



Wise Ally International Holdings Limited 麗年國際控股有限公司

(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: 9918

2019

ANNUAL REPORT

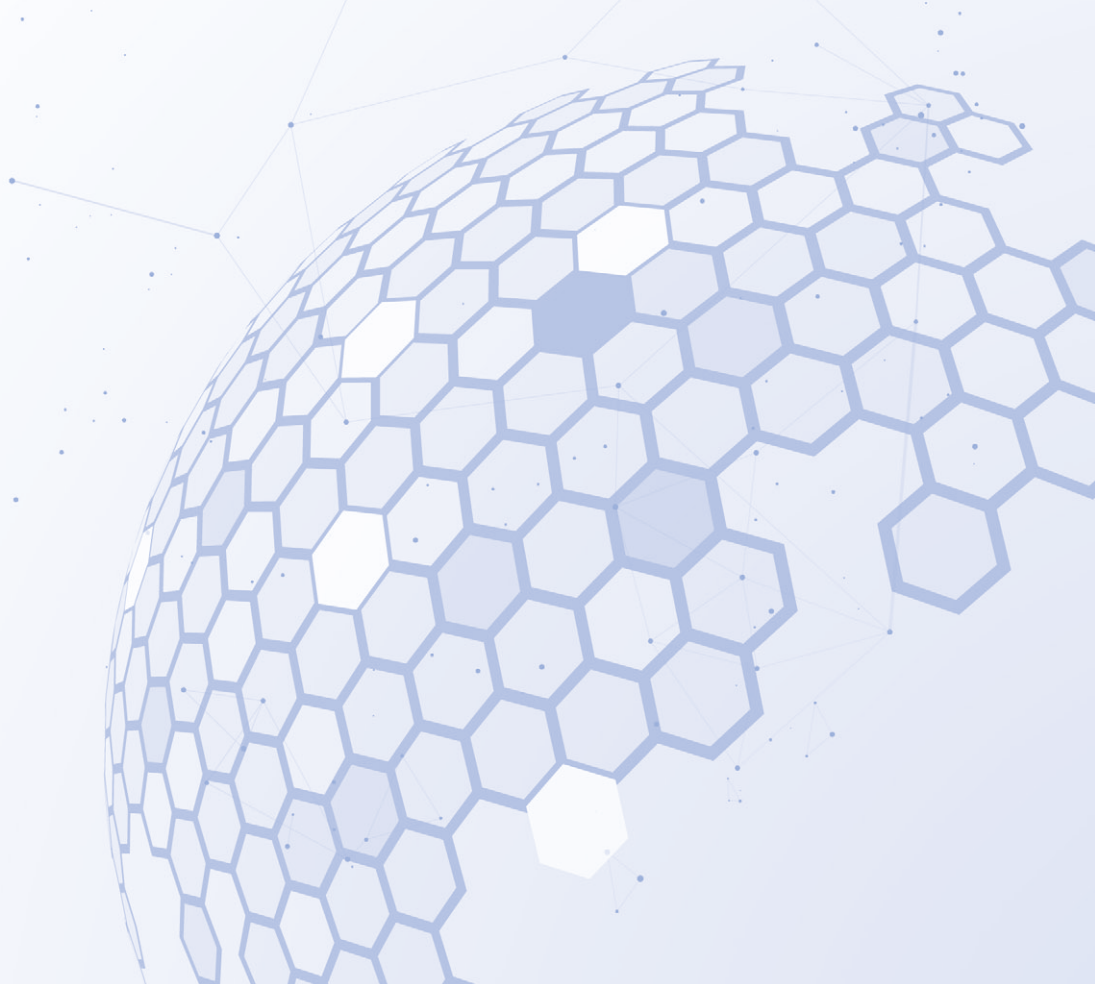
年報



目 錄

CONTENTS

公司資料	2	Corporate Information
財務摘要	4	Financial Highlights
四年財務概要	5	Four-Year Financial Summary
主席報告書	6	Chairman's Statement
管理層討論與分析	8	Management Discussion and Analysis
董事及高級管理層	15	Directors and Senior Management
董事會報告書	24	Report of the Directors
企業管治報告書	42	Corporate Governance Report
獨立核數師報告	60	Independent Auditor's Report
綜合全面收益表	68	Consolidated Statement of Comprehensive Income
綜合財務狀況表	69	Consolidated Statement of Financial Position
綜合權益變動表	71	Consolidated Statement of Changes in Equity
綜合現金流量表	74	Consolidated Statement of Cash Flows
綜合財務報表附註	75	Notes to the Consolidated Financial Statements



公司資料

Corporate Information

董事會

執行董事

朱慧恒先生(主席)
曾明哲先生(行政總裁)
陳志明先生(首席營運官)

獨立非執行董事

凌潔心女士
李華倫先生
司徒毓廷先生

審核委員會

凌潔心女士(主席)
李華倫先生
司徒毓廷先生

薪酬委員會

司徒毓廷先生(主席)
曾明哲先生
凌潔心女士
李華倫先生

提名委員會

李華倫先生(主席)
朱慧恒先生
凌潔心女士
司徒毓廷先生

公司秘書

鄭允傑先生 *FCPA*、*FCCA*

授權代表

曾明哲先生
鄭允傑先生 *FCPA*、*FCCA*

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

香港法律顧問

鴻鵠律師事務所

BOARD OF DIRECTORS

Executive Directors

Mr. Chu Wai Hang Raymond (*Chairman*)
Mr. Tsang Ming Chit Stanley (*Chief Executive Officer*)
Mr. Chan Chi Ming (*Chief Operating Officer*)

Independent Non-executive Directors

Ms. Ling Imma Kit Sum
Mr. Lee Wa Lun Warren
Mr. Szeto Yuk Ting

Audit Committee

Ms. Ling Imma Kit Sum (*Chairperson*)
Mr. Lee Wa Lun Warren
Mr. Szeto Yuk Ting

Remuneration Committee

Mr. Szeto Yuk Ting (*Chairman*)
Mr. Tsang Ming Chit Stanley
Ms. Ling Imma Kit Sum
Mr. Lee Wa Lun Warren

Nomination Committee

Mr. Lee Wa Lun Warren (*Chairman*)
Mr. Chu Wai Hang Raymond
Ms. Ling Imma Kit Sum
Mr. Szeto Yuk Ting

Company Secretary

Mr. Kwong Tony Wan Kit *FCPA*, *FCCA*

Authorised Representatives

Mr. Tsang Ming Chit Stanley
Mr. Kwong Tony Wan Kit *FCPA*, *FCCA*

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

Hong Kong Legal Adviser

Bird & Bird

公司資料 Corporate Information

主要往來銀行

香港上海滙豐銀行有限公司
渣打銀行(香港)有限公司
恒生銀行有限公司

合規顧問

華高和昇財務顧問有限公司

註冊辦事處

4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

總部及香港主要營業地點

香港九龍九龍灣
宏照道38號企業廣場5期
1座3203-3207室

開曼群島主要股份過戶登記處

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

上市地點

香港聯合交易所有限公司

股份代號

9918

股份名稱

麗年國際

公司網站

www.wiseally.com.hk

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
Hang Seng Bank Limited

Compliance Adviser

WAG Worldsec Corporate Finance Limited

Registered Office

4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Headquarter and Principal Place of Business in Hong Kong

Units 3203-3207, Tower 1
Enterprise Square Five, 38 Wang Chiu Road
Kowloon Bay, Kowloon, Hong Kong

Principal Share Registrar and Transfer Office in the Cayman Islands

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Place of Listing

The Stock Exchange of Hong Kong Limited

Stock Code

9918

Stock Name

WISE ALLY INTL

Company's Website

www.wiseally.com.hk

財務摘要

Financial Highlights

		2019 千港元 HK\$'000	2018 千港元 HK\$'000
經營業績	OPERATING RESULTS		
收益	Revenue	980,844	1,257,295
毛利	Gross profit	226,191	295,637
經營溢利	Operating profit	63,253	107,384
本公司權益持有人應佔 年內溢利(包括上市開支)	Profit for the year attributable to equity holders of the Company (including listing expenses)	33,390	77,018
本公司權益持有人應佔 年內溢利(不包括上市開支)	Profit for the year attributable to equity holders of the Company (excluding listing expenses)	50,737	86,033
每股基本及攤薄盈利 (港仙)	Basic and diluted earnings per share (HK cents)	2.2	5.1
財務狀況	FINANCIAL POSITION		
流動資產	Current assets	494,598	806,318
流動負債	Current liabilities	479,342	770,146
非流動資產	Non-current assets	117,094	137,319
非流動負債	Non-current liabilities	80,195	48,774
本公司權益持有人應佔權益	Equity attributable to equity holders of the Company	52,155	124,717
主要財務比率	KEY FINANCIAL RATIOS		
毛利率	Gross profit margin	23.1%	23.5%
淨利率	Net profit margin	3.4%	6.1%
權益回報率(附註1)	Return on equity (Note 1)	37.8%	86.4%
總資產回報率(附註2)	Return on total assets (Note 2)	4.3%	8.4%
流動比率	Current ratio	1.0 time倍	1.0 time倍
淨資本負債比率(附註3)	Net gearing ratio (Note 3)	245.2%	280.8%

附註：

Notes:

- | | |
|--|--|
| 1. 權益回報率乃按年內溢利除以總權益的平均結餘再乘以100%計算。 | 1. The calculation of return on equity is based on profit for the year divided by average balance of total equity and multiplied by 100%. |
| 2. 總資產回報率乃按年內溢利除以總資產的平均結餘再乘以100%計算。 | 2. The calculation of return on total assets is based on profit for the year divided by average balance of total assets and multiplied by 100%. |
| 3. 淨資本負債比率乃按總銀行借款扣除現金及現金等價物除以總權益再乘以100%計算。 | 3. The calculation of net gearing ratio is based on total bank borrowings net of cash and cash equivalents divided by total equity and multiplied by 100%. |

四年財務概要

Four-Year Financial Summary

綜合業績

CONSOLIDATED RESULTS

		截至12月31日止年度 For the year ended 31 December			
		2019 千港元 HK\$'000	2018 千港元 HK\$'000	2017 千港元 HK\$'000	2016 千港元 HK\$'000
收益	Revenue	980,844	1,257,295	1,232,653	687,659
經營溢利	Operating profit	63,253	107,384	95,408	3,365
本公司權益持有人 應佔年內溢利	Profit for the year attributable to equity holders of the Company	33,390	77,018	74,172	982

綜合資產與負債

CONSOLIDATED ASSETS AND LIABILITIES

		於12月31日 As at 31 December			
		2019 千港元 HK\$'000	2018 千港元 HK\$'000	2017 千港元 HK\$'000	2016 千港元 HK\$'000
流動資產	Current assets	494,598	806,318	802,099	438,781
流動負債	Current liabilities	479,342	770,146	827,414	502,537
非流動資產	Non-current assets	117,094	137,319	78,991	71,068
非流動負債	Non-current liabilities	80,195	48,774	145	2,328
本公司權益持有人 應佔權益	Equity attributable to equity holders of the Company	52,155	124,717	53,531	4,984

主席報告書

Chairman's Statement

本人謹代表麗年國際控股有限公司(「本公司」，連同其附屬公司統稱「本集團」)董事(「董事」，及各「董事」)會(「董事會」)欣然向本公司股東(「股東」)提呈本集團截至2019年12月31日止年度(「2019年度」)的年度業績及綜合財務報表。

我們是一家專注於消費電子產品的知名電子製造服務(「EMS」)供應商，致力於為客戶提供一站式解決方案，涵蓋的應用範圍包括霧化產品、電器、商業控件及加熱、通風及空調(「暖通空調」)等。

我們提供遍及消費類EMS價值鏈的高度綜合及全方位服務，具備製造多樣化產品組合的能力以及高效的生產流程。我們與國際知名及行業領先品牌擁有人達成戰略合作以及穩定和悠久的業務關係。我們擁有強大的技術實力及產品開發能力助業務進軍新市場。我們恪守嚴格的質量保證且我們的專業管理團隊經驗豐富、有遠見且富有進取精神。該等主要優勢乃我們取得成功及實現未來發展的關鍵因素。

本公司股份(「股份」)於2020年1月10日(「上市日期」)在香港聯合交易所有限公司(「聯交所」)主板成功以香港公开发售及國際配售(「全球發售」)的方式上市(「上市」)。本公司收取的所得款項淨額(經扣除包銷費用及相關開支)約為74.0百萬港元。董事認為，上市將增強我們的企業形象、信譽及競爭力，並促進我們的業務戰略及擴張計劃的實施。

未來，我們擬繼續鞏固我們在消費類EMS行業的領先地位，提升我們的整體競爭力及擴大我們的市場份額。我們計劃通過以下措施實現該等目標：(a)加大面向北美、歐洲及中華人民共和國(「中國」)主要消費類EMS行業廠商的銷售及營銷力度；(b)藉由在東南亞地區及中國擴展製造平台增加產能；(c)透過購買新機器及設備及升級我們現有位於東莞廠房的生產設施提升我們的生產效率及產能；(d)加強開發及提供物聯網(「物聯網」)相關解決方案的研發能力；及(e)提升我們的資訊科技基礎設施。

On behalf of the board (the “Board”) of directors (the “Directors” and each a “Director”) of Wise Ally International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”), I am pleased to present to the shareholders of the Company (the “Shareholders”) the annual results and consolidated financial statements of the Group for the year ended 31 December 2019 (“CY2019”).

We are an established electronics manufacturing services (“EMS”) provider offering full turnkey solutions to our customers with particular focus in consumer electronic products that covers a range of product applications including vapour products, appliances, commercial controls and heating, ventilation and air-conditionings (“HVACs”).

We provide highly integrated and comprehensive range of services across the consumer EMS value chain coupled with capabilities to manufacture a diversified product range and an efficient production process. We have strategic collaborations, stable and established business relationships with internationally renowned and industry-leading brand owners. We possess strong technical expertise and product development capability which facilitate our business expansion into new markets. We are committed to stringent quality assurance; and our professional management team are experienced, visionary and with an entrepreneurial spirit. These principal strengths are crucial to our success and essential to our future growth.

The shares of the Company (the “Shares”) were successfully listed (the “Listing”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) by way of Hong Kong public offering and international placing (the “Global Offering”) on 10 January 2020 (the “Listing Date”). The net proceeds received by the Company, after deducting the underwriting fees and relevant expenses, amounted to approximately HK\$74.0 million. The Directors believe that the Listing would strengthen our corporate profile, credibility and competitiveness as well as facilitate the implementation of our business strategies and expansion plans.

We intend to continue to strengthen our leading position in the consumer EMS industry, enhance our overall competitiveness and increase our market share in the future. We aim to achieve these goals through: (a) intensifying the sales and marketing efforts to major consumer EMS industry players in North America, Europe and the People’s Republic of China (the “PRC”); (b) increasing our production capacity by expanding our manufacturing platform in South East Asia region and the PRC; (c) enhancing our production efficiency and capability by acquiring new machinery and equipment and upgrading the production facility at our existing factory located in Dongguan; (d) strengthening our research capability for the development and provision of Internet of Things (“IoT”) related solutions; and (e) enhancing our information technology infrastructure.

主席報告書 Chairman's Statement

本集團於2019年度錄得收益980.8百萬港元及實現經營溢利63.3百萬港元。本公司權益持有人應佔年內溢利(包括上市開支)為33.4百萬港元。扣除2019年度錄得的非經常性上市開支17.3百萬港元，則本公司權益持有人應佔年內溢利將為50.7百萬港元。

前景

於2020年初，我們預期隨著中美貿易關係有所緩和，市場氣氛及美國(「美國」)客戶的訂單會逐步復甦。然而，突如其來的新型冠狀病毒大流行已對美國、加拿大、歐盟及其他主要國家等全球經濟造成不利影響。由於我們主要客戶及供應商所在國家採取不同防護措施，其日常營運及業務受到不利影響。因此，來自客戶的部分訂單被推遲，我們的部分材料供應受到干擾，交貨時間延長及付運計劃中斷，而這將會對我們2020年的業務營運及財務業績產生重大影響。

2020年將充滿挑戰及不確定因素。憑藉我們於EMS行業的豐富經驗、強大的技術知識和製造能力以及與業務夥伴的悠久歷史，我們相信我們能夠迎難而上，繼續向我們的客戶提供優質服務及產品，並盡最大努力為股東創造價值。

致謝

本人謹藉此機會代表董事會對我們客戶、業務夥伴及股東的持續支持表示衷心感謝。本人亦謹對管理團隊及全體員工於年內的貢獻致以感謝。

主席兼執行董事
朱慧恒

香港，2020年3月27日

The Group recorded revenue of HK\$980.8 million and achieved operating profit of HK\$63.3 million for CY2019. Profit for the year attributable to equity holders of the Company (including the listing expenses) amounted to HK\$33.4 million. Excluding the non-recurring listing expenses recorded in CY2019 in the amount of HK\$17.3 million, the profit for the year attributable to equity holders of the Company would be HK\$50.7 million.

PROSPECTS

In early 2020, we expect gradual recovery in market sentiments and orders from the United States (the "U.S.") customers due to the reduction in the U.S.-China trade tension. However, the unprecedented novel coronavirus (COVID-19) pandemic has adversely affected different countries across the globe, such as the U.S., Canada, the European Union and other major countries. Due to different protection measures adopted by the countries where our major customers and suppliers are located, their daily operations and businesses are adversely affected. Consequently, certain orders from customers are deferred, some of our materials supplies are interrupted with extended lead time and shipment schedules are disrupted, which would cast significant impacts to our operations and financial results in 2020.

The year 2020 will be challenging and full of uncertainties. With our extensive experience in the EMS industry, strong technical knowledge and manufacturing capabilities and long history with our business partners, we are confident that we could weather the storm and continue to provide quality services and products to our customers and maximize our values to our Shareholders.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to our customers, business partners and Shareholders for their continuous support. I would like to also thank the management team and all staff members for their contribution during the year.

Chu Wai Hang Raymond
Chairman and Executive Director

Hong Kong, 27 March 2020

管理層討論與分析

Management Discussion and Analysis

業務回顧

我們是一家專注於消費電子產品的知名EMS供應商，致力於為客戶提供一站式解決方案。我們提供全方位服務，包括設計開發與優化、提供技術意見及工程解決方案、材料挑選及採購、生產、質量控制及物流管理。我們的解決方案旨在整合電子元件與機械及機電元件，以組成多功能模組，從而促成客戶電子製成品的整體功能。我們的製造服務交付的產品包括印刷電路板組件（「PCBA(s)」）、多功能模組及電子製成品，涵蓋的應用範圍包括霧化產品、電器、商業控件及暖通空調等。

鑒於本集團主要從事提供多功能模組電子製造服務，本集團覆蓋EMS行業價值鏈的中下游。憑藉我們的產品設計及開發能力和製造技術，我們有能力向客戶提供產品設計優化及工程解決方案，據此將我們定位為供應鏈前段的價值創造者。

2019年度，我們的產品運往逾21個（截至2018年12月31日止年度（「2018年度」）：20個）國家和地區，而美國繼續為我們最大的市場，其貢獻565.4百萬港元（2018年度：800.8百萬港元）或我們總收益的57.6%（2018年：63.7%）。2019年度向美國的銷售額相較2018年度有所減少，乃主要由於自2019年1月以來已與客戶B終止業務關係。撇除客戶B的影響，2019年度向美國的銷售額相較2018年度增加154.2百萬港元或39.3%，乃主要由於客戶A及其他主要客戶的需求增加，其中客戶A的需求由2018年度的181.8百萬港元增加92.2百萬港元或50.7%至2019年度的274.0百萬港元。2019年度，英國貢獻佔我們總收益的21.2%（2018年度：11.7%），而香港、中國、法國及其他國家和地區貢獻佔我們總收益的餘下21.2%（2018年度：24.6%）。

BUSINESS REVIEW

We are an established EMS provider offering full turnkey solutions to our customers with particular focus in consumer electronic products. We provide a comprehensive range of services including design development and enhancement, provision of technical advice and engineering solutions, selection and procurement of materials, production, quality control and logistics management. Our solutions aim to combine electronic components and mechanical and electromechanical components to form a multifunctional module to facilitate the overall function of the finished electronic products of our customers. The deliverables of our manufacturing services include printed circuit board assembly ("PCBA(s)"), multifunctional modules and finished electronic products, covering a range of product applications including vapour products, appliances, commercial controls and HVAC.

Given that our Group mainly engages in the provision of EMS for multifunctional modules, our Group occupies the mid-to-downstream of the EMS industry value chain. Leveraging on our product design and development capabilities and manufacturing knowhow, we have been able to provide product design optimisation and engineering solutions to our customers, thereby positioning us as a value-creator at the front-end of the supply chain.

For CY2019, our products were shipped to over 21 (for the year ended 31 December 2018 ("CY2018"): 20) countries and regions, and the U.S. continued to be our largest market, which contributed HK\$565.4 million (CY2018: HK\$800.8 million), or 57.6% (CY2018: 63.7%) of our total revenue. The decrease in sales to the U.S. for CY2019 compared to CY2018 was mainly due to the cessation of business relationship with Customer B in January 2019. Excluding the effect of Customer B, our sales to the U.S. for CY2019 increased by HK\$154.2 million, or 39.3% compared to that of CY2018, which was primarily due to the increase in demand from Customer A, which increased by HK\$92.2 million, or 50.7% from HK\$181.8 million for CY2018 to HK\$274.0 million for CY2019, and other major customers. For CY2019, United Kingdom contributed 21.2% (CY2018: 11.7%) of our total revenue, Hong Kong, the PRC, France and the rest of the other countries and regions contributed the remaining 21.2% (CY2018: 24.6%) of our total revenue.

前景

2020年年初，隨著中美貿易首階段協議的簽署，預計美中貿易的緊張局勢將有所緩解，市場情緒及美國客戶的需求亦將逐步恢復。然而，近期新型冠狀病毒(COVID-19)爆發(「新型冠狀病毒爆發」)為全球經濟增添了不確定性，本集團或會於2020年面臨重重挑戰。近期，新型冠狀病毒(COVID-19)在多國同時傳播，世界衛生組織最近將其宣佈為流行病。我們的主要客戶及供應商所在的美國、加拿大、歐盟和世界其他主要國家已經宣佈封關；禁止非必要旅行及其他適用措施。因此，我們部分客戶及供應商的日常營運受到不利影響，進而導致(i)我們的部分產品交付延遲；(ii)進一步延長材料的交貨時間及(iii)中斷我們的物流和供應鏈。因此，我們於2020年上半年的營運及財務業績將受到不利影響。倘這種前所未有的流行病持續發展，2020年下半年將會受到進一步影響。雖說如此，我們將密切關注與流行病有關的風險及不確定性並與我們的客戶、供應商及業務夥伴密切合作以盡量減輕由此引起的任何不利影響。

誠如日期為2019年12月27日的本公司招股章程(「招股章程」)所述，我們擬與潛在合營夥伴於東南亞地區設立生產設施(「亞洲新廠房」)，以於中國境外擴展產能，旨在(i)分散營運風險；(ii)從較低生產成本中獲益；(iii)實現國際化佈局及使生產安排具靈活性以迎合客戶不同的需求；及(iv)應對中美貿易戰。截至本報告日期，我們已開始與潛在合營夥伴磋商合作條款。我們預期於2020年上半年啟動設立亞洲新廠房，但此時間表受多項因素而定，如與潛在合營夥伴的談判進度及由於新型冠狀病毒流行病而可能導致的業務發展及營運中斷。

儘管業務環境充滿挑戰及全球經濟充滿不確定性，但本集團將繼續與客戶、供應商及業務夥伴保持緊密關係；實施嚴格成本控制；專注提高產品質量；以及增強對北美、歐洲及中國主要消費類EMS行業廠商的銷售及營銷力度。

PROSPECTS

At the beginning of 2020, with the signing of the first phase of the U.S.-China trade agreement, it was expected that U.S.-China trade tension would be reduced and the market sentiments and demands from the U.S. customers will gradually recover. However, the recent outbreak of the novel coronavirus (COVID-19) (the “Novel Coronavirus Outbreak”) has brought uncertainties to the global economies and the Group would face a lot of challenges in 2020. Recently, the novel coronavirus (COVID-19) has been spreading in many countries simultaneously and the World Health Organisation has recently declared it as a pandemic. The U.S., Canada, the European Union and other major countries in the world, where our major customers and suppliers are located, have announced closure of external borders; prohibit non-essential travelling and other applicable measures. Consequently, the daily operations of some of our customers and suppliers have been adversely affected and in turn led to (i) postponement of delivery of some of our products; (ii) further extension in materials lead time; and (iii) disruptions in our logistics and supply chain. As a result, our operations and financial results in the first half year of 2020 would be adversely affected. If this unprecedented pandemic continues in the coming months, the second half year of 2020 will be further affected. Having said that, we will closely monitor the risks and uncertainties in connection with the pandemic and will work closely with our customers, suppliers and business partners to minimize any adverse impacts arising therefrom.

As stated in the prospectus of the Company dated 27 December 2019 (the “Prospectus”), we intend to set up a production facility in South East Asia region (the “New Asia Plant”) with potential joint venture partner to expand our production capacity outside of the PRC with an aim to (i) diversify our operational risk; (ii) benefit from lower production cost; (iii) possess international footprint and allow flexibility in production arrangement to cater different needs of the customers; and (iv) tackle the Sino-U.S. trade war. As of the date of this report, we have commenced negotiation with the potential joint venture partner for the terms of cooperation. We expect to kick-off the set-up of the New Asia Plant by the first half year of 2020 but this timeline will be dependent on a number of factors, such as the negotiation progress with the potential joint venture partner and possible disruption of business development and operations due to the novel coronavirus pandemic.

Despite the challenging business environment and uncertainties in the global economies, the Group will continue to maintain close relationship with our customers, suppliers and business partners; to impose strict cost controls; to focus on our product quality; and to intensify our sales and marketing efforts to major consumer EMS industry players in North America, Europe and the PRC.

財務回顧

收益

本集團2019年度錄得收益980.8百萬港元，較2018年度的收益1,257.3百萬港元減少276.5百萬港元或22.0%。收益的減少乃主要由於自2019年1月以來與客戶B終止業務關係，部分被來自客戶A及其他主要客戶的收益上升所抵銷。

銷售成本

銷售成本由2018年度的961.7百萬港元減少207.0百萬港元或21.5%至2019年度的754.7百萬港元。我們的銷售成本主要包括材料成本、勞工成本及工廠管理費用。金額的整體下降大體與2019年度收益下降一致。

毛利及毛利率

毛利由2018年度的295.6百萬港元減少69.4百萬港元或23.5%至2019年度的226.2百萬港元而毛利率由2018年度的23.5%減少至2019年度的23.1%。毛利及毛利率的減少乃主要由於來自客戶B的收益下降而其產品具相對較高的利潤率。

銷售及分銷開支

銷售及分銷開支由2018年度的74.1百萬港元減少14.1百萬港元或19.0%至2019年度的60.0百萬港元。減少主要由於銷售佣金開支以及貨運及報關費用減少所致，其大體與產品組合變動及收益減少一致。

行政開支

行政開支由2018年度的111.0百萬港元減少2.9百萬港元或2.6%至2019年度的108.1百萬港元。減少主要由於2019年度終止關聯方提供若干中央服務導致產生的企業開支減少。有關減少部分被2019年度產生的上市開支增加所抵銷。

FINANCIAL REVIEW

Revenue

The Group recorded revenue of HK\$980.8 million for CY2019, reflecting a decrease of HK\$276.5 million, or 22.0% as compared to revenue of HK\$1,257.3 million for CY2018. The decrease in revenue was mainly due to the cessation of business relationship with Customer B in January 2019 partly offset by the increase in revenue from Customer A and other major customers.

Cost of sales

Cost of sales decreased by HK\$207.0 million, or 21.5% from HK\$961.7 million for CY2018 to HK\$754.7 million for CY2019. Our cost of sales mainly comprised of costs of materials, labour costs and factory overhead. The overall decrease in the amount was generally in line with the drop in revenue during CY2019.

Gross profit and gross profit margin

Gross profit decreased by HK\$69.4 million, or 23.5% from HK\$295.6 million for CY2018 to HK\$226.2 million for CY2019 while the gross profit margin decreased from 23.5% for CY2018 to 23.1% for CY2019. The decrease in gross profit and gross profit margin were mainly due to the drop in revenue from Customer B whose products entailed a relatively higher profit margin.

Selling and distribution expenses

Selling and distribution expenses decreased by HK\$14.1 million, or 19.0% from HK\$74.1 million for CY2018 to HK\$60.0 million for CY2019. The decrease was primarily due to the decrease in sales commission expenses and freight and custom declarations expenses, which were generally in line with the change in product mix and drop in revenue.

Administrative expenses

Administrative expenses decreased by HK\$2.9 million, or 2.6% from HK\$111.0 million for CY2018 to HK\$108.1 million for CY2019. The decrease was primarily due to the decrease in corporate expenses incurred as a result of the cessation of certain centralised functions provided by the related parties for CY2019. Such decrease was partially offset by the increase in listing expenses incurred during CY2019.

淨融資成本

淨融資成本由2018年度的11.2百萬港元增加8.1百萬港元或72.3%至2019年度的19.3百萬港元。增加主要歸因於以下各項的綜合影響(i)銀行借款利息開支增加3.9百萬港元；(ii)租賃負債利息開支增加0.3百萬港元；及(iii)由於並無自當時直接控股公司收取任何利息收入，2019年度的利息收入減少3.9百萬港元。

所得稅開支

所得稅開支由2018年度的19.1百萬港元減少8.5百萬港元或44.5%至2019年度的10.6百萬港元。減少主要由於除所得稅前溢利減少。2019年度實際稅率為24.1%(2018年度：19.9%)。不計2019年度及2018年度分別於行政開支確認的上市開支17.3百萬港元及9.0百萬港元，由於上市開支不可扣稅，2019年度的實際稅率為17.3%(2018年度：18.2%)。

年內溢利

鑒於上文所述，年內溢利由2018年度的77.0百萬港元減少43.6百萬港元或56.6%至2019年度的33.4百萬港元。

經調整純利

不計2019年度及2018年度分別於行政開支確認的上市開支17.3百萬港元及9.0百萬港元，2019年度及2018年度我們年內經調整純利分別為50.7百萬港元及86.0百萬港元。

經調整純利一詞並非根據香港會計師公會頒布的香港財務報告準則(「香港財務報告準則」)界定。作為一種非香港財務報告準則衡量方法，呈列該詞語是因為管理層認為經調整純利透過撇除管理層認為不能反映其經營表現的若干不尋常及非經常性項目的潛在影響，有助於確定可能因經營所得收入及純利中所包含各項開支的影響而失真的本集團業務的基本趨勢。

Finance costs, net

Net finance costs increased by HK\$8.1 million, or 72.3% from HK\$11.2 million for CY2018 to HK\$19.3 million for CY2019. The increase was mainly due to the combined effect of (i) the increase in interest expenses on bank borrowings of HK\$3.9 million; (ii) the increase in interest expenses on lease liabilities of HK\$0.3 million; and (iii) the decrease in interest income for CY2019 in the amount of HK\$3.9 million as no interest income was received from the then immediate holding company.

Income tax expense

Income tax expense decreased by HK\$8.5 million, or 44.5%, from HK\$19.1 million for CY2018 to HK\$10.6 million for CY2019. The decrease was mainly due to the decrease in profit before income tax. Our effective tax rate for CY2019 was 24.1% (CY2018: 19.9%). Excluding the listing expenses of HK\$17.3 million and HK\$9.0 million recognised in administrative expenses for CY2019 and CY2018 respectively, our effective tax rate for CY2019 was 17.3% (CY2018: 18.2%) since the listing expenses were not tax deductible.

Profit for the year

As a result of the foregoing, profit for the year decreased by HK\$43.6 million, or 56.6%, from HK\$77.0 million for CY2018 to HK\$33.4 million for CY2019.

Adjusted net profit

Excluding the listing expenses of HK\$17.3 million and HK\$9.0 million recognised in administrative expenses for CY2019 and CY2018 respectively, our adjusted net profit for the year were HK\$50.7 million and HK\$86.0 million for CY2019 and CY2018 respectively.

The term adjusted net profit is not defined under Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants. As a non-HKFRSs measure, it is presented because the management believes that adjusted net profit helps identify underlying trends in the Group's business that could otherwise be distorted by the effect of the expenses that are included in income from operations and net profit through eliminating potential impacts of certain unusual and non-recurring items that the management does not consider to be indicative of its operating performance.

流動資金及財務資源

本集團主要透過結合經營活動產生的內部資金及銀行借款為流動資金及資本需求提供資金。於2019年12月31日，本集團維持現金及現金等價物138.6百萬港元(2018年：46.2百萬港元)。於2019年12月31日，本集團銀行借款為266.6百萬港元(2018年：396.4百萬港元)。於年結日，本集團債務淨額為128.0百萬港元(2018年：350.2百萬港元)。有關銀行借款的詳情，請參閱綜合財務報表附註25。

本集團的淨資本負債比率由2018年12月31日的280.8%減少至2019年12月31日的245.2%，此乃主要由於總債務淨額由2018年12月31日的350.2百萬港元減少222.2百萬港元或63.4%至2019年12月31日的128.0百萬港元，並部分被總權益由2018年12月31日的124.7百萬港元減少至2019年12月31日的52.2百萬港元所抵銷。淨資本負債比率乃按總借款扣除現金及現金等價物除以總權益再乘以100%計算。

資本開支及承擔

本集團於2019年度產生總資本開支19.4百萬港元(2018年度：23.1百萬港元)，用於添置物業、廠房及設備以及無形資產。

於2019年12月31日，本集團擁有已訂約但尚未撥備資本承擔2.2百萬港元(2018年：1.1百萬港元)。

或然負債

於2019年12月31日，本集團並無牽涉任何可能對我們業務或營運造成重大不利影響的待決或(據董事會所深知)可能對本集團提出的法律訴訟。此外，誠如招股章程所披露，本集團於2019年及2018年12月31日有交叉擔保安排。有關交叉擔保安排已於上市後解除。除上文所披露者外，董事確認，於2019年12月31日，本集團並無任何重大或然負債。

LIQUIDITY AND FINANCIAL RESOURCES

The Group funded its liquidity and capital requirements primarily through a combination of internally generated funds from its operating activities and bank borrowings. As at 31 December 2019, the Group maintained cash and cash equivalents of HK\$138.6 million (2018: HK\$46.2 million). As at 31 December 2019, the Group's bank borrowings were HK\$266.6 million (2018: HK\$396.4 million). The Group had net debt of HK\$128.0 million (2018: HK\$350.2 million) as at the year end date. For details of the banking borrowings, please refer to note 25 to the consolidated financial statements.

The Group's net gearing ratio decreased from 280.8% as at 31 December 2018 to 245.2% as at 31 December 2019, which was primarily due to the decrease of total net debt by HK\$222.2 million, or 63.4% from HK\$350.2 million as at 31 December 2018 to HK\$128.0 million as at 31 December 2019 and partially offset by the decrease in total equity from HK\$124.7 million as at 31 December 2018 to HK\$52.2 million as at 31 December 2019. Net gearing ratio is calculated as total borrowings net of cash and cash equivalents divided by total equity and multiplied by 100%.

CAPITAL EXPENDITURES AND COMMITMENTS

The Group incurred total capital expenditures of HK\$19.4 million for CY2019 (CY2018: HK\$23.1 million) for additions of properties, plant and equipment and intangible assets.

As at 31 December 2019, the Group had capital commitments contracted but not provided for in the amount of HK\$2.2 million (2018: HK\$1.1 million).

CONTINGENT LIABILITIES

As at 31 December 2019, the Group was not involved in any legal proceedings pending or, to the best knowledge of the Board, threatened against our Group which could have a material adverse effect on the Group's business or operations. Besides, the Group had cross guarantees arrangement as at 31 December 2019 and 2018 as disclosed in the Prospectus. Such cross guarantees arrangement had been released upon the Listing. Saved as disclosed above, our Directors confirm that as at 31 December 2019, the Group did not have any significant contingent liabilities.

附屬公司及聯屬公司之重大收購及出售事項

除招股章程「歷史、重組及公司架構」一節及綜合財務報表附註所載之本集團之重組外，本集團於截至2019年12月31日及2018年12月31日止年度並無任何就附屬公司、聯營公司及合營企業的重大收購及出售事項。

所持重大投資

於2019年12月31日，本集團並無持有重大投資（2018年：無）。

資產抵押

於2019年12月31日，本集團已抵押若干銀行存款10.0百萬港元（2018年：10.0百萬港元）作為本集團銀行融資。

外匯及風險管理

本集團於香港及中國營運並面對主要有關美元（「美元」）及人民幣（「人民幣」）的外匯風險。本集團大部分銷售所得款項以美元收取而本集團約50%的採購及經營開支以人民幣列值。

於截至2019年12月31日止年度，本集團並無訂立任何衍生工具以對沖其外匯風險。本集團不時密切監控其整體外匯風險，並將採納積極審慎的措施，以將有關風險減至最低。

資本結構

於2019年12月31日，本集團資本結構包括銀行借款及本公司權益持有人應佔權益（包括已發行股本及儲備）。

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save for the reorganisation of the Group as described in the section headed “History, Reorganisation and Corporate Structure” in the Prospectus and the notes to the consolidated financial statements, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the years ended 31 December 2019 and 31 December 2018.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2019, there were no significant investments held by the Group (2018: Nil).

CHARGES ON ASSETS

As at 31 December 2019, the Group had certain bank deposits pledged to secure the Group’s banking facilities in the amount of HK\$10.0 million (2018: HK\$10.0 million).

FOREIGN EXCHANGE AND RISK MANAGEMENT

The Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising primarily with respect to the United States dollars (“USD”) and Chinese Renminbi (“RMB”). Most of the Group’s sales proceeds are received in USD and approximately 50% of the Group’s purchases and operating expenses are denominated in RMB.

The Group did not enter into any derivative instruments to hedge against its foreign exchange exposure during the year ended 31 December 2019. The Group closely monitors its overall foreign exchange exposure from time to time and will adopt a proactive but prudent approach to minimize the relevant exposures.

CAPITAL STRUCTURE

As at 31 December 2019, the Group’s capital structure consists of bank borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

僱員

於2019年12月31日，本集團聘用約1,500名（2018年：2,600名）僱員。2019年度，本集團僱員福利開支總額為195.4百萬港元，較2018年度的254.5百萬港元下降約23.2%。本集團所採納的薪酬政策乃按僱員的工作性質、資歷及經驗釐定薪酬。除提供年終花紅及僱員相關保險福利外，本集團亦會基於僱員的個人表現發放酌情花紅。本集團的薪酬福利及政策會定期作出檢討。本集團亦向其僱員提供內部及外間培訓計劃。董事酬金由董事會及本公司薪酬委員會考慮本集團經營業績、個人表現及可資比較市場統計資料後決定。

本集團於2019年12月10日亦已採納一項購股權計劃，以向計劃的合資格參與者（包括本集團的董事、全職僱員、顧問及諮詢師）提供獎勵。本公司購股權計劃詳情載於本年報董事會報告書「購股權計劃」。

重大投資及資本資產之未來計劃

本集團於招股章程載列其未來計劃。作為其未來計劃的一部分，本集團計劃於東南亞地區設立生產設施並通過購置新型表面貼裝技術（「SMT」）線、升級現有廠房的生產設施、加強開發及提供物聯網相關解決方案的研發能力於中國擴展製造平台。未來計劃將由內部資源、借款及全球發售所得款項均衡出資。

其他資料及報告期後發生的事項

期後事項之詳情載於綜合財務報表附註33。

EMPLOYEES

As at 31 December 2019, the Group employed approximately 1,500 (2018: 2,600) employees. For CY2019, the Group's total employees benefit expenses amounted to HK\$195.4 million, representing a decrease of approximately 23.2% from HK\$254.5 million for CY2018. The Group adopts a remuneration policy which is commensurate with job nature, qualification and experience of employees. In addition to the provision of annual bonuses and employee related insurance benefits, discretionary bonuses are also rewarded to employees based on individual performance. The remuneration packages and policies are reviewed periodically. The Group also provides in-house and external training programs to its employees. The emoluments of the Directors are decided by the Board and the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

The Group has also adopted a share option scheme on 10 December 2019 for the purpose of providing incentives to eligible participants of the scheme, including Directors, full-time employees of and advisers and consultants to the Group. Details of the share option scheme of the Company are set out in the section headed "Share Option Scheme" in the Report of the Directors in this annual report.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group has set out its future plans in the Prospectus. As part of its future plans, the Group plans to establish production facilities in South East Asia region and expand manufacturing platform in the PRC by acquiring new surface mount technology ("SMT") lines, upgrading the production facility at the existing plant and strengthening the research and development capability for the development and provision of IoT related solutions. The future plans will be funded by a balanced mix of internal resources, borrowings and proceeds from the Global Offering.

OTHER INFORMATION AND EVENTS AFTER THE REPORTING PERIOD

Details of subsequent events are set out in note 33 to the consolidated financial statements.

董事及高級管理層

Directors and Senior Management

執行董事

朱慧恒先生(「朱先生」)，67歲，為本集團的創始人之一，於2019年1月15日獲委任為董事並於2019年3月11日調任為執行董事兼本公司主席。彼亦為本公司提名委員會成員。彼負責領導董事會、本集團的企業管治提升、策略規劃及主要決策。

朱先生為本公司多家附屬公司之董事。於本集團在2010年7月成立前，朱慧恒先生自1990年6月起於德豐控股(香港)有限公司及其附屬公司(「德豐集團」)擔任主席，負責EMS分部的技術、資訊科技及研發職能，其後則負責該分部的管理及營運。自1977年5月至20世紀90年代初，朱先生於一家主要從事提供機電驅動系統及解決方案的公司擔任工程師。

朱先生於1977年3月畢業於美國加州大學伯克利分校，取得機械工程理學士學位。

朱先生為本公司控股及主要股東朱惠璋先生的哥哥。彼亦為Smart Union Global Group Limited及Smartview Investments Limited各自的董事及股東，上述公司各自於本公司股份中擁有根據香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部第2及3分部條文須向本公司予以披露的權益。

曾明哲先生(「曾先生」)，51歲，為本公司行政總裁(「行政總裁」)，於2019年1月15日獲委任為董事並於2019年3月11日調任為執行董事兼行政總裁。彼亦為薪酬委員會成員及本公司授權代表。彼於2010年8月30日加入本集團，負責本集團的整體管理、策略規劃、業務開發及主要決策。

曾先生為本公司多家附屬公司之董事。曾先生於2005年1月加入德豐集團，擔任首席財務執行官，負責監督整體財務及會計職能、稅務事宜及處理銀行關係。彼於2007年4月晉升為營運總監，而自2010年8月至2015年12月，彼負責監督有關本集團及德豐集團的整體生產、運營、人力資源職能及供應鏈事宜。自2015年12月起，曾先生專門負責本集團的整體管理、策略規劃、業務開發及主要決策。

於加入德豐集團前，曾先生自1999年4月至2004年12月供職於榮文燈飾有限公司(一家主要從事照明產品製造的公司)，首先擔任會計經理及其後晉升為財務及行政總監，負責監督財務、內部審核、行政及資訊系統職能。

Executive Directors

Mr. Chu Wai Hang Raymond (“Mr. Chu”), aged 67, is one of the founders of our Group and was appointed as a Director on 15 January 2019 and re-designated as an executive Director and the Chairman of our Company on 11 March 2019. He is also a member of the Nomination Committee of the Company. He is responsible for the leadership of the Board, corporate governance promotion, strategic planning, and major decision-making of our Group.

Mr. Chu is a director of various subsidiaries of the Company. Prior to the establishment of our Group in July 2010, Mr. Chu worked for Defond Holdings (H.K.) Co. Limited and its subsidiaries (the “Defond Group”) since June 1990 as the chairman responsible for technical, information technology and research and development functions and later for the management and operation of the EMS division. From May 1977 to early 1990s, Mr. Chu worked as an engineer for a company principally engaged in the supply of electromechanical motion systems and solutions.

Mr. Chu graduated from the University of California, Berkeley in the U.S. with a bachelor of science in mechanical engineering in March 1977.

Mr. Chu is the elder brother of Mr. Chu Wai Cheong Wilson (a controlling and substantial shareholder of the Company). He is also a director and shareholder of each of Smart Union Global Group Limited and Smartview Investments Limited, each of which has an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “SFO”).

Mr. Tsang Ming Chit Stanley (“Mr. Tsang”), aged 51, is the Chief Executive Officer (“CEO”) of the Company, and was appointed as a Director on 15 January 2019 and re-designated as an executive Director and CEO on 11 March 2019. He is also a member of the Remuneration Committee and an authorised representative of the Company. He joined our Group on 30 August 2010 and is responsible for the overall management, strategic planning, business development and major decision-making of our Group.

Mr. Tsang is a director of various subsidiaries of the Company. Mr. Tsang joined the Defond Group as chief financial officer in January 2005, where he was responsible for overseeing the overall finance and accounting functions, taxation matters and handling banking relationships. He was promoted to chief operating officer in April 2007, where from August 2010 to December 2015, he was responsible for overseeing the overall production, operations, human resources functions and supply chain in relation to both our Group and the Defond Group. Since December 2015, Mr. Tsang has been responsible for the overall management, strategic planning, business development and major decision-making of our Group exclusively.

Prior to joining the Defond Group, from April 1999 to December 2004, Mr. Tsang worked for Digital Lighting Co. Limited, a company principally engaged in the manufacturing of lighting products, initially as accounting manager and was later promoted as director of finance and administration and was responsible for overseeing finance, internal audit, administration and information system functions.

董事及高級管理層

Directors and Senior Management

曾先生自1989年1月至1990年5月就讀於美國春田學院，其後自1990年10月至1992年12月就讀於美國華盛頓大學，並於1992年12月取得工商管理學士學位。曾先生被選為Beta Gamma Sigma(為大學商學院設立的榮譽協會)的會員，並於1992年5月獲華盛頓大學分會頒發證書。曾先生於1995年8月成為華盛頓州會計委員會的註冊會計師，及於1998年成為美國註冊會計師公會的會員。

陳志明先生(「陳先生」)，67歲，於2019年3月19日獲委任為執行董事及任命為本公司首席營運官。陳先生亦為本公司多家附屬公司之董事。陳先生於2018年4月9日加入本集團，擔任執行副總裁，其後於2018年10月1日晉升為首席營運官。彼參與本集團的策略規劃、業務開發及主要決策，並負責開發及制定本集團的營運政策以及指導有關政策的執行。

於加入本集團前，自2013年7月至2018年4月，陳先生為AstroNova Limited(為Astrotech集團的成員公司)的董事總經理。Astrotech集團主要從事電子設備製造，而陳先生負責開發新業務、領導新技術開發及協調製造工廠的生產過程。於2005年，陳先生加入金寶通有限公司(為聯交所主板上市公司金寶通集團有限公司(股份代號：320，主要從事向全球市場的智能電子控制及物聯網裝置的設計及製造)的附屬公司)，於2012年9月離開該公司時擔任控制解決方案(EMS業務)總裁。自2002年11月至2005年3月，陳先生於徠卡測量系統有限公司(一家測量解決方案供應商)任職，擔任中國區銷售及營銷副總裁，負責於中國管理銷售、營銷及業務開發。自1985年4月至2002年2月，陳先生任職於一家美國上市科技工程公司，擔任高級職務，負責在亞洲銷售及營銷熱控及安全裝置。

陳先生分別於1974年3月及1975年11月於香港獲得香港理工大學(前身為香港理工學院)督導管理文憑及機械工程普通文憑。彼於1982年8月獲得香港理工大學及香港管理專業協會聯合頒發的管理進修文憑。彼在校內參加了所有課程及完成了新加坡國立大學提供的高級課程，並於1990年獲得史丹福大學商學院和新加坡國立大學工商管理學院聯合頒發的文憑。

Mr. Tsang attended Springfield College in the U.S. from January 1989 to May 1990 and then studied at the University of Washington in the U.S. from October 1990 to December 1992, obtaining a bachelor of business administration in December 1992. Mr. Tsang has been selected for membership in Beta Gamma Sigma, the honor society for collegiate schools of business, and received a certificate issued by the University of Washington Chapter in May 1992. Mr. Tsang became a certified public accountant of Washington State Board of Accountancy in August 1995, and became a member of American Institute of Certified Public Accountants in 1998.

Mr. Chan Chi Ming (“Mr. Chan”), aged 67, was appointed as an executive Director and designated as the Chief Operating Officer of the Company on 19 March 2019. Mr. Chan is also a director of various subsidiaries of the Company. Mr. Chan joined our Group on 9 April 2018 as the executive vice president and was later promoted to the position of chief operation officer on 1 October 2018. He participates in strategic planning, business development, major decision-making of our Group and is responsible for developing, establishing, and directing the execution of the operating policies of our Group.

Prior to joining our Group, from July 2013 to April 2018, Mr. Chan was a managing director of AstroNova Limited, a member of Astrotech Group. Astrotech Group is principally engaged in electronics manufacturing and Mr. Chan was responsible for developing new business, leading new technology development and coordinating the production process with the manufacturing plant. In 2005, Mr. Chan joined Computime Limited, a subsidiary of Computime Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 320) principally engaged in the designing and manufacturing of intelligent electronic controls and internet of things devices for global markets, where his last position was president of control solutions (EMS business) before he left in September 2012. From November 2002 to March 2005, Mr. Chan worked for Leica Geosystems Limited, a surveying measurement solutions provider, as a vice president of sales and marketing China, responsible for managing sales, marketing and business development in China. From April 1985 to February 2002, Mr. Chan worked for a technology and engineering company listed in the U.S., holding a senior position responsible for sales and marketing of thermal control and safety devices in Asia.

Mr. Chan obtained a certificate in supervisory management and an ordinary certificate in mechanical engineering from the Hong Kong Polytechnic in Hong Kong (the predecessor of the Hong Kong Polytechnic University) in March 1974 and November 1975 respectively. He was awarded a diploma in management studies jointly by Hong Kong Polytechnic and the Hong Kong Management Association in August 1982. He attended all courses on campus and completed the executive program offered by the National University of Singapore and was awarded a certificate jointly issued by Graduate School of Business of Stanford University and Faculty of Business Administration of National University of Singapore in 1990.

獨立非執行董事

凌潔心女士（「凌女士」），65歲，於2019年12月10日獲委任為獨立非執行董事，主要負責向本集團提供獨立意見。彼亦出任審核委員會主席以及提名委員會和薪酬委員會成員。

凌女士於2017年11月出任遊樂互動集團有限公司（一家為中國的遊戲開發商提供服務的全球網絡遊戲發行商，其股份自2017年12月於聯交所主板上市，股份代號：2022）獨立非執行董事兼審核委員會主席。

凌女士累積逾30年的會計及審計經驗。彼於2013年6月退任羅兵咸永道會計師事務所審計部門合夥人職務。凌女士自2016年10月起出任上訴委員團（城市規劃）成員，自2015年11月起出任地產代理監管局董事局成員，自2015年4月起出任香港教育大學校董會成員，自2015年4月起出任醫院管理局委員會成員，自2014年10月起出任香港青年協會理事會委員及自2001年5月起出任香港青年旅舍協會執行委員會成員。此前，彼曾於2006年7月至2012年6月出任僱員補償援助基金管理局董事局成員。

凌女士為香港會計師公會執業會計師、英國特許公認會計師公會資深會員、加拿大特許專業會計師協會及英國特許管理會計師公會會員。彼亦為香港調解資歷評審協會有限公司的認可綜合調解員。凌女士亦為香港會計師專業協會執業會員工作委員會成員，香港商界會計師協會專業發展委員會成員，以及香港獨立非執行董事協會法規委員會的執行委員會成員。於2003年，凌女士獲香港會計師公會選為傑出會計師大使。

凌女士於1977年10月獲取香港理工學院（香港理工大學前身）會計文憑，並於2014年9月獲取香港浸會大學公司管治及董事學理學碩士學位。

Independent non-executive Directors

Ms. Ling Imma Kit Sum (“Ms. Ling”), aged 65, was appointed as an independent non-executive Director on 10 December 2019. She is mainly responsible for providing independent advice to our Group. She is also the chairperson of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee.

Ms. Ling was appointed as an independent non-executive director and the chairperson of the audit committee of Digital Hollywood Interactive Limited in November 2017, a global online game publisher for China-based game developers, whose shares have been listed on the Main Board of the Stock Exchange (stock code: 2022) since December 2017.

Ms. Ling has over 30 years of experience in accounting and auditing. She was an assurance partner of PricewaterhouseCoopers and retired from the partnership in June 2013. Ms. Ling has served as a member of the Appeal Board Panel (Town Planning) since October 2016, a board member of the Estate Agents Authority since November 2015, a council member of The Education University of Hong Kong since April 2015, a member of Hospital Governing Committee of Hospital Authority since April 2015, a council member of The Hong Kong Federation of Youth Groups since October 2014 and an executive committee member of the Hong Kong Youth Hostels Association since May 2001. She previously served as a board member of the Employees Compensation Assistance Fund Board from July 2006 to June 2012.

Ms. Ling is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants, a member of the Chartered Professional Accountants, Canada, and an associate of the Chartered Institute of Management Accountants. She is also an accredited general mediator of the Hong Kong Mediation Accreditation Association Limited. Ms. Ling also serves as a member of Practising Members Working Committee of The Association of Hong Kong Accountants, a member of Professional Development Committee of Hong Kong Business Accountants Association and an executive committee member of Regulatory Committee of the Hong Kong Independent Non-Executive Director Association. Ms. Ling received the Outstanding Accountant Ambassador award from the Hong Kong Institute of Certified Public Accountants in 2003.

Ms. Ling obtained a diploma in accountancy from the Hong Kong Polytechnic (the predecessor of the Hong Kong Polytechnic University) in Hong Kong in October 1977 and a master of science in corporate governance and directorship from the Hong Kong Baptist University in Hong Kong in September 2014.

董事及高級管理層

Directors and Senior Management

李華倫先生(「李先生」)，56歲，於2019年12月10日獲委任為獨立非執行董事，主要負責向本集團提供獨立意見。彼亦為提名委員會主席以及薪酬委員會及審核委員會成員。

李先生為大禹金融控股有限公司之執行董事，該公司主要從事提供企業融資顧問服務及資產管理服務，並於2019年7月於聯交所主板上市(股份代號：1073)。李先生亦為新工投資有限公司主席，該公司主要從事上市及非上市之金融工具的投資，並於1990年12月於聯交所主板上市(股份代號：666)。李先生於1992年7月加入新工投資有限公司擔任經理，於2004年9月出任執行董事。彼於2009年3月起獲委任為董事會之主席並不再擔任新工投資有限公司董事總經理。於2007年11月至2015年3月期間，李先生曾出任Rotol Singapore Ltd之非執行主席。Rotol Singapore Ltd於2011年8月止於新加坡證券交易所有限公司主板上市。彼於2010年6月至2013年6月擔任非凡中國控股有限公司之執行董事，該公司為聯交所GEM上市公司(股份代號：8032)。於2013年2月至2013年4月期間，他曾出任中國金石礦業控股有限公司之非執行董事，該公司為聯交所主板上市公司(股份代號：1380)。於2006年12月至2007年5月期間，他曾出任Nam Tai Electronics, Inc.(現稱為Nam Tai Property Inc.)(其於紐約證券交易所上市之電子製造服務供應商)(股份代號：NTP)之行政總裁。於2004年3月至2006年2月期間，他曾出任Nam Tai Electronic & Electrical Products Limited之獨立非執行董事，並於2006年2月至2007年4月期間調任非執行董事。於彼出任董事期間，Nam Tai Electronic & Electrical Products Limited於聯交所主板上市(股份代號：2633)。於2007年1月至2007年4月期間，彼亦曾出任J.I.C. Technology Company Limited(現稱中國再生能源投資有限公司)之非執行董事，該公司為聯交所主板上市公司(股份代號：987)。

李先生於1986年畢業於英國The University of East Anglia並取得理學學士學位，以及於1988年以優異成績取得倫敦The City University Business School之理學碩士學位。

李先生為根據證券及期貨條例持牌進行第1類(證券交易)受規管活動、第4類(就證券提供意見)受規管活動、第6類(就機構融資提供意見)受規管活動及第9類(提供資產管理)受規管活動的負責人員。

Mr. Lee Wa Lun Warren (“Mr. Lee”), aged 56, was appointed as an independent non-executive Director on 10 December 2019. He is mainly responsible for providing independent advice to our Group. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee and the Audit Committee.

Mr. Lee is an executive director of Da Yu Financial Holdings Limited, which is principally engaged in the provision of corporate finance advisory services and asset management services and listed on the Main Board of the Stock Exchange (stock code: 1073), since July 2019. Mr. Lee is also the chairman of SHK Hong Kong Industries Limited which is principally engaged in investment in listed and unlisted financial instruments and listed on the Main Board of the Stock Exchange (stock code: 666) since December 1990. Mr. Lee first joined SHK Hong Kong Industries Limited as a manager in July 1992 and became an executive director in September 2004. He was appointed as the chairman of the board and ceased to act as the managing director of SHK Hong Kong Industries Limited in March 2009. From November 2007 to March 2015, Mr. Lee was a non-executive chairman of Rotol Singapore Ltd which was listed on the main board of the Singapore Exchange Limited until August 2011. He acted as an executive director of Viva China Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8032), from June 2010 to June 2013. From February 2013 to April 2013, he was a non-executive director of China Kingstone Mining Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1380). From December 2006 to May 2007, he was the chief executive officer of Nam Tai Electronics, Inc. (currently known as Nam Tai Property Inc.), an electronics manufacturing services provider listed on the New York Stock Exchange (stock code: NTP). From March 2004 to February 2006, he was an independent non-executive director of Nam Tai Electronic & Electrical Products Limited, and from February 2006 to April 2007, he was re-designated as a non-executive director. At the time of his directorship, Nam Tai Electronic & Electrical Products Limited was listed on the Main Board of the Stock Exchange (stock code: 2633). From January 2007 to April 2007, he was also a non-executive director of J.I.C. Technology Company Limited (currently known as China Renewable Energy Investment Limited), which is listed on the Main Board of the Stock Exchange (stock code: 987).

Mr. Lee graduated from The University of East Anglia in England in 1986 with a bachelor of science and obtained a distinction in master of science from The City University Business School in London in 1988.

Mr. Lee is a responsible officer licensed to conduct type 1 (dealing in securities) regulated activity, type 4 (advising on securities) regulated activity, type 6 (advising on corporate finance) regulated activity and type 9 (asset management) regulated activity under the SFO.

董事及高級管理層

Directors and Senior Management

司徒毓廷先生(「司徒先生」)，52歲，於2019年12月10日獲委任為獨立非執行董事，主要負責向本集團提供獨立意見。彼亦為薪酬委員會的主席以及審核委員會及提名委員會的成員。

司徒先生於1992年9月獲認可為香港律師及現時為香港執業律師。司徒先生於1996年9月為司徒毓廷律師行的共同創辦人，並自2001年1月起為該律師行的獨資經營者。司徒先生自1993年10月至1996年8月任職於陳乃強律師行，擔任助理律師。在此之前，司徒先生自1990年9月至1992年9月於Messrs. Norman Yung & Co., Solicitors擔任見習律師，其後自1992年9月至1993年10月於該律師行擔任助理律師。

司徒先生於1989年12月畢業於香港的香港大學，獲得法律學士學位，並於1990年6月獲香港的香港大學頒授法律深造文憑。自2017年6月起，司徒先生擔任訓修實業集團有限公司(一家於聯交所主板上市的公司(股份代號：1962))的獨立非執行董事。

高級管理層

鄺允傑先生(「鄺先生」)，42歲，為本公司財務及管理資訊系統部副總裁及於2019年3月11日獲委任為本公司之公司秘書。彼亦為本公司授權代表。彼主要負責本集團的整體財務及會計職能以及管理資訊系統。彼於2013年12月2日加入本集團，擔任集團財務總監，負責監督及管理財務事宜。

鄺先生於2013年12月獲委任為德豐集團財務總監，彼負責監督及管理本集團及德豐集團的財務事宜。自2015年12月起，彼僅負責監督及管理本集團的財務事宜。

Mr. Szeto Yuk Ting (“Mr. Szeto”), aged 52, was appointed as an independent non-executive Director on 10 December 2019. He is mainly responsible for providing independent advice to our Group. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee.

Mr. Szeto was admitted as a solicitor in Hong Kong in September 1992 and is currently a practicing solicitor in Hong Kong. Mr. Szeto is the co-founder of Messrs. Y.T. Szeto & Co., Solicitors that was established in September 1996 and has served as the sole proprietor of Messrs. Szeto & Co., Y.T. since January 2001. Mr. Szeto worked for Messrs. Paul Chan & Co., Solicitors from October 1993 to August 1996 as an assistant solicitor. Prior to that, Mr. Szeto served as an articled clerk in Messrs. Norman Yung & Co., Solicitors from September 1990 to September 1992 and then as an assistant solicitor with the same firm from September 1992 to October 1993.

Mr. Szeto graduated from the University of Hong Kong in Hong Kong with a bachelor of laws in December 1989 and was awarded the postgraduate certificate of laws by the University of Hong Kong in Hong Kong in June 1990. Since June 2017, Mr. Szeto has served as an independent executive director of Evergreen Products Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1962).

Senior Management

Mr. Kwong Tony Wan Kit (“Mr. Kwong”), aged 42, is the vice president of finance and management information system of the Company and has been appointed as the Company’s company secretary since 11 March 2019. He is also an authorised representative of the Company. He is mainly responsible for the overall finance and accounting functions and management information system of our Group. He joined our Group on 2 December 2013 as the group finance controller and was responsible for supervising and managing financial matters.

Mr. Kwong was appointed as the group financial controller of the Defond Group in December 2013 where he was responsible for supervising and managing financial matters for both our Group and the Defond Group. He has been responsible for supervising and managing financial matters solely for our Group since December 2015.

董事及高級管理層

Directors and Senior Management

於加入德豐集團前，鄭先生於2010年6月至2013年12月出任鴻通電子控股有限公司（一家主要從事提供電子製造服務的公司，其股份於新加坡交易所有限公司主板上市（股份代號：BN2））的集團財務總監，負責集團的財務及會計職能、稅務規劃、內部監控、管理及財務報告事宜以及投資者關係。於2000年9月至2009年12月，鄭先生於香港羅兵咸永道會計師事務所審計部門任職，離職前職位為高級審計經理，期間負責管理香港及中國多間大型私人公司及上市公司由規劃到完成階段的核數事宜。

鄭先生於2000年11月在香港畢業於香港城市大學，獲得會計工商管理學士學位。彼自2010年11月起成為特許公認會計師公會資深會員及自2011年11月起成為香港會計師公會資深會員。

曾強先生，52歲，擔任本集團客戶基礎管理部副總裁，主要負責物色及開發新銷售機遇，以及評估、制定及執行本集團銷售策略。彼於2018年8月20日加入本集團。

在與我們合作前，曾強先生於2004年11月至2018年8月任職於金寶通有限公司（金寶通集團有限公司（聯交所主板上市公司（股份代號：320），主要從事設計及製造全球市場的智能電子控制及物聯網設備的附屬公司）。彼加入該公司時擔任營銷總監，並於2008年3月獲晉升為總經理，負責業務部門的整體管理，有關部門負責全球大客戶管理、產品及定價策略。曾強先生於1997年1月至2001年1月擔任Emerson Electric的Ridge Tool Ltd的亞太營銷經理，並於2001年2月至2004年3月擔任力博特亞洲有限公司（現稱為艾默生網絡能源（香港）有限公司）的亞太營銷總監，負責識別市場協同效應、開發區域營銷基礎設施及共同營銷宣傳材料及信息、支持區域活動、研究客戶數據庫以及為地區創建電子商務平台及功能性CRM工具。於1995年4月，曾強先生加入邦雅國際有限公司（3M香港有限公司授權其為客戶改造3M品牌產品的公司），擔任經理／合夥人，負責管理、新產品設計及開發。彼於1997年12月離開該公司。於1989年8月至1995年3月，曾強先生任職於3M香港有限公司（為主要從事消費及工業

Prior to joining the Defond Group, from June 2010 to December 2013, Mr. Kwong was the group financial controller of Valuetronics Holdings Limited, a company principally engaged in the provision of electronics manufacturing services, and the shares of which are listed on the main board of the Singapore Exchange Limited (stock code: BN2), where he was responsible for the group's finance and accounting functions, tax planning, internal controls, management and financial reporting matters and investor relations. From September 2000 to December 2009, Mr. Kwong served in the assurance department of PricewaterhouseCoopers in Hong Kong and his last position was senior audit manager, where he was responsible for managing audit engagements from planning to completion for a number of major private and listed companies in Hong Kong and the PRC.

Mr. Kwong graduated from the City University of Hong Kong in Hong Kong with a bachelor of business administration in accountancy in November 2000. He has been a fellow member of the Association of Chartered Certified Accountants since November 2010 and a fellow member of Hong Kong Institute of Certified Public Accountants since November 2011.

Mr. Tsang Keung, aged 52, is the vice president of client base management of our Group. He is mainly responsible for identifying and developing new sales opportunities, assessing, formulating and executing sales strategy for our Group. He joined our Group on 20 August 2018.

Before working with us, Mr. Tsang Keung worked for Computime Limited, a subsidiary of Computime Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 320) principally engaged in designing and manufacturing intelligent electronic controls and internet of things devices for global markets, from November 2004 to August 2018. He was the marketing director when he joined the company and in March 2008, he was promoted to the general manager responsible for managing the overall business unit responsible for global marquee account management, product and pricing strategy. Mr. Tsang Keung worked as a Asia Pacific marketing manager for Ridge Tool Ltd of Emerson Electric from January 1997 to January 2001, and Asia Pacific marketing director for Liebert Asia Limited (currently known as Emerson Network Power (Hong Kong) Limited) from February 2001 to March 2004, responsible for identifying market synergies, developing regional marketing infrastructure and common marketing collateral and messages, supporting regional events, researching customer databases and creating e-business platforms and functional CRM tools for the region. In April 1995, Mr. Tsang Keung joined Bong Art International Ltd., a company authorised by 3M Hong Kong Limited to convert 3M brand products for its customers as a manager/partner and was responsible for management, new product design and development. He left the company in December 1997. During August 1989 to March 1995, Mr. Tsang Keung worked

董事及高級管理層

Directors and Senior Management

產品製造的跨國公司的附屬公司)，擔任中國區域的分部主管，負責分部業務管理、產品組合管理及定價策略。

曾強先生於1989年7月畢業於澳門東亞大學(澳門大學的前身)，獲得工商管理學士學位。彼亦於2000年6月通過遠距離學習兼讀制課程獲得香港公開大學工商管理碩士學位。

曾強先生於1994年12月獲特許市務學會頒授市場學文憑。彼亦於1998年8月獲亞太市場拓展聯盟董事會授予為認許市務師(亞太)。

傅美玉女士(「傅女士」)，49歲，於2016年5月3日加入本集團，擔任本集團業務開發部副總裁，主要負責制定及執行本集團的業務開發及營銷策略。

於加入本集團前，傅女士於2006年3月至2016年4月擔任金寶通有限公司(金寶通集團有限公司(聯交所主板上市公司(股份代號：320))，主要從事設計及製造全球市場的智能電子控制及物聯網設備)的附屬公司)的高級業務經理、業務開發主管及業務開發總經理，負責業務發展，從全球市場尋找新業務及新客戶以實現公司目標，推動新平台及新產品路線的有效執行，以支持公司的業務增長。於1997年3月至2005年9月，傅女士任職於萬威電子文儀有限公司(萬威國際有限公司(聯交所主板上市公司(股份代號：167))，一家主要從事設計、開發、製造、銷售及營銷各種消費電子產品的公司)的附屬公司)。作為高級銷售及營銷經理，傅女士負責擬備及執行銷售策略、監督銷售表現、規劃新產品平台及擴展與開發新業務及新市場。於1994年9月至1996年12月，傅女士任職於連域有限公司(主要從事電訊產品設計及製造)，且彼的最後職位為營銷副經理，負責擬備銷售分析、執行營銷計劃、處理關鍵客戶賬戶、跟進新問詢、開發新市場、組織貿易展覽會及執行展會參與。

for 3M Hong Kong Limited, a subsidiary of a multinational company principally engages in manufacturing consumer and industrial products as a division supervisor of the China region, responsible for division business management, product portfolio management and pricing strategy.

Mr. Tsang Keung graduated from University of East Asia in Macau (the predecessor of the University of Macau) with a bachelor of business administration in July 1989. He also obtained a master of business administration, which is a distance learning part-time programme, from the Open University of Hong Kong in June 2000.

Mr. Tsang Keung was awarded a diploma in marketing by the Chartered Institute of Marketing in December 1994. He is also a certified professional marketer (Asia Pacific) conferred by the board of the directors of the Asia Pacific Marketing Federation in August 1998.

Ms. Fu Mei Yuk (「Ms. Fu」), aged 49, joined our Group on 3 May 2016 as the vice president of business development of our Group. She is mainly responsible for developing and executing the business development and marketing strategy of our Group.

Prior to joining our Group, from March 2006 to April 2016, Ms. Fu worked for Computime Limited, a subsidiary of Computime Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 320) principally engaged in designing and manufacturing intelligent electronic controls and internet of things devices for global markets, as a senior business manager, the head of business development and a general manager of business development, where she was responsible for business development, pitching for new business and new customers to achieve company targets from worldwide market, driving new platforms and new products roadmap with effective execution to support the business growth of the company. From March 1997 to September 2005, Ms. Fu worked for IDT Data System Limited, a subsidiary of IDT International Limited which is listed on the Main Board of the Stock Exchange (stock code: 167), a company principally engaged in designing, developing, manufacturing, selling, and marketing various consumer electronic products. As a senior sales and marketing manager, Ms. Fu was responsible for preparing and implementing sales strategy, monitoring sales performance, planning for new product platforms and exploring and developing new business and new markets. From September 1994 to December 1996, Ms. Fu worked for Double Kingdom Limited, a company principally engaged in designing and manufacturing of telecom products where her last position was assistant marketing manager, responsible for preparing sales analysis, implementing marketing plan, handling key customers accounts, following up new inquiries, developing new markets, organising trade shows and executing exhibition participation.

董事及高級管理層

Directors and Senior Management

傅女士於1994年7月畢業於英國Lancaster University，獲得組織研究及社會學文學士學位。彼亦於1992年7月在香港獲得香港樹仁學院（香港樹仁大學的前身）社會學文憑。

Ms. Fu graduated from Lancaster University in the United Kingdom in July 1994 with a bachelor of arts degree in organisational studies and sociology. She also obtained a diploma in sociology from Hong Kong Shue Yan College in Hong Kong (the predecessor of Hong Kong Shue Yan University) in July 1992.

王晶女士（「王女士」），45歲，於2018年1月1日獲委任為本集團供應管理部副總裁，主要負責監督本集團的策略採購及採購流程。彼於2010年7月29日加入本集團，負責採購職能。

Ms. Wong Ching (“Ms. Wong”), aged 45, was appointed as the vice president of supply base management of our Group on 1 January 2018. She is mainly responsible for overseeing the strategic sourcing and procurement processes of our Group. She joined our Group on 29 July 2010 and was responsible for purchasing and sourcing functions.

王女士於2001年3月加入德豐電業有限公司（「德豐電業」），擔任物料經理，負責策略性採購電子元件、帶領團隊進行議價及條款磋商、推動制定替代採購方案以提升物料成本競爭力、開發供應商夥伴關係及管理賣方表現。彼隨後於2008年6月獲擢升為高級採購經理，負責監管策略性採購、制訂採購策略、推動物料成本下調、議價及合約磋商、供應商開發及表現管理。彼於2012年9月獲擢升為公司採購總監。彼於2015年12月至2016年5月擔任德豐控股（香港）有限公司採購總監。於2010年7月至2016年5月期間，彼負責監管本集團及德豐集團的策略性採購。自2016年5月起，彼僅負責監管本集團的有關採購。

Ms. Wong joined Defond Electrical Industries Limited (“DEIL”) as the material manager in March 2001 and was responsible for the strategic sourcing for electronic components, leading the team for price and terms negotiation, driving the alternative sourcing program to increase the material cost competitiveness, developing the supplier partnerships and managing vendor performance. She was later promoted to senior purchasing manager in June 2008, and was responsible for overseeing and establishing sourcing strategy, driving the material cost reduction conducting price and contract negotiation, supplier development and performance management. She was promoted to the head of corporate sourcing in September 2012. She worked for Defond Holdings (H.K.) Co. Limited from December 2015 to May 2016 as the head of corporate sourcing. From July 2010 to May 2016, she was responsible for overseeing the strategic sourcing for both our Group and the Defond Group. Since May 2016, she has been responsible for overseeing sourcing and procurement solely for our Group.

於2001年3月加入德豐電業前，王女士於1996年至2000年擔任意進行實業有限公司（一家電子元件分銷商）的採購主管，負責採購電子元件。

Prior to joining DEIL in March 2001, Ms. Wong worked as a purchasing officer in Means Come Limited, an electronic components distributor from 1996 to 2000, responsible for purchasing electronic components.

王女士於2001年12月在香港獲得香港大學專業進修學院管理學文憑，並於2016年3月通過於香港接受課程獲得英國格林威治大學的工商管理文學士學位。

Ms. Wong obtained a diploma in management studies from the School of Professional and Continuing Education of the University of Hong Kong in Hong Kong in December 2001 and obtained a bachelor of arts in business studies from the University of Greenwich in the United Kingdom in March 2016 where she attended the course in Hong Kong.

董事及高級管理層

Directors and Senior Management

黃建民先生(「黃先生」)，61歲，於2010年12月13日加入本集團，擔任本集團營運總監，主要負責制定及製造業務流程及計劃。自2010年12月13日起，黃先生擔任東莞威雅利實業有限公司的董事。

於加入本集團前，黃先生於2007年5月至2010年12月任職於德豐電業，擔任營運經理且其後晉升為高級營運經理。黃先生於2000年8月至2007年3月受僱於金源(集團)國際有限公司(金屬零件製造商)，擔任高級廠房經理，負責探索新商機、監管公司方面的質量改進及建立新的業務單位及工廠。於1994年9月至1998年12月，黃先生任職於萬威科研有限公司(一家主要從事無線電波鐘、電子溫度計、氣壓計及氣象儀的設計及製造的公司)，分別擔任品質保證副經理、品質保證經理、代理工廠經理及工廠經理，負責監督SMT工廠的日常運作，並建立一個新工廠用於晶片黏接加工、發展當地員工及提高生產力。於1993年7月，黃先生加入Hi Tech Precision Products Limited(一家主要從事音頻產品設計及製造的公司)，擔任質檢經理，負責建立基於ISO 9000要求的高效質量控制體系及培訓負責質量控制的工作人員獨立處理質量問題。彼於1994年6月離開該公司。於1988年3月至1993年6月，黃先生任職於群思製造有限公司(一家主要從事製造電話及電話答錄機的公司)，分別擔任品質保證主管、進料品質管轄主管及品質保證副經理，負責監督質量管理以及ISO 9000質量體系的制定及實施。於1983年10月至1988年2月，黃先生任職於東鋒有限公司(一家主要從事製造電力變壓器及電源適配器的公司)，擔任質檢主管，負責質量管理、制定質量標準及質量檢驗。

黃先生分別於1978年11月及1980年11月榮獲香港理工學院(香港理工大學的前身)頒發的紡織技術普通證書及紡織技術高級證書。

* 僅供識別

Mr. Wong Kin Man ("Mr. Wong"), aged 61, joined our Group on 13 December 2010 as the operations director of our Group. He is mainly responsible for developing and improving manufacture processes and plans. Mr. Wong has served as a director of Dongguan Wise Ally Industrial Co., Ltd* (東莞威雅利實業有限公司) since 13 December 2010.

Prior to joining our Group, from May 2007 to December 2010, Mr. Wong worked for DEIL as the operations manager and was later promoted to a position of senior operations manager. Mr. Wong was employed by Kam Yuen (Group) International Limited, a manufacturer of metal parts, from August 2000 to March 2007 as senior plant manager, and he was responsible for exploring new business opportunities, overseeing company-side quality improvement and establishing new business units and factories. From September 1994 to December 1998, Mr. Wong worked for IDT Technology Limited, a company principally engages in design and manufacturing of radio control clocks, electronic thermometers, barometers and weather stations, as assistant quality assurance manager, quality assurance manager, acting factory manager and factory manager respectively, responsible for overseeing the daily operations of the SMT factory and setting up a new factory for bonding operations, development of local staff and productivity enhancement. In July 1993, Mr. Wong joined a company principally engages in the design and manufacturing of audio products, namely Hi Tech Precision Products Limited, as quality control manager, responsible for setting up efficient quality control systems based on ISO 9000 requirement and training staff members responsible for quality control to handle quality matter independently. He left the company in June 1994. From March 1988 to June 1993, Mr. Wong worked for Team Concepts Manufacturing Limited, a company principally engages in manufacturing telephone and answering machines, as quality assurance supervisor, incoming quality control supervisor and assistant quality assurance manager respectively, and he was responsible for overseeing quality management and the development and implementation of ISO 9000 quality system. From October 1983 to February 1988, Mr. Wong worked for Eastern Frontier Company Ltd, a company principally engages in manufacturing power transformers and power adaptors, as a quality control supervisor, and he was responsible for quality management, developing quality standards and quality inspection.

Mr. Wong was awarded the ordinary certificate in textile technology and the higher certificate in textile technology by the Hong Kong Polytechnic (the predecessor of the Hong Kong Polytechnic University) in November 1978 and November 1980 respectively.

* for identification purpose only

董事會報告書

Report of the Directors

董事會欣然呈列本報告連同本集團截至2019年12月31日止年度的經審核綜合財務報表。

重組及全球發售

本公司於2019年1月15日在開曼群島註冊成立為獲豁免有限公司並於2019年3月14日根據香港法例第622章公司條例第16部登記為非香港公司。為籌備本公司股份於聯交所主板上市，本公司完成重組（詳情載於招股章程「歷史、重組及公司架構」一節）以合理調整本集團的架構，據此，本公司成為現時組成本集團的多家附屬公司的控股公司。透過招股章程「全球發售的架構及條件」一節所載的全球發售，本公司股份已於2020年1月10日在聯交所主板上市。

全球發售所得款項用途

本公司股份通過全球發售於2020年1月10日在聯交所主板上市，經扣除包銷費用及其他相關上市開支後，全球發售所得款項淨額約為74.0百萬港元。截至本年報日期，本公司預計招股章程「未來計劃及所得款項用途」一節中所述有關所得款項用途的計劃不會發生任何變化。

誠如招股章程所述，全球發售所籌集的款項淨額之擬定用途載列如下：

- 約35.0%將用於通過在東南亞地區及中國擴展製造平台增加我們的產能；
- 約26.3%將用於通過購置新機器及設備以及升級我們現有東莞生產廠房的生產設施提升我們的生產效率及能力；
- 約5.5%將用於加強我們開發及提供物聯網相關解決方案的研發能力；
- 約5.8%將用於加強我們於北美及歐洲的營銷能力；
- 約3.5%將用於加強我們的製造執行系統及資訊科技基礎設施；
- 約14.5%將用於償還一筆資本開支銀行貸款；及
- 約9.4%將用作一般營運資金。

The Board is pleased to present this report together with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

REORGANISATION AND GLOBAL OFFERING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 15 January 2019 and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622, Laws of Hong Kong) on 14 March 2019. Pursuant to the completion of the reorganisation as detailed in the section headed “History, Reorganisation and Corporate Structure” in the Prospectus to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the Main Board of the Stock Exchange, the Company became the holding company of the subsidiaries now comprising the Group. The shares of the Company were listed on the Main Board of the Stock Exchange on 10 January 2020 by way of the Global Offering as described in the section headed “Structure and Conditions of the Global Offering” in the Prospectus.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company were listed on the Main Board of the Stock Exchange on 10 January 2020 by way of Global Offering and the net proceeds raised from the Global Offering, after deducting the underwriting fees and other related listing expenses, amounted to approximately HK\$74.0 million. As of the date of this annual report, the Company does not anticipate any change on its plan on the use of proceeds as stated in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

As stated in the Prospectus, the intended uses of the net proceeds raised from the Global Offering are set out as follows:

- approximately 35.0% will be used for increasing our production capacity by expanding our manufacturing platform in South East Asia region and the PRC;
- approximately 26.3% will be used for enhancing our production efficiency and capability by acquiring new machinery and equipment and upgrading the production facility at our existing production plant in Dongguan;
- approximately 5.5% will be used for strengthening our research capability for the development and provision of IoT related solutions;
- approximately 5.8% will be used for increasing our marketing efforts in North America and Europe;
- approximately 3.5% will be used for enhancing our manufacturing execution system and information technology infrastructure;
- approximately 14.5% will be used for repayment of a capital expenditure bank loan; and
- approximately 9.4% will be used as our general working capital.

董事會報告書

Report of the Directors

自上市日期至本報告日期，本集團並未動用任何全球發售所籌集款項淨額。本集團將根據招股章程所披露之擬定用途逐步動用所得款項淨額。

主要業務

本公司主要從事投資控股。本公司附屬公司主要從事電子產品的製造及銷售。

業績及末期股息

本集團截至2019年12月31日止年度的業績載於第68頁的綜合全面收益表內。

董事會建議就截至2019年12月31日止年度派付末期股息20.0百萬港元，即每股0.01港元的普通股（「建議末期股息」）。待經股東於即將召開之股東週年大會（「2020年股東週年大會」）上批准後，建議末期股息預計將於2020年6月23日（星期二）或之前向於2020年6月9日（星期二）名列本公司股東名冊之股東派付。

並無有關股東豁免或同意豁免任何股息的安排。

暫停辦理股份過戶登記手續

2020年股東週年大會定於2020年6月2日（星期二）舉行。為確定出席2020年股東週年大會並於會上投票的權利，本公司將於2020年5月28日（星期四）至2020年6月2日（星期二）（包括首尾兩日）暫停辦理股份過戶登記手續，期間不會辦理本公司股份過戶登記手續。為符合資格出席2020年股東週年大會並於會上投票，本公司股份的未登記持有人應確保所有股份過戶文件連同相關股票必須不遲於2020年5月27日（星期三）下午4時30分遞交本公司之香港股份過戶登記分處的卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，以辦理登記手續。

為確定獲取建議末期股息（須待股東於2020年股東週年大會上批准）的資格，本公司將於2020年6月8日（星期一）至2020年6月9日（星期二）（包括首尾兩天）暫停辦理股份過戶登記手續，期間不會辦理任何股份過戶登記手續。為符合資格獲取建議末期股息，本公司股份的未登記持有人應確保所有股份過戶文件連同有關股票，必須於2020年6月5日（星期五）下午4時30分前送達本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，以辦理登記手續。

Since the Listing Date and up to the date of this report, the Group has not utilised any net proceeds raised from the Global Offering. The Group will gradually utilise the net proceeds in accordance with the intended purposes as disclosed in the Prospectus.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries of the Company are primarily engaged in the manufacturing and sales of electronic products.

RESULTS AND FINAL DIVIDEND

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of comprehensive income on page 68.

The Board recommends the payment of a final dividend of HK\$20.0 million, representing HK\$0.01 per ordinary Share (the “Proposed Final Dividend”), for the year ended 31 December 2019. Subject to the approval by the Shareholders at the forthcoming annual general meeting (“2020 AGM”), the Proposed Final Dividend is expected to be paid on or before Tuesday, 23 June 2020 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 9 June 2020.

There is no arrangement under which a Shareholder has waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS

The 2020 AGM is scheduled to be held on Tuesday, 2 June 2020. For determining the entitlement to attend and vote at the 2020 AGM, the register of members of the Company will be closed from Thursday, 28 May 2020 to Tuesday, 2 June 2020, both days inclusive, during which period no transfer of share(s) of the Company will be registered. In order to be eligible to attend and vote at the 2020 AGM, unregistered holder(s) of share(s) of the Company should ensure that all share transfer document(s) accompanied by the relevant share certificate(s) must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 27 May 2020.

For determining the entitlement to the Proposed Final Dividend (subject to the approval by the Shareholders at the 2020 AGM), the register of members of the Company will be closed from Monday, 8 June 2020 to Tuesday, 9 June 2020, both days inclusive, during which period no transfer of share(s) of the Company will be registered. In order to qualify for the Proposed Final Dividend, unregistered holder(s) of share(s) of the Company should ensure that all transfer document(s) accompanied by the relevant share certificate(s) must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 5 June 2020.

業務回顧

本集團截至2019年12月31日止年度的業務回顧，包括使用財務關鍵績效指標對本集團表現的分析、本公司面臨的主要風險及不確定因素、自財政年度末以來影響本公司的重要事項及有關本集團未來業務發展的討論，載於第8至14頁的「管理層討論與分析」一節。該等討論構成本董事會報告書的一部分。除本年報其他部分所載的事項外，自回顧年度結算後及直至本年報日期，概無發生影響本集團的其他重大事項。

環境政策及表現

本集團致力於透過減少對社區及環境的影響並保障公眾的健康及安全以履行保護環境的責任。

遵守相關法律法規

就董事所深知，於回顧年度，本集團一直於所有重大方面遵守對本公司業務及運營有重大影響的相關法律及法規。

與僱員、客戶及供應商的主要關係

本集團深明僱員乃本集團的寶貴資產之一。本集團持續致力為僱員打造關愛的環境，並重視僱員的個人發展。

本集團與客戶及供應商保持良好關係。儘管業務狀況具挑戰性，本集團持續致力提供符合或超出客戶對質量、可靠性及價值要求或預期的產品及服務。為達成該目標，本集團竭盡全力與供應商建立長期互惠的合作關係，以確保能夠向客戶交付可靠的產品。

截至2019年12月31日止年度，本集團與其供應商及／或客戶之間概無重要及重大爭議。

捐款

本集團於截至2019年12月31日止年度的慈善及其他性質捐款約為1.0百萬港元。

BUSINESS REVIEW

A review of the Group's business for the year ended 31 December 2019 including an analysis of the Group's performance using financial key performance indicators, principal risks and uncertainties facing the Company, important events affecting the Company that have occurred since the end of the financial year, and a discussion on the Group's future business development are provided in the "Management Discussion and Analysis" on pages 8 to 14. These discussions form part of this Report of the Directors. Other than the events set out in other parts of this annual report, no other significant event affecting the Group has occurred since the end of the year under review and up to the date of this annual report.

Environmental Policy and Performance

The Group is committed to environmental responsibility through minimizing the impacts to the community and environment while safeguarding the health and safety of the public.

Compliance with the Relevant Laws and Regulations

To the best knowledge of the Board, during the year under review, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

Key Relationships with Employees, Customers and Suppliers

The Group recognises that employees are one of the valuable assets of the Group. The Group aims to continue establishing a caring environment to its employees and emphasize the personal development of its employees.

The Group maintains a good relationship with its customers and suppliers. Despite the challenging business conditions, the Group aims to continue providing products and services that meet or exceed its customers' requirement or expectation for quality, reliability and value. In accomplishing this goal, the Group endeavours to build long term and mutually beneficial relationships with its suppliers, ensuring reliable delivery to its customers.

For the year ended 31 December 2019, there was no significant and material dispute between the Group and its suppliers and/or customers.

DONATIONS

Donations made by the Group for charitable and other purposes during the year ended 31 December 2019 amounted to approximately HK\$1.0 million.

董事會報告書

Report of the Directors

物業、廠房及設備

本集團於截至2019年12月31日止年度的物業、廠房及設備變動詳情載於綜合財務報表附註12。

報告期後事項

報告期後事項的詳情載於綜合財務報表附註33。

附屬公司

本公司之主要附屬公司於2019年12月31日的詳情載於綜合財務報表附註28。

股本

本公司於截至2019年12月31日止年度的股本變動詳情載於綜合財務報表附註26。

已發行股份

為籌備本公司股份於聯交所主板上市，本公司進行了一系列重組安排，更多詳情載於招股章程「歷史、重組及公司架構」分節。

緊接資本化發行及全球發售前，本公司擁有1,000,000股已發行股份。於2020年1月10日（緊接全球發售前），本公司向於全球發售前營業時間結束時名列本公司股東名冊的股東發行1,499,000,000股新股份，方式為將因全球發售進賬的本公司股份溢價賬的進賬額14,990,000港元資本化。於2020年1月10日，根據全球發售，本公司發行每股面值0.25港元之500,000,000股之新股份。本公司已收全球發售所得款項淨額（經扣除包銷費及其他相關上市開支）為約74.0百萬港元。全球發售之詳情披露於招股章程。緊隨全球發售完成後及於本報告日期，本公司已發行股份總數為2,000,000,000股股份。

可分派儲備

於2019年12月31日本公司沒有可分派儲備。

PROPERTIES, PLANT AND EQUIPMENT

Details of the movements in the properties, plant and equipment of the Group during the year ended 31 December 2019 are set out in note 12 to the consolidated financial statements.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Details of the events occurring after the reporting period are set out in note 33 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31 December 2019 are set out in note 28 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 December 2019 are set out in note 26 to the consolidated financial statements.

SHARES ISSUED

In preparation for the listing of the Company's shares on the Main Board of the Stock Exchange, the Company underwent series of reorganisation arrangements, which are more particularly described in the subsection headed "History, Reorganisation and Corporate Structure" in the Prospectus.

The Company had 1,000,000 issued Shares immediately before the capitalisation issue and the Global Offering. On 10 January 2020, immediately before the Global Offering, the Company issued 1,499,000,000 new Shares to the Shareholders whose name appeared on the register of members of the Company at the close of business on a date prior to the Global Offering by way of capitalisation of an amount of HK\$14,990,000 standing in the share premium account of the Company credited as a result of the Global Offering. On 10 January 2020, pursuant to the Global Offering, the Company issued 500,000,000 new Shares at HK\$0.25 each. The net proceeds received by the Company from the Global Offering (after deducting the underwriting fees and other related listing expenses), amounted to approximately HK\$74.0 million. Details of the Global Offering were disclosed in the Prospectus. Immediately upon completion of the Global Offering and as at the date of this report, the total number of issued shares of the Company is 2,000,000,000.

DISTRIBUTABLE RESERVES

As at 31 December 2019, distributable reserves of the Company is nil.

股息政策

本公司股息政策詳情載於本年報「企業管治報告」一節。

優先購買權

本公司的組織章程細則（「組織章程細則」）或開曼群島法例並無載有任何優先購買權條文，以令本公司有責任按比例向現有股東發售新股份。

稅務抵免

本公司並不知悉本公司股東因其所持本公司證券而獲得任何稅務抵免。

銀行借款

本集團於2019年12月31日的銀行借款詳情載於綜合財務報表附註25。

截至2019年12月31日止年度，本集團已與銀行訂立若干協議，以有條件解除我們的關聯方授予以取得銀行融資的抵押及擔保。根據該等協議中訂明的相關條款，自上市日期起，上述抵押及擔保已被解除並由本公司的公司擔保連同若干契諾替代，包括朱慧恒先生及朱惠璋先生將共同維持（直接或間接）擁有至少本公司50%的股權。

四年財務概要

本集團於過往財政年度的業績與資產及負債概要載於本年報「四年財務概要」一節。

股票掛鈎協議

截至2019年12月31日止年度，本公司並未訂立任何股票掛鈎協議，惟本董事會報告書內「購股權計劃」一節披露的本公司購股權計劃除外。

購買、出售或贖回本公司上市證券

自上市日期起及直至本報告日期期間，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

DIVIDEND POLICY

Details of the Company's dividend policy are set out in the section headed "Corporate Governance Report" in this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles of Association") or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

RELIEF OF TAXATION

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holding of the Company's securities.

BANK BORROWINGS

Particulars of the bank borrowings of the Group as at 31 December 2019 are set out in note 25 to the consolidated financial statements.

During the year ended 31 December 2019, our Group has entered into certain agreements with the banks for the conditional release of the pledges and guarantees granted by our related parties to secure our banking facilities. Under the relevant clauses stated in these agreements, since the Listing Date, the abovementioned pledges and guarantees have been released and replaced by our Company's corporate guarantee together with certain covenants including Mr. Chu Wai Hang Raymond and Mr. Chu Wai Cheong Wilson shall jointly maintain, directly or indirectly, at least 50% of the shareholding of the Company.

FOUR-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the previous financial years is set out in the section headed "Four-Year Financial Summary" in this annual report.

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2019, the Company has not entered into any equity-linked agreements, save for the share option scheme of the Company as disclosed under the section headed "Share Option Scheme" in this Report of the Directors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date and up to the date of this report.

董事會報告書 Report of the Directors

董事

於本年度及直至本報告日期的董事如下：

執行董事：

朱慧恒先生(主席)
(於2019年1月15日獲委任)
曾明哲先生(行政總裁)
(於2019年1月15日獲委任)
陳志明先生(首席營運官)
(於2019年3月19日獲委任)

獨立非執行董事：

凌潔心女士(於2019年12月10日獲委任)
李華倫先生(於2019年12月10日獲委任)
司徒毓廷先生(於2019年12月10日獲委任)

根據組織章程細則第113條，陳志明先生(彼於2019年3月19日由董事會委任)將任職僅直至2020年股東週年大會止，且合資格於2020年股東週年大會上重選。

根據組織章程細則第109條，朱慧恒先生及曾明哲先生須於2020年股東週年大會上輪值退任，且合資格於2020年股東週年大會上重選。

全體董事將於2020年股東週年大會上膺選連任。將於2020年股東週年大會上重選之董事之詳情載於致股東之函件。

董事服務合約

各執行董事已與本公司訂立董事服務協議，自上市日期起計為期三年(在相關董事服務協議訂明的若干情況下可予終止)。

各獨立非執行董事已與本公司訂立委任書，自上市日期起計初步為期三年(在相關委任書訂明的若干情況下可予終止)。

擬於2020年股東週年大會上重選連任的董事概無與本公司訂立本公司不可於一年內毋須賠償(法定賠償除外)而終止之服務協議或委任書。

DIRECTORS

The Directors during the year and up to the date of this report are as follows:

Executive Directors:

Mr. Chu Wai Hang Raymond (*Chairman*)
(appointed on 15 January 2019)
Mr. Tsang Ming Chit Stanley (*Chief Executive Officer*)
(appointed on 15 January 2019)
Mr. Chan Chi Ming (*Chief Operating Officer*)
(appointed on 19 March 2019)

Independent Non-executive Directors:

Ms. Ling Imma Kit Sum (appointed on 10 December 2019)
Mr. Lee Wa Lun Warren (appointed on 10 December 2019)
Mr. Szeto Yuk Ting (appointed on 10 December 2019)

Pursuant to Article 113 of the Articles of Association, Mr. Chan Chi Ming who was appointed by the Board on 19 March 2019 shall hold office only until the 2020 AGM and be eligible for re-election at the 2020 AGM.

Pursuant to Article 109 of the Articles of Association, Mr. Chu Wai Hang Raymond and Mr. Tsang Ming Chit Stanley shall retire from office by rotation at the 2020 AGM and be eligible for re-election at the 2020 AGM.

All of them will offer themselves for re-election at the 2020 AGM. Details of the Directors to be re-elected at the 2020 AGM are set out in the circular to Shareholders.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a director service agreement with the Company for a term of three years commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant director service agreement).

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant letter of appointment).

None of the Directors being proposed for re-election at the 2020 AGM has a service agreement or letter of appointment with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

關連交易

持續關連交易－主採購協議

誠如招股章程所披露，根據聯交所證券上市規則（「上市規則」）第十四A章，德豐電業與本集團的交易於上市後將會構成本集團的持續關連交易。

德豐電業為一家根據香港法例註冊成立的有限公司，分別由朱慧恒先生及朱慧恒先生的弟弟朱惠璋先生（均為控股股東及本公司關連人士）實益持有50%。因此，根據上市規則第14A.12(1)(c)條，德豐電業為本公司關連人士的聯繫人。

於2019年12月19日，本公司間接全資附屬公司麗年控股有限公司（「香港麗年」）與德豐電業訂立主採購協議（「主採購協議」），據此，香港麗年及其附屬公司同意採購，而德豐及其附屬公司（「德豐電業集團」）同意為本集團供應及／或製造多種開關（「該等產品」），自上市日期起計直至2022年12月31日止。

根據主採購協議，德豐電業集團同意向本集團供應該等產品，價格須根據供應與該等產品相類似者之現行市價後經公平磋商而釐定。訂約方同意，本集團就採購該等產品向德豐電業集團下達的每份採購訂單（「訂單」），一經德豐電業集團接納即構成德豐電業集團與本集團之間具法律約束力的獨立合約。主採購協議的條款及條件應被視為獲納入每份訂單並構成當中一部分。訂約方進一步同意，該等產品的現行市價(i)須為本集團自不少於兩名獨立第三方所取得，按相似數量訂購之同等質量的有關該等產品報價的較低者；或(ii)倘本集團無法取得來自不少於兩名獨立第三方的報價，則須按不遜於獨立第三方按相似數量向德豐電業集團訂購之同等質量的有關該等產品可獲得條款的條款而釐定。

截至2020年、2021年及2022年12月31日止財務年度各年，本集團就採購該等產品應付予德豐電業集團的最高採購價估計將分別不超過4.0百萬港元、4.0百萬港元及4.0百萬港元（「年度上限」）。

CONNECTED TRANSACTIONS

Continuing Connected Transactions – Master Purchase Agreement

As disclosed in the Prospectus, the transactions between DEIL and the Group would constitute continuing connected transactions of the Group under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) after the Listing.

DEIL is a company incorporated under the laws of Hong Kong with limited liability and beneficially held as to 50% by Mr. Chu Wai Hang Raymond and as to 50% by Mr. Chu Wai Cheong Wilson (younger brother of Mr. Chu Wai Hang Raymond), each being a controlling Shareholder and a connected person of the Company. As such, DEIL is an associate of connected persons of our Company pursuant to Rule 14A.12(1)(c) of the Listing Rules.

On 19 December 2019, Wise Ally Holdings Limited (“HK Wise Ally”), an indirect wholly-owned subsidiary of the Company, and DEIL entered into a master purchase agreement (the “Master Purchase Agreement”), pursuant to which HK Wise Ally and its subsidiary agreed to purchase, and DEIL and its subsidiaries (“DEIL Group”) agreed to supply and/or manufacture a variety of switches (the “Products”) to the Group for a term commencing on the Listing Date until 31 December 2022.

Pursuant to the Master Purchase Agreement, DEIL Group agreed to supply the Products to the Group at a price which shall be determined on arm’s length negotiations based on the prevailing market prices for the supply of similar Products. The parties agreed that each purchase order (“Order”) placed by the Group with DEIL Group for the purchase of the Products shall constitute a separate legally binding contract between DEIL Group and the Group upon acceptance by DEIL Group. The terms and conditions of the Master Purchase Agreement shall be deemed to be incorporated into each Order and form part thereof. The parties further agreed that prevailing market price of Products shall be (i) the lower of the quoted prices for such Products of comparable quality ordered in similar quantities obtained by the Group from no less than two independent third parties; or (ii) in the event that the Group is not able to obtain at least two quotes from independent third parties, determined on terms no less favourable than terms available to independent third parties for the purchase of such Products of comparable quality in similar quantities from DEIL Group.

For each of the financial years ending 31 December 2020, 2021 and 2022, it is estimated that the maximum purchase price payable by our Group to DEIL Group in respect of the purchase of the Products shall not exceed HK\$4.0 million, HK\$4.0 million and HK\$4.0 million, respectively (the “Annual Caps”).

董事會報告書

Report of the Directors

就上市規則第14.07條而言，鑒於有關主採購協議項下擬進行交易的適用百分比率（盈利比率除外）高於0.1%但低於5%，且建議年度上限多於3百萬港元但少於10百萬港元，故主採購協議項下擬進行的交易根據上市規則第十四A章構成非完全獲豁免的持續關連交易，獲豁免遵守通函及獨立股東批准的規定，惟須遵守申報、年度審閱及公佈的規定。

本公司已獲聯交所批准就非全面豁免持續關連交易豁免嚴格遵守上市規則的公告規定，但須符合以下條件：

- (i) 參與全球發售的保薦人及董事（包括獨立非執行董事）確認彼等認為(a)持續關連交易已經並將於本集團的日常及一般業務過程中按一般商業條款或更佳條款訂立，屬公平合理，且符合本公司股東的整體利益；及(b)持續關連交易之建議年度上限屬公平合理且符合本公司股東的整體利益；及
- (ii) 除本公司尋求豁免之公告規定外，本公司將遵守上市規則第十四A章項下之相關規定。

誠如招股章程所披露，全體董事（包括獨立非執行董事）認為，上述持續關連交易已經並將於本集團日常及一般業務過程中按一般商業條款或更佳條款訂立，屬公平合理，且符合本公司及股東的整體利益。彼等亦認為，上述持續關連交易的建議年度上限屬公平合理，且符合本集團及股東的整體利益。

截至2019年12月31日止年度，本集團向德豐電業集團採購1.7百萬港元之該等產品。與德豐電業集團之交易詳情載於綜合財務報表附註30(b)(ii)。

除本年報「關連交易」一節及綜合財務報表附註30(b)所披露者外，其他關聯方交易並不構成上市規則第十四A章所界定的關連交易及持續關連交易。

For the purpose of Rule 14.07 of the Listing Rules, given that the applicable percentage ratio (other than the profits ratio) of the transactions contemplated under the Master Purchase Agreement are more than 0.1% but less than 5% and the proposed Annual Caps are more than HK\$3 million but less than HK\$10 million, the transactions contemplated under the Master Purchase Agreement constitute non-fully exempt continuing connected transactions which are exempt from the circular and independent shareholders' approval requirements but subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

The Stock Exchange has granted to the Company a waiver from strict compliance with the announcement requirements of the Listing Rules in respect of the non-fully exempt continuing connected transactions, subject to the following conditions:

- (i) the sponsor involved in the Global Offering and the Directors, including the independent non-executive Directors, confirming that in their views that (a) the continuing connected transactions have been and will be entered into in the ordinary and usual course of the Group's business, are on normal commercial terms or better that are fair and reasonable in the interests of the shareholders of the Company as a whole; and (b) the proposed annual caps for the continuing connected transactions are fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (ii) apart from the announcement requirement of which waiver has been sought, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

As disclosed in the Prospectus, all Directors (including the independent non-executive Directors) are of the view that the aforementioned continuing connected transactions, which had been and will be entered into in the ordinary and usual course of the Group's business and on normal commercial terms or better, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. They are also of the view that the proposed Annual Caps for the aforementioned continuing connected transactions are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

During the year ended 31 December 2019, the Group purchased the Products from DEIL Group in an amount of HK\$1.7 million. Details of the transactions with DEIL Group are set out in note 30(b)(ii) to the consolidated financial statements.

Save as disclosed in the section headed "Connected Transactions" in this annual report and note 30(b) to the consolidated financial statements, other related party transactions did not constitute connected transactions and continuing connected transactions as defined in Chapter 14A of the Listing Rules.

董事於交易、安排或合約中的重大權益

除綜合財務報表附註30及本年報「關連交易」一節所披露者外，於年末或截至2019年12月31日止年度內任何時間，概無存續本公司、任何其附屬公司或其任何控股公司為訂約方且本公司董事直接或間接擁有重大利益的與本集團業務有關的重大交易、安排或合約。

董事酬金

董事酬金詳情載於綜合財務報表附註31。

獲准許彌償條文

根據組織章程細則，本公司須以其資產向各董事就執行職務或於其各自崗位或信託之擬定職務所作出、發生或未有作出之行動而產生或可能產生或蒙受之所有訴訟、成本、費用、損失、損害及開支作出彌償。

本公司已就其董事及高級管理層可能面對因公司業務活動產生針對彼等採取的法律行動，為董事及高級職員的責任作出適當投保安排。於本報告日期，獲准許彌償條文現時為董事利益而生效。

管理合約

截至2019年12月31日止年度，除本年報所披露者外，並無訂立或存在有關本公司全部或任何重要部分業務管理及行政的合約。

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 30 to the consolidated financial statements, and in the section headed "Connected Transactions" in this annual report, no transaction, arrangement or contract of significance in relation to the Group's businesses to which the Company, any of its subsidiaries, or any of its holding companies 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 ended 31 December 2019.

DIRECTORS' EMOLUMENTS

Details of remuneration of Directors are set out in note 31 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of his/her duty or supposed duty in his/her respective offices or trusts.

The Company has arranged for appropriate insurance coverage for the Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. As at the date of this report, the permitted indemnity provision is currently in force for the benefit of the Directors.

MANAGEMENT CONTRACTS

Save as disclosed in this annual report, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2019.

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於上市日期，董事及本公司主要行政人員於本公司及／或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視作擁有的任何權益或淡倉）；或根據證券及期貨條例第352條須記錄於該條所述的登記冊的權益及淡倉；或根據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」）須另行知會本公司及聯交所之權益及淡倉如下：

(1) 於股份的好倉

董事姓名 Name of Director	身份／權益性質 Capacity/Nature of interest	普通股數目 Number of ordinary Shares	佔本公司股權的 概約百分比 Approximate percentage of shareholding in the Company
朱慧恒先生 Mr. Chu Wai Hang Raymond	受控制法團權益 Interest in controlled corporations	1,260,000,000 (附註) (Note)	63.0%

附註：240,000,000股股份以Smart Union Global Group Limited（「Smart Union」）的名義登記，而Smart Union的全部已發行股份由朱慧恒先生全資擁有。1,020,000,000股股份以Smartview Investments Limited（「Smartview」）的名義登記，而Smartview的50%已發行股份由朱慧恒先生擁有。根據證券及期貨條例，朱慧恒先生被視為於Smart Union及Smartview持有的全部股份中擁有權益。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Listing Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or as recorded in the register 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules were as follows:

(1) Long position in the Shares

Note: 240,000,000 of the Shares are registered in the name of Smart Union Global Group Limited ("Smart Union"), all the issued shares of which are wholly-owned by Mr. Chu Wai Hang Raymond. 1,020,000,000 of the Shares are registered in the name of Smartview Investments Limited ("Smartview"), 50% of the issued shares of which are owned by Mr. Chu Wai Hang Raymond. Under the SFO, Mr. Chu Wai Hang Raymond is deemed to be interested in all the Shares held by Smart Union and Smartview.

(2) 於相聯法團股份的好倉

(2) Long position in the shares of associated corporations

董事姓名 Name of Director	相聯法團名稱 Name of associated corporation	身份／權益性質 Capacity/Nature of interest	權益類別 Class of interest	股份數目 Number of share(s)	佔相聯法團股權的概約百分比 Approximate percentage of shareholding interest in the associated corporation
朱慧恒先生 Mr. Chu Wai Hang Raymond	Smartview Smartview	實益擁有人 Beneficial owner	普通 Ordinary	1	50.0%

除上文所披露者外，於上市日期，概無董事或本公司的最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文被當作或視作擁有的任何權益或淡倉）；或擁有本公司須記錄於根據證券及期貨條例第352條存置的登記冊或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

Save as disclosed above, as at the Listing Date, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事購買股份的權利

DIRECTORS' RIGHTS TO ACQUIRE SHARES

除本年報另行披露者外，本公司或其任何附屬公司於本年度任何時間概無參與可使董事或其聯繫人通過收購本公司或任何其他法人團體的股份以取得利益的任何安排。

Save as otherwise disclosed in this annual report, at no time during the year was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors or their associates to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

主要股東及其他人士於本公司股份及相關股份中的權益及淡倉

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

就董事所知，於上市日期，以下人士（董事及本公司主要行政人員除外）於股份及相關股份中擁有記錄於根據證券及期貨條例第336條本公司須存置的登記冊或根據證券及期貨條例第XV部第2及3分部須向本公司及聯交所予以披露的5%或以上的權益：

So far as known to the Directors, as at the Listing Date, the following persons (other than the Directors and chief executives of the Company) had interests in 5% or more of the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

股份的好倉

Long position in the Shares

主要股東姓名 Name of substantial Shareholder	身份／權益性質 Capacity/Nature of interest	普通股數目 Number of ordinary Shares	佔本公司股權的 概約百分比 Approximate percentage of shareholding in the Company
Smartview Smartview	實益權益 Beneficial interest	1,020,000,000	51.0%
Smart Union Smart Union	實益權益 Beneficial interest	240,000,000	12.0%
Grandview Group Holdings Limited (「Grandview」)	實益權益		
Grandview Group Holdings Limited (“Grandview”)	Beneficial interest	240,000,000	12.0%
朱惠璋先生 Mr. Chu Wai Cheong Wilson	受控制法團權益 Interest in controlled corporations	1,260,000,000 (附註1) (Note 1)	63.0%
譚惠儀女士 Ms. Tam Wai Yee Czarina	配偶權益 Interest of spouse	1,260,000,000 (附註2) (Note 2)	63.0%
吳磬女士 Ms. Ng Ching Annetta	配偶權益 Interest of spouse	1,260,000,000 (附註3) (Note 3)	63.0%
許偉倫先生 Mr. Hui Wai Lun	實益權益 Beneficial interest	120,000,000	6.0%
蔡順喜女士 Ms. Choi Shun Hi	配偶權益 Interest of spouse	120,000,000 (附註4) (Note 4)	6.0%

董事會報告書

Report of the Directors

附註：

- (1) 240,000,000股股份以Grandview的名義登記，其全部股本由朱慧恒先生的弟弟朱惠璋先生全資擁有。1,020,000,000股股份以Smartview的名義登記，其50%股本由朱惠璋先生擁有。根據證券及期貨條例，朱惠璋先生被視作擁有Grandview及Smartview所持全部股份的權益。
- (2) 譚惠儀女士為朱慧恒先生之配偶。根據證券及期貨條例，譚惠儀女士被視作於朱慧恒先生於其中擁有權益的相同數目的股份中擁有權益。
- (3) 吳馨女士為朱惠璋先生之配偶。根據證券及期貨條例，吳馨女士被視作於朱惠璋先生於其中擁有權益的相同數目的股份中擁有權益。
- (4) 蔡順喜女士為許偉倫先生之配偶。根據證券及期貨條例，蔡順喜女士被視作於許偉倫先生於其中擁有權益的相同數目的股份中擁有權益。

除上文所披露者外，於上市日期，概無人士（董事及本公司的最高行政人員除外）於股份及相關股份中擁有記錄於根據證券及期貨條例第336條本公司須存置的登記冊或根據證券及期貨條例第XV部第2及3分部須向本公司及聯交所予以披露的5%或以上權益。

Notes:

- (1) 240,000,000 of the Shares are registered in the name of Grandview, the entire share capital of which is wholly-owned by Mr. Chu Wai Cheong Wilson (the younger brother of Mr. Chu Wai Hang Raymond). 1,020,000,000 of the Shares are registered in the name of Smartview, 50% of the share capital of which is owned by Mr. Chu Wai Cheong Wilson. Under the SFO, Mr. Chu Wai Cheong Wilson is deemed to be interested in all the Shares held by Grandview and Smartview.
- (2) Ms. Tam Wai Yee Czarina is the spouse of Mr. Chu Wai Hang Raymond. Ms. Tam Wai Yee Czarina is deemed to be interested in the same number of Shares in which Mr. Chu Wai Hang Raymond is interested by virtue of the SFO.
- (3) Ms. Ng Ching Annetta is the spouse of Mr. Chu Wai Cheong Wilson. Ms. Ng Ching Annetta is deemed to be interested in the same number of Shares in which Mr. Chu Wai Cheong Wilson is interested by virtue of the SFO.
- (4) Ms. Choi Shun Hi is the spouse of Mr. Hui Wai Lun. Ms. Choi Shun Hi is deemed to be interested in the same number of Shares in which Mr. Hui Wai Lun is interested by virtue of the SFO.

Save as disclosed above, as at the Listing Date, no person (other than the Directors and chief executives of the Company) had interests in 5% or more of the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

購股權計劃

本公司已根據當時股東於2019年12月10日（「採納日期」）通過的書面決議案採納購股權計劃（「購股權計劃」）。自採納日期起及直至本報告日期，本公司概無根據購股權計劃授出任何購股權。

購股權計劃的主要條款概要如下。

(a) 目的

購股權計劃的目的為肯定及嘉許合資格參與者（定義見下文(b)段）對本集團已作出或將作出的貢獻。購股權計劃將讓合資格參與者有機會獲得本公司的個人權益，以達致以下目標：

- (i) 鼓勵合資格參與者為本集團利益提升工作績效；及
- (ii) 吸引及挽留合資格參與者或與其維持持續的業務關係，而其貢獻有助或將有助本集團的長遠發展。

(b) 參與人士

「合資格參與者」為：

- (i) 本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員；
- (ii) 本公司或其任何附屬公司的任何董事（包括非執行董事及獨立非執行董事）；
- (iii) 本公司或其任何附屬公司的任何顧問、諮詢人、供應商、客戶及代理；及

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “Share Option Scheme”) pursuant to the written resolutions of the then Shareholders passed on 10 December 2019 (the “Adoption Date”). No share option has been granted by the Company under the Share Option Scheme since the Adoption Date and up to the date of this report.

The following is a summary of the principal terms of the Share Option Scheme.

(a) Purpose

The purpose of the Share Option Scheme is to recognise and acknowledge the Eligible Participants (as defined in paragraph (b) below) who have contributed and will contribute to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivating the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and
- (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(b) Participants

The “Eligible Participants” are:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries;
- (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and

(iv) 董事會全權認為將對或已對本集團作出貢獻的有關其他人士，其評估標準為：

- 為本集團的發展及業績作出的貢獻；
- 對本集團所履行工作之質素；
- 在履行其職責方面的主動性及承諾；及
- 服務年期或對本集團的貢獻。

(c) 可供發行的股份總數

根據購股權計劃及本公司任何其他購股權計劃將予授出的所有購股權獲行使後可予發行的股份數目上限不得超過於上市日期已發行股份總數的10%，即200,000,000股股份（「限制」）（即於本年報日期已發行股份總數的10%）。董事會可能待股東及／或上市規則及購股權計劃所述的其他規定批准後更新限制，惟限制不得超過不時已發行股份的30%。

(d) 向任何個別人士授出購股權的數目上限

已發行及因於任何12個月期間直至授出日期根據購股權計劃及本公司任何其他購股權計劃向各合資格參與者授出的購股權（包括已行使及尚未行使購股權及根據購股權計劃及本公司任何其他購股權計劃已授出及獲接納，但於其後被註銷的購股權所涉及的股份）獲行使而可予發行的股份總數不得超過截至授出日期已發行股份的1%。進一步授出超過本公司已發行股份1%的購股權須待股東批准及／或符合上市規則以及購股權計劃訂明的其他規定後，方可作實。

(iv) such other persons who, in the sole opinion of our Board, will contribute or have contributed to the Group, the assessment criteria of which are:

- contribution to the development and performance of the Group;
- quality of work performed for the Group;
- initiative and commitment in performing his/her duties; and
- length of service or contribution to the Group.

(c) Total number of Shares available for issue

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of all the Shares in issue as at the Listing Date, being 200,000,000 Shares (the "Limit") (representing 10% of the total number of Shares in issue as at the date of this annual report). The Board may renew the Limit subject to approval of the Shareholders and/or other requirements prescribed under the Listing Rules and the Share Option Scheme but the Limit must not exceed 30% of the issued Shares from time to time.

(d) Maximum number of options to any one individual

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Participant (including both exercised and outstanding options and Shares which were the subject of options which have been granted and accepted under the Share Option Scheme and any other share option schemes of the Company but subsequently canceled) under the Share Option Scheme and any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as of the date of grant. Any further grant of options in excess of this 1% of the issued shares of the Company should be subject to approval of the Shareholders and/or other requirements prescribed under the Listing Rules and the Share Option Scheme.

(e) 購股權的行使期限

購股權可於購股權被視為已授出並獲接納日期後至該日起計十年屆滿前隨時根據購股權計劃的條款予以行使。董事會可能全權酌情釐定購股權於可行使前須持有的任何最短期限及／或購股權於可行使前須達到的任何業績目標，惟於購股權獲授出日期後十年以上未獲行使則除外。

(f) 接納購股權的應付款項及付款期限

承授人須於相關接納日期(定義見購股權計劃，為不遲於授出日期後30日之日期)或之前向本公司支付1.0港元作為授出購股權的代價，方能接納授出的購股權。

(g) 釐定行使價的基準

行使價須由董事會全權酌情釐定，惟在任何情況下不得低於下列各項當中的最高者：

- (i) 股份於授出日期(須為聯交所開市買賣證券的日子(「營業日」))於聯交所每日報價表所報的收市價；
- (ii) 股份於緊接授出日期前五個營業日於聯交所每日報價表所報的平均收市價；及
- (iii) 股份面值。

(h) 購股權計劃的期限

購股權計劃將自2020年1月10日起直至2030年1月9日(包括當日)的十年期間生效及有效。

購股權計劃的其他詳情載於招股章程。

(e) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The Board may at its absolute discretion determine any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before the option can be exercised, except that no option may be exercised more than ten years after it has been granted.

(f) Amount payable on acceptance of the option and the payment period

To accept the grant of an option, HK\$1.0 as consideration for the grant of an option must be paid by the grantee to the Company on or before the relevant acceptance date, as defined in the Share Option Scheme, which is a date not later than 30 days after the date of grant.

(g) Basis of determining the exercise price

The exercise price shall be such price determined by the Board in its absolute discretion but in any event shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities ("Business Day");
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(h) Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years commencing from 10 January 2020 up to and including 9 January 2030.

Other details of the Share Option Scheme are set out in the Prospectus.

重大合約

於回顧年度，除招股章程及綜合財務報表所披露者外，概無控股股東或其任何附屬公司於本公司或其附屬公司訂立任何重大合約（包括有關向本公司或其任何附屬公司提供服務的重大合約）。

主要客戶及供應商

本集團的主要客戶及供應商應佔截至2019年12月31日止年度的銷售額及採購額百分比如下：

銷售額

- 最大客戶：本集團總銷售額的27.9%
- 五大客戶總和：本集團總銷售額的69.0%

採購額

- 最大供應商：本集團總採購額的11.1%
- 五大供應商總和：本集團總採購額的25.9%

概無董事、彼等的緊密聯繫人或任何股東（據董事所深知擁有超過本公司已發行股份數目的5%）擁有上述主要客戶及供應商之任何權益。

退休福利計劃

本集團的退休福利計劃詳情載於綜合財務報表附註8(a)。

董事於競爭業務中的權益

本公司已接獲董事的確認函，確認除本集團的業務外，概無董事於與本集團業務直接或間接構成競爭或可能構成競爭的業務中持有任何權益。

於2019年12月31日，就董事所深知，概無董事被視為於正與或可能會與本集團業務直接或間接構成競爭的業務中擁有任何權益，惟董事因代表本公司及／或本集團的利益而獲委任為董事的業務除外。

MATERIAL CONTRACTS

Save as disclosed in the Prospectus and in the consolidated financial statements, no controlling Shareholder or any of its subsidiaries has any material contract (including material contract for the provision of services to the Company or any of its subsidiaries) with the Company or its subsidiaries during the year under review.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year ended 31 December 2019 attributable to the Group's major customers and suppliers are as follows:

Sales

- the largest customer: 27.9% of the Group's total sales
- five largest customers combined: 69.0% of the Group's total sales

Purchases

- the largest supplier: 11.1% of the Group's total purchases
- five largest suppliers combined: 25.9% of the Group's total purchases

None of the Directors, their close associates or any Shareholder (who to the best knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had an interest in the above major customers and suppliers.

RETIREMENT BENEFIT SCHEMES

Details of the Group's retirement benefit schemes are set out in note 8(a) to the consolidated financial statements.

DIRECTORS' INTEREST IN COMPETING BUSINESS

The Company has received confirmation letters from the Directors, confirming that other than the business of the Group, none of the Directors holds any interest in business which directly or indirectly competes or is likely to compete with the business of the Group.

As at 31 December 2019, to the best knowledge of the Directors, none of the Directors was considered to have any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

與控股股東間的合約

截至2019年12月31日止年度，除本年報綜合財務報表附註30及「關連交易」一節所披露者外，本公司或其任何附屬公司並無與控股股東或其任何附屬公司訂立重大合約。

企業管治

本公司企業管治常規的詳情載於本年報「企業管治報告」一節。

審核委員會審閱年度業績

本公司審核委員會包括三名獨立非執行董事，即凌潔心女士（審核委員會主席）、李華倫先生及司徒毓廷先生。審核委員會已審閱本集團截至2019年12月31日止年度的綜合財務報表。

公眾持股量

根據本公司可得的公開資料，就董事所深知，自上市日期起及直至本報告日期，本公司一直維持充足的公眾持股量。

核數師

股份已於2020年1月10日在聯交所上市，此後核數師並無變動。截至2019年12月31日止年度綜合財務報表已由羅兵咸永道會計師事務所審核，其任期將於2020年股東週年大會結束時屆滿。一項續聘羅兵咸永道會計師事務所為本公司核數師的決議案將於2020年股東週年大會上提呈。

致謝

本人謹此代表董事會向管理層及全體員工於年內對本集團作出的努力及貢獻致以衷心謝意。

承董事會命

朱慧恒
主席兼執行董事
香港，2020年3月27日

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in note 30 to the consolidated financial statements and in the section headed “Connected Transactions” in this annual report, no contract of significance has been entered into between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries during the year ended 31 December 2019.

CORPORATE GOVERNANCE

Details of the Company’s corporate governance practices are set out in the section headed “Corporate Governance Report” in this annual report.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive Directors, namely, Ms. Ling Imma Kit Sum (chairperson of the Audit Committee), Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting. The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2019.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float since the Listing Date and up to the date of this report.

AUDITOR

The Shares were listed on the Stock Exchange on 10 January 2020 and there has been no change in auditor since then. The consolidated financial statements for the year ended 31 December 2019 were audited by PricewaterhouseCoopers whose term of office will expire upon the conclusion of the 2020 AGM. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Company is to be proposed at the 2020 AGM.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our management and staff for their dedication and contribution to the Group throughout the year.

By Order of the Board

Chu Wai Hang Raymond
Chairman and Executive Director
Hong Kong, 27 March 2020

企業管治報告書

Corporate Governance Report

董事會欣然向股東報告本公司截至2019年12月31日止年度的企業管治情況。

企業管治常規

董事會致力於達致高企業管治標準。

董事會相信，高企業管治標準對本集團提供架構保障股東權益、提升公司價值、制訂其業務策略及政策以及提高其透明度和問責制至關重要。

本公司已落實企業管治框架，並基於上市規則附錄十四所載企業管治守則（「企業管治守則」）採納一系列政策及程序。有關政策及程序為提升董事會能力，使其更好地執行管治及對本公司業務行為及事務行使妥善監督奠定基礎。

由於本公司於截至2019年12月31日止年度尚未於聯交所主板上市，故於截至2019年12月31日止年度，企業管治守則項下的規定或根據上市規則的上市發行人持續責任要求並不適用於本公司。

董事認為，自2020年1月10日本公司股份於主板上市日期至本報告日期止期間，本公司已遵守企業管治守則所載之所有守則條文。

本公司亦已制定企業管治守則所載之若干建議最佳常規。

董事進行證券交易

本公司已採納上市規則附錄十所載標準守則作為其自身的有關董事進行證券交易的行為守則。

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended 31 December 2019.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has in place a corporate governance framework and has adopted a set of policies and procedures based on the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Listing Rules. Such policies and procedures provide the infrastructure for enhancing the Board’s ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

As the Company has not yet listed on the Main Board of the Stock Exchange during the year ended 31 December 2019, the requirements under the CG code or the continuing obligations of a listed issuer pursuant to the Listing Rules were not applicable to the Company for the year ended 31 December 2019.

In the opinion of the Directors, throughout the period from the date of listing of the Company’s shares on the Main Board on 10 January 2020 to the date of this report, the Company has complied with all the code provisions as set out in the CG Code.

The Company has also put in place certain recommended best practices as set out in the CG Code.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions.

經向全體董事進行具體查詢後，董事已確認，彼等於上市日期起至本報告日期止整個期間一直遵守標準守則。

本公司亦對有可能持有本公司未發佈價格敏感資料的僱員進行證券交易制定了與標準守則所規定者同等嚴謹的書面指引（「員工書面指引」）。本公司未發現員工違反員工書面指引事件。

董事會

本公司由有效董事會領導，董事會負責監督本集團的業務、戰略決策及表現，並客觀作出符合本公司最佳利益的決策。

董事會應定期審查董事履行其對本公司之職責須作出之貢獻，以及董事是否於履行職責方面投入足夠時間。

董事會組成

董事會組成如下：

執行董事

朱慧恒先生(主席)
(於2019年1月15日獲委任)
曾明哲先生(行政總裁)
(於2019年1月15日獲委任)
陳志明先生(首席營運官)
(於2019年3月19日獲委任)

獨立非執行董事

凌潔心女士(於2019年12月10日獲委任)
李華倫先生(於2019年12月10日獲委任)
司徒毓廷先生(於2019年12月10日獲委任)

各董事的履歷詳情載於本年報第15至23頁「董事及高級管理層」一節。

董事會各成員之間概無關聯。

Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the period from the Listing Date to the date of this report.

The Company has also established written guidelines (the “Employees Written Guidelines”) no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group’s businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time in performing them.

Board Composition

The composition of the Board is as follows:

Executive Directors

Mr. Chu Wai Hang Raymond (*Chairman*)
(appointed on 15 January 2019)
Mr. Tsang Ming Chit Stanley (*Chief Executive Officer*)
(appointed on 15 January 2019)
Mr. Chan Chi Ming (*Chief Operating Officer*)
(appointed on 19 March 2019)

Independent non-executive Directors

Ms. Ling Imma Kit Sum (appointed on 10 December 2019)
Mr. Lee Wa Lun Warren (appointed on 10 December 2019)
Mr. Szeto Yuk Ting (appointed on 10 December 2019)

The biographical information of the Directors is set out in the section headed “Directors and Senior Management” on pages 15 to 23 of this annual report.

None of the members of the Board is related to one another.

董事會會議及董事出席記錄

定期董事會會議應至少每年舉行四次，涉及多數董事親自或通過電子通信積極參與。

截至2019年12月31日止年度，董事會舉行了兩次會議。

董事於截至2019年12月31日止年度舉行的董事會會議出席記錄概要載列如下：

董事姓名 Name of Directors	出席情況 Attendance
朱慧恒先生	Mr. Chu Wai Hang Raymond 2/2
曾明哲先生	Mr. Tsang Ming Chit Stanley 2/2
陳志明先生	Mr. Chan Chi Ming 1/1
凌潔心女士	Ms. Ling Imma Kit Sum 1/1
李華倫先生	Mr. Lee Wa Lun Warren 1/1
司徒毓廷先生	Mr. Szeto Yuk Ting 1/1

主席及行政總裁

主席及行政總裁職位分別由朱慧恒先生及曾明哲先生出任。主席領導董事會並負責董事會有效運作及領導。行政總裁專注本公司整體業務發展以及日常管理及營運。

獨立非執行董事

自上市日期起，董事會一直遵守上市規則所載有關最少委任三名獨立非執行董事（即最少三分之一的董事會成員）及其中一名須具備適當的專業資格或會計或財務管理相關專長的規定。

本公司已取得各獨立非執行董事獨立性之年度確認書，確認彼等符合上市規則第3.13條所載的獨立性指引。本公司認為所有獨立非執行董事均屬獨立人士。

Board Meetings and Directors' Attendance Records

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

For the year ended 31 December 2019, the Board held two meetings.

A summary of the attendance records of the Directors at the Board meetings held during the year ended 31 December 2019 is set out below:

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Mr. Chu Wai Hang Raymond and Mr. Tsang Ming Chit Stanley respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

Independent non-executive Directors

Since the Listing Date, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

委任及重選董事

企業管治守則之守則條文第A.4.1條訂明，非執行董事應有特定任期，並須接受重選；而守則條文第A.4.2條訂明，所有獲委任填補臨時空缺之董事須於獲委任後首次股東大會上由股東選任，而每名董事（包括特定任期之董事）應每三年最少輪值退任一次。

根據本公司組織章程細則，於每屆股東週年大會上，當時三分之一董事（如董事人數並非三或非三的倍數，則取最接近但不少於三分之一之數）將輪席退任，惟各董事（包括特定任期之董事）須最少每三年輪值退任及重選一次。本公司組織章程細則亦規定，任何經由董事會委任填補臨時空缺的董事，其任期將僅至其獲委任後的本公司第一屆股東大會為止並須於有關大會上重選，而任何獲董事會委任擔任現時董事會新增席位的董事，其任期僅至本公司下屆股東週年大會為止並符合資格重選連任。

各執行董事（朱慧恒先生、曾明哲先生及陳志明先生）已與本公司訂立董事服務協議，自上市日期起為期三年。任一方均可隨時通過向另一方發出三個月的書面通知或支付代通知款項以終止董事服務協議。

各獨立非執行董事（凌潔心女士、李華倫先生及司徒毓廷先生）已與本公司訂立委任函，自上市日期起為期三年，可由任何一方向另一方發出不少於三個月的書面通知予以終止。

Appointment and Re-election of Directors

Code provision A.4.1 of the CG Code stipulates that non-executive directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation and re-election at least once every three years. The Company's Articles of Association also provides that any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting whereas any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Each of the executive Directors, Mr. Chu Wai Hang Raymond, Mr. Tsang Ming Chit Stanley and Mr. Chan Chi Ming, has entered into a director service agreement with the Company for a term of three years commencing from the Listing Date. Either party may at any time terminate the director service agreement by giving to the other party three months' written notice or payment in lieu of notice.

Each of the independent non-executive Directors, Ms. Ling Imma Kit Sum, Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting, has entered into a letter of appointment with the Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

董事會及管理層的職責、問責及貢獻

董事會須負責領導及監控本公司，及共同負責指導及監管本公司事務。

董事會直接及間接通過其委員會，通過制定戰略及監督其實施領導管理層並為其提供指導、監督本集團的營運及財務表現，並確保建立健全的內部控制及風險管理系統。

所有董事，包括獨立非執行董事，均為董事會帶來廣泛且寶貴的商業經驗、知識及專業精神，使董事會能夠有效運作。獨立非執行董事負責確保本公司的高標準監管報告，並在董事會中提供平衡，以就企業行動及營運提出有效的獨立判斷。

為履行對本公司的職責，所有董事均可全面和及時查閱本公司的所有資料，並可應要求在適當情況下尋求獨立的專業意見，費用由本公司承擔。

董事須向本公司披露其所擔任其他職務的詳情。

董事會的主要職能為監督本集團的業務及事宜；檢討本集團的財務表現；檢討本集團的風險管理及內部監控系統；批准戰略計劃；並任命本公司董事。

管理層則負責執行董事會決策、指導及協調本公司的日常營運和管理。

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses, for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The principal functions of the Board are to supervise the Group's business and affairs; to review the Group's financial performance; to review the Group's systems of risk management and internal control; to approve the strategic plans; and to appoint directors of the Company.

Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

董事的持續專業發展

董事應緊跟監管發展及變化，以有效履行其職責，及確保其持續在具備全面資訊及切合所需之情況下對董事會作出貢獻。

每名新獲委任的董事均已獲得全面、正式及量身定制的入職培訓以及任何必要的簡介及專業發展，以確保彼等對本集團的運營及業務有適當的了解，並充分知悉彼等於憲法及普通法、上市規則、法律及其他監管規定項下的責任以及本集團的業務及管治政策。

董事應參與適當的持續專業發展，發展並更新其知識及技能。本公司將在適當情況下為董事安排內部簡報會並為董事提供相關主題的閱讀資料。

截至2019年12月31日止年度，本公司由合資格專業人士及法律顧問為全體董事組織有關首次公開發售前及法律法規（包括上市規則）的培訓課程。

截至2019年12月31日止年度的董事培訓記錄已提供予本公司，並概述如下：

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a comprehensive, formal and tailored induction on appointment and any necessary briefing and professional development to ensure that he/she has a proper understanding of the operations and business of the Group, and is fully aware of his/her responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the Group's business and governance policies.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate.

During the year ended 31 December 2019, the Company organised training sessions conducted by qualified professionals and legal advisers for all Directors on pre-initial public offering and laws and regulations (including the Listing Rules).

The training records of the Directors for the year ended 31 December 2019 have been provided to the Company and are summarised as follows:

董事 Directors	培訓 類別 附註 Type of Training Note
執行董事 朱慧恒先生 曾明哲先生 陳志明先生	Executive Directors Mr. Chu Wai Hang Raymond A Mr. Tsang Ming Chit Stanley A Mr. Chan Chi Ming A
獨立非執行董事 凌潔心女士 李華倫先生 司徒毓廷先生	Independent non-executive Directors Ms. Ling Imma Kit Sum A Mr. Lee Wa Lun Warren A Mr. Szeto Yuk Ting A
附註：	Note:
培訓類別	Type of training
A：參加培訓課程，包括但不限於簡報、研討會、會議及講習班	A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

董事委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司事務的特定方面。本公司所有董事委員會均訂明書面職權範圍，清晰界定各自的職權及職責。董事委員會的職權範圍已於本公司及聯交所網站公佈，可應股東要求予以查閱。

各董事委員會的主席及成員名單載於本年報第2頁「公司資料」一節。

審核委員會

審核委員會由三名獨立非執行董事組成，即凌潔心女士、李華倫先生及司徒毓廷先生。凌潔心女士為審核委員會主席。上市規則規定，至少一名委員會成員須具備適當的專業資格或會計或財務管理相關專長，且彼等在獲委任為審核委員會成員前兩年內，並非本公司現任外聘核數師的前合夥人或於其中擁有任何財務權益。

審核委員會的職權範圍與企業管治守則所載者同等嚴謹。審核委員會的主要職責是協助董事會審閱財務資料和申報程序、風險管理及內部監控制度、內部審核職能的有效性、審核範圍、與外聘核數師的關係以及為本公司員工及與本公司有業務往來的人士對本公司的財務報告、內部監控或其他可能存在的不當行為私下提出疑問提供安排。

因本公司於2020年1月10日上市，故於截至2019年12月31日止年度概無舉行審核委員會會議。

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

The list of the chairperson and members of each Board committee is set out in the section headed "Corporate Information" on page 2 of this annual report.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Ms. Ling Imma Kit Sum, Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting. Ms. Ling Imma Kit Sum is the chairperson of the Audit Committee. At least one of the committee members possesses appropriate professional qualifications or accounting or related financial management expertise as required by the Listing Rules and none of the committee members is a former partner of or has any financial interest in the Company's existing external auditor within two years before his/her appointment as a member of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit, relationship with the external auditor, and arrangements to enable the employees of the Company and those who have dealings with the Company to raise concerns, in confidence, about possible improprieties (including financial reporting and internal control) in the Company.

As the Company was listed on 10 January 2020, no Audit Committee meeting was held during the year ended 31 December 2019.

薪酬委員會

薪酬委員會由四名成員組成，即獨立非執行董事司徒毓廷先生、凌潔心女士及李華倫先生以及執行董事曾明哲先生。司徒毓廷先生為薪酬委員會主席。

薪酬委員會的職權範圍與企業管治守則所載者同等嚴謹。薪酬委員會的主要職能包括檢討個別執行董事及高級管理層的薪酬待遇、所有董事及高級管理層的薪酬政策及架構，並向董事會提出建議；並建立透明程序，以制定有關薪酬政策及架構，確保任何董事或其任何聯繫人概無參與釐定其自身薪酬。

因本公司於2020年1月10日上市，故於截至2019年12月31日止年度概無舉行薪酬委員會會議。

截至2019年12月31日止年度，高級管理層的薪酬範圍載列如下：

薪酬範圍 Remuneration band		人數 Number of persons
1,000,001港元至 1,500,000港元	HK\$1,000,001 to HK\$1,500,000	1
1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000	6

截至2019年12月31日止年度各名董事的薪酬詳情載於綜合財務報表附註31。

提名委員會

提名委員會由四名成員組成，即獨立非執行董事李華倫先生、凌潔心女士及司徒毓廷先生以及執行董事朱慧恒先生。李華倫先生為提名委員會主席。

提名委員會的職權範圍與企業管治守則所載者同等嚴謹。提名委員會的主要職責包括檢討董事會的架構、規模和組成、開展和制定提名及委任董事的相關程序，就董事的委任、重新委任及繼任計劃向董事會提出建議，以及評估獨立非執行董事的獨立性。

Remuneration Committee

The Remuneration Committee consists of four members, namely Mr. Szeto Yuk Ting, Ms. Ling Imma Kit Sum and Mr. Lee Wa Lun Warren, independent non-executive Directors, and Mr. Tsang Ming Chit Stanley, executive Director. Mr. Szeto Yuk Ting is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

As the Company was listed on 10 January 2020, no Remuneration Committee meeting was held during the year ended 31 December 2019.

For the year ended 31 December 2019, the remuneration of the senior management by band is set out below:

Details of the remuneration of each Director for the year ended 31 December 2019 are set out in note 31 to the consolidated financial statements.

Nomination Committee

The Nomination Committee consists of four members, namely Mr. Lee Wa Lun Warren, Ms. Ling Imma Kit Sum and Mr. Szeto Yuk Ting, independent non-executive Directors, and Mr. Chu Wai Hang Raymond, executive Director. Mr. Lee Wa Lun Warren is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment, re-appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

在評估董事會組成時，提名委員會將考慮各個方面及本公司董事會多元化政策所載的董事會多元化相關因素。提名委員會將在必要時討論和商定達致董事會多元化的可衡量目標，並建議董事會採納。

在物色及甄選合適董事候選人時，提名委員會會在推薦予董事會前，考慮本公司提名政策所載候選人就配合公司策略和達致董事會多元化（如適用）所必需的相關標準。

因本公司於2020年1月10日上市，故於截至2019年12月31日止年度概無舉行提名委員會會議。

董事會多元化政策

本公司已採納董事會多元化政策，當中載明達致董事會多元化的方法。本公司深知且信奉多元化的董事會對提升其表現品質的裨益，並將不斷提升的董事會多元化水平視為支持本公司實現戰略目標及可持續發展的重要因素。

在設計董事會組成時，本公司已從多個方面考慮董事會多元化，包括但不限於才能、技能、專業經驗、獨立性及知識。經妥為考慮董事會多元化的裨益後，董事會所有委任均將基於精英領導機制，並根據目標標準考慮候選人。

委任董事時，本公司將基於多個多元化角度篩選候選人，包括但不限於才能、技能、專業經驗、獨立性及知識。最終決定將取決於所選候選人將為董事會帶來的價值及貢獻。

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Company's Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

As the Company was listed on 10 January 2020, no Nomination Committee meeting was held during the year ended 31 December 2019.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance and sees increasing diversity at the Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development.

In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to talent, skills, professional experience, independence and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates for appointment as Directors will be based on a range of diversity perspectives, including but not limited to talent, skills, professional experience, independence and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

企業管治報告書

Corporate Governance Report

董事會將考慮設定可計量之目標以實施董事會多元化政策，不時檢討有關目標以確保其適當性，並確定為達致此等目標而作出的進展。目前，提名委員會認為董事會已足夠多元化。

提名委員會將於適當時檢討董事會多元化政策以確保其有效性。

於本報告日期，董事會的組成可由以下主要多元化角度概述如下：

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. At present, the Nomination Committee considered that the Board is sufficiently diverse.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

As at the date of this report, the Board's composition can be summarised by the following main diversity perspectives:

		董事人數 Number of Directors
性別	Gender	
女	Female	1
男	Male	5
國籍	Ethnicity	
中國	Chinese	5
加拿大	Canadian	1
年齡	Age	
51至60歲	51-60	3
61至70歲	61-70	3
服務年限	Length of Service	
1至3年	1-3 years	6

提名政策

董事會已向提名委員會委派有關董事篩選及委任的職責及權限。

本公司已採納提名政策，當中載有有關提名及委任董事的篩選標準及流程，並力爭確保董事會具備可配合本公司企業戰略發展的專長、技能、經驗及觀點多樣性的平衡。

Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has adopted a Nomination Policy which sets out the selection criteria and process in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of expertise, skills, experience and diversity of perspectives appropriate to complement the Company's corporate strategy.

提名政策載有評估建議候選人之合適性的考量因素，包括但不限於以下各項：

- 與本公司營運有關的技能、知識及經驗；
- 就其作為本公司董事會及／或董事委員會成員履行職責而作出之可投入時間的承諾；
- 本公司董事會多元化政策所載各個方面，包括但不限於性別、年齡、文化及教育背景以及專業經驗；
- 上市規則要求的建議獨立非執行董事的獨立性；及
- 本公司的業務模式及具體需求。

提名政策亦載有於股東大會上篩選及委任新董事以及重選董事的程序。於上市日期起至本報告日期止期間，董事會組成概無變動。

提名委員會將於適當時檢討提名政策以確保其有效性。提名委員會亦將至少每年檢討董事會的結構、規模及組成(包括技能、知識及經驗)以及董事會多元化，確保其具備可配合本公司企業戰略發展的專長、技能、經驗及觀點多樣性的平衡。

企業管治職能

董事會負責履行企業管治守則守則條文第D.3.1條所載職能。

由於本公司於截至2019年12月31日止年度尚未於主板上市，故企業管治守則守則條文第D.3.1條所載規定並不適用。自上市日期起，董事會已檢討本公司的企業管治政策及慣例、董事及高級管理層的培訓及持續專業發展、本公司遵守法律及監管規定的相關政策及慣例、標準守則合規情況以及本公司的企業管治守則合規情況及於本企業管治報告的披露。本公司已採納載有多項企業管治政策及程序的手冊，協助董事會及高級管理層更好地履行彼等對本集團的企業管治職責並向董事委員會委派有關責任。

The Nomination Policy sets out the factors for assessing the suitability of a proposed candidate, including but not limited to the following:

- Skills, knowledge and experience relevant to the operations of the Company;
- Commitment in respect of available time to discharge duties as a member of the Board and/or Board committee(s) of the Company;
- Various aspects set out in the Board Diversity Policy of the Company including but not limited to gender, age, cultural and educational background, and professional experience;
- Independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Company's business model and specific needs.

The Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. During the period from the Listing Date to the date of this report, there was no change in the composition of the Board.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure its effectiveness. The Nomination Committee will also review at least annually the structure, size and composition (including skills, knowledge and experience) of the Board and diversity of the Board to ensure that it has a balance of expertise, skills, experience and diversity of perspective appropriate to complement the Company's corporate strategy.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

As the Company has not yet listed on the Main Board during the year ended 31 December 2019, the requirements set out in the code provision D.3.1 of the CG Code were not applicable. Since the Listing Date, the Board has reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. A manual setting out various corporate governance policies and procedures has been adopted by the Company, which applies to assist the Board and the top management to better perform their corporate governance duties to the Group and delegate the responsibilities to the Board committees.

風險管理及內部監控

董事會確認其對風險管理及內部監控制度以及檢討其有效性的職責。設立有關制度旨在管理而非消除未能達成業務目標之風險，且僅可合理而非絕對保證可防範重大失實陳述或損失。

董事會肩負整體責任，評估及釐定其在達致本公司戰略目標時願意承擔的風險的性質及程度，並負責建立及維持適當有效的風險管理及內部監控制度。

審核委員會協助董事會領頭管理並監察風險管理及內部監控制度的設計、實施及監測。

本公司已就重要業務流程及辦公職能制定及採納具有界定實施權限的各項風險管理程序及指引，包括銷售及應收款項、採購及付款、財務匯報、人力資源及信息技術。

本公司風險管理及內部監控制度包括權限受限的已界定管理架構。本公司已設計、實施及檢討適當的政策及監控程序，確保不會不當使用或處置資產；貫徹遵守已訂立的制度、相關規則及規例；根據有關會計準則及監管性報告規定維持可靠的財務及會計記錄；及充分識別及管理或會影響本公司表現的主要風險。設計此等程序旨在管理未能達致業務目標的風險。

管理層連同部門負責人評估風險發生的可能性、提供處理方案及監察風險管理過程，並向審核委員會及董事會匯報所有發現及制度的有效性。確定的任何重大內部審計事宜會適當落實相關補救措施，且定期向審核委員會匯報進度。

管理層已向董事會及審核委員會確認風險管理及內部監控制度於截至2019年12月31日止年度的有效性。

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing 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.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including sales and receivables, procurements and payments, financial reporting, human resources and information technology.

The Company's risk management and internal control systems include a defined management structure with limits of authority. Appropriate policies and control procedures have been designed, implemented and reviewed to ensure that assets are safeguarded against improper use or disposal; established system, relevant rules and regulations are adhered to and complied with; reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements; and key risks that may impact the Company's performance are appropriately identified and managed. Such procedures are designed to manage the risk of failure to achieve business objectives.

The management, in coordination with department heads, assess the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and report to the Audit Committee and the Board on all findings and the effectiveness of the systems. Any significant internal audit issues identified and associated remedial actions are followed up for proper implementation, and the progress is reported to the Audit Committee periodically.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2019.

於回顧年度，本公司委聘外部獨立顧問哲慧企管專才有限公司檢討本集團內部監控制度。本集團之年度內部監控檢討涵蓋本集團業務的主要活動及重大控制(包括營運、財務及合規)。外部獨立顧問已向審核委員會提供評估結果及建議報告。本集團已採取措施以實行外部獨立顧問對內部監控制度作出的建議。

在審核委員會以及管理層報告及內部審核發現支持下，董事會檢討了截至2019年12月31日止年度之風險管理及內部監控制度，包括財務、營運及合規監控，並認為有關制度屬有效且適當。年度檢討亦涵蓋財務報告及內部審核職能、員工資質、經驗及相關資源。

本公司已採納舉報政策，鼓勵本集團員工大膽提出在其工作場所中可能存在的慣例及程序的不妥之處，包括財務報告、內部監控及其他事宜。員工可得以報告可能構成以下各項的事宜：(i)未遵守法律法規；(ii)與內部監控、會計、核數及財務事宜有關的瀆職、不當或欺詐行為；(iii)危害個人健康及安全；(iv)環境破壞；(v)可能損壞公司名聲的不當或不道德行為；及(vi)故意隱瞞上述任何一項。

本公司已制定內幕資料政策，就處理機密資料、監察信息披露及回應查詢為董事、本集團高級職員及有關僱員提供全面指引。內幕資料政策確保了可能存在的股價敏感或內幕資料可被及時發現、評估及引起董事會垂注，以決定是否需為確保符合證券及期貨條例第XIVA部而作出及時披露。

During the year under review, the Company engaged an external independent consultant, BT Corporate Governance Limited, to conduct a review on the internal control system of the Group. The annual internal control review of the Group covered major activities and material controls (including operational, financial and compliance) of the Group's business. A report on the result of assessment and recommendations was provided by the external independent consultant to the Audit Committee. The Group took measures to implement the recommendations made by the external independent consultant on the internal control system.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2019, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

The Company has adopted a Whistle-blowing Policy to facilitate employees of the Group to raise, in confidence, concerns about possible improprieties in the practices and procedures, including financial reporting, internal control and other matters, in their workplace. It enables employees to report matters that may constitute (i) non-compliance to laws or regulations; (ii) malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters; (iii) endangerment of the health and safety of an individual; (iv) damage caused to the environment; (v) improper conduct or unethical behaviour likely to prejudice the standing of the Company; and (vi) deliberate concealment of any of the above.

The Company has developed its Inside Information Policy which provides a general guide to the Directors, officers and relevant employees of the Group in handling confidential information, monitoring information disclosure and responding to enquiries. The Inside Information Policy ensures that potentially price sensitive or inside information can be promptly identified, assessed and escalated for the attention of the Board to decide the need for timely disclosure in order to ensure compliance with Part XIVA of the SFO.

本公司亦採納業務操守政策守則，確保本集團秉持誠信態度，遵照本集團開展業務所在國家的倫理、道德及法律標準開展業務活動及交易。此政策適用於本公司的全球業務及本集團全體員工（本公司附屬公司有自身的業務操守守則則除外）並涵蓋以下方面：

- 對本集團的義務
- 個人操守
- 僱傭慣例
- 客戶關係
- 供應商及承包商關係
- 對股東之責任
- 對社區之責任
- 監察合規及強制執行方法
- 遵守法律、規則及規例

控股股東作出的不競爭承諾

各控股股東，即 Smartview、Smart Union、Grandview、朱慧恒先生及朱惠璋先生，於2019年12月20日以本公司為受益人訂立一份不競爭契據（「契據」），詳情載於招股章程。

本公司已收到各控股股東就其及／或其緊密聯繫人於上市日期起至本報告日期止期間遵守契據條款作出的書面聲明。獨立非執行董事亦已檢討控股股東對契據的遵守情況和對契據條款的執行情況，確認控股股東於上市日期起至本報告日期止期間概無違反契據。

The Company has also adopted a Code of Business Conduct Policy to ensure that the Group conducts its business activities and transactions with honesty and integrity, and in accordance with moral, ethical and legal standards of the countries in which the Group conducts its business. This policy applies to the Company's business worldwide and to all employees of the Group (unless the subsidiary(ies) of the Company has/ (have) its/(their) own code of business conduct) and covers the following aspects:

- Obligations towards the Group
- Personal conduct
- Employment practices
- Relations with customers
- Relations with suppliers and contractors
- Responsibilities to shareholders
- Responsibilities to the community
- Monitoring of compliance and means of enforcement
- Compliance with laws, rules and regulations

NON-COMPETITION UNDERTAKING BY THE CONTROLLING SHAREHOLDERS

Each of the controlling Shareholders, namely Smartview, Smart Union, Grandview, Mr. Chu Wai Hang Raymond and Mr. Chu Wai Cheong Wilson, has entered into a deed of non-competition in favour of the Company on 20 December 2019 (the "Deed"), details of which have been set out in the Prospectus.

The Company has received written declaration from each controlling Shareholder in respect of his/its and/or his/its close associates' compliance with the terms of the Deed during the period from the Listing Date to the date of this report. The independent non-executive Directors have also reviewed the compliance with the Deed and enforcement of the terms of the Deed by the controlling Shareholders and confirmed that the controlling Shareholders have not been in breach of the Deed during the period from the Listing Date to the date of this report.

董事有關財務報表的責任

董事確認彼等須負責編製本公司於截至2019年12月31日止年度的綜合財務報表。

董事概不知悉任何與可能會對本公司能否持續經營引起重大質疑的事項或情況有關的重大不確定因素。

本公司獨立核數師對其就綜合財務報表承擔報告責任的聲明載於第60至67頁的獨立核數師報告。

董事會與審核委員會在外聘核數師的選擇、委任、辭任或解聘事宜上概無分歧。

核數師酬金

本公司就外聘核數師羅兵咸永道會計師事務所於截至2019年12月31日止年度提供的核數及非核數服務向其支付的酬金分析如下：

服務類別 Service Category		已付／應付費用 Fees Paid/ Payable
核數服務	Audit Services	1,750,000港元 HK\$1,750,000
非核數服務 — 稅務合規及諮詢服務	Non-audit Services — Tax compliance and advisory services	370,000港元 HK\$370,000
		2,120,000港元 HK\$2,120,000

公司秘書

鄭允傑先生，財務及管理信息系統副總裁，自2019年3月11日起獲委任為本公司之公司秘書。有關其履歷資料，請參與本年報「董事及高級管理層」一節。

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2019.

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 statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 60 to 67.

There is no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of external auditors.

AUDITOR'S REMUNERATION

An analysis of the remuneration paid to the external auditor of the Company, PricewaterhouseCoopers, in respect of audit services and non-audit services for the year ended 31 December 2019 is set out below:

	已付／應付費用 Fees Paid/ Payable
Audit Services	1,750,000港元 HK\$1,750,000
Non-audit Services — Tax compliance and advisory services	370,000港元 HK\$370,000
	2,120,000港元 HK\$2,120,000

COMPANY SECRETARY

Mr. Kwong Tony Wan Kit, vice president of finance and management information system, has been appointed as the Company's company secretary with effect from 11 March 2019. Please refer to the section headed "Directors and Senior Management" in this annual report for his biographical information.

股東權利

本公司透過多個溝通渠道對接股東。

為保障股東權益及權利，股東大會上須就各個大致獨立的事項單獨提議決議案，包括選舉個人董事。所有提呈至股東大會的決議案將根據上市規則投票表決，而投票結果將在各股東大會結束後分別公佈於本公司及聯交所網站。

召開股東特別大會

根據本公司組織章程細則第64條，於遞交下述請求之日持有本公司已繳足股本（附帶於股東大會上投票的權利）不少於十分之一的一名或多名股東，可請求召開股東特別大會。有關請求應以書面方式向董事會或本公司公司秘書作出，以請求董事會就該請求所示任何業務的處理召開股東特別大會。有關會議應在遞交該請求後兩個月內舉行。若在遞交請求後21日內，董事會未有召開有關會議，則請求人本身可以同樣方式行事，而請求人因董事會未有召開有關會議而產生的所有合理開支應由本公司補償予請求人。

於股東大會上提呈提議

任何擬於本公司股東大會上提呈提議的股東，應以書面方式向董事會呈交有關提議，以便董事會考慮。有關呈交可在股東大會日期前至少15個營業日向本公司的香港主要營業地點郵寄作出，或以電郵方式作出。郵寄及電郵地址載於下文「聯絡詳情」分節。

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels.

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

Convening an Extraordinary General Meeting

Pursuant to Article 64 of the Articles of Association of the Company, extraordinary general meetings can be convened on the requisition of one or more Shareholders holding, as at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company's company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

Any Shareholder who wishes to put forward proposals at a general meeting of the Company shall submit such proposals to the Board in writing for the Board's consideration either via mail to the Company's principal place of business in Hong Kong or via email not less than 15 business days prior to the date of the general meeting. The mail address and email address are set out in the subsection headed "Contact Details" below.

向董事會提出查詢

股東應向本公司的香港股份過戶登記分處卓佳證券登記有限公司查詢持股情況，聯絡詳情載列如下：

地址： 香港
皇后大道東183號合和中心54樓

電郵： is-enquiries@hk.tricorglobal.com
電話： (852) 2980 1333
傳真： (852) 2810 8185

有關企業管治或其他須提請董事會垂注的事宜，股東應將其書面查詢郵寄至本公司的香港主要營業地點或以電郵方式向本公司作出查詢。郵寄及電郵地址載於下文「聯絡詳情」分節。

聯絡詳情

股東可按如下方式向本公司發送上述提議及查詢：

地址： 香港九龍
九龍灣宏照道38號
企業廣場5期1座3203-3207室
(收件人：公司秘書)
傳真： (852) 2505 1283
電郵： ir@wiseally.com.hk

為免生疑，股東須向上述地址遞交及發送經正式簽署的書面請求、通知或聲明或查詢(視情況而定)原件，並提供其全名、聯絡詳情及身份證明文件以令上述請求、通知或聲明或查詢生效。股東資料或會按法律規定進行披露。

本公司通常不會處理口頭或匿名查詢。

Putting Forward Enquiries to the Board

For enquiries about shareholdings, Shareholders shall direct their enquiries to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited and the contact details are set out as follows:

Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong

Email: is-enquiries@hk.tricorglobal.com
Telephone: (852) 2980 1333
Fax: (852) 2810 8185

For enquiries about corporate governance or other matters to be brought to the attention of the Board, Shareholders shall send their written enquiries to the Company either via mail to the Company's principal place of business in Hong Kong or via email. The mail address and email address are set out in the subsection headed "Contact Details" below.

Contact Details

Shareholders can send their proposals and enquiries as mentioned above to the Company as follows:

Address: Units 3203-3207, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong
(For the attention of the Company Secretary)
Fax: (852) 2505 1283
Email: ir@wiseally.com.hk

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

The Company will normally not deal with verbal or anonymous enquiries.

與股東及投資者溝通

本公司認為，與股東維持有效溝通對加強投資者關係及投資者對本集團業務表現和戰略的認知至關重要。本公司致力與股東維持持續對話，尤其是透過股東週年大會及其他股東大會。於股東週年大會上，董事（或其委派代表（如適用））可與股東會面並解答其查詢。

為推動有效溝通，本公司經營網站 www.wiseally.com.hk，有關本公司財務資料、企業管治常規及其他資料的最新訊息及更新刊載於該網站。

本公司經2019年12月10日通過的特別決議案採納經修訂及經重述組織章程大綱及細則，經修訂及經重述組織章程大綱自2019年12月10日起生效以及經修訂及經重述組織章程細則自上市日期起生效。本公司最新版本的組織章程大綱及細則可於本公司及聯交所網站查閱。除上文披露者外，本公司的章程文件於截至2019年12月31日止年度概無變動。

股東相關政策

本公司已制定股東溝通政策，確保股東的觀點及關注得到妥為解決。本公司定期檢討該政策以確保其有效性。

本公司已就股息派付採納股息政策。視乎本公司及本集團的財務狀況以及股息政策所載條件及因素而定，董事會可於某個財政年度建議及／或宣派股息，而財政年度的任何末期股息均須經股東批准。董事會目前計劃自截至2020年12月31日止財政年度開始，向股東建議分派不少於可供分派淨利潤30%的股息。

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

To promote effective communication, the Company maintains a website at www.wiseally.com.hk where up-to-date information and updates on the Company's financial information, corporate governance practices and other information are posted.

The Company has adopted an amended and restated Memorandum and Articles of Association by a special resolution passed on 10 December 2019, with the amended and restated Memorandum of Association taking effect from 10 December 2019 and the amended and restated Articles of Association taking effect from the Listing Date. An up-to-date version of the Company's Memorandum and Articles of Association is available on the Company's website and the Stock Exchange's website. Save as disclosed above, there was no change in the constitutional documents of the Company during the year ended 31 December 2019.

Policies relating to Shareholders

The Company has in place a Shareholder Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval. The Board currently intends to recommend dividend no less than 30% of the net profit available for distribution to the Shareholders beginning from the financial year ending 31 December 2020.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

致麗年國際控股有限公司股東
(於開曼群島註冊成立的有限公司)

To the Shareholders of Wise Ally International Holdings Limited
(incorporated in the Cayman Islands with limited liability)

意見

OPINION

我們已審計的內容

What we have audited

麗年國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第68至152頁的綜合財務報表，包括：

The consolidated financial statements of Wise Ally International Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 68 to 152, which comprise:

- 於2019年12月31日的綜合財務狀況表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。
- the consolidated statement of financial position as at 31 December 2019;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.



羅兵咸永道

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頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2019年12月31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布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《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。

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 (“HKSAs”) 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.



羅兵咸永道

關鍵審計事項

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

我們在審計中識別的關鍵審計事項乃與確認銷售貨品收益有關：

關鍵審計事項 Key Audit Matter

確認銷售貨品收益
Revenue recognition for the sales of goods

請參閱綜合財務報表附註2.21及5。
Refer to Notes 2.21 and 5 to the consolidated financial statements.

截至2019年12月31日止年度，來自銷售貨品收益金額約980,844,000港元於貴集團的綜合全面收益表確認。

During the year ended 31 December 2019, revenue from sales of goods amounting to approximately HKD980,844,000 was recognised in the Group's consolidated statement of comprehensive income.

所轉讓貨品銷售於貨品控制權已經轉讓後於某一個時間點確認收益。

Revenue from sales of goods transferred at a point in time is recognised when control of goods has transferred.

KEY AUDIT MATTERS

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

The key audit matter identified in our audit is relating to revenue recognition for the sales of goods:

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

我們就確認銷售貨品收益所執行的審計程序包括：
Our audit procedures performed on revenue recognition for the sales of goods included:

- 我們瞭解、評估及確認有關確認銷售貨品收益的關鍵控制；
- We understood, evaluated and validated the key controls in respect of revenue recognition for the sales of goods;
- 我們以抽樣方式審閱與客戶的銷售合約，並識別有關轉讓貨品控制權之時間的條款及條件連同其他商業慣例（如有），以評估貴集團的收益確認政策是否符合現行會計準則規定；
- We reviewed, on a sample basis, the sales contracts with customers and identified the terms and conditions relating to the timing of transfer of control of goods, along with other customary business practices, if any, to assess if the Group's revenue recognition policies were in accordance with the requirements of the prevailing accounting standards;
- 我們以抽樣方式將年內確認的收益交易與交付文件、客戶對銷售、相關銷售發票及銷售合約的確認進行比較，從而釐定銷售貨品的收益是否根據貴集團的收益確認政策予以確認；及
- We compared, on a sample basis, revenue transactions recognised during the year with delivery documents, customers' acknowledgement of sales, underlying sales invoices and sales contracts to determine whether revenue from the sales of goods had been recognised in accordance with the Group's revenue recognition policies; and



羅兵咸永道

關鍵審計事項
Key Audit Matter

我們專注於此方面，原因為於所產生的收益交易金額龐大。因此，我們已就此方面審計分配主要審計資源。

We focused on this area due to the magnitude of revenue transaction occurred. Hence significant audit resources were allocated to audit this area.

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

- 我們以抽樣方式將財政年結日之前及之後確認的銷售貨品收益交易與交付文件、客戶對銷售及相關銷售發票的確認進行檢查，從而釐定銷售貨品的收益是否於適當的財政期間予以確認。
- We tested, on a sample basis, revenue transactions from the sales of goods recognised before and after the financial year-end to delivery documents, customers' acknowledgement of sales and underlying sales invoices to determine whether revenue from the sales of goods had been recognised in the appropriate financial period.

基於上述所執行的程序，我們認為銷售貨品的收益確認獲現有憑據支持。

Based upon the above procedures performed, we considered that the recognition of revenue from the sales of goods was supported by available evidence.

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。

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.



羅兵咸永道

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.



羅兵咸永道

核數師就審計綜合財務報表承擔的責任(續)

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

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：

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



羅兵咸永道

核數師就審計綜合財務報表承擔的
責任(續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們的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。

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



羅兵咸永道

核數師就審計綜合財務報表承擔的
責任(續)

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

出具本獨立核數師報告的審計項目合夥人是
鄭立欽。

The engagement partner on the audit resulting in this independent
auditor's report is Cheng Lap Yam.

羅兵咸永道會計師事務所
執業會計師

PricewaterhouseCoopers
Certified Public Accountants

香港，2020年3月27日

Hong Kong, 27 March 2020

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至2019年12月31日止年度

For the year ended 31 December 2019

		附註 Note	2019 千港元 HKD'000	2018 千港元 HKD'000
收益	Revenue	5	980,844	1,257,295
銷售成本	Cost of sales	6	(754,653)	(961,658)
毛利	Gross profit		226,191	295,637
其他淨虧損	Other losses, net	7	(1,769)	(3,145)
其他收入	Other income	7	6,850	–
銷售及分銷開支	Selling and distribution expenses	6	(59,951)	(74,083)
行政開支	Administrative expenses	6	(108,068)	(111,025)
經營溢利	Operating profit		63,253	107,384
融資收入	Finance income	9	69	3,980
融資成本	Finance costs	9	(19,362)	(15,205)
淨融資成本	Finance costs, net	9	(19,293)	(11,225)
除所得稅前溢利	Profit before income tax		43,960	96,159
所得稅開支	Income tax expense	10	(10,570)	(19,141)
本公司 權益持有人應佔年內溢利	Profit for the year attributable to equity holders of the Company		33,390	77,018
其他全面虧損：	Other comprehensive losses:			
其後可重新分類至 損益的項目	Item that may be subsequently reclassified to profit or loss			
貨幣換算差額	Currency translation differences		(1,982)	(5,852)
其後不會重新分類至 損益的項目	Item that will not be subsequently reclassified to profit or loss			
長期服務 金計劃的精算收益	Actuarial gain on long service payment scheme		30	20
年內其他 全面虧損總額	Total other comprehensive losses for the year		(1,952)	(5,832)
本公司 權益持有人應佔 年內全面收益總額	Total comprehensive income for the year attributable to equity holders of the Company		31,438	71,186
本公司 權益持有人應佔每股盈利 基本及攤薄(港仙)	Earnings per share attributable to equity holders of the Company Basic and diluted (HK cents)	11	2.2	5.1

上述綜合全面收益表應與隨附的附註一併閱讀。

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2019年12月31日

As at 31 December 2019

		附註 Note	2019 千港元 HKD'000	2018 千港元 HKD'000
資產	ASSETS			
非流動資產	Non-current assets			
物業、廠房及設備	Properties, plant and equipment	12	103,909	127,006
無形資產	Intangible assets	13	3,438	1,928
按金及預付款項	Deposits and prepayments	15	4,669	2,375
遞延稅項資產	Deferred tax assets	20	5,078	6,010
			117,094	137,319
流動資產	Current assets			
存貨	Inventories	16	126,878	222,881
貿易應收款項	Trade receivables	18	203,375	255,974
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables	15	12,790	24,825
應收關聯公司款項	Amounts due from related companies	30	2,932	–
應收當時 同系附屬公司款項	Amount due from the then fellow subsidiary	30	–	2,506
應收當時 直接控股公司款項	Amount due from the then immediate holding company	30	–	243,961
已抵押銀行存款	Pledged bank deposits	17	10,000	10,000
現金及現金等價物	Cash and cash equivalents	17	138,623	46,171
			494,598	806,318
總資產	Total assets		611,692	943,637
權益	EQUITY			
本公司權益持有人 應佔權益	Equity attributable to equity holders of the Company			
股本	Share capital	26	10	–
儲備	Reserves		52,145	124,717
總權益	Total equity		52,155	124,717

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2019年12月31日

As at 31 December 2019

		附註 Note	2019 千港元 HKD'000	2018 千港元 HKD'000
負債	LIABILITIES			
非流動負債	Non-current liabilities			
長期服務金計劃	Long service payment scheme		30	60
銀行借款	Bank borrowings	25	45,000	—
遞延政府補助	Deferred government grants	23	428	—
租賃負債	Lease liabilities	19	34,737	48,714
			80,195	48,774
流動負債	Current liabilities			
貿易應付款項	Trade payables	21	113,364	198,799
其他應付款項及應計費用	Other payables and accruals	23	87,708	104,926
遞延政府補助	Deferred government grants	23	1,149	—
租賃負債	Lease liabilities	19	13,214	11,935
應付票據	Bills payables	22	30,399	49,858
銀行借款	Bank borrowings	25	221,593	396,373
應付當時同系附屬公司款項	Amounts due to the then fellow subsidiaries	30	—	1,809
即期所得稅負債	Current income tax liabilities		11,915	6,446
			479,342	770,146
總負債	Total liabilities		559,537	818,920
權益及負債總額	Total equity and liabilities		611,692	943,637

上述綜合財務狀況表應與隨附的附註一併閱讀。

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

第68至152頁所載的綜合財務報表乃經董事會於2020年3月27日批准及代其簽署：

The consolidated financial statements on pages 68 to 152 were approved by the Board of Directors on 27 March 2020 and were signed on its behalf:

曾明哲
董事

朱慧恒
董事

TSANG MING CHIT STANLEY
Director

CHU WAI HANG RAYMOND
Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2019年12月31日止年度

For the year ended 31 December 2019

		本公司權益持有人應佔 Attributable to equity holders of the Company					
		股本 Share capital 千港元 HKD'000 (附註(a)) (Note (a))	法定儲備 Statutory reserve 千港元 HKD'000	其他儲備 Other reserve 千港元 HKD'000 (附註(c)) (Note (c))	匯兌儲備 Exchange reserve 千港元 HKD'000	留存收益 Retained earnings 千港元 HKD'000	總權益 Total equity 千港元 HKD'000
於2019年1月1日的結餘	Balance at 1 January 2019	–	4,829	42	(6,926)	126,772	124,717
全面收益 年內溢利	Comprehensive income Profit for the year	–	–	–	–	33,390	33,390
其他全面收益／(虧損) 其後可重新分類 至損益的項目	Other comprehensive income/(loss) Item that may be subsequently reclassified to profit or loss						
貨幣換算差額	Currency translation differences	–	–	–	(1,982)	–	(1,982)
其後不會重新分類 至損益的項目	Item that will not be subsequently reclassified to profit or loss						
長期服務金計劃 的精算收益	Actuarial gain on long service payment scheme	–	–	30	–	–	30
全面收益／(虧損) 總額	Total comprehensive income/(loss)	–	–	30	(1,982)	33,390	31,438
與權益持有人進行的 交易	Transactions with equity holders						
根據重組 發行普通股 (附註1.2)	Issuance of ordinary shares pursuant to the reorganisation (Note 1.2)	10	–	(10)	–	–	–
轉撥(附註b)	Appropriation (Note b)	–	1,376	–	–	(1,376)	–
股息(附註24)	Dividend (Note 24)	–	–	–	–	(104,000)	(104,000)
與權益持有人進行 的交易總額	Total transactions with equity holders	10	1,376	(10)	–	(105,376)	(104,000)
於2019年12月31日 的結餘	Balance at 31 December 2019	10	6,205	62	(8,908)	54,786	52,155

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2019年12月31日止年度

For the year ended 31 December 2019

		本公司權益持有人應佔					
		Attributable to equity holders of the Company					
		股本	法定儲備	其他儲備	匯兌儲備	留存收益	總權益
		Share	Statutory	Other	Exchange	Retained	Total
		capital	reserve	reserve	reserve	earnings	equity
		千港元	千港元	千港元	千港元	千港元	千港元
		HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
		(附註(a))		(附註(c))			
		(Note (a))		(Note (c))			
於2018年1月1日的結餘	Balance at 1 January 2018	–	2,968	22	(1,074)	51,615	53,531
全面收益	Comprehensive income						
年內溢利	Profit for the year	–	–	–	–	77,018	77,018
其他全面收益／(虧損)	Other comprehensive income/(loss)						
其後可重新分類 至損益的項目	Item that may be subsequently reclassified to profit or loss						
貨幣換算差額	Currency translation differences	–	–	–	(5,852)	–	(5,852)
其後不會重新分類 至損益的項目	Item that will not be subsequently reclassified to profit or loss						
長期服務金計劃 的精算收益	Actuarial gain on long service payment scheme	–	–	20	–	–	20
全面收益／(虧損) 總額	Total comprehensive income/(loss)	–	–	20	(5,852)	77,018	71,186
與權益持有人進行的 交易	Transaction with equity holders						
轉撥(附註b)	Appropriation (Note b)	–	1,861	–	–	(1,861)	–
與權益持有人進行 的交易總額	Total transaction with equity holders	–	1,861	–	–	(1,861)	–
於2018年12月31日 的結餘	Balance at 31 December 2018	–	4,829	42	(6,926)	126,772	124,717

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2019年12月31日止年度

For the year ended 31 December 2019

附註：

- (a) 本公司於2019年1月15日註冊成立，且重組於2019年12月13日完成。就綜合財務報表而言，於2018年12月31日的綜合股本主要為抵銷公司間投資成本後現時組成本集團的公司的總股本。
- (b) 中華人民共和國(「中國」)法律法規規定，中國註冊公司於向權益持有人作出溢利分派前，須就其各自法定財務報表所呈報的所得稅後溢利(抵銷過往年度的累計虧損後)轉撥的若干法定儲備計提撥備。所有法定儲備均就特定目的而設立。中國公司於分派其當前期間的稅後溢利前，須轉撥不少於所得稅後法定溢利10%的金額至法定盈餘儲備。當總法定盈餘儲備超出註冊資本的50%時，公司可停止轉撥。法定盈餘儲備將僅用於彌補公司虧損、擴充公司營運或增加公司資本。此外，公司可根據董事會決議案，進一步轉撥其稅後溢利至酌情盈餘儲備。
- (c) 其他儲備指本集團就其香港僱員承擔的長期服務金計劃所累積的精算收益，經考慮集團內部抵銷後，組成本集團的公司的合併股本超過了與重組相關的代價。

Notes:

- (a) The Company was incorporated on 15 January 2019 and the Reorganisation was completed on 13 December 2019. For the purpose of the consolidated financial statements, the consolidated capital as at 31 December 2018 primarily represented the aggregate amounts of share capital of the companies now comprising the Group after elimination of the inter-company investment costs.
- (b) The People's Republic of China (the "PRC") laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the profit after income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate an amount of not less than 10% of statutory profits after income tax to statutory surplus reserves, prior to distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's operations, or to increase the capital of the company. In addition, a company may make further contribution to the discretionary surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.
- (c) Other reserve represented the accumulated actuarial gains on the Group's long service payment scheme for its Hong Kong employees and the excess of the combined share capital of the companies comprising the Group, after considering the intra-group elimination, over the consideration given in relation to the Reorganisation.

上述綜合權益變動表應與隨附的附註一併閱讀。

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2019年12月31日止年度

For the year ended 31 December 2019

		附註 Note	2019 千港元 HKD'000	2018 千港元 HKD'000
經營活動產生的現金流量	Cash flows from operating activities			
經營產生的現金	Cash generated from operations	27a	141,606	28,103
已付所得稅	Income tax paid		(4,274)	(28,656)
經營活動所得／(所用) 淨現金	Net cash generated from/(used in) operating activities		137,332	(553)
投資活動產生的現金流量	Cash flows from investing activities			
購買物業、廠房及設備	Purchase of properties, plant and equipment		(16,278)	(22,560)
出售物業、廠房及設備的 所得款項	Proceeds from disposal of properties, plant and equipment	27b	253	288
購買無形資產	Purchase of intangible assets		(3,124)	(564)
當時直接控股公司 還款／(墊款予當時 直接控股公司)	Repayment from/(advance to) the then immediate holding company		139,601	(51,395)
已收利息	Interest received		429	3,620
就購買設備及軟件 許可證收取政府補助	Receipt of government grants for purchase of equipment and software licenses		774	—
投資活動所得／(所用) 淨現金	Net cash generated from/(used in) investing activities		121,655	(70,611)
融資活動產生的現金流量	Cash flows from financing activities			
銀行借款所得款項	Proceeds from bank borrowings	27c	896,933	870,645
償還銀行借款	Repayments of bank borrowings	27c	(1,026,713)	(792,866)
支付租賃負債 的本金部分	Payment of principal element of lease liabilities	27c	(11,918)	(7,459)
已付股息	Dividend paid	27c	-	(30,000)
已付利息	Interest paid		(19,936)	(17,270)
支付上市開支	Payment of listing expenses		(4,968)	(2,058)
融資活動 (所用)／所得淨現金	Net cash (used in)/generated from financing activities		(166,602)	20,992
現金及現金等價物 增加／(減少)淨值	Net increase/(decrease) in cash and cash equivalents		92,385	(50,172)
年初現金及 現金等價物	Cash and cash equivalents at beginning of the year		46,171	94,425
貨幣換算差額	Currency translation differences		67	1,918
年末現金及現金等價物	Cash and cash equivalents at end of the year	17	138,623	46,171

上述綜合現金流量表應與隨附的附註一併閱讀。

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

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 一般資料及重組

1.1 一般資料

本公司為一家根據開曼群島法例第22章公司法(1961年法例三)(經綜合及修訂)於2019年1月15日在開曼群島註冊成立的獲豁免有限公司。其註冊辦事處地址為4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands。

本公司(為一家投資控股公司)及其附屬公司(「**本集團**」)主要從事電子產品的製造及銷售(「**上市業務**」)。最終控股股東為朱惠璋先生(「**朱惠璋先生**」)及朱慧恒先生(「**朱慧恒先生**」)(統稱「**控股股東**」)，彼等自集團公司註冊成立以來一直控制有關公司。

本公司股份於2020年1月10日在香港聯合交易所有限公司主板上市。

除另有說明外，綜合財務報表以千港元(「**千港元**」)為單位呈列。

1 GENERAL INFORMATION AND REORGANISATION

1.1 General information

The Company was incorporated in the Cayman Islands on 15 January 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company and its subsidiaries (the “**Group**”) are principally engaged in the manufacturing and sales of electronic products (the “**Listing Business**”). The ultimate controlling shareholders are Mr. Chu Wai Cheong Wilson (“**Mr. Wilson Chu**”) and Mr. Chu Wai Hang Raymond (“**Mr. Raymond Chu**”) (collectively, the “**Controlling Shareholders**”) who have been controlling the group companies since their incorporation.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 10 January 2020.

The consolidated financial statements are presented in thousands of Hong Kong Dollar (“**HKD’000**”), unless otherwise stated.

1 一般資料及重組(續)

1.2 重組

緊接下文所述的重組(「**重組**」)前，上市業務由麗年控股有限公司(「**香港麗年**」)及其附屬公司東莞威雅利實業有限公司(「**東莞威雅利**」)(統稱「**麗年集團**」)經營，兩家公司由控股股東透過德豐控股(香港)有限公司(「**德豐香港**」)共同控制。

為準備首次公開發售(「**首次公開發售**」)及本公司股份於香港聯合交易所有限公司主板上市(「**上市**」)，本集團進行重組，當中主要涉及以下步驟：

- (a) 於2019年1月10日，Brilliant Holdings Investment Group Limited(「**Brilliant Holdings**」)根據英屬處女群島(「**英屬處女群島**」)法例註冊成立為有限公司，並獲授權發行最多50,000股每股面值1.00美元(「**美元**」)的股份。在註冊成立後，一股Brilliant Holdings的股份按面值配發及發行予德豐香港並入賬列為繳足。
- (b) 於2019年1月10日及2019年1月15日，Smart Union Global Group Limited(「**Smart Union**」)及Grandview Group Holdings Limited(「**Grandview**」)分別根據英屬處女群島法例註冊成立，並獲授權發行最多50,000股每股面值1.00美元的股份。在註冊成立後，上述公司各自按面值配發及發行一股面值1.00美元的股份予朱慧恒先生及朱惠璋先生並入賬列為繳足。
- (c) 於2019年1月10日，Smartview Investments Limited(「**Smartview**」)根據英屬處女群島法律註冊成立為有限公司，並獲授權發行最多50,000股每股面值1.00美元的股份。在註冊成立後，已配發及發行兩股Smartview按面值入賬列為繳足之股份，其中朱慧恒先生及朱惠璋先生分別獲發行一股股份。

1 GENERAL INFORMATION AND REORGANISATION (continued)

1.2 Reorganisation

Immediately prior to the reorganisation (the “**Reorganisation**”) as described below, the Listing Business was carried out by Wise Ally Holdings Limited (“**HK Wise Ally**”) and its subsidiary, Dongguan Wise Ally Industrial Co., Ltd* (“**DG Wise Ally**”) (together, the “**Wise Ally Group**”), which were collectively controlled by the Controlling Shareholders through Defond Holdings (H.K.) Co. Limited (“**Defond HK**”).

In preparation for the initial public offering (“**IPO**”) and listing (the “**Listing**”) of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Group underwent the Reorganisation which principally involved the following steps:

- (a) On 10 January 2019, Brilliant Holdings Investment Group Limited (“**Brilliant Holdings**”) was incorporated under the laws of the British Virgin Islands (“**BVI**”) with limited liability and was authorised to issue a maximum of 50,000 shares of a par value of United States dollar (“**USD**”) 1.00 each. Upon incorporation, one share of Brilliant Holdings was allotted and issued at par and credited as fully paid to Defond HK.
- (b) On 10 January 2019 and 15 January 2019, Smart Union Global Group Limited (“**Smart Union**”) and Grandview Group Holdings Limited (“**Grandview**”) were respectively incorporated under the laws of BVI and were authorised to issue a maximum number of 50,000 shares of USD1.00 each. Upon incorporation, one share of USD1.00 was allotted and issued at par by the each of the aforesaid companies and credited as fully paid to Mr. Raymond Chu and Mr. Wilson Chu respectively.
- (c) On 10 January 2019, Smartview Investments Limited (“**Smartview**”) was incorporated under the laws of the BVI with limited liability and was authorised to issue a maximum of 50,000 shares of a par value of USD1.00 each. Upon incorporation, two shares of Smartview were allotted and issued at par and credited as fully paid, of which one share was issued to Mr. Raymond Chu and one share was issued to Mr. Wilson Chu respectively.

1 一般資料及重組(續)

1.2 重組(續)

- (d) 於2019年1月15日，本公司於開曼群島註冊成立，初步法定股本為38,000,000股每股面值0.01港元的股份。在註冊成立後，本公司一股面值0.01港元的股份發行及配發予初始認購股東。於同日，認購人股份按面值轉讓予Smartview。
- (e) 於2019年1月31日，679股、160股及160股本公司股份按面值分別配發及發行予Smartview、Smart Union及Grandview並入賬列為繳足，而本公司的已發行股本則為10港元，分為1,000股每股面值0.01港元的股份。因此，Smartview、Smart Union及Grandview分別擁有本公司68%、16%及16%股權。
- (f) 於2019年3月19日，Brilliant Holdings向德豐香港收購香港麗年的全部股權。代價為Brilliant Holdings向德豐香港發行及配發一股股份。
- (g) 於2019年12月13日，本公司向德豐香港收購Brilliant Holdings的全部股權，代價為按德豐香港指示，按Smartview、Smart Union及Grandview各自於本公司的當時現有持股比例，本公司分別向Smartview、Smart Union及Grandview發行及配發679,320股股份、159,840股股份及159,840股股份。

重組完成後，本公司成為本集團旗下各公司的控股公司。

1 GENERAL INFORMATION AND REORGANISATION (continued)

1.2 Reorganisation (continued)

- (d) On 15 January 2019, the Company was incorporated in the Cayman Islands with initial authorised share capital of 38,000,000 shares of HKD0.01 each. Upon incorporation, one share of the Company of HKD0.01 each was issued and allotted to the initial subscribing shareholder. On the same date, the subscriber share was transferred to Smartview at par value.
- (e) On 31 January 2019, 679 shares, 160 shares and 160 shares of the Company were allotted and issued at par and credited as fully paid to Smartview, Smart Union, and Grandview respectively and the issued share capital of the Company became HKD10 divided into 1,000 shares of HKD0.01 each. As a result, Smartview, Smart Union, and Grandview owned 68%, 16% and 16% equity interest of the Company respectively.
- (f) On 19 March 2019, Brilliant Holdings acquired the entire equity interest of HK Wise Ally from Defond HK. In consideration, Brilliant Holdings issued and allotted one share to Defond HK.
- (g) On 13 December 2019, the Company acquired the entire equity interest of Brilliant Holdings from Defond HK. In consideration, as directed by Defond HK, the Company issued and allotted 679,320 shares, 159,840 shares and 159,840 shares to Smartview, Smart Union and Grandview respectively, in proportion to the respective then existing shareholding of Smartview, Smart Union and Grandview in the Company.

Upon completion of the Reorganisation, the Company became the holding company of the companies comprising the Group.

* For identification purpose only

1 一般資料及重組(續)

1.3 呈列基準

緊接及緊隨重組前後，上市業務已經並繼續透過麗年集團進行。根據重組，上市業務轉至並由本公司持有。本公司於重組前並無涉及任何業務且並未符合業務的定義。重組僅為上市業務重組，而有關業務的管理及控股股東並無變動。因此，因重組而成立的本集團被視為麗年集團綜合財務報表的延續，本集團的資產及負債按上市業務在所有呈列期間的賬面值確認及計量。

2 重大會計政策概要

擬備綜合財務報表所採用的主要會計政策載於下文。除另有說明外，該等政策於所呈列所有年度貫徹應用。

2.1 擬備基準

本集團綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒布的所有適用香港財務報告準則(「香港財務報告準則」)及香港公司條例第622章的披露規定擬備。綜合財務報表按照歷史成本法擬備。

擬備符合香港財務報告準則的綜合財務報表需要使用若干重大會計估計，亦要求本公司董事於應用本集團會計政策時作出判斷。涉及較高度判斷或複雜性，或假設及估計對綜合財務報表而言屬重要的方面於附註4披露。

本集團已採用全面追溯法採納香港財務報告準則第16號「租賃」，其相關會計政策已於本完整年度貫徹應用於本集團的綜合財務報表。

1 GENERAL INFORMATION AND REORGANISATION (continued)

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Listing Business had been and continues to be conducted through Wise Ally Group. Pursuant to the Reorganisation, the Listing Business is transferred to and held by the Company. The Company has not been involved in any business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the Controlling Shareholders remain the same. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the consolidated financial statements of Wise Ally Group, with the assets and liabilities of the Group recognised and measured at the carrying amounts of the Listing Business for all periods presented.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the 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 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the directors of the Company to exercise their 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.

The Group has adopted HKFRS 16 “Leases” using the full retrospective approach with which the relevant accounting policies have been consistently applied to the Group’s consolidated financial statements throughout the years ended.

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 擬備基準(續)

已發佈但未經本集團採納的新訂準則、現有準則之修訂及詮釋

香港財務報告準則第3號之修訂
Amendments to HKFRS 3

香港財務報告準則第9號、
香港會計準則第39號及香港
財務報告準則第7號之修訂
Amendments to HKFRS 9,
HKAS 39 and HKFRS 7

香港財務報告準則第10號及
香港會計準則第28號之修訂
Amendments to HKFRS 10
and HKAS 28

香港財務報告準則第17號
HKFRS 17

香港會計準則第1號及香港會計
準則第8號之修訂
Amendments to HKAS 1 and
HKAS 8

2018年財務報告概念框架
Conceptual Framework for Financial
Reporting 2018

本集團將於上述新訂準則、現有準則之修訂及詮釋生效時予以採納。管理層已進行初步評估，且預期採納該等準則、修訂及詮釋後不會對本集團的財務狀況及經營業績構成任何重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

New standard, amendments and interpretations to existing standards issued but not yet adopted by the Group

於以下日期
或之後開始
之會計期間生效
Effective for
accounting
periods beginning
on or after

業務的定義
Definition of a Business
2020年1月1日
1 January 2020

利率基準改革
Interest Rate Benchmark Reform
2020年1月1日
1 January 2020

投資者與其聯營公司或合營企業之間的資產
出售或注資
Sale or Contribution of Assets between an Investor
and its Associate or Joint Venture
待
To be determined

保險合約
Insurance Contracts
2021年1月1日
1 January 2021

重大的定義
Definition of Material
2020年1月1日
1 January 2020

經修訂財務報告概念框架
Revised Conceptual Framework for Financial
Reporting
2020年1月1日
1 January 2020

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

2 重大會計政策概要(續)

2.2 附屬公司

2.2.1 綜合賬目

附屬公司指本集團對其具有控制權之所有實體(包括結構性實體)。當本集團因參與該實體而承擔可變回報之風險或享有可變回報之權益，並有能力透過其對該實體之權力影響此等回報時，本集團即控制該實體。附屬公司乃於控制權轉移至本集團當日起合併入賬，並於控制權終止當日起不再合併入賬。

(a) 業務合併

除上市後的重組外，本集團採用收購法為業務合併入賬。收購附屬公司所轉讓代價為本集團所轉讓的資產、所產生的負債及所發行股權的公平值。所轉讓的代價包括因或然代價安排產生的任何資產或負債的公平值。在業務合併過程中所收購的可識別資產以及所承擔的負債及或然負債，均於收購當日均按其公平值作初步計量。本集團以逐項收購為基礎，按公平值或按非控股權益在被收購方可識別淨資產已確認金額的應佔比例確認於被收購方的任何非控股權益。

收購相關成本於產生時列為開支。

倘業務合併分階段完成，收購方先前所持被收購方的股權賬面值按收購當日的公平值重新計量；由此產生的任何盈虧於損益確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries

2.2.1 Consolidation

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

(a) Business combination

Except for the Reorganisation upon Listing, the Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2 重大會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

(a) 業務合併(續)

本集團所轉讓的任何或然代價按收購當日的公平值確認。被視為一項資產或負債的或然代價公平值的後續變動，按照香港財務報告準則第9號於損益確認。分類為權益的或然代價不予重新計量，而其後結算乃於權益入賬。

所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方的股本權益在收購當日的公平值超過所收購可識別淨資產公平值的差額，作為商譽記賬。倘所轉讓代價、已確認非控股權益及先前持有的權益計量的總額低於所收購附屬公司淨資產的公平值(於議價收購的情況下)，則該差額會直接於損益確認。

集團內公司間交易、結餘及因集團公司間交易而產生的未變現收益須予撇銷。未變現虧損亦予撇銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策一致。

(b) 控制權並無變動的附屬公司所有權權益的變動

並不引致喪失控制權的與非控股權益的交易按權益交易入賬(即作為以擁有人身份與附屬公司擁有人的交易)。任何已付代價公平值與附屬公司淨資產賬面值的已收購有關應佔部分之間的差額於權益入賬。出售非控股權益時的收益或虧損亦於權益內入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combination (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amounts of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

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.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amounts of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

2 重大會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

(c) 出售附屬公司

倘本集團不再擁有控制權，其於該實體之任何保留權益按其失去控制權當日之公平值重新計量，而賬面值變動則於損益內確認。就隨後入賬列作聯營公司或金融資產之保留權益而言，此公平值即初步賬面值。此外，先前於其他全面收益內確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。這可能意味著先前在其他全面收益內確認之金額重新分類至損益。

2.2.2 獨立財務報表

本公司於附屬公司的投資按成本扣除減值列賬。成本包括投資直接應佔成本。附屬公司之業績乃由本公司按已收及應收股息列賬。

倘自附屬公司投資中收取之股息超出宣派股息期間該附屬公司之全面收益總額，或倘單獨財務報表之投資賬面值超出綜合財務報表所示被投資公司之資產淨值(包括商譽)之賬面值，則須於收取股息時對該等附屬公司之投資進行減值測試。

2.3 分部報告

營運分部按照與向主要經營決策者(「主要經營決策者」)提供之內部報告一致的方式呈報。主要經營決策者負責營運分部的資源配置及表現評估，已確定為作出策略決策的行政總裁(「行政總裁」)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amounts recognised in profit or loss. The fair value is the initial carrying amounts for the purposes of subsequently accounting for the retained interest as an associate, 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.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for by the Company 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.

2.3 Segment reporting

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

2 重大會計政策概要(續)

2.4 外幣換算

2.4.1 功能及呈列貨幣

本集團各實體之財務報表所載的項目均以該實體經營所在的主要經濟環境通行之貨幣(「**功能貨幣**」)計量。綜合財務報表以本公司之功能貨幣及本集團呈列貨幣港元呈列。

2.4.2 交易及餘額

外幣交易乃按交易日之適用匯率換算為功能貨幣。該等交易結算以及以外幣計值之貨幣資產及負債按年末匯率換算產生之匯兌收益及虧損，通常於損益確認。

有關借款的外匯損益呈列於綜合全面收益表內融資成本項下。全部其他外匯損益按淨額基準呈列於綜合全面收益表內「其他淨虧損」項下。

以外幣為單位按公平值列賬之非貨幣性項目，按照確定公平值當日之現行匯率折算。按公平值列賬的資產及負債之換算差額呈報為公平值損益之一部分。例如非貨幣性資產及負債(例如按公平值計入損益的權益)的折算差額在損益中確認為公平值損益的一部分。非貨幣性資產(例如按公平值計入其他全面收益的權益)的折算差額在其他全面收益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

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

2.4.2 Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within "other losses, net".

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

2 重大會計政策概要(續)

2.4 外幣換算(續)

2.4.3 集團公司

功能貨幣有別於呈列貨幣的所有集團實體(該等集團實體概無擁有嚴重通貨膨脹經濟體的貨幣)的業績及財務狀況，均按以下方式換算為呈列貨幣：

- 各呈列財務狀況表的資產及負債乃按綜合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支乃按平均匯率換算(除非該平均匯率並非在有關交易日期當日通行匯率累計影響的合理估計內，則在此情況下，收支於有關交易日期當日換算)；及
- 所有因此產生的匯兌差額均於其他全面收益確認。

在編製綜合賬目時，換算海外業務任何淨投資而產生的匯兌差額，均列入其他全面收益內。於出售境外業務或償還淨投資的任何借款時，相關匯兌差額重新分類至損益，作為出售損益之一部分。

收購境外業務產生的商譽及公平值調整視作該海外實體的資產及負債，按收市匯率換算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

2.4.3 Group companies

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

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

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are taken to other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

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

2 重大會計政策概要(續)

2.5 物業、廠房及設備

物業、廠房及設備以歷史成本減累計折舊列賬。歷史成本包括收購該等項目直接應佔開支。

其後成本僅在與資產相關的未來經濟利益可能歸於本集團及能可靠地計算出項目成本的情況下，方會計入資產的賬面值或確認為獨立的資產(如適用)。重置部分的賬面值終止確認。所有其他維修及保養於其產生的報告期間內於損益內列作開支。

物業、廠房及設備之折舊按直線法計算，以於其以下估計可使用年內分配成本(扣除其剩餘價值)：

傢俬及裝置	5年
辦公設備	3至5年
廠房及機器	3至10年
汽車	3至5年
租賃物業裝修	租期或5年可用年限中較短者

本集團於各報告期末時檢討資產的剩餘價值和可使用年期，並作出適當的調整。

若資產的賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額。

出售的收益或虧損按所得款項與賬面值的差額釐定，並於損益中確認。

2.6 無形資產

系統軟件

所收購系統軟件許可證按收購及使用特定軟件所產生成本的基準予以資本化。該等成本採用直線法於彼等估計可使用年期3年內攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Properties, plant and equipment

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

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

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

Furniture and fixtures	5 years
Office equipment	3 to 5 years
Plant and machinery	3 to 10 years
Motor vehicles	3 to 5 years
Leasehold improvements	Over the shorter of lease term and useful life of 5 years

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

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

Gain or loss on disposals are determined by comparing proceeds with carrying amount and are recognised in profit or loss.

2.6 Intangible assets

System software

Acquired system software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using straight-line method over their estimated useful lives of three years.

2 重大會計政策概要(續)

2.7 非金融資產減值

資產於出現事件或情況變化顯示賬面值或不能收回時，須作出減值測試。資產的賬面值超出其可收回金額的部分確認為減值虧損。可收回金額為資產公平值扣除出售成本及使用價值兩者中較高者。於評估減值時，資產按可獨立識別現金流量(現金產生單位)的最低層次組合。除商譽外出現減值的非金融資產將於各報告期末檢討減值撥回的可能性。

2.8 金融資產

2.8.1 類別

本集團將其金融資產分類為按攤銷成本計量的資產。

分類取決於實體管理金融資產的業務模式及現金流量之合約條款。

本集團僅當管理該等資產之業務模式變動時重新分類債務投資。

2.8.2 確認及計量

於初次確認時，倘金融資產並非按公平值計入損益，本集團按其公平值加上收購金融資產直接應佔的交易成本計量金融資產。以按公平值計入損益列賬的金融資產的交易成本於損益中支銷。

在確定具有嵌入衍生工具的金融資產的現金流量是否純粹為本金和利息付款時，需從金融資產的整體考慮。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Impairment of non-financial assets

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 flows (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.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets as assets to be measured at amortised cost.

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

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

2.8.2 Recognition and measurement

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

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)

2.8 金融資產(續)

2.8.2 確認及計量(續)

債務工具

債務工具的後續計量取決於本集團管理資產之業務模式及該等資產的現金流量特徵。本集團將其債務工具分類為按攤銷成本計量。

倘持有資產旨在收取合約現金流量，而該等資產的現金流量純粹為本金及利息付款，該等資產按攤銷成本計量。後續按攤銷成本計量且並非對沖關係之一部分之債務投資之收益或虧損於該資產終止確認或減值時於損益確認。該等金融資產之利息收入乃按實際利率法計入融資收入。

2.8.3 終止確認

在收取來自投資的現金流量的權利屆滿或已轉移，且本集團已實質上將所有權的絕大部分風險和報酬轉移時，有關金融資產將終止確認。

2.9 抵銷金融工具

當有在法律上可強制執行的權利可抵銷已確認金額，且有意圖按其淨額作結算或同時變現資產和結算負債時，有關金融資產與負債可互相抵銷，並在綜合財務狀況表報告其淨值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

2.8.2 Recognition and 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. The Group classifies its debt instruments to be measured at amortised costs.

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. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

2.8.3 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and reward of ownership.

2.9 Offsetting financial instruments

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

2 重大會計政策概要(續)

2.10 金融資產減值

本集團按攤銷成本計量的金融資產須依據香港財務報告準則第9號的預期信貸虧損模式。本集團按前瞻基準評估與按攤銷成本入賬的資產有關之預期信貸虧損。所用的減值方法取決於信貸風險有否大幅增加。

就來自第三方及關聯方的貿易應收款項而言，本集團採用香港財務報告準則第9號允許的簡化方法，該方法規定預期存續期虧損須於初始確認來自第三方及關聯方的貿易應收款項時確認。本集團已透過考慮過往違約機率、現行市場狀況及前瞻性資料，評估預期信貸虧損。

就其他應收款項及應收當時直接控股公司款項而言，視乎信貸風險自初步確認後有否大幅上升，本集團計量減值為12個月預期信貸虧損或使用年期預期信貸虧損。倘其他應收款項及應收當時直接控股公司款項的信貸風險自初步確認後大幅上升，減值計量為年期預期信貸虧損。

2.11 貿易應收款項及其他應收款項

貿易應收款項乃於日常業務過程中向客戶銷售貨品或提供服務而應收的款項。倘貿易應收款項預期將在一年或以內收回(若更長則在業務正常經營週期內)，則歸類為流動資產，否則呈列為非流動資產。

貿易應收款項及其他應收款項初步按公平值確認，其後以實際利率法按攤銷成本計量，並扣減減值撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Impairment of financial assets

The Group's financial assets measured at amortised cost are subject to HKFRS 9's expected credit loss model. The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables from third parties and related parties, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables from third parties and related parties. The Group has assessed the expected credit loss by considering historical default rates, existing market conditions and forward-looking information.

For other receivables and amount due from the then immediate holding company, the Group measures the impairment as either twelve months expected credit losses or life-time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of the other receivables and amount due from the then immediate holding company has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.11 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2 重大會計政策概要(續)

2.12 存貨

存貨按成本與淨可變現值較低者列賬。成本乃採用加權平均法釐定。製成品及在製品成本包括原材料、直接人工、其他直接成本及相關生產間接成本(根據一般經營能力計算)，其不包括借款成本。淨可變現值按日常業務過程中的估計售價減完成產品估計成本及進行銷售所需的估計成本計算。

2.13 現金及現金等價物

就於綜合現金流量表呈列而言，現金及現金等價物包括銀行現金及手頭現金。

2.14 股本

普通股分類為權益。

發行新股份或購股權直接應佔的新增成本於權益中列作所得款項的減項(扣除稅項)。

2.15 貿易應付款項、應付票據及其他應付款項

貿易應付款項及應付票據指就於日常業務過程中自供應商購得貨品或服務付款的責任。倘款項於一年或以內(若更長則在業務正常經營週期內)到期，則貿易應付款項及應付票據分類為流動負債。否則，貿易應付款項及應付票據呈列為非流動負債。

貿易應付款項、應付票據及其他應付款項初步按公平值確認，其後以實際利率法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Inventories

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

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash at banks and cash on hand.

2.14 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.

2.15 Trade, bills and other payables

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

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

2 重大會計政策概要(續)

2.16 借款

借款最初按公平值(扣除已產生交易成本)確認。借款其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值的任何差額，於借款期採用實際利率法於利息開支確認。

除非本集團有權無條件延遲償還負債至報告期末後至少12個月，否則借款分類為流動負債。

2.17 借款成本

收購、建造或生產合資格資產(即需相當時間方可作擬定用途或出售的資產)直接應佔的一般及特定借款成本會計入該等資產的成本，直至該等資產大致可作擬定用途或出售為止。

特定借款用於合資格資產之前作為臨時投資所賺取的投資收入，於合資格資本化的借款成本中扣除。

所有其他借款成本在產生期間於損益確認。

2.18 撥備

當本集團因過往事件須承擔現行法律或推定責任，而履行責任可能需要有資源流出，且能夠可靠地估計有關金額，則會確認撥備。日後經營虧損不會確認撥備。

倘出現多項類似責任，履行責任需要資源流出的可能性乃經整體考慮責任類別後釐定。即使同類責任中就任何一項流出資源的可能性可能偏低，仍會確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Borrowings

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

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

2.17 Borrowing costs

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

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

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

2.18 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 amounts can be reliably estimated. Provisions are not recognised for future operating losses.

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

2 重大會計政策概要(續)

2.18撥備(續)

撥備採用稅前利率按照履行有關責任預期所需支出的現值計量，有關利率反映當時市場對貨幣的時間價值及該責任特有風險的評估。因時間推移而增加的撥備確認為利息開支。

2.19即期及遞延所得稅

期內所得稅開支或抵免按當期應課稅收入與按各司法權區的適用所得稅稅率計算，並就由於暫時性差額及未抵扣稅務虧損而導致的遞延稅項資產及負債作出調整。

(a) 即期所得稅

即期所得稅支出乃根據本公司的附屬公司營運及產生應課稅收入的國家於報告期末已頒布或實質頒布的稅務法例計算。管理層就適用稅務規例受詮釋所規限的情況定期評估報稅表的狀況，並在適當情況下根據預期須向稅務機關支付的金額設定撥備。

(b) 遞延所得稅

遞延所得稅利用負債法按資產及負債的稅基與資產及負債在綜合財務報表的賬面值之間產生的暫時性差額悉數撥備。然而，倘遞延稅項負債來自對商譽的初步確認，則不會確認遞延稅項負債。倘遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初步確認，而在交易時不影響會計或應課稅溢利或虧損，則亦不會將遞延所得稅列賬。遞延所得稅採用於報告期末或之前已頒布或實質上已頒布，並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率（及法例）而釐定。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Provisions (continued)

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

2.19 Current and deferred income tax

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

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where 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.

(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 substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 重大會計政策概要(續)

2.19 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

遞延稅項資產僅於可能有未來應課稅款項用作抵銷暫時性差額及虧損時確認。

倘本公司有能力控制撥回暫時性差額的時間及該等差額很可能不會於可見將來撥回，則不會就海外業務投資的賬面值及稅基之間的暫時性差額確認遞延稅項負債及資產。

(c) 抵銷

倘有法定可執行權力將即期稅項資產與負債相互抵銷而遞延稅項結餘涉及同一稅務機關，則遞延稅項資產及負債可予相互抵銷。倘有關實體有法定可執行權力可抵銷及有意按淨值基準結算，或有意同時變現資產及結算負債，則即期稅項資產及稅項負債可相互抵銷。

即期及遞延所得稅於損益確認，惟有關於其他全面收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益確認。

2.20 僱員福利

(a) 短期債務

預期將於僱員提供有關服務的期末後12個月內悉數償付的工資及薪金(包括非金錢利益)的負債乃就僱員截至報告期末所提供的有關服務予以確認，並按清償負債時預期將予支付的金額計量。有關負債在綜合財務狀況表呈列為即期僱員福利債務。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amounts 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.

(c) Offsetting

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

2.20 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

2 重大會計政策概要(續)

2.20 僱員福利(續)

(b) 其他長期僱員福利債務

倘實體沒有無條件權利延遲償還至於報告期間後最少12個月，而不論預期何時會實際償還，負債會將於綜合財務狀況表中呈列為流動負債。

(c) 界定供款計劃

本集團向由國家管理的退休金保險計劃支付強制、合約或自願性供款。本集團在支付供款後即無進一步付款責任。供款於到期時確認為僱員福利開支。倘若有現金退款或未來供款額出現下調，預付供款可確認為資產。

(d) 花紅計劃

本集團按照計及本公司股東應佔溢利的公式在作出若干調整後確認花紅負債及開支。本集團於有合約責任或過往慣例已產生推定責任時確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee benefits (continued)

(b) Other long-term employee benefit obligations

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(c) Defined contribution plans

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

(d) 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 重大會計政策概要(續)

2.20 僱員福利(續)

(e) 長期服務金

根據香港僱傭條例，本集團須就在若干情況下終止僱用香港僱員支付長期服務金淨額的離職後福利責任，數額為僱員因本期及過往期間提供服務而賺取的未來福利金額。

該責任乃採用預計單位信貸成本法計算，貼現至其現值並扣減根據本集團退休計劃累計的權益(屬於本集團作出的供款)。貼現率為香港政府外匯基金債券(其到期日與有關責任之到期日相若)於各個結算日之孳息率。該等福利之預期成本乃於僱用期間使用與界定福利計劃相同之會計方法累算。

在綜合全面收益表確認的長期服務金計劃的即期服務成本，反映本年度僱員服務產生的長期服務金責任的增加、福利變動、縮減及結算。過往服務成本即時於綜合全面收益表確認。利息成本乃對長期服務金責任之結餘應用貼現率計算所得。根據經驗而調整的精算盈虧以及精算假設的變動在發生期間於其他全面收益內在權益項下扣除或計入。

(f) 終止福利

終止福利是指本集團在正常退休日期前終止僱傭或員工自願接受裁員以換取此等福利的應付福利。本集團在明確承諾：根據具體正式計劃終止現職員工的僱用且不可能撤回；或作出鼓勵自願裁員的要約提供終止福利時確認終止福利。於報告期末後12個月以上到期的福利折現至現值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee benefits (continued)

(e) Long service payments

The Group's net post-employment benefit obligation in respect of long service payments to its employees in Hong Kong upon cessation of their employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefits that the employees have earned in return for their services in the current and prior periods.

The obligation is calculated using the projected unit credit cost method, discounted to its present value and reduced by entitlements accrued under the Group's retirement schemes that are attributed to contributions made by the Group. The discount rate is the yield at each balance sheet date of Hong Kong Government's Exchange Fund Notes which have terms to maturity approximating the terms of the related liability. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans.

The current service cost of the long service payment scheme, recognised in the consolidated statement of comprehensive income reflects the increase in the long service payment's obligation as a result of employee service in the current year, benefit changes, curtailments and settlements. Past-service costs are recognised immediately in the consolidated statement of comprehensive income. The interest cost is calculated by applying the discount rate to the balance of the long service payment's obligation. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

(f) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2 重大會計政策概要(續)

2.21 收益確認

收益按已收或應收代價的公平值計量，即於本集團一般業務過程中就出售貨品已收及應收的代價。收益經扣除退貨並與本集團內的銷售額對銷後呈列。

本集團預期不存在任何轉讓承諾貨品予客戶與客戶付款之間超過一年的合約。因此，本集團並未就資金的時間價值調整任何交易價格。

當合約任何一方已履約，本集團於綜合財務狀況表呈列合約為合約資產或合約負債，視乎本集團履約與客戶付款的關係。合約資產指本集團轉讓商品予客戶後收取代價的權利。為取得合約產生的增支成本(如可收回)將資本化並呈列為資產，並於隨後確認有關收益時攤銷。

倘於本集團轉讓承諾商品予客戶前，客戶支付代價或本集團有權收取無條件代價，本集團於收取付款或應收款項入賬時(以較早者為準)呈列合約為合約負債。合約負債指本集團轉讓商品予客戶的責任，本集團就此從客戶收取代價(或到期的代價)。

應收款項於本集團對代價擁有無條件權利時入賬。倘支付代價僅須待時間流逝而到期，收取代價的權利即為無條件。

當收益金額符合下述本集團業務的特定準則時，便會確認收益：

銷售貨品

所轉讓貨品銷售於貨品控制權已經轉讓後於某一個時間確認，為本集團已將產品交付予客戶，而客戶已經接收產品的時間。有關客戶就產品全權控制，並概無可影響客戶接受產品而尚未履行的責任。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts for the sale of goods in the ordinary course of the Group's activity. Revenue is shown net of returns and after eliminating sales within the Group.

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

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. A contract asset is the Group's right to consideration in exchange for goods that the Group has transferred to a customer. Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers the promised goods to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer the promised goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Revenue is recognised when specific criteria have been met for the Group's activity as described below:

Sales of goods

Sales of goods transferred at a point in time are recognised when control of the goods has transferred, being when the Group has delivered the products to the customers and the customers have accepted the products, the customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

2 重大會計政策概要(續)

2.22 利息收入

利息收入採用實際利率法按時間比例基準確認。

2.23 租賃

本集團租賃若干物業及廠房以及機器。租賃合約通常訂有三個月至五年的固定期限。租賃條款按個別基準進行磋商，包含各種條款及條件。租賃協議並無施加任何契諾，惟租賃資產不得用作借款的抵押品。

租賃確認為使用權資產(計入物業、廠房及設備)，並在有關租賃資產可供本集團使用之日確認相應負債。每筆租賃付款乃分配至負債及融資成本。融資成本於租期內自損益扣除，以計算出各期間負債餘下結餘的固定週期利率。

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)減任何應收租賃獎勵；
- 基於指數或利率的可變租賃付款；
- 剩餘價值擔保下的承租人預期應付款項；
- 購買權的行使價(倘承租人合理地確定行使該選擇權)；及
- 支付終止租賃的罰款(倘租賃條款反映承租人行使該選擇權)。

租賃付款採用租賃所隱含的利率(倘該利率可被釐定)或實體的增量借款利率予以貼現。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.23 Leases

The Group leases various properties and plant and machinery. Rental contracts are typically made for fixed periods of three months to five years. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as right-of-use assets (included in properties, plant and equipment) and the corresponding liabilities at the date of which the respective leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the entity's incremental borrowing rate.

2 重大會計政策概要(續)

2.23 租賃(續)

使用權資產乃按成本計量，包括以下各項：

- 租賃負債的初始計量金額；
- 於開始日期或之前作出的任何租賃付款減任何已收租賃獎勵；
- 任何初始直接成本；及
- 修復成本。

使用權資產通常於資產的可使用年期或租期中的較短者以直線法折舊。倘本集團合理確定將會行使購買權，則使用權資產於相關資產的可使用年期內折舊。用於資產折舊的可使用年期目的為：

物業 於租賃期內

與短期租賃及低價值資產租賃相關的支付以直線法於損益中確認為開支。短期租賃指租期為少於12個月的物業、廠房及機器租賃。低價值資產包括價值低於5,000港元的機器。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Leases (continued)

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The useful life used for the assets' depreciation purpose is:

Properties Over the lease term

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases for properties, plant and machinery with a lease term of less than 12 months. Low-value assets comprise machinery with value below HKD5,000.

2 重大會計政策概要(續)

2.24 股息分派

向股東分派的股息在本公司股東或董事(如適用)批准有關股息的年度內確認為負債。

2.25 財務擔保合約

在擔保簽發的同時，財務擔保合約確認為一項金融負債。該負債按公平值初步計量及其後按下列較高者計量：

- 按香港財務報告準則第9號的預期信貸虧損模式釐定的金額；及
- 初步確認的金額減去(倘適用)按香港財務報告準則第15號的原則確認的累計收入金額。

財務擔保的公平值由基於債務工具下要求的合約付款與無需擔保的付款之間的現金流量差額的現值，或就承擔責任可能支付予第三方的估計金額釐定。

2.26 政府補助

當能夠合理地保證將可收取政府補助，而本集團將會遵守所有附帶條件時，政府補助會按其公平值確認。

與開支有關的政府補助遞延入賬，並按該等補助與其擬補償的開支配合所需期間在綜合全面收益表內確認。

與購買物業、廠房及設備有關的政府補助列入非流動負債作為遞延收益，並按有關資產的預計年期以直線法計入損益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the years in which the dividend is approved by the Company's shareholders or directors, where appropriate.

2.25 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

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 expenses are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the expenses that they are intended to compensate.

Government grants relating to the purchase of properties, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss 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 或然負債

或然負債乃因過往事項可能產生的責任，而其存在與否僅能透過發生或未有發生一宗或多宗本集團不能完全控制的不明朗未來事項確定。或然負債亦可為因不大可能須流出經濟資源或未能可靠計量有關責任金額而不予確認的過往事項所產生的現時責任。

儘管或然負債不予確認，惟須在財務報表中披露。當流出資源的可能性有變，致使可能流出資源，則或然負債將被確認為撥備。

3 財務風險管理

本集團業務承受多種財務風險：市場風險（包括外匯風險及利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃重點關注金融市場的不可預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

3.1 市場風險

3.1.1 外匯風險

本集團於香港及中國營運，面對多種貨幣風險產生的外匯風險，主要有關美元及人民幣（「人民幣」）。外匯風險產生自以此等貨幣計值的未來商業交易、已確認資產及負債以及海外業務的淨投資。

截至2019年及2018年12月31日止年度，本集團並無訂立任何衍生工具對沖其外匯風險。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Contingent liabilities

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

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

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate 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.

3.1 Market risk

3.1.1 Foreign exchange risk

The Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations, which are denominated in these currencies.

During the years ended 31 December 2019 and 2018, the Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

3 財務風險管理(續)

3.1 市場風險(續)

3.1.1 外匯風險(續)

於2019年及2018年12月31日，倘美元兌港元增加／減少0.5%而所有其他變量保持不變，各年度除所得稅前溢利將有所改變，主要乃由於換算以美元計值的現金及現金等價物、貿易應收款項、貿易應付款項及其他應付款項的外匯收益／虧損。

		2019 千港元 HKD'000	2018 千港元 HKD'000
美元／港元	USD/HKD		
除所得稅前溢利增加／(減少)	Profit before income tax increase/(decrease)		
— 增加0.5%	— Strengthened by 0.5%	803	990
— 減少0.5%	— Weakened by 0.5%	(803)	(990)

於2019年及2018年12月31日，倘人民幣兌港元增加／減少0.5%而所有其他變量保持不變，各年度除所得稅前溢利將有所改變，主要乃由於換算以人民幣計值的現金及現金等價物、貿易應收款項及其他應收款項、應收關聯公司款項、應收當時同系附屬公司款項、貿易應付款項及其他應付款項及應付當時同系附屬公司款項的外匯虧損／收益。

		2019 千港元 HKD'000	2018 千港元 HKD'000
人民幣／港元	RMB/HKD		
除所得稅前溢利(減少)／增加	Profit before income tax (decrease)/increase		
— 增加0.5%	— Strengthened by 0.5%	(422)	(679)
— 減少0.5%	— Weakened by 0.5%	422	679

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Market risk (continued)

3.1.1 Foreign exchange risk (continued)

As at 31 December 2019 and 2018, if USD had strengthened/weakened by 0.5% against HKD, with all other variables held constant, profit before income tax for each year would have changed mainly as a result of foreign exchange gains/losses on translation of USD denominated cash and cash equivalents, trade receivables and trade and other payables.

As at 31 December 2019 and 2018, if RMB had strengthened/weakened by 0.5% against HKD, with all other variables held constant, profit before income tax for each year would have changed mainly as a result of foreign exchange losses/gains on translation of RMB denominated cash and cash equivalents, trade and other receivables, amounts due from related companies, amount due from the then fellow subsidiary, trade and other payables and amounts due to the then fellow subsidiaries.

3 財務風險管理(續)

3.1 市場風險(續)

3.1.2 利率風險

本集團的利率風險主要來自其已抵押銀行存款、銀行現金、應收當時直接控股公司款項及浮動利率銀行借款。本集團已抵押銀行存款、現金及現金等價物、應收當時直接控股公司款項以及銀行借款的詳情分別於綜合財務報表附註17、30及25披露。

除已抵押銀行存款、銀行現金、應收當時直接控股公司款項以及銀行借款外，本集團並無重大計息資產或負債。

於2019年及2018年12月31日，倘已抵押銀行存款、銀行現金、應收當時直接控股公司款項及銀行借款的利率增加／減少50個基點而所有其他變量保持不變，截至有關日期止年度的除所得稅前溢利會減少／增加約591,000港元（2018年：482,000港元），主要由於銀行借款利息開支（經扣除已抵押銀行存款、銀行現金及應收當時直接控股公司款項的利息收入）增加／減少所致。

3.2 信貸風險

本集團的信貸風險主要來自已抵押銀行存款、銀行現金、貿易應收款項及其他應收款項、應收關聯公司款項及應收當時同系附屬公司款項及應收當時直接控股公司款項。各項金融資產的賬面值為本集團面臨的與金融資產相關的信貸風險。

於截至2019年及2018年12月31日止年度，香港麗年、利信新科有限公司（「利信」）及德豐香港（統稱「該等借款人」）訂立一份聯合銀行融資，據此，該等借款人提供交叉擔保，作為抵押的一部分。

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Market risk (continued)

3.1.2 Interest rate risk

The Group's interest rate risk is mainly attributable to its pledged bank deposits, cash at banks, amount due from the then immediate holding company, and bank borrowings with floating interest rates. Details of the Group's pledged bank deposits, cash and cash equivalents, amount due from the then immediate holding company and bank borrowings have been disclosed in Notes 17, 30 and 25 to the consolidated financial statements respectively.

Other than pledged bank deposits, cash at banks, amount due from the then immediate holding company, and bank borrowings, the Group does not have significant interest-bearing assets or liabilities.

As at 31 December 2019 and 2018, if interest rates on pledged bank deposits, cash at banks, amount due from the then immediate holding company, and bank borrowings had been 50 basis points higher/lower with all variables held constant, profit before income tax for the years ended would have been approximately HKD591,000 (2018: HKD482,000) lower/higher, mainly as a result of higher/lower interest expenses on the bank borrowings netted with interest income on the pledged bank deposits, cash at banks, and amount due from the then immediate holding company.

3.2 Credit risk

The credit risk of the Group mainly arises from pledged bank deposits, cash at banks, trade and other receivables, amounts due from related companies, amount due from the then fellow subsidiary and amount due from the then immediate holding company. The carrying amounts of each financial asset represent the Group's maximum exposure to credit risk in relation to financial assets.

During the years ended 31 December 2019 and 2018, HK Wise Ally, Rayson Innovations Limited ("Rayson") and Defond HK (together, the "borrowers"), entered into a joint bank facility under which the borrowers provided cross guarantees as part of the securities.

3 財務風險管理(續)

3.2 信貸風險(續)

誠如附註25(i)至(v)所披露，該銀行融資的其他抵押亦包括由控股股東所控制若干關聯公司擁有的若干物業及控股股東提供的無限額個人擔保(統稱「其他抵押」)。

根據上述安排，倘利信及德豐香港拖欠償還其各自的未動用貸款，銀行可能會要求香港麗年清償其各自未動用貸款的未償還本金及其任何應計利息。

在該等情況下，本集團將能夠依賴其他抵押。就此而言，董事認為，本集團關於其根據該擔保可能招致的最大責任的信貸風險(誠如附註31d所披露)得到有效減低。

風險管理

本集團設有政策確保向具備適當信貸記錄的客戶授出信貸期，且本集團對客戶進行定期信貸評估。

本集團所有已抵押銀行存款及銀行現金已存入優質財務機構。因此，本集團預期不會出現因該等對手方不履約而招致的任何虧損。

截至2019年12月31日止年度，本集團收益的69%(2018年：69%)來自其五大客戶。於2019年12月31日，本集團五大客戶合共結欠貿易應收款項總額的68%(2018年：67%)。

已抵押銀行存款、銀行現金、應收關聯公司款項以及應收當時同系附屬公司及當時直接控股公司款項的信貸風險有限，因為該等存款均存放於具良好信貸評級的銀行，以及管理層預期不會出現因該等關聯方不履約而招致的任何虧損。

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Credit risk (continued)

As disclosed in Note 25 (i) to (v), other securities for this bank facility also include certain properties owned by certain related companies controlled by the Controlling Shareholders and the personal guarantees of unlimited amounts provided by the Controlling Shareholders (together, the “other securities”).

Pursuant to the aforementioned arrangement, if Rayson and Defond HK default on the repayment of their respective utilised loans, the bank may demand HK Wise Ally to settle the outstanding principles of their respective utilised loans and any interests accrued thereon.

Under such circumstances, the Group will be able to rely on the other securities. In this regard, the directors consider that the Group's credit risk with respect to the maximum liability of the Group that may be incurred under this guarantee, as disclosed in Note 31d, is effectively mitigated.

Risk management

The Group has policies in place to ensure that credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers.

The Group's pledged bank deposits and cash at banks were deposited with high quality financial institutions. Therefore, the Group does not expect any losses arising from non-performance by these counterparties.

For the year ended 31 December 2019, 69% (2018: 69%) of the Group's revenue was derived from its top five customers. As at 31 December 2019, 68% (2018: 67%) of the total trade receivables were due from the Group's top five customers.

The credit risk on pledged bank deposits, cash at banks, amounts due from related companies and amount due from the then fellow subsidiary and the then immediate holding company are limited because deposits are in banks with sound credit ratings and management does not expect any loss from non-performance by these related parties.

3 財務風險管理(續)

3.2 信貸風險(續)

風險管理(續)

(a) 金融資產減值

本集團擁有兩類金融資產受預期信貸虧損模式規限：

- 銷售貨品的來自第三方及關聯方的貿易應收款項
- 按攤銷成本計量的其他金融資產

貿易應收款項

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，該方法就所有貿易應收款項計提存續期預期虧損撥備。

為計量預期信貸虧損，貿易應收款項已根據共享信貸風險特點及逾期天數分類。各組別應收款項的未來現金流量乃根據過往違約機率估計，並經調整以反映現有市況的影響以及影響客戶結清應收款項能力的宏觀經濟因素的前瞻性資料。

倘無合理預期可收回，則已知無力償還之貿易應收款項就減值撥備作個別評估且予以撇銷。無力償還的跡象包括(其中包括)債務人無法與本集團訂立還款計劃及無法作出合約付款。於2019年及2018年12月31日，若干與其他債務人並無相同信貸風險特徵的客戶屬拖欠付款，及其各自的貿易應收款項結餘約1,556,000港元因而全面減值。

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Credit risk (continued)

Risk management (continued)

(a) Impairment of financial assets

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

- trade receivables from third parties and related parties from sales of goods
- other financial assets carried at amortised cost

Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Future cash flows for each group of receivables are estimated on the basis of historical default rates, adjusted to reflect the effects of existing market conditions as well as forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivable.

Trade receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators of insolvencies include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments. As at 31 December 2019 and 2018, certain customers who did not share the same credit risk characteristics as the rest of the debtors were in delinquency of payments and their respective trade receivable balances amounting to approximately HKD1,556,000 were therefore fully impaired.

3 財務風險管理(續)

3.2 信貸風險(續)

風險管理(續)

(a) 金融資產減值(續)

貿易應收款項(續)

未能已知無力償還的貿易應收款項根據共同信貸風險特徵在集體基礎上進行評估。根據本集團的評估，該等貿易應收款項的預期信貸虧損率接近於零。因此，該等貿易應收款項結餘的虧損撥備並不重大且並無確認撥備。

貿易應收款項的減值虧損於經營溢利內呈列為淨減值虧損。其後收回先前已撇銷的金額則計入同一項目。

按攤銷成本計量的其他金融資產

本集團按攤銷成本計量的其他金融資產包括計入綜合財務狀況表的其他應收款項及應收當時直接控股公司款項。按攤銷成本計量的其他金融資產的減值虧損乃按12個月預期信貸虧損計量。12個月預期信貸虧損指金融工具可能於報告日期後12個月內發生的違約事件所引致的存續期預期信貸虧損的一部分。然而，當自產生起信貸風險大幅增加時，將按存續期預期信貸虧損計提撥備。

於2019年及2018年12月31日，管理層認為其他應收款項及應收當時直接控股公司款項的信貸風險較低，原因為交易對手在短期內具備履行合約現金流量責任的雄厚實力。本集團已按12個月預期信貸虧損法評估該等其他應收款項及應收當時直接控股公司款項的預期信貸虧損並不重大。因此，該等結餘的虧損撥備接近於零，且並未確認任何撥備。

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Credit risk (continued)

Risk management (continued)

(a) Impairment of financial assets (continued)

Trade receivables (continued)

Trade receivables without known insolvencies are assessed on a collective basis based on shared credit risk characteristic. Based on the Group's assessment, expected credit loss rate of these trade receivables is close to zero. Therefore, the loss allowance provision for these trade receivable balances was not material and no provision was recognised.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets carried at amortised cost

The Group's other financial assets carried at amortised cost include other receivables and amount due from the then immediate holding company in the consolidated statement of financial position. The impairment loss of other financial assets carried at amortised cost is measured based on the twelve months expected credit loss. The twelve months expected credit loss is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within twelve months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

As at 31 December 2019 and 2018, management considered the credit risk of other receivables and amount due from the then immediate holding company as low as counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. The Group has assessed that the expected credit losses for these other receivables and amount due from the then immediate holding company were immaterial under 12 months expected losses method. Therefore, the loss allowance provision for these balances was close to zero and no provision was recognised.

3 財務風險管理(續)

3.3 流動資金風險

本集團的政策為定期監察現時及預期的流動資金需求，以確保維持足夠的現金儲備以應付短期及長期流動資金需求。

於2019年12月31日，本集團持有的現金及現金等價物約為138,623,000港元(2018年：46,171,000港元)，預期可產生現金流入以管理流動資金風險。

本集團透過多種來源維持流動資金，包括有序變現短期金融資產、應收款項及本集團認為適當的若干資產，而本集團在其資本建構過程中亦會考慮長期借款等長期融資。本集團旨在透過維持充足的銀行結餘、已承諾可用信貸額及計息借款來維持資金的靈活性，以便本集團於可見將來繼續其業務。

於2019年12月31日，本集團未提取的總銀行融資約為239,008,000港元(2018年：98,769,000港元)，而本集團已提取的總銀行融資約為266,593,000港元(2018年：396,373,000港元)。

下表列示本集團非衍生金融負債按照相關到期組別，根據由報告期末至合約到期日的剩餘期間進行分析。

表內披露的金額為合約未貼現現金流量及本集團須按要求支付的最早日期。由於貼現的影響並不重大，故在12個月內到期的餘額相等於其賬面值。

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the shorter and longer term.

As at 31 December 2019, the Group held cash and cash equivalents of approximately HKD138,623,000 (2018: HKD46,171,000), that are expected to be readily available to generate cash inflows for managing liquidity risk.

The Group maintains liquidity by a number of sources including orderly realisation of short-term financial assets, receivables and certain assets that the Group considers appropriate. Long term financing including long-term borrowings are also considered by the Group in its capital structuring. 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.

As at 31 December 2019, the Group's total undrawn banking facilities amounted to approximately HKD239,008,000 (2018: HKD98,769,000) and the Group's total drawn banking facilities amounted to approximately HKD266,593,000 (2018: HKD396,373,000).

The table below analyses the non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period at the end of the reporting period 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. Balances within twelve months equal their carrying balances as impact from discounting is not significant.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 財務風險管理(續)

3.3 流動資金風險(續)

具體而言，對於包含按要求償還條款（銀行可全權酌情行使）的銀行借款，該分析乃根據本集團須作出付款的最早期限（即倘貸款人行使其無條件權利催收貸款並即時生效）列示現金流出。

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Liquidity risk (continued)

Specifically, for bank borrowings which contain a repayment on demand clause which can be exercised at the banks' sole discretion, the analysis shows the cash outflow based on the earliest period in which the Group can be required to pay, that is if the lender were to invoke their unconditional rights to call the loans with immediate effect.

		按要求償還 Repayable on demand 千港元 HKD'000	少於1年 Less than 1 year 千港元 HKD'000	1至5年 Between 1 and 5 years 千港元 HKD'000	總計 Total 千港元 HKD'000
於2019年12月31日	At 31 December 2019				
貿易應付款項	Trade payables	–	113,364	–	113,364
其他應付款項及應計費用	Other payables and accruals	–	60,622	–	60,622
租賃負債	Lease liabilities	–	16,052	38,331	54,383
應付票據	Bills payables	–	30,399	–	30,399
銀行借款	Bank borrowings	216,196	8,602	47,628	272,426
		216,196	229,039	85,959	531,194
於2018年12月31日	At 31 December 2018				
貿易應付款項	Trade payables	–	198,799	–	198,799
其他應付款項及應計費用	Other payables and accruals	–	65,788	–	65,788
租賃負債	Lease liabilities	–	15,556	58,880	74,436
應付票據	Bills payables	–	49,858	–	49,858
應付當時同系附屬公司 款項	Amounts due to the then fellow subsidiaries	1,809	–	–	1,809
銀行借款	Bank borrowings	401,873	–	–	401,873
		403,682	330,001	58,880	792,563

下表列示本集團銀行借款按照相關到期組別，根據由報告期末至合約到期日的剩餘期間進行分析，惟並無計入按要求償還條款的影響。

The table below analyses the bank borrowings of the Group into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date without taking into consideration the effect of repayment on demand clause.

		1年以內 Within 1 year 千港元 HKD'000	1至2年 Between 1 and 2 years 千港元 HKD'000	2至5年 Between 2 and 5 years 千港元 HKD'000	總計 Total 千港元 HKD'000
於2019年12月31日	At 31 December 2019				
銀行借款	Bank borrowings	224,798	29,808	17,820	272,426
於2018年12月31日	At 31 December 2018				
銀行借款	Bank borrowings	379,282	11,473	11,118	401,873

3 財務風險管理(續)

3.4 資本管理

本集團管理資本的目標是保障本集團持續經營的能力，以為股東帶來回報，同時兼顧其他利益相關者的利益，並維持最佳的資本結構以減低資金成本。

為維持或調整資本結構，本集團或會調整向股東派付的股息金額，向股東退回資本或出售資產以減低債務。

本集團按照總負債對總資本比率監控資本。總負債即銀行借款。總資本即綜合財務狀況表所列示的總權益。於2019年及2018年12月31日的總負債對總資本比率如下：

		2019 千港元 HKD'000	2018 千港元 HKD'000
總借款	Total borrowings	266,593	396,373
總權益	Total equity	52,155	124,717
總負債對總資本比率	Total debt to total capital ratio	5.1 times 倍	3.2 times 倍

總負債對總資本比率由2018年12月31日的3.2倍增加至2019年12月31日的5.1倍，主要由於總權益因截至2019年12月31日止年度已派付股息而減少所致。

3.5 公平值估計

於2019年及2018年12月31日，本集團於綜合財務狀況表並無任何以公平值計量的金融資產或金融負債。

本集團金融資產及金融負債的賬面值因其於短期內到期而與其公平值相若。

3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividend paid to shareholders, return capital to shareholders or sell assets to reduce debt.

The Group monitors capital on the basis of the total debt to total capital ratio. Total debt represents bank borrowings. Total capital represents total equity, as shown in the consolidated statement of financial position. The total debt to total capital ratios at 31 December 2019 and 2018 were as follows:

		2019 千港元 HKD'000	2018 千港元 HKD'000
Total borrowings		266,593	396,373
Total equity		52,155	124,717
Total debt to total capital ratio		5.1 times 倍	3.2 times 倍

The increase in total debt to total capital ratio from 3.2 times as at 31 December 2018 to 5.1 times as at 31 December 2019 was mainly due to the decrease in total equity as a result of dividend paid for the year ended 31 December 2019.

3.5 Fair value estimation

As at 31 December 2019 and 2018, the Group did not have any financial assets or financial liabilities in the consolidated statement of financial position which were measured at fair value.

The carrying amounts of the Group's financial assets and financial liabilities, approximated their fair values due to their short maturities.

4 關鍵會計估計及假設

估計及判斷乃根據過往經驗及其他因素(包括在相關情況下認為屬合理的未來事件預期)持續評估。

本集團對未來作出多項估計及假設。根據定義，就此產生的會計估計很少會與有關實際結果相符。有重大風險導致須於下一個財務年度對資產及負債賬面值作出重大調整的估計及假設論述如下。

4.1 存貨的淨可變現值

存貨按成本及淨可變現值兩者的較低者列賬。存貨的淨可變現值指日常業務過程中的估計售價減去估計完工成本及銷售開支。該等估計乃基於現時市況以及製造及銷售類似性質產品的過往經驗作出。管理層於各報告期末重新評估該估計。

4.2 所得稅

本集團主要在香港及中國繳納所得稅。在釐定所得稅撥備時須作出重大判斷。在日常業務過程中，多項交易及計算的最終稅項釐定並不明確。倘該等事宜的最終稅務結果與最初入賬的金額不同，該等差額將會影響作出有關釐定期間的所得稅及遞延所得稅撥備。

由於管理層認為可能有未來應課稅溢利用作抵銷暫時性差額或稅項虧損，故確認有關若干暫時性差額及稅項虧損的遞延所得稅資產。倘預期與原本估計存在差額，該等差額將會影響有關估計變動期間的遞延所得稅資產及稅項開支確認。

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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 addressed below.

4.1 Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. Management reassesses the estimation at the end of each reporting period.

4.2 Income taxes

The Group is subject to income taxes mainly in Hong Kong and the PRC. Significant judgement is required in determining provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 income tax provisions in the periods in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and tax expense in the periods in which such estimate is changed.

4 關鍵會計估計及假設(續)

4.3 應收款項減值

本集團根據有關違約風險及預期虧損率的假設計提應收款項減值撥備。本集團於作出該等假設時行使判斷，並根據本集團於各報告期末的過往違約機率、現行市場狀況及前瞻性估計，挑選用於減值計算的輸入資料。識別應收款項減值須運用判斷及估計。倘預期與原本估計存在差額，該等差額將會影響於有關估計變動的期間確認的應收款項賬面值及應收款項減值虧損。

5 收益及分部資料

本公司為一家投資控股公司，而本集團主要從事電子產品製造及銷售。

主要經營決策者已確定為本公司行政總裁。行政總裁審閱本集團的內部報告以評估表現及分配資源。行政總裁已根據該等報告釐定經營分部。

行政總裁從商業角度考慮本集團的營運，並釐定本集團擁有一個可呈報經營分部，即電子產品製造及銷售。

行政總裁按照收益及毛利的計量評估經營分部的表現。

截至2019年及2018年12月31日止年度，本集團的所有收益來自與客戶訂立的合約，並於某一時間點確認。有關收益確認會計政策的詳情請參閱附註2.21。

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

4.3 Impairment of receivables

The Group makes provision for impairment of receivables 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 historical default rates, existing market conditions as well as forward looking estimates at the end of each reporting period. The identification of impairment of receivables requires the use of judgment and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and loss for the impairment of receivables recognised in the periods in which such estimates have been changed.

5 REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in the manufacturing and sales of electronic products.

The CODM has been identified as the CEO of the Company. The CEO reviews the Group's internal reporting in order to assess performance and allocate resources. The CEO has determined the operating segment based on these reports.

The CEO considers the Group's operation from a business perspective and determines that the Group has one reportable operating segment being manufacturing and sales of electronic products.

The CEO assesses the performance of the operating segment based on a measure of revenue and gross profit.

During the years ended 31 December 2019 and 2018, all of the Group's revenues were from contracts with customers and were recognised at a point in time. Please refer to Note 2.21 for details of accounting policies on revenue recognition.

5 收益及分部資料(續)

5 REVENUE AND SEGMENT INFORMATION
(continued)

(a) 來自主要客戶(其個別貢獻本集團總收益的10%或以上)的收益

(a) Revenue from major customers who have individually contributed to 10% or more of the total revenue of the Group

		2019 千港元 HKD'000	2018 千港元 HKD'000
客戶A	Customer A	273,967	181,753
客戶B	Customer B	N/A* 不適用*	408,046
客戶C	Customer C	156,327	N/A* 不適用*
客戶D	Customer D	113,095	N/A* 不適用*

* 相應客戶於相關年度並無貢獻本集團總收益超過10%。

* The corresponding customers did not contribute over 10% of the total revenue of the Group for the respective years.

(b) 按客戶地理位置劃分的分部收益

(b) Segment revenue by customers' geographical location

本集團按地理位置(基於交付位置釐定)劃分的收益如下:

The Group's revenue by geographical location, which is determined by the delivery location, is as follows:

		2019 千港元 HKD'000	2018 千港元 HKD'000
美國	United States	565,412	800,767
英國	United Kingdom	207,606	147,485
香港	Hong Kong	55,061	81,098
法國	France	8,557	46,564
中國	PRC	24,904	51,617
其他(附註)	Others (Note)	119,304	129,764
		980,844	1,257,295

附註:

其他主要包括(i)歐洲國家(如愛沙尼亞、德國、愛爾蘭、意大利、荷蘭、挪威、瑞典及瑞士);及(ii)澳洲、貝里斯、加拿大、印度、日本、墨西哥、新西蘭、新加坡及台灣。

Note:

Others mainly include (i) European countries such as Estonia, Germany, Ireland, Italy, Netherlands, Norway, Sweden and Switzerland; and (ii) Australia, Belize, Canada, India, Japan, Mexico, New Zealand, Singapore and Taiwan.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料(續)

5 REVENUE AND SEGMENT INFORMATION (continued)

(c) 按地理位置劃分的非流動資產

於2019年及2018年12月31日，本集團非流動資產總額(遞延稅項資產除外)位於以下區域：

(c) Non-current assets by geographical location

The total amounts of non-current assets, other than deferred tax assets, of the Group as at 31 December 2019 and 2018 are located in the following regions:

		2019 千港元 HKD'000	2018 千港元 HKD'000
香港	Hong Kong	15,072	15,139
中國	PRC	96,944	114,242
		112,016	129,381

6 按性質劃分的開支

6 EXPENSES BY NATURE

計入銷售成本、銷售及分銷開支以及行政開支的開支分析如下：

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

		2019 千港元 HKD'000	2018 千港元 HKD'000
所用原材料	Raw materials used	602,873	737,343
僱員福利成本及人力資源服務開支(附註8)	Employee benefit costs and manpower service expenses (Note 8)	195,357	254,456
折舊(附註12)	Depreciation (Note 12)	31,412	29,633
攤銷(附註13)	Amortisation (Note 13)	1,614	643
有關機器、辦公室及員工宿舍的短期租賃的租金開支(附註19c)	Rental expenses of short-term leases in respect of machineries, offices and staff quarters (Note 19c)	925	3,244
電、水及公用設施開支	Electricity, water and utility expenses	6,885	7,820
企業開支(附註30b)	Corporate expenses (Note 30b)	–	12,100
銷售佣金開支	Sales commission expenses	23,442	32,702
耗材	Consumables	7,724	7,167
貨運及報關	Freight and custom declarations	8,947	13,177
維修及保養	Repair and maintenance	2,164	2,966
其他稅項	Other taxes	6,265	4,217
差旅開支	Travelling expenses	3,557	3,400
上市開支	Listing expenses	17,347	9,015
其他專業費用	Other professional fees	1,670	1,869
辦公室開支	Office expenses	1,408	1,261
核數師酬金	Auditor's remuneration	–	–
一審計服務(不包括上市開支)	– Audit services (excluding listing expense)	1,862	246
銀行手續費	Bank charges	1,738	1,762
保險	Insurance	1,232	2,481
通信	Telecommunications	1,442	1,311
存貨減值(撥回)/撥備(附註16)	(Reversal of)/provision for impairment of inventories (Note 16)	(409)	12,292
其他	Others	5,217	7,661
銷售成本、銷售及分銷以及行政開支總額	Total cost of sales, selling and distribution expenses and administrative expenses	922,672	1,146,766

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 其他淨虧損及其他收入

(a) 其他淨虧損

		2019 千港元 HKD'000	2018 千港元 HKD'000
出售物業、廠房及 設備的虧損	Losses on disposal of properties, plant and equipment	(2,291)	(1,987)
匯兌收益／(虧損)	Exchange gains/(losses)	522	(1,158)
		(1,769)	(3,145)

(b) 其他收入

		2019 千港元 HKD'000	2018 千港元 HKD'000
政府補助(附註23b)	Government grants (Note 23b)	1,348	—
其他(附註)	Other (Note)	5,502	—
		6,850	—

附註：

於截至2019年12月31日止年度，由於與一名前客戶的業務關係終止，本集團獲得賠償5,502,000港元，主要用於處理若干過剩物料及跨境轉移先前於本集團廠房托管的若干產品設備。

Note:

During the year ended 31 December 2019, due to the termination of business relationship with a former customer, the Group received compensation amounting to HKD5,502,000, primarily for handling of certain excess materials and the cross-border transfer of certain product equipment previously consigned in the Group's premises.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 僱員福利開支及人力資源服務開支，包括董事酬金

8 EMPLOYEE BENEFIT EXPENSES AND MANPOWER SERVICE EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

		2019 千港元 HKD'000	2018 千港元 HKD'000
工資、薪金及花紅	Wages, salaries and bonus	166,343	194,618
退休金成本－界定供款計劃 (附註a)	Pension costs – defined contribution schemes (Note a)	20,002	14,115
其他員工福利	Other staff welfares	6,954	7,725
總僱員福利開支 (包括董事薪酬)	Total employee benefit expenses (including directors' remunerations)	193,299	216,458
人力資源服務開支(附註b)	Manpower service expenses (Note b)	2,058	37,998
		195,357	254,456

附註：

(a) 退休金成本－界定供款計劃

香港

退休福利成本－界定供款計劃

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」，一項由獨立受託人管理的界定供款計劃)。根據強積金計劃，本集團及其僱員按僱員收入(定義見強制性公積金條例)之5%每月向計劃作出供款。本集團及僱員的強制性供款均以每月1,500港元為上限。

中國

按照中國相關規則及法規規定，於中國營運的附屬公司須為其僱員向國家資助的退休計劃作出供款。截至2019年及2018年12月31日止年度，視乎僱員登記的戶籍省份及其目前工作地區，附屬公司須作出其僱員基本薪金若干百分比的供款，且並無進一步責任就該等供款外的退休金或退休後福利作出實際支付。該等國家資助的退休計劃負責應付退休僱員的全部退休金責任。

Notes:

(a) Pensions costs – defined contribution plans

Hong Kong

Retirement benefit costs – defined contribution schemes

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’ mandatory contributions were subject to a cap of HKD1,500 per month.

The PRC

As stipulated under the relevant rules and regulations in the PRC, the subsidiary operating in the PRC contributes to state-sponsored retirement plans for its employees. For the years ended 31 December 2019 and 2018, depending on the provinces of the employees’ registered residences and their current region of work, the subsidiary contributed certain percentages of the basic salaries of its employees and had no further obligations for the actual payment of pensions or post retirement benefits beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 僱員福利開支及人力資源服務開支，包括董事酬金(續)

附註：(續)

(b) 人力資源服務開支

截至2019年及2018年12月31日止年度，本集團與數家中國外部人力資源服務機構訂立若干人力資源服務安排。根據該等安排，該等機構按協定服務費用滿足了本集團若干人手需求，而所提供的人力資源由相關服務機構直接聘請。該等向本集團提供服務的人士並無與本集團擁有任何僱傭關係。

(c) 五名最高薪酬人士

截至2019年12月31日止年度，本集團五名最高薪酬人士包括兩名董事(2018年：一名董事)，其酬金反映在附註31呈列的分析中。截至2019年12月31日止年度，應付餘下三名人士(2018年：四名人士)的酬金如下：

		2019 千港元 HKD'000	2018 千港元 HKD'000
工資、薪金及花紅	Wages, salaries and bonus	5,554	8,053
退休金成本－界定供款計劃	Pension costs – defined contribution plans	54	72
		5,608	8,125

酬金範圍如下：

		人數 Number of individuals 2019	2018
酬金範圍	Emolument bands		
1,500,001港元至2,000,000港元	HKD1,500,001 to HKD2,000,000	3	2
2,000,001港元至2,500,000港元	HKD2,000,001 to HKD2,500,000	–	2
		3	4

截至2019年及2018年12月31日止年度，本集團概無向任何董事或五名最高薪酬人士支付任何酬金作為加盟或在加盟本集團時的獎勵或作為離職補償。

8 EMPLOYEE BENEFIT EXPENSES AND MANPOWER SERVICE EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (continued)

Notes: (continued)

(b) Manpower service expenses

During the years ended 31 December 2019 and 2018, the Group entered into certain manpower service arrangements with several external manpower service organisations in the PRC. Under these arrangements, certain of the Group's manpower requirements were fulfilled by these organisations at agreed service fees whereas the human resources provided were directly employed by the relevant service organisations. The individuals providing services to the Group do not have any employment relationship with the Group.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 2 directors for the year ended 31 December 2019 (2018: 1 director) whose emoluments are reflected in the analysis presented in Note 31. The emoluments payable to the remaining 3 individuals for the year ended 31 December 2019 (2018: 4 individuals) are as follows:

		2019 千港元 HKD'000	2018 千港元 HKD'000
工資、薪金及花紅	Wages, salaries and bonus	5,554	8,053
退休金成本－界定供款計劃	Pension costs – defined contribution plans	54	72
		5,608	8,125

The emoluments fell within the following bands:

		人數 Number of individuals 2019	2018
酬金範圍	Emolument bands		
1,500,001港元至2,000,000港元	HKD1,500,001 to HKD2,000,000	3	2
2,000,001港元至2,500,000港元	HKD2,000,001 to HKD2,500,000	–	2
		3	4

During the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 淨融資成本

9 FINANCE COSTS, NET

		2019 千港元 HKD'000	2018 千港元 HKD'000
銀行存款利息收入	Interest income on bank deposits	(69)	(73)
來自當時直接控股公司的 利息收入(附註30)	Interest income from the then immediate holding company (Note 30)	–	(3,907)
融資收入	Finance income	(69)	(3,980)
銀行借款利息開支	Interest expenses on bank borrowings	15,742	11,906
租賃負債利息開支 (附註19b)	Interest expenses on lease liabilities (Note 19b)	3,620	3,299
融資成本	Finance costs	19,362	15,205
淨融資成本	Finance costs, net	19,293	11,225

10 所得稅開支

10 INCOME TAX EXPENSE

截至2019年及2018年12月31日止年度，香港利得稅的撥備已就估計應課稅溢利按稅率16.5%計提。

During the years ended 31 December 2019 and 2018, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit.

截至2019年及2018年12月31日止年度，本集團在中國的附屬公司須按標準稅率25%繳納企業所得稅(「企業所得稅」)。

During the years ended 31 December 2019 and 2018, the Group's subsidiary in the PRC is subject to corporate income tax ("CIT") at a standard rate of 25%.

		2019 千港元 HKD'000	2018 千港元 HKD'000
即期所得稅	Current income tax		
— 中國企業所得稅	– PRC CIT	4,201	9,276
— 香港利得稅	– Hong Kong profits tax	6,151	13,523
		10,352	22,799
過往年度超額撥備	Over-provision in prior year		
— 香港利得稅	– Hong Kong profits tax	(623)	–
即期所得稅總額	Total current income tax	9,729	22,799
遞延所得稅(附註20)	Deferred income tax (Note 20)	841	(3,658)
所得稅開支	Income tax expense	10,570	19,141

10 所得稅開支(續)

本集團除所得稅前溢利的稅項有別於使用適用於本集團的附屬公司溢利的加權平均稅率所產生的理論金額如下：

10 INCOME TAX EXPENSE (continued)

The taxation on the Group's profit before income tax differs from the theoretical amounts that would arise using the weighted average tax rate applicable to profits of subsidiaries of the Group as follows:

		2019 千港元 HKD'000	2018 千港元 HKD'000
除所得稅前溢利	Profit before income tax	43,960	96,159
按適用於相關附屬公司溢利的稅率計算的稅項	Tax calculated at tax rates applicable to profits of the respective subsidiaries	11,496	17,818
以下項目的稅項影響：	Tax effect of:		
毋須課稅收入	Income not subject to tax	(24)	(48)
不可扣稅開支	Expenses not deductible for tax purpose	685	1,371
研發稅務抵免	Research and development tax credit	(964)	—
過往年度超額撥備	Over-provision in prior year	(623)	—
所得稅開支	Income tax expense	10,570	19,141

加權平均適用稅率出現變動，主要由於香港利得稅及中國企業所得稅(適用稅率各不相同)項下應課稅溢利比例有變所致。

The changes in the weighted average applicable tax rate were mainly due to the changes in the proportion of the taxable profit under Hong Kong profits tax and PRC CIT which were subject to different applicable tax rates.

截至2019年12月31日止年度的實際稅率提高主要由於所產生的上市開支為不可扣稅所致。

The increase in effective tax rate for the year ended 31 December 2019 was mainly attributable to the listing expenses incurred that were not deductible for tax purpose.

11 每股盈利

每股基本盈利乃根據本公司權益持有人應佔溢利除以年內已發行普通股的加權平均數計算。

於釐定截至2019年及2018年12月31日止年度被視為已發行的普通股加權平均數時，1,500,000,000股普通股（經計及附註33所載於2020年1月10日進行的資本化發行及根據附註1.2詳述的重組發行的股份）被視為自2018年1月1日起已發行。

針對此目的使用的普通股的加權平均數已根據與於2020年1月10日進行的資本化發行有關的股份發行的影響進行追溯調整。

11 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

In determining the weighted average number of ordinary shares deemed to be in issue during the years ended 31 December 2019 and 2018, 1,500,000,000 ordinary shares, after taking into account the capitalisation issue that took place on 10 January 2020 as set out in Note 33 and the issue of shares pursuant to the Reorganisation as detailed in Note 1.2, were deemed to have been issued since 1 January 2018.

The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the capitalisation issue which took place on 10 January 2020.

		截至12月31日止年度 Year ended 31 December	
		2019	2018
本公司權益持有人應佔 年內溢利(千港元)	Profit for the year attributable to equity holders of the Company (HKD'000)	33,390	77,018
已發行普通股之 加權平均數(千股)	Weighted average number of ordinary shares in issue ('000)	1,500,000	1,500,000
每股基本及攤薄盈利(港仙)	Basic and diluted earnings per share (HK cents)	2.2	5.1

由於年內並無發行在外的潛在攤薄普通股，故每股基本及攤薄盈利之間並無差額。

There were no differences between the basic and diluted earnings per share as there were no potential dilutive ordinary shares outstanding during the year.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 物業、廠房及設備

12 PROPERTIES, PLANT AND EQUIPMENT

		使用權資產	租賃物業 裝修	傢俬、裝置及 辦公設備 Furniture, fixtures and office equipment	廠房及 機器 Plant and machinery	汽車 Motor vehicles	總計
		Right-of-use assets 千港元 HKD'000	Leasehold improvements 千港元 HKD'000	千港元 HKD'000	千港元 HKD'000	千港元 HKD'000	Total 千港元 HKD'000
於2018年1月1日	At 1 January 2018						
成本	Cost	25,520	37,352	16,950	81,971	2,052	163,845
累計折舊	Accumulated depreciation	(23,437)	(30,403)	(7,835)	(32,318)	(476)	(94,469)
賬面淨值	Net book amount	2,083	6,949	9,115	49,653	1,576	69,376
截至2018年 12月31日止年度	Year ended 31 December 2018						
期初賬面淨值	Opening net book amount	2,083	6,949	9,115	49,653	1,576	69,376
添置	Additions	71,052	7,995	3,165	13,776	1,013	97,001
折舊	Depreciation	(13,127)	(3,071)	(2,973)	(12,224)	(584)	(31,979)
出售	Disposals	–	(1,057)	(435)	(783)	–	(2,275)
匯兌差額	Exchange differences	(1,804)	(337)	(390)	(2,522)	(64)	(5,117)
期末賬面淨值	Closing net book amount	58,204	10,479	8,482	47,900	1,941	127,006
於2018年12月31日	At 31 December 2018						
成本	Cost	93,349	41,896	18,572	89,419	2,961	246,197
累計折舊	Accumulated depreciation	(35,145)	(31,417)	(10,090)	(41,519)	(1,020)	(119,191)
賬面淨值	Net book amount	58,204	10,479	8,482	47,900	1,941	127,006
截至2019年 12月31日止年度	Year ended 31 December 2019						
期初賬面淨值	Opening net book amount	58,204	10,479	8,482	47,900	1,941	127,006
添置	Additions	–	601	2,503	10,821	–	13,925
折舊	Depreciation	(14,004)	(2,665)	(2,739)	(12,769)	(632)	(32,809)
出售	Disposals	–	(17)	(1,090)	(1,437)	–	(2,544)
匯兌差額	Exchange differences	(703)	(96)	(96)	(762)	(12)	(1,669)
期末賬面淨值	Closing net book amount	43,497	8,302	7,060	43,753	1,297	103,909
於2019年12月31日	At 31 December 2019						
成本	Cost	91,939	41,486	18,643	95,353	2,926	250,347
累計折舊	Accumulated depreciation	(48,442)	(33,184)	(11,583)	(51,600)	(1,629)	(146,438)
賬面淨值	Net book amount	43,497	8,302	7,060	43,753	1,297	103,909

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 物業、廠房及設備(續)

截至2019年12月31日止年度，折舊開支約8,669,000港元(2018年：7,825,000港元)已於行政開支扣除及約22,743,000港元(2018年：21,808,000港元)已於銷售成本扣除。

12 PROPERTIES, PLANT AND EQUIPMENT (continued)

During the year ended 31 December 2019, depreciation expenses of approximately HKD8,669,000 (2018: HKD7,825,000) have been charged in administrative expenses and approximately HKD22,743,000 (2018: HKD21,808,000) have been charged in cost of sales respectively.

13 無形資產

13 INTANGIBLE ASSETS

		系統軟件 System Software 千港元 HKD'000
於2018年1月1日	At 1 January 2018	
成本	Cost	2,007
累計攤銷	Accumulated amortisation	—
賬面淨值	Net book amount	2,007
截至2018年12月31日止年度	Year ended 31 December 2018	
期初賬面淨值	Opening net book amount	2,007
添置	Additions	564
攤銷(附註6)	Amortisation (Note 6)	(643)
期末賬面淨值	Closing net book amount	1,928
於2018年12月31日	At 31 December 2018	
成本	Cost	2,571
累計攤銷	Accumulated amortisation	(643)
賬面淨值	Net book amount	1,928
截至2019年12月31日止年度	Year ended 31 December 2019	
期初賬面淨值	Opening net book amount	1,928
添置	Additions	3,124
攤銷(附註6)	Amortisation (Note 6)	(1,614)
期末賬面淨值	Closing net book amount	3,438
於2019年12月31日	At 31 December 2019	
成本	Cost	5,695
累計攤銷	Accumulated amortisation	(2,257)
賬面淨值	Net book amount	3,438

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 無形資產(續)

截至2019年12月31日止年度，攤銷開支約1,614,000港元(2018年：643,000港元)已於行政開支扣除。

13 INTANGIBLE ASSETS (continued)

During the year ended 31 December 2019, amortisation expenses of approximately HKD1,614,000 (2018: HKD643,000) has been charged in administrative expenses.

14 按類別劃分的金融工具

14 FINANCIAL INSTRUMENTS BY CATEGORIES

		按攤銷成本計量的金融資產 Financial assets carried at amortised cost	
		2019 千港元 HKD'000	2018 千港元 HKD'000
綜合財務狀況表所示資產	Assets as per consolidated statement of financial position		
貿易應收款項(附註18)	Trade receivables (Note 18)	203,375	255,974
按金及其他應收款項(附註15)	Deposits and other receivables (Note 15)	2,426	3,757
應收關聯公司款項(附註30)	Amounts due from related companies (Note 30)	2,932	–
應收當時同系附屬公司款項 (附註30)	Amount due from the then fellow subsidiary (Note 30)	–	2,506
應收當時直接控股公司款項 (附註30)	Amount due from the then immediate holding company (Note 30)	–	243,961
已抵押銀行存款(附註17)	Pledged bank deposits (Note 17)	10,000	10,000
現金及現金等價物(附註17)	Cash and cash equivalents (Note 17)	138,623	46,171
		357,356	562,369

		按攤銷成本計量的金融負債 Financial liabilities carried at amortised cost	
		2019 千港元 HKD'000	2018 千港元 HKD'000
綜合財務狀況表所示負債	Liabilities as per consolidated statement of financial position		
貿易應付款項(附註21)	Trade payables (Note 21)	113,364	198,799
其他應付款項及應計費用 (附註23)	Other payables and accruals (Note 23)	60,622	65,788
租賃負債(附註19)	Lease liabilities (Note 19)	47,951	60,649
應付票據(附註22)	Bills payables (Note 22)	30,399	49,858
應付當時同系附屬公司款項 (附註30)	Amounts due to the then fellow subsidiaries (Note 30)	–	1,809
銀行借款(附註25)	Bank borrowings (Note 25)	266,593	396,373
		518,929	773,276

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 預付款項、按金及其他應收款項

15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2019 千港元 HKD'000	2018 千港元 HKD'000
非即期部分	Non-current portion		
按金	Deposits	1,309	1,304
收購物業、廠房及設備的 預付款項	Prepayments for acquisition of properties, plant and equipment	3,360	1,071
		4,669	2,375
即期部分	Current portion		
預付款項	Prepayment	2,368	3,121
按金(附註a)	Deposits (Note a)	102	1,400
其他應收稅項及可收回增值稅	Other tax receivables and VAT recoverable	1,830	16,769
其他應收款項(附註a及b)	Other receivables (Notes a and b)	1,015	1,053
遞延上市開支(附註c)	Deferred listing expenses (Note c)	7,475	2,482
		12,790	24,825
		17,459	27,200

附註：

- (a) 於2019年及2018年12月31日，按金及其他應收款項的賬面值與其公平值相若。
- (b) 該等金額為無抵押、免息及須按要求償還。
- (c) 遞延上市開支就本集團上市產生及將於本集團上市後從權益中扣減。

本集團的預付款項、按金及其他應收款項的賬面值按以下貨幣計值：

Notes:

- (a) As at 31 December 2019 and 2018, the carrying amounts of deposits and other receivables approximated their fair values.
- (b) The amounts were unsecured, interest-free and repayable on demand.
- (c) The deferred listing expenses were incurred in connection with the listing of the Group and will be deducted from equity upon the listing of the Group.

The carrying amounts of the Group's prepayments, deposits and other receivables were denominated in the following currencies:

		2019 千港元 HKD'000	2018 千港元 HKD'000
人民幣	RMB	7,099	20,783
港元	HKD	10,360	6,417
		17,459	27,200

16 存貨

16 INVENTORIES

		2019 千港元 HKD'000	2018 千港元 HKD'000
原材料	Raw materials	76,886	121,761
半成品	Work in progress	7,735	16,136
製成品	Finished goods	42,257	84,984
		126,878	222,881

截至2019年12月31日止年度，確認為開支並計入銷售成本的存貨成本約為748,203,000港元(2018年：945,258,000港元)。

The cost of inventories recognised as expense and included in cost of sales during the year ended 31 December 2019 amounted to approximately HKD748,203,000 (2018: HKD945,258,000).

截至2019年12月31日止年度，存貨減值撥回金額約409,000港元(2018年：存貨減值撥備約12,292,000港元)自損益扣除並計入「銷售成本」。

Reversal of impairment of inventories amounting to approximately HKD409,000 (2018: provision for impairment of inventories approximately HKD12,292,000) were charged to profit or loss and included in "cost of sales" during the year ended 31 December 2019.

17 現金及現金等價物及已抵押銀行存款

17 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

		2019 千港元 HKD'000	2018 千港元 HKD'000
銀行現金	Cash at banks	138,395	46,032
手頭現金	Cash on hand	228	139
現金及現金等價物	Cash and cash equivalents	138,623	46,171
已抵押銀行存款	Pledged bank deposits	10,000	10,000
		148,623	56,171
最高信貸風險	Maximum exposure to credit risk	148,395	56,032

於2019年12月31日，10,000,000港元(2018年：10,000,000港元)的存款被質押以取得銀行向本集團批授的融資，詳情載於附註25。

As at 31 December 2019, deposits amounting to HKD10,000,000 (2018: HKD10,000,000) were pledged for the facilities granted by banks to the Group, details of which are set out in Note 25.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 現金及現金等價物及已抵押銀行存款(續)

現金及現金等價物就綜合現金流量表而言包括以下項目：

		2019 千港元 HKD'000	2018 千港元 HKD'000
現金及現金等價物	Cash and cash equivalents	138,623	46,171

本集團現金及現金等價物以及已抵押銀行存款的賬面值以下列貨幣計值：

		2019 千港元 HKD'000	2018 千港元 HKD'000
人民幣	RMB	6,657	2,800
美元	USD	48,580	14,214
港元	HKD	93,334	39,046
其他	Others	52	111
		148,623	56,171

銀行現金根據每日銀行存款利率按浮息賺取利息。於2019年及2018年12月31日，現金及現金等價物的賬面值與其公平值相若。

於2019年12月31日，本集團的現金及現金等價物約為6,487,000港元（2018年：2,717,000港元），存於中國境內的銀行，而將資金匯出中國受中國政府頒布的外匯管制規則及法規所規限。

17 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS (continued)

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

The carrying amounts of the Group's cash and cash equivalents and pledged bank deposits were denominated in the following currencies:

Cash at banks earned interest at floating rates based on daily bank deposits rate. As at 31 December 2019 and 2018, the carrying amounts of cash and cash equivalents approximated their fair values.

As at 31 December 2019, cash and cash equivalents of the Group amounting to approximately HKD6,487,000 (2018: HKD2,717,000), were deposited with the banks in the PRC where the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the government of the PRC.

18 貿易應收款項

18 TRADE RECEIVABLES

		2019 千港元 HKD'000	2018 千港元 HKD'000
貿易應收款項	Trade receivables	204,931	257,530
減：貿易應收款項 減值撥備	Less: provision for impairment of trade receivables	(1,556)	(1,556)
		203,375	255,974

於2019年及2018年12月31日，貿易應收款項的賬面值與其公平值相若。

As at 31 December 2019 and 2018, the carrying amounts of trade receivables approximated their fair values.

本集團銷售的信貸期介乎15至120天不等。

The Group's sales are made on credit terms ranging from 15 to 120 days.

於2019年及2018年12月31日，貿易應收款項(已計減值)按發票日期的賬齡分析如下：

As at 31 December 2019 and 2018, the aging analysis of trade receivables, net of impairment, based on invoice date, were as follows:

		2019 千港元 HKD'000	2018 千港元 HKD'000
0至30天	0 to 30 days	100,298	67,706
31至60天	31 to 60 days	41,829	78,108
61至90天	61 to 90 days	28,782	44,210
91至180天	91 to 180 days	26,096	56,877
181至365天	181 to 365 days	3,360	8,297
365天以上	Over 365 days	3,010	776
		203,375	255,974

於2019年12月31日，約51,097,000港元(2018年：103,649,000港元)的貿易應收款項已逾期但未減值。

As at 31 December 2019, trade receivables amounting to approximately HKD51,097,000 (2018: HKD103,649,000) were past due but not impaired.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 貿易應收款項(續)

撥備(按個別基準)之變動如下：

		2019 千港元 HKD'000	2018 千港元 HKD'000
於年初	At beginning of the year	1,556	1,556
貿易應收款項減值撥備 (按個別基準)	Provision for impairment of trade receivables on individual basis	—	—
於年末	At end of the year	1,556	1,556

本集團的貿易應收款項的賬面值以下列貨幣計值：

The carrying amounts of the Group's trade receivables were denominated in the following currencies:

		2019 千港元 HKD'000	2018 千港元 HKD'000
美元	USD	190,212	244,406
港元	HKD	8,639	9,381
歐元	EURO	40	—
人民幣	RMB	4,484	2,187
		203,375	255,974

於2019年及2018年12月31日的最高信貸風險為上文所述貿易應收款項的賬面值。本集團並無持有任何抵押品作為抵押。

The maximum exposure to credit risk as at 31 December 2019 and 2018 was the carrying value of the trade receivables mentioned above. The Group does not hold any collateral as security.

19 租賃

19 LEASES

(a) 於綜合財務狀況表確認的款項

綜合財務狀況表列示以下租賃相關款項，而結餘計入附註12「物業、廠房及設備」：

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases and that the balances were included in Note 12 “Properties, plant and equipment”:

		2019 千港元 HKD'000	2018 千港元 HKD'000
使用權資產	Right-of-use assets		
物業	Properties	43,497	58,204
		2019 千港元 HKD'000	2018 千港元 HKD'000
租賃負債	Lease liabilities		
非流動部分	Non-current portion	34,737	48,714
流動部分	Current portion	13,214	11,935
		47,951	60,649

截至2019年12月31日止年度，並無使用權資產添置。截至2018年12月31日止年度，使用權資產添置約71,052,000港元。

於2019年及2018年12月31日，本集團租賃負債的賬面值均以港元計值，惟以人民幣計值的分別約43,688,000港元及52,846,000港元除外。

There were no additions to the right-of-use assets during the year ended 31 December 2019. Additions to the right-of-use assets amounted to approximately HKD71,052,000 during the year ended 31 December 2018.

As at 31 December 2019 and 2018, the carrying amounts of the Group's lease liabilities were denominated in HKD, except for approximately HKD43,688,000 and HKD52,846,000, which were denominated in RMB respectively.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 租賃(續)

19 LEASES (continued)

(b) 於綜合全面收益表確認的款項

(b) Amounts recognised in the consolidated statement of comprehensive income

綜合全面收益表包括以下租賃相關款項：

The consolidated statement of comprehensive income included the following amounts relating to leases:

		2019 千港元 HKD'000	2018 千港元 HKD'000
使用權資產折舊開支 物業	Depreciation charge of right-of-use assets Properties	14,004	13,127
租賃融資成本(附註9)	Finance costs on leases (Note 9)	3,620	3,299

(c) 於綜合現金流量表確認的款項

(c) Amounts recognised in the consolidated statement of cash flows

年內有關租賃的總現金流出如下：

The total cash outflows for leases during the year were as follow:

		2019 千港元 HKD'000	2018 千港元 HKD'000
經營活動產生的現金流量 有關以下各項的 短期租賃付款： — 物業*(附註6) — 廠房及機器*(附註6)	Cash flows from operating activities Payments for short-term leases in respect of: — Properties* (Note 6) — Plant and machinery* (Note 6)	872 53	2,657 587
融資活動產生的現金流量 支付租賃負債之利息部分 (附註9) 支付租賃負債之 本金部分	Cash flows from financing activities Payment of interest element of lease liabilities (Note 9) Payment of principal element of lease liabilities	3,620 11,918	3,299 7,459
		16,463	14,002

* 短期租賃付款並未單獨呈列，惟採用間接法計入與附註27a所呈列經營產生的淨現金有關的「除所得稅前溢利」項目內。

* Payments for short-term leases were not shown separately, but included in the line of “profit before income tax” in respect of the net cash generated from operations which were presented in Note 27a using the indirect method.

20 遞延所得稅

20 DEFERRED INCOME TAX

		2019 千港元 HKD'000	2018 千港元 HKD'000
遞延稅項資產	Deferred tax assets	5,078	6,010

截至2019年及2018年12月31日止年度，遞延稅項資產的變動(未經計及抵銷相同稅務司法權區內的結餘)如下：

The movement in deferred tax assets during the years ended 31 December 2019 and 2018, without taking into consideration the offsetting of balances within the same tax jurisdiction, was as follows:

		撥備 Provisions 千港元 HKD'000	使用 權資產及 租賃負債 Rights-of-use assets and lease liabilities 千港元 HKD'000	總計 Total 千港元 HKD'000
於2018年1月1日	At 1 January 2018	2,568	39	2,607
於綜合全面收益表 入賬／(扣除) (附註10)	Credited/(charged) to the consolidated statement of comprehensive income (Note 10)	3,073	585	3,658
匯兌差額	Exchange differences	(234)	(21)	(255)
於2018年12月31日及 2019年1月1日	At 31 December 2018 and 1 January 2019	5,407	603	6,010
於綜合全面收益表 (扣除)／入賬 (附註10)	(Charged)/credited to the consolidated statement of comprehensive income (Note 10)	(1,362)	521	(841)
匯兌差額	Exchange differences	(71)	(20)	(91)
於2019年12月31日	At 31 December 2019	3,974	1,104	5,078

於2019年12月31日，本集團的中國附屬公司擁有未分派盈利約48,872,000港元(2018年：36,492,000港元)，倘用於派付股息，則接收方須繳納稅項。因母公司可控制中國附屬公司分派股息的時點，即使存在應課稅暫時性差額，惟未確認遞延稅項負債，且預計在可預見的未來不會分派該等溢利。

The PRC subsidiary of the Group has undistributed earnings of approximately HKD48,872,000 as at 31 December 2019 (2018: HKD36,492,000), which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions of dividends from the PRC subsidiary and is not expected to distribute these profits in the foreseeable future.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 貿易應付款項

21 TRADE PAYABLES

		2019 千港元 HKD'000	2018 千港元 HKD'000
貿易應付款項	Trade payables	113,364	198,799

於2019年及2018年12月31日，貿易應付款項按發票日期的賬齡分析如下：

As at 31 December 2019 and 2018, the aging analysis of trade payables, based on invoice date, were as follows:

		2019 千港元 HKD'000	2018 千港元 HKD'000
0至30天	0 to 30 days	49,588	132,176
31至60天	31 to 60 days	32,243	30,995
61至90天	61 to 90 days	16,420	18,553
91至180天	91 to 180 days	9,875	11,452
181至365天	181 to 365 days	984	1,831
365天以上	Over 365 days	4,254	3,792
		113,364	198,799

本集團貿易應付款項的賬面值以下列貨幣計值：

The carrying amounts of the Group's trade payables were denominated in the following currencies:

		2019 千港元 HKD'000	2018 千港元 HKD'000
港元	HKD	13,095	44,728
美元	USD	50,892	45,370
人民幣	RMB	48,061	106,707
其他	Others	1,316	1,994
		113,364	198,799

於2019年及2018年12月31日，貿易應付款項的賬面值與其公平值相若。

As at 31 December 2019 and 2018, the carrying amounts of trade payables approximated their fair values.

22 應付票據

22 BILLS PAYABLES

		2019 千港元 HKD'000	2018 千港元 HKD'000
應付票據	Bills payables	30,399	49,858

於2019年及2018年12月31日，應付票據的賬面值均以港元計值且與其公平值相若。

As at 31 December 2019 and 2018, the carrying amounts of bills payables were all denominated in HKD and approximated their fair values.

23 其他應付款項及應計費用以及遞延政府補助

23 OTHER PAYABLES AND ACCRUALS AND DEFERRED GOVERNMENT GRANTS

(a) 其他應付款項及應計費用

(a) Other payables and accruals

		2019 千港元 HKD'000	2018 千港元 HKD'000
應計僱員福利開支	Accrued employee benefit expenses	17,799	34,080
應計銷售佣金開支	Accrued sale commission expenses	16,792	15,335
其他應計費用	Other accruals	8,455	18,477
應計上市開支	Accrued listing expenses	8,717	3,174
收購物業、廠房及設備的應付款項	Payables for acquisition of properties, plant and equipment	2,986	3,046
其他應付款項	Other payables	32,959	30,814
		87,708	104,926

於2019年及2018年12月31日，其他應付款項及應計費用的賬面值與其公平值相若。

As at 31 December 2019 and 2018, the carrying amounts of other payables and accruals approximated their fair values.

本集團的其他應付款項及應計費用的賬面值以下列貨幣計值：

The carrying amounts of the Group's other payables and accruals were denominated in the following currencies:

		2019 千港元 HKD'000	2018 千港元 HKD'000
人民幣	RMB	17,236	25,965
美元	USD	27,681	21,637
港元	HKD	42,791	57,324
		87,708	104,926

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 其他應付款項及應計費用以及 遞延政府補助(續)

23 OTHER PAYABLES AND ACCRUALS AND DEFERRED GOVERNMENT GRANTS (continued)

(b) 遞延政府補助

(b) Deferred government grants

		2019 千港元 HKD'000	2018 千港元 HKD'000
於1月1日	At 1 January	—	—
年內已收	Received during the year	2,925	—
撥回至綜合全面收益表 (附註7b)	Released to the consolidated statement of comprehensive income (Note 7b)	(1,348)	—
		1,577	—
非即期部分	Non-current portion	428	—
即期部分	Current portion	1,149	—
		1,577	—

截至2019年12月31日止年度，已收到有關購買設備及軟件許可證的政府補助及償付開支。直至2019年12月31日，本集團未產生若干該等開支或購買設備及軟件許可證。因此，相應預付款項已於2019年12月31日遞延。除上述未動用部分外，該等補助概無附帶其他尚未達成條件或或然事件。

During the year ended 31 December 2019, government grants have been received for the purchases of equipment and software licenses, and reimbursement of expenses. Up to 31 December 2019, certain of these expenses and the equipment and software licenses have not been incurred or purchased by the Group. Therefore, the corresponding advance payments have been deferred as at 31 December 2019. Except for the aforementioned unutilised portions, there are no other unfulfilled conditions or contingencies attached to these grants.

24 股息

截至2019年12月31日止年度，應付當時直接控股公司的中期股息104,000,000港元以抵銷應收當時直接控股公司款項的方式結算。

於2020年3月27日舉行的董事會會議上，董事建議派付截至2019年12月31日止年度的末期股息每股普通股0.01港元，合共20,000,000港元。末期股息於該等綜合財務報表中未反映為應付股息，但待股東於應屆股東週年大會上批准後，該股息將反映為截至2020年12月31日止年度的留存收益分配。

24 DIVIDENDS

During the year ended 31 December 2019, interim dividends payable to the then immediate holding company amounting to HKD104,000,000 were settled by way of offsetting the amount due from the then immediate holding company.

At the board meeting held on 27 March 2020, the directors recommended the payment of a final dividend of HKD0.01 per ordinary share for the year ended 31 December 2019, amounting to a total of HKD20,000,000. The final dividend was not reflected as dividend payable in these consolidated financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2020 after receiving shareholders' approval at the forthcoming annual general meeting.

25 銀行借款

25 BANK BORROWINGS

		2019 千港元 HKD'000	2018 千港元 HKD'000
非即期部分	Non-current portion		
— 一至二年	— 1 to 2 years	28,500	—
— 二至五年	— 2 to 5 years	16,500	—
		45,000	—
即期部分	Current portion		
— 一年內	— within 1 year	6,000	—
— 須按要求償還	— repayable on demand	215,593	396,373
		221,593	396,373
		266,593	396,373

25 銀行借款(續)

未計及須按要求償還條款的應償還銀行借款如下：

		2019 千港元 HKD'000	2018 千港元 HKD'000
一年內	Within 1 year	221,593	376,373
一至二年	Between 1 and 2 years	28,500	10,000
二至五年	Between 2 and 5 years	16,500	10,000
		266,593	396,373

於2019年12月31日，包含一條授予貸款人可隨時要求償還的無條件權利的條款的銀行借款約215,593,000港元(2018年：396,373,000港元)分類為流動負債，不論貸款人是否將無故行使此條款之概率。

於2019年12月31日，銀行借款的加權平均實際年利率分別為4.4%(2018年：3.7%)。

於2019年及2018年12月31日，本集團的銀行借款乃以港元計值，且與其公平值相若。

於2019年及2018年12月31日，銀行借款及銀行融資乃以下列各項作抵押：

- (i) 若干關聯公司擁有的若干物業；
- (ii) 若干關聯公司提供的擔保323,000,000港元；及德豐香港提供的無限額擔保；
- (iii) 利信於2019年及2018年12月31日提供的無限額擔保。有關擔保安排的詳情，請參閱附註3.2及30；
- (iv) 德豐香港的承諾函；
- (v) 本公司董事及控股股東朱慧恒先生及本公司控股股東朱惠璋先生提供的無限額個人擔保；及
- (vi) 銀行存款10,000,000港元(附註17)。

The bank borrowings were repayable, without taking into account the repayable on demand clauses, as follows:

As at 31 December 2019, bank borrowings of approximately HKD215,593,000 (2018: HKD396,373,000) which contain a clause that gives the lender the unconditional right to demand repayment at any time has been classified as a current liability irrespective of the probability that the lender will invoke the clause without cause.

As at 31 December 2019, the weighted average effective interest rate on bank borrowings was 4.4% (2018: 3.7%) per annum.

As at 31 December 2019 and 2018, bank borrowings of the Group were denominated in HKD and approximated their fair values.

As at 31 December 2019 and 2018, the bank borrowings and banking facilities were secured by the following:

- (i) Certain properties owned by certain related companies;
- (ii) Guarantee of HKD323,000,000 from certain related companies; and guarantee of unlimited amounts from Defond HK;
- (iii) Guarantee of unlimited amount from Rayson as at 31 December 2019 and 2018. For details of the guarantee arrangement, please refer to Notes 3.2 and 30;
- (iv) Letter of undertaking from Defond HK;
- (v) Personal guarantee of unlimited amounts from Mr. Raymond Chu, a director and Controlling Shareholder of the Company, and Mr. Wilson Chu, the Controlling Shareholder of the Company; and
- (vi) Bank deposits amounting to HKD10,000,000 (Note 17).

26 股本

26 SHARE CAPITAL

		股份數目 Number of shares	面值 Nominal value
		千股 '000	千港元 HKD'000
於2019年1月15日 (註冊成立日期)	At 15 January 2019 (date of incorporation)	—	—
發行股份	Issuance of shares	1,000	10
於2019年12月31日	At 31 December 2019	1,000	10

根據股東於2019年12月10日通過的書面決議案，於2020年1月10日，按面值向股東配發及發行總共1,499,000,000股每股面值0.01港元的股份，於上市日期按比例自本公司的股份溢價賬中將14,990,000港元資本化(「資本化發行」)。

Pursuant to the written resolution passed by the shareholders on 10 December 2019, a total of 1,499,000,000 shares of HKD0.01 each were allotted and issued at par value to the shareholders as of 10 January 2020 on a pro rata basis by way of capitalisation of HKD14,990,000 (the “Capitalisation Issue”) from the Company’s share premium account on the Listing Date.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 綜合現金流量表附註

27 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) 年內除所得稅前溢利與經營產生的淨現金對賬

(a) Reconciliation of profit before income tax for the year to net cash generated from operations

		2019 千港元 HKD'000	2018 千港元 HKD'000
除所得稅前溢利	Profit before income tax	43,960	96,159
就以下各項作出調整：	Adjustments for:		
融資收入(附註9)	Finance income (Note 9)	(69)	(3,980)
融資成本(附註9)	Finance costs (Note 9)	19,362	15,205
折舊(附註12)	Depreciation (Note 12)	31,412	29,633
攤銷(附註13)	Amortisation (Note 13)	1,614	643
存貨減值(撥回)/撥備(附註6)	(Reversal of)/provision for impairment of inventories (Note 6)	(409)	12,292
出售物業、廠房及設備的虧損(附註b)	Losses on disposal of properties, plant and equipment (Note b)	2,291	1,987
長期服務金計劃	Long service payment scheme	—	(65)
政府補助(附註7b)	Government grants (Note 7b)	(1,348)	—
		96,813	151,874
營運資金變動：	Changes in working capital:		
— 貿易及其他應收款項	— Trade and other receivables	69,454	21,259
— 存貨	— Inventories	95,816	(28,373)
— 與關聯方之結餘	— Balances with related parties	(2,242)	(18,057)
— 貿易及其他應付款項	— Trade and other payables	(100,927)	(68,050)
— 應付票據	— Bills payables	(19,459)	(30,550)
— 遞延政府補助	— Deferred government grants	2,151	—
經營產生的淨現金	Net cash generated from operations	141,606	28,103

(b) 於綜合現金流量表中，出售物業、廠房及設備所得款項包括：

(b) In the consolidated statement of cash flows, proceeds from disposal of properties, plant and equipment comprised:

		2019 千港元 HKD'000	2018 千港元 HKD'000
出售賬面淨值	Net book amounts disposed	2,544	2,275
出售物業、廠房及設備的虧損(附註7a)	Losses on disposal of properties, plant and equipment (Note 7a)	(2,291)	(1,987)
出售物業、廠房及設備所得款項	Proceeds from disposal of properties, plant and equipment	253	288

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 綜合現金流量表附註(續)

27 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) 融資活動產生的負債對賬如下：

(c) The reconciliations of liabilities arising from financing activities were as follows:

		租賃負債 Lease liabilities 千港元 HKD'000	應付股息 Dividend payable 千港元 HKD'000	銀行借款 Bank borrowings 千港元 HKD'000
於2018年1月1日	At 1 January 2018	2,244	30,000	318,594
現金流量	Cash flows			
— 銀行借款所得款項	— Proceeds from bank borrowings	—	—	870,645
— 償還銀行借款	— Repayment of bank borrowings	—	—	(792,866)
— 已付股息	— Dividend paid	—	(30,000)	—
— 支付租賃負債之 本金部分	— Payment of principal element of lease liabilities	(7,459)	—	—
— 支付租賃負債之 利息部分	— Payment of interest element of lease liabilities	(3,299)	—	—
其他非現金變動	Other non-cash movements			
— 租賃負債增加	— Additions of lease liabilities	71,052	—	—
— 匯兌差額	— Exchange difference	(1,889)	—	—
於2018年12月31日及 2019年1月1日	At 31 December 2018 and 1 January 2019	60,649	—	396,373
現金流量	Cash flows			
— 銀行借款所得款項	— Proceeds from bank borrowings	—	—	896,933
— 償還銀行借款	— Repayment of bank borrowings	—	—	(1,026,713)
— 支付租賃負債之 本金部分	— Payment of principal element of lease liabilities	(11,918)	—	—
— 支付租賃負債之 利息部分	— Payment of interest element of lease liabilities	(3,620)	—	—
其他非現金變動	Other non-cash movements			
— 利息開支	— Interest expenses	3,620	—	—
— 匯兌差額	— Exchange difference	(780)	—	—
於2019年12月31日	At 31 December 2019	47,951	—	266,593

(d) 主要非現金交易：

(d) Major non-cash transactions:

- (i) 截至2018年12月31日止年度，應收當時同系附屬公司款項及應付當時同系附屬公司的款項分別約113,308,000港元及1,069,000港元已更替至當時直接控股公司。
- (ii) 截至2019年12月31日止年度，應付當時直接控股公司的中期股息104,000,000港元乃透過抵銷應收當時直接控股公司款項的方式結算。

- (i) During the year ended 31 December 2018, amounts due from the then fellow subsidiaries and amount due to the then fellow subsidiary amounting to approximately HKD113,308,000 and HKD1,069,000 respectively were novated to the then immediate holding company.
- (ii) During the year ended 31 December 2019, interim dividends payable to the then immediate holding company amounting to HKD104,000,000 were settled by way of offsetting the amount due from the then immediate holding company.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 主要附屬公司詳情

本集團於2019年12月31日的主要附屬公司如下。除另有說明外，否則彼等擁有的股本僅由本集團直接持有的普通股組成，且持有的所有權權益比例等於本集團的表決權。註冊成立或登記的國家亦為其主要營業地點。

28 PARTICULARS OF PRINCIPAL 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 directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The countries of incorporation or registration are also their principal place of business.

				本集團持有的所有權權益 Ownership interest held by the Group	
				2019	2018
附屬公司名稱	註冊成立／ 登記的地點及日期 Place and date of incorporation/ registration	主要業務及 經營地點 Principal activities and place of operation	註冊／已發行及 已繳足股本 Registered/ issued and fully paid up capital	持有權益	持有權益
Name of subsidiary				Interest held	Interest held
直接權益： Direct interests:					
Brilliant Holdings Investments Group Limited	英屬處女群島： 2019年1月10日	於英屬處女群島 進行投資控股	1美元	100%	不適用
Brilliant Holdings Investments Group Limited	BVI; 10 January 2019	Investment holding in BVI	USD1	100%	N/A
間接權益： Indirect interests:					
麗年控股有限公司 Wise Ally Holdings Limited	香港：2010年7月29日 Hong Kong; 29 July 2010	於香港銷售電子產品 Trading of electronic products in Hong Kong	100,000港元 HKD100,000	100%	100%
東莞威雅利實業有限公司 Dongguan Wise Ally Industrial Co., Ltd.* (東莞威雅利實業有限公司)	中國： 2010年12月13日 The PRC; 13 December 2010	於中國製造及 銷售電子產品 Manufacturing and trading of electronic products in the PRC	64,800,000港元 HKD64,800,000	100%	100%

* The English translation is for identification purpose only. This company does not have official English name.

29 資本承擔

於年末，已訂約但尚未產生的資本開支如下：

29 CAPITAL COMMITMENTS

Capital expenditure contracted for but not yet incurred at the end of the year was as follows:

		2019 千港元 HKD'000	2018 千港元 HKD'000
已訂約但尚未撥備	Contracted but not provided for	2,235	1,087

30 關聯方交易及結餘

關聯方為有能力控制、共同控制或對於被投資對象持有權力的其他方行使重大影響力；透過參與被投資對象的活動而獲得或有權享有可變回報；以及有能力對被投資對象使用權力，以影響投資者回報的金額的各方。假如各方受到相同控制或共同控制，亦被視為關聯方。關聯方可以是個人或其他實體。

控股股東於附註1.1披露。

30 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amounts of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

The Controlling Shareholders are disclosed in Note 1.1.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 關聯方交易及結餘(續)

年內與本集團存在交易的主要關聯方如下：

關聯方 Related parties

朱慧恒先生
Mr. Raymond Chu

朱惠璋先生
Mr. Wilson Chu

曾明哲先生
Mr. Tsang Ming Chit Stanley

陳志明先生
Mr. Chan Chi Ming

德豐電業有限公司
Defond Electrical Industries Limited

德豐香港
Defond HK

利信
Rayson

利欣實業(東莞)有限公司
Liren Industry (Dongguan) Limited*
(利欣實業(東莞)有限公司)

東莞市卓豐五金有限公司
Dongguan City Zuo Feng Hardware Limited*
(東莞市卓豐五金有限公司)

德豐電創科技股份有限公司(前稱東莞辰達電器有限公司)
Defond Electech Co., Ltd* (德豐電創科技股份有限公司)
(formerly known as Dongguan Chen Da Electronics Limited*
(東莞辰達電器有限公司))

附註：

a：於2018年1月1日以及直至2018年12月19日，利信及利欣實業(東莞)有限公司(利信的全資附屬公司)由控股股東集體控制。根據日期為2018年12月20日的買賣協議，控股股東向一名第三方出售彼等於利信及利欣實業(東莞)有限公司的全部股權。於出售後，利信及利欣實業(東莞)有限公司於2018年12月31日由一名第三方控制。

b：陳志明先生已於2019年3月19日起獲委任為香港麗年的董事。

30 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Major related parties that had transactions with the Group during the year were as follows:

於2019年及2018年12月31日與本集團的關係 Relationship with the Group as at 31 December 2019 and 2018

控股股東
Controlling Shareholder

控股股東
Controlling Shareholder

本公司董事
Director of the Company

附註b
Note b

由控股股東控制
Controlled by Controlling Shareholders

由控股股東控制
Controlled by Controlling Shareholders

附註a
Note a

附註a
Note a

由控股股東控制
Controlled by Controlling Shareholders

由控股股東控制
Controlled by Controlling Shareholders

Notes:

a: As at 1 January 2018 and up to 19 December 2018, Rayson and Liren Industry (Dongguan) Limited* (利欣實業(東莞)有限公司), a wholly owned subsidiary of Rayson, were collectively controlled by the Controlling Shareholders. Pursuant to a sales and purchase agreement dated 20 December 2018, the Controlling Shareholders disposed of their entire equity interests in Rayson and Liren Industry (Dongguan) Limited* (利欣實業(東莞)有限公司) to a third-party. Subsequent to the disposal, Rayson and Liren Industry (Dongguan) Limited* (利欣實業(東莞)有限公司) are controlled by a third party as at 31 December 2018.

b: Mr. Chan Chi Ming has been appointed as the director of HK Wise Ally since 19 March 2019.

* For identification purpose only

綜合財務報表附註
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 關聯方交易及結餘(續)

30 RELATED PARTY TRANSACTIONS AND
BALANCES (continued)

(a) 與關聯方之結餘

(a) Balances with related parties

		2019 千港元 HKD'000	2018 千港元 HKD'000
貿易性質	Trade nature		
應收關聯公司款項	Amounts due from related companies		
— 德豐電創科技股份 有限公司 (前稱東莞辰達電器 有限公司)	— Defond Electech Co., Ltd* (德豐電創科 技股份有限公司) (formerly known as Dongguan Chen Da Electronics Limited* (東莞辰達電器有限公司))	366	—
— 德豐電業有限公司	— Defond Electrical Industries Limited	2,566	—
		2,932	—
應收當時同系附屬公司款項	Amount due from the then fellow subsidiary		
— 德豐電創科技股份 有限公司(前稱東莞辰達 電器有限公司)	— Defond Electech Co., Ltd* (德豐電創科 技股份有限公司) (formerly known as Dongguan Chen Da Electronics Limited* (東莞辰達電器有限公司))	—	2,506
應付當時同系附屬公司款項	Amounts due to the then fellow subsidiaries		
— 德豐電業有限公司	— Defond Electrical Industries Limited	—	1,803
— 東莞市卓豐五金有限公司	— Dongguan City Zuo Feng Hardware Limited* (東莞市卓豐五金有限公司)	—	6
		—	1,809
非貿易性質	Non-trade nature		
應收當時直接控股公司款項	Amount due from the then immediate holding company		
— 德豐香港	— Defond HK	—	243,961

* For identification purpose only

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 關聯方交易及結餘(續)

(a) 與關聯方之結餘(續)

於2019年及2018年12月31日，應收關聯公司、當時同系附屬公司及當時直接控股公司款項為無抵押、免息及須於未來十二個月內償還。

本集團應收關聯公司及當時同系附屬公司款項及應付關聯公司及當時同系附屬公司款項一般擁有60天的信貸期。

於2019年及2018年12月31日，屬於貿易性質的應收關聯公司款項、應收當時同系附屬公司款項及應付當時同系附屬公司款項按發票日期的賬齡分析如下：

應收關聯公司款項

		2019 千港元 HKD'000	2018 千港元 HKD'000
0至30天	0 to 30 days	46	—
31至60天	31 to 60 days	320	—
61至90天	61 to 90 days	—	—
91至180天	91 to 180 days	2,566	—
		2,932	—

應收當時同系附屬公司款項

		2019 千港元 HKD'000	2018 千港元 HKD'000
0至30天	0 to 30 days	—	2,506

30 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Balances with related parties (continued)

As at 31 December 2019 and 2018, the amounts due from related companies, the then fellow subsidiaries and the then immediate holding company were unsecured, interest-free and repayable within the next twelve months.

The Group's amounts due from and to related companies and the then fellow subsidiaries were made generally on credit terms of 60 days.

As at 31 December 2019 and 2018, the aging analysis of amounts due from related companies, amount due from the then fellow subsidiary and amounts due to the then fellow subsidiaries of trade nature, based on invoice date, were as follows:

Amounts due from related companies

Amount due from the then fellow subsidiary

30 關聯方交易及結餘(續)

30 RELATED PARTY TRANSACTIONS AND
BALANCES (continued)

(a) 與關聯方之結餘(續)

(a) Balances with related parties (continued)

應付當時同系附屬公司款項

Amounts due to the then fellow subsidiaries

		2019 千港元 HKD'000	2018 千港元 HKD'000
0至30天	0 to 30 days	—	160
31至60天	31 to 60 days	—	213
61至90天	61 to 90 days	—	512
91至180天	91 to 180 days	—	924
		—	1,809

(b) 與關聯方的交易

(b) Transactions with related parties

除於綜合財務報表其他部分所披露者外，截至2019年及2018年12月31日止年度，以下交易按雙方互相協定的條款與關聯方進行：

Save as disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties during the years ended 31 December 2019 and 2018, at terms mutually agreed by both parties:

(i) 控股股東提供的個人擔保以及控股股東所控制公司提供的公司擔保

(i) Personal guarantees provided by the Controlling Shareholders and corporate guarantees provided by companies controlled by the Controlling Shareholders

截至2019年及2018年12月31日止年度，若干本集團銀行借款及銀行融資以附註25所載控股股東提供的個人擔保，以及控股股東所控制公司提供的公司擔保作抵押。

During the years ended 31 December 2019 and 2018, certain of the Group's bank borrowings and banking facilities were secured by personal guarantees from the Controlling Shareholders and corporate guarantees provided by companies controlled by the Controlling Shareholders as set out in Note 25.

綜合財務報表附註
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 關聯方交易及結餘(續)

30 RELATED PARTY TRANSACTIONS AND
BALANCES (continued)

(b) 與關聯方的交易(續)

(b) Transactions with related parties (continued)

持續交易

Continuing transactions

(ii) 採購貨品

(ii) Purchase of goods

		2019 千港元 HKD'000	2018 千港元 HKD'000
自關聯公司採購貨品	Purchases of goods from a related company	99	—
自當時同系附屬公司採購貨品	Purchases of goods from the then fellow subsidiaries	1,592	5,972

非持續交易

Discontinuing transactions

(iii) 收益

(iii) Revenue

		2019 千港元 HKD'000	2018 千港元 HKD'000
向當時同系附屬公司作出銷售	Sales to the then fellow subsidiaries	17,820	49,995

(iv) 開支

(iv) Expenses

		2019 千港元 HKD'000	2018 千港元 HKD'000
向當時同系附屬公司支付企業開支	Corporate expenses to the then fellow subsidiary	—	12,100
向當時同系附屬公司償付開支	Reimbursement of expenses to the then fellow subsidiaries	1,011	90

30 關聯方交易及結餘(續)

30 RELATED PARTY TRANSACTIONS AND
BALANCES (continued)

(b) 與關聯方的交易(續)

(b) Transactions with related parties (continued)

非持續交易(續)

Discontinuing transactions (continued)

(v) 出售設備

(v) Sale of equipment

		2019 千港元 HKD'000	2018 千港元 HKD'000
向當時同系附屬公司 出售設備	Sales of equipment to the then fellow subsidiaries	478	42

(vi) 利息收入

(vi) Interest income

		2019 千港元 HKD'000	2018 千港元 HKD'000
來自當時直接控股公司的 利息收入	Interest income from the then immediate holding company	—	3,907

(vii) 股息

(vii) Dividend

		2019 千港元 HKD'000	2018 千港元 HKD'000
已宣派當時直接 控股公司股息	Dividend declared to the then immediate holding company	104,000	—

上述關聯方交易乃按訂約雙方相互協定的條款進行。本公司董事認為，該等交易乃於本集團的日常業務過程中根據有關協議的條款進行。

The above related party transactions were carried out on terms mutually agreed between the parties. In the opinion of the directors of the Company, these transactions were conducted in the ordinary course of business of the Group and in accordance with the terms of the underlying agreements.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 關聯方交易及結餘(續)

(c) 主要管理層薪酬

就僱員服務已付或應付主要管理層的薪酬列示如下：

		2019 千港元 HKD'000	2018 千港元 HKD'000
工資及薪金	Wages and salaries	21,574	21,659
退休金成本－界定供款計劃	Pension costs – defined contribution plan	144	131
		21,718	21,790

30 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Key management compensation

Compensation paid or payable to key management for employee services is shown below:

31 董事的利益及權益

(a) 董事酬金

每名董事的薪酬載列如下：

The remuneration of each director is set out below:

	袍金	薪金	酌情花紅	津貼及 實物利益	僱主對退休金 計劃的供款	總計
	Fees	Salary	Discretionary bonus	Allowances and benefits in kind	Employer's contribution to pension scheme	Total
	千港元 HKD'000	千港元 HKD'000	千港元 HKD'000	千港元 HKD'000	千港元 HKD'000	千港元 HKD'000
截至2019年 12月31日止年度	For the year ended 31 December 2019					
執行董事	Executive directors					
－朱慧恒	－	1,300	－	－	－	1,300
－曾明哲	－	3,500	1,522	1,440	18	6,480
－陳志明	－	1,715	395	－	－	2,110
獨立非執行董事	Independent non-executive directors					
－凌潔心	－	－	－	－	－	－
－李華倫	－	－	－	－	－	－
－司徒毓廷	－	－	－	－	－	－
	－	6,515	1,917	1,440	18	9,890
截至2018年 12月31日止年度	For the year ended 31 December 2018					
執行董事	Executive directors					
－朱慧恒	－	1,300	－	－	－	1,300
－曾明哲	－	3,980	2,400	960	18	7,358
	－	5,280	2,400	960	18	8,658

31 董事的利益及權益(續)

(a) 董事酬金(續)

於2019年3月11日，朱慧恒先生獲調任為本公司執行董事兼主席，及曾明哲先生獲調任為本公司執行董事兼行政總裁。陳志明先生於2019年3月19日獲委任為本公司執行董事。年內，彼等亦為本公司若干附屬公司董事及／或本集團僱員，而本集團於彼等獲委任為本公司執行董事前，就彼等作為該等附屬公司的董事及／或本集團的僱員向彼等支付酬金。

凌潔心女士、李華倫先生及司徒毓廷先生於2019年12月10日獲委任為本公司獨立非執行董事。截至2019年12月31日止年度，獨立非執行董事並無以董事身份收取任何董事薪酬。

截至2019年及2018年12月31日止年度，概無本公司董事(i)就接納職位收取或獲付任何薪酬；(ii)就管理本公司事務或其附屬公司業務的有關服務收取或獲付酬金；及(iii)放棄或已同意放棄任何酬金。

(b) 董事退休福利及終止福利

截至2019年及2018年12月31日止年度，概無就終止董事服務向董事直接或間接支付或作出酬金、退休福利、付款或福利；亦無任何應付款項。

(c) 就獲提供董事服務而向第三方提供代價

截至2019年及2018年12月31日止年度，概無就獲提供董事服務而向第三方提供代價。

31 BENEFITS AND INTERESTS OF DIRECTORS (continued)

(a) Directors' emoluments (continued)

Mr. Chu Wai Hang Raymond were redesignated as executive director and Chairman of the Company, and Mr. Tsang Ming Chit Stanley was redesignated as executive director and CEO of the Company on 11 March 2019. Mr. Chan Chi Ming was appointed as executive director of the Company on 19 March 2019. They were also directors of certain subsidiaries of the Company and/or employees of the Group during the year and the Group paid emoluments to them in their capacity as the directors of these subsidiaries and/or employees of the Group before their appointment as executive directors of the Company.

Ms. Ling Imma Kit Sum, Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting were appointed as independent non-executive directors of the Company on 10 December 2019. During the year ended 31 December 2019, the independent non-executive directors have not received any directors' remuneration in the capacity of directors.

None of the directors of the Company (i) received or paid any remuneration in respect of accepting office; (ii) received or paid emoluments in respect of services in connection with the management of the affairs of the Company or its subsidiaries' undertaking; and (iii) waived or has agreed to waive any emolument during the years ended 31 December 2019 and 2018.

(b) Directors' retirement benefits and termination benefits

No emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor were any payables during the years ended 31 December 2019 and 2018.

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available directors' services during the years ended 31 December 2019 and 2018.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 董事的利益及權益(續)

- (d) 有關以董事、由有關董事控制的法人團體及與其有關連的實體為受益人的貸款、準貸款及其他交易的資料

除綜合財務報表其他部分所披露者外，附註3.2所披露的擔保下可能產生的最大負債如下：

31 BENEFITS AND INTERESTS OF DIRECTORS (continued)

- (d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

Save as disclosed elsewhere in the consolidated financial statements, maximum liability that may be incurred under the guarantee as disclosed in Note 3.2 was as below:

		擔保下可能產生的最大負債 Maximum liability that may be incurred under the guarantee				於財務年度 就履行 擔保或解除 抵押的已付 款項／總款項 或產生的 負債／總負債 Amounts/ aggregate amounts paid or liability/ aggregate liabilities incurred during the financial year for the purpose of fulfilling the guarantee or discharging the security 千港元 HKD'000
借款人名稱 Name of the borrower	關係性質 Nature of connection	擔保或抵押性質 Nature of guarantee or security	於年初 單獨／匯總 Individually/ in aggregate at the beginning of the year 千港元 HKD'000	於年末 單獨／匯總 Individually/ in aggregate at the end of the year 千港元 HKD'000	於年內 During the year 千港元 HKD'000	
截至2019年12月31日止年度： For the year ended 31 December 2019:						
德豐香港	控股股東的 受控法人團體	擔保				
Defond HK	Controlled body corporate of the Controlling Shareholders	Guarantee	85,000	282,000	282,000	—

31 董事的利益及權益(續)

(d) 有關以董事、由有關董事控制的法人團體及與其有關連的實體為受益人的貸款、準貸款及其他交易的資料(續)

31 BENEFITS AND INTERESTS OF DIRECTORS
(continued)

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors (continued)

			擔保下可能產生的最大負債 Maximum liability that may be incurred under the guarantee			於財務年度 就履行 擔保或解除 抵押的已付 款項／總款項 或產生的 負債／總負債 Amounts/ aggregate amounts paid or liability/ aggregate liabilities incurred during the financial year for the purpose of fulfilling the guarantee or discharging the security
借款人名稱 Name of the borrower	關係性質 Nature of connection	擔保或抵押性質 Nature of guarantee or security	於年初 單獨／匯總 Individually/ in aggregate at the beginning of the year 千港元 HKD'000	於年末 單獨／匯總 Individually/ in aggregate at the end of the year 千港元 HKD'000	於年內 During the year 千港元 HKD'000	千港元 HKD'000
截至2018年12月31日止年度： For the year ended 31 December 2018:						
利信	控股股東的 受控法人團體	擔保				
Rayson	Controlled body corporate of the Controlling Shareholders	Guarantee	43,421	(Note) (附註)	76,525	—
德豐香港	控股股東的 受控法人團體	擔保				
Defond HK	Controlled body corporate of the Controlling Shareholders	Guarantee	—	85,000	85,000	—

附註：根據日期為2018年12月20日的買賣協議，控股股東出售彼等於利信的全部股權(如附註30所披露)。於2019年12月31日，香港麗年向利信提供的約74,599,000港元(2018年：64,927,000港元)的擔保仍然有效，但於上市後解除。

Note: Pursuant to a sales and purchase agreement dated 20 December 2018, the Controlling Shareholders disposed of their entire equity interests in Rayson as disclosed in Note 30. As at 31 December 2019, the guarantee amounting to approximately HKD74,599,000 (2018: HKD64,927,000), provided by HK Wise Ally to Rayson remained effective but was released upon the Listing.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 董事的利益及權益(續)

(e) 董事於交易、安排或合約中的重大權益

除綜合財務報表其他部分所披露者外，本公司概無訂立本公司董事於當中直接或間接擁有重大權益而於年末或截至2019年及2018年12月31日止年度內任何時間存續且與本集團業務有關的重大交易、安排及合約。

31 BENEFITS AND INTERESTS OF DIRECTORS (continued)

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed elsewhere in the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2019 and 2018.

32 財務狀況表及本公司儲備變動

(a) 本公司財務狀況表

32 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	附註 Note	2019 千港元 HKD'000
資產	ASSETS	
非流動資產	Non-current assets	
投資附屬公司	Investment in a subsidiary	67,908
流動資產	Current assets	
遞延上市開支	Deferred listing expenses	7,475
總資產	Total assets	75,383
權益	EQUITY	
本公司權益持有人應佔權益	Equity attributable to equity holders of the Company	
股本	Share capital	10
資本儲備	Capital reserve	67,898
累計虧損	Accumulated losses	(15,753)
總權益	Total equity	52,155
流動負債	Current liabilities	
其他應付款項及應計費用	Other payables and accruals	8,717
應付附屬公司款項	Amount due to a subsidiary	14,511
總負債	Total liabilities	23,228
權益及負債總額	Total equity and liabilities	75,383

本公司的財務狀況表已於2020年3月27日獲得董事會批准，並代表以下人士簽署：

The statement of financial position of the Company was approved by the Board of Directors on 27 March 2020 and was signed on its behalf:

曾明哲
董事

朱慧恒
董事

Tsang Ming Chit Stanley
Director

Chu Wai Hang Raymond
Director

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 財務狀況表及本公司儲備變動 (續)

32 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (continued)

(b) 股本及本公司儲備變動

(b) Share capital and reserve movement of the Company

		股本 Share capital 千港元 HKD'000	資本儲備 Capital reserve 千港元 HKD'000 (附註a) (Note a)	累計虧損 Accumulated losses 千港元 HKD'000	總權益 Total equity 千港元 HKD'000
於2019年1月15日 (註冊成立日期) 之結餘	Balance at 15 January 2019 (date of incorporation)	—	—	—	—
全面虧損 年內虧損	Comprehensive loss Loss for the year	—	—	(15,753)	(15,753)
		—	—	(15,753)	(15,753)
與擁有人進行的交易 根據重組發行 普通股 (附註1.2)	Transaction with owners Issuance of ordinary shares pursuant to the Reorganisation (Note 1.2)	10	67,898	—	67,908
與擁有人進行的 交易總額	Total transaction with owners	10	67,898	—	67,908
於2019年12月31日的 結餘	Balance at 31 December 2019	10	67,898	(15,753)	52,155

附註：

- (a) 於2019年12月13日，按德豐香港指示，Brilliant Holdings的全部已發行股份已轉讓予本公司，以換取本公司向Smartview、Smart Union及Grandview配發及發行總計1,000,000股股份。Brilliant Holdings於2019年12月13日的淨資產總值超出1,000,000股每股面值0.01港元的普通股的面值的部分，已記入資本儲備賬，金額為67,898,000港元。

Note:

- (a) As at 13 December 2019, as directed by Defond HK, the entire issued shares of Brilliant Holdings were transferred to the Company in exchanges of the Company allotting and issuing 1,000,000 shares in total to Smartview, Smart Union and Grandview. The excess of net assets value of Brilliant Holdings in aggregate as at 13 December 2019 over the par value of 1,000,000 ordinary shares at HK\$0.01 per share was credited to the capital reserve account with the amount of HK\$67,898,000.

33 報告期後發生的事項

除本報告其他部分所披露者外，以下重大事項於2019年12月31日後發生：

- (a) 根據股東於2019年12月10日通過的書面決議案，待本公司的股份溢價賬因本公司根據全球發售發行發售股份而有所進賬後，董事獲授權將本公司於2020年1月10日的股份溢價賬的進賬額14,990,000港元撥充資本，將該款項用於按面值悉數繳足1,499,000,000股股份，藉以向於全球發售前(或按董事指示的其他日期)營業時間結束時名列本公司股東名冊的股東，按彼等當時於本公司的現有股權比例配發及發行該等股份，而每股股份在各方面與當時現有已發行股份享有同等地位。
- (b) 於2020年1月10日，本公司股份於香港聯合交易所有限公司主板上市。就於2020年1月10日完成的上市而言，本公司以每股0.25港元的價格發行總計500,000,000股普通股，所得款項總額(扣除相關股份發行成本之前)為125,000,000港元。
- (c) 載於附註25(i)至(v)的擔保或質押於2020年1月10日本公司於香港聯合交易所有限公司主板上市後予以解除，並由本集團的公司擔保取代。
- (d) 自新型冠狀病毒(COVID-19)爆發(「**新型冠狀病毒爆發**」)以來，中國多個省市已採取緊急公共衛生措施及不同行動以遏制新型冠狀病毒(COVID-19)蔓延，包括限制農曆新年假期後恢復生產的日期。

為配合中國政府遏制新型冠狀病毒爆發的措施，本集團東莞生產廠房(「**東莞生產廠房**」)的營運已於中國農曆新年的法定假期後暫停。

33 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this report, the following significant events took place subsequent to 31 December 2019:

- (a) Pursuant to the written resolutions passed by the shareholders on 10 December 2019, conditional on the share premium account of the Company being credited as a result of the issue of the offer shares by the Company pursuant to the Global Offering, the directors were authorised to capitalise an amount of HKD14,990,000 standing to the credit of the share premium account of the Company on 10 January 2020 by applying such sum in paying up in full at par 1,499,000,000 shares, such shares to be allotted and issued to the shareholders whose names appear on the register of members of the Company at the close of business on a date prior to the Global Offering (or as they may direct) in proportion to their then existing shareholdings in the Company, each ranking equally in all respects with the then existing issued shares.
- (b) On 10 January 2020, the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited. In connection with the Listing completed on 10 January 2020, the Company issued a total of 500,000,000 ordinary shares at a price of HKD0.25 per share for a total proceeds (before related share issuance costs) of HKD125,000,000.
- (c) The guarantees or pledges as set out in Note 25 (i) to (v) were released upon the Listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited on 10 January 2020, and were replaced by corporate guarantees from the Group.
- (d) Since the outbreak of the novel coronavirus (COVID-19) (the “**Novel Coronavirus Outbreak**”), a number of provinces and municipalities in the PRC have taken emergency public health measures and various actions to prevent the spread of the novel coronavirus (COVID-19), including imposing restriction on resumption date of production after the Chinese New Year Holiday.

The operation of the Group’s production plant in Dongguan (the “**Dongguan Production Plant**”) has been suspended after the statutory holidays of the Chinese New Year as part of the Chinese government’s countermeasures in containing the Novel Coronavirus Outbreak.

33 報告期後發生的事項(續)

(d) (續)

經有關政府部門查察東莞生產廠房後，本集團收訖正式通知，批准東莞生產廠房有限度地恢復生產。因此，東莞生產廠房自2020年2月17日起逐漸恢復營運及生產。

然而，由於某些地區運輸設施暫停或有限度地提供服務，受災省市的若干工人無法按計劃返回東莞生產單位，導致東莞生產廠房的產能短期內下跌。新型冠狀病毒爆發亦對供應鏈物流造成不利影響，本集團面臨供應商延後供應原材料。預計此會延遲東莞生產廠房恢復至原本生產進度，並將引致2020年上半年延遲交付產品。

在這種特殊情況下，本集團正在與供應商緊密合作以加快運送原材料，並與客戶保持聯繫以調整交貨時間表，以最大程度地減少任何對雙方的負面經濟影響。停產和暫時低於原本的生產水平可能會對本集團的未來財務業績產生負面影響。本集團將繼續評估新型冠狀病毒爆發對財務業績的影響，並密切監測新型冠狀病毒爆發的發展以及本集團在此方面面臨的風險和不確定性。本集團將採取必要的適當措施。

33 EVENTS OCCURRING AFTER THE REPORTING PERIOD (continued)

(d) (continued)

After inspection being done at the Dongguan Production Plant by the relevant government authority, the Group received an official notice for approving the resumption of limited production of the Dongguan Production Plant. As such, the Dongguan Production Plant resumed its operation and production on 17 February 2020.

However, due to the suspension or limited service of transportation facilities in certain area, certain workers in the affected provinces and municipalities were unable to return to production units in Dongguan as planned, which has resulted in temporary drop in production of the Dongguan Production Plant. The Novel Coronavirus Outbreak also adversely affected the supply chain logistics and the Group has experienced delay in the supply of raw materials from its suppliers. It is expected that the Dongguan Production Plant will experience delay in resuming to original production schedule and there will be late delivery of products in the first half of 2020.

Under such special circumstances, the Group is currently working closely with its suppliers to speed up the delivery of raw materials and liaising with the customers to adjust delivery schedule to minimise any negative economic impact on both sides. The suspension and the temporarily lower than original production level are likely to have a negative impact on the Group's future financial results. The Group will continue to assess the impact of the Novel Coronavirus Outbreak on the financial performance and closely monitor the development of the Novel Coronavirus Outbreak and the Group's exposure to the risks and uncertainties in this connection. The Group will take appropriate measures as necessary.



Wise Ally International Holdings Limited
麗年國際控股有限公司