



國微控股有限公司 SMIT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2239

2019 年度報告
Annual Report



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公司資料

CORPORATE INFORMATION

董事會

執行董事

黃學良先生(主席兼執行董事)

帥紅宇先生

龍文駿先生

非執行董事

關重遠先生

劉洋先生

獨立非執行董事

張俊傑先生

胡家棟先生

金玉豐先生

高級管理層

帥紅宇先生

龍文駿先生

公司秘書

鄭啟培先生(CPA)

審核委員會

胡家棟先生(主席)

關重遠先生

張俊傑先生

薪酬委員會

張俊傑先生(主席)

金玉豐先生

關重遠先生

BOARD OF DIRECTORS

Executive Directors

Mr. Huang Xueliang (*Chairman and Executive Director*)

Mr. Shuai Hongyu

Mr. Loong, Manfred Man-tsun

Non-Executive Directors

Mr. Kwan, Allan Chung-yuen

Mr. Liu Yang

Independent Non-Executive Directors

Mr. Zhang Junjie

Mr. Woo Kar Tung, Raymond

Mr. Jin Yufeng

SENIOR MANAGEMENT

Mr. Shuai Hongyu

Mr. Loong, Manfred Man-tsun

COMPANY SECRETARY

Mr. Cheng Kai Pui, Eric (CPA)

AUDIT COMMITTEE

Mr. Woo Kar Tung, Raymond (*Chairman*)

Mr. Kwan, Allan Chung-yuen

Mr. Zhang Junjie

REMUNERATION COMMITTEE

Mr. Zhang Junjie (*Chairman*)

Mr. Jin Yufeng

Mr. Kwan, Allan Chung-yuen

提名委員會

黃學良先生(主席)
金玉豐先生
胡家棟先生

開曼群島註冊辦事處

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

中國主要營業地點

中國
深圳市南山區
沙河西路1801號
國寶大廈22樓

香港總部及主要營業地點

香港
新界
沙田香港科學園科技大道東
16號海濱大樓
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公司網站

www.smit.com.cn

開曼股份過戶登記處

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

NOMINATION COMMITTEE

Mr. Huang Xueliang (*Chairman*)
Mr. Jin Yufeng
Mr. Woo Kar Tung, Raymond

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

22F, Guoshi Building
No. 1801 Sha He Xi Ave.,
Nanshan District,
Shenzhen, PRC

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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16 Science Park East Avenue,
Hong Kong Science Park Shatin,
New Territories
Hong Kong

COMPANY'S WEBSITE

www.smit.com.cn

CAYMAN SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

公司資料

CORPORATE INFORMATION

香港證券登記處

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

主要往來銀行

花旗銀行香港分行
香港九龍
尖沙咀
海港城港威1座21樓

核數師

羅兵咸永道會計師事務所
註冊會計師和註冊公眾利益實體核數師

股份代號

2239

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKER

Citibank N.A. Hong Kong Branch
21/F, Tower 1, The Gateway, Harbour City
Tsim Sha Tsui
Kowloon
Hong Kong

AUDITOR

PricewaterhouseCoopers
*Certified Public Accountant and
Registered Public Interest Entity Auditor*

STOCK CODE

2239

主席報告

CHAIRMAN'S STATEMENT

各位股東：

本人謹代表國微控股有限公司（「國微控股」或「本公司」），連同其附屬公司（統稱「本集團」）董事會（「董事會」），欣然提呈本集團截至二零一九年十二月三十一日止年度之全年業績。

二零一九年本集團堅持多元化發展的戰略方針，以集成電路為核心，穩健傳統業務的基礎上，積極佈局規劃新業務。本集團於二零一九年的收益為38.1百萬美元，二零一八年則為41.3百萬美元，按年減少7.8%。年內溢利上升836.7%，至12.3百萬美元。本年度每股基本盈利為3.3美仙（二零一八年：0.4美仙）。為答謝股東們對本集團支持，董事會建議派發末期股息0.1美仙，派息總額合共410,139美元。

年內，本集團充分利用自身的行業資源優勢，充分部署所承接的國家重大專項電子設計自動化系統的產業佈局。

二零一九年三月，本集團與西安電子科技大學（以下簡稱「西電」）聯合成立EDA研究院，通過與西電的多項重大戰略合作，進一步依托各方優勢資源，推進相關領域的技術研發、高端人才培養及產業培育。

Dear Shareholders,

On behalf of the Board of Directors (the “Board”) of SMIT Holdings Limited (“SMIT” or the “Company”) and its subsidiaries (collectively referred to as the “Group”), I am pleased to announce the annual results of the Group for the year ended 31 December 2019.

In 2019, the Group adhered to its strategic direction of diversifying development, with integrated circuit (IC) as its core business, to arrange and plan the new business layout proactively based on our sound and traditional business. The Group recorded revenue of US\$38.1 million in 2019 as compared to that of US\$41.3 million in 2018, representing a year-on-year decrease of 7.8%. Profit for the year increase by 836.7% to US\$12.3 million. Basic earnings per share for the year were US3.3 cents (2018: US0.4 cent). To reciprocate shareholders’ support, the Board has proposed a final dividend payment of US0.1 cents with a total dividend payout of US\$410,139.

During the year, by fully leveraging its advantages in industry resources, the Group was able to deploy its industry layout of the electronic design automation (EDA) system for state major projects undertaken in China.

In March 2019, the Group and Xidian University (西安電子科技大學) (hereinafter referred to as “Xidian”) jointly established the EDA Research Institute which aim to facilitate technology research and development in related fields, training of high calibre personnel and cultivating of the industry by further relying on the respective strengths and resources of both parties through various material strategic cooperation with Xidian.

主席報告

CHAIRMAN'S STATEMENT

二零一九年七月，本集團與上海市國資委下屬的唯一一家以產業園區投資、開發與經營和園區相關配套服務為主業的大型國有企業－上海臨港集團簽署戰略合作協議，雙方將重點圍繞半導體產業進行深度合作。

二零一九年十二月二十七日，本集團及其附屬公司S2C Holding Corporation（「**S2C Holding**」），及思爾芯（上海）信息科技有限公司（「**思爾芯上海**」）與若干獨立投資者（「**投資者**」）訂立注資協議，據此，投資者同意向**思爾芯上海**注資合共人民幣309,821,000元，其中人民幣8,568,358元將作為額外註冊資本注入思爾芯上海，而餘額將計入思爾芯上海的資本儲備（「**注資**」）。注資協議簽署前，本集團擁有S2C Holding約95.43%的權益，而S2C Holding擁有思爾芯上海100%的權益。注資協議完成後，思爾芯上海的註冊資本總額將由人民幣8,296,748元增加至人民幣16,865,106元，S2C Holding於思爾芯上海的股權將由100%減少至49.19%，且思爾芯上海將不再為本公司的附屬公司，並成為本集團的聯營公司。

投資者的注資有助於思爾芯上海做大做強快速驗證系統與軟件業務，本集團作為思爾芯上海的第一大股東將全力支持思爾芯上海未來的發展。

於二零一九年五月，本集團以人民幣10,000,000元收購深圳鴻芯微納技術有限公司（「**深圳鴻芯**」）約0.99%的股權。深圳鴻芯為一家專門開發EDA設計軟件的公司。於二零二零年一月，本集團進一步向深圳鴻芯注資人民幣90,000,000元，本集團的股權增加至9.09%。初始投資及其後注資有助本集團加強與深圳鴻芯的合作，並進一步提升本集團開發全流程EDA系統。

In July 2019, the Group entered into a strategic cooperation agreement with Shanghai Lingang Group (上海臨港集團), the only large scale state-owned enterprise of Shanghai SASAC (上海國資委) primarily engaged in industrial park investment, and the development and operation of auxiliary services in relation to the industrial park, both parties will carry out in-depth cooperation focusing on the semiconductor industry.

On 27 December 2019, the Company and its subsidiaries S2C Holding Corporation (“**S2C Holding**”) and S2C Shanghai Co., Ltd. (“**S2C Shanghai**”) entered into a capital injection agreement with certain independent investors (the “**Investors**”), pursuant to which the Investors agreed to contribute a total of RMB309,821,000 into S2C Shanghai, of which RMB8,568,358 was contributed as additional registered capital in S2C Shanghai and the remaining balance was credited to the capital reserve in S2C Shanghai (the “**Capital Injection**”). Prior to the signing of the capital injection agreement, the Company was interested in approximately 95.43% of S2C Holding, which was in turn interested in 100% of S2C Shanghai. The Capital Injection was completed on 31 December 2019, whereupon the total registered capital of S2C Shanghai increased from RMB8,296,748 to RMB16,865,106, and S2C Holding’s equity interest in S2C Shanghai decreased from 100% to 49.19%, and S2C Shanghai ceased to be a subsidiary of the Group and became an associate of the Group.

Capital injection by investors facilitates the expansion and strengthening of the rapid verification system and software business of S2C Shanghai, and the Group, being the largest shareholder of S2C Shanghai, will fully support the future development of S2C Shanghai.

In May 2019, the Group acquired approximately 0.99% equity interest in Shenzhen Giga Design Automation Co., Ltd (“**Shenzhen Giga Design**”) for RMB10 million. Shenzhen Giga Design is a company specializing in the development of EDA design software. In January 2020, the Group further contributed RMB90 million in Shenzhen Giga Design, increasing the Group’s equity interest to 9.09%. The initial investment and subsequent capital injection allows the Group to increase its cooperation with Shenzhen Giga Design and further enhance the Group’s capabilities in developing the full process EDA system.

前景

本集團將持續貫徹多元化發展路線，未來將繼續圍繞集成電路設計，以安全與應用為驅動，在穩固付費電視廣播行業的領先市場份額的同時，致力於在電子設計自動化系統領域全方位佈局。

視密卡業務方面，本集團將繼續鞏固在歐洲的現有領先優勢，並於非洲等市場尋找新的市場機會。而針對新型冠狀病毒疫情對歐洲地區業務的影響，集團亦會採取措施，從備貨、市場推廣、客戶關係維護以及研發進度等方面進行調整，確保該區域業務的穩步發展。

電子設計自動化系統業務方面，本集團將積極深化EDA產業內各類資源合作，充分調動各方優勢，全面推進EDA工具的研發進程。為滿足國家集成電路行業發展的迫切需求，本集團將本着補足國內集成電路短板，確保自主可控能力的原則，積極尋找行業或產業鏈內在軟硬件及芯片設計、研發及產業化方面具有一定技術優勢且能與本集團業務產生協同效應的優秀企業進行合作或投資，以完善並拓展本集團現有業務格局，為本集團大力發展半導體控股全面鋪墊。

PROSPECTS

The Group will uphold its road map of diversified development. In the future, it will solidify its leading position, in terms of market share in the pay-TV broadcasting industry while endeavouring to work on the comprehensive layout in the field of the EDA system by sticking to IC design which focuses on security and applications.

For the CAM business, the Group will continue to consolidate its leading edges in Europe at present and seek new business opportunities in markets such as Africa. In response to the impact of the COVID-19 pandemic on the business in Europe, the Group will take measures to adjust its stock preparation, marketing, customer relationship maintenance and research and development schedule to ensure the steady development of its business in the region.

For the EDA system business, the Group will proactively deepen cooperation amongst various resources within the EDA industry and fully mobilize each parties' respective strengths to comprehensively promote the research and development process of EDA tools. In order to satisfy the urgent needs of the State to develop the IC industry, the Group will strive to seek cooperation with or investment opportunities in outstanding enterprises within the industry or industry chain with technical advantages in design, research and development and industrialization of hardware and software and chipsets, as well as enterprises which are able to create synergy with the Group's business. The Group will continue to adhere to the principles of making up for the shortcomings of domestic IC and ensuring the capability of being autonomous and controllable, to optimize and expand the current business of the Group thereby fully preparing the Group in vigorous development of semiconductor holding group.

主席報告

CHAIRMAN'S STATEMENT

致謝

本人謹代表董事會感謝各位股東、業務合作夥伴及客戶一直以來對本集團的支持及信任，同時，衷心感謝董事會成員、管理團隊及每位員工於年內的投入和貢獻。二零二零年我們將繼續拓展業務，為股東創造更大的價值。

黃學良

主席

香港，二零二零年三月二十七日

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express our gratitude to all shareholders, business partners and customers for their ongoing support and trust to the Group, as well as to our Board members, management team and staff for their dedication and contributions over the year. In 2020, we will continue to expand our business in order to create greater value for our shareholders.

Chairman

Huang Xueliang

Hong Kong, 27 March 2020

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧

本集團是全球付費電視廣播接收的領先安全裝置供應商，通過銷售可讓終端使用者接收付費電視內容的條件接收模塊（或視密卡）產品，為全世界付費電視行業設計、開發及營銷安全裝置。本集團亦是中國移動銷售終端（或mPOS）支付系統的供應商，為中國移動支付行業開發及營銷移動銷售終端機。

S2C Tech Inc.（「**S2C**」）於年底前視作出售S2C業務前為本集團的附屬公司，亦是全球領先的基於硬件的快速驗證系統與軟件提供商。S2C的快速驗證系統與軟件產品可迅速地構建複雜系統模型，運用於產品建立前之軟件開發及測試，這有助於客戶縮短系統芯片（「**SoC**」）設計週期。

此外，本集團於二零一八年獲批承接「芯片設計全流程電子設計自動化（「**EDA**」）系統開發與應用」之國家重大科技專項，正式啟動對電子設計自動化系統的研發，目前處於研發投入期。

BUSINESS REVIEW

The Group is a leading security devices provider globally for pay-TV broadcasting access. It designs, develops and markets security devices primarily for the pay TV industry worldwide through sales of conditional access modules, or CAMs, products which provide end users with access to pay-TV content. The Group is also a supplier of mobile point-of-sales or mPOS systems, and develops and markets mPOS devices for the mobile payment industry in China.

S2C Tech Inc.（「**S2C**」），a subsidiary of the Group prior to its deemed disposal of S2C business in the end of the year, is a leading hardware-based rapid verification system and software provider globally. Rapid verification systems and software products of S2C can quickly build complex system models for the development and testing of software before product establishment, which will enable customers reduce the design cycle of system-on-chip（「**SoC**」）.

In addition, the Group obtained requisite approval for the implementation of the national science and technology project of “Development and Application of Full Process Electronic Design Automation（「**EDA**」）System for Chip Design” in 2018 and duly launched the research and development of EDA system, which is currently in the research and development phase.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

視密卡(CAM)

截至二零一九年十二月三十一日止年度，本集團視密卡收益約為24.6百萬美元，按年增加約6.5%，佔本集團總收入約64.5%。歐洲市場（除去俄羅斯）仍為本集團CAM銷售的最大市場，佔CAM總銷售額約59.7%，收入按年下跌約0.4%。俄羅斯佔CAM總銷售額約17.2%，按年上升約34.5%。新興市場約佔CAM總銷售額約16.7%，按年上升約2.6%。中國內地市場佔CAM總銷售額約6.4%，按年上升約30.1%。

歐洲大部分市場運營商的模擬信號關閉已經接近尾聲，市場需求趨於平穩。俄羅斯區域的銷售增長得益於衛星用戶數目有較大增長。新興市場對於CI形態的CAM接受程度一直受到TV適配機型基數的影響，市場容量有限，但非洲市場客戶需求增加帶來新興市場整體銷售的一定增長。國內市場方面，USB CAM產品化在IPTV的衝擊和運營商對項目的投入有限的狀況下，儘管銷售不及預期，得益於運營商在播控平台的投入加大，二零一九年下半年工程卡需求增加，國內整體收入上升。

CAM

For the year ended 31 December 2019, the Group recorded revenue of approximately US\$24.6 million from CAM, around 6.5% more than last year, which accounted for around 64.5% of the Group's total revenue. The European market (excluding Russia) remained the largest market for the Group's CAM sales, and made up around 59.7% of total CAM sales, which was approximately 0.4% less than the previous year. The share of revenue from Russia accounted about 17.2% of CAM, which increased by around 34.5% year on year. Other emerging markets accounted for approximately 16.7% of our total CAM sales, and recorded a year-on-year increase of around 2.6%. The Mainland China market contributed approximately 6.4% of our total CAM sales, representing an increase of around 30.1% year-on-year.

Approaching the end of analog switch-off (ASO) by most of the market operators in Europe, market demand stabilized. Sales increase in the Russian region has benefited from a significant increase in the number of satellite users. The acceptance of CI CAM in emerging markets has been affected by the base number of TV-adaptive models, which has limited market capacity. But the increase in customer demand in the African markets has brought some growth in the overall sales in emerging markets. In the domestic market, under the impact of IPTV and limited investment by operators in the project of USB CAM, despite lower-than-expected sales, thanks to the increased investment in broadcast control platforms by operators, the overall domestic revenue increased with the increased demand for engineering cards in the second half of 2019.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

去年本集團在歐洲率先完成CI+1.4產品的部署，亦在九月IBC展會期間與行業主要合作夥伴展示最新的CI+2.0和HbbTV產品。符合新規範的CAM和TV產品將給廣播電視付費行業帶來更為安全、美觀且便捷的產品，有助於運營商在CI+產品上向使用者推廣更多的業務。此外，年內，本集團已完成多家條件接收公司無智能卡條件接收技術的集成，並已向多個運營商推出定制CI+1.3的功能產品。本集團持續在USB CAM產品上投入，與國內多家TV廠商以及運營商完成產品集成。

移動銷售終端機(mPOS)

鑑於移動支付終端市場供過於求，及中國持續收緊金融政策，支付業務渠道資金面愈發緊張，導致年內支付終端業務的運營風險不斷增強。截至二零一九年十二月三十一日止年度，本集團mPOS的銷售收益約為3.4百萬美元，按年減少約56.4%，佔總收入約9.0%。

快速驗證系統與軟件 – S2C

本集團於年底前作出視作出售前的附屬公司S2C於二零一九年進一步優化產品性能及服務，生產能力亦大幅增強。截至二零一九年十二月三十一日止年度，S2C為本集團貢獻銷售收益約為10.1百萬美元，佔本集團總收入約26.5%。

Last year, the Group completed the deployment of CI + 1.4 products in Europe firstly and also displayed the latest CI + 2.0 and HbbTV products with major industry partners during the IBC exhibition in September. The CAM and TV products that comply with the new specifications will bring more secure, beautiful and convenient products to the paid TV broadcast industry, helping operators promote more services to users on CI + products. In addition, during the year, the integration of smart-card-less conditional access technology with various conditional access companies was completed and the customized CI + 1.3 functional products was launched to a number of operators. The Group continues to invest in USB CAM products, completing product integration with a number of domestic TV manufacturers and operators.

mPOS

In view of the oversupply in the mobile payment terminal market and the fact that China has continued to tighten its financial policies, the funds of payment business channels has become increasingly tight, which resulted in increased operation risks of the payment terminal business during the year. For the year ended 31 December 2019, sales revenue from mPOS decreased by approximately 56.4% year-on-year to approximately US\$3.4 million, accounting for around 9.0% of the Group's total revenue.

Rapid verification system and software – S2C

S2C, a subsidiary of the Group prior to its deemed disposal in the end of the year, further optimized product performance and services in 2019, and also enhanced its production capacity significantly. For the year ended 31 December 2019, S2C contributed revenue of approximately US\$10.1 million, accounting for approximately 26.5% of the Group's total revenue.

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除於二零一九年S2C經營業績的全年化影響外，S2C主要受其齊全產品種類推動而實現內生收入增長，可滿足各種不同客戶的需求。現有成熟產品經過前期的市場培育，客戶的追加訂單數迅速增長，日本及美國市場尤為顯著。而二零一九年推出的新產品具有高度模組化、一體化的特性，一經推出便受到市場廣泛認可，訂單增長迅速。客戶方面，S2C已與多家知名的IC設計公司合作，其續訂需求進一步釋放，進而促進了S2C營收的增長。

EDA系統

自二零一八年獲批承接「芯片設計全流程電子設計自動化系統開發與應用」之國家重大科技專項起，二零一九年本集團藉助強大的資金優勢及有力的政府支持，積極調動各地政企與高校資源開展深入的合作。通過不斷完善基礎研發設施、借助充足培訓增加人才儲備及規範研發專項課題的標準管理，保障各項技術開發的有序進展，促進EDA產業佈局規劃的初步形成。

二零一九年三月，本集團與西安電子科技大學（「西電」）聯合成立EDA研究院，通過與西電的多項重大戰略合作，進一步依托各方優勢資源，推進相關領域的技術研發、高端人才培養及產業培育。

Apart from the full year impact of the operating results of S2C in 2019, S2C experienced an organic growth in revenue mainly driven by its complete range of products, which can meet the needs of various customers. After the existing mature products have undergone early market cultivation, the number of additional orders from customers has grown rapidly, especially in the Japanese and American markets. The new products launched in 2019 are highly modular and integrated, which received wide market recognition after launch, with orders growing rapidly. On the customer side, S2C had cooperated with a number of well-known IC design companies, and its renewal needs have been further released, which has contributed to the growth of S2C's revenue.

EDA system

After receiving approval for the implementation of the national science and technology project of "Development and Application of Full Process Electronic Design Automation System for Chip Design" in 2018, the Group leveraged on its strong financial advantages and strong government support to actively mobilize local government, enterprise resources and universities to carry out in-depth cooperation in 2019. By continuously improving fundamental research and development facilities, increasing talent pool with adequate training, and formalizing the standard management of special research and development projects, it guaranteed the orderly progress of various technological developments and promoted the initial formation of the EDA industry layout plan.

In March 2019, the Group and Xidian University ("Xidian") jointly established the EDA Research Institute. Through a number of major strategic cooperation with Xidian and further relying on the strengths and resources of all parties, the Group advanced technological research and development, cultivation of high-end talent and industry development.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

二零一九年七月，本集團與上海市國資委下屬的唯一一家從事產業園區投資、開發與經營和園區相關配套服務的大型國有企業－上海臨港集團簽署戰略合作協議，本集團及上海臨港集團將重點圍繞半導體產業進行深度合作。

截至二零一九年十二月三十一日止年度，本集團電子設計自動化系統的研發經費支出約為3.7百萬美元，約佔總收入為9.6%。

未來本集團將持續加大對電子設計自動化系統的研發投入，全面推進新營收增長點的成型。

In July 2019, the Group signed a strategic cooperation agreement with Shanghai Lingang Group (上海臨港集團), the only large scale state-owned enterprise under the Shanghai State-owned Assets Supervision and Administration Commission engaged in investment, development and operation of industrial parks and supporting services related to the parks. The Group and Shanghai Lingang Group will focus on in-depth cooperation around the semiconductor industry.

For the year ended 31 December 2019, the research and development expenses of the Group's EDA system were about US\$3.7 million, accounting for approximately 9.6% of total revenue.

In the future, the Group will continue to increase its R&D investment in EDA systems, fully promoting the formation of new revenue growth points.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧

收益

截至二零一九年十二月三十一日止年度，本集團的收益為38.1百萬美元，較二零一八年下降約7.8%。收益下降主要是因為於二零一九年本集團停止經營區塊鏈業務所致。收益按業務部分分析如下：

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2019, the Group generated revenue of US\$38.1 million, representing a decrease of around 7.8% compared with 2018. The revenue decrease is mainly attributable to the termination of the blockchain business in 2019. The following table shows revenue breakdown by business segments:

		截至十二月三十一日止年度 Year ended 31 December					
		二零一九年 2019		二零一八年 2018			
		百萬美元 US\$ million	%	百萬美元 US\$ million	%	變動百分比 Change in %	
區塊鏈服務器	Blockchain server	–	–	9.6	23.3	–	
視密卡	CAM	24.6	64.5	23.1	55.9	6.5	
mPOS	mPOS	3.4	9.0	7.8	18.9	-56.4	
快速驗證系統 與軟件	Rapid verification system and software	10.1	26.5	0.8	1.9	1162.5	
		38.1	100	41.3	100	-7.7	

毛利及毛利率

截至二零一九年十二月三十一日止年度的毛利為15.3百萬美元，較二零一八年增加1.6百萬美元或11.7%，這主要由於二零一八年十一月併購S2C公司而新增的產品銷售收入流所致；毛利率為40.1%，按年上升21.1%，主要歸功於銷售具有較高毛利率的快速驗證系統與軟件。

Gross Profit and Gross Profit Margin

Gross profit amounted to US\$15.3 million for the year ended 31 December 2019, representing an increase of US\$1.6 million or 11.7% compared with 2018 mainly due to the new product sales revenue stream as a result of the acquisition of S2C in November 2018. Gross profit margin increased by 21.1% year-on-year to 40.1%, which was mainly attributable to the sales of rapid verification system and software which is of higher gross profit margin.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

研發開支

研發開支主要包括本集團研發人員的薪金及福利、租金及辦公開支、條件接收認證費用、專業服務費及交通及住宿。於截至二零一九年十二月三十一日止年度，研發開支由7.8百萬美元增加至9.6百萬美元，主要由於快速驗證系統與軟件研發費用增加以及EDA研發項目支出增加。

銷售及分銷開支

銷售及分銷開支主要包括銷售及營銷人員的薪金及福利、營銷、培訓及推廣開支、差旅及招待費及租金及辦公開支。截至二零一九年十二月三十一日止年度，銷售及分銷開支為4.1百萬美元，較二零一八年上升53.3%，主要由於與新收購的快速驗證系統與軟件業務有關的費用。

一般及行政開支

一般及行政開支主要包括管理層、行政及財務人員的薪金及福利、專業服務費、租金及辦公開支、呆賬撥備以及差旅及招待費。於截至二零一九年十二月三十一日止年度，一般及行政開支為12.1百萬美元，較二零一八年增加36.9%，主要由於與新收購的快速驗證系統與軟件業務有關的費用。

Research and Development Expenses

Research and development expenses mainly include salaries and benefits of the Group's research and development staff, rental and office expenses, CA certification fees, professional service fees and transportation and lodging. During the year ended 31 December 2019, research and development expenses grew from US\$7.8 million to US\$9.6 million, mainly due to increased research and development expenses on rapid verification system and software and increased expenditure of the EDA research and development projects.

Selling and Distribution Expenses

Selling and distribution expenses mainly include salaries and benefits of sales and marketing staff, marketing, training and promotion expenses, travel and entertainment and rental and office expenses. For the year ended 31 December 2019, sales and distribution expenses were US\$4.1 million, increased by 53.3% compared with 2018, which was mainly attributable to the expenses associated to the newly-acquired rapid verification system and software business.

General and Administrative Expenses

General and administrative expenses mainly include salaries and benefits of management, administrative and finance staff, professional service fees, rental and office expenses, provision for doubtful debts, and travel and entertainment. For the year ended 31 December 2019, general and administrative expenses amounted to US\$12.1 million, representing an increase of 36.9% compared to 2018. The increase was mainly attributable to the expenses associated to the newly-acquired rapid verification system and software business.

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所得稅抵免

所得稅抵免主要包括本集團的中國及香港附屬公司的中國企業所得稅及香港利得稅。所得稅抵免由截至二零一八年十二月三十一日止年度的1.6百萬美元減至截至二零一九年十二月三十一日止年度的0.7百萬美元，主要由於本公司及其附屬公司在各個國家的盈利能力變化。

年內溢利

截至二零一九年十二月三十一日止年度溢利為12.3百萬美元，較二零一八年上升836.7%，主要由於年內完成的視作出售思爾芯（上海）信息科技有限公司股權所帶來的一次性處置收益。

流動資金、財務資源及債務結構

本集團繼續維持良好的流動資金狀況。於二零一九年十二月三十一日，本集團的現金及現金等價物合計為70.9百萬美元（於二零一八年十二月三十一日：55.0百萬美元），主要分別以人民幣及美元列值。本集團錄得流動資產淨值58.6百萬美元（於二零一八年十二月三十一日：71.0百萬美元）。本集團的流動比率（按總流動資產除以總流動負債計算）為228.5%（二零一八年十二月三十一日：457.1%）。

Income Tax Credit

Income tax credit mainly consists of PRC corporate income tax and Hong Kong profits tax for the PRC and Hong Kong subsidiaries of the Group, respectively. Income tax credit decreases from US\$1.6 million for the year ended 31 December 2018 to US\$0.7 million for the year ended 31 December 2019, mainly due to a change in the profitability of the Company and its subsidiaries in the respective countries.

Profit for the Year

Profit for the year ended 31 December 2019 amounted to US\$12.3 million, representing a increase of 836.7% when compared with 2018. It was mainly attributable to an one-off gain on the deemed disposal of the equity interests in S2C Shanghai Co., Ltd. (思爾芯（上海）信息科技有限公司) completed during the year.

Liquidity, Financial Resources and Debt Structure

The Group continued to maintain a healthy and solid liquidity position. As at 31 December 2019, total cash and cash equivalents of the Group amounted to US\$70.9 million (as at 31 December 2018: US\$55.0 million) and were mainly denominated in RMB and US dollars. The Group recorded net current assets amounting to US\$58.6 million (as at 31 December 2018: US\$71.0 million) and its current ratio, calculated by dividing total current assets by total current liabilities, was 228.5% (as at 31 December 2018: 457.1%).

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於二零一九年十二月三十一日，本集團無銀行借款（二零一八年：5.3百萬美元），但有租賃負債1.1百萬美元（二零一八年：無）。並無就銀行借款抵押受限制銀行存款（二零一八年：0.5百萬美元）。本集團概無進行對沖活動。本集團於二零一九年十二月三十一日的資產負債比率（按銀行借款總額除以權益總額計算）為0%（二零一八年：4.8%）。除上述銀行借款外，本集團分別在中國內地及香港持有未動用的銀行融資人民幣7.9百萬元（相等於1.1百萬美元）（二零一八年：人民幣100百萬元（相等於14.6百萬美元））及15.0百萬美元（二零一八年：10.0百萬美元）。本集團概無任何其他尚未償還債務或任何發行在外或已授權但尚未發行的債務證券、定期貸款、其他借款或性質上屬於借款的債務、承兌信用、租購承擔、抵押及押記、或然負債或尚未解除的擔保。

上市所得款項淨額用途

根據本公司於二零一六年三月十六日刊發的招股章程（「招股章程」）所述的全球發售（「全球發售」），本公司透過上市發行合共75,000,000股新股份（「發售股份」），最終發售價為每股發售股份3.78港元。據此籌集的所得款項淨額總額（經扣除全球發售直接應佔的承銷佣金及開支後）約為251.6百萬港元。根據全球發售產生的所得款項淨額，招股章程所述的所得款項淨額建議用途已根據招股章程「未來計劃及所得款項用途」一節所載原則調整。

於二零一六年三月三十日（「上市日期」），即本公司股份於聯交所首次開始買賣日期）至本報告日期止期間，上市所得款項淨額已應用如下：

As at 31 December 2019, the Group had no bank borrowings (2018: US\$5.3 million) and lease liabilities of US\$1.1 million (2018: nil). No restricted bank deposit had been pledged for the bank borrowings (2018: US\$0.5 million). No hedging activity had been carried out by the Group. Gearing ratio of the Group, as calculated by dividing total bank borrowings by total equity, was 0% (2018: 4.8%) as at 31 December 2019. Apart from the above bank borrowings, the Group had unutilized banking facilities of RMB7.9 million (equivalent to US\$1.1 million) (2018: RMB100 million (equivalent to US\$14.6 million)) and US\$15.0 million (2018: US\$10.0 million) in Mainland China and Hong Kong respectively. The Group did not have any other outstanding indebtedness or any outstanding or authorised but unissued debt securities, term loans, other borrowings or indebtedness in the nature of borrowings, acceptance credits, hire purchase commitments, mortgages and charges, contingent liabilities or guarantees outstanding.

Use of Net Proceeds from Listing

The aggregate net proceeds raised by the Company from the Listing through the issue of an aggregate of 75,000,000 new shares (the “Offer Shares”) at the final offer price of HK\$3.78 per Offer Share pursuant to the global offering (the “Global Offering”) referred to in the prospectus issued by the Company on 16 March 2016 (the “Prospectus”), after deduction of underwriting commissions and expenses directly attributable to the Global Offering, were approximately HK\$251.6 million. Based on the net proceeds derived from the Global Offering, proposed application of net proceeds as stated in the Prospectus had been adjusted according to the principles as specified in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

During the period from 30 March 2016 (the “Listing Date”, being the date on which dealings in the shares of the Company first commenced in the Stock Exchange), to the date of this report, the net proceeds raised from the Listing had been applied as follows:

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招股章程 所述業務目標 Business objectives as stated in the Prospectus	招股章程 所述所得 款項百分比	根據實際總 所得款項減 估計上市 開支後經 調整的所得 款項用途 Use of proceeds adjusted according to actual gross proceeds less estimated listing expense 百萬港元 HK\$ million	自上市 日期起至 本報告日期 的所得款項 實際用途 Actual use of proceeds from the Listing Date to the date of this report 百萬港元 HK\$ million
產品規劃及研發活動	Product planning and research and development	40%	100.64
銷售及市場推廣開支	Sales and marketing expenditures	30%	75.48
可能合併及收購	Possible mergers and acquisitions	20%	50.32
營運資金及一般 公司用途	Working capital and general corporate purposes	10%	25.16
		100%	235.42

如招股章程所披露，未動用的所得款項淨額已按董事會的意向存置於香港及中國內地的持牌銀行作為計息存款。本公司並無亦不會將任何所得款項淨額用於招股章程所披露者以外的用途。

The unused net proceeds have been placed as interest bearing deposits with licensed banks in Hong Kong and Mainland China in accordance with the intention of the Board as disclosed in the Prospectus. The Company has not utilised and will not utilise any net proceeds for purposes other than those disclosed in the Prospectus.

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MANAGEMENT DISCUSSION AND ANALYSIS

資本承擔

於二零一九年十二月三十一日，本集團有2.4百萬美元（二零一八年：無）已訂約但未撥備之資本承擔，並無已授權但未訂約之資本承擔（二零一八年：無）。

重大投資、重要收購、出售附屬公司及聯屬公司和未來重大資本資產投資或收購相關計劃

於二零一九年十二月三十一日，本集團共於六間非上市公司擁有股本證券投資，且於公平值合共約為14.6百萬美元的非上市基金擁有權益（二零一八年：18.2百萬美元）。有關本集團股本證券投資的更多資料，請參閱綜合財務報表附註21。

有關本集團於截至二零一九年十二月三十一日止年度的重大收購及出售附屬公司及聯營公司詳情載列如下：

收購深圳鴻芯的股權及注資

於二零一九年五月二十一日，國微集團（深圳）有限公司（「SMIT深圳」）（作為買方）、李雪女士（作為賣方）（「賣方」）、深圳鴻芯微納技術有限公司（「深圳鴻芯」）及深圳鴻泰鴻芯股權投資基金合夥企業（有限合夥）（「鴻泰鴻芯基金」）簽訂股權轉讓協議，據此，SMIT深圳同意購買而賣方同意出售目標公司約0.99%的股權，代價為人民幣10,000,000元（「收購事項」）。

Capital Commitments

As at 31 December 2019, the Group has capital commitments of US\$2.4 million (2018: nil) contracted, but not provided for, and did not have any authorised but not contracted for capital commitments (2018: nil).

Significant Investment, Material Acquisition and Disposal of Subsidiaries and Associated Companies and Future Plan for Material Investments or Acquisition of Capital Assets

As at 31 December 2019, the Group had equity securities investments in a total of six unlisted companies and had interest in an unlisted fund with an aggregate fair value of approximately US\$14.6 million (2018: US\$18.2 million). For further information on the Group's equity securities investments, please refer to Note 21 to the consolidated financial statements.

Details of the Group's material acquisitions and disposals of subsidiaries and associated companies effected during the year ended 31 December 2019 are set below:

Acquisition of Equity Interest and Capital Injection in Shenzhen Giga Design

On 21 May 2019, Shenzhen State Micro Technology Co., Ltd. ("SMIT Shenzhen") (as the purchaser), Ms. Li Xue (as the seller) (the "Seller"), Shenzhen Giga Design Automation Co., Ltd ("Shenzhen Giga Design") and Shenzhen Hongtai Hongxin Share Investment Fund Partnership (Limited Partnership) (the "HTHX Fund") entered into an equity transfer agreement, pursuant to which SMIT Shenzhen agreed to purchase and the Seller agreed to sell approximately 0.99% equity interest of the target company at the consideration of RMB10 million (the "Acquisition").

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

深圳鴻芯為國家集成電路基金及深圳引導基金訂立的合作投資項目產品，從事開發EDA設計軟件。本集團獲認證於集成電路設計方面技術能力及其開發EDA工具的策略，本集團獲邀通過收購事項參與投資項目。收購事項有助本集團接觸最新EDA設計軟件項目，繼而加強本集團開發全流程EDA系統的能力。有關收購事項的更多資料，請參閱本公司日期為二零一九年五月二十一日的公告。

視作出售思爾芯上海的股權

二零一九年十二月二十七日，本集團及其附屬公司S2C Holding Corporation（「**S2C Holding**」），及思爾芯（上海）信息科技有限公司（「**思爾芯上海**」）與若干獨立投資者（「**投資者**」）訂立注資協議，據此，投資者同意向思爾芯上海注資合共人民幣309,821,000元，其中人民幣8,568,358元將作為額外註冊資本注入思爾芯上海，而餘額將計入思爾芯上海的資本儲備（「**注資**」）。注資協議簽署前，本集團擁有S2C Holding Corporation（「**S2C Holding**」）約95.43%的權益，而S2C Holding擁有思爾芯上海100%的權益。注資於二零一九年十二月三十一日完成，思爾芯上海的註冊資本總額將由人民幣8,296,748元增加至人民幣16,865,106元，S2C Holding於思爾芯上海的股權將由100%減少至49.19%，且思爾芯上海將不再為本公司的附屬公司，並成為本集團的聯營公司。

本集團將持續尋找有前景的目標的公司來開展投資及業務合作。

Shenzhen Giga Design is the product of a co-operation investment project between the China IC Fund and the Shenzhen Guiding Fund to engage in the development of EDA design software. In recognition of the Group's technological capabilities in the IC design sector and its strategy to develop EDA tools, the Group was invited to participate in the investment project through the Acquisition. The Acquisition allows the Group to be in touch with the latest EDA design software projects which will in turn enhance the Group's capabilities in developing the full process EDA system. For further information on the Acquisition, please refer to the Company's announcement dated 21 May 2019.

Deemed Disposal of Equity Interests in S2C Shanghai

On 27 December 2019, the Company and its subsidiaries S2C Holding Corporation（「**S2C Holding**」）and S2C Shanghai Co., Ltd.（「**S2C Shanghai**」）entered into a capital injection agreement with certain independent investors (the «**Investors**»), pursuant to which the Investors agreed to contribute a total of RMB309,821,000 into S2C Shanghai, of which RMB8,568,358 was contributed as additional registered capital in S2C Shanghai and the remaining balance was credited to the capital reserve in S2C Shanghai (the «**Capital Injection**»). Prior to the signing of the capital injection agreement, the Company was interested in approximately 95.43% of S2C Holding Corporation（「**S2C Holding**」），which was in turn interested in 100% of S2C Shanghai. The Capital Injection was completed on 31 December 2019, whereupon the total registered capital of S2C Shanghai increased from RMB8,296,748 to RMB16,865,106, and S2C Holding's equity interest in S2C Shanghai decreased from 100% to 49.19%, and S2C Shanghai ceased to be a subsidiary of the Group and became an associate of the Group.

The Group will continue to search for companies with prospective targets for investment and business cooperation.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

或然負債

於二零一九年十二月三十一日，本集團並無重大或然負債。

貨幣風險及管理

本集團主要於歐洲（美元計值交易）及中國（人民幣計值交易）進行銷售。本集團的視密卡與快速驗證設備銷售主要以美元計值，而mPOS機則以人民幣計值。本集團生產成本主要以人民幣計值。

截至二零一九年十二月三十一日止年度，本集團並無訂立任何外匯遠期合約或使用任何衍生工具合約來對沖外匯風險。本集團密切監視外匯匯率變化以管理貨幣風險並會在必要時考慮對沖重大外匯風險。

僱員及薪酬政策

於截至二零一九年十二月三十一日止年度，本集團聘用約290名員工（二零一八年十二月三十一日：282名），其中263名駐於中國內地、7名駐於台灣、10名駐於香港及10名駐於世界其他國家。截至二零一九年十二月三十一日止年度員工成本（包括薪酬、社會保險、公積金及股份激勵計劃）總額為15.5百萬美元，佔本集團總收益的40.8%。

本集團與所有全職僱員均訂立僱傭協議。此外，若干高級管理層及主要研發人員已與本集團簽訂保密協議及不競爭協議。各高級行政人員已同意於僱傭協議生效期間及之後的一段時間內對本集團的任何保密數據、商業秘密或專業知識或本集團收到的任何第三方的機密數據絕對保密，且除職務上需要外，彼等不會對該等保密數據加以利用。此外，各高級行政人員已同意於其受僱期屆滿後兩年內受不競爭限制的約束。

Contingent Liabilities

As at 31 December 2019, the Group did not have any significant contingent liabilities.

Currency Risk and Management

The Group's sales are primarily made in Europe, in US dollar-denominated transactions and the PRC, in RMB-denominated transactions. Sales of CAM and rapid verification devices of the Group were predominantly denominated in US dollars while sales of mPOS devices was denominated in RMB. The Group's costs of production are predominantly denominated in RMB.

For the year ended 31 December 2019, the Group did not enter into any foreign currency forward contracts or use any derivative contracts to hedge against the risk incurred from its currency exposure. The Group manages its currency risk by closely monitoring the movement of foreign currency rates and may consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration Policy

For the year ended 31 December 2019, the Group employed about 290 employees (as at 31 December 2018: 282 employees), of whom 263 were based in Mainland China, 7 in Taiwan, 10 in Hong Kong and 10 in other countries around the world. For the year ended 31 December 2019, staff costs (including salaries, social insurance, provident funds and share incentive plan) amounted to US\$15.5 million in aggregate, representing 40.8% of the total revenue of the Group.

The Group has entered into employment agreements with all of its full-time employees. In addition, certain senior management and key research and development personnel have signed confidentiality agreements and non-competition agreements with the Group. Each senior executive officer has agreed to hold, both during and after the effective period of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her employment duties, any confidential information, trade secrets or know-how of the Group or the confidential information of any third party received by the Group. Additionally, each senior executive officer has agreed to be bound by non-competition restrictions for a period of two years following the expiry of his or her term of employment.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

本集團的成功依賴其吸引、挽留及激勵合資格人員的能力。本集團定期審閱其僱員的薪酬政策及工資。本集團亦致力培訓及發展我們的僱員。本集團利用研發中心、研究實驗室及項目管理團隊，確保每名僱員通過接受從技術、解決方案及服務，直至客戶、市場及行業等方面課題上進行的持續培訓來維持現時的技能，本集團為所有新僱員提供入職培訓，以及在職培訓以持續提升僱員的技術、專業及管理能力。

展望

去年以來，全球集成電路產業進入變革期，中國集成電路的產業結構亦隨之持續優化。新形勢下，集成電路產業發展既面臨巨大的挑戰，也迎來難得的機遇。順應國家半導體設計行業快速增長的需求，現集團業務已覆蓋付費電視廣播安全產品的設計及應用及集成電路電子設計自動化（「EDA」）系統研發及應用。

視密卡業務方面，本集團將引入新的CAM芯片平台，其從性能、安全性以及成本方面會增加產品的競爭力。產品亦會繼續投入包括HbbTV、CI+ 2.0和國內的USB形態等行業新標準產品的開發和上市。市場方面將加大對USB形態產品的市場推廣，包括歐洲的CI+ 2.0、國內及新興市場的運營商定制產品，同時在國內積極開拓USB CAM結合OTT終端設備的市場機會。

The Group's success depends on its ability to attract, retain and motivate qualified personnel. The Group's remuneration policy and packages for its employees were periodically reviewed. The Group is also dedicated to the training and development of employees. Towards that end, the Group leverages on the resources of its research and development centre, research laboratories and project management team to ensure that each employee maintains a current skill-set through continuous training on topics ranging from technologies, solutions and services to clients, markets and the industry. The Group provides introductory training and orientation for all new employees, as well as on-the-job training to continuously improve employees' technical, professional and management skills.

OUTLOOK

Since last year, the global integrated circuit industry has entered a period of evolution and transformation, and the industrial structure of China's integrated circuits has continued to be optimized. Under the new environment, the development of the integrated circuit industry faces not only huge challenges but also rare opportunities. In line with the rapidly growing needs of the national semiconductor design industry, the Group's business now covers the design and application of pay TV broadcast security products and the research and development and application of integrated circuit electronic design automation ("EDA") systems.

In respect of CAM business, the Group will introduce a new CAM chip platform, which will increase the competitiveness of its products in terms of performance, security and cost. Products will also continue to be invested in the development and market launch of new industry standard products, including HbbTV, CI + 2.0 and domestic USB products. In respect of the market, the Group will increase the marketing of USB products, including CI + 2.0 in Europe, the customized products of the domestic and emerging market operators, meanwhile, actively explore the market opportunities of USB CAM combined with OTT terminal equipment in China.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

當下COVID-19疫情的蔓延對集團視密卡的業務存在一定影響：1)存儲器件和被動件的產能受到影響，有可能會帶來元器件採購價格上升，導致產品成本有一定幅度的上升，備貨(庫存)週期增加；2)歐洲多國為應對疫情，國計民生產業將主要支援醫療等，對於家庭娛樂節目提供將會走緩；3)展會的延期亦會導致疫情期間無法拜訪客戶並進行產品的場測，影響新產品的推廣。針對於此，集團將採取措施全力應對：1)根據客戶預期訂單數量提前對潛在訂單進行備貨，降低潛在的採購風險；2)積極與客戶溝通需求，確保備貨滿足客戶新增訂單要求，保證客戶已下訂單盡快出貨；3)採用寄送樣品的方式，並在深圳搭建完整開發環境，儘量加快產品的研發進度，保障疫情結束後市場推廣的迅速開展。

mPOS業務方面，由於市場競爭激烈及行業模式發生了巨變，原有業務暫停，但會繼續探索新模式，在金融科技業務方面循環再圖發展。

The current spreading of COVID-19 pandemic has certain impact on the Group's CAM business: 1) the production capacity of memory components and passive components has been affected, which may possibly lead to an increase in the purchase prices of such components and our product costs to a certain degree, as well as a prolonged stocking (inventory) turnover period; 2) in order to curb the spreading of the pandemic in many European countries, their focus is shifting to the provision of medical care and the production of medical products, resulting in a slowdown in the provision of home entertainment programs; and 3) the extension of the exhibition will also make it impossible to visit customers and carry out the onsite product tests during the pandemic period, thus affecting the promotion of new products. In response to this, the Group will put efforts to take the following countermeasures: 1) make pre-procurements for the potential orders based on the quantities of expected orders from customers so as to reduce potential procurement risk; 2) proactively communicate with customers to ensure that the quantities of pre-procurements can meet the demand of new orders from customers, and that the shipments can be made for those orders already placed by its customers as soon as possible; and 3) take the sample-sending approach and create a complete development environment in Shenzhen to step up the research and development of products, so as to ensure the rapid rollout of market promotion upon disappearance of the pandemic.

In respect of mPOS business, the previous business has been suspended in response to fierce market competition and the change in industry models. However, we will continuously explore new models and seize opportunities to regain our growth in the Fintech business.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

快速驗證系統與軟件業務方面，鑒於思爾芯上海不再為本公司的附屬公司，未來該業務將獨立發展。新一輪注資令思爾芯上海擁有充足的營運資金，為其現有及日後的研發項目及其他資本開支需求撥資。此外，引進上海投資者加大了思爾芯上海申請上海地方政府支持的可能性，上海地方政府目前已推出若干有利於思爾芯上海業務活動的政策。本集團作為思爾芯上海的第一大股東將全力支持思爾芯上海將快速驗證系統與軟件業務做大做强。

電子設計自動化系統業務方面，本集團將持續加大研發投入，深化拓展電子設計自動化系統業務發展路線，積極開發更多具有自主知識產權的EDA技術，並通過商業化運營實現新的營收增長點。此外，本集團將順應國家大力推進集成電路發展的政策要求，針對國內集成電路產業中的不足之處，積極尋找行業或產業鏈內在軟硬件、芯片設計、研發及產業化方面具有一定技術優勢且能與本集團業務產生協同效應的優秀企業進行合作或投資，以補足並拓展本集團現有技術，為本集團大力發展電子設計自動化系統業務打下更為堅實的基礎。

未來本集團將充分利用自身在產業鏈內的優勢地位，全面整合各大資源，秉持自主研發、產學研結合、投資並購並舉的策略，全面佈局EDA領域。本集團將堅持以集成電路設計為發展核心，以安全和應用產品為抓手，在保證傳統業務穩健發展的基礎上不斷開拓新的營收增長點，多維度挖掘芯片設計行業中的機會點以達成多元化發展。增強集團整體實力的同時，為股東創造更大價值。

In respect of rapid verification system and software business, in view of the fact that S2C Shanghai is no longer the Company's subsidiary, the business will develop independently in the future. The new round of capital injection provided S2C Shanghai with sufficient working capital to finance its existing and future research and development projects and other necessary capital expenditures. In addition, the introduction of Shanghai investors increased the possibility of S2C Shanghai's application for support from Shanghai local government, which has currently introduced several favourable policies for the business activities of S2C Shanghai. As the largest shareholder of S2C Shanghai, the Group will fully support S2C Shanghai to make the rapid verification system and software business bigger and stronger.

In respect of the EDA system business, the Group will continue to increase investment in research and development, continue to expand EDA system business, actively develop more EDA technologies with independent intellectual property rights, and achieve new revenue growth point through commercial operations. In addition, the Group will comply with the policy requirements of the country to vigorously promote the development of integrated circuits, and for the shortcomings in the domestic integrated circuit industry, the Group will actively seek cooperation with or investment in outstanding companies which have certain technical advantages in the software or hardware, chip design, R&D and industrialization within the industry and along industry chain and which can generate synergies with the Group's businesses, to complement and expand the Group's existing technologies with the aim of laying a more solid foundation for the Group's efforts to develop its EDA system business.

In the future, the Group will make full use of its advantageous position in the industrial chain, comprehensively integrate major resources, adhere to the strategy of independent research and development, combination of industry, academy and research, investment and mergers and acquisitions, comprehensively deploy EDA field. The Group will adhere to integrated circuit design as the core focus, and security and applications products as the pillar, on the basis of ensuring the steady development of traditional businesses, it will continue to explore new revenue growth points, and explore opportunities in the chip design industry in multiple dimensions to achieve diversified development. While enhancing the overall strength of the Group, it will create greater value for shareholders.

企業管治常規

本公司董事會（「董事會」）致力達致高水平之企業管治。於截至二零一九年十二月三十一日止年度及直至本報告日期期間，本公司一直遵守上市規則附錄十四所載的企業管治守則（「企業管治守則」）的原則及守則條文，惟以下偏差除外：

守則條文第A.2.1條

根據企業管治守則之守則條文第A.2.1條，主席及首席執行官之職務應有所區分且不應由同一人擔任。於在上市日期至本報告日期期間，本公司主席及首席執行官之職務並無獨立劃分。黃學良先生在截至二零一九年十二月三十一日止年度及直至本報告日期期間一直擔任本公司主席兼首席執行官。

本公司認為，黃學良先生同時擔任主席兼首席執行官將為我們帶來強而有力且穩定的領導，以便更有效規劃和管理本集團。鑒於黃學良先生豐富的行業經驗、個人資歷，以及於本集團及其過往發展中扮演的關鍵角色，董事會相信黃學良先生繼續擔任我們的主席兼首席執行官將對本集團的業務前景有利。

董事會

董事會負責本集團的整體領導，並監察本集團的策略性決定以及監察業務及表現。於本報告日期，董事會由本公司八名董事（「董事」）組成，包括三名執行董事、兩名非執行董事和三名獨立非執行董事。彼等之履歷資料及彼此間之關係（如有）載於本年報第57至66頁。

CORPORATE GOVERNANCE PRACTICES

The board of directors (the “Board”) of the Company is committed to achieving a high level of corporate governance. The Company has been in compliance with the principles and code provisions set out in the Code on Corporate Governance Practices (“CG Code”) under Appendix 14 to the Listing Rules during the year ended 31 December 2019 up to the date of this report, except the following deviation therefrom:

Code Provision A.2.1

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer (CEO) should be separated and performed by different individuals. During the period from the Listing Date to the date of this report, the duties of the Company’s Chairman and CEO were not separated from each other. Mr. Huang Xueliang has been serving as the Company’s Chairman and CEO during the year ended 31 December 2019 and up to the date of this report.

The Company believes that Mr. Huang Xueliang serving as both the Chairman and CEO will guarantee us strong and stable leadership to perform planning and management of the Group more effectively. In view of his extensive experience in the industry, personal credentials and key roles in the Group and its historical development, the Board believes that it is favorable to the business prospects of the Group for Mr. Huang Xueliang to serve as our Chairman and CEO on a continuous basis.

BOARD OF DIRECTORS

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. As at the date of this report, the Board consists of eight directors (“Directors”) of the Company, including three executive Directors, two non-executive Directors and three independent non-executive Directors. Their biographical details and relationships amongst them (if any) are set out on pages 57 to 66 of this annual report.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事會履行企業管治職責，負責召開股東大會，並向股東報告其工作；執行股東大會決議案；制訂本公司的業務計劃、投資計劃以及年度預算與決算；制訂本公司的溢利分配方案、彌補虧損方案以及註冊資本增減方案。

董事會定期召開會議，年內至少須舉行四次董事會會議，大約每季舉行一次，審閱公司歷史財報、營運情況及批准預算及整體策略。全體董事將獲發不少於十四天之通知以召開定期董事會會議，令全體董事均獲機會出席定期會議並討論議程事項。在董事會認為有需要時舉行額外會議。就其他董事會及董事會委員會會議而言，本公司通常會發出合理通知。會議通知中已包括會議議程及相關董事會文件，並至少在舉行董事會或董事會委員會會議日期的三天前送出，以確保董事有充足時間審閱有關文件及充分準備出席會議。倘董事或委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會主席有關彼等的意見。

董事會會議及董事會委員會會議的會議記錄會詳盡記錄董事會及董事會委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及董事會委員會會議的會議記錄草擬本會／將會於會議舉行後的合理時間內寄送至各董事，以供彼等提出意見。董事會會議的會議記錄公開供所有董事查閱。

The Board shall perform the duties of corporate governance, and its responsibilities are to convene the general meetings and report its work to the shareholders; to implement the resolutions of general meetings; to formulate the Company's business plans, investment plans and annual budget and final accounts; to prepare the Company's profit distribution plan, loss recovery plan and proposals for increase or reduction of registered capital.

The Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals to review the Company's historical financial reports and operating conditions and approve the Company's budgets and overall strategies. Notices of no less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. Additional meetings should be held whenever the Board deems necessary. For other board meetings and board Committee meetings, reasonable notice is generally given by the Company. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the board meetings or board committee meetings to ensure that the Directors have sufficient time to review the papers and be adequately prepared for the meetings or board committee meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting.

Minutes of the board meetings and board committee meetings are recorded in sufficient detail on the matters considered by the Board and the board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each board meeting and board committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by the Directors.

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各董事積極參加本公司之會議。於本報告日期之董事會成員組成以及彼等於截至二零一九年十二月三十一日止年度出席本公司會議的情況如下：

The Directors actively participated in the meetings of the Company. The members of the Board as at the date of this report and their participation in the meetings of the Company during the year ended 31 December 2019 are as follows:

董事姓名 Name of Director	提名委員會 會議 Nomination Committee meeting	薪酬委員會 會議 Remuneration Committee meeting	審核委員會 會議 Audit Committee meeting	常規董事會 會議 Regular Board meeting	股東大會 General meeting
黃學良 Huang Xueliang	1/1	不適用 N/A	不適用 N/A	4/4	1/1
曾之傑 (於二零一九年五月二十日辭任) Zeng Zhijie (Resigned on 20 May 2019)	不適用 N/A	1/1	1/2	2/2	1/1
關重遠 Kwan, Allan Chung-yuen	不適用 N/A	不適用 N/A	1/2	4/4	1/1
張俊傑 Zhang Junjie	不適用 N/A	1/1	2/2	4/4	1/1
胡家棟 Woo Kar Tung, Raymond	1/1	不適用 N/A	2/2	4/4	1/1
金玉豐 Jin Yufeng	1/1	1/1	不適用 N/A	4/4	1/1
帥紅宇 Shuai Hongyu	不適用 N/A	不適用 N/A	不適用 N/A	4/4	1/1
龍文駿 Loong, Manfred Man-Tsun	不適用 N/A	不適用 N/A	不適用 N/A	4/4	1/1
高松濤 (於二零二零年三月二十七日辭任) Gao Songtao (Resigned on 27 March 2020)	不適用 N/A	不適用 N/A	不適用 N/A	4/4	1/1

於截至二零一九年十二月三十一日止年度，董事會舉行四次會議。本公司有責任遵守企業管治守則，將採取適當安排，於來年舉行至少4次董事會常規會議。截至二零一九年十二月三十一日止年度，本公司舉行過一次股東大會。

The Board held four meetings during the year ended 31 December 2019. The Company is obliged to comply with the CG Code and will take appropriate arrangements for holding at least 4 regular Board meetings in the forthcoming year. General meeting has been held once during the year ended 31 December 2019.

就本公司所深悉，董事之間並無財務、業務、家族或其他重大／相關聯繫。

To the best knowledge of the Company, there is no financial, business, family or other material/connected relationship among the Directors.

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董事會委員會

董事會下設提名委員會、薪酬委員會及審核委員會協助全面履行企業管治職責。各董事會委員會有權向管理層索取其要求之任何完整及可靠的資料。該等委員會應於必要時尋求獨立專業意見以履行職責，費用由本公司承擔。

提名委員會、薪酬委員會及審核委員會之書面職權範圍可於本公司及聯交所網站查閱。

董事會的授權

董事會對本公司所有重大事宜保留自身決策權，包括：批准及監督一切政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能牽涉利益衝突者）、財務數據、委任董事及其他主要財務及營運事宜。董事於履行彼等職責時可尋求獨立專業意見，費用由本公司承擔。彼等亦被鼓勵向本公司高級管理層進行獨立諮詢。

本集團的日常管理、行政及營運交予高級管理層負責。董事會定期檢討所授權職能及職責。管理層訂立任何重大交易前須取得董事會批准。

Committees of the Board

The Nomination Committee, Remuneration Committee and Audit Committee under the Board assist in the full performance of corporate governance duties. Each Board committee has the right to obtain any complete and reliable information required by it from the management. The committees shall, if necessary, seek independent professional advice to perform their duties at the expense of the Company.

The written terms of reference of the Nomination Committee, the Remuneration Committee and the Audit Committee are available on the websites of the Company and the Stock Exchange.

DELEGATION BY THE BOARD

The Board reserves for its own decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors have the recourse to seek independent professional advice in performing their duties at the Company's expense. Directors are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions being entered into by the management.

提名委員會

提名委員會主要負責檢閱董事會的架構、人數及組合（包括技能、知識、經驗及資質）、就任何董事及高級管理層職位的人選向董事會提供推薦建議、釐定董事提名的政策、評估董事會成員多元化政策，以及評估獨立非執行董事的獨立性。提名委員會按誠信、經驗、技能以及為履行職責所付出之時間及努力等標準評估候選人或在任人。提名委員會之建議將於其後提交董事會以作決定。提名委員會的書面職權範圍於聯交所及本公司網站可供查閱。

於截至二零一九年十二月三十一日止年度，提名委員會曾舉行一次會議，內容涉及對董事會的架構、人數及組合進行年度檢閱、評核獨立非執行董事之獨立性以及探討董事會成員多元化政策。

提名政策

1 目標

- 1.1 提名委員會須向董事會提名適當人選，供董事會考慮並推薦股東於股東大會選任該人選為董事，或供董事會委任該人選為董事，填補臨時空缺。
- 1.2 提名委員會可提名其認為適當數量的人選，供股東大會委任或重新委任，或提名填補臨時空缺所需數量的人選。

Nomination Committee

The Nomination Committee is mainly responsible for reviewing the structure, number of members and composition (including skillsets, knowledge, experience and qualifications) of the Board, providing recommendations to the Board on candidates for any directorship and senior management membership, determining the policy for the nomination of directors, assess the Board diversity policy, and assessing the independence of the independent non-executive Directors. The Nomination Committee will assess a candidate or incumbent based on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

During the year ended 31 December 2019, the Nomination Committee held a meeting to conduct annual review of the structure, number of members and composition of the Board, assess the independence of the independent non-executive Directors and discuss the Board diversity policy.

Nomination Policy

1 Objective

- 1.1 The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies.
- 1.2 The Nomination Committee may, as it considers appropriate, nominate such number of candidates to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.

2 甄選準則

2.1 提名委員會評估人選是否適合時，將參考以下因素：

- (a) 信譽；
- (b) 行業及／或業務策略、管理、法律及財務方面的經驗；
- (c) 建議人選能否協助董事會有效履行責任；
- (d) 預期建議人選可向董事會提供的觀點角度和技巧技能；
- (e) 可投入的時間以及對相關利益的承擔；
- (f) 董事會各方面的多元化，包括但不限於：性別、年齡、文化背景、教育背景、種族、專業經驗、技能、知識和服務任期等方面；及
- (g) 甄選獨立非執行董事時，候選人的獨立性。

上述因素只供參考之用，並非意在涵蓋所有因素，也不具決定作用。提名委員會具有酌情權，可決定提名任何其認為適當的人士。

2 Selection Criteria

2.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- (a) reputation for integrity;
- (b) experience in the industry and/or business strategy, management, legal and financial aspects;
- (c) whether the proposed candidate is able to assist the Board in effective performance of the responsibilities;
- (d) the perspectives and skills that the proposed candidate is expected to bring to the Board;
- (e) commitment in respect of available time and relevant interest;
- (f) diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; and
- (g) in the case of selection for independent non-executive Directors, the independence of the proposed candidate.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

2.2 候選人將要以既定格式提交所需的個人資料，以及提交同意書，表示同意被委任為董事，以及同意任何文件或相關網站可因其參選董事一事或與之相關的事情而公開披露其個人資料。

2.3 提名委員會如認為有必要，可以要求候選人提供額外資料和文件。

3 提名程序

3.1 提名委員會秘書（「**委員會秘書**」）須負責召開提名委員會會議，邀請董事會成員提名人選（如有），供委員會開會前考慮。或者，提名委員會可採取書面決議方式批准該項提名。

3.2 如要填補董事會臨時空缺，提名委員會須推薦人選供董事會考慮和批准。如要推薦候選人在股東大會參選，提名委員會須向董事會提名，供董事會考慮並推薦該候選人參選。

3.3 在公司發出股東通函前，獲提名人不可假設自己已獲董事會推薦在股東大會參選。

2.2 Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a Director.

2.3 The Committee may request candidates to provide additional information and documents, if considered necessary.

3 Nomination Procedures

3.1 The secretary of the Nomination Committee (the “**Secretary**”) shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. Alternatively, such nomination may be approved by the Committee by way of written resolutions.

3.2 For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board’s consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

3.3 Until the issue of the Shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

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3.4 根據公司《章程細則》，並且在不違反其規定下，任何一位或多位股東均可發送通知，表示有意提出議案建議選任某人為董事，而不必經過董事會推薦或提名委員會提名。

3.5 董事會在一切關於推薦候選人在股東大會參選的事宜上，擁有最後決定權。

4 保密

除非法律或任何監管機構有所規定，否則在任何情況下，提名委員會成員或本公司任何職員不得在本公司刊發股東通函前，向公眾披露任何有關提名或候選人的資料，亦不得接受公眾有關提名或候選人的查詢（視乎情況而定）。待公司發出通函後，提名委員會、公司的公司秘書或公司其他獲委員會批准的職員可以回答監管機構或公眾的查詢，但不得披露有關提名或候選人的機密資料。

薪酬委員會

薪酬委員會主要負責就本公司全體董事及高級管理人員的薪酬政策及架構提供建議；評定執行董事的表現並批准執行董事的服務合約；設立一套正規及具透明度的薪酬政策制定程序。薪酬委員會亦負責釐定個別執行董事及高級管理人員的薪酬待遇。

於截至二零一九年十二月三十一日止年度，薪酬委員會曾舉行一次會議，內容涉及審閱本集團的薪酬政策及結構以及釐定董事及高級管理人員年度薪酬待遇與其他相關事務。

3.4 Subject to and pursuant to the Articles of Association of the Company, any one or more Shareholder can serve a notice of its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's nomination.

3.5 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

4 Confidentiality

Unless required by law or any regulatory authority, under no circumstances shall a member of the Nomination Committee or a staff member of the Company disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the circular to Shareholders, as the case may be, is issued. Following the issue of the circular, the Nomination Committee or the company secretary of the Company or other staff member of the Company approved by the Nomination Committee may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and candidates should not be disclosed.

Remuneration Committee

The Remuneration Committee is primarily responsible for advising on the remuneration policy and structure for all Directors and senior management members of the Company; assessing performance of executive Directors and approving terms of executive Directors' service contracts; and developing a set of standardised and transparent procedures for developing the remuneration policy. The Remuneration Committee is also responsible for determining the remuneration packages of certain executive Directors and senior management members.

During the year ended 31 December 2019, the Remuneration Committee held a meeting to review the Group's remuneration policy and structure and determine the annual remuneration of the Directors and senior management members as well as other related matters.

審核委員會

審核委員會主要負責下列事項：

1. 就外聘核數師之委任、重新委任及罷免向董事會提出建議；
2. 按適用的標準檢討及監察外聘核數師是否獨立客觀以及評估審核程序之效能；
3. 審閱本公司財務報表、年報、賬目及中期報告的完整性並檢討其中所載有關財務申報的重大意見；
4. 監管本公司風險管理及內部監控系統，協助董事會檢討本公司風險管理及內部監控系統的有效性，並就有關企業管治的事宜向董事會提供意見；及
5. 檢討及監察本公司對舉報政策的遵守情況。

於截至二零一九年十二月三十一日止年度，審核委員會共舉行兩次會議，以履行上述責任。

董事培訓

任何新委任的董事均獲提供必要的入職培訓及資料，以確保其對本公司的營運及業務以及對其於相關法規、法例、規則及條例下的責任有適當程度的了解。

Audit Committee

The primary duties of the Audit Committee are as follows:

1. to make recommendations to the Board regarding the appointment, reappointment and removal of the external auditor;
2. to review and monitor the external auditor's independence and objectivity under applicable standards, and to assess the efficacy of their audit procedures;
3. to review the integrity of the Company's financial statements, annual reports, accounts and interim reports, and to review the significant opinions in relation to the financial reporting contained therein;
4. to supervise the Company's risk management and internal control systems, assist the Board in reviewing the effectiveness of the Company's risk management and internal control systems, and advise the Board on matters relating to corporate governance; and
5. to review and monitor the Company's compliance with its whistleblowing policy.

During the year ended 31 December 2019, the Audit Committee held two meetings to fulfill the above duties.

Directors Training

Any newly appointed Director would be provided with the necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations.

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全體董事均參與持續專業發展，以發展及更新各自之知識與技能。根據各董事所提供的記錄，全體董事於截至二零一九年十二月三十一日止年度內接受的培訓如下：

All Directors participated in continuous professional development to develop and update their knowledge and skills. According to the records provided by the Directors, the training programmes received by each Director during the year ended 31 December 2019 are as follows:

董事姓名 Name of Director	董事職位 Director title	出席研討會或 其他行業活動 Seminars or other industry events attended
黃學良 Huang Xueliang	主席、執行董事兼首席執行官 Chairman, executive Director & CEO	√
關重遠 Kwan, Allan Chung-yuen	非執行董事 Non-executive Director	√
張俊傑 Zhang Junjie	獨立非執行董事 Independent non-executive Director	√
胡家棟 Woo Kar Tung, Raymond	獨立非執行董事 Independent non-executive Director	√
金玉豐 Jin Yufeng	獨立非執行董事 Independent non-executive Director	√
帥紅宇 Shuai Hongyu	執行董事 Executive Director	√
龍文駿 Loong, Manfred Man-Tsun	執行董事 Executive Director	√
高松濤(於二零二零年三月二十七日辭任) Gao Songtao (resigned on 27 March 2020)	非執行董事 Non-executive Director	√
曾之傑(於二零一九年五月二十日辭任) Mr. Zeng Zhijie (resigned on 20 May 2019)	非執行董事 Non-executive Director	√

主席及首席執行官

於截至二零一九年十二月三十一日止年度及於本報告日期，黃學良先生兼任主席及首席執行官職務，負責本集團整體策略規劃及監督集團整體管理。

CHAIRMAN AND CEO

During the year ended 31 December 2019 and as at the date of this report, Mr. Huang Xueliang served as the Chairman and CEO to take charge of the Group's overall strategic planning and supervise the overall management of the Group.

非執行董事

非執行董事(包括獨立非執行董事)為董事會帶來廣泛行業知識及經驗、財務專業知識及獨立判斷，通過參與董事會委員會，出席董事會議並審閱公司相關匯報，對本公司戰略方針提出有效建議。

NON-EXECUTIVE DIRECTORS

The non-executive Directors (including the independent non-executive Directors) empower the Board with extensive industry knowledge and experience, financial expertise and independent judgments. They make effective recommendations on the Company's strategies and policies through engagement in committees of the Board, participation in Board meetings and review of the Company's relevant reports.

於本年度期間，董事會至少有三名獨立非執行董事，其中有一名獨立非執行董事具備適當的會計或相關財務管理專長，符合上市規則第3.10條規定。

各獨立非執行董事已向本公司提供確認彼獨立身份的年度確認書。本公司認為張俊傑先生、金玉豐先生及胡家棟先生在身份及判斷方面均為獨立人士，符合上市規則第3.13條所載之標準。

董事及相關人士進行證券交易的標準守則

本公司已採納董事證券交易的行為守則（「行為守則」），其條款不遜於上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）的規定標準。經作出具體查詢後，全體董事截至二零一九年十二月三十一日止年度均一直全面遵守標準守則。

行為守則適用於企業管治守則所界定因本身職位或職務而可能擁有關於本公司或其證券的內幕消息的全部相關人士（包括本公司僱員，或本公司附屬公司或母公司的董事或僱員）。

During the year, the Board had at least three independent non-executive Directors, one of whom has appropriate accounting or related financial management expertise as required by Rule 3.10 of the Listing Rules.

Each independent non-executive Director has provided with the Company an annual confirmation of his independence. The Company considers that Mr. Zhang Junjie, Mr. Jin Yufeng and Mr. Woo Kar Tung, Raymond are independent in terms of identity and judgment, which is in compliance with the criteria set out in Rule 3.13 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELATED INDIVIDUALS

The Company has adopted a code of conduct for securities transactions by Directors ("Code of Conduct") on terms no less exacting than the required standards under the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. After specific inquiries, it is confirmed that all the Directors fully complied with the Model Code during the year ended 31 December 2019.

The Code of Conduct applies to all the individuals who may have access to inside information about the Company or its securities as a result of their respective positions or duties as defined by the CG Code, including employees of the Company or directors or employees of the Company's subsidiaries or parent company.

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核數師酬金

審核委員會已接獲本公司現任核數師羅兵咸永道確認其獨立性及客觀性的函件。就羅兵咸永道及其關聯事務所（如有）所提供服務而支付的酬金如下：

服務性質	Nature of service
審核及審閱服務	Audit and review services
非核數服務（包括風險評估及內部控制諮詢服務，法律、財務、稅務盡職審查服務、交易支持服務及法律顧問服務）	Non-audit services (including risk assessment and internal control consulting services, legal, financial, tax due diligence services, transactional support services and legal retainer services)

董事會與審核委員會對選擇、委聘、辭退或解聘外聘核數師並無不一致意見。董事並不知悉任何有關可能對本公司的持續經營能力構成重大影響之事件或情況之重大不明朗因素。

董事就財務報表所承擔之責任

董事確認其有責任為每個財政年度編製綜合財務報表，以真實公平地報告本集團之狀況。董事並不知悉有任何有關可能對本集團按持續經營基準繼續營運的能力產生重大懷疑的事件或條件的重大不確定因素。管理層已向董事會提供必要的闡釋及資料，使董事會能對提呈予董事會批准的本公司財務報表進行知情的評估。本公司已向董事會全體成員提供有關本公司表現、狀況及前景的每月更新資料。

AUDITOR'S REMUNERATION

The Audit Committee has received a letter from the Company's current auditor PricewaterhouseCoopers confirming its independence and objectivity. The remuneration paid for the services provided by PricewaterhouseCoopers and its affiliates (if any) is as follows:

二零一九年 2019 千美元 USD'000	二零一八年 2018 千美元 USD'000
506	457
88	697
594	1,154

There is no disagreement between the Board and the Audit Committee on the selection, appointment, dismissal or removal of the external auditor. The Directors are not aware of any material uncertainties relating to events or situations which may have material impact on the Group's ability to continue as a going concern.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements for each financial year to give a true and fair view of the conditions of the Group. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, position and prospects.

會計政策

董事認為，本集團在編製綜合財務報表時已貫徹應用適當會計政策並遵守一切適用會計準則。

會計記錄

董事負責確保本集團保存會計記錄，而該等記錄合理準確地披露本集團之財政狀況，並有助本集團按照香港《公司條例》之披露規定及適用會計準則之規定編製綜合財務報表。

風險管理及內部監控

董事會及管理層的職責

董事會認為，健全的風險管理和內部監控系統對實現本公司的戰略目標至關重要，並因此確認其有責任維持有關系統並檢討其成效，保障股東投資及公司資產。

董事會負責評估及釐定本公司達成策略目標時所願意接納的風險性質及程度，並確保本公司設立並維護合適及有效的風險管理及內部監控系統。管理層負責設立並維護該等系統，及提供有關系統有效性的確認。該等系統旨在管理而非消除未能實現業務目標的風險，且只能就重大錯誤陳述或損失提供合理而非絕對的保證。

ACCOUNTING POLICIES

The Directors consider that in preparing the consolidated financial statements, the Group has applied appropriate accounting policies consistently and has followed all applicable accounting standards.

ACCOUNTING RECORDS

The Directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and enable the Group to prepare consolidated financial statements in accordance with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable accounting standards.

RISK MANAGEMENT AND INTERNAL CONTROL

Responsibilities of the Board and Management

The Board believes that a comprehensive set of risk management and internal control systems plays an essential role in achieving the Company's strategic goals and has therefore acknowledged its responsibilities annually to maintain such systems, as well as review their effectiveness to protect the investment of shareholders and safeguard the assets of the Company.

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems, while the management is accountable for setting up and maintaining those systems as well as providing a confirmation on their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

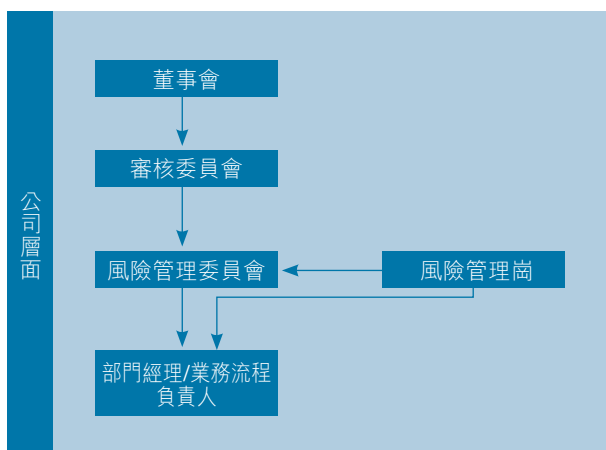
企業管治報告

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風險管理及內部監控系統

為完善本公司的風險管理系統，提升本公司風險管控水平及降低風險的能力，董事會已建立了組織架構，本年度繼續執行和完善風險管理系統和維持該風險管理組織架構不變。風險管理組織架構由董事會及其審核委員會、風險管理委員會、風險管理執行層三個層面的組織構成。本公司亦明確各層面風險管理的直接管理責任和風險信息報告路線。

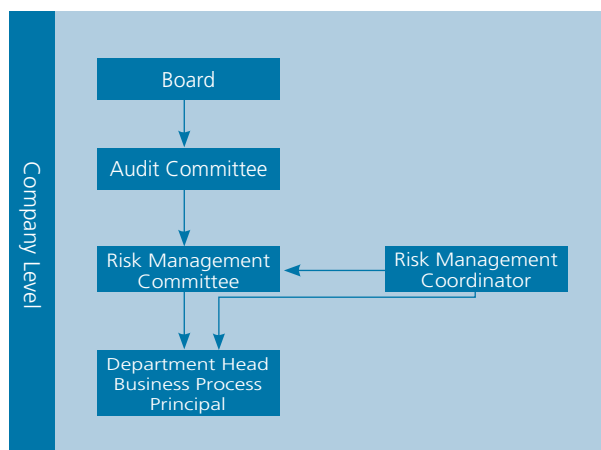
風險管理架構



Risk Management and Internal Control Systems

With an aim to improve the Company's risk management system while enhancing its controls of risks and the ability to mitigate risks, the Board established its own organizational structure, and is continuously improving risk management system and maintains risk management structure. The risk management organizational structure is a 3-tier framework, comprising of the Board and its Audit Committee, Risk Management Committee, as well as Risk Management Executives. The Company has also defined the direct management responsibility of each tier and the reporting lines between them.

Risk Management Structure



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CORPORATE GOVERNANCE REPORT

下表展示風險管理架構內各層級所擔當的角色：

Roles performed by parties at all levels within the risk management structure are set out in the tables below:

董事會

Board

- √ 批准風險管理方案和報告
Approve plans and reports on risk management
- √ 進行重大決策的風險管理，包括批准相關風險管理報告，並釐定風險的有效控制；及
Conduct risk management of material decisions, including approving related risk management reports and determining effective controls to the risks; and
- √ 加強風險管理文化的培育
Strengthen the cultivation of risk management culture

審核委員會

Audit Committee

- √ 檢討風險管理委員會的架構、職責及管理基本制度；及
Review the setup of the Risk Management Committee and its job description, as well as the fundamental management policies; and
- √ 審閱重大風險評估報告及各項風險管理報告
Review assessment reports on material risks and various risk management reports

風險管理委員會

Risk Management Committee

- √ 推動風險管理系統建設，確定風險管理組織機構設置及其職責
Promote the formulation of risk management system and define the structure and responsibilities of risk management organisation
- √ 定期審議本公司風險管理相關的政策、制度和監督實施情況
Regularly review the risk management policies and procedures and oversee implementation
- √ 為重大決策提供風險管理意見，審議並提交重大決策的風險管理報告及風險應對措施；及
Provide risk management suggestions on material decisions by reviewing and submitting risk management reports and risk response; and
- √ 督導本公司整體風險管理文化的培育
Oversee the cultivation of the Company's general risk management culture

企業管治報告

CORPORATE GOVERNANCE REPORT

風險管理崗

Risk Management Coordinator

- √ 推動各部門開展重大風險識別和評估工作，形成各項風險管理報告，並提呈予風險管理委員會
Promote risk identification and evaluation on department level, formulate risk management reports and submit them to the Risk Management Committee
- √ 統籌、協調風險管理委員會及高級管理層對公司層面的風險進行識別、評估，提出公司層面重大風險管理的相關措施
Coordinate the Risk Management Committee and senior management to conduct risk identification and evaluation on the Company level, propose countermeasures to material risks
- √ 協助、監控風險管理執行人員開展的風險管理工作及審閱相關結果
Assist and monitor the risk management executives to perform risk management work and review relevant results
- √ 組織風險管理相關的培訓、分享風險管理知識及最佳方法
Organise trainings and share knowledge and best practices about risk management
- √ 匯總公司層面及業務層面的所有風險管理結果並提呈予風險管理委員會及審核委員會
Summarise the risk management results of both the Company level and business level and submit them to the Risk Management Committee and the Audit Committee

部門主管／業務流程負責人

Department Head/Business Process Principal

- √ 配合風險管理崗根據所屬業務開展具體風險管理的工作
Coordinate with risk management coordinator in performing risk management of their own businesses
- √ 定期更新所屬業務的風險清單
Regularly update the risk lists of their own businesses
- √ 從可能性及對本公司業務影響的嚴重程度兩方面，結合具體業務特性對識別的風險進行評估
Assess the impact and likelihood of the identified risks on the Company's businesses along with characteristics of specific businesses
- √ 制定具體業務的相關風險應對方案，並實施應對方案；負責具體風險管理措施的推進和實施
Prepare and implement risk responses for the relevant specific business risks; Take responsibility for communicating and implementing the specific risk management measures
- √ 對具體業務的各類風險進行監控，及時向風險管理崗報告；及
Monitor and report various risks that specific businesses are facing to the risk management coordinator; and
- √ 開展風險管理的其他相關工作
Execute other work relevant to risk management

風險管理的程序

本公司通過主動而系統地對經營過程中的風險事項進行識別、評估及應對，加強企業的風險管理能力和應變能力，進一步保障經營目標的實現和持續穩健的發展。本公司在《風險管理手冊》中制訂並定義了風險管理流程和評價標準，每年度進行公司層面的風險評估工作，通過系統性的風險管理程序（包括風險識別、評估、應對及報告四步驟）釐定風險的性質及程度以及現有監控措施的充足性。本公司根據風險發生的可能性及對本公司業務的影響的嚴重程度進行優次排序，其後根據各重大風險的成因、影響以及行業最佳實踐，制定風險管理策略及風險應對措施，報告年度風險評估工作，將風險維持於可接受的水平。

內部監控系統

本公司內部監控系統基於Committee of Sponsoring Organisation of the Treadway Commission頒佈的內部監控框架搭建，考慮了控制環境、風險評估、控制活動、信息與溝通以及監督活動五大內部監控基本要素。對於關鍵業務流程，如銷售及收款、採購及付款、存貨及研發、投資併購等，本公司設計了控制活動以應對風險，並監控其執行的有效性以達到內部監控系統活動的監控目標。

審核委員會每年檢討內部監控系統的有效性。對於發現的內部監控缺失，公司將採取內部管理層溝通和責令整改的方式處理，而對於發現的重大控制程序或制度缺失將直接上報董事會進行溝通和討論。

Risk Management Process

The Company improves its management capability and adaptability, and further ensures the realisation of business objectives and sustainable growth through active and systematic identification, assessment and response to risk issues occurring in the operation process. The Company has formulated and defined risk management process and evaluation criteria in the Risk Management Manual. Risk evaluation is carried out annually on the Company level to determine the nature and extent of the risk and the sufficiency of existing control measures through systematic risk management procedures, which are four steps including risk identification, evaluation, mitigation and reporting. The Company prioritises risks based on the likelihood and the impact on the Company's businesses, and develops risk responses and control measures and report on annual risk assessment results, impact of material risks and best practices of the industry to keep the risks at an acceptable level.

Internal Control System

The Company's internal control system was constructed based on the internal control framework issued by the Committee of Sponsoring Organisation of the Treadway Commission, and considered the five components of internal control: control environment, risk assessment, control activities, information and communication and monitoring activities. The Company designs control activities to address the risk of each key business process, e.g. sales and receivables, purchase and payables, inventory and research & development (R&D), investment and acquisition etc., and monitors the operating effectiveness of those controls to achieve the control objectives of internal control system.

The Audit Committee reviews the effectiveness and adequacy of the internal control system on an annual basis. If any deficiency of internal control is identified, the Company addresses it by communicating with the management internally and ordering remediation to be taken. Any material deficiency identified in the control procedures or policies will be reported to the Board directly for communication and discussion.

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本公司的內審工作由內審團隊實施。《內部審計章程》明確了內審團隊的職責。二零一九年度，公司內審職能人員與本公司委任的外部顧問公司的成員進行團隊合作，對關鍵流程的效能獨立執行內控審閱的工作，並直接向審核委員會匯報。審核委員會則通過審查及批准內部控制評估工作方案及報告等工作監督內部監控系統的有效性。

內幕消息

對於內幕消息的管理，本公司建立了《內幕信息披露管理制度》，明確內幕消息的定義並規範內幕消息的處理和發佈程序。本公司透過本公司網站及香港聯交所網站等途徑，向公眾廣泛及非獨家地披露信息，以實現信息的公平和及時披露。

二零一九年度風險管理及內部監控系統的檢討

董事會對風險管理及內部監控系統負責，並有責任檢討該等系統的有效性。截至二零一九年十二月三十一日止年度，董事會連同審核委員會就本公司風險管理及內部監控系統作出檢討，檢討內容涵蓋截至二零一九年十二月三十一日止年度及所有的重大監控方面，包括營運、財務及合規監控，並考慮了重大風險的性質及嚴重程度的轉變，以及本公司應對其業務及外部環境轉變的能力，並認為該等系統有效和充分的。

董事會及審核委員會已檢討會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及培訓課程及預算的充足性，並認為同樣是充足的。

The Company's internal audit work is carried out by the internal audit team, whose responsibilities have been defined in the Internal Audit Charter. In 2019, our internal audit personnel, together with members of an external consulting firm appointed by the Company working as a team to independently conduct internal control reviews on the effectiveness of the key processes, and reported directly to the Audit Committee. The Audit Committee then oversees the effectiveness of the internal controls system by reviewing and approving the internal audit assessment plan and reports.

Inside Information

For the management of inside information, the Company has formulated the Inside Information Disclosure Management Policy to clarify the definition of such information and procedures to handle and release them. The Company discloses information to the public generally and non-exclusively through channels including websites of the Company and the Hong Kong Stock Exchange, aiming to achieve fair and timely disclosure of information.

Review on the Risk Management and Internal Control Systems in 2019

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness. For the year ended 31 December 2019, the Board has, together with the Audit Committee, reviewed the Company's risk management and internal control systems and considered them to be effective and adequate. The review has covered the year ended 31 December 2019 and all material controls, including, operational, financial and compliance controls and considered the changes in the nature and extent of significant risks as well as the Company's ability to respond to changes in its business and the external environment. The Board and the Audit Committee consider such systems to be effective and adequate.

The Board and Audit Committee have also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of its accounting, internal audit and financial reporting functions this year, and considered the same to be adequate.

公司秘書

鄭啟培先生，於截至二零一九年十二月三十一日止年度一直擔任本公司公司秘書（「公司秘書」）。公司秘書向董事會主席報告，委任及罷免公司秘書由董事會全體成員決定。

公司秘書主要負責協助董事會主席及其委員會主席編製會議議程及適時編製會議文件並發送予董事及委員會成員；確保各董事遵守董事會政策及程序及所有適用規定及規則；以及確保準確記錄董事會／委員會會議的會議程序、討論及決策。

根據上市規則第3.29條規定，鄭啟培先生於年內已參與十五個小時以上的專業培訓。其履歷資料載於本年報第66頁。

股東權益及投資者關係

與股東及投資者溝通

本公司的股東大會為股東及董事會提供直接溝通的平台。歡迎股東向出席會議的董事會或管理層提出查詢，董事會主席或（倘彼未能出席）執行董事以及審核委員會、提名委員會及薪酬委員會主席或（倘彼等未能出席）各委員會其他成員，一般將會出席並回答提問，而股東亦可將彼等的書面查詢寄發予公司秘書。

COMPANY SECRETARY

Mr. Cheng Kai Pui, Eric has served as the company secretary of the Company (the “Company Secretary”) during the year ended 31 December 2019. The Company Secretary reports to the Chairman of the Board, and the appointment and removal of the Company Secretary are determined by all the members of the Board.

The Company Secretary is responsible for assisting the Chairman of the Board and the chairmen of its committees in developing meeting agendas, preparing meeting minutes in a timely manner and sending them to the Directors and members of the committees; for ensuring that all the Directors comply with the Board’s policies and procedures and all applicable regulations and rules; and for ensuring accurate recording of the meeting procedures, discussions and decisions of meetings of the Board/its committees.

Mr. Cheng Kai Pui, Eric had received more than 15 hours of professional training during the year in accordance with Rule 3.29 of the Listing Rules. His biographical details are set out in page 66 of this annual report.

SHAREHOLDERS’ EQUITY AND INVESTOR RELATIONS

Communication with Shareholders and Investors

The general meetings of the Company provide a platform for direct communication between shareholders and the Board. Shareholders are welcome to make enquiries to the Board or the management thereof, and the Chairman of the Board, or in his absence, an executive Director, and chairmen of the Audit Committee, Nomination Committee and Remuneration Committee, or in their absence, other members of the committees, will normally be present and available to answer questions. Shareholders may also send their written enquiries to the Company Secretary.

企業管治報告

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本公司致力加強與其投資者的溝通及關係，董事會透過不同媒體及官方網站，致力為股東提供清晰全面之本集團資料。股東除獲寄發通函、通告與財務報告外，亦可登入本集團網站(www.smit.com.cn)獲取更多資料。

於股東週年大會上提出建議之程序

股東可根據本公司組織章程大綱或開曼群島公司法及相關條文於股東週年大會上提出建議或動議決議案。

請求召開股東特別大會之程序

於請求書遞交日期持有不少於本公司繳足股本(附有權利可於本公司股東大會投票)十分之一的股東，有權隨時發出書面要求予董事會或公司秘書，要求董事會召開股東特別大會，處理請求書列明之任何事宜。

股息政策

1 目標

- 1.1 董事會致力通過可持續的股息政策(「**本股息政策**」)，在符合股東期望與審慎資本管理兩者之間保持平衡。
- 1.2 根據本股息政策，倘本集團獲得溢利，在不影響本集團正常營運的情況下，本公司可向股東宣派及派付股息。
- 1.3 本股息政策旨在讓股東得以分享本公司的溢利，同時讓本公司預留足夠儲備供日後發展之用。

The Company is committed to enhancing its communication and relationship with its investors. To this end, the Board endeavors to provide shareholders with clear and comprehensive information on the Group through different media and official website. In addition to the circulars, notices and financial reports dispatched to shareholders, they may also visit the Group's website (www.smit.com.cn) for more information.

Procedure for Making Proposals at Annual General Meetings

Shareholders may make proposals or motions at annual general meetings in accordance with the Company's memorandum of association or the Companies Law of the Cayman Islands and the relevant provisions.

Procedures for Requisitioning an Extraordinary General Meeting

Shareholders holding at the date of submission of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right to vote at general meetings of the Company may, by serving at any time a written requisition to the Board or the Company Secretary, require the Board to convene an extraordinary general meeting for the handling of the matters specified in the requisition.

Dividend Policy

1 Objective

- 1.1 The Board endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable dividend policy (the "**Dividend Policy**").
- 1.2 Under the Dividend Policy, provided the Group is profitable and without affecting the normal operations of the Group, the Company may declare and pay dividends to the Shareholders.
- 1.3 The Dividend Policy aims to allow the Shareholders to participate in the Company's profit and for the Company to retain adequate reserves for future growth.

2 準則

2.1 董事會在建議宣派股息時，應考慮下列各項（其中包括）：

- (a) 本公司及本集團的實際和預期財務業績；
- (b) 本公司及本集團旗下每個成員的留存盈利和可分派儲備；
- (c) 本集團的負債權益比率等級、權益回報以及相關金融契約；
- (d) 本集團貸款人可施加的股息派付限制；
- (e) 本集團預期營運資本需求以及未來擴充計劃及前景；
- (f) 整體經濟及金融狀況、本集團業務的商業週期，以及其他可能對本公司業務或財務業績和狀況有影響的內在或外在因素；及
- (g) 董事會視為適當的任何其他因素。

2 Criteria

2.1 In proposing any dividend payout, the Board shall also take into account, inter alia:–

- (a) the Company and the Group's actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (c) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- (d) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (e) the Group's expected working capital requirements and future expansion plans and prospects;
- (f) general economic and financial conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- (g) any other factors that the Board deem appropriate.

3 股息宣派程序

- 3.1 本股息政策及根據本股息政策日後宣派及／或派付股息之事宜，須視乎董事會是否繼續認定本股息政策及宣派及／或派付股息是符合本集團和股東的最佳利益，以及是否符合所有適用法律和法規及公司組織章程細則而定。
- 3.2 本公司宣派的股息必須經股東在股東週年大會通過普通決議批准，且不得超過董事會建議的股息數額。
- 3.3 董事會可不時向股東派付中期股息或特別股息，惟董事須認為有關股息對本集團的利潤而言屬合理的。
- 3.4 股息宣派和派付一事由董事會全權酌情決定，不保證會在任何指定期間派付任何特定金額的股息。

4 審閱本股息政策

- 4.1 董事會將繼續審閱本股息政策，並保留唯一及絕對酌情權可隨時更新、修訂、修改及／或取消本股息政策；本股息政策絕不構成本公司對其未來股息而作出的一項具法律約束力的承諾，及／或本股息政策絕無規定本公司必須隨時或不時宣派股息。

3 Procedures for dividend declaration and payment

- 3.1 The Dividend Policy and the declaration and/or payment of future dividends under the Dividend Policy are subject to the Board's continuing determination that the Dividend Policy and the declaration and/or payment of dividends would be in the best interests of the Group and Shareholders, and are in compliance with all applicable laws and regulations and the articles of association of the Company.
- 3.2 Any dividends declared by the Company must be approved by an ordinary resolution of Shareholders at an annual general meeting and must not exceed the amount recommended by the Board.
- 3.3 The Board may from time to time pay to the Shareholders such interim dividends or special dividends as appear to the directors to be justified by the profits of the Group.
- 3.4 Such declaration and payment of dividends shall remain to be determined at the sole discretion of the Board. There is no assurance that dividends will be paid in any particular amount for any given period.

4 Review of the Dividend Policy

- 4.1 The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

章程文件的更改

於截至二零一九年十二月三十一日止年度，本公司的章程文件並無變動。

承董事會命
主席
黃學良

香港，二零二零年三月二十七日

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2019, there were no changes to the Company's constitutional documents.

By order of the Board
Huang Xueliang
Chairman

Hong Kong, 27 March 2020

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

本集團為全球付費電視廣播接收安全裝置的領先供貨商。我們亦已涉足快速驗證系統與軟件業務。根據香港聯合交易所有限公司證券上市規則之附錄二十七《環境、社會及管治報告指引》的相關要求，本集團每年度將持續披露環境、社會及管治報告，現將與本集團業務密切相關且至為重要的內容載於下文：

環境

排放物

本集團的政策是確保遵守適用環境法律法規以及透過有效運用資源及採納有利環境的技術而減少環境足印。

本集團致力促進僱員的環保意識。本集團相信，提高環保意識是環保工作及促進大眾健康的關鍵。

鑒於本集團業務的性質，本公司相信其業務營運對環境及自然資源造成的直接影響甚為輕微。

污水排放情況

本集團無工業污水排放，生活用水經工業區管網流入市政管線做到達標排放。符合《中華人民共和國水污染防治法》、《中華人民共和國水污染防治法實施細則》、《污水處理設施環境保護監督管理辦法》等有關要求。公司按照清潔生產的要求作業，符合《中華人民共和國清潔生產促進法》的有關要求。

We are a leading security devices provider for pay TV broadcasting access worldwide. We have also entered into Rapid Verification System and Software business. Pursuant to the relevant requirements of the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group will continue to disclose an Environmental, Social and Governance Report ("ESG Report") on an annual basis. Set out below are the important contents of such report closely related to the Group's businesses:

ENVIRONMENT

Emissions

The Group's policy is to ensure compliance with applicable environmental laws and regulations and to reduce environmental footprints through efficient use of resources and application of environment-friendly technologies.

The Group is committed to promoting environmental awareness among its employees. The Group believes that raising environmental awareness is the key to environmental protection and the promotion of public health.

In view of the nature of the Group's business, the Company believes that the direct impact of its business operations on the environment and natural resources is very insignificant.

Sewage Discharge

The Group has no industrial sewage discharge, and its domestic water meeting relevant discharge standards is discharged into a municipal pipeline through the pipe network of the industrial zone, which is in compliance with the relevant provisions under the Law of the PRC on the Prevention and Control of Water Pollution, the Detailed Rules for the Law of the PRC on the Prevention and Control of Water Pollution, and the Measures on the Supervision of Sewage Treatment Facilities for Environmental Protection. The Company operates in accordance with the requirements on clean production and in compliance with the relevant requirements under the Law of the PRC on Promoting Clean Production.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

噪聲排放情況

各部門都能認真落實各項噪聲防治措施，對產生噪音設備做好降噪工作，無夜間工作，均能達到《工業廠界噪聲標準》相關標準要求，公司外部無居民區，符合《中華人民共和國環境噪聲污染防治法》等法律法規要求。

廢氣排放情況

根據環境空氣功能區劃，我公司為高新園區，環境空氣質量執行《環境空氣質量標準》(GB3095-96)中標準。目前各指標均符合要求。測試生產過程中基本不產生廢氣，符合《中華人民共和國大氣污染防治法》等有關要求，符合《大氣污染物綜合排放標準》標準。空調產生的氟利昂未發生洩漏，符合《關於消耗臭氧層的蒙特利爾議定書》的有關要求。

危險廢物管理情況

我們的業務並無產生任何嚴重危險廢物。經各部門自行審核，確認各部門對於其部門產生的危險廢物如廢電池、廢硒鼓、廢墨盒等都能及時分類放於分類垃圾箱，廢舊日光燈均須上交，並以舊換新。對於危險廢棄物都有做集中收集。公司內企業生產和生活垃圾都能按要求及時處理，符合《中華人民共和國固體廢物污染環境防治法》等法律法規。

Noise Emissions

All departments have conscientiously implemented noise prevention measures and performed noise reduction processing for noise-producing equipment without working at night, which meets the relevant standards of the Emission Standard for Industrial Plant Noise at Boundary and which, coupled with the fact that there is no residential area in the proximity of the Company, is in compliance with applicable laws and regulations such as the Law of the PRC on the Prevention and Control of Environmental Noise Pollution.

Exhaust Emissions

As the Company is in a high-tech park in terms of ambient air function zoning, the Company implements the medium-level standards for environmental air quality as provided under the Ambient Air Quality Standards (GB3095-96). Currently, all our emission indicators meet the relevant requirements. Our test and production process virtually produces no exhaust gas, which is in compliance with the Law of the PRC on the Prevention and Control of Air Pollution and meets the standards under the Integrated Emission Standards for Air Pollutants. There is no leakage of Freon generated from air conditioning, which is in compliance with the relevant provisions of the Montreal Protocol on Substances that Deplete the Ozone Layer.

Hazardous Waste Management

Our operation does not produce any significant hazardous waste. After self-inspections conducted by all departments, it is confirmed that the hazardous waste of each department, including waste batteries, toner cartridges and ink cartridges, has been classified and put into separate dustbins in a timely manner, and all waste fluorescent lamps have to be returned in exchange for new ones. All hazardous waste is collected centrally for disposal. The production and domestic waste of the Company has been disposed of as required in a timely manner, which is in compliance with applicable laws and regulations such as the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Waste.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

化學危險品採購、運輸、儲存與保管情況

本集團目前暫未涉及化學品的使用及管理。

為嚴格按照環保要求執行，本集團為有危害崗位工作人員定期發放勞保用品、安排公司人員每年定期體檢，及相關職業病檢測。於截至二零一九年十二月三十一日止年度，並未在本公司運作期間出現環保、安全、以及職業病方面的問題。

資源使用

本集團所有部門及實體對生活用水、辦公室用電及用紙有具體的管控措施，符合《中國節約能源法》的有關規定。本集團積極推行意見收集活動，以期鼓勵僱員積極節約成本及提高效率。

於截至二零一九年十二月三十一日止年度，本集團消耗701,941度電，1,279立方米水和11.4噸包裝材料（紙箱）。

環境及天然資源

本集團運作以來並未對環境以及相關天然資源造成影響、嚴格按照《中華人民共和國環境保護法》標準執行。

Procurement, Transport, Storage and Preservation of Hazardous Chemicals

The Group is not presently involved in any use and management of chemicals.

In an effort to strictly follow environmental protection requirements, the Group regularly hands out labor protection supplies to staff in positions with hidden danger, arranges for staff to take annual physical examination, and affords them occupational disease detection. There is no occurrence of environmental, safety and occupational disease issues resulting from the Company's operations during the year ended 31 December 2019.

Resource Utilisation

All of the Group's departments and entities have specific control measures for consumption of domestic water, office electricity and paper, which satisfy the relevant requirements of the Energy Conservation Law of the PRC. The Group vigorously implements advice solicitation activities to encourage employees to contribute to cost reduction and efficiency improvement ideas.

During the year ended 31 December 2019, the Group consumed 701,941 kWh of electricity, 1,279 m³ of water and 11.4 tonnes in packaging materials (cartons).

Environment and Natural Resources

Since its inception, the Group has never compromised the environment and natural resources in any way and has strictly complied with the Environmental Protection Law of the PRC.

社會

僱傭及勞工常規

本集團的成功依賴本集團吸引、挽留及激勵合資格人員的能力。本集團一般能吸引及挽留合資格人員並維持穩定核心管理團隊。本集團致力培訓及發展本集團的僱員。本集團利用研發中心、研究實驗室及本集團的項目管理團隊，確保每名僱員通過接受本集團從技術、解決方案及服務，以至本集團的客戶、市場及行業等方面課題上進行的持續培訓來維持僱員現時的技能組合。本集團為所有新僱員提供入職培訓，以及在職培訓以持續提升本集團僱員的技術、專業及管理能力的。

本集團認為，本集團與僱員保持良好的工作關係，且自本集團創立以來，本集團並無遇到任何重大勞資糾紛或與中國政府勞動部門發生其他糾紛。

SOCIETY

Employment and Labor Practices

The Group's success relies on its ability to attract, retain and motivate qualified personnel. The Group is generally able to attract and retain qualified personnel and maintain a stable core management team. The Group is committed to the training and development of its employees. The Group engages its R&D center, research laboratories and project management team in ensuring that each employee receives continuous training on subjects from techniques, solutions and services to the Group's clients, the markets and industries where it operates, so as to maintain the employees' current skillsets. The Group provides orientation training for all new employees, and offers on-the-job training to continuously enhance the technical, professional and managerial capabilities of its employees.

The Group believes that the Group maintains a good working relationship with its employees. Since its inception, the Group has not been involved in any significant labor dispute or other dispute with the labor authorities of the Chinese government.

環境、社會及管治報告

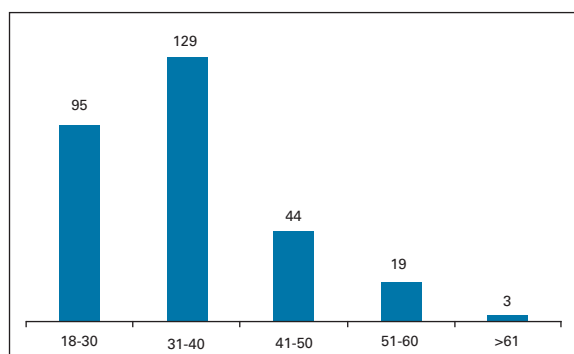
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

於二零一九年十二月三十一日，本集團按性別、僱用類型、年齡組別及地區劃分僱員人數載列如下：

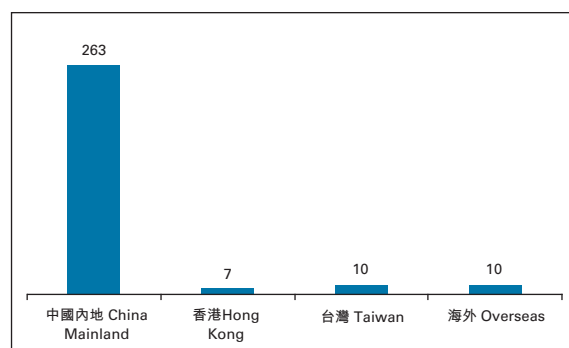
A breakdown of the Group's employees by gender, employment type, age group and region as at 31 December 2019 is as follows:

僱員總數 Total number of employees	僱用類型 Employment type	按性別 By gender	
		男性 Male	女性 Female
290	全部全職、簽訂勞動合同 Full time with a labor contract signed	194	96

僱員人數（按年齡組別劃分）
Numbers of Employee (By age group)



僱員人數（按地區劃分）
Numbers of Employee (By region)



環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

於截至二零一九年十二月三十一日止年度，本集團按性別、年齡組別及地區劃分僱員流失率載列如下：

During the year ended 31 December 2019, the Group's employee turnover rates by gender, age group and region are as follows:

總流失率 Total turnover rate	按性別 By gender		按年齡組別 By age group					按地區 By region		
	男性 Male	女性 Female	18歲 – 30歲	31歲 – 40歲	41歲 – 50歲	51歲 – 60歲	61歲及 以上	中國內地	香港	台灣
			Aged 18 - 30	Aged 31 - 40	Aged 41 - 50	Aged 51 - 60	Aged 61 and above	China	Hong Kong	Taiwan
								Mainland		
18.62%	21.13%	13.54%	26.32%	15.5%	15.91%	10.53%	—	18.63%	—	50%

健康與安全

本集團須遵守安全生產法、中國勞動法及中國其他相關法律、行政法規、國家標準及行業標準，當中訂明須維持安全的生產環境及保障僱員職業健康的規定。根據該等規定，任何設施或設備不足以確保安全生產的實體，不得從事生產及業務營運活動。在中國經營的實體必須向僱員提供安全生產教育及訓練計劃以及安全的工作環境。生產設施及設備的設計、製造、安裝、使用、檢查及維修須符合適用的國家或行業標準。

本集團已在本集團的內部生產設施實施安全措施，以確保符合適用的監管規定及使僱員受傷風險降至最低。本集團定期檢查營運設施以確保本集團的生產營運符合現行法律法規。此外，本集團要求新入職僱員接受工作安全培訓。

在二零一九年度，本集團年內實施上述有關程序及措施，沒有發生任何工傷事故。另外，新員工入職需提供合格的體檢表，每年公司為員工安排健康體檢。

Health and Safety

The Group is required to comply with the Safety Production Law, the Labor Law of the PRC and other relevant Chinese laws, administrative regulations, national standards and industry standards, which stipulate requirements on maintaining a safe production environment and safeguarding employees' occupational health. In accordance with these requirements, an entity with any facility or equipment failing to guarantee production safety shall not engage in production and business operations. Entities operating in China must provide employees with production safety education and related training programmes as well as a safe working environment. The design, manufacturing, installation, use, inspection and maintenance of production facilities and equipment must meet applicable national or industry standards.

The Group has implemented safety measures within its production facilities to ensure compliance with applicable regulatory requirements and minimise the risk of injury to employees. The Group regularly examines its operating facilities to ensure that the Group's production and operations are in compliance with existing laws and regulations. In addition, the Group requires new employees to receive job safety training.

In 2019, there was no work-related accident or injury occurred thanks to the foregoing procedures and measures taken by the Group. In addition, each new employee is required to produce a qualified medical certificate, and the Company arranges health examination for employees annually.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

發展及培訓

本集團極其重視員工素質和相關專業技能的提升，並根據各崗位人員的業務需求制定培訓計劃。

本集團全體僱員在二零一九年度人均平均受訓時數為2小時，按培訓類別劃分的培訓情況載列如下：

	高級管理層、 中級管理層 培訓 Training for senior and middle management	技術類培訓 Technical training	財務類培訓 Financial training	生產類培訓 Production training	新員工培訓 Orientation training
培訓次數 Number of training sessions	2	16	1	6	2

勞工準則

本集團一般通過招聘網站進行人才招聘，招聘時不招聘童工及強制勞工，遵守國家相關法律法規的要求，從制度上、機制上理順企業和職工的勞動分配關係，維護員工合法權益，嚴格杜絕童工或強制勞工，避免出現違規情況。

運營管理

供應鏈管理

本集團的供貨商包括(a)本集團向其採購產品所用組件的廠商，及(b)進行本集團產品的若干生產程序的分包商。在二零一九年度，本公司合格供貨商按地區劃分，主要為中國廣東省、江蘇省、西安、上海以及台灣。

Development and Training

The Group attaches great importance to the improvement of staff quality and related professional skills, and develops training programmes for staff members based on the business needs of each position.

In 2019, all employees of the Group received on average two hours of training, and the number of training sessions by type of training are set out below:

Labor Standards

The Group generally recruits talent via recruitment websites, and never employs child labor or forced labor. The Group also follows the relevant national laws and regulations to rationalise labor relations and division of labor by improving relevant measures and mechanisms, to safeguard the legitimate rights and interests of employees and to resist child labor or forced labor, to prevent contraventions.

OPERATIONAL MANAGEMENT

Supply Chain Management

The Group's suppliers include (a) manufacturers from whom the Group purchases components for its products and (b) subcontractors undertaking certain production processes for the Group's products. In 2019, the Company's qualified suppliers were mainly based in Guangdong Province, Jiangsu Province, Xi'an, Shanghai, and Taiwan, the PRC.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

本集團要求供貨商整合依據公司ISO存檔體系：QP-13採購控制程序和QP-14供貨商評估與管理控制程序。所有供貨商已按該體系進行管理：

1. 准入審核：制定供貨商准入要求，建立供貨商檔案。對供貨商經營狀況、生產能力、質量保證體系、產品質量、供貨期等相關內容進行審核，以確保購進的原材料符合國家法律法規、標準規範的質量安全要求。
2. 程序審核：建立原材料使用過程審核程序和溯源機制，保證供應過程中持續的產品質量。對供應產品的進貨查驗、生產使用、檢驗情況、不合格產品處理等方面進行審核。
3. 評估管理：建立評估制度，對供貨商定期進行綜合評價。對供應產品質量、交貨能力、技術水準、產品合格率等方面進行評估，針對不合格供貨商採取淘汰或改進機制。
4. 現場審核：對重點原材料供貨商應定期開展現場審核，包括對生產能力、生產過程、質量控制及其他方面進行審核。

產品責任

因軟件問題或產品使用方法錯誤導致無法正常使用的任何產品而言，如發生退貨情況，必要時公司會派技術人員到客戶處澄清事實，如能當場處理盡力處理，否則按《不合格品控制程序》和《糾正和預防措施控制程序》處理。

The Group requires its suppliers to incorporate QP-13 procurement control procedures and QP-14 supplier evaluation and management control procedures using the Company's ISO filing system. All suppliers have been managed according to the system:

1. Access review: set up access requirements for suppliers and maintain supplier profiles; review each supplier's operating conditions, production capacity, quality assurance system, product quality, delivery period and other related information to ensure that the raw materials purchased meet the quality and safety standards under the national laws, regulations and standards.
2. Process review: set up procedures for reviewing raw materials in the utilisation process and a traceability mechanism to ensure consistent product quality during the supply process; review the purchase inspection, for-production utilisation, examination results and handling of substandard products with regard to the suppliers' products.
3. Evaluation management: establish an evaluation system to conduct comprehensive evaluation of suppliers on a regular basis; evaluate the product quality, delivery capacity, technical level and product qualification rate of each supplier, and weed out or request improvements from subpar suppliers.
4. On-site review: conduct regular on-site reviews of key raw material suppliers in terms of production capacity, production process, quality control, and other metrics.

Product Responsibility

For any product arising from abnormal function due to any software issues or misuse of the product, the Company may, if necessary, dispatch a technician to clarify the causes for the customer face to face, and if possible, to try and resolve the problem on the spot, otherwise the Unqualified Product Control Procedures and the Control Procedures for Corrective and Preventive Measures shall apply.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

本集團所有產品規格按照《質量控制程序》執行，以及產品召回流程執行。

在二零一九年度，本集團已售產品中未出現因安全 and 健康問題而退回的產品。

本集團嚴格按照《消費者權益保護法》保障消費者的權益以及相關隱私問題。

本集團委託其他單位或與其他單位合作研發新技術或新產品，應約定保密條款或簽訂保密協議。

本集團亦在勞動合同中約定保密條款，並與員工獨立簽訂保密協議，明確員工有保守與本集團相關的若干保密資料義務，其他相關知識產權嚴格按照國家的知識產權保護標準執行。

反貪污

本集團員工手冊及與供貨商的合作協議中都載有反貪污、賄賂的條款，也設立了舉報郵箱，以加強公司內部監控機制，保障公司利益不被侵犯，防止貪污舞弊等情況發生。

在二零一九年度，據本公司所悉，本集團及其僱員並無牽涉任何貪污活動之法律案件。

社區

小區投資

本集團一直積極履行自身責任，促進社會和諧發展，作為企業長遠發展的重要方向。本集團每年都出資安排員工體檢及舉辦各類團體活動，以讓員工身心愉悅。另外，本集團每年亦繳納城市維護建設稅，用於城市建設。

The Group follows the Quality Control Procedures and applies a product recall process to guarantee the specifications of all its products.

In 2019, none of the products sold by the Group were returned due to safety or health problems.

The Group strictly abides by the Law on Protection of the Rights and Interests of Consumers to safeguard the rights and interests of consumers and their privacy.

The Group shall agree on certain confidentiality clauses or sign a confidentiality agreement with any entity which is commissioned by, or works with, the Group to develop new technologies or new products.

The Group also incorporates confidentiality clauses into labor contracts and has signed a confidentiality agreement with each employee to make it clear that the employees have the obligation to keep confidential certain information relating to the Group. As for other relevant intellectual property rights, the national intellectual property protection standards are strictly followed.

Anti-corruption

The Group's employee handbook and cooperation agreements with suppliers all contain anti-corruption and bribery provisions, and a whistle-blowing mailbox has been set up to strengthen the Company's internal control mechanism, so as to safeguard the Company's interests and prevent corruption and fraud.

In 2019, neither the Group nor, to the Company's knowledge, its employees were involved in any legal proceedings relating to corruption.

COMMUNITY

Community Investment

The Group has been actively living up to its responsibility to promote harmonious development of society as an important direction for its long-term development. Each year, the Group sponsors physical examination for employees, and organises various group activities to entertain employees. In addition, the Group also pays urban maintenance and construction tax for urban construction on an annual basis.

執行董事

黃學良先生，57歲，為本公司主席、執行董事兼首席執行官以及本集團的創始人。彼自二零一五年九月二十日起獲委任為本公司主席、執行董事兼首席執行官。彼現時亦為國微香港的董事。黃先生主要負責本集團的整體策略規劃及監督本集團的整體管理。彼於IC設計行業積逾18年管理經驗。

於一九八九年三月至一九九一年十二月，黃先生供職於中國電子器件公司深圳公司，該公司主要從事分銷及銷售電腦相關元件及其他電子元件。於一九九二年一月至一九九三年二月，黃先生供職於深圳市先科機械電子公司擔任副經理，該公司從事加工各類電子模塊和元件。黃先生自一九九三年起一直為深圳市國微科技有限公司（一家從事集成電路設計研發的公司）的董事長。黃先生自二零一八年五月起擔任國民技術股份有限公司（一家超大規模集成電路專項工程的集成電路設計企業）非獨立董事。自二零一五年九月五日起擔任深圳市視美泰技術股份有限公司（一家專注於智慧顯示和機器智能的高科技企業）董事長；自二零一八年十一月五日起擔任思爾芯（上海）信息科技有限公司董事長。彼自二零零五年十一月起擔任中國半導體行業協會集成電路設計分會副理事長，並擔任集成電路設計產業技術創新戰略聯盟副理事長。

黃先生於一九八四年七月取得西安電子科技大學（前稱西北電訊工程學院）的半導體學士學位及於一九八九年四月取得東南大學的電子工程碩士學位。

EXECUTIVE DIRECTORS

Mr. Huang Xueliang (黃學良), aged 57, is the chairman, an executive Director and the chief executive officer of our Company and the Founder of our Group. He was appointed as the chairman, executive Director and the chief executive officer of our Company with effect from 20 September 2015. He is also a director of SMIT Hong Kong. Mr. Huang is primarily responsible for the overall strategic planning and overseeing the general management of our Group. He has over 18 years of management experience in the IC design industry.

From March 1989 to December 1991, Mr. Huang worked in the China National Electronic Devices Corp., Shenzhen branch (中國電子器件公司深圳公司), a company primarily engaged in distributing and selling computer related components and other electronic components. From January 1992 to February 1993, Mr. Huang worked as the vice manager in Shenzhen Xianke Mechatronics Corporation (深圳市先科機械電子公司), a company engaged in the processing of various electronic modules and components. Mr. Huang is the Board Chairman of Shenzhen State Micro Science and Technology Co. Ltd. (深圳市國微科技有限公司), a company engaged in the research and development of integrated circuit design, since 1993. Mr. Huang was appointed as non-independent director of Nationz Technologies Inc. (國民技術股份有限公司), a leading provider of secure IC products and services since May 2018. He has served as Board Chairman of Shenzhen Smart Device Technology Co., LTD (深圳市視美泰技術股份有限公司), a high-tech company focus on smart screen and machine intelligence, since September 5, 2015. He was appointed as Board Chairman of S2C Shanghai Co., Ltd (思爾芯(上海)信息科技有限公司) from November 5, 2018. He has served as the deputy director of China Semiconductor Industry Association IC Design Branch (中國半導體行業協會集成電路設計分會) since November 2005, and deputy director of The Integrated Circuit Design Industry Technology Innovative Alliance (集成電路設計產業技術創新戰略聯盟).

Mr. Huang obtained a bachelor's degree in semiconductor from Xidian University (formerly known as North-western Telecommunications Engineering School (西北電訊工程學院)) in July 1984 and a master's degree in electrical engineering from Southeast University in April 1989.

董事簡歷

DIRECTORS' BIOGRAPHY

帥紅宇先生，59歲，為本公司執行董事。帥先生於二零零五年十月加入本集團，自二零一七年三月二十三日起獲委任為執行董事。

帥先生為本公司總裁及首席營運官。帥先生主要負責與黃學良先生共同領導我們的業務營運及監管策略技術。帥先生亦為國微香港及SMIT深圳的董事。帥先生積逾20年有關影像處理及數字電視技術的行業經驗。

於一九八七年至一九八九年，帥先生是四川省遙感中心計算室的工程師。於一九八九年至二零零零年，帥先生是中國對外應用技術交流促進會西南分會的副主席。於二零零零年至二零零一年，帥先生供職於北京中視聯數字系統有限公司，擔任副總裁。於二零零一年三月至二零零四年三月，帥先生為北京中視聯條件接收系統有限公司(Philips Cryptoworks (China) Limited 與中華數字電視控股有限公司的條件接收合營公司)的總經理。於二零零四年七月至二零零五年十月，帥先生擔任北京浦奧得數碼技術有限公司(一家從事設計及開發數字電視系統的公司)的總經理。

帥先生在西安電子科技大學(前稱西北電訊工程學院)先後於一九八二年七月及一九八七年一月取得無線通信學士學位及工程碩士學位。

Mr. Shuai Hongyu (帥紅宇), aged 59, is an executive Director of our Company. Mr. Shuai joined the Group on October 2005, and was appointed as an executive Director with effect from 23 March 2017.

Mr. Shuai is the president and the chief operating officer of our Company. He is primarily responsible for co-leading, with Mr. Huang Xueliang, our business operation and overseeing strategic technologies. Mr. Shuai is also a director of SMIT Hong Kong and SMIT Shenzhen. Mr. Shuai has more than 20 years of industry experience related to image processing and digital television technologies.

From 1987 to 1989, Mr. Shuai has been the engineer in the computer department of the Sichuan Province Remote Sensing Center (四川省遙感中心計算室). From 1989 to 2000, Mr. Shuai was the vice president of the Southwest Branch of China Council for the Promotion of Applied Technology Exchange with Foreign Countries (中國對外應用技術交流促進會西南分會). From 2000 to 2001, Mr. Shuai worked as the vice president of Beijing Zhongshilian Digital System Co., Ltd. (北京中視聯數字系統有限公司). Between March 2001 to March 2004, Mr. Shuai was the general manager of DTVIA Conditional Access System (CHINACRYPT) Co., Ltd. (北京中視聯條件接收系統有限公司), a conditional access joint-venture between Philips Cryptoworks (China) Limited and China Digital TV Holding Co., Ltd. Between July 2004 and October 2005, Mr. Shuai worked as the general manager of Beijing Pu'aode Digital Technology Co., Ltd. (北京浦奧得數碼技術有限公司), a company engaged in the design and development of digital television system.

Mr. Shuai obtained a bachelor's degree in wireless communication in July 1982 and a master's degree in engineering in January 1987 from Xindian University (formerly known as North-western Telecommunications Engineering School (西北電訊工程學院)).

董事簡歷 DIRECTORS' BIOGRAPHY

龍文駿先生，65歲，為本公司執行董事。龍先生於二零一三年七月加入本集團，於二零一七年三月二十三日獲委任為本公司執行董事。

龍先生為本公司的常務副總裁兼首席財務官，主要負責管理本集團整體財務及會計事宜。

龍先生於會計及相關財務管理方面擁有豐富經驗。於二零零六年之前，龍先生曾任職於Lucent Technologies (China) Co., Ltd. 積累豐富經驗。於二零零六年四月至二零零九年七月，彼擔任UTStarcom Telecom Co., Ltd. (UTStarcom Holdings Corp. (NASDAQ: UTSI) 的附屬公司) 的首席財務官兼首席營運官，而UTStarcom Holdings Corp. 為全球電訊基礎設施供應商，專注於提供創新電信級寬帶傳輸和接入（包括無線網絡及固定線路）產品及方案、優化移動回程、城域匯聚、寬帶接入及無線網絡數據卸載。於二零一零年一月至二零一二年五月，龍先生為紐約證券交易所上市公司中國明陽風電集團有限公司（紐約證券交易所股份代號：MY）的首席財務官，而中國明陽風電集團有限公司為中國風力發電機生產商，專注於設計、生產、銷售及服務兆瓦級風力發電機。

龍先生於一九七八年六月獲華盛頓大學頒發工商管理文學學士學位，並於一九九零年二月在美國新澤西州取得執業會計師資格。

Mr. Loong, Manfred Man-tsun (龍文駿), aged 65, is an executive Director of our Company. Mr. Loong joined the Group on July 2013, and was appointed as an executive Director of our Company with effect from 23 March 2017.

Mr. Loong is the executive vice president and chief financial officer of our Company. Mr. Loong is primarily responsible for the management of the overall financial and accounting affairs of our Group.

Mr. Loong has extensive experience in accounting and related financial management. Prior to 2006, Mr. Loong had extensive experience working at Lucent Technologies (China) Co., Ltd. Between April 2006 and July 2009, he served as the chief financial officer and chief operating officer at UTStarcom Telecom Co., Ltd., the subsidiary of UTStarcom Holdings Corp. (NASDAQ: UTSI), a global telecom infrastructure provider, focused on delivering innovative carrier-class broadband transport and access (both Wi-Fi and fixed line) products and solutions, optimised for mobile backhaul, metro aggregation, broadband access and Wi-Fi data offloading. Between January 2010 to May 2012, Mr. Loong was the chief financial officer of China Ming Yang Wind Power Group Ltd. (NYSE: MY), a wind turbine manufacturer in China, listed on the New York Stock Exchange, focusing on designing, manufacturing, selling and servicing megawatt-class wind turbines.

Mr. Loong graduated from the University of Washington with a Bachelor of Arts degree in business administration in June 1978 and was qualified as a certified public accountant in New Jersey in the United States in February 1990.

董事簡歷

DIRECTORS' BIOGRAPHY

非執行董事

關重遠先生，62歲，為本公司的非執行董事。關先生於二零一五年九月加入本集團，於二零一五年九月二十日起獲委任為本公司非執行董事。關先生自二零零八年二月起任SMIT Corporation的董事。

於二零零一年七月至二零零六年一月，彼擔任Yahoo! International北亞區的區域副總裁兼董事總經理，自二零零六年一月至二零零七年四月擔任副總裁。關先生自二零零七年四月起一直為Oak Management Corporation（一家風險投資公司，Oak Investment Partners X, L.P. 的聯屬公司）的投資合夥人。彼自二零零八年十一月起一直為董事，並擔任NeoPhotonics Corporation（紐約證券交易所股份代號：NPTN）（一家在紐約證券交易所上市的光子集成電路模塊設計公司兼製造商）的審核委員會成員，直至二零一五年十一月。

關先生於一九八二年五月獲英屬哥倫比亞大學頒發機械工程學士學位、於一九八七年五月獲賓夕法尼亞大學華頓商學院頒發工商管理碩士學位，以及於一九八七年五月獲賓夕法尼亞大學頒發文學碩士學位。

劉洋先生，39歲，為本公司非執行董事。劉先生於二零二零年三月二十七日加入本集團擔任非執行董事。

NON-EXECUTIVE DIRECTORS

Mr. Kwan, Allan Chung-yuen (關重遠), aged 62, is a non-executive Director of our Company. Mr. Kwan joined our Group in September 2015 and was appointed as a non-executive Director of our Company with effect from 20 September 2015. Mr. Kwan has been a director of SMIT Corporation since February 2008.

He served as the regional vice president and managing director of North Asia from July 2001 to January 2006 and the vice president from January 2006 to April 2007 in Yahoo! International. Mr. Kwan has been a venture partner of Oak Management Corporation, a venture capital firm which is an affiliate of Oak Investment Partners X, L.P., since April 2007. He has served as a director since November 2008 and was a member of the audit committee for NeoPhotonics Corporation (NYSE: NPTN), a designer and manufacturer of photonic integrated circuit based modules listed in the New York Stock Exchange until November 2015.

Mr. Kwan obtained a bachelor's degree in mechanical engineering from the University of British Columbia in May 1982, a master of business administration degree from the Wharton School of University of Pennsylvania in May 1987, and a Master of Arts degree from the University of Pennsylvania in May 1987.

Mr. Liu Yang (劉洋), aged 39, is a non-executive Director of our Company. Mr. Liu joined our Group as non-executive Director on 27 March 2020.

董事簡歷 DIRECTORS' BIOGRAPHY

劉先生於二零零三年七月畢業於北京大學，獲物理學及經濟學雙學士學位並於二零零六年五月獲聖母大學(University of Notre Dame)物理學碩士學位。劉先生現時為華芯投資管理有限責任公司(國家集成電路產業投資基金股份有限公司(「**國家集成電路基金**」)的基金管理人)投資二部的總經理。國家集成電路基金間接持有鑫芯(香港)投資有限公司(其為本公司於二零一六年全球發售股份時的一名基石投資者及本公司的一名現有股東)的全部股本。劉先生曾任西門子(中國)有限公司的戰略發展部顧問及中國神華能源股份有限公司國華電力分公司(一家專門統一管理神華北京國華電力有限責任公司上市電力資產的公司)戰略發展部的業務經理。彼於二零一二年十月至二零一四年十二月擔任國開金融有限責任公司基金一部的資深副經理及於二零一四年十二月至二零一五年七月擔任華芯投資管理有限責任公司投資二部的副總經理。

劉先生現時為納思達股份有限公司(一家於深圳證券交易所上市的公司(股票代碼：002180))的非獨立董事。彼亦分別為蘇州晶方半導體科技股份有限公司及深圳市匯頂科技股份有限公司(其均於上海證券交易所上市，股票代號分別為：603005及603160)的董事及非獨立董事。

Mr. Liu graduated from the Peking University with a dual-bachelor degree in physics and economics in July 2003 and received a master's degree in physics from the University of Notre Dame in May 2006. Mr. Liu is currently the general manager in the Second Investment Department of Sino-IC Capital Ltd. (華芯投資管理有限責任公司), the fund manager of China Integrated Circuit Industry Investment Fund Co., Ltd. (國家集成電路產業投資基金股份有限公司) ("**China IC Fund**"). China IC Fund indirectly holds the entire share capital of Xinxin (Hongkong) Capital Co., Limited (鑫芯(香港)投資有限公司), one of the cornerstone investors during the global offering of the shares of the Company in 2016 and an existing shareholder of the Company. Mr. Liu served as a consultant in the Strategic Development Division of Siemens (China) Limited (西門子(中國)有限公司) and a business manager in the Strategic Development Division of Guohua Power Company of China Shenhua Energy Co., Ltd. (中國神華能源股份有限公司國華電力分公司), a company which specializes in the unified management of the listed power assets of Beijing Guohua Power Co., Ltd. (神華北京國華電力有限責任公司). He was the senior deputy manager in the First Fund Department of CDB Finance Co., Ltd. (國開金融有限責任公司) from October 2012 to December 2014 and was the vice general manager in the Second Investment Department of Sino-IC Capital Ltd. (華芯投資管理有限責任公司) from December 2014 to July 2015.

Mr. Liu is currently a non-independent director of Ninestar Corporation (納思達股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002180). He is also a director and a non-independent director of the companies China Wafer Level CSP Co., Ltd (蘇州晶方半導體科技股份有限公司) and Shenzhen Goodix Technology Co., Ltd. (深圳市匯頂科技股份有限公司) respectively, which are both listed on Shanghai Stock Exchange (stock codes: 603005 and 603160 respectively).

董事簡歷

DIRECTORS' BIOGRAPHY

高松濤先生，50歲，為本公司的非執行董事。高先生於二零一七年三月二十三日加入本集團並獲委任為本公司非執行董事，自二零一七年三月二十三日起生效，於二零二零年三月二十七日辭任。

高先生於一九九一年七月畢業於電子科技大學，取得學士學位，後於二零零六年六月獲中國人民大學頒授經濟碩士學位，以及獲復旦大學與香港大學共同頒授工商管理（國際）碩士學位。高先生現任華芯投資管理有限責任公司（國家集成電路產業投資基金股份有限公司（「國家集成電路基金」）之普通合夥人）副總裁。國家集成電路基金間接持有鑫芯（香港）投資有限公司全部股本，鑫芯（香港）投資有限公司在本公司二零一六年全球發售期間為本公司的基石投資者之一。

高先生目前還擔任深交所上市公司北京北斗星通導航技術股份有限公司（股票代碼：002151）、上交所上市公司深圳市匯頂科技股份有限公司（股票代碼：603160）、移動互聯網領域的芯片設計及解決方案供應商瑞芯微電子股份有限公司的董事。

曾之傑先生，52歲，為本公司非執行董事。曾先生於二零一五年九月加入本集團，並於二零一五年九月二十日起獲委任為本公司非執行董事。曾先生於二零一九年五月二十日向本集團辭職。

Mr. Gao Songtao (高松濤), aged 50, is a non-executive Director of our Company. Mr. Gao joined the Group on 23 March 2017 when he was appointed as a non-executive Director of our Company with effect from 23 March 2017. Mr. Gao resigned from the Group on 27 March 2020.

Mr. Gao, graduated from the University of Electronic Science and Technology of China with a bachelor degree in July 1991, and he received a master's degree in economics from the Renmin University of China in June 2006 and an IMBA degree jointly from the Fudan University and the University of Hong Kong. Mr. Gao is currently the vice president of Sino-IC Capital Ltd. (華芯投資管理有限責任公司), the general partner of China Integrated Circuit Industry Investment Fund Co., Ltd. (國家集成電路產業投資基金股份有限公司) ("China IC Fund"). China IC Fund indirectly holds the entire share capital of Xinxin (Hongkong) Capital Co., Limited (鑫芯（香港）投資有限公司), one of our cornerstone investors during the global offering of the Shares in 2016.

Mr. Gao is currently a director of Beijing BDStar Navigation Co., Ltd. (北京北斗星通導航技術股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002151), Shenzhen Goodix Technology Co., Ltd. (深圳市匯頂科技股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 603160), Rockchip Electronics Co., Ltd. (瑞芯微電子股份有限公司), a solution provider and chip designer in mobile Internet.

Mr. Zeng Zhijie (曾之傑), aged 52, is a non-executive Director of our Company. Mr. Zeng joined our Group in September 2015 and was appointed as a non-executive Director of our Company with effect from 20 September 2015. Mr. Zeng resigned from the Group on 20 May 2019.

董事簡歷 DIRECTORS' BIOGRAPHY

曾先生由二零零八年二月起擔任SMIT Corporation的董事。目前，曾先生為鴻泰基金董事長、創始合夥人，亦為元禾厚望成長基金創始合夥人。曾先生曾在香港任職於中信泰富有限公司及在日本任職於三菱商事株式會社。之後於二零零一年一月至二零零七年十二月期間，擔任華登國際董事總經理，負責中國和亞洲其他國家的風險投資業務。自二零零八年起至二零一七年擔任中信資本控股有限公司高級董事總經理、開信創業投資總經理，負責中信資本的創投及成長期業務。除國微控股有限公司外，曾先生現亦擔任中軟國際有限公司（香港聯交所股份代號：354）獨立董事職務。曾先生於一九九六年三月獲日本長崎大學頒發經濟學學士學位，及於二零零一年六月獲史丹福大學頒發管理學理學碩士學位，於二零一七年獲中國社會科學院經濟學博士學位。

獨立非執行董事

張俊傑先生，50歲，為本公司獨立非執行董事。張先生於二零一六年三月六日加入本集團，並於二零一六年三月六日起獲委任為本公司獨立非執行董事。

張先生於投資銀行業積逾10年經驗。張先生自二零零五年二月起擔任國信證券股份有限公司投資銀行業務部總經理。

張先生於一九九二年六月取得江漢石油學院（現稱長江大學）石油開發及鑽井工程學士學位，於一九九九年六月取得武漢科技大學產業經濟學碩士學位。彼亦於二零一二年十月取得長江商學院行政工商管理碩士學位。

Mr. Zeng has been a director of SMIT Corporation since February 2008. Currently Mr. Zeng has been chairman, founder and partner of Hongtai Fund, also founder and partner of Yuan He Hou Wang Growth Fund. Mr. Zeng once served in CITIC Limited (中信泰富有限公司) at Hong Kong and Mitsubishi Corporation in Japan. Between January 2001 and December 2007, Mr. Zeng served as a managing director of Walden International and mainly responsible for venture investments in China and other Asian countries. Between 2008 and 2017, Mr. Zeng was appointed as the senior managing director of CITIC Capital Holdings Limited (中信資本控股有限公司) and general manager of Kaixin Investment (開信創業投資), responsible for venture capital investment and business growth of CITIC capital. Besides SMIT Holdings Limited, Mr. Zeng also served as director or independent director of ChinaSoft International Limited (中軟國際有限公司) (HKSE: 354). Mr. Zeng obtained a bachelor's degree in economics from the University of Nagasaki, Japan in March 1996, a master of science degree in management from Stanford University in June 2001 and a doctor degree in economics from Chinese Academy of Social Sciences in 2017.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhang Junjie (張俊傑), aged 50, is an independent non-executive Director of our Company. Mr. Zhang joined the Group on 6 March 2016, and was appointed as an independent non-executive Director of our Company with effect from 6 March 2016.

Mr. Zhang has over 10 years of experience in the investment banking industry. Mr. Zhang has served as the general manager in the business department of the investment bank, Guosen Securities Company Limited (國信證券股份有限公司) since February 2005.

Mr. Zhang received a bachelor's degree in oil development and drilling engineering from the Jiangnan Petroleum University (now known as Yangtze University) in June 1992. He received a master's degree in industrial economics from Wuhan University of Technology in June 1999. Mr. Zhang also received an executive master of business administration degree from Cheung Kong Graduate School of Business in October 2012.

董事簡歷

DIRECTORS' BIOGRAPHY

胡家棟先生，51歲，為本公司獨立非執行董事。胡先生於二零一六年三月六日加入本集團，並於二零一六年三月六日起獲委任為本公司獨立非執行董事。

胡先生於會計及金融服務業積逾20年經驗。胡先生於香港安達信會計師事務所開展其事業，並於該事務所獲得專業資格。彼於一九九七年十一月至二零零四年三月任荷蘭商業銀行投資銀行部副總裁，負責資本及企業併購的諮詢與運作，二零零六年六月至二零零六年八月擔任中信證券（香港）有限公司常務董事，負責企業融資部。於二零零七年八月至二零一零年六月，胡先生擔任Credit Suisse (Hong Kong) Limited（一家領先的金融服務公司）的投資銀行部董事。胡先生加入鐵江現貨有限公司（香港聯交所股份代號：1029）（一家在聯交所主板上市的工業商品生產商），於二零一零年六月至二零一五年三月擔任執行董事，並自此被調任為鐵江現貨有限公司的非執行董事。胡先生自二零一一年四月起擔任遠大中國控股有限公司（香港聯交所股份代號：2789）（一家於聯交所主板上市的公司，主要從事生產及銷售幕牆）的獨立非執行董事。

胡先生於一九九二年四月獲澳洲新南威爾士大學頒發商學學士學位。胡先生於一九九六年十一月獲認可為澳洲會計師公會執業會計師及於二零零五年四月獲認可為香港會計師公會資深會員。

Mr. Woo Kar Tung, Raymond (胡家棟), aged 51, is an independent non-executive Director of our Company. Mr. Woo joined the Group on 6 March 2016, and was appointed as an independent non-executive Director of our Company with effect from 6 March 2016.

Mr. Woo has over 20 years of experience in the accounting and financial services industry. He began his career at Arthur Andersen & Co (香港安達信會計師事務所) where he qualified. From November 1997 to March 2004, Mr. Woo served as a vice president of capital markets advisory M&A execution, investment banking division of ING Bank H.V.. From June 2006 to August 2006, Mr. Woo served as managing director and head of finance corporate at CITIC Securities (HK) Company Limited (中信證券(香港)有限公司). From August 2007 to June 2010, Mr. Woo served as a director in the investment banking department of Credit Suisse (Hong Kong) Limited, a leading financial services company. Mr. Woo joined IRC Limited (鐵江現貨有限公司) (HKSE: 1029), an industrial commodities producer listed on the Main Board of the Stock Exchange as an executive director between June 2010 to March 2015 and he has since then been re-designated as a non-executive director of IRC Limited (鐵江現貨有限公司). Mr. Woo has served as an independent non-executive director of Yuanda China Holdings Limited (遠大中國控股有限公司) (HKSE: 2789), a company principally engaged in the manufacturing and sale of curtain walls listed on the Main Board of the Stock Exchange, since April 2011.

Mr. Woo received a bachelor's degree of commerce in the University of New South Wales, Australia in April 1992. Mr. Woo became a certified practising accountant of the Australian Society of Certified Practising Accountants in November 1996, and a fellow member of the Hong Kong Institute of Certified Public Accountants in April 2005.

董事簡歷 DIRECTORS' BIOGRAPHY

金玉豐先生，59歲，為本公司的獨立非執行董事。金先生於二零一六年三月六日加入本集團並獲委任為本公司獨立非執行董事，自二零一六年三月六日起生效。

金先生於電子工程行業有逾30年研究經驗。於一九八五年四月至一九九九年三月，金先生在中國電子科技集團公司第五十五研究所擔任工程師和高級工程師，該研究所專門研發電子元件。於一九九九年四月至二零零一年二月，金先生是北京大學微電子學研究院的博士後研究員。於二零零一年十一月至二零零四年十月，金先生擔任Singapore Institute of Manufacturing Technology的高級研究工程師。彼自二零零六年八月起擔任北京大學信息科學技術學院教授。金先生於二零零七年八月至二零零七年十一月擔任香港應用科技研究院有限公司的顧問。金先生自二零一三年十二月至二零一九年十一月任上海貝嶺股份有限公司（上交所股份代號：600171）（於上海證券交易所上市的IC設計及應用程序開發商）的獨立董事。

金先生於一九八二年七月及一九八五年七月分別取得東南大學（前稱南京工學院）電子工程學士學位及電子工程碩士學位。彼於一九九九年三月取得東南大學物理及電子學博士學位。

Mr. Jin Yufeng (金玉豐), aged 59, is an independent non-executive Director of our Company. Mr. Jin joined the Group on 6 March 2016, and was appointed as an independent non-executive Director of our Company with effect from 6 March 2016.

Mr. Jin has over 30 years of research experience in the electronic engineering industry. From April 1985 to March 1999, Mr. Jin worked as an engineer and senior engineer in the 55th Research Institute of China Electronics Technology Group Corporation (中國電子科技集團公司第五十五研究所), which is specialised in the research and development on electronic components. From April 1999 to February 2001, Mr. Jin was a post-doctoral research fellow in the Institute of Microelectronics, Peking University (北京大學微電子學研究院). November 2001 to October 2004, Mr. Jin served as a senior research engineer of Singapore Institute of Manufacturing Technology. He has been a professor in the School of Electronics Engineering and Computer Science (信息科學技術學院) in Peking University since August 2006. Mr. Jin was a consultant of the Hong Kong Applied Science and Technology Research Institute Company Limited (香港應用科技研究院有限公司) from August 2007 to November 2007. Mr. Jin has served as an independent director of Shanghai Belling Co., Ltd (上海貝嶺股份有限公司) (SHSE: 600171), an IC designer and application developer listed on the Shanghai Stock Exchange, from December 2013 to November 2019.

Mr. Jin received his bachelor's degree in electronic engineering and master's degree in electronic engineering from Southeast University (previously known as Nanjing Institute of Technology (南京工學院)) in July 1982 and July 1985 respectively. He received his doctorate degree in physics and electronics from Southeast University in March 1999.

董事簡歷

DIRECTORS' BIOGRAPHY

公司秘書

鄭啟培先生，36歲，為本公司的公司秘書。鄭先生於會計及相關財務管理方面擁有約14年經驗。鄭先生自二零零六年九月起任職於陳與陳會計師事務所有限公司，彼於二零一一年五月離職時為該會計師事務所的助理審計監督。於二零一一年五月至二零一二年八月期間，彼於冰雪製作有限公司先後擔任高級會計師及財務經理。於二零一二年十月至二零一三年三月期間，彼於歷寶會計師事務所有限公司擔任審計經理。於二零一三年五月至二零一四年七月期間，鄭先生擔任瀚洋物流控股有限公司（香港聯交所股份代號：1803）（一家在聯交所主板上市的公司）的助理會計經理。鄭先生於二零零六年七月取得香港樹仁學院（現稱為香港樹仁大學）商學士學位，主修會計。鄭先生於二零一二年十月取得香港理工大學專業會計學碩士學位。彼自二零一零年五月起獲認可為香港會計師公會的執業會計師。

COMPANY SECRETARY

Mr. Cheng Kai Pui, Eric (鄭啟培), aged 36, is the company secretary of our Company. Mr. Cheng has approximately 14 years of experience in accounting and related financial management. Mr. Cheng worked in the audit department of Kreston CAC CPA Limited (previously named as Chan and Chan) from September 2006 and left the firm as an assistant audit supervisor in May 2011. Between May 2011 and August 2012, he worked as a senior accountant and subsequently as a finance manager in Icicle Production Company Limited. Between October 2012 and March 2013, he served as an audit manager of L & P CPA Limited. From May 2013 to July 2014, Mr. Cheng served as an assistant accounting manager of ASR Logistics Holdings Limited (HKSE: 1803), a company listed on the Main Board of the Stock Exchange. Mr. Cheng obtained a bachelor of commerce degree in accounting from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in July 2006. Mr. Cheng received a master of professional accounting degree from Hong Kong Polytechnic University in October 2012. He has been registered as a certified public accountant of the Hong Kong Institute of Certified Public Accountants since May 2010.

董事會報告

REPORT OF THE DIRECTORS

董事謹此提呈彼等的報告及截至二零一九年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本集團是全球付費電視廣播接收及中國移動銷售終端（或mPOS）支付系統的領先安全裝置供應商，通過銷售可讓終端用戶接收付費電視內容的條件接收模塊（或視密卡）產品，為全世界付費電視行業設計、開發及營銷安全裝置。本集團亦為中國硬件移動支付行業開發及營銷移動銷售終端（或mPOS）機，讓用戶可靈活地利用其智能電話或平板電腦，毋須在傳統的固定POS終端進行信用卡或借記卡交易。此外，本集團於2019年作出視作出售前的附屬公司S2C Tech Inc.，是一家從事快速驗證系統和軟件的研發與銷售的公司。2018年本集團於獲批承接「芯片設計全流程電子設計自動化系統開發與應用」之國家重大科技專項，正式啟動對電子設計自動化系統的研發，目前處於研發投入期。

業務回顧

本集團截至二零一九年十二月三十一日止年度的業務回顧載於本年報第5至24頁「主席報告」及「管理層討論及分析」章節。

業績及分配

本集團截至二零一九年十二月三十一日止年度之業績及本集團於該日之綜合財政狀況，詳列於第105至275頁之財務報表內。

董事建議派發末期股息每股1港仙（相等於約0.1美仙），合共410,139美元。

Directors are pleased to present their reports and the audited consolidated financial statements for the year ended 31 December 2019.

PRINCIPAL OPERATIONS

The Group is a leading security devices provider globally for pay TV broadcasting access and for mobile point-of-sales, or mPOS, payment systems in China. The Group designs, develops and markets security devices primarily for the pay TV industry worldwide through sales of conditional access module, or CAM, products which provide end users with access to pay TV content. The Group also develops and markets mobile point-of-sale, or mPOS devices for the hardware-based mobile payment industry in China, which enable users to make credit and debit card transactions with mobility using their smartphones or tablets rather than a traditional stationary POS terminal. S2C Tech Inc., the subsidiary of the Group prior to its deemed disposal in 2019, is a company engaged in the development and sales of rapid verification system and software. The Group obtained requisite approval from the PRC Central Government for the implementation of the national science and technology project of “Development and Application of Full Process Electronic Design Automation (“EDA”) System for Chip Design” in 2018 and duly launched the research and development of EDA system, which is currently in the research and development phase.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2019 is set out in the section head “Chairman’s Statement” and “Management Discussion and Analysis” on pages 5 to 24 of this Annual Report.

BUSINESS RESULTS AND APPROPRIATION

For the details of the results of the Group for the year ended 31 December 2019 and the financial condition of the Group at that date, please refer to the consolidated financial statements on page 105 to 275.

The Directors recommend the payment of a final dividend of HK1 cent (equivalent to approximately USD0.1 cents) per share, totaling USD410,139.

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可分派儲備

於二零一九年十二月三十一日，有關本公司可供分派儲備的詳情載於綜合財務報表附註39。

捐款

本集團於截至二零一九年十二月三十一日止年度無慈善組織捐款（二零一八年：31,295美元）。

年內已發行股份

於截至二零一九年十二月三十一日止年度內，本公司的股本變動詳情載於綜合財務報表附註26。

購股權計劃

首次公開發售前購股權計劃

為確認及認可其部分僱員、董事及顧問對SMIT Corporation發展作出的貢獻，SMIT Corporation於二零零八年二月二十一日採納一項股份激勵計劃（「二零零八年股份計劃」）。作為籌備本公司上市而進行的重組的一部分，本公司透過於二零一五年九月十五日通過的唯一股東書面決議案採納二零零八年股份計劃作為首次公開發售前購股權計劃（「首次公開發售前購股權計劃」），承擔SMIT Corporation根據二零零八年股份計劃授出的購股權的所有權利及責任，而SMIT Corporation與該等購股權持有人訂立的所有購股權協議（以根據二零零八年股份計劃授出的所有該等購股權及其作用，以及訂立的購股權協議及其作用為限）按照其條款將為有效、具約束力及對本公司可強制執行，猶如該等購股權已由本公司根據首次公開發售前購股權計劃授出。

DISTRIBUTABLE RESERVES

Details of the Company's distributable reserves as at 31 December 2019 are set out in Note 39 to the consolidated financial statements.

DONATIONS

During the year ended 31 December 2019, the Group had no donation (2018: USD31,295) to charitable organisations.

SHARES ISSUED IN THE YEAR

Details of the movements in the Company's share capital for the year ended 31 December 2019 are set out in Note 26 to the consolidated financial statements.

SHARE OPTION SCHEME

Pre-IPO Share Option Scheme

To recognise and acknowledge the contributions made by certain of its employees, directors and consultants to the growth of SMIT Corporation, SMIT Corporation adopted a share incentive plan on 21 February 2008 (the "2008 Share Plan"). As part of the reorganisation in preparation for the listing of the Company, the Company assumed the 2008 Share Plan as the Pre-IPO Share Option Scheme (the "Pre-IPO Share Option Scheme") by resolutions in writing of the sole shareholder passed on 15 September 2015, and assumed all the rights and obligations under options granted by SMIT Corporation under the 2008 Share Plan, and all share option agreements entered into between SMIT Corporation and the holders of such options, to the intent and effect that all such share options granted under, and such share option agreements entered, under the 2008 Share Plan will be valid, binding and enforceable against the Company in accordance with their terms, as if such options had been granted by the Company under the Pre-IPO Share Option Scheme.

首次公開發售前購股權計劃為一項股份激勵計劃，乃為確認及認可合資格參與人士（定義見下文）已經或可能已經對本公司作出的貢獻而設立。首次公開發售前購股權計劃的目的在於為經選定人士提供機會，透過購買本公司股份於本公司的成功發展中擁有所有權權益或增加該等權益。

首次公開發售前購股權計劃的合資格參與人士（統稱「合資格參與人士」）包括以下人士：(i)本公司、其任何母公司或其任何附屬公司的僱員；(ii)並非本公司僱員的本公司董事會成員；或(iii)本公司、其任何母公司或其任何附屬公司的顧問。

每項購股權協議均須訂明根據首次公開發售前購股權計劃應向各承授人授出整份或任何部分購股權的日期。購股權協議內須訂明根據首次公開發售前購股權計劃向各承授人授出購股權的期限及在任何情況下，該期限均不得超過自授出日期起計10年。購股權行使價乃由SMIT Corporation董事釐定。

The Pre-IPO Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined below) have or may have made to the Company. The purpose of the Pre-IPO Share Option Scheme is to offer selected persons an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by purchasing Shares of the Company.

The eligible participants (collectively the “Eligible Participants”) under the Pre-IPO Share Option Scheme include any individual who is (i) an employee of the Company, any of its parent companies or any of its subsidiaries; (ii) a member of the board of directors of the Company who is not an employee of the Company; or (iii) a consultant to the Company, any of its parent companies or any of its subsidiaries.

Each share option agreement shall specify the date on which all or any instalment of the option shall be granted to each grantee under the Pre-IPO Share Option Scheme. The term of options granted to each grantee under the Pre-IPO Share Option Scheme shall be specified in the share option agreement and, in any case, shall not exceed 10 years from the date of grant. The exercise price of the options were determined by the directors of SMIT Corporation.

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於上市日期或之後，概無購股權根據首次公開發售前購股權計劃進一步授出。

以下載列首次公開發售前購股權計劃項下於二零一九年十二月三十一日尚未行使購股權的詳情：

No further options were granted under the Pre-IPO Share Option Scheme on or after the Listing Date.

Set out below are details of the outstanding options under the Pre-IPO Share Option Scheme as 31 December 2019:

	二零一九年 一月一日									截至二零一九年 十二月三十一日
承授人類別／名稱	授出購股權 相關股份數目	授出日期	行使價	歸屬日期	到期日	在行使日期前 加權平均收市價	於二零一九年度 所行使	於二零一九年度 所註銷	於二零一九年度 所失效	尚未行使
Category/ Name of Grantee	Number of Share underlying the options granted as at 1 January 2019	Date of Grant	Exercise Price	Vesting Date	Expiration Date	Weighted average closing price before the exercise dates	Exercised during the year 2019	Cancelled during the year 2019	Lapsed during the year 2019	Outstanding as of 31 December 2019
董事										
Directors										
黃學良	4,578,278	二零一零年九月一日	0.54美元	二零一四年九月一日	二零二零年八月三十一日	—	—	—	—	4,578,278
Huang Xueliang		01/09/2010	USD0.54	01/09/2014	31/08/2020					
	2,372,208	二零一一年三月一日	1.06美元	二零一五年三月一日	二零二一年三月一日	—	—	—	—	2,372,208
		01/03/2011	USD1.06	01/03/2015	01/03/2021					
	737,847	二零一二年九月三十日	0.62美元	二零一六年九月三十日	二零二二年四月二十五日	—	—	—	—	737,847
		30/09/2012	USD0.62	30/09/2016	25/04/2022					
	738,067	二零一三年八月一日	0.56美元	二零一七年八月一日	二零二三年七月三十一日	—	—	—	—	738,067
		01/08/2013	USD0.56	01/08/2017	31/07/2023					
關重遠 ⁽¹⁾										
關重遠 ⁽¹⁾	1,585,138	二零一零年九月一日	0.54美元	二零一四年九月一日	二零二零年八月三十一日	—	—	—	—	1,585,138
Kwan, Allan Chung-yuen ⁽¹⁾		01/09/2010	USD0.54	01/09/2014	31/08/2020					
	285,787	二零一一年三月一日	1.06美元	二零一五年三月一日	二零二一年三月一日	—	—	—	—	285,787
		01/03/2011	USD1.06	01/03/2015	01/03/2021					

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承授人類別／名稱	二零一九年 一月一日 授出購股權 相關股份數目	授出日期	行使價	歸屬日期	到期日	在行使日期前 加權平均收市價	於二零一九年度 所行使	於二零一九年度 所註銷	於二零一九年度 所失效	截至二零一九年 十二月三十一日 尚未行使
	Number of Share underlying the options granted as at 1 January 2019					Weighted average closing price before the exercise dates	Exercised during the year 2019	Cancelled during the year 2019	Lapsed during the year 2019	Outstanding as of 31 December 2019
Category/ Name of Grantee		Date of Grant	Exercise Price	Vesting Date	Expiration Date					
帥紅宇 Shuai Hongyu	200,000	二零一零年三月五日	0.04美元	二零一四年三月五日	二零一九年五月十五日	4.30港元	200,000	—	—	—
		05/03/2010	USD0.04	05/03/2014	15/05/2019	HK\$4.30				
	1,182,153	二零一零年九月一日	0.54美元	二零一四年九月一日	二零二零年八月三十一日	—	—	—	—	1,182,153
		01/09/2010	USD0.54	01/09/2014	31/08/2020					
	1,800,633	二零一一年三月一日	1.06美元	二零一五年三月一日	二零二一年三月一日	—	—	—	—	1,800,633
		01/03/2011	USD1.06	01/03/2015	01/03/2021					
	679,022	二零一二年九月三十日	0.62美元	二零一六年九月三十日	二零二二年四月二十五日	—	—	—	—	679,022
		30/09/2012	USD0.62	30/09/2016	25/04/2022					
龍文駿 Loong, Manfred Man-tsun	730,120	二零一三年八月一日	0.56美元	二零一三年十一月一日	二零二三年七月三十一日	—	—	—	—	730,120
		01/08/2013	USD0.56	01/11/2013	31/07/2023					
	590,454	二零一三年八月一日	0.56美元	二零一七年八月一日	二零二三年七月三十一日	—	—	—	—	590,454
		01/08/2013	USD0.56	01/08/2017	31/07/2023					
關連人士										
Connected persons										
曾之傑 Zeng Zhijie	442,841	二零一零年三月五日	0.04美元	二零一四年三月五日	二零一九年五月十五日	4.50港元	442,841	—	—	—
		05/03/2010	USD0.04	05/03/2014	15/05/2019	HK\$4.50				
	73,807	二零一一年三月一日	1.06美元	二零一五年三月一日	二零二一年三月一日	—	—	—	—	73,807
白玉 Bai Yu		01/03/2011	USD1.06	01/03/2015	01/03/2021					
	73,807	二零一零年十二月三十一日	0.75美元	二零一四年十二月三十一日	二零二零年十二月三十日	—	—	—	—	73,807
		31/12/2010	USD0.75	31/12/2014	30/12/2020					
Cykorp Limited ⁽²⁾	73,807	二零一二年九月三十日	0.62美元	二零一六年九月三十日	二零二二年四月二十五日	—	—	—	—	73,807
		30/09/2012	USD0.62	30/09/2016	25/04/2022					
Cykorp Limited ⁽²⁾	442,841	二零一零年三月五日	0.04美元	二零一四年三月五日	二零一九年五月十五日	3.76港元	442,841	—	—	—
		05/03/2010	USD0.04	05/03/2014	15/05/2019	HK\$3.76				

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承授人類別／名稱	授出購股權 相關股份數目 Number of Share underlying the options granted as at 1 January 2019	授出日期 Date of Grant	行使價 Exercise Price	歸屬日期 Vesting Date	到期日 Expiration Date	在行使日期前	於二零一九年度	於二零一九年度	於二零一九年度	截至二零一九
						加權平均收市價 Weighted average closing price before the exercise dates	所行使 Exercised during the year 2019	所註銷 Cancelled during the year 2019	所失效 Lapsed during the year 2019	十二月三十一日 尚未行使 Outstanding as of 31 December 2019
僱員 Employees	1,451,052	二零一零年三月五日 05/03/2010	0.04美元 USD0.04	二零一四年三月五日 05/03/2014	二零一九年五月十五日 15/05/2019	3.91港元 HK\$3.91	838,454	—	612,598	—
	1,221,160	二零一零年九月一日 01/09/2010	0.54美元 USD0.54	二零一四年九月一日 01/09/2014	二零二零年八月三十一日 31/08/2020	—	—	—	—	1,221,160
	1,967,210	二零一零年十二月三十一日 31/12/2010	0.75美元 USD0.75	二零一四年十二月三十一日 31/12/2014	二零二零年十二月三十日 30/12/2020	—	—	—	—	1,967,210
	548,781	二零一一年一月八日 08/01/2011	0.75美元 USD0.75	二零一五年一月八日 08/01/2015	二零二一年一月八日 08/01/2021	—	—	—	—	548,781
	548,781	二零一一年三月一日 01/03/2011	0.54美元 USD0.54	二零一五年三月一日 01/03/2015	二零二一年三月一日 01/03/2021	—	—	—	—	548,781
	2,149,936	二零一一年三月一日 01/03/2011	1.06美元 USD1.06	二零一五年三月一日 01/03/2015	二零二一年三月一日 01/03/2021	—	—	—	—	2,149,936
	2,657,057	二零一二年九月三十日 30/09/2012	0.62美元 USD0.62	二零一六年九月三十日 30/09/2016	二零二二年四月二十五日 25/04/2022	—	—	—	—	2,657,057
	2,132,024	二零一三年八月一日 01/08/2013	0.56美元 USD0.56	二零一七年八月一日 01/08/2017	二零二三年七月三十一日 31/07/2023	—	—	—	—	2,132,024
	2,928,420	二零一零年九月一日 01/09/2010	0.54美元 USD0.54	二零一四年九月一日 01/09/2014	二零二零年八月三十一日 31/08/2020	—	—	—	—	2,928,420
	819,805	二零一一年三月一日 01/03/2011	1.06美元 USD1.06	二零一五年三月一日 01/03/2015	二零二一年三月一日 01/03/2021	—	—	—	—	819,805
其他合資格參與者 (包括前僱員及顧問) Other eligible participants (including former employees and consultants)	274,390	二零一二年三月一日 01/03/2012	1.21美元 USD1.21	二零一六年三月一日 01/03/2016	二零二二年三月一日 01/03/2022	—	—	—	—	274,390
	73,806	二零一二年九月三十日 30/09/2012	0.62美元 USD0.62	二零一六年九月三十日 30/09/2016	二零二二年四月二十五日 25/04/2022	—	—	—	—	73,806
	119,395	二零一三年三月一日 01/03/2013	0.62美元 USD0.62	二零一七年三月一日 01/03/2017	二零二三年三月一日 01/03/2023	—	—	—	—	119,395
	22,142	二零一三年八月一日 01/08/2013	0.56美元 USD0.56	二零一七年八月一日 01/08/2017	二零二三年七月三十一日 31/07/2023	—	—	—	—	22,142
	274,390	二零一四年三月一日 01/03/2014	0.41美元 USD0.41	二零一八年三月一日 01/03/2018	二零二四年三月一日 01/03/2024	—	—	—	—	274,390
	40,319,288					4.12港元 HK\$4.12	1,924,136	—	612,598	37,782,554
	Total									

附註：

(1) 關重遠先生於根據首次公開發售前購股權計劃授出可認購股份的購股權中擁有權益，持有情況如下：(i)關先生以個人身份持有購股權；及(ii) Cykorp Limited (關先生全資擁有的公司) 持有購股權。

(2) Cykorp Limited由關重遠先生全資擁有。

於截至二零一九年十二月三十一日止年度，本公司因本集團購股權持有人行使首次公開發售前購股權而發行合共1,924,136股股份。於緊接首次公開發售前購股權獲行使前當日的股份的加權平均收市價為4.12港元。

於截至二零一九年十二月三十一日止年度，概無首次公開發售前購股權獲註銷。

於截至二零一九年十二月三十一日止年度，合共612,598份首次公開發售前購股權根據首次公開發售前購股權的條款失效。

除上文所披露者外，於截至二零一九年十二月三十一日止年度，概無其他首次公開發售前購股權行使、註銷或失效。

於本報告日期，根據首次公開發售前購股權計劃授出的購股權所涉及的發行在外股份數目為37,782,554股股份，可按介乎每股股份0.14美元至每股股份1.21美元的各自行使價行使，相當於本公司於本報告日期已發行股本約11.87%。

Notes:

(1) Mr. Kwan, Allan Chung-yuen is interested in share options granted under the Pre-IPO Share Option Scheme to subscribe for Shares which are held as follows: (i) options held in Mr. Kwan's personal capacity, and (ii) options held by Cykorp Limited, a company wholly owned by Mr. Kwan.

(2) Cykorp Limited is wholly owned by Mr. Kwan, Allan Chung-yuen.

During the year ended 31 December 2019, a total number of 1,924,136 Shares were issued by the Company upon exercise of Pre-IPO Share Options by option holders of the Group. The weighted average closing price of the Shares immediately before the date on which the Pre-IPO Share Options were exercised is HK\$4.12.

During the year ended 31 December 2019, none of the Pre-IPO Share Options were cancelled.

During the year ended 31 December 2019, a total number of 612,598 Pre-IPO Share Options had lapsed in accordance with the terms of the Pre-IPO Share Option Scheme.

Save as disclosed above, no other Pre-IPO Share options were exercised, cancelled or lapsed during the year ended 31 December 2019.

The number of outstanding Shares subject to the options granted under the Pre-IPO Share Option Scheme as at the date of this report was 37,782,554 Shares, exercisable at the respective exercise price between US\$0.14 per Share and US\$1.21 per Share, representing approximately 11.87% of the issued share capital of the Company as at the date of this report.

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購買、出售或贖回證券

截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何股份。

稅務減免

本公司並不知悉股東可因持有本公司股份而獲得任何稅務減免。

優先認股權

本公司的公司細則並無有關優先認股權的條文規定，而開曼公司法例亦無有關本公司須向現有股東以按比例基準發售新股份的權利的限制。

五年財務概要

本集團於過去五個年度的業績及財務狀況概要載於第276頁。

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the shares of the Company.

PRE-EMPTIVE RIGHTS

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

FIVE-YEAR FINANCIAL SUMMARY

The summary of the business results and financial position of the Group for the past five years is set out in page 276.

董事

於截至二零一九年十二月三十一日止年度及直至本報告日期，董事包括以下個別人士：

執行董事

黃學良(董事長兼首席執行官)
帥紅宇
龍文駿

非執行董事

關重遠
劉洋(於二零二零年三月二十七日獲委任)
高松濤(於二零二零年三月二十七日辭任)
曾之傑(於二零一九年五月二十日辭任)

獨立非執行董事

張俊傑
金玉豐
胡家棟

曾之傑先生及高松濤先生因其他業務及個人承擔以及工作責任分別於二零一九年五月二十日及二零二零年三月二十七日辭任非執行董事。曾先生及高先生各自與董事並無任何意見分歧，且概無有關辭任的其他事宜須本公司股東或聯交所垂注。

董事的服務合約

於本報告日期，非執行董事(包括獨立非執行董事)已各自與本公司訂立服務合約，為期三年，除非及直至本公司向董事發出不少於三個月的通知而終止。

根據本公司的公司細則第84及第85條，三分之一董事須至少每三年於本公司股東週年大會上輪值告退及膺選連任。

DIRECTORS

During the year ended 31 December 2019 and up to the date of this Report, our Directors comprised of the following individuals:

Executive Directors

Huang Xueliang (Chairman and Chief Executive Officer)
Shuai Hongyu
Loong, Manfred Man-tsun

Non-executive Directors

Kwan, Allan Chung-yuen
Liu Yang (appointed on 27 March 2020)
Gao Songtao (resigned on 27 March 2020)
Zeng Zhijie (resigned on 20 May 2019)

Independent non-executive Directors

Zhang Junjie
Jin Yufeng
Woo Kar Tung, Raymond

Each of Mr. Zeng Zhijie and Mr. Gao Songtao resigned as non-executive Director on 20 May 2019 and 27 March 2020 respectively due to their other business and personal engagements, and other work obligations. Each of Mr. Zeng and Mr. Gao has confirmed that he does not have any disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company or the Stock Exchange.

DIRECTORS' SERVICE CONTRACTS

As of the date hereof, each of the non-executive Directors (including independent non-executive Directors) has entered into a service agreement with the Company for a term of three years unless and until it is terminated by not less than three months' notice served by the Company to the Director.

Pursuant to Articles 84 and 85 of the Articles of Association of the Company, one-third of Directors are subject to retirement by rotation and offer themselves for re-election at annual general meeting of the Company at least once every three years.

董事會報告

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概無董事與本集團或本集團任何成員公司訂立不可於一年內不付賠償（法定賠償除外）而終止的服務合約。

董事及高級管理層履歷詳情

董事及高級管理層的履歷詳情載於第57至66頁。

獲准許的彌償條文

董事之獲准許的彌償條文現時及於本財政年度生效。於整個年度，本公司已為董事投購董事責任保險，為本集團董事提供適當保障。

重大交易、安排或合約

除本報告「持續關連交易」一節所披露者外，概無於二零一九年十二月三十一日或於截至二零一九年十二月三十一日止年度任何時間存在，而本公司或其任何附屬公司為其中一方及董事或與董事有關的實體於或曾經於其中擁有重大權益（無論直接或間接）的重大交易、安排或合約，亦無於二零一九年十二月三十一日或於截至二零一九年十二月三十一日止年度任何時間存在，而本公司與其任何附屬公司及本公司或其任何附屬公司的控股股東訂立的重大合約。

None of the Directors has entered into any service contract with the Group or any member of the Group which is not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS

Directors' and senior management's biographical details are set out in pages 57 to 66.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has taken out and maintained Directors' liability insurance throughout the year, which provides appropriate cover for the Directors of the Group.

TRANSACTIONS, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the sections headed "Continuing Connected Transaction" in this report, no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly, subsisted as at 31 December 2019 or at any time during the year ended 31 December 2019, and no contract of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries subsisted as at 31 December 2019 or at any time during the year ended 31 December 2019.

董事於競爭業務的權益

於截至二零一九年十二月三十一日止年度，概無董事於與本集團業務構成競爭或可能構成競爭（無論直接或間接）的任何業務中擁有權益。

董事及高級管理層薪酬

以下載列截至二零一九年十二月三十一日止年度向董事及高級管理層支付的薪酬詳情（按薪酬範圍計）：

薪酬範圍	Remuneration band	人數 No. of Individuals
100,000美元或以下	USD100,000 or below	5
100,001美元以上至200,000美元	USD100,001 to USD200,000	0
200,000美元以上	More than USD200,000	3

董事酬金乃經參考董事職務、職責及表現以及本集團的業績而釐定。此外，董事薪酬由本公司的薪酬委員會每年檢討。董事薪酬的詳情載於綜合財務報表附註40。

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2019, none of the Directors was interested in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

REMUNERATION OF THE DIRECTORS AND SENIOR MANAGEMENT

Details of remuneration paid to members of the Directors and senior management by band for the year ended 31 December 2019 is set out below:

Directors' emoluments are determined with reference to Directors' duties, responsibilities and performance and the results of the Group. In addition, the Directors' remuneration is reviewed by the remuneration committee of the Company annually. Details of the Directors' remuneration are set out in note 40 of the consolidated financial statements.

董事會報告

REPORT OF THE DIRECTORS

董事及最高行政人員於本公司股份、相關股份及債券或本公司任何特定業務中的權益及淡倉

於二零一九年十二月三十一日，董事及本公司最高行政人員於須根據證券及期貨條例第352條記存的本公司權益登記冊內所記錄的或根據標準守則知會本公司及聯交所的本公司及其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權中的權益及淡倉載列如下：

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY

As at 31 December 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of interests of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事姓名 Name of Director	身份 Capacity	所持股份數目 Number of Shares held ^{Note 1}	權益概約 百分比(%) Approximate percentage of interest (%)
黃學良 ^{附註2} Huang Xueliang ^{Note 2}	實益擁有人／於受控法團權益 Beneficial owner/interest in controlled corporation	172,049,090股股份 (L) 172,049,090 Shares (L)	54.07
關重遠 ^{附註3} Kwan, Allan Chung-yuen ^{Note3}	實益擁有人 Beneficial owner	2,951,339股股份 (L) 2,951,339 Shares (L)	0.93
帥紅宇 ^{附註4} Shuai Hongyu ^{Note4}	實益擁有人 Beneficial owner	6,340,465股股份 (L) 6,340,465 Shares (L)	1.99
龍文駿 ^{附註5} Loong, Manfred Man-tsun ^{Note 5}	實益擁有人 Beneficial owner	6,544,129股股份 (L) 6,544,129 Shares (L)	2.06

附註：

- 字母「L」代表股份好倉。
- 於二零一九年十二月三十一日，黃學良先生於5,043,624股股份擁有權益及於可認購8,426,400股股份的購股權擁有權益。黃先生亦於Green Flourish Limited持有100%權益、於Infotune International Limited持有100%權益及於Statemicroelectronics International Co., Ltd. 持有50%權益。因此，於最後實際可行日期，黃先生被視為於分別由Green Flourish Limited、Infotune International Limited及Statemicroelectronics International Co., Ltd. 擁有權益的128,656,454股股份、13,965,149股股份及15,957,463股股份中擁有權益。

Notes:

- The letter "L" denotes a long position.
- As at 31 December 2019, Mr. Huang Xueliang was interested in 5,043,624 Shares and was interested in share options to subscribe for 8,426,400 Shares. Mr. Huang also held 100% interest in Green Flourish Limited, 100% interest in Infotune International Limited and a 50% interest in Statemicroelectronics International Co., Ltd. Mr. Huang was therefore also deemed to be interested in the 128,656,454 Shares, 13,965,149 Shares and 15,957,463 Shares interested by Green Flourish Limited, Infotune International Limited and Statemicroelectronics International Co., Ltd. respectively as at the Latest Practicable Date.

董事會報告

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3. 於二零一九年十二月三十一日，關重遠先生於223,418股股份中擁有權益且於可認購1,870,925股股份的購股權中擁有權益。關先生亦持有Cykorp Limited的全部權益。因此，關先生被視作於Cykorp Limited持有的856,996股股份中擁有權益。

4. 於二零一九年十二月三十一日，帥紅宇先生於1,358,083股股份中擁有權益，以及於可認購4,982,382股股份的購股權中擁有權益。

5. 於二零一九年十二月三十一日，龍文駿先生於可認購6,544,129股股份的購股權中擁有權益。

除上文所披露者外，於二零一九年十二月三十一日，概無董事及／或本公司最高行政人員於須根據證券及期貨條例第352條記存的本公司登記冊內記錄或須根據標準守則知會本公司及香港聯交所的本公司或任何相聯法團（定義見證券及期貨條例第XV部）股份、相關股份或債權中擁有任何權益或淡倉。

3. As at 31 December 2019, Mr. Kwan, Allan Chung-yuen was interested in 223,418 Shares and was interest in share options to subscribe for 1,870,925 Shares. Mr. Kwan also held 100% interest in Cykorp Limited. Mr. Kwan is therefore deemed to be interested in the 856,996 Shares in which Cykorp Limited had interests.

4. As at 31 December 2019, Mr. Shuai Hongyu was interested in 1,358,083 Shares and was interested in share options to subscribe for 4,982,382 Shares.

5. As at 31 December 2019, Mr. Loong, Manfred Man-tsun was interested in share options to subscribe for 6,544,129 Shares.

Save as disclosed above, as at 31 December 2019, none of the Directors and/or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

董事會報告

REPORT OF THE DIRECTORS

主要股東於本公司股份及相關股份的權益及淡倉

於二零一九年十二月三十一日，據本公司董事所知悉，主要股東／其他人士（除董事及本公司最高行政人員外）於須根據證券及期貨條例第336條記存的本公司登記冊內記錄的本公司股份及相關股份中的權益或淡倉如下：

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

As at 31 December 2019, so far as is known to the Directors of the Company, the interests or short positions of substantial shareholders/other persons (other than Directors and chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

股東姓名／名稱 Name of shareholder	身份／權益性質 Capacity/nature of interest	證券數目及類別 ⁽¹⁾ Number and class of securities ⁽¹⁾	持股概約百分比 Approximate percentage of shareholding
Statemicroelectronics International Co., Ltd.	實益擁有人	15,957,463股股份 (L)	5.01%
Statemicroelectronics International Co., Ltd.	Beneficial owner	15,957,463 Shares (L)	
祝昌華先生 ⁽²⁾ Mr. Zhu Changhua ⁽²⁾	於受控法團的權益 Interest in controlled corporation	22,013,014股股份 (L) 22,013,014 Shares (L)	6.92%
Junjie International Co., Ltd.	實益擁有人	19,140,656股股份 (L)	6.01%
Junjie International Co., Ltd.	Beneficial owner	19,140,656 Shares (L)	
宮俊先生 ⁽³⁾ Mr. Gong Jun ⁽³⁾	於受控法團的權益 Interest in controlled corporation	19,362,077股股份 (L) 19,362,077 Shares (L)	6.08%
鑫芯(香港)投資有限公司	實益擁有人	29,999,000股股份 (L)	9.43%
Xinxin (Hongkong) Capital Co., Limited	Beneficial owner	29,999,000 Shares (L)	
鑫芯(上海)投資有限公司 ⁽⁴⁾	於受控法團的權益	29,999,000股股份 (L)	9.43%
Xunxin (Shanghai) Investment Co., Ltd. ⁽⁴⁾	Interest in a controlled corporation	29,999,000 Shares (L)	
國家集成電路產業投資基金股份有限公司 ⁽⁴⁾	於受控法團的權益	29,999,000股股份 (L)	9.43%
China Integrated Circuit Industry Investment Fund Co., Ltd. ⁽⁴⁾	Interest in a controlled corporation	29,999,000 Shares (L)	

董事會報告

REPORT OF THE DIRECTORS

附註：

- (1) 「L」字母代表股份為好倉。
- (2) 祝昌華先生於二零一九年十二月三十一日持有可認購73,807股股份的購股權。祝昌華先生亦分別於Capital Tower Profits Limited及Statemicroelectronics International Co., Ltd. 持有100%及50%的權益。因此，祝昌華先生於二零一九年十二月三十一日被視為於Capital Tower Profits Limited及Statemicroelectronics International Co., Ltd. 分別持有的5,981,744股股份及15,957,463股股份中擁有權益。
- (3) 宮俊先生於二零一九年十二月三十一日持有可認購221,421股股份的購股權。宮俊先生亦於Junjie International Limited持有100%的權益。因此，宮俊先生於二零一九年十二月三十一日被視為於Junjie International Limited持有的19,140,656股股份中擁有權益。
- (4) 據董事所知，國家集成電路產業投資基金股份有限公司持有鑫芯（上海）投資有限公司的100%權益，鑫芯（上海）投資有限公司繼而持有鑫芯（香港）投資有限公司的100%權益。因此，於二零一九年十二月三十一日，國家集成電路產業投資基金股份有限公司及鑫芯（上海）投資有限公司各自被視為於鑫芯（香港）投資有限公司所持有的29,999,000股股份中擁有權益。

除上文所披露者外，於二零一九年十二月三十一日，概無其他人士於須根據證券及期貨條例第336條記存的本公司登記冊內被記錄為於本公司股份或相關股份中擁有權益或淡倉。

Notes:

- (1) The letter "L" denotes a long position.
- (2) Mr. Zhu Changhua held share options to subscribe for 73,807 Shares as at 31 December 2019. Mr. Zhu Changhua also held a 100% interest in Capital Tower Profits Limited and a 50% interest in Statemicroelectronics International Co., Ltd.. Mr. Zhu Changhua was therefore deemed to be interested in the 5,981,744 Shares and 15,957,463 Shares held by Capital Tower Profits Limited and Statemicroelectronics International Co., Ltd. respectively as at 31 December 2019.
- (3) Mr. Gong Jun held share options to subscribe for 221,421 Shares as at 31 December 2019. Mr. Gong Jun also held a 100% interest in Junjie International Limited. Mr. Gong Jun was therefore deemed to be interested in the 19,140,656 Shares held by Junjie International Limited as at 31 December 2019.
- (4) To the best of our Directors' knowledge, China Integrated Circuit Industry Investment Fund Co., Ltd. held a 100% interest in Xinxin (Shanghai) Investment Co., Ltd. which in turn held a 100% interest in Xinxin (Hongkong) Capital Co., Limited. Each of China Integrated Circuit Industry Investment Fund Co., Ltd. and Xinxin (Shanghai) Investment Co., Ltd. is therefore deemed to be interested in the 29,999,000 Shares held by Xinxin (HongKong) Capital Co., Limited as at 31 December 2019.

Save as disclosed above, as at 31 December 2019, no other parties were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company.

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關連交易及持續關連交易

以下為載於綜合財務報表附註37並根據上市規則第十四A章構成關連交易及持續關連交易而須在本報告中披露的關聯方交易如下：

關連交易

收購深圳鴻芯的股權

於二零一九年五月二十一日，SMIT深圳（作為買方）、李雪女士（作為賣方）（「賣方」）、深圳鴻芯微納技術有限公司（「深圳鴻芯」）及深圳鴻泰鴻芯股權投資基金合夥企業（有限合夥）（「鴻泰鴻芯基金」）簽訂股權轉讓協議，據此，SMIT深圳同意購買而賣方同意出售目標公司約0.99%的股權，代價為人民幣10,000,000元（「收購事項」）。

深圳鴻芯為國家集成電路基金及深圳引導基金訂立的合作投資項目產品，從事開發EDA設計軟件。本集團獲認證於集成電路設計方面技術能力及其開發EDA工具的策略，本集團獲邀透過收購事項參與投資項目。收購事項有助本集團接觸最新EDA設計軟件項目，繼而加強本集團開發全流程EDA系統的能力。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Set out below are related party transactions set out in Note 37 to the consolidated financial statements that constitute connected transactions and continuing connected transactions under Chapter 14A of the Listing Rules and are required to be disclosed in this report:

Connected Transaction

Acquisition of Equity Interest in Shenzhen Giga Design

On 21 May 2019, SMIT Shenzhen (as the purchaser), Ms. Li Xue (as the seller) (the “**Seller**”), Shenzhen Giga Design Automation Co., Ltd (“**Shenzhen Giga Design**”) and Shenzhen Hongtai Hongxin Share Investment Fund Partnership (Limited Partnership) (the “**HTHX Fund**”) entered into an equity transfer agreement, pursuant to which SMIT Shenzhen agreed to purchase and the Seller agreed to sell approximately 0.99% equity interest of the target company at the consideration of RMB10 million (the “**Acquisition**”).

Shenzhen Giga Design is the product of a co-operation investment project between the China IC Fund and the Shenzhen Guiding Fund to engage in the development of EDA design software. In recognition of the Group’s technological capabilities in the IC design sector and its strategy to develop EDA tools, the Group was invited to participate in the investment project through the Acquisition. The Acquisition allows the Group to be in touch with the latest EDA design software projects which will in turn enhance the Group’s capabilities in developing the full process EDA system.

目標公司為鴻泰鴻芯基金的非全資附屬公司。鴻泰鴻芯基金由其普通合夥人（鴻芯創投（深圳）企業（有限合夥））控制，繼而鴻芯創投（深圳）企業（有限合夥）由其自身普通合夥人（深圳鴻泰基金投資管理有限公司（「**鴻泰投資**」））控制。黃學良先生（本公司執行董事兼控股股東）及曾之傑先生（本公司前任非執行董事）分別於深圳鴻泰基金投資管理有限公司持有30%及40%權益。因此，根據上市規則，鴻泰鴻芯基金及目標公司各自為本公司的關連人士，且收購事項根據上市規則第十四A章構成本公司的關連交易。

由於一項或多項適用百分比率（定義見上市規則）超過0.1%但均低於5%，收購事項須遵守上市規則第十四A章項下的公告及年度報告規定，惟獲豁免遵守股東批准的規定。

The target company is a non-wholly-owned subsidiary of the HTHX Fund. The HTHX Fund is controlled by its general partner, Hongxin VC (Shenzhen) Enterprise (Limited Partnership), which is in turn controlled by its own general partner, Shenzhen Hongtai Fund Investment Management Co., Ltd. (“**Hongtai Investment**”). Mr. Huang Xueliang (an executive Director and controlling shareholder of the Company) and Mr. Zeng Zhijie (a former non-executive Director of the Company) respectively holds a 30% and 40% interest in Hongtai Investment. Accordingly, each of the HTHX Fund and the target company is a connected person of the Company under the Listing Rules and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeds 0.1% but all are less than 5%, the Acquisition was subject to the announcement and annual reporting requirements, but was exempt from independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules.

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持續關連交易

(1) 與深圳數字電視訂立租賃協議及與深圳卓越訂立物業管理協議

本集團(透過本公司全資附屬公司國微集團(深圳)有限公司(「**SMIT深圳**」)過往(i)與深圳數字電視國家工程實驗室股份有限公司(「**深圳數字電視**」)就SMIT深圳租賃深圳南山區國實大廈22樓及23樓(「**舊國實物業**」)訂立日期為二零一八年十二月十四日的租賃協議(「**舊國實租賃協議**」);及(ii)與深圳市卓越物業管理股份有限公司(「**深圳卓越**」)就舊國實物業訂立日期為二零一八年十二月十四日的物業管理服務協議(「**舊國實管理協議**」)。本集團(透過SMIT深圳)過往亦與深圳市國微科技有限公司(「**國微**」)就SMIT深圳租賃深圳南山區科技園南區國微大廈1至2樓(「**國微物業**」)訂立日期為二零一八年三月二十六日的租賃協議(「**國微租賃協議**」)。舊國實租賃協議及舊國實管理協議各自於二零一九年六月十四日到期。作為本集團審閱其於深圳的租賃安排(包括中央處理深圳辦公室的規劃)一部分,國微租賃協議於二零一九年五月三十一日終止。

Continuing Connected Transactions

(1) Tenancy Agreement with Shenzhen Digital TV and Property Management Agreement with Shenzhen Excellence

The Group (through Shenzhen State Micro Technology Co., Ltd. ("SMIT Shenzhen"), a wholly-owned subsidiary of the Company) had previously entered into (i) a tenancy agreement dated 14 December 2018 (the "**Old Guoshi Tenancy Agreement**") with Shenzhen Digital TV National Engineering Laboratory Co., Ltd. ("**Shenzhen Digital TV**") for SMIT Shenzhen's leasing of 22nd and 23rd floors of Guoshi Building, Nanshan District, Shenzhen (the "**Old Guoshi Premises**"); and (ii) a property management services agreement dated 14 December 2018 (the "**Old Guoshi Management Agreement**") with Shenzhen Excellence Property Management Co., Ltd. ("**Shenzhen Excellence**") in relation to the Old Guoshi Premises. The Group (through SMIT Shenzhen) had also previously entered into a tenancy agreement dated 26 March 2018 (the "**SSMEC Tenancy Agreement**") with Shenzhen State Micro Science and Technology Co., Ltd. ("**SSMEC**") for SMIT Shenzhen's leasing of 1-2F SSMEC Building, High-tech Park South, Nanshan District, Shenzhen (the "**SSMEC Premises**"). Each of the Old Guoshi Tenancy Agreement and the Old Guoshi Management Agreement expired on 14 June 2019. As part of the Group's review of its leasing arrangements in Shenzhen (including its plans to centralize its Shenzhen office) the SSMEC Tenancy Agreement was terminated on 31 May 2019.

由於(i)舊國實租賃協議及舊國實管理協議到期；及(ii)終止國微租賃協議，於二零一九年六月十四日，(A)SMIT深圳（作為租戶）與深圳數字電視（作為業主）就租賃深圳南山區國實大廈1樓部分地方、14樓、15樓及22樓（「新國實物業」）訂立租賃協議（「新租賃協議」）；及(B)SMIT深圳與深圳數字電視及深圳卓越就新國實物業訂立三方物業管理服務協議（「新物業管理協議」）。新租賃協議及迎物業管理協議各自年期為一年，自二零一九年六月十五日至二零二零年六月十四日（包括首尾兩日）。

由於深圳數字電視由深圳前海國微投資有限公司控制65.62%，故為本公司關連人士，繼而由本公司執行董事兼控股股東黃學良先生全資擁有。因此，新租賃協議及新物業管理協議項下擬進行的交易構成上市規則第十四A章項下的本公司持續關連交易。深圳卓越為獨立第三方物業管理公司，且與本公司概無關連。

新租賃協議及新物業管理協議的條款（包括適用租金及應付管理費）乃訂約方按公平原則參考(i)鄰近同類物業（如佔地面積及樓齡）的當前市價；(ii)深圳城市樓房租賃管理部門政策所載的租金指引；(iii)新國實物業的估計面積及在新國實物業工作的僱員總數；及(iv)物業管理服務的當前市價、新國實物業的總樓面面積、在新國實物業工作的僱員數目以及公用事業及其他物業管理服務的估計用途釐定。

As a result of (i) the expiry of the Old Guoshi Tenancy Agreement and the Old Guoshi Management Agreement; and (ii) the termination of the SSMEC Tenancy Agreement, on 14 June 2019 (A) SMIT Shenzhen (as tenant) entered into a tenancy agreement (the “**New Tenancy Agreement**”) with Shenzhen Digital TV (as landlord) for the leasing of Part of 1st floor, 14th, 15th and 22nd floors of Guoshi Building, Nanshan District, Shenzhen (the “**New Guoshi Premises**”); and (B) SMIT Shenzhen entered into a tripartite property management services agreement (the “**New Property Management Agreement**”) with Shenzhen Digital TV and Shenzhen Excellence relating to the New Guoshi Premises. The term of each of the New Tenancy Agreement and the New Property Management Agreement is 1 year, from 15 June 2019 to 14 June 2020 (both days inclusive).

Shenzhen Digital TV is a connected person of the Company as it is controlled as to 65.62% by Shenzhen Qianhai Guowei Investment (深圳前海國微投資有限公司), which is in turn 100% owned by Mr. Huang Xueliang, an executive Director and a controlling shareholder of the Company. Accordingly, the transactions contemplated under the New Tenancy Agreement and the New Property Management Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Shenzhen Excellence is an independent third party property management company and not connected to the Company.

The terms of the New Tenancy Agreement and the New Property Management Agreement, including the applicable rent and management fees payable, were determined after arm’s length negotiation between the parties with reference to (i) prevailing market rates for similar properties (e.g. with respect to floor space and age of the building) in the vicinity; (ii) the rent guidelines set out in the city housing tenancy management department policy of Shenzhen; (iii) the estimated area of the New Guoshi Premises and the total number of employees working in the New Guoshi Premises; and (iv) the prevailing market rates of property management service, the total floor area of the New Guoshi Premises, the number of employees working in the New Guoshi Premises as well as the estimated use of utilities and other property management services.

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於新租賃協議及新物業管理協議生效期間，應付最高租金及管理費總額將不會超過(i)截至二零一九年十二月三十一日止財政年度的人民幣13,606,227.24元；及(ii)自二零二零年一月一日至二零二零年六月十四日期間的人民幣6,731,470.84元。前述上限乃經參考(i)新租賃協議項下的應付總租金；(ii)新物業管理協議項下的應付估計管理費總額；(iii)舊國實租賃協議及舊國實管理協議自二零一九年一月一日至二零一九年六月十四日期間的年度上限（「舊國實年度上限」）；及(iv)經修訂國微年度上限（定義見下文）釐定。

有關該等協議的條款及適用年度上限的更多詳情載列於本公司日期為二零一九年六月十四日的公告。

誠如上文所述，截至二零一九年十二月三十一日止財政年度的年度上限為人民幣13,606,227.24元。於二零一九年六月十五日至二零一九年十二月三十一日期間，本集團就新國實物業支付租金及管理費合共人民幣7,093,345元。

由於按合併基準（與原有國實年度上限及經修訂國微年度上限合併時）與新租賃協議及新物業管理協議的年度上限有關的最高百分比率超過0.1%但少於5%，新租賃協議及新物業管理協議項下擬進行的交易根據上市規則第十四A章須遵守申報、公告及年度審閱的規定，惟獲豁免遵守通函（包括獨立財務意見）及股東批准的規定。

During the subsistence of the New Tenancy Agreement and the New Property Management Agreement, the maximum aggregate rent and management fees payable will not exceed (i) RMB13,606,227.24 for the financial year ended 31 December 2019; and (ii) RMB6,731,470.84 for the period from 1 January 2020 to 14 June 2020. The above caps were determined with reference to (i) the total rent payable under the New Tenancy Agreement; (ii) the total estimated management fees payable under the New Property Management Agreement; (iii) the annual cap for the Old Guoshi Tenancy Agreement and the Old Guoshi Management Agreement for the period from 1 January 2019 to 14 June 2019 (the “**Old Guoshi Annual Cap**”); and (iv) the Revised SSMEC Annual Cap (as defined below).

Further details of the terms of, and annual caps applicable to, the agreements are set out in the Company's announcement dated 14 June 2019.

As mentioned above, the annual cap for the financial year ended 31 December 2019 is RMB13,606,227.24. The Group paid rent and management fee in aggregate of RMB7,093,345 during the period from 15 June 2019 to 31 December 2019 in relation to the New Guoshi Premises.

As the highest percentage ratio in respect of the annual caps for the New Tenancy Agreement and the New Property Management Agreement on an aggregated basis (when aggregated with the Original Guoshi Annual Cap and Revised SSMEC Annual Cap) is more than 0.1% but less than 5%, the transactions contemplated under the New Tenancy Agreement and New Property Management Agreement were subject to the reporting, announcement and annual review requirements, but were exempt from the circular (including independent financial advice) and shareholders' approval requirements, under Chapter 14A of the Listing Rules.

(2) 與黃學良先生訂立物業租賃框架協議

鑒於本集團的業務增長及發展計劃，於二零一九年十月二十九日，本集團（透過SMIT深圳）與黃學良先生訂立物業租賃框架協議（「物業租賃框架協議」）。根據物業租賃框架協議，SMIT深圳（或其附屬公司）可與深圳數字電視或上海國微實業發展有限公司（各自為黃先生控制的公司）就租賃深圳南山區國實大廈若干辦公室物業（「深圳物業」）及上海浦東新區秀浦路2555號辦公樓（「上海物業」）訂立進一步租賃協議（每份年期為一年或以下）。物業租賃框架協議的年期為三年，自二零二零年一月一日至二零二二年十二月三十一日（包括首尾兩日）。

由於黃先生為本公司執行董事兼控股股東，彼根據上市規則第十四A章為本公司關連人士。因此，物業租賃框架協議項下擬進行的交易構成上市規則第十四A章項下的本公司持續關連交易。

物業租賃框架協議的條款（包括應付適用租金及管理費）乃訂約方經按公平原則參考(i)鄰近同類物業（如佔地面積及樓齡）的當前市價及市值的潛在變動；(ii)可資比較物業的物業管理服務當前市價；及(iii)新租賃協議及新物業管理協議項下應付租金及管理費的過往金額後釐定。

(2) Property Leasing Framework Agreement with Mr. Huang Xueliang

In light of the Group's business growth and development plan, on 29 October 2019, the Group (through SMIT Shenzhen) entered into a property leasing framework agreement (the "**Property Leasing Framework Agreement**") with Mr. Huang Xueliang. Pursuant to the Property Leasing Framework Agreement SMIT Shenzhen (or its subsidiaries) may enter into further tenancy agreements (each for a term of one year or less) with Shenzhen Digital TV or Shanghai Guo Wei Industrial Development Co., Ltd. (each a company controlled by Mr. Huang) for the leasing of certain office premises in Guoshi Building, Nanshan District, Shenzhen (the "**Shenzhen Property**") and an office building located at No. 2555 Xiupu Road, Pudong New Area, Shanghai (the "**Shanghai Property**"). The term of the Property Leasing Framework Agreement is 3 years, from 1 January 2020 to 31 December 2022 (both days inclusive).

As Mr. Huang is an executive Director and a controlling shareholder of the Company, he is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Property Leasing Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The terms of the Property Leasing Framework Agreement, including the applicable rents and management fees payable, were determined after arm's length negotiation between the parties with reference to (i) prevailing market rates for similar properties (e.g. with respect to floor space and age of the building) in the vicinity and the potential change in market value; (ii) prevailing market rates of property management services for comparable premises; and (iii) the historical amount of rents and management fees payable under the New Tenancy Agreement and the New Property Management Agreement.

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於物業租賃框架協議生效期間，應付最高租金及管理費總額將不超過(i)截至二零二零年十二月三十一日止財政年度的人民幣23,000,000元；(ii)截至二零二一年十二月三十一日止財政年度的人民幣22,000,000元；及(iii)截至二零二二年十二月三十一日止財政年度的人民幣22,000,000元。前述上限乃經參考(i)本集團營運所需深圳物業及上海物業的相關物業估計總樓面面積；(ii)根據物業租賃框架協議項下定價標準的應付租金；及(iii)根據物業租賃框架協議項下定價標準的應付估計管理費總額後釐定。

有關物業租賃框架協議的條款及適用年度上限的更多詳情載列於本公司日期為二零一九年十月二十九日的公告。

誠如上文所述，由於物業租賃框架協議的條款於二零二零年一月一日開始生效，截至二零一九年十二月三十一日止財政年度，概無根據該協議支付任何租金或管理費。

有關本集團的關聯方交易詳情，載於綜合財務報表附註37。概無關聯方交易構成上市規則所界定及規定需予披露的關連交易，惟本節「持續關連交易」所述者除外，上市規則的十四A章規定的有關披露規定經已遵守。

During the subsistence of the Property Leasing Framework Agreement, the maximum aggregate rent and management fees payable will not exceed (i) RMB23,000,000 for the financial year ending 31 December 2020; (ii) RMB22,000,000 for the financial year ending 31 December 2021; and (iii) RMB22,000,000 for the financial year ending 31 December 2022. The above caps were determined with reference to (i) the estimated gross floor area of the relevant premises in the Shenzhen Property and the Shanghai Property required for the Group's operation; (ii) the rent payable in accordance with the pricing standard under the Property Leasing Framework Agreement; and (iii) the total estimated management fees payable in accordance with the pricing standard under the Property Leasing Framework Agreement.

Further details of the terms of, and annual caps applicable to, the Property Leasing Framework Agreement are set out in the Company's announcement dated 29 October 2019.

As mentioned above, as the term of the Property Leasing Framework Agreement commenced on 1 January 2020, no rent or management fee was paid under the agreement for the financial year ended 31 December 2019.

Details of the related party transactions of the Group are set out in note 37 the consolidated financial statements. None of these related party transactions constitute a connected transaction as defined and required to be disclosed under the Listing Rules, except for those described in this section headed "Continuing Connected Transactions", in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

(3) 與深圳數字電視訂立舊國寶租賃協議及與深圳卓越訂立舊國寶管理協議

誠如上文所述，本集團（透過SMIT深圳）過往(i)與深圳數字電視訂立日期為二零一八年十二月十四日的舊國寶租賃協議；及(ii)與深圳數字電視及深圳卓越就舊國寶物業訂立日期為二零一八年十二月十四日的舊國寶管理協議。根據協議條款，(i) SMIT深圳向深圳數字電視租賃舊國寶物業；及(ii)深圳卓越向SMIT深圳提供管理服務，由二零一八年十二月十五日起至二零一九年六月十四日（包括首尾兩日），各自為期六個月。誠如上文所述，深圳數字電視為本公司的關連人士，因此，舊國寶租賃協議及舊國寶管理協議項下擬進行的交易構成上市規則第十四A章項下的本公司持續關連交易。舊國寶租賃協議及舊國寶管理協議的詳情載於本公司日期為二零一八年十二月十四日的公告。

舊國寶租賃協議及舊國寶管理協議各自於二零一九年六月十四日屆滿。二零一八年十二月十五日至二零一九年六月十四日期間，舊國寶租賃協議及舊國寶管理協議各自的年度上限分別為人民幣3,292,228元及人民幣518,928元。於上述期間，本集團(i)根據舊國寶租賃協議支付租金人民幣3,292,228元；(ii)根據舊國寶管理協議支付管理費人民幣518,928元。

(3) Old Guoshi Tenancy Agreement with Shenzhen Digital TV and Old Guoshi Management Agreement with Shenzhen Excellence

As mentioned above, the Group (through SMIT Shenzhen) had previously entered into (i) the Old Guoshi Tenancy Agreement dated 14 December 2018 with Shenzhen Digital TV; and (ii) the Old Guoshi Management Agreement dated 14 December 2018 with Shenzhen Digital TV and Shenzhen Excellence, in relation to the Old Guoshi Premises. Pursuant to the terms of the agreements (i) SMIT Shenzhen would lease the Old Guoshi Premises from Shenzhen Digital TV; and (ii) Shenzhen Excellence would provide management services to SMIT Shenzhen, each for a six month term from 15 December 2018 to 14 June 2019 (both days inclusive). As mentioned above, Shenzhen Digital TV is a connected person of the Company, and accordingly the transactions contemplated under the Old Guoshi Tenancy Agreement and the Old Guoshi Management Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of the Old Guoshi Tenancy Agreement and the Old Guoshi Management Agreement are set out in the Company's announcement dated 14 December 2018.

Each of the Old Guoshi Tenancy Agreement and the Old Guoshi Management Agreement expired on 14 June 2019. The annual caps for each of the Old Guoshi Tenancy Agreement and the Old Guoshi Management Agreement are, respectively, RMB3,292,228 and RMB518,928 for the period from 15 December 2018 to 14 June 2019. During the said period, the Group paid (i) RMB3,292,228 in rent under the Old Guoshi Tenancy Agreement; and (ii) RMB518,928 in management fees under the Old Guoshi Management Agreement.

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(4) 與國微訂立國微租賃協議

誠如上文所述，本集團（透過SMIT深圳）過往與國微訂立日期為二零一八年三月二十六日的國微租賃協議，據此，SMIT深圳向國微租賃國微物業，由二零一八年四月一日起至二零二一年三月三十一日（包括首尾兩日），為期三年。國微由黃學良先生（本公司執行董事兼控股股東）控制約65.89%，故為本公司的關連人士。因此，國微租賃協議項下擬進行的交易構成上市規則第十四A章項下的本公司持續關連交易。國微租賃協議項下應付年度租金以及有關空調及公共事業的成本及費用之年度上限為(i)二零一八年四月一日至二零一八年十二月三十一日期間為人民幣3,883,126.5元；(ii)截至二零一九年十二月三十一日止財政年度為人民幣5,177,502元；(iii)截至二零二零年十二月三十一日止財政年度為人民幣5,177,502元；及(iv)二零二一年一月一日至二零二一年三月三十一日期間為人民幣1,294,375.5元。國微租賃協議的詳情載於本公司日期為二零一八年三月二十六日的公告。

國微租賃協議於二零一九年五月三十一日終止，作為本集團審閱其於深圳的租賃安排的一部分（包括中央處理深圳辦公室的規劃）。由於國微租賃協議終止，(i)截至二零二零年十二月三十一日止財政年度及自二零二一年一月一日至二零二一年三月三十一日期間的年度上限被取消；及(ii)截至二零一九年十二月三十一日止財政年度的年度上限於二零一九年一月一日至二零一九年五月三十一日期間按備考基準降低至人民幣2,157,292.5元（「經修訂國微年度上限」）。二零一九年一月一日至二零一九年五月三十一日期間，本集團就空調及公共事業支付租金及成本及費用合共人民幣1,209,560元。

(4) SSMEC Tenancy Agreement with SSMEC

As mentioned above, the Group (through SMIT Shenzhen) had previously entered into the SSMEC Tenancy Agreement dated 26 March 2018 with SSMEC, pursuant to which SMIT Shenzhen leased the SSMEC Premises from SSMEC for a term of three years from 1 April 2018 to 31 March 2021 (both days inclusive). SSMEC is controlled as to approximately 65.89% by Mr. Huang Xueliang (an executive Director and a controlling shareholder of the Company) and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the SSMEC Tenancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The annual caps of annual rent and costs and fees relating to air-conditioning and public utilities payable under the SSMEC Tenancy Agreement are (i) RMB3,883,126.5 for the period from 1 April 2018 to 31 December 2018; (ii) RMB5,177,502 for the financial year ended 31 December 2019; (iii) RMB5,177,502 for the financial year ending 31 December 2020; and (iv) RMB1,294,375.5 for the period from 1 January 2021 to 31 March 2021. Details of the SSMEC Tenancy Agreement are set out in the Company's announcement dated 26 March 2018.

The SSMEC Tenancy Agreement was terminated on 31 May 2019 as part of the Group's review of its leasing arrangements in Shenzhen (including its plans to centralize its Shenzhen office). As a result of the termination of the SSMEC Tenancy Agreement (i) the annual caps for the financial year ending 31 December 2020 and the period from 1 January 2021 to 31 March 2021 was cancelled; and (ii) the annual cap for the financial year ended 31 December 2019 was reduced on a pro rata basis to RMB2,157,292.5 for the period from 1 January 2019 to 31 May 2019 (the "**Revised SSMEC Annual Cap**"). During the period from 1 January 2019 to 31 May 2019, the Group paid RMB1,209,560 in aggregate rent and costs and fees relating to air-conditioning and public utilities.

董事會報告

REPORT OF THE DIRECTORS

於截至二零一九年十二月三十一日止年度，獨立非執行董事已審核上述持續關連交易，並確認該等交易已：

- (i) 在本集團之一般及日常業務中訂立；
- (ii) 按照一般商業條款或更優越的條款進行；及
- (iii) 根據有關交易的協議進行，條款公平合理，並符合股東的整體利益。

本公司的核數師羅兵咸永道會計師事務所已發出其無保留意見函件，當中載有根據上市規則第14A.56條於上文披露有關於截至二零一九年十二月三十一日止年度及直至本報告日期的持續關連交易的若干發現及結論。

During the year ended 31 December 2019, the independent non-executive Directors reviewed the above continuing connected transactions and confirmed such transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

PricewaterhouseCoopers, the auditor of the Company, has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions for the year ended 31 December 2019 and up to the date of this report as disclosed above in accordance with Rule 14A.56 of the Listing Rules.

管理合約

除了董事與本公司全職僱員訂立的服務或聘用合約外，截至二零一九年十二月三十一日，概無訂立或存在任何與本公司全部或任何重大業務的管理及行政有關的合約。

MANAGEMENT CONTRACTS

Save and except for service or employment contracts entered into with the Directors and the Company's full time employees, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed as at 31 December 2019.

主要客戶及供應商

截至二零一九年十二月三十一日止年度，本集團主要客戶和供應商的應佔銷售和採購百分比如下：

採購

— 最大供應商	16.5%
— 五大供應商合計	57.8%

銷售

— 最大客戶	26.6%
— 五大客戶合計	44.4%

MAJOR CUSTOMERS AND SUPPLIERS

Set out below are the percentages of sales and purchases for the year ended 31 December 2019 attributable to the Group's major customers and suppliers:

Purchases

— The largest supplier	16.5%
— Five largest suppliers in aggregate	57.8%

Sales

— The largest customer	26.6%
— Five largest customers in aggregate	44.4%

董事會報告

REPORT OF THE DIRECTORS

向截至二零一九年十二月三十一日止年度本集團最大客戶 Irdeto B.V. 出售視密卡之銷售總額約10.1百萬美元，佔本集團銷售總額約26.6%。

概無據董事所知擁有本公司股本超過5%之董事、彼等之緊密聯繫人或任何股東於上述主要客戶或供應商中擁有權益。

董事進行證券交易的標準守則

本公司已採納標準守則所規定的標準，作為本公司全體董事買賣本公司證券時的行為守則。經本公司向本公司全體董事作出特定查詢後，本公司確認董事在截至二零一九年十二月三十一日止年度一直遵守標準守則的規定。

董事資料變動

根據上市規則第13.51B(1)條須披露董事資料。獨立非執行董事金玉豐先生於二零一九年十一月卸任上海貝嶺股份有限公司（上交所股份代號：600171）（於上海證券交易所上市的IC設計及應用程序開發商）的獨立董事一職。

足夠公眾持股量

根據本公司現有公開資料及就董事於最後實際可行日期所知，董事確認，本公司於年內維持上市規則規定的公眾持股量。

報告期後重大事項

於二零一九年十二月三十一日後直至本報告日期發生的重大事項於綜合財務報表附註38中載列。

Total sales of CAM to Irdeto B.V., being the Group's largest customer for the year ended 31 December 2019, which amounted to approximately USD10.1 million, accounted for 26.6% of Group's total sales.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the standards set out in the Model Code as a code of conduct for the trading in securities of the Company by all Directors of the Company. Having made specific enquiry to all Directors, the Company confirmed that the Directors have complied with the Model Code throughout the year ended 31 December 2019.

CHANGES IN DIRECTORS' INFORMATION

As Directors' information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, Our Independent non-executive Director Mr. Jin Yufeng tendered his resignation as independent director of Shanghai Belling Co., Ltd (上海貝嶺股份有限公司) (SHSE: 600171), an IC designer and application developer listed on the Shanghai Stock Exchange, with effect from November 2019.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date, the Directors confirm that the Company has maintained during the year the amount of public float as required under the Listing Rules.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Important events occurred after 31 December 2019 and up to the date of this report are set out in note 38 of the consolidated financial statements.

環境政策及表現

本集團根據環境規例制定了一些政策，其中包括：在設計、研究及開發階段，於作出任何採購決定前，為各類原料或機器評估環境影響；透過環境保護活動、培訓課程及推廣，提高全體僱員之環保意識；本集團最高層管理人員制定相應責任、範圍及政策綱領，在建立清晰界定之環境管理架構及系統上擔當核心角色等。

在實際日常運營中，本集團一直緊密關注國內及國際環保法例發展的最新狀況，確保環境政策不但符合國內及國際標準，同時確保能與全球同業步伐一致。

遵守法律及法規

本集團之業務主要由本公司於香港及中國之附屬公司進行，而本公司之股份於香港聯合交易所有限公司上市。本集團之設立及經營須遵守香港、中國及本公司及其附屬公司各自註冊成立地之相關法律及法規。此外，本公司須遵守上市規則及證券及期貨條例之規定。

於截至二零一九年十二月三十一日止年度及直至本報告日期，就本公司所知悉，本集團並不存在對本集團業務及營運造成重大影響之適用法律及法規之重大違背或不合規情況。

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group has formulated certain policies in accordance with environmental regulations, including: environmental impact assessment on various raw materials or machinery before making any purchasing decisions in the design, research and development phase; improvement of environmental awareness of all employees through environmental protection activities, training courses and promotion; and the appropriate responsibilities, scope, policies and guidelines developed by the Group's top management that played a central role in establishing clearly defined environmental management framework and system.

In day-to-day operations, the Group has been closely monitoring the latest developments in domestic and international environmental legislation to ensure that its environmental policies are consistent with domestic and international standards while ensuring consistency with global peers.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company's business is principally carried out by the Company's subsidiaries in Hong Kong and China, the shares of the Company are listed on The Stock Exchange of Hong Kong Limited. The establishment and operation of the Group are subject to the relevant laws and regulations of Hong Kong, China and respective places of incorporation of the Company and its subsidiaries. In addition, the Company shall comply with the provisions of the Listing Rules and the Securities and Futures Ordinance.

For the year ended 31 December 2019 and up to the date of this report, so far as the Company is aware, the Group is not involved in any material breach of or irregularity against the applicable laws and regulations that have a material effect on the Group's business and operations.

董事會報告

REPORT OF THE DIRECTORS

與主要利益相關者的關係

本集團的成功亦依賴主要利益相關者，包括僱員、客戶、供應商、監管機構及股東的支持。

僱員

僱員被視為本集團最重要及具價值的資產。本集團人力資源管理的目的乃藉提供合理的薪酬福利以獎勵及表揚表現優秀的員工，有關本集團薪酬政策詳情，請參閱本報告上文「僱員及薪酬政策」一段。另外，本集團透過根據不同崗位及職務、職稱制定適當的培訓計劃，並提供一定的機會和平台協助彼等在本集團內發展事業及晉升。

客戶

我們的視密卡客戶主要包括條件接收供應商、廣播運營商、電視製造商及分銷商。其次，我們向包括各類公司及個人在內的一次性客戶銷售，並通過第三方互聯網平台向終端用戶直銷。我們目前主要向盒子支付銷售mPOS機，其次向國內其他基於硬件的移動支付服務供應商銷售。本集團旨在為客戶提供優質的產品和服務以爭取在銷售收入和盈利能力方面獲得持續增長。本集團已建立各種方式，以加強客戶與本集團之間的溝通，以提供卓越優質的產品和服務增加市場滲透及拓展不同業務。

供應商

本集團與供應商維持良好關係在供應鏈、面對業務挑戰和監管要求時至為重要，其可產生成本效益及促進長遠商業利益。主要供應商包括原材料供應商、系統及設備供應商、提供專業服務的外聘顧問、辦公用品或商品供應商及向本集團提供增值服務的其他業務夥伴。

RELATIONSHIP WITH KEY STAKEHOLDERS

The success of the Group also relies on the support from key stakeholders, including employees, customers, suppliers, regulators and shareholders.

Employees

Employees are regarded as the most important and valuable assets of the Group. The Group's human resource management is designed to reward and recognise excellent employees by providing reasonable compensation and benefits. Details of the Group's remuneration policy are set out in the paragraph headed "Employees and Remuneration Policies" above in this report. In addition, the Group develops appropriate training programmes specific to different posts, duties and titles, and provides certain opportunities and platforms to assist them in developing their career and seek promotion within the Group.

Customers

Our CAM customers consist mainly of CA providers, broadcasting operators, TV manufacturers and distributors. To a lesser extent, we sell to one-off customers including various companies and individuals, as well as direct sales to end users through third-party internet platforms. We currently sell mPOS devices primarily to iBoxpay and to a much lesser extent, to other hardware-based mobile payment service providers in the PRC. The Group aims to provide customers with quality products and services to seek sustained growth in sales revenue and profitability. The Group has established various ways to enhance communication between its customers and the Group, in an effort to provide superior quality products and services to increase market penetration and expand various businesses.

Suppliers

The Group maintains good relationship with its suppliers, a crucial element in the supply chain and when facing business challenges and regulatory requirements, which can be cost-effective and promote business interests in the long run. Major suppliers include raw material suppliers, system and equipment suppliers, external consultants providing professional services, suppliers of office supplies or goods and other business partners providing value-added services to the Group.

監管機構

本公司在香港上市，由香港的證券及期貨事務監察委員會、香港聯合交易所有限公司、中國國家安全生產監督管理總局、中國質量監督檢驗檢疫總局及其他相關機構監管。本集團期望不斷更新及確保遵守新規則及規例。本集團其中一個企業目標是為股東提升企業價值。本集團促進業務發展以實現可持續盈利增長，並考慮到資本充足方面。

主要風險及不確定因素

本集團業務經營所在行業受市況變動、不斷變化的行業標準、行業競爭及不斷變化的客戶需求所影響。本集團及時應對可能對本集團業務及財務業績造成不利影響之該等變化至關重要。本集團於一般業務過程中亦面臨其他金融風險，如流動資金風險、利率風險及貨幣風險。本集團金融風險管理的詳情載於綜合財務報表附註3。

國際制裁

於截至二零一九年十二月三十一日止年度，本集團向位於俄羅斯的客戶銷售視密卡，有關銷售額佔本集團截至二零一九年十二月三十一日止年度總收益的10.6%，本集團亦向位於巴爾幹半島及烏克蘭的客戶銷售，有關銷售額佔本集團截至二零一九年十二月三十一日止年度總收益的9.5%，惟本集團於白俄羅斯、埃及及黎巴嫩並無銷售。於截至二零一九年十二月三十一日止年度，來自位於受國際制裁的司法權區的客戶的收益貢獻百分比由截至二零一八年十二月三十一日止年度的21.1%減少至20.1%，主要因來自位於若干司法權區的客戶銷售額下降。

Regulators

The Company is listed in Hong Kong and is regulated by the Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited, the State Administration of Work Safety, the General Administration of Quality Supervision, Inspection and Quarantine of China and other relevant authorities. The Group expects to keep up-to-date and ensure compliance with the new rules and regulations. To enhance corporate value for shareholders is one of the Group's corporate objectives. The Group promotes business development to achieve sustainable earnings growth while taking capital adequacy into account.

Major Risks and Uncertainties

The Group's business operations are affected by changes in market conditions, the changing industry standards, industry competition and the ever-changing customer demands. It is essential that the Group responds in a timely manner to such changes which may adversely affect the Group's business and financial results. The Group also faces other financial risks in the ordinary course of business, such as liquidity risk, interest rate risk and currency risk. Details of financial risk management are set out in Note 3 to the consolidated financial statements.

INTERNATIONAL SANCTIONS

During the year ended 31 December 2019, the Group had CAM sales to customers located in Russia, which accounted for 10.6% of the Group's total revenue for the year ended 31 December 2019, as well as sales to customers located in the Balkans and Ukraine, which in aggregate accounted for 9.5% of the Group's total revenue for the year ended 31 December 2019. During the year ended 31 December 2019, the Group had no sales to Belarus, Egypt and Lebanon. The percentage of revenue contribution from relevant customers located in jurisdictions which are targeted with international sanctions in the year ended 31 December 2019 decreased to 20.1% from 21.1% during the year ended 31 December 2018, mainly attributable to a decrease in sales from customers located in certain jurisdictions.

董事會報告

REPORT OF THE DIRECTORS

來年，本集團預期繼續向位於俄羅斯、巴爾幹半島及烏克蘭的客戶銷售，但預期向該等司法權區的客戶的銷售額不會有任何重大增減。本集團亦預期位於白俄羅斯、埃及及黎巴嫩的客戶將不會有銷售或銷售額甚微。於截至二零一九年十二月三十一日止年度，本集團並無且目前或將來亦無意於受國際制裁的司法權區，或與名列任何國際制裁名單上的個人及實體進行任何交易，而本集團認為會使本集團或其投資者蒙受波動風險或成為國際制裁對象的風險。

核數師

財務報表已由羅兵咸永道會計師事務所審核，彼等將於本公司應屆股東週年大會退任並符合資格並願獲重新委任。

代表董事會

主席

黃學良

香港，二零二零年三月二十七日

In the coming year, the Group is expected to continue its sales to customers located in Russia, the Balkans and Ukraine and does not expect any significant increase or decrease in the Group's sales to customers located in those jurisdictions. The Group also expects no sales or immaterial sales to customers located in Belarus, Egypt and Lebanon. During the year ended 31 December 2019, the Group did not, and has no present or future intention to, enter into any transactions in the jurisdictions which are targeted with international sanctions or with persons and entities which are listed on any international sanctions list that the Group believes would put the Group or its investors at risk of violating or becoming the target of international sanctions.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for reappointment.

On behalf of the Board

Huang Xueliang

Chairman

Hong Kong, 27 March 2020



致國微控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

國微控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第105頁至第275頁的綜合財務報表,包括:

- 於二零一九年十二月三十一日的綜合財務狀況表;
- 截至該日止年度的綜合收益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

羅兵咸永道

To the Shareholders of SMIT Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of SMIT Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 105 to 275, which comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

我們的意見

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

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

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

Our opinion

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

BASIS FOR OPINION

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

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

Independence

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

KEY AUDIT MATTERS

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

我們在審計中識別的關鍵審計事項是非上市投資的估值：

Key audit matter identified in our audit is the valuation of unlisted investments:

KEY AUDIT MATTER

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Valuation of unlisted investments

Refer to Note 3.3(a), Note 4.6 and Note 21 of the consolidated financial statements.

Unlisted investments of the Group were recognised at fair value through profit or loss on initial recognition and requires subsequent re-measurement at fair value at each period end. The Group has applied valuation techniques to determine the fair values of these investments that are not quoted in active markets. These valuation techniques require significant unobservable inputs which involve significant management judgements and assumptions and thus involved a higher degree of uncertainty in the valuations.

Fair values of three of the unlisted investments were determined by using the discounted cash flow ("DCF") approach. The fair value of these unlisted investments amounted to USD6.4 million as at 31 December 2019 was assessed based on independent valuation prepared by an independent external valuer. The related net fair value losses recognised in the consolidated income statement during the year ended 31 December 2019 in relation to these unlisted investments amounted to USD3.5 million.

Key underlying assumptions and estimates of the valuation include revenue growth rates, discount rates, terminal growth rates and gross profit margin used in the business plans of the investees.

We focused on this area because the carrying values of the unlisted investments are significant to the consolidated financial statements and significant judgements and estimates were used in the valuation techniques. These estimations are also subject to uncertainties.

We assessed the competency, capability and objectivity of independent external valuers by considering their qualification, relevant experience and relationship with the Group.

We involved our internal valuation specialist in our discussion with management and external valuers to understand and assess the appropriateness of the methodology used and the assumptions and estimates applied in DCF.

We obtained and assessed the business plans of the investees that support the cash flow projections used in DCF through inquiry of management and obtaining supporting documents including agreements and contracts to corroborate our understanding of the business growth of the investees.

We evaluated the reasonableness of the discount rates by considering the investees' weighted average cost of capital and the risk profile of the investees.

We assessed the reasonableness of the revenue growth rates, gross profit margin and terminal growth rates by comparing these assumptions against relevant market data and historical experience of the investees.

Based on the procedures described above, we considered the key assumptions and estimates used in the valuation of the Group's unlisted investments are supportable by available evidence.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

關鍵審計事項

未上市投資的估值

請參閱綜合財務報表附註3.3(a)、附註4.6及附註21。

貴集團的未上市投資初步確認時透過損益按公平值入賬確認，並須於隨後每個期間結束時按公平值重新計量。貴集團已使用估值技術釐定該等並非在活躍市場報價的投資的公平值。有關估值技術要求重大不可觀察輸入數據，而該等數據涉及重大管理判斷及假設，因此估值當中涉及較高的不確定性。

三項非上市投資的公平值使用貼現現金流量（「貼現現金流量」）法釐定。該等未上市投資的公平值於二零一九年十二月三十一日達到6.4百萬美元，為基於一名獨立外部估值師編製的獨立估值評定。關於該等非上市投資於截至二零一九年十二月三十一日止年度內綜合收益表所確認相關公平值虧損淨額為3.5百萬美元。

估值關鍵相關假設及估計包括被投資公司業務計劃所用收益增長率、貼現率、永久增長率及毛利率。

我們關注這方面，因為非上市投資的賬面值對綜合財務報表具有重大意義，且估值技術使用重大判斷及估計。這些估計也有不確定性。

我們的審計如何處理關鍵審計事項

我們通過考慮獨立外部估值師的資格、相關經驗及與貴集團的關係，評估了獨立外部估值師是否稱職、其能力及客觀性。

我們在與管理層及外部估值師的討論中，涉及我們的內部估值專家，以了解及評估所採用方法的適用性以及貼現現金流量所應用的假設及估計。

我們通過詢問管理層並獲得包括協議及合同在內的支持性文件，獲取及評估支持貼現現金流量中使用的現金流量預測的被投資公司的業務計劃，以證實我們對被投資公司業務增長的了解。

我們通過考慮被投資公司的加權平均資本成本及被投資公司的風險情況評估貼現率的合理性。

我們評估收益增長率、毛利率及永久增長率的合理性，方法為將這些假設與被投資公司的相關市場數據及過往經驗進行對比。

根據上述程序，我們認為貴集團對非上市投資的估值所用關鍵假設及估計有可得的憑證支持。

其他信息

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

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

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

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

董事及審核委員會就綜合財務報表須承擔的責任

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

OTHER INFORMATION

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

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

審核委員會須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 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。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

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

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

出具本獨立核數師報告的審計項目合夥人是林曉音。

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月二十七日

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lam Hiu Yam, Winnie.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2020

綜合收益表

CONSOLIDATED INCOME STATEMENT

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

			截至十二月三十一日止年度 Year ended 31 December	
			二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
		附註 Note		
收益	Revenue	5, 6	38,099,720	41,318,578
銷售成本	Cost of sales	7	(22,824,996)	(27,641,807)
毛利	Gross profit		15,274,724	13,676,771
其他收益·淨額	Other gains, net	6	19,441,664	3,967,391
其他收入	Other income	6	2,422,792	1,013,346
研發開支	Research and development expenses	7	(9,598,577)	(7,799,119)
銷售及分銷開支	Selling and distribution expenses	7	(4,083,511)	(2,663,959)
一般及行政開支	General and administrative expenses	7	(12,132,695)	(8,862,635)
金融資產之減值淨虧損	Net impairment losses on financial assets	7	(19,971)	(759,318)
經營溢利／(虧損)	Operating profit/(loss)		11,304,426	(1,427,523)
融資收入·淨額	Finance income, net	9	583,727	1,149,740
分佔使用權益法入賬的 投資淨虧損	Share of net loss of investments accounted for using the equity method	10	(266,833)	—
除所得稅前溢利／(虧損)	Profit/(loss) before income tax		11,621,320	(277,783)
所得稅抵免	Income tax credit	12	700,991	1,593,307
年內溢利	Profit for the year		12,322,311	1,315,524
以下各項應佔溢利／(虧損)：	Profit/(loss) is attributable to:			
本公司擁有人	Owners of the Company		10,602,142	1,317,734
非控股權益	Non-controlling interests		1,720,169	(2,210)
			12,322,311	1,315,524
本公司擁有人應佔每股盈利：	Earnings per share attributable to owners of the Company:			
每股基本盈利 (每股美元)	Basic earnings per share (USD per share)	13	0.033	0.004
每股攤薄盈利 (每股美元)	Diluted earnings per share (USD per share)	13	0.033	0.004

上述綜合收益表應與隨附附註一併閱讀。

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

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
年內溢利	Profit for the year	12,322,311	1,315,524
其他全面虧損： 後續可能重新分類至損益的項目	Other comprehensive loss: Item that may be reclassified subsequently to profit or loss		
匯兌差額	Translation differences	(650,686)	(3,807,022)
已經重新分類至損益的項目 於視作出售附屬公司後撥回的 匯兌儲備	Item that has been reclassified to profit or loss Exchange reserve released upon deemed disposal of subsidiaries	(3,197)	—
年內其他全面虧損，扣除稅項	Other comprehensive loss for the year, net of tax	(653,883)	(3,807,022)
年內全面收益／(虧損)總額	Total comprehensive income/(loss) for the year	11,668,428	(2,491,498)
以下各項應佔：	Attributable to:		
本公司擁有人	Owners of the Company	9,942,125	(2,487,783)
非控股權益	Non-controlling interests	1,726,303	(3,715)
		11,668,428	(2,491,498)

上述綜合全面收益表應與隨附附註一併閱讀。

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

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一九年十二月三十一日 As at 31 December 2019

		於十二月三十一日		
		As at 31 December		
		二零一九年	二零一八年	
		2019	2018	
	附註	美元	美元	
	Note	USD	USD	
資產	ASSETS			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	15	3,152,061	1,735,894
使用權資產	Right-of-use assets	16	1,041,791	—
其他無形資產	Other intangible assets	17	396,294	5,053,319
商譽	Goodwill	25	6,153,809	22,151,954
其他應收款項及預付款項	Other receivables and prepayments	20	1,174,419	41,750
使用權益法入賬的投資	Investments accounted for using the equity method	10	43,519,749	—
透過損益按公平值入賬的金融資產	Financial assets at fair value through profit or loss	21	14,596,569	18,246,807
遞延所得稅資產	Deferred income tax assets	24	3,218,233	2,770,689
			73,252,925	50,000,413
流動資產	Current assets			
存貨	Inventories	18	13,525,373	9,981,613
貿易及其他應收款項及預付款項	Trade and other receivables and prepayments	20	14,116,321	20,836,355
授予聯營公司的貸款	Loan to an associate	37(f)	5,035,836	—
可收回所得稅	Income tax recoverable		116,543	138,006
受限制銀行存款	Restricted bank deposit	22	519,266	5,000,000
現金及現金等價物	Cash and cash equivalents	23	70,902,673	54,962,324
			104,216,012	90,918,298
總資產	Total assets		177,468,937	140,918,711

上述綜合財務狀況表應與隨附附註一併閱讀。

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

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一九年十二月三十一日 As at 31 December 2019

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
	附註 Note		
權益及負債			
權益	EQUITY		
股本	Share capital	26	6,364
股份溢價	Share premium	26	101,505,767
合併儲備	Merger reserve	27	(48,810,141)
以股份為基礎的付款儲備	Share-based payment reserve	27	16,105,925
法定儲備	Statutory reserve	27	4,913,464
保留盈利	Retained earnings		48,468,552
資本儲備	Capital reserve	27	1,212,543
匯兌儲備	Exchange reserve		(1,768,364)
本公司擁有人應佔資本及儲備	Capital and reserves attributable to owners of the Company		121,634,110
非控股權益	Non-controlling interests		1,967,240
總權益	Total equity		123,601,350
負債	Liabilities		
非流動負債	Non-current liabilities		
租賃負債	Lease liabilities	16	658,318
其他應付款項	Other payable	29	47,612
遞延收入	Deferred income	30	7,560,012
遞延所得稅負債	Deferred income tax liabilities	24	—
			8,265,942
			8,768,499

上述綜合財務狀況表應與隨附附註一併閱讀。

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

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一九年十二月三十一日 As at 31 December 2019

		於十二月三十一日		
		As at 31 December		
		二零一九年	二零一八年	
		2019	2018	
		美元	美元	
		USD	USD	
		附註		
		Note		
流動負債	Current liabilities			
貿易應付款項及應付票據	Trade and bills payables	28	9,220,640	4,089,422
應計費用及其他應付款項	Accruals and other payables	29	8,595,728	5,048,584
合約負債	Contract liabilities	29	433,121	740,720
銀行借款	Bank borrowings	31	—	5,335,126
遞延收入	Deferred income	30	26,730,507	4,669,282
租賃負債	Lease liabilities	16	449,178	—
應付所得稅	Income tax payable		172,471	7,644
			45,601,645	19,890,778
總負債	Total liabilities		53,867,587	28,659,277
總權益及負債	Total equity and liabilities		177,468,937	140,918,711

上述綜合財務狀況表應與隨附附註一併閱讀。

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

第105至275頁的綜合財務報表已於二零二零年三月二十七日經董事會批准並代為簽署。

The consolidated financial statements on pages 105 to 275 were approved by the Board of Directors on 27 March 2020 and were signed on its behalf.

主席
Huang Xueliang
Chairman
黃學良

董事
Loong, Manfred Man-tsun
Director
龍文駿

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		本公司擁有人應佔									
		Attributable to owners of the Company									
		以股份為基礎的									
		股本	股份溢價	合併儲備	付款儲備	法定儲備	資本儲備	匯兌儲備	保留盈利	合計	非控股權益
		Share capital	Share premium	Merger reserve	payment reserve	Statutory reserve	Capital reserve	Exchange reserve	Retained earnings	Total	Non-controlling interests
		美元	美元	美元	美元	美元	美元	美元	美元	美元	美元
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
於二零一八年一月一日的結餘	Balance at 1 January 2018	6,140	98,362,681	(48,810,141)	19,401,056	4,913,464	1,212,543	2,697,170	36,548,676	114,331,589	—
截至二零一八年十二月三十一日止年度	For the year ended 31 December 2018										
全面收益/(虧損)	Comprehensive income/(loss)										
年內溢利	Profit for the year	—	—	—	—	—	—	—	1,317,734	1,317,734	(2,210)
匯兌差額	Translation differences	—	—	—	—	—	—	(3,805,517)	—	(3,805,517)	(1,505)
年內全面(虧損)/收益總額	Total comprehensive (loss)/income for the year	—	—	—	—	—	—	(3,805,517)	1,317,734	(2,487,783)	(3,715)
與擁有人的交易	Transactions with owners										
以股份為基礎的薪酬	Share-based compensation	—	—	—	187	—	—	—	—	187	—
行使購股權	Exercise of share options	186	3,422,799	—	(2,445,491)	—	—	—	—	977,494	—
收購附屬公司	Acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	244,195
二零一八年六月派付二零一七年相關股息	Dividend relating to 2017 paid in June 2018	—	(802,533)	—	—	—	—	—	—	(802,533)	—
與擁有人的交易，直接於權益確認	Transactions with owners, recognised directly in equity	186	2,620,266	—	(2,445,304)	—	—	—	—	175,148	244,195
於二零一八年十二月三十一日的結餘	Balance at 31 December 2018	6,326	100,982,947	(48,810,141)	16,955,752	4,913,464	1,212,543	(1,108,347)	37,866,410	112,018,954	240,480
即：	Representing:										
資本	Capital	6,326	—	—	—	—	—	—	—	6,326	—
儲備	Reserves	—	100,577,533	(48,810,141)	16,955,752	4,913,464	1,212,543	(1,108,347)	37,866,410	111,607,214	—
非控股權益	Non-controlling interests	—	—	—	—	—	—	—	—	—	240,480
二零一八年建議末期派息	2018 final dividend proposed	—	405,414	—	—	—	—	—	—	405,414	—
		6,326	100,982,947	(48,810,141)	16,955,752	4,913,464	1,212,543	(1,108,347)	37,866,410	112,018,954	240,480

上述綜合權益變動表應與隨附附註一併閱讀。

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

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		本公司擁有人應佔										
		Attributable to owners of the Company										
		以股份為基礎的								合計	非控股權益	總權益
		股本	股份溢價	合併儲備	付款儲備	法定儲備	資本儲備	匯兌儲備	保留盈利			
		Share capital	Share premium	Merger reserve	payment reserve	Statutory reserve	Capital reserve	Exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
		美元	美元	美元	美元	美元	美元	美元	美元	美元	美元	美元
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
於二零一九年一月一日的結餘	Balance at 1 January 2019	6,326	100,982,947	(48,810,141)	16,955,752	4,913,464	1,212,543	(1,108,347)	37,866,410	112,018,954	240,480	112,259,434
截至二零一九年十二月三十一日止年度	For the year ended 31 December 2019											
全面收益／(虧損)	Comprehensive income/(loss)	—	—	—	—	—	—	—	10,602,142	10,602,142	1,720,169	12,322,311
年內溢利	Profit for the year	—	—	—	—	—	—	—	10,602,142	10,602,142	1,720,169	12,322,311
匯兌差額	Translation differences	—	—	—	—	—	—	(656,820)	—	(656,820)	6,134	(650,686)
於視作出售附屬公司後撥回的匯兌儲備	Exchange reserve released upon deemed disposal of subsidiaries	—	—	—	—	—	—	(3,197)	—	(3,197)	—	(3,197)
年內全面(虧損)／收益總額	Total comprehensive (loss)/income for the year	—	—	—	—	—	—	(660,017)	10,602,142	9,942,125	1,726,303	11,668,428
與擁有人的交易	Transactions with owners											
以股份為基礎的薪酬	Share-based compensation	—	—	—	39,742	—	—	—	—	39,742	—	39,742
行使購股權	Exercise of share options	38	928,234	—	(849,827)	—	—	—	—	78,445	—	78,445
視作出售附屬公司	Deemed disposal of subsidiaries	—	—	—	(39,742)	—	—	—	—	(39,742)	—	(39,742)
與非控股權益的交易	Transactions with non-controlling interests	—	—	—	—	—	—	—	—	—	457	457
二零一九年五月派付二零一八年相關股息	Dividend relating to 2018 paid in May 2019	—	(405,414)	—	—	—	—	—	—	(405,414)	—	(405,414)
與擁有人的交易，直接於權益確認	Transactions with owners, recognised directly in equity	38	522,820	—	(849,827)	—	—	—	—	(326,969)	457	(326,512)
於二零一九年十二月三十一日的結餘	Balance at 31 December 2019	6,364	101,505,767	(48,810,141)	16,105,925	4,913,464	1,212,543	(1,768,364)	48,468,552	121,634,110	1,967,240	123,601,350
即：	Representing:											
資本	Capital	6,364	—	—	—	—	—	—	—	6,364	—	6,364
儲備	Reserves	—	101,095,628	(48,810,141)	16,105,925	4,913,464	1,212,543	(1,768,364)	48,468,552	121,217,607	—	121,217,607
非控股權益	Non-controlling interests	—	—	—	—	—	—	—	—	—	1,967,240	1,967,240
二零一九年建議末期派息	2019 final dividend proposed	—	410,139	—	—	—	—	—	—	410,139	—	410,139
		6,364	101,505,767	(48,810,141)	16,105,925	4,913,464	1,212,543	(1,768,364)	48,468,552	121,634,110	1,967,240	123,601,350

上述綜合權益變動表應與隨附附註一併閱讀。

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

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

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

		附註 Note	二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
經營活動所得現金流量	Cash flows from operating activities			
經營所得現金	Cash generated from operations	33(a)	32,110,566	442,945
已付利息	Interest paid		(134,315)	(4,276)
已付所得稅	Income tax paid		(46,259)	(799,093)
經營活動所得／(所用)現金淨額	Net cash generated from/(used in) operating activities		31,929,992	(360,424)
投資活動所得現金流量	Cash flows from investing activities			
收購附屬公司付款，扣除所得現金	Payment for acquisition of subsidiaries, net of cash acquired	36	—	(18,547,386)
視作出售附屬公司現金流出淨額	Net cash outflow from deemed disposal of subsidiaries	33(d)	(3,982,778)	—
購買物業、廠房及設備	Purchases of property, plant and equipment		(3,093,304)	(415,325)
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment	33(b)	3,277	320
收購使用權益法入賬的投資的付款	Payment for acquisition of an investment accounted for using the equity method	10	(810,239)	—
短期銀行存款減少	Decrease in short-term bank deposits		—	3,523,375
受限制銀行存款減少／(增加)	Decrease/(increase) in restricted bank deposit		4,488,391	(5,000,000)
已收利息收入	Interest income received		730,034	1,129,013
購買其他無形資產	Purchases of other intangible assets		(199,940)	(280,793)
購買透過損益按公平值入賬的金融資產	Purchase of financial assets at fair value through profit or loss		(1,466,964)	(11,966,085)
授予聯營公司的貸款	Loan to an associate		(5,035,836)	—
投資活動所用現金淨額	Net cash used in investing activities		(9,367,359)	(31,556,881)
融資活動所得現金流量	Cash flows from financing activities			
支付股息	Payment for dividend		(405,414)	(802,533)
銀行借款所得款項	Proceeds from bank borrowings		1,200,000	5,335,126
償還銀行借款	Repayment of bank borrowings		(6,540,668)	—
行使購股權	Exercise of share options		78,445	977,494
租賃付款的本金部分	Principal elements of lease payments	33(c)	(294,597)	—
融資活動(所用)／所得現金淨額	Net cash (used in)/generated from financing activities		(5,962,234)	5,510,087
現金及現金等價物增加／(減少)淨額	Net increase/(decrease) in cash and cash equivalents		16,600,399	(26,407,218)
年初現金及現金等價物	Cash and cash equivalents at beginning of year		54,962,324	84,100,969
現金及現金等價物匯率變動之影響	Effect of exchange rate changes on cash and cash equivalents		(660,050)	(2,731,427)
年末現金及現金等價物	Cash and cash equivalents at end of year	23	70,902,673	54,962,324

上述綜合現金流量表應與隨附附註一併閱讀。

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 一般資料

國微控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）主要從事以下業務：

- 開發及銷售條件接收模塊（「視密卡」）及移動銷售終端（「mPOS」）機，其可分別確保將數字內容分發及傳輸至電視及確保移動支付交易；
- 開發及銷售快速驗證系統及軟件；及
- 研究及開發電子設計自動化（「EDA」）產品。

本公司為於開曼群島註冊成立及存冊的有限公司。其於開曼群島的註冊辦事處為Maples Corporate Services Limited，位於PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands，而其於中華人民共和國（「中國」）的註冊辦事處位於中國深圳市南山區沙河西路1801號國寶大廈22樓。

本公司於香港聯合交易所有限公司主板上市。

除非另有說明，綜合財務報表以美元（「美元」）呈列。

1 GENERAL INFORMATION

SMIT Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) principally engage in the following activities:

- development and sales of conditional access modules (“CAM”) and mobile point-of-sales (“mPOS”) devices that enable secure distribution and delivery of digital content to television and secure mobile payment transactions, respectively;
- development and sales of rapid verification system and software; and
- research and development of electronic design automation (“EDA”) products.

The Company is a limited liability company incorporated and domiciled in the Cayman Islands. The address of its registered office in the Cayman Islands is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its registered office in the People’s Republic of China (the “PRC”) is 22F, Guoshi Building, No. 1801, Sha He Xi Avenue, Nanshan, PRC.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The consolidated financial statements are presented in United States dollars (“USD”), unless otherwise stated.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 重大會計政策概要

編製該等綜合財務報表所應用的主要會計政策載列如下。除非另有指明，否則該等政策於呈列的所有年度一直貫徹採用。

2.1 編製基準

本集團的綜合財務報表乃根據香港財務報告準則（「香港財務報告準則」）及香港公司條例（第622章）披露規定而編製。綜合財務報表乃按歷史成本法編製，結合透過損益按公平值入賬的金融資產（按公平值計量）修訂。

按照香港財務報告準則編製綜合財務報表需要使用若干重要會計估計，亦需要管理層在應用本集團會計政策的過程中作出判斷。涉及較高度判斷或複雜性較高的領域，或對綜合財務報表而言屬重大的假設及估計的領域披露於附註4。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Group has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss, which are carried at fair value.

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

2 重大會計政策概要(續)

2.1 編製基準(續)

(a) 本集團採納的新訂及經修訂準則及新詮釋

本集團已於二零一九年一月一日開始的年度報告期間首次應用以下新訂及經修訂準則及新詮釋：

香港會計準則第19號(修訂本)

HKAS 19 (Amendment)

香港會計準則第28號(修訂本)

HKAS 28 (Amendment)

香港財務報告準則第9號(修訂本)

HKFRS 9 (Amendment)

香港財務報告準則第16號

HKFRS 16

香港(國際財務報告詮釋委員會)－詮釋第23號

HK(IFRIC)-Int 23

年度改進項目(修訂本)

Annual Improvements Project (Amendment)

採納香港財務報告準則第16號後本集團須變更其會計政策。本集團選擇追溯採納新規則，但於二零一九年一月一日確認首次應用新準則的累計影響。請參閱附註2.2的披露。採納其他新訂及經修訂準則及新詮釋並無對本期間或任何過往期間產生任何重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards and new interpretation adopted by the Group

The Group has applied the following new and amended standards and new interpretation for the first time for their annual reporting period commencing 1 January 2019:

計劃修訂、縮減或結清

Plan Amendment, Curtailment or Settlement

於聯營公司及合營企業的長期權益

Long-term Interests in Associates and

Joint Ventures

具負補償的預付款項特性

Prepayment Features with

Negative Compensation

租賃

Leases

不確定所得稅的處理

Uncertainty over Income Tax Treatments

年度改進(二零一五年至二零一七年週期)

Annual Improvements 2015 – 2017 Cycle

The Group had to change its accounting policies as a result of adoption of HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in Note 2.2. The adoption of other amended standards and new interpretation did not have any material impact on the current period or any prior periods.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 本集團尚未採納的新訂及經修訂準則及概念框架

以下為已頒佈但尚未於二零一九年一月一日開始的財政年度生效的新訂及經修訂準則及概念框架，本集團並未提前採納此等準則及詮釋。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards and conceptual framework not yet adopted by the Group

The following new and amended standards and conceptual framework have been issued but are not effective for the financial year beginning on 1 January 2019 and have not been early adopted by the Group.

		於下列日期或 之後開始的 會計年度生效 Effective for accounting year beginning on or after
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	二零二零年一月一日
HKAS 1 and HKAS 8 (Amendment)	Definition of Material	1 January 2020
香港財務報告準則第3號(修訂本)	業務的定義	二零二零年一月一日
HKFRS 3 (Amendment)	Definition of a Business	1 January 2020
香港財務報告準則第10號及香港會計準則 第28號(修訂本)	投資者及其聯營公司或合營企業之間 資產出售或注資	待釐定
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
香港會計準則第39號、香港財務報告準則 第7號及香港財務報告準則第9號(修訂本)	對沖會計	二零二零年一月一日
HKAS 39, HKFRS 7 and HKFRS 9 (Amendments)	Hedge Accounting	1 January 2020
香港財務報告準則第17號	保險合約	二零二零年一月一日
HKFRS 17	Insurance Contracts	1 January 2021
二零一八年財務報告概念框架	經修訂財務報告概念框架	二零二零年一月一日
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 本集團尚未採納的新訂及經修訂準則及概念框架(續)

該等新訂及經修訂準則及概念框架生效後，本集團將採納該等新訂及經修訂準則及概念框架。本集團已開始評估採納上述新訂及經修訂準則及概念框架產生的有關影響，預期概不會對本集團的綜合財務報表造成重大影響。

2.2 會計政策的變動

本附註解釋採納香港財務報告準則第16號「租賃」對本集團綜合財務報表的影響。

如以上附註2.1(a)所示，本集團自二零一九年一月一日起追溯採納香港財務報告準則第16號，並且按照該準則的過渡條款，未重列二零一八年報告期間的比較數字。因此，新租賃規則產生的重新分類及調整於二零一九年一月一日的期初綜合財務狀況表中確認。此新會計政策於附註2.27披露。

於採納香港財務報告準則第16號時，本集團就先根據香港會計準則第17號「租賃」的原則分類為「經營租賃」的租賃確認租賃負債。該等負債按其剩餘租賃付款額的現值計量，並使用承租人於二零一九年一月一日的增量借款利率進行貼現。二零一九年一月一日適用於租賃負債的承租人加權平均增量借款利率為3.9%。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards and conceptual framework not yet adopted by the Group (Continued)

The Group will adopt the new and amended standards and conceptual framework when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new and amended standards and conceptual framework, none of which is expected to have a significant effect on the consolidated financial statements of the Group.

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 “Leases” on the Group’s consolidated financial statements.

As indicated in Note 2.1(a) above, the Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on 1 January 2019. The new accounting policies are disclosed in Note 2.27.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as at 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.9%.

2 重大會計政策概要(續)

2.2 會計政策的變動(續)

(a) 所採用的可行權宜方法

於首次應用香港財務報告準則第16號時，本集團採用以下獲準則許可的可行權宜方法：

- 對具有合理相似特徵的租賃組合採用單一折現率；
- 依賴先前關於租賃是否繁重的評估，以替代減值檢討－於二零一九年一月一日，並無虧損性合約；
- 將於二零一九年一月一日餘下租賃期少於12個月的經營租賃入賬列作短期租賃；
- 於首次應用日期計量使用權資產時剔除初始直接費用；及
- 當合約包含延長或終止租約的選擇權時，以後見之明確定租賃期。

本集團亦已選擇不重新評估在首次應用日期合約是否為或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依據其採用香港會計準則第17號及詮釋第4號「確定安排是否包含租賃」作出的評估。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(a) Practical expedients applied

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

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and Interpretation 4 “Determining whether an Arrangement contains a Lease”.

2 重大會計政策概要(續)

2.2 會計政策的變動(續)

(b) 租賃負債的計量

		美元 USD
於二零一八年十二月三十一日 披露的經營租賃承擔	Operating lease commitments disclosed as at 31 December 2018	2,587,721
使用承租人於首次應用日期的 增量借款利率進行折現的影響	Impact of discounting using the lessee's incremental borrowing rate of at the date of initial application	(2,205)
按直線法確認為開支的短期租賃	Short-term leases recognised on a straight-line basis as expense	(792,158)
對終止選擇權進行不同處理產生的調整	Adjustments as a result of a different treatment of termination options	(1,726,353)
於二零一九年一月一日確認的租賃負債	Lease liabilities recognised as at 1 January 2019	67,005
即：	Representing:	
流動部分	Current portion	41,836
非流動部分	Non-current portion	25,169
		67,005

(c) 使用權資產的計量

使用權資產按等於租賃負債的金額計量，經於二零一八年十二月三十一日在綜合財務狀況表確認的租賃相關的任何預付或預提租賃付款額作出調整。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(b) Measurement of lease liabilities

(c) Measurement of right-of-use assets

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 重大會計政策概要(續)

2.2 會計政策的變動(續)

(d) 於二零一九年一月一日在綜合財務狀況表確認的調整

會計政策變動影響下列於二零一九年一月一日的綜合財務狀況表項目：

- 使用權資產 – 增加67,005美元
- 租賃負債 – 增加67,005美元

2.3 合併及權益會計處理的原則

(a) 附屬公司

附屬公司為本集團擁有控制權的所有實體。當本集團透過參與該實體的活動而獲得或享有可變回報，且有能力透過其對該實體的權力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移至本集團當日起合併入賬，並自控制權終止當日起終止合併入賬。

收購會計法用於將本集團進行的業務合併入賬(附註2.4)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

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

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

- right-of-use assets – increase by USD67,005
- lease liabilities – increase by USD67,005

2.3 Principles of consolidation and equity accounting

(a) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group (Note 2.4).

2 重大會計政策概要(續)

2.3 合併及權益會計處理的原則(續)

(a) 附屬公司(續)

集團內公司間交易、結餘及集團內公司間交易未變現收益會予以對銷。未變現虧損亦會予以對銷。附屬公司的會計政策經已於必要時變更，以確保與本集團採納的政策一致。

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

當本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公平值重新計量，賬面值變動於綜合收益表確認。就其後入賬列作聯營公司、合資企業或金融資產的保留權益而言，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味著先前在其他全面收益確認的金額重新分類至綜合收益表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation and equity accounting (Continued)

(a) Subsidiaries (Continued)

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

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

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

2 重大會計政策概要(續)

2.3 合併及權益會計處理的原則(續)

(b) 聯營公司

聯營公司指本集團對其擁有重大影響力但無控制權或聯合控制權的所有實體。一般情況下，本集團持有20%至50%投票權。於聯營公司的投資於初步按成本確認後採用權益會計法入賬。

(c) 權益法

根據權益會計法，有關投資初步按成本確認，隨後予以調整並於損益表確認本集團應佔被投資公司的收購後溢利或虧損及於其他全面收入確認本集團應佔被投資公司的其他全面收入之變動。來自聯營公司的已收或應收股息會確認為投資賬面值減少。

倘本集團應佔一項按權益會計法入賬的投資虧損相等於或超過其於該實體的權益(包括任何其他無抵押長期應收款項)，則本集團不會確認進一步虧損，惟本集團須對其他實體承擔責任或代表其他實體作出付款者除外。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation and equity accounting (Continued)

(b) Associates

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

(c) Equity method

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

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

2 重大會計政策概要 (續)**2.3 合併及權益會計處理的原則 (續)****(c) 權益法 (續)**

本集團與其聯營公司進行交易的未變現收益僅以本集團於該等實體的權益為限予以對銷。未變現虧損會予以對銷，惟若該交易提供所轉讓資產減值的憑證則除外。按權益會計法入賬的被投資公司的會計政策已作出必要變動，以確保與本集團採納的政策貫徹一致。

權益入賬投資的賬面值按照附註2.10所述政策測試減值。

(d) 擁有權權益變動

本集團將不會導致失去控制權的與非控股權益交易視作與本集團權益擁有人的交易處理。擁有權權益變動會引致對控股與非控股權益的賬面值進行調整，以反映彼等於有關附屬公司的相對權益。對非控股權益的調整額與任何已付或已收代價之間的任何差額於本公司擁有人應佔權益內的一項單獨儲備確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Principles of consolidation and equity accounting (Continued)****(c) Equity method (Continued)**

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.10.

(d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

2 重大會計政策概要(續)

2.3 合併及權益會計處理的原則(續)

(d) 擁有權權益變動(續)

倘本集團因失去控制權或重大影響力而終止綜合入賬或按權益會計法入賬投資，於該實體的任何保留權益按其公平值重新計量，而賬面值變動則於損益確認。該公平值成為其後將保留權益入賬為聯營公司、合營企業或金融資產的初始賬面值。此外，該實體過往在其他全面收益中確認的任何數額乃猶如本集團已直接出售相關資產及負債而入賬。這可能意味著過往在其他全面收益中確認的數額重新分類至損益或轉撥至適用香港財務報告準則指定或允許的其他權益分類。

倘於合營企業或聯營公司的擁有權權益減少但仍保留共同控制權或重大影響力，只會將過往在其他全面收益確認的數額中按比例應佔的份額重新分類至損益(如適用)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation and equity accounting (Continued)

(d) Changes in ownership interests (Continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified or permitted by applicable HKFRS.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2 重大會計政策概要(續)

2.4 業務合併

本集團採用收購會計法將所有業務合併入賬，而不論是否已收購權益工具或其他資產。收購一間附屬公司轉讓的代價包括：

- 所轉讓資產的公平值；
- 被收購業務前擁有人所產生的負債；
- 本集團已發行股權；
- 或然代價安排產生的任何資產或負債公平值；及
- 於附屬公司的任何先前股權的公平值。

在業務合併中所收購的可識別資產以及所承擔的負債及或然負債初步按其於收購日期的公平值計量（少數例外情況除外）。本集團根據個別收購基準按公平值或非控股股東權益享有被收購實體可識別資產淨值的份額比例確認於被收購實體的任何非控股權益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

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

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

綜合財務報表附註

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2 重大會計政策概要(續)

2.4 業務合併(續)

收購相關成本於產生時支銷。

所轉讓代價、被收購實體的任何非控股權益金額及先前於被收購實體的任何股權於收購日期的公平值超出所收購可識別資產淨值的公平值時，其差額以商譽列賬。倘該等款項低於所收購業務的可識別資產淨值的公平值，則差額將直接於損益中確認為議價購買。

倘任何部分現金代價的結算獲遞延，日後應付金額貼現至彼等於兌換日期的現值。所用的貼現率乃該實體的新增借貸利率，即根據相若的條款及細則可從獨立融資者獲得同類借貸的利率。或然代價分類為權益或金融負債。分類為金融負債的金額隨後重新計量其公平值，而公平值變動則於損益內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Business combination (Continued)

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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

2 重大會計政策概要(續)

2.5 獨立財務報表

於附屬公司的投資按成本扣除減值入賬。成本包括投資的直接應佔成本。附屬公司的業績由本公司按已收及應收股息基準入賬。

倘股息超出附屬公司於宣派股息期間的全面收益總額，或獨立財務報表的投資賬面值超出綜合財務報表所示被投資公司的資產淨值(包括商譽)的賬面值，則於收取該等投資的股息時須對該等附屬公司的投資進行減值測試。

2.6 分部報告

經營分部的報告方式與向主要營運決策人提供的內部報告方式一致。主要營運決策人(「主要營運決策人」)負責分配資源及評估經營分部的表現，主要營運決策人已被確定為作出策略決策的本公司執行董事。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Separate financial statements

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

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

2.6 Segment reporting

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

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 重大會計政策概要(續)

2.7 外幣換算

(a) 功能及呈列貨幣

本集團旗下各實體的財務報表所載項目均採用有關實體經營所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以本公司的功能貨幣及本集團的呈列貨幣美元呈列。

(b) 交易及結餘

外幣交易按交易當日或項目重新計量的估值日期的匯率換算為功能貨幣。結算該等交易及按年末匯率換算以外幣計值的貨幣資產及負債而產生的外匯收益及虧損一般於綜合收益表確認。

按公平值計量及以外幣計值的非貨幣項目按釐定公平值當日的匯率換算。按公平值入賬的資產及負債的匯兌差額乃呈報為公平值收益或虧損的一部分。例如，非貨幣資產及負債(如透過損益按公平值入賬而持有的權益)的匯兌差額於綜合收益表確認為公平值收益或虧損的一部分。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2 重大會計政策概要(續)

2.7 外幣換算(續)

(c) 集團公司

功能貨幣與呈列貨幣不同的境外營運(其概無嚴重通脹經濟的貨幣)的業績及財務狀況按以下方式換算為呈列貨幣:

- 各財務狀況表呈列的資產及負債按該財務狀況表日期的收市匯率換算;
- 各收益表及全面收益表的收入及支出按平均匯率(除非該匯率並非於交易日期的現行匯率累計影響的合理約數,在此情況下,收入及開支於交易日期換算)換算;及
- 就此產生的所有貨幣換算差額於其他全面收益確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(c) Group companies

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

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

2 重大會計政策概要(續)

2.7 外幣換算(續)

(c) 集團公司(續)

於合併入賬時，因換算於境外實體的任何投資淨額所產生的匯兌差額於其他全面收益確認。當境外營運被出售時，相關匯兌差額則作為出售收益或虧損的一部分重新分類至綜合收益表。

因收購境外營運而產生的商譽及公平值調整被視為該境外營運的資產及負債，並按收市匯率換算。

(d) 出售境外營運及部分出售

對於出售境外營運(即本集團於境外營運的全部權益的出售或涉及喪失對一家附屬公司(含境外營運)的控制權的出售)，本公司擁有人應佔的於權益累計有關該營運的全部貨幣匯兌差額乃重新分類至綜合收益表。

在未導致本集團喪失對一家附屬公司(含境外營運)的控制權的部分出售的情況下，累計貨幣換算差額按比例分佔的份額重新歸屬於非控股權益且不會於綜合收益表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(c) Group companies (Continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to the consolidated income statement, as part of the gain or loss on sale.

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

(d) Disposal of foreign operation and partial disposal

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

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement.

2 重大會計政策概要(續)

2.8 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括收購項目直接應佔支出。

其後成本僅於與該項目有關的未來經濟利益有可能流入本集團，且該項目的成本能可靠計量時，方會列入資產的賬面值或確認為獨立資產（如適用）。入賬列為獨立資產的任何部分的賬面值於被替換時取消確認。所有其他維修及保養均於其產生的報告期間於綜合收益表扣除。

物業、廠房及設備折舊採用直線法計算，以於彼等估計可使用年內分配成本，如下：

租賃物業裝修
Leasehold improvements
傢具、裝置及設備
Furniture, fixtures and equipment
汽車
Motor vehicles

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment

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

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

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

租期或5年（以較短期限為準）
Shorter of lease term or 5 years
3至5年
3 – 5 years
5至10年
5 – 10 years

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 重大會計政策概要(續)

2.8 物業、廠房及設備(續)

資產的可使用年期於各報告期末檢討，並在適當情況下作出調整。

倘資產的賬面值高於其估計可收回金額，則其賬面值即時撇減至其可收回金額(附註2.10)。

出售的收益及虧損乃透過比較所得款項淨額與相關資產的賬面值釐定，並於綜合收益表內的「一般及行政開支」內確認。

2.9 無形資產

(a) 商譽

收購附屬公司的商譽納為無形資產。商譽不予攤銷，惟每年進行減值測試，或如事件或情況轉變顯示可能存在減值，則更頻密地測試，並按成本減去累計減值虧損列賬。出售實體的收益及虧損包括與所出售實體有關的商譽的賬面值。

商譽會被分配至現金產生單位以進行減值測試。有關分配乃向預期將從商譽產生的業務合併中獲益的該等現金產生單位或現金產生單位組別作出。單位或單位組別乃就內部管理目的而於監察商譽的最低層次(即經營分部)識別。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment (Continued)

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amounts of the relevant assets, and are recognised within 'general and administrative expenses' in the consolidated income statement.

2.9 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

2 重大會計政策概要(續)

2.9 無形資產(續)

(b) 其他無形資產

其他無形資產包括電腦軟件及許可使用權。彼等按成本減累計攤銷及減值虧損(如有)入賬。攤銷採用直線法於彼等估計可使用年期3至15年內計算。

(c) 研發成本

研究活動有關的成本在產生時確認為開支。由本集團控制的可識別資產在設計及測試中直接應佔開發成本在符合以下標準後方獲確認為無形資產：

- (i) 完成產品以致其可供使用在技術上可行；
- (ii) 管理層擬完成產品以及使用或出售產品；
- (iii) 有能力使用或出售產品；
- (iv) 能證實產品將如何產生未來可能出現的經濟利益；

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets (Continued)

(b) Other intangible assets

Other intangible assets consist of computer software and licence use rights. They are carried at cost less accumulated amortisation and impairment loss, if any. Amortisation is computed using the straight-line method over their estimated useful lives of 3 to 15 years.

(c) Research and development costs

Costs associated with research activities are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable assets controlled by the Group are recognised as intangible assets when the following criteria are met:

- (i) it is technically feasible to complete the product so that it will be available for use;
- (ii) management intends to complete the product and use or sell it;
- (iii) there is an ability to use or sell the product;
- (iv) it can be demonstrated how the product will generate probable future economic benefits;

2 重大會計政策概要(續)

2.9 無形資產(續)

(c) 研發成本(續)

- (v) 擁有足夠技術、財務及其他資源完成開發，並且可使用或出售產品；及

- (vi) 產品在其開發期間內應佔的開支可被可靠計量。

資本化為產品一部分的直接應佔成本包括產品開發僱員成本及相關生產費用的適當部分。

未能符合該等標準的其他開發開支將在產生時確認為開支。過往確認為開支的開發成本並不會於往後期間確認為資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets (Continued)

(c) Research and development costs (Continued)

- (v) adequate technical, financial and other resources to complete the development and to use or sell the product are available; and

- (vi) the expenditure attributable to the product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the product include the product development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2 重大會計政策概要(續)

2.10 非金融資產減值

無限定使用期的商譽及無形資產毋須攤銷，惟須每年進行減值測試，倘出現顯示可能減值的事件或情況變動，則須進行較頻繁的測試。其他資產則會在發生事件或情況變動預示賬面值可能無法收回時，進行測試。減值虧損按資產賬面值超出其可收回金額的金額確認。可收回金額為資產公平值減銷售成本與使用價值兩者中的較高者。就評估減值而言，資產按可獨立識別流入現金（為大致獨立於來自其他資產或資產組別的現金流入）的最低水平劃分組別（現金產生單位）。除商譽外，遭受減值的非金融資產於各報告期末檢討減值可否撥回。

2.11 金融資產

(a) 分類

本集團按以下計量類別對金融資產進行分類：

- 其後按公平值計量（不論計入其他全面收益（「其他全面收益」）或損益）的金融資產；及
- 按攤銷成本計量的金融資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of non-financial assets

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

2.11 Financial assets

(a) Classification

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

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

2 重大會計政策概要(續)

2.11 金融資產(續)

(a) 分類(續)

該分類取決於該實體管理金融資產的業務模式以及合約現金流量特徵。

對於按公平值計量的金融資產，其收益及虧損計入損益或其他全面收益。對於非持作交易的權益工具投資，其將取決於本集團在初始確認時是否作出不可撤銷的選擇而將其按公平值計入其他全面收益(「按公平值計入其他全面收益」)入賬。

僅當管理該等資產的業務模式發生變化時，本集團才對債務投資進行重新分類。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

(a) Classification (Continued)

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

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

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

2 重大會計政策概要(續)

2.11 金融資產(續)

(b) 確認及終止確認

常規方式購買及出售的金融資產於交易日確認。交易日是指本集團承諾購買或出售資產的日期。當收取金融資產現金流量的權利已到期或已轉讓，且本集團已轉移金融資產所有權上絕大部分風險及報酬，金融資產即終止確認。

(c) 計量

於初步計量時，本集團按金融資產的公平值另加(倘金融資產並非按公平值計入損益(「按公平值計入損益」))收購金融資產直接應佔的交易成本計量金融資產。按公平值計入損益的金融資產之交易成本於綜合收益表支銷。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

(b) Recognition and derecognition

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

(c) Measurement

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

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

2 重大會計政策概要(續)

2.11 金融資產(續)

(c) 計量(續)

債務工具

債務工具的後續計量取決於本集團管理該資產的業務模式以及該資產的現金流量特徵。本集團將債務工具分為以下量種計量類別：

- 攤銷成本：為收取合約現金流量而持有，且現金流量僅為支付本金及利息之資產按攤銷成本計量。該等金融資產之利息收入按實際利率法計入財務收入。終止確認產生的任何收益或虧損直接於損益確認，並於其他收益，淨額中與外匯收益及虧損一併列示。減值虧損於綜合收益表中作為獨立項目列示。
- 按公平值計入損益：不符合攤銷成本標準或按公平值計入其他全面收益的資產乃按公平值計入損益計量。隨後按公平值計入損益計量的債務投資的收益或虧損於損益中確認，並於產生期間按淨額呈列於其他收益，淨額中。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

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

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

2 重大會計政策概要(續)

2.11 金融資產(續)

(c) 計量(續)

權益工具

本集團所有股本投資隨後按公平值計量。倘本集團管理層已選擇將股本投資的公平值收益及虧損於其他全面收益呈列，則終止確認投資後，概無後續重新分類公平值收益及虧損至損益。本集團收取付款的權利確立時，有關投資的股息繼續於損益中確認為其他收入。

按公平值計入損益的金融資產公平值變動乃於綜合損益表中其他收益，淨額中確認(如適用)。按公平值計入其他全面收益計量的股本投資減值虧損(及減值虧損之撥回)不會與其他公平值變動分開呈報。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

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

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

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 重大會計政策概要(續)

2.11 金融資產(續)

(d) 減值

本集團按前瞻性基準評估按攤銷成本列賬的債務工具相關的預期信用損失。所採用減值方法視乎信用風險是否大幅增加而定。

對於貿易應收款項，本集團採用香港財務報告準則第9號允許的簡化方法，該方法要求從應收款項的初始確認中確認全期的預期損失，詳情見附註3.1(b)(ii)及附註20。

對於應收票據及其他應收款項，減值撥備乃按12個月預期信用損失釐定。

2.12 抵銷金融工具

倘存在一項可合法執行權利以抵銷已確認金額，且有意按淨額基準結算或同時變現資產及清償負債的情況下，金融資產與負債方可予抵銷，並將淨金額列入綜合財務狀況表內。可合法執行權利不得取決於未來事件，且於正常業務過程中及本公司或交易對手違約、無償還能力或破產的情況下均可執行。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

(d) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b)(ii) and Note 20 for further details.

For notes and other receivables, the impairment provision is determined based on the 12-month expected credit losses.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2 重大會計政策概要(續)**2.13 存貨**

存貨按成本與可變現淨值兩者中的較低者入賬。成本按加權平均法釐定。製成品的成本包括原材料、直接勞工、其他直接成本及相關生產開支(基於日常經營能力)。其不包括借款成本。可變現淨值為於日常業務過程中的估計售價減適用可變銷售開支。

2.14 貿易應收款項

貿易應收款項為於日常業務過程中向客戶出售商品或提供服務的應收款項。倘貿易及其他應收款項預期於一年或以內收回，則歸類為流動資產，否則分類為非流動資產。

貿易及其他應收款項初步按公平值確認而隨後採用實際利率法按攤銷成本扣除減值撥備計量。有關本集團的貿易及其他應收款項會計處理的進一步資料見附註2.11及有關本集團減值政策的描述見附註3.1(b)。

2.15 現金及現金等價物

於呈列綜合現金流量表而言，現金及現金等價物包括手頭現金及原到期日為三個月或以內的活期銀行存款。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.13 Inventories**

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

2.14 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are classified as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. See Note 2.11 for further information about the Group's accounting for trade and other receivables and Note 3.1(b) for a description of the Group's impairment policies.

2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

2 重大會計政策概要(續)

2.16 受限制銀行存款

受限制銀行存款為因銀行融資作為抵押品而向銀行抵押的現金。

2.17 股本

普通股歸類為權益。

發行新股份或購股權直接應佔增額成本於權益中呈列為除稅後所得款項減少。

2.18 貿易及其他應付款項

該等款項指於財政年度末前向本集團所提供未獲支付貨品及服務的負債。該等款項為無抵押。除非款項於報告期末後十二個月內尚未到期，否則貿易及其他應付款項呈列為流動負債。該等款項初步按其公平值確認而隨後採用實際利率法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Restricted bank deposits

Restricted bank deposits represent the amounts of cash pledged as collateral to banks for the bank facilities.

2.17 Share capital

Ordinary shares are classified as equity.

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

2.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2 重大會計政策概要(續)

2.19 借款

借款初步按公平值(經扣除已產生的交易成本)確認。借款其後按攤銷成本計量。所得款項(經扣除交易成本)與償債價值之間的差額乃按實際利息法於借款期間在損益內確認。在貸款很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款的交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款，並於其相關融資期間內予以攤銷。

當合約中規定的責任解除、取消或屆滿時，借款從綜合財務狀況表中剔除。已消除或轉讓予另一方的金融負債的賬面值與已支付代價(包括任何已轉讓的非現金資產或所承擔的負債)之間的差額，在損益中確認為財務成本。

如金融負債的條款重新商討，而實體向債權人發行權益工具，以消除全部或部分負債(權益與債務掉期)，該項金融負債賬面值與所發行權益工具公平值的差額在損益表中確認為收益或虧損。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Borrowings

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

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

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

2 重大會計政策概要(續)

2.19 借款(續)

除非本集團擁有不附加任何條件的權利將償債時間推遲至報告期後至少12個月，否則借款將分類為流動負債。

2.20 借款成本

因收購、建設或生產合資格資產而直接產生的一般及特定借款成本，在該資產興建完成並達到預定可供用途或用作出售前予以資本化。合資格資產指需耗費大量時間使之實現擬定用途或用作出售的資產。

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

其他借款成本於其產生期間支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Borrowings (Continued)

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

2.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

2 重大會計政策概要 (續)**2.21 即期及遞延所得稅**

期內稅項開支包括即期及遞延所得稅。稅項於綜合收益表內確認，惟有關於其他全面收益或直接於權益中確認的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

(a) 即期所得稅

即期所得稅支出按於報告期末本公司及本公司附屬公司經營所在及產生應課稅收入的國家已頒佈或實質頒佈的稅法為基準計算。管理層定期就適用稅務法規須作出詮釋的情況評估報稅表狀況，並按預期須向稅務機關支付的數額計提適當撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.21 Current and deferred income tax**

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

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting date in the countries where the Company and the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要(續)

2.21 即期及遞延所得稅(續)

(b) 遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與彼等於綜合財務報表中的賬面金額之間的暫時差額全面計提撥備。然而，倘遞延稅項負債因初步確認商譽而產生，則不會確認。如遞延所得稅乃源自業務合併以外的交易中初步確認資產或負債，而在交易時並不影響會計或應課稅溢利或虧損，則亦不會入賬處理。遞延所得稅按於報告期末前已頒佈或實質頒佈並預期於變現相關遞延所得稅資產或結算遞延所得稅負債時應用的稅率（及法律）釐定。

遞延稅項資產僅在將有未來應課稅金額可供動用該等暫時差額及虧損的情況下方予以確認。

倘公司能夠控制撥回暫時差額之時間，且該等差額可能不會於可見將來撥回，則不會就於境外營運之投資賬面值與稅基之間之暫時差額確認遞延稅項負債及資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

(b) Deferred income tax

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

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

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

2 重大會計政策概要(續)

2.21 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

倘有法定可強制執行權利抵銷即期稅項資產及負債，以及遞延稅項結餘與同一稅務機關相關，則抵銷遞延稅項資產及負債。倘實體擁有法定可強制執行權利抵銷及擬按淨額基準償付或變現資產及同時償付負債，則抵銷即期稅項資產及稅項負債。

除與於其他全面收益或直接於權益確認的項目相關外，即期及遞延稅項於綜合收益表內確認。於此情況下，稅項亦分別於其他全面收益或直接於權益確認。

(c) 投資津貼及類似稅務獎勵

本集團旗下公司可就於合資格資產的投資或有關合資格開支申請特殊稅項寬減。本集團將有關津貼入賬為稅項抵免，意味著該津貼減少應付所得稅及即期稅項開支。結轉為遞延稅項資產的未報銷稅項抵免乃確認為遞延稅項資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

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

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

(c) Investment allowances and similar tax incentives

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

2 重大會計政策概要(續)

2.22 僱員福利

(a) 僱員休假權利

僱員的年假權利於其應享有時確認。本集團就截至報告日期止因僱員所提供的服務而產生的年假的估計負債作出撥備。

僱員的病假及產假權利未確認，直至僱員正式休假為止。

(b) 退休金責任

根據中國的規則及法規，本集團的中國僱員參加由中國相關市級及省級政府組織的各種定額供款退休福利計劃，據此本集團及中國僱員須每月向該等計劃繳納按僱員工資百分比計算的供款。

市級及省級政府承諾承擔所有現時及未來退休中國僱員於上述計劃下應付的退休福利責任。除每月供款外，本集團概不對支付其僱員的退休及其他退休後福利承擔進一步責任。該等計劃的資產與本集團由省級政府管理的獨立管理基金中的資產分開持有。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits

(a) Employee leave entitlements

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

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

(b) Pension obligations

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administered funds managed by the provincial governments.

2 重大會計政策概要(續)**2.22 僱員福利(續)****(c) 花紅計劃**

本集團根據一個計及本公司股東應佔溢利(經作出若干調整)的公式，就花紅確認負債及開支。當出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

2.23 以股份為基礎的付款

本集團設有多項以權益結算、以股份為基礎的薪酬計劃，據此，實體收取來自僱員的服務，作為本集團權益工具(購股權及受限制股份單位(「受限制股份單位」))的代價。有關該等計劃的資料載於附註32。

(a) 以權益結算的購股權計劃及受限制股份單位計劃

僱員為換取獲授購股權及受限制股份單位而提供服務的公平值確認為僱員福利開支。將支銷的總金額乃參考所授出購股權及受限制股份單位的公平值而釐定：

- 包括任何市場表現條件(如本公司的股價)；

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.22 Employee benefits (Continued)****(c) Bonus plans**

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

2.23 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (share options and restricted share units ("RSUs")) of the Group. Information relating to these schemes is set out in Note 32.

(a) Equity-settled share option scheme and restricted share unit scheme

The fair value of the employee services received in exchange for the grant of the share options and restricted share units is recognised as an employee benefits expense. The total amount to be expensed is determined by reference to the fair value of the share options and restricted share units granted:

- including any market performance conditions (for example, the Company's share price);

2 重大會計政策概要(續)

2.23 以股份為基礎的付款(續)

(a) 以權益結算的購股權計劃及受限制股份單位計劃(續)

- 不包括任何服務及非市場表現歸屬條件(如盈利能力、銷售增長目標及實體僱員於指定期間內留任)的影響；及
- 包括任何非歸屬條件(如規定僱員儲蓄或在一段指定期間內持有股份)的影響。

於各報告期末，本集團根據非市場表現及服務條件修訂其對預期歸屬的購股權及受限制股份單位數目所作估計，並於綜合收益表中確認該修訂對原估計的影響(如有)，同時對權益作出相應調整。

服務條件包括在有關預期歸屬的購股權及受限制股份單位數目的假設中。開支總額於歸屬期內確認，歸屬期即符合所有特定歸屬條件的期間。此外，在某些情況下，僱員可能在授出日期之前提供服務，因此會估計於授出日期的公平值，以確認服務開始期間至授出日期間的開支。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Share-based payments (Continued)

(a) Equity-settled share option scheme and restricted share unit scheme (Continued)

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options and restricted share units that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

Service conditions are included in assumptions about the number of share options and restricted share units that are expected to vest. The total expense is recognised over the vesting period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

2 重大會計政策概要(續)

2.23 以股份為基礎的付款(續)

(a) 以權益結算的購股權計劃及受限制股份單位計劃(續)

倘對條款及條件進行修改，使所授予權益工具的公平值增加，則本集團於計量就餘下歸屬期已接受服務而確認的金額時計入已授出的公平值增額。公平值增額為經修改權益工具的公平值與原有權益工具公平值間的差額，兩者均於修改日期作出估計。基於公平值增額的開支於修改日期至經修改權益工具歸屬之日止期間內確認，不包括關於原有工具的任何金額，該金額應持續於餘下原有歸屬期間內確認。

當購股權獲行使且受限制股份單位獲授出時，授出有關購股權及受限制股份單位的相關實體發行新股份。所得款項淨額(扣除任何直接應佔交易成本)計入股本及股份溢價。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Share-based payments (Continued)

(a) Equity-settled share option scheme and restricted share unit scheme (Continued)

Where there is modification of terms and conditions which increase the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period.

When the share options are exercised and the restricted share units are granted, the respective entities granting such share options and restricted share units issue new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 重大會計政策概要(續)

2.23 以股份為基礎的付款(續)

(b) 集團實體間以股份為基礎的付款交易

本公司向為本集團工作之附屬公司僱員所授出其權益工具之獎勵股份及購股權乃被視為出資。所獲得僱員服務之公平值乃參考授出日期之公平值計量，於歸屬期內確認為增加對附屬公司之投資，並相應計入母公司實體賬目內之權益。

2.24 撥備

當本集團現時因過往事件而涉及法律或推定責任；履行責任可能須耗用資源；及金額已被可靠估計時會確認撥備。並不就未來經營虧損確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Share-based payments (Continued)

(b) Share-based payment transactions among group entities

The grant by the Company of award shares and options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2.24 Provisions

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

2 重大會計政策概要(續)

2.24 撥備(續)

倘有多項同類責任，會整體考慮責任類別以釐定償付時可能須耗用的資源。即使與同一責任類別所涉及的任何一個項目相關的資源流出的可能性極低，仍會確認撥備。

撥備按管理層估計償付報告期末的現時責任所需開支的現值計量。釐定現值所使用的貼現率為反映當時市場對該責任特定的貨幣時間值及風險的評估的除稅前貼現率。隨時間過去而產生的撥備增加確認為利息開支。

2.25 收益確認

收益按已收或應收代價的公平值計量，指供應商品的應收款項(扣除回扣及折扣)。授予客戶的回扣及折扣歸類為收益減少。當收益金額能可靠計量及未來經濟利益可能將流入實體，且本集團下文所述活動的特定標準均已達到時，則本集團會確認收益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Provisions (Continued)

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

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

2.25 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, net of rebates and discounts. Rebates and discounts granted to customers are classified as a reduction of revenue. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

2 重大會計政策概要(續)

2.25 收益確認(續)

(a) 貨品銷售

銷售額於轉移產品的控制權時(即產品交付客戶且並無可能會影響客戶接收產品的未履行責任時)確認。當產品已運送到指定地點,產品陳舊及遺失的風險已轉移至客戶,及客戶按照銷售合約接收產品,接收條款已失效,或本集團有客觀證據證明所有接收標準均已達成時,交付即告完成。

當貨品交付時確認為應收款項,此乃代價成為無條件的時點,因為有關款項只須經過一段時間方會到期。

(b) 利息收入

按公平值計入損益的金融資產的利息收入計入該等資產的公平值收益/(虧損)淨額。

按攤銷成本列賬的金融資產的利息收入採用實際利率法計算,作為融資收入,淨額的一部分於綜合收益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Revenue recognition (Continued)

(a) Sales of goods

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

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

(b) Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated income statement as part of finance income, net.

2 重大會計政策概要(續)

2.25 收益確認(續)

(b) 利息收入(續)

自出於現金管理目的而持有的金融資產賺取的利息收入呈列為財務收入。任何其他利息收入計入其他收入中。

利息收入乃通過將實際利率應用於金融資產總賬面值計算，惟其後出現信貸減值的金融資產除外。就信貸減值金融資產而言，實際利率應用於金融資產賬面淨值（經扣除虧損撥備）。

2.26 政府補助

政府補助於可合理地確定將會收取補助且本集團將遵守所有隨附條件時，按公平值確認。

有關成本的政府補助均會於符合擬補償成本所需期間遞延並在綜合收益表內確認。

與物業、廠房及設備有關的政府補助於非流動負債內列為遞延政府補助且於有關資產的預期年限內按直線法計入綜合收益表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Revenue recognition (Continued)

(b) Interest income (Continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

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

2.26 Government grants

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

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

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

2 重大會計政策概要(續)

2.27 租賃

如以上附註2.2說明，本集團已變更本集團為承租人的租賃有關會計政策。有關政策於下文描述，而變更的影響載於附註2.2。

過去，當擁有權的大部分風險及回報並未轉讓予本集團（作為承租人），租賃分類為經營租賃。根據經營租賃支付的款項（扣除出租人給予的任何獎勵）於租期內按直線法在損益內扣除。

自二零一九年一月一日起，租賃確認為使用權資產，並在租賃資產可供本集團使用之日確認相應負債。

合約可包含租賃及非租賃部分。本集團根據其相對獨立的價格將合約的代價分配至租賃及非租賃部分。然而，就本集團作為承租人租賃房地產而言，其已選擇不區分租賃及非租賃部分，反而將該等租賃入賬作為單一租賃部分。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Leases

As explained in Note 2.2 above, the Group has changed its accounting policies for leases where the Group is the lessee. The policies are described below and the impact of the change is set out in Note 2.2.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

2 重大會計政策概要(續)

2.27 租賃(續)

租賃產生的資產及負債初步以現值基準進行計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款(包括實質固定付款)，減任何應收租賃優惠；
- 基於指數或利率並於開始日期按指數或利率初步計量的可變租賃付款；
- 剩餘價值擔保下的本集團預期應付款項；
- 購買選擇權的行使價(倘本集團合理確定行使該選擇權)；及
- 支付終止租賃的罰款(倘租期反映本集團行使權利終止租約)。

根據合理確定擴大選擇權作出的租賃付款亦計入負債的計量。

租賃付款採用租賃所隱含的利率予以折現。倘未能隨即釐定該利率(屬本集團租賃一般的情況)，則使用承租人的增量借款利率，即個人承租人在類似經濟環境中以類似條款、保障及條件借入獲得與使用權資產類似價值資產所需資金所必須支付的利率。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Leases (Continued)

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

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

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

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

2 重大會計政策概要(續)

2.27 租賃(續)

為釐定增量借款利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整以反映自獲得第三方融資以來融資條件的變動；
- 使用累加法，首先就本集團所持有租賃的信貸風險（最近並無第三方融資）調整無風險利率；及
- 進行特定於租約的調整，例如期限、國家、貨幣及抵押。

租賃付款於本金及融資成本之間作出分配。融資成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初始計量金額；
- 於開始日期或之前所作的任何租賃付款，減去所得的任何租賃優惠；
- 任何初始直接費用；及
- 復原成本。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, eg term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

2 重大會計政策概要(續)**2.27 租賃(續)**

使用權資產一般於資產的可使用年期及租賃(以較短者為準)按直線法折舊。倘若本集團合理確定會行使購買選擇權，則使用權資產按相關資產的可使用年期折舊。

2.28 股息分派

向本公司股東進行的股息分派，在本公司股東或董事(如適用)批准股息的期間於綜合財務報表內確認為負債。

3 財務風險管理**3.1 財務風險因素**

本集團的活動使其面臨多種財務風險：市場風險(包括外匯風險、現金流量及公平值利率風險及價格風險)、信用風險及流動資金風險。本集團的整體風險管理程序集中於金融市場的不可預測性並尋求將對本集團財務表現的潛在不利影響最小化。本集團並無使用任何衍生金融工具對沖風險。

財務風險管理由財務部門於本公司首席執行官(「首席執行官」)的監督下實行。首席執行官為整體風險管理提供原則。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.27 Leases (Continued)**

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2.28 Dividend distribution

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

3 FINANCIAL RISK MANAGEMENT**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not use any derivative financial instruments to hedge the risk exposures.

Financial risk management is carried out by the finance department under the supervision of the Chief Executive Officer ("CEO") of the Company. The CEO provides principles for overall risk management.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險

(i) 外匯風險

本集團主要於中國及歐洲經營且面臨因多種貨幣風險導致的外匯風險 (主要與人民幣 (「人民幣」) 及歐元 (「歐元」) 有關)。外匯風險因未來商業交易產生或已確認金融資產及負債以並非為實體功能貨幣的貨幣計值。

於二零一九年十二月三十一日，倘在所有其他變量不變的情況下美元兌人民幣升值／貶值5%，則除稅後溢利及權益總額將分別增加／減少約1,233,000美元 (二零一八年：1,787,000美元)，主要是由於功能貨幣為人民幣的實體以美元計值的應收款項及現金及現金等價物的換算產生的外匯收益／虧損。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC and Europe, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB") and Euro ("EUR"). Foreign exchange risk arises from future commercial transactions or recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency.

As at 31 December 2019, if USD had strengthened/weakened by 5% against RMB with all other variables held constant, the post-tax profit and total equity would have been approximately USD1,233,000 (2018: USD1,787,000) higher/lower, respectively, mainly as a result of foreign exchange gains/losses on translation of USD denominated receivables and cash and cash equivalents in entities whose functional currency is RMB.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

於二零一九年十二月三十一日，倘在所有其他變量不變的情況下美元兌歐元升值／貶值5%，則除稅後溢利及權益總額將分別減少／增加約38,000美元(二零一八年：87,000美元)，主要是由於以歐元計值的應收款項、現金及現金等價物以及應付款項的換算產生的外匯虧損／收益。

(ii) 現金流量及公平值利率風險

由於除銀行存款(其詳情已披露於附註22至23)外，本集團並無重大按浮動利率計息的資產及負債，故本集團的收入及經營現金流量在很大程度上獨立於市場利率的變動。銀行借款按固定利率計息，產生的利率風險被視為並不重大。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

As at 31 December 2019, if USD had strengthened/weakened by 5% against EUR with all other variables held constant, the post-tax profit and total equity would have been approximately USD38,000 (2018: USD87,000) lower/higher, respectively, mainly as a result of foreign exchange losses/gains on translation of Euro denominated receivables, cash and cash equivalents and payables.

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant assets and liabilities which were interest-bearing at floating rates, except for the deposits in banks, details of which have been disclosed in Notes 22 and 23. Bank borrowings are interest bearing at fixed interest rates and the resulting interest rate risk is considered to be insignificant.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 價格風險

本集團面臨的股本證券價格風險來自本集團所持投資並於綜合財務狀況表分類為透過損益按公平值入賬的金融資產 (附註21)。

本集團透過定期監控權益組合以即時解決任何組合問題而管理其價格風險。

敏感度分析乃根據對未來十二個月潛在估值波動的合理預期釐定 (附註3.3)。

(b) 信用風險

信用風險按集團基準管理。本集團的信用風險主要來自現金及現金等價物 (不包括手頭現金) 及銀行存款和貿易及其他應收款項。管理層採取政策持續監控該等信用風險敞口。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated statement of financial position as financial assets at fair value through profit or loss (Note 21).

The Group manages its price risk by regularly monitoring equity portfolio to address any portfolio issues promptly.

The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months (Note 3.3).

(b) Credit risk

Credit risk is managed on a group basis. The credit risk of the Group mainly arises from cash and cash equivalents (excluding cash on hand) and deposits with banks and trade and other receivables. Management has policies in place to monitor the exposures to these credit risks on an on-going basis.

3 財務風險管理(續)**3.1 財務風險因素(續)****(b) 信用風險(續)****(i) 風險管理**

於二零一九年及二零一八年十二月三十一日，就現金及現金等價物（不包括手頭現金）以及銀行存款而言，彼等均存入上市銀行或與其交易。本集團並未因該等訂約方過往無法履行合約責任而產生重大虧損，且管理層並不預期未來亦如此。

於二零一九年十二月三十一日，本集團三大客戶佔本集團貿易應收款項約16%（二零一八年：57%）。本集團已與該等客戶建立長期合作關係。鑒於與該等客戶的業務往來記錄及應收彼等的應收款項的收回記錄良好，管理層相信本集團應收該等客戶的尚未收回應收款項結餘本身並無重大信用風險。

3 FINANCIAL RISK MANAGEMENT**(Continued)****3.1 Financial risk factors (Continued)****(b) Credit risk (Continued)****(i) Risk management**

As at 31 December 2019 and 2018, for cash and cash equivalents (excluding cash on hand) and deposits with banks, they are all deposited or traded with listed banks. The Group has not incurred significant loss from non-performance by these parties in the past and management does not expect so in the future.

As at 31 December 2019, top 3 customers of the Group accounted for approximately 16% (2018: 57%) of the trade receivables of the Group. The Group has set up long-term cooperative relationship with these customers. In view of the history of business dealings with the customers and the sound collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivable balance due from these customers.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(i) 風險管理(續)

管理層根據過往付款記錄、逾期的長度、債務人的財務實力及是否與債務人之間存在任何爭議就貿易及其他應收款項的可收回性作出定期評估。本集團過往收取貿易及其他應收款項的經驗屬已記錄備抵範圍之內且董事認為已於綜合財務報表中就不可收回應收款項作出充足撥備。

(ii) 金融資產減值

本集團有兩類金融資產受預期信用損失模型所規限：

- 貿易應收款項；及
- 存款、票據及其他應收款項

儘管現金及現金等價物亦須遵守香港財務報告準則第9號的減值要求，但已確認的減值虧損並不重大。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

Management makes periodic assessment on the recoverability of trade and other receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the debtors. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible receivables has been made in the consolidated financial statements.

(ii) Impairment of financial assets

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

- trade receivables; and
- deposits, notes and other receivables.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產減值(續)

貿易應收款項

本集團應用香港財務報告準則第9號的簡化方法計量預期信用損失，該方法對所有貿易應收款項採用全期的預期虧損撥備。

為計量預期信用損失，貿易應收款項已根據客戶賬目性質、攤佔信用風險特點及逾期天數分類。

按個別基準計量預期信用損失

與客戶已知的財務困難有關或對收回應收款項有重大疑問的應收款項，應進行個別評估，以計提減值撥備。於二零一九年十二月三十一日，就該等個別評估的應收款項虧損撥備結餘為1,921,520美元(二零一八年：1,964,469美元)。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) *Impairment of financial assets*
(Continued)*Trade receivables*

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on the nature of customer accounts, shared credit risk characteristics and the days past due.

Measurement of expected credit loss on individual basis

Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As at 31 December 2019, the balance of loss allowance in respect of these individually assessed receivables was USD1,921,520 (2018: USD1,964,469).

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信用風險 (續)

(ii) 金融資產減值 (續)

貿易應收款項 (續)

按個別基準計量預期信用損失 (續)

下表呈列於二零一九年及二零一八年十二月三十一日的賬面總值結餘及就個別評估的貿易應收款項的虧損撥備：

		逾期 即期	逾期 1至30天	逾期 31至60天	逾期 61至90天	逾期 91至180天	逾期 180天以上	合計
		Current	1 – 30 days past due	31 – 60 days past due	61 – 90 days past due	91 – 180 days past due	Over 180 days past due	Total
		美元	美元	美元	美元	美元	美元	美元
		USD	USD	USD	USD	USD	USD	USD
二零一九年 十二月三十一日	31 December 2019							
賬面總值	Gross carrying amount –							
— 貿易應收款項	trade receivables	—	—	—	8,057	23,990	1,889,473	1,921,520
預期虧損率	Expected loss rate	100%	100%	100%	100%	100%	100%	100%
虧損撥備	Loss allowance	—	—	—	(8,057)	(23,990)	(1,889,473)	(1,921,520)
二零一八年 十二月三十一日	31 December 2018							
賬面總值	Gross carrying amount –							
— 貿易應收款項	trade receivables	392,239	—	51,354	51,354	154,063	1,315,459	1,964,469
預期虧損率	Expected loss rate	100%	100%	100%	100%	100%	100%	100%
虧損撥備	Loss allowance	(392,239)	—	(51,354)	(51,354)	(154,063)	(1,315,459)	(1,964,469)

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Measurement of expected credit loss on individual basis (Continued)

The following table presents the balances of gross carrying amount and the loss allowance in respect of the individually assessed trade receivables as at 31 December 2019 and 2018:

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產減值(續)

貿易應收款項(續)

按共同基準計量預期信用損失

預期信用損失亦通過按共同信用風險特徵對剩餘應收款項進行分組，及對收回的可能性進行共同評估來估計（經計及客戶性質、其地理位置及其賬齡類別），並將預期信用虧損率應用至各應收款項賬面總值。

預期信用損失乃根據歷史信用虧損釐定，並經過調整以反映影響客戶結算應收款項能力的宏觀經濟因素等的當前及前瞻性信息。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Measurement of expected credit loss on collective basis

Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying the expected credit loss rates to the respective gross carrying amounts of the receivables.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信用風險 (續)

(ii) 金融資產減值 (續)

貿易應收款項 (續)

按共同基準計量預期信用損失 (續)

下表呈列於二零一九年及二零一八年十二月三十一日的賬面總值結餘及就共同評估的貿易應收款項的虧損撥備：

		逾期	逾期	逾期	逾期	逾期		
		即期	1至30天	31至60天	61至90天	91至180天	180天以上	合計
			1 – 30 days	31 – 60 days	61 – 90 days	91 – 180 days	Over 180 days	
		Current	past due	past due	past due	past due	past due	Total
		美元	美元	美元	美元	美元	美元	美元
		USD	USD	USD	USD	USD	USD	USD
二零一九年	31 December 2019							
十二月三十一日								
賬面總值－	Gross carrying amount－							
貿易應收款項	trade receivables	4,639,760	973,591	772,082	314,088	548,806	88,390	7,336,717
預期虧損率	Expected loss rate	0.42%	0.42%	0.51%	0.52%	0.54%	0.68%	0.44%
虧損撥備	Loss allowance	(19,377)	(4,043)	(3,957)	(1,639)	(2,966)	(605)	(32,587)
二零一八年	31 December 2018							
十二月三十一日								
賬面總值－	Gross carrying amount－							
貿易應收款項	trade receivables	4,531,122	3,604,930	618,670	143,272	1,256,936	1,376,145	11,531,075
預期虧損率	Expected loss rate	0.04%	0.04%	0.15%	0.30%	0.38%	0.56%	0.15%
虧損撥備	Loss allowance	(1,760)	(1,338)	(901)	(430)	(4,804)	(7,739)	(16,972)

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Measurement of expected credit loss on collective basis (Continued)

The following table presents the balances of gross carrying amount and the loss allowance in respect of the collectively assessed trade receivables as at 31 December 2019 and 2018:

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產減值(續)

貿易應收款項(續)

按共同基準計量預期信用損失(續)

貿易應收款項的減值虧損乃以綜合收益表內「金融資產之減值淨虧損」列賬。其後收回過往撇銷款項乃抵銷相同項目。

存款、票據及其他應收款項

管理層認為其信用風險自初步確認後並未因參考對方歷史違約率及當前財務狀況而大幅增加。按12個月預期信用損失釐定的減值撥備為零。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Measurement of expected credit loss on collective basis (Continued)

Impairment losses on trade receivables are presented as “net impairment losses on financial assets” in the consolidated income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

Deposits, notes and other receivables

Management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit loss which is zero.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

審慎的流動資金風險管理意味著維持充足的現金及銀行結餘、可獲得來自主要銀行充足承諾信貸額的資金及使市場倉盤平倉的能力。本集團旨在透過留存充足銀行結餘、可用承諾信貸額度及計息借款維持資金靈活度，以令本集團能於可見未來持續經營業務。

下表為根據綜合財務狀況表日期至合約到期日的尚餘期限將本集團的非衍生金融負債分配至有關到期組別的分析。表中所披露金額為合約未貼現現金流量及本集團須付款的最早日期。由於貼現影響並不重大，故於12個月內的結餘與其賬面結餘相等。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and bank balances, the availability of funding from an adequate amount of committed credit facilities from leading banks and the ability to close out market position. The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest bearing borrowings which enable the Group to continue its business for the foreseeable future.

The table below analyses the non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table were the contractual undiscounted cash flows and the earliest date the Group can be required to pay. Balance within 12 months equal their carrying balances as impact at discounting is not significant.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

		1年以內 Within 1 year 美元 USD	1至2年 Between 1 and 2 years 美元 USD	合計 Total 美元 USD
於二零一九年 十二月三十一日	As at 31 December 2019			
貿易應付款項及 應付票據	Trade and bills payables	9,220,640	—	9,220,640
應計費用及 其他應付款項	Accruals and other payables	4,714,754	—	4,714,754
租賃負債	Lease liabilities	488,044	678,719	1,166,763
		14,423,438	678,719	15,102,157
於二零一八年 十二月三十一日	As at 31 December 2018			
貿易應付款項及 應付票據	Trade and bills payables	4,089,422	—	4,089,422
應計費用及 其他應付款項	Accruals and other payables	2,369,824	1,507,404	3,877,228
銀行借款及借款利息	Bank borrowings and interest thereon	5,523,825	—	5,523,825
		11,983,071	1,507,404	13,490,475

3.2 資本管理

本集團資本管理的主要目標是保障本集團的持續經營能力，並維持穩健的資本比率以支持其業務並使股東的價值最大化。

本集團積極定期檢討及管理其資本架構，力求達到最佳的資本架構及股東回報；過程中，本集團考慮的因素計有：本集團日後的資本需求與資本效率、當前及預期的盈利能力、預期營運現金流量、預期資本開支及預期策略投資機會等。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

		1年以內 Within 1 year 美元 USD	1至2年 Between 1 and 2 years 美元 USD	合計 Total 美元 USD
於二零一九年 十二月三十一日	As at 31 December 2019			
貿易應付款項及 應付票據	Trade and bills payables	9,220,640	—	9,220,640
應計費用及 其他應付款項	Accruals and other payables	4,714,754	—	4,714,754
租賃負債	Lease liabilities	488,044	678,719	1,166,763
		14,423,438	678,719	15,102,157
於二零一八年 十二月三十一日	As at 31 December 2018			
貿易應付款項及 應付票據	Trade and bills payables	4,089,422	—	4,089,422
應計費用及 其他應付款項	Accruals and other payables	2,369,824	1,507,404	3,877,228
銀行借款及借款利息	Bank borrowings and interest thereon	5,523,825	—	5,523,825
		11,983,071	1,507,404	13,490,475

3.2 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理(續)

3.2 資本管理(續)

為維持或調整資本結構，本集團可能調整派付予股東的股息金額、向股東退還資金、發行新股份或出售資產。

與業內其他公司一樣，本集團利用負債比率監察資本。該比率按照債務淨額除以權益總額計算。債務淨額為銀行借款及租賃負債總額減去短期銀行存款、受限制銀行存款以及現金及現金等價物。

本集團於二零一九年及二零一八年十二月三十一日處於淨現金狀況。

3.3 公平值估計

下表以計量公平值所使用估值方法的輸入數據級別分析本集團於二零一九年及二零一八年十二月三十一日按公平值列賬的金融工具。該等輸入數據乃分類為公平值等級內的以下三個級別：

- 相同資產或負債在活躍市場之報價(未經調整)(第1級)。
- 第1級所包括報價以外之輸入數據，有關輸入數據為資產或負債可從觀察中直接(即價格)或間接(即源自價格)得出(第2級)。
- 並非以可觀察市場數據為根據之資產或負債輸入數據(即不可觀察輸入數據)(第3級)。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.2 Capital management (Continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total equity. Net debt is calculated as total bank borrowings and lease liabilities less short-term bank deposits, restricted bank deposits and cash and cash equivalents.

The Group was in a net cash position as at 31 December 2019 and 2018.

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2019 and 2018 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

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

3 財務風險管理(續)

3.3 公平值估計(續)

		第一級 Level 1 美元 USD	第二級 Level 2 美元 USD	第三級 Level 3 美元 USD	合計 Total 美元 USD
於二零一九年 十二月三十一日	As at 31 December 2019				
資產	Assets				
透過損益按公平值 入賬的金融資產	Financial assets at fair value through profit or loss	—	—	14,596,569	14,596,569
於二零一八年 十二月三十一日	As at 31 December 2018				
資產	Assets				
透過損益按公平值 入賬的金融資產	Financial assets at fair value through profit or loss	—	—	18,246,807	18,246,807
於二零一九年 十二月三十一日	As at 31 December 2019				
負債	Liability				
應付或然代價	Contingent consideration payable	—	—	—	—
於二零一八年 十二月三十一日	As at 31 December 2018				
負債	Liability				
應付或然代價	Contingent consideration payable	—	—	(1,507,404)	(1,507,404)

年內第1級、第2級與第3級之間概無轉撥(二零一八年：無)。

There were no transfers between levels 1, 2 and 3 during the year (2018: Nil).

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理(續)

3.3 公平值估計(續)

(a) 第3級的金融工具

並無於活躍市場買賣的金融工具的公平值乃使用估值方法釐定。該等估計方法最大限度地使用可得的可觀察市場數據及盡可能避免依賴實體的具體估計。倘一項或多項重大輸入數據並非基於可觀察市場數據，則工具被納入第3級。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.3 Fair value estimation (Continued)

(a) Financial instruments in level 3

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理(續)

3.3 公平值估計(續)

(a) 第3級的金融工具(續)

下表呈列第3級工具於截至二零一九年及二零一八年十二月三十一日止年度的變動。

		透過損益 按公平值入賬 的金融資產 Financial assets at fair value through profit or loss 美元 USD	應付或然代價 (附註(ii)) Contingent consideration payable (Note (ii)) 美元 USD
於二零一八年一月一日 的年初結餘	Opening balance at 1 January 2018	3,808,986	—
年內添置	Additions for the year	11,966,085	(1,507,404)
於綜合收益表確認 的收益淨額	Net gains recognised in the consolidated income statement	2,821,523	—
貨幣匯兌差額	Currency translation difference	(349,787)	—
於二零一八年 十二月三十一日的年末結餘	Closing balance at 31 December 2018	18,246,807	(1,507,404)
年內添置	Additions for the year	1,466,964	—
於綜合收益表確認的 (虧損)/收益淨額	Net (losses)/gains recognised in the consolidated income statement	(5,036,482)	1,507,404
貨幣匯兌差額	Currency translation difference	(80,720)	—
於二零一九年十二月三十一日 的年末結餘	Closing balance at 31 December 2019	14,596,569	—
於年末所持有資產計入 綜合收益表「其他收益， 淨額」項下的年內 (虧損)/收益總額	Total (losses)/gains for the year included in the consolidated income statement for assets held at the end of the year, under "other gains, net"	(5,036,482)	1,507,404
於年末計入綜合收益表的 年內未變現淨(虧損)/ 收益的變動，淨額	Changes in net unrealised (losses)/ gains, net for the year included in the consolidated income statement at the end of the year	(5,036,482)	1,507,404

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial instruments in level 3 (Continued)

The following table presents the changes in level 3 instruments for the years ended 31 December 2019 and 2018.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理(續)

3.3 公平值估計(續)

(a) 第3級金融工具(續)

附註：

- (i) 有關收購S2C Tech Inc. (本公司附屬公司) 及其附屬公司(統稱為「S2C集團」) 應付或然代價的公平值採用收入法進行估計，其考慮S2C集團達成財務業績目標的可能性。計算中的主要不可觀察假設為達成業績目標的可能性為85%。由於未有達成財務業績目標，應付或然代價於二零一九年十二月三十一日取消確認，於是帶來公平值收益淨額1,507,404美元。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.3 Fair value estimation (Continued)

(a) Financial instruments in level 3 (Continued)

Note:

- (i) The fair value of contingent consideration payable as at 31 December 2018 related to the acquisition of S2C Tech Inc. (a subsidiary of the Company) and its subsidiaries (collectively "S2C Group") was estimated by applying income approach which considered the probability that S2C Group could achieve the financial performance target. The key unobservable assumption in the calculation was the 85% probability to achieve the performance target. The contingent consideration payable was derecognised as at 31 December 2019 as the financial performance target have not been met, resulting in a net fair value gain of USD1,507,404.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理(續)

3.3 公平值估計(續)

(a) 第3級的金融工具(續)

惟上文附註(i)所披露的應付或然代價計量除外，下表概述有關於第3級公平值計量的重大不可觀察輸入數據的量化資料：

類型	於二零一九年 十二月三十一日 的公平值 Fair value at 31 December 2019 美元 USD	估值技術 Valuation technique	不可觀察輸入數據 Unobservable input	不可觀察輸入 數據範圍 Range of unobservable input
於二零一七年五月收購的非上市股本證券 Unlisted equity security acquired in May 2017	–	資產淨值(附註(i)) Net asset value (Note (i))	不適用 N/A	不適用 N/A
非上市基金 Unlisted fund	814,534	資產淨值(附註(i)) Net asset value (Note (i))	不適用 N/A	不適用 N/A
於二零一八年二月收購的非上市股本證券 Unlisted equity security acquired in February 2018	2,866,890	貼現現金流量 ([貼現現金流量]) (附註(ii)) Discounted cash flow ("DCF") (Note (ii))	稅前貼現率 Pre-tax discount rate 複合年度增長率 Compound annual growth rate 最終增長率 Terminal growth rate	14% 15% 3%

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial instruments in level 3 (Continued)

Except for the measurement of the contingent consideration payable which is disclosed in Note (i) above, the following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理 (續)

3.3 公平值估計 (續)

(a) 第3級的金融工具 (續)

類型	於二零一九年 十二月三十一日 的公平值 Fair value at 31 December 2019 美元 USD	估值技術 Valuation technique	不可觀察輸入數據 Unobservable input	不可觀察輸入 數據範圍 Range of unobservable input
於二零一九年六月收購的非上市股本證券 Unlisted equity security acquired in June 2019	2,063,938	貼現現金流量 (附註(ii)) DCF (Note (iii))	稅前貼現率 Pre-tax discount rate 複合年度增長率 Compound annual growth rate 最終增長率 Terminal growth rate	20% 81% 3%
於二零一八年十一月收購的非上市股本證券 Unlisted equity security acquired in November 2018	7,417,762	參閱近期可比較 公平交易 (附註(iv)) Reference to comparable recent arm's length transactions (Note (iv))	不適用 N/A	不適用 N/A
於二零一九年五月收購的非上市股本證券 Unlisted equity security acquired in May 2019	1,433,445	貼現現金流量 (附註 (v)) DCF (Note (v))	稅前貼現率 Pre-tax discount rate 複合年度增長率 Compound annual growth rate 最終增長率 Terminal growth rate	20% 77% 3%
	14,596,569			

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.3 Fair value estimation (Continued)

(a) Financial instruments in level 3 (Continued)

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理(續)

3.3 公平值估計(續)

(a) 第3級的金融工具(續)

附註：

- (i) 本集團認為，於報告期末，報告資產淨值與非上市基金投資及於二零一七年五月收購的非上市股本證券的公平值相若。
- (ii) 倘若貼現率向下調1%(二零一八年：無)，稅後溢利將增加約109,000美元(二零一八年：無)。稅前貼現率愈高，則公平值愈低及稅後溢利愈低。倘若收益的複合年度增長率向下調1%(二零一八年：無)，稅後溢利將下降約40,000美元(二零一八年：無)。收益的複合年度增長率愈高，則公平值愈高及稅後溢利愈高。
- (iii) 倘若貼現率向下調1%(二零一八年：1%)，稅後溢利將增加約367,000美元(二零一八年：稅後虧損減少326,000美元)。稅後貼現率愈高，則公平值愈低及稅後溢利愈低。倘若收益的複合年度增長率向下調1%(二零一八年：3%)，稅後溢利將減少約178,000美元(二零一八年：稅後虧損增加1,548,000美元)。收益的複合年度增長率愈高，則公平值愈高及稅後溢利愈高。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial instruments in level 3 (Continued)

Note:

- (i) The Group has determined that the reported net asset value approximates fair value of the unlisted fund investment and the unlisted equity security acquired in May 2017 at the end of the reporting period.
- (ii) If the discount rate shifted downward by 1% (2018: Nil), the post-tax profit would be approximately USD109,000 higher (2018: Nil). The higher the pre-tax discount rate the lower the fair value and the lower post-tax profit. If the compound annual growth rate in revenue shifted downward by 1% (2018: Nil), the post-tax profit would be approximately USD40,000 lower (2018: Nil). The higher the compound annual growth rate in revenue, the higher the fair value and the higher post-tax profit.
- (iii) If the discount rate shifted downward by 1% (2018: 1%), the post-tax profit would be approximately USD367,000 higher (2018: post-tax loss USD326,000 lower). The higher the pre-tax discount rate the lower the fair value and the lower post-tax profit. If the compound annual growth rate in revenue shifted downward by 1% (2018: 3%), the post-tax profit would be approximately USD178,000 lower (2018: post-tax loss USD1,548,000 higher). The higher the compound annual growth rate in revenue, the higher the fair value and the higher post-tax profit.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理 (續)

3.3 公平值估計 (續)

(a) 第3級的金融工具 (續)

附註：(續)

(iv) 本集團認為，於報告期末，近期可比較公平交易的價格與非上市股本證券的公平值相若。

(v) 倘若貼現率向下調1% (二零一八年：無)，稅後溢利將增加約119,000美元 (二零一八年：無)。稅前貼現率愈高，則公平值愈低及稅後溢利愈低。倘若收益的複合年度增長率向下調1% (二零一八年：無)，稅後溢利將下降約34,000美元 (二零一八年：無)。收益的複合年度增長率愈高，則公平值愈高及稅後溢利愈高。

(b) 按攤銷成本計量的金融資產及負債之公平值

本集團流動金融資產 (包括貿易及其他應收款項、現金及現金等價物、受限制銀行存款) 及流動金融負債 (包括貿易及其他應付款項及銀行借款) 的賬面值由於期限較短而與其公平值相若。非即期其他應收款項及其他應付款項的賬面值與其基於貼現現金流量估計的公平值相若。

3 FINANCIAL RISK MANAGEMENT

(Continued)

3.3 Fair value estimation (Continued)

(a) Financial instruments in level 3 (Continued)

Note: (Continued)

(iv) The Group has determined that prices in comparable recent arm's length transactions approximate fair values of the unlisted equity securities at the end of the reporting period.

(v) If the discount rate shifted downward by 1% (2018: Nil), the post-tax Profit would be approximately USD119,000 higher (2018: Nil). The higher the pre-tax discount rate the lower the fair value and the lower post-tax profit. If the compound annual growth rate in revenue shifted downward by 1% (2018: Nil), the post-tax profit would be approximately USD34,000 lower (2018: Nil). The higher the compound annual growth rate in revenue, the higher the fair value and the higher post-tax profit.

(b) Fair value of financial assets and liabilities measured at amortised costs

The carrying amounts of the Group's current financial assets, including trade and other receivables, cash and cash equivalents, restricted bank deposit, and current financial liabilities, including trade and other payables and bank borrowings approximate their fair values due to their short maturities. The carrying amounts of non-current other receivables and other payables approximate their fair values which are estimated based on the discounted cash flows.

3 財務風險管理(續)

3.4 抵銷金融資產及金融負債

本集團概無金融資產及金融負債須受抵銷、可執行總抵銷安排及類似協議的規限。

4 主要會計估計及判斷

本集團基於過往經驗及其他因素(包括有關情況下被視為合理的對未來事件的預測)對估計及判斷進行持續評估。本集團對未來作出估計及假設。顧名思義，就此而作出的會計估計很少會與有關實際結果相符。有關下一個財政年度會對資產及負債的賬面值造成重大調整風險的估計及假設討論如下。

4.1 物業、廠房及設備的可使用年限

管理層釐定本集團物業、廠房及設備的估計可使用年限。倘可使用年限與先前估計存在差異，管理層將更改折舊費用，或撤銷或撇減已廢棄的技術性陳舊或非策略性資產。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Offsetting financial assets and financial liabilities

The Group have no financial assets and financial liabilities, which is subject to offsetting, enforceable master netting arrangements and similar agreements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Useful lives of property, plant and equipment

Management determines the estimated useful lives of the Group's property, plant and equipment. Management will revise the depreciation charge where useful lives are different from previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

4 主要會計估計及判斷(續)

4.2 存貨的可變現淨值

存貨的可變現淨值乃按其於日常業務過程中的估計售價，減估計完成的成本及銷售開支。該等估計乃基於目前市場狀況及銷售同類產品的過往經驗。其可能會因客戶偏好變化及競爭對手為應對嚴峻行業形勢而採取的行動出現重大變化。管理層於各報告日期重新評估該等估計。

4.3 貿易及其他應收款項減值撥備

貿易及其他應收款項之虧損撥備乃基於對違約風險及預期虧損率的假設而作出。基於本集團的過往記錄、現有市場狀況以及前瞻性估計，本集團於各報告期末作出該等假設及選擇計算減值之輸入數據時會作出判斷。有關所使用的主要假設及輸入數據的詳情披露於附註3.1(b)中的表格。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each reporting date.

4.3 Provision for impairment of trade and other receivables

The loss allowance for trade and other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b).

4 主要會計估計及判斷(續)**4.4 所得稅及遞延所得稅**

本集團在多個司法權區繳納所得稅。在確定全球所得稅的撥備時，須作出重大判斷。許多交易及計算在日常業務過程中難以明確釐定最終稅務。本集團根據對是否需要繳納額外稅項的估計，就預測的稅務審核事宜確認負債。當該等事項的最終稅項結果與初始記錄的數額有出入時，有關差額將影響有關釐定期間所得稅及遞延稅項撥備。

當管理層認為很可能有未來應課稅溢利可用以抵銷暫時差額或稅務虧損時，則會確認有關若干暫時差額及稅務虧損的遞延稅項資產。遞延所得稅按於報告日期之前已制定或實質上制定的稅率（及稅法）釐定，並預期於變現相關遞延所得稅資產或清償遞延所得稅負債時應用。倘預期有別於原估計，則該等差異將於相關估計已變更之期間影響遞延稅項資產及遞延稅項負債的確認。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)**4.4 Income taxes and deferred income tax**

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be required. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

4 主要會計估計及判斷(續)

4.5 估計商譽減值

本集團根據附註2.9及2.10所述的會計政策每年就商譽是否遭受任何減值進行測試。現金產生單位的可收回金額乃通過計算使用價值釐定。有關計算須運用估計。

4.6 透過損益按公平值入賬的金融資產公平值

市場上並無報價或活躍交易的本集團的透過損益按公平值入賬的金融資產涉及大量會計估計金額、假設及判斷。實際結果可能有別於該等估計及假設；並可能影響下一個財政年度的該等資產賬面值。就投資於並無活躍交易市場的非上市被投資公司及非上市基金而言，本集團參考被投資公司所持相關投資的公平值，如金融及市場資訊所提供資料，來估計該等投資的公平值。本集團亦採用市場參與者常用的估值方法，包括基於分佔被投資公司資產淨值、近期可比較的公平交易及貼現現金流量模型的方法。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.5 Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Notes 2.9 and 2.10. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations required the use of estimates.

4.6 Fair value of financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss of the Group that are not quoted or actively traded in the market involves significant amounts of accounting estimates, assumptions and judgements. Actual results could differ from those estimates and assumptions; and could affect the carrying amount of these assets within the next financial year. For the investments in unlisted investee companies and the investment in an unlisted fund where there are no active trade markets, the Group estimates the fair value of these investments with reference to the fair values of the underlying investments held by the investee companies, such as those provided by the financial and market information. It also employs valuation techniques commonly used by market participants including those based on share of net asset value of the investees, recent comparable arm's length transactions and discounted cash flow model.

5 分部資料

管理層根據主要營運決策人審閱的用於作出策略決策的資料釐定經營分部。主要營運決策人已被確定為本公司執行董事。

截至二零一九年十二月三十一日止年度，主要營運決策人審閱以下可報告分部的業績以評估本集團的表現：視密卡及mPOS、快速驗證系統與軟件及EDA。

視密卡及mPOS – 安全產品（視密卡及mPOS機）的開發及銷售，分別可確保安全地將數字內容分發及傳輸至電視及安全的移動支付交易。

快速驗證系統與軟件 – 基於硬件的快速驗證系統與軟件的研發及銷售。

EDA – 芯片設計全流程電子設計自動化系統的開發與應用。

截至二零一九年十二月三十一日止年度，本集團不再銷售任何區塊鏈服務器。

主要營運決策人定期檢討本集團的表現及審閱本集團的內部報告，以評估表現及分配資源。主要營運決策人根據分部業績的計量評估經營分部的表現，包括有關經營分部的經調整經營虧損。開支（如適用）乃參考各分部的收益貢獻分配至經營分部。融資收入、融資成本、分佔使用權益法入賬的投資淨虧損以及未分配的收入及開支不計入本集團主要經營決策者所審閱的各經營分部業績。

5 SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the CODM that are used to making strategic decisions. The CODM is identified as the Executive Directors of the Company.

During the year ended 31 December 2019, the CODM assessed the performance of the Group by reviewing the results of three reportable segments: CAM and mPOS, rapid verification system and software and EDA.

CAM and mPOS – development and sales of security products (CAM and mPOS devices) that enable secure distribution and delivery of digital content to television and secure mobile payment transaction respectively.

Rapid verification system and software – development and sales of rapid hardware-based verification systems and softwares.

EDA – Development and application of full process electronic design automation system for chip design.

During the year ended 31 December 2019, the Group no longer made any sales of blockchain servers.

The CODM reviews the performance of the Group on a regular basis and reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM assesses the performance of the operating segments based on a measure of segment results, including adjusted operating loss of the relevant operating segments. Expenses, where appropriate, are allocated to operating segments with reference to revenue contributions of respective segments. Finance income, finance costs, share of net loss of investments accounted for using the equity method and unallocated income and expenses are not included in the result for each operating segment that is reviewed by the Group's CODM.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 分部資料(續)

截至二零一九年十二月三十一日止年度，主要營運決策人根據使用經營分部的經調整經營溢利／(虧損)計得的分部業績評估本集團的業績表現，而截至二零一八年十二月三十一日止年度則使用經營分部的毛利計量其分部業績，此舉旨在使分部審核與重組後的內部管理及報告結構保持一致。比較期間的分部資料已予重列以符合本年度的分類。

分部資產主要包括商譽、其他無形資產、使用權益法入賬的投資、透過損益按公平值入賬的金融資產、存貨、貿易及其他應收款項及預付款項以及授予聯營公司的貸款，但不包括遞延所得稅資產、物業、廠房及設備、使用權資產、可收回所得稅、現金及現金等價物、受限制銀行存款以及公司及未分配資產。

與分部負債有關的資料並無予以披露，此乃由於該資料並非定期向主要營運決策人報告的資料。

向主要營運決策人提供的其他資料的計量方法與本文件所載的綜合財務狀況表所採用者一致。

5 SEGMENT INFORMATION (Continued)

During the year ended 31 December 2019, the CODM assessed the performance of the Group based on a measure of segment results using adjusted operating profit/(loss) of the operating segments, as opposed to the use of gross profit of the operating segments to measure segment results for the year ended 31 December 2018, in order to align the segment review with the restructured internal management and reporting structure. The segment information of comparative period has been restated to conform to the current year's categorisation.

Segment assets consist primarily of goodwill, other intangible assets, investments accounted for using the equity method, financial assets at fair value through profit or loss, inventories, trade and other receivables and prepayments and loan to an associate but exclude deferred income tax assets, property, plant and equipment, right-of-use assets, income tax recoverable, cash and cash equivalents, restricted bank deposit and corporate and unallocated assets.

Information relating to segment liabilities is not disclosed as such information is not regularly reported to the CODM.

Other information provided to the CODM is measured in a manner consistent with that as adopted for the consolidated statement of financial position contained herein.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 分部資料 (續)

5 SEGMENT INFORMATION (Continued)

		視密卡及 mPOS	區塊鏈 服務器	快速驗證 系統與軟件 Rapid verification system and software	EDA	總額
		CAM and mPOS 美元 USD	Blockchain servers 美元 USD	software 美元 USD	EDA 美元 USD	Total 美元 USD
截至二零一九年 十二月三十一日止年度	For the year ended 31 December 2019					
分部收益	Segment revenue					
外部收益	External revenue	27,989,736	—	10,109,984	—	38,099,720
分部業績	Segment results	4,818,591	—	21,814,071	(3,667,790)	22,964,872
截至二零一八年 十二月三十一日止年度	For the year ended 31 December 2018					
分部收益	Segment revenue					
外部收益	External revenue	30,877,174	9,648,836	792,568	—	41,318,578
分部業績 (經重列)	Segment results (as restated)	908,554	2,141,355	(54,630)	(24,988)	2,970,291

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 分部資料(續)

5 SEGMENT INFORMATION (Continued)

		視密卡及 mPOS	區塊鏈 服務器	快速驗證 系統與軟件 Rapid verification system and software	EDA	總額
		CAM and mPOS 美元 USD	Blockchain servers 美元 USD	美元 USD	EDA 美元 USD	Total 美元 USD
於二零一九年十二月三十一日	As at 31 December 2019					
分部資產	Segment assets	19,458,541	—	58,906,221	3,035,819	81,400,581
於二零一八年十二月三十一日	As at 31 December 2018					
分部資產	Segment assets	26,194,164	1,990,991	23,632,678	—	51,817,833

可報告分部業績與除所得稅前溢利／(虧損)以及可報告分部資產與總資產的對賬如下：

A reconciliation of reportable segment results to profit/(loss) before income tax and reportable segment assets to total assets is provided as follows:

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD (經重列) (as restated)
報告分部業績	Reporting segment results	22,964,872	2,970,291
公司及未分配開支，淨額	Corporate and unallocated expenses, net	(11,660,446)	(4,397,814)
經營溢利／(虧損)	Operating profit/(loss)	11,304,426	(1,427,523)
融資收入，淨額	Finance income, net	583,727	1,149,740
分佔使用權益法入賬的 投資淨虧損	Share of net loss of investments accounted for using the equity method	(266,833)	—
除所得稅前溢利／(虧損)	Profit/(loss) before income tax	11,621,320	(277,783)

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 分部資料(續)

5 SEGMENT INFORMATION (Continued)

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
可報告分部資產	Reportable segment assets	81,400,581	51,817,833
遞延所得稅資產	Deferred income tax assets	3,218,233	2,770,689
物業、廠房及設備	Property, plant and equipment	3,152,061	1,735,894
使用權資產	Right-of-use assets	1,041,791	—
可收回所得稅	Income tax recoverable	116,543	138,006
現金及現金等價物	Cash and cash equivalents	70,902,673	54,962,324
受限制銀行存款	Restricted bank deposit	519,266	5,000,000
公司及未分配資產	Corporate and unallocated assets	17,117,789	24,493,965
綜合財務狀況表的 總資產	Total assets per consolidated statement of financial position	177,468,937	140,918,711

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 收益、其他收入及其他收益，淨額

年內確認的收益、其他收入及其他收益，淨額如下：

6 REVENUE, OTHER INCOME AND OTHER GAINS, NET

Revenue, other income and other gains, net recognised during the year is as follows:

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
收益	Revenue		
視密卡	CAM	24,572,461	23,078,007
mPOS機	mPOS devices	3,417,275	7,799,167
區塊鏈服務器	Blockchain servers	—	9,648,836
快速驗證系統與軟件	Rapid verification system and software	10,109,984	792,568
產品銷售總額	Total sales of goods	38,099,720	41,318,578
收益確認時間 在某一時點確認	Timing of revenue recognition At a point in time	38,099,720	41,318,578
其他收入	Other income		
政府補助	Government grants	2,385,038	862,539
其他	Others	37,754	150,807
		2,422,792	1,013,346
其他收益，淨額	Other gains, net		
匯兌收益淨額	Exchange gains, net	193,012	1,145,868
應付或然代價的 公平值收益	Fair value gain on contingent consideration payable	1,507,404	—
視作出售附屬公司的收益 (附註33(d))	Gain on deemed disposal of subsidiaries (Note 33(d))	22,777,730	—
透過損益按公平值入賬的 金融資產的公平值 (虧損)/收益淨額	Net fair value (losses)/gains on financial assets at fair value through profit or loss	(5,036,482)	2,821,523
		19,441,664	3,967,391

7 按性質劃分的開支

計入開支的「銷售成本」、「研發開支」、「銷售及分銷開支」、「一般及行政開支」及「金融資產之減值淨虧損」分析如下：

7 EXPENSES BY NATURE

Expenses included “cost of sales”, “research and development expenses”, “selling and distribution expenses”, “general and administrative expenses” and “net impairment losses on financial assets” are analysed as follows:

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
核數師酬金	Auditors' remuneration		
— 核數服務	— Audit services	506,502	456,643
— 非核數服務	— Non-audit services	87,752	697,098
售出存貨成本	Cost of inventories sold	19,003,767	25,576,930
僱員福利開支(包括董事酬金) (附註8)	Employee benefits expenses (including directors' emoluments) (Note 8)	15,527,697	11,590,023
短期租賃相關開支(附註16)	Expenses relating to short-term leases (Note 16)	2,112,154	—
差旅及招待開支	Travelling and entertainment expenses	1,785,182	1,364,904
法律及專業費用	Legal and professional fees	1,738,020	834,354
存貨減值撥備／(撥備撥回)	Provision for/(reversal of provision for) impairment of inventories	1,163,024	(320,473)
特許權使用費	Royalty expenses	1,062,981	1,120,648
辦公室用品及公用設施	Office supplies and utilities	1,002,002	768,156
物業、廠房及設備折舊 (附註15)	Depreciation of property, plant and equipment (Note 15)	591,348	685,213
其他無形資產攤銷(附註17)	Amortisation of other intangible assets (Note 17)	463,039	186,704
使用權資產折舊(附註16)	Depreciation of right-of-use assets (Note 16)	369,743	—
廣告成本	Advertising costs	367,269	527,330
其他稅項	Other taxes	221,861	313,014
貨運費	Freight charges	144,326	94,223
出售物業、廠房 及設備虧損	Loss on disposals of property, plant and equipment	53,591	34,295
貿易應收款項減值撥備 (附註20)	Provision for impairment of trade receivables (Note 20)	19,971	759,318
先前根據香港會計準則第17號 劃分為經營租賃的租約的 租賃付款	Lease payments for leases previously classified as operating leases under HKAS 17	—	1,296,199
其他	Others	2,439,521	1,742,259
銷售成本、研發開支、銷售及 分銷開支、一般及行政開支 及金融資產之減值淨虧損總額	Total cost of sales, research and development expenses, selling and distribution expenses, general and administrative expenses and net impairment losses on financial assets	48,659,750	47,726,838

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 僱員福利開支(包括董事酬金)

8 EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
工資、薪金及其他津貼	Wages, salaries and other allowances	10,674,685	8,649,200
酌情花紅	Discretionary bonuses	3,278,506	1,815,138
以股份為基礎的薪酬	Share-based compensation	39,742	187
退休福利－界定供款計劃	Retirement benefit – defined contribution plans	1,534,764	1,125,498
		15,527,697	11,590,023

(a) 退休福利－界定供款計劃

本公司於中國的附屬公司為中國政府所推行國家管理退休福利計劃的成員。本集團按附屬公司僱員薪金若干百分比作出供款，而除年度供款外，並無實際支付退休金或退休後福利的進一步責任。國家管理的退休計劃負責向退休僱員支付所有退休金。

(a) Retirement benefit – defined contribution plans

The Company's subsidiaries in the PRC are members of the state-managed retirement benefits scheme operated by the PRC government. The Group contributes a certain percentage of the salaries of the subsidiaries' employees, and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-managed retirement plans are responsible for the entire pension obligations payable to the retired employees.

8 僱員福利開支(包括董事酬金)(續)

(a) 退休福利 – 界定供款計劃(續)

本集團已安排其香港僱員參加強制性公積金計劃(「強積金計劃」)，該計劃為由獨立受託人管理的界定供款計劃。根據強積金計劃，本集團及其僱員按強制性公積金法例定義的僱員收入的5%每月向計劃作出供款。本集團及僱員供款均以1,500港元(「港元」)為上限，其後作出的供款屬自願性質。

本集團於台灣的附屬公司已根據台灣「勞工退休金條例」設立界定供款計劃(「台灣計劃」)，自二零零五年七月一日起生效。本集團向由台灣勞工保險局管理的已歸屬僱員個人賬戶供款僱員月薪的6%。當僱員離開本集團時，應計退休金福利可予轉移。概無已沒收供款可供扣減日後應付供款。

概無已沒收的供款可供削減日後的應付供款。

除上述計劃供款外，本集團並無承擔重大退休後福利責任。

8 EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(a) Retirement benefit – defined contribution plans (Continued)

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions were subject to a cap of Hong Kong dollar ("HK\$") 1,500 and thereafter contributions are voluntary. No forfeited contributions are available to reduce contributions payable in the future.

The Group's subsidiary in Taiwan has established a defined contribution plan ("Taiwan Plan") under the new "Labor Pension Act" of Taiwan with effect from 1 July 2005. The Group contributes 6% of the employees' monthly salaries to the vested employees' individual accounts, which are administered by the Labor Insurance Bureau of Taiwan. The accrued pension benefits are portable when the employees leave the Group. No forfeited contributions are available to reduce contributions payable in the future.

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

The Group has no material obligation for post-retirement benefits beyond contributions to the above schemes.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 僱員福利開支(包括董事酬金)(續)

(b) 五名最高薪人士

年內，本集團五名最高薪人士包括其酬金反映於附註40所列分析的三名(二零一八年：三名)董事。於年內應付予餘下兩名(二零一八年：兩名)人士的酬金如下：

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
基本工資、津貼及實物福利	Basic salaries, allowances and benefits in kind	153,298	156,033
酌情花紅	Discretionary bonuses	38,906	23,865
退休福利－界定供款計劃	Retirement benefit- defined contribution plan	17,193	20,972
		209,397	200,870

概無吸納費或離職補償支付或應付予任何該等人士(二零一八年：無)。

8 EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2018: three) directors whose emolument is reflected in the analysis shown in Note 40. The emoluments payable to the remaining two (2018: two) individuals during the year are as follows:

No inducement fee nor compensation for loss of office has paid to or receivable by any of these individuals (2018: Nil).

8 僱員福利開支(包括董事酬金)(續)

(b) 五名最高薪人士(續)

酬金的範圍如下：

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019	二零一八年 2018
酬金範圍	Emolument bands		
零至1,000,000港元 (相當於零至128,406美元)	Nil to HK\$1,000,000 (equivalent to Nil to USD128,406)	2	2
1,000,001港元至1,500,000 港元(相當於128,407美元 至192,609美元)	HK\$1,000,001 to HK\$1,500,000 (equivalent to USD128,407 to USD192,609)	—	—
1,500,001港元至2,000,000 港元(相當於192,616美元 至256,812美元)	HK\$1,500,001 to HK\$2,000,000 (equivalent to USD192,616 to USD256,812)	—	—
		2	2

8 EMPLOYEE BENEFITS EXPENSES
(INCLUDING DIRECTORS'
EMOLUMENTS) (Continued)

(b) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 融資收入，淨額

9 FINANCE INCOME, NET

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
融資收入	Finance income		
銀行存款的利息收入	Interest income on bank deposits	762,568	1,079,527
非流動貿易應收款項增加利息	Interest accretion on non-current trade receivables	—	32,534
其他	Others	—	49,487
融資收入	Finance income	762,568	1,161,548
融資成本	Finance cost		
租賃負債的利息開支(附註16)	Interest expense on lease liabilities (Note 16)	(44,526)	—
銀行借款的利息開支	Interest expense on bank borrowings	(134,315)	(11,808)
融資成本	Finance cost	(178,841)	(11,808)
融資收入，淨額	Finance income, net	583,727	1,149,740

10 使用權益法入賬的投資

以下為本集團於二零一九年十二月三十一日的聯營公司，按董事的意見為對本集團屬重大者。下列名單實體之股本只有普通股，而擁有權權益比例為本集團直接持有。公司註冊成立或註冊國家也是其主要營業地點。擁有權權益比例等於所持投票權比例。聯營公司的英文名稱直接從中文名稱翻譯。

10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Set out below are the associates of the Group as at 31 December 2019 which, in the opinion of the Directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The English names of the associates are directly translated from their Chinese names.

實體名稱	業務地點／註冊成立國家	擁有權權益百分比		計量方法	主要業務	賬面值
Name of entity	Place of business/ country of incorporation	% of ownership interest		Measurement method	Principal activities	Carrying amount
		二零一九年 2019 %	二零一八年 2018 %			美元 USD
上海清歌數字科技有限公司 (「上海清歌」)(附註(i))	中國	34.94%	—	權益法	研發及 銷售智能門鎖	520,559 (二零一八年：無)
Shanghai Qingge Digital Technology Co., Ltd. ("Shanghai Qingge") (Note (i))	The PRC		—	Equity method	Research and development and sales of smart door lock	(2018: Nil)
思爾芯(上海)信息科技有限公司 (「思爾芯上海」)(附註(ii))	中國	49.19%	—	權益法	研發及銷售快速驗證 系統與軟件	42,999,190 (二零一八年：無)
S2C Shanghai Co., Ltd. ("S2C Shanghai") (Note (ii))	The PRC		—	Equity method	Research and development and sales of rapid verification system and software	(2018: Nil)
使用權益法入賬的投資總額 Total investments accounted for using the equity method						43,519,749

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 使用權益法入賬的投資 (續)

附註：

- (i) 於二零一九年五月九日，國微集團（深圳）有限公司（「SMIT 深圳」）以現金代價人民幣5,590,000元（相等於810,239美元）投資於上海清歌的34.94%股權。因此，SMIT深圳於該項投資取得重大影響力，而該項投資歸類為本集團的聯營公司。
- (ii) 於二零一九年十二月二十七日，本集團與若干獨立投資者訂立注資協議，該等獨立投資者同意向本公司間接持有附屬公司思爾芯上海注資合共人民幣309,821,000元（相等於約44,411,000美元）。於二零一九年十二月三十一日完成交易時，本集團於思爾芯上海的股權由100%下降至49.19%，並失去控制權。同日，本集團於思爾芯上海的保留權益以其公平值重新計量，而就隨後為該作為聯營公司（因為本集團對思爾芯上海有重大影響力）的保留權益的入賬而言，該公平值為初步的賬面值。

10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Note:

- (i) On 9 May 2019, Shenzhen State Micro Technology Co., Ltd. ("SMIT Shenzhen") invested in 34.94% equity interest of Shanghai Qingge for a cash consideration of RMB5,590,000 (equivalent to USD810,239). As a consequence, SMIT Shenzhen gained significant influence over this investment and the investment was classified as an associate of the Group.
- (ii) On 27 December 2019, the Group entered into a capital injection agreement with certain independent investors which agreed to contribute a total of RMB309,821,000 (equivalent to approximately USD44,411,000) into S2C Shanghai, an indirectly-held subsidiary of the Company. Upon the completion of the transaction on 31 December 2019, the Group's equity interest in S2C Shanghai decreased from 100% to 49.19% with a loss of control. On the same day, the Group's retained interest over S2C Shanghai was remeasured to its fair value, which became the initial carrying amount for the purposes of subsequently accounting for such retained interest as an associate because the Group has significant influence over S2C Shanghai.

10 使用權益法入賬的投資(續)

以下為使用權益法入賬的投資變動：

10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Set out below is the movement of investments accounted for using the equity method:

		美元 USD
於二零一八年十二月三十一日及 二零一九年一月一日	As at 31 December 2018 and 1 January 2019	—
增添上海清歌	Addition of Shanghai Qingge	810,239
增添思爾芯上海(附註33(d))	Addition of S2C Shanghai (Note 33(d))	42,999,190
所佔虧損淨額	Share of net loss	(266,833)
貨幣換算差額	Currency translation difference	(22,847)
於二零一九年十二月三十一日	As at 31 December 2019	43,519,749

以下為上海清歌及思爾芯上海於二零一九年十二月三十一日及截至該日止年度的財務資料概要。概無比較金額，因為聯營公司為於二零一九年十二月三十一日止年度內收購。

Set out below is the summarised financial information for Shanghai Qingge and S2C Shanghai group as at and for the year ended 31 December 2019. Comparative amounts are nil as the associates are acquired during the year ended 31 December 2019.

綜合財務狀況表概要

Summarised consolidated statement of financial position

		上海清歌 Shanghai Qingge		思爾芯上海 S2C Shanghai	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD	二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
流動資產	Current assets	946,395	—	51,632,254	—
非流動資產	Non-current assets	565,284	—	10,486,731	—
流動負債	Current liabilities	(19,753)	—	(9,658,794)	—
非流動負債	Non-current liabilities	—	—	(63,287)	—
資產淨值	Net assets	1,491,926	—	52,396,904	—

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 使用權益法入賬的投資 (續)

綜合全面收益表概要

		上海清歌 Shanghai Qingge		思爾芯上海 S2C Shanghai	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD	二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
收益	Revenue	5,976	—	8,544,204	—
年內虧損	Loss for the year	(883,467)	—	(687,526)	—
其他全面虧損	Other comprehensive loss	(46,878)	—	(564,664)	—
全面虧損總額	Total comprehensive loss	(930,345)	—	(1,252,190)	—

與賬面值的對賬

		上海清歌 Shanghai Qingge		思爾芯上海 S2C Shanghai	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD	二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
於各自收購日期的 期初資產淨值	Opening net assets at respective acquisition dates	1,967,832	—	6,532,664	—
注資	Capital injection	349,858	—	44,411,140	—
期內虧損	Loss for the period	(763,745)	—	—	—
其他全面虧損	Other comprehensive loss	(63,973)	—	—	—
期末資產淨值	Closing net assets	1,489,972	—	50,943,804	—
本集團所佔百分比	Group's share in %	34.94%	—	49.19%	—
本集團所佔資產淨值 (美元)	Group's share of net assets (USD)	520,559	—	25,059,257	—
商譽	Goodwill	—	—	17,939,933	—
賬面值	Carrying amount	520,559	—	42,999,190	—

10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Summarised consolidated statement of
comprehensive income

Reconciliation to carrying amount

11 附屬公司

本集團於二零一九年十二月三十一日之主要附屬公司載列如下。除非另有所指，否則本集團所持有股本僅包括普通股及所持擁有權權益比例等於本公司持有之投票權。註冊成立或註冊國家也是其主要營業地點。

11 SUBSIDIARIES

The Group's principal subsidiaries at 31 December 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

實體名稱	註冊成立地點及 法律實體類別	主要業務	已發行及 繳足股本詳情	直接及間接擁有權
Name of entity	Place of incorporation and kind of legal entity	Principal activities	Particulars of issued and fully paid share capital	Direct and indirect ownership 二零一九年 2019 %
直接持有：				
Directly held:				
國微控股(香港)有限公司 (「國微香港」)	香港， 有限責任公司	銷售視密卡及其他安全 產品及相關材料	150,010,000港元	100 (二零一八年：100)
SMIT Holdings (HK) Limited (「SMIT HK」)	Hong Kong, limited liability company	Sales of CAM and other security products and related materials	HK\$150,010,000	100 (2018: 100)
SMIT Digital GmbH	德國，有限責任公司	銷售視密卡及mPOS機及 其他安全產品	25,000歐元	100 (二零一八年：100)
SMIT Digital GmbH	Germany, limited liability company	Sales of CAM and mPOS devices and other security products	EUR25,000	100 (2018: 100)
SMIT Systemic Limited	英屬處女群島	投資控股	1美元	100 (二零一八年：100)
SMIT Systemic Limited	British Virgin Islands	Investment holding	USD1	100 (2018: 100)
S2C Holding Corporation	英屬處女群島	投資控股	56,859美元	95.43 (二零一八年：94.97)
S2C Holding Corporation	British Virgin Islands	Investment holding	USD56,859	95.43 (2018: 94.97)
間接持有：				
Indirectly held:				
SMIT深圳	中國，有限責任公司	研發及銷售視密卡、 mPOS機及區塊鏈服務器	人民幣220,000,000元	100 (二零一八年：100)
SMIT Shenzhen	The PRC, limited liability company	Research and development and sales of CAM, mPOS devices and blockchain servers	RMB220,000,000	100 (2018: 100)

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 附屬公司 (續)

(a) 非控股權益

於二零一九年十二月三十一日，本集團非控股權益總額為1,967,240美元（二零一八年：240,480美元）。於二零一九年十二月三十一日，本集團按擁有對本集團而言屬重大的非控股權益的附屬公司的資產總值、負債總額及除所得稅前虧損的相對規模重新評估該附屬公司。

下文載列於截至二零一八年及二零一九年十二月三十一日止年度擁有重大非控股權益的S2C集團自收購完成起的未經審核財務資料概要。

綜合財務狀況表概要

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
流動資產	Current assets	10,000	3,510,137
流動負債	Current liabilities	—	(3,698,270)
流動資產／(負債)淨額	Current net assets/(liabilities)	10,000	(188,133)
非流動資產	Non-current assets	42,999,190	5,661,779
非流動負債	Non-current liabilities	—	(692,730)
非流動資產淨值	Non-current net assets	42,999,190	4,969,049
資產淨值	Net assets	43,009,190	4,780,916
累計非控股權益	Accumulated non-controlling interests	1,967,240	240,480

11 SUBSIDIARIES (Continued)

(a) Non-controlling interests

As at 31 December 2019, the total non-controlling interests of the Group was USD1,967,240 (2018: USD240,480). As at 31 December 2019, the Group re-assessed whether the subsidiary with non-controlling interests is considered material to the Group based on its relative size in terms of total assets, total liabilities and loss before income tax.

Set out below are the summarised unaudited financial information of S2C Group since completion of acquisition which has material non-controlling interests for the year ended 31 December 2018 and 2019.

Summarised consolidated statement of financial position

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 附屬公司 (續)

(a) 非控股權益 (續)

綜合全面收益表概要

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
收益	Revenue	10,710,893	792,568
期內溢利／(虧損)	Profit/(loss) for the period	37,618,721	(43,936)
其他全面收益／(虧損)	Other comprehensive income/(loss)	122,927	(29,923)
全面收益／(虧損)總額	Total comprehensive income/(loss)	37,741,648	(73,859)
分配予非控股權益的 溢利／(虧損)	Profit/(loss) allocated to non-controlling interests	1,726,303	(3,715)

綜合現金流量概要

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
經營活動所得現金流量	Cash flows from operating activities	(225,622)	(249,078)
投資活動所得現金流量	Cash flows from investing activities	(34,715)	203
融資活動所得現金流量	Cash flows from financing activities	(362,227)	333,636
現金及現金等價物增加淨額	Net increase in cash and cash equivalents	(622,564)	84,761

以上資料為集團內公司間對銷前的金額。

11 SUBSIDIARIES (Continued)

(a) Non-controlling interests (Continued)

Summarised consolidated statement of comprehensive income

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
Revenue		10,710,893	792,568
Profit/(loss) for the period		37,618,721	(43,936)
Other comprehensive income/(loss)		122,927	(29,923)
Total comprehensive income/(loss)		37,741,648	(73,859)
Profit/(loss) allocated to non-controlling interests		1,726,303	(3,715)

Summarised consolidated cash flows

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
Cash flows from operating activities		(225,622)	(249,078)
Cash flows from investing activities		(34,715)	203
Cash flows from financing activities		(362,227)	333,636
Net increase in cash and cash equivalents		(622,564)	84,761

The information above was the amount before inter-company eliminations.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 所得稅抵免

本集團的國內附屬公司SMIT深圳及本集團的國內聯營公司（二零一八年為附屬公司）思爾芯上海分別位於深圳經濟特區和上海。由於SMIT深圳及思爾芯上海均已獲中國相關主管稅務機關認可為新企業所得稅法下界定的高新技術企業，SMIT深圳及思爾芯上海均有權於二零一七年至二零一九年三年期間內享有15%的調減企業所得稅（「企業所得稅」）優惠稅率（「高新技術企業優惠稅率」）。截至二零一九年十二月三十一日止年度已就SMIT深圳及思爾芯上海的應課稅溢利採用的企業所得稅稅率為15%（二零一八年：15%）。

截至二零一九年十二月三十一日止年度，已根據年內估計應課稅溢利按16.5%（二零一八年：16.5%）的稅率計提香港利得稅撥備。境外溢利的稅項乃依照本集團經營所在國家的現有立法、詮釋及相關慣例，根據年內估計應課稅溢利，按有關國家通行的適用稅率計算所得。

12 INCOME TAX CREDIT

SMIT Shenzhen, a PRC subsidiary (2018: same) of the Group, and S2C Shanghai, a PRC associate (2018: subsidiary) of the Group, were established in the Shenzhen Special Economic Zone and Shanghai, respectively. As a result of the approval obtained from the respective in-charge tax authorities in the PRC as High/New Technology Enterprises as defined under the New Enterprise Income Tax Law, both SMIT Shenzhen and S2C Shanghai are entitled to a reduced preferential enterprise income tax ("EIT") rate at 15% ("HNTE Preferential Tax Rate") for a 3-year period from 2017 to 2019, respectively. An EIT tax rate at 15% (2018: 15%) was applied to the assessable profit of SMIT Shenzhen and S2C Shanghai for the year ended 31 December 2019.

For the year ended 31 December 2019, Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the applicable rates of taxation prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 所得稅抵免 (續)

12 INCOME TAX CREDIT (Continued)

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
即期所得稅	Current income tax		
— 即期所得稅	— Current income tax		
中國企業所得稅	PRC corporate income tax	325	—
海外稅項	Overseas tax	2,558	27,698
香港利得稅	Hong Kong profits tax	172,471	—
— 過往年度撥備不足／ (超額撥備)	— Under/(over)-provision in prior years	57,013	(551,477)
		232,367	(523,779)
遞延所得稅 (附註24)	Deferred income tax (Note 24)		
— 本年度	— Current year	(1,192,063)	(1,069,528)
— 終止確認先前已確認遞延 所得稅資產	— Derecognition of deferred income tax assets previously recognised	258,705	—
		(933,358)	(1,069,528)
所得稅抵免	Income tax credit	(700,991)	(1,593,307)

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 所得稅抵免 (續)

本集團除所得稅前溢利／(虧損)的稅項與理論值不同，理論值乃使用以下適用於本集團附屬公司溢利的國內稅率計算所得：

12 INCOME TAX CREDIT (Continued)

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the domestic tax rate applicable to profits of the Group's subsidiaries as follows:

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
除所得稅前溢利／(虧損)	Profit/(loss) before income tax	11,621,320	(277,783)
按適用於各自國家所產生溢利的 國內稅率計算的稅項	Tax calculated at domestic tax rates applicable to profits in the respective countries	2,119,627	(20,490)
毋須納稅的收入	Income not subject to tax	(4,133,639)	(884,231)
不可扣稅的開支	Expenses not deductible for tax purposes	1,147,485	363,229
所得稅優惠－超額抵扣	Income tax benefit – super deduction	(693,333)	(604,968)
並無確認遞延所得稅資產的 稅項虧損	Tax loss for which no deferred income tax asset was recognised	543,151	104,630
終止確認先前已確認遞延 所得稅資產	Derecognition of deferred income tax assets previously recognised	258,705	—
過往年度撥備不足／(超額撥備)	Under/(over)-provision in prior years	57,013	(551,477)
所得稅抵免	Income tax credit	(700,991)	(1,593,307)

截至二零一九年十二月三十一日止年度的加權平均適用稅率為18.6% (二零一八年：7.3%)。增加乃由於本公司及其附屬公司於各自國家的盈利水平變動。

The weighted average applicable tax rate for the year ended 31 December 2019 was 18.6% (2018: 7.3%). The increase is caused by a change in the profitability of the Company and its subsidiaries in the respective countries.

12 所得稅抵免 (續)

根據《中華人民共和國企業所得稅法》，於中國成立的外資企業向外國投資者宣派的股息須繳納10%的預扣稅。該規定自二零零八年一月一日起生效並適用於二零零七年十二月三十一日後賺取的盈利。倘中國與外國投資者所屬的司法權區簽署稅收協定，則可採用較低的預扣稅稅率。對於本集團而言，適用稅率為5%或10%。因此，關於自二零零八年一月一日起所產生盈利，本集團須就於中國成立的該等附屬公司所分派的股息繳納預扣稅。詳情於附註24披露。

12 INCOME TAX CREDIT (Continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding tax on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008. Details are disclosed in Note 24.

13 每股盈利**13.1 基本**

每股基本盈利按本公司擁有人應佔本集團溢利除以已發行普通股的加權平均數計算。

13 EARNINGS PER SHARE**13.1 Basic**

Basic earnings per share are calculated by dividing the profit of the Group attributable to owners of the Company by the weighted average number of ordinary shares in issue.

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019	二零一八年 2018
本公司擁有人應佔溢利 (美元)	Profit attributable to owners of the Company (USD)	10,602,142	1,317,734
已發行普通股的加權平均數	Weighted average number of ordinary shares in issue	317,657,782	309,751,596
每股基本盈利 (美元)	Basic earnings per share (USD)	0.033	0.004

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 每股盈利(續)

13.2 攤薄

每股攤薄盈利通過調整發行在外的普通股加權平均數，以假設所有可能具有攤薄效應的普通股已經轉換而計算。就購股權而言，假設購股權獲行使時應已發行的股份數目扣除可按公平值（按相關年度每股平均市價釐定）發行的股份數目，所得相同的所得款項總額為無償發行的股份數目。因而產生的無償發行股份數目計入普通股加權平均數作為分母，以計算每股攤薄盈利。

13 EARNINGS PER SHARE (Continued)

13.2 Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the respective year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019	二零一八年 2018
本公司擁有人應佔溢利(美元)	Profit attributable to owners of the Company (USD)	10,602,142	1,317,734
已發行普通股的加權平均數	Weighted average number of ordinary shares in issue	317,657,782	309,751,596
購股權調整	Adjustments for share options	786,292	8,896,373
每股攤薄盈利的經調整 普通股加權平均數	Adjusted weighted average number of ordinary shares for diluted earnings per share	318,444,074	318,647,969
每股攤薄盈利(美元)	Diluted earnings per share (USD)	0.033	0.004

14 股息

14 DIVIDENDS

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
擬派末期股息每股0.01港元 (相等於約0.001美元) (二零一八年：0.01港元 (相等於約0.001美元))	Proposed final dividend of HK\$0.01 (equivalent to approximately USD0.001 (2018: HK\$0.01 (equivalent to approximately USD0.001)) per share	410,139	405,414

截至二零一八年十二月三十一日止年度的末期股息為405,414美元(每股0.01港元(相等於約0.001美元))，已於二零一九年支付(二零一八年：802,533美元(每股0.02港元(相等於約0.003美元)))。截至二零一九年十二月三十一日止年度的末期股息為每股0.01港元(相等於約0.001美元)，股息總額為410,139美元，將於本公司即將召開的股東週年大會提呈。此建議末期股息預期將於二零二零年六月十五日派付，為股份溢價分派，故並無於二零一九年十二月三十一日的綜合財務報表中反映為應付股息。

The final dividend for the year ended 31 December 2018 amounted to USD405,414 (HK\$0.01 (equivalent to approximately USD0.001) per share) (2018: USD802,533 (HK\$0.02 (equivalent to approximately USD0.003) per share)) was paid in 2019. A final dividend in respect of the year ended 31 December 2019 of HK\$0.01 (equivalent to approximately USD0.001) per share, amounted to a total dividend of USD410,139, will be proposed at the upcoming annual general meeting of the Company. This proposed final dividend is expected to be paid on 15 June 2020, which is an appropriation from share premium and is not reflected as a dividend payable in the consolidated financial statements as at 31 December 2019.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 物業、廠房及設備

15 PROPERTY, PLANT AND EQUIPMENT

		租賃物業裝修 Leasehold improvements 美元 USD	傢具、 裝置及設備 Furniture, fixtures and equipment 美元 USD	汽車 Motor vehicles 美元 USD	合計 Total 美元 USD
於二零一七年十二月三十一日	At 31 December 2017				
成本	Cost	2,380,124	2,075,871	317,166	4,773,161
累計折舊	Accumulated depreciation	(2,013,057)	(657,085)	(96,966)	(2,767,108)
賬面淨值	Net book amount	367,067	1,418,786	220,200	2,006,053
截至二零一八年 十二月三十一日止年度	Year ended 31 December 2018				
年初賬面淨值	Opening net book amount	367,067	1,418,786	220,200	2,006,053
收購附屬公司(附註36)	Acquisition of subsidiaries (Note 36)	25,276	70,043	—	95,319
添置	Additions	241,003	174,322	—	415,325
出售	Disposals	(14,735)	(19,880)	—	(34,615)
折舊(附註7)	Depreciation (Note 7)	(245,502)	(379,125)	(60,586)	(685,213)
貨幣換算差額	Currency translation differences	(15,990)	(40,306)	(4,679)	(60,975)
年末賬面淨值	Closing net book amount	357,119	1,223,840	154,935	1,735,894
於二零一八年十二月三十一日	At 31 December 2018				
成本	Cost	2,651,553	3,134,470	327,511	6,113,534
累計折舊	Accumulated depreciation	(2,294,434)	(1,910,630)	(172,576)	(4,377,640)
賬面淨值	Net book amount	357,119	1,223,840	154,935	1,735,894
截至二零一九年 十二月三十一日止年度	Year ended 31 December 2019				
年初賬面淨值	Opening net book amount	357,119	1,223,840	154,935	1,735,894
添置	Additions	1,320,939	733,519	75,506	2,129,964
出售	Disposals	(13,216)	(38,353)	(5,299)	(56,868)
折舊(附註7)	Depreciation (Note 7)	(181,389)	(350,453)	(59,506)	(591,348)
視作出售附屬公司(附註33(d))	Deemed disposal of subsidiaries (Note 33(d))	—	(38,042)	—	(38,042)
貨幣換算差額	Currency translation differences	5,606	(32,299)	(846)	(27,539)
年末賬面淨值	Closing net book amount	1,489,059	1,498,212	164,790	3,152,061
於二零一九年十二月三十一日	At 31 December 2019				
成本	Cost	3,849,917	3,492,672	382,346	7,724,935
累計折舊	Accumulated depreciation	(2,360,858)	(1,994,460)	(217,556)	(4,572,874)
賬面淨值	Net book amount	1,489,059	1,498,212	164,790	3,152,061

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 物業、廠房及設備(續)

計入「銷售成本」、「研發開支」、「銷售及分銷開支」及「一般及行政開支」的折舊分析如下：

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
銷售成本	Cost of sales	69,606	100,749
研發開支	Research and development expenses	183,023	377,091
銷售及分銷開支	Selling and distribution expenses	23,513	24,901
一般及行政開支	General and administrative expenses	315,206	182,472
		591,348	685,213

16 租賃

(i) 於綜合財務狀況表確認的金額：

		於二零一九年 十二月三十一日 As at 31 December 2019 美元 USD	於二零一九年 一月一日 As at 1 January 2019 美元 USD
使用權資產	Right-of-use assets		
樓宇	Buildings	1,041,791	67,005
租賃負債	Lease liabilities		
流動	Current	449,178	41,836
非流動	Non-current	658,318	25,169
		1,107,496	67,005

截至二零一九年十二月三十一日止年度添置使用權資產為1,547,455美元。

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation included in “cost of sales”, “research and development expenses”, “selling and distribution expenses” and “general and administrative expenses” are analysed as follows:

16 LEASES

(i) Amounts recognised in the consolidated statement of financial position:

Additions to the right-of-use assets during the year ended 31 December 2019 were USD1,547,455.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 租賃 (續)

(ii) 於綜合全面收益表確認的金額：

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
使用權資產折舊費用 (附註7)	Depreciation charge of right-of-use assets (Note 7)		
銷售成本	Cost of sales	14,971	—
銷售及分銷開支	Selling and distribution expenses	11,227	—
一般及行政開支	General and administrative expenses	343,545	—
		369,743	—
利息開支 (計入融資成本) (附註9)	Interest expense (included in finance cost) (Note 9)	(44,526)	—
與短期租賃有關的開支 (附註7)	Expense relating to short-term leases (Note 7)	2,112,154	—

截至二零一九年十二月三十一日止年度租賃的現金流出總額為294,597美元。

The total cash outflow for leases for the year ended 31 December 2019 was USD294,597.

(iii) 本集團的租賃活動及其如何入賬

本集團租賃多項辦公室及倉庫。租務合約一般固定年期為6個月至3年。租賃條款按個別磋商，包含廣泛不同的條款及條件。除出租人持有的租賃資產之擔保權益外，租賃協議不施加任何契約。租賃資產不得用作借款擔保。

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices and warehouses. Rental contracts are typically made for fixed periods of 6 months to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 其他無形資產

17 OTHER INTANGIBLE ASSETS

		電腦軟件 Computer software 美元 USD	許可使用權 License use rights 美元 USD	合計 Total 美元 USD
於二零一七年十二月三十一日	At 31 December 2017			
成本	Cost	3,527,871	—	3,527,871
累計折舊	Accumulated depreciation	(3,441,560)	—	(3,441,560)
賬面淨值	Net book amount	86,311	—	86,311
截至二零一八年 十二月三十一日止年度	Year ended 31 December 2018			
年初賬面淨值	Opening net book amount	86,311	—	86,311
收購附屬公司(附註36)	Acquisition of subsidiaries (Note 36)	221,087	4,644,000	4,865,087
添置	Additions	280,793	—	280,793
攤銷(附註7)	Amortisation (Note 7)	(160,904)	(25,800)	(186,704)
貨幣換算差額	Currency translation differences	7,832	—	7,832
年末賬面淨值	Closing net book amount	435,119	4,618,200	5,053,319
於二零一八年十二月三十一日	At 31 December 2018			
成本	Cost	3,684,820	4,644,000	8,328,820
累計折舊	Accumulated depreciation	(3,249,701)	(25,800)	(3,275,501)
賬面淨值	Net book amount	435,119	4,618,200	5,053,319
截至二零一九年 十二月三十一日止年度	Year ended 31 December 2019			
年初賬面淨值	Opening net book amount	435,119	4,618,200	5,053,319
添置	Additions	199,940	—	199,940
攤銷(附註7)	Amortisation (Note 7)	(153,439)	(309,600)	(463,039)
視作出售附屬公司 (附註33(d))	Deemed disposal of subsidiaries (Note 33(d))	(88,743)	(4,308,600)	(4,397,343)
貨幣換算差額	Currency translation differences	3,417	—	3,417
年末賬面淨值	Closing net book amount	396,294	—	396,294
於二零一九年十二月三十一日	At 31 December 2019			
成本	Cost	3,871,598	—	3,871,598
累計折舊	Accumulated depreciation	(3,475,304)	—	(3,475,304)
賬面淨值	Net book amount	396,294	—	396,294

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 其他無形資產(續)

計入「銷售成本」、「研發開支」、「銷售及分銷開支」及「一般及行政開支」的攤銷分析如下：

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
銷售成本	Cost of sales	—	94
研發開支	Research and development expenses	422,043	128,135
銷售及分銷開支	Selling and distribution expenses	1,501	10,000
一般及行政開支	General and administrative expenses	39,495	48,475
		463,039	186,704

研發開支通常不會進行資本化，原因是該等開支主要被視為用以升級現有專門技術知識的開支，且在嚴格意義上並不符合附註2.9(c)所載列的資本化標準。

17 OTHER INTANGIBLE ASSETS (Continued)

Amortisation included “cost of sales”, “research and development expenses”, “selling and distribution expenses” and “general and administrative expenses” are analysed as follows:

Research and development expenses are not generally capitalised as they are primary considered as expenditures to upgrade existing technical knowhow, and do not fulfil the strict capitalisation criteria as listed out in Note 2.9(c).

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 存貨

18 INVENTORIES

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
原材料	Raw materials	10,400,701	7,073,129
半成品	Work in progress	2,257,324	2,258,421
製成品	Finished goods	4,452,196	3,671,418
減：存貨減值撥備	Less: Provision for impairment of inventories	17,110,221 (3,584,848)	13,002,968 (3,021,355)
		13,525,373	9,981,613

截至二零一九年十二月三十一日止年度，被確認為開支並被計入銷售成本的存貨成本為19,003,767美元（二零一八年：25,576,930美元）。

The cost of inventories recognised as expense and included in cost of sales amounted to USD19,003,767 (2018: USD25,576,930) for the year ended 31 December 2019.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 按類別劃分的金融工具

19 FINANCIAL INSTRUMENTS BY CATEGORY

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
依據綜合財務狀況表的資產	Assets as per consolidated statement of financial position		
按攤銷成本列賬的金融資產	Financial assets at amortised cost		
— 貿易應收款項	— Trade receivables	7,304,130	11,514,103
— 票據及其他應收款項	— Notes and other receivables	3,278,461	992,101
— 授予聯營公司的貸款	— Loan to an associate	5,035,836	—
— 受限制銀行存款	— Restricted bank deposit	519,266	5,000,000
— 現金及現金等價物	— Cash and cash equivalents	70,902,673	54,962,324
		87,040,366	72,468,528
透過損益按公平值入賬的金融資產	Financial assets at fair value through profit or loss		
— 透過損益按公平值入賬的金融資產	— Financial assets at fair value through profit or loss	14,596,569	18,246,807
		101,636,935	90,715,335
依據綜合財務狀況表的負債	Liabilities as per consolidated statement of financial position		
按攤銷成本列賬的金融負債	Financial liabilities at amortised cost		
— 貿易應付款項及應付票據	— Trade and bills payables	9,220,640	4,089,422
— 應計費用及其他應付款項	— Accruals and other payables	4,714,754	2,369,824
— 銀行借款	— Bank borrowings	—	5,335,126
— 租賃負債	— Lease liabilities	1,107,496	—
		15,042,890	11,794,372
透過損益按公平值入賬的金融負債	Financial liability at fair value through profit or loss		
— 應付或然代價	— Contingent consideration payable	—	1,507,404
		15,042,890	13,301,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 貿易應收款項、預付款項及其他應收款項

20 TRADE, PREPAYMENTS AND OTHER RECEIVABLES

			於十二月三十一日 As at 31 December	
			二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
		附註 Note		
第三方貿易應收款項	Trade receivables from third parties	(a)	6,357,934	8,609,948
關聯方貿易應收款項 (附註37(e))	Trade receivable from a related party (Note 37(e))	(a)	358,361	4,885,596
聯營公司貿易應收款項 (附註37(e))	Trade receivables from associates (Note 37(e))	(a)	2,541,942	—
減：貿易應收款項減值撥備	Less: Provision for impairment of trade receivables		(1,954,107)	(1,981,441)
貿易應收款項 — 淨額	Trade receivables – net		7,304,130	11,514,103
預付款項	Prepayments	(b)	4,708,149	8,371,901
應收票據	Notes receivable	(b)	135,994	66,190
第三方按金及其他應收款項	Deposits and other receivables from third parties	(b)	2,035,368	898,156
關聯方按金及其他應收款項 (附註37(f))	Deposit and other receivables from related parties (Note 37(f))	(b)	522,747	27,755
聯營公司其他應收款項 (附註37(f))	Other receivables from associates (Note 37(f))	(b)	584,352	—
			7,986,610	9,364,002
減：非即期部分	Less: Non-current portion		(1,174,419)	(41,750)
			14,116,321	20,836,355

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 貿易應收款項、預付款項及其他應收款項 (續)

附註：

(a) 貿易應收款項

於二零一九年十二月三十一日，基於發票日期的貿易應收款項賬齡分析如下：

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
少於30天	Within 30 days	3,449,092	2,950,429
31至60天	31 to 60 days	1,987,818	563,046
61至90天	61 to 90 days	373,062	2,600,183
91至180天	91 to 180 days	702,199	154,937
181至365天	181 to 365 days	1,033,196	5,465,007
超過365天	Over 365 days	1,712,870	1,761,942
		9,258,237	13,495,544

本集團授予客戶的信用期通常為30至180天不等。於二零一九年十二月三十一日，約2,684,000美元（二零一八年：6,985,000美元）的貿易應收款項已經逾期但未減值（附註3.1(b)），有關金額關於多名並無重大財務困難的獨立客戶，根據過往經驗，有關逾期金額可以收回。

20 TRADE, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Note:

(a) Trade receivables

As at 31 December 2019, the ageing analysis of the trade receivables based on invoice date is as follows:

The Group's credit terms granted to customers generally ranged from 30 to 180 days. As at 31 December 2019, trade receivables of approximately USD2,684,000 (2018: USD6,985,000) were past due but not impaired (Note 3.1(b)). These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 貿易應收款項、預付款項及其他應收款項 (續)

附註：(續)

(a) 貿易應收款項 (續)

本集團貿易應收款項減值撥備的變動如下：

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
於一月一日	As at 1 January	1,981,441	1,286,088
減值撥備	Provision for impairment	19,971	759,318
貨幣換算差額	Currency translation differences	(47,305)	(63,965)
於十二月三十一日	As at 31 December	1,954,107	1,981,441

最大之信貸風險敞口為貿易應收款項的賬面值。本集團並無就該等結餘持有任何抵押品或其他信貸加強項目。

本集團貿易應收款項的賬面值與其公平值相若，並以下列貨幣計值：

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
人民幣	RMB	4,498,689	8,509,523
美元	USD	2,515,834	2,693,399
其他	Others	289,607	311,181
		7,304,130	11,514,103

20 TRADE, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Note: (Continued)

(a) Trade receivables (Continued)

Movements in the Group's provision for impairment of the trade receivables are as follows:

The maximum exposure to credit risk is the carrying amounts of trade receivables. The Group does not hold any collateral or other credit enhancements over these balances.

The carrying amounts of the Group's trade receivables approximate their fair values and are denominated in the following currencies:

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 貿易應收款項、預付款項及其他應收款項 (續)

附註：(續)

(b) 預付款項、應收票據及其他應收款項

於二零一九年十二月三十一日，預付款項結餘包括有關未來研發項目的1,600,000美元(二零一八年：5,500,000美元)。

本集團預付款項、應收票據及其他應收款項的賬面值與其公平值相若，並主要以下列貨幣計值：

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
美元	USD	2,063,130	5,653,546
人民幣	RMB	5,460,410	3,370,806
其他	Others	463,070	339,650
		7,986,610	9,364,002

其他應收款項中並無減值資產。本集團並無持有任何抵押品作為擔保。

20 TRADE, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Note: (Continued)

(b) Prepayments, notes receivable and other receivables

As at 31 December 2019, the balance of prepayments includes an amount of USD1,600,000 (2018: USD5,500,000) in relation to future research and development projects.

The carrying amounts of the Group's prepayments, notes receivable and other receivables approximate their fair values and are mainly denominated in the following currencies:

Other receivables do not contain impaired assets. The Group does not hold any collateral as security.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 透過損益按公平值入賬的金融資產

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
非上市基金 (附註(a))	Unlisted fund (Note (a))	814,534	1,437,599
非上市股本證券 (附註(b)、(c)、(d)、(e)及(f))	Unlisted equity securities (Note (b),(c),(d), (e) and (f))	13,782,035	16,809,208
		14,596,569	18,246,807

附註：

- (a) 於二零一七年四月六日，本集團透過認購15,000股無投票權參與可贖回股份於一家非上市基金（其於開曼群島註冊）投資1,500,000美元。公平值在公平值等級第3級內（附註3.3）。截至二零一九年十二月三十一日止年度，公平值虧損623,065美元（二零一八年：331,351美元）於綜合收益表內確認。
- (b) 於二零一七年收購的非上市股本證券指盟山科技（深圳）有限公司（一家於中國註冊成立的公司，主要在中國從事運營一站式跨境電商平台）的8.89%股權。倘盟山未能於投資之日起五年內上市，則該投資可按本集團支付的代價加上每年8%的利息收入減去已收股息贖回。於二零一九年十二月三十一日，在公平值等級第3級內公平值（附註3.3）為零（二零一八年十二月三十一日：零）。

Note:

- (a) On 6 April 2017, the Group made an investment of USD1,500,000 in an unlisted fund by way of a subscription for 15,000 non-voting participating redeemable shares, which are registered in the Cayman Islands. The fair value is within level 3 of the fair value hierarchy (Note 3.3). During year ended 31 December 2019, a fair value loss of USD623,065 (2018: USD331,351) is recognised in the consolidated income statement.
- (b) The unlisted equity security acquired in 2017 represents 8.89% interest in Mainsweb Technology (Shenzhen) Company Limited, a company incorporated in the PRC being principally engaged in the operation of a one-stop cross-border e-commerce platform in the PRC. The investment is redeemable at the consideration paid by the Group plus an interest income of 8% per annum less dividends received if Mainsweb is unable to be listed within 5 years from the date of investment. As at 31 December 2019, the fair value within level 3 of the fair value hierarchy (Note 3.3) is nil (31 December 2018: Nil).

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 透過損益按公平值入賬的金融資產 (續)

附註：(續)

- (c) 於二零一八年二月收購的非上市股本證券指於深圳衡宇芯片科技有限公司(「深圳衡宇」)的約3.4%權益，該公司於中國註冊成立，主要從事開發供應通訊、消費電子及數據處理行業的閃存主控芯片。該投資在本公司全資附屬公司SMIT深圳與深圳衡宇訂立的《投資協議》中所載的任何指定條件下，可按本集團支付的代價人民幣20百萬元(相等於約3,166,000美元)加上每年10%的利息收入減去已收股息予以贖回。公平值在公平值等級第3級內(見附註3.3)。截至二零一九年十二月三十一日止年度，公平值並無變動(二零一八年：無)。

- (d) 於二零一八年八月三十一日，本公司以總代價1,800,000美元(來自若干第三方)收購於開曼群島註冊成立的公司SMIT Investment Limited(「SMIT Investment」)的未上市優先股，佔SMIT Investment約10.11%權益。SMIT Investment為一間投資控股公司，透過其全資附屬公司持有IBOXPAY International Inc.(「盒子支付」)約8.37%股權的投資。盒子支付是領先的移動支付服務提供商及本集團現有客戶。本公司執行董事、首席執行官兼控股股東黃學良先生亦擔任SMIT Investment的董事。

於二零一九年六月十七日，SMIT Investment已透過分派原本由SMIT Investment所持盒子支付優先股完成向其若干股東回購其優先股。於回購完成後，本公司所持盒子支付股權少於1%且並無持有SMIT Investment任何股權。於二零一九年十二月三十一日，公平值2,063,938美元在公平值等級第3級內(見附註3.3)。截至二零一九年十二月三十一日止年度，公平值虧損3,536,062美元於綜合收益表內確認。

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: (Continued)

- (c) The unlisted equity security acquired in February 2018 represents approximately 3.4% interest in StorArt Technology (Shenzhen) Co., Ltd. ("StorArt"), a company incorporated in the PRC being principally engaged in development of flash memory main controller integrated circuits which are mainly supplied to the communications, consumer electronics and data processing industries. The investment is redeemable in the event of any of the prescribed conditions set out in the investment agreement signed between SMIT Shenzhen, a wholly-owned subsidiary of the Company, and StorArt at the consideration of RMB20 million (equivalent to approximately USD3,166,000) paid by the Group plus an interest income of 10% per annum less dividends received. The fair value is within level 3 of the fair value hierarchy (see Note 3.3). There was no change in fair value during the year ended 31 December 2019 (2018: Nil).

- (d) On 31 August 2018, the Company has acquired unlisted preference shares of SMIT Investment Limited ("SMIT Investment"), a company incorporated in the Cayman Islands, at a total consideration of USD1,800,000 from certain third parties, representing approximately 10.11% interest in SMIT Investment. SMIT Investment is an investment holding company which holds, through its wholly-owned subsidiary, an investment in approximately 8.37% equity interest of IBOXPAY International Inc. ("iBoxpay"). iBoxpay is leading mobile payment services provider and an existing customer of the Group. Mr Huang Xueliang, the executive director, the CEO and controlling shareholder of the Company is also the director of SMIT Investment.

On 17 June 2019, SMIT Investment has completed a repurchase of its preference shares from certain of its shareholders by way of distribution of the preference shares of iBoxpay originally held by SMIT Investment. Upon completion of this repurchase, the Company held less than 1% equity interest of iBoxpay and did not hold any equity interest of SMIT Investment. As at 31 December 2019, the fair value of USD2,063,938 was within level 3 of the fair value hierarchy (see Note 3.3). During the year ended 31 December 2019, a fair value loss of USD3,536,062 is recognised in the consolidated income statement.

21 透過損益按公平值入賬的金融資產 (續)

附註：(續)

- (e) 於二零一八年二月八日，本公司全資附屬公司國微香港根據其與Sensel, Inc. (「Sensel」) 等各方簽訂的一份《票據購買協議》(「《票據購買協議》」)，完成了對Sensel的2,000,000美元投資。Sensel是一家以美國為基地的領先觸控技術公司，擁有壓力網絡技術，該技術採用力敏方式，糅合了業內的領先性能及額外維度控制。該交易完成後，國微香港已根據《票據購買協議》的條款認購了2,000,000美元可轉換成Sensel普通股或優先股的可承兌票據。

於二零一八年十一月九日，國微香港根據股票購買協定(「購股協定」)，通過購買Sensel的優先股(「股票購買」)進一步完成5,000,000美元的投資。同時，由Sensel發行並於二零一八年二月由國微香港認購的2,000,000美元可換股承兌票據於股票購買完成時被視為轉換為Sensel的優先股，而根據購股協定，國微香港所支付的可換股承兌票據下的全部款項已交付予Sensel以換取優先股。股票購買完成後，國微香港按全面攤薄基準持有Sensel約9.22%權益。

公平值在公平值等級第3級內(附註3.3)。截至二零一九年十二月三十一日止年度，公平值虧損877,355美元於綜合收益表內確認(二零一八年：收益1,295,117美元)。

- (f) 於二零一九年五月二十一日，本公司以總代價人民幣10,000,000元(相等於1,466,964美元)向第三方收購於中國註冊成立的公司深圳鴻芯微納技術有限公司(「鴻芯」)的0.99%股權。鴻芯及其附屬公司主要從事EDA設計軟件的研發。本公司執行董事、首席執行官及控股股東黃學良先生亦為鴻芯董事。於二零一九年十二月三十一日，公平值1,433,445美元在公平值等級第3級內(見附註3.3)。截至二零一九年十二月三十一日止財政年度，概無公平值收益或虧損於綜合收益表內確認。

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: (Continued)

- (e) On 8 February 2018, SMIT HK, a wholly-owned subsidiary of the Company, completed a USD2,000,000 investment in Sensel, Inc. ("Sensel") pursuant to a note purchase agreement entered into between, among others, SMIT HK and Sensel (the "Note Purchase Agreement"). Sensel is an advanced sensory technology company based in the United States, which owns the pressure grid technology that combines industry-leading performance and the extra dimension of control in the form of force sensitivity. Upon completion of the transaction, SMIT HK subscribed for a USD2,000,000 promissory note which may be converted into common or preferred shares of Sensel pursuant to the terms of the Note Purchase Agreement.

On 9 November 2018, SMIT HK completed a further USD5,000,000 investment in Sensel by way of preferred stock purchase (the "Stock Purchase") pursuant to a stock purchase agreement (the "Stock Purchase Agreement"). Simultaneously, the USD2,000,000 convertible promissory note issued by Sensel and previously subscribed by SMIT HK in February 2018 was deemed converted into preferred shares in Sensel at completion of the Stock Purchase, and the entire amount owed to SMIT HK under such convertible promissory note was tendered to Sensel in exchange for preferred stock pursuant to the Stock Purchase Agreement. Upon completion of the Stock Purchase, SMIT HK held approximately 9.22% interest in Sensel on fully diluted basis.

The fair value is within level 3 of the fair value hierarchy (see Note 3.3). During the year ended 31 December 2019, a fair value loss of USD877,355 is recognised in the consolidated income statements (2018: gain of USD1,295,117).

- (f) On 21 May 2019, the Company has acquired 0.99% equity interest of Shenzhen Giga Design Automation Co., Ltd ("Giga"), a company incorporated in the PRC, at a total consideration of RMB10,000,000 (equivalent to USD1,466,964) from a third party. Giga and its subsidiaries are mainly engaged in the development of EDA design software. Mr. Huang Xueliang, the executive director, the CEO and controlling shareholder of the Company is also a director of Giga. As at 31 December 2019, the fair value of USD1,433,445 is within level 3 of the fair value hierarchy (see Note 3.3). During the financial year ended 31 December 2019, no fair value gain or loss is recognised in the consolidated income statement.

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22 受限制銀行存款

於二零一九年十二月三十一日，受限制銀行存款519,266美元(二零一八年：5,000,000美元)已於指定銀行賬戶持有作為本集團銀行融資的抵押品。

受限制銀行存款以固定利率1.3%(二零一八年：3.13%)賺取利息。受限制銀行存款的賬面值與其公平值相若，並以人民幣(二零一八年：美元)計值。

23 現金及現金等價物

22 RESTRICTED BANK DEPOSIT

As at 31 December 2019, restricted bank deposit amounting to USD519,266 (2018: USD5,000,000), was held in designated bank accounts as collateral for banking facilities of the Group.

Restricted bank deposit earns interests at fixed rate of 1.3% (2018: 3.13%). The carrying amount of restricted bank deposit approximates its fair value and is denominated in RMB (2018: USD).

23 CASH AND CASH EQUIVALENTS

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
銀行現金	Cash at banks	70,863,724	54,920,645
手頭現金	Cash on hand	38,949	41,679
		70,902,673	54,962,324

23 現金及現金等價物 (續)

現金及現金等價物的賬面值與其公平值相若，並以下列貨幣計值：

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
美元	USD	40,230,894	33,197,678
人民幣	RMB	27,235,434	16,767,839
歐元	EUR	1,894,696	1,226,072
港元	HK\$	1,439,724	3,627,966
其他	Others	101,925	142,769
		70,902,673	54,962,324

中國維持的人民幣不能自由兌換為其他貨幣。然而，根據《中國人民共和國外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權在中國開展外匯業務的銀行，將人民幣兌換為其他貨幣。適用於該等限制的現金及現金等價物的賬面值為27,162,520美元（二零一八年：16,696,733美元）。

於二零一九年十二月三十一日，本集團為數57,631,503美元（二零一八年：43,519,240美元）的現金及現金等價物及519,266美元（二零一八年：5,000,000美元）（附註22）的受限制銀行存款存放在中國境內銀行賬戶，而有關資金的付匯受到外匯管制。

23 CASH AND CASH EQUIVALENTS (Continued)

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

RMB maintained in the PRC is not freely convertible into other currencies. However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business in the PRC. The carrying amount of cash and cash equivalents to which these restrictions apply is USD27,162,520 (2018: USD16,696,733).

As at 31 December 2019, cash and cash equivalents and restricted bank deposit of the Group amounting to USD57,631,503 (2018: USD43,519,240) and USD519,266 (2018: USD5,000,000) (Note 22), respectively, were deposited with banks in the PRC where the remittance of funds is subject to foreign exchange control.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 遞延所得稅

遞延所得稅資產及負債分析如下：

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
遞延所得稅資產：	Deferred income tax assets:		
— 將於12個月內變現	— to be realised within 12 months	764,325	1,094,123
— 將於超過12個月後變現	— to be realised after more than 12 months	2,453,908	1,676,566
		3,218,233	2,770,689
遞延所得稅負債：	Deferred income tax liabilities:		
— 將於12個月內結算	— to be settled within 12 months	—	(46,440)
— 將於超過12個月後結算	— to be settled after more than 12 months	—	(646,290)
		—	(692,730)
遞延所得稅資產淨值	Deferred income tax assets, net	3,218,233	2,077,959

遞延所得稅資產的變動淨額如下：

The net movement on the deferred income tax asset is as follows:

		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
於一月一日	At 1 January	2,077,959	1,022,564
收購附屬公司(附註36)	Acquisition of subsidiaries (Note 36)	—	52,227
計入綜合損益(附註12)	Credited to consolidated profit or loss (Note 12)	933,358	1,069,528
視作出售附屬公司(附註33(d))	Deemed disposal of subsidiaries (Note 33(d))	255,704	—
貨幣換算差額	Currency translation differences	(48,788)	(66,360)
於十二月三十一日	At 31 December	3,218,233	2,077,959

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 遞延所得稅(續)

遞延所得稅資產及負債的變動(未考慮抵銷同一稅務司法權區內的結餘)如下:

遞延所得稅資產:

		加速稅項 折舊 Accelerated tax depreciation 美元 USD	撥備 Provisions 美元 USD	稅項虧損 Tax losses 美元 USD	其他 Other 美元 USD	合計 Total 美元 USD
於二零一八年 一月一日	At 1 January 2018	9,730	889,927	—	136,597	1,036,254
收購附屬公司 (扣除自)/計入 綜合損益	Acquisition of subsidiaries (Charged)/credited to consolidated profit or loss	—	357,200	400,480	457	758,137
貨幣換算差額	Currency translation differences	(3,440)	(144,110)	1,265,437	(58,000)	1,059,887
		(345)	(35,306)	(26,166)	(4,496)	(66,313)
於二零一八年 十二月三十一日	At 31 December 2018	5,945	1,067,711	1,639,751	74,558	2,787,965
於二零一九年 一月一日	At 1 January 2019	5,945	1,067,711	1,639,751	74,558	2,787,965
視作出售附屬公司 (扣除自)/計入 綜合損益	Deemed disposal of subsidiaries (Charged)/credited to consolidated profit or loss	—	(134,074)	(256,512)	—	(390,586)
貨幣換算差額	Currency translation differences	(2,812)	215,790	710,812	(54,362)	869,428
		(48)	(13,247)	(34,791)	(488)	(48,574)
於二零一九年 十二月三十一日	At 31 December 2019	3,085	1,136,180	2,059,260	19,708	3,218,233

遞延所得稅資產乃就結轉的稅項虧損確認，惟以可能透過未來應課稅溢利變現相關優惠為限。除就可結轉以抵銷未來應課稅收入的虧損2,709,575美元(二零一八年: 418,518美元)的未確認遞延所得稅資產549,381美元(二零一八年: 104,630美元)外(將於二零二三年屆滿)，於二零一九年及二零一八年十二月三十一日，本集團並無其他重大未確認遞延所得稅資產。

24 DEFERRED INCOME TAX (Continued)

Movement in deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred income tax assets:

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through future taxable profits is probable. Other than the unrecognised deferred income tax assets of USD549,381 (2018: USD104,630) in respect of losses amounting to USD2,709,575 (2018: USD418,518) that can be carried forward against future taxable income which will expire in 2023, the Group did not have other material unrecognised deferred income tax assets as at 31 December 2019 and 2018.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 遞延所得稅(續)

於二零一九年十二月三十一日，本集團中國附屬公司尚未匯至中國境外註冊成立控股公司的保留盈利(尚未計提遞延所得稅負債撥備約1,248,000美元(二零一八年：1,601,000美元)約為人民幣155,482,000元(相當於約24,964,000美元)(二零一八年：人民幣203,447,000元(相當於約32,013,000美元))。預期該等盈利將由中國附屬公司保留作再投資用途，且根據管理層對海外資金需求的估計，不會於可見未來將其匯至外國投資者。

遞延所得稅負債：

24 DEFERRED INCOME TAX (Continued)

As at 31 December 2019, the retained earnings of the Group's PRC subsidiary not yet remitted to holding companies incorporated outside of the PRC, for which deferred income tax liability of approximately USD1,248,000 (2018: USD1,601,000) had not been provided, were approximately RMB155,482,000 (equivalent to approximately USD24,964,000) (2018: RMB203,447,000 (equivalent to approximately USD32,013,000)). Such earnings are expected to be retained by the PRC subsidiary for reinvestment purposes and would not be remitted to a foreign investor in the foreseeable future based on management's estimation of overseas funding requirements.

Deferred income tax liabilities:

		減速稅項折舊 Decelerated tax depreciation 美元 USD	收購無形資產 Acquired intangible assets 美元 USD	其他 Other 美元 USD	合計 Total 美元 USD
於二零一八年一月一日	At 1 January 2018	13,690	—	—	13,690
收購附屬公司 (計入)/扣除自綜合損益	Acquisition of subsidiaries (Credited)/charged to consolidated profit or loss	—	696,600	9,310	705,910
貨幣換算差額	Currency translation differences	(10,005)	(3,870)	4,234	(9,641)
		—	—	47	47
於二零一八年 十二月三十一日	At 31 December 2018	3,685	692,730	13,591	710,006
於二零一九年一月一日	At 1 January 2019	3,685	692,730	13,591	710,006
出售附屬公司 (計入)/扣除自 綜合損益	Disposal of subsidiaries (Credited)/charged to consolidated profit or loss	—	(646,290)	—	(646,290)
貨幣換算差額	Currency translation differences	(3,685)	(46,440)	(13,805)	(63,930)
		—	—	214	214
於二零一九年 十二月三十一日	At 31 December 2019	—	—	—	—

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 商譽

25 GOODWILL

		視密卡 (附註(ii))	快速驗證 系統與軟件 (附註(ii))	合計
		CAM (Note (i))	Rapid verification system and software (Note (ii))	Total
		美元 USD	美元 USD	美元 USD
於二零一八年一月一日	At 1 January 2018	6,570,079	—	6,570,079
收購附屬公司	Acquisition of subsidiaries	—	15,896,824	15,896,824
貨幣換算差額	Currency translation differences	(314,949)	—	(314,949)
於二零一八年十二月三十一日及 二零一九年一月一日	At 31 December 2018 and 1 January 2019	6,255,130	15,896,824	22,151,954
視作出售附屬公司(附註33(d))	Deemed disposal of subsidiaries (Note 33(d))	—	(15,896,824)	(15,896,824)
貨幣換算差額	Currency translation differences	(101,321)	—	(101,321)
於二零一九年十二月三十一日	At 31 December 2019	6,153,809	—	6,153,809

附註：

- (i) 人民幣42,930,000元的商譽來自對本公司於二零零五年四月收購SMIT深圳應用收購會計法，並擁有無限可使用年期。商譽金額與SMIT深圳所經營業務的預期未來經濟利益有關。於二零一九年十二月三十一日，本集團管理層已對視密卡業務的現金產生單位（「現金產生單位」）進行檢討及釐定並無商譽減值。

現金產生單位的可收回金額乃根據使用價值計算法釐定。該計算法採用經管理層批准的涵蓋五年期間的財務預算的稅前現金流量預測及20%（二零一八年：20%）的貼現率。採用的貼現率為稅前貼現率及反映與相關業務有關的具體風險。截至二零一九年十二月三十一日止年度，採用的收益增長複合年增長率（即五年預測期的複合年增長率）為0%（二零一八年：0%）。五年期間以後的現金流量乃採用0%（二零一八年：0%）的增長率進行推測。各期間的銷量為收益及成本的主要推動因素。收益及相關成本的增長乃根據過往表現及管理層對市場發展的預期進行估計。

Note:

- (i) Goodwill of RMB42,930,000 arose from the application of acquisition accounting to the acquisition of SMIT Shenzhen by the Company in April 2005 and has indefinite useful lives. The goodwill amount relates to the value of expected future economic benefits of the business operated by SMIT Shenzhen. As at 31 December 2019, management of the Group had conducted a review of the cash-generating unit ("CGU") of CAM business and determined that there is no impairment of the goodwill.

The recoverable amount of the CGU is determined based on a value-in-use calculation. That calculation uses pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period, and a discount rate of 20% (2018: 20%). The discount rate used is pre-tax and reflects specific risks related to the relevant operation. The revenue growth CAGR (i.e. compound annual growth rate over the five-year projection period) used is 0% (2018: 0%) for the year ended 31 December 2019. Cash flows beyond the 5-year period are extrapolated using a growth rate of 0% (2018: 0%). The volume of sales in each period is the main driver for revenue and costs. The growth in revenue and the relevant costs are estimated based on past performance and management's expectations for the market development.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 商譽 (續)

附註：(續)

(i) (續)

倘截至二零一九年十二月三十一日止年度的貼現率上升50個基點，可收回金額仍將超過其賬面值。倘截至二零一九年十二月三十一日止年度的預測收益複合年增長率每年下降1個百分點，可收回金額仍將超過其賬面值。

(ii) 15,896,824美元的商譽來自國微系統(香港)有限公司(本公司附屬公司)於二零一八年十一月收購S2C，並擁有無限可使用年期。商譽金額與S2C所經營業務的預期未來經濟利益有關。本集團管理層已對快速驗證系統與軟件業務的現金產生單位進行檢討及釐定並無商譽減值。

快速驗證系統與軟件業務現金產生單位的可收回金額乃按相關資產的公平值減出售成本(「公平值減出售成本」)確定。估值因用於估值的不可觀察輸入數據而被視為公平值等級中的第三級。公平值透過對基於經管理層批准的涵蓋五年期間的財務預算的稅後現金流量預測，應用貼現現金流量模式及19%貼現率確定。採用的貼現率為稅後貼現率及反映與相關業務有關的具體風險。截至二零一九年十二月三十一日止年度，採用的收益增長複合年增長率(即五年預測期的複合年增長率)為62.7%。五年期間以後的現金流量乃採用3%的加權平均增長率進行推測。各期間的銷量為收益及成本的主要推動因素。收益及相關成本的增長乃根據過往表現及管理層對市場發展的預期進行估計。

25 GOODWILL (Continued)

Note: (Continued)

(i) (Continued)

If the discount rate for the year ended 31 December 2019 had been increased by 50 basis points, the recoverable amount would still exceed its carrying amount. If the forecasted revenue growth CAGR for the year ended 31 December 2019 had been lowered by one percentage point, the recoverable amounts would still exceed its carrying amount.

(ii) Goodwill of USD15,896,824 arose from the acquisition of S2C by SMIT Systemic (HK) Limited, a subsidiary of the Company, in November 2018 and has indefinite useful lives. The goodwill amount relates to the value of expected future economic benefits of the business operated by S2C. Management of the Group had conducted a review of the CGU of rapid verification system and software business and determined that there is no impairment of the goodwill.

Recoverable amount of the rapid verification system and software business CGU is determined using fair value less cost of disposal ("FVLCD") of the underlying assets. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. The fair value was determined by applying discounted cash flow model on post-tax cash flow projections based on financial budgets approved by management covering a 5-year period, and a discount rate of 19%. The discount rate used is post-tax and reflects specific risks related to the relevant operation. The revenue growth CAGR (i.e. compound annual growth rate over the five-year projection period) used is 62.7% for the year ended 31 December 2019. Cash flows beyond the 5-year period are extrapolated using a weighted average growth rate of 3%. The volume of sales in each period is the main driver for revenue and costs. The growth in revenue and the relevant costs are estimated based on past performance and management's expectations for the market development.

24 商譽 (續)

附註：(續)

(ii) (續)

倘截至二零一九年十二月三十一日止年度的貼現率上升50個基點，可收回金額仍將超過其賬面值。倘於五年預測期內的預測收益增長率每年下降50個基點，可收回金額仍將超過其賬面值。

於二零一九年十二月三十一日，本集團間接持有附屬公司思爾芯上海被視作出售，當中有關於快速驗證系統與軟件業務現金產生單位的商譽。因此，不再確認15,896,824美元的商譽，包括於視作出售的收益計算之內(附註33(d))。

25 GOODWILL (Continued)

Note: (Continued)

(ii) (Continued)

If the discount rate for the year ended 31 December 2019 had been increased by 50 basis points, the recoverable amount would still exceed its carrying amount. If the forecasted revenue growth rate had been lowered by 50 basis points for each year in the five-year projection period, the recoverable amount would still exceed its carrying amount.

On 31 December 2019, there was a deemed disposal of S2C Shanghai, an indirectly-held subsidiary of the Group, to which the goodwill in relation to rapid verification system and software business CGU was attributed. As a result, goodwill of USD15,896,824 was derecognised and included in the calculation of gain on deemed disposal (Note 33(d)).

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 股本及股份溢價

26 SHARE CAPITAL AND SHARE PREMIUM

		普通股數目 Number of ordinary shares	普通股面值 Normal value of ordinary shares 美元 USD	股份溢價 Share premium 美元 USD
法定： 於二零一八年一月一日、 二零一八年及二零一九年 十二月三十一日 每股面值0.00002美元的普通股	Authorised: Ordinary share of USD0.00002 each at 1 January 2018, 31 December 2018 and 2019	2,500,000,000	50,000	—
發行及繳足：	Issued and fully paid:			
於二零一八年一月一日	At 1 January 2018	307,015,388	6,140	98,362,681
行使購股權(附註a)	Exercise of share options (Note a)	9,278,337	186	3,422,799
於二零一八年六月派付 二零一七年相關股息	Dividends relating to 2017 paid in June 2018	—	—	(802,533)
於二零一八年十二月三十一日	At 31 December 2018	316,293,725	6,326	100,982,947
行使購股權(附註a)	Exercise of share options (Note a)	1,924,136	38	928,234
於二零一九年六月派付 二零一八年相關股息	Dividends relating to 2018 paid in June 2019	—	—	(405,414)
於二零一九年十二月三十一日	At 31 December 2019	318,217,861	6,364	101,505,767

附註：

(a) 行使購股權

於截至二零一九年十二月三十一日止年度，1,924,136份購股權(二零一八年：9,278,337份購股權)獲行使以認購本公司1,924,136股(二零一八年：9,278,337股)普通股，代價為78,445美元(二零一八年：977,494美元)，其中38美元(二零一八年：186美元)計入股本，而結餘78,407美元(二零一八年：977,308美元)計入股份溢價賬。因此，849,827美元(二零一八年：2,445,491美元)已自以股份為基礎的付款儲備轉撥至股份溢價賬。於二零一九年十二月三十一日，合共37,782,554(二零一八年：40,319,288)份購股權仍尚未行使(附註32.1)。

Note:

(a) Exercise of share options

During the year ended 31 December 2019, 1,924,136 options were exercised (2018: 9,278,337 options) to subscribe for 1,924,136 ordinary shares (2018: 9,278,337 shares) in the Company at a consideration of USD78,445 (2018: USD977,494) of which USD38 (2018: USD186) was credited to share capital and the balance of USD78,407 (2018: USD977,308) was credited to the share premium account. An amount of USD849,827 (2018: USD2,445,491) was therefore, as a result, transferred from the share-based payment reserve to the share premium account. As at 31 December 2019, there were in total 37,782,554 options (2018: 40,319,288) remained outstanding (Note 32.1).

27 儲備

(a) 法定儲備

根據本集團旗下位於中國的附屬公司（「中國附屬公司」）組織章程細則的規定，中國附屬公司每年須先將其法定財務報表所示擁有人應佔實體除稅後溢利的10%撥作法定盈餘儲備（除非該項儲備已達該實體註冊股本的50%）。中國附屬公司亦可將其股東應佔溢利撥入任意盈餘儲備，惟須經股東大會通過決議案批准。除儲備設立的目的外，該等儲備不得用作其他用途，且除在特定情況下經股東於股東大會上事先批准外，亦不得作為現金股息予以分派。

當法定盈餘儲備不足以彌補中國附屬公司過往年度的任何虧損時，本年度的擁有人應佔溢利在轉撥至法定盈餘儲備前須先用作彌補虧損。中國附屬公司的法定盈餘儲備、任意盈餘儲備及股份溢價可轉為中國附屬公司的股本，惟須經股東大會通過決議案批准，並須符合其他監管規定（規定法定盈餘儲備的年末結餘不得少於註冊股本的25%）。

根據台灣法律法規，台灣公司每年須預留其法定淨收益的10%作為法定儲備，直至儲備結餘達到實繳股本金額為止。

27 RESERVES

(a) Statutory reserve

According to the provisions of the articles of association of the Group's subsidiaries located in the PRC ("PRC subsidiaries"), the PRC subsidiaries shall first set aside 10% of the entity's profit attributable to owners after tax as indicated in their statutory financial statements for the statutory surplus reserve (except where the reserve has reached 50% of the entity's registered share capital) in each year. The PRC subsidiaries may also make appropriations from its profit attributable to shareholders to discretionary surplus reserve, provided it is approved by a resolution passed in a shareholders' general meeting. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends without the prior approval obtained from shareholders in a shareholders' general meeting under specific circumstances.

When the statutory surplus reserve is not sufficient to make good for any losses of the PRC subsidiaries from previous years, the current year profit attributable to owners shall be used to make good the losses before any allocations are set aside for the statutory surplus reserve. The statutory surplus reserve, the discretionary surplus reserve and the share premium of the PRC subsidiaries may be converted into share capital of the PRC subsidiaries provided it is approved by a resolution passed in a shareholders' general meeting and meets other regulatory requirements with the provision that the ending balance of the statutory surplus reserve does not fall below 25% of the registered share capital.

According to the laws and regulations of Taiwan, Taiwan companies shall set aside 10% of their statutory net income each year for legal reserve, until the reserve balance has reached the paid-in share capital amount.

27 儲備 (續)

(b) 以股份為基礎的付款儲備

於二零零八年二月，本集團採納一項股份計劃（「二零零八年股份計劃」）及 State Micro Technology Corporation（「SMIT Corporation」）（於二零一五年十一月十三日完成重組（「重組」）前，為集團公司的最終控股公司）儲備16,936,135股普通股（經拆細調整），以根據計劃發行。於二零一零年九月，董事會（「董事會」）批准修訂二零零八年股份計劃，將供發行的普通股數目增加16,523,060股至33,459,195股普通股。於二零一一年二月，董事會批准修訂二零零八年股份計劃，將供發行的普通股數目進一步增加6,160,000股至39,619,195股普通股。

二零一五年九月十五日，作為重組的一部分，本公司假定SMIT Corporation的二零零八年股份計劃為首次公開發售前購股權計劃（「首次公開發售前股份計劃」），並對該等購股權條款作出若干修訂。

以權益結算以股份為基礎的交易詳情於附註32披露。

(c) 資本儲備

於各報告日期的資本儲備指收取自股東的額外出資。

(d) 合併儲備

本集團的合併儲備指因重組而購入附屬公司的投資賬面值68,077,551美元與購入的附屬公司的合併資本賬面值之間的差額。

27 RESERVES (Continued)

(b) Share-based payment reserve

In February 2008, the Group adopted a share plan ("2008 Share Plan") and State Micro Technology Corporation ("SMIT Corporation"), the ultimate holding company of companies of the Group before the completion of a reorganisation on 13 November 2015 ("Reorganisation"), reserved 16,936,135 ordinary shares, split adjusted, for issuance under the plan. In September 2010, the Board of Directors (the "Board") approved an amendment to the 2008 Share Plan to increase the number of ordinary shares for issuance by 16,523,060 to 33,459,195 ordinary shares. In February 2011, the Board approved an amendment to the 2008 Share Plan to further increase the number of ordinary shares for issuance by 6,160,000 to 39,619,195 ordinary shares.

On 15 September 2015, the Company assumed the 2008 Share Plan of SMIT Corporation as the Pre-IPO Share Option Scheme (the "Pre-IPO Share Plan") as part of the Reorganisation with certain modifications of the terms of such options.

Details of the equity settled share-based transactions are disclosed in Note 32.

(c) Capital reserve

Capital reserve as at each reporting date represented the additional contributions received from the shareholders.

(d) Merger reserve

The merger reserve of the Group represents the difference between the carrying amount of investment in subsidiaries of USD68,077,551 acquired as a result of the Reorganisation and the carrying amount of combined capital of the acquired subsidiaries.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 貿易應付款項及應付票據

28 TRADE AND BILLS PAYABLES

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
應付第三方貿易款項	Trade payables to third parties	6,757,116	4,089,422
應付聯營公司貿易款項(附註37(e))	Trade payable to associates (Note 37(e))	732,639	—
應付票據	Bills payables	1,730,885	—
		9,220,640	4,089,422

於二零一九年十二月三十一日，根據發票日期對貿易應付款項及應付票據作出的賬齡分析如下：

As at 31 December 2019, the ageing analysis of the trade and bills payables based on invoice date is as follows:

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
少於30天	Less than 30 days	8,295,499	2,000,216
31至90天	31 to 90 days	243,137	1,205,815
91至180天	91 to 180 days	—	517,492
181至365天	181 to 365 days	632,208	324,153
超過365天	Over 365 days	49,796	41,746
		9,220,640	4,089,422

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 貿易應付款項及應付票據 (續)

本集團貿易應付款項及應付票據的賬面值與其公平值相若，並以下列貨幣計值：

28 TRADE AND BILLS PAYABLES (Continued)

The carrying amounts of the Group's trade and bills payables approximate their fair values and are denominated in the following currencies:

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
人民幣	RMB	8,413,259	2,044,541
美元	USD	807,381	1,952,887
其他	Others	—	91,994
		9,220,640	4,089,422

29 應計費用及其他應付款項及合約負債

29 ACCRUALS AND OTHER PAYABLES
AND CONTRACT LIABILITIES

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
應付或然代價(附註(i))	Contingent consideration payable (Note (i))	—	1,507,404
應計僱員福利開支	Accrued employee benefits expenses	3,813,450	2,566,963
應計特許權使用費	Accrued royalty fee	1,065,079	835,786
其他應付稅項	Other taxes payables	115,136	111,797
應付關聯方款項(附註37(f))	Amount due to a related party (Note 37(f))	—	50,754
應付聯營公司款項(附註37(f))	Amounts due to associates (Note 37(f))	2,388,883	—
其他	Others	1,260,792	1,483,284
應計費用及其他應付款項	Accruals and other payables	8,643,340	6,555,988
減：非流動部分	Less: Non-current portion	(47,612)	(1,507,404)
流動部分	Current portion	8,595,728	5,048,584
合約負債(附註(ii))	Contract liabilities (Note (ii))	433,121	740,720

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 應計費用及其他應付款項及合約負債 (續)

附註：

- (i) 應付或然代價來自收購S2C集團(附註36)。本集團已根據買賣協議規定的條款，並參考S2C集團截至二零一九年十二月三十一日止十八個月的預計收益及除稅前溢利，確認按公平值計算的應付或然代價。應付或然代價須按收購日期後出現的事件或因素導致的於各報告期末的公平值重新計量，而任何由此產生的收益或虧損於綜合收益表內確認。由於財務業績目標並未達成，應付或然代價於二零一九年十二月三十一日終止確認。

- (ii) 有關合約負債確認的收益：

29 ACCRUALS AND OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

Note:

- (i) The contingent consideration payable arose from the acquisition of S2C Group (Note 36). The Group has recognised the contingent consideration payable at fair value based upon the terms as stipulated in the sale and purchase agreement with reference to the projected revenue and profit before tax of S2C Group for the 18 months ending 31 December 2019. The contingent consideration payable shall be re-measured at fair value at the end of each reporting period resulting from events or factors emerging after the acquisition date, with any resulting gain or loss recognised in the consolidated income statement. The contingent consideration payable was derecognised as at 31 December 2019 as the financial performance target have not been met.

- (ii) Revenue recognised in relation to contract liabilities:

		年度 For the year ended	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
包括於年初合約負債結餘的確認收益	Revenue recognised that was included in the contract liabilities balance at beginning of the year	605,262	258,438

29 應計費用及其他應付款項及合約負債 (續)

本集團應計費用及其他應付款項的賬面值與其公平值相若，並以下列貨幣計值：

29 ACCRUALS AND OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

The carrying amounts of the Group's accruals and other payables approximate their fair values and are denominated in the following currencies:

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
人民幣	RMB	3,569,862	2,413,487
美元	USD	3,459,716	2,843,225
其他	Others	1,613,762	1,299,276
		8,643,340	6,555,988

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30 遞延收入

30 DEFERRED INCOME

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
遞延政府補助	Deferred government grants	34,290,519	11,237,647
減：非流動部分	Less: Non-current portion	(7,560,012)	(6,568,365)
流動部分	Current portion	26,730,507	4,669,282

於二零一九年十二月三十一日，結餘包括中國中央政府為實施國家科技重大項目的遞延政府補助人民幣210,000,000元（二零一八年：人民幣75,000,000元）（相當於約30,000,000美元（二零一八年：11,000,000美元））。

遞延收入的賬面值以人民幣計值。

As at 31 December 2019, the balance includes deferred government grants of approximately RMB210,000,000 (2018: RMB75,000,000) (equivalent to approximately USD30,000,000 (2018: USD11,000,000)) from the PRC Central Government for the implementation of several national science and technology project.

The carrying amount of deferred income is denominated in RMB.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 銀行借款

31 BANK BORROWINGS

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
短期銀行借款，已抵押	Short-term bank loans, secured	—	5,335,126

於二零一八年十二月三十一日，本集團的銀行借款以本公司提供的公司擔保作抵押，以及5,000,000美元以本集團受限制銀行存款5,000,000美元作抵押(附註22)。

As at 31 December 2018, the Group's bank borrowings were secured by the corporate guarantee given by the Company and an amount of USD5,000,000 was secured by restricted bank deposit of the Group of USD5,000,000 (Note 22).

於二零一八年十二月三十一日，由於到期日較短及須於一年內悉數償還，銀行借款的賬面值與其公平值相若。

As at 31 December 2018, the carrying amounts of the bank borrowings approximate their fair values due to their short maturities and were wholly repayable within 1 year.

於截至二零一九年十二月三十一日止年度內，銀行借款已全數償還，於二零一九十二月三十一日，並無未償還的銀行借款。

During the year ended 31 December 2019, the bank borrowings have been fully repaid and there was no outstanding bank borrowings as at 31 December 2019.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 銀行借款(續)

本集團銀行借款的賬面值乃以下列貨幣計值：

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
美元	USD	—	5,000,000
日圓	Japanese Yen	—	335,126
		—	5,335,126

於二零一八年十二月三十一日，短期銀行貸款的實際年利率介乎2.50%至3.91%。

於二零一九年及二零一八年十二月三十一日，本集團可動用及未提取的銀行貸款融資如下：

31 BANK BORROWINGS (Continued)

The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
		—	5,000,000
		—	335,126
		—	5,335,126

The effective annual interest rates of short-term bank loans as at 31 December 2018 ranges from 2.50% to 3.91%.

As at 31 December 2019 and 2018, the Group's available and undrawn bank loan facilities were as follows:

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
可動用及未提取的融資總額	Total available and undrawn facilities	16,136,005	24,642,920

32 以權益結算以股份為基礎的交易

32.1 購股權

二零零八年二月，本集團採納了二零零八年股份計劃，其後於二零一零年九月及二零一一年二月進行修訂。

二零一五年九月十五日，作為重組的一部分，本公司假定SMIT Corporation的二零零八年股份計劃為首次公開發售前購股權計劃。就本公司對SMIT Corporation的二零零八年股份計劃的假定而言，轉移至首次公開發售前購股權計劃的所有購股權的條款應與二零零八年股份計劃相同，惟當中對SMIT Corporation的所有提述應修改為對本公司的提述。因購股權獲行使而發行的股份將由SMIT Corporation的股份更改為本公司的股份。有關購股權的增加公平值約1,573,000美元（均已全數歸屬）因有關更改已按一次性基準於損益中扣除。

32 EQUITY SETTLED SHARE-BASED TRANSACTIONS

32.1 Share options

In February 2008, the Group adopted the 2008 Share Plan and subsequently amended on September 2010 and February 2011.

On 15 September 2015, the Company assumed the 2008 Share Plan of SMIT Corporation as the Pre-IPO Share Option Scheme as part of the Reorganisation. In connection with the assumption of the 2008 Share Plan of SMIT Corporation by the Company, all options transferred to the Pre-IPO Share Option Scheme shall carry the same terms as the 2008 Share Plan, except that all references therein to SMIT Corporation shall be modified to be references to the Company. The shares issued upon the exercise of options will change from shares of SMIT Corporation to shares of the Company. The incremental fair value of the relevant options of approximately USD1,573,000 which are all fully vested, as a result of the modification were charged to profit or loss on a one-off basis.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 以權益結算以股份為基礎的交易 (續)

32.1 購股權 (續)

本公司72,574,775普通股的資本化發行已於二零一六年三月六日完成，此後尚未行使購股權的數目根據首次公開發售前購股權計劃的反攤薄安排被調整為58,470,406份。於截至二零一九年及二零一八年十二月三十一日止年度，並無根據首次公開發售前購股權計劃授出額外購股權。

首次公開發售前購股權計劃授出的購股權詳情如下：

原授出日期 Original date of grant	更改日期 Date of modification	於更改日期 授予僱員及 董事的 購股權數目 No. of options pertaining to employees and directors at the date of modification	於更改日期 授予顧問的 購股權數目 No. of options pertaining to advisors at the date of modification	行使價 Exercise price	餘下合約期限 Remaining contractual life	餘下歸屬期 Remaining vesting period
二零零八年三月九日 9 March 2008	二零一五年九月十五日 15 September 2015	3,201,000	225,000	0.01美元 USD0.01	屆滿 Expired	悉數歸屬 Fully vested
二零零九年七月二十六日 26 July 2009	二零一五年九月十五日 15 September 2015	4,183,000	1,070,000	0.04美元 USD0.04	屆滿 Expired	悉數歸屬 Fully vested
二零一零年三月五日 5 March 2010	二零一五年九月十五日 15 September 2015	3,051,000	600,000	0.04美元 USD0.04	屆滿 Expired	悉數歸屬 Fully vested
二零一零年九月一日 1 September 2010	二零一五年九月十五日 15 September 2015	7,940,065	162,000	0.54美元 USD0.54	0.7年 0.7 years	悉數歸屬 Fully vested
二零一零年十二月三十一日 31 December 2010	二零一五年九月十五日 15 September 2015	1,734,500	—	0.75美元 USD0.75	2年 2 years	悉數歸屬 Fully vested
二零一一年一月八日 8 January 2011	二零一五年九月十五日 15 September 2015	371,769	—	0.75美元 USD0.75	2.3年 2.3 years	悉數歸屬 Fully vested
二零一一年三月一日 1 March 2011	二零一五年九月十五日 15 September 2015	5,125,850	20,000	1.06美元 USD1.06	2.4年 2.4 years	悉數歸屬 Fully vested
二零一一年三月一日 1 March 2011	二零一五年九月十五日 15 September 2015	—	371,768	0.54美元 USD0.54	2.5年 2.5 years	悉數歸屬 Fully vested

32 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

32.1 Share options (Continued)

On 6 March 2016, the capitalisation issue of 72,574,775 ordinary shares of the Company was completed, upon which the number of outstanding share options was adjusted to 58,470,406 pursuant to the anti-dilution arrangement in the Pre-IPO Share Option Scheme. No additional options have been granted under the Pre-IPO Share Option Scheme during the years ended 31 December 2019 and 2018.

The details of the options granted for Pre-IPO Share Option Scheme are as follows:

32 以權益結算以股份為基礎的交易 (續)

32 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

32.1 購股權 (續)

32.1 Share options (Continued)

原授出日期 Original date of grant	更改日期 Date of modification	於更改日期 授予僱員及 董事的 購股權數目 No. of options pertaining to employees and directors at the date of modification	於更改日期 授予顧問的 購股權數目 No. of options pertaining to advisors at the date of modification	行使價 Exercise price	餘下合約期限 Remaining contractual life	餘下歸屬期 Remaining vesting period
二零一二年三月一日 1 March 2012	二零一五年九月十五日 15 September 2015	—	221,142	1.21美元 USD1.21	2.5年 2.5 years	悉數歸屬 Fully vested
二零一二年九月三十日 30 September 2012	二零一五年九月十五日 15 September 2015	2,913,750	—	0.52美元 USD0.52	3.5年 3.5 years	悉數歸屬 Fully vested
二零一三年三月一日 1 March 2013	二零一五年九月十五日 15 September 2015	—	116,188	0.62美元 USD0.62	4.1年 4.1 years	悉數歸屬 Fully vested
二零一三年八月一日 1 August 2013	二零一五年九月十五日 15 September 2015	1,362,396	79,186	0.56美元 USD0.56	4.5年 4.5 years	悉數歸屬 Fully vested
二零一三年八月一日 1 August 2013	二零一五年九月十五日 15 September 2015	734,616	—	0.56美元 USD0.56	4.9年 4.9 years	悉數歸屬 Fully vested
二零一三年八月一日 1 August 2013	二零一五年九月十五日 15 September 2015	4,433,290	—	0.14美元 USD0.14	4.9年 4.9 years	悉數歸屬 Fully vested
二零一四年三月一日 1 March 2014	二零一五年九月十五日 15 September 2015	—	81,340	0.39美元 USD0.39	5.5年 5.5 years	悉數歸屬 Fully vested
二零一二年三月一日 1 March 2012	二零一五年九月十五日 15 September 2015	—	14,742	1.22美元 USD1.22	2.5年 2.5 years	悉數歸屬 Fully vested
二零一二年九月三十日 30 September 2012	二零一五年九月十五日 15 September 2015	416,250	—	0.62美元 USD0.62	3.5年 3.5 years	悉數歸屬 Fully vested
二零一三年三月一日 1 March 2013	二零一五年九月十五日 15 September 2015	—	69,696	0.62美元 USD0.62	4.1年 4.1 years	悉數歸屬 Fully vested
二零一三年八月一日 1 August 2013	二零一五年九月十五日 15 September 2015	892,604	120,814	0.56美元 USD0.56	4.5年 4.5 years	悉數歸屬 Fully vested
二零一四年三月一日 1 March 2014	二零一五年九月十五日 15 September 2015	—	104,544	0.41美元 USD0.41	5.5年 5.5 years	悉數歸屬 Fully vested

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 以權益結算以股份為基礎的交易 (續)

32.1 購股權 (續)

尚未行使購股權數目變動及相關加權平均行使價如下：

		於十二月三十一日 As at 31 December			
		二零一九年 2019		二零一八年 2018	
		購股權數目 Number of Share Options	加權 平均行使價 Weighted Average Exercise Price 美元 USD	購股權數目 Number of Share Options	加權 平均行使價 Weighted Average Exercise Price 美元 USD
於年初的結餘	Balance as at beginning of the year	40,319,288	0.63	51,497,563	0.52
首次公開發售前股份計劃 已沒收／註銷購股權	Pre-IPO Share Plan Share options forfeited/ cancelled	(612,598)	0.04	(1,899,938)	0.18
已行使購股權	Share options exercised	(1,924,136)	0.04	(9,278,337)	0.10
於年末的結餘	Balance as at year end	37,782,554	0.67	40,319,288	0.63

37,782,554份(二零一八年：40,319,288份)尚未行使購股權中，37,782,554份(二零一八年：40,319,288份)購股權為可予行使。於二零一九年行使的購股權導致按加權平均價每股0.04美元(二零一八年：0.10美元)發行1,924,136(二零一八年：9,278,337股)股份。行使時的相關加權平均股價為每股股份0.04美元(二零一八年：每股股份0.80美元)。

32 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

32.1 Share options (Continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

Out of the 37,782,554 outstanding options (2018: 40,319,288), 37,782,554 options (2018: 40,319,288) were exercisable. Options exercised in 2019 resulted in 1,924,136 (2018: 9,278,337) shares being issued at a weighted average price of USD0.04 (2018: USD0.10) each. The related weighted average share price at the time of exercise was USD0.04 (2018: USD0.80 per share).

32 以權益結算以股份為基礎的交易 (續)

32.1 購股權 (續)

於年末尚未行使購股權的屆滿日期及行使價如下：

		於十二月三十一日 As at 31 December			
		二零一九年 2019		二零一八年 2018	
屆滿日期	Expiry date	每份購股權 美元行使價 Exercise price in USD per share option	購股權數目 Number of share options	每份購股權 美元行使價 Exercise price in USD per share option	購股權數目 Number of share options
首次公開發售前股份計劃	Pre-IPO Share Plan				
二零一八年三月八日	8 March 2018	—	—	—	—
二零一八年三月八日	8 March 2018	—	—	—	—
二零一九年五月十五日	15 May 2019	—	—	0.04	2,536,734
二零二零年八月三十日	30 August 2020	0.54	11,505,483	0.54	11,505,483
二零二零年十二月二十九日	29 December 2020	0.75	2,030,683	0.75	2,030,683
二零二一年一月六日	6 January 2021	0.75	548,781	0.75	548,781
二零二一年二月二十七日	27 February 2021	1.07	274,390	1.07	274,390
二零二一年二月二十七日	27 February 2021	0.54	7,776,567	0.54	7,776,567
二零二二年二月二十八日	28 February 2022	1.22	348,197	1.22	348,197
二零二二年九月二十九日	29 September 2022	0.62	4,147,732	0.62	4,147,732
二零二三年二月二十八日	28 February 2023	0.62	274,390	0.62	274,390
二零二三年七月三十一日	31 July 2023	0.56	1,084,394	0.56	1,084,394
二零二三年七月三十一日	31 July 2023	0.14	9,517,547	0.14	9,517,547
二零二四年二月二十八日	28 February 2024	0.41	274,390	0.41	274,390
			37,782,554		40,319,288

32 EQUITY SETTLED SHARE-BASED
TRANSACTIONS (Continued)

32.1 Share options (Continued)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

32 以權益結算以股份為基礎的交易 (續)

32 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(Continued)

32.1 購股權 (續)

32.1 Share options (Continued)

本公司採用柏力克－舒爾斯期權定價模型根據以下假設及上文所示行使價估計首次公開發售前股份計劃下購股權的公平值：

The Company used the Black-Scholes option pricing model to estimate the fair value of the options under Pre-IPO Share Plan using the following assumptions, with exercise price shown above:

更改日期	Modification date	二零一五年 September 2015	二零一五年 September 2015	二零一五年 September 2015	二零一五年 September 2015	二零一五年 September 2015	二零一五年 September 2015	二零一五年 September 2015	二零一五年 September 2015	二零一五年 September 2015	二零一五年 September 2015	二零一五年 September 2015	二零一五年 September 2015
授予僱員及董事的 購股權：	For options granted to employees and directors:												
於授出日期的 加權平均股價	Weighted average share price at grant date	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54
預期年期	Expected term	1.6-2.3 years	2.3 years	2.9 years	3.6 years	3.8 years	3.8 years	3.8 years	3.8 years	4.5 years	4-5.2 years	—	—
預期波幅	Expected volatility	50.2%-52.3%	50.2%	50.4%	51.5%	51.6%	51.6%	51.8%	51.8%	53%	52.0%-53.1%	—	—
預期股息率	Expected dividend rate	—	—	—	—	—	—	—	—	—	—	—	—
無風險利率	Risk-free interest rate	1.29%-1.46%	1.46%	1.60%	1.75%	1.78%	1.79%	1.8%	1.95%	—	1.84%-2.10%	—	—
授予顧問的購股權：	For options granted to advisors:												
於授出日期的 加權平均股價	Weighted average share price at grant date	0.54	0.54	0.54	0.54	—	—	0.54	0.54	—	0.54	0.54	0.54
預期年期	Expected term	2.5 years	2.5 years	3.7 years	5 years	—	—	5.5 years	6.5 years	—	7.5 years	7.5 years	7.5 years
預期波幅	Expected volatility	49.9%	49.9%	51.5%	52.3%	—	—	52.1%	51.7%	—	55.1%	55.1%	55.1%
預期股息率	Expected dividend rate	—	—	—	—	—	—	—	—	—	—	—	—
無風險利率	Risk-free interest rate	1.50%	1.50%	1.76%	2.05%	—	—	2.17%	2.39%	—	2.62%	2.71%	2.62%

波幅乃參考本集團相若的公司的歷史波幅釐定。有關就授予僱員及顧問的購股權而於綜合收益表確認的總開支為零美元 (二零一八年：187美元) 及零 (二零一八年：零)。

The volatility measured at the historical volatility of the Group's comparable companies. The total expense recognised in the consolidated income statement for share options granted to employees and advisors is USDNil (2018: USD187) and Nil (2018: Nil), respectively.

32 以權益結算以股份為基礎的交易 (續)

32 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

32.2 受限制股份單位

於二零一八年十月三十日，S2C（本公司的一家間接持有的附屬公司）已授出1,481,092個S2C的受限制股份單位予21名承授人（皆為S2C的僱員）。受限制股份單位計劃將於二零一八年十月三十日起生效並一直有效直至二零二八年七月三十日。

尚未行使的受限制股份單位的數目變動如下：

32.2 Restricted share units

On 30 October 2018, S2C, an indirectly held subsidiary of the Company, has granted 1,481,092 RSUs of S2C to 21 grantees who are all employees of S2C. The RSU scheme will be valid and effective from 30 October 2018 until 30 July 2028.

Movement in the number of outstanding RSUs is as follows:

		尚未行使S2C 受限制股份 單位的數目 Number of outstanding RSU of S2C
於二零一八年一月一日	At 1 January 2018	—
已授出	Granted	1,481,092
於二零一八年十二月三十一日	At 31 December 2018	1,481,092
於二零一八年十二月三十一日 已歸屬但尚未轉讓予承授人的股份	Shares vested but not transferred to the grantees as at 31 December 2018	1,132,903
於二零一九年一月一日	At 1 January 2019	1,481,092
已註銷	Cancelled	(1,481,092)
於二零一九年十二月三十一日	At 31 December 2019	—
於二零一九年十二月三十一日 已歸屬但尚未轉讓予承授人的股份	Shares vested but not transferred to the grantees as at 31 December 2019	—

32 以權益結算以股份為基礎的交易 (續)

32.2 受限制股份單位 (續)

儘管S2C按個別基準釐定各受限制股份單位的歸屬期，受限制股份單位的一般歸屬期為受限制股份單位的25%至100%將於授出日期歸屬，而餘下部分將於歸屬日期後的48個月內歸屬，視乎受限制股份計劃所界定的流動性事件的發生而定。於截至二零一九年及二零一八年十二月三十一日止年度概無上述已授出受限制股份單位獲行使。於二零一九年十二月二十四日，S2C與發行在外及未行使受限制股份單位持有人協定，按照註銷受限制單位協議註銷受限制股份單位，並即時生效。就有關註銷支付或應付代價3美元。截至二零一九年十二月三十一日止年度，因受限制股份單位產生於綜合收益表確認總開支為39,742美元（二零一八年：無）。

受限制股份單位的公平值乃按二零一八年十月三十日的授出日期S2C的相關普通股的公平值計算。

32 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

32.2 Restricted share units (Continued)

Although S2C determines the vesting period of each RSU on a case-by-case basis, the general vesting period for the RSUs is that 25%–100% of the RSUs shall vest on the grant date with the remaining portion vesting over the next 48 months from the grant date, subject to the occurrence of liquidity event as defined in the RSU scheme. During the years ended 31 December 2019 and 2018, none of the above granted RSUs were exercised. On 24 December 2019, S2C agreed with holders of the outstanding and unexercised RSUs to cancel their RSUs with immediate effect in accordance with the Agreement for the Cancellation of RSUs. A total consideration of USD3 is paid or payable for such cancellation. The total expenses recognised in the consolidated income statement arising from the RSUs is USD39,742 for the year ended 31 December 2019 (2018: Nil).

The fair value of RSUs was calculated based on the fair value of underlying ordinary shares of S2C as at the grant date on 30 October 2018.

33 現金流量資料

33 CASH FLOW INFORMATION

(a) 除所得稅前溢利／(虧損)與經營所得現金的對賬

(a) Reconciliation of profit/(loss) before income tax to cash generated from operations:

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
	附註 Note		
除所得稅前溢利／(虧損)	Profit/(loss) before income tax	11,621,320	(277,783)
就以下項目作出調整：	Adjustments for:		
利息收入淨額	Interest income, net	(583,727)	(1,149,740)
以股份為基礎的付款	Share-based payment	39,742	187
貿易應收款項減值撥備	Provision for impairment of trade receivables	19,971	759,318
存貨減值撥備／(撥備撥回)	Provision for/(reversal of provision for) impairment of inventories	1,163,024	(320,473)
出售物業、廠房及設備虧損	Loss on disposals of property, plant and equipment	53,591	34,295
物業、廠房及設備折舊	Depreciation of property, plant and equipment	591,348	685,213
其他無形資產攤銷	Amortisation of other intangible assets	463,039	186,704
使用權資產折舊	Depreciation of right-of-use assets	369,743	—
視作出售附屬公司收益	Gain on deemed disposal of subsidiaries	(22,777,730)	—
應佔按權益法入賬投資的虧損	Share of loss of investments accounted for using the equity method	266,833	—
透過損益按公平值入賬的金融資產的公平值虧損／(收益)	Fair value losses/(gains) on financial assets at fair value through profit or loss	5,036,482	(2,821,523)
應付或然代價收益	Fair value gain on contingent consideration payable	(1,507,404)	—
		(5,243,768)	(2,903,802)
營運資金變動：	Changes in working capital:		
— 存貨	— Inventories	(5,819,681)	8,538,192
— 貿易及其他應收款項及預付款項	— Trade and other receivables and prepayments	(347,740)	(7,017,665)
— 貿易及其他應付款項	— Trade and other payables	20,608,090	(8,870,048)
— 合約負債	— Contract liabilities	(139,207)	399,233
— 遞延收入	— Deferred income	23,052,872	10,297,035
經營所得現金	Cash generated from operations	32,110,566	442,945

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33 現金流量資料(續)

- (b) 綜合現金流量表內的出售物業、廠房及設備所得款項包括：

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
賬面淨值(附註15)	Net book amount (Note 15)	56,868	34,615
出售物業、廠房及設備 虧損	Loss on disposals of property, plant and equipment	(53,591)	(34,295)
出售物業、廠房及設備 所得款項	Proceeds from disposals of property, plant and equipment	3,277	320

- (c) 融資活動產生負債的對賬

- (c) Reconciliation of liabilities arising from financing activities

		銀行借款 Bank borrowings 美元 USD	租賃負債 Lease liabilities 美元 USD	合計 Total 美元 USD
於二零一八年一月一日	At 1 January 2018	—	—	—
現金流量	Cash flows	(5,335,126)	—	(5,335,126)
外匯調整	Foreign exchange adjustments	—	—	—
於二零一八年十二月三十一日	At 31 December 2018	(5,335,126)	—	(5,335,126)
於採納香港財務報告準則 第16號時確認(附註2.2)	Recognised on adoption of HKFRS 16 (Note 2.2)	—	(67,005)	(67,005)
於二零一九年一月一日	At 1 January 2019	(5,335,126)	(67,005)	(5,402,131)
現金流量	Cash flows	5,340,668	294,597	5,635,265
增添租賃	Lease additions	—	(1,501,269)	(1,501,269)
利息開支	Interest expense	—	(44,526)	(44,526)
租賃修訂	Lease modification	—	95,067	95,067
視作出售附屬公司 (附註33(d))	Deemed disposal of subsidiaries (Note 33(d))	—	101,421	101,421
外匯調整	Foreign exchange adjustments	(5,542)	14,219	8,677
於二零一九年十二月三十一日	At 31 December 2019	—	(1,107,496)	(1,107,496)

33 現金流量資料(續)

(d) 視作出售思爾芯上海權益

根據二零一九年十二月二十七日的注資協議，思爾芯上海同意向若干第三方投資者配發及出售股份。待交易於二零一九年十二月三十一日完成時，本集團持有的思爾芯上海股權攤薄至49.19%，思爾芯上海不再為本集團的間接非全資附屬公司，並成為本集團的聯營公司。

33 CASH FLOW INFORMATION (Continued)

(d) Deemed disposal of interest in S2C Shanghai

Pursuant to a capital injection agreement dated 27 December 2019, S2C Shanghai agreed to allot and issue shares to certain third-party investors. Upon completion of the transaction on 31 December 2019, the equity interest of S2C Shanghai held by the Group was diluted to 49.19% and no longer be an indirect non-wholly-owned subsidiary and became an associate of the Group.

		附註 Note	美元 USD
思爾芯上海49.19% 股權的公平值	Fair value of 49.19% equity interest of S2C Shanghai		42,999,190
直接開支	Direct expenses		(108,974)
			42,890,216
減：出售資產淨值	Less: net assets disposed of		
物業、廠房及設備	Property, plant and equipment	15	(38,042)
商譽	Goodwill	25	(15,896,824)
其他無形資產	Other intangible assets	17	(4,397,343)
使用權資產	Right-of-use assets		(101,360)
存貨	Inventories		(897,129)
貿易應收款項	Trade receivables		(2,245,837)
其他應收款項及預付款項	Other receivables and prepayments		(4,383,228)
現金及現金等價物	Cash and cash equivalents		(3,873,804)
貿易應付款項	Trade payables		2,717,374
應計費用及其他應付款項	Accruals and other payables		8,440,465
遞延所得稅負債	Deferred income tax liabilities	24	255,704
合約負債	Contract liabilities		161,413
租賃負債	Lease liabilities	33(c)	101,421
應付所得稅	Income tax payable		1,765
以股份為基礎的付款儲備	Share-based payment reserve		39,742
於視作出售附屬公司後 撥回的匯兌儲備	Exchange reserve released upon deemed disposal		3,197
視作出售的收益	Gain on deemed disposal	6	22,777,730
視作出售產生的現金流出淨額	Net cash outflow arising from the deemed disposal		
現金及現金等價物	Cash and cash equivalents		3,873,804
直接開支	Direct expenses		108,974
			3,982,778

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34 或然項目

於二零一九年十二月三十一日，本集團及本公司並無任何重大或然負債（二零一八年：無）。

34 CONTINGENCIES

The Group and the Company did not have any material contingent liabilities as at 31 December 2019 (2018: Nil).

35 承擔

(a) 經營租賃承擔

本集團根據不可撤銷經營租賃協議租賃多個辦公室及倉庫，租期介於兩至三年。

由二零一九年一月一日起，本集團就該等租賃確認使用權資產，惟短期及低價值租賃除外，進一步詳情請參閱附註2.2及附註16。

經營租賃協議項下未來最低租賃付款總額如下：

(a) Operating lease commitments

The Group leases various offices and warehouses under non-cancellable operating lease agreements with lease terms between two to three years.

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see Note 2.2 and Note 16 for further information.

The future aggregate minimum lease payments under the operating lease agreement are as follows:

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
不遲於1年	Within one year	840,884	1,621,166
遲於1年及不遲於5年	Later than one year and not later than five years	—	966,555
		840,884	2,587,721

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35 承擔 (續)

(b) 資本承擔

於報告期末已訂約重大資本開支但未確認為負債者如下：

35 COMMITMENTS (Continued)

(b) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
物業、廠房及設備	Property, plant and equipment	2,430,477	—

36 業務合併

於截至二零一八年十二月三十一日止年度內，根據日期為二零一八年十月三十日的股份購買協議，於截至二零一九年十二月三十一日止18個月待實現S2C集團的收入及除稅前溢利的若干財務業績目標後，SMIT Systemic (HK) Limited (本公司的全資附屬公司) 同意購買S2C的94.97%股權，向若干S2C僱員支付現金代價為19,000,000美元及或然付款為2,000,000美元。S2C集團主要在亞洲從事快速驗證系統與軟件業務。收購S2C集團為本集團持續發展增添了一個新的戰略重要組成部分，這將使本集團業務多元化至驗證行業並擴闊本集團的收入來源。收購於二零一八年十一月二十九日完成。於收購後，本集團通過委任S2C董事會的所有董事對S2C行使控制權。

36 BUSINESS COMBINATION

During the year ended 31 December 2018, pursuant to a share purchase agreement dated 30 October 2018, SMIT Systemic (HK) Limited, a wholly-owned subsidiary of the Company, agreed to purchase 94.97% equity interest of S2C, with cash consideration of USD19,000,000 and contingent payment of USD2,000,000 to certain employees of S2C upon achievement of certain financial performance targets on the revenues and profit before tax of S2C Group for the 18 months ending 31 December 2019. S2C Group is principally engaged in the business of rapid verification system and software primarily in Asia. The acquisition of S2C Group added a new and strategically important component to the Group's ongoing development and will diversify the Group's business into the verification industry and broaden the revenue stream of the Group. The acquisition was completed on 29 November 2018. Upon acquisition, the Group exercises control over S2C by appointment of all directors into the board of S2C.

綜合財務報表附註

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36 業務合併 (續)

- (i) 下表載列於收購日期的已付代價及商譽的計算方法：

		美元 USD
購買代價	Purchase consideration	
— 現金	— Cash	19,000,000
— 或然代價	— Contingent consideration	1,507,404
總購買代價	Total purchase consideration	20,507,404
減：所收購資產淨值的公平值 (附註36(ii))	Less: Fair value of the net assets acquired (Note 36 (ii))	(4,610,580)
商譽	Goodwill	15,896,824

產生於收購的商譽15,896,824美元主要歸因於S2C的快速驗證系統與軟件業務與本集團合併帶來的協同效應。

36 BUSINESS COMBINATION (Continued)

- (i) The following table summarises the consideration paid and payable at the acquisition date and the calculation of the goodwill:

		美元 USD
Purchase consideration		
— Cash		19,000,000
— Contingent consideration		1,507,404
Total purchase consideration		20,507,404
Less: Fair value of the net assets acquired (Note 36 (ii))		(4,610,580)
Goodwill		15,896,824

The goodwill of USD15,896,824 arising from the acquisition is attributable to synergies from combining the rapid verification system and software business of S2C with the Group.

(ii) 所收購資產淨值

所收購資產及所承擔負債於收購日期的公平值如下：

(ii) Net assets acquired

The fair values of the assets acquired and liabilities assumed as at the acquisition date are as follows:

		美元 USD
物業、廠房及設備 (附註15)	Property, plant and equipment (Note 15)	95,319
許可使用權 (包括無形資產) (附註17)	License use rights (included in intangible assets) (Note 17)	4,644,000
其他無形資產 (附註17)	Other intangible assets (Note 17)	221,087
遞延所得稅資產 (附註24)	Deferred income tax assets (Note 24)	748,827
存貨	Inventories	1,966,668
現金及現金等價物	Cash and cash equivalents	452,614
其他流動資產	Other current assets	937,412
其他流動負債	Other current liabilities	(3,514,552)
遞延所得稅負債 (附註24)	Deferred income tax liabilities (Note 24)	(696,600)
所收購可識別資產淨值總額的公平值	Fair value of total identifiable net assets acquired	4,854,775
非控股權益	Non-controlling interests	(244,195)
		4,610,580

36 業務合併 (續)

(ii) 所收購資產淨值 (續)

本集團已收購的無形資產主要涉及一項使用S2C Inc. (S2C集團的供應商持有的公司) 授予的若干技術許可的權利。

本集團按S2C集團的非控制性權益佔S2C集團可識別資產淨值總額按比例確認S2C集團的非控制性權益。

計入年內綜合收益表的截至二零一八年十二月三十一日止年度一般及行政開支的收購相關成本為576,777美元。

S2C集團自二零一八年十一月二十九日起計入截至二零一八年十二月三十一日止年度綜合收益表的收入為792,568美元。S2C集團亦於同期貢獻虧損43,936美元。

倘S2C集團自二零一八年一月一日起已作整合，則截至二零一八年十二月三十一日止年度綜合損益表會列示備考收益46,281,812美元及虧損5,203,203美元。

(iii) 收購現金流出淨額

36 BUSINESS COMBINATION (Continued)

(ii) Net assets acquired (Continued)

The Group's acquired intangible assets mainly relate a right to use certain technology licenses as granted by S2C Inc., a company held by the vendor of S2C Group.

The Group recognises S2C Group's non-controlling interests at their proportionate share of S2C Group's fair value of total identifiable net assets.

The acquisition-related costs included in general and administrative expenses for the year ended 31 December 2018 in the consolidated income statement for the year amounted to USD576,777.

The revenue included in the consolidated income statement for the year ended 31 December 2018 since 29 November 2018 contributed by S2C Group was USD792,568. S2C Group also contributed loss of USD43,936 over the same period.

Had S2C Group been consolidated from 1 January 2018, the consolidated income statement would show pro-forma revenue of USD46,281,812 and loss of USD5,203,203 for the year ended 31 December 2018.

(iii) Net cash outflow from the acquisition

		美元 USD
所收購業務之已付現金，	Cash paid for acquired business, net of cash acquired	
扣除所收購現金		
－ 現金代價	－ Cash consideration	(19,000,000)
－ 於所收購附屬公司之現金及現金等價物	－ Cash and cash equivalents in subsidiaries acquired	452,614
收購現金流出	Cash outflow on acquisition	(18,547,386)

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 關聯方交易

- (a) 除本綜合財務報表另有披露者外，董事認為，下列個人及公司為於截至二零一九年及二零一八年十二月三十一日止年度與本集團存在交易的關聯方：

關聯方姓名／名稱 Name of the related parties	主要業務活動 Principal business activities	與本集團的關係 Relationship with the Group
高松濤先生 Mr. Gao Songtao	不適用 N/A	本公司非執行董事 Non-executive director of the Company
關重遠先生 Mr. Kwan, Allan Chung-yuen	不適用 N/A	本公司非執行董事 Non-executive director of the Company
黃學良先生 Mr. Huang Xueliang	不適用 N/A	本公司執行董事、首席執行官及控股股東 Executive director, the CEO and controlling shareholder of the Company
龍文駿先生 Mr. Loong, Manfred Man-tsun	不適用 N/A	本公司執行董事及首席財務官 Executive director and the Chief Financial Officer of the Company
帥紅宇先生 Mr. Shuai Hongyu	不適用 N/A	本公司執行董事及首席營運官 Executive director and the Chief Operating Officer of the Company
金玉豐先生 Mr. Jin Yufeng	不適用 N/A	獨立董事 Independent Director
胡家棟先生 Mr. Woo Kar Tung, Raymond	不適用 N/A	獨立董事 Independent Director
張俊傑先生 Mr. Zhang Junjie	不適用 N/A	獨立董事 Independent Director
深圳市國微科技有限公司 Shenzhen State Micro Science and Technology Co. Ltd.	集成電路設計研發 Research and development of integrated circuit design	由本公司執行董事、首席執行官及控股股東控制 Controlled by executive director, the CEO and controlling shareholder of the Company

37 RELATED PARTY TRANSACTIONS

- (a) Save as disclosed elsewhere in these consolidated financial statements, the directors are of the view that the following individuals and companies are related parties who had transactions with the Group during the years ended 31 December 2019 and 2018:

37 關聯方交易 (續)

- (a) 除本綜合財務報表另有披露者外，董事認為，下列個人及公司為於截至二零一九年及二零一八年十二月三十一日止年度與本集團存在交易的關聯方：(續)

37 RELATED PARTY TRANSACTIONS

(Continued)

- (a) Save as disclosed elsewhere in these consolidated financial statements, the directors are of the view that the following individuals and companies are related parties who had transactions with the Group during the years ended 31 December 2019 and 2018: (Continued)

關聯方姓名／名稱 Name of the related parties	主要業務活動 Principal business activities	與本集團的關係 Relationship with the Group
深圳數字電視國家工程實驗室 股份有限公司 (「深圳數字電視」)	數字電視相關產品的研發、 生產及銷售	本公司執行董事、首席執行官及控股股東 為該公司董事
Shenzhen Digital TV National Engineering Laboratory Co., Ltd. (「Shenzhen Digital TV」)	Research, development, production and sales of products related to digital TV	Executive director, the CEO and controlling shareholder of the Company being the director of this company
SMIT Investment Limited	投資控股	本公司執行董事、首席執行官及控股股東 為該公司董事
SMIT Investment Limited	Investment holding	Executive director, the CEO and controlling shareholder of the Company being the director of this company
IBOXPAY International Inc.	投資控股	本公司執行董事、首席執行官及控股股東為關聯方 董事
IBOXPAY International Inc.	Investment holding	Executive director, the CEO and controlling shareholder of the Company being the director of the related party
深圳盒子信息科技有限公司 (「深圳盒子信息科技」)	移動支付服務供應商	本公司執行董事、首席執行官及控股股東 為該公司董事
Shenzhen iBOXPAY Information Technology Co., Ltd. (「Shenzhen iBOXPAY」)	Mobile payment service provider	Executive director, the CEO and controlling shareholder of the Company being the director of this company
深圳鴻芯微納技術有限公司	EDA設計軟件研發	本公司執行董事、首席執行官及控股股東為關聯方 董事
Shenzhen Giga Design Automation Co., Ltd	Development of EDA design software	Executive director, the CEO and controlling shareholder of the Company being the director of the related party

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 關聯方交易 (續)

(b) 與關聯方的交易

除本綜合財務報表另有披露者外，本集團與關聯方進行以下交易：

37 RELATED PARTY TRANSACTIONS

(Continued)

(b) Transactions with related parties

Save as disclosed elsewhere in these consolidated financial statements, the following transactions were undertaken by the Group with related parties:

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
與深圳市國微科技有限公司的物業有關的經營租賃付款及有關空調及公共事業的成本及費用	Operating lease payments and the costs and fees relating to air-conditioning and public utilities in respect of properties of Shenzhen State Micro Science and Technology Co. Ltd.	(175,590)	(726,036)
與深圳數字電視的物業有關的經營租賃付款及有關空調及公共事業的成本及費用	Operating lease payments and the costs and fees relating to air-conditioning and public utilities in respect of properties of Shenzhen Digital TV	(1,532,424)	(52,615)
向深圳盒子信息科技銷售mPOS機	Sales of mPOS devices to Shenzhen iBOXPAY Information Technology Co., Ltd.	803,282	4,419,080
向上海清歌銷售視密卡產品	Sales of CAM products to Shanghai Qingge	41,174	—

該等交易乃按有關各方相互協定的價格及條款進行。

These transactions are conducted at prices and terms mutually agreed by the relevant parties.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 關聯方交易 (續)

(c) 主要管理層薪酬

主要管理層包括執行及非執行董事。已付或應付主要管理層的僱員服務薪酬列示如下：

		截至十二月三十一日止年度 Year ended 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
基本薪金、津貼及實物福利	Basic salaries, allowances and benefits in kind	1,528,609	1,545,824
酌情花紅	Discretionary bonuses	411,675	372,635
退休福利－界定供款計劃	Retirement benefit – defined contribution plans	58,529	66,840
以股份為基礎的付款	Share-based payments	—	151
		1,998,813	1,985,450

(d) 於關聯方的投資

37 RELATED PARTY TRANSACTIONS

(Continued)

(c) Key management compensation

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for employee services is shown below:

(d) Investments in related parties

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
於SMIT Investment的投資 (附註21(d))	Investment in SMIT Investment (Note 21(d))	—	5,600,000
於盒子支付的投資(附註21(d))	Investment in iBoxpay (Note 21(d))	2,063,938	—
於鴻芯的投資(附註21(f))	Investment in Giga (Note 21(f))	1,433,445	—
		3,497,383	5,600,000

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 關聯方交易 (續)

(e) 來自銷售及採購貨品之年終結餘

37 RELATED PARTY TRANSACTIONS

(Continued)

(e) Year-end balances arising from sales and purchases of goods

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
	附註 Note		
關聯方貿易應收款項 (附註20)	Trade receivable from a related party (Note 20) (i)	358,361	4,885,596
聯營公司貿易應收款項 (附註20)	Trade receivables from associates (Note 20) (ii)	2,541,942	—
應付聯營公司貿易款項 (附註28)	Trade payables to associates (Note 28) (iii)	732,639	—

附註：

- (i) 應收款項主要來自對深圳盒子信息科技的銷售交易，並於銷售日期後六個月（二零一八年：六個月）到期。應收款項的性質為無抵押及不計利息。概無就應收關聯方的款項作出撥備（二零一八年：無）。
- (ii) 應收款項主要來自對思爾芯（上海）及S2C Japan Corporation的銷售交易，均於銷售日期後六個月到期。應收款項的性質為無抵押及不計利息。概無就應收聯營公司的款項作出撥備。
- (iii) 金額於採購日期後六十日到期。應付款項的性質為無抵押及不計利息。

Note:

- (i) The receivable arises mainly from sale transactions to Shenzhen iBOXPAY and is due six months (2018: six months) after the date of sales. The receivable is unsecured in nature and bear no interest. No provisions are held against receivables from related parties (2018: Nil).
- (ii) The receivables arise mainly from sale transactions to S2C Shanghai and S2C Japan Corporation and are due on six months after the date of sales. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from associates.
- (iii) The amount is due sixty days after the date of purchase. The payable is unsecured in nature and bear no interest.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 關聯方交易 (續)

(f) 與關聯方及聯營公司的非貿易結餘

37 RELATED PARTY TRANSACTIONS

(Continued)

(f) Non-trade balances with related parties and associates

			於十二月三十一日 As at 31 December	
			二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
		附註 Note		
支付關聯方按金 (附註20)	Deposit to a related party (Note 20)	(i)	449,296	—
應收關聯方款項 (附註20)	Receivables from related parties (Note 20)	(ii)	73,451	27,755
應收聯營公司款項 (附註20)	Receivables from associates (Note 20)	(ii)	584,352	—
向聯營公司貸款	Loan to an associate	(iii)	5,035,836	—
應付關聯方款項 (附註29)	Payable to a related party (Note 29)	(ii)	—	(50,754)
應付聯營公司款項 (附註29)	Payables to associates (Note 29)	(ii)	(2,388,883)	—

(i) 金額指向深圳數字電視支付的租務按金，為以人民幣計值。

(ii) 應收／應付關聯方及聯營公司的款項的賬面值與其公平值相若，並均以美元計值。應收／應付關聯方及聯營公司的款項為無抵押、免息及須應要求償還。

(iii) 向聯營公司貸款的賬面值與其公平值相若，並以人民幣計值。向聯營公司貸款為無抵押、免息及須於三個月內償還。

(i) The amount represents the rental deposit to Shenzhen Digital TV and is denominated in RMB.

(ii) The carrying amounts of amount due from/to related parties and associates approximate their fair values and are mainly denominated in USD. The amounts due from/to related parties and associates are unsecured, non-interest bearing and repayable on demand.

(iii) The carrying amount of loan to an associate approximates its fair value and is denominated in RMB. The loan to an associate is unsecured, non-interest bearing and repayable within three months.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 報告期後事項

- (a) 於二零二零年一月三十一日，SMIT深圳與鴻芯及深圳鴻泰鴻芯權益投資基金合夥企業（有限合夥）（「鴻泰鴻芯基金」）訂立注資協議，據此，SMIT深圳將向鴻芯注資人民幣90百萬元（相等於約13百萬美元）。緊接注資前，鴻芯分別由鴻泰鴻芯基金持有99.01%權益及SMIT深圳持有0.99%權益。於注資完成後，鴻芯將分別由鴻泰鴻芯基金持有90.91%權益及SMIT深圳持有9.09%權益。
- (b) 自二零二零年年初以來，二零一九年新型冠狀病毒肺炎疫情（「COVID-19疫情」）已擴散至全中國及其他國家，同時亦在某種程度上影響到業務及經濟活動。
- (i) 編製截至二零一九年十二月三十一日止年度的該等綜合財務報表所用的若干會計估計及判斷可能會因COVID-19疫情的影響而於二零二零年作出調整，有關內容概述如下。

38 EVENTS AFTER REPORTING PERIOD

- (a) On 31 January 2020, SMIT Shenzhen entered into a capital injection agreement with and Shenzhen Giga Hongtai Hongxin Share Investment Fund Partnership (Limited Partnership) ("HTHX Fund"), pursuant to which SMIT Shenzhen will make a capital injection of RMB90 million (equivalent to approximately USD13 million) in Giga. Immediately prior to the capital injection, Giga was held as to 99.01% by the HTHX Fund and 0.99% by SMIT Shenzhen respectively. Upon completion of the capital injection, Giga will be held as to 90.91% by the HTHX Fund and 9.09% by SMIT Shenzhen.
- (b) Since early 2020, the epidemic of Coronavirus Disease 2019 ("the COVID-19 outbreak") has spread across the PRC and other countries, and it has affected business and economic activities to some extent.
- (i) Certain accounting estimates and judgements that have been used in preparing the consolidated financial statements for the year ended 31 December 2019 might be adjusted in 2020 as a result of the impact of COVID-19 outbreak, which are summarised below.

38 報告期後事項(續)

(b) (續)

(i) (續)

- 本集團對商譽進行減值測試(附註25)，相關現金產生單位的可收回金額超過其賬面金額，因此毋須作出減值撥備。進行評估時，本集團根據二零一九年十二月三十一日的情況來估算現金產生單位未來現金流量的現值。即將於二零二零年進行的商譽減值測試中，COVID-19疫情及其對現金產生單位未來現金流量的估計現值產生的影響將納入考量。截至該等綜合財務報表獲准刊發當日，本集團仍在評估COVID-19對二零二零年相關現金產生單位表現的影響，目前仍無法估計本集團受到的量化影響。

38 EVENTS AFTER REPORTING PERIOD

(Continued)

(b) (Continued)

(i) (Continued)

- The Group tested goodwill for impairment (Note 25) and the recoverable amount of the relevant CGU exceeds its carrying amount, thus no provision for impairment is made. In performing this assessment, the Group estimated the present value of future cash flows of the CGU based on the conditions as at 31 December 2019. In the goodwill impairment test to be performed in 2020, COVID-19 outbreak and its impact on the present value of estimated future cash flows of the CGU will be considered. Up to the date on which these consolidated financial statements were authorised for issue, the Group is still in the process of assessing the impacts of the COVID-19 on the performance of the relevant CGU in 2020 and is currently unable to estimate the quantitative impacts to the Group.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 報告期後事項(續)

(b) (續)

(i) (續)

- 在就確認遞延稅項資產評估本集團的可扣減暫時差異及稅項虧損時(附註24)，本集團認為將會產生未來應課稅溢利可動用遞延稅項資產。COVID-19疫情可能對本集團各附屬公司的營運造成影響，導致短期內可能無法實現盈利，原因是其若干稅項虧損將會到期，且因此可能無法使用相關已確認遞延稅項資產。截至該等綜合財務報表獲准刊發當日，本集團仍在評估COVID-19對二零二零年相關附屬公司表現的影響，目前仍無法估計本集團受到的量化影響。

38 EVENTS AFTER REPORTING PERIOD

(Continued)

(b) (Continued)

(i) (Continued)

- In assessing deductible temporary differences and tax losses for the recognition of deferred tax assets of the Group (Note 24), the Group considered future taxable profits that will be available against which the deferred tax asset can be utilised. The COVID-2019 outbreak might have impact on the operations of the respective subsidiaries of the Group such that it might not be profitable in the near future, as certain of its tax losses will be expired and therefore the related deferred tax assets recognised might not be utilised. Up to the date on which these consolidated financial statements were authorised for issue, the Group is still in the process of assessing the impacts of the COVID-19 on the performance of the relevant subsidiaries in 2020 and is currently unable to estimate the quantitative impacts to the Group.

38 報告期後事項 (續)

(b) (續)

(i) (續)

- 本集團若干權益投資被分類為金融資產並透過損益按公平值計量。於二零一九年十二月三十一日，透過損益按公平值入賬的金融資產的公平值總額為14,596,569美元（附註21）。於二零二零年，本集團權益投資的公平值可能會受COVID-19疫情影響產生波動，而該影響仍在進行評估當中。本集團將繼續與外部估值師討論，以進一步了解二零二零年COVID-19疫情對權益投資估值的影響。

- (ii) 於二零二零年三月，香港科學園已就本集團於香港科學園的租約給予租金折扣，期限由二零二零年四月一日起至二零二零年九月三十日止。根據業主發出的通知書，估計截至二零二零年十二月三十一日止年度，該折扣將導致未貼現現金流出總額減少1.5百萬港元（相等於約0.2百萬美元）。

38 EVENTS AFTER REPORTING PERIOD

(Continued)

(b) (Continued)

(i) (Continued)

- The Group's certain equity investments are classified as financial assets and measured at fair value through profit or loss. As at 31 December 2019, the total fair value of the financial assets at fair value through profit or loss amounted to USD14,596,569 (Note 21). In 2020, fair value of the Group's equity investments may be subject to fluctuation due to the COVID-19 outbreak, the impact of which is still under assessment. The Group will continue to communicate with external valuers to further understand the impacts of the COVID-19 outbreak to the valuation of the equity investments in 2020.

- (ii) In March 2020, the Hong Kong Science Park has given a rental payment discount to the Group for its tenancy in Hong Kong Science Park for the period from 1 April 2020 to 30 September 2020. Based on the letter of notice from the landlord, it is estimated that the discount will result in a reduction of total undiscounted cash outflow of HKD1.5 million (equivalent to approximately USD0.2 million) for the year ending 31 December 2020.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 本公司財務狀況表及儲備變動

39 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
	附註 Note		
資產	ASSETS		
非流動資產	Non-current assets		
於附屬公司的投資	Investment in subsidiaries	70,118,103	70,108,560
透過損益按公平值入的 金融資產	Financial assets at fair value through profit or loss	2,063,938	5,600,000
		72,182,041	75,708,560
流動資產	Current assets		
應收附屬公司款項	Amounts due from subsidiaries	39,118,725	38,285,624
預付款項	Prepayments	18,703	18,703
現金及現金等價物	Cash and cash equivalents	1,836,910	2,817,290
		40,974,338	41,121,617
總資產	Total assets	113,156,379	116,830,177

39 本公司財務狀況表及儲備變動(續)

39 STATEMENT OF FINANCIAL POSITION
AND RESERVE MOVEMENT OF THE
COMPANY (Continued)

		於十二月三十一日 As at 31 December	
		二零一九年 2019 美元 USD	二零一八年 2018 美元 USD
	附註 Note		
權益及負債	EQUITY AND LIABILITIES		
本公司擁有人應佔權益	Equity attributable to owners of the Company		
股本	Share capital	6,364	6,326
股份溢價	Share premium (a)	101,505,767	100,982,947
以股份為基礎的付款儲備	Share-based payment reserve (a)	1,728,425	1,728,425
(累計虧損)/保留盈利	(Accumulated losses)/retained earnings (a)	(3,809,945)	593,452
總權益	Total equity	99,430,611	103,311,150
負債	Liabilities		
流動負債	Current liabilities		
應計費用及其他應付款項	Accruals and other payables	736,172	538,974
應付一家附屬公司款項	Amount due to a subsidiary	12,989,596	12,980,053
總負債	Total liabilities	13,725,768	13,519,027
總權益及負債	Total equity and liabilities	113,156,379	116,830,177

本公司財務狀況表乃由董事會於二零二零年三月二十七日批准並代為簽署。

The statement of financial position of the Company was approved by the Board of Directors on 27 March 2020 and were signed on its behalf.

主席
黃學良

董事
龍文駿

Huang Xueliang
Chairman

Loong, Manfred Man-tsun
Director

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 本公司財務狀況表及儲備變動(續)

(a) 本公司儲備變動

		股份溢價 Share premium 美元 USD	以股份為 基礎付款儲備 Share-based payment reserve 美元 USD	(累計虧損)/ 保留盈利 (Accumulated losses)/ retained earnings 美元 USD
於二零一八年一月一日	At 1 January 2018	98,362,681	1,728,238	(2,314,719)
年內溢利及全面收益總額	Profit and total comprehensive income for the year	—	—	2,908,171
行使購股權	Exercise of share options	3,422,799	—	—
以股份為基礎的薪酬	Share-based compensation	—	187	—
二零一八年六月派付 二零一七年相關股息	Dividends relating to 2017 paid in June 2018	(802,533)	—	—
於二零一八年十二月三十一日	At 31 December 2018	100,982,947	1,728,425	593,452
即：	Representing:			
儲備	Reserves	100,577,533	1,728,425	593,452
二零一八年建議末期股息	2018 final dividend proposed	405,414	—	—
		100,982,947	1,728,425	593,452
於二零一九年一月一日	At 1 January 2019	100,982,947	1,728,425	593,452
年內虧損及全面虧損總額	Loss and total comprehensive loss for the year	—	—	(4,403,397)
行使購股權	Exercise of share options	928,234	—	—
二零一九年五月派付 二零一八年相關股息	Dividends relating to 2018 paid in May 2019	(405,414)	—	—
於二零一九年十二月三十一日	At 31 December 2019	101,505,767	1,728,425	(3,809,945)
即：	Representing:			
儲備	Reserves	101,095,628	1,728,425	(3,809,945)
二零一九年建議末期派息	2019 final dividend proposed	410,139	—	—
		101,505,767	1,728,425	(3,809,945)

39 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Reserve movement of the Company

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 董事利益及權益(香港《公司條例》(第622章)第383條、《公司(披露董事利益資料)規則》(第622G章)及香港上市規則規定的披露)

(a) 董事及高級管理層薪酬

本公司董事薪酬載列如下：

		截至二零一九年十二月三十一日止年度 Year ended 31 December 2019								
姓名		袍金	薪金	酌情花紅	住房補貼	其他福利估計 金錢價值 (附註(a))	就接受董事職務 已收或應收薪酬	因管理本公司或 其附屬公司業務 而就董事其他服務 已收或應收的薪酬	退休福利 計劃僱主供款	合計
Name		Fees	Salaries	Discretionary bonuses	Housing allowance	Estimated money value of other benefits (Note (a))	Remuneration paid or receivable in respect of accepting office as director	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking	Employer's contribution to a retirement benefit scheme	Total
		美元	美元	美元	美元	美元	美元	美元	美元	美元
		USD	USD	USD	USD	USD	USD	USD	USD	USD
執行董事	Executive director									
黃學良先生 (附註(b))	Mr. Huang Xueliang (Note (b))	24,000	387,686	128,203	—	—	—	—	4,615	544,504
鍾紅宇先生	Mr. Shuai Hongyu	24,000	349,373	107,766	—	145	—	—	12,000	493,284
龍文毅先生	Mr. Loong, Manfred Man-tsun	24,000	339,225	96,152	—	—	—	—	4,615	463,992
非執行董事	Non-executive directors									
曾之傑先生 (附註(c))	Mr. Zeng Zhijie (Note (c))	10,000	—	—	—	—	—	—	—	10,000
關重遠先生	Mr. Kwan, Allan Chung-yuen	24,000	—	—	—	—	—	—	—	24,000
高松濤先生 (附註(d))	Mr. Gao Songtao (Note (d))	—	—	—	—	—	—	—	—	—
獨立非執行董事	Independent non-executive directors									
張俊傑先生	Mr. Zhang Junjie	24,000	—	—	—	—	—	—	—	24,000
胡家棟先生	Mr. Woo Kar Tung, Raymond	24,000	—	—	—	—	—	—	—	24,000
金玉豐先生	Mr. Jin Yufeng	24,000	—	—	—	—	—	—	—	24,000
		178,000	1,076,284	332,121	—	145	—	—	21,230	1,607,780

(a) Directors' and senior management's emoluments

The remuneration of the directors of the Company is set out below:

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 董事利益及權益(香港《公司條例》(第622章)第383條、《公司(披露董事利益資料)規則》(第622G章)及香港上市規則規定的披露)(續)

(a) 董事及高級管理層薪酬(續)

- (a) 其他福利包括有薪假及購股權。
- (b) 該董事亦為本公司首席執行官，並無就首席執行官薪酬作出單獨披露。
- (c) 該董事於二零一九年五月二十日辭任。
- (d) 該董事於二零二零年三月二十七日辭任。

40 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(a) Directors' and senior management's emoluments (Continued)

- (a) Other benefits include leave pay and share option.
- (b) The director is also the CEO of the Company, no separate disclosure in respect of the remuneration of the CEO has been made.
- (c) The director resigned on 20 May 2019.
- (d) The director resigned on 27 March 2020.

40 董事利益及權益 (香港《公司條例》(第622章)第383條、《公司(披露董事利益資料)規則》(第622G章)及香港上市規則規定的披露) (續)

40 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(a) 董事及高級管理層薪酬 (續)

(a) Directors' and senior management's emoluments (Continued)

截至二零一八年十二月三十一日止年度
Year ended 31 December 2018

姓名	袍金	薪金	酌情花紅	住房補貼	其他福利估計 金錢價值 (附註(a))	就接受董事職務 已收或應收薪酬	因管理本公司或 其附屬公司業務 而收或應收的薪酬	退休福利計劃 僱主供款	總計
Name	Fees 美元 USD	Salaries 美元 USD	Discretionary bonuses 美元 USD	Housing allowance 美元 USD	Estimated money value of other benefits (Note (a)) 美元 USD	Remuneration paid or receivable in respect of accepting office as director 美元 USD	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking 美元 USD	Employer's contribution to a retirement benefit scheme 美元 USD	Total 美元 USD
執行董事									
黃學良先生 (附註(b))	24,000	387,522	128,149	—	42	—	—	4,613	544,326
謝紅宇先生	24,000	350,320	108,195	—	225	—	—	13,477	496,217
龍文駿先生	24,000	339,081	96,112	—	—	—	—	4,613	463,806
非執行董事									
曾之傑先生 (附註(c))	24,000	—	—	—	—	—	—	—	24,000
關重遠先生	24,000	—	—	—	—	—	—	—	24,000
高松濤先生 (附註(d))	—	—	—	—	—	—	—	—	—
獨立非執行董事									
張俊傑先生	24,000	—	—	—	—	—	—	—	24,000
胡家棟先生	24,000	—	—	—	—	—	—	—	24,000
金玉豐先生	24,000	—	—	—	—	—	—	—	24,000
	192,000	1,076,923	332,456	—	267	—	—	22,703	1,624,349

(a) 其他福利包括有薪假及購股權。

(a) Other benefits include leave pay and share option.

(b) 該董事亦為本公司首席執行官，並無就首席執行官薪酬作出單獨披露。

(b) The director is also the CEO of the Company, no separate disclosure in respect of the remuneration of the CEO has been made.

(c) 該董事於二零一九年五月二十日辭任。

(c) The director resigned on 20 May 2019.

(d) 該董事於二零二零年三月二十七日辭任。

(d) The director resigned on 27 March 2020.

40 董事利益及權益(香港《公司條例》(第622章)第383條、《公司(披露董事利益資料)規則》(第622G章)及香港上市規則規定的披露)(續)

(b) 董事退休福利

概無就任何董事管理本公司事務或其附屬公司業務有關的其他服務向彼等支付或收取退休福利(二零一八年：無)。

(c) 董事辭退福利

於截至二零一九年十二月三十一日止年度，概無就提前終止委聘或離職而支付予董事任何補償(二零一八年：無)。

(d) 就獲提供董事服務而給予第三方代價

截至二零一九年十二月三十一日止年度，本公司並無因獲提供董事服務而支付代價予任何第三方(二零一八年：無)。

40 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking (2018: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for the early termination of appointment or loss of office during the year ended 31 December 2019 (2018: Nil).

(d) Consideration provided to third parties for making available directors' services

The Company did not pay consideration to any third parties for making available directors' services for the year ended 31 December 2019 (2018: Nil).

40 董事利益及權益 (香港《公司條例》(第622章)第383條、《公司(披露董事利益資料)規則》(第622G章)及香港上市規則規定的披露) (續)

- (e) 關於惠及董事、受董事控制的法人團體及與董事有關連的實體的貸款、類似貸款及其他交易的資料

於年末或截至二零一九年十二月三十一日止年度任何時間並無存續惠及董事、受董事控制的法人團體及與董事有關連的實體的貸款、類似貸款及其他交易(二零一八年：無)。

- (f) 董事在交易、安排或合約中的重大權益

於年末或截至二零一九年十二月三十一日止年度任何時間並無存續由本公司作為訂約方且本公司董事於其中直接或間接擁有重大權益而與本公司業務有關的重要交易、安排或合約(二零一八年：無)。

40 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

- (e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings were made available in favour of directors, body corporates controlled by and connected entities with such directors subsisted at the end of the year or at any time during the year 31 December 2019 (2018: Nil).

- (f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year 31 December 2019 (2018: Nil).

財務概要

FINANCIAL SUMMARY

截至十二月三十一日止年度

Year ended 31 December

		二零一九年 2019	二零一八年 2018	二零一七年 2017	二零一六年 2016	二零一五年 2015
收益	Revenue	38,099,720	41,318,578	91,780,923	59,053,896	65,141,051
銷售成本	Cost of sales	(22,824,996)	(27,641,807)	(59,277,526)	(35,596,258)	(41,016,720)
毛利	Gross profit	15,274,724	13,676,771	32,503,397	23,457,638	24,124,331
所得稅前溢利／(虧損)	Profit/(loss) before income tax	11,621,320	(277,783)	14,031,227	7,379,349	4,140,582
所得稅抵免／(開支)	Income tax credit/(expense)	700,991	1,593,307	(2,932,359)	121,237	(817,878)
年內溢利	Profit for the year	12,322,311	1,315,524	11,098,868	7,500,586	3,322,704
以下各項應佔：	Profit is attributable to:					
本公司擁有人	Owners of the Company	10,602,142	1,317,734	11,098,868	7,500,586	3,322,704
非控股權益	Non-controlling interests	1,720,169	(2,210)			
		12,322,311	1,315,524	11,098,868	7,500,586	3,322,704

於十二月三十一日

As at 31 December

		二零一九年 2019	二零一八年 2018	二零一七年 2017	二零一六年 2016	二零一五年 2015
總資產	Total assets	177,468,937	140,918,711	131,683,031	109,431,711	78,937,477
本公司擁有人應佔權益	Equity attributable to owners of the Company	121,634,110	112,018,954	114,331,589	99,092,678	62,176,860
非控股權益	Non-controlling interests	1,967,240	240,480	—	—	—
總權益	Total equity	123,601,350	112,259,434	114,331,589	99,092,678	62,176,860
總負債	Total liabilities	53,867,587	28,659,277	17,351,442	10,339,033	16,760,617
總權益及負債	Total equity and liabilities	177,468,937	140,918,711	131,683,031	109,431,711	78,937,477

國微控股有限公司
SMIT HOLDINGS LIMITED

