導光板的銷售額分別為約4,721,000港元（二零一八年：5,208,000港元）及約2,332,000港元（二零一八年：9,174,000港元），較二零一八年分別減少約487,000港元及約6,842,000港元。有關減幅抵銷了於本年度本集團的集成電路（「集成電路」）及電子廣告板銷售額的增加。於本年度，集成電路的銷售額為約5,325,000港元，較二零一八年增加約2,057,000港元。

The Group has introduced its latest display products, namely electronic signage, to the market, which include digital information signage, electronic shelf displays and electronic white board, etc. Beyond targeting on the retailers, the Group has strived to promote its electronic signage products to different industries' customers, such as introducing electronic white boards in classrooms to the academy field. To attract the market attention and interest in electronic signage products, the Group showcased its electronic signage products in the Learning & Teaching Expo 2019 and Retail Asia Conference & Expo in Hong Kong, one of the Hong Kong's premier retail conferences, in 2019. Through the Group's efforts on products development and promotion, electronic signage began to contribute revenue of approximately HK\$7,749,000 (2018: HK\$397,000) during the Year. Most importantly, Innolux and Novatek, both listed on the Taiwan Stock Exchange, invested in the Group's electronic signage business through their subsidiaries during the Year. Each of Innolux and Novatek, through their subsidiaries, respectively invested USD190,000 and holds a 19% equity interest in Perinnova Limited, a subsidiary of the Group engaging in the electronic signage business. Both Innolux and Novatek are suppliers of the Group and have expertise in developing, manufacturing and supplying display components and IC solutions. The Group believes their participation will help the Group capture the rising market in electronic signage. Furthermore, the Group established a branch in Taiwan in late 2019 to expand its electronic signage business in the region.

Optics Products Segment

In 2019, the Group continued encountering many challenges in its sales of optics products. During the Year, the Group's optics products segment recorded a revenue of approximately HK\$2,458,000, represented a decrease of approximately HK\$2,096,000 as compared with approximately HK\$4,554,000 for 2018. The Group's sales of optics products underwent a hard time due to many market uncertainties, fierce pricing and competition from similar products in the market.

本集團已將其最新顯示產品(即電子廣告板)推出市場,其包括數碼資訊告示板、電子貨架顯示器及電子白板等。除了專攻零售商外,本集團致力向不同行業的客戶推廣其電子廣告板產品,例如向教育界引入課室電子白板。為了吸引市場對電子廣告板產品的關注和興趣,本集團於二零一九年在香港的學與教博覽2019及亞洲零售論壇暨博覽會(香港其中一個頂級零售博覽會)展示其電子廣告板產品。通過本集團在產品開發及宣傳上的努力,電子廣告板於本年度開始貢獻收入約7,749,000港元(二零一八年:397,000港元)。更重要的是,群創光電及聯詠科技(均於臺灣證券交易所上市)透過其附屬公司於本年度投資本集團的電子廣告板業務。群創光電及聯詠科技各自透過其附屬公司於本集團從事電子廣告板業務的附屬公司Perinnova Limited分別投資190,000美元並持有19%股權。群創光電及聯詠科技均為本集團的供應商,且擁有開發、製造及供應顯示元件及集成電路解決方案的專業知識。本集團相信彼等的參與能協助本集團把握冒起的電子廣告板市場。此外,本集團於二零一九年年底於台灣設立了分公司以擴張於該地區的電子廣告板業務。

光學產品分部

二零一九年,本集團在光學產品銷售繼續面對重重挑戰。於本年度,本集團的光學產品分部錄得收入約2,458,000港元,較二零一八年約4,554,000港元減少約2,096,000港元。本集團的光學產品銷售因多項市場不確定因素、價格競爭激烈及市場上同類產品的競爭而面臨困局。

Investment

The Group holds certain preferred shares of Mobvoi, which is principally engaged in the business of developing and providing voice search AI systems on mobile, smart wearable, automotive and other devices. Such investment is classified as financial asset at fair value through profit or loss (“FVTPL”). During the Year, Mobvoi continued to launch new products, including new models of smart watches and portable assistant speaker. Mobvoi has joint hands with various telecom leaders in China, such as China Mobile and China Unicom to promote their eSIM solutions. In the overseas market, Mobvoi also cooperated with Verizon to launch its smart watches supporting 4G/LTE service in the United States in July 2019. The Group understands that Mobvoi will continue to enrich its product diversity, extend its business to various enterprise-level applications, enhance its technologies and expand its global footprint. Mobvoi completed a further round of issuance of new preferred shares to investors during the Year and the Group’s shareholding in Mobvoi (on a fully diluted and as converted basis) was diluted from approximately 1.53% to approximately 1.50%. The fair value of the Group’s investment in Mobvoi further increased following the new round of fundraising, and a fair value gain in financial asset at FVTPL of approximately HK\$2,550,000 (2018: HK\$719,000) was recognised during the Year. The Group believes that such fundraising exercise of Mobvoi enabled Mobvoi to obtain new capital to further enhance its research and development activities, which may generate good investment returns to the Group.

The Group’s another investment was classified as financial asset at fair value through other comprehensive income, representing its investment in a Taiwan private company which engages in the business of the separator (a key component in lithium batteries). The Group invested approximately HK\$2,606,000 in 2017 which represented an approximately 3.33% shareholding of such company. Such company allotted additional shares to raise capital during the Year and the Group’s shareholding was diluted slightly to approximately 3.03%.

投資

本集團持有Mobvoi的若干優先股，其主要從事開發及提供應用於手機、智能穿戴式設備、車用及其他設備的語音搜索人工智能系統業務。有關投資分類為按公允價值計入損益（「按公允價值計入損益」）之金融資產。Mobvoi於本年度繼續推出新產品，包括新型號的智能手錶及可攜式智能喇叭。Mobvoi與中國不同電訊巨擘合作，例如中國移動及中國聯通，宣傳其eSIM服務解決方案。Mobvoi亦於二零一九年七月在海外市場與Verizon合作於美國推出支援4G/LTE服務的智能手錶。本集團得悉Mobvoi將繼續豐富產品多樣性、擴張業務至各個企業層面應用、提升技術及擴展其全球業務版圖。Mobvoi於本年度已完成另一輪向投資者發行新優先股，而本集團於Mobvoi的股權（按全面攤薄及已轉換基準計算）由約1.53%攤薄至約1.50%。本集團於Mobvoi的投資的公允價值於新一輪集資後進一步增加，而按公允價值計入損益之金融資產的公允價值收益約2,550,000港元（二零一八年：719,000港元），已於本年度確認入賬。本集團相信有關Mobvoi集資活動有助Mobvoi取得新資金，進一步提升研發活動，這可能為本集團帶來良好的投資回報。

本集團的另一項投資分類為按公允價值計入其他全面收益之金融資產，即對一間從事隔離膜（為鋰電池的主要部分）業務的台灣私人公司的投資。本集團於二零一七年投資約2,606,000港元，佔該公司股權約3.33%。該公司於本年度配發額外股份以募集資本，本集團的股權輕微攤薄至約3.03%。

Prospects

Looking ahead, the economic landscape will continue to be clouded by uncertainties. Trade frictions and the existing dominance by major brands in the mobile phone market may continue to pose impact on the Group's performance. The COVID-19 outbreak in early 2020, which has caused disruption to businesses and market uncertainties in the affected regions, may further impose a negative impact on the economy. Sales of electronic components and products are expected to be weak in the first half of 2020. Nevertheless, to deal with these challenges, the Group will continue to take different strategies to enlarge its revenue base and seize new business opportunities to limit the adverse impact on any individual product market. Meanwhile, the Group will continue to widen its product diversity and explore all kinds of opportunities with new suppliers and customers from various areas or industries.

PRINCIPAL RISKS AND UNCERTAINTIES

Global economic condition

A slowdown in the global economy, including the PRC economic climate, which has been one of the major markets for display products, would affect the results of the Group. A decrease in market demand may put significant downward pressure on the average selling prices. Reduced corporate and commercial activities also have a negative impact on the demand for and prices of the Group's products. If the economy continues to grow at a slow rate, or experiences a prolonged recession, the Group's business and results of operations will continue to be adversely affected.

前景

展望未來，經濟局勢將仍然被不確定因素籠罩。貿易摩擦及大型品牌目前主導手機市場可能繼續對本集團的表現造成不利影響。於二零二零年初爆發的COVID-19疫情，已導致受影響地區業務中斷及市場不穩定，可能進一步對經濟造成負面影響。預期二零二零年上半年電子部件及產品的銷售將會疲弱。然而，為應對該等挑戰，本集團將繼續採取不同的策略，擴大其收入基礎及把握新業務機遇，將任何個別產品市場的不利影響減至最低。同時，本集團將繼續擴大產品多樣性，並與來自不同領域或行業的新供應商及客戶探索各種機遇。

主要風險及不確定因素

全球經濟狀況

全球經濟放緩(包括中國經濟環境，此乃其中一個顯示產品主要市場)將影響本集團業績。市場需求下跌可能令平均售價受到巨大下行壓力。企業及商業活動減少亦對本集團產品的需求及價格造成不利影響。倘經濟增長率繼續緩慢或持續蕭條，本集團的業務及經營業績將繼續受到不利影響。

Inventory risk

The Group places orders with its suppliers based on the Group's forecast of future procurement, customers' intentions and indicated orders, customers' recent purchase orders and the Group's inventory levels. Any unanticipated drop in sales could cause the Group's inventories to accumulate. As technology evolves quickly, the Group's inventories may become obsolete and may adversely affect the Group's financial position and results of operations.

Prices fluctuation risk

Product trends, industry trends and other factors beyond the Group's control may cause fluctuations in selling prices and raw material prices, which could have a drastic and adverse effect on the Group's gross profit and net profit.

Financial risks

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk, price risk), credit risk and liquidity risk. Details of such risks are set out in Note 3 to the consolidated financial statements.

FINANCIAL REVIEW

The following discussion should be read in conjunction with the Group's consolidated financial statements and its notes, which are included in this report.

Revenue

Total revenue of the Group for the year ended 31 December 2019 amounted to approximately HK\$166,607,000, decreased by approximately 34% as compared to approximately HK\$254,072,000 in 2018. Decrease in total revenue was attributable to the decrease in revenue from the Group's sales of TFT-LCD panels and modules, polarisers, light guide plates, and optics products.

存貨風險

本集團根據本集團的未來採購預測、客戶意向及指示訂單、客戶近期採購訂單及本集團的現有存貨水平而向供應商下達訂單。任何超出預期的銷售下跌可導致本集團的存貨累積。由於科技瞬息萬變，本集團的存貨可能會過時及可能會對本集團的財務狀況和經營業績構成不利影響。

價格波動風險

產品趨勢、行業趨勢及其他本集團無法控制的因素可以導致銷售價格及原材料價格波動，繼而可能會對本集團的毛利及淨利潤造成嚴重及不利的影響。

財務風險

本集團的業務承受各種財務風險：市場風險（包括外匯風險、現金流量及公允價值利率風險、價格風險）、信貸風險及流動資金風險。有關風險詳情載於綜合財務報表附註3。

財務回顧

以下討論應與載於本報告的本集團綜合財務報表及其附註一併閱讀。

收入

截至二零一九年十二月三十一日止年度，本集團的總收入約為166,607,000港元，較二零一八年的約254,072,000港元下跌約34%。總收入下跌是由於本集團TFT-LCD面板及模組、偏光板、導光板及光學產品的銷售收入減少所致。

Cost of sales

Cost of sales of the Group mainly consisted of purchase costs, processing and subcontracting charges, staff costs, scrap loss, provision for obsolete inventories and other direct costs. Due to the decrease in revenue, purchase costs, processing and subcontracting charges, scrap loss and other direct costs decreased during the year ended 31 December 2019 as compared with 2018. Meanwhile, provision for obsolete inventories during the year ended 31 December 2019 also decreased as compared with 2018. Total cost of sales for the year ended 31 December 2019 amounted to approximately HK\$166,902,000, decreased by approximately 38% as compared to approximately HK\$268,428,000 in 2018.

Gross loss

Gross loss amounting to approximately HK\$295,000 was recorded for the year ended 31 December 2019 (2018: HK\$14,356,000). The drop in the Group's revenue and low gross profit margins of the products sold during the year ended 31 December 2019 led to the gross loss. Nevertheless, the amount of gross loss decreased in 2019 when compared with 2018.

Other gains, net

Net other gains of approximately HK\$3,069,000 (2018: HK\$865,000) was recorded during the year ended 31 December 2019. The balance mainly included the fair value gain in the Group's investment in Mobvoi of approximately HK\$2,550,000 (2018: HK\$719,000).

Distribution and selling expenses

The Group's distribution and selling expenses for the year ended 31 December 2019 amounted to approximately HK\$8,680,000, representing an approximately 26% decrease as compared to approximately HK\$11,761,000 in 2018. The decrease was mainly attributable to the decrease in warehouse storage costs during the year ended 31 December 2019.

銷售成本

本集團的銷售成本主要包括採購成本、加工及外包費用、員工成本、廢料損失、陳舊存貨撥備及其他直接成本。截至二零一九年十二月三十一日止年度，採購成本、加工及外包費用、廢料損失及其他直接成本因收入減少而較二零一八年有所下跌。同時，截至二零一九年十二月三十一日止年度計提的陳舊存貨撥備亦較二零一八年有所減少。截至二零一九年十二月三十一日止年度，總銷售成本較二零一八年的約268,428,000港元下跌約38%至約166,902,000港元。

毛損

截至二零一九年十二月三十一日止年度錄得毛損約295,000港元(二零一八年：14,356,000港元)。本集團在截至二零一九年十二月三十一日止年度內收入下滑及售出產品毛利率較低，導致出現毛損。然而，二零一九年的毛損金額較於二零一八年減少。

其他收益淨額

截至二零一九年十二月三十一日止年度錄得其他收益淨額約3,069,000港元(二零一八年：865,000港元)。結餘主要包括本集團於Mobvoi的投資的公允價值收益約2,550,000港元(二零一八年：719,000港元)。

分銷及銷售開支

截至二零一九年十二月三十一日止年度，本集團的分銷及銷售開支為約8,680,000港元，較二零一八年的約11,761,000港元減少約26%。減少乃主要由於截至二零一九年十二月三十一日止年度的倉庫儲存成本減少。

General and administrative expenses

The Group's general and administrative expenses for the year ended 31 December 2019 amounted to approximately HK\$26,916,000, which is comparable to approximately HK\$26,867,000 in 2018.

Research and development expenses

The Group's research and development expenses amounted to approximately HK\$1,972,000 for the year ended 31 December 2019, which decreased by approximately HK\$1,393,000 as compared with 2018 of approximately HK\$3,365,000. The decrease was mainly due to the decrease in staff costs and development fees incurred for products development.

Finance costs

The Group's finance costs for the year ended 31 December 2019 included bank loans interest expenses of approximately HK\$275,000 (2018: HK\$456,000) and the interest expenses of approximately HK\$890,000 (2018: Nil) on lease liabilities recognised under the new accounting standard, Hong Kong Financial Reporting Standard No. 16 ("HKFRS 16"). Please refer to Note 2.2 to the consolidated financial statements for details of the adoption of HKFRS 16.

Income tax

No Hong Kong profits tax was provided by the Group for the year ended 31 December 2019 (2018: Nil). Income tax during the years ended 31 December 2019 and 2018 mainly represented deferred income tax credited to the consolidated statement of comprehensive income.

Loss attributable to equity holders of the Company

Loss attributable to equity holders of the Company for the year ended 31 December 2019 amounted to approximately HK\$34,078,000, representing a decrease in loss of approximately HK\$21,702,000 as compared with the loss for 2018 of approximately HK\$55,780,000, which was mainly attributable to the increase in fair value gain on investment, the decrease in the provision for obsolete inventories and the reduction of distribution and selling expenses, and research and development expenses during the year ended 31 December 2019.

一般及行政開支

截至二零一九年十二月三十一日止年度，本集團的一般及行政開支約為26,916,000港元，與二零一八年的約26,867,000港元相若。

研究及開發開支

截至二零一九年十二月三十一日止年度，本集團的研究及開發開支約為1,972,000港元，較二零一八年約3,365,000港元減少約1,393,000港元。減幅乃主要由於就產品開發產生的員工成本及開發費用減少。

財務費用

截至二零一九年十二月三十一日止年度，本集團的財務費用包括銀行貸款利息開支約275,000港元(二零一八年：456,000港元)，以及根據新會計準則香港財務報告準則第16號(「香港財務報告準則第16號」)確認的租賃負債利息開支約890,000港元(二零一八年：零)。有關採納香港財務報告準則第16號的詳情，請參閱綜合財務報表附註2.2。

所得稅

本集團於截至二零一九年十二月三十一日止年度並無計提香港利得稅(二零一八年：無)。截至二零一九年及二零一八年十二月三十一日止年度的所得稅主要指計入綜合全面收益表的遞延所得稅。

本公司權益持有人應佔虧損

截至二零一九年十二月三十一日止年度，本公司權益持有人應佔虧損約為34,078,000港元，較二零一八年的虧損約55,780,000港元減少虧損約21,702,000港元，主要由於截至二零一九年十二月三十一日止年度投資的公允價值收益增加、陳舊存貨撥備計提減少，以及分銷及銷售開支、研究及開發開支的減少所致。

FINANCIAL KEY PERFORMANCE
INDICATORS

主要財務表現指標

The financial key performance indicators are analysed as follows: 主要財務表現指標分析如下：

		Year ended 31 December 截至十二月三十一日止年度		Percentage change Increase/ (decrease) 百分比變動 增加/(減少)
	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	
FINANCIAL PERFORMANCE	財務表現			
Revenue	收入	166,607	254,072	(34)%
Gross loss	毛損	(295)	(14,356)	(98)%
Loss before interest, income tax, depreciation and amortisation ("EBITDA")	除利息、所得稅、折舊及攤銷前虧損 ("EBITDA")	(27,927)	(53,406)	(48)%
Loss for the year	年度虧損	(35,648)	(55,780)	(36)%
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	(34,078)	(55,780)	(39)%
Return on total assets (%)	總資產回報率(%)	-17.5%	-23.2%	Improved by 5.7% 改善5.7%
Return on shareholders' equity (%)	股東權益回報率(%)	-20.2%	-27.3%	Improved by 7.1% 改善7.1%
Basic loss per share (HK cents)	每股基本虧損(港仙)	HK(2.30) cents (2.30)港仙	HK(3.76) cents (3.76)港仙	(39)%

		As at 31 December 於十二月三十一日			
		Note	2019	2018	Percentage change Increase/ (decrease) 百分比變動 增加/(減少)
		附註	二零一九年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	
KEY FINANCIAL INDICATORS	主要財務指標				
Cash and cash equivalents	現金及現金等價物		70,308	71,153	(1)%
Net current assets	流動資產淨額		99,337	140,164	(29)%
Total assets	資產總額		203,663	240,795	(15)%
Bank borrowings	銀行借款		—	8,979	(100)%
Total liabilities	負債總額		33,306	36,830	(10)%
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		168,947	203,965	(17)%
Total equity	權益總額		170,357	203,965	(16)%
Current ratio (times)	流動比率(倍)	(iv)	5.0 times 5.0倍	4.8 times 4.8倍	Increased by 0.2 times 增加0.2倍
Quick ratio (times)	速動比率(倍)	(v)	3.7 times 3.7倍	2.6 times 2.6倍	Increased by 1.1 times 增加1.1倍
Gearing ratio (%)	資本負債比率(%)	(vi)	0%	4.4%	(4.4)%
Debt-to-asset ratio (%)	負債資產比率(%)	(vii)	0%	3.7%	(3.7)%

Notes:

- (i) As the Group recorded gross loss and loss before interest, income tax, depreciation and amortisation during the year ended 31 December 2019 and 2018, no gross profit margin and EBITDA margin are presented
- (ii) Return on total assets = Loss for the year/Total assets
- (iii) Return on shareholders' equity = Loss attributable to equity holders of the Company/Equity attributable to equity holders of the Company
- (iv) Current ratio = Current assets/Current liabilities
- (v) Quick ratio = (Current assets – Inventories)/Current liabilities
- (vi) Gearing ratio = Total interest-bearing bank borrowings/Total equity
- (vii) Debt-to-asset ratio = Total interest-bearing bank borrowings/Total assets

附註:

- (i) 由於截至二零一九年及二零一八年十二月三十一日止年度本集團錄得毛損及除利息、所得稅、折舊及攤銷前虧損，概無呈列毛利率及EBITDA率
- (ii) 總資產回報率=年度虧損/資產總額
- (iii) 股東權益回報率=本公司權益持有人應佔虧損/本公司權益持有人應佔權益
- (iv) 流動比率=流動資產/流動負債
- (v) 速動比率=(流動資產 – 存貨)/流動負債
- (vi) 資本負債比率=計息銀行借款總額/權益總額
- (vii) 負債資產比率=計息銀行借款總額/資產總額

LIQUIDITY AND FINANCIAL RESOURCES 流動資金及財務資源

The Group's funds are principally used to finance working capital, and the growth and expansion of the Group's operations and sales network. The Group's principal sources of funds are cash generated from operations and bank borrowings. An analysis of the Group's bank deposits, bank balances and cash is as follows:

本集團的資金主要用作撥付營運資金，及就本集團營運及銷售網絡的增長及擴展提供資金。本集團主要的資金來源為自營運產生的現金及銀行借款。本集團銀行存款、銀行結餘及現金之分析如下：

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total bank deposits, bank balances and cash	銀行存款、銀行結餘及現金總額	70,308	81,488
Less: Restricted bank deposits included in current assets	減：計入流動資產的受限制銀行存款	—	(10,335)
Cash and cash equivalents	現金及現金等價物	70,308	71,153

The carrying amounts of the Group's bank deposits, bank balances and cash are denominated in the following currencies:

本集團的銀行存款、銀行結餘及現金的賬面值乃以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
United States dollars ("USD")	美元(「美元」)	57,491	71,371
Hong Kong dollars ("HK\$")	港元(「港元」)	6,986	6,288
Renminbi ("RMB")	人民幣(「人民幣」)	4,777	3,107
New Taiwan dollars ("TWD")	新台幣(「新台幣」)	1,054	722
		70,308	81,488

The Group had no bank borrowings as at 31 December 2019. As at 31 December 2018, the Group's bank borrowings comprised fixed interest rate bank loans of approximately HK\$8,979,000, which were denominated in RMB and repayable within a period not exceeding one year.

CAPITAL STRUCTURE

The capital of the Company only comprises ordinary shares. There has been no change in the capital structure of the Group during the year ended 31 December 2019.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year.

The Group strives to reduce exposure to credit risk by monitoring on an ongoing basis with reference to the financial position of the debtors, past experience and other factors. The Group performs regular credit evaluations of its major customers. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintains sufficient cash and an adequate amount of committed credit facilities to settle the payables of the Group.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group's management policies, working environment, career prospects and employees' benefits have contributed to building a good employee relations and employee retention of the Group. The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including medical benefits, social insurance, mandatory provident funds, bonuses and a share option scheme. The management regularly reviews its employee's remuneration packages to ensure they are up to prevailing market standard.

本集團於二零一九年十二月三十一日並無銀行借款。於二零一八年十二月三十一日，本集團的銀行借款包括固定利率銀行貸款約8,979,000港元，以人民幣計值，及應於不超過一年期間內償還。

資本結構

本公司的資本僅包括普通股。截至二零一九年十二月三十一日止年度，本集團的資本結構概無轉變。

庫務政策

本集團已就其庫務政策採取審慎財務管理方法，因而於整個年度得以保持穩健之流動資金狀況。

本集團經參考債務人的財務狀況、過往經驗及其他因素而持續進行監控，務求致力減低信貸風險。本集團會定期為其主要客戶進行信貸評估。為管理流動資金風險，管理層會緊密監察本集團的流動資金狀況及持有足夠現金及充足的已承諾信貸融資，以償還本集團的應付款。

與僱員、供應商及客戶的關係

本集團的管理政策、工作環境、晉升前景及僱員福利有助本集團與僱員建立良好關係及留聘僱員。本集團為僱員提供符合行業慣例並具競爭力的薪酬待遇及各種僱員福利，包括醫療福利、社保、強積金、花紅及購股權計劃。管理層定期檢討其僱員薪酬組合，確保其符合現行市場水平。

As at 31 December 2019, the employee headcount of the Group was 74 (2018: 72) and the total staff costs, including directors' emoluments, amounted to approximately HK\$21,533,000 during the year ended 31 December 2019 (2018: HK\$24,492,000). The amount of total staff costs for the year ended 31 December 2019 excluded depreciation and finance costs associated with the lease of staff quarter, amounting to approximately HK\$974,000 and approximately HK\$63,000 respectively.

The Group has established long term business relationships with its major suppliers for over ten years. The Group has entered into long term supply framework agreements with these suppliers. The Group will endeavor to maintain its established relationship with these existing suppliers.

The Group has a well-established business relationship with its customers and has gained recognition in the TFT-LCD panel industry in the PRC. Some of its customers have over ten-year business relationships with the Group. To deal with the recent downturn in the Group's business, the Group endeavours to secure the business with existing customers and at the same time devotes to develop new reliable customers in new markets.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group had no material contingent liabilities (2018: Nil).

CHARGE OF ASSETS

The Group had no charge of assets as at 31 December 2019. As at 31 December 2018, the Group had pledged its bank deposits of approximately HK\$10,335,000 to bank to secure the banking facilities granted to the Group.

FOREIGN CURRENCY

The Group's business transactions, assets and liabilities are principally denominated in USD, HK\$, RMB and TWD. HK\$ are reasonably stable against the USD under the Linked Exchange Rate System. In addition, the management considers that the impact on exchange differences for RMB and TWD is not significant as at 31 December 2019. The Group currently does not have a foreign currency hedging policy. However, the Board will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

於二零一九年十二月三十一日，本集團僱員總數為74人(二零一八年：72人)，截至二零一九年十二月三十一日止年度，員工總成本(包括董事酬金)約21,533,000港元(二零一八年：24,492,000港元)。截至二零一九年十二月三十一日止年度的員工總成本金額不包括與員工宿舍有關的折舊及財務成本分別為約974,000港元及約63,000港元。

本集團已與其主要供應商建立逾十年的長期業務關係。本集團與該等供應商訂立長期供應框架協議。本集團將致力與該等現有供應商維持既定關係。

本集團與其客戶擁有穩固業務關係，並於中國 TFT-LCD 面板行業廣獲認可。部分客戶與本集團擁有超過十年的業務往來。為應對近期本集團業務的下滑，本集團致力確保與現有客戶的業務，同時投身新市場，發展值得信賴的新客戶。

或然負債

於二零一九年十二月三十一日，本集團並無重大或然負債(二零一八年：無)。

抵押資產

本集團於二零一九年十二月三十一日並無抵押資產。於二零一八年十二月三十一日，本集團已向銀行抵押其銀行存款約10,335,000港元以取得授予本集團的銀行融資。

外匯

本集團的業務交易、資產及負債均主要以美元、港元、人民幣及新台幣計值。於聯繫匯率制度下，港元兌美元相對穩定。此外，管理層認為於二零一九年十二月三十一日，人民幣及新台幣匯兌差額之影響不重大。目前，本集團並無外幣對沖政策。然而，董事會將持續監控相關外幣風險，並於有需要時考慮對沖重大的外幣風險。

CAPITAL COMMITMENTS

As at 31 December 2019, the Group did not have any significant capital commitments (2018: Nil).

DIVIDEND

The Board does not recommend nor declare any dividend for the year ended 31 December 2019 (2018: Nil).

SIGNIFICANT INVESTMENTS HELD

In January 2015, the Group subscribed for 25,213,220 Series A-2 Preferred Shares of Mobvoi at a consideration of USD3,000,000. Mobvoi is principally engaged in the business of developing and providing voice search AI systems on mobile, smart wearable, automotive and other devices. The Company considers that the investment in Mobvoi, which is intended to be held by the Group for long-term investment purpose, will provide an opportunity to the Group to share in and gain from the development potentials of Mobvoi and its products and technology. The Group does not have any management or operational role in Mobvoi. There have been no addition to or disposal of such investment by the Group since it made the investment in January 2015. Mobvoi has undertaken several rounds of fundraising in recent years. During the year ended 31 December 2019, Mobvoi completed a further round of issuance of new preferred shares to investors and the Group's shareholding in Mobvoi (on a fully diluted and as converted basis) was diluted from approximately 1.53% to approximately 1.50%.

The Group's investment in Mobvoi is classified as financial asset at fair value through profit or loss. As at 31 December 2019, the fair value of the Group's investment in Mobvoi was approximately HK\$57,538,000, representing approximately 28.3% of the Group's total assets. No dividend has been received by the Group from Mobvoi since making its investment. A fair value gain of approximately HK\$2,550,000 was recognised during the year ended 31 December 2019.

Save for the abovementioned, the Group did not hold any significant investment in equity interest in any other company as at 31 December 2019.

資本承擔

於二零一九年十二月三十一日，本集團並無任何重大資本承擔(二零一八年：無)。

股息

就截至二零一九年十二月三十一日止年度，董事會不建議或宣派任何股息(二零一八年：無)。

所持重大投資

於二零一五年一月，本集團認購了25,213,220股Mobvoi A-2系列優先股，代價為3,000,000美元。Mobvoi主要從事開發及提供手機、智能穿戴式設備、汽車及其他設備之語音搜索人工智能系統業務。本公司認為投資Mobvoi(本集團有意長期持有)將使本集團有機會分享及從Mobvoi及其產品和技術的發展潛力獲益。本集團在Mobvoi並無任何管理或營運角色。本集團自二零一五年一月作出投資以來並無增加或出售該投資。Mobvoi近年進行了幾輪集資。於截至二零一九年十二月三十一日止年度，Mobvoi完成另一輪向投資者發行新優先股，且本集團於Mobvoi的股權(按全面攤薄及經轉換基準)由約1.53%攤薄至約1.50%。

本集團於Mobvoi的投資分類為以公允價值計量計入損益的金融資產。於二零一九年十二月三十一日，本集團於Mobvoi的投資的公允價值約為57,538,000港元，佔本集團資產總值約28.3%。本集團自投資以來並無從Mobvoi獲得任何股息。於截至二零一九年十二月三十一日止年度確認公允價值收益約2,550,000港元。

除上文所述者外，於二零一九年十二月三十一日，本集團概無於任何其他公司持有任何重大股權投資。

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have plans for material investments and capital assets as at 31 December 2019.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies during the year ended 31 December 2019.

LEGAL PROCEEDINGS INVOLVING THE COMPANY AND THE DIRECTORS

As announced by the Company in its announcement dated 4 October 2019, on 25 September 2019, the Company received a sealed copy of a petition (the "Petition") issued by the High Court of the Hong Kong Special Administrative Region which was taken out by the Securities and Futures Commission (the "SFC") pursuant to section 214 of the Securities and Futures Ordinance (the "SFO") against six Directors, namely, Mr. Cheng Wai Tak, Mr. Liu Ka Wing, Mr. Tse Ka Wing, Mr. Wong Yik Chung John, Mr. Wong Chi Chiu and Mr. Li Shui Yan (collectively "the Director Respondents"), and the Company. The SFC alleged in the Petition that the Director Respondents had breached their duties as directors of the Company in relation to the disposal of a subsidiary of the Company holding an approximately 50.14% shareholding in 尚立光電股份有限公司 (Shinyoptics Corporation*) (details of such disposal were disclosed in the announcement of the Company dated 22 December 2016). The Company understands the Director Respondents disagree with the allegations of the SFC in the Petition, and intend to vigorously contest the Petition.

Trading in the shares of the Company on GEM has been suspended since 9:00 a.m. on 26 September 2019 until further notice. As announced by the Company in its announcement dated 10 January 2020, the Company has received resumption guidance from the Stock Exchange, and the Company is seeking advice on the guidance issued by the Stock Exchange and is actively considering and taking appropriate steps to resolve the issues in connection with its trading suspension, including the appointment of two new independent non-executive directors as disclosed in the announcement of the Company dated 30 December 2019.

* for identification purpose only

重大投資及資本資產的未來計劃

於二零一九年十二月三十一日，本集團概無重大投資及資本資產的計劃。

重大收購及出售附屬公司及聯屬公司

截至二零一九年十二月三十一日止年度，本集團概無任何重大收購及出售附屬公司及聯屬公司的事項。

涉及本公司及董事之法律程序

誠如本公司於其日期為二零一九年十月四日之公告所公布，於二零一九年九月二十五日，本公司接獲香港特別行政區高等法院發出之呈請之蓋章文本（「呈請」）。呈請由證券及期貨事務監察委員會（「證監會」）根據證券及期貨條例第214條提出，針對六位董事，即鄭偉德先生、廖嘉榮先生、謝家榮先生、黃翼忠先生、黃智超先生及李瑞恩先生（統稱「董事答辯人」），以及本公司。證監會於呈請中指稱，就出售持有尚立光電股份有限公司約50.14%股權之本公司附屬公司（該出售之詳情於本公司日期為二零一六年十二月二十二日之公告披露），董事答辯人違反彼等作為本公司董事之職責。本公司知悉董事答辯人不同意證監會在呈請中所作的指稱，並擬積極抗辯呈請。

本公司股份於GEM之買賣自二零一九年九月二十六日上午九時正起暫停，直至另行通知為止。誠如本公司於其日期為二零二零年一月十日之公告所公布，本公司已從聯交所獲取復牌指引，而本公司正就聯交所發出的指引尋求建議，並積極考慮及採取適當行動以解決與其暫停買賣有關之事宜，包括誠如本公司日期為二零一九年十二月三十日之公告所披露的委任兩名新任獨立非執行董事。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of its shareholders. To accomplish this, save as set out below, the Company has adopted the principles and the code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules.

Throughout the year ended 31 December 2019, the Company had complied with all the code provisions of the CG Code, except for the deviation as disclosed under the section headed “Chairman and Chief Executive Officer” below.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the year.

企業管治常規

本公司致力達至高水準的企業管治，旨在保障其股東利益。為達成此目標，除下文所載者外，本公司已採納GEM上市規則附錄15所載企業管治守則（「企業管治守則」）的原則及守則條文。

於截至二零一九年十二月三十一日止年度內，本公司已遵守企業管治守則的所有守則條文，惟下文「主席及行政總裁」一節所披露的偏離情況除外。

遵守董事進行證券交易的操守守則

本公司已採納一套有關董事進行證券交易之操守守則，該守則之條款與GEM上市規則第5.48至第5.67條所規定之交易標準同樣嚴謹。本公司已向全體董事作出具體查詢，全體董事於年內已遵守本公司所採納有關董事進行證券交易之所需交易標準及操守守則。

BOARD OF DIRECTORS

Composition of the Board

Up to the date of this annual report, the Board comprises three executive Directors and five independent non-executive Directors. The composition of the Board during the year and up to the date of this annual report was as follows:

Executive Directors:

Mr. Cheng Wai Tak (*Chairman & Chief Executive Officer*)
Mr. Liu Ka Wing
Mr. Tse Ka Wing

Independent non-executive Directors:

Mr. Wong Yik Chung John
Mr. Wong Chi Chiu
Mr. Li Shui Yan
Mr. Cho Chi Kong (appointed on 1 January 2020)
Mr. Kan Man Wai (appointed on 1 January 2020)

The biographical details of all Directors and senior management of the Company are set out on pages 67 to 71 of this annual report. To the best knowledge of the Company, there is no financial, business, family or other material or relevant relationships among members of the Board.

FUNCTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for establishing the strategic direction of the Company and its subsidiaries; setting objectives and business development plans; monitoring the performance of the senior management; and assuming responsibility for corporate governance. The management, under the leadership of the Chief Executive Officer, is responsible for implementing the strategies and plans established by the Board and reporting on the Group's operations to the Board on a regular basis to ensure effective performance of the Board's responsibilities.

The management provided all members of the Board with monthly updates in accordance with the code provision C.1.2 of the CG Code.

董事會

董事會的組成

截至本年報日期止，董事會由三名執行董事及五名獨立非執行董事組成。於本年度及截至本年報日期，董事會的組成如下：

執行董事：

鄭偉德先生(主席及行政總裁)
廖嘉榮先生
謝家榮先生

獨立非執行董事：

黃翼忠先生
黃智超先生
李瑞恩先生
曹志光先生(於二零二零年一月一日獲委任)
簡文偉先生(於二零二零年一月一日獲委任)

全體董事及本公司高級管理層的履歷詳情載於本年報第67至71頁內。就本公司所深知，董事會成員之間概無任何財務、業務、家族或其他重大或相關關係。

董事會及管理層職能

董事會之職責為制訂本公司及其附屬公司之策略性方向；訂立目標及業務發展計劃；監督高級管理層之表現及負責企業管治。在行政總裁之領導下，管理層負責執行由董事會制訂之策略及計劃，及定時就本集團之運作向董事會報告以確保董事會之職責有效地執行。

根據企業管治守則守則條文第C.1.2條，管理層每月向董事會全體成員提供更新資訊。

DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

董事及高級職員的責任

本公司已為董事及高級職員安排適當的責任保險，覆蓋因公司活動而針對董事及高級管理層採取的任何法律行動。保險保障範圍每年檢討一次。

BOARD MEETINGS

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. All minutes of the Board meetings were recorded in sufficient detail of the matters considered by the Board and the decisions made.

董事會會議

董事可親身或以本公司組織章程細則所訂明的其他電子通訊方式出席會議。所有董事會會議紀錄已詳細記錄董事會考慮之事宜及已達成之決定。

Four regular board meetings were held during the year. The attendance of individual Directors at these board meetings were as follows:

董事會於年內舉行四次定期會議。個別董事出席董事會會議之情況如下：

Name		Number of regular board meetings attended/held
姓名		出席／舉行的董事會會議次數
<i>Executive Directors:</i>		
Mr. Cheng Wai Tak (<i>Chairman</i>)	執行董事： 鄭偉德先生(主席)	4/4
Mr. Liu Ka Wing	廖嘉榮先生	4/4
Mr. Tse Ka Wing	謝家榮先生	4/4
<i>Independent non-executive Directors:</i>		
Mr. Wong Yik Chung John	獨立非執行董事： 黃翼忠先生	4/4
Mr. Wong Chi Chiu	黃智超先生	4/4
Mr. Li Shui Yan	李瑞恩先生	4/4

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the independent non-executive Directors has entered into an appointment letter with the Company for a term of three years.

In compliance with the code provision A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by the shareholders at the first general meeting after their appointment. By virtue of article 112 of the articles of association of the Company, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

委任及重選董事

各獨立非執行董事與本公司已訂立委任書，為期三年。

為符合企業管治守則的守則條文第A.4.2條，獲委任填補臨時空缺的所有董事均須於其獲委任後的首屆股東大會上由股東選舉。根據本公司組織章程細則第112條，董事會有權不時及隨時委任任何人士為董事，以填補董事會臨時空缺或作為新增董事，惟如此獲委任的董事人數不得超過股東於股東大會上不時釐定的最高人數。任何獲董事會委任填補臨時空缺之董事之任期至其獲委任後的首次股東大會為止，並可於會上膺選連任。任何獲董事會委任作現有董事會的新增成員之董事，任期僅至本公司下屆股東週年大會為止，屆時有資格於會上膺選連任。

In compliance with the code provision in A.4.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 108(a) of the articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

By virtue of article 108 of the articles of association of the Company, Mr. Cheng Wai Tak, Mr. Tse Ka Wing and Mr. Li Shui Yan will retire by rotation at the forthcoming annual general meeting and being eligible, will offer themselves for re-election.

Mr. Cho Chi Kong and Mr. Kan Man Wai were appointed as independent non-executive Directors with effect from 1 January 2020. In accordance with the article 112 of the articles of association of the Company, Mr. Cho Chi Kong and Mr. Kan Man Wai will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed five independent non-executive Directors, representing more than one-third of the Board and with at least one of whom having appropriate professional qualifications, or accounting or related financial management expertise. The Company has received annual independence confirmation from each of Mr. Wong Yik Chung John, Mr. Wong Chi Chiu and Mr. Li Shui Yan and independence confirmation from each of Mr. Cho Chi Kong and Mr. Kan Man Wai pursuant to Rule 5.09 of the GEM Listing Rules. The Board considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the GEM Listing Rules for the year.

為符合企業管治守則的守則條文第A.4.2條，所有董事須最少每三年輪值退任一次。此外，根據本公司組織章程細則第108(a)條，在每一屆的股東週年大會上，當時三分之一（或倘人數並非為三或三的倍數，則最接近但不少於三分之一的數目）的董事須輪值退任，惟各董事（包括具特定委任年期的董事）須最少每三年輪值退任一次。退任董事合資格膺選連任。本公司可於董事退任的股東大會上填補臨時空缺。

根據本公司組織章程細則第108條，鄭偉德先生、謝家榮先生及李瑞恩先生將於應屆股東週年大會輪席退任，且彼等符合資格並將願意重選連任。

曹志光先生及簡文偉先生已獲委任為獨立非執行董事，自二零二零年一月一日起生效。根據本公司組織章程細則第112條，曹志光先生及簡文偉先生將於應屆股東週年大會退任，且彼等符合資格並將願意重選連任。

獨立非執行董事

為符合GEM上市規則第5.05(1)、第5.05(2)及第5.05A條，本公司已委任五名獨立非執行董事，比例超過董事會成員的三分之一，且彼等當中至少有一名擁有合適的專業資格或會計或相關財務管理專業知識。根據GEM上市規則第5.09條之規定，本公司已分別接獲黃翼忠先生、黃智超先生及李瑞恩先生之年度獨立確認書，以及曹志光先生及簡文偉先生之獨立確認書。董事會認為根據GEM上市規則所載的獨立指引，所有獨立非執行董事年內均屬獨立。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Under the current management structure of the Company, Mr. Cheng Wai Tak (“Mr. Cheng”) is the Chairman and Chief Executive Officer. With Mr. Cheng’s extensive experience in the industry, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person would provide the Company with strong and consistent leadership, allow for effective and efficient planning and implementation of business decisions and strategies, and would be beneficial to the business prospects and management of the Group.

Although Mr. Cheng performs both the roles of Chairman and Chief Executive Officer, the division of responsibilities between the Chairman and Chief Executive Officer is clearly established. In general, the Chairman is responsible for supervising the functions and performance of the Board, while the Chief Executive Officer is responsible for the management of the business of the Group. The two roles are performed by Mr. Cheng distinctly. The Board also considers that the current management structure does not impair the balance of power and authority between the Board and the management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors. However, it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

主席及行政總裁

根據企業管治守則的守則條文第A.2.1條，主席及行政總裁的職權應該分明，不應由同一人擔任。

根據目前本公司的管理架構，鄭偉德先生（「鄭先生」）為主席及行政總裁。因鄭先生具有豐富的業內經驗，董事會相信向同一人委以主席及行政總裁的職責，將可為本公司提供強而統一的領導，令業務決策及策略在規劃及實行時更加有效可取，且將對本集團的業務前景及管理有利。

儘管主席及行政總裁的角色同時由鄭先生擔任，主席及行政總裁之間的職權分工已清楚確立。總體而言，主席負責監管董事會職能及表現，而行政總裁則負責管理本集團業務。兩個職位均由鄭先生分別擔任。董事會亦認為目前的管理架構不會削弱董事會及本公司管理層的權力及權限制衡，因為董事會已有適當的權力分配，而且獨立非執行董事亦能有效發揮職能。然而，在本公司的長遠目標中，一旦物色到適當人選，兩個職位將會由不同人士分別擔當。

BOARD COMMITTEES

The Board has established, with written terms of reference, three Board committees, namely audit committee, remuneration committee and nomination committee, to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties. The written terms of reference for each Board committee are in line with the GEM Listing Rules and are available on the websites of the Stock Exchange and the Company, respectively.

AUDIT COMMITTEE

The Company has established an audit committee on 20 January 2014 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision C.3 of the CG Code. The audit committee consists of five independent non-executive Directors, namely, Mr. Wong Yik Chung John, who has the appropriate accounting and financial related management expertise and serves as the chairman of the audit committee, Mr. Wong Chi Chiu, Mr. Li Shui Yan, Mr. Cho Chi Kong and Mr. Kan Man Wai. Mr. Cho Chi Kong and Mr. Kan Man Wai were appointed as members of the audit committee with effect from 1 January 2020.

The primary duties of the audit committee are (but without limitation) to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process and internal control and to review the Company's risk management and internal control systems, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

董事會委員會

董事會已成立三個董事會委員會，分別為審核委員會、薪酬委員會及提名委員會，並定有書面職責條款，以監管本公司特定方面的事務。本公司為董事會委員會提供足夠資源以履行其職務。各董事會委員會的書面職責條款符合GEM上市規則，可分別於聯交所及本公司網站查閱。

審核委員會

本公司已於二零一四年一月二十日成立審核委員會，其書面職責條款符合GEM上市規則第5.28條及企業管治守則的守則條文第C.3條規定。審核委員會由五名獨立非執行董事組成，由具備合適會計及財政相關管理專業的黃翼忠先生出任審核委員會主席，其餘成員為黃智超先生、李瑞恩先生、曹志光先生及簡文偉先生。曹志光先生及簡文偉先生獲委任為審核委員會成員，自二零二零年一月一日起生效。

審核委員會的主要職責為(但不限於)協助董事會，就本公司財務申報過程及內部監控，以及檢討本公司的風險管理及內部控制系統的有效程度向其提供獨立意見，並監管審核過程以及進行董事會委派之其他職責及責任。

The audit committee held four meetings during the year. Its composition and attendance of individual members at these audit committee meetings are as follows:

審核委員會於年內舉行四次會議。其成員及個別成員於該等審核委員會會議之出席率如下：

Members of the audit committee		Number of audit committee meetings attended/held
審核委員會成員		出席／舉行的審核委員會會議次數
Mr. Wong Yik Chung John	黃翼忠先生	4/4
Mr. Wong Chi Chiu	黃智超先生	4/4
Mr. Li Shui Yan	李瑞恩先生	4/4

During the year, the audit committee reviewed the Company's annual financial statements, annual results announcement, interim and quarterly announcements and reports; discussed and reviewed the internal control and risk management systems of the Group; reviewed the effectiveness of the Company's internal audit function; met with the independent external auditors and reviewed report from the independent external auditors regarding their audit on annual financial statements.

於年內，審核委員會審閱本公司之年度財務報表、年度業績公告、中期及季度公告及報告；討論及檢討本集團之內部監控及風險管理系統；檢討本公司的內部審核職能的有效性；會見獨立外部核數師及審閱獨立外部核數師關於其審核年度財務報表之報告。

REMUNERATION COMMITTEE

The Company established a remuneration committee on 20 January 2014 with written terms of reference in compliance with code provision B.1 of the CG Code. The remuneration committee consists of five members, the majority of whom are independent non-executive Directors, namely Mr. Wong Chi Chiu, who serves as the chairman of the remuneration committee, Mr. Cheng Wai Tak, Mr. Wong Yik Chung John, Mr. Cho Chi Kong and Mr. Kan Man Wai. Mr. Cho Chi Kong and Mr. Kan Man Wai were appointed as members of the remuneration committee with effect from 1 January 2020.

薪酬委員會

本公司已於二零一四年一月二十日成立薪酬委員會，其書面職責條款符合企業管治守則的守則條文第B.1條。薪酬委員會由五名委員組成，大部分為獨立非執行董事，黃智超先生出任薪酬委員會的主席，其餘成員為鄭偉德先生、黃翼忠先生、曹志光先生及簡文偉先生。曹志光先生及簡文偉先生獲委任為薪酬委員會成員，自二零二零年一月一日起生效。

The primary duties of the remuneration committee include (but without limitation): (i) making recommendations to the Board on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration packages of the Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

During the year, the remuneration committee held two meetings for, inter alia, reviewing the policy and structure for all remuneration of Directors and senior management and making recommendations to the Board regarding the remuneration packages of executive Directors and senior management and director's fee of independent non-executive Directors, as well as the director's fee of the new independent non-executive Directors who were appointed on 1 January 2020. The remuneration committee was satisfied with the existing arrangement and did not make recommendation to the Board on any change of such policy and structure. Mr. Wong Chi Chiu, Mr. Cheng Wai Tak and Mr. Wong Yik Chung John attended those meetings.

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

Each of the Directors will receive a fee which is subject to an annual adjustment at a rate to be reviewed by the remuneration committee and be determined at the discretion of the Board. The Company's policy concerning the remuneration of the Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, responsibilities, workload and time devoted to the Group. The Group has adopted incentive bonus schemes and continues to maintain these schemes in order to align the financial well-being of the Group with that of the employees, and to retain the Directors and staff of high caliber.

薪酬委員會的主要職責包括(但不限於): (i)就一切董事及高級管理層的薪酬政策及架構以及制訂正式及透明的薪酬政策訂立程序,向董事會提供推薦意見; (ii)釐定董事及高級管理層特定薪酬配套之條款; 及(iii)按照董事會不時決議的企業目標及方針審閱及批核按表現釐定的薪酬。

於年內,薪酬委員會舉行了兩次會議,以(其中包括)審閱所有董事及高級管理層的薪酬政策及架構及就執行董事及高級管理層的薪酬組合及獨立非執行董事的袍金,以及於二零二零年一月一日新委任的獨立非執行董事之袍金,向董事會建議。薪酬委員會信納現有安排及概無就任何變更該等政策及架構而向董事會提出推薦建議。黃智超先生、鄭偉德先生及黃翼忠先生已出席該等會議。

董事及高級管理層的薪酬政策

各董事所收取的費用會作出年度調整,比率由薪酬委員會審閱及董事會酌情決定。本公司的董事薪酬政策,是參考有關董事的經驗、職責、工作量及為本集團付出的時間而釐定薪酬。本集團採用獎勵花紅計劃,且會繼續沿用有關計劃,使本集團在財務上的利益與僱員的利益一致,以及挽留董事及高質素員工。

NOMINATION COMMITTEE

The Company established a nomination committee on 20 January 2014 with written terms of reference in compliance with code provision A.5 of the CG Code. The nomination committee consists of five members, the majority of whom are independent non-executive Directors, namely Mr. Cheng Wai Tak, who serves as the chairman of the nomination committee, Mr. Wong Yik Chung John, Mr. Li Shui Yan, Mr. Cho Chi Kong and Mr. Kan Man Wai. Mr. Cho Chi Kong and Mr. Kan Man Wai were appointed as members of the nomination committee with effect from 1 January 2020.

The primary functions of the nomination committee include making recommendations to the Board to fill vacancies on the same, assessing the independence of independent non-executive Directors and reviewing the structure, size and composition of the Board.

During the year, the nomination committee held two meetings for, inter alia, reviewing the structure, size and composition of the Board and board diversity policy, discussing matters regarding the retirement and re-election of Directors and succession planning for directors and assessment of the independence of independent non-executive Directors and making recommendations to the Board on the appointment of new independent non-executive directors. Mr. Cheng Wai Tak, Mr. Wong Yik Chung John and Mr. Li Shui Yan attended those meetings.

提名委員會

本公司已於二零一四年一月二十日成立提名委員會，其書面職責條款符合企業管治守則的守則條文第A.5條。提名委員會由五名委員組成，大部分為獨立非執行董事，鄭偉德先生出任提名委員會的主席，其餘成員為黃翼忠先生、李瑞恩先生、曹志光先生及簡文偉先生。曹志光先生及簡文偉先生獲委任為提名委員會成員，自二零二零年一月一日起生效。

提名委員會的主要職責包括向董事會推薦人選，以填補董事會空缺，評估獨立非執行董事的獨立性及檢討董事會的架構、規模及組成。

於年內，提名委員會已舉行兩次會議，以(其中包括)審閱董事會的架構、規模及組成及董事會成員多元化政策，討論有關董事退任及重選的事宜及董事的承替計劃及評估獨立非執行董事之獨立性以及就委任新任獨立非執行董事事宜向董事會提出建議。鄭偉德先生、黃翼忠先生及李瑞恩先生已出席該等會議。

POLICY FOR NOMINATION OF DIRECTORS

The Company's policy for the nomination of Directors (the "Nomination Policy") was adopted by the Company pursuant to Board resolutions. The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy and will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval. The Nomination Policy is set out as follows:

1. Objective

This policy sets out the criteria and procedures to be adopted when considering candidates to be appointed or re-elected as Directors.

2. Nomination Criteria

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorship:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Willingness to devote adequate time to discharge duties as a member of the Board;
- Board Diversity Policy and any measurable objectives adopted for achieving diversity on the Board;
- Requirement for the Board to have independent non-executive directors in accordance with the GEM Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the GEM Listing Rules; and

董事提名政策

本公司提名董事的政策（「提名政策」）由本公司根據董事會決議案採納。提名委員會將適時審閱提名政策，以確保提名政策的有效性並將討論可能需要的任何修訂，以及向董事會建議任何該等修訂，供其考慮及審批。提名政策載列如下：

1. 目的

本政策載列於考慮將委任或重選為董事的候選人時將採納的準則及步驟。

2. 提名準則

提名委員會於評估及甄選董事候選人時將考慮下列準則：

- 品格及誠信；
- 有關本公司業務及企業策略的專業資格、技術、知識及經驗等資格；
- 願意投放充分時間履行作為董事會成員的職責；
- 就達致董事會多元化所採納的董事會多元化政策及任何可計量的目標；
- 根據GEM上市規則規定董事會須設有獨立非執行董事，而候選人的獨立性將參考GEM上市規則所載獨立性指引而定；及

- Such other perspectives as are appropriate to the Company's business or as suggested by the Board.

3. Nomination Process

3.1. Nomination by the Nomination Committee

3.1.1 The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board periodically and makes recommendation on any proposed changes to the Board to complement the Company's corporate strategy;

3.1.2 When it is necessary to fill a causal vacancy or appoint an additional director, the Nomination Committee identifies or selects candidates recommended to the Committee, with or without assistance from external agencies or the Company, pursuant to the "Nomination Criteria" set out above;

3.1.3 If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);

3.1.4 The Nomination Committee makes recommendation to the Board including the terms and conditions of the appointment; and

3.1.5 The Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee.

- 適用於本公司業務或由董事會建議的有關其他方面。

3. 提名程序

3.1. 由提名委員會提名

3.1.1 提名委員會定期審閱董事會架構、規模及組成(包括技能、知識及經驗)，並就董事會的任何建議變動作出推薦建議，以配合本公司的企業策略；

3.1.2 當需要填補臨時空缺或委任新增董事時，提名委員會根據上文所載的「提名準則」物色或挑選委員會獲舉薦的候選人(可尋求外部代理或本公司協助)；

3.1.3 倘過程選出一名或以上的理想候選人，提名委員會將根據本公司的需要及各候選人的資歷查核(如適用)，按優先次序排列；

3.1.4 提名委員會向董事會作出包括委聘條款及條件在內的推薦建議；及

3.1.5 董事會根據提名委員會的推薦建議商議及決定有關委聘。

3.2. Re-election of Director at Annual General Meeting

3.2.1 In accordance with the Company's articles of association, every director shall be subject to retirement by rotation at least once every three years and shall be eligible for re-election at each annual general meeting;

3.2.2 The Nomination Committee shall review the overall contribution and service to the Company of the retiring director. The Nomination Committee shall also review the expertise and professional qualifications of the retiring director who offered himself/herself for re-election at the annual general meeting, to determine whether such director continues to meet the "Nomination Criteria" as set out above; and

3.2.3 Based on the review made by Nomination Committee, the Board shall make recommendations to shareholders on candidates standing for re-election at the annual general meeting of the Company, and provide the available biographical information of the retiring director in accordance with the GEM Listing Rules to enable shareholders to make informed decisions on the re-election of such candidates at annual general meeting of the Company.

3.3 Nomination by Shareholders

The shareholders of the Company may propose a person for election as a director in accordance with the Memorandum and Articles of Association of the Company and applicable law. For more details, please refer to the section in Company's website "Investor Relations – Corporate governance – Procedures for shareholders to propose a person for election as director".

3.2. 於股東週年大會重選董事

3.2.1 根據本公司的組織章程細則，每名董事須至少每三年輪值退任一次，並有資格於各股東週年大會上重選連任；

3.2.2 提名委員會將審閱退任董事對本公司作出的整體貢獻及服務。提名委員會亦將審閱願意於股東週年大會重選連任的退任董事的專長及專業資格，以釐定該董事是否繼續符合上文所載的「提名準則」；及

3.2.3 董事會將根據提名委員會的審閱，就於本公司股東週年大會上重選連任的候選人向股東作出推薦建議，並根據GEM上市規則提供退任董事的可得履歷資料，以使股東能夠就該等候選人於本公司股東週年大會上重選連任作出知情決定。

3.3 由股東提名

本公司股東可根據本公司組織章程大綱及細則及適用法律建議人士參選董事。更多詳情，請參閱本公司網站「投資者資訊 – 企業管治 – 股東提名人選參選董事的程序」一節。

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the "Diversity Policy") which sets out the approach to achieve diversity on the Board. The Company embraces the benefits of having a diverse Board to enhance the quality of its performance. Pursuant to the Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of aspects, including (but not limited to) gender, regional and industry experience, skills, knowledge and educational background. All appointments of the Board members will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board. The Board will consider setting measurable objectives to implement the Diversity Policy and review such objectives from time to time to ensure its appropriateness and ascertain the progress made towards achieving those objectives. Current Board members have varied educational backgrounds and expertises, diverse perspectives and competencies in areas which are relevant and valuable to the Group, including accounting, corporate finance, strategic planning, business development and management.

The nomination committee will review the Diversity Policy, as appropriate, to ensure its effectiveness.

CORPORATE GOVERNANCE FUNCTION

The Company's corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board, which include (a) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; (b) reviewing and monitoring the training and continuous professional development of Directors and senior management of the Company and its subsidiaries; (c) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (d) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors and its subsidiaries; (e) reviewing the Company's compliance with the CG Code and disclosures in the corporate governance report of the Company required to be prepared pursuant to the GEM Listing Rules; and (f) considering, reviewing and deciding any other topics as authorised by the Board.

董事會成員多元化政策

本公司已採納董事會成員多元化政策(「多元化政策」)，其載有達至董事會成員多元化的方法。本公司深信董事會成員多元化對提升本公司的表現素質裨益良多。根據多元化政策，本公司透過考慮多個範疇，包括(但不限於)性別、地區及行業經驗、技能、知識及教育背景，務求達致董事會成員多元化。全體董事會成員委任乃基於用人唯才之準則，而為有效達致董事會成員多元化，將按客觀條件考慮候選人。董事會將考慮制定可計量目標，以實行多元化政策，並不時審閱該等目標，確保其合適度及確定達成該等目標的進度。現時董事會成員有不同教育背景和專業知識，具備多元視野及於本集團相關及關鍵領域具有相應的能力，包括會計、企業融資、戰略規劃、業務發展及管理。

提名委員會將審閱多元化政策(如適用)，以確保其成效。

企業管治職能

董事會根據其所採納的書面職權範圍履行本公司的企業管治職能，有關職權範圍包括(a)制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；(b)制定及檢討本公司及其附屬公司的董事和高級管理層的培訓及持續專業發展；(c)檢討及監察本公司在遵守法律及監管規定方面的政策及常規；(d)制定、檢討及監察適用於本公司及其附屬公司僱員及董事的操守準則及合規手冊(如有)；(e)檢討本公司遵守企業管治守則情況及本公司須根據GEM上市規則編製的企業管治報告之披露；及(f)考慮、檢討及決定董事會批准的任何其他主題。

During the year, the Board reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of its corporate governance policy.

CONTINUING PROFESSIONAL DEVELOPMENT

According to the code provision A.6.5 of the CG Code, all directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

During the year, all of the Directors (except Mr. Cho Chi Kong and Mr. Kan Man Wai who were appointed as independent non-executive Directors with effect from 1 January 2020) received training materials, including from the Company and its legal advisers, to keep them abreast of the latest development of legal, regulatory and corporate governance. They have read the relevant training materials and the Company has received their records of training.

The Group, together with its legal advisers, continuously update the Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

ACCOUNTABILITY AND AUDIT

Directors' and auditor's responsibilities for the consolidated financial statements

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The responsibilities of the external auditors in financial reporting are set out in the independent auditor's report attached to the Company's consolidated financial statements for the year ended 31 December 2019 in this annual report.

於年內，董事會已審閱及討論本集團的企業管治政策，並信納其企業管治政策的成效。

持續專業發展

根據企業管治守則的守則條文第A.6.5條，全體董事將參與持續專業發展，發展及更新彼等的知識及技能，確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出項獻。

於年內，全體董事(除曹志光先生及簡文偉先生，其獨立非執行董事之委任自二零二零年一月一日起生效)均收到包括由本公司及其法律顧問提供的培訓材料，使彼等得悉法律、監管及企業管治之最新發展。彼等已閱讀有關的培訓材料，而本公司已獲得彼等之培訓記錄。

本集團連同其法律顧問持續更新董事有關GEM上市規則及其他適用監管規定的最新發展，以確保合規及增強彼等對良好企業管治常規的意識。

問責性及審核

董事及核數師對綜合財務報表的責任

所有董事均確認其有責任就每一個財政期間編製本集團綜合財務報表，以真實公平地反映本集團的事務狀況及於該期間的業績及現金流量。董事在編製綜合財務報表時繼續採用持續經營基準，並不知悉任何重大不明朗因素，其涉及可能對本公司的持續經營能力產生重大疑慮的事件或狀況。

外聘核數師對財務匯報的責任載於獨立核數師報告，其附於本年報內的本公司截至二零一九年十二月三十一日止年度綜合財務報表。

AUDITOR'S REMUNERATION

For the year ended 31 December 2019, the remuneration paid or payable to PricewaterhouseCoopers in respect of audit and non-audit services provided is set out below:

Services rendered 所提供服務		Remuneration paid/payable 已付／應付酬金 HK\$'000 千港元
Audit services	審計服務	800
Non-audit services	非審計服務	95
Total	總計	895

核數師酬金

截至二零一九年十二月三十一日止年度，就所提供的審計及非審計服務已付或應付予羅兵咸永道會計師事務所的酬金載列如下：

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board acknowledges its responsibility to maintain an effective risk management and internal control systems in order to safeguard the Group's assets and investments and the shareholders' interest. The Board oversees the overall risk management of the Group and endeavors to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. Such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established a risk management policy setting out the process of identification, evaluation and management of the principal risks affecting the business. Each division is responsible for identifying, assessing and managing risks within its divisions, identifying and assessing the principal risks on a quarterly basis with mitigation plans to manage those risks. The management is responsible for overseeing the risk management and internal control activities of the Group, attending quarterly meetings with each divisions to ensure principal risks are properly managed and new or changing risks are identified and documented. Lastly, the Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal control systems.

風險管理及內部監控系統

董事會清楚維持有效的風險管理及內部監控系統的責任，以保障本集團的資產及投資以及股東利益。董事會監督本集團的整體風險管理，並力求識別及控制已知風險的影響，促進執行協調緩解措施。該風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

本集團已建立風險管理政策，列明影響業務的主要風險之識別、評估及管理程序。各部門負責識別、評定及管理內部風險，按季度定期識別及評定主要風險，並設計減緩風險計劃以控制有關風險；管理層負責監督本集團的風險管理及內部監控活動，參加按季度定期與各部門進行的會議，藉此確保主要風險得到妥善管理，而新增或變化中的風險已得到識別且記錄在案。最後，董事會負責審閱及核准本集團風險管理及內部監控系統的有效性及足夠性。

The risk management framework, coupled with the Group's internal controls, ensures that the risks associated with different divisions are effectively controlled in line with the Group's risk appetite.

The risk management report was submitted to the audit committee and the Board for review.

The Group does not have an internal audit function within itself. Nevertheless the Company engaged an external consultant, CT Partners Consultants Limited to carry out internal audit function and had during the year conducted review of the effectiveness of the Group's risk management and internal control systems. The review covered, inter alia, the internal control systems over the electronic signage business, the sales and receipt cycle over the Group's display products and optics products, and the external consultant made recommendations for improving the Group's internal control systems. The internal control review report was submitted to the audit committee and the Board for review. The audit committee has requested the management to follow up with the recommendations of the external consultant to remedy control issues identified and to further improve the Group's internal control system.

The Board has the overall responsibility to maintain the adequacy of resources, staff qualifications and experience, training programs and budget of accounting and financial reporting functions. After having conducted a review of the effectiveness of the risk management and internal control systems, the Board has reached the conclusion that the Group's risk management and internal control systems were in place and effective. The Board will review and assess the risk management and internal control systems at least once a year. The Company has established a whistle-blowing policy and system for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control and other matters. No significant areas of concern that may affect the financial, operational, compliance, controls and risk management of the Group have been identified.

風險管理框架，連同本集團的內部監控，確保與不同部門有關的風險得到有效控制至與本集團的風險承受能力一致。

風險管理報告已呈交予審核委員會及董事會以供審閱。

本集團並無內部審核職能部門。然而，本公司聘用外部顧問CT Partners Consultants Limited以進行擬定審核職能，於年內已對本集團的風險管理及內部監控系統成效進行檢討。有關檢討涵蓋(其中包括)電子廣告板業務內部監控系統、本集團的顯示產品及光學產品的銷售及收款循環，外部顧問就改善本集團內部監控系統作出推薦意見。內部監控檢討報告已呈交予審核委員會及董事會，以供審閱。審核委員會已要求管理層跟進外部顧問作出的推薦意見，以補救已知的監控問題及進一步改善內部監控系統。

董事會對維持充足的資源、員工資歷及經驗、培訓項目、會計及財務報告職能預算負有全責。對風險管理及內部監控系統的有效性進行檢討後，董事會已達成結論，本集團已建立有效的風險管理及內部監控系統。董事會每年至少進行一次風險管理及內部監控系統之評估。本公司已為本集團僱員訂立一項舉報政策及系統以識別有關財務報告、內部監控及其他事宜之潛在不當行為。概無識別可能影響本集團財務、營運、合規、監控及風險管理的重要關注事項。

With respect to the monitoring and disclosure of inside information, the Company has adopted a policy on disclosure of inside information, with an aim to ensure that the insiders abide by the confidentiality requirement and fulfill the disclosure obligation of inside information. The policy describes clearly the decision trees to identify inside information and take necessary actions. Employees and other relevant parties are required to keep inside information in strict confidence. The Group is committed to ensure that information contained in announcements are not false or misleading, or false or misleading through omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company aims to provide its shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to providing clear and detailed information of the Group to its shareholders in a timely manner and on a regular basis, through the publication of quarterly, interim and annual reports and/or dispatching circulars, notices, and other announcements.

The general meetings of the Company provide a forum for communication between the Board and the Company's shareholders. The Chairman of the Board and other members of the respective committees are available to answer questions from the shareholders at the general meeting. The Company recognises the importance of maintaining on-going communications with the shareholders and encourages them to attend general meetings to stay informed of the Group's businesses and convey any concerns they may have to the Directors and senior management.

The Company maintains a website at <http://www.perfect-optronics.com> where extensive information and updates on the Company's financial information, corporate governance practices and other useful information are posted and available for access by the public investors.

有關內幕消息之監視及披露，本公司已採納內幕消息披露政策，旨在確保內部人士遵守保密要求，並履行內幕消息的披露責任。政策清晰載述辨別內幕消息及採取所需採取行動之決策樹。僱員及其他相關方須對內幕消息嚴謹保密。本集團亦致力確保公告中所載的資料不屬虛假或具誤導性，或因遺漏某事關重要的事實而屬虛假或具誤導性，以清晰和均衡的方式披露正反兩面的事實。

與股東及投資者的溝通

本公司旨在向其股東及投資者提供高水平的披露及財政透明度。董事會致力透過刊發季度、中期及年度報告及／或寄發通函、通知及其他公佈，及時及定期為股東提供清晰詳盡有關本集團的資訊。

本公司的股東大會為董事會與本公司股東提供溝通平台。董事會主席及各委員會的其他成員將出席股東大會以解答股東提問。本公司明白與股東維持溝通的重要性，並鼓勵股東出席股東大會，以得到關於本集團業務的資訊，並向董事及高級管理層提出彼等的關注。

本公司設有網站(網址為 <http://www.perfect-optronics.com>)，網站內載有大量資訊，亦有關於本公司財務資料、企業管治常規及其他有用資料的更新資訊，可供公眾投資者查閱。

2019 General meeting

At the annual general meeting held in 2019, separate resolutions were proposed by the chairman in respect of each separate issue, including the re-election of directors and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the GEM Listing Rules. The respective chairman of the Board, audit committee, remuneration committee and nomination committee attended the annual general meeting held in 2019 to ensure effective communication with shareholders. All Directors attended the annual general meeting held in 2019.

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an extraordinary general meeting and to put forward proposal at general meetings

Pursuant to Article 64 of the articles of association of the Company, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company with voting rights in the general meetings attached thereto. Such requisition shall be made in writing to the Board or the company secretary of the Company (the "Company Secretary") for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

二零一九年股東大會

於二零一九年舉行之股東週年大會上，主席就各獨立事項，包括重選董事，提呈獨立決議案，並以投票方式表決。本公司根據GEM上市規則規定之方式宣佈投票結果。董事會、審核委員會、薪酬委員會及提名委員會各主席已出席二零一九年舉行的股東週年大會，確保與股東作出有效溝通。所有董事均已出席於二零一九年舉行的股東週年大會。

股東權益

股東召開股東特別大會及於股東大會上提呈建議的程序

根據本公司組織章程細則第64條，董事會可在其認為適當的任何時候召開股東特別大會。倘一名或多名於提交請求日期合共持有不少於本公司有權於股東大會上投票的繳足資本十分之一的股東提交請求，亦可召開股東特別大會。該請求須以書面形式向本公司董事會或本公司秘書（「公司秘書」）提交，以要求董事會召開股東特別大會，處理該請求所註明的任何事項。該會議須於提交該請求後兩個月內舉行。倘董事會未能於提交該請求後21天內召開該會議，則請求人可自行以同樣方式召開會議，而請求人因董事會未能召開會議而產生的所有合理開支將由本公司向請求人作出補償。

Article 113 of the articles of association of the Company provides that no person other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registered office. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules. The procedures for shareholders of the Company to propose a person for election as director is posted on the Company's website.

SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may send their enquiries and concerns to the Board by addressing them to the Company Secretary by mail to the principal office of the Company in Hong Kong. The Company Secretary forwards communications relating to matters within the Board's purview to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and complaints, to the Chief Executive Officer.

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

COMPANY SECRETARY

The Company Secretary, Mr. Tse Ka Wing ("Mr. Tse"), is an employee of the Company. He was appointed as an Executive Director with effect from 26 March 2015. He reports to the Chairman and is responsible for advising the Board on corporate governance matters. The biographical details of Mr. Tse are set out under the section headed "Biographical Details of Directors and Senior Management".

根據本公司組織章程細則第113條，除非獲董事會推薦參選，否則除會上退任董事外，概無任何人士合資格於任何股東大會上參選董事，除非表明有意提名該人士參選董事的書面通知，以及該人士表明其願意參選的書面通知，遞交至總部或註冊辦事處。根據此細則，發出通知的期間將不早於寄發舉行有關選舉的股東大會的通告翌日開始，亦不得遲於該股東大會舉行日期前7日結束，而向本公司發出該通知的期間須最少為7日。根據GEM上市規則第17.50(2)條所規定，該書面通知必須註明該名人士的個人資料。有關本公司股東提名人選參選董事之程序已於本公司網站刊載。

股東向董事會的查詢

股東可向董事會提出彼等的查詢及疑問，方法為郵寄至本公司的香港主要辦事處，註明收件人為公司秘書。公司秘書會將與董事會負責之事宜有關的通訊轉交董事會，而有關日常業務事宜之通訊(例如建議、查詢及投訴)則會轉交本公司行政總裁。

股東亦可於本公司股東大會上向董事會作出查詢。

公司秘書

公司秘書謝家榮先生(「謝先生」)為本公司僱員。彼於二零一五年三月二十六日起獲委任為執行董事。彼向主席匯報，負責就企業管治事項向董事會提出建議。謝先生的個人資料載列於「董事及高級管理層個人資料」一節。

During the year, Mr. Tse has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

年內，謝先生按照GEM上市規則第5.15條進行不少於15小時的相關專業培訓。

CONSTITUTIONAL DOCUMENTS

憲章文件

During the year, there was no change to the Company's constitutional documents.

於年內，本公司之憲章文件概無變動。

DIVIDEND POLICY

股息政策

Under the Companies Law of Cayman Islands and the Memorandum and Articles of Association of the Company, dividends may be paid out of the profits of the Company, or subject to solvency of the Company, out of sums standing to the credit of the share premium account of the Company. However, no dividend shall exceed the amount recommended by Directors of the Company.

根據開曼群島公司法及本公司組織章程大綱及細則，股息可由本公司溢利中撥付，或於本公司有力償還債務的情況下，由本公司股份溢價賬的進賬額撥付。然而，概無股息可超過本公司董事所建議的金額。

Declaration and recommendation of payment of dividends of the Company is subject to the approval of the Directors of the Company, depending on results of operations, working capital, financial position, future prospects, and capital requirements, as well as any other factors which the Directors of the Company may consider relevant from time to time. Any future declaration, recommendation and payment of dividends of the Company may or may not reflect the historical declarations and payments of dividends and will be at the absolute discretion of the Directors of the Company. The Company does not have any predetermined dividend payout ratio.

宣派及推薦派付本公司股息須得到本公司董事批准，視乎營運業績、營運資金、財務狀況、未來前景及資本要求以及本公司董事不時可能認為相關的任何其他因素。未來宣派、推薦及派付任何本公司股息，未必是過往所宣派及派付的股息的反映，並將由本公司董事全權酌情決定。本公司並無任何預定派息比率。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THE REPORT

The Group reaffirms its commitment towards measuring, managing and reporting its performance on environmental and social aspects. This is the Group's fourth Environmental, Social and Governance ("ESG") report, addressing all relevant material issues and fairly presents ESG performance of the Group and its impacts.

The report aims to be plain, clear and easy-to-read. The Board of Directors (the "Board") acknowledges its responsibility for ensuring the integrity of the ESG report and confirms that it has reviewed and approved the report.

Reporting Guide

This ESG report is prepared in compliance with the ESG Reporting Guide set out in Appendix 20 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited. The reporting principles of Materiality, Quantitative, Balance, and Consistency underpin the content of this ESG report. Data in this report are analysed to account for year-on-year changes and presented in a way that allows for consistent comparison.

Reporting Boundary and Period

The report describes the Group's initiatives and progress in respect of ESG related issues for the year from 1 January 2019 to 31 December 2019. It covers all operations of the Group. Additional information pertaining to the Group's sustainability performance, including comprehensive financial information and data, can be found in this annual report.

關於本報告

本集團重申其對計算、管理及報告其環境及社會表現的承諾。此乃本集團第四份環境、社會及管治(「環境、社會及管治」)報告，涵蓋所有相關實質性議題，並公正地呈現本集團的環境、社會及管治表現及其影響。

本報告力求平實、清晰及易讀。董事會(「董事會」)深諳其確保環境、社會及管治報告真實性的責任，並確認其已審閱及通過本報告。

報告指引

本環境、社會及管治報告乃遵守香港聯合交易所有限公司GEM證券上市規則附錄二十所載之環境、社會及管治報告指引而編製。本環境、社會及管治報告內容以重要性、量化、平衡及一致的申報原則為基準。本報告內的數據已作分析，以說明按年變動，並以可貫徹比較的方式呈列。

報告範圍及期限

本報告說明本集團有關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環境、社會及管治問題的計劃及進展，涵蓋本集團所有營運。有關本集團可持續發展表現的額外資料，包括全面的財務資料及數據，已載於本年報中。

ESG MANAGEMENT APPROACH

The Group is principally engaged in trading, development and sale of display and optics products and related electronic components. The Group also processes some of the products which it trades through processing service providers.

To manage its ESG performance effectively, the Group has established an ESG working group that reports to the Board comprising senior management who have adequate knowledge of both ESG matters and operations. Striving to be a responsible corporate citizen, the Group has embedded environmental and social considerations into its operations, as well as strategic decision-making process. The Group has been adhering to an ESG policy since we published our first ESG report for the year ended 31 December 2016. The ESG policy comprehensively covers sustainability issues, enabling the Group to maximise positive impacts and minimise negative impacts to its stakeholders.

環境、社會及管治管理方法

本集團主要從事顯示及光學產品及相關電子部件的貿易、開發及銷售。本集團亦為其透過加工服務供應商買賣之部份產品進行加工。

為有效地管理其環境、社會及管治表現，本集團已建立一個環境、社會及管治工作小組，並向董事會匯報，成員包括對環境、社會及管治事宜及營運充分了解的高級管理層。致力成為負責任的企業公民，本集團將環境及社會因素融入至其營運及策略性決策的過程當中。自刊發其截至二零一六年十二月三十一日止年度的第一份環境、社會及管治報告起，本集團堅守環境、社會及管治政策。我們的環境、社會及管治政策全面覆蓋所有可持續發展議題，令本集團為其持份者將正面影響最大化及負面影響最小化。

Operation 營運

- Closely monitor suppliers' sustainability performance
密切監控供應商的可持續表現
- Provide transparency and fairness in procurement process and contractual arrangements
採購過程及合約安排中維持透明及公平
- Support community development through donations
透過捐贈支持社區發展



The ESG Policy
環境、社會及管治政策

Environment 環境

- Conserve resources
保護資源
- Raise environmental awareness among its employees
提高僱員環保意識

People 員工

- Protect employees' rights
保障員工權利
- Provide training for continuous development
提供持續發展培訓
- Create a safe and healthy workplace
打造安全及健康的工作環境

Stakeholder Engagement

Building strong relationships with our stakeholders enables us to align our strategy in line with long-term values and operate the business in a sustainable way. The Group has a wide network of stakeholders, including shareholders, investors, employees, customers, suppliers, processing service providers, the government and the community. We communicate with stakeholders on an ongoing basis through different channels. Below are the communications channels and topics that stakeholders are concerned about.

持份者參與

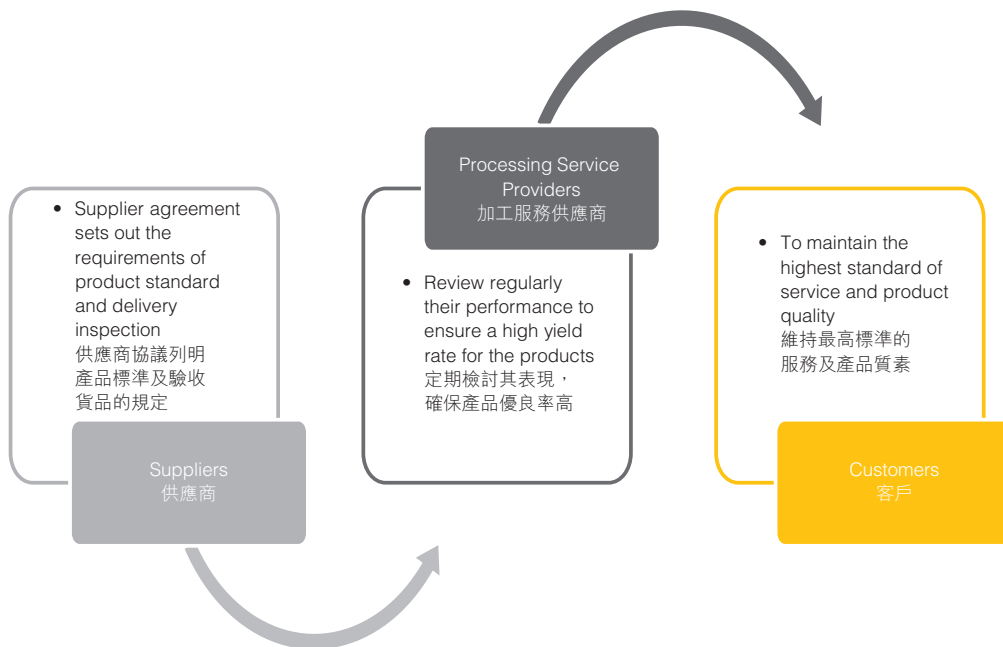
與持份者建立穩固的關係讓我們能夠將策略與長期價值保持一致並以可持續發展的方式經營業務。本集團擁有廣泛的持份者網絡，包括股東、投資者、僱員、客戶、供應商、加工服務供應商、政府及社區。我們持續透過不同渠道與持份者保持溝通。下表為持份者溝通渠道及其關注的主題。

Shareholders/Investors 股東／投資者	Employees 僱員	Customers 客戶	Suppliers/Sub-contractors 供應商／分包商	The Government 政府	Community 社區
Concerned Topics 關注議題					
<ul style="list-style-type: none"> Corporate governance 企業管治 Risk management 風險管理 Operations and strategy 經營及策略 	<ul style="list-style-type: none"> Welfare and benefits 福利及利益 Training and development 培訓及發展 Occupational health and safety 職業健康及安全 	<ul style="list-style-type: none"> Product responsibility 產品責任 Data privacy 數據私隱 	<ul style="list-style-type: none"> Product and service quality 產品及服務質素 Business ethics 商業道德 	<ul style="list-style-type: none"> Taxation compliance 稅務合規 Regulatory compliance 監管合規 Business ethics 商業道德 	<ul style="list-style-type: none"> Community investment 社區投資
Communications Channels 溝通渠道					
<ul style="list-style-type: none"> Annual general meeting 股東週年大會 Corporate reporting 企業報告 	<ul style="list-style-type: none"> Reporting channels 報告渠道 Meetings 會議 Trainings 培訓 	<ul style="list-style-type: none"> Grievance channels 申訴渠道 	<ul style="list-style-type: none"> Regular meetings 定期會議 	<ul style="list-style-type: none"> Compliance with laws and regulations 遵守法律及法規 Responses to government policies 響應政府政策 	<ul style="list-style-type: none"> Donations 捐款

OPERATING PRACTICES

Customer Satisfaction

Striving for maximum customer satisfaction is always on the top of our priorities. To do that, the Group aims to maintain the highest standard of service and product quality by working closely with its suppliers and processing service providers.



We value the feedback from customers and have established a grievance resolution mechanism. In case of any product defects, responsible personnel records the problem in a complaint form which lists out the name, application and quantity of the products, as well as the number of defective products. After investigation and analysis conducted by the responsible department, we take appropriate actions including replenishment when applicable.

Apart from having a sales and marketing team which continuously provides high quality service, the Group also has an experienced technical team to provide suitable technical support and prompt response to customers' requests.

經營常規

客戶滿意度

致力取得客戶滿意一直是我們的首要任務。為此，本集團通過與其供應商及加工服務供應商密切合作，以維持最高標準的服務及產品質素。

我們重視客戶的意見反饋，並設立申訴解決機制。倘出現任何產品瑕疵，負責人士會於申訴表上記錄問題，並列明產品名稱、申請及數量，以及瑕疵品的數目。經負責部門調查及分析後，我們採取適當行動，包括適時補貨。

除了不斷提供優質服務的銷售及營銷團隊，本集團亦設有經驗豐富的技術團隊，提供合適的技術支援及及時回應客戶要求。

The Group enriches its products portfolio through the sales of medium-to-large sized display products, such as display modules for computer notebooks, monitors and televisions. We showcased the latest electronic signage display products at the Retail Asia Conference & Expo in Hong Kong in May 2019 to enhance the market's awareness and interest. Looking ahead, we will adopt flexible strategies to expand products diversity, widen customer base and introduce new suppliers from different territories.

Supply Chain Management

Having a long-term and stable relationship with our suppliers is a key ESG topic for us. The Group is committed to maintaining a mutually beneficial relationship with its suppliers to ensure steady supply of high quality and trustworthy products. We procure display components and engage sub-contractors to process some of the products that we sell.

Our supplier agreements set out the requirements of product standards and delivery inspection. Suppliers have to provide product specifications and samples for product inspection. In case of any quality problems being found, the suppliers provide replenishment or exchange service after agreement. We also review regularly the performance of our processing service providers. We have signed process contracts with processing service providers to ensure a high yield rate for the products.

本集團通過銷售中至大尺寸顯示產品(如筆記本電腦、監控器及電視的顯示模組)以豐富其產品類別。我們於二零一九年五月在香港舉辦的亞洲零售論壇暨博覽會上展示最新電子廣告板顯示產品，以提高市場知名度及興趣。展望未來，我們將採納靈活策略拓展產品種類、拓闊客戶基礎及引入來自不同領域的新供應商。

供應鏈管理

與供應商維持長期穩定關係是我們的一個重要環境、社會及管治主題。本集團矢志與供應商保持互惠關係，確保持續供應品質優良、值得信賴的產品。我們採購顯示部件及委聘分包商加工我們銷售的部分產品。

供應商協議中列載產品標準及驗收要求。供應商必須提供產品規格及樣本，以進行產品檢視。倘發現存在任何質量問題，供應商須於協定後提供補貨或換貨服務。我們亦會定期檢討加工服務供應商的表現。我們與加工服務供應商簽立加工合約，藉此確保產品保持高優良率。

The basis of supplier selection is the price quote, service, quality and reputation. On top of that, we collaborate with suppliers with strong integrity and goodwill for managing environmental and social aspects.

挑選供應商基於報價、服務、質量及聲譽。除此之外，我們與誠信及管理環境和社會方面的商譽良好的供應商合作。



The Group encourages suppliers and processing service providers to share its values on managing environmental and social aspects, including environmental protection, human rights and product responsibility. Our major suppliers have established sound social responsibility systems and have incorporated social responsibility into their respective strategies, styles of management and long-term development goals in their entire business operations.

本集團鼓勵供應商及加工服務供應商分享其於管理環境及社會方面(包括環保、人權及產品責任)的價值。主要供應商已建立良好的社會責任制度及將社會責任納入相關策略、管理風格及長期發展目標等整體業務營運各環。

The Group respects the privacy of its customers and maintains the highest level of security and confidentiality. We operate in a manner compliant with applicable laws and regulations and have clearly communicated the confidentiality agreement to all employees. Employees are expected to protect customer information against improper disclosure, misuse or unauthorised use, loss, damage or corruption. During the year, the Group complied with all relevant laws and regulations¹ relating to health and safety, advertising, labelling and privacy matters concerning products and services provided.

本集團尊重客戶私隱，並維持高度的安全性及機密性。我們遵守適用法律法規營運及已明確地向全體僱員傳達保密協議。我們期望僱員保護客戶信息，以防出現不正當披露、濫用或盜用、損失、損壞或貪污。年內，本集團遵守所有有關提供產品和服務的健康及安全、廣告、標籤及私隱事宜的相關法律法規¹。

¹ List of applicable laws and regulations available in "Laws and Regulations".

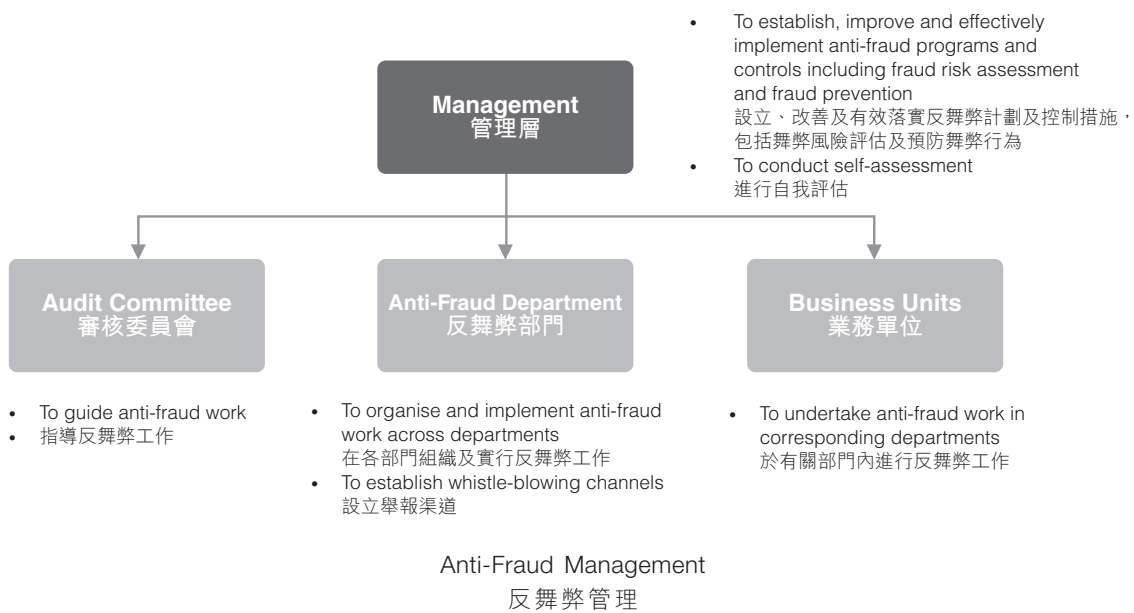
¹ 適用法律及法規請參閱「法律及法規」。

Anti-corruption

The Group strives to promote fair competition and protect the interests of its business partners and suppliers. We have zero tolerance for misbehaviours which may cause damage to competitors' goodwill or infringement of competitors' trade secrets. There is a strict guidance on anti-corruption prevention to ensure probity and clean and corruption-free operations.

反貪污

本集團致力推行公平競爭及保護其業務夥伴及供應商的利益。我們絕不容忍可能損害競爭對手的商譽或侵犯競爭對手行業秘密的不當行為。我們設立嚴格的反貪污預防指引，確保清廉及零貪腐的業務營運。



We have set up an Anti-Fraud Management System which aims to prevent bribery, blackmail, fraud and money laundering, and hence strengthen corporate governance and internal control. It is established in accordance with all relevant laws, industry standards and guidelines relating to corruption.

我們已成立反舞弊管理制度，以防止賄賂、勒索、欺詐及洗黑錢，從而加強企業管治及內部監控，該制度乃按照所有涉及貪污的相關法律、行業標準及指引建立。



The Anti-Fraud Management System
反舞弊管理制度

In 2019, the Group participated in the Hong Kong Independent Commission Against Corruption (“ICAC”) training session with three members of the Board involved. The primary purpose of the training is to help employees have better approaches to prevention of unlawful behaviours.

於二零一九年，本集團參與與香港廉政公署的培訓會，參與者包括董事會三名成員。培訓的主要目的為幫助僱員更好地避免不法行為。

During the year, we were not aware of any breach of laws and regulations² that had a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

年內，我們並不知悉任何有關賄賂、勒索、欺詐及洗黑錢且對本集團造成重大影響的違法違規²事件。

OUR PEOPLE

The Group is committed to implementing the best practices of labour relations. Externally, we are dedicated to helping the underprivileged through continuous community involvement.

我們的員工

本集團致力採取最佳的勞工關係實踐。對外，我們致力持續回饋社區，幫助弱勢社群。

² List of applicable laws and regulations available in “Laws and Regulations”.

² 適用法律及法規請參閱「法律及法規」。

Employee Composition

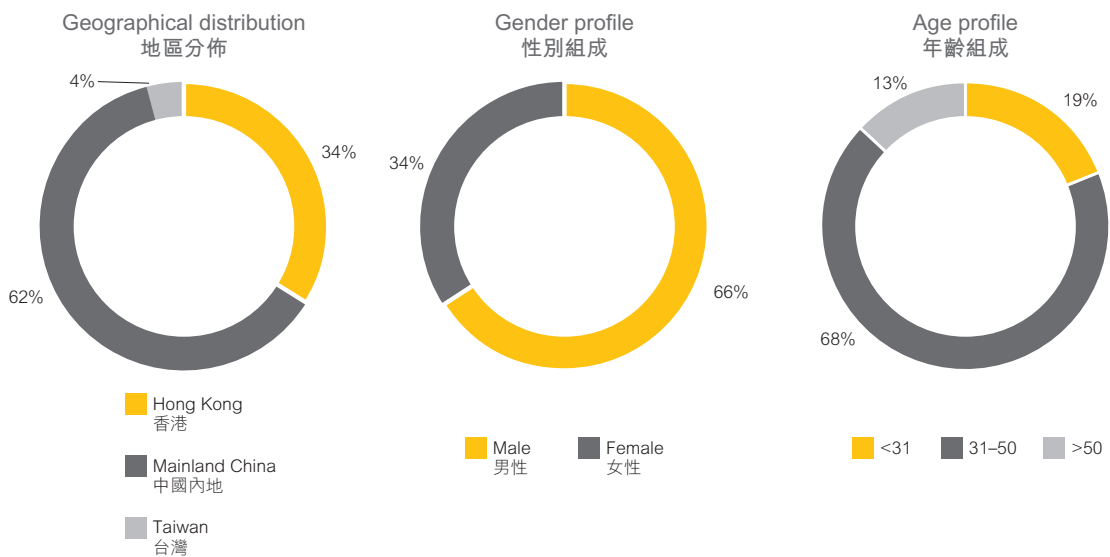
As at 31 December 2019, there were 74 employees in total. 62% were located in mainland China, whereas employees in Hong Kong and Taiwan accounted for the remaining 38%. The ratio of male to female is 66:34. Of the total 68% of employees were aged 31–50 years.

僱員組成

截至二零一九年十二月三十一日，我們的員工總數為74人，62%駐於中國內地，餘下38%為香港及台灣員工。我們的男女比例為66:34。員工總數中68%為31至50歲。

Employee Composition

僱員組成



As an equal opportunity employer, the Group strives to create a diverse and inclusive workplace for all employees, providing equal opportunities in all aspects of employment regardless of age, gender, family status, sexual orientation, ethnicity, creed and religion or other characteristics. The Group has zero tolerance to any form of harassment and discrimination and has developed a code of conduct for employees to reinforce their awareness in this regard. Any employee who becomes aware of any existing or potential breach of the code is encouraged to report promptly to the designated department through the reporting channels.

作為平等機會僱主，本集團致力為全體僱員營造一個多元化且具包容性的工作環境，為所有僱員提供平等機會，不論年齡、性別、家庭狀況、性取向、種族、信仰及宗教或其他特徵。本集團對任何形式的騷擾及歧視採取零容忍態度，並已建立行為準則，以加強僱員意識。倘員工發現任何現有或潛在違反準則的行為，應透過舉報渠道及時上報指定部門。

The Personnel Management System clearly sets out policies regarding recruitment, promotion, compensation, working hours, rest periods, dismissal, benefits and welfare measures. Working hours and rest periods are established based on the relevant laws and regulations. While the Group does not have operations in locations where child labour risk is relatively high, we work with our suppliers and processing service providers to ensure there are no forced or child workers employed in their production facilities. During the year, the Group was not aware of any instance of non-compliance with laws and regulations³ having a significant impact on the Group relating to employment and labour practices. Nor did the Group identify any incidents relating to the use of child or forced labour.

Training and Development

To retain talents and recognise their contribution to the Group, we offer competitive remuneration packages and welfare including medical benefits, social insurance, provident fund, bonus, share options scheme, etc. Our employees' remuneration packages are reviewed once a year to ensure that they match the prevailing market standards.

The Group places strong emphasis on offering training and promotion opportunities to its employees. To equip our talents with the knowledge and skills necessary for their positions, internal training programs are arranged for employees, aiming to improve their technical understanding of products and improve their sales performance. Promotion mechanism and career development path are provided to motivate talented employees to grow with the Group.

員工管理系統明確列載有關招聘、晉升、補償、工時、休假、離職、待遇及福利的措施。工時及休假乃根據相關法律法規訂明。雖然本集團並無在童工風險較高的地區經營，我們亦與供應商及加工服務提供者合作，確保其生產廠房中概無強迫勞工或童工。年內，本集團不知悉任何違反僱傭及勞工常規相關法律及法規³而對本集團造成重大影響的情況。本集團亦未發現任何與僱用童工或強制勞工相關的事件。

培訓及發展

為挽留人才及獎勵彼等對集團作出的貢獻，我們提供具有競爭力的薪酬待遇及福利，包括醫療福利、社會保險、公積金、花紅、購股權計劃等。僱員的薪酬待遇每年審閱，確保符合現行的市場標準。

本集團非常重視為員工提供培訓及晉升機會。為讓人才具備其所在職位需要的知識及技能，我們為僱員安排內部培訓課程，藉此增進彼等對於產品的技術知識及提高其銷售表現，亦提供晉升機制及職業發展路徑，以激勵有才能的僱員與本集團共同成長。

³ List of applicable laws and regulations available in "Laws and Regulations".

³ 適用法律及法規請參閱「法律及法規」。

Occupational Health and Safety

The nature of our operations is office-based and this does not involve activities that entail high risk of occupational hazards. Nevertheless, the Group is committed to providing a healthy and safe working environment for its employees. We have implemented safety measures according to the ESG policy.

職業健康與安全

我們以辦公室為主的營運模式並無涉及職業危害風險較高的任何活動。儘管如此，本集團仍致力為僱員提供健康安全的工作環境。我們已根據環境、社會及管治政策實行安全措施。



Prohibit smoking and drinking in office and warehouse
禁止於辦公室及倉庫內吸煙及飲酒



Provide training and assistance when needed
於需要時提供培訓及協助



Keep the workplace clean and clear
保持工作場所乾淨整潔



Implement safety emergency plan
實行安全應急計劃

Safety Measures 安全措施

During the year, the Group was not aware of any incidents of non-compliance with laws and regulations⁴ that have a significant impact on the Group, relating to providing a safe working environment and protecting employees from occupational hazards.

年內，本集團並無知悉任何有關提供安全工作環境及保障僱員避免職業危害且對本集團造成重大影響的違反法律法規⁴事件。

Community Involvement

The Group strives to create positive impacts to the local community by making charitable donations. Since 2017, the Group has been sponsoring Heep Hong Society, an organisation committed to helping children and youth with diverse needs.

社區參與

本集團致力通過慈善捐贈為當地社區創造正面影響。自二零一七年以來，本集團一直資助協康會，一間致力幫助有多元需求的兒童及青少年的組織。

During the year, the Group donated HK\$100,000 to the charity to arrange a series of play-based educational programmes for children from low-income families. We are glad to be part of this initiative to collaboratively create a better tomorrow for children and youth with diverse needs.

年內，本集團向該慈善組織捐贈100,000港元，為低收入家庭的孩子安排一系列寓教於樂的教育課程。我們很榮幸能夠參與此項計劃，共同為有多元需求的兒童及青少年創造更美好的未來。

⁴ List of applicable laws and regulations available in "Laws and Regulations".

⁴ 適用法律及法規請參閱「法律及法規」。

ENVIRONMENTAL MANAGEMENT

The major environmental impact of our operations originates from the indirect carbon emissions generated from electricity consumption by office premises and warehouses. The environmental impacts are, however, relatively insignificant due to limited resources consumption and emissions generated. The Group's operations do not involve any material use of packaging materials.

During the year, the Group was not aware of any incidents of non-compliance with laws and regulations⁵ that have a significant impact on the Group, relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. To ensure compliance, we are committed to operating in an environment-friendly manner by implementing policies and management approach. The environmental management policies, including but not limited to the ESG policy are established to minimise the use of energy and water.

環境管理

業務營運的主要環境影響源自辦公物業及倉庫的用電產生的間接碳排放。然而，環境影響相對較小，因為資源使用量及產生的排放物有限。本集團的業務不涉及使用大量包裝材料。

年內，本集團並不知悉任何有關廢氣及溫室氣體排放、向水及土地排污及產生有害和無害廢棄物且對本集團造成重大影響的違法違規⁵事件。為確保合規，我們致力於以環保方式經營，落實相關政策及管理方法。我們設立環境管理政策，包括但不限於環境、社會及管治政策，以盡量減少能源及水用量。

⁵ List of applicable laws and regulations available in "Laws and Regulations".

⁵ 適用法律及法規請參閱「法律及法規」。

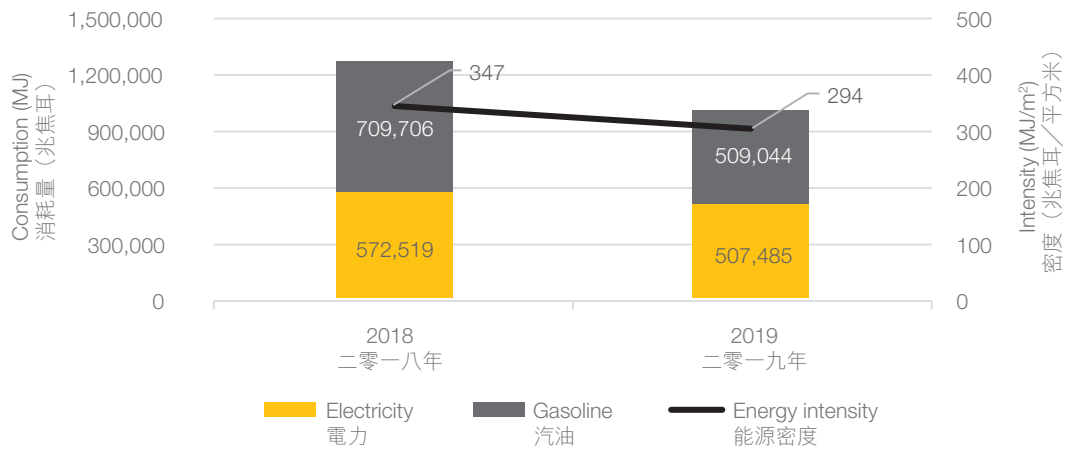
Resources Consumption

Major types of resources consumed by the Group's daily operations are electricity, gasoline and water. In 2019, gasoline used by private vehicles and electricity consumed by office premises were 15,972 litres and 140,968 kWh, respectively. The total energy consumption was approximately 1,016,529 MJ and the intensity was 294 MJ per m². There was about 21% reduction in energy consumption compared to the preceding year.

資源消耗

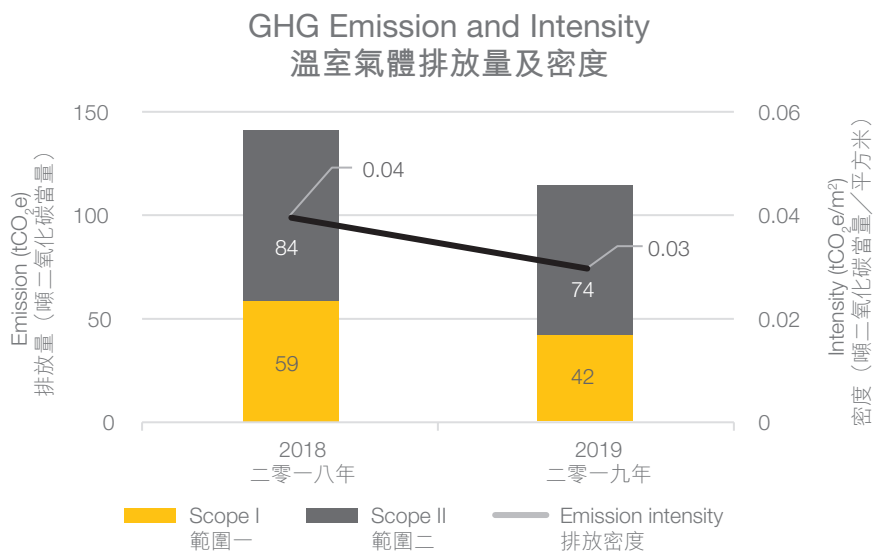
本集團日常營運主要消耗的資源類型為電力、汽油及水。於二零一九年，私家車的汽油及辦公室的電力消耗分別為15,972公升及140,968千瓦時。能源消耗總量為約1,016,529兆焦耳及密度為每平方米294兆焦耳。能源消耗較上一年減少約21%。

Energy Consumption and Intensity
 能源消耗及密度



Our operations generate some carbon emissions directly by way of petrol consumed by vehicles (Scope I) and indirectly from purchased electricity consumption (Scope II). In 2019, the total greenhouse gases (“GHG”) emission amounted to approximately 116 tonnes of carbon dioxide equivalent (“tCO₂e”), with Scope I and Scope II carbon emissions being approximately 42 tCO₂e and 74 tCO₂e respectively. The emission intensity was computed as 0.03 tCO₂e per m².

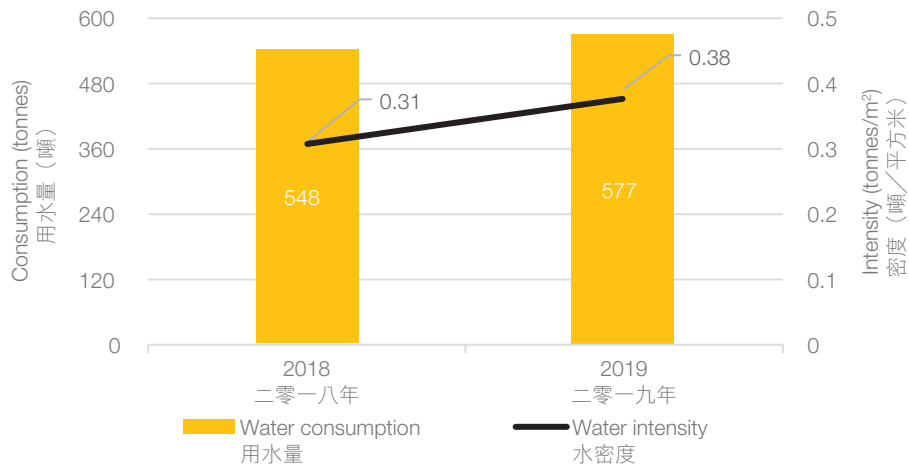
我們的業務經由汽車消耗的石油(範圍一)直接產生若干碳排放物及經由外購電力消耗(範圍二)間接產生若干碳排放物。於二零一九年，溫室氣體排放總量為約116噸二氧化碳當量，範圍一及範圍二碳排放分別為約42噸二氧化碳當量及74噸二氧化碳當量。排放密度為每平方米0.03噸二氧化碳當量。



The Group's total water consumption was 577 tonnes. The water intensity was 0.38 tonnes per m². There was no issue in sourcing water that is fit for the purpose.

本集團用水總量為577噸。水密度為每平方米0.38噸。在購買合適水資源方面並無問題。

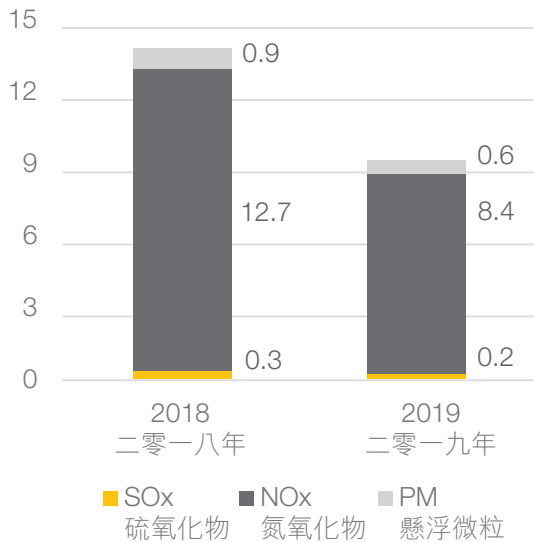
Water Consumption and Intensity
用水量及密度



Air Emissions and Waste Management

氣體排放及廢棄物管理

Air Pollutant Emission (kg)
空氣污染物排放量 (公斤)



Petrol consumption for business commute by the Group emitted approximately 0.2kg sulphur oxides ("SOx"), 8.4kg nitrogen oxides ("NOx") and 0.6kg particulate matters ("PM").

本集團開展業務消耗的汽油排放約0.2公斤硫氧化物、8.4公斤氮氧化物及0.6公斤懸浮微粒。

The Group's office generates some garbage which is handled by the management of the office buildings. Our operations do not generate other non-hazardous waste and hazardous waste.

本集團的辦公室產生若干垃圾，由辦公大樓管理處處理。我們的業務營運不產生其他無害廢棄物及有害廢物。

Implementing Green Office

實施綠色辦公室



The Group implements energy- and resources-saving practices by participating in “Let’s GO” since 2017. It is a green office scheme aiming to incorporate environment-friendly habits into the Group’s daily operations.

Let’s GO is designed based on some simple yet effective green assessment, requiring employees to make a pledge to contribute to a greener workplace and following the green office guidelines. It helps induce behavioral change and reduce environmental footprint within the office space.

本集團推行節能節約常規，自二零一七年起參與「綠識空間」，其為一項旨在將環保習慣融入本集團的日常營運之中的綠色辦公室計劃。

「綠識空間」基於若干簡單但有效的環保評估制定，要求員工承諾為更環保的工作環境出一份力及遵循綠色辦公室指引。其幫助推動在辦公空間內改變行為及減少環境污染。

During the year, the Group has maintained the following resources conservation and energy saving practices in office premises:

年內，本集團已在辦公室維持以下資源節約及節能措施：



Energy 能源

- Switch off equipment when not in use
關閉並非使用中的設備
- Use switch-sockets to avoid redundant energy use
使用轉換插頭以避免浪費能源
- Purchase office equipment with high grades of energy efficiency labels
購買能源效益標籤級別高的辦公設備
- Clean air conditioners periodically
定期清潔空調



Paper 紙張

- Use electronic supporting medium to reduce printing
使用電子工具，減少列印
- Assign designated area for paper recycling
指定專門的廢紙回收區域
- Collection tray for waste copy paper used on one side is available next to printers
在打印機旁設置回收盤，收集列印一面的紙張



Waste Electrical and Electronic Equipment 廢棄電器及電子設備

- Purchase multi-function devices, such as printing, scanning, fax photocopy
購買多功能設備，例如打印、掃描、傳真、複印



Plastic 塑料

- Provide sufficient reusable tableware to avoid disposable utensils
提供足夠的可循環使用杯具，避免使用一次性廚房用具



Water 水

- Periodically check taps to ensure there is no leakage
定期檢查水龍頭，確保沒有漏水



Miscellaneous 雜項

- Design publications with fewer varnishes and coatings
設計需要較少噴漆和塗油的刊物
- Utilise web-conferencing to minimise business trips
使用網絡會議，減少商務旅行
- Reuse stationeries
重複使用文具

Green Office Initiatives
綠色辦公室措施

Maintaining a Green Supply Chain

The Group is committed to bearing its fair share of social responsibility to address climate change and landfill overload issues by conducting its business in an environmentally responsible manner and adopting the same management approach along the entire supply chain.

The Group's environmental policy stipulates its commitment towards green procurement, which ensures all products are sourced from suppliers that share our values on mitigating environmental impacts.

We have established stable and long-term business relationships with environmentally responsible processing service providers for over ten years. By maintaining close communication with suppliers, we monitor their environmental compliance.

Our major suppliers have obtained certifications for ISO14001 Environmental Management System and ISO 50001 Energy Management System. They have embedded environmental protection concept in the stage of product design, and constantly improve energy efficiency of products and have reduced GHG emissions at the stage of use through technological innovation.

For its processing service providers, the Group has established internal control measures to monitor their environmental compliance, ensuring that they have registered with the relevant environmental protection authority in accordance with the PRC laws and have obtained a special licence before commencing operations. The Group also undertakes regular site visits to check if the processing service providers' facilities meet our required environmental standards.

維持綠色供應鏈

本集團致力於承擔其應負的社會責任，通過以環保方式經營業務及於整個供應鏈貫徹相同的管理方法，應對氣候變化及堆填區飽和的問題。

本集團的環境政策列明我們對綠色採購的承諾，這確保所有產品均採購自同樣秉持我們在減輕環境影響方面價值觀的供應商。

十多年來，本集團已與環保的加工服務供應商建立穩定及長期的業務關係。通過與供應商保持密切溝通，我們能夠監控其環保合規水平。

我們的主要供應商已獲得ISO14001環境管理體系及ISO50001能源管理體系認證。他們在產品設計階段嵌入環保理念，並通過技術創新不斷提高產品的能源效益，同時降低產品使用的溫室氣體排放。

就加工服務供應商而言，本集團已製定內部監控措施，以監察其環保合規情況，確保他們已根據中國法律向相關環保部門登記，並在開始營運前取得特別牌照。本集團亦定期進行實地考察，以檢查加工服務供應商的設施是否符合我們所要求的環保標準。

LAWS AND REGULATIONS

法律及法規

Considering all ESG aspects, the Group establishes and implements relevant internal policies and departments to ensure that the business operations adhere to all applicable laws and regulations. The list of applicable laws and regulations is as follows:

就所有環境、社會及管治方面，本集團設立及實行相關內部政策及部門，以確保業務營運遵循所有適用法律及法規。下表列載適用法律及法規：

Aspect 方面	Laws and Regulations 法律及法規	Section 章節
Environmental Management 環境管理	<ul style="list-style-type: none"> • Air Pollution Control Ordinance • 《空氣污染管制條例》 • Water Pollution Control Ordinance • 《水污染管制條例》 • Ozone Layer Protection Ordinance • 《保護臭氧層條例》 • Atmospheric Pollution Prevention and Control Law of the PRC • 《中華人民共和國大氣污染防治法》 • Water Pollution Prevention and Control Law of the PRC • 《中華人民共和國水污染防治法》 • The Environmental Protection Law of the PRC • 《中華人民共和國環境保護法》 	ENVIRONMENTAL MANAGEMENT 環境管理
Employment 僱傭	<ul style="list-style-type: none"> • Employment Ordinance • 《僱傭條例》 • Minimum Wage Ordinance • 《最低工資條例》 • Labour Law of the PRC • 《中華人民共和國勞動法》 • Labour Contract Law of the PRC • 《中華人民共和國勞動合同法》 • Provisions on the Prohibition of Using Child Labour of the PRC • 《中華人民共和國禁止使用童工規定》 • The Labor Standards Act of Taiwan • 台灣的《勞動基準法》 	OUR PEOPLE 我們的員工
Occupational Health and Safety 職業健康及安全	<ul style="list-style-type: none"> • The Occupational Safety and Health Ordinance • 《職業安全及健康條例》 • Employees' Compensation Ordinance • 《僱員補償條例》 • Law of the PRC on the Prevention and Control of Occupational Diseases • 《中華人民共和國職業病防治法》 • The Occupational Safety and Health Act of Taiwan • 台灣的《職業安全衛生法》 	Occupational Health and Safety 職業健康及安全
Product Responsibility 產品責任	<ul style="list-style-type: none"> • The Trade Descriptions Ordinance • 《商品說明條例》 • The Personal Data (Privacy) Ordinance • 《個人資料(私隱)條例》 • Product Quality Law of the PRC • 《中華人民共和國產品質量法》 	OPERATING PRACTICES 經營常規
Anti-corruption 反貪污	<ul style="list-style-type: none"> • Prevention of Bribery Ordinance • 《防止賄賂條例》 • The Competition Ordinance • 《競爭條例》 • Anti-Unfair Competition Law of the PRC • 《中華人民共和國反不正當競爭法》 • The Anti-Corruption Act of Taiwan • 台灣的《貪污治罪條例》 	Anti-corruption 反貪污

PERFORMANCE DATA SUMMARY

數據表現摘要

		2019 二零一九年	2018 二零一八年
Workforce Demographics 僱員人口統計	Total Headcount 員工總數	74	72
	By Geographical Distribution 按地區劃分		
	Hong Kong 香港	25	25
	Mainland China 中國內地	46	47
	Taiwan 台灣	3	—
	By Age 按年齡劃分		
	<31	14	11
	31-50	50	55
	>50	10	6
	By Gender 按性別劃分		
Male 男性	49	46	
Female 女性	25	26	
Environment 環境	Total Resources Consumption (MJ) 資源消耗總量(兆焦耳)	1,016,529	1,282,225
	Electricity (kWh) 電力(千瓦時)	140,968	159,033
	Gasoline (litres) 汽油(公升)	15,972	22,268
	Tap water (tonnes) 自來水(噸)	577	548
	Energy intensity (MJ/m ²) 能源密度(兆焦耳/平方米)	294	347
	Water intensity (tonnes/m ²) 水密度(噸/平方米)	0.38	0.31
	Emissions 排放量		
	Sulphur oxides (SOx) (kg) 硫氧化物(SOx)(公斤)	0.2	0.3
	Nitrogen oxides (NOx) (kg) 氮氧化物(NOx)(公斤)	8.4	12.7
	Particulate matters (PM) (kg) 懸浮微粒(PM)(公斤)	0.6	0.9
	Greenhouse Gases Emissions and Intensity 溫室氣體排放量及密度		
	Total GHG emissions (tCO ₂ e) 溫室氣體排放總量(噸二氧化碳當量)	116	143
	Scope I (tCO ₂ e) 範圍一(噸二氧化碳當量)	42	59
	Scope II (tCO ₂ e) 範圍二(噸二氧化碳當量)	74	84
	Emission intensity (tCO ₂ e/m ²) 排放量密度(噸二氧化碳當量/平方米)	0.03	0.04
Community 社區	Donation (HK\$) 捐款(港元)	100,000	100,000

ESG CONTENT INDEX

ESG內容索引

KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 香港聯交所環境、社會及管治報告指引要求	Section/Remarks 章節／備註
A. Environmental A.環境		
Aspect A1: Emissions 層面A1：排放物	General Disclosure 一般披露 Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。 relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ENVIRONMENTAL MANAGEMENT 環境管理
KPI A1.1	The types of emissions and respective emissions data.	Air Emissions and Waste Management
關鍵績效指標A1.1 KPI A1.2	排放物種類及相關排放數據。 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	氣體排放及廢棄物管理 Air Emissions and Waste Management
關鍵績效指標A1.2 KPI A1.3	溫室氣體總排放量(以噸計算)及(如適用)密度。 Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	氣體排放及廢棄物管理 Air Emissions and Waste Management
關鍵績效指標A1.3 KPI A1.4	所產生有害廢棄物總量(以噸計算)及(如適用)密度。 The non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	氣體排放及廢棄物管理 Air Emissions and Waste Management
關鍵績效指標A1.4 KPI A1.5	所產生無害廢棄物總量(以噸計算)及(如適用)密度。 Description of measures to mitigate emissions and results achieved.	氣體排放及廢棄物管理 Implementing Green Office
關鍵績效指標A1.5 KPI A1.6	描述減低排放量的措施及所得成果。 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	實施綠色辦公室 Air Emissions and Waste Management
關鍵績效指標A1.6	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	氣體排放及廢棄物管理
Aspect A2: Use of Resources 層面A2：資源使用	General Disclosure 一般披露 Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	ENVIRONMENTAL MANAGEMENT 環境管理
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in'000s) and intensity.	Resources Consumption
關鍵績效指標A2.1 KPI A2.2	按類型劃分的直接及／或間接能源總耗量(以千個千瓦時計算)及密度。 Water consumption in total and intensity.	資源消耗 Resource Consumption
關鍵績效指標A2.2 KPI A2.3	總耗水量及密度。 Description of energy use efficiency initiatives and results achieved.	資源消耗 Implementing Green Office
關鍵績效指標A2.3 KPI A2.4	描述能源使用效益計劃及所得成果。 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	實施綠色辦公室 Resource Consumption
關鍵績效指標A2.4 KPI A2.5	描述求取適用水源上可有任何問題，以及提升水效益計劃及所得成果。 Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	資源消耗 ENVIRONMENTAL MANAGEMENT
關鍵績效指標A2.5	製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	環境管理
Aspect A3: The Environment and Natural Resources 層面 A3：環境及天然資源	General Disclosure 一般披露 Policies on minimizing the issuers' significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Implementing Green Office, Maintaining a Green Supply Chain
KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	實施綠色辦公室、維持綠色供應鏈 Implementing Green Office, Maintaining a Green Supply Chain
關鍵績效指標A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	實施綠色辦公室、維持綠色供應鏈

KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 香港聯交所環境、社會及管治報告指引要求	Section/Remarks 章節／備註
B. Social B. 社會		
Aspect B1: Employment 層面B1：僱傭	<p>General Disclosure 一般披露</p> <p>Information on: 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>KPI B1.1 Total workforce by gender, employment type, age group and geographical region. 關鍵績效指標B1.1 按性別、僱傭類別、年齡組別及地區劃分的僱員總數。</p>	OUR PEOPLE 我們的員工
Aspect B2: Health and Safety 層面B2：健康與安全	<p>General Disclosure 一般披露</p> <p>Information on: 有關提供安全工作環境及保障僱員避免職業性危害的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p> <p>KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored. 關鍵績效指標B2.3 描述所採納的職業健康與安全措施，以及相關執行及監察方法。</p>	Occupational Health and Safety 職業健康與安全
Aspect B3: Development and Training 層面B3：發展及培訓	<p>General Disclosure 一般披露</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。</p>	Training and Development 培訓及發展
Aspect B4: Labour Standards 層面B4：勞工準則	<p>General Disclosure 一般披露</p> <p>Information on: 有關防止童工及強制勞工的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>relating to preventing child or forced labour.</p>	OUR PEOPLE 我們的員工
Aspect B5: Supply Chain Management 層面B5：供應鏈管理	<p>General Disclosure 一般披露</p> <p>Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。</p> <p>KPI B5.2 Description of practices relating to engaging suppliers and how they are implemented and monitored. 關鍵績效指標B5.2 說明有關委聘供應商常規，以及相關執行及監察方法。</p>	Maintaining a Green Supply Chain, Supply Chain Management 維持綠色供應鏈、供應鏈管理 Maintaining a Green Supply Chain, Supply Chain Management 維持綠色供應鏈、供應鏈管理

Environmental, Social and Governance Report

環境、社會及管治報告

KPIs 關鍵績效指標	HKEX ESG Reporting Guide Requirements 香港聯交所環境、社會及管治報告指引要求	Section/Remarks 章節／備註
Aspect B6: Product Responsibility 層面B6：產品責任	<p>General Disclosure 一般披露</p> <p>Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p> <p>KPI B6.4 關鍵績效指標B6.4 Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。</p> <p>KPI B6.5 關鍵績效指標B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保護及私穩政策，以及相關執行及監察方法。</p>	Customer Satisfaction 客戶滿意度
Aspect B7: Anti-corruption 層面B7：反貪污	<p>General Disclosure 一般披露</p> <p>Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>relating to bribery, extortion, fraud and money laundering.</p> <p>KPI B7.1 關鍵績效指標B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 在匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。</p> <p>KPI B7.2 關鍵績效指標B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。</p>	Anti-corruption 反貪污
Aspect B8: Community Investment 層面B8：社區投資	<p>General Disclosure 一般披露</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。</p> <p>KPI B8.1 關鍵績效指標B8.1 Focus areas of contribution. 專注貢獻範疇。</p> <p>KPI B8.2 關鍵績效指標B8.2 Resources contributed to the focus area. 在專注範疇所動用資源。</p>	Community Involvement 社區參與

Biographical Details of Directors and Senior Management

董事及高級管理層個人資料

EXECUTIVE DIRECTORS

Mr. Cheng Wai Tak, aged 50, was appointed as director of the Company on 13 June 2013. He is the Chairman, Chief Executive Officer and executive Director of the Company. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. Mr. Cheng is also a founder of the Group. He has been in the business of trading TFT-LCD components for over 16 years and has established close relationships with various suppliers. He is responsible for formulating the Group's overall strategic planning and development, and management of the Group's business. He graduated from Hong Kong Baptist University with a bachelor of science in combined sciences in mathematical science degree. Save as disclosed above, Mr. Cheng is also a director of certain of the Group's subsidiaries incorporated in Hong Kong, the British Virgin Islands, Samoa and Taiwan.

Mr. Liu Ka Wing, aged 47, was appointed as an executive Director of the Company on 18 June 2013. He joined the Group in November 2008. He is responsible for overseeing the Group's administrative functions and compliance issue; and assisting in the management of the Group's business. Mr. Liu has about 25 years of experience in accounting. Prior to joining the Group, he worked in various certified public accountants firm and corporations, responsible for general accounting functions. Mr. Liu is also a director of certain subsidiaries of the Group.

Mr. Tse Ka Wing, aged 44, joined the Group in May 2013 and is the Company Secretary and Chief Financial Officer of the Company. He was appointed as an executive Director with effect from 26 March 2015. He is primarily responsible for the financial management, supervision of financial reporting and corporate finance matters of the Group. Mr. Tse graduated from The Chinese University of Hong Kong with a bachelor of business administration degree. He is an associate of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. Mr. Tse is a professional accountant with over 22 years of experience in accounting and had previously served as a senior manager of an international firm of certified public accountants.

執行董事

鄭偉德先生，50歲，於二零一三年六月十三日獲委任為本公司董事，為本公司的主席、行政總裁及執行董事。彼為本公司提名委員會主席及薪酬委員會成員。鄭先生亦為本集團創始人，在TFT-LCD部件貿易業務中有超過16年經驗，與多間供應商建立了緊密關係。彼負責制訂本集團整體策略規劃及發展，以及管理本集團業務。彼畢業於香港浸會大學，獲頒授綜合科學理學士學位，主修數學科學。除上文所披露者外，鄭先生亦為本集團若干於香港、英屬處女群島、薩摩亞及台灣註冊成立之附屬公司之董事。

廖嘉榮先生，47歲，於二零一三年六月十八日獲委任為本公司的執行董事。彼於二零零八年十一月加入本集團。彼負責監察本集團的行政職能及合規事務；以及協助管理本集團業務。廖先生於會計方面有約25年經驗。於加入本集團前，他曾於多間執業會計師事務所及企業工作，負責一般會計職能。廖先生亦為本集團若干附屬公司之董事。

謝家榮先生，44歲，於二零一三年五月加盟本集團，並擔任本公司的公司秘書及財務總監。彼於二零一五年三月二十六日起獲委任為執行董事。彼主要負責本集團之財務管理、財務申報之監督及企業融資事務。謝先生畢業於香港中文大學，持有工商管理學士學位。彼為香港會計師公會及英國特許公認會計師公會會員。謝先生為專業會計師，於會計界有超過22年經驗，彼過往曾於一間國際會計師事務所任職高級經理。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yik Chung John, aged 53, was appointed as an independent non-executive Director of the Company on 20 January 2014 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of the Company.

He is also the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company. Mr. Wong graduated from the University of Melbourne, Australia with a degree of bachelor of commerce. He was a member of the Australian Society of Certified Practising Accountants and was admitted as an associate of the Hong Kong Institute of Certified Public Accountants in April 1997. Mr. Wong has more than 30 years of experience in auditing and corporate finance work. Over the past three years, he served as independent non-executive directors for the following companies which are listed on the Stock Exchange, namely China Apex Group Limited (stock code: 2011) and China International Development Corporation Limited (stock code: 264). He is currently serving as an independent non-executive director for the following companies which are listed on the Stock Exchange, namely EcoGreen International Group Limited (stock code: 2341), LongiTech Smart Energy Holding Limited (stock code: 1281), Beijing Capital Land Ltd. (stock code: 2868) and Xinjiang Xinxin Mining Industry Co., Ltd. (stock code: 3833).

獨立非執行董事

黃翼忠先生，53歲，於二零一四年一月二十日獲委任為本公司的獨立非執行董事，負責提供有關本公司的策略、表現、資源及操守水準的獨立判斷。

彼亦為本公司審核委員會主席及提名委員會與薪酬委員會成員。黃先生畢業於澳洲墨爾本大學，持有商學士學位。彼過往為澳洲執業會計師公會會員，並於一九九七年四月獲接納為香港會計師公會的會員。黃先生於核數及企業融資工作有超過30年經驗。於過去三年，彼於下列聯交所上市公司：中國恒泰集團有限公司(股份代號：2011)及中聯發展控股集團有限公司(股份代號：264)任職獨立非執行董事。彼目前擔任以下聯交所上市公司之獨立非執行董事，包括中怡國際集團有限公司(股份代號：2341)、隆基泰和智慧能源控股有限公司(股份代號：1281)、首創置業股份有限公司(股份代號：2868)及新疆新鑫礦業股份有限公司(股份代號：3833)。

Mr. Wong Chi Chiu, aged 49, was appointed as an independent non-executive Director of the Company on 20 January 2014 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of the Company. He is also the chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Mr. Wong graduated from The Hong Kong Polytechnic University with a degree of bachelor of engineering in electrical engineering. He further received his master of science in engineering (building services engineering) degree from The University of Hong Kong. Mr. Wong was registered as a chartered engineer (CEng) at the Engineering Council in April 1998 and was registered as a registered professional engineer in electrical discipline at the Engineers Registration Board in July 1999. He has been a member of The Institution of Engineering and Technology since February 1998 and the Hong Kong Institution of Engineers since May 1998. Mr. Wong has over 27 years of experience in the engineering industry.

Mr. Li Shui Yan, aged 50, was appointed as an independent non-executive Director of the Company on 20 January 2014 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of the Company. He is also a member of the Audit Committee and Nomination Committee of the Company. Mr. Li graduated from National Chengchi University in Taiwan with a degree of bachelor of business administration. Mr. Li has more than 22 years of experience in corporate finance. Currently, he is the managing director of Dakin Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO.

黃智超先生，49歲，於二零一四年一月二十日獲委任為本公司的獨立非執行董事，負責提供有關本公司的策略、表現、資源及操守水準事宜的獨立判斷。彼亦為本公司薪酬委員會主席及審核委員會成員。黃先生畢業於香港理工大學，取得工程學士學位，主修電機工程。彼其後獲香港大學頒授工程(屋宇工程)理學碩士學位。黃先生於一九九八年四月註冊為英國工程師學會(Engineering Council)的特許工程師(CEng)，並於一九九九年七月註冊為工程師註冊管理局的註冊專業電機工程師。彼由一九九八年二月起成為工程及科技學會的會員，又由一九九八年五月起為香港工程師學會會員。黃先生於工程界有超過27年的經驗。

李瑞恩先生，50歲，於二零一四年一月二十日獲委任為本公司的獨立非執行董事，負責提供有關本公司的策略、表現、資源及操守水準的獨立判斷。彼為本公司審核委員會及提名委員會的成員。李先生畢業於台灣國立政治大學，獲頒授企業管理學士學位。李先生於企業融資方面有超過22年經驗。彼目前為可進行證券及期貨條例項下第6類受規管活動(就機構融資提供意見)之持牌法團德健融資有限公司之董事總經理。

Biographical Details of Directors and Senior Management

董事及高級管理層個人資料

Mr. Cho Chi Kong, aged 67, was appointed as an independent non-executive Director of the Company on 1 January 2020 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of the Company. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Mr. Cho has extensive experience in corporate law, legal and regulatory compliance and prevention and detection of fraud. Mr. Cho is a Non-practicing Barrister of The Honorable Society of Lincoln's Inn United Kingdom, the High Court of the Hong Kong Special Administrative Region, the Supreme Court of Australian Capital Territory and the High Court of Australia. He is a Certified Fraud Examiner of the Association of Certified Fraud Examiner and a former President of the Hong Kong Chapter of the Association of Certified Fraud Examiner, and is also a fellow member of the Hong Kong Institute of Directors. Mr. Cho has served as adviser and in-house legal consultant on legal and compliance matters for companies in Hong Kong and London. Mr. Cho teaches post-graduate courses in corporate governance and regulatory framework as a Professor of Practice (Law) at the School of Accounting and Finance, the Hong Kong Polytechnic University. He has also lectured at universities in Hong Kong and Mainland China on corporate law, securities law and business law. Mr. Cho is an independent non-executive director of Mansion International Holdings Limited, the shares of which are listed on GEM of the Stock Exchange (Stock Code: 8456).

Mr. Kan Man Wai, aged 56, was appointed as an independent non-executive Director of the Company on 1 January 2020 and is responsible for providing independent judgment on issues of strategy, performance, resources and standard of conduct of the Company. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

曹志光先生，67歲，於二零二零年一月一日獲委任為本公司獨立非執行董事，負責提供有關本公司策略、表現、資源及操守水準的獨立判斷。彼亦為本公司審核委員會、提名委員會及薪酬委員會成員。

曹先生於公司法、法律及監管合規以及預防及查核詐騙擁有豐富經驗。曹先生為英國林肯律師學院、香港特別行政區高等法院、澳洲首都區最高法院及澳洲高等法院的非執業大律師。彼為特許詐騙審查師學會的特許詐騙審查師及特許詐騙審查師學會香港分會前主席，亦為香港董事學會資深會員。曹先生擔任香港及倫敦多間公司法律及合規事務的顧問及內部法律顧問。曹先生為香港理工大學會計及金融學院的實務教授(法律)，教授企業管治及監管框架研究生課程。彼亦於香港及中國內地多間大學講授公司法、證券法及商業法。曹先生為民信國際控股有限公司的獨立非執行董事，該公司股份於聯交所GEM上市(股份代號：8456)。

簡文偉先生，56歲，於二零二零年一月一日獲委任為本公司獨立非執行董事，負責提供有關本公司策略、表現、資源及操守水準的獨立判斷。彼亦為本公司審核委員會、提名委員會及薪酬委員會成員。

Mr. Kan obtained a Diploma in Management Studies awarded by the Hong Kong Polytechnic University and the Hong Kong Management Association, and subsequently obtained a Master's Degree of Business Administration in International Management from the Royal Melbourne Institute of Technology in Australia. He has over 35 years of experience in the electronics manufacturing services industry, including 23 years of experience at management level of sales and business development and 4 years of experience at management level of business operations. Mr. Kan is a Vice President of Business Development for Great China and Korea of Sanmina Corporation, a leading electronics manufacturing services provider in the world that serves original equipment manufacturers in communications, medical, automotive, industrial and defense and aerospace fields which is headquartered in San Jose, California, USA and is listed on the Nasdaq Stock Market. In his current position, he is responsible for managing sales business, exploring new business and introducing mergers and acquisitions.

Note: The executive Directors are also the senior management of the Company.

簡先生曾獲香港理工大學及香港管理專業協會頒發管理學文憑，及後獲澳洲墨爾本皇家理工大學頒發國際管理工商管理碩士學位。彼於電子製造服務業擁有超過35年經驗，包括於銷售及業務發展管理層面的23年經驗，以及於業務營運管理層面的4年經驗。簡先生為Sanmina Corporation大中華及韓國業務發展副總裁(Vice President of Business Development for Great China and Korea)，該公司為全球領先的電子製造服務供應商，在通訊、醫療、汽車、工業及國防及航空航天方面為原設備製造商提供服務。其總部位於美國加州聖荷西，並於納斯達克證券交易所上市。彼現時負責管理銷售業務、探索新業務及推行併購。

附註： 執行董事亦為本公司高級管理層。

Report of the Directors

董事會報告

The Directors of the Company present their report together with the audited financial statements for the year ended 31 December 2019.

CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 13 June 2013 under the Companies Law of the Cayman Islands. The Company's shares were listed on the GEM ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 7 February 2014 (the "Listing Date").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 13 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Business review of the Group for the year ended 31 December 2019 as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis set out on pages 8 to 22 of this annual report which forms part of this directors' report.

An analysis of the Group's performance for the year by operating segment is set out in Note 5 to the consolidated financial statements.

本公司董事謹此呈列其截至二零一九年十二月三十一日止年度之報告連同經審核財務報表。

企業資料

本公司於二零一三年六月十三日根據開曼群島公司法於開曼群島註冊成立為一間獲豁免有限公司。本公司股份於二零一四年二月七日（「上市日期」）於香港聯合交易所有限公司（「聯交所」）GEM（「GEM」）上市。

主要業務及業務回顧

本公司之主要業務為投資控股。附屬公司之主要業務載列於綜合財務報表附註13。年內，本集團主要業務性質概無重大改變。

《香港公司條例》附表5規定之本集團截至二零一九年十二月三十一日止年度之業務審視，包括本集團面對之主要風險及不明朗因素的描述，以及本集團相當可能有的未來發展的揭示，載於本年報第8至22頁「管理層討論及分析」內，其構成本董事會報告一部分。

本年度按經營分部分類之本集團業績表現分析載列於綜合財務報表附註5。

ENVIRONMENTAL POLICIES AND PERFORMANCE

To help conserve the environment, the Group has implemented policies to encourage its employees for the efficient use of energy and resources. Besides, the Group has internal control measures in place to ensure that its processing service providers comply with the relevant environmental laws and regulations.

In addition, details regarding the Group's environmental policies and performance can be found in the Environmental, Social and Governance Report set out on pages 44 to 66 of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of comprehensive income.

The board of directors of the Company (the "Board") do not recommend the payment of a dividend for the year ended 31 December 2019 (2018: Nil).

SHARE CAPITAL

There were no movements in the Company's share capital during the year.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2019 amounted to approximately HK\$479,044,000 (2018: HK\$480,057,000).

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$100,000 (2018: HK\$100,000).

環保政策及表現

為協助保護環境，本集團已推行政策鼓勵僱員有效利用能源及資源。此外，本集團設有內部監控措施，確保其加工服務供應商符合相關環保法律及法規。

此外，關於本集團環境政策及表現之詳情，載於本年報第44至66頁的「環境、社會及管治報告」內。

業績及分派

本年度之本集團業績載列於綜合全面收益表。

本公司董事會（「董事會」）並不建議派付截至二零一九年十二月三十一日止年度之股息（二零一八年：無）。

股本

年內，本公司的股本概無發生變動。

可分派儲備

本公司於二零一九年十二月三十一日的可分派儲備約479,044,000港元（二零一八年：480,057,000港元）。

捐款

年內，本集團作出的慈善及其他捐款之金額為100,000港元（二零一八年：100,000港元）。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group, as extracted from the consolidated financial statements of the Company for the years ended 31 December 2015, 31 December 2016, 31 December 2017, 31 December 2018 and 31 December 2019, is set out on page 176 of the annual report. This summary does not form part of the audited financial statements.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2019, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's shares.

SHARE OPTION SCHEME

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted pursuant to the written resolutions of the sole Shareholder passed on 20 January 2014 (the "Adoption Date"). The following is a summary of the principal terms of the Share Option Scheme. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules").

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants (as defined below) and for such other purposes as the Board may approve from time to time.

優先購買權

本公司之組織章程細則並無有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定，而開曼群島法律並無有關此方面的權利限制。

財務資料摘要

本集團的公佈業績與資產、負債及非控股權益載列於年度報告第176頁，有關資料乃摘錄自本公司截至二零一五年十二月三十一日、二零一六年十二月三十一日、二零一七年十二月三十一日、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止年度的綜合財務報表。本摘要並不構成經審核財務報表的一部分。

購買、出售及贖回證券

於截至二零一九年十二月三十一日止年度，本公司並無贖回其任何股份，而本公司及其任何附屬公司亦無購買或出售本公司任何股份。

購股權計劃

本公司的購股權計劃（「購股權計劃」）已根據本公司唯一股東於二零一四年一月二十日（「採納日期」）通過的書面決議案而獲通過及採納。下文為購股權計劃的主要條款概述。購股權計劃的條款乃按照聯交所的GEM證券上市規則（「GEM上市規則」）第23章的規定。

(a) 購股權計劃的目的

購股權計劃旨在讓本公司以靈活的方法向參與者（定義見下文）給予激勵、獎勵、酬金、報酬及／或福利，以及達致董事會可能不時批准的其他目的。

(b) Participants of the Share Option Scheme

On and subject to the terms of the Share Option Scheme and the requirements of the GEM Listing Rules, the Board may, at its discretion, invite:

- (i) any director of each member of the Group or of any entity in which any member of the Group holds any equity interest (“Invested Entity”);
- (ii) any employee (whether full-time or part-time) of each member of the Group or of any Invested Entity (the “Employee”);
- (iii) any discretionary objects of a discretionary trust established by any Employee or any director of each member of the Group or of any Invested Entity;
- (iv) a company beneficially owned by any Employee or any director of each member of the Group or of any Invested Entity;
- (v) any consultant, professional and other adviser to each member of the Group or any Invested Entity (including their employees or executives or any persons, firms or companies proposed to be appointed for providing such services);
- (vi) any chief executives or substantial shareholders of the Company;
- (vii) any supplier, customer, service provider, business or joint venture partner, contractor, of the Group or any Invested Entity; and
- (viii) any person who, at the absolute discretion of the Board, has contributed or may contribute to the Group or any Invested Entity, provided that the Board may at its absolute discretion determine whether or not one falls within the above categories,

(b) 購股權計劃的參加者

根據購股權計劃條款及GEM上市規則的規限，董事會可酌情邀請：

- (i) 本集團各成員公司或任何本集團成員公司持有任何股權之任何實體（「被投資實體」）的任何董事；
- (ii) 本集團各成員公司或任何被投資實體的僱員（不論全職或兼職）（「僱員」）；
- (iii) 本集團各成員公司或任何被投資實體的任何僱員或任何董事成立的酌情信託的任何酌情受益人；
- (iv) 本集團各成員公司或任何被投資實體的任何僱員或任何董事實益擁有的公司；
- (v) 本集團各成員公司或任何被投資實體（包括其僱員或行政人員或任何擬獲委任提供有關服務的任何人士、商號或公司）的任何諮詢人、專業人士及其他顧問；
- (vi) 本公司任何主要行政人員或主要股東；
- (vii) 本集團或任何被投資實體的任何供應商、客戶、服務供應商、業務或合營企業夥伴、承包商；及
- (viii) 董事會全權酌情認為對本集團或任何被投資實體作出貢獻或可能作出貢獻的任何人士，惟董事會可全權酌情決定該人士是否歸類為上述種類，

(together, the “Participants” and each a “Participant”), to take up share options to subscribe for shares of the Company at a price determined in accordance with the terms of the Share Option Scheme.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

(c) Duration

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date.

(d) Timing for exercising option

The period as the Board may in its absolute discretion determine and specify in relation to any particular option holder in his option agreement during which the option may be exercised (subject to such restriction on exercisability specified therein), which shall be not greater than the period prescribed by the GEM Listing Rules from time to time (which is, as at the date of adoption of the Share Option Scheme, a period of 10 years from the date of the granting of the option).

(e) Acceptance and payment on acceptance of option offer

The offer of a grant of share options may be accepted within the period from the date on which such offer is made by the Board in accordance with the Share Option Scheme to such date as the Board may determine and specify in the letter where such offer is made to a Participant in such form as the Board may from time to time determine, upon payment of a nominal consideration of HK\$1 in total by the grantee.

(上述人士均稱為及合稱為「參與者」)·接納購股權·並根據購股權條款釐定的價格認購本公司的股份。

於決定每名參與者的資格時·董事會將考慮董事會酌情認為恰當的因素。

(c) 期限

購股權計劃自採納日期起計有效期為十年。

(d) 行使購股權的時間

就任何特定購股權持有人於其購股權協議內由董事會全權酌情釐定及註明之有關期限·購股權可於此期限內行使(受購股權協議訂明之有關行使限制所限)·不得超過GEM上市規則不時規定之期限(於採納購股權計劃當日為授出購股權日期起計10年之期限)。

(e) 接納及接納購股權要約所付的款項

授出之購股權可於董事會根據購股權計劃授出該購股權的日期起至董事會可能釐定及於提呈函件所訂明的某日期內獲接納·而董事會可按不時決定的形式向參與者授出購股權·惟承授人須支付總計1港元之名義代價。

(f) Subscription Price

The subscription price in respect of each Share issued pursuant to the exercise of options granted hereunder shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer, which must be a business day;
- (ii) a price being the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of offer; and
- (iii) the nominal value of a Share.

(g) Maximum number of Shares available for subscription

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Placing and the Capitalisation Issue (as defined in the Prospectus of the Company dated 24 January 2014) (being 132,000,000 Shares). The Company may renew this limit at any time, subject to shareholders' approval and the issue of a circular and in accordance with the GEM Listing Rules provided that the number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes does not exceed 30% of the shares in issue from time to time.

As at the date of this report, the Company had 132,000,000 share options available to be granted under the Share Option Scheme, which represented approximately 8.9% of the Company's shares in issue as at that date.

(f) 認購價

根據本文授出的購股權獲行使而發行的每股份認購價將由董事會獨自釐定及知會參與者，而認購價最低為下列之最高者：

- (i) 於要約日聯交所每日報價表所列的股份收市價，該日須為營業日；
- (ii) 緊接要約日前五個營業日聯交所每日報價表所列的股份平均收市價的價格；及
- (iii) 一股股份的面值。

(g) 可認購的股份數目上限

因行使根據購股權計劃及本公司任何其他購股權計劃授出的所有購股權可發行的股份總數，合共不得超過緊隨配售及資本化發行（定義見本公司日期為二零一四年一月二十四日之招股章程）完成後已發行股份總數的10%（即132,000,000股股份）。本公司可於任何時間在獲股東批准的情況下更新此限額，並須根據GEM上市規則刊發通函，惟根據所有購股權計劃已授出但尚未行使的所有未獲行使購股權獲行使而將予發行的股份數目，不得超過已發行股份的30%。

於本報告日期，本公司購股權計劃項下的132,000,000股購股權可予發行，相當於本公司於該日已發行股份約8.9%。

(h) Maximum entitlement of Shares of each Participant

The total number of Shares issued and to be issued upon exercise of the options granted to each Participant under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial Shareholder or an independent non-executive Director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

No share option has been granted under the Share Option Scheme since its adoption.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as the Share Option Scheme, at no time during the year was the Company, its parent company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

(h) 每名參與者可得的股份上限

於任何十二個月期間因行使根據購股權計劃及本公司其他購股權計劃授予每名參與者的購股權(包括已行使及尚未行使的購股權)而已發行及將予發行的股份總數，不得超過已發行股份總數的1%。進一步授出任何超過此項限制的購股權須獲股東於股東大會上批准。

向本公司各董事、行政總裁或主要股東或彼等各自之任何聯繫人士授予購股權須事先取得本公司獨立非執行董事批准。此外，倘若於任何十二個月內，授予本公司主要股東或獨立非執行董事或彼等各自之任何聯繫人士之購股權超出本公司不時已發行股份之0.1%或總值(根據授出購股權當日本公司股份價格計算)超逾5百萬港元，則須事先在股東大會上取得股東批准。

自購股權計劃獲採納起，概無根據購股權計劃授出購股權。

董事購買股份或債權證之權利

除購股權計劃外，於年內任何時間，本公司、其母公司或其任何附屬公司或同系附屬公司均無訂立任何安排，使董事可透過收購本公司或任何企業股股份或債權證而取得利益。

DIRECTORS

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

Executive Directors:

Mr. Cheng Wai Tak (*Chairman*)
Mr. Liu Ka Wing
Mr. Tse Ka Wing

Independent non-executive Directors:

Mr. Wong Yik Chung John
Mr. Wong Chi Chiu
Mr. Li Shui Yan
Mr. Cho Chi Kong (appointed on 1 January 2020)
Mr. Kan Man Wai (appointed on 1 January 2020)

By virtue of article 108 of the articles of association of the Company, Mr. Cheng Wai Tak, Mr. Tse Ka Wing and Mr. Li Shui Yan will retire by rotation at the forthcoming annual general meeting. Mr. Cheng Wai Tak, Mr. Tse Ka Wing and Mr. Li Shui Yan will, being eligible, offer themselves for re-election.

Mr. Cho Chi Kong and Mr. Kan Man Wai were appointed as independent non-executive Directors with effect from 1 January 2020. In accordance with the article 112 of the articles of association of the Company, Mr. Cho Chi Kong and Mr. Kan Man Wai will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

The Company has received annual confirmation of independence from Mr. Wong Yik Chung John, Mr. Wong Chi Chiu and Mr. Li Shui Yan and independence confirmations from Mr. Cho Chi Kong and Mr. Kan Man Wai pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this report, the Board considers them to be independent.

董事

本公司於本年度至本報告日期的董事為：

執行董事：

鄭偉德先生(主席)
廖嘉榮先生
謝家榮先生

獨立非執行董事：

黃翼忠先生
黃智超先生
李瑞恩先生
曹志光先生(於二零二零年一月一日獲委任)
簡文偉先生(於二零二零年一月一日獲委任)

根據本公司之組織章程細則第108條，鄭偉德先生、謝家榮先生及李瑞恩先生將於應屆股東週年大會輪席退任。鄭偉德先生、謝家榮先生及李瑞恩先生將符合資格並願意重選連任。

曹志光先生及簡文偉先生已獲委任為獨立非執行董事，自二零二零年一月一日起生效。根據本公司組織章程細則第112條，曹志光先生及簡文偉先生將於應屆股東週年大會退任，且彼等符合資格並將願意重選連任。

根據GEM上市規則第5.09條之規定，本公司已接獲黃翼忠先生、黃智超先生及李瑞恩先生每年作出之獨立確認書，以及曹志光先生及簡文偉先生作出之獨立確認書。於本報告日期，董事會視彼等屬獨立。

DIRECTORS' SERVICE CONTRACTS

Except for the service contract with Mr. Tse Ka Wing which commenced on 26 March 2018 for a term of three years, each of the executive Directors has entered into a service contract with the Company for a term of three years commencing on 7 February 2017 except terminated by either party giving not less than three months' prior written notice to the other. The service contracts with Mr. Cheng Wai Tak and Mr. Liu Ka Wing are renewed for a term of three years commencing on 7 February 2020. They are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's articles of association.

Except for the appointments of Mr. Cho Chi Kong and Mr. Kan Man Wai which commenced on 1 January 2020 for a term of three years, each of the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing on 7 February 2017, except terminated by not less than three months' notice in writing served by either party on the other. They are subject to retirement by rotation and re-election at the Company's annual general meeting. The appointments are renewed for a term of three years commencing on 7 February 2020.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

EMOLUMENT POLICY

In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis.

The emoluments of the Directors are recommended by the remuneration committee of the Company, having regard to the Group's operating results, market competitiveness, individual performance and achievement, to the Board for determination.

董事服務合約

除與謝家榮先生訂立由二零一八年三月二十六日起生效為期三年之服務合約外，各執行董事均與本公司訂立服務合約，自二零一七年二月七日起計為期三年，除非其中一方向另一方發出不少於三個月的事先書面通知予以終止為止。該等與鄭偉德先生及廖嘉榮先生訂立的服務合約已獲重續，自二零二零年二月七日起為期三年。彼等須根據本公司的組織章程細則於本公司的股東週年大會上輪值退任及膺選連任。

除曹志光先生與簡文偉先生的委任自二零二零年一月一日開始為期三年外，各獨立非執行董事均與本公司訂立於二零一七年二月七日開始，為期三年的委任函件，除非其中一方向另一方發出不少於三個月的事先書面通知予以終止。彼等須於本公司的股東週年大會上輪值退任及膺選連任。委任已獲重續，自二零二零年二月七日起為期三年。

擬於應屆股東週年大會上膺選連任之董事均無與本公司訂有任何不可於一年內免付補償(法定賠償除外)而終止之服務合約。

薪酬政策

為吸引及挽留優秀員工以維持本集團的穩健營運，本集團提供具競爭力的薪酬待遇(參照市場情況及個人資歷及經驗)及多項內部培訓課程。薪酬計劃亦會定期檢討。

本公司薪酬委員會經考慮本集團的經營業績、市場競爭力及個人績效與表現而向董事會建議董事的薪酬供董事會釐定。

Details of the Directors' remuneration and the five highest paid individuals are set out in Note 33 and Note 9 to the consolidated financial statements, respectively.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the Company or his connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's articles of association, every director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company maintains directors and officers liability insurance, which gives appropriate cover for any legal action brought against its directors. The level of the coverage is reviewed annually.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 67 to 71 of the annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

董事薪酬及五名最高薪酬人士的詳情已分別載列於綜合財務報表附註33及附註9。

董事於重大交易、安排及合約之權益

於本年度完結時或年內任何時間，本公司董事或其關連實體均無直接或間接於本公司或其任何附屬公司、同系附屬公司或母公司的有關本集團業務的重要交易、安排及合約中擁有重大權益。

獲准彌償條文

根據本公司之組織章程細則，本公司各董事就其執行職務或與此有關所蒙受或招致之一切損失或責任，均有權從本公司資產獲得彌償。本公司已為董事及高級人員購買責任保險，覆蓋範圍包括對董事採取的任何法律行動。覆蓋範圍每年審視。

董事及高級管理層之履歷詳情

董事及高級管理層之履歷詳情載於年報第67頁至71頁。

遵守相關法律及法規

年內，本集團概無對適用法律及法規有嚴重違反或不合規情況。

COMPETING INTERESTS

Based on the information available to the Company and within the knowledge and belief of the Directors, none of the Directors or the controlling shareholders of the Company (as defined under the GEM Listing Rules) have any business or interest which competes or may compete with the business of the Group, or have any other conflict of interest which any such person has or may have with the Group throughout the year ended 31 December 2019.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2019, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

競爭權益

根據本公司可得資料及就董事所知及所信，於截至二零一九年十二月三十一日止年度內，董事或本公司控股股東(定義見GEM上市規則)概無持有與本集團業務構成競爭或可能構成競爭之業務或權益，或任何該等人士亦概無與本集團存在或可能存在任何其他利益衝突。

董事及主要行政人員於本公司或任何相聯法團的股份及相關股份及債券中的權益及／或淡倉

於二零一九年十二月三十一日，董事及本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部所規定，須知會本公司及聯交所的權益及淡倉(包括彼等根據證券及期貨條例的該等條文被當作或被視作擁有的權益及淡倉)，或根據證券及期貨條例第352條所規定，須記錄在該條例所指的登記冊內的權益及淡倉，或根據GEM上市規則第5.46至5.67條所載之董事進行交易之準則所規定，須知會本公司及聯交所的權益及淡倉如下：

Long positions in shares of the Company:

於本公司股份的好倉：

Name of Director	Capacity	Number of shares held	Percentage of the Company's issued share capital
董事姓名	身份	所持有股份數目	本公司已發行股本百分比
Mr. Cheng Wai Tak 鄭偉德先生	Interest in controlled corporation 受控法團權益	923,427,151 (Note) (附註)	62.24%
	Beneficial owner 實益擁有人	2,220,000	0.15%

Note:

These 923,427,151 shares are held by Winful Enterprises Limited ("Winful Enterprises"), which in turn is wholly and beneficially owned by Mr. Cheng Wai Tak. As such, Mr. Cheng Wai Tak is deemed under the SFO to be interested in these 923,427,151 shares held by Winful Enterprises.

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

附註：

該等923,427,151股股份由Winful Enterprises Limited (「Winful Enterprises」) 持有，而Winful Enterprises由鄭偉德先生全資及實益擁有。因此，根據證券及期貨條例，鄭偉德先生被視為於Winful Enterprises所持有的該等923,427,151股股份中擁有權益。

除上文所披露者外，於二零一九年十二月三十一日，董事及本公司主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部所規定，須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的該等條文被當作或被視作擁有的權益及淡倉），或根據證券及期貨條例第352條所規定，須記錄在該條例所指的本公司登記冊內的權益或淡倉，或根據GEM上市規則第5.46條至第5.67條所載董事進行交易的標準所規定，而須知會本公司及聯交所的權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 December 2019, other than the Directors and chief executives of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in shares of the Company:

Name	Nature of interests	Number of shares held	Percentage of the Company's issued share capital
名稱	權益性質	所持有股份數目	本公司已發行股本百分比
Winful Enterprises	Directly beneficially owned 直接實益擁有	923,427,151 (Note) (附註)	62.24%

Note: Mr. Cheng Wai Tak is deemed under the SFO to be interested in these 923,427,151 shares held by Winful Enterprises.

Save as disclosed above, as at 31 December 2019, no other person had any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

MANAGEMENT CONTRACTS

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

主要股東於本公司的股份及相關股份中的權益及／或淡倉

就董事所知，於二零一九年十二月三十一日，除董事及本公司主要行政人員外，下列人士／實體於本公司的股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露或根據證券及期貨條例第336條所規定，須記錄在該條例所指的本公司登記冊內的權益或淡倉如下：

於本公司股份的好倉：

Name	Nature of interests	Number of shares held	Percentage of the Company's issued share capital
名稱	權益性質	所持有股份數目	本公司已發行股本百分比
Winful Enterprises	Directly beneficially owned 直接實益擁有	923,427,151 (Note) (附註)	62.24%

附註：根據證券及期貨條例，鄭偉德先生被視為擁有Winful Enterprises持有的該等923,427,151股股份中擁有權益。

除上文所披露者外，於二零一九年十二月三十一日，概無其他人士於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露或根據證券及期貨條例第336條所規定，須記錄在該條例所指的本公司登記冊內的任何權益或淡倉。

管理合約

本年度概無簽訂或出現有關本公司業務的全部或主要部分的管理及行政合約。

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2019, sales to the Group's five largest customers accounted for approximately 42.2% (2018: 47.5%) of the total sales for the year and sales to the largest customer included therein amounted to approximately 11.3% (2018: 21.7%). Purchases from the Group's five largest suppliers accounted for approximately 87.5% (2018: 96.2%) of the total purchases for the year and purchase from the largest supplier included therein amounted to approximately 69.2% (2018: 63.2%).

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in these major suppliers or customers.

CONNECTED TRANSACTIONS

The material related party transactions in relation to the key management personnel remuneration as disclosed in Note 31(c) to the consolidated financial statements are connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 20.31(6) of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float required by the GEM Listing Rules as at the date of this report.

主要供應商及客戶

截至二零一九年十二月三十一日止年度，本集團向其五大客戶作出的銷售佔年度總銷售額約42.2%（二零一八年：47.5%），其中向最大客戶作出的銷售佔年度總銷售額約11.3%（二零一八年：21.7%）。本集團向五大供應商的採購約佔年度總採購額約87.5%（二零一八年：96.2%），其中向最大供應商的採購佔年度總採購額約69.2%（二零一八年：63.2%）。

概無董事、彼等的聯繫人或任何就董事所知擁有本公司股本5%以上的股東於該等主要供應商或客戶中擁有任何權益。

關連交易

誠如綜合財務報表附註31(c)中所披露，有關主要管理人員薪酬的重大關連方交易屬根據GEM上市規則第20.31(6)條獲豁免遵守申報、公佈及獨立股東批准規定的關連交易。

足夠的公眾持股量

根據本公司可公開取得之資料及就董事所知，於本報告日期，本公司保持GEM上市規則所指定之公眾持股量。

COMPLIANCE OF NON-COMPETITION UNDERTAKING

All the independent non-executive Directors were delegated with the authority to review on an annual basis the compliance with the non-competition undertaking given by each of Mr. Cheng Wai Tak and Winful Enterprises, the controlling shareholders of the Company (collectively, the “Covenantors”) in favour of the Company dated 20 January 2014 (the “Non-Competition Deed”). The Covenantors have provided to the Company all information necessary for the annual review by the independent non-executive Directors and the Covenantors have confirmed to the Company that each of the Covenantors and his/its associates has not breached the terms of the undertakings contained in the Non-Competition Deed. All independent non-executive Directors confirmed that they are not aware of any non-compliance with the Non-Competition Deed by the Covenantors during the year.

Details of the Non-Competition Deed have been set out in the section headed “Relationship with Controlling Shareholders” of the Prospectus.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements were entered into during the year or subsisted at the end of the year.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 23 to 43 of the annual report.

不競爭承諾的遵守情況

全體獨立非執行董事獲授權每年審閱由鄭偉德先生及本公司的控股股東Winful Enterprises(統稱「契諾人」)各自於二零一四年一月二十日以本公司的利益為依歸的不競爭承諾(「不競爭契據」)之遵守情況。契諾人已向本公司提供所有所需資料供獨立非執行董事進行年度檢討，而契諾人已向本公司確認各契諾人及其各自的聯繫人並無違反不競爭契據所載承諾條款。年內，全體獨立非執行董事確認彼等並不知悉契諾人有不遵守不競爭契據的事宜。

不競爭契據的詳情已載列於招股章程「與控股股東的關係」一節。

權益掛鈎協議

除購股權計劃外，概無權益掛鈎協議於年內訂立或於年末仍然生效。

企業管治

本公司所採納之企業管治常規詳情，載於年報第23至43頁之企業管治報告內。

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint PricewaterhouseCoopers as auditor of the Company.

On behalf of the Board
Perfect Optronics Limited

Cheng Wai Tak
Chairman
Hong Kong, 18 March 2020

核數師

綜合財務報表已由羅兵咸永道會計師事務所審核，其將於應屆股東週年大會退任，並符合資格提呈續任。一項決議案會於本公司應屆股東週年大會上提呈，以續聘羅兵咸永道會計師事務所為本公司之核數師。

代表董事會
圓美光電有限公司

鄭偉德
主席
香港，二零二零年三月十八日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

To the Shareholders of Perfect Optronics Limited
(incorporated in the Cayman Islands with limited liability)

致圓美光電有限公司股東
(於開曼群島註冊成立之有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Perfect Optronics Limited (the "Company") and its subsidiaries (the "Group") set out on pages 96 to 175, which comprise:

圓美光電有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第96至175頁的綜合財務報表，包括：

- the consolidated statement of financial position as at 31 December 2019;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一九年十二月三十一日的綜合財務狀況表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。

Our opinion

我們的意見

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

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

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

Independence

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

KEY AUDIT MATTERS

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

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

- Inventory valuation and provision
- Valuation of unlisted investments

Key Audit Matter
關鍵審計事項

Inventory valuation and provision
存貨估值及撥備

Refer to Note 2.13, Note 4.1(a) and Note 20 to the consolidated financial statements.

請參閱綜合財務報表附註2.13、附註4.1(a)及附註20。

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 存貨估值及撥備
- 非上市投資之估值

How our audit addressed the Key Audit Matter
我們的審計如何處理關鍵審計事項

We understood and tested the controls by which management determined the estimated selling price for different types of products based on a consistent process as in prior years where historically there were no material adjustments required as a result of the estimation process. 我們了解及測試管理層根據與往年貫徹的程序釐定不同類別產品的售價所依據的監控措施，而過往並無因估算程序而須作出重大調整。

Key Audit Matter
關鍵審計事項

How our audit addressed the Key Audit Matter
我們的審計如何處理關鍵審計事項

Inventory valuation and provision (Continued)
存貨估值及撥備(續)

As at 31 December 2019, the Group held inventories of HK\$32,445,000. As described in the accounting policies in Note 2.13 to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value.

於二零一九年十二月三十一日，貴集團持有存貨32,445,000港元。誠如綜合財務報表附註2.13會計政策所述，存貨乃按成本及可變現淨值兩者之較低者列賬。

The Group operates in a market where new product releases are regular. There is a risk that inventories held will be sold below cost or become obsolete in light of technological advancement and changing market conditions. There is inherent judgement in the levels of sales and the selling price the directors forecast when assessing the net realisable value ("NRV").

貴集團經營的市場定期有新產品推出。因此所持存貨將面對以低於成本的價格出售或因科技發展及市況變動而過時的風險。於評估可變現淨值(「可變現淨值」)時，董事對銷售水平及售價的預測存在固有判斷。

Management calculates the NRV at each period end based on the estimated selling price less cost to sell, which requires significant judgements and assumptions to be made to determine the estimated selling price of individual products of similar nature and expectation of future sales based on current market conditions and available information. The estimations are also subject to uncertainty as a result of future changes of market trends, customer demands and technology development.

於各個期間末，管理層根據估計售價減銷售成本計算可變現淨值，釐定同類個別產品估計售價時，需要作出重大判斷及假設，而未來銷售預測則根據現行市況及可得資料釐定。估計亦受因市場趨勢、客戶需求及科技發展的未來變動而產生的不確定因素所限制。

In relation to the types of products which had material balances as at year end, we evaluated the assumptions applied by management on using the historical sales data which reflected the expected life cycle of similar products as the basis to estimate their future sales. We considered these assumptions appropriate based on the Group's historical sales pattern.

就於年末有重大結餘的產品類型而言，我們已評估管理層所應用的假設，該等假設使用反映同類產品預計週期的過往銷售數據作為估計其未來銷售的基準。根據貴集團過往的銷售模式，我們認為該等假設實屬適當。

We further discussed with management to understand the additional factors that were considered relevant based on the current market conditions that may require adjustments to the historical sales pattern for both the price and the quantity of the selected products and obtained evidence for these explanations. We independently evaluated the relevance of these factors and evidence supporting the estimation of the NRV by using our industry knowledge and external market analysis and found them to be reasonable. We further tested, on a sample basis, by comparing the estimated selling price and sales quantity with post year-end sales data of the selected products and found the estimated selling price and sales quantity in the NRV assessment to be within reasonable ranges.

我們與管理層進一步討論，以了解管理層基於現時市況所考慮的其他相關因素，而可能需要對所選擇產品價格及數量的過往銷售趨勢作出調整，以及就該等解釋取得證據。我們以我們的行業知識及外部市場分析獨立評估該等因素的相關程度及支持可變現淨值估計的證據，並認為其屬合理。我們進一步運用抽樣測試，以估計售價及銷量與抽樣產品於年結日後的銷售數據作比較，並得出可變現淨值評估中的估計售價及銷量屬合理範圍。

Based on the work performed, we considered that the inventory provision provided was in line with the Group's policy and was supportable by historical market trends, customer demands, technology development as well as management's expectations for future sales and inventory management plans.

基於我們已執行的工作，我們認為所計提的存貨撥備符合貴集團的政策，並由過往市場趨勢、客戶需求、科技發展以及管理層對未來銷售的預期及存貨管理計劃所支持。

Key Audit Matter
關鍵審計事項How our audit addressed the Key Audit Matter
我們的審計如何處理關鍵審計事項Valuation of unlisted investments
非上市投資之估值

Refer to Note 3.3, Note 4.1(b), Note 18 and Note 19 to the consolidated financial statements.

請參閱綜合財務報表附註3.3、附註4.1(b)、附註18及附註19。

As at 31 December 2019, the Group has unlisted investments of HK\$57,538,000 and HK\$2,673,000 measured at fair value through profit or loss and at fair value through other comprehensive income respectively, using market information and significant unobservable inputs.

於二零一九年十二月三十一日，利用市場資料及重要不可觀察輸入數據，貴集團擁有按公允價值計入損益及按公允價值計入其他全面收益的非上市投資分別為57,538,000港元及2,673,000港元。

The Group has engaged external appraisers to assess the fair values of these unlisted investments. The appraised values are based on valuation models. Because of the limited comparable transactions in the market, it is challenging to validate the appraisal values and therefore inherent risks in the appraised values remain.

貴集團已聘用外部評估師評估該等非上市投資之公允價值。評估價值乃以估值模型為基準。由於市場上可比較的交易有限，核實評估價值甚為困難，因此評估價值存在固有風險。

We focused on this area because the valuation of investments in unlisted investments is highly dependent on the key assumptions which are not observable in the market.

由於非上市投資的估值十分倚賴主要假設，在市場上不可觀察的，故我們集中關注此領域。

We understood and tested the operating effectiveness of related controls to determine that appropriate oversight from directors had been exercised within the valuations process.

我們了解並測試相關監控措施的營運成效，以釐定董事是否已於評估過程中給出適宜見解。

As the valuation of the unlisted investments required significant estimates and reliance on external valuations, we assessed the objectivities, independences and expertise of the external appraisers.

由於非上市投資之估值需要重大估算及依賴外部估值，我們已評定外部評估師的客觀性、獨立性及專業性。

In addition, we also assessed both the methodologies and assumptions used by management in the calculation of the year end fair values by the following procedures:

此外，我們亦評定管理層計算年末公允價值所用的方法及假設，程序如下：

- Evaluated the methodologies and key assumptions used in valuation models by comparing the assumptions used against appropriate benchmarks and investigated significant differences, challenging the appropriateness of the pricing multiples available from comparable companies and assessing sensitivities to assumptions.
評估估值模型使用之方法及主要假設，方法為將所使用的假設與適當指標比較及調查重大差異，對可比較公司的定價倍數是否恰當提出質疑及評估假設的敏感度。
- Tested the data integrity for the valuation models.
對估值模型的數據完整程序進行測試。
- Used our valuation expert to perform independent assessments.
利用我們的估值專家進行獨立評估。

Based on the work performed, we considered the assumptions used above all fell within an acceptable range.

基於已執行的工作，我們認為上述全部使用的假設均屬於可接受範圍。

OTHER INFORMATION

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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.

其他信息

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

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

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

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層負責監督 貴集團的財務報告過程。

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

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

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

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

核數師就審計綜合財務報表承擔的責任

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

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with 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.

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部監控的任何重大缺陷。

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

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 this independent auditor's report is Ng Ka Ho.

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

出具本獨立核數師報告的審計項目合夥人是吳家豪。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 March 2020

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月十八日

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	5, 6	166,607	254,072
Cost of sales	銷售成本	8	(166,902)	(268,428)
Gross loss	毛損		(295)	(14,356)
Other gains, net	其他收益淨額	7	3,069	865
Distribution and selling expenses	分銷及銷售開支	8	(8,680)	(11,761)
General and administrative expenses	一般及行政開支	8	(26,916)	(26,867)
Research and development expenses	研究及開發開支	8	(1,972)	(3,365)
Operating loss	經營虧損		(34,794)	(55,484)
Finance income	財務收入		170	106
Finance costs	財務費用		(1,165)	(460)
Finance costs, net	財務費用淨額	10	(995)	(354)
Loss before income tax	除所得稅前虧損		(35,789)	(55,838)
Income tax credit	所得稅抵免	11	141	58
Loss for the year	年度虧損		(35,648)	(55,780)
Other comprehensive income/ (loss):	其他全面收益/(虧損):			
<i>Items that may be subsequently reclassified to income statement</i>	<i>隨後可重新分類至收益表之項目</i>			
Currency translation differences	外幣折算差額		23	(265)
<i>Items that will not be subsequently reclassified to income statement</i>	<i>隨後不會重新分類至收益表之項目</i>			
Change in value of financial asset at fair value through other comprehensive income	按公允價值計入其他全面收益之金融資產價值變動		21	(26)
Total comprehensive loss for the year	年度全面虧損總額		(35,604)	(56,071)
Loss for the year attributable to:	年度虧損歸屬於:			
Equity holders of the Company	本公司權益持有人		(34,078)	(55,780)
Non-controlling interests	非控股權益		(1,570)	—
			(35,648)	(55,780)
Total comprehensive loss for the year attributable to:	年度全面虧損總額歸屬於:			
Equity holders of the Company	本公司權益持有人		(34,050)	(56,071)
Non-controlling interests	非控股權益		(1,554)	—
			(35,604)	(56,071)
Basic and diluted loss per share	每股基本及攤薄虧損	12	HK(2.30) cents (2.30)港仙	HK(3.76) cents (3.76)港仙

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

以上綜合全面收益表應與隨附附註一併閱覽。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019
於二零一九年十二月三十一日

	Note	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Assets			
Non-current assets			
Property, plant and equipment	14	1,732	3,031
Right-of-use assets	15	12,292	—
Intangible assets	16	5,322	3,122
Deferred tax assets	26	155	8
Financial asset at fair value through other comprehensive income	18	2,673	2,652
Financial asset at fair value through profit or loss	19	57,538	54,988
		79,712	63,801
Current assets			
Inventories	20	32,445	81,890
Trade and other receivables	21	21,198	13,351
Tax recoverable		—	265
Restricted bank deposits	22	—	10,335
Cash and cash equivalents	22	70,308	71,153
		123,951	176,994
Total assets		203,663	240,795
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	23	14,837	14,837
Reserves		117,064	117,036
Retained earnings		37,046	72,092
		168,947	203,965
Non-controlling interests		1,410	—
Total equity		170,357	203,965

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019
於二零一九年十二月三十一日

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Liabilities	負債			
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	15	8,692	—
			8,692	—
Current liabilities	流動負債			
Trade and other payables	應付賬款及 其他應付款	24	19,514	27,850
Bank borrowings	銀行借款	25	—	8,979
Lease liabilities	租賃負債	15	5,098	—
Current income tax liabilities	當期所得稅負債		2	1
			24,614	36,830
Total liabilities	負債總額		33,306	36,830
Total equity and liabilities	權益及負債總額		203,663	240,795

The consolidated financial statements on pages 96 to 175 were approved by the Board of Directors on 18 March 2020 and were signed on its behalf.

第96至175頁的綜合財務報表已於二零二零年三月十八日由董事會批准，並代表董事會簽署。

Cheng Wai Tak
鄭偉德
Director
董事

Tse Ka Wing
謝家榮
Director
董事

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

以上綜合財務狀況表應與隨附附註一併閱覽。

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

		Attributable to equity holders of the Company 本公司權益持有人應佔權益									
		(Note 1) (附註1)			(Note 2) (附註2)			Non-controlling interests		Total equity 權益總額	
		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Merger reserve 合併儲備	Revaluation reserve 重估儲備	Exchange reserve 匯兌儲備	Retained earnings 留存收益	Total 總計		Non-controlling interests 非控股權益
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	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		
Balance at 1 January 2019	二零一九年一月一日結餘	14,837	465,738	67,349	(415,675)	46	(422)	72,092	203,965	—	203,965
Adjustment on initial adoption of HKFRS 16 – Note 2.2	初次採納香港財務報告準則第16號之調整 – 附註2.2	—	—	—	—	—	—	(968)	(968)	—	(968)
Adjusted opening balance at 1 January 2019	二零一九年一月一日之經調整年初結餘	14,837	465,738	67,349	(415,675)	46	(422)	71,124	202,997	—	202,997
Comprehensive loss	全面虧損	—	—	—	—	—	—	(34,078)	(34,078)	(1,570)	(35,648)
Loss for the year	年度虧損	—	—	—	—	—	—	(34,078)	(34,078)	(1,570)	(35,648)
Other comprehensive income	其他全面收益	—	—	—	—	—	7	—	7	16	23
Currency translation differences	外幣折算差額	—	—	—	—	—	7	—	7	16	23
Change in value of financial asset at fair value through other comprehensive income	按公允價值計入其他全面收益之金融資產價值變動	—	—	—	—	21	—	—	21	—	21
Total other comprehensive income	其他全面收益總額	—	—	—	—	21	7	—	28	16	44
Total comprehensive loss	全面虧損總額	—	—	—	—	21	7	(34,078)	(34,050)	(1,554)	(35,604)
Contributions from non-controlling interests – Note 13(a)	非控股權益注資 – 附註13(a)	—	—	—	—	—	—	—	—	2,964	2,964
Balance at 31 December 2019	二零一九年十二月三十一日結餘	14,837	465,738	67,349	(415,675)	67	(415)	37,046	168,947	1,410	170,357

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

		Attributable to equity holders of the Company 本公司權益持有人應佔權益							
				(Note 1) (附註1)		(Note 2) (附註2)			
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Merger reserve 合併儲備 HK\$'000 千港元	Revaluation reserve 重估儲備 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Retained earnings 留存收益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
Balance at 1 January 2018	二零一八年一月一日結餘	14,837	465,738	67,349	(415,675)	72	(157)	127,872	260,036
Comprehensive loss	全面虧損								
Loss for the year	年度虧損	—	—	—	—	—	—	(55,780)	(55,780)
Other comprehensive loss	其他全面虧損								
Currency translation differences	外幣折算差額	—	—	—	—	—	(265)	—	(265)
Change in value of financial asset at fair value through other comprehensive income	按公允價值計入 其他全面收益之 金融資產價值變動	—	—	—	—	(26)	—	—	(26)
Total other comprehensive loss	其他全面虧損總額	—	—	—	—	(26)	(265)	—	(291)
Total comprehensive loss	全面虧損總額	—	—	—	—	(26)	(265)	(55,780)	(56,071)
Balance at 31 December 2018	二零一八年 十二月三十一日結餘	14,837	465,738	67,349	(415,675)	46	(422)	72,092	203,965

Notes:

- Other reserves include: (1) the difference between the share capital issued by the Company for acquisition of the subsidiaries pursuant to a reorganisation (the "Reorganisation") for the listing of the Company and the aggregate capital of the subsidiaries being acquired at the time of the Reorganisation; and (2) the amount of the loan waived by the controlling shareholder upon completion of a common control combination.
- Revaluation reserve represents fair value reserve for financial asset at fair value through other comprehensive income.

附註：

- 其他儲備包括：(1)根據本公司上市進行的重組(「重組」)，本公司就收購附屬公司已發行的股本及於重組時被收購的附屬公司之總資本的差額；及(2)完成共同控制合併時控股股東豁免之貸款金額。
- 重估儲備乃指按公允價值計入其他全面收益之金融資產的公允價值儲備。

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

以上綜合權益變動表應與隨附附註一併閱覽。

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

	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash flows from operating activities			
Cash generated from/(used in) operations	28	2,899	(30,690)
Income tax recovered/(paid)		313	(3,039)
Interest paid		(275)	(460)
Payments of interest element of lease liabilities	28	(890)	—
Net cash generated from/(used in) operating activities		2,047	(34,189)
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(185)	(2,229)
Addition of intangible assets	16	(2,200)	—
Proceeds from disposal of property, plant and equipment		10	1
Interest received		170	106
Net cash used in investing activities		(2,205)	(2,122)
Cash flows from financing activities			
Proceeds from bank borrowings	28	—	22,089
Repayments of bank borrowings	28	(8,979)	(13,110)
Decrease in restricted bank deposits		10,335	10,613
Payments of principal element of lease liabilities	28	(4,963)	—
Capital contribution from non-controlling interests	13(a)	2,964	—
Net cash (used in)/generated from financing activities		(643)	19,592
Net decrease in cash and cash equivalents		(801)	(16,719)
Cash and cash equivalents at beginning of year		71,153	88,025
Exchange losses on cash and cash equivalents		(44)	(153)
Cash and cash equivalents at end of year	22	70,308	71,153

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes. 以上綜合現金流量表應與隨附附註一併閱覽。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

Perfect Optronics Limited (the “Company”) was incorporated in the Cayman Islands on 13 June 2013, as an exempted company with limited liability under the Companies Law (as Revised) of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company’s shares are listed on the GEM of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company and its subsidiaries (together “the Group”) are principally engaged in the trading, development and sale of display and optics products and related electronic components. The Group also processes some of the products which it sells.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, except for financial asset at fair value through other comprehensive income (“FVOCI”) and financial asset at fair value through profit or loss (“FVTPL”) which have been measured at fair value.

1 一般資料

圓美光電有限公司(「本公司»)於二零一三年六月十三日根據開曼群島公司法(修訂本)在開曼群島註冊成立為一間獲豁免有限公司。其註冊辦事處位於Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。本公司股份於香港聯合交易所有限公司GEM上市。

本公司為一間投資控股公司，而其附屬公司(統稱「本集團»)主要經營顯示及光學產品及相關電子部件之貿易、開發及銷售。本集團亦為其銷售的部分產品進行加工。

除另有指明外，此等財務報表乃以港元(「港元»)呈列，且所有數值均約整至最近千位(「千港元»)。

2 主要會計政策概要

本附註列載編製此等綜合財務報表時採用的主要會計政策。除另有註明外，此等政策在所有年度貫徹適用。

2.1 編製基準

本集團的綜合財務報表已按照香港會計師公會(「香港會計師公會»)頒佈的所有適用的香港財務報告準則(「香港財務報告準則»)以及香港公司條例第622章的披露規定擬備。綜合財務報表已根據歷史成本法編製，惟按公允價值計入其他全面收益(「按公允價值計入其他全面收益»)之金融資產及按公允價值計入損益(「按公允價值計入損益»)之金融資產除外，其按公允價值計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

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

(a) *New standard, amendments to standards and interpretation adopted by the Group:*

The Group has applied the following standard, amendments and interpretation for the first time for their annual reporting period commencing on 1 January 2019:

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

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

2 主要會計政策概要 (續)

2.1 編製基準 (續)

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團的會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對財務報表作出重大假設和估計的範疇，在附註4中披露。

(a) *本集團採納之新訂及經修訂準則及詮釋：*

本集團於二零一九年一月一日開始的年度報告期間首次採用以下準則、修訂本及詮釋：

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)－詮釋第23號	所得稅處理方式的不確定性
香港會計準則(「香港會計準則」)第19號(修訂本)	「僱員福利」計劃修正、縮減或清償
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益
香港財務報告準則第9號(修訂本)	具有負補償之提前償付特徵
香港財務報告準則(修訂本)	二零一五年至二零一七年週期香港財務報告準則年度改進

由於採納香港財務報告準則第16號租賃(「香港財務報告準則第16號」)，本集團必須改變其會計政策。本集團選擇追溯採納新規則，但確認於二零一九年一月一日首次應用新準則的累積影響。有關資料於附註2.2披露。上文列出的大多數其他修訂及詮釋對過往期間確認的金額概無任何影響，並預期不會對當前或未來期間產生重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) *New standards and amendments to standards not yet adopted:*

		Effective for accounting periods beginning on or after 於以下日期或之後 開始的會計期間生效
Amendments to HKAS 1 and HKAS 8 香港會計準則第1號及香港會計準則第8號(修訂本)	Definition of Material 重要性的定義	1 January 2020 二零二零年一月一日
Amendments to HKFRS 3 香港財務報告準則第3號(修訂本)	Definition of a Business 業務的定義	1 January 2020 二零二零年一月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號(修訂本)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營企業之間出售或注入資產	To be determined 待定
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合約	1 January 2021 二零二一年一月一日
Conceptual Framework for Financial Reporting 2018 二零一八年財務報告概念框架	Revised Conceptual Framework for Financial Reporting 財務報告之經修訂概念框架	1 January 2020 二零二零年一月一日
Amendments to HKFRS 9, HKAS 39 and HKFRS 7 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(修訂本)	Interest Rate Benchmark Reform 利率基準改革	1 January 2020 二零二零年一月一日

The Group will adopt the above new or revised standards and amendments to existing standards as and when they become effective. Management has performed preliminary assessment and does not anticipate any significant impact on the Group's financial position and results of operations upon adopting these standards and amendments to existing HKFRSs.

本集團將於其生效時採用上述新訂或經修訂準則及現有準則修訂本。管理層已進行初步評估，並預計在採納該等準則及對現有香港財務報告準則的修訂後，不會對本集團財務狀況及經營業績產生任何重大影響。

2 主要會計政策概要(續)

2.1 編製基準(續)

(b) *尚未採納的新訂準則及準則修訂本：*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 on the Group's financial statements.

As indicated in Note 2.1 above, the Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on 1 January 2019. The new accounting policies are disclosed in Note 2.26.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.7%

(i) Practical expedients applied

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

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review — there were no onerous contracts as at 1 January 2019

2 主要會計政策概要 (續)

2.2 會計政策變動

本附註闡釋採用香港財務報告準則第16號對本集團財務報表的影響。

誠如上文附註2.1所示，本集團自二零一九年一月一日起追溯採用香港財務報告準則第16號，惟按該準則的具體過渡條款所允許，並未重列二零一八年報告期間之比較數字。因此，新租賃規則產生的重新分類及調整於二零一九年一月一日的期初綜合財務狀況表中確認。

採用香港財務報告準則第16號後，本集團就先前根據香港會計準則第17號租賃原則分類為「經營租賃」的租賃確認租賃負債。相關負債以剩餘租賃付款額的現值計量，並使用承租人截至二零一九年一月一日的增量借款利率進行折現。適用於二零一九年一月一日之租賃負債的承租人加權平均增量借款利率為5.7%。

(i) 已應用的可行權宜方法

於首次應用香港財務報告準則第16號，本集團已應用該準則所容許的以下可行權宜方法：

- 對具有合理的類似特質的租賃組合採用單一折現比率
- 依賴先前關於租賃是否屬虧損性質的評估，以替代執行減值審查 — 於二零一九年一月一日概無虧損性合約

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(i) Practical expedients applied (Continued)

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(ii) Measurement of lease liabilities

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

(i) 已應用的可行權宜方法 (續)

- 將於二零一九年一月一日剩下租賃期少於12個月的經營租賃的會計處理為短期租賃
- 於首次應用日期排除初始直接成本以計量使用權資產，及
- 當合約包含延期或終止租賃的選擇時，於事後釐定租期。

(ii) 租賃負債的計量

		2019 二零一九年 HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	5,135
Discounted using the lessee's incremental borrowing rate as at the date of initial application	使用承租人在首次應用日期的增量借款利率進行折現	4,940
Less: short-term leases recognised on a straight-line basis as expense	減：按直線法基準確認為開支的短期租賃	(660)
Add: adjustments as a result of a different treatment of extension and termination options	加：因延期及終止選擇權處理不同而產生的調整	11,686
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認的租賃負債	15,966
Of which are:	其中：	
Current lease liabilities	流動租賃負債	4,065
Non-current lease liabilities	非流動租賃負債	11,901
		15,966

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

(iv) Adjustments recognised in the consolidated statement of financial position on 1 January 2019

The change in accounting policy affected the following items in the consolidated statement of financial position on 1 January 2019:

- Right-of-use assets — increase by HK\$14,943,000
- Deferred tax assets — increase by HK\$55,000
- Lease liabilities — increase by HK\$15,966,000

The net impact on retained earnings on 1 January 2019 was a decrease of HK\$968,000.

2.3 Principles of consolidation

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

The acquisition method of accounting is used to account for business combinations by the Group.

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

(iii) 使用權資產的計量

物業租賃相關的使用權資產乃按追溯性基準計量，猶如始終新規則。

(iv) 於二零一九年一月一日在綜合財務狀況表確認的調整

會計政策變動對於二零一九年一月一日的綜合財務狀況表的以下項目有所影響：

- 使用權資產 — 增加 14,943,000 港元
- 遞延稅項資產 — 增加 55,000 港元
- 租賃負債 — 增加 15,966,000 港元

於二零一九年一月一日，對留存收益的淨影響為減少 968,000 港元。

2.3 綜合賬目原則

附屬公司乃指本集團對其有控制權的所有實體(包括結構性實體)。若本集團具有承擔或享有參與有關實體所得之可變回報的風險或權利，並能透過其主導該實體活動的權力影響該等回報，即本集團對該實體具有控制權。附屬公司由控制權轉至本集團之日起全數綜合計算，控制權終止之日停止綜合計算。

對本集團的業務合併進行會計處理時使用收購會計法。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation (Continued)

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

2.4 Business combinations

Except for the Reorganisation and business combinations under common control, the Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

2 主要會計政策概要(續)

2.3 綜合賬目原則(續)

集團內公司間之交易、結餘及集團內公司間交易產生之未變現收益予以對銷。未變現虧損亦予以對銷，除非交易提供了已轉讓資產的減值證明。如有必要，更改附屬公司的會計政策以確保與本集團採用的政策一致。

附屬公司業績及權益中的非控股權益分別於綜合全面收益表、權益變動表及財務狀況表中單獨呈列。

2.4 業務合併

除重組及共同控制下的業務合併以外，本集團採用收購法為業務合併入賬。收購附屬公司的轉讓代價包括：

- 已轉讓資產的公允價值
- 被收購業務原擁有人所承擔負債
- 本集團發行的股本權益
- 因或然代價安排而產生的任何資產或負債的公允價值，及
- 於附屬公司任何先前已存在股權的公允價值

於業務合併中收購的可識別資產及承擔的負債及或然負債初步按於收購日期的公允價值計量(存在有限的例外情況)。本集團以逐項購買基準，按公允價值或非控股權益所佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

收購相關成本於產生時列為開支。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Business combinations (Continued)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated statement of comprehensive income as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of comprehensive income.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of comprehensive income.

2 主要會計政策概要(續)

2.4 業務合併(續)

當：

- 所轉讓代價，
- 被收購實體的任何非控股權益金額，及
- 於被收購實體先前的任何股本權益於收購日期的公允價值

超出所收購可識別資產淨值的公允價值時，其差額以商譽列賬。倘該等款項低於所收購業務的可識別資產淨值的公允價值，則差額將直接於綜合全面收益表中確認為議價購買。

倘任何部分現金代價的結算被遞延，日後應付的金額貼現至其於交換日期的現值。所使用的貼現率為該實體的遞增借貸率，即可根據可比較條款及條件向獨立財務機構取得類似借款的利率。或然代價分類為權益或金融負債。分類為金融負債的金額其後將重新按公允價值計量，而公允價值變動於綜合全面收益表中確認。

倘業務合併分階段進行，則收購方先前持有的被收購方股本權益於收購日期的賬面值於收購日期重新按公允價值計量。任何因該項重新計量產生的收益或虧損於綜合全面收益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

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

2.6 Segment reporting

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

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and the Group's presentation currency.

2 主要會計政策概要 (續)

2.5 獨立財務報表

於附屬公司之投資按成本扣除減值入賬。成本亦包括投資之直接歸屬成本。附屬公司之業績在本公司賬目內按已收及應收股息入賬。

倘自附屬公司收取之股息超過宣派股息期間該附屬公司之綜合收益總額，或倘在獨立財務報表之投資賬面值超出綜合財務報表所示被投資公司之資產淨值(包括商譽)之賬面值，則須於收取該等投資之股息時對該等附屬公司之投資進行減值測試。

2.6 分部報告

經營分部的呈報方式與向首席經營決策者呈報內部報告的方式一致。首席經營決策者負責分配資源和評核各經營分部的表現，並確定為作策略性決定的董事。

2.7 外幣折算

(a) 功能及列報貨幣

本集團每個實體的財務資料所列項目均以該實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港元列報，港元為本公司的功能貨幣及本集團的列報貨幣。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income within “other gains, net”.

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

2 主要會計政策概要 (續)

2.7 外幣折算 (續)

(b) 交易及結餘

外幣交易採用交易當日或項目重新計量的估值日期的匯率折算為功能貨幣。由結算有關交易產生及將外幣計值的貨幣資產和負債以年終匯率折算產生的匯兌收益和損失在綜合全面收益表中「其他收益淨額」內確認。

以外幣按公允價值計量的非貨幣項目使用公允價值釐定當日的匯率換算。按公允價值列賬的資產及負債的換算差額作為公允價值收益或虧損的一部分呈報。舉例而言，非貨幣資產及負債(如透過損益按公允價值持有的權益)的換算差額乃於綜合全面收益表內作為公允價值收益或虧損的一部分確認，及非貨幣資產(如分類為透過其他全面收益的公允價值的權益)的換算差額則於其他全面收益確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(c) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

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

2 主要會計政策概要 (續)

2.7 外幣折算 (續)

(c) 集團公司

所有集團實體(全部均非採用高通脹經濟體系的貨幣)的功能貨幣倘有別於列報貨幣,其業績及財務狀況須按如下方式折算為列報貨幣:

- 每份列報的財務狀況表內的資產和負債按該財務狀況表日期的收市匯率折算;
- 每份收益表內的收益和費用按平均匯率折算(除非此平均匯率並不代表交易日期匯率的累計影響的合理約數;在此情況下,收支項目於交易日期折算);及
- 所有由此產生的外幣折算差異在其他全面收益中確認。

於綜合入賬時,換算於外國實體的任何淨投資及換算指定為有關投資的對沖的借貸及其他金融工具所產生的匯兌差額乃於其他全面收益內確認。在出售外國業務或構成淨投資的任何借貸償還時,相關匯兌差額重新分類至損益(作為銷售收益或虧損的一部分)。

收購境外實體時產生的商譽及公允價值調整乃作為該境外實體的資產及負債處理,並按收市匯率換算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to the consolidated statement of comprehensive income.

2.8 Property, plant and equipment

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

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

2 主要會計政策概要 (續)

2.7 外幣折算 (續)

(d) 出售外國業務

於出售外國業務(即出售本集團於外國業務之全部權益,或涉及失去擁有外國業務之附屬公司控制權、涉及失去擁有外國業務之合營企業共同控制權,或涉及失去擁有外國業務之聯營公司的控制權)時,公司擁有人應佔就該業務於權益內累計之外幣換算差額全部重新分類至綜合全面收益表。

2.8 物業、廠房及設備

物業、廠房及設備乃以歷史成本減累計折舊及累計減值虧損後列賬。歷史成本包括與收購該等項目直接應佔的開支。

後續成本只有在很可能為本集團帶來與該項目有關的未來經濟利益,而該項目的成本能可靠計量時,才包括在資產的賬面值或確認為一項單獨資產(按適用)。被替代部分的賬面值會被取消確認。所有其他維修保養費於產生該等費用的財政期間的綜合全面收益表列為開支。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment (Continued)

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

Leasehold improvements	Over the shorter of the term of the leases or 5 years
Moulds and machinery	2-5 years
Furniture and office equipment	3-5 years
Motor vehicles	4-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income within "other gains, net".

2.9 Intangible assets

Club memberships

Club memberships with indefinite useful life are stated at cost less any impairment losses.

2 主要會計政策概要 (續)

2.8 物業、廠房及設備(續)

物業、廠房及設備的折舊採用以下的估計可使用年期將其成本按直線法分攤至剩餘價值計算：

租賃樓宇裝修	租期或5年，取較短者
模具及機器	2至5年
傢俱及辦公室設備	3至5年
汽車	4至5年

資產的剩餘價值及可使用年期在每個報告期末進行檢討，及在適當時調整。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額。

出售的收益和損失按所得款與賬面值的差額釐定，並在綜合全面收益表中「其他收益淨額」內確認。

2.9 無形資產

會所會籍

無期限的會所會籍乃按成本值減任何減值虧損列賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Investments and other financial assets

(a) Classification

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

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

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

2 主要會計政策概要 (續)

2.10 非金融資產減值

可使用年期為無期限的無形資產不作攤銷，並會每年評估有否出現減值，或倘有事件或情況變動顯示可能出現減值會更頻繁進行評估。當出現若干事件或情況有所改變而導致未必能收回賬面值時，會就其他資產進行測試，以確定有否出現減值。當資產賬面值超過可收回金額，則有關差額確認為減值虧損，而可收回金額指資產公允價值減銷售成本與使用價值兩者的較高者。就評估減值而言，資產按獨立可識別現金流量(大部分獨立於其他資產或資本組別所得現金流入)(現金產出單元)的最低水平歸類。已減值之非金融資產(商譽除外)於各報告期末檢討是否可能撥回減值。

2.11 投資及其他金融資產

(a) 分類

本集團將其金融資產分類為以下計量類別：

- 其後按公允價值計量(不論計入其他全面收益或損益)；及
- 按攤銷成本計量。

分類視乎該實體管理金融資產之業務模式及現金流量之合約年期。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(a) Classification (Continued)

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

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

(b) Recognition and derecognition

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

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(a) 分類 (續)

就按公允價值計量之資產而言，收益及虧損將計入損益或其他全面收益。就並非持作買賣之股本工具投資而言，將視乎本集團是否已於初步確認時作出不可撤回選擇將股本投資按公允價值計入其他全面收益。

本集團只限於其管理該等資產之業務模式改變時方會將債務投資重新分類。

(b) 確認及取消確認

常規購買及出售的金融資產在交易日確認 — 交易日指本集團承諾購買或出售該資產當日。當從金融資產收取現金流量的權利已到期或已轉讓，而本集團已實質上將所有權的所有風險和報酬轉讓時，金融資產即終止確認。

(c) 計量

於初步計量時，本集團按金融資產之公允價值另加(倘金融資產並非按公允價值計入損益)收購金融資產直接應佔之交易成本計量金融資產。按公允價值計入損益之金融資產之交易成本於綜合全面收益表支銷。

在確定具有嵌入衍生工具的金融資產的現金流量是否僅支付本金和利息時，需從金融資產的整體進行考慮。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt investments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of comprehensive income and presented in "other gains, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(c) 計量 (續)

債務投資

債務工具的后續計量取決於本集團管理該項資產時商業模式和該項資產的現金流量特點。本集團按照以下三種計量方式對債務工具進行分類：

- 攤銷成本：為收取合約現金流量而持有，且其現金流量僅支付本金和利息的資產被分類成以攤銷成本計量的金融資產。該金融資產的利息收入採用實際利率法，並在財務收入中確認。由於終止確認產生的任何收益或虧損，均直接在綜合全面收益表中確認並於「其他收益淨額」中呈列。減值虧損則於綜合全面收益表內作為獨立項目呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt investments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains, net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains, net and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of comprehensive income and presented within "other gains, net" in the period in which it arises.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(c) 計量 (續)

債務投資 (續)

- 按公允價值計入其他全面收益：以收取合約現金流量及出售該金融資產為目的而持有，且其現金流量僅支付本金和利息的資產，以按公允價值計入其他全面收益之方式計量。除確認減值虧損、利息收入及匯兌損益計入綜合全面收益表外，賬面價值變動計入其他全面收益。當金融資產終止確認時，以前在計入其他全面收益的累計收益或虧損從權益重分類至損益中，並在其他收益淨額中確認。該等金融資產的利息收入用實際利率法計算，計入財務收入。匯兌收益及虧損在其他收益淨額中呈列，而減值開支則於綜合全面收益表內作為獨立項目呈列。
- 按公允價值計入損益：不符合以攤銷成本計量或按公允價值計入其他全面收益的資產，被分類為以按公允價值計入損益的金融資產。後續以按公允價值計入損益之方式計量，且由債務投資產生的收益或虧損，須在綜合全面收益表中確認，且在產生期間以淨額列示於「其他收益淨額」。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

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

Changes in the fair value of financial assets at FVTPL are recognised in other gains, net in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(c) 計量 (續)

權益工具

本集團所有權益工具後續以公允價值計量。如果本集團管理層選擇將權益工具的公允價值變動損益計入其他全面收益，則終止確認投資之後不可再將公允價值損益重新分類至損益。當本集團取得收取付款之權利時，該類投資的股息將繼續在綜合全面收益表中作為其他收入予以確認。

按公允價值計入損益的金融資產的公允價值變動在綜合全面收益表之其他收益／(虧損)淨額內確認(如適用)。按公允價值計入其他全面收益的權益投資的減值虧損(及減值虧損撥回)與其他公允價值變動未分開列示。

(d) 減值

對於以攤銷成本計量和按公允價值計入其他全面收益的債務工具，本集團就預期信貸虧損做出前瞻性評估。應用之減值方法取決於信貸風險是否顯著增加。

對於應收賬款，本集團根據香港財務報告準則第9號應用簡化方式，其規定預期全期虧損於應收賬款之初步確認中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2 主要會計政策概要 (續)

2.12 抵銷金融工具

金融資產及負債於擁有法定可強制執行權利抵銷已確認金額及於擬按淨值基準結算或同時變現資產及結算負債時予以抵銷；有關淨額則於綜合財務狀況表內列報。

2.13 存貨

存貨乃按成本及可變現淨值兩者之較低者列賬。成本乃按加權平均法釐定。製成品及在製品的成本包括原料及其他直接成本。可變現淨值為於日常業務過程中的估計售價減估計完成成本及估計作出銷售所需成本。

2.14 應收賬款及其他應收款

應收賬款為在日常業務運作中出售貨品或提供服務而應收的客戶款項。倘應收賬款及其他應收款預計將在一年或一年以內收回(或如屬較長時間，則以一般營運業務週期為準)，則分類為流動資產。否則，則呈列於非流動資產。應收賬款及其他應收款初步按公允價值確認，其後以實際利率法按已攤銷成本減減值撥備計算。

2.15 現金及現金等價物

就綜合現金流量表的呈列而言，現金及現金等價物包括手頭現金、銀行通知存款及流動性高且原有到期日在三個月或以下之其他短期投資(可隨時轉換為已知金額的現金及價值變動的風險很低)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Share capital

Ordinary shares are classified as equity.

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

2.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2 主要會計政策概要 (續)

2.16 股本

普通股分類為權益。

與發行新股份或購股權直接有關的增量成本，均列入權益作為所得款項的減少(扣除稅項)。

2.17 應付賬款及其他應付款

該等款項指於財政年度結束前向本集團提供商品及服務的尚未支付負債。倘應付賬款及其他應付款在一年或一年以內到期(或如屬較長時間，則以一般營運業務週期為準)，則分類為流動負債。否則，應付賬款及其他應付款則在非流動負債中呈列。應付賬款及其他應付款初步以公允價值確認，其後利用實際利息法按攤銷成本計量。

2.18 借貸

借貸初步按公允價值並扣除產生的交易成本確認。借貸其後按攤銷成本列賬。所得款(扣除交易成本)與贖回價值的任何差額利用實際利息法於借貸期間內在綜合全面收益表確認。倘很有可能提取部分或全部融資，則會將設立貸款融資時支付的費用確認為貸款交易成本。在此情況下，該項費用會遞延入賬直至貸款提取為止。如沒有證據證明部分或全部融資將很有可能被提取，則該項費用資本化作為流動資金服務的預付款項，並按有關融資期間攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Borrowings (Continued)

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of comprehensive income as finance costs.

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

2.19 Borrowing costs

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

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

All other borrowing costs are expensed in the consolidated statement of comprehensive income in the period in which they are incurred.

2 主要會計政策概要 (續)

2.18 借貸 (續)

當合約訂明的責任解除、取消或屆滿時，借款自綜合財務狀況表剔除。已消除或轉讓予另一方的金融負債的賬面值與已支付代價(包括任何已轉讓的非現金資產或所承擔的負債)之間的差額，在綜合全面收益表中確認為財務成本。

除非本集團有無條件權利將負債的結算遞延至報告期末後最少12個月，否則借貸分類為流動負債。

2.19 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借貸，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他借款成本在產生期內的綜合全面收益表中支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

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

(b) Deferred income tax

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

2 主要會計政策概要 (續)

2.20 當期及遞延所得稅

期內所得稅費用或抵免指基於各司法權區適用所得稅率計算的當期應課稅收入應繳稅項，並就暫時性差額及未動用稅項虧損所產生的遞延所得稅資產及負債變動作出調整。

(a) 當期所得稅

當期所得稅費用根據本集團經營及產生應課稅收入的國家於財務狀況表日已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(b) 遞延所得稅

遞延所得稅利用負債法就資產和負債的稅基與資產和負債在綜合財務報表的賬面值的差額而產生的暫時性差異悉數計提撥備。然而，倘遞延稅項負債產生自商譽的初始確認，則不會確認遞延稅負債。倘遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，亦不作記賬。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

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

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

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

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

2 主要會計政策概要 (續)

2.20 當期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

僅當可能有未來應課稅金額用於動用該等暫時性差額及虧損時，方會確認遞延稅項資產。

倘本集團有能力控制暫時性差額的撥回時機及差額可能不會在可見未來撥回的情況下，不會就外國業務投資的賬面值與稅基之間的暫時性差額確認遞延稅項資產及負債。

倘存在可依法強制執行權利以抵銷當期稅項資產及負債及當遞延稅項結餘與同一稅務機關相關時，則會抵銷遞延稅項資產及負債。倘實體擁有可強制執行權利以抵銷及擬按淨額結付，或同時變現資產及結付負債，則會抵銷當期稅項資產及負債。

當期及遞延所得稅乃於綜合全面收益表內確認，惟倘其涉及於其他全面收益內確認或直接於權益內確認的項目，則作別論。在此情況下，亦會分別於其他全面收益或直接於權益確認稅項。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Employee benefits

(a) Pension obligations

The Group pays contributions to defined contribution plans in Hong Kong. The schemes are generally funded through payments to separate trustee-administered funds, determined by periodic calculations.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group also contributes on a monthly basis to defined contribution retirement benefit plans organised by relevant municipal and provincial governments in the People's Republic of China (the "PRC"). The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees for post-retirement benefits beyond the contributions made. The assets of these plans are held separately from those of the Group in independently administered funds managed by the PRC government. Contributions to these plans are expensed as incurred.

2 主要會計政策概要 (續)

2.21 僱員福利

(a) 退休金責任

本集團向香港的定額供款計劃供款。有關計劃資金一般來自對獨立受託管理基金的付款，有關付款按定期進行的計算釐定。

定額供款計劃為一項退休金計劃，本集團根據該計劃向獨立實體進行固定供款。倘該基金並無足夠資產支付所有僱員就於本期間及過往期間提供的僱員服務所得的福利，本集團並無作出進一步供款的法定或推定責任。

本集團以強制性、合約性或自願性方式向管理之退休金計劃供款。供款支付後，本集團再無額外付款責任。供款到期時，則確認為僱員福利開支。預付供款在確認可作現金退款或削減未來供款時，方會予以確認列為資產。

根據由中華人民共和國（「中國」）有關省市政府組織之定額供款退休福利計劃，本集團亦按月向該計劃作出供款。該等省市政府承諾會承擔退休福利義務，向現有及日後之全部退休僱員發放超逾所作供款之退休後福利。該等計劃之資產以獨立管理基金之形式與本集團之資產分開持有，並由中國政府進行管理。該等計劃之供款按產生額列為支出。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Employee benefits (Continued)

(b) Bonus plans

The expected cost of bonus payments wholly due within 12 months after the balance sheet date are recognised as a liability where the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provision for an onerous contract is recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contract.

2 主要會計政策概要 (續)

2.21 僱員福利 (續)

(b) 獎金計劃

當本集團因為僱員已提供的服務而產生現有法律或推定責任，而責任金額能可靠估計時，則在資產負債表日後12個月內結欠的獎金預計成本確認為負債入賬。

(c) 僱員應享假期

僱員享有的年假於歸屬於僱員時確認。已就僱員至財務狀況表日提供服務所享年假的估計負債作出撥備。

僱員享有的病假及產假直至放假時確認。

2.22 撥備

當本集團因過往事件而須負上現時的法律或推定責任，很可能需要消耗資源以履行責任，及有關金額能可靠估計時，會確認撥備。未來營運虧損不予確認撥備。當承擔合約下責任的不可避免成本超過預期將予收到的經濟利益時，將確認虧損性合約撥備。合約下不可避免成本反映了取消合約的最低成本淨額，其為達成合約成本及未能達成合約所產生賠償或懲罰之間的較低值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Provisions (Continued)

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expenses.

2.23 Revenue recognition

(a) Sales of goods

Sales of goods are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has accepted the products, the collection of the related consideration is probable and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

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

(b) Interest income

Interest income is recognised using the effective interest method.

2 主要會計政策概要 (續)

2.22 撥備 (續)

如有多項類似責任，於釐定其需流出資源以結清責任的可能性時，會整體考慮該責任類別。即使在同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備乃按預期需用作清償責任開支以稅前比率計算的現值衡量，其反映當時市場對金錢的時間值及該責任的特定風險評估。因時間的流逝而增加的撥備確認為利息開支。

2.23 收入確認

(a) 產品銷售

貨品銷售於產品控制權轉移，即當產品交付客戶、客戶接納產品、可收取相關代價且概無可能影響客戶接納產品之未履行責任時予以確認。

應收款項於交付貨品時確認，原因為僅在付款日期到期前才需經過一段時間予以確認，而該階段之代價為無條件。

(b) 利息收入

利息收入以實際利息法確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2 主要會計政策概要 (續)

2.24 每股盈利

(a) 每股基本盈利

每股基本盈利乃按以下方式計算：

- 本公司擁有人應佔溢利 (不包括普通股以外的任何服務權益成本) 除以
- 財政年度內未發行普通股加權平均數 (已就年內已發行普通股紅利因素作出調整及撇除庫存股份)。

(b) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利所用的數字，經計及：

- 潛在攤薄普通股相關利息及其他融資成本的除所得稅後影響；及
- 假設所有潛在攤薄普通股獲兌換而尚未發行的額外普通股的加權平均數。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Dividend income

Dividends are received from financial assets measured at FVTPL and at FVOCI. Dividends are recognised as other income in the consolidated statement of comprehensive income when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in other comprehensive income if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2.26 Leases

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

Until 31 December 2018, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases.

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

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

2 主要會計政策概要 (續)

2.25 股息收入

股息乃自按公允價值計入損益的金融資產及按公允價值計入其他全面收益的金融資產收取。當確立收取付款的權利時，股息乃於綜合全面收益表確認為其他收入。自收購前溢利中分派的股息亦適用於此，除非股息明顯為回收一項投資之部分成本。於此情況下，倘股息與按公允價值計入其他全面收益計量的投資相關，則於其他全面收益中確認。然而，投資可能因而需要進行減值測試。

2.26 租賃

如上文附註2.2所述，本集團已更改其作為承租人的租賃會計政策。新政策於下文載述，而有關變動的影響載於附註2.2。

直至二零一八年十二月三十一日，凡本集團作為承租人持有擁有權的絕大部分風險及回報的物業、廠房及設備租賃，均分類為融資租賃。

大部分擁有權的風險和回報並無轉入本集團(以承租人身份)的租賃，已分類為經營租賃。根據經營租賃支付的款項(扣除已收出租人的任何優惠)於租期內以直線法於損益扣除。

自二零一九年一月一日起，租賃於租賃資產可供本集團使用當日確認為使用權資產及相關負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Leases (Continued)

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based 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 that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

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

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

2 主要會計政策概要 (續)

2.26 租賃 (續)

租賃所產生的資產及負債初始按現值基準計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款(包括實質固定付款)減任何應收租賃優惠
- 基於指數或利率並於開始日期按指數或利率初步計量的可變租賃付款
- 剩餘價值擔保下的本集團預期應付款項
- 購買選擇權的行使價(倘本集團合理確定行使該選擇權)；及
- 支付終止租賃的罰款(倘租期反映本集團行使權利終止租約)。

根據合理確定擴大選擇權作出的租賃付款亦計入負債的計量。

租賃付款採用租賃所隱含的利率予以貼現。倘無法輕易釐定該利率(本集團的租賃一般屬此類情況)，則使用承租人增量借款利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產價值類似的資產所需資金必須支付的利率。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Leases (Continued)

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis over the lease term as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2 主要會計政策概要 (續)

2.26 租賃 (續)

為釐定增量借款利率，本集團在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整，以反映自獲得第三方融資以來融資條件的變動

租賃付款於本金及財務成本之間作出分配。財務成本在租賃期間於損益扣除，藉以令各期間負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 初始計量租賃負債的金額
- 在開始日期或之前作出的任何租賃付款減任何已收租賃優惠
- 任何初始直接成本；及
- 復原成本。

使用權資產一般於資產的可使用年期及租賃期(以較短者為準)內按直線法予以折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年內予以折舊。

與短期租賃以及所有低價值資產租賃相關的付款，於租期內按直線法於損益確認為開支。短期租賃指租賃期為12個月或以下的租賃。

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

The Group is primarily exposed to foreign exchange risk arising from United States dollars ("USD"), Renminbi ("RMB") and New Taiwan dollars ("TWD").

Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. Management periodically reviews assets and liabilities held in currencies other than the entity's functional currency to ensure that net exposure is kept at an acceptable level. The Group does not enter into any arrangement to hedge its foreign exchange rate risk.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. In the opinion of the directors, HK\$ are reasonably stable against the USD under the Linked Exchange Rate System, and accordingly, no sensitivity analysis with respect to the USD against HK\$ is performed.

3 財務風險管理

3.1 財務風險因素

本集團的業務承受各種財務風險：市場風險（包括外匯風險、現金流量及公允價值利率風險及價格風險）、信貸風險及流動資金風險。本集團整體的風險管理計劃針對難以預測的金融市場，並尋求盡量降低對本集團財務業績所構成的潛在不利影響。風險管理由本集團高層管理人員執行。

(a) 市場風險

(i) 外匯風險

本集團主要承受美元（「美元」）、人民幣（「人民幣」）及新台幣（「新台幣」）的外匯風險。

外匯風險來自並非以實體功能貨幣計值的未來商業交易以及已確認資產及負債。管理層定期審視並非以實體功能貨幣持有的資產及負債，確保風險承擔保持於可接受水平。本集團並無訂立任何安排對沖其外匯風險。

本集團密切監外幣匯率變動，管理其外匯風險。董事認為，在聯繫匯率制度下，港元兌美元維持於合理穩定水平，據此，概無就美元兌港元作出敏感度分析。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The directors of the Company are of the opinion that the impact on exchange differences for RMB and TWD is immaterial as at 31 December 2019 and 2018 due to the low volume of transactions and minimal amount of balances, and accordingly no sensitivity analysis is performed.

(ii) Cash flow and fair value interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from bank deposits and bank balances. The interest rate for the bank loans are fixed. Other than bank deposits and bank balances, the Group does not have significant interest-bearing assets or liabilities.

At 31 December 2019, if interest rates on bank deposits and bank balances had been 100 basis points higher/lower, with all other variables held constant, the pre-tax loss for the year would have been approximately HK\$703,000 (2018: HK\$815,000) lower/higher, mainly as a result of higher/lower interest income from cash and bank deposits.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

本公司董事認為由於交易量低及結餘極少，故於二零一九年及二零一八年十二月三十一日，由對人民幣及新台幣產生的匯率差異屬微不足道，據此並無進行敏感度測試。

(ii) 現金流量及公允價值利率風險

利率風險與金融工具的公允價值或現金流量因市場利率變動而出現波動的風險有關。本集團的利率風險來自銀行存款及銀行結餘。銀行貸款的利率為固定。除銀行存款及銀行結餘外，本集團並無重大計息資產或負債。

於二零一九年十二月三十一日，倘銀行存款及銀行結餘的利率上升／下降100個基點，而所有其他變數維持不變，年內除稅前虧損將減少／增加約703,000港元（二零一八年：815,000港元），主要由於現金及銀行存款的利息收入增加／減少。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk

The Group's exposure to price risk arises from investments held by the Group and classified in the consolidated statement of financial position either as at FVOCI or FVTPL.

At 31 December 2019, if the fair values of the investments classified as financial assets at FVTPL and FVOCI had been 10% higher/lower, with all other variables held constant, the Group's pre-tax loss and other components of equity would have been HK\$5,754,000 lower/higher (2018: HK\$5,499,000 lower/higher) and HK\$267,000 higher/lower (2018: HK\$265,000 higher/lower) respectively. Pre-tax loss for the year would decrease/increase as a result of gains/losses on financial asset classified as at FVTPL. Other components of equity would increase/decrease as a result of gains/losses on financial asset classified as at FVOCI.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 價格風險

本集團承擔的價格風險，乃源於本集團持有投資於綜合財務狀況表中分類為以按公允價值計入其他全面收益或按公允價值計入損益。

於二零一九年十二月三十一日，倘分類為按公允價值計入損益及按公允價值計入其他全面收益的金融資產之投資的公允價值上升/下降10%，而所有其他變數維持不變，本集團之除稅前金融資產虧損及其他部分權益將分別減少/增加5,754,000港元(二零一八年：減少/增加5,499,000港元)及增加/減少267,000港元(二零一八年：增加/減少265,000港元)。年內除稅前利潤將因分類為按公允價值計入損益的金融資產之收益/虧損增加/減少。其他股本部分將因分類為按公允價值計入其他全面收益的金融資產之收益/虧損增加/減少。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from trade and other receivables, restricted bank deposits and bank balances. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets. The credit risk is monitored on an ongoing basis with reference to the financial position of the debtors, past experience and other factors.

The Group has policies in place to ensure that the sales of products are made to customers with appropriate credit histories and the Group performs regular credit evaluations of its major customers.

The Group applies the lifetime expected loss provision, as permitted under HKFRS 9 Financial Instruments, for all trade and bills receivables.

The Group considers the credit risk characteristics of the trade and bills receivables to measure the expected credit loss ("ECL"). For the trade and bills receivables, the Group has assessed the ECL by considering historical default rates, existing market conditions and forward-looking information. Based on the Group's assessment, ECL rate of trade and bills receivables is close to zero. Therefore, the loss allowance provision for these trade and bills receivables balances was not material.

Restricted bank deposits and bank balances are deposited in reputable banks. Management does not expect any losses from non-performance by these banks.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

信貸風險按集團基準管理。信貸風險源自分類為應收賬款及其他應收款、受限制銀行存款以及銀行結餘。該等結餘的賬面值為本集團就有關金融資產承擔的最大信貸風險。信貸風險按持續基準監察，並會參考債務人的財政狀況、過往經驗及其他因素。

本集團實施相關政策，確保其產品銷售乃向具有合適信貸紀錄的客戶作出，本集團亦會對其主要客戶進行定期信貸評估。

本集團根據香港財務報告準則第9號財務工具、的規定，對全部應收賬款及票據應用全期預期虧損撥備。

本集團考慮應收賬款及票據的信貸風險特徵以計量預期信貸虧損。就應收賬款及票據而言，本集團考慮過往違約比率、現行市況及前瞻性資料來評估預期信貸虧損。根據本集團的評估，應收賬款及票據的預期信貸虧損率接近零。因此，該等應收賬款及票據結餘的虧損撥備並不重大。

受限制銀行存款及銀行存款均存放於具信譽的銀行，銀行結餘存放於具信譽的銀行。管理層預期不會因此等銀行不履行付款責任而產生任何虧損。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險

審慎的流動資金風險管理包括確保持有足夠現金及有價證券、有充足的已承諾信貸融資，及有能力償還本集團的應付款。

下表列示本集團的金融負債根據由財務狀況表日至合約到期日的剩餘期間按照相關到期組別進行的分析。在表內披露的金額為合約未貼現的現金流量。

		Less than 1 year 一年以內 HK\$'000 千港元	Between 1 to 5 years 一至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2019	於二零一九年 十二月三十一日			
Trade payables	應付賬款	14,467	—	14,467
Other payables	其他應付款	4,008	—	4,008
Lease liabilities	租賃負債	5,735	9,453	15,188
		24,210	9,453	33,663
At 31 December 2018	於二零一八年 十二月三十一日			
Trade payables	應付賬款	15,370	—	15,370
Other payables	其他應付款	3,427	—	3,427
Bank borrowings	銀行借款	9,255	—	9,255
		28,052	—	28,052

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the debt-to-asset ratio. The ratio is calculated as total debt divided by total assets. Total debt is calculated as interest-bearing borrowings. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and sell assets to reduce debt.

During the year, the Group's strategy, which remained unchanged from prior year, was to maintain a net cash position. As at 31 December 2019 and 2018, the Group has a net cash position and the aggregate balances of unrestricted bank deposits, and cash and cash equivalents exceeded the total interest-bearing debt by HK\$70,308,000 (2018: HK\$62,174,000).

3.3 Fair value estimation

Financial instruments carried at fair value are analysed by valuation method. The different levels have been defined as follows:

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

3 財務風險管理 (續)

3.2 資本管理

本集團管理資金的目標是保障本集團持續經營的能力，以為股東帶來回報，同時兼顧其他利益相關者的利益，並維持最佳的資本結構以減低資金成本。

本集團根據負債資產比率監察資本。該比率按負債總額除以資產總額計算。負債總額按計息借貸計算。為了維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減低債務。

於本年度，本集團之策略與去年相比並無變動，即保持淨現金狀況。於二零一九年及二零一八年十二月三十一日，本集團為淨現金狀況，即不受限制銀行存款及現金及現金等價物之總結餘超過總計息債務，差額為70,308,000港元(二零一八年：62,174,000港元)。

3.3 公允價值估計

按公允價值入賬的金融工具按估值方法分析。不同層級界定如下：

- 相同資產或負債在活躍市場的報價(未經調整)(第1層)。
- 除了第1級所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The carrying amounts of the Group's financial assets, including cash and cash equivalents, restricted bank deposits, and trade, bills and other receivables; and the Group's financial liabilities, including bank borrowings, trade and other payables approximate their fair values due to their short maturities.

The nominal values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The following table presents the carrying value of financial instruments measured at fair value at the consolidated statement of financial position across the three levels.

3 財務風險管理 (續)

3.3 公允價值估計 (續)

本集團金融資產之公允價值，包括現金及現金等價物、受限制銀行存款金、應收賬款、應收票據及其他應收款；以及本集團之金融負債，包括銀行借款、應付賬款及其他應付款，由於其到期時間較短，其賬面值與公允價值相若。

就到期日少於一年之金融資產及負債而言，面值減任何估計信貸調整乃假設與其公允價值相若。就披露目的而言，金融負債之公允價值乃按本集團就類似金融工具可獲得之現行市場利率將未來合約現金流量折現估計。

下表列報三個級別於綜合財務狀況表按公允價值計量之金融工具賬面值。

		Fair value measurement as at 31 December 2019 於二零一九年十二月三十一日之公允價值計量			
		Level 1 第1層	Level 2 第2層	Level 3 第3層	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Recurring fair value measurements	經常性公允價值計量				
Financial asset at FVTPL	按公允價值計入損益之金融資產				
– Unlisted preferred shares	– 非上市優先股	–	–	57,538	57,538
Financial asset at FVOCI	按公允價值計入其他全面收益之金融資產				
– Unlisted equity securities	– 非上市股權證券	–	–	2,673	2,673
		–	–	60,211	60,211

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

3 財務風險管理 (續)

3.3 公允價值估計 (續)

Fair value measurement as at 31 December 2018
於二零一八年十二月三十一日之公允價值計量

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Recurring fair value measurements	經常性公允價值計量				
Financial asset at FVTPL	按公允價值計入損益之金融資產				
– Unlisted preferred shares	– 非上市優先股	–	–	54,988	54,988
Financial asset at FVOCI	按公允價值計入其他全面收益之金融資產				
– Unlisted equity securities	– 非上市股權證券	–	–	2,652	2,652
		–	–	57,640	57,640

There were no transfers between levels 1, 2 and 3 during the year (2018: Nil).

年內第1層、第2層與第3層之間並無轉撥(二零一八年：無)。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the years ended 31 December 2019 and 2018:

		Unlisted preferred shares 非上市優先股 HK\$'000 千港元	Unlisted equity securities 非上市股權證券 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Opening balance 1 January 2018	於二零一八年一月一日之 年初結餘	54,269	2,678	56,947
Losses recognised in other comprehensive income	於其他全面收益確認之 虧損	—	(26)	(26)
Gains recognised in other gains, net	於其他收益淨額確認之 收益	719	—	719
Closing balance 31 December 2018	於二零一八年 十二月三十一日之 年末結餘	54,988	2,652	57,640
Gains recognised in other comprehensive income	於其他全面收益確認之 收益	—	21	21
Gains recognised in other gains, net	於其他收益淨額確認之 收益	2,550	—	2,550
Closing balance 31 December 2019	於二零一九年 十二月三十一日之 年末結餘	57,538	2,673	60,211

3 財務風險管理 (續)

3.3 公允價值估計 (續)

使用重大不可觀察輸入數據的公允價值計量 (第3層)

下表呈報截至二零一九年及二零一八年十二月三十一日止年度第3層工具之變動：

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Fair value measurements using significant unobservable inputs (level 3) (Continued)

The following table summarises the valuation techniques used and the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description 說明	Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察輸入數據	Value 價值	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值的關係
(a) Preferred shares issued by a private entity 一間私營企業發行之優先股	2019: Market comparable companies and equity value allocation with option-pricing method 二零一九年：市場可比較公司及使用期權定價法分配股權價值	Volatility 波幅	54.19%	10% increase/(decrease) in the volatility would result in (decrease)/increase in fair value by approximately (HK\$175,000)/HK\$367,000 波幅增加/(減少)10%，將令公允價值(減少)/增加約(175,000港元)/367,000港元
	2018: Business valuation based on discounted cash flow under income approach; equity value allocation based on option-pricing method with inputs of volatility, risk-free interest rate, and dividend yield 二零一八年：業務估值建基於採用收入法的貼現現金流；股權價值分配建基於期權定價法，具有波幅輸入數據、無風險利率及股息回報	Volatility 波幅	51.38%	10% increase/(decrease) in the volatility would result in (decrease)/increase in fair value by approximately (HK\$39,000)/HK\$8,000 波幅增加/(減少)10%，將令公允價值(減少)/增加約(39,000港元)/8,000港元
		Weighted average cost of capital ("WACC") 加權平均資本成本 (「加權平均資本成本」)	16.18%	5% increase/(decrease) in WACC would result in (decrease)/increase in fair value by approximately (HK\$3,637,000)/HK\$4,093,000 加權平均資本成本增加/(減少)5%，將令公允價值(減少)/增加約(3,637,000港元)/4,093,000港元
(b) Ordinary shares issued by a private entity 一間私營企業發行之普通股	Discounted cash flow method (2018: same) 貼現現金流方法 (二零一八年：相同)	WACC 加權平均資本成本	13.61% (2018: 12.69%) 13.61% (二零一八年：12.69%)	10% increase/(decrease) in WACC would result in (decrease)/increase in fair value by approximately (HK\$260,000)/HK\$364,000 (2018: (HK\$312,000)/HK\$390,000) 加權平均資本成本增加/(減少)10%，將令公允價值(減少)/增加約(260,000港元)/364,000港元 (二零一八年：(312,000港元)/390,000港元)

Valuations of the above financial assets held by the Group as at the end of the reporting period were performed by independent valuers.

3 財務風險管理 (續)

3.3 公允價值估計 (續)

使用重大不可觀察輸入數據的公允價值計量 (第3層) (續)

下表概述於第3層公允價值計量所用估值技巧及所用重大不可觀察輸入數據的定量資料：

本集團於報告期末所持的以上金融資產的估值由獨立估值師進行。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates

(a) *Net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in consumer preferences and competitor actions in response to severe industry cycles. Management reassesses these estimations by each date of the statement of financial position to ensure inventories are shown at the lower of cost and net realisable value.

(b) *Estimation of the fair value of certain financial assets*

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

4 關鍵會計估計及判斷

編製財務報表須進行會計估計，顧名思義，有關估計很少相等於實際結果。管理層亦需在應用本集團的會計政策時作出判斷。

估計及判斷乃持續評估。有關估計及判斷乃基於過往經驗及其他因素作出，包括可能對實體產生財務影響及根據情況認為合理的未來事件預期。

4.1 關鍵會計估計

(a) *存貨的可變現淨值*

存貨的可變現淨值為於日常業務過程中的估計售價減估計銷售開支。該等估計乃根據銷售類似產品的目前市況及過往經驗作出，其可能因消費者喜好變化及競爭對手應對嚴峻行業週期的行動而出現大幅變動。管理層會於每個財務狀況表日重新評估此等估計，以確保存貨以成本與可變現淨值兩者之間的較低者列示。

(b) *若干金融資產的公允價值估計*

沒有在活躍市場買賣的金融工具的公允價值利用估值技術釐定。本集團利用判斷選取多種方法，並主要根據每個報告期末當時的市場情況作出假設。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Critical accounting judgements

(a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(b) Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4 關鍵會計估計及判斷 (續)

4.2 關鍵會計判斷

(a) 金融資產減值

金融資產虧損撥備乃基於有關違約風險及預期虧損比率的假設作出。本集團在作出該等假設及選擇減值計算的輸入數據時，根據於各報告期末的本集團過往歷史、現有市況及前瞻性估計作出判斷。

(b) 釐定租期

釐定租期時，管理層考慮形成行使延長選擇權或不行使終止選擇權的經濟誘因的所有事實及狀況。倘租賃可合理確定將會延長(或不會終止)，延長選擇權(或終止選擇權後期間)方計入租期之內。

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources and determine the operating segments based on these reports.

The directors determine that the Group has two reportable operating segments as follows:

- (a) Display products segment; and
- (b) Optics products segment

The directors assess the performance of the operating segments based on a measure of revenue and results of each segment and do not assess the performance based on segment assets and liabilities.

- (a) The segment information provided to the directors for the reportable segments for the years ended 31 December 2019 and 2018 is as follows:

	Display products 顯示產品		Optics products 光學產品		Total 總計	
	2019 二零一九年 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	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Segment revenue (all from external customers) 分部收入(全部來自外部客戶)	164,149	249,518	2,458	4,554	166,607	254,072
Segment results 分部業績	(1,592)	(15,781)	(675)	(1,940)	(2,267)	(17,721)
Unallocated operating costs 未分配經營成本					(32,527)	(37,763)
Finance costs, net 財務費用淨額					(995)	(354)
Loss before income tax 除所得稅前虧損					(35,789)	(55,838)
Other segment information: 其他分部資料: (Write back of provision)/ (陳舊存貨撥備撥回)/ provision for obsolete inventories 陳舊存貨撥備	(26,636)	(8,473)	(213)	707	(26,849)	(7,766)

5 分部資料

首席經營決策者確定為本公司的董事。董事審閱本集團的內部報告以評估表現及分配資源，並根據該等報告釐定經營分部。

董事釐定本集團擁有如下兩個可報告經營分部：

- (a) 顯示產品分部；及
- (b) 光學產品分部

董事基於各分部的收入及業績的計量評估經營分部的表現，而非基於分部資產及負債評估表現。

- (a) 以下是提供予董事截至二零一九年及二零一八年十二月三十一日止年度可報告分部的資料：

5 SEGMENT INFORMATION (Continued) 5 分部資料 (續)

(b) The Group's revenues from its major products for the years ended 31 December 2019 and 2018 are as follows:

(b) 截至二零一九年及二零一八年十二月三十一日止年度，本集團來自其主要產品之收入載列如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Thin film transistor liquid crystal display panels and modules	薄膜電晶體液晶顯示面板及模組	135,040	226,154
Electronic signage	電子廣告板	7,749	397
Integrated circuits	集成電路	5,325	3,268
Polarisers	偏光板	4,721	5,208
Light guide plates	導光板	2,332	9,174
Optics products	光學產品	2,458	4,554
Others	其他	8,982	5,317
		166,607	254,072

(c) Segment revenue by customers' geographical location

(c) 按客戶地理位置劃分的分部收入

The amount of the Group's revenue from external customers by locations where the Group's products are delivered to its customers is shown in the table below.

本集團按其向客戶交付產品的地點劃分的外部客戶所產生收入金額於下表列示。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	126,768	178,626
The PRC	中國	31,350	72,802
Taiwan	台灣	8,489	2,644
		166,607	254,072

5 SEGMENT INFORMATION (Continued) 5 分部資料 (續)

(d) Revenues from major customer who has individually contributed 10% or more of the total revenue of the Group for the year ended 31 December 2019 are disclosed as follows:

(d) 截至二零一九年十二月三十一日止年度，來自主要客戶(各佔本集團總收入10%或以上)的收入披露如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A	客戶A	18,777	2,647

The above customer is included in the display products segment. Revenue from this customer contributed less than 10% of the total revenue of the Group during the year ended 31 December 2018.

上述客戶計入顯示產品分部內。於截至二零一八年十二月三十一日止年度，來自該客戶的收入佔本集團總收入不足10%。

(e) An analysis of the Group's non-current assets (other than financial assets and deferred tax assets) by location of assets is as follows:

(e) 按資產位置，本集團之非流動資產(不包括金融資產及遞延稅項資產)分析如下：

		Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2019: 於二零一九年十二月三十一日：					
Non-current assets 非流動資產					
Property, plant and equipment	物業、廠房及設備	253	1,386	93	1,732
Intangible assets	無形資產	4,200	1,122	—	5,322
Right-of-use of assets	使用權資產	3,402	8,698	192	12,292
		7,855	11,206	285	19,346
As at 31 December 2018: 於二零一八年十二月三十一日：					
Non-current assets 非流動資產					
Property, plant and equipment	物業、廠房及設備	767	2,264	—	3,031
Intangible assets	無形資產	2,000	1,122	—	3,122
		2,767	3,386	—	6,153

6 REVENUE

Revenue represents the sales of display products, optics products and related electronic components to external parties.

6 收入

收入指銷售顯示產品、光學產品及相關電子部件予外界人士所得收入。

7 OTHER GAINS, NET

7 其他收益淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fair value changes in financial asset at FVTPL	按公允價值計入損益之金融資產公允價值變動	2,550	719
Net exchange gain/(loss)	匯兌收益/(虧損)淨值	261	(76)
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益/(虧損)	10	(12)
Written-off of property, plant and equipment	撇銷物業、廠房及設備	(58)	—
Others	其他	306	234
		3,069	865

8 EXPENSES BY NATURE

Cost of sales, distribution and selling expenses, general and administrative expenses and research and development expenses are analysed as follows:

8 按性質劃分的費用

銷售成本、分銷及銷售開支、一般及行政開支及研究及開發開支分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of inventories sold (Note 20)	銷售存貨成本(附註20)	188,306	269,056
Processing and sub-contracting expenses	加工及外包費用	1,076	1,554
Transportation expenses	運輸費用	1,178	814
Write back of provision for obsolete inventories (Note 20)	陳舊存貨撥備撥回(附註20)	(26,849)	(7,766)
Auditor's remuneration	核數師酬金		
— Audit services	— 審計服務	800	1,500
— Non-audit services	— 非審計服務	95	86
Employee benefit expenses (Note 9)	僱員福利開支(附註9)	21,533	24,492
Depreciation of property, plant and equipment (Note 14)	物業、廠房及設備折舊(附註14)	1,403	2,078
Depreciation of right-of-use assets (Note 15)	使用權資產折舊(附註15)	5,464	—
Operating lease rentals in respect of buildings	樓宇經營租賃租金	855	8,210

9 EMPLOYEE BENEFIT EXPENSES

9 僱員福利開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term employee benefits (Note)	短期僱員福利(附註)	20,271	22,933
Post-employment benefits	僱員退休福利		
— defined contribution plans	— 定額供款計劃	1,262	1,559
Total employee benefit expenses, including directors' remuneration	僱員福利開支總額， 包括董事酬金	21,533	24,492

Note: For the year ended 31 December 2019, short-term employee benefits include salary, wages, bonus paid to employees, and insurance premium for staff insurance schemes, but excluding depreciation and finance costs associated with the lease of the staff quarter, amounting to HK\$974,000 and HK\$63,000 respectively.

For the year ended 31 December 2018, short-term employee benefits include salary, wages, bonus paid to employees, insurance premium for staff insurance schemes and staff quarter expenses.

(a) Post-employment benefits — defined contribution plans

No forfeited contributions for the Group is available to reduce the contribution payment in the future years. Contributions to schemes vest immediately.

(b) Five highest paid individuals

The five individuals whose remuneration were the highest in the Group for the year include three directors (2018: three) whose remuneration are reflected in the analysis shown in Note 33. The emoluments payable to the remaining two (2018: two) individuals during the year are as follows:

附註：截至二零一九年十二月三十一日止年度，短期僱員福利包括支付予僱員薪金、工資、獎金及員工保險計劃的保費，惟不包括與員工宿舍有關的折舊及財務成本分別為數974,000港元及63,000港元。

截至二零一八年十二月三十一日止年度，短期僱員福利包括支付予僱員薪金、工資、獎金、員工保險計劃的保費，以及員工宿舍開支。

(a) 僱員退休福利 — 定額供款計劃

本集團概無被沒收的供款用以削減未來年度的供款。對計劃的供款立刻歸屬。

(b) 五名最高薪人士

年內本集團五名最高薪酬人士包括三名董事(二零一八年：三名)，其薪酬反映於附註33所載的分析當中。年內應付餘下兩名(二零一八年：兩名)人士之酬金如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Basic salaries, other allowances and benefits in kind	基本工資、其他津貼及 實物福利	1,943	2,004
Contribution to pension scheme	退休計劃供款	32	36
		1,975	2,040

9 EMPLOYEE BENEFIT EXPENSES
(Continued)

(b) Five highest paid individuals (Continued)

The number of highest paid non-director individuals whose remunerations for the year fell within the following bands:

		2019 二零一九年	2018 二零一八年
Emolument bands:	酬金範圍：		
HK\$nil to HK\$1,000,000	零港元至1,000,000港元	1	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	1	1

For the year ended 31 December 2019, no remuneration (2018: Nil) was paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office, and no arrangement under which a director or the five highest paid individuals waived or agreed to waive any of the remuneration.

9 僱員福利開支 (續)

(b) 五名最高薪人士 (續)

本年度薪酬介乎以下範圍的非董事最高薪酬人士的人數如下：

截至二零一九年十二月三十一日止年度，本集團未向董事或五名最高薪酬人士支付任何薪酬，作為其加入本集團的獎勵或離職賠償，亦無任何董事或五名最高薪酬人士放棄或同意放棄薪酬的安排(二零一八年：無)。

10 FINANCE COSTS, NET

10 財務費用淨額

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Finance income	財務收入		
Interest income on:	以下各項應佔利息收入：		
Pledged bank deposits	已抵押銀行存款	—	60
Bank deposits	銀行存款	170	46
		170	106
Finance costs	財務費用		
Interest expenses on:	以下各項應佔利息開支：		
Bank loans	銀行貸款	(275)	(456)
Factoring charges	保理費用	—	(4)
Lease liabilities	租賃負債	(890)	—
		(1,165)	(460)
Finance costs, net	財務費用淨額	(995)	(354)

11 INCOME TAX CREDIT

Taxation on profits has been calculated on the estimated assessable profits for the year at the applicable rates of taxation prevailing in the countries/places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The amount of income tax (credited)/charged to the consolidated statement of comprehensive income represents:

11 所得稅抵免

年內溢利之稅項已按估計應課稅溢利以本集團營運所在的國家／地區現行適用的稅率，基於現有稅務法例、詮釋及慣例來計算。

於綜合全面收益表(計入)／扣除的所得稅金額指：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current income tax:	當期所得稅：		
— Outside Hong Kong	— 香港境外	4	19
— Adjustments in respect of prior years	— 對過往年度的調整	(51)	—
Total current income tax	當期所得稅總額	(47)	19
Deferred income tax:	遞延所得稅：		
— Origination and reversal of temporary differences (Note 26)	— 產生及撥回暫時差異 (附註26)	(94)	(77)
Income tax credit	所得稅抵免	(141)	(58)

11 INCOME TAX CREDIT (Continued)

11 所得稅抵免 (續)

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate applicable to the Group as follows:

本集團就除所得稅前虧損應繳的所得稅與使用本集團利潤所適用的稅率而產生的理論金額有所差異，具體如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(35,789)	(55,838)
Tax calculated at Hong Kong tax rate of 16.5% (2018: 16.5%)	按香港稅率16.5%計算的稅項 (二零一八年：16.5%)	(5,905)	(9,213)
Tax effects of:	以下各項的稅務影響：		
— Different taxation rate in other jurisdictions	— 其他司法管轄區不同稅率	119	(84)
— Income not subject to tax	— 毋須繳稅的收入	(531)	(126)
— Expenses not deductible for tax purposes	— 不可作扣稅用途的費用	293	528
— Utilisation of previously unrecognised tax losses	— 使用先前並無確認的稅項虧損	(15)	(135)
— Tax losses for which no deferred tax asset was recognised	— 並無確認遞延稅項資產的稅項虧損	5,949	8,972
Adjustments in respect of prior years	對過往年度的調整	(51)	—
Income tax credit	所得稅抵免	(141)	(58)

12 BASIC AND DILUTED LOSS PER SHARE

Basic loss per share for the year is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

12 每股基本及攤薄虧損

年內的每股基本虧損乃按本公司權益持有人應佔虧損除於年內的已發行普通股之加權平均數計算。

		2019 二零一九年	2018 二零一八年
Loss attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔虧損(千港元)	(34,078)	(55,780)
Weighted average number of ordinary shares in issue (thousands)	已發行普通股之加權平均數(千股)	1,483,687	1,483,687
Basic and diluted loss per share (HK cents per share)	每股基本及攤薄虧損(每股港仙)	(2.30)	(3.76)

For the purpose of determining the diluted loss per share amount, no adjustment has been made to the basic loss per share amount for the years ended 31 December 2019 and 2018 as the Group had no potentially dilutive ordinary shares in issue during these years.

就釐定每股攤薄虧損而言，由於本集團於截至二零一九年及二零一八年十二月三十一日止年度並無任何已發行潛在攤薄普通股，故並無就該等年度呈列的每股基本虧損作出調整。

13 SUBSIDIARIES

13 附屬公司

The following is a list of subsidiaries at 31 December 2019 and 2018:

於二零一九年及二零一八年十二月三十一日的附屬公司載列如下：

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法律實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital/paid up capital 已發行股份/實繳 股本詳情	Proportion of ordinary shares directly held by the Company 本公司直接持有 之普通股比例 (%)	Proportion of ordinary shares held by the Group 本集團持有 之普通股比例 (%)	Proportion of ordinary shares directly held by the Company 本公司直接持有 之普通股比例 (%)	Proportion of ordinary shares held by the Group 本集團持有 之普通股比例 (%)
				2019 二零一九年	2019 二零一九年	2018 二零一八年	2018 二零一八年
Rightone Resources Limited ("Rightone")	British Virgin Islands ("BVI"), limited liability company	Investment holding	10,000 ordinary shares at no par value	100	100	100	100
Rightone Resources Limited ("Rightone")	英屬處女群島(「英屬處女 群島」)有限公司	投資控股	10,000股無面值普通股				
Shinwa Technology Limited 新華科技有限公司	BVI, limited liability company 英屬處女群島有限公司	Holding of patents 持有專利	1 ordinary share at no par value 1股無面值普通股	—	100	—	100
Sinosky Resources Limited Sinosky Resources Limited	BVI, limited liability company 英屬處女群島有限公司	Investment holding 投資控股	1 ordinary share at no par value 1股無面值普通股	—	100	—	100
Dexing Investment Limited Dexing Investment Limited	BVI, limited liability company 英屬處女群島有限公司	Investment holding 投資控股	1 ordinary share at no par value 1股無面值普通股	—	100	—	100
Yuan Tai Investment Limited 圓台投資有限公司	Samoa, limited liability company 薩摩亞有限公司	Investment holding 投資控股	100 ordinary shares of USD1 each 100股每股面值1美元 普通股	—	100	—	100
Perfect Display Limited 圓美顯示有限公司	Hong Kong, limited liability company 香港有限公司	Trading of display panels and related electronic components in Hong Kong 於香港銷售顯示面板及 相關電子部件	38,000,000 ordinary shares 38,000,000股普通股	—	100	—	100
Perfect Sky Technology Limited 圓天科技有限公司	Hong Kong, limited liability company 香港有限公司	Electronic product application development in Hong Kong 於香港進行電子產品應用 開發	1 ordinary share 1股普通股	—	100	—	100
Dexing Technology Development Limited 德昇科技發展有限公司	Hong Kong, limited liability company 香港有限公司	Investment holding 投資控股	1 ordinary share 1股普通股	—	100	—	100

13 SUBSIDIARIES (Continued)

13 附屬公司 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法律實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital/paid up capital 已發行股份/實繳 股本詳情	Proportion of ordinary shares directly held by the Company 本公司直接持有 之普通股比例 (%)	Proportion of ordinary shares held by the Group 本集團持有 之普通股比例 (%)	Proportion of ordinary shares directly held by the Company 本公司直接持有 之普通股比例 (%)	Proportion of ordinary shares held by the Group 本集團持有 之普通股比例 (%)
				2019 二零一九年	2019 二零一九年	2018 二零一八年	2018 二零一八年
Dexing Materials Technology (Dongguan) Company Limited 德昇材料科技(東莞)有限 公司	The PRC, limited liability company 中國有限公司	Not yet commenced business 未開展業務	USD50,000 50,000美元	—	—	—	100
Yuan Mei Xin Technology (Shenzhen) Company Limited 圓美鑫科技(深圳)有限公司	The PRC, limited liability company 中國有限公司	Wholesaling, import and export of display panels and related electronic components and provision of technical support and related services in the PRC 於中國從事顯示面板及 相關電子部件的 批發、進口及出口， 以及提供技術支援及 相關服務	USD1,000,000 1,000,000美元	—	100	—	100
Yuan Tian Technology (Shenzhen) Company Limited 圓天科技(深圳)有限公司	The PRC, limited liability company 中國有限公司	Research and development, provision of technical support and related services in the PRC 於中國研發及提供技術 支援及相關服務	USD100,000 100,000美元	—	100	—	100
Yuan Tai Electronics Company Limited 圓台電子股份有限公司	Taiwan, limited liability company 台灣有限公司	Not yet commenced business 未開展業務	500,000 ordinary shares of TWD10 each 500,000股每股面值 新台幣10元的普通股	—	100	—	100
Perfect Shiny Technology Limited 圓尚科技有限公司	Samoa, limited liability company 薩摩亞有限公司	Investment holding 投資控股	500,000 ordinary shares of USD1 each 500,000股每股面值1美元 之普通股	—	100	—	100
Perfect Shiny Technology (HK) Limited 圓尚科技(香港)有限公司	Hong Kong, limited liability company 香港有限公司	Design, development and sales of applied optics-related products in Hong Kong 在香港設計、開發及銷售 應用光學產品	1 ordinary share 1股普通股	—	100	—	100

13 SUBSIDIARIES (Continued)

13 附屬公司 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法律實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital/paid up capital 已發行股份/實繳 股本詳情	Proportion of ordinary	Proportion of ordinary	Proportion of ordinary	Proportion of ordinary
				shares directly held by the Company 本公司直接持有 之普通股比例 (%)	shares held by the Group 本集團持有 之普通股比例 (%)	shares directly held by the Company 本公司直接持有 之普通股比例 (%)	shares held by the Group 本集團持有 之普通股比例 (%)
				2019 二零一九年	2019 二零一九年	2018 二零一八年	2018 二零一八年
Perfect Shiny Technology (Shenzhen) Limited	The PRC, limited liability company	Sales, research and development of optics-related products in the PRC	RMB1,000,000	—	100	—	100
圓尚科技(深圳)有限公司	中國有限公司	於中國銷售及研發光學 相關產品	人民幣1,000,000元				
Skyteam Resources Limited	BVI, limited liability company	Investment holding	1 ordinary share at no par value	—	100	—	100
Skyteam Resources Limited	英屬處女群島有限公司	投資控股	1股無面值普通股				
Naruto Technology Limited	Hong Kong, limited liability company	Not yet commenced business	10,000,000 ordinary shares	—	100	—	100
鳴門科技有限公司	香港有限公司	未開展業務	10,000,000股普通股				
Perinnova Limited ("Perinnova")	BVI, limited liability company	Investment holding	1 ordinary share at no par value	—	62	—	100
Perinnova Limited ("Perinnova")	英屬處女群島有限公司	投資控股	1股無面值普通股				
Perfect Intelligent Technology Limited	Hong Kong, limited liability company	Design, development and sales of digital information signage and electronic shelf display products in Hong Kong	10,000 ordinary shares	—	62	—	100
圓美智能科技有限公司	香港有限公司	於香港設計、開發及銷售 數碼告示板及電子 貨架顯示器產品	10,000股普通股				
Fayeking Technology Limited	Hong Kong, limited liability company	Design, development and sales of electronic products in Hong Kong	10,000 ordinary shares	—	100	—	100
飛勁科技有限公司	香港有限公司	於香港設計、開發及銷售 電子產品	10,000股普通股				

(a) Contributions from non-controlling interests

In March 2019, the Group entered into a subscription and shareholders' agreement with two independent third parties (the "Investors") for investments in shares of Perinnova, a subsidiary of the Group. The subscription was completed in April 2019 and each of the Investors invested USD190,000 (approximately HK\$2,964,000 in aggregate) and each holds 19% equity interest, with the Group holding the remaining 62% equity interest, in Perinnova.

(a) 非控股權益注資

於二零一九年三月，本集團與兩名獨立第三方(「投資者」)訂立認購及股東協議，以投資本集團附屬公司Perinnova的股份。認購事項於二零一九年四月完成，各投資者投資190,000美元(合計約2,964,000港元)，各自持有Perinnova 19%股權，而本集團則持有餘下的62%股權。

14 PROPERTY, PLANT AND EQUIPMENT 14 物業、廠房及設備

		Leasehold improvements 租賃樓宇裝修 HK\$'000 千港元	Moulds and machinery 模具及機器 HK\$'000 千港元	Furniture and office equipment 傢俱及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日					
Cost	成本	1,549	1,987	1,781	4,688	10,005
Accumulated depreciation	累計折舊	(1,398)	(773)	(1,567)	(3,262)	(7,000)
Net book amount	賬面淨值	151	1,214	214	1,426	3,005
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	151	1,214	214	1,426	3,005
Currency translation differences	外幣折算差額	(63)	(23)	(26)	—	(112)
Additions	增加	1,679	—	550	—	2,229
Disposals	出售	—	—	(13)	—	(13)
Depreciation charge	折舊支出	(334)	(883)	(169)	(692)	(2,078)
Closing net book amount	年末賬面淨值	1,433	308	556	734	3,031
At 31 December 2018	於二零一八年十二月三十一日					
Cost	成本	3,143	1,888	2,229	4,651	11,911
Accumulated depreciation	累計折舊	(1,710)	(1,580)	(1,673)	(3,917)	(8,880)
Net book amount	賬面淨值	1,433	308	556	734	3,031
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	1,433	308	556	734	3,031
Currency translation differences	外幣折算差額	(14)	(3)	(6)	—	(23)
Additions	增加	50	—	135	—	185
Disposals	出售	(58)	—	—	—	(58)
Depreciation charge	折舊支出	(563)	(150)	(208)	(482)	(1,403)
Closing net book amount	年末賬面淨值	848	155	477	252	1,732
At 31 December 2019	於二零一九年十二月三十一日					
Cost	成本	3,055	1,854	2,335	4,583	11,827
Accumulated depreciation	累計折舊	(2,207)	(1,699)	(1,858)	(4,331)	(10,095)
Net book amount	賬面淨值	848	155	477	252	1,732

15 LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

		Right-of-use assets — Properties — 物業 使用權資產 — 物業 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	14,943	15,966
Additions	增加	2,968	2,968
Depreciation expense	折舊開支	(5,464)	—
Interest expense	利息開支	—	890
Payments of principal element	支付本金部份	—	(4,963)
Payments of interest element	支付利息部份	—	(890)
Exchange realignment	匯兌調整	(155)	(181)
As at 31 December 2019	於二零一九年十二月三十一日	12,292	13,790
Current	流動		5,098
Non-current	非流動		8,692
			13,790

(b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

		2019 二零一九年 HK\$'000 千港元
Depreciation charge of right-of-use assets — Properties (Note 8)	使用權資產 — 物業之折舊支出 (附註8)	5,464
Interest expense (Note 10)	利息開支 (附註10)	890
Expense relating to short-term leases (Note 8)	短期租賃相關開支 (附註8)	657
Expense relating to leases of low-value assets that are not shown above as short-term leases (Note 8)	未於上文展示為短期租賃的低價值資產租賃相關開支 (附註8)	12
Expense relating to variable lease payments not included in lease liabilities (Note 8)	並無計入租賃負債的可變租賃付款相關開支 (附註8)	186

15 租賃

此附註提供本集團為承租人的租賃資料。

(a) 於綜合財務狀況表確認的金額

(b) 於綜合全面收益表確認的金額

綜合全面收益表展示以下與租賃相關金額：

15 LEASES (Continued)

(b) Amounts recognised in the consolidated statement of comprehensive income (Continued)

The payments of principal and interest element of leases liabilities during the year ended 31 December 2019 were HK\$4,963,000 and HK\$890,000, respectively. Payments for short-term leases and leases of low-value assets were not shown separately, but included in the line of “loss before income tax” in respect of the net cash generated from operation.

(c) The Group’s leasing activities and how these are accounted for

The Group leases various offices, warehouses and a staff quarter. The leases run for periods up to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(d) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group’s operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

15 租賃 (續)

(b) 於綜合全面收益表確認之金額 (續)

截至二零一九年十二月三十一日止年度，支付租賃負債的本金及利息部分分別為4,963,000港元及890,000港元。短期租賃及低價值資產租賃的付款未單獨列出，惟包含於經營所得現金淨額中「除所得稅前虧損」一項。

(c) 本集團的租賃活動及其入賬方式

本集團租賃各種辦公室、倉庫及一所員工宿舍。租賃期最長為6年。租賃條款根據個別情況協商而定，其中包含各種不同條款及條件。租賃協議並無施加任何契諾，惟租賃資產不可用作借款之抵押品。

(d) 續租及終止選擇權

本集團訂立的若干物業及設備租賃載有續租及終止選擇權。其用於在管理本集團營運所用資產方面盡量提升營運的靈活度。所持大部分續租及終止選擇權僅可由本集團（而非各自出租人）行使。

16 INTANGIBLE ASSETS

16 無形資產

		Club memberships 會所會籍 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	
Cost	成本	3,122
Accumulated amortisation	累計攤銷	—
Net book amount	賬面淨值	3,122
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度	
Opening net book amount	期初賬面淨值	3,122
Amortisation charge	攤銷支出	—
Closing net book amount	期末賬面淨值	3,122
At 31 December 2018	於二零一八年十二月三十一日	
Cost	成本	3,122
Accumulated amortisation	累計攤銷	—
Net book amount	賬面淨值	3,122
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度	
Opening net book amount	期初賬面淨值	3,122
Additions	添置	2,200
Amortisation charge	攤銷支出	—
Closing net book amount	期末賬面淨值	5,322
At 31 December 2019	於二零一九年十二月三十一日	
Cost	成本	5,322
Accumulated amortisation	累計攤銷	—
Net book amount	賬面淨值	5,322

The Group's intangible assets as at 31 December 2019 and 2018 comprise membership rights and are stated at cost less any impairment losses in accordance with the Group's accounting policies.

本集團於二零一九年及二零一八年十二月三十一日的無形資產包括會籍權利，根據本集團的會計政策按成本減任何減值虧損列賬。

17 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments at 31 December 2019 and 2018:

17 按類別劃分的金融工具

本集團於二零一九年及二零一八年十二月三十一日持有下列金融工具：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at amortised cost:	按攤銷成本列賬的 金融資產：		
Trade and other receivables	應收賬款及其他應收款	20,254	12,121
Restricted bank deposits	受限制銀行存款	—	10,335
Cash and cash equivalents	現金及現金等價物	70,308	71,153
Financial assets at FVOCI	按公允價值計入其他全面 收益之金融資產	2,673	2,652
Financial assets at FVTPL	按公允價值計入損益之 金融資產	57,538	54,988
		150,773	151,249
Financial liabilities	金融負債		
Liabilities at amortised cost:	按攤銷成本列賬的負債：		
Trade and other payables	應付賬款及其他應付款	18,475	18,797
Lease liabilities	租賃負債	13,790	—
Bank borrowings	銀行借款	—	8,979
		32,265	27,776

18 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group's financial asset at FVOCI comprises the Group's equity investment in certain ordinary shares issued by a private company principally engaged in the research and development, manufacturing and sale of separator which is a key component in lithium battery, representing an approximately 3.03% (2018: 3.33%) shareholding of such company. The balance is denominated in TWD.

18 按公允價值計入其他全面收益之金融資產

本集團按公允價值計入其他全面收益的金融資產包括本集團於一間私人公司所發行若干普通股的股權投資，佔該公司約3.03%股權（二零一八年：3.33%），該私人公司主要從事研發、製造及銷售隔離膜（為鋰電池的主要部分）。結餘以新台幣計值。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at 1 January 2019	於二零一九年 一月一日之結餘	2,652	2,678
Gain/(loss) recognised in other comprehensive income	於其他全面收益內確認之 收益／（虧損）	21	(26)
Balance at 31 December 2019	於二零一九年 十二月三十一日之結餘	2,673	2,652

19 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial asset at FVTPL comprises the holding of certain preferred shares in Mobvoi Inc. ("Mobvoi"), a private company principally engaged in the business of developing and providing voice search artificial intelligence ("AI") systems on mobile, smart wearable and other devices. The balance is denominated in USD. There have been no addition to or disposal of such investment since the Group made the investment in January 2015. The most recent issue by Mobvoi of new preferred shares to investors took place in September 2019 and the Group's shareholding in Mobvoi (on a fully diluted and as converted basis) was diluted from approximately 1.53% to approximately 1.50%.

19 按公允價值計入損益之金融資產

本集團按公允價值計入損益之金融資產包括持有 Mobvoi Inc.（「Mobvoi」）若干優先股，Mobvoi 為主要從事開發及提供手機、智能穿戴式設備及其他設備之語音搜索人工智能（「人工智能」）系統業務的私人公司。該結餘以美元（「美元」）計值。自本集團於二零一五年一月作出該投資以來，有關投資並無添置或出售。Mobvoi 最近於二零一九年九月向投資者發行新優先股，而本集團於 Mobvoi 的股權（按全面攤薄及已轉換基準計算）由約 1.53% 攤薄至約 1.50%。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at 1 January	於一月一日結餘	54,988	54,269
Gain recognised in other gains, net	於其他收益淨額中確認的 收益	2,550	719
Balance at 31 December	於十二月三十一日之結餘	57,538	54,988

20 INVENTORIES

20 存貨

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Work in progress	在製品	609	3,332
Finished goods	完成品	58,193	131,799
Less: Provision for obsolete inventories	減：陳舊存貨撥備	(26,357)	(53,241)
		32,445	81,890

The cost of inventories recognised as expense and included in “cost of sales” amounted to HK\$188,306,000 (2018: HK\$269,056,000) for the year (Note 8).

本年度確認為開支並計入「銷售成本」的存貨成本為188,306,000港元(二零一八年：269,056,000港元)(附註8)。

A write back of provision for obsolete inventories of HK\$26,849,000 (2018: HK\$7,766,000) was recognised in the consolidated statement of comprehensive income in respect of the net amount of the (write back of provision)/provision for obsolete inventories, loss on obsolete inventories, utilisation of provision for obsolete inventories and write-down of inventories to their net realisable value for the year. These amounts have been included in cost of sales in the consolidated statement of comprehensive income.

本集團就年內有關(陳舊存貨撥回淨額)/陳舊存貨撥備、陳舊存貨虧損、動用陳舊存貨撥備及撇減存貨至其可變現淨值而於綜合全面收益表確認陳舊存貨撥備撥回26,849,000港元(二零一八年：7,766,000港元)。該等款項已計入綜合全面收益表的「銷售成本」項下。

21 TRADE AND OTHER RECEIVABLES

21 應收賬款及其他應收款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables (Note (a))	應收賬款(附註(a))	17,460	8,218
Bills receivables (Note (a))	應收票據(附註(a))	298	—
		17,758	8,218
Prepayments, deposits and other receivables	預付款、按金及其他應收款	3,440	5,133
		21,198	13,351

21 TRADE AND OTHER RECEIVABLES
(Continued)

21 應收賬款及其他應收款(續)

Notes:

附註:

- (a) The Group generally grants credit periods of 30 to 90 days. The ageing analysis of trade and bills receivables based on invoice date is as follows:

- (a) 本集團一般授出30至90天的信貸期。根據發票日期計算的應收賬款及票據的賬齡分析如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0-30 days	0-30天	6,810	5,930
31-60 days	31-60天	7,286	955
61-90 days	61-90天	3,371	450
Over 90 days	90天以上	291	883
		17,758	8,218

- (b) As at 31 December 2019, the Group's trade receivables of HK\$8,407,000 (2018: HK\$1,894,000) were past due but not impaired. The ageing analysis of trade receivables that were past due but not impaired is as follows:

- (b) 於二零一九年十二月三十一日，本集團已逾期但未減值的應收賬款為8,407,000港元(二零一八年：1,894,000港元)。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Amounts past due	逾期款項		
1-30 days	1-30天	4,217	945
31-60 days	31-60天	3,115	634
61-90 days	61-90天	784	315
Over 90 days	90天以上	291	—
		8,407	1,894

For these past due trade receivables, the Group has assessed the expected credit losses by considering historical default rates, existing market conditions and forward-looking information. Based on the assessment, ECL rate of trade receivables is close to zero. Therefore, the loss allowance provision for these trade receivables balances was not material.

就該等已逾期應收賬款，本集團已透過考慮過往拖欠率、當前市況及前瞻性資料，評估預期信貸虧損。根據有關評估，應收賬款的預期信貸虧損率接近零。因此就該等應收賬款結餘作出的虧損撥備並不重大。

- (c) The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

- (c) 本集團應收賬款及其他應收款之賬面值按以下貨幣計值:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	1,640	1,357
USD	美元	12,611	4,076
RMB	人民幣	6,926	7,914
TWD	新台幣	21	4
		21,198	13,351

- (d) The fair values of trade and other receivables approximate their carrying amounts.

- (d) 應收賬款及其他應收款之公允價值與其賬面值相若。

22 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS 22 現金及現金等價物及受限制銀行存款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total bank deposits, bank balances and cash	銀行存款、銀行結餘及現金總額	70,308	81,488
Less: Restricted bank deposits included in current assets (Note 25)	減：計入流動資產的受限制銀行存款(附註25)	—	(10,335)
Cash and cash equivalents	現金及現金等價物	70,308	71,153

The carrying amounts of the Group's total bank deposits, bank balances and cash are denominated in the following currencies:

本集團銀行存款、銀行結餘及現金之賬面值以下列貨幣計值：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
HK\$	港元	6,986	6,288
USD	美元	57,491	71,371
RMB	人民幣	4,777	3,107
TWD	新台幣	1,054	722
		70,308	81,488

23 SHARE CAPITAL

23 股本

		31 December 2019 and 31 December 2018 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	
		Number of shares 股份數目 (thousands) (千股)	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each	每股普通股0.01港元	5,000,000	50,000

23 SHARE CAPITAL (Continued)

23 股本(續)

		Number of shares 股份數目	Ordinary shares of HK\$0.01 each 每股普通股 0.01港元 HK\$'000 千港元
Issued and fully paid:	已發行及繳足：		
At 1 January 2018,	於二零一八年一月一日、		
31 December 2018,	二零一八年十二月三十一日、		
1 January 2019 and	二零一九年一月一日及		
31 December 2019	二零一九年十二月三十一日	1,483,687,151	14,837

There were no movements in the Company's share capital during the year (2018: Nil).

年內，本公司股本概無任何變動(二零一八年：無)。

24 TRADE AND OTHER PAYABLES

24 應付賬款及其他應付款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables (Note)	應付賬款(附註)	14,467	15,370
Deposits received from customers	收取客戶按金	1,872	9,032
Accruals and other payables	應計款項及其他應付款	3,175	3,448
		19,514	27,850

Note:

附註：

The ageing analysis of trade payables based on invoice date is as follows:

根據發票日期計算的應付賬款的賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0-30 days	0-30天	8,349	14,341
31-60 days	31-60天	3,653	762
61-90 days	61-90天	2,465	59
Over 90 days	90天以上	—	208
		14,467	15,370

The carrying amounts of trade and other payables approximate their fair values.

應付賬款及其他應付款之賬面值與其公允價值相若。

25 BANK BORROWINGS

25 銀行借款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term bank loans	短期銀行貸款	—	8,979

As at 31 December 2018, the Group's bank loans bore interest at 5.7% per annum and were wholly repayable within one year. The carrying amounts approximated their fair values and were denominated in RMB.

於二零一八年十二月三十一日，本集團的銀行貸款按年利率5.7%計息，並須於一年內悉數償還。銀行貸款之賬面值與其公允價值相若，且以人民幣計值。

As at 31 December 2018, the Group's banking facilities were secured by:

於二零一八年十二月三十一日，本集團銀行融資由以下各項抵押：

- (i) bank deposits of HK\$10,335,000 (Note 22);
- (ii) corporate guarantees provided by the Company; and
- (iii) cross guarantees among subsidiaries of the Company.

- (i) 銀行存款10,335,000港元(附註22)；
- (ii) 本公司提供的公司擔保；及
- (iii) 本公司附屬公司之間的交叉擔保。

As at 31 December 2019, the Group's banking facilities were secured by corporate guarantees provided by a subsidiary of the Company. No bank loan has been drawn down during the year.

於二零一九年十二月三十一日，本集團的銀行融資以本公司一間附屬公司提供的公司擔保作抵押。年內並無提取銀行貸款。

26 DEFERRED TAX ASSETS/ (LIABILITIES)

The net movements in deferred tax assets/(liabilities) in respect of accelerated tax depreciation and right-of-use assets and lease liabilities during the year are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Beginning of the year	年初	8	(69)
Adjustment on initial application of HKFRS 16	首次應用香港財務報告準則第16號的調整	55	—
Adjusted opening balance	經調整年初結餘	63	(69)
Credited to the consolidated statement of comprehensive income (Note 11)	計入綜合全面收益表(附註11)	94	77
Exchange realignment	匯兌調整	(2)	—
End of the year	年末	155	8

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2019, the Group did not recognise deferred tax assets of HK\$31,297,000 (2018: HK\$25,530,000) in respect of tax losses of certain PRC subsidiaries of HK\$1,072,000 (2018: HK\$833,000), which will expire in five years, and tax loss of certain Hong Kong subsidiaries of HK\$189,355,000 (2018: HK\$153,468,000) which will not expire under current tax legislation.

27 DIVIDENDS

The Board does not declare any dividend for the year ended 31 December 2019 (2018: Nil).

26 遞延稅項資產／(負債)

與於年內的加速稅項折舊及使用權資產及租賃負債有關的遞延稅項資產／(負債)淨變動如下：

遞延稅項資產乃就稅項虧損結轉而確認，惟限於相關稅項利益可因未來應課稅利潤變現屬可能者。於二零一九年十二月三十一日，本集團並無確認遞延稅項資產31,297,000港元(二零一八年：25,530,000港元)，涉及若干中國附屬公司的稅項虧損1,072,000港元(二零一八年：833,000港元)(將於五年後失效)，以及若干香港附屬公司的稅項虧損189,355,000港元(二零一八年：153,468,000港元)(根據目前稅法不會失效)。

27 股息

董事會並無宣派截至二零一九年十二月三十一日止年度的任何股息(二零一八年：無)。

28 CASH FLOW INFORMATION

28 現金流量資料

(a) Reconciliation of loss before income tax to cash used in operations

(a) 除所得稅前虧損與經營所用現金之對賬

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(35,789)	(55,838)
Adjustments for:	就以下各項調整：		
— Depreciation of property, plant and equipment (Note 14)	— 物業、廠房及設備折舊(附註14)	1,403	2,078
— Depreciation of right-of-use of assets (Note 8)	— 使用權資產折舊(附註8)	5,464	—
— (Write back of provision)/provision for obsolete inventories (Note 8)	— (陳舊存貨撥備撥回)/陳舊存貨撥備(附註8)	(26,849)	(7,766)
— Finance income (Note 10)	— 財務收入(附註10)	(170)	(106)
— Finance costs (Note 10)	— 財務費用(附註10)	1,165	460
— Fair value gain on financial asset at FVTPL (Note 7)	— 按公允價值計入損益的金融資產之公允價值收益(附註7)	(2,550)	(719)
— Written-off of property, plant and equipment (Note 7)	— 撇銷物業、廠房及設備(附註7)	58	—
— (Gain)/loss on disposal of property, plant and equipment (Note 7)	— 出售物業、廠房及設備的(收益)/虧損(附註7)	(10)	12
Operating loss before changes in working capital	營運資金變動前經營虧損	(57,278)	(61,879)
Changes in working capital	營運資金變動		
— Inventories	— 存貨	76,294	(7,321)
— Trade and other receivables	— 應收賬款及其他應收款	(7,624)	35,622
— Trade and other payables	— 應付賬款及其他應付款	(8,493)	2,888
Cash generated from/(used in) operations	經營所得/(所用)現金	2,899	(30,690)

28 CASH FLOW INFORMATION
(Continued)

28 現金流量資料(續)

(b) Reconciliation of liabilities arising from financing activities

(b) 融資活動所產生負債之對賬

		Bank loans due within 1 year 1年內到期的 銀行貸款 HK\$'000 千港元	Lease 租賃 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	—	—	—
Cash flows	現金流			
— Proceeds from bank borrowings	— 銀行借款	22,089	—	22,089
— Repayments of bank borrowings	— 償還銀行借款	(13,110)	—	(13,110)
As at 31 December 2018, as previously reported	於二零一八年 十二月三十一日 (過往呈報)	8,979	—	8,979
Recognised on adoption of HKFRS 16 (Note 2.2)	採用香港財務報告準則 第16號所確認 (附註2.2)	—	15,966	15,966
As at 1 January 2019, as restated	於二零一九年一月一日 (經重列)	8,979	15,966	24,945
Cash flows	現金流			
— Repayments of bank borrowings	— 償還銀行借款	(8,979)	—	(8,979)
— Payments of principal element of lease liabilities	— 支付租賃負債主要 部份	—	(4,963)	(4,963)
— Payments of interest element of lease liabilities	— 支付租賃負債利息 部份	—	(890)	(890)
Other non-cash movements	其他非現金變動			
— Addition of lease liabilities	— 增添租賃負債	—	2,968	2,968
— Interest expenses on lease liabilities	— 租賃負債的利息開支	—	890	890
— Exchange realignment	— 匯兌調整	—	(181)	(181)
As at 31 December 2019	於二零一九年 十二月三十一日	—	13,790	13,790

29 COMMITMENTS

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

		2018 二零一八年 HK\$'000 千港元
No later than 1 year	1年內	3,644
Later than 1 year and no later than 5 years	1年後及5年內	1,491
		5,135

The Group is the lessee in respect of a number of properties held under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see Note 2.2). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the policies set out in Note 2.26, and the details regarding the Group's future lease payments are disclosed in Note 15.

30 CONTINGENT LIABILITIES

As at 31 December 2019, the Group has no material contingent liabilities (2018: Nil).

29 承擔

於二零一八年十二月三十一日，根據不可撤銷經營租賃應付的未來最低租賃付款總額如下：

	2018 二零一八年 HK\$'000 千港元
No later than 1 year	3,644
Later than 1 year and no later than 5 years	1,491
	5,135

本集團為多個根據先前按香港會計準則第17號分類為經營租賃的租賃持有物業的承租人。本集團使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，本集團調整於二零一九年一月一日的年初結餘以確認與該等租賃有關的租賃負債（見附註2.2）。由二零一九年一月一日起，未來租賃付款根據附註2.26所載政策於綜合財務狀況表內確認為租賃負債，有關本集團未來租賃付款的詳情披露於附註15。

30 或然負債

於二零一九年十二月三十一日，本集團並無重大或然負債（二零一八年：無）。

31 RELATED PARTY TRANSACTIONS

(a) Parent entity

The Company's immediate and ultimate holding company is Winful Enterprises Limited, a company incorporated in the BVI, and ultimately controlled by Mr. Cheng Wai Tak, a director of the Company.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 13.

(c) Key management personnel compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term employee benefits (Note)	短期僱員福利(附註)	7,668	7,647
Post-employment benefits — defined contribution plans	僱員退休福利 — 定額供款計劃	54	54
		7,722	7,701

Note: Include lease payments of HK\$1,032,000 for staff quarter (2018: HK\$1,011,000).

附註：包括員工宿舍之租賃付款1,032,000港元(二零一八年：1,011,000港元)。

31 關連方交易

(a) 母公司實體

本公司的直接及最終控股公司為 Winful Enterprises Limited，其為一家於英屬處女群島註冊成立的公司及由本公司董事鄭偉德先生最終控制。

(b) 附屬公司

於附屬公司之權益載於附註13。

(c) 主要管理人員薪酬

主要管理人員包括董事及高級管理層。就僱員的服務已付或應付主要管理人員的薪酬如下：

32 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

32 本公司的財務狀況表及儲備變動

(a) 本公司的財務狀況表

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Note 附註		
Assets	資產		
Non-current assets	非流動資產		
Investments in subsidiaries	對附屬公司的投資	525,657	525,657
		525,657	525,657
Current assets	流動資產		
Other receivables	其他應收款	306	292
Amounts due from subsidiaries	應收附屬公司款項	99,912	100,818
Cash and cash equivalents	現金及現金等價物	5,185	5,101
		105,403	106,211
Total assets	資產總額	631,060	631,868
Equity and liabilities	權益及負債		
Equity attributable to equity holder of the Company	本公司權益持有人應佔權益		
Share capital	股本	14,837	14,837
Reserves	儲備	615,126	616,139
	(b)	629,963	630,976
Total equity	權益總額	629,963	630,976
Liabilities	負債		
Current liabilities	流動負債		
Other payables	其他應付款	1,097	892
Total liabilities	負債總額	1,097	892
Total equity and liabilities	權益及負債總額	631,060	631,868

The statement of financial position of the Company was approved by the Board of Directors on 18 March 2020 and was signed on its behalf.

Cheng Wai Tak
鄭偉德
Director
董事

本公司的財務狀況表已於二零二零年三月十八日由董事會批准，並代表董事會簽署。

Tse Ka Wing
謝家榮
Director
董事

32 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY
(Continued)

32 本公司的財務狀況表及儲備變動(續)

(b) Reserves movement of the Company

(b) 本公司的儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元 (Note) (附註)	Retained earnings 留存收益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	465,738	136,082	14,415	616,235
Loss for the year	年度虧損	—	—	(96)	(96)
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	465,738	136,082	14,319	616,139
Loss for the year	年度虧損	—	—	(1,013)	(1,013)
At 31 December 2019	於二零一九年 十二月三十一日	465,738	136,082	13,306	615,126

Note: Contributed surplus of the Company represents the difference between the excess of the nominal value of the Company's shares issued and the aggregate net asset value of the subsidiaries acquired pursuant to a reorganisation for the listing of the Company.

附註：本公司之繳入盈餘代表本公司已發行股份面值與根據為本公司上市而進行之重組而收購之附屬公司之資產淨值總計之超出差額。

33 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

		Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Employer's contribution to a retirement benefit scheme	Total
		袍金	薪金、津貼及實物福利	酌情花紅	僱主對退休福利計劃供款	總計
		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
For the year ended	截至二零一九年十二月					
31 December 2019	三十一日止年度					
<i>Executive directors:</i>						
Mr. Cheng Wai Tak	鄭偉德先生	—	5,232	—	18	5,250
(Chief Executive)	(行政總裁)					
Mr. Liu Ka Wing	廖嘉榮先生	—	636	—	18	654
Mr. Tse Ka Wing	謝家榮先生	—	1,440	—	18	1,458
<i>Independent non-executive directors:</i>						
Mr. Wong Yik Chung John	黃翼忠先生	120	—	—	—	120
Mr. Wong Chi Chiu	黃智超先生	120	—	—	—	120
Mr. Li Shui Yan	李瑞恩先生	120	—	—	—	120
		360	7,308	—	54	7,722
For the year ended	截至二零一八年十二月					
31 December 2018	三十一日止年度					
<i>Executive directors:</i>						
Mr. Cheng Wai Tak	鄭偉德先生	—	5,211	—	18	5,229
(Chief Executive)	(行政總裁)					
Mr. Liu Ka Wing	廖嘉榮先生	—	636	—	18	654
Mr. Tse Ka Wing	謝家榮先生	—	1,440	—	18	1,458
<i>Independent non-executive directors:</i>						
Mr. Wong Yik Chung John	黃翼忠先生	120	—	—	—	120
Mr. Wong Chi Chiu	黃智超先生	120	—	—	—	120
Mr. Li Shui Yan	李瑞恩先生	120	—	—	—	120
		360	7,287	—	54	7,701

No directors waived or agreed to waive any emoluments during the year (2018: Nil).

(b) Directors' retirement benefits and termination benefits

None of the directors of the Company received or will receive any retirement benefits or termination benefits for the year ended 31 December 2019 (2018: Nil).

33 董事之福利及權益

(a) 董事及行政總裁之酬金

各董事及行政總裁之薪酬如下：

		Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Employer's contribution to a retirement benefit scheme	Total
		袍金	薪金、津貼及實物福利	酌情花紅	僱主對退休福利計劃供款	總計
		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
For the year ended	截至二零一九年十二月					
31 December 2019	三十一日止年度					
<i>Executive directors:</i>						
Mr. Cheng Wai Tak	鄭偉德先生	—	5,232	—	18	5,250
(Chief Executive)	(行政總裁)					
Mr. Liu Ka Wing	廖嘉榮先生	—	636	—	18	654
Mr. Tse Ka Wing	謝家榮先生	—	1,440	—	18	1,458
<i>Independent non-executive directors:</i>						
Mr. Wong Yik Chung John	黃翼忠先生	120	—	—	—	120
Mr. Wong Chi Chiu	黃智超先生	120	—	—	—	120
Mr. Li Shui Yan	李瑞恩先生	120	—	—	—	120
		360	7,308	—	54	7,722
For the year ended	截至二零一八年十二月					
31 December 2018	三十一日止年度					
<i>Executive directors:</i>						
Mr. Cheng Wai Tak	鄭偉德先生	—	5,211	—	18	5,229
(Chief Executive)	(行政總裁)					
Mr. Liu Ka Wing	廖嘉榮先生	—	636	—	18	654
Mr. Tse Ka Wing	謝家榮先生	—	1,440	—	18	1,458
<i>Independent non-executive directors:</i>						
Mr. Wong Yik Chung John	黃翼忠先生	120	—	—	—	120
Mr. Wong Chi Chiu	黃智超先生	120	—	—	—	120
Mr. Li Shui Yan	李瑞恩先生	120	—	—	—	120
		360	7,287	—	54	7,701

概無董事於年內放棄或同意放棄任何酬金(二零一八年：無)。

(b) 董事退休福利及終止僱傭福利

於截至二零一九年十二月三十一日止年度，概無本公司董事收取或將收取任何退休福利或終止僱傭福利(二零一八年：無)。

33 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2019, the Company does not pay consideration to third parties for making available directors' service (2018: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2019, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors (2018: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years.

34 EVENT OCCURRING AFTER THE REPORTING PERIOD

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country/regions in which the Group has business operations. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group.

33 董事之福利及權益 (續)

(c) 就提供董事服務向第三方提供之代價

於截至二零一九年十二月三十一日止年度，本公司並無就提供董事服務支付代價予第三方(二零一八年：無)。

(d) 有關以董事、受董事控制之法團及與董事的關聯實體為受益人之貸款、準貸款及其他交易之資料

於二零一九年十二月三十一日，概無有利於董事、受董事控制之法團及與該等董事的關聯實體為受益人之貸款、準貸款及其他交易安排(二零一八年：無)。

(e) 董事於交易、安排或合約的重大權益

於年末或年內任何時間，概無關於本集團業務之重大交易、安排及合約以本公司為一名訂約方及本公司董事擁有重大權益(不論直接或間接)。

34 報告期後發生之事項

自二零二零年初爆發2019冠狀病毒病(「COVID-19疫情」)後，本集團有業務運作之國家/地區已實行及繼續實行一系列預防及監控措施。本集團將密切留意COVID-19疫情的發展，並會評估其對本集團的財務狀況及經營業績的影響。

Financial Summary

財務摘要

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

本集團於過去五個財政年度的業績及資產、負債以及非控股權益概要(摘錄自己刊發經審核財務報表)列載如下：

		For the year ended 31 December 截至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	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Results	業績					
Revenue	收入	166,607	254,072	371,518	1,149,998	1,274,174
(Loss)/profit for the year attributable to:	年度(虧損)/利潤歸屬於：					
Equity holders of the Company	本公司權益持有人	(34,078)	(55,780)	(98,329)	90,729	27,732
Non-controlling interests	非控股權益	(1,570)	—	—	(2,394)	(2,290)
		(35,648)	(55,780)	(98,329)	88,335	25,442
		As at 31 December 於十二月三十一日				
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Assets, liabilities and non-controlling interests	資產、負債及非控股權益					
Total assets	資產總額	203,663	240,795	298,353	502,122	496,002
Total liabilities	負債總額	(33,306)	(36,830)	(38,317)	(152,163)	(216,273)
Non-controlling interests	非控股權益	(1,410)	—	—	—	(15,248)
		168,947	203,965	260,036	349,959	264,481



Perfect Optronics Limited
圓美光電有限公司

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