

香港交易及結算所有限公司及香港聯合交易所有限公司對本公告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不對因本公告全部或任何部份內容而產生或因依賴該等內容而引致的任何損失承擔任何責任。

YORKEY

YORKEY OPTICAL INTERNATIONAL (CAYMAN) LTD.

精熙國際（開曼）有限公司*

（於開曼群島註冊成立之有限公司）

（股份代號：2788）

海外監管公告

此公告乃由精熙國際（開曼）有限公司（「本公司」）依據香港聯合交易所有限公司證券上市規則第13.10B條作出。

以下附件是本公司依台灣證券交易所股份有限公司規定於二零一九年四月二十三日在台灣證券交易所股份有限公司刊發的公告。

承董事會命
精熙國際（開曼）有限公司
執行董事兼行政總裁
栗原俊彥

香港，二零一九年四月二十三日

於本公告刊發日期，董事會包括兩位執行董事：賴以仁先生及栗原俊彥先生；一位非執行董事：吳淑品女士；以及三位獨立非執行董事：王逸琦先生、林孟宗先生及劉偉立先生。

* 僅供識別

精熙國際（開曼）有限公司及子公司

民國 107 年度
合併財務報告暨會計師複核報告
（上市之台灣存託憑證用外國公司財務報告）

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附 件 一

會計師複核報告

精熙國際（開曼）有限公司 公鑒：

精熙國際（開曼）有限公司及子公司依照經香港會計師公會（Hong Kong Institute of Certified Public Accountants（“HKICPA”））發布生效之香港財務報導準則（Hong Kong Financial Reporting Standards（“HKFRSs”））及香港公司條例之揭露要求（the disclosure requirements of Hong Kong Companies Ordinance）編製之民國 107 年及 106 年 12 月 31 日之合併財務狀況表，暨民國 107 年及 106 年 1 月 1 日至 12 月 31 日之合併綜合損益表、合併權益變動表、合併現金流量表及合併財務報表附註（包括重大會計政策彙總）（金額以美金為單位），業經香港德勤·關黃陳方會計師行（Deloitte Touche Tohmatsu）查核完竣，並分別於民國 108 年 3 月 20 日及民國 107 年 3 月 23 日出具無保留意見之查核報告（詳附件四）。隨附精熙國際（開曼）有限公司及子公司上述財務報表依新台幣換算表示之資訊（詳附件二）暨上述財務報表之中譯本（詳附件四），業經本會計師依照金融監督管理委員會 101.12.13 金管證審字第 1010056540 號函發布之「第二上市（櫃）公司財務報告複核要點」，採行必要之複核程序予以複核竣事。由於本會計師並未依照一般公認審計準則查核，故無法對上開財務資訊表示意見。

依本會計師之複核結果，並未發現上段所述精熙國際（開曼）有限公司及子公司依新台幣換算之主要財務報表暨其相關資訊，有違反上述「第二上市（櫃）公司財務報告複核要點」規定而須作重大修正、調整或再補充揭露之情事。

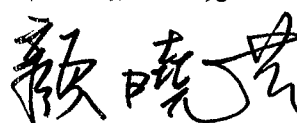
勤業眾信聯合會計師事務所
會計師 吳麗冬



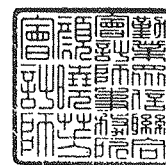
證券暨期貨管理委員會核准文號
台財證六字第 0920123784 號



會計師 顏曉芳

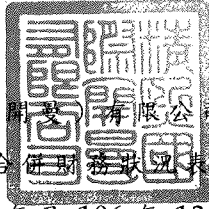


金融監督管理委員會核准文號
金管證審字第 1010028123 號



中 華 民 國 108 年 3 月 20 日

附件二



精熙國際(開發)有限公司及子公司

合併財務狀況表

民國 107 年及 106 年 12 月 31 日

單位：美金仟元／新台幣仟元

	107年12月31日		106年12月31日	
	美	金 新 台 幣	美	金 新 台 幣
非流動資產				
投資性不動產	\$	5,768	\$	6,002
不動產、廠房及設備		177,165		184,352
土地使用權		7,537		9,103
預付設備款		197		213
非流動資產合計		6,051		6,542
		101		35
		3,102		1,075
		13,603		15,353
		417,817		471,568
流動資產				
存 貨		2,550		3,074
應收帳款及其他應收款		78,323		94,418
其他應收款—關係人		13,512		14,759
銀行存款及現金		23		24
流動資產合計		706		737
		93,945		104,827
		2,885,521		3,219,761
		110,030		122,684
		3,379,571		3,768,239
流動負債				
應付帳款及其他應付款		19,156		20,639
合約負債		141		-
應付所得稅		3,505		4,189
流動負債合計		22,802		24,828
		588,376		633,927
		4,331		-
		107,656		128,664
		700,363		762,591
流動資產淨額		87,228		97,856
總資產減流動負債(淨資產)	\$	100,831	\$	113,209
		3,097,025		3,005,648
		3,097,025		3,477,216
權 益				
股 本	\$	1,057	\$	1,058
準 備		99,774		112,151
權益總額	\$	100,831	\$	113,209
		32,466		32,497
		3,064,559		3,444,719
		3,097,025		3,477,216

註一：上列財務報表之所有資產、負債及權益科目金額，係以 107 年 12 月 31 日之美金對新台幣匯率 (US\$1 : NT\$30.715) 換算。

註二：最近三年度美金對新台幣最高、最低及平均匯率如下：

年 度	最 高	最 低	平 均
107	US\$1 : NT\$31.100	US\$1 : NT\$29.045	US\$1 : NT\$30.175
106	US\$1 : NT\$32.235	US\$1 : NT\$29.760	US\$1 : NT\$30.410
105	US\$1 : NT\$33.765	US\$1 : NT\$31.185	US\$1 : NT\$32.239

(參閱勤業眾信聯合會計師事務所民國 108 年 3 月 20 日複核報告)

董事長：賴以仁



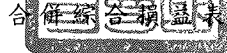
經理人：栗原俊彦

栗原俊彦

會計主管：栗原俊彦

栗原俊彦

精熙國際(關曼)有限公司及子公司



民國 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：除每股盈餘外，為美金仟元／新台幣仟元

	107 年度		106 年度	
	美 金	新 台 幣	美 金	新 台 幣
營業額	\$ 69,703	\$ 2,140,928	\$ 87,329	\$ 2,682,310
銷售成本	(51,760)	(1,589,808)	(62,076)	(1,906,664)
毛 利	17,943	551,120	25,253	775,646
其他收益或損失	4,027	123,689	(2,199)	(67,542)
配銷成本	(1,635)	(50,219)	(1,896)	(58,236)
管理費用	(9,590)	(294,557)	(12,881)	(395,640)
研究發展費用	(1,532)	(47,056)	(1,520)	(46,687)
採用權益法認列之關聯企業投資利益	-	-	867	26,630
稅前淨利	9,213	282,977	7,624	234,171
所得稅費用	(1,505)	(46,226)	(1,844)	(56,638)
本年度淨利	7,708	236,751	5,780	177,533
其他綜合損益				
後續可能重分類至損益之項目				
國外營運機構財務報表換算之兌換差額	(2,140)	(65,730)	2,366	72,672
處分國外營運機構認列之兌換差額	-	-	4,209	129,279
其他綜合損益合計	(2,140)	(65,730)	6,575	201,951
本年度綜合損益	\$ 5,568	\$ 171,021	\$ 12,355	\$ 379,484
每股盈餘(美金分/新台幣元)				
基本每股盈餘	\$ 0.94	\$ 0.29	\$ 0.7	\$ 0.22

註一：上列財務報表之所有損益科目金額，係以 107 年 12 月 31 日之美金對新台幣匯率 (US\$1:NT\$30.715) 換算。

註二：最近三年度美金對新台幣最高、最低及平均匯率如下：

年 度	最 高	最 低	平 均
107	US\$1:NT\$31.100	US\$1:NT\$29.045	US\$1:NT\$30.175
106	US\$1:NT\$32.235	US\$1:NT\$29.760	US\$1:NT\$30.410
105	US\$1:NT\$33.765	US\$1:NT\$31.185	US\$1:NT\$32.239

(參閱勤業眾信聯合會計師事務所民國 108 年 3 月 20 日複核報告)

董事長：賴以仁



經理人：栗原俊彦

栗原俊彦

會計主管：栗原俊彦

栗原俊彦

精熙國際 及子公司

民國 107 年 12 月 31 日

單位：美金仟元

	股本	股本溢價	特別準備	換算準備	法定準備基金	保留盈餘	合計
106 年 1 月 1 日餘額	\$ 1,058	\$ 62,982	\$ 19,350	\$ 3,220	\$ 3,148	\$ 29,095	\$ 118,853
其他綜合損益	-	-	-	6,575	-	-	6,575
本年度淨利	-	-	-	-	-	5,780	5,780
本年度綜合損益總額	-	-	-	6,575	-	5,780	12,355
提列法定準備基金	-	-	-	-	488	(488)	-
分配股利	-	-	-	-	-	(17,999)	(17,999)
106 年 12 月 31 日餘額	1,058	62,982	19,350	9,795	3,636	16,388	113,209
追溯適用之調整	-	-	-	-	-	(24)	(24)
107 年 1 月 1 日餘額 (調整後)	1,058	62,982	19,350	9,795	3,636	16,364	113,185
其他綜合損益	-	-	-	(2,140)	-	-	(2,140)
本年度淨利	-	-	-	-	-	7,708	7,708
本年度綜合損益總額	-	-	-	(2,140)	-	7,708	5,568
提列法定準備基金	-	-	-	-	432	(432)	-
購買及註銷庫藏股票	(1)	(79)	-	-	-	-	(80)
分配股利	-	(10,504)	-	-	-	(7,338)	(17,842)
107 年 12 月 31 日餘額	\$ 1,057	\$ 52,399	\$ 19,350	\$ 7,655	\$ 4,068	\$ 16,302	\$ 100,831

(參閱勤業眾信聯合會計師事務所民國 108 年 3 月 20 日複核報告)



董事長：賴以仁

經理人：栗原俊彦

栗原俊彦

會計主管：栗原俊彦

栗原俊彦

精熙國際

有限公司及子公司

民國 107 年及 106 年 12 月 31 日

單位：新台幣千元

股	本	股本溢價	特別準備	換算準備	法定準備基金	保留盈餘	合計
106 年 1 月 1 日餘額	\$ 32,497	\$ 1,934,492	\$ 594,335	\$ 98,903	\$ 96,691	\$ 893,653	\$ 3,650,571
其他綜合損益	-	-	-	201,951	-	-	201,951
本年度淨利	-	-	-	-	-	177,533	177,533
本年度綜合損益總額	-	-	-	201,951	-	177,533	379,484
提列法定準備基金	-	-	-	-	14,989	(14,989)	-
分配股利	-	-	-	-	-	(552,839)	(552,839)
106 年 12 月 31 日餘額	32,497	1,934,492	594,335	300,854	111,680	503,358	3,477,216
追溯適用之調整	-	-	-	-	-	(737)	(737)
107 年 1 月 1 日餘額 (調整後)	32,497	1,934,492	594,335	300,854	111,680	502,621	3,476,479
其他綜合損益	-	-	-	(65,730)	-	-	(65,730)
本年度淨利	-	-	-	-	-	236,751	236,751
本年度綜合損益總額	-	-	-	(65,730)	-	236,751	171,021
提列法定準備基金	-	-	-	-	13,269	(13,269)	-
購買及註銷庫藏股票	(31)	(2,427)	-	-	-	-	(2,458)
分配股利	-	(322,630)	-	-	-	(225,387)	(548,017)
107 年 12 月 31 日餘額	\$ 32,466	\$ 1,609,435	\$ 594,335	\$ 235,124	\$ 124,949	\$ 500,716	\$ 3,097,025

註一：上列財務報表之所有權益科目金額，係以 107 年 12 月 31 日之美金對新台幣匯率 (US\$1 : NT\$30.715) 換算。

註二：最近三年度美金對新台幣最高、最低及平均匯率如下：

年	最	高	最	低	平	均
107	US\$1 : NT\$31.100		US\$1 : NT\$29.045		US\$1 : NT\$30.175	
106	US\$1 : NT\$32.235		US\$1 : NT\$29.760		US\$1 : NT\$30.410	
105	US\$1 : NT\$33.765		US\$1 : NT\$31.185		US\$1 : NT\$32.239	



董事長：賴以仁

經理人：栗原俊彥

栗原俊彥

會計主管：栗原俊彥

栗原俊彥

(參閱勤業眾信聯合會計師事務所民國 108 年 3 月 20 日覆核報告)

精熙國際(開曼)有限公司及子公司

合併現金流量表

民國 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：美金仟元／新台幣仟元

	107 年度		106 年度	
	美 金	新 台 幣	美 金	新 台 幣
營業活動之現金流量				
稅前淨利	\$ 9,213	\$ 282,977	\$ 7,624	\$ 234,171
調整項目				
利息收入	(1,879)	(57,713)	(1,381)	(42,417)
投資性不動產折舊	234	7,187	234	7,187
不動產、廠房及設備折舊	2,659	81,671	2,675	82,163
處分不動產、廠房及設備損失	16	491	355	10,904
土地使用權攤銷	6	184	6	184
備抵存貨呆滯損失(迴轉)	117	3,594	(209)	(6,419)
備抵呆帳迴轉	(39)	(1,198)	(114)	(3,502)
處分關聯企業損失	-	-	4,209	129,279
採用權益法認列之關聯企業投資 利益	-	-	(867)	(26,630)
營運資金變動前之營業現金流量	10,327	317,193	12,532	384,920
存貨減少	274	8,416	1,763	54,151
應收帳款及其他應收款減少(增加)	(761)	(23,374)	4,482	137,665
其他應收款—關係人增加	-	-	(2)	(61)
合約負債增加	145	4,454	-	-
應付帳款及其他應付款減少	(764)	(23,466)	(1,870)	(57,437)
營業產生之現金流入	9,221	283,223	16,905	519,238
支付中國大陸所得稅	(2,101)	(64,532)	(1,184)	(36,367)
營業活動之淨現金流入	<u>7,120</u>	<u>218,691</u>	<u>15,721</u>	<u>482,871</u>
投資活動之現金流量				
收取之利息	1,879	57,713	1,381	42,417
取得不動產、廠房及設備	(1,469)	(45,120)	(169)	(5,191)
預付設備款增加	(100)	(3,070)	(1,989)	(61,092)
處分不動產、廠房及設備價款	-	-	1	31
清償採用權益法之關聯企業之義務	-	-	(1,840)	(56,516)
投資活動之淨現金流入(出)	<u>310</u>	<u>9,523</u>	<u>(2,616)</u>	<u>(80,351)</u>
籌資活動之現金流量				
支付股利	(17,842)	(548,017)	(17,999)	(552,839)
購回股份	(80)	(2,458)	-	-
籌資活動之淨現金流出	<u>(17,922)</u>	<u>(550,475)</u>	<u>(17,999)</u>	<u>(552,839)</u>
現金及約當現金淨減少	(10,492)	(322,261)	(4,894)	(150,319)
年初現金及約當現金餘額	104,827	3,219,761	109,020	3,348,549
匯率變動之影響	(390)	(11,979)	701	21,531
年底現金及約當現金餘額	<u>\$ 93,945</u>	<u>\$ 2,885,521</u>	<u>\$ 104,827</u>	<u>\$ 3,219,761</u>
現金餘額分析				
現金及銀行存款	<u>\$ 93,945</u>	<u>\$ 2,885,521</u>	<u>\$ 104,827</u>	<u>\$ 3,219,761</u>

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(承前頁)

註一：上列財務報表之所有科目金額，係以 107 年 12 月 31 日之美金對新台幣匯率 (US\$1 : NT\$30.715) 換算。

註二：最近三年度美金對新台幣最高、最低及平均匯率如下：

年	度	最	高	最	低	平	均
	107	US\$1 :	NT\$31.100	US\$1 :	NT\$29.045	US\$1 :	NT\$30.175
	106	US\$1 :	NT\$32.235	US\$1 :	NT\$29.760	US\$1 :	NT\$30.410
	105	US\$1 :	NT\$33.765	US\$1 :	NT\$31.185	US\$1 :	NT\$32.239

(參閱勤業眾信聯合會計師事務所民國 108 年 3 月 20 日覆核報告)

董事長：賴以仁



經理人：栗原俊彥

栗原俊彥

會計主管：栗原俊彥

栗原俊彥

附件三

精熙國際(香港)有限公司及子公司
依中華民國金管會認可之IFRSs重編後合併資產負債表
民國107年及12月31日

單位：新台幣仟元

代碼	資產	107年12月31日				106年12月31日			
		依香港財務報告準則金額	調節金額(減)	依金管會認可之IFRSs編製金額	%	依香港財務報告準則金額	調節金額(減)	依金管會認可之IFRSs編製金額	%
	流動資產								
1100	現金及約當現金	\$ 2,885,521	\$ -	\$ 2,885,521	76	\$ 3,219,761	\$ -	\$ 3,219,761	76
1170	應收帳款淨額	415,021	(61,736)	353,285	9	453,323	(64,010)	389,313	9
1180	應收帳款—關係人淨額	-	61	61	-	-	154	154	-
1200	其他應收款	706	19,627	20,333	1	737	20,487	21,224	1
1310	存貨	78,323	-	78,323	2	94,418	-	94,418	2
1470	其他流動資產	-	42,048	42,048	1	-	43,369	43,369	1
1120	流動資產總計	<u>3,379,571</u>	<u>-</u>	<u>3,379,571</u>	<u>89</u>	<u>3,768,239</u>	<u>-</u>	<u>3,768,239</u>	<u>89</u>
	非流動資產								
1600	不動產、廠房及設備	231,499	-	231,499	6	279,599	-	279,599	7
1760	投資性不動產淨額	177,165	-	177,165	5	184,352	-	184,352	4
1915	預付設備款	3,102	-	3,102	-	1,075	-	1,075	-
1985	長期預付租金	6,051	-	6,051	-	6,542	-	6,542	-
1520	非流動資產總計	<u>417,817</u>	<u>-</u>	<u>417,817</u>	<u>11</u>	<u>471,568</u>	<u>-</u>	<u>471,568</u>	<u>11</u>
120X	資產總計	<u>\$ 3,797,388</u>	<u>\$ -</u>	<u>\$ 3,797,388</u>	<u>100</u>	<u>\$ 4,239,807</u>	<u>\$ -</u>	<u>\$ 4,239,807</u>	<u>100</u>

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107年12月31日

106年12月31日

代碼	負債及權益	107年12月31日			106年12月31日		
		依香港會計準則編報金額	調節節(減)	依中華民國金管會認可之IFRSs編製金額	依香港會計準則編報金額	調節節(減)	依中華民國金管會認可之IFRSs編製金額
2130	流動負債	\$ 4,331	\$ -	\$ 4,331	\$ -	\$ -	-
2170	合約負債	588,376	(265,500)	322,876	(270,600)	363,327	9
2180	應付帳款	-	35,722	35,722	7,433	7,433	-
2200	應付帳款-關係人	-	226,430	226,430	256,256	256,256	6
2230	其他應付款	107,656	-	107,656	-	128,664	3
2300	本期所得稅負債	-	3,348	3,348	-	6,911	-
2300	其他流動負債	-	-	-	-	-	-
2120	流動負債總計	700,363	-	700,363	-	762,591	18
3110	權益	32,466	-	32,466	-	32,497	1
3211	普通股股本	1,609,435	23,483	1,632,918	22,378	1,956,870	46
3230	發行股票溢價	594,335	-	594,335	-	594,335	14
3310	實際取得或處分子公司股權價格與帳面價值差額	124,949	-	124,949	-	111,680	3
3350	保留盈餘	500,716	(23,483)	477,233	(22,378)	480,980	11
3410	法定盈餘公積	-	-	-	-	-	-
3410	未分配盈餘	-	-	-	-	-	-
3410	其他權益	235,124	-	235,124	-	300,854	7
3410	國外營運機構財務報表換算之兌換差額	3,097,025	-	3,097,025	-	3,477,216	82
320X	權益總計	3,797,388	-	3,797,388	-	4,239,807	100
320X	負債及權益總計	3,797,388	-	3,797,388	-	4,239,807	100

註一：上列財務報表之所有資產、負債及權益科目金額，係以107年12月31日之美金對新台幣匯率(US\$1:NT\$30.715)換算。

註二：最近三年度美金對新台幣最高、最低及平均匯率如下：

年	最高	最低	平均
107	US\$1:NT\$31.100	US\$1:NT\$29.045	US\$1:NT\$30.175
106	US\$1:NT\$32.235	US\$1:NT\$29.760	US\$1:NT\$30.410
105	US\$1:NT\$33.765	US\$1:NT\$31.185	US\$1:NT\$32.239



董事長：賴以仁

經理人：栗原俊彥

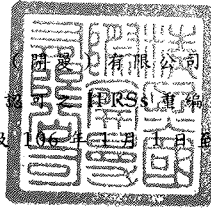
(參閱勤業眾信聯合會計師事務所民國108年3月20日複核報告)

會計主管：栗原俊彥

栗原俊彥

栗原俊彥

精照國際 研俊有限公司及子公司
依中華民國金管會認可之 IFRSs 重編後合併綜合損益表
民國 107 年及 106 年 12 月 31 日



單位：新台幣仟元，惟
每股盈餘為元

代碼	項 目	107 年度				106 年度			
		依香港財務 報導準則 編製金額	調節金額 增(減)	依中華民國 金管會認 可之 IFRSs 編製金額	%	依香港財務 報導準則 編製金額	調節金額 增(減)	依中華民國 金管會認 可之 IFRSs 編製金額	%
4000	營業收入	\$ 2,140,928	\$ -	\$ 2,140,928	100	\$ 2,682,310	\$ -	\$ 2,682,310	100
5000	營業成本	(1,589,808)	-	(1,589,808)	(74)	(1,906,664)	-	(1,906,664)	(71)
5900	營業毛利	551,120	-	551,120	26	775,646	-	775,646	29
	營業費用								
6100	推銷費用	(50,219)	-	(50,219)	(2)	(58,236)	-	(58,236)	(2)
6200	管理費用	(294,557)	1,812	(292,745)	(14)	(395,640)	88,614	(307,026)	(11)
6300	研究發展費用	(47,056)	-	(47,056)	(2)	(46,687)	-	(46,687)	(2)
6000	營業費用合計	(391,832)	1,812	(390,020)	(18)	(500,563)	88,614	(411,949)	(15)
6900	營業淨利	159,288	1,812	161,100	8	275,083	88,614	363,697	14
	營業外收入及支出								
7010	其他收入	1,782	-	1,782	-	3,962	3,747	7,709	-
7060	採用權益法之關聯企業 損益之份額	-	-	-	-	26,630	-	26,630	1
7100	利息收入	57,713	-	57,713	3	42,417	-	42,417	2
7110	租金收入	15,480	-	15,480	-	15,358	-	15,358	1
7230	外幣兌換利益	48,714	-	48,714	2	-	-	-	-
7590	其他支出	-	(1,321)	(1,321)	-	-	(7,280)	(7,280)	-
7610	處分不動產、廠房及 設備損失	-	(491)	(491)	-	-	(10,904)	(10,904)	(1)
7625	處分投資損失	-	-	-	-	(129,279)	-	(129,279)	(5)
7630	外幣兌換損失	-	-	-	-	-	(74,177)	(74,177)	(3)
7000	營業外收入及支出 合計	123,689	(1,812)	121,877	5	(40,912)	(88,614)	(129,526)	(5)
7900	稅前淨利	282,977	-	282,977	13	234,171	-	234,171	9
7950	所得稅費用	(46,226)	-	(46,226)	(2)	(56,638)	-	(56,638)	(2)
8200	本年度淨利	236,751	-	236,751	11	177,533	-	177,533	7
	其他綜合損益								
	後續可能重分類至損益之 項目								
8361	國外營運機構財務報表 換算之兌換差額	(65,730)	-	(65,730)	(3)	72,672	-	72,672	2
8361	處分國外營運機構之損 益重分類至損益	-	-	-	-	129,279	-	129,279	5
8300	其他綜合損益合計	(65,730)	-	(65,730)	(3)	201,951	-	201,951	7
8500	本年度綜合損益總額	\$ 171,021	\$ -	\$ 171,021	8	\$ 379,484	\$ -	\$ 379,484	14
8600	淨利歸屬於：								
8610	本公司業主	\$ 236,751	\$ -	\$ 236,751		\$ 177,533	\$ -	\$ 177,533	
8700	綜合損益總額歸屬於：								
8710	本公司業主	\$ 171,021	\$ -	\$ 171,021		\$ 379,484	\$ -	\$ 379,484	
	每股盈餘								
9710	基 本	\$ 0.29	\$ -	\$ 0.29		\$ 0.22	\$ -	\$ 0.22	
9810	稀 釋	\$ 0.29	\$ -	\$ 0.29		\$ 0.22	\$ -	\$ 0.22	

註一：上列財務報表之所有損益科目金額，係以 107 年 12 月 31 日之美金對新台幣匯率 (US\$1: NT\$30.715) 換算。

註二：最近三年度美金對新台幣最高、最低及平均匯率如下：

年 度	最 高	最 低	平 均
107	US\$1: NT\$31.100	US\$1: NT\$29.045	US\$1: NT\$30.175
106	US\$1: NT\$32.235	US\$1: NT\$29.760	US\$1: NT\$30.410
105	US\$1: NT\$33.765	US\$1: NT\$31.185	US\$1: NT\$32.239

(參閱勤業眾信聯合會計師事務所民國 108 年 3 月 20 日複核報告)

董事長：賴以仁



經理人：栗原俊彦

栗原俊彦
~三三~

會計主管：栗原俊彦

栗原俊彦

精熙國際(開曼)有限公司及子公司
依中華民國金管會認可之 IFRSs 重編後合併現金流量表
民國 107 年及 106 年 1 月 1 日至 12 月 31 日



單位：新台幣仟元

代 碼	項 目	107 年度		106 年度			
		依香港財務 報導準則 編製金額	調節金額 增(減)	依中華民國 金管會認可 之 IFRSs 編製金額	依香港財務 報導準則 編製金額	調節金額 增(減)	依中華民國 金管會認可 之 IFRSs 編製金額
	營運活動之現金流量						
A10000	本年度稅前淨利	\$ 282,977	\$ -	\$ 282,977	\$ 234,171	\$ -	\$ 234,171
	收益費損項目						
A20100	折舊費用	88,858	-	88,858	89,350	-	89,350
A20200	攤銷費用	184	-	184	184	-	184
A20300	預期信用減損損失迴轉						
	利益	(1,198)	-	(1,198)	-	-	-
A20300	呆帳迴轉利益	-	-	-	(3,502)	-	(3,502)
A21200	利息收入	(57,713)	-	(57,713)	(42,417)	-	(42,417)
A22300	採用權益法認列之關聯						
	企業利益之份額	-	-	-	(26,630)	-	(26,630)
A22500	處分不動產、廠房及						
	設備損失	491	-	491	10,904	-	10,904
A23200	處分採用權益法之投資						
	損失	-	-	-	129,279	-	129,279
A23800	非金融資產減損損失						
	(迴轉利益)	3,594	-	3,594	(6,419)	-	(6,419)
A30000	營業資產及負債之淨變動數						
A31150	應收帳款	(23,374)	(2,181)	(25,555)	137,665	46,163	183,828
A31180	其他應收款	-	860	860	(61)	(4,668)	(4,729)
A31200	存 貨	8,416	-	8,416	54,151	-	54,151
A31240	其他流動資產	-	1,321	1,321	-	(41,495)	(41,495)
A32125	合約負債	4,454	-	4,454	-	-	-
A32150	應付帳款	(23,466)	33,389	9,923	(57,437)	(46,380)	(103,817)
A32180	其他應付款	-	(29,826)	(29,826)	-	44,937	44,937
A32230	其他流動負債	-	(3,563)	(3,563)	-	1,443	1,443
A33000	營運產生之現金流入	283,223	-	283,223	519,238	-	519,238
A33500	支付之所得稅	(64,532)	-	(64,532)	(36,367)	-	(36,367)
AAAA	營運活動之淨現金流入	218,691	-	218,691	482,871	-	482,871
	投資活動之現金流量						
B02700	取得不動產、廠房及設備	(45,120)	-	(45,120)	(5,191)	-	(5,191)
B02800	處分不動產、廠房及設備價款	-	-	-	31	-	31
B07100	預付設備款增加	(3,070)	-	(3,070)	(61,092)	-	(61,092)
B07500	收取之利息	57,713	-	57,713	42,417	-	42,417
B09900	清償採用權益法之關聯企業						
	之義務	-	-	-	(56,516)	-	(56,516)
BBBB	投資活動之淨現金流入						
	(出)	9,523	-	9,523	(80,351)	-	(80,351)
	籌資活動之現金流量						
C04500	發放現金股利	(548,017)	-	(548,017)	(552,839)	-	(552,839)
C04900	支付庫藏股票交易成本	(2,458)	-	(2,458)	-	-	-
CCCC	籌資活動之淨現金流出	(550,475)	-	(550,475)	(552,839)	-	(552,839)
DDDD	匯率變動對現金及約當現金之						
	影響	(11,979)	-	(11,979)	21,531	-	21,531

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代碼	項	107 年度			106 年度		
		依香港財務	調節金額	依中華民國	依香港財務	調節金額	依中華民國
		報導準則	增(減)	金管會認可	報導準則	增(減)	金管會認可
目	編製金額		之 IFRSs	編製金額		之 IFRSs	編製金額
EEEE	現金及約當現金淨減少	(\$ 334,240)	\$ -	(\$ 334,240)	(\$ 128,788)	\$ -	(\$ 128,788)
E00100	年初現金及約當現金餘額	<u>3,219,761</u>	-	<u>3,219,761</u>	<u>3,348,549</u>	-	<u>3,348,549</u>
E00200	年底現金及約當現金餘額	<u>\$2,885,521</u>	<u>\$ -</u>	<u>\$2,885,521</u>	<u>\$3,219,761</u>	<u>\$ -</u>	<u>\$3,219,761</u>

註一：上列財務報表之所有科目金額，係以 107 年 12 月 31 日之美金對新台幣匯率 (US\$1:NT\$30.715) 換算。

註二：最近三年度美金對新台幣最高、最低及平均匯率如下：

年	度	最	高	最	低	平	均
107		US\$1:NT\$31.100		US\$1:NT\$29.045		US\$1:NT\$30.175	
106		US\$1:NT\$32.235		US\$1:NT\$29.760		US\$1:NT\$30.410	
105		US\$1:NT\$33.765		US\$1:NT\$31.185		US\$1:NT\$32.239	

(參閱勤業眾信聯合會計師事務所民國 108 年 3 月 20 日複核報告)

董事長：賴以仁



經理人：栗原俊彦

栗原俊彦

會計主管：栗原俊彦

栗原俊彦

精熙國際（開曼）有限公司及子公司

合併財務報表重編說明

民國 107 及 106 年度

（金額除另予註明者外，係以新台幣仟元為單位）

一、合併財務報表重編原則

精熙國際（開曼）有限公司及子公司（以下稱「合併公司」）如附件四所列之民國 107 及 106 年度財務報告，係包括精熙國際（開曼）有限公司（以下稱「本公司」）及所有持股達 50% 之被投資公司之合併財務資訊（附件四譯稱「本集團」）。

合併公司依香港法令及香港財務報導準則（以下稱「香港一般公認會計原則」）編製之主要報表格式，包括合併資產負債表、合併綜合損益表及合併現金流量表，因與證券發行人財務報告編製準則暨經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編制財務報告（以下稱「中華民國金管會認可之 IFRSs」）規定不符，爰依「第二上市（櫃）公司財務報告複核要點」規定，就合併資產負債表、合併綜合損益表及合併現金流量表依中華民國規定格式予以重編（以下稱「重編合併財務報表」）。

因適用不同之會計原則對合併公司民國 107 及 106 年度合併綜合損益表之損益影響金額，並未達證券交易法施行細則第六條所訂應重編財務報表之標準，故上述重編合併財務報表僅依中華民國金管會認可之 IFRSs 規定之格式與分類將上述合併資產負債表、合併綜合損益表及合併現金流量表予以重分類調整。

二、中華民國及香港財務報表表達及其他事項之重大差異彙總說明

項 目	中 華 民 國 財 務 報 表 表 達	香 港 一 般 公 認 會 計 原 則	對 重 編 合 併 財 務 報 表 之 影 響
(一)合併資產負債表	<p>一般之分類方式，資產係以流動性大小排列，流動性大者在前，流動性小者在後。負債則按到期日的遠近排列，近者在先，遠者在後。權益按永久性大小排列，永久性大者在先，小者在後。</p> <p>因營業而發生之應收帳款／應付帳款，應與非營業而發生之其他應收款／其他應付款分別列示；應收／應付帳款一關係人，依金額重大性予以單獨表達。</p> <p>註銷買回企業本身之股票，按股權比例借記「資本公積－發行股票溢價」及「股本」。其購回成本如高於面值與發行股票溢價之合計數時，其差額應沖銷同種類庫藏股票所產生之資本公積，如有不足再借記保留盈餘。</p>	<p>一般之分類方式，資產係以非流動性資產在前，流動資產在後。負債及權益，係以負債在前，股本及各項準備在後，負債以流動負債在前，非流動負債在後。</p> <p>應收／應付帳款一關係人、其他應收／應付款係分類於應收帳款及其他應收款與應付帳款、其他應付款及其他流動負債。</p> <p>再取得企業本身權益工具之成本，應自權益項目減除。企業不應於買回、出售、再發行或註銷庫藏股時認列損益。</p>	<p>已依中華民國財務報表規定予以表達揭露。</p> <p>資產影響數： 107年度：61,736 仟元 106年度：64,010 仟元</p> <p>負債影響數： 107年度：265,500 仟元 106年度：270,600 仟元</p> <p>已依中華民國財務報表規定予以表達揭露。 107年度：23,483 仟元 106年度：22,378 仟元</p>
(二)合併綜合損益表	<p>應區分營業收入、營業成本、營業費用、營業外收入及支出及所得稅費用，分別予以列示，但營業成本及營業費用不能分別列示者，得合併之。</p> <p>因非經常營業活動所發生之費用及損失，應帳列營業外支出；兌換損益，得以淨額表達。</p>	<p>應區分收入、銷貨成本、收益與費損、所得稅費用、本年度利益（損失）。</p> <p>處分不動產、廠房及設備損失及其他損失係依性質別帳列管理費用。</p>	<p>已依中華民國財務報表規定予以表達揭露。</p> <p>107年度：1,812 仟元 106年度：88,614 仟元</p>

項 目	中 華 民 國 財 務 報 表 表 達	香 港 一 般 公 認 會 計 原 則	對 重 編 合 併 財 務 報 表 之 影 響
(三) 合併現金流量表	因營業而發生之應收帳款／應付帳款，應與非營業而發生之其他應收款／其他應付款分別列示。	應收／應付帳款、其他應收／應付款係分類於應收帳款及其他應收款與應付帳款、其他應付款及其他流動負債。	已依中華民國財務報表規定予以表達揭露。 資產影響數： 107 年度：(2,181)仟元 106 年度：46,163 仟元 負債影響數： 107 年度：33,389 仟元 106 年度：(46,380)仟元

附 件 四

精熙國際（開曼）有限公司及子公司

會計師查核報告暨合併財務報表
民國 107 年度

（原文及中譯本）

獨立核數師報告

Deloitte.

德勤

致精熙國際（開曼）有限公司

(於開曼群島註冊成立之有限公司)

全體股東 台照

意見

吾等已完成審核精熙國際（開曼）有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）第79頁至第135頁之綜合財務報表。綜合財務報表包括 貴集團於二零一八年十二月三十一日之綜合財務狀況報表，以及截至該日止年度之綜合損益及其他全面收入報表、綜合權益變動表及綜合現金流量表，連同綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）真實公允地顯示 貴集團於二零一八年十二月三十一日之綜合財務狀況，以及其截至該日止年度之綜合財務表現及綜合現金流量，並按照香港公司條例之披露規定妥為編製。

意見基準

吾等根據香港會計師公會頒佈的香港會計準則（「香港會計準則」）進行審核。吾等於該等準則下之責任於吾等報告的「核數師就審計綜合財務報表須承擔的責任」一節進一步說明。吾等根據香港會計師公會的職業會計師道德守則（「守則」）獨立於 貴集團，並履行了吾等根據守則在職業道德方面的其他責任。吾等相信吾等已獲取充分及適當的審核憑證，作為吾等意見之基準。

關鍵審核事項

關鍵審核事項為該等按吾等之專業判斷審核當前期間綜合財務報表之最重要事項。該等事項的應對以對綜合財務報表整體進行審核並形成審核意見為背景，吾等不對該等事項單獨發表意見。

獨立核數師報告

關鍵審核事項	吾等審核如何應對關鍵審核事項
<p>收入確認</p> <p>由於大量收入來自光學及光電產品零部件，故吾等將收入確認識別為一項關鍵審核事項。</p> <p>截至二零一八年十二月三十一日止年度，來自光學及光電產品零部件的收入約為69,703,000美元，如綜合損益及其他全面收入報表所示。</p>	<p>吾等有關收入確認之程序包括：</p> <ul style="list-style-type: none"> • 了解收入業務過程及對收入確認進行關鍵控制測試； • 按抽樣基準，以已錄得收入與相關銷售收據及付運文件進行核查；及 • 進行數據分析以識別不尋常收入模式。

其他信息

貴公司董事對其他信息負責。其他信息包括年度報告中涵蓋的信息，但不包括綜合財務報表和吾等的核數師報告。

吾等對綜合財務報表發表的意見不涵蓋其他信息，吾等亦不對其他信息發表任何形式的鑒證結論。

結合吾等對綜合財務報表的審核，吾等的責任是閱讀這些信息，在此過程中，考慮其他信息是否與綜合財務報表或吾等在審核過程中瞭解到的情況存在重大不一致或者似乎存在重大錯報。根據吾等已執行的工作，倘吾等確定其他信息存在重大錯報，吾等須報告該事實。在這方面，吾等概無任何事項需要報告。

獨立核數師報告

董事及治理層對綜合財務報表之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製反映真實和公允意見之綜合財務報表，並對董事釐定就編製並無重大之失實陳述（不論因欺詐或錯誤）之綜合財務報表而言屬必要之有關內部監控負責。

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

治理層須負責監督 貴集團的財務報告過程。

核數師就審計綜合財務報表須承擔的責任

吾等之目標乃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，並出具包括吾等意見的核數師報告，並按照協定的委聘條款僅向 閣下（作為整體）報告，除此之外本報告別無其他目的。吾等概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及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該等風險，以及獲取充足及適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

獨立核數師報告

- 對董事採用持續經營會計基礎的適當性作出結論，並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。倘吾等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，則修訂吾等的意見。吾等的結論乃基於直至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業務。
- 評估綜合財務報表的整體列報方式、結構及內容（包括披露）事項以及綜合財務報表是否公平反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。吾等負責 貴集團審計的方向、監督及執行。吾等為審計意見承擔全部責任。

吾等與治理層溝通審計的計劃範圍及時間以及重大審計發現等，其中包括吾等在審計中識別出內部控制的任何重大不足之處。

吾等亦向治理層提交聲明，表明吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

從與治理層溝通的事項中，吾等確定該等對本期間綜合財務報表的審計最為重要的事項，因而構成關鍵審核事項。吾等在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於吾等之報告中註明某事項造成的負面後果超過產生的公眾利益，則吾等決定不應在報告中註明該事項。

出具獨立核數師報告的審計項目合夥人為勞建昌。

德勤•關黃陳方會計師行

執業會計師

香港

二零一九年三月二十日

綜合損益及其他全面收入報表

截至二零一八年十二月三十一日止年度

	附註	二零一八年 千美元	二零一七年 千美元
收入	5	69,703	87,329
銷售成本		(51,760)	(62,076)
毛利		17,943	25,253
其他收入、其他收益及虧損		4,027	(2,199)
分銷成本		(1,635)	(1,896)
行政費用		(9,590)	(12,881)
研發開支		(1,532)	(1,520)
應佔一間聯營公司之業績		-	867
除稅前溢利	6	9,213	7,624
稅項	8	(1,505)	(1,844)
年度溢利		7,708	5,780
其他綜合(開支)收入			
其後可能會重新分類至損益之項目：			
— 因換算海外業務財務報表產生之匯兌差額		(2,140)	2,366
— 處分海外聯營公司時解除匯兌儲備		-	4,209
年內其他綜合(開支)收入		(2,140)	6,575
年內綜合收入總額		5,568	12,355
每股盈利			
— 基本	10	0.94美仙	0.70美仙

綜合財務狀況報表

於二零一八年十二月三十一日

	附註	二零一八年 千美元	二零一七年 千美元
非流動資產			
投資物業	11	5,768	6,002
物業、廠房及設備	12	7,537	9,103
預付租賃付款	13	197	213
購置物業、廠房及設備所付按金		101	35
		13,603	15,353
流動資產			
存貨	14	2,550	3,074
應收貿易賬款及其他應收款項	15	13,512	14,759
應收一間關連公司款項	16	23	24
銀行結餘及現金	17	93,945	104,827
		110,030	122,684
流動負債			
應付貿易賬款及其他應付款項	18	19,156	20,639
合約負債		141	–
應付稅項		3,505	4,189
		22,802	24,828
流動資產淨值		87,228	97,856
總資產減流動負債		100,831	113,209
資本及儲備			
股本	19	1,057	1,058
儲備		99,774	112,151
權益總額		100,831	113,209

第79至第135頁之綜合財務報表已於二零一九年三月二十日經董事會批准及授權刊發，並由以下董事代表簽署：

賴以仁
主席

栗原俊彥
執行董事

綜合權益變動表

截至二零一八年十二月三十一日止年度

	本公司擁有人應佔						
	股本 千美元	股份 溢價 千美元	特別 儲備 千美元	換算 儲備 千美元	法定盈餘 公積金 千美元	保留 溢利 千美元	合計 千美元
於二零一七年一月一日	1,058	62,982	19,350	3,220	3,148	29,095	118,853
年內其他綜合收入	-	-	-	6,575	-	-	6,575
年度溢利	-	-	-	-	-	5,780	5,780
年內綜合收入總額	-	-	-	6,575	-	5,780	12,355
轉撥	-	-	-	-	488	(488)	-
確認為分派之股息(附註9)	-	-	-	-	-	(17,999)	(17,999)
於二零一七年十二月三十一日	1,058	62,982	19,350	9,795	3,636	16,388	113,209
調整(見附註2)	-	-	-	-	-	(24)	(24)
於二零一八年一月一日(重列)	1,058	62,982	19,350	9,795	3,636	16,364	113,185
年內其他綜合開支	-	-	-	(2,140)	-	-	(2,140)
年度溢利	-	-	-	-	-	7,708	7,708
年內綜合(開支)收入總額	-	-	-	(2,140)	-	7,708	5,568
轉撥	-	-	-	-	432	(432)	-
購回及註銷普通股(附註19)	(1)	(79)	-	-	-	-	(80)
確認為分派之股息(附註9)	-	(10,504)	-	-	-	(7,338)	(17,842)
於二零一八年十二月三十一日	1,057	52,399	19,350	7,655	4,068	16,302	100,831

特別儲備乃本公司已發行股份之面額與根據本集團於二零零五年之重組而收購之附屬公司股本總額兩者之差額。

根據中國大陸(「中國」)外商投資企業之有關法律及法規所規定，本公司之中國附屬公司須設立不可分派之法定盈餘公積金。分配至該等儲備乃按中國附屬公司法定財務報表之除稅後溢利10%撥付。根據中國相關法律法規，在結餘達到註冊資本50%之前，須對法定盈餘公積金進行分派。中國附屬公司可將法定盈餘公積金用作彌補上一年度之虧損(如有)，亦可透過資本化發行轉換為資本。

綜合現金流量表

截至二零一八年十二月三十一日止年度

	二零一八年 千美元	二零一七年 千美元
經營業務		
除稅前溢利	9,213	7,624
就以下項目作出調整：		
利息收入	(1,879)	(1,381)
投資物業折舊	234	234
物業、廠房及設備折舊	2,659	2,675
出售物業、廠房及設備之虧損	16	355
土地使用權攤銷	6	6
存貨減值虧損確認(撥回)	117	(209)
應收貿易賬款減值虧損撥回	(39)	(114)
出售聯營公司之虧損	-	4,209
應佔一間聯營公司之業績	-	(867)
未計營運資金變動前之經營現金流量	10,327	12,532
存貨減少	274	1,763
應收貿易賬款及其他應收款項(增加)減少	(761)	4,482
應收關連公司款項增加	-	(2)
合約負債增加	145	-
應付貿易賬款及其他應付款項減少	(764)	(1,870)
經營業務所得現金	9,221	16,905
已付中國所得稅	(2,101)	(1,184)
經營業務所得現金淨額	7,120	15,721
投資活動		
已收利息	1,879	1,381
購置物業、廠房及設備	(1,469)	(169)
購置物業、廠房及設備所付按金	(100)	(1,989)
出售物業、廠房及設備所得款項	-	1
履行與於一間聯營公司之權益有關之責任	-	(1,840)
投資活動所得(所用)淨現金	310	(2,616)
融資活動		
已付股息	(17,842)	(17,999)
股份購回付款	(80)	-
融資活動所用現金淨額	(17,922)	(17,999)
現金及現金等價物淨減少額	(10,492)	(4,894)
於一月一日之現金及現金等價物	104,827	109,020
匯率變動之影響	(390)	701
於十二月三十一日之現金及現金等價物	93,945	104,827
現金及現金等價物結餘分析		
銀行結餘及現金	93,945	104,827

綜合財務報表附註

截至二零一八年十二月三十一日止年度

1. 一般資料

精熙國際(開曼)有限公司(「本公司」)於開曼群島註冊成立及登記為獲豁免有限公司。其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司為投資控股公司。其附屬公司(本公司及其附屬公司合稱「本集團」)之主要業務列於附註26。本公司之註冊辦事處及主要營業地點之地址在本年報「公司資料」一節披露。

綜合財務報表以美元(「美元」)呈列，美元為本公司之功能貨幣。

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及修訂本 於本年度強制生效之新訂香港財務報告準則及修訂本

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

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收入及有關修訂
香港(國際財務報告詮釋委員會) 詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號修訂本	以股份為基礎之付款交易的分類與計量
香港財務報告準則第4號修訂本	應用香港財務報告準則第9號「金融工具」 於香港財務報告準則第4號「保險合約」
香港會計準則第28號修訂本	作為香港財務報告準則二零一四年至 二零一六年週期之年度改進之一部分
香港會計準則第40號修訂本	轉移投資物業

除下文所述者外，於本年度應用新訂香港財務報告準則及修訂本對本集團於本年度及過往年度之財務表現及狀況及／或此等綜合財務報表所載之披露並無重大影響。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

香港財務報告準則第15號「客戶合約收入」

本集團於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號「收入」（「香港會計準則第18號」）、香港會計準則第11號「建築合約」（「香港會計準則第11號」）及有關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累計影響於首次應用日期二零一八年一月一日確認。於首次應用日期的任何差額於期初保留溢利確認，及並無重列比較資料。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅將該準則追溯應用於二零一八年一月一日尚未完成的合約。由於比較資料乃根據香港會計準則第18號及香港會計準則第11號及有關詮釋而編製，所以若干比較資料可能無法比較。

本集團確認產生自客戶合約之來自製造及銷售光學及光電產品之零部件之收入。

應用香港財務報告準則第15號並無對於本年度確認的收入的時間及金額產生重大影響。於二零一八年一月一日，先前列入應付貿易賬款及其他應付款項之來自客戶墊款170,000美元已重新分類至合約負債。有關本集團因應用香港財務報告準則第15號而產生之會計政策的資料於附註3披露。

香港財務報告準則第9號「金融工具」

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及相應對其他相關香港財務報告準則之修訂本。香港財務報告準則第9號引入就1)金融資產及金融負債的分類及計量、2)金融資產的預期信貸虧損（「預期信貸虧損」）及3)一般對沖會計之新增要求。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及修訂本(續)

香港財務報告準則第9號「金融工具」(續)

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即將分類及計量規定(包括預期信貸虧損模式下的減值)追溯應用於二零一八年一月一日(首次應用日期)尚未取消確認的工具，且並無將該等規定應用於二零一八年一月一日已取消確認的工具。二零一七年十二月三十一日之賬面值與二零一八年一月一日之賬面值間的差額於期初保留溢利中確認，並無重列比較資料。

因此，比較資料乃根據香港會計準則第39號「金融工具：確認及計量」而編製，所以若干比較可能資料無法比較。

因應用香港財務報告準則第9號而產生之會計政策於附註3披露。

首次應用香港財務報告準則第9號之影響概述

金融資產的分類及計量

於本年度應用香港財務報告準則第9號並無對金融資產之分類及計量產生重大影響。

預期信貸虧損模式下的減值

本集團應用香港財務報告準則第9號之簡化方法以計量預期信貸虧損，就所有應收貿易賬款採用全期預期信貸虧損(其乃以逾期分析分類)。

由於信貸風險自初始確認以來並無顯著增加，故其他按攤銷成本計量之金融資產(包括銀行結餘及應收一間關連公司款項)的預期信貸虧損乃按12個月預期信貸虧損(「12個月預期信貸虧損」)基準評估。

於二零一八年一月一日，應收貿易賬款額外信貸虧損撥備24,000美元已於保留溢利中確認。額外虧損撥備自各別的資產中扣除。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及修訂本

本集團並無提前應用以下已頒佈但尚未生效之新訂香港財務報告準則及修訂本：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港（國際財務報告詮釋委員會） 詮釋第23號	所得稅不確定性的處理 ¹
香港財務報告準則第3號修訂本	業務的定義 ⁴
香港財務報告準則第9號修訂本	具有負補償之提前還款特點 ¹
香港財務報告準則第10號及 香港會計準則第28號修訂本	投資者與其聯營公司或合資公司之間的 資產出售或注資 ²
香港會計準則第1號及 香港會計準則第8號修訂本	重大的定義 ⁵
香港會計準則第19號修訂本	計劃修訂、縮減或結清 ¹
香港會計準則第28號修訂本	於聯營公司及合資公司的長期權益 ¹
香港財務報告準則修訂本	香港財務報告準則二零一五年至 二零一七年週期之年度改進 ¹

¹ 於二零一九年一月一日或其後開始之年度期間生效。

² 於將釐定日期或其後開始之年度期間生效。

³ 於二零二一年一月一日或其後開始之年度期間生效。

⁴ 對收購日期於二零二零年一月一日或其後開始之首個年度期間開始或其後之業務合併及資產收購生效。

⁵ 於二零二零年一月一日或其後開始之年度期間生效。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及修訂本(續)

已頒佈但尚未生效之新訂香港財務報告準則及修訂本(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。香港財務報告準則第16號生效時將取替香港會計準則第17號「租賃」(「香港會計準則第17號」)及其有關詮釋。

香港財務報告準則第16號根據客戶能否控制某特定資產區分租賃及服務合約。此外，香港財務報告準則第16號規定銷售及售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

除短期租賃及低價值資產租賃外，承租人在會計上對經營及融資租賃之區分會被刪除，而所有承租人之租賃將以確認使用權資產及相對應負債之模式取代。

使用權資產初始按成本計量，而其後按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就任何重新計量之租賃負債作出調整。租賃負債初步按於該日尚未支付之租賃付款現值計量，其後，租賃負債就利息及租賃款項，以及(其中包括)租賃修改之影響作出調整。就現金流量之分類而言，本集團現今呈列預付租賃款項作為有關自用租賃土地以及分類為投資物業之投資現金流量，而其他經營租賃款項則呈列為經營現金流量。於應用香港財務報告準則第16號後，有關租賃負債之租賃款項將分配至本金，且利息部分將由本集團呈列為融資現金流量。

根據香港會計準則第17號，本集團已確認本集團作為承租人之租賃土地之預付租賃付款。應用香港財務報告準則第16號或會導致分類該等資產之可能變動，須視本集團是否分別呈列使用權資產或列入呈列對應基礎資產(如有)之相同項目內而定。

除亦適用於出租人的若干規定外，香港財務報告準則第16號大致上轉承香港會計準則第17號之出租人會計法規定，並繼續由出租人將其租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號規定作出更詳盡之披露。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及修訂本（續）

香港財務報告準則第16號「租賃」（續）

於二零一八年十二月三十一日，本集團有不可註銷經營租約承擔3,758,000美元，如附註20所披露。初步評估顯示，該等安排符合租賃的定義。於應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，惟低值或短期租賃除外。

另外，本集團現時認為已付可退回租金按金2,000美元及已收可退回租金按金40,000美元為租賃項下的權利及義務，適用於香港會計準則第17號。根據香港財務報告準則第16號租賃付款的定義，該等按金並非與使用相關資產權利有關的付款，因此，該等按金的賬面值可予調整至攤銷成本。已付可退回租金按金的調整乃被視為額外租賃付款並會計入使用權資產的賬面值。已收可退回租金按金的調整將會被視為預付租賃付款。

應用新規定可能導致如上文所述之計量、呈列及披露變動。本集團擬選擇可行權宜方法，就先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）— 詮釋第4號「釐定安排是否包括租賃」（「香港（國際財務報告詮釋委員會）— 詮釋第4號」）識別為租賃的合約應用香港財務報告準則第16號，而並無對先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）— 詮釋第4號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團（作為承租人）擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對期初保留溢利的累計影響，而並無重列比較資料。

本公司董事預計，應用其他新訂香港財務報告準則及修訂本將不會於可見將來對綜合財務報表有任何重大影響。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例所規定之適當披露。

綜合財務報表乃根據歷史成本基準而編製。

歷史成本一般基於換取商品及服務之代價之公平值釐定。

公平值是於計量日期市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付之價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。於估計資產或負債之公平值時，本集團會考慮市場參與者於計量日期對資產或負債定價時所考慮之該等資產或負債之特點。於該等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟以下各項除外：屬於香港財務報告準則第2號「以股份為基礎之付款」範圍內以股份為基礎之付款交易、屬於香港會計準則第17號範圍內之租賃交易，以及與公平值之計量存在某些相似之處但並非公平值之計量，例如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值。

此外，就財務報告而言，公平值計量分為第一級、第二級或第三級，有關等級之劃分乃根據公平值計量之輸入數據之可觀察程度及該輸入數據對公平值計量之整體重要性，說明如下：

- 第一級輸入數據指該實體於計量日期由活躍市場上相同資產或負債獲得之報價（未經調整）；
- 第二級輸入數據指除第一級所包含之報價以外，可直接或間接從觀察資產或負債之資料而得出之數據；及
- 第三級輸入數據指該數據不可從觀察資產或負債之資料而獲得。

主要會計政策載列如下。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策（續）

綜合基準

綜合財務報表包括本公司及本公司所控制之實體及其附屬公司之財務報表。當本公司符合以下情況時，即取得控制權：

- 有權控制被投資方；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上列三項控制權條件之其中一項或多項有變，則本集團會重新評估其是否對被投資方擁有控制權。

附屬公司於本集團對附屬公司有控制權時綜合入賬，並於本集團失去對附屬公司的控制權時終止。

當有必要時，會對附屬公司之財務報表作出調整，使其會計政策與本集團之會計政策一致。

所有集團內資產及負債、權益、收支及與本集團成員公司間交易相關之現金流量均於綜合賬目時對銷。

客戶合約收入（根據附註2的過渡條文應用香港財務報告準則第15號後）

根據香港財務報告準則第15號，本集團於完成履約責任時（或就此）確認收入，即與特定履約責任相關的商品或服務之「控制權」轉移予客戶時確認。

履約責任指一項特定的商品或服務（或一組商品或服務）或一系列大致相同的特定商品或服務。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策 (續)

客戶合約收入 (根據附註2的過渡條文應用香港財務報告準則第15號後) (續)

倘符合以下標準之一，則控制權隨時間轉移，而收入經參考完成相關履約責任的進度隨時間確認：

- 客戶同時取得並耗用由本集團履約所帶來的利益；
- 本集團的履約導致創建及提升於本集團履約時由客戶控制的資產；或
- 本集團的履約未產生對本集團具有替代用途的資產，而本集團有強制執行權，以收取至今已履約部分的款項。

否則，收入於客戶獲得特定商品或服務控制權的時間點確認，即商品交付予客戶時確認。當商品運送到指定地點時交付即告完成。

合約資產指本集團對交換已轉移至客戶的商品或服務而尚未成為無條件的代價的權利。其乃根據香港財務報告準則第9號進行減值評估。相對而言，應收款項指本集團對代價的無條件權利，即代價付款到期前僅須時間推移。

合約負債指本集團因已自客戶收取代價(或已可自客戶收取代價)，而須轉移商品或服務予客戶之義務。

與合約有關的合約資產及合約負債以淨額列賬。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策（續）

收入確認（於二零一八年一月一日前）

收入按已收或應收代價之公平值計量，並指於一般業務過程中應收銷售商品款項（扣除折扣及銷售相關稅項）。

當收入金額能夠可靠計量；當未來經濟利益很有可能流入本集團；及當本集團各項活動均符合具體條件時，本集團將確認收入，如以下所述。

商品銷售收入於商品交收及所有權轉移時確認。

當經濟利益大有可能流入本集團，且收入金額能可靠計算時，則確認金融資產之利息收入。利息收入乃參照未償還本金額及適用之實際利率，按時間基準累計。適用實際利率指可透過金融資產之預計可使用年期，將估計未來現金收入折現至有關資產於初始確認時賬面淨值之利率。

本集團確認來自經營租賃的收入之會計政策於下文租賃之會計政策中說明。

投資物業

投資物業乃持有作出租用途及／或待其資本增值之物業。投資物業包括持作未釐定日後用途之土地，乃視為持作資本增值用途。

投資物業初步以成本（包括任何直接應佔開支）計量。於初始確認後，投資物業以成本減其後累計折舊及任何累計減值虧損列賬。折舊撇銷投資物業之成本，以直線法按投資物業估計可使用年期並經考慮其估計剩餘價值後確認。

投資物業於出售時，或當投資物業永久放棄使用且預期不再可藉出售獲得未來經濟利益時不再確認。於不再確認該物業時產生之任何收益或虧損（以出售所得款項淨額與該資產賬面值之差額計算）乃計入該物業不再確認期間之損益。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備包括用於生產或供應商品或服務或行政用途之租賃土地及樓宇，於綜合財務狀況報表按成本減其後之累計折舊以及後續累計減值虧損（如有）列賬。

折舊乃於估計可使用年內以直線法確認，以撇銷資產成本。估計可使用年期及折舊法於各報告期終進行檢討，任何估計變動之影響按未來適用法入賬。

物業、廠房及設備項目乃於出售時或當預期持續使用該資產將不會產生未來經濟利益時不再確認。於出售或報廢物業、廠房及設備項目時產生之任何收益或虧損（以出售所得款項與該資產之賬面值之差額計算）乃計入損益。

存貨

存貨以成本與可變現淨值兩者中之較低者列賬。存貨成本乃以加權平均成本法釐定。可變現淨值指存貨估計銷售價減所有完成的估計成本及進行銷售所需的成本。

有形資產減值虧損

於報告期終，本集團均會審閱其有形資產之賬面值，以確認該等資產是否已出現減值虧損。倘有任何該等跡象存在，本集團會估計該等資產之可收回金額，以確認減值虧損程度（如有）。

倘無法個別估計資產之可收回金額，則有形資產之可收回金額將獨立估計，且本集團會估計該資產所屬現金產生單位之可收回金額。倘可確定合理及一致之分配基礎，則企業資產亦會分配至個別現金產生單位，又或分配至可確定合理及一致之分配基礎之最小組別之現金產生單位。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策（續）

有形資產減值虧損（續）

可收回金額為公平值減出售成本與使用價值兩者之較高者。評估使用價值時，估計未來現金流量以除稅前貼現率貼現至其現值，該除稅前貼現率反映現行市場評估之貨幣時間價值，而估計未來現金流量之該資產（或現金產生單位）特定風險不作調整。

倘估計資產（或現金產生單位）的可收回金額低於其賬面值，資產（或現金產生單位）的賬面值降至其可收回金額。減值虧損即時於損益確認。

倘減值虧損其後撥回，則將調高資產（或現金產生單位）賬面值至其經修訂估計可收回金額，惟經調高之賬面值不得超逾假設於過往年度並無就資產（或現金產生單位）確認減值虧損而釐定之賬面值。減值虧損撥回即時於損益確認。

金融工具

集團實體一旦成為工具合約條文之訂約方，則金融資產及金融負債須在綜合財務狀況報表中確認。所有以常規方式購入或出售之金融資產均按交易日基準確認及不再確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。

金融資產及金融負債初始乃按公平值計量，惟自二零一八年一月一日起根據香港財務報告準則第15號初始計量的自客戶合約所產生之應收貿易賬款除外。可直接歸於購入或發行金融資產及金融負債之交易成本將於初始確認有關金融資產或金融負債時加入或扣減自（視情況而定）其公平值。

實際利息法為計算金融資產或金融負債的攤銷成本，以及將利息收入及利息開支分配於有關期間之方法。實際利率為折算於金融資產或金融負債之預計年期或初始確認賬面淨值較短期間（如適用）之估計未來現金收支（包括構成實際利率不可或缺部分之一切已付或已收費用及利率差價、交易成本及其他溢價或折讓）之利率。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策 (續)

金融工具 (續)

金融資產

金融資產的分類及其後計量 (根據附註2的過渡條文應用香港財務報告準則第9號後)

滿足以下條件的金融資產其後按攤銷成本計量：

- 以收取合約現金流量為目標之商業模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

其後按攤銷成本計量的金融資產乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外 (見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期初起利息收入乃對金融資產賬面總值應用實際利率予以確認。

金融資產減值 (根據附註2的過渡條文應用香港財務報告準則第9號後)

本集團就根據香港財務報告準則第9號面臨減值之金融資產 (包括應收貿易賬款、應收一間關連公司款項及銀行結餘) 確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各報告日期更新，以反映自初始確認後信貸風險的變化。

全期預期信貸虧損指相關工具的預期年期內所有可能的違約事件將產生之預期信貸虧損。相反，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件將導致之全期預期信貸虧損部分。評估乃根據本集團的過往信貸虧損經驗進行，並根據債務人的特定因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策（續）

金融工具（續）

金融資產（續）

金融資產減值（根據附註2的過渡條文應用香港財務報告準則第9號後）（續）

本集團始終就應收貿易賬款確認全期預期信貸虧損。該等資產的預期信貸虧損將根據逾期狀況使用適宜組別的撥備矩陣進行集體評估。

對於所有其他工具（包括應收一間關連公司款項及銀行結餘），本集團計量的虧損撥備等於12個月預期信貸虧損，惟自初始確認後信貸風險顯著增加除外，本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃基於自初始確認以來發生違約之可能性或風險的顯著上升。

(i) 信貸風險顯著上升

評估其他工具（包括應收一間關連公司款項及銀行結餘）的信貸風險是否自初始以來確認顯著上升時，本集團比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團會考慮合理及可靠的定量及定性資料，包括過往經驗及無需付出過多成本或努力即可得的前瞻性資料。

具體而言，評估信貸風險是否顯著上升時會考慮以下資料：

- 金融工具外部（如有）或內部信貸測評的實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信用違約交換價格顯著上升；
- 商業、金融或經濟情況目前或預期將有不利變動，預計將導致債務人償還債項的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境有實際或預期的顯著不利變動，導致債務人償還債項的能力顯著下降。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註2的過渡條文應用香港財務報告準則第9號後) (續)

(i) 信貸風險顯著上升 (續)

無論上述評估的結果如何，本集團假設倘合約付款逾期超過30天，則信貸風險自初始確認以來顯著增加，除非本集團有能說明信貸風險並無顯著增加的合理可靠資料，則作別論。

本集團定期監控用以識別信貸風險有否顯著上升的標準之效益，並修訂標準(如適用)，以確保標準能在金額逾期前識別信貸風險顯著上升。

(ii) 違約定義

無論上文所述，本集團認為，倘金融資產逾期超過90天，則發生違約事件，除非本集團有能說明更寬鬆的違約標準更為合適的合理可靠資料，則作別論。

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時已屬信貸減值。金融資產已信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人的重大財政困難；
- (b) 違反合約(如違約或逾期事件)；
- (c) 借款人的貸款人因有關借款人財政困難，以經濟或合約理由而向借款人批出在其他情況下不會考慮之寬免；
- (d) 借款人將可能陷入破產或其他財務重組；或
- (e) 金融資產的活躍市場因財政困難而消失。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策（續）

金融工具（續）

金融資產（續）

金融資產減值（根據附註2的過渡條文應用香港財務報告準則第9號後）（續）

(iv) 撤銷政策

資料顯示對手方陷入嚴重財政困難及無實際收回可能時（例如對手方被清盤或已進入破產程序時），本集團則撤銷金融資產。經考慮法律意見後（如適用），遭撤銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撤銷構成不再確認事項。任何後續收回於損益確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量依據乃為違約概率、違約損失率（即違約時的損失程度）及違約風險的函數。評估違約概率及違約損失率的依據乃基於過往數據，並按前瞻性資料調整。預期信貸虧損的估算乃反映無偏概率加權金額，以各自發生違約的風險為權重確定。

一般而言，預期信貸虧損為本集團根據合約應收的所有合約現金流量與本集團預期收取的現金流量之間的差額，並經於初始確認時釐定的實際利率進行折現。

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質（即本集團應收貿易賬款評為一個組別。銀行結餘就預期信貸虧損個別評估）；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級（如有）。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註2的過渡條文應用香港財務報告準則第9號後) (續)

(v) 預期信貸虧損的計量及確認 (續)

經管理層定期檢討群組，以確保各組別成份持續承擔類似信貸風險特性。

利息收入根據金融資產的賬面總額計算，惟金融資產為信貸減值的情況除外，於此情況下，利息收入根據金融資產的攤銷成本計算。

本集團藉由調整所有金融工具的賬面值於損益中確認其減值收益或虧損，惟相應調整於虧損撥備賬中確認的應收貿易賬款除外。

金融資產之分類及後續計量 (於二零一八年一月一日應用香港財務報告準則第9號前)

本集團之金融資產分類為貸款及應收款項。分類的方法視乎金融資產之性質及用途，並於初始確認時釐定。所有以常規方式購入或出售之金融資產均按交易日基準確認及不再確認。以常規方式購入或出售指於市場規定或慣例所訂期限內交付資產之金融資產購入或出售。

貸款及應收款項

貸款及應收款項為並非於活躍市場上報價之非衍生金融資產，為固定或可確定之款項。於初始確認後，貸款及應收款項(包括應收貿易賬款、應收關連公司款項及銀行結餘及現金)採用實際利息法按攤銷成本減任何減值(見下文有關金融資產減值之會計政策)計量。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策（續）

金融工具（續）

金融資產（續）

金融資產減值（於二零一八年一月一日應用香港財務報告準則第9號前）

各報告期終均會評估貸款及應收款項有否出現減值跡象。當有客觀證據顯示貸款及應收款項於金融資產獲初始確認後發生之一項或多項事件影響金融資產之估計未來現金流量，則該貸款及應收款項便出現減值。

對於按攤銷成本列賬之金融資產，減值虧損金額根據資產賬面值與其估計未來現金流量按金融資產原來實際利率折算之現值兩者之差額確認。

對於貸款及應收款項（如應收貿易賬款），即使未被評定為個別減值，個別經評估為並無減值之資產可於其後按集體基準進行減值評估。顯示一組應收款項存在減值之客觀證據可基於本集團於收回款項方面之過往經驗、該組合內超逾60至120天平均賒賬期之延期付款宗數、國家或地方經濟環境出現將使應收款項違約行為增加之明顯轉變。

貸款及應收款項均就減值虧損直接調低賬面值，惟應收貿易賬款則會透過一個撥備賬調減賬面值。該撥備賬之賬面值變化會於損益確認。當一項應收貿易賬款被視為不可收回時，即會於該撥備賬進行撇賬。撇賬後再撥回之金額將計入損益。

對於按攤銷成本計量之金融資產，倘減值虧損於其後期間減少，而該減幅可在客觀情況下與確認減值虧損後發生之事件有關，則之前已確認之減值虧損可透過損益撥回，惟該資產於減值撥回當日之賬面值不得超過其於無確認減值之情況下應有之攤銷成本。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具

由集團實體發行之債務及股本工具按照所訂立之實際合約安排與金融負債及股本工具之定義而分類為金融負債或股本。

股本工具

股本工具為帶有本集團資產剩餘權益(經扣除其所有負債)之任何合約。本集團發行之股本工具按已收所得款項扣除直接發行成本後入賬。

購回本公司自有股本工具於股本內直接確認及扣除。購買、出售、發行或註銷本公司自有股本工具之損益並無於損益內確認。

金融負債

金融負債(包括應付貿易賬款)於其後採用實際利息法按攤銷成本計量。

不再確認

當資產之現金流量之合約權利已到期,或本集團將金融資產經轉讓且已轉移當中絕大部分擁有權風險及回報時,本集團不再確認該金融資產。倘本集團並無轉移亦無保留擁有權之絕大部分風險及回報並繼續控制已轉讓資產,本集團繼續按持續參與之程度將資產確認入賬並確認相關負債。倘本集團保留已轉讓金融資產擁有權之絕大部分風險及回報,本集團繼續確認金融資產,亦就已收取之所得款項確認有抵押借貸。

於不再確認按攤銷成本計量之金融資產時,該資產之賬面值與已收取及應收取之代價總和之差額,將於損益確認。

當及只有當本集團之責任已獲解除、取消或到期時,本集團不再確認該金融負債。不再確認金融負債之賬面值與已支付及應支付之代價兩者之差額,將於損益確認。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策（續）

稅項

所得稅開支是目前應付稅項與遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收入報表呈列之「除稅前溢利」不同，乃由於在其他年度應課稅或可減免之收入或開支，以及不應課稅或減免之項目所致。本集團之本期稅項乃按報告期終已頒佈或已動議頒佈之稅率計算。

遞延稅項乃就綜合財務報表資產及負債賬面值及計算應課稅溢利相應稅基之暫時差額確認。遞延稅項負債通常會就全部應課稅之暫時差額確認。遞延稅項資產通常會就全部在應課稅溢利可能出現以致可扣減之暫時差額可被利用時確認。若於一項交易中，因業務合併以外原因初始確認其他資產及負債而引致不影響應課稅溢利及會計溢利之暫時差額，則不會確認該等資產及負債。

遞延稅項負債會就因於有關於附屬公司及聯營公司之投資之應課稅之暫時差額確認，若本集團能夠控制暫時差額之撥回及暫時差額可能在可見未來將不會被撥回則除外。因與投資相關之可扣減暫時差額而產生之遞延稅項資產，僅在可能產生足夠應課稅溢利以動用暫時差額利益並預期可見將來會被撤回時確認。

於報告期終均審閱遞延稅項資產之賬面值，並在沒可能有足夠應課稅溢利收回全部或部分資產時作調減。

遞延稅項資產及負債乃按預期於償還負債或變現資產期間適用之稅率計算。所根據之稅率（及稅法）乃於報告期終已頒佈或已動議頒佈。

遞延稅項負債及資產之計量反映本集團於報告期終，預期將要收回或償還其資產及負債之賬面值之稅務後果。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策 (續)

稅項 (續)

倘有法定可行使權利將即期稅項資產及即期稅項負債抵銷，且兩者與同一稅務機構徵收之所得稅有關，而本集團擬按淨額基準結算即期稅項資產及負債，則可抵銷遞延稅項資產及負債。

即期及遞延稅項於損益中確認，惟當與於其他綜合收入或直接於權益中確認之項目有關除外，在該情況下，即期及遞延稅項亦分別於其他綜合收入或直接於權益中確認。

外幣

編製個別集團實體之財務報表時，並非以該實體之功能貨幣(即外幣)進行之交易按交易當日適用之匯率確認。於報告期終，以外幣計值之貨幣項目按有關該完結日適用之匯率重新換算。歷史成本以外幣計量之非貨幣項目概不會重新換算。

於結算貨幣項目及重新換算貨幣項目所產生之匯兌差額，於其產生期間在損益確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於報告期終之適用匯率換算為本集團之列賬貨幣(即美元)，而其收入及支出項目乃按該期內之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日通行之匯率換算。匯兌差額(如有)之產生乃於其他綜合收入並於換算儲備中累計至權益。

退休福利成本

定額供款退休福利計劃或國家管理退休福利計劃之供款於僱員因提供服務而符合資格享有供款時確認為開支。

短期及其他長期僱員福利

短期僱員福利於僱員提供服務時以預計須支付的未折現福利金額確認。所有短期僱員福利均確認為開支，除非另一項香港財務報告準則要求或允許將該福利納入資產成本。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策（續）

短期及其他長期僱員福利（續）

在扣除已付的任何金額後，就僱員應得的福利（如工資、薪金、年假及病假）確認負債。

就其他長期僱員福利確認之負債乃按本集團就僱員截至報告日期所提供之服務預期作出之估計未來現金流出之現值計量。因服務成本、利息及重新計量而導致的任何負債賬面值變動乃於損益中確認，除非另一項香港財務報告準則要求或允許將該福利納入資產成本。

研發開支

研究活動開支在產生之期間確認為開支。

租賃

倘租賃之條款實質上將有關擁有權之全部風險及回報賦予承租人，則該等租賃列為融資租賃。所有其他租賃則列為經營租賃。

本集團作為出租人

來自經營租賃之租金收入按有關租賃期以直線法於損益中確認。

本集團作為承租人

經營租賃付款按有關租賃期以直線法確認為開支，惟有另一有系統基準更能代表租賃資產使用經濟利益之時間模式則除外。

租賃土地及樓宇

當本集團就包括租賃土地及樓宇部分之物業權益付款時，本集團以評估與各部分擁有權有關之絕大部分風險及回報是否已轉移至本集團為基礎，評估如何將各部分單獨分類，惟倘該兩部分均為經營租賃時，則整項物業會入賬為經營租賃。尤其是，全部代價（包括任何一次性預付款項）乃以初始確認時，於租賃土地及樓宇部分之間進行分配，比例為以租賃權益於土地部分及樓宇部分之相對公平值而定。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計政策 (續)

租賃 (續)

租賃土地及樓宇 (續)

倘相關付款能夠可靠分配時，則入賬列作經營租約之租賃土地權益乃於綜合財務狀況報表列作「預付租賃付款」，並以直線法於租賃期內攤銷。當租賃款項無法於租賃土地及樓宇部分之間可靠分配時，則整項物業一般則分類為融資租賃下的租賃土地。

4. 估計不確定因素之主要來源

以下為於報告期終估計不確定因素之主要來源，乃對下個財政年度之資產之賬面值造成重大調整有重大風險。

應收貿易賬款預期信貸虧損之撥備

本集團使用撥備矩陣計算應收貿易賬款之預期信貸虧損。撥備率以逾期狀況為基準，將擁有類似虧損模式的不同債務人進行分組。撥備矩陣基於本集團歷史違約率，並考慮在無須付出過多的成本或努力即可得的合理可靠之前瞻性資料。於各報告日期，歷史觀察違約率會重新評估，前瞻性資料之變動亦會予以考慮。

預期信貸虧損之撥備對估計變動具有敏感性。有關本集團應收貿易賬款及預期信貸虧損之資料分別於附註15及24中披露。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

5. 收入及營業分部

收入

收入指本集團於年內向對外客戶銷售商品已收或應收代價之公平值。收入乃於商品之控制權轉讓時確認，即商品交付予客戶之時。

由於合約的原始預期存續期間少於一年，故本集團就有關分配至與客戶合約的剩餘履約責任之交易價格的資訊應用實務之權宜方法並未披露。

營業分部

行政總裁（「行政總裁」）（即本集團首席營運決策者）定期檢討按光學及光電產品零部件劃分之收入分析，並視之為整體單一營業分部。除收入分析外，並無營運業績或其他獨立財務資料可供用作評核各業務部門之表現。基於以上原因，並無單獨呈列分部資料。

行政總裁審閱本集團之整體年度溢利以就表現評估及資源分配作出決策。本集團之業務構成根據香港財務報告準則第8號「營業分部」項下之單一營業分部，故並無單獨編製分部資料。

其他分部資料

地區資料

本集團之營運位於中華人民共和國（「中國」）（註冊成立國家）。

本集團來自外界客戶之收入及其非流動資產分別按客戶及資產分別所在地區劃分之資料詳情如下：

	來自外界客戶之收入		非流動資產	
	二零一八年 千美元	二零一七年 千美元	二零一八年 千美元	二零一七年 千美元
日本	37,192	49,191	—	—
中國	26,046	27,780	13,603	15,353
其他	6,465	10,358	—	—
	69,703	87,329	13,603	15,353

綜合財務報表附註

截至二零一八年十二月三十一日止年度

5. 收入及營業分部 (續)

其他分部資料 (續)

有關主要客戶之資料

於有關年度佔本集團總銷售10%以上之來自客戶收入如下：

	二零一八年 千美元	二零一七年 千美元
客戶A	10,512	12,068
客戶B	9,359	11,899
客戶C	7,369	8,920

按產品類別之與客戶合約收入之分拆

	二零一八年 千美元	二零一七年 千美元
光學及光電產品零部件		
— 相機、運動型攝影機及複印機	48,553	61,740
— 監視器及投影機	10,561	11,387
— 其他	10,589	14,202
	69,703	87,329

綜合財務報表附註

截至二零一八年十二月三十一日止年度

6. 除稅前溢利

	二零一八年 千美元	二零一七年 千美元
除稅前溢利經扣除（計入）以下項目後得出：		
董事酬金（附註7）	230	439
員工之退休福利計劃供款	1,781	1,807
其他員工成本	20,535	24,128
	22,546	26,374
減：計入存貨成本之員工成本	(16,196)	(20,005)
減：計入研發開支之員工成本	(608)	(479)
	5,742	5,890
物業、廠房及設備折舊	2,659	2,675
減：計入存貨成本之折舊	(2,106)	(2,127)
減：包括在研發開支內之折舊	(30)	(38)
	523	510
包括在銷售成本內之陳舊存貨之撥備（撥備撥回）	117	(209)
土地使用權攤銷	6	6
核數師酬金	295	295
確認為開支之存貨成本	51,643	62,285
投資物業折舊	234	234
出售聯營公司之虧損（包括在其他收入、其他 收益及虧損內）	–	4,209
出售物業、廠房及設備之虧損	16	355
經營租賃租金		
– 汽車	283	180
– 租賃物業	1,321	1,317
並已計入（扣除）：		
匯兌收益（虧損）淨值	1,586	(2,415)
銀行存款之利息收入（包括在其他收入、其他 收益及虧損內）	1,879	1,381
扣減非重大支銷前之物業租金收入	504	500
應收貿易賬款減值虧損撥回淨值	39	114

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7. 董事、行政總裁及僱員薪酬

本集團向董事及行政總裁支付之酬金詳情如下：

	二零一八年			二零一七年		
	袍金 千美元	薪金及 其他福利 千美元	合計 千美元	袍金 千美元	薪金及 其他福利 千美元	合計 千美元
執行董事						
賴以仁先生	15	–	15	15	–	15
永井三知夫先生(附註(a))	–	–	–	3	206	209
栗原俊彥先生(附註(b))	15	135	150	12	133	145
非執行董事						
廖國銘先生(附註(c))	–	–	–	7	–	7
吳淑品女士	15	–	15	15	–	15
獨立非執行董事						
江向才先生(附註(c))	–	–	–	7	–	7
周智明先生(附註(c))	–	–	–	7	–	7
林孟宗先生(附註(d))	15	–	15	8	–	8
劉偉立先生(附註(d))	20	–	20	11	–	11
王逸琦先生	15	–	15	15	–	15
	95	135	230	100	339	439

綜合財務報表附註

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7. 董事、行政總裁及僱員薪酬（續）

附註：

- (a) 永井三知夫先生自二零一七年二月二十八日起不再擔任本公司執行董事及行政總裁。截至二零一七年十二月三十一日止年度，永井三知夫先生作為本公司行政總裁之薪酬為2,000,000日幣（「日幣」）及54,302港元（「港元」）（合共相當於約24,000美元）。終止董事服務合約提供之福利為1,421,550港元（合共相當於約182,000美元）。
- (b) 繼永井三知夫先生後，自二零一七年三月十日起，栗原俊彥先生出任本公司行政總裁。截至二零一八年十二月三十一日止年度，栗原俊彥先生作為本公司行政總裁之薪酬為15,000,000日幣（合共相當於約135,000美元）（二零一七年：15,000,000日幣（合共相當於約133,000美元））。
- (c) 於二零一七年六月十五日舉行之本公司股東週年大會上退任，且不願意重選。
- (d) 於二零一七年六月十五日獲委任。

上文所列的執行董事酬金乃就彼等提供有關管理本公司及本集團事務的服務而支付。

上文所列的非執行董事酬金乃就彼等擔任本公司或其附屬公司董事提供的服務而支付。

上文所列的獨立非執行董事酬金乃就彼等擔任本公司董事提供的服務而支付。

年內並無董事或行政總裁放棄或同意放棄任何薪酬的安排。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

7. 董事、行政總裁及僱員薪酬(續)

本集團五名最高薪人士包括一名(二零一七年:兩名)董事,其酬金於上文披露。本集團其餘四名(二零一七年:三名)個人之酬金如下:

	二零一八年 千美元	二零一七年 千美元
僱員		
— 基本薪金及津貼	139	172
— 表現掛鈎花紅	67	75
— 退休福利計劃供款	3	1
	209	248

該等最高薪人士各自之酬金均低於1,000,000港元(相等於128,000美元)。

截至二零一七年十二月三十一日止年度,本集團向董事或五位最高薪人士支付酬金240,000美元(二零一八年:無),作為加盟本集團或於加盟時之獎勵或失去職位之賠償。

8. 稅項

	二零一八年 千美元	二零一七年 千美元
稅項支出包括:		
按適用所得稅率就本年度之估計 應評稅溢利計算之中國所得稅	(1,547)	(1,805)
過往年度之超額撥備(撥備不足)	42	(39)
	(1,505)	(1,844)

綜合財務報表附註

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8. 稅項 (續)

根據中國有關企業所得稅之法例(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率為25%。

由於本集團於兩個年度內之溢利並非在香港產生或源自香港，故並無在綜合財務報表內就香港利得稅計提撥備。

根據企業所得稅法，中國附屬公司於二零零八年一月一日起獲利所宣派的股息須繳納預扣稅。於報告期終，本集團並無就附屬公司於二零零八年一月一日起未分派盈利約6,282,000美元所附帶暫時差額確認遞延稅項負債，原因是本集團現時能控制暫時差額的撥回時間，且有關差額可能不會於可見將來撥回。

稅項支出與除稅前溢利之對賬如下：

	二零一八年 千美元	二零一七年 千美元
除稅前溢利	9,213	7,624
按適用所得稅率25% (二零一七年：25%)		
計算之稅項	(2,303)	(1,906)
應佔一間聯營公司業績之稅務影響	—	217
不可扣稅開支之稅務影響	(328)	(1,457)
毋須課稅收入之稅務影響	515	446
若干視為中國外資企業之附屬公司		
採用不同稅率之稅務影響	569	895
過往年度之超額撥備(撥備不足)	42	(39)
本年度之稅項支出	(1,505)	(1,844)

綜合財務報表附註

截至二零一八年十二月三十一日止年度

9. 股息

	二零一八年 千美元	二零一七年 千美元
年內確認為分派之股息		
— 二零一八年中中期股息每股3.5港仙 (相等於0.446美仙)(二零一七年： 每股3.5港仙；相等於0.45美仙)	3,662	3,697
— 二零一七年末期股息每股3.5港仙 (相等於0.448美仙)(二零一七年： 二零一六年末期股息每股3.5港仙； 相等於0.451美仙)	3,676	3,708
— 二零一七年特別股息每股10港仙 (相等於1.28美仙)(二零一七年： 二零一六年特別股息每股10港仙； 相等於1.29美仙)	10,504	10,594
	17,842	17,999

年內，董事會建議派發末期股息每股3.5港仙(二零一七年：每股3.5港仙)(合計約為3,666,000美元(二零一七年：3,676,000美元))及特別股息每股10港仙(二零一七年：每股10港仙)(合計約為10,476,000美元(二零一七年：10,504,000美元))，有待股東於應屆股東週年大會上批准。該等股息乃按於該等綜合財務報表發出日期之已發行股份820,540,000股(二零一七年：821,102,000股)為基準計算。

10. 每股盈利

本年度之每股基本盈利乃按本年度本公司擁有人應佔綜合溢利7,708,000美元(二零一七年：5,780,000美元)及加權平均股數820,964,899股(二零一七年：821,102,000股)為基準計算。

由於兩個年度內並無潛在攤薄普通股，故並無呈列每股攤薄盈利。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

11. 投資物業

	二零一八年 千美元	二零一七年 千美元
成本		
於一月一日	7,860	7,769
貨幣調整	(74)	91
於十二月三十一日	7,786	7,860
折舊		
於一月一日	1,858	1,533
貨幣調整	(74)	91
年內撥備	234	234
於十二月三十一日	2,018	1,858
賬面值		
於十二月三十一日	5,768	6,002

本集團之投資物業賬面值包括：

	二零一八年 千美元	二零一七年 千美元
香港之租賃土地及樓宇	5,767	5,993
中國樓宇	1	9
	5,768	6,002

於報告期終，本集團投資物業（包括租賃土地部分）之公平值為8,560,000美元（二零一七年：8,558,000美元）。公平值乃根據本公司董事於報告期終所釐定之估值計算。該等物業並無經獨立合資格專業估值師進行估值。本公司董事乃參照在相若地點及情況下相若物業的現行市值而釐定該等物業之估值，其根據香港財務報告準則第13號「公平值計量」分類為第三級。所用之估值技巧與上年度沒有變化。

於估計物業之公平值時，物業之最大及最佳用途乃其目前用途。

本集團所有投資物業均以經營租賃形式持有作出租及／或資本增值用途。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

12. 物業、廠房及設備

	租賃土地 及樓宇 千美元	傢具、 固定附著物 及設備 千美元	租賃物業 裝修 千美元	汽車 千美元	廠房及 機器 千美元	合計 千美元
於二零一七年一月一日	6,078	11,039	3,116	207	52,987	73,427
貨幣調整	369	676	207	11	3,171	4,434
添置	-	696	387	-	1,253	2,336
出售	-	(907)	(25)	(66)	(5,414)	(6,412)
於二零一七年十二月三十一日	6,447	11,504	3,685	152	51,997	73,785
貨幣調整	(300)	(566)	(176)	(6)	(2,487)	(3,535)
添置	-	801	25	-	674	1,500
出售	-	(173)	(20)	(32)	(495)	(720)
於二零一八年十二月三十一日	6,147	11,566	3,514	114	49,689	71,030
折舊						
於二零一七年一月一日	4,650	10,480	2,759	205	46,084	64,178
貨幣調整	290	628	182	11	2,774	3,885
年內撥備	149	264	337	1	1,924	2,675
出售時撇銷	-	(902)	(25)	(66)	(5,063)	(6,056)
於二零一七年十二月三十一日	5,089	10,470	3,253	151	45,719	64,682
貨幣調整	(243)	(501)	(166)	(6)	(2,228)	(3,144)
年內撥備	149	354	354	1	1,801	2,659
出售時撇銷	-	(172)	(19)	(32)	(481)	(704)
於二零一八年十二月三十一日	4,995	10,151	3,422	114	44,811	63,493
賬面值						
於二零一八年十二月三十一日	1,152	1,415	92	-	4,878	7,537
於二零一七年十二月三十一日	1,358	1,034	432	1	6,278	9,103

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12. 物業、廠房及設備（續）

	二零一八年 千美元	二零一七年 千美元
本集團物業權益之賬面值包括：		
香港之租賃土地及樓宇	86	91
中國樓宇	1,066	1,267
	1,152	1,358

香港租賃土地及樓宇之成本以直線法在租期內分五十年計提折舊。

中國樓宇之成本以直線法分二十年計提折舊。

租賃物業之裝修成本以直線法按有關租賃之租期或分五年（以較短者為準）計提折舊。

其他物業、廠房及設備項目按下列年率計算折舊，以直線法在估計可使用年期內撇銷其成本減去剩餘價值計算：

傢具、固定附著物及設備	20%
汽車	20%
廠房及機器	10%

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13. 預付租賃付款

	二零一八年 千美元	二零一七年 千美元
賬面值		
於一月一日	213	206
貨幣調整	(10)	13
自損益扣除	(6)	(6)
於十二月三十一日	197	213

預付租賃付款指就位於中國為期50年之土地使用權預付之租金。

14. 存貨

	二零一八年 千美元	二零一七年 千美元
原材料	1,126	1,297
在製品	421	651
製成品	1,003	1,126
	2,550	3,074

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截至二零一八年十二月三十一日止年度

15. 應收貿易賬款及其他應收款項

	二零一八年 千美元	二零一七年 千美元
應收貿易賬款		
— 本公司若干股東對其有重大影響力之公司	2	5
— 其他	11,503	12,691
	11,505	12,696
減：信貸虧損撥備	(1)	(16)
	11,504	12,680
其他應收款項	2,008	2,079
	13,512	14,759

客戶之付款條款以信貸為主。向對外客戶開出之發票一般須在開票後60天至120天內支付，而向長期客戶開出之發票則一般須在一年內支付。

以下為於報告期終根據發票日期（與相關收入確認日期相若）呈列已扣除信貸虧損撥備後之應收貿易賬款賬齡分析。

	二零一八年 千美元	二零一七年 千美元
賬齡		
0至60天	9,267	9,678
61至90天	1,879	1,962
91至120天	307	183
121至180天	44	596
181至365天	7	261
	11,504	12,680

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15. 應收貿易賬款及其他應收款項(續)

於接納任何新客戶前，本集團將評估潛在客戶之信用質素並設定客戶信貸限額。應收貿易賬款89% (二零一七年：93%) 以上為未逾期或無減值。

於二零一八年十二月三十一日，計入本集團應收貿易賬款結餘之賬面值總額為1,256,000美元之賬款於報告日期已逾期。本集團並無就該等結餘持有任何抵押品。

於二零一七年十二月三十一日，賬面值總額為857,000美元之賬款於報告日期已逾期，由於首次授出信貸日期起債務人的信貸評級概無逆轉，因此本集團並無就此作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。該等應收賬款之平均賬齡為188天。

以下為根據發票日期已逾期但無減值之應收貿易賬款之賬齡：

	二零一七年 千美元
逾期1至60天	596
逾期61至245天	<u>261</u>
	<u>857</u>

應收貿易賬款並無收取利息。基於過往經驗，逾期365天之應收賬款一般不能收回，故本集團對該等賬款作出全面備抵。至於121天至365天之應收貿易賬款撥備，則參考過往之拖欠經驗估計銷售商品之不可收回數額。

呆賬撥備之變動情況如下：

	二零一七年 千美元
於一月一日	244
減值虧損撥回	(114)
撇銷為不可收回款項	<u>(114)</u>
於十二月三十一日	<u>16</u>

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截至二零一八年十二月三十一日止年度

15. 應收貿易賬款及其他應收款項（續）

截至二零一八年十二月三十一日止年度的應收貿易賬款及其他應收款項之減值評估詳情載列於附註24。

應收貿易賬款及其他應收款項包括下列以有關集團實體之功能貨幣以外之貨幣計值之金額：

	二零一八年 千美元	二零一七年 千美元
日幣	164	87
港元	1,914	1,971

16. 應收一間關連公司款項

該款項為應收本公司若干股東對其有重大影響力之一間公司的款項。該款項為無抵押、免息且無逾期亦無減值。該等應收賬款之賬齡為60天內（二零一七年：60天內）。

17. 銀行結餘及現金以及現金及現金等價物分析

銀行存款按當時市場年利率最高3.64厘（二零一七年：介乎0.30厘至2.15厘）計息。銀行存款之原到期日不超過三個月。

銀行結餘及現金包括下列以有關集團實體功能貨幣以外之貨幣計值之金額：

	二零一八年 千美元	二零一七年 千美元
日幣	1,604	1,234
港元	8,698	3,229

綜合財務報表附註

截至二零一八年十二月三十一日止年度

18. 應付貿易賬款及其他應付款項

	二零一八年 千美元	二零一七年 千美元
應付貿易賬款		
— 本公司若干股東對其有重大影響力之公司	7	12
— 對本公司有重大影響力之本公司股東所控制之公司	1,156	230
— 其他	10,512	11,829
	11,675	12,071
應付工資及福利	3,227	4,332
其他應付款項及應計費用(附註)	4,254	4,236
	19,156	20,639

附註：結餘包括應付一間關連公司租金開支之應計費用98,000美元(二零一七年十二月三十一日：103,000美元)。

以下為於報告期終根據發票日期呈列之應付貿易賬款賬齡分析：

	二零一八年 千美元	二零一七年 千美元
賬齡		
0至60天	7,873	8,045
61至90天	2,036	2,164
91至180天	1,721	1,824
181至365天	45	38
	11,675	12,071

採購商品之除賬期平均為60天。

綜合財務報表附註

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18. 應付貿易賬款及其他應付款項（續）

應付貿易賬款及其他應付款項包括下列以有關集團實體功能貨幣以外之貨幣計值之金額：

	二零一八年 千美元	二零一七年 千美元
日幣	92	43
港元	26	29

19. 股本

	法定		已發行及繳足	
	股份數目 千股	金額 千港元	股份數目 千股	金額 千港元
每股面值0.01港元之普通股				
於二零一七年一月一日及 二零一七年十二月三十一日	1,000,000	10,000	821,102	8,211
股份購回及註銷	—	—	(562)	(6)
於二零一八年十二月三十一日	1,000,000	10,000	820,540	8,205

	千美元
綜合財務狀況報表所列示 於二零一八年十二月三十一日	1,057
於二零一七年十二月三十一日	1,058

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截至二零一八年十二月三十一日止年度

19. 股本(續)

於截至二零一八年十二月三十一日止年度，本公司透過聯交所購回其本身之普通股：

購回月份	普通股數目 千股	每股價格		已付總代價 千港元
		最高 港元	最低 港元	
九月	508	1.14	1.09	569
十一月	54	1.16	1.10	61
	562			630

千美元

相等於

80

上述普通股已於購回時註銷。

年內，本公司之附屬公司概無購買、出售或贖回本公司任何上市證券。

20. 經營租賃安排

本集團作為承租人

於報告期終，本集團根據不可註銷經營租約而承諾支付以下未來最低租金，該等租金之到期日如下：

	汽車		租賃物業	
	二零一八年 千美元	二零一七年 千美元	二零一八年 千美元	二零一七年 千美元
一年內	197	75	1,175	1,141
第二年至第五年(包括首尾兩年)	38	19	2,348	—
	235	94	3,523	1,141

租約按租賃期內固定租金協定，年期介乎一至三年(二零一七年：一至兩年)。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

20. 經營租賃安排（續）

本集團作為出租人

於報告期終，本集團就出租投資物業之未來最低租金與租戶訂約，該等租金之到期日如下：

	二零一八年 千美元	二零一七年 千美元
一年內	508	510
第二年至第五年（包括首尾兩年）	975	676
	1,483	1,186

持有之投資物業已承諾之平均租期為四年（二零一七年：四年）。

21. 資本承擔

	二零一八年 千美元	二零一七年 千美元
有關收購物業、廠房及設備之已訂約 但未於綜合財務報表撥備之資本開支	11	71

22. 退休福利計劃

本集團為香港所有合資格僱員設立強制性公積金計劃。計劃之資產與本集團資產分開，在受託人控制之基金內持有。本集團及每名僱員均每月對該計劃作出強制性供款。

中國附屬公司所僱用之僱員均為中國政府所營運之國家管理退休福利計劃之成員。中國附屬公司須按僱員工資之若干百分比向退休福利計劃供款，作為有關福利之資金。本集團就退休福利計劃所須承擔之唯一責任是按照計劃規定供款。

並無任何已沒收之供款可用作削減未來年度之應付供款。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

23. 資本風險管理

本集團管理其資本之目標為確保本集團之實體可按持續經營之方式持續運作，務求為擁有人爭取最大回報。

本集團之資本結構主要包括本公司擁有人應佔權益，包括股本及儲備（包括保留溢利）。

於報告期終，本集團並無對外借入任何債務。

本集團之管理層定期檢討資本結構。本集團會考慮資金成本及各類資本附帶之風險，並透過支付股息、發行新股及購回本公司股份之形式調整其整體資本結構。本集團之整體策略與上年度保持不變。

24. 金融工具

本集團之主要金融工具包括應收貿易賬款、應收關連公司款項、銀行結餘及現金以及應付貿易賬款。該等金融工具之詳情已於各附註中披露。與該等金融工具有關之風險，以及減低該等風險之政策載於下文。管理層管理及監察該等風險，以確保能及時及有效地採取適當措施。

就各類別之金融資產及金融負債所採納之主要會計政策及方法詳情，包括確認條件及計量基準，已於附註3披露。

金融工具類別

	二零一八年 千美元	二零一七年 千美元
金融資產		
按攤銷成本列賬的金融資產	105,472	—
貸款及應收款項（包括現金及現金等價物）	—	117,531
金融負債		
攤銷成本	11,675	12,071

綜合財務報表附註

截至二零一八年十二月三十一日止年度

24. 金融工具（續）

信貸風險及減值評估

本集團就交易對手未能履行責任而蒙受財務損失所面對之最大信貸風險，為綜合財務狀況報表所示各項已確認金融資產之賬面值。

本集團之信貸風險主要來自其應收貿易賬款。為將信貸風險減至最低，本集團管理層持續監控，以確保可採取跟進行動收回過期債項。此外，於應用香港財務報告準則第9號後，本集團根據撥備矩陣就應收貿易賬款以預期信貸虧損模式（二零一七年：已產生虧損模式）進行減值評估。在此方面，本公司董事認為本集團之信貸風險大大減低。

本集團之信貸風險集中，原因是應收貿易賬款總額之中分別有14%（二零一七年：16%）及57%（二零一七年：53%）來自本集團之最大客戶及五大客戶。此外，本集團之信貸風險集中，按地域計應收貿易賬款總額之39%（二零一七年：42%）及52%（二零一七年：43%）分別來自位於日本及中國之客戶。

銀行結餘之信貸風險有限，因為大部分交易對手是獲國際信貸評級機構評為高信貸評級之銀行及具良好信譽之國有銀行。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

24. 金融工具 (續)

信貸風險及減值評估 (續)

二零一八年	附註	外部信貸評級	內部信貸評級	12個月或全期 預期信貸虧損	賬面值總額 千美元
按攤銷成本列賬的 金融資產					
應收一間關連 公司款項	16	不適用	(附註a)	12個月預期 信貸虧損	23
銀行結餘	17	BBB – AAA	不適用	12個月預期 信貸虧損	93,945
應收貿易賬款	15	不適用	(附註b)	全期預期信貸 虧損(並無 信貸減值)	11,505

附註：

- (a) 就內部信貸風險管理之目的，本集團使用逾期資料評估自初始確認以來信貸風險是否大幅增加。
- (b) 就應收貿易賬款而言，本集團已應用香港財務報告準則第9號的簡化方法以按全期預期信貸虧損計量虧損撥備。本集團通過使用撥備矩陣釐定該等項目的預期信貸虧損，並按逾期狀態分組。

作為本集團信貸風險管理的一環，本集團利用賬款之逾期狀況為其客戶進行減值評估，原因為該等客戶乃由數量眾多的客戶所組成，而彼等擁有可代表彼等根據合約條款償還所有應付金額能力的共同風險特性。下表提供有關於全期預期信貸虧損(並無信貸減值)內蒙受應收貿易賬款(於二零一八年十二月三十一日根據撥備矩陣評估)之信貸風險之資料。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

24. 金融工具 (續)

信貸風險及減值評估 (續)

(b) (續)

	平均虧損率 %	賬面值總額 千美元	減值虧損撥備 千美元
即期 (未逾期)	0.00	10,249	—
逾期1至30天	0.00	1,093	—
逾期31至60天	0.22	163	1
		<u>11,505</u>	<u>1</u>

估計虧損率乃按賬款預期年期的歷史觀察違約率，並就無需付出過多成本或努力即可得的前瞻性資料作出調整後估計所得。

於截至二零一八年十二月三十一日止年度，本集團根據撥備矩陣作出約1,000美元的應收貿易賬款減值撥備。

下表載列按簡化方法就應收貿易賬款所確認的全期預期信貸虧損之變動情況。

	全期預期信貸虧損 千美元
於二零一七年十二月三十一日按國際會計準則第39號 應用香港財務報告準則第9號後的調整	16 24
於二零一八年一月一日 (重列)	40
確認減值虧損	1
減值虧損撥回	(40)
於二零一八年十二月三十一日	<u>1</u>

綜合財務報表附註

截至二零一八年十二月三十一日止年度

24. 金融工具 (續)

信貸風險及減值評估 (續)

(b) (續)

應收貿易賬款虧損撥備之變動乃主要由於：

	二零一八年 全期預期 信貸虧損減少 千美元
以賬面值總額10,532,000美元悉數清償貿易賬款	40

市場風險

外匯風險

外匯風險指外幣匯率變動對本集團之財務業績及現金流量造成影響之風險。本集團有若干交易以外幣計值，使本集團面對外匯風險。本集團約有12% (二零一七年：12%) 銷售以集團實體進行銷售之功能貨幣以外之貨幣計值，而所有成本均以集團實體之功能貨幣計值。此外，若干功能貨幣為人民幣的集團實體會與其控股公司進行以美元計值的集團內交易。本集團於報告期終以外幣計值之貨幣資產及貨幣負債之賬面值於各附註中披露。目前，雖然本集團並無使用任何衍生合約對沖其貨幣風險，本集團積極利用自然對沖法，如管理交易使用貨幣，以管理其外匯風險。然而，管理層經常監察外匯風險，並會於出現重大外匯風險時考慮進行對沖。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

24. 金融工具 (續)

市場風險 (續)

外匯風險 (續)

本集團主要面對港元、日幣及人民幣之貨幣風險。下表顯示本集團對美元兌日幣及人民幣升值及貶值10%之敏感度分析詳情。由於港元與美元掛鈎，管理層認為，由於港元兌美元之匯率波動不大，因此並無將之納入敏感度分析內。敏感度分析僅包括現有以外幣計值之貨幣項目，並按外幣匯率出現10%變化調整其於年結日之換算數額。所採用敏感度比率乃向主要管理人員內部呈報外幣風險時採用之比率，並代表管理層就外幣匯率可能合理變動之評估。敏感度分析包括應收貿易賬款、應付貿易賬款以及銀行結餘。以下數字表示如美元兌日幣及人民幣升值會使除稅後年度溢利及其他權益增加。如美元兌日幣及人民幣貶值，除稅後溢利及其他權益將會面對相同幅度之相反影響。

	二零一八年		二零一七年	
	除稅後溢利 千美元	其他權益 千美元	除稅後溢利 千美元	其他權益 千美元
日幣	126	-	128	-
人民幣	2,864	4,372	3,249	4,207

管理層認為，敏感度分析不能代表固有外幣風險，因為年終風險無法反映年內風險。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

24. 金融工具 (續)

市場風險 (續)

利率風險

本集團面對之現金流量利率風險為浮息金融資產(主要為按適用市場利率計息之銀行結餘)之利率變化帶來之影響。目前,本集團並無使用任何衍生合約對沖利率風險。然而,管理層會於出現重大利率風險時考慮進行對沖。

以下之敏感度分析乃根據於報告期終之銀行結餘之利率風險而作出。編製分析時假設於報告期終之未償還銀行結欠乃於整個年度未償還。於向主要管理人員提交之內部利率風險報告採用50個基點之上落幅度,乃管理層就利率可能合理變動之評估。

如利率上升/下降50個基點(二零一七年:50個基點),在一切其他可變因素不變之假設下,本集團截至二零一八年十二月三十一日止年度之溢利將會增加/減少470,000美元(二零一七年:524,000美元)。

流動資金風險管理

本公司董事已就本集團管理層之短、中、長期融資及流動資金管理需要訂立適當之流動資金風險管理架構。本集團管理流動資金風險之方法為監察及維持管理層認為足夠之現金及現金等價物水平,以為本集團之經營提供資金及減低現金流量波動之影響。

下表為本集團於報告期終之金融負債之剩餘合約年期詳情,乃根據本集團須還款之最早日期計算其金融負債之未經折算現金流量作出。下表僅包括免息金融負債的主要現金流量。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

24. 金融工具 (續)

流動資金風險管理 (續)

	按要求償還或 三個月以內 千美元	未折算現金 流量總額 千美元	賬面值 千美元
於二零一八年十二月三十一日			
金融負債			
應付貿易賬款	11,675	11,675	11,675
於二零一七年十二月三十一日			
金融負債			
應付貿易賬款	12,071	12,071	12,071

25. 有關連人士交易

除於附註15、16及18所披露之應收／應付有關連公司款項，年內，本集團曾與有關連人士進行以下重大交易：

交易性質	二零一八年 千美元	二零一七年 千美元
收入：		
銷售商品	55	312
物業租金收入	268	263
成本及開支：		
購買原材料	69	106
支付加工費	3,601	3,442
支付租金	1,159	1,129

有關連人士為本公司若干股東對其有控制權或有重大影響力之公司。本公司董事即本集團之主要管理層，彼等於年內之酬金載於附註7。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

26. 本公司附屬公司詳情

於二零一八年及二零一七年十二月三十一日，本公司附屬公司（全部由本公司全資擁有）之詳情如下：

附屬公司名稱	註冊成立／成立／ 經營所在國家	已發行及繳足 股本／註冊 資本之面值	主要業務
<i>直接持有：</i>			
Yorkey Optical Technology Limited	薩摩亞群島／ 中國	550,001美元	投資控股及持有物業 以及買賣光學及光 電產品的塑膠及金 屬零部件
<i>間接持有：</i>			
Click Away Services Limited	英屬處女群島／ 中國	1美元	提供技術培訓及售後 服務
東莞精熙光機 有限公司	中國的外商獨資企業， 經營期由一九九五年 十二月十一日起計， 年期為三十年	20,680,000美元	生產及銷售光學及光 電產品的塑膠及金 屬零部件

於報告期終或年內任何時間，概無任何附屬公司有任何流通之債務證券。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

27. 本公司財務狀況及儲備報表

	二零一八年 千美元	二零一七年 千美元
非流動資產		
投資附屬公司	19,417	19,417
流動資產		
應收股息	3,550	68,744
預付款項及其他應收款項	1,545	1,386
銀行結餘及現金	53,964	2,806
	59,059	72,936
流動負債		
其他應付款項	709	662
流動資產淨值	58,350	72,274
總資產減流動負債	77,767	91,691
資本及儲備		
股本(見附註19)	1,057	1,058
儲備	76,710	90,633
權益總額	77,767	91,691

綜合財務報表附註

截至二零一八年十二月三十一日止年度

27. 本公司財務狀況及儲備報表 (續)

本公司儲備變動

	股份溢價 千美元	換算儲備 千美元	特別儲備 千美元	保留溢利 千美元	合計 千美元
於二零一七年一月一日	62,982	(4,221)	19,350	15,721	93,832
年內溢利	-	-	-	10,579	10,579
年內其他綜合收入	-	4,221	-	-	4,221
年內綜合收入總額	-	4,221	-	10,579	14,800
確認為分派之股息	-	-	-	(17,999)	(17,999)
於二零一七年十二月三十一日	62,982	-	19,350	8,301	90,633
年內溢利及綜合收入總額	-	-	-	3,998	3,998
購回及註銷普通股(附註19)	(79)	-	-	-	(79)
確認為分派之股息	(10,504)	-	-	(7,338)	(17,842)
於二零一八年十二月三十一日	52,399	-	19,350	4,961	76,710

財務概要

	截至十二月三十一日止年度				
	二零一四年 千美元	二零一五年 千美元	二零一六年 千美元	二零一七年 千美元	二零一八年 千美元
業績					
收入	84,454	77,553	73,491	87,329	69,703
除稅前溢利	5,558	5,026	6,149	7,624	9,213
稅項	(462)	(993)	(1,481)	(1,844)	(1,505)
年度溢利	5,096	4,033	4,668	5,780	7,708
於十二月三十一日					
	二零一四年 千美元	二零一五年 千美元	二零一六年 千美元	二零一七年 千美元	二零一八年 千美元
資產及負債					
總資產	166,813	155,308	146,701	138,037	123,633
總負債	(21,404)	(20,670)	(27,848)	(24,828)	(22,802)
淨資產	145,409	134,638	118,853	113,209	100,831

Independent Auditor's Report

Deloitte.

德勤

TO THE SHAREHOLDERS OF YORKEY OPTICAL INTERNATIONAL (CAYMAN) LTD.

(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Yorkey Optical International (Cayman) Ltd. (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 79 to 135, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

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

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>We identified revenue recognition as a key audit matter due to the magnitude of revenue from components of optical and opto-electronic products.</p> <p>For the year ended 31 December 2018, revenue from components of optical and opto-electronic products amounted to approximately US\$69,703,000 as shown in the consolidated statement of profit or loss and other comprehensive income.</p>	<p>Our procedures in relation to revenue recognition included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the revenue business processes and testing key controls over revenue recognition; • Checking recorded revenue, on a sample basis, to relevant sales invoices and shipping documents; and • Performing data analysis to identify unusual pattern of revenue.

Other Information

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

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

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

Independent Auditor's Report

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.

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

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

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

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

Independent Auditor's Report

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

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is LO, Kin Cheong.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

20 March 2019

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2018

	NOTES	2018 US\$'000	2017 US\$'000
Revenue	5	69,703	87,329
Cost of goods sold		(51,760)	(62,076)
Gross profit		17,943	25,253
Other income, other gains and losses		4,027	(2,199)
Distribution costs		(1,635)	(1,896)
Administrative expenses		(9,590)	(12,881)
Research and development expenses		(1,532)	(1,520)
Share of results of an associate		–	867
Profit before taxation	6	9,213	7,624
Taxation	8	(1,505)	(1,844)
Profit for the year		7,708	5,780
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
– exchange differences arising from translation of financial statements of foreign operations		(2,140)	2,366
– release of exchange reserve upon disposal of a foreign associate		–	4,209
Other comprehensive (expense) income for the year		(2,140)	6,575
Total comprehensive income for the year		5,568	12,355
Earnings per share			
– Basic	10	US0.94 cent	US0.70 cent

Consolidated Statement of Financial Position

At 31 December 2018

	NOTES	2018 US\$'000	2017 US\$'000
Non-current assets			
Investment properties	11	5,768	6,002
Property, plant and equipment	12	7,537	9,103
Prepaid lease payments	13	197	213
Deposits paid for acquisition of property, plant and equipment		101	35
		13,603	15,353
Current assets			
Inventories	14	2,550	3,074
Trade and other receivables	15	13,512	14,759
Amount due from a related company	16	23	24
Bank balances and cash	17	93,945	104,827
		110,030	122,684
Current liabilities			
Trade and other payables	18	19,156	20,639
Contract liabilities		141	–
Taxation payable		3,505	4,189
		22,802	24,828
Net current assets		87,228	97,856
Total assets less current liabilities		100,831	113,209
Capital and reserves			
Share capital	19	1,057	1,058
Reserves		99,774	112,151
Total equity		100,831	113,209

The consolidated financial statements on pages 79 to 135 were approved and authorised for issue by the Board of Directors on 20 March 2019 and are signed on its behalf by:

Lai I-Jen
CHAIRMAN

Kurihara Toshihiko
EXECUTIVE DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

	Attributable to owners of the Company						
	Share capital	Share premium	Special reserve	Translation reserve	Statutory surplus reserve fund	Retained profits	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2017	1,058	62,982	19,350	3,220	3,148	29,095	118,853
Other comprehensive income for the year	-	-	-	6,575	-	-	6,575
Profit for the year	-	-	-	-	-	5,780	5,780
Total comprehensive income for the year	-	-	-	6,575	-	5,780	12,355
Transfers	-	-	-	-	488	(488)	-
Dividend recognised as distribution (note 9)	-	-	-	-	-	(17,999)	(17,999)
At 31 December 2017	1,058	62,982	19,350	9,795	3,636	16,388	113,209
Adjustments (see note 2)	-	-	-	-	-	(24)	(24)
At 1 January 2018 (restated)	1,058	62,982	19,350	9,795	3,636	16,364	113,185
Other comprehensive expense for the year	-	-	-	(2,140)	-	-	(2,140)
Profit for the year	-	-	-	-	-	7,708	7,708
Total comprehensive (expense) income for the year	-	-	-	(2,140)	-	7,708	5,568
Transfers	-	-	-	-	432	(432)	-
Repurchase and cancellation of ordinary shares (note 19)	(1)	(79)	-	-	-	-	(80)
Dividend recognised as distribution (note 9)	-	(10,504)	-	-	-	(7,338)	(17,842)
At 31 December 2018	1,057	52,399	19,350	7,655	4,068	16,302	100,831

The special reserve represents the difference between the nominal amount of the shares issued by the Company and the aggregate amount of share capital of the subsidiaries acquired pursuant to the group reorganisation in 2005.

As stipulated by the relevant laws and regulations for foreign investment enterprises in Mainland China (the "PRC"), the PRC subsidiary of the Company is required to maintain a statutory surplus reserve fund which is non-distributable. Appropriation to such reserve is allocated based on 10% of the profit after taxation of the statutory financial statements of the PRC subsidiary. Pursuant to the relevant laws and regulations in the PRC, appropriation to the statutory surplus reserve is required until the balance reaches 50% of the registered capital. The statutory surplus reserve fund can be used by the PRC subsidiary to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

Consolidated Statement of Cash Flows

For the year ended 31 December 2018

	2018 US\$'000	2017 US\$'000
Operating activities		
Profit before taxation	9,213	7,624
Adjustments for:		
Interest income	(1,879)	(1,381)
Depreciation on investment properties	234	234
Depreciation on property, plant and equipment	2,659	2,675
Loss on disposal of property, plant and equipment	16	355
Amortisation of land use rights	6	6
Impairment loss recognised (reversed) on inventories	117	(209)
Impairment loss reversed on trade receivables	(39)	(114)
Loss on disposal of an associate	–	4,209
Share of results of an associate	–	(867)
Operating cash flows before movements in working capital	10,327	12,532
Decrease in inventories	274	1,763
(Increase) decrease in trade and other receivables	(761)	4,482
Increase in amount due from a related company	–	(2)
Increase in contract liabilities	145	–
Decrease in trade and other payables	(764)	(1,870)
Cash from operations	9,221	16,905
PRC income tax paid	(2,101)	(1,184)
Net cash from operating activities	7,120	15,721
Investing activities		
Interest received	1,879	1,381
Purchase of property, plant and equipment	(1,469)	(169)
Deposits paid for acquisition of property, plant and equipment	(100)	(1,989)
Proceed from disposal of property, plant and equipment	–	1
Settlement of obligation related to interest in an associate	–	(1,840)
Net cash from (used in) investing activities	310	(2,616)
Financing activities		
Dividends paid	(17,842)	(17,999)
Payments on repurchase of shares	(80)	–
Net cash used in financing activities	(17,922)	(17,999)
Net decrease in cash and cash equivalents	(10,492)	(4,894)
Cash and cash equivalents at 1 January	104,827	109,020
Effect of foreign exchange rate changes	(390)	701
Cash and cash equivalents at 31 December	93,945	104,827
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	93,945	104,827

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

1. GENERAL

Yorkey Optical International (Cayman) Ltd. (the “Company”) is incorporated in the Cayman Islands and registered as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company acts as an investment holding company. The principal activities of its subsidiaries (the Company and its subsidiaries are collectively referred to as the “Group”) are set out in note 26. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section of the annual report.

The consolidated financial statements are presented in United States dollars (“US\$”), which is the functional currency of the Company.

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

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

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

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts”
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

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

HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 “Revenue” (“HKAS 18”), HKAS 11 “Construction Contracts” (“HKAS 11”) and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and HKAS 11 and the related interpretations.

The Group recognises revenue from the manufacturing and sales of the components of optical and opto-electronic products which arise from contracts with customers.

The application of HKFRS 15 has no material impact on the timing and amount of revenue recognised in current year. As at 1 January 2018, advances from customers of US\$170,000 previously included in trade and other payables were reclassified to contract liabilities. Information about the Group’s accounting policies resulting from application of HKFRS 15 is disclosed in note 3.

HKFRS 9 “Financial Instruments”

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

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

HKFRS 9 “Financial Instruments” (continued)

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

Summary of effects arising from initial application of HKFRS 9

Classification and measurement of financial assets

The application of HKFRS 9 in the current year has no material impact on the classification and measurement of financial assets.

Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL using a lifetime ECL for all trade receivables, which are grouped based on past due analysis.

ECL for other financial assets at amortised cost, including bank balances and amount due from a related company, are assessed on 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

As at 1 January 2018, additional credit loss allowance of US\$24,000 on trade receivables has been recognised against retained profits. The additional loss allowance is charged against the respective asset.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2019.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2021.

⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

⁵ Effective for annual periods beginning on or after 1 January 2020.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

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

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

HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” (“HKAS 17”) and the related Interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

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

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

HKFRS 16 “Leases” (continued)

As at 31 December 2018, the Group has non-cancellable operating lease commitments of US\$3,758,000 as disclosed in note 20. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of US\$2,000 and refundable rental deposits received of US\$40,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease” (“HK(IFRIC) – Int 4”) and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

The directors of the Company do not anticipate that the application of the other new and amendments to HKFRSs will have a material impact on the consolidated financial statements in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis.

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

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

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

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

The principal accounting policies are set out below.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

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

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

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (continued)

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

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

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related tax.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives, using straight-line method. The estimated useful lives and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined using the weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible assets (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

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

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

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

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, amount due from a related company and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed collectively using a provision matrix with appropriate grouping based on past due status.

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

(i) Significant increase in credit risk

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(i) Significant increase in credit risk (continued)

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

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

(ii) Definition of default

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

(iii) Credit-impaired financial assets

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

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

- Nature of financial instruments (i.e. the Group's trade receivables assessed as a group. Bank balances are assessed for expected credit losses on an individual basis.);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(v) Measurement and recognition of ECL (continued)

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

The Group's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, amount due from a related company and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Loans and receivables are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days to 120 days, observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of loans and receivables is reduced by the impairment loss directly with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities (including trade payables) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

Foreign currencies

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. United States dollars) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Retirement benefits costs

Payments to defined contribution retirement benefits plans or state-managed retirement benefits schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

Short-term and other long-term employee benefits

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-term and other long-term employee benefits (continued)

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Research and development expenditure

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

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

Leasehold land and building (continued)

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as 'prepaid lease payments' in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

4. KEY SOURCE OF ESTIMATION UNCERTAINTY

The following is the key source of estimation uncertainty at the end of the reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on past due status as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivables and the ECL are disclosed in notes 15 and 24, respectively.

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For the year ended 31 December 2018

5. REVENUE AND OPERATING SEGMENT

Revenue

Revenue represents the fair value of the consideration received or receivable for goods sold by the Group to outside customers during the year. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customers.

The Group applies the practical expedient that information regarding the transaction prices allocated to the remaining performance obligation for contracts with customer is not disclosed as the original expected duration of the contracts are less than one year.

Operating segment

The chief executive officer (“Chief Executive”), being the chief operating decision maker of the Group, regularly reviews revenue analysis of the components of optical and opto-electronic products and considers them as one single operating segment on an aggregate basis. Other than revenue analysis, no operating results and other discrete financial information are available for the assessment of performance of the respective business divisions. For these reasons, no separate segment information is presented.

The chief executive officer reviews the profit for the year of the Group as a whole to make decisions about performance assessment and resource allocation. The operation of the Group constitutes one single operating segment under HKFRS 8 “Operating Segments” and accordingly, no separate segment information is prepared.

Other segment information

Geographical information

The Group’s operations are located in the People’s Republic of China (“PRC”) (country of domicile).

The Group’s revenue from external customers and information about its non-current assets by geographical location of the customers and the assets, respectively, are detailed below:

	Revenue from external customers		Non-current assets	
	2018 US\$’000	2017 US\$’000	2018 US\$’000	2017 US\$’000
Japan	37,192	49,191	–	–
PRC	26,046	27,780	13,603	15,353
Others	6,465	10,358	–	–
	69,703	87,329	13,603	15,353

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

5. REVENUE AND OPERATING SEGMENT (continued)

Other segment information (continued)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2018 US\$'000	2017 US\$'000
Customer A	10,512	12,068
Customer B	9,359	11,899
Customer C	7,369	8,920

Disaggregation of revenue from contracts with customers by types of products

	2018 US\$'000	2017 US\$'000
Components of optical and opto-electronic products		
– cameras, action cameras and copiers	48,553	61,740
– surveillance cameras and projectors	10,561	11,387
– others	10,589	14,202
	69,703	87,329

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

6. PROFIT BEFORE TAXATION

	2018 US\$'000	2017 US\$'000
Profit before taxation has been arrived at after charging (crediting):		
Directors' emoluments (note 7)	230	439
Staff's retirement benefits scheme contributions	1,781	1,807
Other staff costs	20,535	24,128
	22,546	26,374
Less: Staff costs capitalised in inventories	(16,196)	(20,005)
Less: Staff costs included in research and development expenses	(608)	(479)
	5,742	5,890
Depreciation on property, plant and equipment	2,659	2,675
Less: Depreciation capitalised in inventories	(2,106)	(2,127)
Less: Depreciation included in research and development expenses	(30)	(38)
	523	510
Allowance (reversal of allowance) for obsolete inventories (included in cost of goods sold)	117	(209)
Amortisation of land use rights	6	6
Auditor's remuneration	295	295
Cost of inventories recognised as expense	51,643	62,285
Depreciation on investment properties	234	234
Loss on disposal of an associate (included in other income, other gains and losses)	–	4,209
Loss on disposal of property, plant and equipment	16	355
Operating lease rentals in respect of		
– motor vehicles	283	180
– rented premises	1,321	1,317
and after crediting (charging):		
Exchange gain (loss), net	1,586	(2,415)
Interest income from bank deposits (included in other income, other gains and losses)	1,879	1,381
Property rental income before deduction of negligible outgoings	504	500
Reversal of impairment loss on trade receivables, net	39	114

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

7. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Details of emoluments paid by the Group to the directors and the Chief Executive are as follows:

	2018			2017		
	Fees US\$'000	Salaries and other benefits US\$'000	Total US\$'000	Fees US\$'000	Salaries and other benefits US\$'000	Total US\$'000
Executive directors						
Mr. Lai I-Jen	15	–	15	15	–	15
Mr. Nagai Michio (note (a))	–	–	–	3	206	209
Mr. Kurihara Toshihiko (note (b))	15	135	150	12	133	145
Non-executive directors						
Mr. Liao Kuo-Ming (note (c))	–	–	–	7	–	7
Ms. Wu Shu-Ping	15	–	15	15	–	15
Independent non-executive directors						
Mr. Chiang Hsiang-Tsai (note (c))	–	–	–	7	–	7
Mr. Chou Chih-Ming (note (c))	–	–	–	7	–	7
Mr. Lin Meng-Tsung (note (d))	15	–	15	8	–	8
Mr. Liu Wei-Li (note (d))	20	–	20	11	–	11
Mr. Wang Yi-Chi	15	–	15	15	–	15
	95	135	230	100	339	439

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

7. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

Notes:

- (a) Mr. Nagai Michio ceased to be an executive director and the Chief Executive of the Company with effect from 28 February 2017. The remuneration of Mr. Nagai Michio as the Chief Executive of the Company was Japanese Yen ("JPY")2,000,000 and Hong Kong Dollar ("HK\$")54,302 (approximately equivalent to US\$24,000 in total) for the year ended 31 December 2017. Benefit provided in respect of termination of director's services was HK\$1,421,550 (approximately equivalent to US\$182,000 in total).
- (b) Mr. Kurihara Toshihiko acts as the Chief Executive of the Company, succeeding Mr. Nagai Michio since 10 March 2017. The remuneration of Mr. Kurihara Toshihiko as the Chief Executive of the Company was JPY15,000,000 (approximately equivalent to US\$135,000 in total) (2017: JPY15,000,000 (approximately equivalent to US\$133,000 in total)) for the year ended 31 December 2018.
- (c) Retired at the annual general meeting of the Company held on 15 June 2017 and not offered for re-election.
- (d) Appointed on 15 June 2017.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

7. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(continued)

The five highest paid individuals of the Group included one (2017: two) directors, whose emoluments are disclosed above. The emoluments of the remaining four (2017: three) individuals in the Group were as follows:

	2018 US\$'000	2017 US\$'000
Employees		
– basic salaries and allowances	139	172
– performance related bonus	67	75
– retirement benefits scheme contributions	3	1
	209	248

The emoluments of each of these highest paid individuals is less than HK\$1,000,000 (equivalent to US\$128,000).

During the year ended 31 December 2017, US\$240,000 (2018: nil) were 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.

8. TAXATION

	2018 US\$'000	2017 US\$'000
The tax charge comprises:		
PRC income tax calculated at the applicable income tax rate on the estimated assessable profit for the year	(1,547)	(1,805)
Over(under)provision in prior years	42	(39)
	(1,505)	(1,844)

Notes to the Consolidated Financial Statements

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8. TAXATION (continued)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group's profit neither arises in nor is derived from Hong Kong during both years.

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. No deferred tax liability has been recognised in respect of temporary differences associated with undistributed earnings of subsidiaries from 1 January 2008 onwards of approximately US\$6,282,000 as at the end of the reporting period because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Tax charge for the year is reconciled to profit before taxation as follows:

	2018 US\$'000	2017 US\$'000
Profit before taxation	9,213	7,624
Tax at the applicable income tax rate of 25% (2017: 25%)	(2,303)	(1,906)
Tax effect of share of results of an associate	–	217
Tax effect of expenses not deductible for tax purposes	(328)	(1,457)
Tax effect of income not taxable for tax purposes	515	446
Tax effect of different tax rates applied to certain subsidiaries regarded as foreign enterprises in the PRC	569	895
Over(under)provision in prior years	42	(39)
Tax charge for the year	(1,505)	(1,844)

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For the year ended 31 December 2018

9. DIVIDENDS

	2018 US\$'000	2017 US\$'000
Dividends recognised as distribution during the year		
– Interim dividend for 2018 of HK3.5 cents (equivalent to US0.446 cent) (2017: HK3.5 cents; equivalent to US0.45 cent) per share	3,662	3,697
– Final dividend for 2017 of HK3.5 cents (equivalent to US0.448 cent) per share (2017: final dividend for 2016 of HK3.5 cents; equivalent to US0.451 cent) per share	3,676	3,708
– Special dividend for 2017 of HK10 cents (equivalent to US1.28 cents) (2017: special dividend for 2016 of HK10 cents; equivalent to US1.29 cents) per share	10,504	10,594
	17,842	17,999

A final dividend of HK3.5 cents (2017: HK3.5 cents) per share (which in aggregate amounts to approximately US\$3,666,000 (2017: US\$3,676,000)) and a special dividend of HK10 cents (2017: HK10 cents) per share (which in aggregate amounts to approximately US\$10,476,000 (2017: US\$10,504,000)) have been proposed by the Board of Directors for the year and are subject to approval by the shareholders in the forthcoming annual general meeting. They are calculated on the basis of 820,540,000 shares (2017: 821,102,000 shares) in issue at the date of issuance of these consolidated financial statements.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the consolidated profit for the year attributable to owners of the Company of US\$7,708,000 (2017: US\$5,780,000) and on the weighted average number of 820,964,899 (2017: 821,102,000) shares.

No diluted earnings per share is presented as there were no dilutive potential ordinary shares during both years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

11. INVESTMENT PROPERTIES

	2018 US\$'000	2017 US\$'000
COST		
At 1 January	7,860	7,769
Currency realignment	(74)	91
At 31 December	7,786	7,860
DEPRECIATION		
At 1 January	1,858	1,533
Currency realignment	(74)	91
Provided for the year	234	234
At 31 December	2,018	1,858
CARRYING VALUE		
At 31 December	5,768	6,002

The carrying amount of the Group's investment properties comprises:

	2018 US\$'000	2017 US\$'000
Leasehold land and buildings in Hong Kong	5,767	5,993
Buildings in the PRC	1	9
	5,768	6,002

The fair value of the Group's investment properties, including leasehold land portion, at the end of the reporting period was US\$8,560,000 (2017: US\$8,558,000). The fair value has been arrived at based on a valuation at the end of the reporting period, determined by the directors of the Company. No valuation has been performed by independent qualified professional valuers. The valuation performed by the directors of the Company was carried out with reference to recent market prices for similar properties in similar locations and conditions, which was classified as level 3 under HKFRS 13 "Fair Value Measurement". There has been no change from the valuation techniques used in the prior year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

All the Group's investment properties are held for rental purposes under operating leases and/or for capital appreciation.

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For the year ended 31 December 2018

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings US\$'000	Furniture, fixtures and equipment US\$'000	Leasehold improvements US\$'000	Motor vehicles US\$'000	Plant and machinery US\$'000	Total US\$'000
At 1 January 2017	6,078	11,039	3,116	207	52,987	73,427
Currency realignment	369	676	207	11	3,171	4,434
Additions	–	696	387	–	1,253	2,336
Disposals	–	(907)	(25)	(66)	(5,414)	(6,412)
At 31 December 2017	6,447	11,504	3,685	152	51,997	73,785
Currency realignment	(300)	(566)	(176)	(6)	(2,487)	(3,535)
Additions	–	801	25	–	674	1,500
Disposals	–	(173)	(20)	(32)	(495)	(720)
At 31 December 2018	6,147	11,566	3,514	114	49,689	71,030
DEPRECIATION						
At 1 January 2017	4,650	10,480	2,759	205	46,084	64,178
Currency realignment	290	628	182	11	2,774	3,885
Provided for the year	149	264	337	1	1,924	2,675
Eliminated on disposals	–	(902)	(25)	(66)	(5,063)	(6,056)
At 31 December 2017	5,089	10,470	3,253	151	45,719	64,682
Currency realignment	(243)	(501)	(166)	(6)	(2,228)	(3,144)
Provided for the year	149	354	354	1	1,801	2,659
Eliminated on disposals	–	(172)	(19)	(32)	(481)	(704)
At 31 December 2018	4,995	10,151	3,422	114	44,811	63,493
CARRYING VALUES						
At 31 December 2018	1,152	1,415	92	–	4,878	7,537
At 31 December 2017	1,358	1,034	432	1	6,278	9,103

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	2018 US\$'000	2017 US\$'000
The carrying amount of the Group's property interests comprises:		
Leasehold land and buildings in Hong Kong	86	91
Buildings in the PRC	1,066	1,267
	1,152	1,358

The cost of leasehold land and buildings in Hong Kong is depreciated over the lease term of 50 years, using the straight-line method.

The cost of buildings in the PRC is depreciated over 20 years, using the straight-line method.

The cost of leasehold improvements is depreciated on a straight-line basis over the period of the respective leases or 5 years, whichever is shorter.

Depreciation is recognised so as to write off the cost of other items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Furniture, fixtures and equipment	20%
Motor vehicles	20%
Plant and machinery	10%

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For the year ended 31 December 2018

13. PREPAID LEASE PAYMENTS

	2018 US\$'000	2017 US\$'000
CARRYING VALUE		
At 1 January	213	206
Currency realignment	(10)	13
Charged to profit or loss	(6)	(6)
At 31 December	<u>197</u>	<u>213</u>

Prepaid lease payments represent prepayment of rentals for land use rights situated in the PRC for a period of 50 years.

14. INVENTORIES

	2018 US\$'000	2017 US\$'000
Raw materials	1,126	1,297
Work in progress	421	651
Finished goods	1,003	1,126
	<u>2,550</u>	<u>3,074</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

15. TRADE AND OTHER RECEIVABLES

	2018 US\$'000	2017 US\$'000
Trade receivables		
– companies over which certain shareholders of the Company have significant influence	2	5
– others	11,503	12,691
	11,505	12,696
Less: Allowance for credit losses	(1)	(16)
	11,504	12,680
Other receivables	2,008	2,079
	13,512	14,759

Payment terms with customers are mainly on credit. Invoices to outside customers are normally payable within 60 days to 120 days of issuance, while invoices to long-established customers are normally payable within one year.

The following is an aging analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

	2018 US\$'000	2017 US\$'000
Age		
0 to 60 days	9,267	9,678
61 to 90 days	1,879	1,962
91 to 120 days	307	183
121 to 180 days	44	596
181 to 365 days	7	261
	11,504	12,680

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For the year ended 31 December 2018

15. TRADE AND OTHER RECEIVABLES (continued)

Before accepting any new customers, the Group will assess the potential customer's credit quality and define credit limits by customer. More than 89% (2017: 93%) of the trade receivables are neither past due nor impaired.

As at 31 December 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of US\$1,256,000 which are past due as at the reporting date. The Group does not hold any collateral over these balances.

As at 31 December 2017, debtors with aggregate carrying amount of US\$857,000 which are past due at the reporting date for which the Group had not provided for impairment loss as there is no adverse change in the credit standing of the debtors from the date when credit was initially granted. The Group does not hold any collateral over these balances. The average age of these receivables is 188 days.

Aging of trade receivables based on the invoice date which are past due but not impaired is as follows:

	2017 US\$'000
Overdue by 1 to 60 days	596
Overdue by 61 to 245 days	<u>261</u>
	<u>857</u>

No interest is charged on trade receivables. The Group has made full allowances on all the receivables overdue for 365 days based on historical experience as such receivables are generally not recoverable. Allowances on trade receivables between 121 days and 365 days are made based on estimated irrecoverable amounts from the sales of goods with reference to past default experience.

Movement in the allowance for doubtful debts is as follows:

	2017 US\$'000
At 1 January	244
Impairment losses reversed	(114)
Amounts written off as uncollectible	<u>(114)</u>
At 31 December	<u>16</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

15. TRADE AND OTHER RECEIVABLES (continued)

Details of impairment assessment of trade and other receivables for the year ended 31 December 2018 are set out in note 24.

Included in trade and other receivables are the following amounts denominated in currencies other than the functional currency of the relevant group entities:

	2018 US\$'000	2017 US\$'000
Japanese Yen	164	87
Hong Kong dollars	1,914	1,971

16. AMOUNT DUE FROM A RELATED COMPANY

The amount is due from a company over which certain shareholders of the Company have significant influence. The amount is unsecured, interest-free, and neither past due nor impaired. The age of these receivables are within 60 days (2017: within 60 days).

17. BANK BALANCES AND CASH AND ANALYSIS OF CASH AND CASH EQUIVALENTS

The bank deposits carry interest at prevailing market rates up to 3.64% (2017: 0.30% to 2.15%) per annum. The bank deposits are with original maturity of not more than three months.

Included in bank balances and cash are the following amounts denominated in currencies other than the functional currency of the relevant group entities:

	2018 US\$'000	2017 US\$'000
Japanese Yen	1,604	1,234
Hong Kong dollars	8,698	3,229

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For the year ended 31 December 2018

18. TRADE AND OTHER PAYABLES

	2018 US\$'000	2017 US\$'000
Trade payables		
– companies over which certain shareholders of the Company have significant influence	7	12
– companies controlled by shareholders of the Company which have significant influence over the Company	1,156	230
– others	10,512	11,829
	11,675	12,071
Payroll and welfare payables	3,227	4,332
Other payables and accruals (<i>note</i>)	4,254	4,236
	19,156	20,639

Note: Balance included accruals for rental expense payable to a related company amounting to US\$98,000 (31 December 2017: US\$103,000).

The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2018 US\$'000	2017 US\$'000
Age		
0 to 60 days	7,873	8,045
61 to 90 days	2,036	2,164
91 to 180 days	1,721	1,824
181 to 365 days	45	38
	11,675	12,071

The average credit period on purchases of goods is 60 days.

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For the year ended 31 December 2018

18. TRADE AND OTHER PAYABLES (continued)

Included in trade and other payables are the following amounts denominated in currencies other than the functional currency of the relevant group entities:

	2018 US\$'000	2017 US\$'000
Japanese Yen	92	43
Hong Kong dollars	26	29

19. SHARE CAPITAL

	Authorised		Issued and fully paid	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.01 each				
At 1 January 2017 and 31 December 2017	1,000,000	10,000	821,102	8,211
Repurchase and cancellation of shares	–	–	(562)	(6)
At 31 December 2018	1,000,000	10,000	820,540	8,205

	US\$'000
Shown in the consolidated statement of financial position	
At 31 December 2018	1,057
At 31 December 2017	1,058

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

19. SHARE CAPITAL (continued)

During the year ended 31 December 2018, the Company repurchased its own ordinary shares through the Stock Exchange as follows:

Month of repurchases	No. of ordinary shares '000	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
September	508	1.14	1.09	569
November	54	1.16	1.10	61
	562			630
				US\$'000

Equivalent to 80

The above ordinary shares were cancelled upon repurchase.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

20. OPERATING LEASE ARRANGEMENTS

The Group as lessee

At the end of the reporting period, the Group was committed to make the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	Motor vehicles		Rented premises	
	2018 US\$'000	2017 US\$'000	2018 US\$'000	2017 US\$'000
Within one year	197	75	1,175	1,141
In the second to fifth year inclusive	38	19	2,348	–
	235	94	3,523	1,141

The leases are negotiated for a term ranged from 1 to 3 years (2017: 1 to 2 years) and rentals are fixed over the contracted lease terms.

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20. OPERATING LEASE ARRANGEMENTS (continued)

The Group as lessor

At the end of the reporting period, the Group has contracted with tenants for future minimum lease payments in respect of investment properties which fall due as follows:

	2018 US\$'000	2017 US\$'000
Within one year	508	510
In the second to fifth year inclusive	975	676
	1,483	1,186

The investment properties held have committed tenants for periods of an average lease term of 4 years (2017: 4 years).

21. CAPITAL COMMITMENTS

	2018 US\$'000	2017 US\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	11	71

22. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group and each of the employees make monthly mandatory contributions to the scheme.

The employees employed in the PRC subsidiary are members of the state-managed retirement benefits scheme operated by the PRC government. The PRC subsidiary is required to contribute a certain percentage of payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

No forfeited contributions are available to reduce the contribution payable in future years.

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23. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to its owners.

The capital structure of the Group consists primarily of equity attributable to owners of the Company, comprising share capital and reserves, including retained profits.

At the end of the reporting period, no external debts are raised by the Group.

The management of the Group reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs of the Company. The Group's overall strategy remains unchanged from the prior year.

24. FINANCIAL INSTRUMENTS

The Group's major financial instruments include trade receivables, amounts due from related companies, bank balances and cash and trade payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Details of the significant accounting policies and methods adopted, including the criteria for recognition and the basis of measurement, in respect of each class of financial assets and financial liabilities are disclosed in note 3.

Categories of financial instruments

	2018 US\$'000	2017 US\$'000
Financial assets		
Financial assets at amortised cost	105,472	–
Loans and receivables (including cash and cash equivalents)	–	117,531
Financial liabilities		
Amortised cost	11,675	12,071

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24. FINANCIAL INSTRUMENTS (continued)

Credit risk and impairment assessment

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

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise the credit risk, the management of the Group continuously monitors to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on trade receivables based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 14% (2017: 16%) and 57% (2017: 53%) of the total trade receivables are due from the Group's largest customer and the five largest customers, respectively. In addition, the Group has concentration of credit risk by geographical location as 39% (2017: 42%) and 52% (2017: 43%) of the total trade receivables are due from customers located in Japan and the PRC, respectively.

The credit risk on bank balances is limited because majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation.

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24. FINANCIAL INSTRUMENTS (continued)

Credit risk and impairment assessment (continued)

2018	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US\$'000
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Financial assets at amortised cost

Amount due from a related company	16	N/A	(note a)	12-month ECL	23
Bank balances	17	BBB – AAA	N/A	12-month ECL	93,945
Trade receivables	15	N/A	(note b)	Lifetime ECL (not credit impaired)	11,505

Notes:

- (a) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.
- (b) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, grouped by past due status.

As part of the Group's credit risk management, the Group uses debtors' past due status to assess the impairment for its customers because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2018 within lifetime ECL (not credit impaired).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

24. FINANCIAL INSTRUMENTS (continued)

Credit risk and impairment assessment (continued)

(b) (continued)

	Average loss rate %	Gross carrying amount US\$'000	Impairment loss allowance US\$'000
Current (not past due)	0.00	10,249	–
1 – 30 days past due	0.00	1,093	–
31 – 60 days past due	0.22	163	1
		11,505	1

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

During the year ended 31 December 2018, the Group provided approximately US\$1,000 impairment allowance for trade receivables, based on the provision matrix.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL US\$'000
As at 31 December 2017 under IAS 39	16
Adjustment upon application of HKFRS 9	24
As at 1 January 2018 – As restated	40
Impairment losses recognised	1
Impairment losses reversed	(40)
As at 31 December 2018	1

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

24. FINANCIAL INSTRUMENTS (continued)

Credit risk and impairment assessment (continued)

(b) (continued)

Changes in the loss allowance for trade receivables are mainly due to:

	2018 Decrease in lifetime ECL US\$'000
Settlement in full of trade debtors with gross carrying amount of US\$10,532,000	40

Market risk

Foreign currency risk

Foreign currency risk refers to the risk that movement in foreign currency exchange rate which will affect the Group's financial results and its cash flows. The Group has certain transactions denominated in foreign currencies, which expose the Group to foreign currency risk. Approximately 12% (2017: 12%) of the Group's sales are denominated in currencies other than the functional currency of the group entities making the sale whilst all costs are denominated in the group entities' functional currency. In addition, certain group entity whose functional currency is Renminbi, have intra-group transactions with its holding company, denominated in United States dollars. The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are disclosed in respective notes. Although the Group currently does not use any derivative contracts to hedge against its exposure to currency risk, the Group actively utilises natural hedge technique, such as managing the currencies used in transactions, to manage its foreign currency exposures. However, the management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

24. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Foreign currency risk (continued)

The Group is mainly exposed to currency of Hong Kong dollars, Japanese Yen and Renminbi. The following table details the Group's sensitivity to a 10% increase and decrease in United States dollars against Japanese Yen and Renminbi. Since Hong Kong dollars is pegged to United States dollars, the management considers that the exchange rate fluctuation between Hong Kong dollars and United States dollars is not significant and therefore has not been included in the sensitivity analysis. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. The sensitivity rate used is the rate when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes trade receivables, trade payables and bank balances. The number below indicates an increase in post-tax profit for the year and other equity where United States dollars strengthens against Japanese Yen and Renminbi. If United States dollars weakens against Japanese Yen and Renminbi, there would be an equal and opposite impact on the post-tax profit and other equity.

	2018		2017	
	Post-tax profit US\$'000	Other equity US\$'000	Post-tax profit US\$'000	Other equity US\$'000
Japanese Yen	126	–	128	–
Renminbi	2,864	4,372	3,249	4,207

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

24. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk through the impact of rate changes on variable-rate interest bearing financial assets, mainly bank balances at prevailing market interest rates. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate risk should the need arise.

The sensitivity analysis below has been determined based on the exposure to interest rates for bank balances at the end of the reporting period. The analysis is prepared assuming the bank balances outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2017: 50 basis points) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2018 would increase/decrease by US\$470,000 (2017: US\$524,000).

Liquidity risk management

The directors of the Company have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities at the end of the reporting period. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes principal cash flows only as the financial liabilities are non interest-bearing.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

24. FINANCIAL INSTRUMENTS (continued)

Liquidity risk management (continued)

	Repayable on demand or less than 3 months US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
At 31 December 2018			
Financial liabilities			
Trade payables	11,675	11,675	11,675
At 31 December 2017			
Financial liabilities			
Trade payables	12,071	12,071	12,071

25. RELATED PARTY TRANSACTIONS

Other than the amounts due from/to related companies as disclosed in notes 15, 16 and 18, the Group has the following significant transactions with related parties during the year:

Nature of transactions	2018 US\$'000	2017 US\$'000
Revenue:		
Sales of goods	55	312
Property rental income	268	263
Cost and expenses:		
Purchases of raw materials	69	106
Processing charges paid	3,601	3,442
Rental paid	1,159	1,129

The related parties are companies over which certain shareholders of the Company have control or significant influence. The Company's directors represent the Group's key management and their emoluments for the year are set out in note 7.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

26. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries, all of which are wholly-owned by the Company, at 31 December 2018 and 2017 are as follows:

Name of subsidiary	Country of incorporation/ establishment/ operations	Nominal value of issued and fully paid share capital/ registered capital	Principal activities
<i>Directly held:</i>			
Yorkey Optical Technology Limited	Samoa/PRC	US\$550,001	Investment and property holding and trading of plastic and metallic parts and components of optical and opto-electronic products
<i>Indirectly held:</i>			
Click Away Services Limited	British Virgin Islands/ PRC	US\$1	Provision of technical training and after-sales services
東莞精熙光機有限公司 (Dongguan Yorkey Optical Machinery Components Ltd.)	PRC, wholly foreign owned enterprise established for a term of 30 years commencing 11 December 1995	US\$20,680,000	Manufacture and sales of plastic and metallic parts and components of optical and opto-electronic products

None of the subsidiaries had any debt securities outstanding at the end of the reporting period or at any time during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

27. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2018 US\$'000	2017 US\$'000
Non-current asset		
Investments in subsidiaries	19,417	19,417
Current assets		
Dividend receivables	3,550	68,744
Prepayments and other debtors	1,545	1,386
Bank balances and cash	53,964	2,806
	59,059	72,936
Current liabilities		
Other payables	709	662
Net current assets	58,350	72,274
Total assets less current liabilities	77,767	91,691
Capital and Reserves		
Share capital (see note 19)	1,057	1,058
Reserves	76,710	90,633
Total equity	77,767	91,691

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

27. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves

	Share premium US\$'000	Translation reserves US\$'000	Special reserve US\$'000	Retained profits US\$'000	Total US\$'000
At 1 January 2017	62,982	(4,221)	19,350	15,721	93,832
Profit for the year	–	–	–	10,579	10,579
Other comprehensive income for the year	–	4,221	–	–	4,221
Total comprehensive income for the year	–	4,221	–	10,579	14,800
Dividend recognised as distribution	–	–	–	(17,999)	(17,999)
At 31 December 2017	62,982	–	19,350	8,301	90,633
Profit and total comprehensive income for the year	–	–	–	3,998	3,998
Repurchase and cancellation of ordinary shares (note 19)	(79)	–	–	–	(79)
Dividend recognised as distribution	(10,504)	–	–	(7,338)	(17,842)
At 31 December 2018	52,399	–	19,350	4,961	76,710

Financial Summary

	Year ended 31 December				
	2014 US\$'000	2015 US\$'000	2016 US\$'000	2017 US\$'000	2018 US\$'000
RESULTS					
Revenue	84,454	77,553	73,491	87,329	69,703
Profit before taxation	5,558	5,026	6,149	7,624	9,213
Taxation	(462)	(993)	(1,481)	(1,844)	(1,505)
Profit for the year	5,096	4,033	4,668	5,780	7,708
	At 31 December				
	2014 US\$'000	2015 US\$'000	2016 US\$'000	2017 US\$'000	2018 US\$'000
ASSETS AND LIABILITIES					
Total assets	166,813	155,308	146,701	138,037	123,633
Total liabilities	(21,404)	(20,670)	(27,848)	(24,828)	(22,802)
Net assets	145,409	134,638	118,853	113,209	100,831