

2019 ANNUAL REPORT
年報



MOBI 摩比

MOBI Development Co., Ltd.
摩比發展有限公司

(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：947

Corporate Profile

公司簡介

MOBI Development Co., Ltd. (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 16 December 2002. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 December 2009 (Stock Code: 947).

We operate through our subsidiaries MOBI Antenna Technologies (Shenzhen) Co., Ltd. ("MOBI Shenzhen"), MOBI Telecommunications Technologies (Ji'an) Co., Ltd. ("MOBI Jian"), MOBI Technologies (Xi'an) Co., Ltd. ("MOBI Xian"), MOBI Technology (Hong Kong) Limited ("MOBI HK"), MOBI Technology (Shenzhen) Co., Ltd., Shenzhen MOBI Shiye Development Co., Ltd., Xi'an Shengrong Communication Technologies Co., Ltd., Shenzhen Shengyuzhahui Network Technology Co., Ltd., Ji'an Jinshengjing Technology Co., Ltd., Wuhan MOBI Technology Co., Ltd., Shenzhen MOBI Network Communication Co., Ltd. and Xi'an MOBI Antenna Technologies Engineering Co., Ltd..

We are one of the few one-stop providers of wireless communication antennas and base station Radio Frequency ("RF") subsystems in China. Our business consists of the design, manufacture, marketing and sale of antennas, base station RF subsystem and solutions that are the required components of mobile communication coverage systems, including, wireless access systems (WiFi and PHS), 2G (GSM and CDMA), 3G (TD-SCDMA, CDMA 2000, W-CDMA and WiMax), 4G (TD-LTE and FDD-LTE), 5G, MIMO Antenna, satellite communication and microwave transmission networks. We sell our products to network operators in China and overseas directly for deployment into the networks they are constructing and operating. We also sell our products to some of the world's leading wireless network solution providers who incorporate our products into their wireless coverage solutions, such as their proprietary base stations, which they then sell to network operators worldwide.

We are committed to providing quality and sophisticated products and building long term relationships with our customers.

摩比發展有限公司(「本公司」)於2002年12月16日在開曼群島註冊成立為獲豁免有限責任公司。本公司股份於2009年12月17日在香港聯合交易所有限公司(「聯交所」)上市(股份代號：947)。

本公司透過子公司摩比天線技術(深圳)有限公司(「摩比深圳」)、摩比通訊技術(吉安)有限公司(「摩比吉安」)、摩比科技(西安)有限公司(「摩比西安」)、摩比科技(香港)有限公司(「摩比香港」)、摩比科技(深圳)有限公司、深圳市摩比實業發展有限公司、西安晟容通訊技術有限公司、深圳市晟煜智慧網絡科技有限公司、吉安市金晟景科技有限公司、武漢市摩比科技有公司、深圳市摩比網絡通信有限公司及西安摩比天線技術工程有限公司經營業務。

本公司為中國少數的一站式無線通信天線及基站射頻(「射頻」)子系統供應商之一。本公司的業務包括設計、製造、營銷和銷售天線、基站射頻子系統與解決方案，該等產品是移動通信覆蓋系統的必需部件，包括無線接入系統(WiFi和PHS)、2G(GSM及CDMA)、3G(TD-SCDMA、CDMA 2000、W-CDMA和WiMax)、4G(TD-LTE和FDD-LTE)、5G、MIMO天線、衛星通信網絡及微波傳輸網絡。本公司直接向中國和海外的網絡運營商銷售產品，以供配置於其構建及經營的網絡。我們亦向若干全球領先的無線網絡方案供應商銷售產品，而後者將本公司產品整合於其無線覆蓋方案(如其專有基站)中，繼而銷售予世界各地的網絡運營商。

本公司致力提供高質量的先進產品並與客戶建立長期的關係。

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Corporate Information

公司資料

REGISTERED OFFICE

P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

7 Langshan First Road, Science and Technology Park, Nanshan District, Shenzhen, Guangdong Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit A, 25/F, One Island South, 2 Heung Yip Road, Wong Chuk Hang, Hong Kong

BOARD OF DIRECTORS

Executive Directors

Hu Xiang (*Chairman*)

Liao Dong

Non-executive Directors

Qu Deqian

Chen Zhaojun (Note 1)

Independent non-executive Directors

Li Tianshu

Zhang Han

Ge Xiaojing

COMPANY SECRETARY

Lau Wing

AUTHORISED REPRESENTATIVES

Hu Xiang

Lau Wing

註冊辦事處

P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

中國總部及主要營業地址

中國廣東省深圳市南山區科技園朗山一路7號

香港主要營業地址

香港黃竹坑香葉道2號 One Island South 25樓A室

董事會

執行董事

胡翔 (*主席*)

廖東

非執行董事

屈德乾

陳兆軍 (附註1)

獨立非執行董事

李天舒

張涵

葛曉菁

公司秘書

劉榮

授權代表

胡翔

劉榮

(Note 1): On 21 March 2019, the board of directors approved the resignation of Mr. Chen Zhaojun from non-executive director.

(附註1)：2019年3月21日，董事會批准陳兆軍先生辭任非執行董事。

AUDIT COMMITTEE

Zhang Han (*Chairman*)
Li Tianshu
Ge Xiaojing

REMUNERATION COMMITTEE

Li Tianshu (*Chairman*)
Zhang Han
Ge Xiaojing
Qu Deqian

NOMINATION COMMITTEE

Hu Xiang (*Chairman*)
Li Tianshu
Zhang Han
Ge Xiaojing
Qu Deqian

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

Bank of China
No. 442 Renmin North Road, Longhua Street, Longhua District, Shenzhen, Guangdong Province,
China

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

WEBSITE ADDRESS

<http://www.mobi-antenna.com>

CONTACT INFORMATION FOR INVESTOR RELATIONS

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Chen Zhaotong
Email: ir@mobi-antenna.com

STOCK CODE

The Stock Exchange of Hong Kong Limited: 947

審核委員會

張涵(主席)
李天舒
葛曉菁

薪酬委員會

李天舒(主席)
張涵
葛曉菁
屈德乾

提名委員會

胡翔(主席)
李天舒
張涵
葛曉菁
屈德乾

香港股份過戶登記處

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

主要往來銀行

中國銀行
中國廣東省深圳市龍華區龍華街道人民北路442號

核數師

德勤•關黃陳方會計師行
執業會計師

網站

<http://www.mobi-antenna.com>

投資者關係聯絡資料

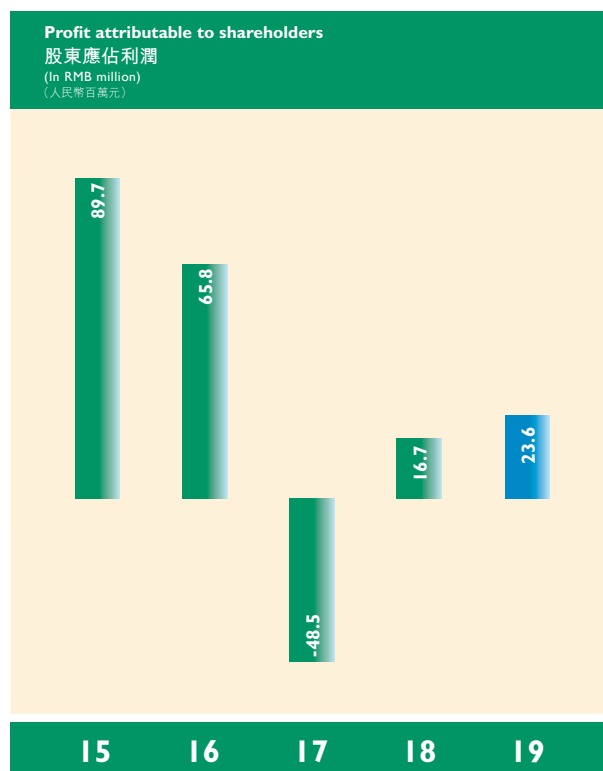
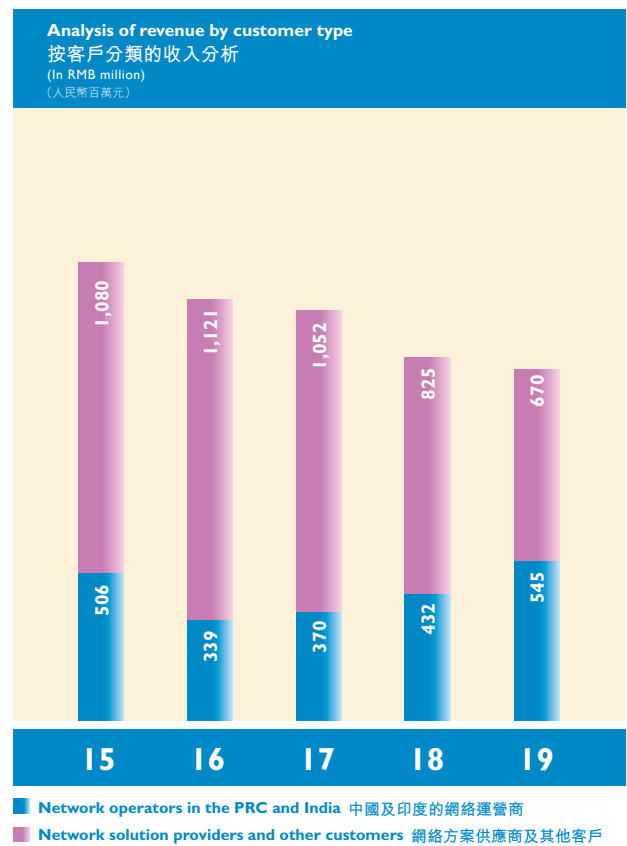
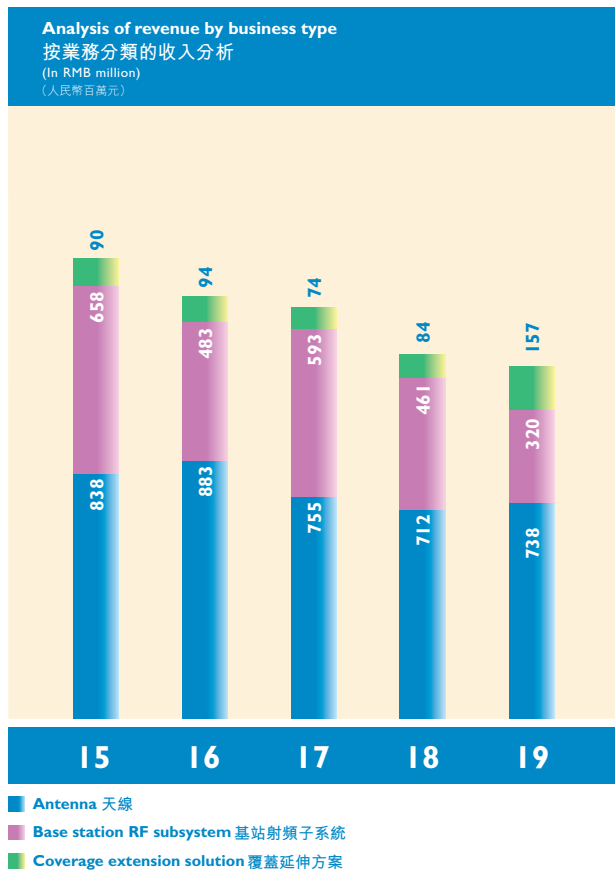
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股份代號

香港聯合交易所有限公司：947

Financial Highlights

財務概要



Financial Highlights

財務概要

KEY FINANCIAL FIGURES

(All amounts are expressed in RMB' million unless otherwise stated)

主要財務數據

(除另有說明外，所有金額均以人民幣百萬元呈列)

		2019 2019年	2018 2018年
Revenue	收入	1,214.9	1,257.2
Gross profit	毛利	279.8	258.0
Profit before taxation	稅前利潤	16.8	10.0
Net profit attributable to shareholders	股東應佔淨利潤	23.6	16.7
Total assets	總資產	1,969.8	2,302.4
Net current assets	流動資產淨額	641.5	637.9
Net assets attributable to shareholders	股東應佔資產淨額	1,171.4	1,162.8
Inventories turnover days	存貨週轉天數	143	157
A/R turnover days	應收賬款週轉天數	196	232
A/P turnover days	應付賬款週轉天數	272	278
Current ratio	流動比率	1.82	1.57
Gearing	資本負債比率	5.0%	8.5%
No. of issued shares, million shares	已發行股份數目(百萬股)	819.6	820.2
Net assets value per share, RMB	每股資產淨值(人民幣元)	1.43	1.42
Basic earnings per share, RMB cents	每股基本盈利(人民幣分)	2.88	2.03
Return on average equity	平均股本回報	2.02%	1.43%

Chairman's Statement

主席報告書



DEAR SHAREHOLDERS,

On behalf of the Board of Directors of MOBI Development Co., Ltd., I am pleased to present to the shareholders the business development of the Company and its subsidiaries (the "Company") for the year ended 31 December 2019 (the "Year").

In the immediate past year of 2019, global political and economic turbulence, very complicated domestic and international environment as well as extreme competition during the transition of domestic communication equipment industry challenged the Company's business development. However, we believe that the industry is about to usher in a new round of rapid development, especially in China, which will bring huge opportunities for the Company's business development. Through product technology innovation, continuous market expansion and optimization of customer structure, the Company has achieved large-scale growth in overseas markets, maintained its leading position in the industry, and obtained leading position among most competitors in 5G wireless communication technology, laying a foundation for the Company to achieve stable income riding on the tide of 5G network construction in the future.

尊敬的各位股東：

我謹代表摩比發展有限公司欣然向各位股東報告摩比發展有限公司及其附屬公司（「本公司」）截至2019年12月31日止年度（「本年度」）的業務發展狀況。

剛剛過去的2019年，全球政治與經濟仍然動盪，國內外環境十分複雜，國內通信行業發展處在階段的過渡期，競爭異常激烈，這都給本公司的業務發展帶來挑戰，但是我們相信通信行業即將迎來新一輪的大發展，尤其是在中國，這都將給本公司的業務發展帶來無限的機遇。本公司通過產品技術創新、市場持續拓展、客戶結構優化和新業務拓展，在海外市場實現了規模增長，並且繼續穩固在行業中的領先份額，同時在5G無線通信技術上領先多數競爭對手，為本公司在未來5G建網的大潮中實現穩定收益奠定基礎。

OPERATING RESULTS

In 2019, the Company realized approximately RMB1,214.93 million of operating revenue, representing a slight year-on-year decrease of approximately 3.4%, while net profit amounted to approximately RMB23.61 million, representing a year-on-year increase of 41.5%; basic earnings per share was approximately RMB0.03.

BUSINESS DEVELOPMENT

In 2019, the mobile communication infrastructure building has entered a period of simultaneous construction of 4G and 5G networks. On the one hand, the network construction and equipment investment of mobile communication in China has entered the late stage of 4G network construction, and the investment and construction of 5G network was gradually launched. It can be noted that as the 4G network construction has entered the late stage, major domestic telecom operators continued to promote in-depth coverage and optimization of 4G network by means of low-band rearming, network complement and in-depth coverage. On 6 June 2019, the Ministry of Industry and Information Technology of China officially issued 5G licenses to four operators, namely China Mobile, China Telecom, China Unicom and China Broadcasting Network, marking the faster 5G commercialization in China that expected and the gradual launch of investment and construction of 5G network. As domestic telecom operators began to plan 5G network construction, capital expenditures in 4G network continued to decline. In addition, as China's economy was affected by international political and economic factors such as trade friction, the industry experienced slower overall growth than expected.

On the other hand, globally, 4G technology was still the mainstream in the global network construction and is expected to maintain as so for a considerably long time. With the continuous evolution of China's 4G technology and the continuous improvement of the industrial chain, the PRC base station antennas and filter equipment manufacturers continued to expand the international market share. Capitalizing on our advantages on customers, technology and costs, the Company deepened its cooperation with leading customers worldwide, so as to meet customers' demand for products with high performance and price ratios, and to further increase our international market share. Meantime, we were also positioned as the core supplier, or even the whole- network exclusive antenna supplier, with some European operators.

經營業績

2019年，本公司實現營業收入約人民幣12.1493億元，同比略降約3.4%；實現淨利潤約人民幣2,361萬元，同比增加約41.5%；基本每股收益約人民幣0.03元。

業務發展

2019年，移動通信基礎設施建設進入了4G與5G網絡同步建設時期。一方面，中國國內移動通信的網絡建設和設備投資已進入到了4G網絡建設的後期，並逐步開啟了5G網絡的投資建設。可以看到，國內主要電信運營商在4G網絡建設的後周期，以低頻重耕、網絡補盲、深度覆蓋等方式持續加強4G網絡的深度覆蓋和優化。隨著2019年6月6日，中國工信部正式向包括中國移動、中國電信、中國聯通、中國廣電在內的四家運營商發放了5G牌照，中國早於預期進入到了5G正式商用時代，並逐步開啟了5G網絡的投資建設。由於國內運營商籌畫5G網絡建設，4G網絡的資本開支持續下滑，加之中國經濟受貿易摩擦等國際政治經濟因素影響，整體行業增速緩與預期。

另一方面，就全球而言，4G技術仍佔全球網絡建設的主流，並預計會持續相當長的一段時間，隨著中國4G技術的不斷演進和產業鏈的不斷成熟，中國基站天線及濾波器設備廠商在國際市場的市場份額不斷擴大。本公司利用在客戶、技術以及成本方面的優勢，深化與全球各領先客戶的合作，滿足客戶對高性能價格比的產品需求，進一步提高了國際市場的佔有率。同時還是歐洲一些運營商的主力供應、甚至是全網獨家天線供應商。

Chairman's Statement

主席報告書

To sum up, 4G and 5G networks are expected to coexistence for a long time in the future, and the Company is one of the world's few wireless RF technology providers with leading-edge technologies in both 4G and 5G and is also one of the few providers that can provide the multi-frequency, multi-system and multi-beam antenna technology. The Company believes that the Company is a leader of 4G and 5G antenna and RF subsystem product technologies.

DIVIDEND DISTRIBUTION

In 2019, the Board of Directors of the Company recommended the payment of a final dividend of HK\$0.02 per ordinary share.

FUTURE PROSPECTS

Looking forward to the future, with the official commercialization and the initial launch of 5G in China, the 5G will cause profound changes to industrial structures based on its advantages in high speed, low latency, high bandwidth and wide coverage. The 5G will open a new era for the Internet of Everything, and drive a new wave of technologies and industrial changes. It is expected the large-scale 5G network construction in 2020 will continue to bring new opportunities for the development and integration of the industry. On the one hand, 5G base stations will increase in scale, including the demand for the construction of new base station and reconstruction of the roof of existing base station. On the other hand, the demand of large-scale antenna arrays for base station antennas and base station RF devices will increase significantly, and the technical threshold and difficulty will also rise. With the Company's leading position in customer channels and 5G technology, the Company is in place to capture early opportunities riding on the development waves of 5G.

綜上所分析，未來4G與5G網絡預計將會長期共存，而本公司是全球少數在4G與5G都具有領先技術的無線射頻技術供應商，也是少數能提供多頻多系統天線及多波束天線技術的供應商。本公司相信，本公司是中國4G及5G天線與射頻子系統產品技術的領導者。

股利分配

2019年，本公司董事會建議派息每股0.02港元。

未來展望

展望未來，隨著中國5G的正式商用及5G元年的開啟，5G將以其高速率、低時延、大帶寬、廣覆蓋等優勢深刻改變產業格局，開啟萬物互聯的新時代，成為新一輪科技浪潮和產業變革的驅動力。預計隨著2020年5G網絡建設的規模化，這將會持續帶來新的產業發展機會和行業整合機遇。一方面5G基站數量規模化增加，包括新建基站的需求，以及現存基站的天面改造需求。另一方面大規模天線陣列對基站天線和基站射頻器件的需求顯著提高，技術門檻上升且技術難度增加。而本公司在客戶管道和5G技術方面的領先地位，使得本公司將在5G的發展浪潮中佔得先機。

Chairman's Statement

主席報告書

The Company has always adhered to the important strategy of international development. In the global arena, the overseas 4G cycle will last much longer than that in China. Although 5G is coming soon, 4G technology will still be the mainstream in the global network construction for a long time in the future. With its leading product technology of overseas multi-frequency system, the Company achieved satisfying breakthroughs in multinational operators in 2019 particularly its significant improvement in various aspects such as product technology, quality standards and technical process experiences. In future, the Company will further develop the markets of overseas network operators, continuously enter the short lists of multinational and major regional network operators and continue to increase the Company's share in the global market on a long-term basis. It is foreseeable that the global market share of the Company is still extremely small at present, as such, the continuous expansion of the global market will not only push the way up in periodic development for the next few years, but also achieve sustained growth in a longer period.

Meanwhile, the Company will also actively explore the development of new businesses, including exclusive network coverage for governmental enterprises and the application of wireless solutions, to expand new growth momentum for the business of the Company. The Company believes that 5G development will bring huge opportunities for mobile communication. Wireless will be widely applied no matter in man-to-man communication, man-to-object communication or object-to-object communication. The Company will grasp the opportunity to comprehensively enhance its management, continuously improve various operating indicators and strive to optimize operating efficiency of the Group, so as to achieve a record high result in the next few years.

國際化發展是本公司一直堅持的重要戰略。就全球而言，4G周期長度將遠長於中國國內。儘管5G即將到來，但在未來很長一段時間內，4G技術仍將佔據全球網絡建設的主流。本公司的海外多頻多系統產品技術的領先，特別是2019年在跨國運營商的持續突破，產品技術、品質水準與工藝經驗等方面，都得到了顯著的提升。在未來，本公司將進一步拓展海外運營商市場，不斷進入各跨國與區域主要運營商的短名單，長期持續提升本公司在全球市場中的佔有率。可以看到，本公司當前在全球的市場份額仍非常之小，持續拓展全球市場，不僅可以推動未來幾年向上周期發展，更可以在更長的時間內實現持續增長。

與此同時，本公司也將積極探索新業務拓展，包括政企的專網覆蓋以及無線解決方案運用，不斷拓展公司業務的新增長動力。本公司相信，5G的發展，將帶來移動通信的巨大機遇，在傳統的人與人通信場景外，還有人與物、物與物的通信場景，無線應用極為廣闊。本公司將努力抓住這一機遇，通過精細化、信息化、自動化管理，全方位的提升管理水平，持續改善各項經營指標，努力提升集團的運營效率，在未來數年內將公司業績帶入新的高度。

Chairman's Statement

主席報告書

I would like to express my sincere gratitude to our shareholders and customers for their kind support and trust, and to our Directors and staff for their diligent work. The Company and the Board will continue to optimize the customer base and structure, adapt strategies of product differentiation based on technology and costs to enhance the integrated competitiveness and ensure the stable growth of the operating results of the Group. The Company strives to become a top class global provider of radio frequency technology for mobile communication in order to maximize the returns to its shareholders and the society.

Hu Xiang

Chairman and Chief Executive Office

Shenzhen, the PRC

15 April 2020

本人衷心感謝廣大股東與客戶對本公司的信賴與支持，也感謝各位董事與員工的辛勤努力。公司與董事會將繼續推行客戶規模與結構的優化以及技術領先、成本領先的差異化競爭策略，提升本公司的綜合競爭力，實現集團業績的穩健發展，不斷向全球一流的移動通信射頻技術供應商的願景目標前進，創造價值回饋股東和社會。

胡翔

主席兼行政總裁

中國深圳

2020年4月15日

Management Discussion and Analysis

管理層討論及分析



BUSINESS AND FINANCIAL REVIEW

Revenue

When compared with last year, revenue decreased by approximately RMB42.29 million (approximately 3.4%), to approximately RMB1,214.93 million in 2019 (2018: approximately RMB1,257.22 million).

Sales of antenna system increased by approximately 3.6% to approximately RMB737.80 million (2018: approximately RMB712.49 million), while sales of base station RF subsystem decreased by approximately 30.5% to approximately RMB320.22 million (2018: approximately RMB460.72 million). In addition, sales of coverage extension solution and other products increased substantially by approximately 86.8% to approximately RMB156.91 million (2018: approximately RMB84.00 million).

業務及財務回顧

收入

2019年收入較去年減少約人民幣4,229萬元（約3.4%）至約人民幣12.1493億元（2018年：約人民幣12.5722億元）。

天線系統的銷售額增加約3.6%至約人民幣7.3780億元（2018年：約人民幣7.1249億元），基站射頻子系統的銷售額減少約30.5%至約人民幣3.2022億元（2018年：約人民幣4.6072億元）。此外，覆蓋延伸方案及其他產品的銷售額大幅增加約86.8%至約人民幣1.5691億元（2018年：約人民幣8,400萬元）。

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In 2019, the network construction and equipment investment of mobile communication in China has entered the late stage of 4G network construction, and the construction and investment of 5G network was gradually launched. As the commercialization progress of 5G network in China went faster than expected, domestic telecom operators began to plan 5G network construction and delay capital expenditures in 4G network. In addition, as China's economy was affected by international political and economic factors such as trade friction, the industry experienced slower overall growth than expected. Moreover, due to the slowdown in international economic growth and the impact of geopolitical factors, the demand for 4G network construction in some emerging markets (such as India, Mexico and other markets) has slowed down and decreased. Therefore, our sales in 2019 experienced slight fluctuation. However, the Company believes that with the scale construction of 5G network in 2020, domestic telecom operators will gradually increase capital expenditures, which will promote further development of the communications industry and bring more business opportunities for the Company in 2020.

In 2019, the Company maintained steady in the receipt of orders from domestic and overseas customers including 4G and 5G R&D projects and market orders, and won a large share of 5G bids for 5G antenna projects from operators and equipment manufacturers, most of which are expected to be gradually delivered in 2020. In 2019, the sales revenue from 5G products increased significantly by 517.8% as compared with the corresponding period last year, and maintained a sustained and rapid growth trend.

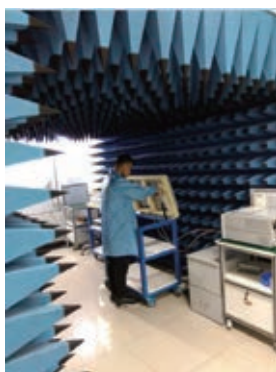
The Company also believes that the Company, as a leader of 4G and 5G antenna and RF subsystem product technologies, will gain greater benefits from the long-term coexistence of 4G and 5G relying on our product technologies and market advantages.

2019年中國國內移動通信的網絡建設和設備投資已進入到了4G網絡建設的後期，並逐步開啟了5G網絡的建設投資。由於中國5G網絡商用的進程早於預期，國內運營商籌畫5G網絡建設，並延遲4G網絡的資本開支，加之中國經濟受貿易摩擦等國際政治經濟因素影響，整體行業增速緩與預期。此外，受國際經濟增速放緩及地緣政治因素影響，部分新興市場（如印度、墨西哥等市場）的4G網絡建設需求放緩並減少，因此，2019年的銷售略有波動。但本公司相信，隨著2020年5G網絡的規模建設，將驅動國內移動通信運營商逐步增加資本開支來推動通信行業的進一步發展，並給本公司在2020年帶來更多商機。

在2019年，本公司穩定接到國內及海外客戶包括4G及5G的研發項目和市場訂單，並獲得運營商及設備商相當5G天線項目的大份額的中標份額，多數預計將於2020年逐步實現交付。2019年，5G產品銷售收入較去年同期大幅增長517.8%，並保持持續快速增長態勢。

本公司亦相信，本公司是中國4G和5G天線與射頻子系統產品技術的領導者，憑藉產品技術與市場優勢將在4G以及5G長期共存的情況下獲得更大收益。

Automated production equipments 自動化生產設備



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Antenna system

The Group's products of antenna system are primarily sold to the domestic network operators and network operators in overseas markets (such as Asia, Europe and Americas); whilst a portion of our products of antenna system are sold to operators worldwide by way of network solution provider customers such as ZTE and Nokia.

In 2019, the Company's antenna products continued to maintain a leading position in the domestic market, meanwhile our continuously improving antenna product technologies and reliability were recognised by more and more international clients.

Major domestic telecom operators continued to promote the in-depth coverage and optimization of 4G network, and strengthened the constructing of Narrowband IoT network and LTE network. Capitalizing on advantages in product technology and cost, sales of the Company's low-band refarming/IoT antennas increased by approximately 2.9% to approximately RMB153.40 million in 2019 as compared with last year. Driven by the in-depth coverage of 4G network in China and the growing demand from overseas operators, sales of multi-band and multi-system antennas increased significantly by approximately 25.2% to approximately RMB370.70 million. Multi-band and multi-system antennas and low-band refarming/IoT antennas will remain major growth drivers for antennas business in the coming period. Microwave antennas also recorded growth with more diversified products, and its sales revenue increased by approximately 8.9% to approximately RMB24.18 million as compared with last year. In addition, with the official commercialization of 5G network in China, revenue from 5G antennas increased significantly by approximately 517.8% to approximately RMB21.20 million as compared with last year.

天線系統

本集團的天線系統產品主要銷售給中國國內的網絡運營商，以及海外市場的網絡運營商（如亞洲、歐洲、美洲等市場），亦有部分天線系統產品透過網絡解決方案供應商客戶（如中興通訊及諾基亞等），銷售給全球的運營商客戶。

2019年，本公司的天線產品繼續保持在國內的領先地位，同時天線產品技術與可靠性的不斷進步也得到更多國際客戶的認可。

中國主要移動運營商持續進行4G網絡深度覆蓋及優化建設，加強窄帶物聯網及LTE網絡建設，本公司憑藉產品技術與成本的優勢，2019年低頻重耕／物聯網天線銷售額較上年增加了約2.9%至約人民幣1.534億元。受國內4G網絡深度覆蓋和海外運營商需求增長雙重推動，多頻多系統天線大幅增長約25.2%至約人民幣3.707億元。多頻多系統天線及低頻重耕／物聯網天線仍然會是未來一段時期的天線業務主要增長點。微波天線同樣錄得增長，產品品類更加豐富，銷售額較去年增加了約8.9%至約人民幣2,418萬元。此外，隨著中國國內5G網絡正式商用，5G天線較上年大幅增長了517.8%至約人民幣2,120萬元。



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In addition, the Company continued to actively develop the overseas operator market in 2019 and won positive feedback from the customers. The Company's direct sales to overseas operators are primarily antenna products, which also recorded strong growth in 2019, a significant increase by 19.2% to RMB197.10 million compared with that of last year, with a good growth trend. The Company believes that the scaled construction of 5G network and overseas growth will be the powerhouses for growth in antennas business of the Company in the years to come.

Base station RF subsystem

The Group is a supplier of core RF subsystems for international communication equipment manufacturers, such as ZTE and Nokia, and provides them with a variety of products and solutions. The competition of base station RF subsystem was highly intense in 2019. The Company continued to maintain a leading supplier position among leading global telecommunication equipment manufacturers. The revenue from the Company's base station RF subsystem in 2019 decreased by approximately 30.5% to approximately RMB320.22 million, mainly due to the impact of major domestic telecom operators' delay in network construction and slowdown of demands as well as the slowdown and decrease of demands for 4G network construction in emerging international markets (such as the Indian market). Through the product structural optimization and continuous cost reduction, the Group's gross profit has been recovered gradually as compared with 2018.

In 2019, the Group undertook many research and development projects and market orders of the world's main system equipment manufacturers (such as ZTE and Nokia) including 5G RF subsystem and ceramic dielectric filters, which has gradually formed a large-scale production, and established industry-university research cooperation with various colleges, universities and research institutes. The Group believes that base station RF subsystem products would still have continued growth room in the future, which is due to continuous implementation of low-band refarming and commencement of 5G network construction, and continuous implementation of overseas construction of 4G networks. Customer diversity, high-end products and enhancement of its status as a core supplier are conducive to increasing the market share and profitability of the Group's RF subsystem in the 5G era, bringing a new round of growth in 2020.

另外，2019年本公司在海外運營商市場上繼續積極拓展，並獲得客戶積極評價。本公司的海外運營商直銷以天線產品為主，2019年亦錄得強勁增長，較上年大幅增加19.2%至約人民幣1.971億元，增長勢頭十分良好。本公司相信，5G網絡建設規模化和海外增長將為本公司未來若干年內的天線業務增長帶來強大動力。

基站射頻子系統

本集團是跨國通信設備商（如中興通訊及諾基亞等）的核心射頻子系統供應商之一，向他們提供多種產品及解決方案。基站射頻子系統的競爭在2019年十分激烈，本公司繼續保持在全球領先電信設備商中的主力供應商份額。2019年，受中國主要移動運營商4G網絡建設延遲的需求放緩以及國際新興市場（如印度市場）的4G網絡建設需求放緩並減少的影響，本公司的基站射頻子系統收入減少約30.5%至約人民幣3.2022億元。本集團通過優化產品結構以及不斷降低成本，毛利率較2018年逐步回升。

在2019年，本集團獲得了全球各主要系統設備商（如中興通訊及諾基亞等）的包括5G射頻子系統、陶瓷介質濾波器在內的多個研發項目和市場訂單，並已逐步形成規模化生產，並與多所高校和研究院建立產學研合作。本集團相信，基站射頻子系統產品在未來有持續的增長空間，一方面是國內低頻重耕的持續進行和5G網絡建設的啟動，另一方面是海外4G網絡建設的持續進行。多元化的客戶、高端化的產品以及核心供應商地位的增強，有助於提升本集團射頻子系統在5G時代的市場份額和盈利能力，帶來2020年新一輪的增長。

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Coverage extension solution

In 2019, revenue from the Company's coverage extension solutions increased substantially by approximately 86.8% to approximately RMB156.91 million. Among them, sales revenue from aesthetic antennas increased sharply by approximately 91.0% to approximately RMB136.38 million, while sales revenue from small cell also increased significantly by approximately 229.1% to approximately RMB13.08 million. The Company has secured major shares in China Mobile and China Telecom's national bidding exercise for aesthetic antennas, and continued to deliver on a large scale. Given the increasing scarcity of sites for base stations and the operation of Tower Company (鐵塔公司), the demand for aesthetic antennas by operators will continue to increase substantially. Meantime, the Company has also made considerable progress in the expansion of new businesses, and is fully confident in the prospects under the new ecology in the 5G era.

Customers

In 2019, the Company noted that a change in market pattern resulted in a change in customer revenue structure, and the Company's in-depth cooperation with telecommunication equipment manufacturers and telecommunication operators allowed the Company to enjoy distinctive competitive strengths in changing market opportunities. In particular, the Company has continuously made significant breakthroughs in its overseas expansion, and continued to deepen and enhance its cooperation with overseas operators, leading to increasing proportion in total revenue for consecutive years.

In 2019, the low-band refarming and IoT construction of major domestic telecom operators for the in-depth coverage and optimization of 4G network have brought continuous growth opportunities to the Group's business. Sales to PRC operators increased by approximately 25.9% to approximately RMB544.60 million, and its proportion in total revenue increased by approximately 10 percentage points to approximately 44.8%. Of which, sales to China Unicom grew significantly from 2018 by approximately 273.1% to approximately RMB219.50 million, sales to China Telecom also increased from 2018 by approximately 21.9% to approximately RMB88.79 million, while sales to China Mobile decreased from 2018 by approximately 24.5% to approximately RMB219.64 million. As the 5G commercialization era starts, it is expected that investment of domestic operators in 4G network construction in 2020 will continue to focus on the investment and construction for the in-depth coverage and optimization of low-band refarming and IoT, and significantly increase investment in 5G network construction. The 5G network construction will adopt the turn-key procurement model, i.e. the Company's antenna

覆蓋延伸方案

2019年本公司覆蓋延伸方案的收入大幅增加約86.8%至約人民幣1.5691億元。其中，美化天線銷售額大幅增加約91.0%至約人民幣1.3638億元。微基站銷售額亦大幅增加約229.1%至約人民幣1,308萬元。本公司在中國移動與中國電信的美化天線全國集採招標中皆斬獲主要份額，並持續進行規模交付。由於基站站址日益稀缺及鐵塔公司運營，運營商對美化天線的需求將繼續大幅增加。同時，本公司新業務拓展亦取得相當進展，對於在5G時代的新生態環境下的前景充滿信心。

客戶

2019年本公司注意到，市場格局的變化亦帶來客戶收入結構的變化，而本公司在電信設備商與電信運營商均有深入的合作，令本公司在市場機會變化中擁有獨有的競爭優勢。特別是本公司海外拓展連續取得重大突破，與海外運營商的合作不斷深入和加強，其收入佔比連年攀升。

2019年，國內主要移動運營商為4G網絡的深度覆蓋及優化而進行的低頻重耕以及物聯網建設給本集團的業務帶來了持續的增長機會。對中國運營商的銷售規模增長約25.9%至約人民幣5.4460億元，佔總收入的比重約上升約10個百分點至約44.8%。其中，向中國聯通的銷售額較2018年大幅增加約273.1%至約人民幣2.1950億元，向中國電信的銷售額亦較2018年增加約21.9%至約人民幣8,879萬元，而向中國移動的銷售額較2018年減少約24.5%至約人民幣2.1964億元。隨著5G商用元年的開啟，預計2020年國內運營商的4G網絡建設將會持續體現在低頻重耕和物聯網等深度覆蓋及優化的投資建設上，並大幅增加5G網

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products are also sold to telecommunication equipment manufacturer customers (such as ZTE) who builds complete networks for delivery to major telecommunication operators. At present, the Group actively participated and gained shares in the major demand projects of the major operators.

Affected by the decline in capital expenditure of the PRC operators for 4G network and strategies of 5G purchase, the Company's sales to the PRC equipment manufacturer customers in 2019 decreased by approximately 23.4% to approximately RMB254.40 million, and its proportion in sales revenue also dropped by approximately 5 percentage points, while the proportion in total revenue was approximately 20.9%. As the 5G network construction of major domestic operators adopts the turn-key procurement model, the Company's long-term strategic cooperation with PRC equipment manufacturer customers will enable the Company to capture early opportunities in the future market, thus bringing about further growth.

的建設投資。而5G網絡建設將採用交鑰匙 (turn-key) 採購模式，即本公司的天線產品亦銷售給電信設備商客戶（如中興通訊等），其建設成完整的網絡後交付給主要運營商客戶。目前各運營商的主要需求項目中，本集團均有積極參與，並取得重要份額。

受中國運營商4G網絡資本開支下滑以及5G採購策略的影響，2019年本公司對中國設備商客戶的銷售規模減少約23.4%，至約人民幣2.5440億元，佔銷售收入的比重也下降約5個百分點，佔總收入的比重約為20.9%。隨著國內主要運營商的5G網絡建設採用交鑰匙 (turn-key) 的採購模式，以及本公司長期以來與中國設備商客戶的深度戰略合作，將令本公司在未來市場中佔有先機，帶來進一步的增長。

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The Company's sales to international equipment manufactures in 2019 decreased by approximately 30.78% to approximately RMB214.30 million, and its proportion in total revenue decreased by approximately 7 percentage points to approximately 17.6%. The above decline was mainly due to the slowdown in global macroeconomic growth and demands for mobile network construction in some countries and regions as well as delays in some projects. The Company believes that the Company continued to maintain a leading supplier position among leading global telecommunication equipment manufacturer customers. The Company's quality performance was also recognized by the customers, the relationship with customers continued to be strengthened and reinforced. The Company was more involved in the 5G projects, which we believe will bring better growth opportunities in 2020.

In 2019, the Company made major breakthroughs in direct sales markets, including overseas operators, and won positive feedback from the customers. In 2019, the Company's direct sales to overseas operators and other international customers increased by approximately 19.2% to approximately RMB197.10 million, and its proportion in total revenue increased by approximately 3 percentage points to approximately 16.2%. With the continuous evolution of China's 4G technology and the continuous improvement of the industrial chain, the PRC base station antennas and filter equipment manufacturers continued to expand the international market share, so that products with a high performance-price ratio were still in high demand, whereas the overseas peers have great difficulties in cost reduction. Riding on the Company's proactive and gradual expansion in the overseas operator market for years, the Company's brand has gained considerable reputation and influence among overseas operators, and its market share has grown for consecutive years. The Company is confident in the prospects of overseas market expansion.

The deployment of the Company's products in the network systems of our diversified international customers strengthened worldwide awareness of the brand name of MOBI.

2019年本公司對國際設備商的銷售規模減少約30.78%至約人民幣2.1430億元，佔總收入的比重約下降7個百分點至約17.6%。以上的下降主要是由於全球宏觀經濟增速放緩而部分國家和地區的移動網絡建設需求放緩、部分項目有所延遲所致。本公司相信，本公司繼續保持在全球領先設備商客戶中的主力份額，品質表現得到了客戶認可，合作不斷深入和加強，並更多的參與到5G項目中，相信2020年將會有更好的增長機會。

2019年本公司在海外運營商等直銷市場上連續取得重大突破，並獲得客戶積極評價。2019年，本公司對海外運營商及其他國際客戶直接銷售增長約19.2%至約人民幣1.9710億元，佔總收入的比重約上升3個百分點至約16.2%。隨著中國4G技術的不斷演進和產業鏈的不斷成熟，中國基站天線及濾波器設備廠商在國際市場的市場份額不斷擴大，國際市場對高性能價格比的產品需求仍然迫切，而海外的同行在降成本上難度很大。通過本公司連續多年積極分步拓展海外運營商市場，本公司的品牌已在海外運營商中有相當的知名度和影響力，市場份額連續多年實現增長，本公司對海外市場的開拓前景充滿信心。

本公司的多元化國際客戶將本公司產品配置於彼等的網絡系統，提升了摩比品牌的世界知名度。

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Gross profit

In 2019, gross profit of the Company increased by approximately 8.4% to approximately RMB279.83 million (2018: approximately RMB258.03 million), and the gross profit margin in 2019 increased to approximately 23.0%, recording growth compared with approximately 20.5% in 2018. The Group improved the overall gross profit margin through the constantly optimizing products sales portfolio, increasing the proportion of high-tech products in sales and implementing effective control of internal costs.

The Company noticed that the technology path in the 3G/4G era is relatively short. As the mature and rapid spread of technology, there will be highly intense price competition in the later stage of technological development, which will impact the profitability of the industry. As 5G is coming soon, the technology evolution path will be longer, and there will be significant increase in technical difficulties, product solutions, quality requirements and application scenarios, which will significantly reduce qualified suppliers and be conducive to the improvement of competitive environment, enabling the Company to more focus on improving product technology. The Company believes that with the continuous evolution of technology products, the Company was full of confidence both in the future recovery and growth of profit margins.

毛利

2019年，本公司毛利增加約8.4%至約人民幣2.7983億元（2018年：約人民幣2.5803億元），而2019年度毛利率上升至約23.0%，已從2018年毛利率約20.5%恢復增長。本集團將繼續透過產品銷售結構不斷優化升級、增加高技術產品的銷售比重、以及有效的內部成本控制來提高整體毛利率。

本公司注意到，3G/4G時代技術路徑較短，隨著技術成熟和快速擴散，市場的價格競爭在技術發展後期則十分激烈，產業的盈利能力遭遇衝擊。隨著5G技術的到來，技術演進路徑更長，技術難度、產品方案、品質要求以及應用場景較過往產品均有顯著提升，使得合資格供應商在顯著減少，有利於競爭環境的改善，令本公司更能專注於產品技術的提升。本公司相信，隨著產品技術的不斷演進，本公司對利潤率的增長充滿了信心。

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Other income and expenses, other gain and loss

Other income and expenses decreased by approximately 26.1% to approximately RMB30.35 million, mainly due to the decrease in cash discount from suppliers upon settlement as well as net exchange gains of the Company.

Distribution and Selling Expenses

Distribution and selling expenses decreased by approximately 0.8% from approximately RMB82.45 million in 2018 to approximately RMB81.82 million in 2019, mainly due to the decrease in travel expenses, communication costs, office expenses, agency fees and consulting expenses caused by the decreased wages and wage surcharges, strengthened cost control and reduced business activities.

Administrative expenses

Administrative expenses decreased by approximately 2.3% from approximately RMB103.38 million in 2018 to approximately RMB101.00 million in 2019, mainly due to the decrease in expenses on wages, welfare expenses, transportation expenses, low-value consumables, litigation fees and management/utility expenses.

其他收入及開支、其他收益及虧損

其他收入及開支減少約26.1%至約人民幣3,035萬元，主要是由於本公司供應商現金折扣收入及淨匯兌收益減少所致。

分銷及銷售開支

分銷及銷售開支由2018年約人民幣8,245萬元減少約0.8%至2019年約人民幣8,182萬元。主要由於工資及工資附加費減少、費用管控加強以及業務活動減少，使得差旅費、通訊費、辦公費、代理費及諮詢費用減少所致。

行政開支

行政開支由2018年約人民幣1.0338億元減少約2.3%至2019年約人民幣1.0100億元，主要由於工資、福利支出、運輸費、低值易耗品、訴訟費及管理／水電費減少所致。

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Research and development expenses

During the year, the Company recognised development costs of approximately RMB16.94 million as intangible assets. After the capitalisation, development costs increased by approximately 9.2% from approximately RMB89.07 million in 2018 to approximately RMB97.24 million in 2019, which was mainly attributable to the increase in salaries for research and development activities, communication costs, costs of research and development materials, rents costs, office expenses and amortization of intangible assets. As the development demand of 5G technology and overseas projects increased significantly, the Company's R&D investment is expected to rise rapidly in 2019, which is expected to bring business opportunities in the future.

Finance Costs

Finance costs decreased by approximately 22.3% from approximately RMB13.18 million in 2018 to approximately RMB10.24 million in 2019, mainly due to the partial repayment of bank borrowings. In 2019, bank borrowings of the Company continue decreased by approximately RMB97.92 million to approximately RMB98.88 million.

Profit before tax

In 2019, profit before tax increased to approximately RMB16.76 million (2018: a profit before tax of approximately RMB10.02 million). Net profit margin before tax charges increased from approximately 0.8% in 2018 to approximately 1.4% in 2019.

Taxation

Current income tax expenses decreased by approximately 100% from approximately RMB0.019 million in 2018 to nil in 2019. Effective tax rates calculated from the tax charged to the profit before tax of the Company were approximately nil and approximately 0.2% for 2019 and 2018 respectively.

研發開支

本年度，本集團確認約人民幣1,694萬元開發成本為無形資產。資本化後，開發成本由2018年約人民幣8,907萬元增加約9.2%至2019年約人民幣9,724萬元，主要是由於研發工資、研發材料費、房租費、辦公費及無形資產攤銷費增加所致。由於5G技術的開發需求和海外項目的開發需求顯著上升，因此2019年本公司的研發投入預計會上升較快，這些研發投入預計將在未來帶來業務機會。

融資成本

融資成本由2018年約人民幣1,318萬元減少約22.3%至2019年約人民幣1,024萬元，主要由於部份償還銀行借款所致。2019年，本公司繼續減少銀行借款約人民幣9,792萬元至約人民幣9,888萬元。

稅前利潤

2019年度稅前利潤增加至約人民幣1,676萬元（2018年：稅前利潤約人民幣1,002萬元）。扣稅前的純利率由2018年約0.8%增加至2019年約1.4%。

稅項

當期所得稅開支由2018年約人民幣1.9萬元減少約100%至2019年為零。本公司於2019年及2018年就稅前利潤計算的實際稅率分別約為零及0.2%。

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Profit for the year

Profit for the year 2019 increased by approximately 41.5% to a profit of approximately RMB23.61 million (2018: a profit for the year of approximately RMB16.69 million). The Company's net profit margin was approximately 1.9% in 2019, compared to approximately 1.3% in 2018. The increase in our net profit margin was mainly due to the decrease in distribution and sales expenses, administrative expenses and finance costs.

Relationships with equipment manufacturers, operators and suppliers

The Group mainly sells antenna products and RF subsystem products to telecommunication equipment manufacturer customers (such as ZTE) who builds complete networks for delivery to telecommunication operators (such as China Mobile), thus enabling the Group to establish close and stable relations with equipment manufacturers.

The Group is also one of the few domestic technology providers offering RF solutions to both global and domestic telecommunication operators (such as China Mobile, China Unicom and China Telecom) and telecommunication equipment manufacturers (such as ZTE and Nokia), which enables the Company to maintain a leading edge in product technology and continuous expansion of customer channels, and thus to build close and solid relations with global and domestic telecommunication operators.

年內利潤

2019年利潤增加約41.5%至錄得年內利潤約人民幣2,361萬元(2018年：年內利潤約人民幣1,669萬元)。本公司於2019年的純利率約為1.9%，而2018年約為1.3%。純利率上升主要是由於分銷及銷售開支、行政開支及財務成本等下降所致。

與設備商、運營商及供應商的關係

本集團主要出售天線產品、射頻子系統產品給電信設備商客戶(如中興通訊等)，其建設成完整的網絡後交付給電信運營商(如中國移動等)，這使本集團與設備商建立了密切且穩定的關係。

本集團亦是國內少有的能同時為全球及國內電信運營商(如中國移動、中國聯通及中國電信)及電信設備商(如中興通訊、諾基亞等)提供射頻解決方案的技術供應商，這使得本公司始終能保持產品技術的領先和客戶管道的不斷拓展，從而與全球及國內電信運營商建立了密切且穩定的關係。

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Suppliers of the Group include raw material suppliers and contract manufacturers. The Group has developed solid and steady relationships with many of its key suppliers. Given solid and steady relationships with the suppliers, the Group believes that its suppliers generally provide supplies to the Group with a priority and the Group has not experienced any material shortage or delays in receiving supplies or services from the suppliers during the track record period.

Principal Risks and Uncertainties

A number of factors may affect the results and business operations of the Group. Major risks and uncertainties are summarized below.

Brand/Reputation Risk

The Company has established and maintained its MOBI brand that aims to brand the products of the Group including antenna system, base station RF subsystem and coverage extension solution, primarily targeting leading system equipment manufacturers and telecommunication operators worldwide for provision of its RF solution. If the Group is unsuccessful in promoting its MOBI brand or fails to maintain its brand position and market perception, system equipment manufacturers and telecommunication operators' acceptance of its MOBI brand may erode, and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Any negative publicity or dispute relating to the Group's MOBI brand, products, sponsorship activities or management, the loss of any award or accreditation associated with the Group's MOBI brand or products or the use of the "MOBI" trademark or brand name by other businesses could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

本集團的供應商包括原材料供貨商及外包生產商。本集團與其多家主要供應商建立了密切且穩定的關係。因與供應商有密切且穩定的關係，本集團相信，本集團供應商一般會優先向本集團供貨，而本集團於往績記錄期間向供貨商收取供應或服務並無經歷任何重大短缺或延誤。

主要風險及不確定因素

本集團的業績及業務營運受不同因素的影響。主要風險及不確定因素概述如下。

品牌／聲譽風險

本公司已創立及持有其摩比品牌，作為旨在提供本集團產品包括天線系統、基站射頻子系統及覆蓋延伸方案產品品牌，該品牌主要鎖定對全球各領先的系統設備商與電信運營商提供射頻技術解決方案。倘本集團未能成功推廣其摩比品牌或未能維持其品牌地位及市場觀感，則系統設備商與電信運營商對本集團摩比品牌的接受程度或會降低，本集團的業務、財務狀況、經營業績及前景可能受到重大不利影響。

有關本集團摩比品牌、產品、贊助活動或管理層的任何負面報導或糾紛、失去與本集團的摩比品牌或產品有關的任何獎項或認證或其他業務所使用的「摩比」商標或品牌，可能會對本集團的業務、財務狀況、經營業績及前景帶來重大不利影響。

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Market Trend

The Group's success depends on the market perception and customer acceptance of MOBI brand and the Group's products, which in large part, rely on the Group's ability to anticipate and respond to different market demands in a timely manner.

If the Group is unable to utilize new technologies and processes, anticipate and respond to market and new technology trends and customer preferences in a timely manner, demand for MOBI products may decrease. The Group's business would also suffer if product creations or modifications do not respond to the needs of customers, are not appropriately timed with market opportunities or are not effectively brought to market. Any failure by the Group to offer products that respond to changing market and customer preferences, or any shift in market or new technologies and processes and customer preferences away from MOBI brand and the Group's products, could adversely affect customers' interest in the Group's products.

Competition

Currently, the Group's antenna system products, base station RF subsystem products and coverage extension solution products face different levels of competition in their respective market sectors. As competitors with similar brand positioning may emerge and intensify the current competition, there can be no assurance that the Group will be able to compete effectively against competitors who may have greater financial resources, greater scales of production, superior technology, better brand recognition and a wider and more diverse distribution network. To compete effectively and maintain the Group's market share, the Group may be forced to, among other actions, reduce prices and increase capital expenditures, which may in turn negatively affect the Group's profit margins, business, financial condition and results of operations.

市場趨勢

本集團的成功依賴市場對摩比品牌及本集團產品的觀感與客戶對摩比品牌及本集團產品的接受程度，這在很大程度上視乎本集團能否預測不同的市場需求並及時作出回應而定。

倘本集團未能及時利用新技術及工藝、預測市場、新技術的走勢以及客戶喜好並作出相應配合，則對摩比產品的需求可能會下降。倘本集團的產品創新或修改未能回應客戶所需、未能適時配合市場機會或未能有效推出市場，本集團的業務亦會蒙受損失。本集團未能提供配合不斷轉變的市場及客戶喜好的產品，或市場或新技術及工藝以及客戶喜好偏離摩比品牌及本集團產品，均可能令客戶對本集團產品的興趣造成不利影響。

競爭

目前，本集團的天線系統產品、基站射頻子系統產品及覆蓋延伸方案產品在其各自的市場分部面對不同程度的競爭。而具有相似品牌定位的競爭對手可能出現並加劇現有競爭，本集團不能保證可有效地與可能擁有較多財務資源、較大生產規模、較先進的技術、較高品牌知名度、較廣泛及較多元化的競爭對手競爭。為提高競爭效率及維持本集團市場份額，本集團可能被迫（其中包括）減價及增加資本開支，因而或會為本集團的利潤率、業務、財務狀況及經營業績帶來負面影響。

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Environmental Policies and Performance

The Group's production process is carried out with low emissions and low energy consumption, and it will not produce great amount of pollutants. The Group has been endeavoring to ensure that the production process is in compliance with relevant environmental rules and regulations.

In the past, the Group has not been in breach of any relevant environmental rules and regulations and has not been imposed any relevant penalty. It is expected that the future operational activities of the Group would not be affected by the environmental policies. The Group strives for energy conservation and consumption reduction. In reducing the operating costs, the Group also puts efforts in environmental protection.

Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in mainland China while the Company itself is listed on the Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in mainland China and Hong Kong. During the year ended 31 December 2018 and up to the date of this report, to the best of our knowledge, the Group has complied with all the relevant laws and regulations in mainland China and Hong Kong, and there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

FUTURE PROSPECTS

Prospects

Looking forward, the Company will pay attention to both domestic and overseas markets simultaneously and will continue to focus on the area of RF technology for wireless communication, especially on base station RF technology and RF technology for other wireless communications.

環境政策及表現

本集團的生產過程低排放、低耗能及不會產生大量污染物。本集團一直致力確保生產過程中遵守相關環保規則及法規。

本集團過往並未違反任何相關環保規則及法規，亦未遭受任何相關的處罰，預計本集團未來的經營活動亦不會受到環境政策的影響。本集團致力節能降耗，在降低經營成本的同時，也為環境保護作出自己的努力。

遵守法律及法規

本集團的業務主要由本公司於中國內地的附屬公司進行，而本公司本身於聯交所上市。因此，本集團營運須遵守中國內地及香港的有關法律及法規。截至2018年12月31日止年度及直至本報告日期，盡我們所知，本集團已遵守中國內地及香港的所有有關法律及法規，並沒有出現嚴重違反或未有遵守適用法律及法規的情況。

未來展望

展望

展望未來，本公司將同步關注國內市場與海外市場，繼續專注於無線通信的射頻技術領域，特別是基站射頻技術和其他無線通信的射頻技術。

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The Company believes that with the official commercialization and the initial launch of 5G in China, the 5G will cause profound changes to industrial structures based on its advantages in high speed, low latency, high bandwidth and wide coverage. The 5G will open a new era for the Internet of Everything, and drive a new wave of technologies and industrial changes. It is expected the large-scale 5G network construction in 2020 will continue to bring new opportunities for the development and integration of the industry. On the one hand, 5G base stations will increase significantly, including the demand for the construction of new base station and reconstruction of the roof of existing base station. On the other hand, the demand of large-scale antenna arrays for base station antennas and base station RF devices will increase significantly, and the technical threshold and difficulty will also rise. With the Company's leading position in customer channels and 5G technology, the Company is in place to capture early opportunities riding on the development waves of 5G.

本公司相信，隨著中國5G的正式商用及5G元年的開啟，5G將以其高速率、低時延、大帶寬、廣覆蓋等優勢深刻改變產業格局，開啟萬物互聯的新時代，成為新一輪科技浪潮和產業變革的驅動力。預計隨著2020年5G網絡建設的規模化，這將會持續帶來新的產業發展機會和行業整合機遇。一方面5G基站數量規模化增加，包括新建基站的需求，以及現存基站的天面改造需求。另一方面大規模天線陣列對基站天線和基站射頻器件的需求顯著提高，技術門檻上升且技術難度增加。而本公司在客戶管道和5G技術方面的領先地位，使得本公司將在5G的發展浪潮中佔得先機。

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The Company has always adhered to the important strategy of international development. In the global arena, the overseas 4G cycle will last much longer than that in China. Although 5G is coming soon, 4G technology will still be the mainstream in the global network construction for a long time in the future. With its leading product technology of overseas multi-frequency system, the Company achieved satisfying breakthroughs in multinational operators in 2019 particularly its significant improvement in various aspects such as product technology, quality standards and technical process experiences. In future, the Company will further develop the markets of overseas network operators, continuously enter the short lists of multinational and major regional network operators and continue to increase the Company's share in the global market on a long-term basis. It is foreseeable that the global market share of the Company is still extremely small at present, as such, the continuous expansion of the global market will not only push the way up in periodic development for the next few years, but also achieve sustained growth in a longer period.

國際化發展是本公司一直堅持的重要戰略。就全球而言，4G周期長度將遠長於中國國內。盡管5G即將到來，但在未來很長一段時間內，4G技術仍將佔據全球網絡建設的主流。本公司的海外多頻多系統產品技術的領先，特別是2019年在跨國運營商的持續突破，產品技術、品質水準與工藝經驗等方面，都得到了顯著的提升。在未來，本公司將進一步拓展海外運營商市場，不斷進入各跨國與區域主要運營商的短名單，長期持續提升本公司在全球市場中的佔有率。可以看到，本公司當前在全球的市場份額仍非常之小，持續拓展全球市場，不僅可以推動未來幾年向上周期發展，更可以在更長的時間內實現持續增長。

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Furthermore, the COVID-19 coronavirus outbreak has brought about additional uncertainties in the Group's operating environment in China and overseas markets. As far as the Group's businesses are concerned, the outbreak has so far caused operational delays. The Group has put in place contingency measures to lower the impact from this outbreak. However, the situation remains fluid at this stage.

Customers

The Company adheres to the visionary target of "becoming a global leading provider of RF technology for mobile communications", and strives to offer its RF solution to leading system equipment manufacturers and telecommunication operators around the world.

The Company is also one of the few domestic technology providers offering RF solutions to both global system equipment manufacturers and telecommunication operators, which enables the Company to maintain a leading edge in product technology and continuous expansion of customer channels.

In 2019, the Group continued to optimize the structural adjustments in the domestic operator market, well implemented domestic operators' procurement tender, and made considerable progress in new business development. In particular, the Group maintained close strategic cooperation with China Unicom and obtained a leading share in customers. With the large-scale 5G network construction in 2020, it is expected that capital expenditures of domestic operators on the wireless network side will gradually resume growth trend. The Company will seize up opportunities brought by the in-depth development of 4G network and construction of 5G network in China, and carry out all-around and in-depth cooperation with operators to provide comprehensive business support including base station antennas systems and coverage extension solutions.

此外，新型冠狀病毒(COVID-19)爆發為本集團的中國及海外市場運營環境帶來了更多不確定因素。就集團的業務而言，疫情至今已導致營運滯後。本集團已制定應變措施，以減輕疫情帶來的影響。然而，在此階段情況仍然充滿不確定性。

客戶方面

本公司堅持「成為全球一流的移動通信射頻技術供應商」的願景目標，致力於為全球各領先的系統設備商與電信運營商提供射頻技術解決方案。

本公司亦是國內少有的能同時為全球系統設備商與電信運營商提供射頻解決方案的技術供應商，這使得本公司始終能保持產品技術的領先和客戶管道的不斷拓展。

2019年，本公司在國內運營商市場的結構調整持續優化，對於國內運營商的集中採購中標執行落地情況良好，並在新業務拓展方面取得了相當進展。尤其是與中國聯通保持緊密的戰略合作，在客戶中佔有領先的市場份額。2020年隨著5G網絡建設的規模化，預計國內運營商在無線網絡端的資本支出將逐步恢復增長態勢。本公司將緊抓國內4G網絡深耕和5G網絡建設的機遇，全方位的與運營商展開深度合作，提供包括基站天線系統、覆蓋延伸解決方案在內的綜合業務支撐。

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In terms of domestic equipment manufacturers, the Group has the advantage of being a leading supplier, including leading competitiveness in terms of product technology and customer communication. The large-scale construction of 5G network in 2020 may lead to rapid growth, and major equipment manufacturers, especially domestic equipment manufacturers, are expected to obtain an important market share. The Company maintained very close cooperation with domestic equipment manufacturers in the development, testing and production of 5G technology. 5G technology is more complicated and difficult, due to the increasing complexity of 5G technology and the improved value of antenna and RF subsystem, and domestic operator customers are likely to adopt the packaged delivery model. Therefore, the degree of strategic cooperation with system equipment manufacturers will largely determine the domestic market share of 5G antenna and RF subsystem business. The Company's close strategic partnership with domestic equipment manufacturers will further prominent the Company's advantages in the future market.

As for international equipment manufacturers, the Group continued to maintain an advantageous share in 2019. The Group believes that with the implementation of research and development projects for international equipment manufacturers and the progress in the delivery of new products, there will still be opportunities for continued sales growth.

After years of efforts, the Company has been making new breakthroughs in the expansion of overseas direct sales markets. As one of the mobile communications markets with largest procurement scale, most difficult technology and most complex application scenarios in the world, European operators are also the long-term strategic direction of the Company. In 2019, the Company's revenue from direct sales to international operators increased significantly by over approximately 19% as compared with last year, which was recognized by many European customers, maintained the growth momentum in Europe in the past consecutive years. In 2020, the Company will intensify efforts to promote the technological upgrading and coverage of products to meet the demand of overseas customers. The Company believes that the direct sales growth in international operators will become another strong driving force for the business growth of the Company in the next few years.

在國內設備商方面，本公司仍然擁有主力供應商的優勢，在產品技術、客戶溝通等方面擁有領先競爭力。2020年的5G網絡規模化建設可能實現飛躍性的增長，主要的設備商特別是國內設備商預計將佔有重要的市場份額。本公司與國內設備商在5G技術的研發、測試和生產的合作十分密切，由於5G技術難度更為複雜，天線與射頻子系統的價值量提升，同時國內運營商客戶很可能採用捆包的交付模式，因此與系統設備商的戰略合作程度，將很大程度上決定國內5G天線與射頻子系統業務的市場份額。而本公司與國內設備商的緊密戰略合作夥伴關係，將令本公司在未來的市場優勢更為突出。

在國際設備商方面，2019年本公司依然保持優勢份額。本公司相信，隨著對國際設備商的研發專案的落地和新產品進入交付爬坡，未來仍有機會帶來持續的銷售增長。

經過多年努力，本公司在海外直銷市場的拓展中不斷取得新的突破。歐洲運營商是全球採購規模最大、技術難度最高、應用場景最複雜的移動通信市場之一，也是本公司的長期戰略方向。在2019年，本公司對國際運營商直銷的收入較上年上升超過約19%，得到了眾多歐洲客戶的認可，在歐洲地區連續多年保持增長態勢。2020年將加大力度推進本公司產品的技術升級以及提高本公司的產品覆蓋度，以滿足海外客戶的需求。本公司相信國際運營商的直銷增長會成為未來幾年內公司業務增長的又一強勁動力。

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Products

On 6 June 2019, the Ministry of Industry and Information Technology of China officially issued 5G licenses to four operators, namely China Mobile, China Telecom, China Unicom and China Broadcasting Network, marking 5G commercialization in China. With the early issuance of 5G licenses, China accelerates its 5G progress and sees a huge market. There will be overall performance in bandwidth, latency and synchronization in the 5G era. It will bring certain stock and increment opportunities, including the demand for the construction of a large number of new base station and reconstruction and deep coverage of the roof of existing base station, leading to increasing demand for high-end antennas and antenna feeder integration. The Company believes that benefiting from our strong R&D capabilities and leading position in the industry chain, the technical threshold of advanced high-end antennas can be favorable for the Company's competition. At the same time, driven by the application of 5G Massive MIMO technology, 5G RF subsystem will be more complicated, while dielectric filters may become the mainstream solution in line with the development trend of miniaturization, lightweight, and new materials. The Group believes that the technological threshold of cutting-edge high-end antennas and the innovatory

產品方面

2019年6月6日，中國工信部正式向包括中國移動、中國電信、中國聯通、中國廣電在內的四家運營商發放了5G牌照，標誌著中國5G正式進入了商用階段。隨著5G牌照的提前發放，中國5G進程提前展開，同時將打開巨量的市場空間。5G時代帶寬、時延、同步等性能全面提升，將會帶來若干存量和增量的雙重機會，包括大量新建基站的需求，以及現存基站的天面改造及深度覆蓋需求，這都將帶來對高端天線以及天饋一體化的需求增加。本公司相信，本公司擁有強大的研發能力和產業鏈的領先地位，前沿高端天線的技術門檻對本公司的競爭有利。與此同時，受5G Massive MIMO技術的推動，5G的射頻子系統也將更複雜，向小型化、輕型化、新材料

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base station RF subsystem technology are beneficial to the Group in competition, while the Company has the research, development and massive production capabilities covering the whole industry chain, and has achieved large-scale supply. In general, the Company believes that by virtue of the Company's leading position in technologies of 5G antennas and radio frequency subsystems, and the integrated and source-based development of antenna and RF subsystem, the Company is in place to capture early opportunities riding on the network construction of 5G depending on our technology and customer accumulation these two segments.

Globally, the overseas LTE network construction is still growing vigorously. Further technology upgrading of multi-frequency, multi-system and multi-beam antennas will be provided by overseas LTE network construction and complicated multi-network stations, getting closer to limit design. The Company has received a number of R&D projects from overseas customers and passed corresponding tests. With the Company's continuous entry into the short lists of overseas operators and the technology accumulation of multi-frequency, multi-system antennas and antenna feeder integration for years, including its improvement in automated and intelligent production capabilities, the Company is capable of further upgrading its antenna development platform to meet the evolving technical demand of international operators.

For coverage extension products and other products, due to more complicated station sites environment and the continuous increase in the demands of domestic operators for network construction optimization and performance improvement, high-quality aesthetic antennas, PicoCell, smart lamp pole, etc. are expected to be applied more broadly, while the Group boasts leading technology strengths in such areas, continuous investment of relevant research and development resources, as well as products which more fit in with customers' demands, thus enhancing mutual trust with customers. Therefore, the Group believes that with the launch of research and development of new businesses and the implementation of projects, there will be more new opportunities for business growth of the Group.

的方向發展，介質濾波器或將成為主流解決方案。本公司相信，前沿高端天線的技術門檻以及革新基站射頻子系統技術對本集團的競爭有利，本公司已經具備產品研發和批量生產的全產業鏈的能力，並已經實現批量供貨。綜合而言，本公司相信本公司在5G的天線與射頻子系統技術方面處於國內行業的領先位置，天線與射頻子系統向一體化和有源化發展，相信本公司在這兩個細分領域的技術積累以及客戶積累將能夠在5G的網絡建設中佔得先機。

全球而言，海外LTE網絡建設仍然火熱進行，海外的LTE建網和複雜的多網共站的需求，會帶來多頻多系統以及多波束天線技術的進一步升級，更趨近極限化設計。本公司已經接到海外客戶多項研發專案並通過相應測試，隨著海外運營商短名單的不斷突破，以及本公司的多年多頻多系統一體化天線技術的積累，包括自動化、智能化生產能力的提升，使得本公司有能力實現天線開發平台的進一步升級以滿足國際運營商不斷演進的技術需要。

在覆蓋延伸及其他產品上，由於未來站址環境更加複雜，國內運營商網絡建設優化和性能改善的需求將會持續增加，高品質的美化天線、皮基站以及智慧燈桿等預計將有廣闊的運用，而本集團在這些領域都有領先的技術優勢，並不斷投入了相關的研發資源，加上更貼近客戶的需求與溝通，從而加深各方客戶互相信賴。因此本集團相信，隨著新業務的研發開展和專案落地，將會為本集團帶來更多新的業務增長機會。

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Conclusion

The Company is one of the few one-stop solution providers of RF technology for global network operators and system equipment manufacturers in the PRC, capitalizing on a wide range of well-known customers and diversified income sources positive for its healthy and stable growth.

The Company believes that the telecommunication equipment industry is expected to see another growth cycle due to the deep development of 4G network and the forthcoming 5G construction in scale over the next few years. The Company and the Board will continue to optimize the size and mix of customer base and adopt differentiated competition strategies underpinned by technology and cost advantages to maximize the market opportunities in LTE, 5G and next generation wireless technologies, thus enhancing the Company's overall competitiveness to ensure the robust business performance of the Group and create more value for shareholders and the society.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

We have funded our operations and capital requirements from cash generated from our operations, trade credit from our suppliers and short-term bank borrowings. Our primary uses of cash have been for our increased working capital needs, capital expenditures on purchases of production equipment and acquisition of land use rights for our real properties in Shenzhen, Ji'an and Xi'an in the PRC.

As at 31 December 2019, the Group had net current assets of approximately RMB641.55 million (2018: approximately RMB637.91 million) including inventories of approximately RMB281.69 million (2018: approximately RMB448.69 million), trade receivables and notes receivable of approximately RMB614.14 million (2018: approximately RMB692.79 million) and trade payables and notes payable of approximately RMB592.18 million (2018: approximately RMB803.56 million).

總結

本公司是國內少數能為全球運營商與系統設備商提供一站式解決方案的射頻技術供應商，擁有廣泛的知名客戶和多元化的收入來源，這有利於本公司保持積極而穩定的增長。

本公司相信，未來幾年隨著4G建設的深度發展和5G規模化建設的到來，電信設備行業有望迎來新的一輪增長週期。公司與董事會將繼續推行客戶規模與結構的優化以及技術領先、成本領先的差異化競爭策略，最大化LTE與5G以及之後的無線技術的市場機會，提升本公司的綜合競爭力，實現集團業績的穩健發展，創造價值回饋股東和社會。

資本結構、流動資金及財務資源

本公司已從業務、供應商提供的貿易信貸及短期銀行借款所產生的現金支付本公司營運及資本需求。本公司的現金主要用作滿足本公司更大的營運資金需求、購買生產設備所需資本開支及收購本公司在中國深圳、吉安和西安的房地產的土地使用權。

於2019年12月31日，本集團有流動資產淨額約人民幣6.4155億元（2018年：約人民幣6.3791億元），包括存貨約人民幣2.8169億元（2018年：約人民幣4.4869億元）、貿易應收賬款及應收票據約人民幣6.1414億元（2018年：約人民幣6.9279億元）以及貿易應付賬款及應付票據約人民幣5.9218億元（2018年：約人民幣8.0356億元）。

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The Group maintained effective management of its working capital. For the year ended 31 December 2019, average inventories turnover, average receivables turnover and average payables turnover are approximately 143 days (2018: 157 days), 196 days (2018: 232 days) and 272 days (2018: 278 days) respectively. We offer credit terms generally accepted in the antenna and base station RF subsystem manufacturing industry to our trade customers. In general, the average credit period for local network operators is longer than global network operators and solution providers.

As at 31 December 2019, the Group recorded a pledged bank balance of approximately RMB137.07 million (2018: approximately RMB171.74 million), cash and bank balances of approximately RMB292.41 million (2018: approximately RMB296.34 million) and recorded bank borrowings of approximately RMB98.88 million (2018: approximately RMB196.80 million). The current ratio (current assets divided by current liabilities) increased from approximately 1.57 times as at 31 December 2018 to approximately 1.82 times as at 31 December 2019. The gearing ratio (bank borrowings divided by total assets) was approximately 5.0% as at 31 December 2019 as compared with a gearing ratio of approximately 8.5% as at 31 December 2018. The interest rates on the Group's bank borrowings are designated as fixed rates or floating rates based on prevailing market rates.

The Board is of the opinion that the Group has a solid and stable financial position and adequate resources to satisfy necessary operating capital requirements and foreseeable capital expenditures.

本集團堅持有效管理營運資金。截至2019年12月31日止年度，存貨平均週轉日數、應收賬款平均週轉日數及應付賬款平均週轉日數分別為約143日（2018年：157日）、196日（2018年：232日）及272日（2018年：278日）。我們向貿易客戶提供天線系統及基站射頻子系統製造行業普遍接受的信貸期。整體而言，地方網絡營運商的平均信貸期一般較全球網絡營運商及方案供應商的信貸期更長。

於2019年12月31日，本集團錄得已抵押銀行結餘約人民幣1.3707億元（2018年：約人民幣1.7174億元）、現金及銀行結餘約人民幣2.9241億元（2018年：約人民幣2.9634億元），並錄得銀行借款約人民幣9,888萬元（2018年：約人民幣1.9680億元）。流動比率（流動資產除流動負債）由2018年12月31日的約1.57倍上升至2019年12月31日的約1.82倍。2019年12月31日的槓桿比率（銀行借款除以總資產）約為5.0%，而2018年12月31日的槓桿比率為約8.5%。本集團銀行借款指定按固定利率及因應當時市場水準浮動的利率計息。

董事會認為本集團財務狀況穩固，財務資源足以應付必要的經營資金需求及可預見的資本開支。

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FOREIGN EXCHANGE EXPOSURE

RMB is the functional currency of the Group. Currencies other than RMB expose the Group to foreign currency risk. We have foreign currency sales and purchases and certain trade receivables and bank balances are denominated in USD, EUR and HKD. We currently do not have a foreign currency hedging policy. However, the management monitors and will consider hedging of foreign currency exposure when the need arises.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, the Group had approximately 2,133 staff. The total staff costs amounted to approximately RMB251.12 million for the year ended 2019. The remuneration of the Group's employees is determined on the basis of their responsibilities and industry practices. Regular training is provided to improve the skills and expertise of relevant staff. The Group also grants share options and discretionary bonuses to eligible staff based on their performance.

外匯風險

本集團功能貨幣為人民幣，非人民幣的貨幣令本集團面對外幣風險。我們有外幣買賣活動，且若干貿易應收賬款及銀行結餘以美元、歐元及港元計值。我們現時並無外幣對沖政策。然而，管理層會監管情況，必要時會考慮對沖外幣風險。

僱員及薪酬政策

於2019年12月31日，本集團有約2,133名員工。截至2019年止年度的員工成本總額約人民幣251.12億元。本集團僱員的薪酬基於職責及行業慣例釐定。本集團提供定期培訓，提高相關員工的技術及專門知識，亦會根據表現向合資格員工授出購股權及酌情花紅。

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CHARGE ON ASSETS

As at 31 December 2019, bank balances of approximately RMB137.07 million and notes receivables of approximately RMB79.07 million were mainly pledged to secure bank borrowings and bills payable granted to the Group.

CONTINGENT LIABILITIES

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During 2019, a total amount of 630,000 shares of the Company had been repurchased at prices ranging from HK\$0.91 per share to HK\$0.94 per share by the Company via Stock Exchange. The Company had subsequently cancelled all these shares repurchased during the year. Save as mentioned above, neither the Company nor the Company or any of its subsidiaries had purchased or sold any of the Company's listed securities during the current year.

抵押資產

於2019年12月31日，本集團的銀行結餘約人民幣1.3707億元及應收票據約人民幣7,907萬元以抵押本集團獲授的銀行借款及應付票據。

或然負債

於2019年12月31日，本集團並無任何重大或然負債。

購買、贖回或出售本公司上市證券

於2019年內，本公司在聯交所以介乎每股0.91港元至0.94港元之價格，購回合共630,000股本公司股份，本公司隨後註銷該等於年內購回之所有股份。除此之外，本公司並無贖回，以及本公司或其任何子公司於本年度內概無購買或出售本公司之任何上市證券。



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DIVIDEND

To share the fruitful results of the Group among all the shareholders, the Board recommends the payment of a final dividend of HK\$0.02 per share out of distributable reserve of the Company in respect of the year ended 31 December 2019. The date of closure of the register of members of the Company regarding the entitlement of final dividend will be published in due course. The proposed final dividend will be paid on 8 July 2020 following approval at the forthcoming annual general meeting (the "AGM").

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend the annual general meeting of the Company to be held on 5 June 2020 ("2020 AGM"), the Register of Members of the Company will be closed from Tuesday, 2 June 2020 to Friday, 5 June 2020, both days inclusive. In order to qualify for attending and voting at the 2020 AGM, all transfer documents should be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited (the "Company's Registrar") at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 1 June 2020.

For the purpose of determining shareholders who qualify for the final dividend, the Register of Members of the Company will be closed from Thursday, 11 June 2020 to Friday, 12 June 2020, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 10 June 2020.

股息

為了與各股東分享本集團的佳績，董事會建議自本公司可分派儲備向本公司的股東派付截至2019年12月31日止年度末期股息每股0.02港元。本公司暫停股份過戶登記的日期以釐定合資格獲派發末期股息之股東，將於適當時間公佈。建議末期股息獲應屆股東週年大會（「股東週年大會」）批准後，將於2020年7月8日派付。

暫停辦理股份過戶登記

為決定合資格出席於2020年6月5日舉行的股東週年大會（「2020年股東週年大會」）的股東身份，本公司將於2020年6月2日（星期二）至2020年6月5日（星期五）（包括首尾兩日）暫停辦理股份過戶登記。為確保享有出席2020年股東週年大會與投票之資格，所有股份過戶文件最遲須於2020年6月1日（星期一）下午4時30分前，送達香港灣仔皇后大道東183號合和中心17樓1712-1716號舖本公司之股份登記及過戶處中央證券登記有限公司（「本公司之股份登記及過戶處」）辦理過戶手續。

為釐定有權收取末期股息之股東資格，本公司將於2020年6月11日（星期四）至2020年6月12日（星期五）（包括首尾兩日）暫停辦理股份過戶登記。為符合資格獲派發末期股息，所有過戶文件最遲須於2020年6月10日（星期三）下午4時30分前送達本公司之股份過戶登記處中央證券登記有限公司辦理過戶登記手續，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

Corporate Governance Report

企業管治報告



CORPORATE GOVERNANCE PRACTICES

The Board has been adamant in upholding high standards of corporate governance to maximize the operational efficiency, corporate values and shareholder returns of the Company. The Company adopted sound governance and disclosure practices and continued to upgrade internal control system, strengthen risk control management and reinforce the corporate governance structure.

Save for the deviation disclosed in this report, the Company has complied with the code provisions of the Corporate Governance Code (the “Code Provisions”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) during the year ended 31 December 2019.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules.

All Directors have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code during the year ended 31 December 2019.

企業管治常規

董事會已貫徹維持高水平的企業管治，以實現本公司最大經營效能、企業價值及股東回報。本公司運用健全管治及披露慣例，持續優化內部控制系統，增強風險控制管理及鞏固企業管治架構。

截至2019年12月31日止年度，除本報告所披露之偏差外，本公司已遵守載於聯交所證券上市規則（「上市規則」）附錄14的企業管治守則的守則條文（「守則條文」）。

董事的證券交易

本公司已應用上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。

經本公司特定查詢後，所有董事均已確認於截至2019年12月31日止年度已遵守標準守則所載標準。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

Board Composition

The Board comprises seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The following sets out the composition of the Board, by category of Directors:

Executive Directors:

Hu Xiang (*Chairman*)

Liao Dong

Non-executive Directors:

Qu Deqian

Chen Zhaojun (Note 1)

Independent non-executive Directors:

Li Tianshu

Zhang Han

Ge Xiaojing

The Board's composition demonstrates a balance of core competence with regard to the business of the Group so as to provide effective leadership and the required expertise to the Group. The executive Directors and senior management have extensive management experience in the wireless communication antennas and base station RF subsystems industry. The biographical details and experience of the Directors and senior management are set out on pages 90 to 97 of this report.

There are no financial, business, family or other material/relevant relationships among members of the Board.

(Note 1): On 21 March 2019, the board of directors approved the resignation of Mr. Chen Zhaojun from non-executive director.

董事會

董事會組成

董事會由七名董事組成，其中二名為執行董事、二名為非執行董事及三名為獨立非執行董事。下文按董事類別載列董事會組成：

執行董事：

胡翔(主席)

廖東

非執行董事：

屈德乾

陳兆軍(附註1)

獨立非執行董事：

李天舒

張涵

葛曉菁

董事會組成顯示本集團業務核心競爭力均衡，為本集團提供有效領導班底及所需專才。執行董事及高級管理層於無線通信天線及基站射頻子系統行業有豐富的管理經驗。董事及高級管理層履歷詳情及經驗載於本報告第90至97頁。

董事會成員之間概無財務、業務、家族或其他重大／相關關係。

(附註1)：2019年3月21日，董事會批准陳兆軍先生辭任非執行董事。

Corporate Governance Report

企業管治報告

Board Responsibilities

The Board is responsible for leadership and control of the Group and is entrusted with the responsibility to supervise the overall management of the business, including establishing and overseeing the Group's strategic development, business plans, financial objectives, capital investment proposals and assumes the responsibilities of corporate governance of the Group. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the executive Directors and members of senior management of the Group.

Board Meetings

The Board conducts meetings on a regular basis and on an ad hoc basis, as warranted by business needs. During the year ended 31 December 2019, four Board meetings, two audit committee (the "Audit Committee") meetings, one remuneration committee (the "Remuneration Committee") meeting and one nomination committee (the "Nomination Committee") meeting were convened. Details of attendance of Board meetings of each of the members of the Board are set out in "Attendance of Individual Directors at Meetings" below.

Notices for regular Board meetings are given to each Director at least 14 days prior to the meeting, whereby the Directors can put forward his proposed items into the agenda. The agenda and the relevant Board papers are then circulated to the Directors not less than 3 days before a Board meeting in order to enable the Directors to make an informed decisions. For other Board meetings, reasonable notices are given.

Independent Non-Executive Directors

During the year ended 31 December 2019, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors. The Company is of the view that all the independent non-executive Directors meet the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules and considers them to be independent.

董事會職責

董事會負責領導及控制本集團，並監控業務的整體管理，包括設立及監察本集團策略發展、業務規劃、財務目標、資本投資提案，亦負責本集團的企業管治。董事會授予執行董事及本集團高級管理層成員權力及職責實施業務策略及管理本集團業務的日常營運。

董事會會議

董事會根據業務需要定期及特別召開會議。截至2019年12月31日止年度，共召開四次董事會會議、二次審核委員會（「審核委員會」）會議、一次薪酬委員會（「薪酬委員會」）會議及一次提名委員會（「提名委員會」）會議。董事會各成員出席董事會會議之詳情載於下文「各董事會議出席情況」。

董事會定期會議的通告於會議日期至少14日前交予各董事，以便董事提出建議事項納入議程。會議議程及相關董事會文件會於董事會會議日期前不少於3日交予董事，以便彼等作出知情決定。有關董事會其他會議，會給出合理通告。

獨立非執行董事

截至2019年12月31日止年度，董事會一直遵守上市規則的規定，委任至少三名獨立非執行董事，其中一名具備適當專業資格或會計或相關財務管理知識。

本公司已收取各名獨立非執行董事發出的年度獨立確認函。本公司認為所有獨立非執行董事均符合上市規則第3.13條所載評估獨立的指引，因而屬獨立。

Board Diversity Policy

Pursuant to Code Provision A.5.6 of Corporate Governance Code, the Board has adopted a Board Diversity Policy (the "Board Diversity Policy") which sets out the Company's approach to achieving diversity of its Board. The Company recognises that an increase in diversity at the Board level will support the achievement of its strategic objectives and sustainable development. The Company seeks to increase Board diversity through the consideration of a number of factors including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board.

Chairman and Chief Executive Officer

As at the date of this report, Hu Xiang is both the chairman of the Board and chief executive officer of the Company, responsible for the leadership and effective running of the Board to formulate overall strategies and business development directions for the Group and for the daily management of the business of the Group, implementation of the policies, business objectives and plans set by the Board and is accountable to the Board for the overall operation of the Group.

Code Provision A.2.1

This code provision stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Currently, Mr. Hu Xiang is both the Chairman and chief executive officer of the Company. Mr. Hu is one of the founders of the Group and has extensive experience in the telecommunication industry. Given the current stage of development of our Group, the Board believes that vesting the two roles in the same person provides our Company with strong and consistent leadership and facilitates the implementation and execution of our Group's business strategies. We shall nevertheless review the structure from time to time in light of the prevailing circumstances.

Non-Executive Directors

The term of appointment of all the non-executive and independent non-executive Directors of the Company is three years. Under the Company's Articles of Association, one-third of all Directors (whether executive or non-executive) is subject to retirement by rotation and re-election at each annual general meeting provided that every Director shall be subject to retirement at least once every three years.

董事會成員多元化政策

根據企業管治守則的守則條文第A.5.6條，董事會已採納董事會成員多元化政策（「董事會成員多元化政策」），該政策載列達致董事會成員多元化的方法。本公司知悉增加董事會層面的多元化將為達成其策略目標及可持續發展提供支持。本公司藉考慮多項因素包括，但不限於，性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期，務求達致董事會成員多元化。本公司在決定董事會最佳成員組合時，亦將不時考慮其本身的業務模式及具體需要。

主席及行政總裁

於本報告日期，胡翔為董事會主席兼本公司行政總裁，負責領導及有效運作董事會以制定整體策略及業務發展方向並負責本集團日常業務管理，實施董事會制定的政策、業務目標及計劃並就本集團整體營運向董事會報告。

守則條文A.2.1

該守則條文規定主席與行政總裁之角色必須分開，不得由同一人士擔任。目前，胡翔先生兼任本公司主席及行政總裁。胡先生為本集團創辦人之一，在電訊業有豐富經驗。鑑於本集團現處於發展階段，董事會相信由同一人士擔任上述兩個職位為本公司提供穩健一致的領導，有助實施及執行本集團的業務策略。儘管如此，本公司仍會不時根據現行情況檢討該架構。

非執行董事

本公司所有非執行及獨立非執行董事之任期均為三年。根據本公司章程細則，全體董事（無論執行或非執行）的三分之一須於各屆股東週年大會輪流退任並重選，惟各董事須至少每三年退任一次。

Corporate Governance Report

企業管治報告

REMUNERATION OF DIRECTORS

The Board established the Remuneration Committee with specific written terms of reference which deal clearly with its authority and responsibilities. The Remuneration Committee comprises all the independent non-executive Director, namely Li Tianshu, Zhang Han and Ge Xiaojing and one non-executive Director, namely Qu Deqian. The Remuneration Committee is chaired by Li Tianshu.

The Remuneration Committee is responsible for assisting the Board in achieving its objective of attracting and retaining Directors and senior management of the highest caliber and experience needed to develop the Group's business successfully. The Remuneration Committee is also responsible for the development of a fair and transparent procedure in determining the remuneration policies for the Directors and senior management of the Company and for determining their remuneration packages. The principal functions of the Remuneration Committee include:

- formulation of remuneration policy for approval by the Board;
- recommendation to the Board the policy and structure for the remuneration of Directors and senior management;
- determination of the remuneration of executive Directors and senior management, including benefits in kind and compensation payments;
- review and approval of the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to executive Directors and senior management; and
- determination of the criteria for assessing employee performance.

No Director is involved in deciding his own remuneration.

During the year ended 31 December 2019, the Remuneration Committee held one meeting to review the Company's remuneration policies, the terms of the service contracts and the performance of all executive Directors and senior management. Details of attendance of Remuneration Committee meetings of each of the members of the Remuneration Committee are set out in "Attendance of Individual Directors at Meetings" below.

Details of the emoluments of each Director, on a named basis, are set out in note 10 to the financial statements.

董事薪酬

董事會已成立薪酬委員會，指定書面職權範圍列明其授權及責任。薪酬委員會包括所有獨立非執行董事李天舒、張涵、葛曉菁與一名非執行董事屈德乾組成。李天舒為薪酬委員會主席。

薪酬委員會負責協助董事會達致吸引及留任兼具成功發展本集團業務所需才幹及經驗的董事及高級管理層，亦負責完善釐定本公司董事及高級管理層薪酬政策的公平透明程序與釐定薪酬組合。薪酬委員會的主要職責包括：

- 制定待董事會批准的薪酬政策；
- 向董事會推薦董事及高級管理層的薪酬政策及架構；
- 釐定執行董事及高級管理層的薪酬，包括實物利益及報酬；
- 檢討並批准有關執行董事及高級管理層離職、終止聘任或因失職而遭辭退或罷免的補償安排；及
- 釐定評估僱員表現的標準。

並無董事參與釐定自身薪酬。

截至2019年12月31日止年度，薪酬委員會舉行一次會議檢討本公司薪酬政策、服務合約條款及全體執行董事及高級管理層的表現。各薪酬委員會成員出席薪酬委員會會議之詳情載於下文「各董事會議出席情況」。

各董事薪酬詳情載於財務報表附註10。

NOMINATION COMMITTEE

The Board established the Nomination Committee with specific written terms of reference which deal clearly with its authority and responsibilities on 22 March 2012. The Nomination Committee comprises three independent non-executive Directors, namely Li Tianshu, Zhang Han and Ge Xiaojing, one non-executive Director, namely Qu Deqian and one executive Director, namely, Hu Xiang. The Nomination Committee is chaired by Hu Xiang. Currently all new appointments to the Board will be considered by the Board whose deliberations are based on the following criteria:

- possession of core competencies, including but not limited to financial literacy, that are appropriate to the Company's business and complement the skills and competencies of the existing Directors on the Board;
- ability to commit time and effort to carry out duties and responsibilities effectively; and
- possession of a good track record of experience at a senior level in corporations/ organizations.

During the year ended 31 December 2019, the Nomination Committee held one meeting to review the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. Details of attendance of Nomination Committee meeting of each of the members of the Nomination Committee are meeting of each of the members of the Nomination Committee set out in "Attendance of Individual Directors at Meetings" below.

AUDIT COMMITTEE

The Board established the Audit Committee with specific written terms of reference which deal clearly with its authority and responsibilities. The Audit Committee comprises all the independent non-executive Directors. Zhang Han is the chairman of the Audit Committee.

The Audit Committee serves as a focal point for communication between the Directors, the external auditors and chief financial officer as regards their duties relating to, among other things, financial and other reporting, internal controls and external audits and to assist the Board in fulfilling its responsibilities by providing independent view and supervision of financial reporting.

提名委員會

董事會已於2012年3月22日成立提名委員會，指定書面職權範圍列明其授權及責任。提名委員會包括三名獨立非執行董事李天舒、張涵及葛曉菁，非執行董事屈德乾與執行董事胡翔。胡翔為提名委員會主席。董事會的所有新委任均會經董事會基於以下準則深思熟慮而成：

- 才華卓越，包括但不限於擁有適用於本公司業務的適當財務知識，並與董事會之現有董事的技能互為補充；
- 能身心投入，有效履行職責；及
- 擁有企業／機構高級管理的豐富經驗。

截至2019年12月31日止年度，提名委員會已舉行一次會議檢討董事會目前之架構、規模及構成，以保證各董事具有適合本公司業務要求的均衡知識、技能及經驗。各提名委員會成員出席提名委員會會議之詳情載於下文「各董事會議出席情況」。

審核委員會

董事會已成立審核委員會，指定書面職權範圍列明其授權及責任。審核委員會包括所有獨立非執行董事。張涵為審核委員會主席。

審核委員會為董事、外聘核數師及財務總監有關(其中包括)財務及其他申報、內部控制及外部審核職務的主要溝通橋樑，亦負責向董事會提供獨立意見及監督財務申報以協助董事會履行職責。

Corporate Governance Report

企業管治報告

The Board is of the opinion that the members of the Audit Committee have sufficient accounting and financial management expertise or experience to discharge their duties. The principal functions of the Audit Committee include:

- to make recommendations on the appointment, reappointment and removal of external auditor and to approve the remuneration and terms of such appointments;
 - to review and monitor the external auditor's independence and objectivity;
 - to develop and implement policies on the engagement of external auditor for non-audit services;
 - to monitor the integrity of the financial statements, annual and interim reports and the auditor's report to ensure that the information presents a true and balanced assessment of the Group's financial position;
 - to review the Group's financial and accounting policies and practices;
 - to oversee the Group's financial reporting system, risk management and internal control systems;
 - to ensure the management has fulfilled its duty to maintain an effective internal control system; and
 - to review the external auditor's management letter and any questions raised by the auditor to the management and the management's response.
- 推薦委任、續聘或解僱外聘核數師，批准有關委任的薪酬及任期；
 - 檢討及監控外聘核數師的獨立性與客觀性；
 - 發展及實施聘用外聘核數師進行非審核服務的政策；
 - 監控財務報表、年報、中期報告及核數師報告的一致性，確保資料真實公允評估本集團財務狀況；
 - 檢討本集團的財務及會計政策與慣例；
 - 監督本集團的財務報告體系，風險管理及內部監控體系；
 - 確保管理層履行職責，維持有效內部控制體系；及
 - 審閱外聘核數師的管理函件與核數師向管理層提出的任何問題以及管理層的回覆。

Two meetings were held by the Audit Committee during the year ended 31 December 2019. The Audit Committee reviewed, together with the management and the external auditors, the consolidated financial statements for the year ended 31 December 2019, the accounting principles and practices adopted by the Group and statutory compliance. In addition to reviewing the Group's risk management and internal control systems and the effectiveness of the internal audit function, the Audit Committee also reviewed the independence of the external auditors and approved the remuneration and terms of engagement of the external auditors. Details of attendance of Audit Committee meetings of each of the members of the Audit Committee are set out in "Attendance of Individual Directors at Meetings" below.

董事會認為審核委員會成員擁有足夠會計及財務管理知識或經驗以履行彼等職責。審核委員會的主要職責包括：

- 推薦委任、續聘或解僱外聘核數師，批准有關委任的薪酬及任期；
- 檢討及監控外聘核數師的獨立性與客觀性；
- 發展及實施聘用外聘核數師進行非審核服務的政策；
- 監控財務報表、年報、中期報告及核數師報告的一致性，確保資料真實公允評估本集團財務狀況；
- 檢討本集團的財務及會計政策與慣例；
- 監督本集團的財務報告體系，風險管理及內部監控體系；
- 確保管理層履行職責，維持有效內部控制體系；及
- 審閱外聘核數師的管理函件與核數師向管理層提出的任何問題以及管理層的回覆。

截至2019年12月31日止年度，審核委員會共舉行二次會議。審核委員會與管理層及外聘核數師共同審閱截至2019年12月31日止年度之綜合財務報表，本集團採用的會計準則及慣例以及合規情況。審核委員會除檢討本集團風險管理及內部監控體系及內部審核功能的有效性外，亦檢討外聘核數師的獨立性並批准外聘核數師的薪酬及任期。各審核委員會成員出席審核委員會會議之詳情載於下文「各董事會議出席情況」。

Corporate Governance Report

企業管治報告

ATTENDANCE OF INDIVIDUAL DIRECTORS AT MEETINGS

The Code Provision stipulates that the board should meet regularly for at least 4 times a year at approximately quarterly intervals. The attendance of individual Directors at meetings of the Board, the Remuneration Committee, the Audit Committee, the Nomination Committee, the annual general meeting during the year ended 31 December 2019, respectively, is set forth in the table below:

各董事出席會議情況

企業管治守則的守則條文規定董事會須定期舉行會議，每年至少4次，約每季度一次。截至2019年12月31日止年度，各董事出席董事會、薪酬委員會、審核委員會、提名委員會及股東週年大會會議情況分別載於下表：

Name of Director	董事姓名	Meetings attended/Meetings held 出席會議情況／舉行的會議				
		Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會
Hu Xiang	胡翔	4/4	N/A 不適用	N/A 不適用	1/1	1/1
Liao Dong	廖東	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Qu Deqian	屈德乾	4/4	1/1	N/A 不適用	1/1	1/1
Li Tianshu	李天舒	4/4	1/1	2/2	1/1	1/1
Zhang Han	張涵	4/4	1/1	2/2	1/1	1/1
Ge Xiaojing	葛曉菁	4/4	1/1	2/2	1/1	1/1

Corporate Governance Report

企業管治報告

DIRECTORS' TRAINING

Pursuant to A.6.5 of the Corporate Governance Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. From time to time, Directors are provided with written materials to develop and refresh their professional skills. The Directors had fulfilled the relevant requirements under A.6.5 of the Corporate Governance Code during the year ended 31 December 2019.

COMPANY SECRETARY'S TRAINING

Pursuant to rule 3.29 of the Listing Rules, the Company Secretary must take no less than 15 hours of relevant professional training in each financial year. The Company Secretary is Mr. Lau Wing and has taken more than 15 hours of relevant professional development during the year ended 31 December 2019.

SUPERVISORY COMMITTEE AND EXECUTIVE COMMITTEE

Pursuant to the Articles of Association of the Company ("Articles"), without prejudice to and in addition to complying with the applicable requirements set forth in the Listing Rules and other applicable laws and regulations, the Company has since 17 December 2009, the date on which its shares are listed on the Stock Exchange adopted a stringent system to avoid potential conflict of interests respecting transactions ("Relevant Transactions") in which any Directors are interested in, and transactions with any of our connected persons (as defined under the Listing Rules) or any company in which the controlling shareholder (as defined under the Listing Rules) of the Company or its shareholders, individually or collectively, owns a direct or indirect equity interest of 10% or above (including transactions with ZTE Corporation, Shenzhen Kang Cheng Shebei Co., Ltd., Shenzhen Zhongxingxindi Technologies Co., Ltd., and Shenzhen Shenglongfeng Industrial Co., Ltd.) ("Relevant Companies"), as follows:

- (1) Any Relevant Transactions be approved by way of a resolution passed by a majority of the non-executive Directors and independent non-executive Directors, provided that any non-executive Director or independent non-executive Director interested in the transactions in question will declare his or her interest and will abstain from voting on such matters;
- (2) Any Director has a conflict of interest will not participate or be involved in matters relating to the Relevant Transactions;

董事培訓

根據企業管治守則第A.6.5條，全體董事應參加持續職業發展計劃以拓展及更新知識及技能。本公司定期向董事介紹相關法律、規則及規例之修訂或更新。本公司不時向董事提供書面材料以拓展及更新專業技能。於截至2019年12月31日止年度，董事已履行企業管治守則第A.6.5條項下之相關規定。

公司秘書培訓

根據上市規則第3.29條，公司秘書每個財政年度應接受不少於15小時之有關專業培訓。公司秘書為劉榮先生，於截至2019年12月31日止年度已接受15小時以上之有關專業培訓。

監事委員會及執行委員會

根據本公司章程細則（「細則」），在不違反上市規則及其他相關法律及法規的有關規定且除遵守該等規定外，本公司自2009年12月17日（股份於聯交所上市日期）起採用如下嚴格制度避免董事擁有相關權益的交易與其他關連人士（定義見上市規則）或本公司控股股東（定義見上市規則）或其股東個別或共同擁有直接或間接權益10%或以上的公司之交易（「有關交易」）（包括與中興通訊、深圳市康誠機械設備有限公司、深圳市中興新地技術股份有限公司及深圳市盛隆豐實業有限公司（「有關公司」）的交易）的潛在利益衝突：

- (1) 任何有關交易由大多數非執行董事及獨立非執行董事通過決議案批准，惟任何於交易中擁有權益的非執行董事或獨立非執行董事會須公佈其權益並放棄就該等事項投票；
- (2) 任何有利益衝突的董事不會參與或干涉有關交易事宜；

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- (3) An executive committee (the “Executive Committee”) comprising the chief financial officer and the deputy financial officer of the Company has been established to monitor, review and manage all Relevant Transactions, and to prepare semi-annual report in relation to the execution of the Relevant Transactions (“Semi-annual Report”) for the supervisory committee’s (the “Supervisory Committee”) review;
- (4) The Supervisory Committee comprising three independent non-executive Directors (each of whom shall not have any interest in any transaction under consideration by the Supervisory Committee and shall not be in a position of conflict of interest when acting in such capacity) has been set up, among other things, to supervise the Executive Committee, review and approve the terms and conditions of continuing connected transactions and Relevant Transactions, devise and review rules and guidelines for the Executive Committee to follow, review Semi-annual Report from the Executive Committee, report its findings to the Board and give recommendations to the Board to ensure that the Relevant Transactions will be entered into in the interest of the Company and its shareholders as a whole; and
- (5) The Board will disclose the decisions, findings and recommendations on the transactions reviewed by the Executive Committee and the Supervisory Committee in the Company’s interim and annual reports.
- (3) 成立執行委員會（「執行委員會」）（包括本公司財務總監及財務副總監）監管、檢討及管理所有有關交易並編製訂立有關交易的半年度報告（「半年度報告」）供監事委員會（「監事委員會」）審閱；
- (4) 成立監事委員會（包括三名獨立非執行董事（均無持有監事委員會所考慮任何交易之權益且不會因其監事身份而存在利益衝突））監督執行委員會、檢討及批准持續關連交易及有關交易之條款及條件，修改及審閱執行委員會須遵從的規則及指引，檢討執行委員會的半年度報告，向董事會呈報結果並向董事會提供推薦意見，確保有關交易的訂立符合本公司及其股東整體利益等；及
- (5) 董事會於本公司中期及年度報告中披露執行委員會及監事委員會所審閱有關交易的決定、結果及推薦意見。

During the year ended 31 December 2019, two meetings were held by the Supervisory Committee to review the report on Relevant Transactions in respect of the sales and purchase entered into by the Group with the Relevant Companies prepared by the Executive Committee. As reported by the Supervisory Committee, (i) it had reviewed and approved the master agreements entered into by the Group and the Relevant Companies and considered the terms and conditions therein were fair and reasonable; (ii) it had reviewed the supplier procurement bidding documents and internal procurement procedures of the Group; (iii) it had devised and reviewed rules and guidelines for Executive Committee and the Executive Committee had followed accordingly; and (iv) it had reviewed the report submitted by the Executive Committee. The Supervisory Committee considered Relevant Transactions conducted during the review period were in line with the respective master agreements and the internal procedures of the Group, were on fair and normal commercial terms and there was no other matter that needs to be brought to the attention of the Board and shareholders of the Company.

截至2019年12月31日止年度，監事委員會已舉行兩次會議，審閱了執行委員會所編製本集團與有關公司就買賣而訂立的有關交易的報告。根據監事委員會的報告，監事委員會(i)已審閱及批准本集團與有關公司所訂立的總協議，且認為協議條款及條件公平合理；(ii)已審閱本集團的供應商採購標書及內部採購程序；(iii)已制訂及檢討執行委員會的規則及指引，而執行委員會亦已遵守有關規則及指引；(iv)已審閱執行委員會呈交的報告，認為回顧期間進行的有關交易符合相關總協議及本集團的內部程序，且按公平正常的商業條款進行及再無其他事項需要董事會及本公司股東垂注。

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AUDITORS' REMUNERATION

Deloitte Touche Tohmatsu, Certified Public Accountants ("Deloitte"), the external auditors of the Company, were responsible for providing services in connection with the audit of the financial statements of the Group for the year ended 31 December 2019.

For the year ended 31 December 2019, the total remuneration in respect of audit services provided by Deloitte for the Group amounted to approximately RMB2.24 million.

The Audit Committee recommended to the Board (which endorsed the view) that, subject to shareholders' approval at the forthcoming AGM, Deloitte be re-appointed as the external auditors of the Company for 2020.

FINANCIAL REPORTING

The Board aims to present a comprehensive, balanced and understandable assessment of the Group's performance, position and prospects. The management provides such explanations and information to enable the Board to make an informed assessment of the matters put before the Board for approval.

The Directors acknowledge their responsibilities for preparing the financial statements of the Group and for ensuring that the financial statements are prepared in accordance with applicable statutory requirements and accounting standards.

The Group has announced its annual results in a timely manner within the limits of three months after the end of the financial period, as laid down in the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

The main objectives of the Group's risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group in managing risks across its business operations.

The Group has established a risk management framework, which consists of the Board of Directors, the Audit Committee and the Risk Management Taskforce. The Board of Directors determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has overall responsibility for monitoring the design, implementation and effectiveness of the Group's risk management and internal control systems.

核數師薪酬

本公司外聘核數師德勤•關黃陳方會計師行(「德勤」)(執業會計師)負責提供有關審核本集團截至2019年12月31日止年度財務報表之服務。

截至2019年12月31日止年度，德勤為本集團提供核數服務之薪酬總額約為人民幣224萬元。

審核委員會向董事會推薦而董事會同意待股東於應屆股東週年大會批准後，續聘德勤為本公司2020年的外聘核數師。

財務申報

董事會旨在以公允及易明的方式全面評估本集團的表現、狀況及前景。管理層提供詮釋及資料，使董事會對待批准之事宜作出知情評估。

董事會知悉彼等的職責為編製本集團財務報表，確保財務報表按有關法定規定及會計準則編製。

本集團根據上市規則的規定於財務期間結束後三個月內及時公佈年度業績。

風險管理及內部監控

本集團的風險管理程序及內部監控系統的目標是以清晰的治理架構、政策程序及匯報機制，促進本集團管理各業務範疇的風險。

本集團已建立風險管理組織架構，由董事會、審核委員會及風險管理小組組成。董事會負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，並確保本集團設立及維持合適及有效的風險管理及內部監控系統。董事會亦負責監督管理層對本集團風險管理及內部監控系統的設計、實施及監察。

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The Group has formulated and adopted a Risk Management Policy for providing direction in identifying, evaluating and managing significant risks on at least an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans are established and risk owners are then assigned for the management of those risks considered to be significant.

In addition, the Group has established an internal audit function to assist the Board of Directors and the Audit Committee with ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for their remediation. Significant internal control deficiencies are reported to the Audit Committee and the Board of Directors on a timely basis to ensure that they are promptly addressed.

Risk management and internal control reports are submitted to the Audit Committee and the Board of Directors at least once a year. The Board of Directors performs an annual review of the effectiveness of the Group's risk management and internal control systems including, but not limited to, changes in the nature and extent of significant risks after the review in the prior year, the Group's ability to cope with its business transformation and changing external environment; the scope and quality of the management's ongoing monitoring of risks and internal control systems; results of internal audit work; the extent and frequency of communication of the results of monitoring of risk management and internal control systems to the Board of Directors; significant failures or weaknesses identified and their related implications; and the effectiveness of the Group's processes for financial reporting and Listing Rules compliance. Following its review for the year ended 31 December 2019, the Board of Directors considers the Group's risk management and internal control systems are effective.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

本集團亦已制定及採納企業風險管理制度，提供有效的辨認、評估及管理重大風險的政策程序。風險管理小組至少每年一次對影響集團實現業務目標的風險事項進行識別，並通過規範的機制進行評價及排序，對主要風險制定風險緩解計劃及指定風險負責人以管理該風險。

此外，本集團設有內部審計職能，以協助董事會及審計委員會持續監督本集團的風險管理及內部監控系統，識別內部控制設計及運行中的缺陷並提出適當的整改意見。如發現嚴重的內部監控缺失，會及時向審核委員會及董事會匯報，以確保有關缺失得以適時處理。

風險管理報告和內部審計報告均至少每年提交審核委員會覆核並最終提交董事會審批。董事會就本集團的風險管理及內部監控系統是否有效會進行年度檢討，包括但不限於以下事項：自上年檢討後重大風險的性質及嚴重程度的轉變、集團應付其業務轉變及外在環境轉變的能力、管理層持續監察風險及內部監控系統的工作範疇及素質、內部審計工作結果、向董事會傳達監控風險管理及內部監系統之結果的詳盡程度及次數、期內發生的重大監控失誤或發現的重大監控弱項以及有關影響、集團有關財務報告及遵守《上市規則》規定的程序是否有效等。根據董事會截至2019年12月31日止年度的檢討，董事會確認現有的風險管理及內部監控系統是有效的。

上述風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險。因此，該等系統只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

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PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Board has established an Inside Information Policy for the handling and dissemination of Inside Information. The Group complies with requirements of the Securities & Futures Ordinance (“SFO”) and the Listing Rules. It discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours, as provided in the SFO. Before information is fully disclosed to the public, the Group ensures that it is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensuring that information contained in announcements is not false or misleading as to material fact, or omission of material fact, and to presenting information in a clear and balanced way, including through equal disclosure of both positive and negative information.

SHAREHOLDERS’ RIGHTS

As one of the measures to safeguard shareholders’ interests and rights, separate resolutions are proposed at general meetings on each substantial issue, including the election of individual Directors for shareholders’ consideration and voting.

Resolutions put forward at our shareholders’ meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of our Company and of the Stock Exchange after each shareholders’ meeting.

處理及發放內幕消息的程序和內部監控措施

董事會已制定有關處理及發佈內幕消息的內幕消息政策。本集團遵循《證券及期貨條例》和《上市規則》的規定，於知悉任何內幕消息後，在合理地切實可行的範圍內，會儘快向公眾披露該消息，除非有關消息屬於該條例下任何安全港條文的範圍。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，會實時向公眾披露該消息。本集團亦致力確保公告中所載的資料不得在某事關重要的事實方面屬虛假或具誤導性，或因遺漏某事關重要的事實而屬虛假或具誤導性，使公眾能平等、適時及有效地取得所披露的內幕消息。

股東權利

作為保障股東權益及權利的一項措施，可於股東大會上就各重大事項（包括選舉個別董事）提呈個別決議案以供股東考慮及投票。

於本公司的股東大會上提出之決議案將根據上市規則以投票表決方式進行投票表決，投票結果將於個別股東大會後在本公司及聯交所的網站上公佈。

(i) Convening an Extraordinary General Meeting by Shareholders

Pursuant to Article 79 of our Company's Articles of Association, an extraordinary general meeting shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. An extraordinary general meeting may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 30 Days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

(i) 股東召開股東特別大會

根據本公司章程細則第79條，本公司任何兩名或以上股東書面提請後亦可召開股東特別大會，有關提請須遞交本公司香港主要辦事處（倘本公司不再設置主要辦事處，則遞交註冊辦事處），並列明大會事項並由提請人簽署，惟該等提請人於遞交提請當日須持有本公司十分之一以上附有權利於本公司股東大會投票的繳足股本。本公司任何一名身為認可結算所（或其代名人）股東書面提請後亦可召開股東特別大會，有關提請須遞交本公司香港主要辦事處（倘本公司不再設置主要辦事處，則遞交註冊辦事處），並列明大會事項並由提請人簽署，惟該等提請人於遞交提請當日須持有本公司十分之一以上附有權利於本公司股東大會投票的繳足股本。倘正式提請要求後21日內董事會未有正式召開須於該30日內舉行之大會，則提請人自身或代表彼等持有全部投票權一半以上的任何提請人可按盡量接近董事會召開大會的相同方式召開股東特別大會，惟按上述方式召開的任何大會不得於遞交提請當日起計滿三個月後舉行，而提請人因董事會未召開大會而產生的所有合理開支由本公司補償。

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(ii) Putting Forward Proposals at General Meetings

Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an extraordinary general meeting following the procedures set out in paragraph (i) above.

As regards the procedures for shareholders to propose a person for election as a Director, they are available on our Company's website (www.mobi-antenna.com).

(iii) Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquires to our Company by addressing them to the Company Secretary by mail at Unit A, 25/F, One Island South, 2 Heung Yip Road, Wong Chuk Hang, Hong Kong.

INVESTOR RELATIONS

During the year ended 31 December 2019, there has not been any change in the Company's constitutional documents.

COMMUNICATION WITH SHAREHOLDERS

The Group establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports, information of the Stock Exchange, a corporate website, and general and investor meetings. The Group is going to report to its shareholders twice a year and maintains a regular dialogue with investors.

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of Directors.

(ii) 在股東大會上提出建議

希望在股東大會上提出建議的股東可通過載於上文第(i)段所述的程序召開股東特別大會。

關於股東提名董事候選人的程序，已載於本公司的網站(www.mobi-antenna.com)。

(iii) 向董事會提出的查詢

股東可以書面向董事會提出對本公司的任何查詢，地址為香港黃竹坑香葉道2號One Island South 25樓A室，收件人為公司秘書。

投資者關係

於截至2019年12月31日止年度內，本公司的組織章程文件並無任何更改。

與股東的溝通

本集團已設立及維持與股東溝通的不同渠道，包括刊發年度及中期報告、聯交所資料、公司網頁以及股東大會與投資者會議。本集團將每年向股東匯報兩次，並定期與投資者交流。

股東週年大會是讓股東有效地與董事會交流意見的討論會。股東大會上，將就每項具體的獨立事宜提呈獨立決議案，包括董事選舉。

Environmental, Social and Governance Report

環境、社會及管治報告



INTRODUCTION

CORPORATE PROFILE OF MOBI

MOBI Development Co., Ltd. (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 16 December 2002. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “HKEx”) on 17 December 2009 (Stock Code: 947).

We are one of the few one-stop providers of wireless communication antennas and base station Radio Frequency (“RF”) subsystems in China. Our business consists of the design, manufacture, marketing and sale of antennas, base station RF subsystem and solutions that are the required components of mobile communication coverage systems, including, wireless access systems (WiFi and PHS), 2G (GSM and CDMA), 3G (TD-SCDMA, CDMA 2000, W-CDMA and WiMax), 4G (TD-LTE and FDD-LTE), 5G, MIMO antennas, satellite communication and microwave transmission networks.

引言

摩比公司介紹

摩比發展有限公司(「本公司」)於2002年12月16日在開曼群島註冊成立為獲豁免有限責任公司。本公司股份於2009年12月17日在香港聯合交易所有限公司(「聯交所」)上市(股份代號：947)。

本公司為中國少數的一站式無線通信天線及基站射頻(「射頻」)子系統供應商。本公司的業務包括設計、製造、營銷和銷售天線、基站射頻子系統與解決方案，該等產品是移動通信覆蓋系統的必需部件，包括無線接入系統(WiFi和PHS)、2G(GSM及CDMA)、3G(TD-SCDMA、CDMA2000、W-CDMA和WiMax)、4G(TD-LTE和FDDLTE)、5G、MIMO天線、衛星通信網絡及微波傳輸網絡。

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環境、社會及管治報告

We sell our products to network operators in China and overseas directly for deployment into the networks they are constructing and operating. We also sell our products to some of the world's leading wireless network solution providers who incorporate our products into their wireless coverage solutions, such as their proprietary base stations, which they then sell to network operators worldwide.

The Company relies on scientific management and a people-oriented corporate culture in pursuing "dedication, devotion, pragmatism and pioneership". We deem it our responsibility to provide our employees with an ideal working environment and development opportunities so that they can exert their full potential. Through scientific management, we aim to create a good working atmosphere for employees while providing reasonable incentives to promote their healthy growth. It is our relentless pursuit to satisfy customers, employees, investors and the whole community.

The Company adheres to the principle of sustainable development and lays great emphasis on environmental protection throughout its entire product life cycle in the course of its business operations, from product design and development, procurement of parts and components, manufacturing to product delivery. Through systematic planning and operation, we ensure that the impact on the environment is minimized, and that the use of resources is efficient from the source so as to reduce resource consumption and achieve energy conservation.

In terms of the establishment of its management system, the Company passed the ISO9001 Quality Management Systems Certification, TL9000 Information Communication Technology (ICT) Quality Management System Certification, ISO14001 Environmental Management System Certification, ISO45001 Occupational Health and Safety Management System Certification and ESDS20.20 ESD Protection Management System Certification. It made efforts in Electronics Industry Citizenship Coalition (EICC), social responsibility management, risk management, carbon emission, conflict minerals and corporate governance by setting up and strictly complying with corresponding policies and standards, thereby achieving substantial results.

We are committed to providing quality and sophisticated products and building long-term partnerships with our customers.

COMPANY VISION

"Becoming a global leading provider of RF technology for mobile communications."

本公司直接向中國和海外的網絡運營商銷售產品，以供配置於其構建及經營的網絡。本公司亦向若干全球領先的無線網絡方案供應商銷售產品，而後者將本公司產品整合於其無線覆蓋方案（如其專有基站）中，繼而銷售予世界各地的網絡運營商。

本公司依靠科學化的管理方式和以人為本的企業文化，奉行「敬業、奉獻、務實、開拓」的精神。公司以為員工提供理想之工作環境和發展機會為己任，鼓勵員工充分發揮個人的聰明才智。我們通過科學的管理，為員工創造良好的工作氛圍。使用合理的激勵手段，促使員工健康成長。讓客戶、員工、投資者以至整個社會滿意，是我們不懈的追求。

本公司堅持可持續發展之路，在公司經營活動過程中注重環保理念，從產品設計開發到零部件採購、生產製造、產品交付直至整個產品生命週期，通過系統化規劃和運作，確保對環境的影響減至最低，從源頭確保資源的有效利用，減少資源消耗，節約能源。

公司在管理體系建設方面，通過了ISO9001品質管理體系認證、TL9000信息通訊技術行業(ICT)品質管理體系認證、ISO14001環境管理體系認證、ISO45001職業健康安全管理体系認證、ESDS20.20靜電防護管理體系認證，在EICC、社會責任管理、風險管理、碳排放、衝突礦產和公司管治方面也進行了相關建設，制定了相應的制度和規範，並依照這些規範和制度嚴格履行，取得了一定的成績。

本公司致力於提供高質量的先進產品並與客戶建立長期的合作夥伴關係。

公司願景

「致力於成為全球一流的移動通信射頻產品技術供應商。」

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CORPORATE MISSION

“Explore and walk on the path to survival and development of the Company with collective intelligence from employees; continuously bring management and technology innovation into practice; and develop MOBI into a global leading provider of RF technology for mobile communications.”

CORE VALUES OF THE COMPANY

“Accountability, devotion, diligence and efficiency, team-spirit, care for people, mutual respect.”

HUMAN RESOURCES DEVELOPMENT PHILOSOPHY OF THE COMPANY

“Human resources is the core to the sustainable rapid development of the Company, we pay close attention to the performance and remuneration of the employees, as well as their development.”

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公司使命

「以全體員工的智慧探索並實踐企業生存與發展之路；不斷進行管理和技術創新；把摩比發展成為全球一流的移動通信射頻產品技術供應商。」

公司核心價值觀

「對客戶負責任，對工作有激情；勤奮高效，團隊協作；以人為本，互相尊重。」

公司人才觀

「人才是公司持續快速發展的核心，關注員工的工作，關注員工的待遇，關注員工的培養。」

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ABOUT THIS REPORT

Pursuant to the requirements set out in the ESG Reporting Guidelines (“ESG Guidelines”), Appendix 27 of the Main Board Listing Rules of the HKEx, the Company is pleased to publish this report on the environmental, social and governance aspects for the disclosure on the relevant information (this “Report”). This Report covers the period from 1 January 2019 to 31 December 2019 (the “Reporting Period”). This Report mainly covers the performance of MOBI Development’s subsidiaries in three places of operation (Shenzhen, Guangdong; Xi’an, Shaanxi, and Ji’an, Jiangxi) with respect to environmental, social and governance.

The Board of Directors of the Company assumes full responsibility for the overall environmental, social and governance strategy and reporting of the Company and has already established the governance structure of corporate social responsibility. The Board is responsible for assessing and determining the issuers’ risks in relation to environment, society and governance and for ensuring that the Company establishes appropriate and effective environmental, social and governance risk management and internal control systems, while the management is responsible for monitoring and managing the risks associated with environment, society and governance and the effectiveness of the management system. The Board has authorized the environmental, social and governance working group to carry out the day-to-day work in relation to corporate governance and corporate social responsibility. The responsibilities of the working group include conducting internal and external materiality assessments, implementing the strategies and policies of the Board, preparing environmental, social and governance reports, and collecting and monitoring information and data related to daily corporate social responsibilities.

The Company has established an internal audit department and will also engage a third party to carry out an independent assessment of risk and internal monitoring systems every year to provide improvement suggestions on risk management and internal control as required. The management personnel will be responsible for checking the information disclosed in this Report, while the Board of the Company will be responsible for review and approval thereof.

關於本報告

遵照香港交易所主板上市規則附錄二十七《環境、社會及管治報告指引》(「ESG指引」)所載之要求，本公司欣然發表本次有關環境、社會和管治報告(「本報告」)，對有關資訊予以披露，本報告的時間跨度為2019年1月1日至2019年12月31日(「報告期間」)，本報告內容主要覆蓋摩比發展旗下位於廣東深圳、陝西西安和江西吉安三處營運地點的環境、社會及管治表現。

本公司董事會對公司的整體環境、社會及管治策略及匯報承擔全部責任，並已建立企業社會責任管治架構。董事會負責評估及釐定發行人有關環境、社會及管治的風險，並確保本公司設立合適及有效的環境、社會及管治風險管理及內部監控系統。而管理層則負責監控和管理與環境、社會及管治有關的風險和管理體系的有效性。關於企業管治及企業社會責任相關事宜的日常工作，董事會已授權環境、社會及管治工作小組負責執行。而工作小組權責任包括進行內部及外部重要性評核、執行董事會的策略及政策、編寫環境、社會及管治報告以及負責搜集及監控日常企業社會責任相關的訊息及資料。

本公司已建立內部審計部門，亦會每年聘請第三方機構進行獨立風險及內部監控系統評估，按需要就風險管理及內部控制提供改善建議。本報告內的披露內容由管理層人員核對，並由本公司的董事會審閱及批准。

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The Company conducts business activities in a responsible and sustainable manner to create value for employees, customers and shareholders, as well as to fulfill its commitment to the environment and society. We understand deeply that exhaust gases and greenhouse gas emissions, discharges into water and land and generation of waste can adversely affect the environment and we understand the scarcity of natural resources. Therefore, the Company will persist in adopting appropriate measures to achieve sustainable development during its business operation. We are convinced that sustainability in business is not just window dressing, but is essential to the development of the Company. By adopting sustainable practices, we will gain a competitive edge, increase our market share and bring value to our shareholders in the long run. On top of that, we will keep a focus on social responsibility and continue to take practical actions for the benefit of the community.

This report has been prepared in accordance with four reporting principles in the ESG Guide, namely “quantitative”, “consistency”, “materiality” and “balance”.

“Quantitative”: The Company has established internal guidelines and procedures, by reference to industry practices, guidelines of exchanges or relevant government departments, laws and regulations, and has collected environmental performance data from various business departments and kept records from relevant monitoring instruments or supporting documents.

“Consistency”: The statistical method for the data and contents disclosed in the report is the same as that for the previous year, and the same statistical and conversion methods have been used. Relevant historical data have been disclosed in the report to give stakeholders a clearer understanding and comparison of the Company’s sustainable development performance.

“Materiality”: In defining material ESG issues related to the Company’s business and stakeholders, we maintain communication with internal and external stakeholders of the Group to understand their expectations and suggestions. We maintain close communication with all stakeholders, including employees, investors, customers, suppliers, local government agencies and local organizations, whether they are affected by or have a significant impact on our operating business.

“Balance”: This report presents the Company’s environmental, social and governance performance in an impartial manner.

本公司以負責任且可持續發展的模式開展各項業務活動，為員工、顧客以及股東創造價值，履行對環境、社會的承諾。我們深知廢氣及溫室氣體排放、向水及土地排污和廢棄物的產生會對環境產生不利影響，自然資源也是有限的。因此，本公司在發展業務的同時會堅持採取措施以實現可持續發展。我們深信業務可持續發展並非表面功夫，而是公司發展的必要條件。通過實踐可持續發展理念，我們將獲得競爭優勢，提高市場佔有率，並為股東帶來長遠利益。除此之外，我們也重視履行社會責任，對社區發展做出實際行動。

本報告遵循ESG指引中的四大彙報原則包括「量化」、「一致性」、「重要性」及「平衡」編寫。

「量化」：本公司參考行業慣例、交易所或相關政府部門之指引及法律法規，建立內部指引及流程，從各業務部門收集有關環境之績效資料，並保留相關之監控儀器記錄或支持文件。

「一致性」：報告所披露數據及內容的統計方法與去年一致，沿用相同的資料統計及換算方式。報告內已披露相關歷史數據，讓持份者更清楚瞭解及比較公司的可持續發展表現。

「重要性」：在界定對公司業務及對持份者相關的重要ESG議題時，我們與集團內部和外部持份者保持溝通以了解他們的期望和建議。不管是受我們的營運業務影響，或對我們的營運業務有重大影響的持份者，包括僱員、投資者、客戶、供應商、當地政府機構和地方關係組織，我們均與他們保持緊密溝通。

「平衡」：本報告不偏不倚地呈現本公司的環境、社會及管治表現。

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The Company understands the importance of the stakeholders' participation in achieving its sustainable development, so the Company persists in communicating with relevant internal and external stakeholders regularly to know about their opinions on the Company's business development, environmental, social and governance aspects, and to help us satisfy the stakeholders' expectations. The Company's key stakeholders and the communication methods with them are as follows:

本公司明白持份者的參與對公司實現可持續發展的重要性，因此本公司堅持與相關內部及外部持份者作定期溝通，以了解他們對本公司業務發展、及有關本公司環境、社會及管治的意見，以助本公司滿足持份者的期望。而本公司重要持份者及與各持份者的溝通方法如下：

Stakeholders 持份者	Communication Methods 溝通方法	
Investors and shareholders 投資者及股東	<ul style="list-style-type: none">Website of the Group集團網站Shareholders' meeting股東大會	<ul style="list-style-type: none">Annual and interim reports年報及中期報告Announcement公告
Employees 員工	<ul style="list-style-type: none">Website of the Group集團網站Internal email內部電郵Employees training員工培訓	<ul style="list-style-type: none">Employees Activities員工活動Enterprise WeChat企業微信Performance evaluation工作表現評核
Customers 客戶	<ul style="list-style-type: none">Website of the Group集團網站Customer hotline客戶熱線	<ul style="list-style-type: none">Questionnaire survey問卷調查
Suppliers 供應商	<ul style="list-style-type: none">Website of the Group集團網站Business meeting業務會議Performance evaluation表現評估	<ul style="list-style-type: none">Questionnaire survey問卷調查Plant visit廠房考察
Government and regulatory authorities 政府及監管機關	<ul style="list-style-type: none">Public consultation公眾諮詢Email電郵	<ul style="list-style-type: none">Evaluation report評核報告
Media and the public 傳媒及公眾	<ul style="list-style-type: none">Website of the Group集團網站	<ul style="list-style-type: none">Press release新聞稿

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The management of the Company regularly reviews the operation of its various departments, identifies relevant environmental, social and governance issues, consults and synthesizes the results of stakeholders' participation and assesses the significance of these issues to our business and our stakeholders. We will disclose in this Report the environmental, social and governance issues we deem to be most material. Our environmental, social and governance working group has verified and confirmed the major environmental, social and governance issues and their correlation with the key performance indicators of the corresponding ESG Guidelines. The materiality assessment results are shown as follows:

本公司管理層定期檢討各部門運作情況及鑒別相關環境、社會及管治事宜，參考和綜合處理持份者參與過程的結果，並評估相關事宜對我們的業務以及各持份者的重要性，將識別為重要的環境、社會及管治範疇披露於本報告中。我們的環境、社會及管治工作小組已核實及確認主要重大環境、社會及管治議題及彼等與相應方面及之環境、社會及管治指引的關鍵績效指標的關連。重要性評估結果排列如下：

Important Issues

重要議題

Environmental

環境

- Emissions
- 排放物
- Use of Resources
- 資源使用
- Environment and Natural Resources
- 環境及天然資源
- Conflict Minerals
- 衝突礦產

Social

社會

- Staff Employment
- 員工僱傭
- Health and Safety
- 健康與安全
- Development and Training
- 發展及培訓
- Labor Standards
- 勞工準則
- Employees Activities
- 員工活動
- Supply Chain Management
- 供應鏈管理
- Product Liability
- 產品責任
- Community Involvement
- 社區參與

Governance

管治

- Compliance with Laws and Regulations
- 遵守法律及法規
- Anti-corruption
- 反貪污

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Based on the materiality assessment results, this Report serves to provide an overview of our sustainable development principles, policies and actual practices under five topics, namely Devotion to Environmental Protection, Establishment of a Team of Excellence, Responsible Supply Chain and Product Liability Management, Compliance in Operations and Community Involvement.

ENVIRONMENTAL/OCCUPATIONAL HEALTH AND SAFETY POLICY OF MOBI

We are committed to: conducting our business activities in a manner that take responsibility for the environment and the occupational health and safety, fulfilling our responsibilities in protecting the environment and promoting the health and safety of our staff, in order to provide more competitive products and services to our customers.

To this end, we have developed a clear environmental/occupational health and safety management policy, requiring us to:

Maintain precautions for strengthening risk management,
Comply with environmental and safety regulations, raise the awareness of all parties,
Advocate green operations, step up emissions reduction,
Emphasize pollution prevention, perform environmental and safety commitments;
Pay attention to employee health, ensure safe production,
Create environmental and safety culture, support consultation and participation;
Optimize environmental and safety performance, encourage continuous improvement,
Collaborate with all stakeholders, achieve synergies and progress.

Details of the environmental/occupational health and safety management policy are as follows:

- Adhere to the ideology of maintaining precautions in the first place, establish, implement and maintain a documented EHS management system, to achieve systematic and standardized management, incorporate risk management into our normal operations and business activities, and strengthen the identification, assessment and control of sources of danger and environmental risk factors of occupational health and safety, emphasize the identification and analysis of and response to risks and opportunities in our management system, and plan countermeasures;

根據重要性評估結果，本報告將透過推進環境保護、打造卓越團隊、負責任的供應鏈及產品責任管理、合規經營和社區參與五個主題來概述本公司的可持續發展方針、政策及具體實踐。

摩比公司環境／職業健康安全方針

我們承諾：本著對環境和職業健康安全負責的態度從事我們的商業活動，履行保護環境及保障人員健康安全的職責，進而向客戶提供更具有競爭力的產品和服務。

為此，我們制定了明確的環境／職業健康安全管理方針：

堅持預防為主，強化風險管理；
遵守環安法規，提高全員意識；
倡導綠色經營，厲行減排降耗；
強調污染預防，堅守環安承諾；
重視員工健康，確保安全生產；
營造環安文化，支持協商參與；
優化環安績效，推動持續改善；
聯合相關各方，協同整體進步。

環境／職業健康安全管理方針內涵如下：

- 堅持預防為主的工作思路，建立、實施並保持文件化的環安衛管理體系，實行系統化和規範化的管理，將風險管理思維融入到日常經營和業務活動過程中，強化職業健康安全危險源及環境風險因素的識別、評估和控制，強調管理體系風險和機會的識別、分析與應對，做好措施策劃；

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- Comply with international agreements, laws and regulations and environmental and health and safety requirements of relevant parties, continue to provide education and training on the environment and health and safety, enhance the awareness, knowledge and skills of employees in terms of the environment and health and safety, to enhance the initiatives of all employees in taking part;
- Promote the philosophy of green operations, adhere to the sustainable development strategy, and incorporate it into the entire life cycle of products and services; consider and pay attention to the potential impacts on the environment in the early stage of the life cycle of products and services; taking into account the whole life cycle of product, and adopting concrete measures in all aspects to prevent harm to the environment, reduce energy and resource consumption, and strive for environmental affinity;
- Emphasize and raise the awareness of pollution prevention, and take prior control measures to avoid pollution prevention; meantime, attach significance to the sustainable use of resources, mitigate and adapt to the climate change, and protect biodiversity and ecosystem, performing our commitment to environmental protection;
- Put the occupational health and safety of our staff in the first place to ensure that all business activities strictly comply with respective working procedures and policies, so as to create a healthy and safe working environment for our employees and pursue zero injuries and zero accidents;
- The Company strives to create and advocate a culture of protecting environment, saving resources, preventing pollution and paying attention to safety that supports the environment and occupational health and safety management system to achieve expected results. We have established and improved the Health and Safety Committee and ensure its exercise of functions. We have also set and implemented a mechanism and process for staff consultation and participation to ensure that our staff can actively participate in occupational health and safety activities, provide consultative suggestions and opinions and participate in process of the decision-making, thereby ensuring that our employees at all levels can fully communicate the effective occupational health and safety management and the importance to meet its requirements;
- 遵守國際公約、法律法規及相關方在環境和健康安全方面的要求，持續導入環境與健康安全領域的教育及訓練，增進員工環境與健康安全方面的意識、知識和技能，提升全員參與的能動性；
- 倡導綠色經營理念，堅持可持續發展戰略，將之融入到產品和服務的生命週期全過程中，在產品和服務的生命週期早期階段就考慮和注意對環境可能造成的影響，從產品整個生命週期角度出發，在各個環節採取堅實措施，減少對環境的危害，降低能源和資源消耗，致力環境親和；
- 強調和樹立污染預防的意識，力求予以避免，做好事前控制，同時重視資源的可持續利用、減緩和適應氣候變化、保護生物多樣性和生態系統，踐行對保護環境的承諾；
- 把工作人員的職業健康安全放在工作首位，確保在各項經營活動中均能嚴格執行各項工作程序和制度，創造一個對人員健康和安全的有保障的工作環境，追求零傷害零事故；
- 公司著力營造和倡導一種保護環境、節約資源、預防污染、注重安全，並支持環境和職業健康安全管理體系取得預期結果的文化，建立和健全健康和安全管理委員會並保障其行使職能，建立和實施一套工作人員協商和參與的機制及過程，保障在職業健康安全活動中工作人員能積極參與，提供諮詢建議和意見，參與必要環節的決策，確保公司各個層面人員在有效的職業健康安全管理以及符合職業健康安全管理要求的重要性上得到充分的溝通；

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- Continuously optimize environmental and health and safety management system performance, persevere in developing new technologies, processes, approaches and products that are beneficial to the environment and the health and safety of our employees, and always search for better solutions;
- We advocate the concept of environment, health and safety (“EHS”), and incorporate related requirements into our supply chain management activities, to improve performance with our suppliers, contractors and outsourcers from the perspective of the overall supply chain, with a pursuit of a harmonious balance between corporate development, social responsibility and the health and safety of our employees and common progress.
- 持續改進環境和健康安全管理體系績效，堅持不懈，不斷開發對環境及工作人員健康安全更有利的新技術、新工藝、新方法及新產品，始終要堅信任何改進「沒有最好，只有更好」；
- 宣揚環境、安全、衛生（「環安衛」）理念，將各項要求融入供應鏈管理活動，從整體供應鏈的視野，與供應商、承包商和外包商一同提升績效，追求企業發展、社會責任和人員健康安全的和諧統一，促進共同進步。

Safe production is a core value of the Company. It is the Company's basic responsibility to prevent casualties and fatalities of our employees and to create a safe and healthy working environment. The Company strives to become an outstanding organization with continuous improvement and long-term development. In developing the Company's strategic objectives, action decisions and in conducting daily operations, the Company will consider such factors as economy, environment, health, safety and social responsibility.

All of our management personnel are the medium to promote our priorities in the environment, health and safety, and the exponent for putting such ideas into practice. All employees are required to comply with the Company's safety regulations and policies. Employees are the Company's most essential wealth and each employee's contribution to the Company is unique and value-adding. The Company encourages, recognizes and rewards employees for their active contributions to the Company's environmental, safety and health performance.

GENERAL ON CORPORATE SOCIAL RESPONSIBILITY OF MOBI

The Company manages its social responsibility and commitment within the scope of its control and influence, and ensures that the management systems and regulations it formulates comply with national laws and regulations and internationally recognized SA8000 ethical standards.

安全生產是公司的核心價值，預防全體員工發生意外傷亡，創建一個安全、健康的工作環境，是公司的基本責任。公司努力成為一個出類拔萃的具有持續改進和長遠發展的公司。在制定公司戰略目標、行動決策及開展日常活動的時候，公司會考慮經濟、環境、健康、安全和社會責任等因素。

本公司的所有管理人員均是環境、健康和安全第一理念的傳播人，並身體力行實現其理念，所有員工均需遵守公司的安全規範和制度。員工是公司的最重要財富，每個員工對公司作出的貢獻都具有獨特性和增值性。公司鼓勵、認可和獎勵對本公司的環境、安全、健康業績的積極貢獻。

摩比公司社會責任總則

本公司在可以控制和影響的範圍內管理有關社會責任和承諾，並確保制定的各項管理制度和規定遵守國家法律法規和符合國際普遍認可的SA8000道德標準。

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This includes the principles of the following international agreements and laws, regulations and policies: International Labor Organization Convention 29 and Convention 105 (forced labor and debt-bondage), International Labor Organization Convention 87 (freedom of association), International Labor Organization Convention 98 (right to organize and collective bargaining), International Labor Organization Convention 100 and Convention 111 (equal remuneration and discrimination), International Labor Organization Convention 135 (workers' representatives), International Labor Organization Convention 138 and Recommendation 146 (minimum age and recommendations), International Labor Organization Convention 155 and Recommendation 164 (occupational safety and health), International Labor Organization Convention 159 (vocational rehabilitation and employment), International Labor Organization Convention 177 (home work) and The United Nations Convention on the Rights of the Child under The Universal Declaration of Human Rights.

The Company hires, manages and assigns employees in accordance with the requirements under relevant laws and regulations, including the Labor Law of the PRC, the Labor Contract Law of the PRC, the Social Insurance Law of the PRC, the Employment Promotion Law of the PRC, the Implementation Regulations of the Labor Contract Law of the PRC, the Special Rules on Labor Protection of Female Employees, the Provisions on the Prohibition of Using Child Labor, Regulatory Standards for Penalties Against the Employment of Child Labor (Ministry of Labor, MOF Document, Laolizi (1992) 27), Regulations on the Special Protection of the Minority Workers and Anti-Unfair Competition Law of the PRC to pay the salaries of employees at standards higher than local minimum wages and complies with the provisions of the Labor Law on working hours, overtime compensation and remuneration. We strictly prohibit the recruitment of child lab.

The Company undertakes not to use any form of forced labor, and signs an employment contract with the employee's consent and full understanding of the terms, and will not require any employee to pay any "deposit" or deposit identity documents at the beginning of employment.

The Company has appointed the executive vice president of the senior management team to take full responsibility for the health and safety of all employees, and has formed Safety Production Committee which is responsible for ensuring and achieving safe production on the part of the Company. The Company has also established an occupational health and safety management mechanism to effectively identify sources of danger and to reduce and prevent potential threats to employees' health and safety through hazard assessment, preventive measures and related emergency mechanisms.

這包括下列國際協議之原則及法律、法規與制度：《國際勞工組織公約第29及第105號（強迫性勞動及債務工）》、《國際勞工組織公約第87號（結社自由）》、《國際勞工組織公約第98號（集體談判權利）》、《國際勞工組織公約第100及第111號（男女工人同工同酬，歧視）》、《國際勞工組織公約第135號（工人代表公約）》、《國際勞工組織公約第138號及建議條款第146號（最低年齡及建議）》、《國際勞工組織公約第155號及建議條款第164號（職業安全與健康）》、《國際勞工組織公約第159號（職業康復與就業）》、《國際勞工組織公約第177號（家庭工作）》及《世界人權宣言聯合國兒童權利公約》等。

本公司根據國家相關法律法規要求規定，包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國社會保險法》、《中華人民共和國就業促進法》、《中華人民共和國勞動合同法實施條例》、《女職工勞動保護特別規定》、《禁止使用童工規定》、《使用童工罰款標準的規定》（勞動部、財政部檔，勞力字（1992）27號）、《未成年工特殊保護規定》及《中華人民共和國反不正當競爭法》，招聘、管理和調派員工，以高於本地最低工資的標準支付員工的工資，並遵循勞動法中關於工時、加班及報酬之規定，並嚴禁雇用童工。

本公司承諾不使用任何形式的強制勞動或非自願性勞動，在僱員同意並充分瞭解條款的情況下簽署員工合約，不會要求員工在受僱起始時交納「押金」或寄存身份證件。

本公司已任命高級管理層團隊之執行副總裁全權負責全體員工的健康與安全，組建了安全生產委員會，負責公司安全生產的保障和實現。公司亦建立了職業健康安全管理體系，以有效識別危險源，並通過危險源評估，制定預防措施及相關應急處理機制，減少和避免產生對員工健康與安全的潛在威脅。

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The Company is committed to providing a safe, clean, healthy and productive working environment for all employees by providing clean drinking water, advanced medical and sanitation facilities, fire safety and proper ventilation conditions. The Company will also take necessary measures on its own initiative to minimize possible hazards in the workplace when possible in order to avoid work-related accidents and health hazards. The Company regularly focuses on reviewing health and safety conditions in the workplace, canteens and dormitories, and makes constant improvements based on issues identified.

The Company provides training for all employees on health and safety, energy conservation, environmental protection and various management systems and standards. It also provides induction training for new staff, and retraining for transferring staff.

The Company has formed a trade union which helps its members to safeguard their legitimate rights and interests, encourages regular communications between employees and the Company, and assists with solving any special difficulties they have. The Company respects the freedom of all employees to participate in the trade union, and collective bargaining as well as their freedom of association.

The Company is strictly prohibited from engaging in or supporting matters based on race, ethnicity, social hierarchy, nationality, religion, physical disability, gender, age, sexual orientation, trade union membership or political discrimination in matters relating to the appointment, remuneration, welfare, training opportunities, promotion, discipline, dismissal or retirement.

The Company fully respects the personal religious beliefs and ethnic customs of employees. We prohibit any personal discrimination and infringement of rights. The Company does not interfere with the rights of employees to observe their religious beliefs and customs.

The Company undertakes to respect and treat every employee impartially. It prohibits compulsive, abusive or exploitative acts of intrusion in the form of gesture, language and physical contact. The Company also prohibits the engagement or support of corporal punishment, mental or physical persecution and verbal humiliation.

The Company actively takes measures against extortion and bribery or any form of corruption, advocates fair and orderly competition and prohibits unfair competition.

In assessing and shortlisting suppliers, the Company considers the ability of suppliers to meet the requirements of this policy and prioritizes them who meet the requirements.

本公司承諾為全體員工提供一個安全、清潔、健康和有生產力的工作環境，提供乾淨飲用水、完善的醫療和衛生設施、消防安全及適當的通風條件。本公司亦會主動採取必要的措施，在可能條件下最大限度地降低工作環境中的危害隱患，以避免在工作中發生危害健康的事故。本公司定期對工作場地、食堂和宿舍的健康及安全情況予以重點檢查，對發現的問題進行持續改進。

本公司對所有員工進行健康與安全、節約能源和保護環境以及各項管理制度和標準的培訓。此外，本公司亦對新晉員工進行入職培訓，對調換崗位員工重新進行培訓。

為協助員工維護自身的合法權益、鼓勵員工及公司之間的定期溝通及協助解決員工特殊困難，本公司組建了工會。而本公司亦尊重所有員工自由參加工會、集體談判和結社自由之權利。

在涉及聘用、報酬、福利、培訓機會、升遷、紀律、解職或退休等事項上，本公司嚴禁從事或支援基於種族、民族、社會等級、國籍、宗教、身體殘疾、性別、年齡、性取向、工會會員或政治面貌上的歧視。

本公司充分尊重員工的個人宗教信仰和民族習慣，禁止任何人身歧視和權利侵害行為。本公司不會干涉員工行使遵奉信仰和風俗的權利。

本公司承諾尊重並公正地對待每一位僱員，公司不允許強迫性、虐待性或剝削性的性騷擾行為，包括姿勢、語言和身體的接觸，並禁止從事或支持體罰、精神或肉體脅迫以及言語侮辱。

本公司積極採取措施反對以強取和賄賂等任何形式的腐敗行為，宣導公平有序的競爭，禁止不正當競爭的行為。

本公司在評估及挑選供應商時，會考慮供應商滿足本政策要求的能力，優先選擇達到要求的供應商。

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If necessary, the Company may provide information to stakeholders (including customers and government regulatory authorities) and communicate with them on, including but not limited to, the results of its management reviews and audits. The Company may provide stakeholders with reasonable information and access to information for them to determine whether the Company fulfills its social responsibility and ethical commitments. If there is any doubt as to whether the Company fulfills its obligation on social responsibility and ethical commitments, the Company will conduct timely investigations before handling and responding to related enquiries. If any employee presents a question as to whether the Company complies with the requirements of those provisions, the Company will not penalize, dismiss or discriminate against the employee for it. If any violation of corporate social responsibility and ethical commitments is found, the Company will take appropriate remedial measures and correctible actions against in accordance with the severity of its nature.

The Company engages third parties to conduct annual tracking and auditing of the relevant management system to ensure that it complies with relevant management system requirements and standards. In recent years, the Company has also received more surveys on the environment, safety and health, carbon emissions, conflict minerals from key customers, to which the Company has given positive cooperation and response. During the Reporting Period, the Company has not received any complaints and penalties from government, third parties and customers in these respects.

DEVOTION TO ENVIRONMENTAL PROTECTION

The Company persists in operating its business in an environmentally responsible manner and adheres to the concept of sustainable development by taking various measures to reduce the environmental impact arising from its production and business activities with an aim of achieving harmonious coexistence with the society, the environment and its stakeholders. The concept of innovation and environmental consciousness have also been infiltrated into our entire product life cycle and all business processes from research and development, production, logistics to customer service. We spare no effort in reducing energy consumption, resource consumption and carbon dioxide emissions.

The Company has been monitoring and managing our emissions, greenhouse gas emissions and energy consumption for many years. We hope to strike a balance between business growth and environmental protection by improving our business operations and practice, and encouraging employees to work in an environmentally responsible manner in the workplace.

如有需要，公司可向利益相關方，包括客戶和政府監管機構等提供資料，而溝通包括但不限於管理審核和監查活動的結果。公司向有關方面提供合理的資料和取得資料的渠道，以供利益相關方確定公司是否符合其社會責任和道德承諾。有關方面質疑公司是否符合其有關社會責任和道德承諾規定的事項時，公司會進行適時的調查、處理並回應。若員工提出對公司是否遵守本規定的要求的疑問時，公司不會對其採取懲處、解僱或歧視的行為。如果發現任何違反公司社會責任和道德承諾規定的事項，公司會根據其性質嚴重性，予以適當的補救和糾正。

公司每年都會聘請第三方機構對相關管理體系進行年度跟蹤及稽核，以確認公司遵循相關管理體系要求和規範的符合性。近年來，公司也越來越多接到來自重點客戶就環安衛、碳排放、衝突礦產方面的客戶調查，公司均進行了積極的配合及回應。本公司於報告期間沒有接到過政府、第三方和客戶在這些方面的投訴和處罰。

推進環境保護

本公司堅持透過對環境負責的方式經營業務，堅持貫徹可持續發展理念，並採取各種措施以減少生產及業務活動對環境可能造成的影響，實現社會、環境及利益相關者的和諧共生。我們將創新和綠色理念貫穿到整個產品生命週期以及研發、生產、物流、客戶服務等全過程，為實現降低能耗、資源消耗和二氧化碳排放努力不懈。

本公司多年來持續對排放物、溫室氣體排放量和能源消耗進行監控和管理，我們希望通過改善營運實踐，取得業務增長和環境保護之間的平衡，同時鼓勵員工在工作場所中採取對環境負責的行為。

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The Company complies with the EU RoHS and China RoHS-related Directive. We conduct comprehensive management of hazardous substances from product design, procurement, production to delivery, to avoid the use of prohibited substances, and to ensure that the volume of restricted substances is within relevant restricted ranges. The Company also provides declarations of hazardous substances and the content of substances for customers that require them. Where necessary, the Company may also provide inspection reports from third parties on the composition of substances to customers as required.

The Company complies with the EU WEEE Directive and adopts ecological product design with full consideration of recyclability of products, generalized design and the most economical design principle, to satisfy the recovery rate and the recycling rate of products and to minimize the environmental impact on the product life cycle from the source.

In general, the Company's production process and business nature enable low-emission, low-energy consumption and low pollutant generation. We are committed to operating our entire business in compliance with relevant environmental protection laws and regulations. During the Reporting Period, the Company did not violate any relevant environmental regulations and was not subject to any related penalty either.

EMISSIONS

The Company focuses on the waste management arising from its operating process.

The Company mainly adopts mechanical processing, assembly and testing for its production and does not discharge industrial wastewater. The Company's domestic wastewater mainly comes from the drainage of office washrooms and water from its kitchen. There is no discharge of toxic, hazardous or special substances. For oily wastewater produced from cleaning canteen kitchens, solid waste is first filtered through cleaning tank filters. Preliminary filtered kitchen wastewater will flow towards a three-stage grease trap, where major pollutants are removed during grease treatment before being discharged into the municipal sewage pipe network. Toilet sewage will go through septic tank treatment in the industrial area, and will be discharged through the local municipal sewage pipe network.

本公司遵從歐盟RoHS及中國RoHS有關等指令，從產品設計、採購、生產、交付等環節進行全流程有害物質管理，避免使用禁用物質，並確保限用物質含量在規定範圍內。對於有需要的客戶，公司會向客戶提供有害物質保證聲明以及物質成份表資料，亦可按照要求向客戶提供物質成份第三方機構檢測報告。

公司遵從歐盟WEEE指令，在產品設計階段採用生態化設計理念，充分考慮產品的可回收設計、通用化設計和最省化設計原則，滿足產品的可回收率和再利用率要求，從源頭上將產品全生命週期中對環境的影響降低到最低。

總體而言，本公司的生產過程和業務性質屬於低排放、低耗能和低污染物產生。我們承諾整個業務運行遵循相關環保法律及法規。本公司於報告期間未曾違反任何相關環保法規，也未遭受過任何相關的處罰。

排放物

本公司注重營運過程中產生的廢棄物的管理。

本公司生產以機加工、組裝和測試為主，生產過程中不產生工業廢水。而本公司生活廢水主要來源於辦公衛生間排水和廚房的生活用水，並無有毒、有害或特殊物質排放。食堂廚房清潔產生的含油廢水，首先需經過清洗池濾網，過濾掉固體雜物，初步過濾的廚房廢水會集中流向三級隔油池，經過隔油處理去除主要污染物後再排入市政污水管網。衛生間生活污水經工業區化糞池處理後，會通過當地市政污水管網排放處理。

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Industrial air emissions arising from the production process of the Company mainly come from residual lead-free solder exhaust, which is collected from exhaust gas collection devices installed in the workshops and led to the top floor of the workshops through pipelines to achieve high-altitude emissions. Meanwhile, we continue to improve the ventilation of our workshops. The emission of exhaust gases after treatment meet the “Air Pollutant Emission Limit” standards and produces little impact on the surrounding environment.

The noise sources of the Company include certain production equipment, such as the CNC punch press, stamping equipment, die-casting equipment, air conditioning units, air compressors, cooling towers, fans, pumps and other ancillary power equipment. With machine layout of the workshops and routine regular equipment maintenance, the noise generated in the production process meets the “Standard of Boundary Noise of Industrial Enterprise” and has limited impact on the surrounding environment.

The solid waste produced by the Company includes general industrial solid waste, domestic waste and a small amount of hazardous waste. Among these, the general industrial solid waste mainly comprises of production packaging materials, metal scrap, lead-free slag and plastic scrap, which are sold to relevant external parties after collection by category, for recycling treatment. Domestic waste is handled by environmental and health departments after collection by category. Residual hazardous waste produced during the production process mainly comprises of oily rags, oily gloves and waste oil, the volume of which falls below the minimum requirements for transport, and so they are regularly delivered to external parties with “relevant qualifications in hazardous waste disposal for collective treatment.

In addition, through continuous improvement of our production process, including the gradual shift to semi-automatic or fully automated production methods, the Company strives to enhance production capacity, improve production efficiency and reduce labor input, while improving staff training and management to improve operating performance, consummating and standardizing the management system of the Company, vigorously promoting clean production, and actively pursuing energy-saving measures by using environmentally friendly materials and improving the utilization of raw materials. We always use recyclable packaging materials to reduce pollutant emissions and achieve advanced circular economic standard.

本公司生產過程中的工業廢氣主要是極少量的無鉛焊錫廢氣。通過車間內部設置的廢氣收集裝置，收集後的無鉛焊錫廢氣會通過管道引導致車間外頂樓作高空排放，同時加強車間通排風，處理後外排的廢氣可達到《大氣污染無排放限值》標準，對周圍環境影響不大。

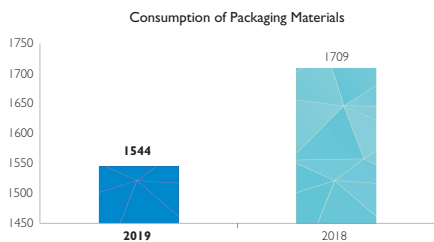
本公司噪音源包括一些生產設備，如數控衝床、衝壓設備、壓鑄設備以及空調機組、空壓機、冷卻塔、風機、水泵等輔助動力設備。生產過程中產生的噪音，基於車間的機器佈局和日常定期的設備維護保養，已能夠滿足《工業企業廠界環境雜訊排放標準》，對周圍環境影響較小。

本公司產生的固體廢棄物包括一般工業固廢、生活垃圾和少量危險廢棄物。其中，一般工業固廢主要是一些生產包裝材料、金屬邊角料、無鉛錫渣及塑膠邊角料等。這些一般固廢經分類收集後，均出售給外部相關單位，由其回收處理利用；生活垃圾經分類收集後，交由環衛部門清運處理；生產過程中產生的少量危險廢棄物主要是含油廢抹布、含油廢手套、廢機油等，這些廢棄物低於拉運量的要求，定期交由具有危險廢棄物處理資質的外部機構統一進行處理。

除此之外，本公司還會通過持續的生產工藝改進，包括逐步採用半自動化或全自動化生產方式等，提高產品產量和提升生產效率，減少勞動力投入。同時亦會加強員工培訓和管理，提高員工操作水準，完善和規範公司管理制度，大力推行清潔生產，積極推行優化節能措施，選用環保材料及增加原料的利用率，盡量使用可回收利用的包裝材料，減少污染物排放，達成循環經濟先進水準。

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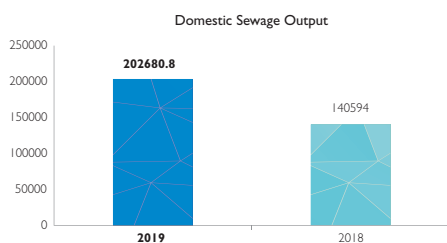


Note: The consumption of packaging materials has decreased compared to 2018 due to lower output and enhanced recycling.

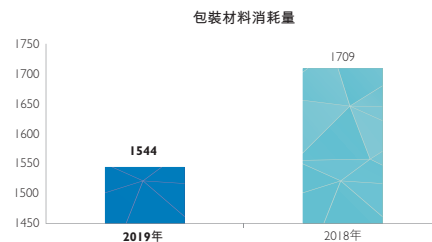
The Company's statistics on waste in 2019 are as follows:

1. Industrial wastewater: none.

Domestic sewage: all discharged through the local municipal sewage pipe network, recording an increase from 2018. This was due to the increase in infrastructure construction and renovation and maintenance projects in Shenzhen and Ji'an plants, the overall cleaning and maintenance of air conditionings in Shenzhen Plant this year, and the construction of greening spray facilities in Ji'an Plant, resulting in an increase in domestic sewage in 2019.



2. Lead-free solder exhaust: traces in compliance with regional environmental standard and without significant environmental impact.
3. Factory noise: in compliance with regional environmental standards.

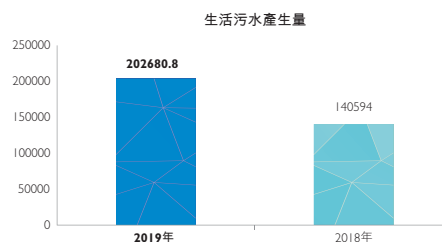


註：因產量降低，且加強回收利用，導致包裝材料消耗量較2018年度有所降低。

本公司2019年度廢棄物統計資料如下：

1. 工業廢水：無。

生活污水：比2018年度有增加，全數歸入市政污水管網。因深圳、吉安廠區基建改造維修項目增多、深圳廠區空調今年全部清潔保養、且吉安廠區增加園區綠化噴淋，導致2019年度生活污水增多。

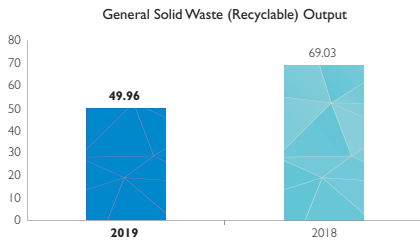


2. 無鉛焊錫廢氣：微量，符合地區環保標準且不會造成重大環境影響。
3. 廠界噪音：符合地區環保標準。

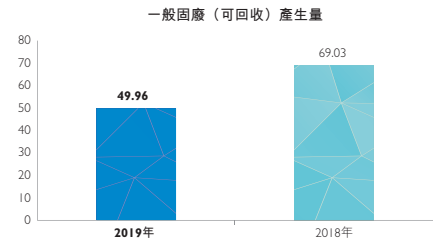
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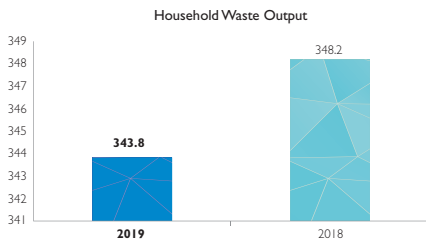
4. General solid waste (recyclable): less than that in 2018. The amount of general solid waste (recyclable) declined as compared with 2019, due to the decrease in consumption of packaging materials in 2018 and the increasing effort in recycling.



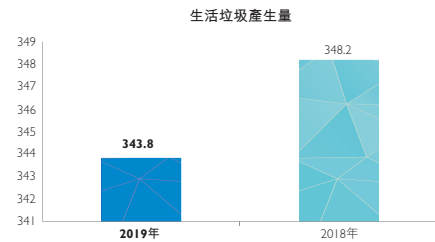
4. 一般固廢(可回收): 比2018年度有減少。因2019年度包裝材料消耗量降低, 且加強回收利用, 導致一般固廢(可回收)產生量較2018年度有所下降。



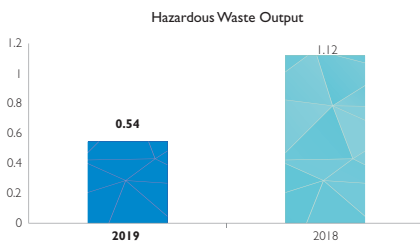
5. Household waste: the household waste declined as compared with 2018 due to the decrease of personnel in 2019 as compared with the last year.



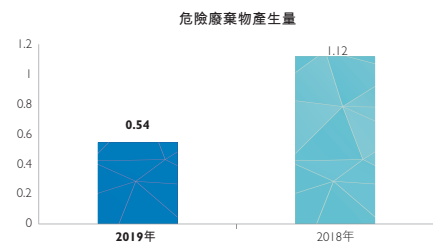
5. 生活垃圾: 因2019年度員工較上年有減少, 導致生活垃圾比2018年度有所減少。



6. Hazardous waste: the amount of hazardous waste declined due to the decrease of output in 2019 as compared with the last year.



6. 危險廢棄物: 因2019年度產量較上年減低, 導致危險廢棄物產生量降低。



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The statistics about the Company's greenhouse gas emissions in 2019 were as follows:

本公司2019年度溫室氣體排放量統計資料如下：

	2019 2019年		2018 2018年	
	Carbon emissions (carbon dioxide (CO ₂) equivalent) 碳排放量 (二氧化碳CO ₂ 當量)	Volume per working hour 單位工時量	Carbon emissions (carbon dioxide (CO ₂) equivalent) 碳排放量 (二氧化碳CO ₂ 當量)	Volume per working hour 單位工時量
Emissions from electricity (tons) 用電排放(噸)	7,754.13	0.0023/working hour 0.0023/工時	9,405.61	0.00195/working hour 0.00195/工時
Emissions from vehicles, power generators and boilers (tons) 汽車、發電機及鍋爐排放(噸)	366.41	0.0001/working hour 0.0001/工時	332.24	0.00007/working hour 0.00007/工時
Total greenhouse gas emissions (tons) 溫室氣體總排放量(噸)	8,120.54	0.0024/working hour 0.0024/工時	9,737.85	0.00202/working hour 0.00202/工時

Note 1: Total working hours in 2019 were 3,328,416.66 hours

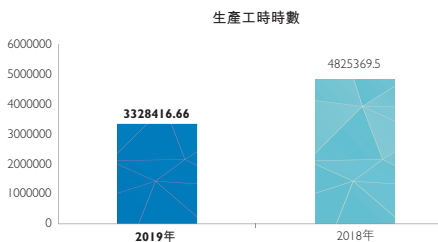
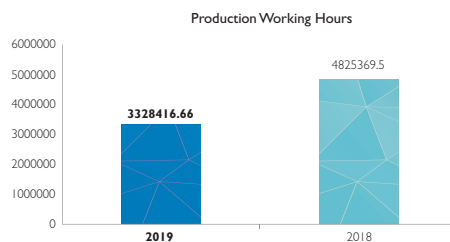
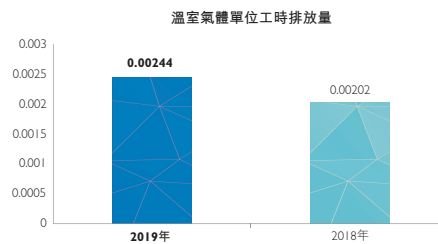
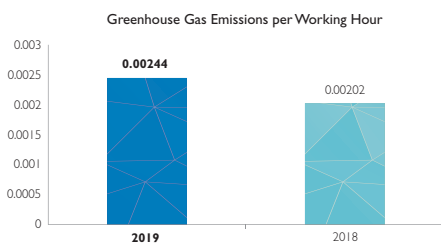
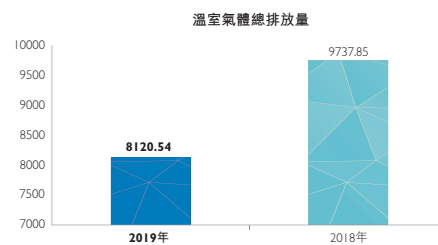
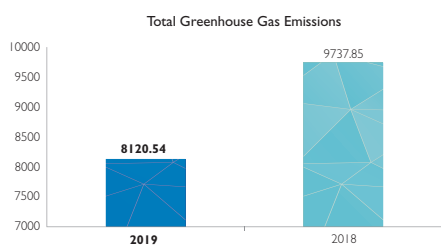
註1：2019年總工時為3,328,416.66小時

Note 2: The calculation of the above greenhouse gas emissions is based on the 2017 China Regional Grid Baseline Emission Factors announced by the Ministry of Ecology and Environment of the People's Republic of China.

註2：以上溫室氣體之計算是按照中華人民共和國生態環境部公佈之《2017年度中國區域電網基準線排放因數》。

Note 3: The total greenhouse gas emissions decreased as compared with those 2018, but the emissions per working hour slightly increased as compared with those 2018. For detailed analysis of reasons, please refer to the following description on usage of energy resources.

註3：溫室氣體總排放量較2018年度有降低，但單位工時排放量較2018年略有上升。具體原因分析詳見下面各能源資源使用情況說明。



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USE OF RESOURCES: ENERGY, WATER AND OTHER RAW MATERIALS

The main raw materials consumed in the Company's production are aluminum, copper, steel, plastic, PCB boards and others. At the product level, we focus on the efficient use of resources. In the product development stage, we conduct rigorous design and assessment to assure product features and performance while using a variety of materials in the most frugal manner by the use of environmentally friendly and recyclable or reusable materials. This not only ensures that costs can be controlled, but also reduces the consumption of resources. We promote clean production and strengthen equipment maintenance while improving energy efficiency.

In our daily office operations, we advocate the concept of energy-saving. Through regular self-examinations, inspection and reporting, we enhance the awareness and capability of our staff in energy-saving and reducing emissions. We advocate a paperless office to reduce the use of paper, and always reuse paper for printing and copying.

The Company attaches great importance to electric energy conservation, and puts great effort into the promotion of environmental protection and energy conservation policies and measures implemented. For example, we make full use of natural light when the weather is bright. We always choose energy-saving products when purchasing lamps and electrical appliances. We switch off idle lights, computers and electrical appliances. In summer, our air conditioning is generally set at room temperature of above 26 degrees. We conduct timely maintenance of air conditioners to ensure their good operation. We encourage the use of telephone and video conferencing systems to reduce business travel. We also post energy-saving tips on our intranet to remind employees to practice energy-saving ideas.

In terms of water saving, water in the Company comes from the city water supply system. With regard to the use of water, the Group does not find any issue in sourcing water that is fit for purpose. It is mainly used in our offices. Our production process does not involve industrial water and therefore does not have a serious adverse impact on rivers, lakes and underground water. We develop and refine water-saving management system with the use of a water saving faucet, to ensure that the concept of water-saving is implemented in practice.

Achieving the efficient use of resources not only requires a sound management system, and implementation of relevant policies, but also the cooperation and support of staff. The Company strives to create a corporate culture that treasures resources, enhances employee awareness of environmental issues, and encourages employees to actively participate in environmental protection and fulfill our environmental commitments.

資源使用：能源、水及其它原材料

本公司生產所消耗的主要原材料為鋁材、銅材、鋼材、塑膠及PCB板材等。在產品層面，我們注重資源的有效使用，在產品開發階段，我們通過嚴格的設計和評審，確保在滿足產品功能和性能的同時最節儉地利用各種材料。我們使用環保可回收或再利用的材料，既保證成本的受控，亦同時減少資源的消耗。我們宣導清潔生產，加強設備維護保養，提高能源使用效率。

日常辦公活動中，本公司積極宣傳節能降耗概念，通過定期自查自糾和檢查通報等方式，提高員工節能減排意識和能力。同時推廣無紙化辦公，以減少紙張的使用，對於列印和複印用紙，我們會進行回收利用。

本公司高度重視節約電能，並通過實施相關制度和措施推動環保節能。比如，天氣晴朗時，盡量利用自然光；採購燈具和電器時，盡量採用節能產品；閒暇時間關閉燈具、電腦和電器；夏日空調一般設定在室溫26度以上，及時維護空調確保運行良好。此外，本公司亦鼓勵員工使用電話、視訊會議系統來減少商務旅行；並於內聯網張貼節能方面的提示性標籤提醒僱員力行節能理念。

用水方面，公司用水取自城市供水系統，在求取適用水源上並未有任何問題。用水主要用途為辦公生活，在生產過程中並不涉及工業用水環節，因此不會對陸上的河流、湖泊、地下水造成嚴重影響。我們制定和完善節水管理制度，使用節水型水龍頭等，確保節水理念確切實行。

有效使用資源，不僅需要完善的管理制度，相關政策的落實更有賴於員工的配合和支持。本公司努力營造珍惜資源的企業文化，提高員工的環保意識，鼓勵員工積極參與和實踐環保承諾。

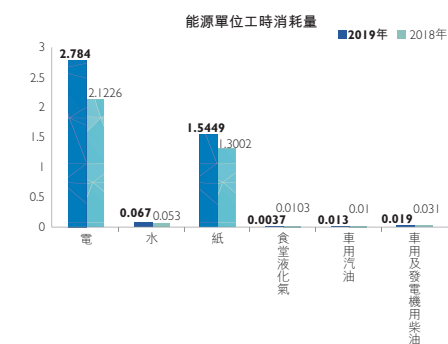
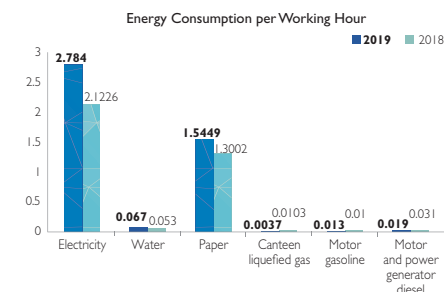
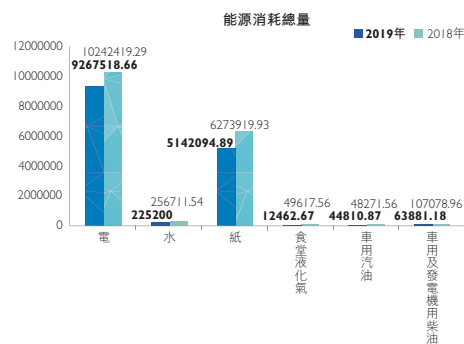
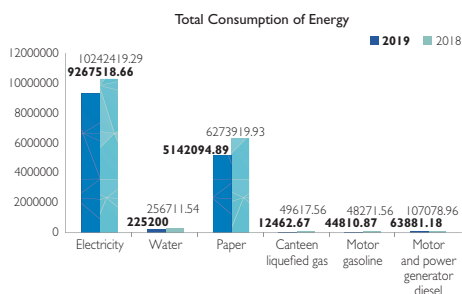
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The major energy and resources consumed by the Company are electricity, water, paper, natural gas, gasoline and diesel. The following table shows the use of energy resources for 2019 and 2018:

本公司日常消耗的主要能源和資源為電力、水、紙張、天然氣和汽油柴油。下表列示2019年度和2018年度的能源資源使用情況：

Energy Consumption 能源消耗	2019 2019年		2018 2018年	
	Total Consumption 消耗總量	per working hour 單位工時消耗量	Total Consumption 消耗總量	per working hour 單位工時消耗量
Electricity (KWh) 電(千瓦時)	9,267,518.66	2.784/working hour 2.784/工時	10,242,419.29	2.1226/working hour 2.1226/工時
Water (Tons) 水(噸)	225,200.00	0.067/working hour 0.067/工時	256,711.54	0.053/working hour 0.053/工時
Paper (Sheets) 紙(張)	5,142,094.89	1.5449/working hour 1.5449/工時	6,273,919.93	1.3002/working hour 1.3002/工時
Canteen liquefied gas (Litres) 食堂液化氣(升)	12,462.67	0.0037/working hour 0.0037/工時	49,617.56	0.0103/working hour 0.0103/工時
Motor gasoline (Litres) 車用汽油(升)	44,810.87	0.013/working hour 0.013/工時	48,271.56	0.010/working hour 0.010/工時
Motor and power generator diesel (Litres) 車用及發電機用柴油(升)	63,881.18	0.019/working hour 0.019/工時	107,078.96	0.031/working hour 0.031/工時



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Among which,

1. The total consumption of electricity in 2019 decreased over that in 2018, but the consumption per working hour slightly increased over that in 2018, mainly due to: the equipment was still working on workdays and the consumption of electricity for elevators and lighting remained unchanged despite of the decrease of output and the improved control of daily electricity consumption, resulting in the decrease of working hours surpassing the decrease in the total consumption of electricity which led to a slight increase in the consumption per working hour.
2. The total consumption of water in 2019 decreased over that in 2018, but the consumption per working hour slightly increased over that in 2018, mainly due to: all areas still ensured the basic daily water and cleaning water demand according to actual conditions despite of the decrease of output and the improved control of daily water consumption, resulting in the decrease of working hours surpassing the decrease in the total consumption of water which led to a slight increase in the consumption per working hour.
3. The total consumption of papers in 2019 decreased over that in 2018, but the consumption per working hour slightly increased over that in 2018, mainly due to: all areas still ensured the basic demand for normal office papers and production papers despite of the decrease of output and the improved control of daily papers consumption, resulting in the decrease of working hours surpassing the decrease in the total consumption of papers which led to a slight increase in the consumption per working hour.
4. The total consumption and the consumption per working hour of canteen liquefied gas in 2019 significantly decreased over those in 2018, mainly due to: the Shenzhen Plant reduced two boilers and the Xi'an Plant introduced a new boiler for replacement, resulting in a decrease in the consumption of canteen liquefied gas.

其中：

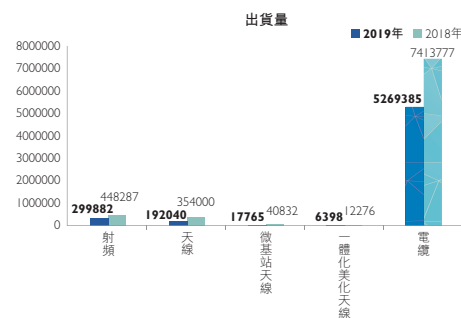
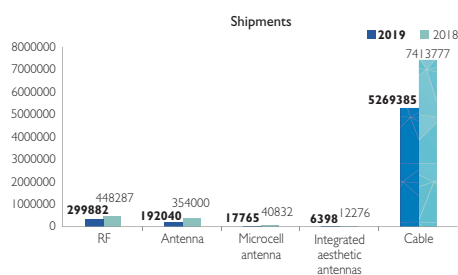
- 1、電的2019年度消耗總量較2018年度有所降低，但單位工時消耗量較2018年度略有所上升，主要是因為：雖產量降低、日常有加強節約用電管控，但設備仍工作日正常運行，電梯、照明用電等需求未變，導致電消耗量降幅沒有工時降幅大，從而單位工時消耗量略有上升。
- 2、水的2019年度消耗總量較2018年度有所降低，但單位工時消耗量較2018年度略有所上升，主要是因為：雖產量降低、日常有加強節約用水管控，但各區域仍按照實際情況保證基本日常用水、清潔用水需求，導致水消耗量降幅沒有工時降幅大，從而單位工時消耗量略有上升。
- 3、紙張的2019年度消耗總量較2018年度有所降低，但單位工時消耗量較2018年度略有所上升，主要是因為：雖產量降低、日常有加強節約紙張管控，但各區域仍需保證基本正常辦公用紙、生產用紙，導致紙張消耗量降幅沒有工時降幅大，從而單位工時消耗量略有上升。
- 4、食堂液化氣的2019年度消耗總量和單位工時消耗量均較2018年度有大幅降低，主要是因為：深圳廠區減少兩個液化氣鍋爐，西安廠區更換新的鍋爐一個，導致食堂液化氣量降低。

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5. The total consumption of motor gasoline and diesel in 2019 declined as compared with 2018, and the consumption per working hour was basically the same as that in 2018, mainly due to: 1) Shenzhen, Xi'an and Ji'an plants optimized their vehicle dispatching to reduce the frequency of vehicle usage; 2) Shenzhen Plant reduced one long-distance freight vehicle and two buses; 3) the freight transport demand in Shenzhen and Ji'an plants declined.
- 5、車用汽油和柴油的2019年度消耗總量較2018年度有降低，單位工時消耗量與2018年度基本持平。主要是因為：1) 深圳、西安、吉安三地廠區優化派車流程，減少了用車頻次；2) 深圳廠區減少一輛長途貨運車，減少兩輛大巴班車；3) 深圳吉安兩地貨運運輸需求降低。
6. The total working hours (3,328,416.66h) in 2019 declined by 31.02% as compared with the total working hours (4,825,369.54h) in 2018, as a result of which the total consumption of electricity, water, papers and canteen liquefied gas declined, but the consumption per working hour still increased slightly despite of the improved daily energy saving and consumption reduction.
- 6、2019年總工時(3,328,416.66小時)較2018年總工時(4,825,369.54小時)降幅高達31.02%，導致電、水、紙張、食堂液化氣等能源資源雖然有加強日常節能降耗管控，總消耗量有降低，但單位消耗量仍略有增加。

Type	類別	出貨量	
		2019年	2018年
RF (PCS)	射頻(件)	299,882	448,287
Antenna (PCS)	天線(件)	192,040	354,000
Microcell antenna (PCS)	微基站天線(件)	17,765	40,832
Integrated aesthetic antennas (PCS)	一體化美化天線(件)	6,398	12,276
Cable (M)	電纜(米)	5,269,385	7,413,777



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ENVIRONMENT AND NATURAL RESOURCES

Based on the nature of the Company's main business, our business activities will not have a significant impact on the environment and natural resources. However, the Company will continue to enhance environmental protection to reduce any adverse effects on the environment brought about by our business operations.

According to the environmental laws, regulations and relevant policies of the PRC, including the Environmental Protection Law of the People's Republic of China, the Environment Protection Tax Law of People's Republic of China, Law of the People's Republic of China on Water Pollution Prevention and Control, Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on Prevention and Control of Noise Pollution, Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes and the Energy Conservation Law of the People's Republic of China, when carrying out project construction, the Company will assess the potential pollution arising during the construction and production process, the feasibility of governance measures, whether production processes and products are in line with hygiene requirements, and the impact of the actual discharge of pollutants on surrounding environment. An Environmental Impact Report ("EIA Report") will be submitted to the environmental protection department in accordance with the laws and regulations.

CONFLICT MINERALS

Since the late 1990s, most of the minerals mining in the Democratic Republic of the Congo and its neighboring countries and territories has contributed to local armed conflicts, leading to long-term instability in the region and creating serious human rights and environmental problems. In 2012, the US Securities and Exchange Commission has required all public companies whose production processes involve the use of four types of minerals, namely tantalum, tin, tungsten and gold, to disclose their mineral sources. These four types of conflict minerals are widely used in the information and communications technology products manufacturing industry. The Company takes the initiative to refrain from using minerals from conflict-affected and other high-risk areas and conducts surveys on conflict minerals every year in cooperation with clients. The Company has signed Conflict Minerals Agreements with a total of 239 related suppliers in 2019, and has undertaken not to procure and use metal minerals from conflict-affected or high-risk areas.

環境及天然資源

基於本公司的主要業務性質，我們的經營活動對於環境及天然資源不會產生重大的影響。但是本公司依然會不斷強化環境保護工作，減低營運對環境可能產生的不利影響。

根據我國的環保法律、法規和有關政策的規定，包括《中華人民共和國環境保護法》、《中華人民共和國環境保護稅法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國噪音污染防治法》、《中華人民共和國固體廢物污染環境防治法》及《中華人民共和國節約能源法》，本公司在進行有關建設專案時，會針對該專案建設和生產過程中可能出現的污染發生情況、治理措施是否可行、生產過程和產品是否符合衛生要求，以及最終排放的污染物對周圍環境的影響等情況進行評價，並會按照法律規定向環保部門遞交環境影響報告書（「環評報告」）。

衝突礦產

自90年代後期開始，剛果民主共和國及其毗鄰國家和地區境內的大部份礦產開採助長了當地的武裝衝突，導致該地區長期不穩定，造成了嚴重的人權與環境問題。2012年，美國證券交易委員會針對鈹、錫、鎢、金四類礦產要求所有在生產過程中用到這四種金屬的上市企業披露其礦產來源。這四種衝突礦產被廣泛應用於資訊和通訊技術產品製造行業。本公司積極宣導不使用來自衝突地區或高風險地區的礦產，每年都會配合客戶做衝突礦產調查。2019年本公司相關的供應商總數為239家，均與之簽訂了衝突礦產協定，承諾不採購和使用來自衝突地區或高風險地區的金屬礦產。

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ESTABLISHMENT OF A TEAM OF EXCELLENCE

The Company is committed to creating a good working environment for its employees. We attach great importance to the value of talents, carry out selection of high-quality talent and make good use of their talents. We mainly recruit through on-campus and general recruitment. Our recruitment procedure is fair and reasonable. The Company has established a series of standardized human resources recruitment and training programmes and systems, which have been strictly implemented. In 2016, the Company set up the MOBI Academy to provide educational training and training functions for all levels of the Company, providing valuable seminars to support and strengthen the knowledge and skills of employees for the benefit of their career development and promotion. The Company provides competitive remuneration packages, sets working hours complying with relevant national policies and regulations, and offers various kinds of paid holidays stipulated by the state, including statutory holidays, marriage leave, maternity leave, paid annual leave and paid sick leave, to ensure that each employee has reasonable working hours and holidays, and to encourage employees to strike a balance between work and life. We do not allow any inequality or discrimination in job opportunities, etc.

The Company strictly complies with relevant national laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, the Labor Dispute Mediation and Arbitration Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Law of the People's Republic of China on the Protection of Minors, the Regulations of the People's Republic of China on the Implementation of the Labor Contract Law, the Special Rules on the Labor Protection of Female Employees, the Provisions on Prohibition of Child Labor, the Regulations on Paid Annual Leave for Employees and the Provisions on Minimum Wages. During the reporting period, the Company was not aware of any report on the violation of employment-related laws and regulations.

打造卓越團隊

本公司致力為員工創造良好的工作環境。公司重視人才的價值，不拘一格選好人才、用好人才。招聘管道主要採用學校畢業生招聘和社會招聘，招聘過程公正和合乎。我們建立了一套規範化人力資源招募和培訓一系列流程和制度，並嚴格執行。公司2016年成立摩比學院，承擔全公司範圍內各級成員的教育訓練和培訓職能，提供有價值的培訓講座，為員工的職業生涯發展和晉升提供了知識儲備及能力提升支援。公司提供有競爭力的薪酬待遇，工作工時遵守國家相關政策規定，提供國家規定的各類帶薪休假，包括法定節日假期、婚假、產假、帶薪年假、帶薪病假等，確保每位員工擁有合理工作時間及假期，鼓勵員工從工作與生活中取得平衡。我們不允許有任何工作機會等方面的不平等或歧視現象。

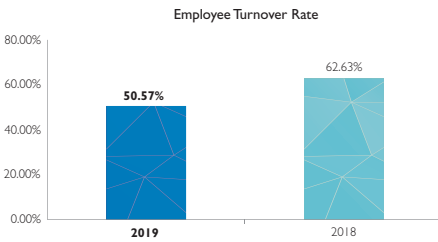
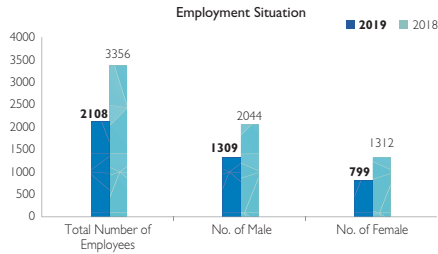
本公司嚴格遵守相關國家法律法規，包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國社會保險法》、《中華人民共和國就業促進法》、《中華人民共和國勞動爭議調解仲裁法》、《中華人民共和國婦女權益保護法》、《中華人民共和國未成年人保護法》、《中華人民共和國勞動合同法實施條例》、《女職工勞動保護特別規定》、《禁止使用童工規定》、《職工帶薪年休假條例》及《最低工資規定》。報告期間內，本公司並無發現任何違反與僱傭有關之法律及規例的報告。

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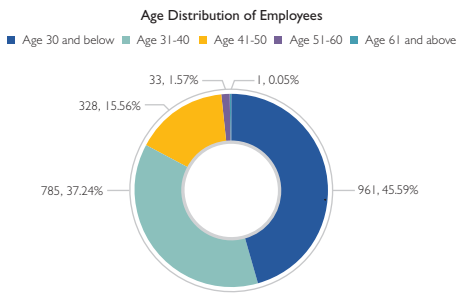
STAFF EMPLOYMENT

1. Employment Chart:

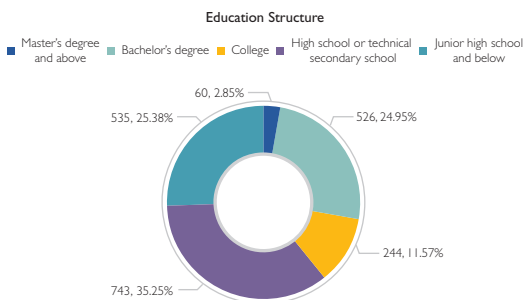


Note: the employee stability was improved and the turnover rate declined through measures such as improving work environment, strengthening the building of corporate culture and increasing employee benefits.

2. Age Distribution Chart:

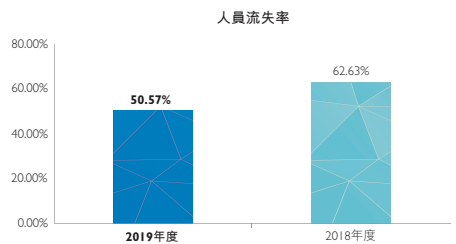
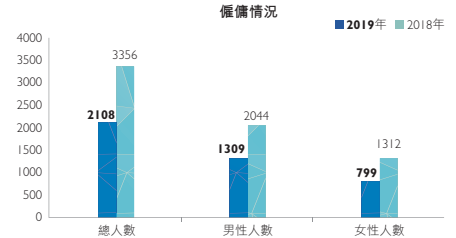


3. Education Structure Chart:



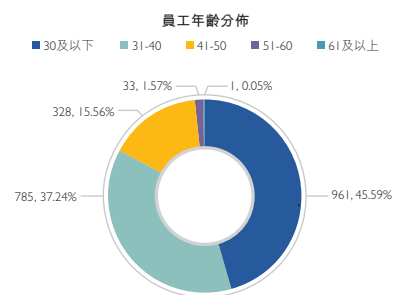
員工僱傭

1. 僱傭情況圖表：

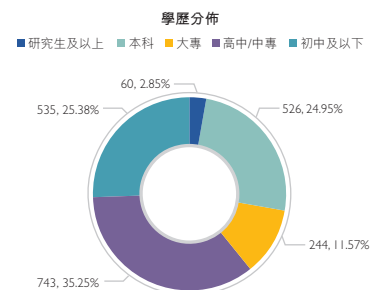


註：通過改善工作環境，加強企業文化建設，員工福利待遇提升等措施，員工穩定性提高，流失率降低。

2. 年齡分佈圖表：



3. 學歷分佈圖表：



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HEALTH AND SAFETY

The Company established an occupational health and safety management system which was recognized by the ISO45001. The day-to-day operation of the Company follows national laws and regulations, including the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Law of the People's Republic of China on Prevention and Treatment of Infectious Diseases, the Fire Control Law of the People's Republic of China, the Regulation on Work-Related Injury Insurances, the Regulations on Safety Supervision of Special Equipment, the Regulation on Work Safety Permits, the Measures for the Administration of Registration of Hazardous Chemicals, the Social Insurance Law of the People's Republic of China and the Measures for the Administration of Occupational Health Examination, and its health and safety policy and regulations to ensure a safe and healthy working environment and to protect the physical and mental health and safety of our employees. During the Reporting Period, the Company did not receive any report on the violation of laws and regulations related to health and safety in workplaces.

1. Staff health examination: The Company provides staff health examinations on an annual basis. Funded by the Company, all staff are entitled to physical health checks at medical institutions where medical reports as well as health advices will be provided.
2. Occupational disease inspections: The Company conducts occupational disease inspections on annual basis for employees with potential exposure to minimize the risks. In 2019, a total of 396 employees have been arranged for occupational disease inspections.
3. Work injury data: In 2019, zero work-related fatalities was recorded. Meantime, the Company improved its measures on the management of work-related injury and adding management items of the total reportable accident rate per a million working hours and the lost-time rate per a million working hours in 2019. The Company recorded the total reportable accident rate per a million working hours of 1.23 and the lost-time rate per a million working hours of 411.80 in 2019, which increased as compared with those of 1.09 and 313.97 in 2018, mainly due to the increase in minor injuries caused by traffic accidents during the commute of employees.

健康與安全

本公司建立了獲ISO45001認證的職業健康安全管理体系。公司的日常營運遵循國家法律法規，包括《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《中華人民共和國傳染病防治法》、《中華人民共和國消防法》、《工傷保險條例》、《特種設備安全監察條例》、《安全生產許可證條例》、《危險化學品登記管理辦法》、《中華人民共和國社會保險法》及《職業健康檢查管理辦法》，以及健康安全體系制度和規範，確保創造一個安全健康的工作環境，保障員工的身心和健康安全。報告期間內，本公司並無發現任何違反與工作場所健康與安全有關之法律及規例的報告。

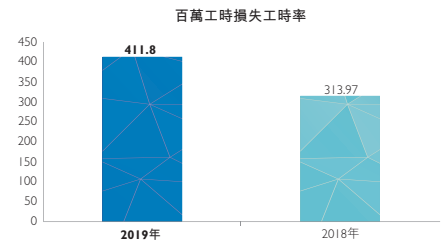
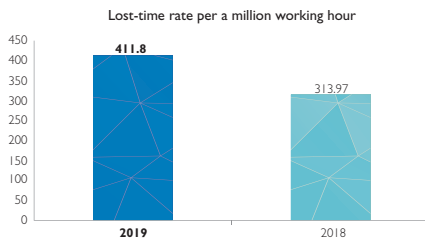
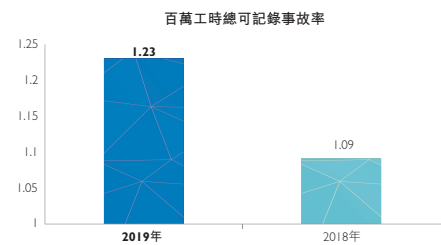
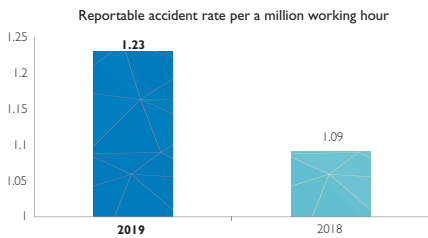
1. 員工健康體檢：公司每年開展員工健康體檢活動，由公司出資，安排醫療機構到公司為全體員工進行身體健康體檢，並出具體檢報告和提供健康方面的建議。
2. 職業病檢查：公司每年為有潛在職業病影響的崗位員工進行職業病檢查，以防範出現職業病的風險。2019年，合計為396名員工安排職業病檢查。
3. 工傷數據：2019年度，全公司未出現任何因工傷致死的案例。同時，公司2019年度細化工傷事故管理方法，增設百萬工時總可記錄事故率和百萬工時損失工時率的管理項目。2019年度百萬工時總可記錄事故率為1.23，百萬工時損失工時率為411.80，較2018年度百萬工時總可記錄事故率1.09，百萬工時損失工時率313.97均有所增加，主要是因為員工上下班途中因交通意外導致的輕傷事故增多。

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(Note: total reportable accident rate per a million working hours = total number of reportable accidents (including work-related injuries and accidents) * 10%/total working hours, and lost-time rate per a million working hours = lost working hours (including work-related injuries and accidents) * 10%/total working hours)

(註：百萬工時總可記錄事故率=總可記錄事故起數(含工傷、意外)*10%/總工時，百萬工時損失工時率=損失工時(含工傷、意外)*10%/總工時)



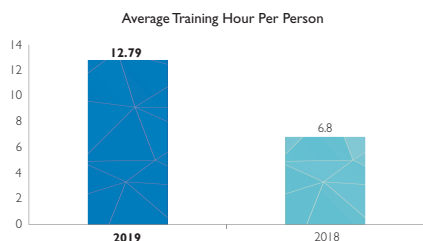
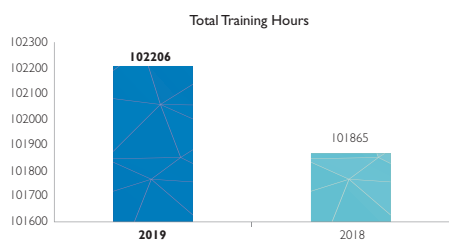
- Health and safety manual: The health and safety manual is available to every employee at any time on the WeChat platform of the Company so that they could understand the Company's health and safety concepts, strategies, measures and safety guidelines and suitable behaviors and operations so as to reduce the occurrence of health and safety accidents.
- The Company provides each employee with legal social security such as five insurances and one fund (endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing provident fund) in accordance with national policies. In addition, the Company will maintain corresponding commercial insurance for employees as required.
- With regard to the recent outbreak of novel coronavirus pneumonia, the Company has taken a 14-day mandatory quarantine measure to ensure the health and safety of employees.
- 健康安全手冊：每一位員工均可在企業微信平台隨時閱覽到健康安全手冊，以方便員工瞭解公司的健康安全理念、策略、措施和安全行為準則以及適當的行為和操作，減少健康安全危害。
- 公司為每一位員工按照國家政策提供五險一金(養老、醫療、失業、工傷、生育、住房公積金)等法定社會保障。另外，根據需要，公司亦會為員工提供相應的商業保險。
- 有關近期爆發新型冠狀病毒，公司已實施14天的強制隔離措施，以確保員工的健康安全。

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DEVELOPMENT AND TRAINING

The Company's MOBI Academy has a wealth of courses, including on corporate culture and rules and regulations, new employee induction training courses, staff basic skills training, on-the-job knowledge training, management skills and leadership, and other aspects. The course lecturers include the Company's in-house instructors and external lecturers from external schools and training institutions. In 2019, the Company completed a total of 102,206 hours of training, with a total of 7,993 attendants, representing an average of 12.79 training hours per person.

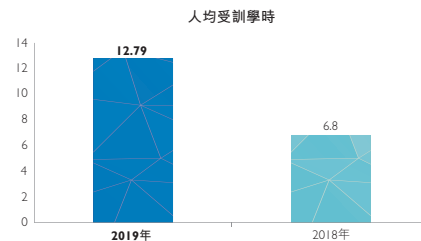
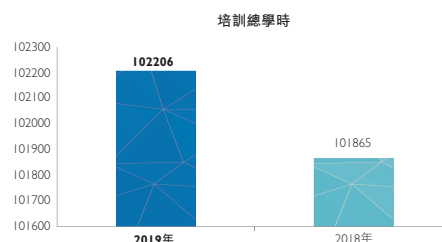


The Company has also cooperated with a number of tertiary institutions. Through the provision of pre-courses to send students to the Company as interns, we hope to alleviate the disconnection between school learning and the actual needs of enterprises with common training of practical talents.

The Company has established an internal platform for career development and promotion in operations, technology and management. Through a well-functioning mechanism, employees are encouraged to exert their talents, expand their horizons and maintain their vitality, ensuring that the development of our employees synchronizes with the development of the Company.

發展及培訓

本公司下轄的摩比學院，設置了豐富的課程，包括公司文化和規章制度、新員工入職培訓課、員工基本工作技能培訓、崗位業務知識培訓、管理技能和領導力等方面的課程。課程的講師，既有公司的內訓講師，也有外部院校和資訊培訓機構的外聘講師。2019年度，公司共完成102,206個學時的培訓，培訓人次累計7,993人次，人均受訓學時12.79小時。



本公司亦與一些大專院校校企合作，通過設置前置課程輸送學員到公司進行實習，以減少學校學習與企業實際需求脫節的問題，共同培養實用型人才。

公司內部建立了經營、技術、管理三條員工職業發展的晉升途徑，通過一套運作良好的機制，激勵員工發揮聰明才智，拓展視野，保持員工的活力，最終確保員工的發展能夠與公司的發展同步。

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(1) 5S Management Training:



(1) 5S管理素養提升培訓：

(2) “Hawk” training camp for graduates:



(2) 大學生「雛鷹」集訓：

(3) Management experience sharing salon:



(3) 管理分享沙龍活動：

(4) Special training camp for successors:



(4) 繼任者特訓營：

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(5) Fire drills:



(5) 消防演習：

(6) Chemical leakage drill:



(6) 化學品洩漏演習：

(7) Legal knowledge training:



(7) 法律知識培訓：

(8) Proposal improvement, summarization and recognition event:



(8) 提案改善總結表彰活動：

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LABOR STANDARDS

The Company strictly abides by national laws and regulations, including the Labor Law of the PRC, the Labor Contract Law of the PRC, the Employment Promotion Law of the PRC, the Labor Dispute Mediation and Arbitration Law of the PRC, the Law on Safeguarding Women's Interests and Rights of the PRC, the Law on the Protection of Minors of the PRC, the Implementation Regulation of the Labor Contract Law of the PRC, the Special Rules on Labor Protection of Female Employees of the PRC, the Provisions on the Prohibition of Using Child Labor and the Provisions on Minimum Wages. We do not employ child labor or use any forced labor in any of our businesses. In the recruitment of employees, we will verify the age of candidates through an identity card verification system to prevent non-compliance. During the Reporting Period, the Company did not receive any reports of non-compliance. For details, please see "General Rules on Corporate Social Responsibility of MOBI" above.

STAFF ACTIVITIES: CULTURAL CAMPAIGNS AND RECREATIONAL SPORTS

We pay great attention to humanistic care and team building. For many years, we continue exploring new cultural and sports mechanisms for staff, and striving to assist employees in achieving a work-life balance, improving the working and living conditions of staff and enhancing their happiness and sense of belonging.

(1) Couplets writing activity for Spring Festival:



(2) Creo Knowledge Competition:



勞工準則

本公司嚴格遵守相關國家法律法規，包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國就業促進法》、《中華人民共和國勞動爭議調解仲裁法》、《中華人民共和國婦女權益保護法》、《中華人民共和國未成年人保護法》、《中華人民共和國勞動合同法實施條例》、《女職工勞動保護特別規定》、《禁止使用童工規定》及《最低工資規定》，所有業務均不會僱用童工或使用任何強制勞工。在進行員工招募時，會通過身份證驗證系統等確認應聘人員的年齡，以杜絕出現違規情況。報告期間內，本公司沒有收到任何有關違規的報告。詳情見前述之「摩比公司社會責任總則」。

員工活動：文化宣傳、娛樂體育

我們注重人文關懷和員工凝聚力建設，多年來不斷探索員工文體工作新機制，努力幫助員工平衡工作與生活，提高員工工作和生活條件，提升員工幸福感和歸屬感。

(1) 迎新春寫對聯活動：

(2) Creo知識競賽活動：

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(3) 2019 MOBI Chess Competition:



(3) 2019 摩比棋類比賽活動：

(4) “Show Yourself” Tik Tok Competition:



(4) 「有料就要抖出來」抖音大賽活動：

(5) “Celebrating the Dragon Boat Festival, Packing Rice Dumplings” Gifts and activities for Dragon Boat Festival:



(5) 「迎端午，包粽子」端午節禮包大派送活動：

(6) Outdoor extension activity for college students:



(6) 大學生戶外拓展活動：

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(7) Pictures Exhibition for 20th Anniversary:



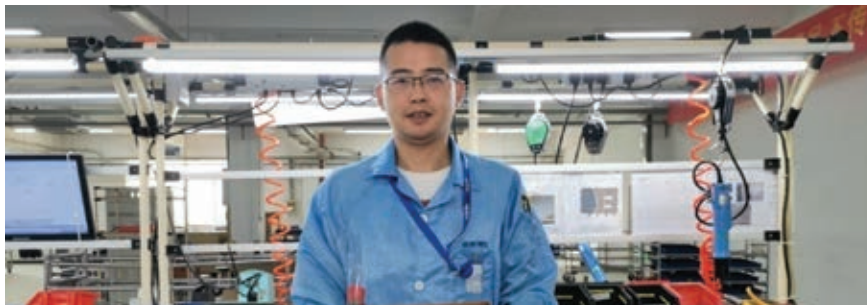
(7) 20週年老照片策展活動：

(8) Live Concert for 20th Anniversary:



(8) 20週年Live音樂會活動：

(9) MOBI thanksgiving activities for Teacher's Day:



(9) 摩比感恩教師節活動：



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(10) Fun time activity of Ji'an Company:



(10) 吉安公司趣味活動：

(11) Ji'an Company's hiking and picnic activities in Qingyuan Mountain:



(11) 吉安公司清原山徒步野炊活動：

(12) Basketball Competition of Ji'an Company:



(12) 吉安公司籃球賽活動：

(13) Xi'an Company's Cross-country activity in Langan Ancient Road:



(13) 西安公司藍關古道越野活動：

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(14) Badminton activity in Xi'an Company:



(14) 西安公司羽毛球活動：

(15) Xi'an Company's night run in Shaanxi Normal University:



(15) 西安公司陝師大夜跑活動：

(16) Yoga activity in Xi'an Company:



(16) 西安公司瑜伽活動：

(17) "Rainbow Girl Invites You to Watch a Movie" activity in Xi'an Company:



(17) 西安公司「彩虹女孩請你看電影」活動：

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(18) Xi'an Company's hiking activity in Xi'an Ancient City Wall:



(18) 西安公司徒步西安城墙活動：

RESPONSIBLE SUPPLY CHAIN AND PRODUCT LIABILITY MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Company is committed to promoting the integrity of business practices and positive social responsibility, to guiding the suppliers' code of conduct, and stipulating requirements on corporate social responsibility of suppliers in relation to integrity, law-abiding, respect for human rights, employment of labor, health and safety, environmental protection and business ethics. We require each supplier to follow the requirements of corporate social responsibility and the relevant laws and regulations of their place of operation, especially key suppliers with long-term cooperation. In 2019, we signed corporate social responsibility agreements with 239 suppliers with a view to exerting influence on their environmental, social and governance requirements. The types of agreements and undertakings signed are as follows:

"Agreement on Regulating Trading Environment and Behavior"

"CSR (Corporate Social Responsibility) Agreement"

"Supplier's Green Product (GP) Declaration"

Policy and Statement on Not Purchasing "Conflict Minerals"

PRODUCT LIABILITY

The Company emphasizes the management of product liability. During the product research and development stage, we carry out stringent implementation of product management, not only to identify product features and performance requirements, but also to identify the demand in environment, safety, reliability and other aspects for the products. We strictly adhere to the industry and international standards to meet customer and legal requirements in all respects. During the production and delivery stage, in accordance with the processes and standards developed by the Company, we carry out product checks and tests at all stages from stocking, manufacturing to product delivery to ensure the safety and quality of products delivered. In 2019, the Company did not receive any product returns due to product health and safety problems, and there were no product recalls due to product quality and safety issues, as a result of it, the customer satisfaction reached 79.88%.

負責任的供應鏈及產品責任管理

供應鏈管理

本公司致力推行誠信的商業行為和積極的社會責任，宣導供應商行為準則，從誠信守法、尊重人權、僱用勞工、健康安全、保護環境和商業道德方面對供應商提出了企業社會責任要求。我們要求每一個供應商必須遵循該企業社會責任要求和運營所在地相關的法律法規，特別是長期合作的重點供應商。2019年，我們與239家供應商均簽訂了企業社會責任協定，以期對供應商在環境、社會、管治要求方面施加影響。簽署的協定和承諾書種類如下：

《關於規範買賣環境及行為的約定》

《CSR(企業社會責任)協議》

《供應商綠色環保承諾書》

《關於不採購「衝突礦產」的政策和申明》

產品責任

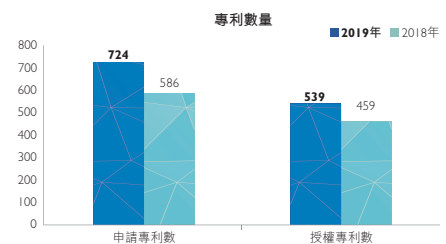
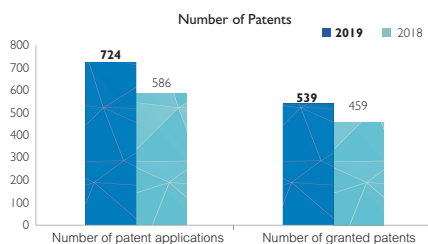
本公司重視產品責任的管理，在產品研發階段，嚴格執行產品管理，不僅識別產品功能和性能方面的需求，而且會識別出產品在環境、安全、可靠性等方面的需求，遵循行業和國際標準，全方位滿足客戶及法律法規要求。在產品生產和交付階段，按照公司制定的流程和規範，在進料、製造過程、成品交付等各階段開展各項產品核對總和試驗活動，確保發出產品的安全性和質量。2019年，公司未接受到因為產品健康和安全性問題導致的產品退貨，亦未發生任何因為產品品質及安全事故導致的產品召回事件客戶滿意度達到79.88%。

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環境、社會及管治報告

The Company has implemented an intellectual property policy for many years. We have documenting procedures and systems to regulate the management and operation of the Company's intellectual property rights. As of the end of 2019, the Company had applied for 724 patents, with 138 ones newly increased as compared with that at the end of 2018. And 539 patents had been granted, with 80 ones newly increased as compared with that at the end of 2018. No patent infringement incidents occurred in 2019. The Company has formulated internal controls to protect customer information. There are clear guidelines available for the collection, storage, use and destruction of customer information. We have also adopted a variety of measures to prevent leakage, including providing training on the customer information confidentiality and conducting regular checks for each safety and security measure. In accordance with customer requirements, the Company will sign business framework agreements on mutual cooperation with its customers to ensure that confidential information of both sides will not be disclosed. In 2019, the Company did not receive any complaints or litigation caused by leakage of customer information and confidential data. The Company has established a corresponding customer complaint and handling procedure to regulate the follow-up of customer complaints and product returns or exchange. In addition, the Company will maintain product liability insurance for customers' products in response to their individual requirements.

本公司執行智慧財產權政策多年，有成文的流程和制度規範公司智慧財產權的管理和運作，截止2019年末，公司已申請專利724件，相比2018年末，新增138件。授權專利539件，相比2018年末，新增80件，2019年末發生任何專利侵權事件；本公司已制定內部控制以保護客戶資料，對其資料的收集、保管、使用及銷毀均有清晰的指引，並採取多樣化的預防洩露措施，包括提供有關客戶資料保密的培訓，及定期檢查各項安全保密措施。公司會按照客戶要求，與客戶簽署雙方業務合作框架協定，確保雙方的資料不被洩露。2019年，公司未發生任何因洩露客戶資料及秘密導致的投訴和訴訟；公司建立了相應的客戶投訴與處理常式，規範客戶投訴和退換貨的處理；另外，公司應個別客戶的要求，會為其產品購買產品責任險。



COMPLIANCE IN OPERATION

COMPLIANCE WITH LAWS AND REGULATIONS

It is the basic principle of the Company to carry out operational compliance by abiding by business ethics and observing the laws and regulations of China and other countries where the Group operates. The Company is committed to ethical operations and legal compliance in operations. We practice "zero tolerance" of any violation of laws and regulations, and any breaches of business ethics. We carry out compliance in operations in a proactive, effective and scientific manner, and are willing to work with global customers, suppliers and other business partners to achieve sustainable development.

合規經營

遵守法律及法規

恪守商業道德、遵守中國及業務開展所在國的法律法規是本公司開展合規經營的基本原則。公司宣導道德經營、合法合規經營，對任何違法違規及違反商業道德的行為持「零容忍」態度，積極、有效、科學地開展合規經營工作，願同全球客戶、供應商及其他業務合作夥伴一起實現可持續發展理念。

Environmental, Social and Governance Report

環境、社會及管治報告

The business of the Company is mainly carried out by its subsidiaries in Mainland China, and it is listed on the Hong Kong Stock Exchange. The operations of the Company strictly comply with relevant laws and regulations of Mainland China and Hong Kong. During the Reporting Period, there was no serious breach or non-compliance with relevant laws and regulations.

ANTI-CORRUPTION

The Company actively takes measures against extortion and bribery or any form of corruption. It has a zero-tolerance policy for corruption, and strictly abides by relevant local laws and regulations, including the Law of the People's Republic of China Against Unfair Competition and Criminal Law of the People's Republic of China. The Company encourages all employees to report any case of corruption and has established a formalized management system as well as developed a formalized process for the daily business operations to prevent the occurrence of corruption. The Company has set up an independent audit department to strengthen the regular review of the operations of various centers and departments of the Company in order to detect any non-compliance with the code of ethics. In addition, the Company engages independent auditors to conduct accounting and auditing of the financial management system on an annual basis to prevent financial and internal control risks. During the Reporting Period, the Company was not involved in any litigation in relation to corruption or bribery.

COMMUNITY INVOLVEMENT

As a company that values sustainable development, the Company has been committed to contributing to the interests of the community, and spared no effort in creating more value for the community, with a view to fulfilling corporate citizenship responsibilities. The Company will more actively organize employees to participate in relevant charity and donation activities, and encourage employees to create value for the community, thus further enhancing our corporate image.

本公司的業務主要由本公司位於中國內地的公司進行，而本公司本身也於香港證券交易所上市。本公司營運嚴格遵守中國內地及香港的有關法律與法規。於報告期間，並未出現任何嚴重違反或未有遵守相關法律法規的情況。

反貪污

本公司積極採取措施反對強取和賄賂等任何形式的腐敗行為，對於貪污腐敗行為實現零容忍政策，並嚴格遵守本地相關的法例法規，包括《中華人民共和國反不正當競爭法》及《中華人民共和國刑法》。本公司鼓勵任何員工就出現的貪污腐敗予以舉報，並建立了規範化的管理體系，為日常經營行為制定了規範化的流程，有助於預防貪污腐敗的行為發生。公司設立了獨立的審計部門，加強對公司各中心和部門運作予以定期的審查，以發現任何不符合道德準則的情形。另外，公司每年都會邀請獨立審計師對財務管理體系進行年度會計及稽核，預防財務及內部控制風險。於報告期間，本公司沒有出現任何貪污腐敗訴訟案件。

社區參與

作為一家重視可持續發展的企業，本公司一直致力參與有利社區利益的貢獻，回饋社區不遺餘力，履行企業公民責任。本公司將會更加積極籌備相關員工慈善及捐贈活動，鼓勵員工一起回饋社會，以進一步提升企業社會形象。

Environmental, Social and Governance Report

環境、社會及管治報告

CHARITY ACTIVITIES

During the Reporting Period, the Company has actively participated in various charity activities, learning activities organized by Community Party Branch and other activities.

1. Volunteer activity on cleaning Honghua Mountain and outdoor greenway

MOBI Academy, the human resources and corporate culture center of the Company, has actively organized and participated in charity activities, such as an one-day volunteer activity to clean Honghua Mountain and outdoor greenway.



2. “Tides in the Pearl River” tour organized by Party Branch of MOBI

MOBI has actively participated in various charity activities organized by Community Party Branch, such as the one-day “Tides in the Pearl River” tour organized by Party Branch of MOBI.



公益活動

於報告期間，本公司積極參加各類公益活動、社區黨支部組織的學習活動等。

1. 清潔紅花山及戶外綠道公益活動

人力資源與企業文化中心摩比學院積極組織參加社會公益活動，歷時一天進行清潔紅花山及戶外綠道公益活動。

2. 摩比黨支部參加「大潮起珠江」參觀活動

積極參加社區組織的各項黨建活動，歷時一天免費參與社區黨支部組織的「大潮起珠江」參觀活動。

Directors and Senior Management

董事及高級管理層

DIRECTORS

Executive Directors

Hu Xiang, aged 66, is an executive Director, the chairman of the board of Directors and the chief executive officer of our Company. He is also a director, the chief executive officer and legal representative of MOBI Shenzhen and MOBI Jian and a director of MOBI Xian and MOBI HK. Mr. Hu was appointed a Director on 19 December 2002. Mr. Hu was an engineer. Mr. Hu graduated from the Xian Infrastructure University (now Xian University of Finance and Economics) majoring in radio communication in August 1981. During the period from 1972 to September 1981, Mr. Hu worked in the hydraulic transmission and control department of the Northwest Industrial University. Mr. Hu then served as chief of the planning and supply department at Shenzhen Zhongxingxin Tongxun Shebei Co., Ltd. for the period from 1992 to 1999. Mr. Hu joined our Group in August 1999. Mr. Hu was a director of Shenzhen Kang Cheng Jixie Shebei Co., Ltd. from June 2002 to June 2007 and the general manager of Shenzhen Zhongxing Weixiantong Shebei Co., Ltd. from March 2000 to September 2007. He is a shareholder of Fangyi Collaboration Holdings Limited, a substantial shareholder of the Company.

Liao Dong, aged 49, Mr. Liao was appointed as an executive Director and chief operating officer of the Company with effect from 26 March 2015, Mr. Liao graduated from Chongqing University with a doctoral degree in mechanical manufacturing and its automation in 1999. Mr. Liao had worked at ZTE Kangxun Telecom Co., Ltd. during the period from July 1999 to February 2001 and at ZTE Corporation president' office during the period from February 2001 to March 2003. Mr. Liao joined the Group in March 2003.

董事

執行董事

胡翔，66歲，為本公司的執行董事、董事會主席兼行政總裁。彼亦為摩比深圳及摩比吉安的董事、行政總裁兼法定代表以及摩比西安及摩比香港的董事。胡先生於2002年12月19日獲委任為董事，並曾為工程師。胡先生於1981年8月畢業於西安基礎大學（現為西安財經學院），主修無線電通訊。於1972年至1981年9月期間，胡先生於西北工業大學液壓傳動及監控部門工作。胡先生隨後於1992年至1999年出任深圳中興新通訊設備有限公司的規劃及供應部門主管。胡先生於1999年8月加入本集團。胡先生於2002年6月至2007年6月出任深圳市康鉞機械設備有限公司的董事，並於2000年3月至2007年9月出任深圳市中興維先通設備有限公司的總經理。彼為本公司主要股東方誼控股有限公司的股東。

廖東，49歲，廖先生自2015年3月26日起獲委任為本公司執行董事及執行總裁，廖先生於1999年畢業於重慶大學，獲頒機械製造及自動化博士學位。廖先生於1999年7月至2001年2月期間任職深圳市中興康訊電子有限公司，並於2001年2月至2003年3月期間任職於中興通訊總裁辦公室。廖先生於2003年3月加入本集團。

Directors and Senior Management

董事及高級管理層

Non-executive Directors

Qu Deqian, aged 57, is a non-executive Director, and a director of MOBI Shenzhen, MOBI Jian and MOBI Xian. Mr. Qu was appointed a Director on 19 December 2002. Mr. Qu graduated from Shaanxi Institute of Finance and Economics (now School of Economics and Finance of Xian Jiaotong University) in June 1992 and he further obtained the qualification as an accountant in the PRC in October 1994. From June 1993 to April 2003, Mr. Qu was the chief of ZTE Corporation's accounting and auditing centre and the deputy chief of its financial centre. In April 2003, Mr. Qu was appointed as the deputy general manager of Shenzhen Zhongxing Weixiantong Shebei Co., Ltd. and since September 2007, has been the general manager of Shenzhen Zhongxing Weixiantong Shebei Co., Ltd.. Mr. Qu joined our Group in December 2002. He is a shareholder of Fangyi Collaboration Holdings Limited, a substantial shareholder of the Company.

Chen Zhaojun, aged 43, Mr. Chen was appointed as an executive Director of the Company with effect from 26 July, 2016 and was re-designated as a non-executive director of the Company on 13 July, 2018. Mr. Chen is the executive vice-president and chief financial officer of the Company until 13, July 2018, and is responsible for the financial management of MOBI Jian and MOBI Xian. Mr. Chen obtained a bachelor's degree in economics from Xiamen University in July 1999, and later obtained a master's degree in economics from Xiamen University in July 2002. And later obtained a master's degree in business administration from Hong Kong University of Science and Technology in 2014. Mr. Chen became a member of the Association of Chartered Certified Accountants in 2015. Mr. Chen worked as Senior Project Manager in the Investment Department of ZTE Corporation from 2003 to 2004. Mr. Chen has been a Certified Public Accountant in the PRC since 2006. Mr. Chen joined the Group in July 2004.

非執行董事

屈德乾，57歲，為非執行董事，並為摩比深圳、摩比吉安及摩比西安的董事。屈先生於2002年12月19日獲委任為董事。屈先生於1992年6月畢業於陝西財經學院（現為西安交通大學經濟與金融學院），並再於1994年10月成為中國的合資格會計師。於1993年6月至2003年4月，屈先生出任中興通訊的會計及審核中心主管及其財務中心的副主管。屈先生於2003年4月獲委任為深圳市中興維先通設備有限公司的副總經理，並於2007年9月起出任深圳市中興維先通設備有限公司的總經理。屈先生於2002年12月加入本集團。彼為本公司主要股東方誼控股有限公司的股東。

陳兆軍，43歲，陳先生自2016年7月26日起獲委任為本公司執行董事及於2018年7月13日獲調任為本公司非執行董事。陳先生為本公司的執行副總裁及財務總監直至2018年7月13日，並負責摩比吉安及摩比西安的財務管理。陳先生於1999年7月獲廈門大學頒發經濟學士學位，其後於2002年7月獲廈門大學頒發經濟碩士學位。其後於2014年獲香港科技大學頒發工商管理碩士學位。陳先生於2015年成為英國特許公認會計師公會會員。陳先生於2003年至2004年期間曾在中興通訊投資部擔任高級項目經理。陳先生於2006年成為中國註冊會計師。陳先生於2004年7月加入本集團。

Directors and Senior Management

董事及高級管理層

Independent Non-executive Directors

Li Tianshu, aged 66, is an independent non-executive Director. Mr. Li was appointed a Director on 1 July 2007. Mr. Li graduated from Xi'an Jiaotong University in 1976 majoring in computational Mathematics. From 1985 to 1988, Mr. Li studied business economics at Universitat Mannheim in Germany and pursued a doctoral degree at Universitat Mannheim in 1988. From 1988 to 1995, Mr. Li worked as a research assistant in the business economics department of Universitat Mannheim. During the period from March 1995 to September 1995, Mr. Li worked in Germany for Friatec Aktiengesellschaft, an international manufacturing enterprise, and was designated to become the future managing director for China. From 1995 to 1998, Mr. Li first worked for KSB Aktiengesellschaft, an international machinery manufacturing enterprise, as the assistant to the chairman of the management board of KSB and then became the chief representative of its Beijing Representative Office. During the period from 1998 to 2002, Mr. Li took the position of regional director of Messer, an international chemical manufacturing enterprise, responsible for its business development in Northern China as well as the operation, sales and profits of its joint ventures and wholly owned companies in the Northern China region. During that period, Mr. Li also served as the general manager of Messer North China Industrial Gas Co., Ltd. and the chairman to the board of Tianjin Messer Gas System Co., Ltd. Since 2002, Mr. Li has been the general manager of Beijing Delintech Technology Co., Ltd., a technical promotion service provider and sales service provider. Since 27 March 2011, Mr. Li has been the general manager of Beijing Zhong Biao Fang Yuan Anti-counterfeiting Technology Co. Ltd. Mr. Li has valuable experience in international corporate management and enterprise resources planning (ERP). Mr. Li joined our Group in July 2007.

獨立非執行董事

李天舒，66歲，為獨立非執行董事。李先生於2007年7月1日獲委任為董事。李先生於1976年畢業於西安交通大學，主修計算數學。於1985年至1988年，李先生在德國Universitat Mannheim研習商業經濟，於1988年在Universitat Mannheim攻讀博士學位。於1988年至1995年，李先生在Universitat Mannheim商業經濟學系任職研究助理。於1995年3月至1995年9月期間，李先生任職於德國的一家國際製造企業Friatec Aktiengesellschaft，並獲指派為候任中國區董事總經理。於1995年至1998年期間，李先生最初任職一家國際機械製造企業KSB Aktiengesellschaft，擔任KSB管理委員會董事長的助理，其後成為該企業北京代表處的首席代表。於1998年至2002年期間，李先生出任一家國際化工生產企業梅塞爾的地區總監，負責該企業在華北地區的業務發展，並主管其華北地區的合營公司及全資公司的運營、銷售和盈利狀況。於該段期間，李先生亦出任梅塞爾北方工業氣體有限公司的總經理，並為天津梅塞爾凱德氣體系統有限公司的董事長。自2002年起，李先生一直出任一家技術提升服務供應商兼銷售服務供應商Beijing Delintech Technology Co., Ltd.的總經理。自2011年3月27日起，李先生出任北京中標方圓仿偽技術有限公司總經理。李先生在國際公司管理及企業資源規劃(ERP)方面有寶貴的經驗。李先生於2007年7月加入本集團。

Directors and Senior Management

董事及高級管理層

Zhang Han, aged 56, is an independent non-executive Director appointed on 25 November 2009 and the chairman of the audit committee. Mr. Zhang is currently an independent director of Perfect World Co., Ltd. (stock code: PWRD), a Nasdaq listed company, where Mr. Zhang has also served as a member of its audit committee since July 2008. The responsibilities of such role include overseeing the accounting and financial reporting processes as well as external and internal audit of the Company. Mr. Zhang received his bachelor's degree in chemistry from the Peking University in 1985. He later obtained an EMBA degree from the China Europe International Business School in 2004. From 1985 to 1988, Mr. Zhang worked at Beijing Fiber Reinforced Plastic Research & Design Institute. Mr. Zhang was the Manager in the securities department of Shenzhen Shekou China Merchants Co., Ltd. from 1989 to 1994. Mr. Zhang was the deputy manager at the finance department of China National Technical Import & Export Corporation, and also the general manager of Shanghai CNTIC Investment Advisory Co., Ltd. from 1994 to 1998. From 1999 to 2000, Mr. Zhang served as assistant to the general manager, investment director and fund manager at Penghua Fund Management Co., Ltd., a fund management company in China. Mr. Zhang served as the deputy general manager of Rongtong Fund Management Co., Ltd., a fund management company in China, from 2001 to 2003. Mr. Zhang also served as the general manager of Great Wall Fund Management Co., Ltd., a fund management company in China, from 2004 to 2005. Mr. Zhang is currently a partner of Share Capital Partners Ltd., a Chinese venture capital firm. Mr. Zhang has built up his experience in conducting due diligence work in respect of the financial performance, management and corporate government quality of various companies and conducting financial analysis of listed companies throughout his various tenures in the investment industry. Mr. Zhang joined our Group on 25 November 2009.

張涵，56歲，於2009年11月25日獲委任為獨立非執行董事兼審核委員會主席。張先生現為納斯達克上市公司Perfect World Co., Ltd. (股票代碼：PWRD)的獨立董事，並自2008年7月起一直出任其審核委員會成員，負責監督該公司的會計及財務申報程序及外部與內部審核。張先生於1985年獲北京大學頒發化學學士學位，其後於2004年獲中歐國際工商學院頒發行政人員工商管理碩士學位。於1985年至1988年，張先生就職於北京玻璃鋼研究設計院。張先生由1989年至1994年擔任Shenzhen Shekou China Merchants Co., Ltd.證券部經理。張先生曾任中國技術進出口總公司財務部副經理，亦曾於1994年至1998年擔任Shanghai CNTIC Investment Advisory Co., Ltd.總經理。於1999年至2000年，張先生在中國一家基金管理公司鵬華基金管理有限公司擔任總經理助理、投資總監及基金經理。張先生於2001年至2003年在中國一家基金管理公司融通基金管理有限公司擔任副總經理。張先生亦於2004年至2005年在中國一家基金管理公司長城基金管理有限公司擔任總經理。張先生現為中國一家創業基金公司Share Capital Partners Ltd.的合夥人。張先生曾投身投資行業，在各類公司財務表現、管理及企業管治水平的盡職審查及上市公司的財務分析方面積有豐富經驗。張先生於2009年11月25日加入本集團。

Directors and Senior Management

董事及高級管理層

Ge Xiaojing, aged 59, was appointed as an independent non-executive Director of the Company with effect from 3 August, 2018. She is a partner of SAIF Partners. Ms. Ge joined SAIF Partners as vice-president in 2009 and became a partner in 2018. At SAIF Partners, Ms. Ge has been responsible for investments in high-end smart manufacturing, big data, energy, education, new media and other areas, and has also led the investments in certain successful enterprises, including Orbbec (奧比中光), QKM (李群自動化), UniFortune Supply Chain (聯合利豐供應鏈), SuperC Technology (鴻納科技), Hujiang Education (滬江教育), Xinzhi Digital Media (新知數媒) and Annoroad Technology (安諾優達). In addition, Ms. Ge is currently a director of QKM (李群自動化), UniFortune (聯合利豐), SuperC Technology (鴻納科技) and Xinzhi Digital Media (新知數媒). From 2005 to 2009, Ms. Ge was the deputy general manager and financial controller of Mobi Antenna Technologies (Shenzhen) Co., Ltd. (摩比天線技術(深圳)有限公司). Ms. Ge has nearly 30 years of working experience in, among other things, corporate finance and operation, international business development, project management and information technology. Ms. Ge graduated from The George Washington University in 1994 with a master degree. She obtained her master and bachelor degrees from Tsinghua University in 1986 and 1983, respectively.

葛曉菁，59歲，於2018年8月3日獲委任為本公司獨立非執行董事。彼為賽富投資基金合夥人。葛女士於2009年加入賽富投資基金擔任副總裁，並於2018年成為合夥人。於賽富投資基金，葛女士一直負責高端智慧製造、大數據、能源、教育、新媒體等領域的投資，主導投資了奧比中光、李群自動化、聯合利豐供應鏈、鴻納科技、滬江教育、新知數媒、安諾優達等成功企業。目前亦擔任李群自動化、聯合利豐、鴻納科技、新知數媒的董事。2005年至2009年，葛女士在摩比天線技術(深圳)有限公司任副總經理及財務負責人。葛女士有近30年的工作經驗，覆蓋公司財務及運營、國際業務開發、專案管理、以及信息技術等。葛女士於1994畢業於美國喬治華盛頓大學，獲得碩士學位。她分別於1986年和1983年獲得清華大學碩士和學士學位。

Directors and Senior Management

董事及高級管理層

SENIOR MANAGEMENT

Shao Zhiguo, aged 56, was an executive Director of the Company from 1 April 2012 to 25 March 2015 and is the executive vice-president in research and development and quality of the Company, MOBI Shenzhen, MOBI Xian and MOBI Jian respectively. Mr. Shao graduated from the Northwest Telecommunications Engineering College (now Xidian University) with a bachelor degree in wireless equipment structure design in 1984. In 1998, Mr. Shao obtained a master degree in systematic engineering from Xi'an Electronic Technology University. During the period of 1984 to 1999, Mr. Shao has held such positions as engineer and senior engineer at the Shijiazhuang Communications Survey and Control Technology Institute. Mr. Shao has over 15 years experience of research and development in the area of telecommunication measurement and control technology and has received a second class award in Scientific Technology Advancement of the Ministry of Machine Building and Electronics Industry. Mr. Shao is a senior member of the Chinese Institute of Electronics. Mr. Shao was a director of Kang Cheng from June 2002 to June 2007. Mr. Shao joined our Group in August 1999.

Kong Weitong, aged 56, is the executive vice-president of the Company, which responsible for operation, manufacturing and supply chain. Mr. Kong obtained a bachelor's degree in economics from Shaanxi Institute of Finance and Economics (now School of Economics and Finance of Xian Jiaotong University) in August 1998. Mr. Kong worked at the China Aerospace Corporation from 1982 to 2002 in the areas of accounting and audit, where he was appointed as an accountant in 1992 and as a senior accountant in 1999. Mr. Kong became a non-practicing member of the Chinese Institute of Certified Public Accountants in 2006. Mr. Kong joined the Group in May 2002.

Chen Yang, aged 38, is the vice president of the Company, responsible for leading businesses in the operator market in China. Mr. Chen Yang graduated from Xidian University majoring in electronic information engineering, in 2003, with a Bachelor's degree. He joined the Group in 2003, and has successively acted as sales manager in provinces in China and general manager in the international key account marketing region.

高級管理層

邵志國，56歲，曾於2012年4月1日至2015年3月25日為本公司執行董事。為本公司、摩比深圳、摩比西安及摩比吉安的研發及質量執行副總裁。邵先生於1984年畢業於西北電訊工程學院（現為西安電子科技大學）無線設備結構設計學系，獲授學士學位。於1998年，邵先生取得西安電子科技大學系統工程學系的碩士學位。於1984年至1999年期間，邵先生曾出任Shijiazhuang Communications Survey and Control Technology Institute的工程師及高級工程師等多個職位。邵先生於電訊測量與控制技術方面擁有超過15年的研發經驗，並曾獲頒發機械電子工業部的科技進步二等獎。邵先生為中國電子學會的高級會員。邵先生於2002年6月至2007年6月出任康誠的董事。邵先生於1999年8月加入本集團。

孔唯同，56歲，為本公司執行副總裁，主管運營、製造與供應鏈。孔先生於1998年8月獲陝西財經學院（現為西安交通大學經濟與金融學院）頒發經濟學士學位。孔先生於1982年至2002年期間任職於中國航天科技集團公司會計及審計部門，並分別獲該公司於1992年及1999年委任為會計師及高級會計師。孔先生於2006年成為中國註冊會計師協會非執業會員。孔先生於2002年5月加入本集團。

陳揚，38歲，為本公司副總裁，負責領導國內運營商市場業務。陳揚先生於2003年畢業於西安電子科技大學電子資訊工程專業，獲授學士學位。2003年加入本集團，歷任國內多省銷售經理及國際大客戶行銷大區總經理。

Directors and Senior Management

董事及高級管理層

Ye Rong, aged 40, is the vice-president of the Company responsible for leading the business of the research and development of RF products. Mr. Ye Rong graduated from Xidian University in 2005 with a master of science degree in electromagnetic field and microwave technology. He joined the Group in 2005 and successively held the posts of electrical engineer, research and development project manager, division head and the general manager of the radio-frequency product business division.

Wu Qian, aged 31, was appointed as chief financial officer of the Company with effect from 13 July, 2018. Ms. Wu joined the Group in 2015 and successively held variously positions, such as manager of investment and financing, manager of investor relationship, head of securities and investment department, etc. From 2013 to 2015, she joined a joint venture of the Shell Oil as a management trainee, responsible for matters relating to supply chain. Ms. Wu obtained a bachelor's degree in management from School of Public Affairs and another certificate in second major of finance from School of Economics, Zhejiang University in July 2011. She subsequently obtained her master's degree in science from University College London in November 2012.

Zhou Lingbo, aged 39, is the vice-president of the Company responsible for leading the business of administration and personnel. Ms. Zhou Lingbo graduated from the department of law of Nanjing University in 2004 with a LLB degree. She joined the Group in 2004 and successively held the posts of director of the infrastructure office and director of the president's office.

Zeng Zhi, aged 38, is the vice president of the Company, responsible for leading antenna product research and development businesses. Mr. Zeng graduated from the School of Electronics and Information Engineering, Harbin Institute of Technology majoring in communication and information system in 2006, with a Master of Engineering degree, and from the Shenzhen Graduate School, Harbin Institute of Technology majoring in communication and information system in 2015, with a Doctor of Engineering degree. Mr. Zeng joined the Company in 2006, and has successively acted as antenna engineer, research and development project manager, department manager, technical director, and general manager of the antenna business department.

葉榮，40歲，為本公司副總裁，負責領導射頻產品研究與開發業務。葉榮先生於2005年畢業於西安電子科技大學電磁場與微波技術專業，獲理學碩士學位。2005年加入本集團，歷任電氣工程師、研發項目經理、部長及射頻產品事業部總經理。

吳倩，31歲，於2018年7月13日獲委任為本公司財務總監。吳女士於2015年加入本集團，歷任投融資經理、投資者關係經理、證券投資部部長等職位。於2013年至2015年期間，彼作為管理培訓生加入殼牌石油的合資公司，負責供應鏈方面的工作。吳女士於2011年7月獲浙江大學公共管理學院頒發的管理學學士學位，同時獲得經濟學院頒發的金融學第二專業證書。彼其後於2012年11月獲取倫敦大學學院的理學碩士學位。

周凌波，39歲，為本公司副總裁，負責領導行政與人事業務。周凌波女士於2004年畢業於南京大學法學專業，獲法學學士學位。2004年加入本集團，歷任基建辦主任，總裁辦主任等。

曾志先生，現年38歲，為本公司副總裁，負責領導天線產品研究與開發業務。曾先生於2006年畢業於哈爾濱工業大學電子與資訊學院通信與資訊系統專業，獲工學碩士學位，並於2015年畢業於哈爾濱工業大學深圳研究院通信與資訊系統專業，獲工學博士學位。2006年加入本公司，歷任天線工程師、研發專案經理、部門經理、技術總監及天線事業部總經理。

Directors and Senior Management

董事及高級管理層

COMPANY SECRETARY AND SENIOR MANAGEMENT

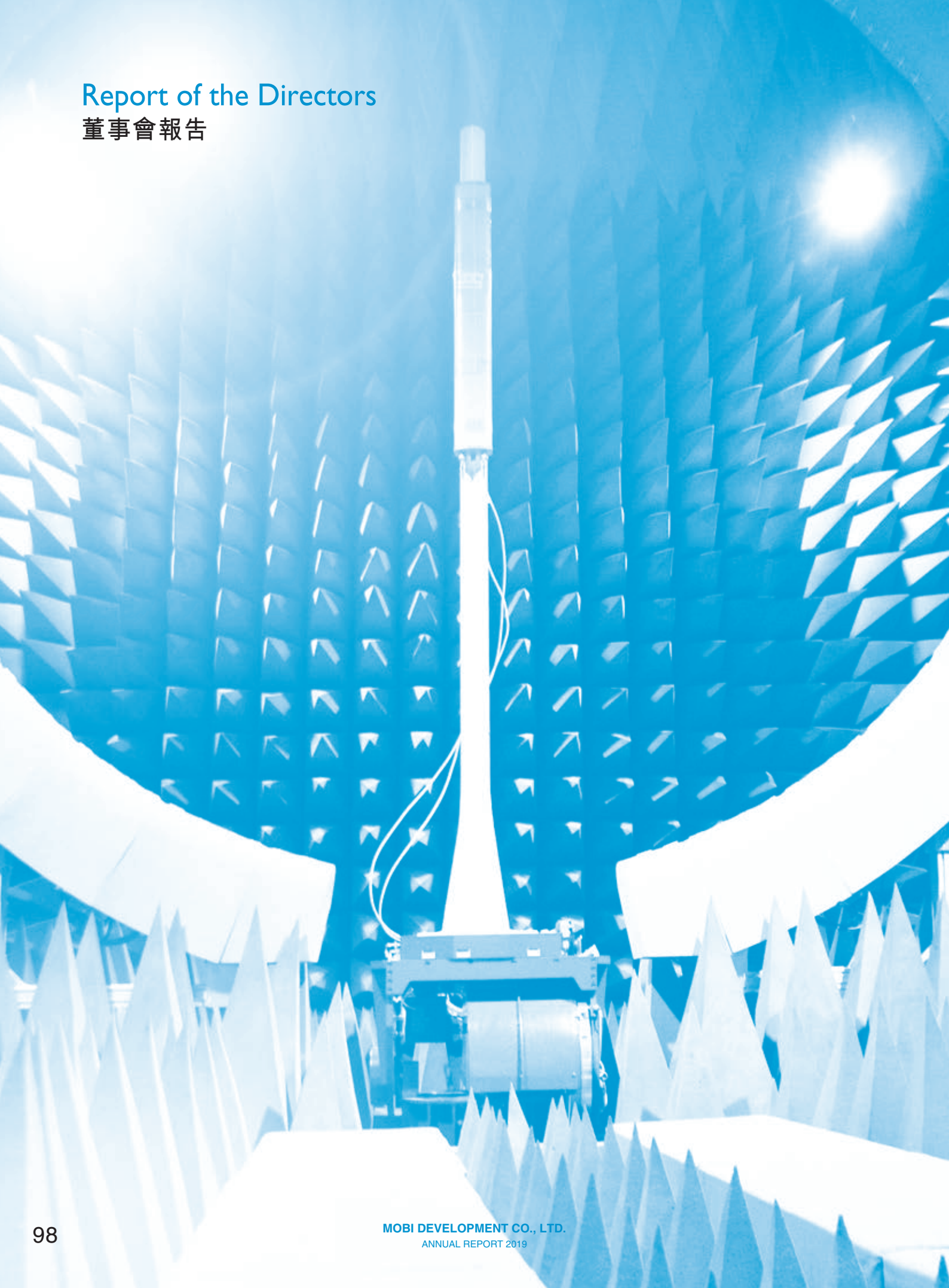
Lau Wing, aged 47, is our deputy financial officer, authorized representative and company secretary. He is also the deputy financial officer of financial centre of MOBI Shenzhen. He is responsible for our company secretarial, financial and accounting management and internal audit affairs. Mr. Lau obtained a bachelor's degree in accountancy from the Hong Kong Polytechnic University in 1996, and later obtained a master's degree in business administration (financial service) in 2005. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Lau has over 18 years of experience in finance, accounting, auditing and company secretarial matters. Mr. Lau had held senior financial positions in several listed companies. Mr. Lau joined our Group in May 2011.

公司秘書及高級管理層

劉榮，47歲，為本公司的副財務總監、授權代表兼公司秘書，彼亦為摩比深圳財務中心副財務總監，負責本公司的公司秘書、財務、會計管理及內務審核事務等工作。劉先生於1996年獲香港理工大學頒發會計學士學位，其後於2005年獲香港理工大學頒發工商管理碩士學位（金融服務）。彼為香港會計師公會之會計師及英國特許公認會計師公會之資深會員。劉先生擁有超過18年的財務、會計、審計及公司秘書經驗。劉先生曾經從事數家上市公司高級財務職位。劉先生於2011年5月加入本集團。

Report of the Directors

董事會報告



Report of the Directors

董事會報告

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

CORPORATE REORGANISATION

The Company was incorporated with limited liability in the Cayman Islands on 16 December 2002.

The shares of the Company were listed on the Stock Exchange on 17 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise the research, development, manufacture and sale of antenna system, base station radio frequency subsystem and products of coverage extension solution. There were no significant changes in the nature of the Group's principal activities during the year.

BUSINESS REVIEW

A business review as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 11 to 35 of this annual report. This discussion forms part of this report of the directors.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 and the state of affairs of the Group at that date are set out in the financial statements on pages 124 to 232.

The Directors recommend the payment of a final dividend of HK\$0.02 per ordinary share to the shareholders whose names appear on the register of members of the Company on 12 June 2020.

董事會欣然提呈本集團截至2019年12月31日止年度的年報及經審核綜合財務報表。

企業重組

本公司於2002年12月16日在開曼群島註冊成立為有限公司。

本公司股份自2009年12月17日起在聯交所上市。

主要業務

本公司的主要業務為投資控股。子公司的主要業務包括研究、開發、生產及銷售天線系統、基站射頻子系統及覆蓋延伸方案產品。年內，本集團主要業務的性質並無重大變動。

業務審視

根據香港公司條例附表5所規定，有關該業務審視的進一步討論與分析（包括本集團所面臨主要風險及不確定因素之討論，以及本集團業務未來可能發展之指引），可在本年報第11至35頁所載的管理層討論與分析中查閱。此討論構成本董事會報告的一部分。

業績及分派

本集團截至2019年12月31日止年度的業績及本集團於該日之財政狀況載於第124至232頁的財務報表。

董事建議向於2020年6月12日名列本公司股東名冊的股東所持之現有普通股派付末期股息每股0.02港元。

Report of the Directors

董事會報告

SUMMARY FINANCIAL INFORMATION

The following is a 5 years summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the Prospectus and the audited financial statements.

財務資料概要

下表概述本集團過往五個財政年度的業績與資產及負債，摘自招股章程及經審核財務報表。

		Year ended 31 December 截至12月31日止年度				
		2019	2018	2017	2016	2015
		2019年	2018年	2017年	2016年	2015年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
RESULTS	業績					
Revenue	收入	1,214,929	1,257,215	1,422,441	1,459,704	1,585,788
Profit(loss) before taxation	稅前利潤(虧損)	16,756	10,021	(60,980)	71,956	98,560
Taxation	稅項	6,855	6,668	12,471	(6,107)	(8,904)
Profit(loss) for the year	年內利潤(虧損)	23,611	16,689	(48,509)	65,849	89,656
Profit(loss) and the total comprehensive income (expenses) for the year attributable to owners of the Company	本公司擁有人應佔的年度利潤(虧損)及全面收入(開支)總額	23,611	16,689	(48,509)	65,849	89,656
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產	547,649	537,626	540,782	488,249	476,873
Current assets	流動資產	1,422,185	1,764,814	1,807,204	1,702,773	1,769,030
Current liabilities	流動負債	(780,636)	(1,126,905)	(1,157,942)	(859,794)	(956,909)
Non-current liabilities	非流動負債	(17,770)	(12,773)	(12,797)	(81,849)	(84,493)
Net assets	資產淨額	1,171,428	1,162,762	1,177,247	1,249,379	1,204,501

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

物業、廠房及設備

年內，本集團物業、廠房及設備的變動詳情載於財務報表附註14。

SHARE CAPITAL AND SHARE OPTIONS

On 13 January 2010, 18,443,000 over-allotment shares of USD0.000001 each of the Company at price of HKD3.38 per share were issued pursuant to the underwriting agreement of the IPO of the Company. Pursuant to a shareholder resolution passed on 1 June 2010, a bonus issue of 72,446,099 shares of USD0.000001 each of the Company is issued to the persons whose names appear on the register of members of the Company at the close of business on 1 June 2010 on the basis of one share for every ten shares held on 1 June 2010. These new shares rank pari passu with the existing shares in all aspects.

Details of movements in the Company's share capital and share options during the year are set out in notes 28 and 29 to the financial statements, respectively.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company as set out on pages 104 to 107, no equity-linked agreements were entered into by the Group, or existed during the year.

DISTRIBUTABLE RESERVES OF THE COMPANY

At 31 December 2019, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to RMB481.2 million. This amount includes the Company's share premium account of RMB419.7 million at 31 December 2019, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, revenue attributed to the Group's five largest customers accounted for 78.9% of the total revenue for the year and revenue attributed to the largest customer accounted for 20.9%.

Purchases from the Group's five largest suppliers for the year is less than 21.0%.

The Directors' Interests in a major customer and suppliers are set out in the paragraph headed "Directors' Material Interests in Transactions, Arrangements or Contracts" on page 110 of this report.

股本及購股權

2010年1月13日，本公司根據首次公開發行的包銷協議按每股股份3.38港元的價格發行本公司18,443,000股每股面值0.000001美元的超額配發股份。根據2010年6月1日通過的股東決議案，本公司向2010年6月1日營業時間結束時名列本公司股東名冊的股東於2010年6月1日每持有十股股份換取一股股份的比例發行本公司72,446,099股每股面值0.000001美元的紅股。該等新股份在所有方面與現有股份享有同等權益。

年內，本公司股本及購股權的變動詳情分別載於財務報表附註28及29。

權益掛鈎協議

除第104至第107頁載列的本公司購股權計劃外，本集團於年內概無訂立或存在任何權益掛鈎協議。

本公司可供分派儲備

於2019年12月31日，本公司根據開曼群島公司法規定計算的可供分派儲備為人民幣4.812億元。該金額包括本公司於2019年12月31日的股份溢價賬人民幣4.197億元，該等股份溢價可供分派，惟本公司須於緊隨建議分派股息之日後仍有能力清償日常業務中的到期債務。

主要客戶及供應商

回顧年內，來自本集團五大客戶的收入佔年內總收入的78.9%，而來自最大客戶的收入佔20.9%。

年內向本集團五大供應商的採購額少於21.0%。

董事於主要客戶及供應商的權益載於本報告第110頁「董事於交易、安排或合約之重大權益」一段。

Report of the Directors

董事會報告

DIRECTORS

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

Executive Directors

Hu Xiang (*Chairman and Chief Executive Officer*)

Liao Dong

Non-executive Directors

Qu Deqian

Chen Zhaojun (Note 1)

Independent non-executive Directors

Li Tianshu

Zhang Han

Ge Xiaojing

Under the provisions of the Articles, all of the Directors are subject to retirement by rotation and re-election.

In accordance with Article 130 of the Articles, Mr. Liao Dong, executive Directors and Mr. Li Tianshu, an independent non-executive Director will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

The Company has received from each of the independent non-executive Directors an annual confirmation pursuant to Rule 3.13 of the Listing Rules and the Board still considers each of the independent non-executive Directors to be independent from the Company.

(Note 1): On 21 March 2019, the board of directors approved the resignation of Mr. Chen Zhaojun from non-executive director.

董事

年內及截至本報告日期，董事為：

執行董事

胡翔 (*主席兼行政總裁*)

廖東

非執行董事

屈德乾

陳兆軍 (附註 1)

獨立非執行董事

李天舒

張涵

葛曉菁

根據公司章程的規定，全體董事須輪值退任並膺選連任。

根據公司章程第130條，執行董事廖東先生及獨立非執行董事李天舒先生，將於本公司應屆股東週年大會上輪值退任，該等董事均合資格並願意膺選連任。

根據上市規則第3.13條，本公司已收到各獨立非執行董事之年度獨立性確認函，董事會仍認為各獨立非執行董事均獨立於本公司。

(附註1)：2019年3月21日，董事會批准陳兆軍先生辭任非執行董事。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 90 to 97 of the annual report.

DIRECTORS' SERVICE CONTRACT

Except for Mr. Liao Dong, an executive Director, has entered into a service agreement with our Company commencing from 26 March 2018 for a term of three years, each of the executive Director and non-executive Director has entered into a service agreement with our Company commencing from 17 December 2018 for a term of three years, respectively.

Each of the independent non-executive Directors, Mr. Zhang Han and Ms. Ge Xiaojing has entered into a letter of appointment with our Company for a term of three years commencing from 17 December 2018 and 3 August 2018 respectively (except for Mr. Li. Tianshu whose engagement with us commenced on 1 July 2007) and renewable by mutual agreement on annual basis.

None of the Directors has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISION

Pursuant to the articles of association of the Company, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group throughout the year.

DIRECTORS' REMUNERATION

Directors' emoluments are reviewed by Remuneration Committee with reference to Directors' duties, responsibilities and performance and the results of the Group.

董事及高級管理層履歷

本公司董事及本集團高級管理層之履歷詳情載於本年報第90至97頁。

董事的服務合約

除了執行董事廖東先生與本公司訂有服務合約自2018年3月26日起計為期三年外，各執行董事及非執行董事均與本公司訂有服務合約，分別自2018年12月17日起計為期三年。

各獨立非執行董事均與本公司訂有委任函，分別為張涵先生自2018年12月17日及葛曉菁女士自2018年8月3日起計均為期三年（李天舒先生除外，其自2007年7月1日起受聘於本公司），並每年經雙方協定而續期。

概無董事與本公司訂立本公司不可於一年內免付賠償（法定賠償除外）而終止之服務合約。

獲准許彌償條文

根據本公司組織章程細則，每名董事就其執行職務或與此有關或在其他有關方面可能蒙受或招致之一切損失或責任，均有權從本公司資產中獲得彌償。

年內，本公司已為董事及本集團行政人員安排適當之董事及行政人員責任險。

董事薪酬

董事酬金由薪酬委員會參考董事職責、責任及表現以及本集團業績後檢討。

Report of the Directors

董事會報告

SHARE OPTION SCHEME

As at 31 December 2019, the number of ordinary shares in respect of which options had been granted and remained outstanding was 46,336,000 (2018: 50,886,000), representing 5.65% (2018: 6.20%) of the total ordinary shares in issue at end of the reporting period.

The total number of ordinary shares issued and to be issued upon the exercise of options granted and to be granted to each eligible participant (including both exercised and outstanding options) in any period of twelve consecutive months up to and including the date of grant shall not exceed 1% of the ordinary shares in issue as at the date of grant. Any further grant of options in excess of this limit is subject to shareholders' approval in advance in a general meeting.

Particulars of the Company's share option scheme are set out in note 29 to the financial statements.

The following table discloses movements in the Company's share option scheme during the year:

Name	Option type	Date of grant	Exercise price per share (RMB) 每股行使價 (人民幣)	Exercisable period 可行使期間	Outstanding as at beginning of the year 年初尚未行使	Granted during the year 年內授出	Cancelled during the year 年內註銷	Exercised during the year 年內已行使	Outstanding as at end of the year 年末尚未行使
Directors:									
董事：									
Hu Xiang 胡翔	2015 Option A 2015年購股權A	26.3.2015	1.47	1.4.2016 - 25.3.2025	450,000	—	—	—	450,000
	2015 Option B 2015年購股權B	26.3.2015	1.47	1.4.2017 - 25.3.2025	450,000	—	—	—	450,000
	2015 Option C 2015年購股權C	26.3.2015	1.47	1.4.2018 - 25.3.2025	600,000	—	—	—	600,000
Liao Dong 廖東	2013 Option A 2013年購股權A	23.12.2013	1.09	1.6.2015 - 23.12.2023	300,000	—	—	—	300,000
	2013 Option B 2013年購股權B	23.12.2013	1.09	1.4.2016 - 23.12.2023	300,000	—	—	—	300,000
	2013 Option C 2013年購股權C	23.12.2013	1.09	1.4.2017 - 23.12.2023	400,000	—	—	—	400,000
	2015 Option A 2015年購股權A	26.3.2015	1.47	1.4.2016 - 25.3.2025	510,000	—	—	—	510,000
	2015 Option B 2015年購股權B	26.3.2015	1.47	1.4.2017 - 25.3.2025	510,000	—	—	—	510,000
	2015 Option C 2015年購股權C	26.3.2015	1.47	1.4.2018 - 25.3.2025	680,000	—	—	—	680,000

購股權計劃

於2019年12月31日，就根據購股權授出但仍未行使的購股權所涉及的普通股數目為46,336,000股(2018年：50,886,000股)，佔於呈報期末已發行普通股總數的5.65%(2018年：6.20%)。

截至授出購股權日期(包括該日)止連續12個月任何期間，因行使授予及將授予各合資格參與者之購股權(包括已行使及尚未行使之購股權)而已發行及將予發行之普通股總數，不得超過授出日期之已發行普通股數目之1%。任何進一步授出超過該限額之購股權須事先經股東於股東大會上批准，方可作實。

本公司購股權計劃詳情載於財務報表附註29。

下表披露本公司購股權計劃年內的變動：

Report of the Directors

董事會報告

Name 姓名	Option type 購股權類別	Date of grant 授出日期	Exercise price per share (RMB) 每股行使價 (人民幣)	Exercisable period 可行使期間	Outstanding as at beginning of the year 年初尚未行使	Granted during the year 年內授出	Cancelled during the year 年內註銷	Exercised during the year 年內已行使	Outstanding as at end of the year 年末尚未行使
Chen Zhao Jun 陳兆軍	2013 Option A 2013年購股權A	23.12.2013	1.09	1.6.2015 - 22.12.2023	300,000	—	(300,000)	—	—
	2013 Option B 2013年購股權B	23.12.2013	1.09	1.4.2016 - 22.12.2023	300,000	—	(300,000)	—	—
	2013 Option C 2013年購股權C	23.12.2013	1.09	1.4.2017 - 22.12.2023	400,000	—	(400,000)	—	—
	2015 Option A 2015年購股權A	26.3.2015	1.47	1.4.2016 - 25.3.2025	330,000	—	(330,000)	—	—
	2015 Option B 2015年購股權B	26.3.2015	1.47	1.4.2017 - 25.3.2025	330,000	—	(330,000)	—	—
	2015 Option C 2015年購股權C	26.3.2015	1.47	1.4.2018 - 25.3.2025	440,000	—	(440,000)	—	—
Qu Deqian 屈德乾	2013 Option A 2013年購股權A	23.12.2013	1.09	1.6.2015 - 22.12.2023	150,000	—	—	—	150,000
	2013 Option B 2013年購股權B	23.12.2013	1.09	1.4.2016 - 22.12.2023	150,000	—	—	—	150,000
	2013 Option C 2013年購股權C	23.12.2013	1.09	1.4.2017 - 22.12.2023	200,000	—	—	—	200,000
	2015 Option A 2015年購股權A	26.3.2015	1.47	1.4.2016 - 25.3.2025	150,000	—	—	—	150,000
	2015 Option B 2015年購股權B	26.3.2015	1.47	1.4.2017 - 25.3.2025	150,000	—	—	—	150,000
	2015 Option C 2015年購股權C	26.3.2015	1.47	1.4.2018 - 25.3.2025	200,000	—	—	—	200,000
Sub-total 小計：					7,300,000	—	2,100,000	—	5,200,000

Report of the Directors

董事會報告

Name	Option type	Date of grant	Exercise price per share (RMB)	Exercisable period	Outstanding as at beginning of the year	Granted during the year	Cancelled during the year	Exercised during the year	Outstanding as at end of the year
姓名	購股權類別	授出日期	每股行使價 (人民幣)	可行使期間	年初尚未行使	年內授出	年內註銷	年內已行使	年末尚未行使
Other participants:									
其他參與者：									
Participants	2005 Option	31.8.2005	0.6655	31.8.2006 - 30.8.2015	—	—	—	—	—
參與者	2005年購股權								
Participants	2013 Option A	23.12.2013	1.09	1.6.2015 - 22.12.2023	—	—	—	—	—
參與者	2013年購股權A								
	2013 Option B	23.12.2013	1.09	1.4.2016 - 22.12.2023	—	—	—	—	—
	2013年購股權B								
	2013 Option C	23.12.2013	1.09	1.4.2017 - 22.12.2023	—	—	—	—	—
	2013年購股權C								
Participants	2015 Option A	26.3.2015	1.47	1.4.2016 - 25.3.2025	—	—	—	—	—
參與者	2015年購股權A								
	2015 Option B	26.3.2015	1.47	1.4.2017 - 25.3.2025	—	—	—	—	—
	2015年購股權B								
	2015 Option C	26.3.2015	1.47	1.4.2018 - 25.3.2025	—	—	—	—	—
	2015年購股權C								
Sub-total					—	—	—	—	—
小計：									

Report of the Directors

董事會報告

Name	Option type	Date of grant	Exercise price per share (RMB)	Exercisable period	Outstanding as at beginning of the year	Granted during the year	Cancelled during the year	Exercised during the year	Outstanding as at end of the year
姓名	購股權類別	授出日期	每股行使價 (人民幣)	可行使期間	年初尚未行使	年內授出	年內註銷	年內已行使	年末尚未行使
Other employees:									
其他僱員：									
Employees	2013 Option A	23.12.2013	1.09	1.6.2015 - 22.12.2023	6,785,000	—	(363,000)	—	6,422,000
僱員	2013年購股權A								
	2013 Option B	23.12.2013	1.09	1.4.2016 - 22.12.2023	7,349,000	—	(363,000)	—	6,986,000
	2013年購股權B								
	2013 Option C	23.12.2013	1.09	1.4.2017 - 22.12.2023	10,272,000	—	(484,000)	—	9,788,000
	2013年購股權C								
Employees	2015 Option A	26.3.2015	1.47	1.4.2016 - 25.3.2025	5,754,000	—	(372,000)	—	5,382,000
僱員	2015年購股權A								
	2015 Option B	26.3.2015	1.47	1.4.2017 - 25.3.2025	5,754,000	—	(372,000)	—	5,382,000
	2015年購股權B								
	2015 Option C	26.3.2015	1.47	1.4.2018 - 25.3.2025	7,672,000	—	(496,000)	—	7,176,000
	2015年購股權C								
Sub-total:					43,586,000	—	(2,450,000)	—	41,136,000
小計：									
Total:					50,886,000	—	(4,550,000)	—	46,336,000
總計：									

The weighted average closing share price immediately before the dates on which the options were exercised was HK\$1.53.

截至購股權獲行使日期前，股份的加權平均收市價為1.53港元。

Report of the Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests and short positions of the Directors, the chief executive or their associates in the share capital, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (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 interests or short positions which they were taken or deemed to have under such provisions of SFO), or which, 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Ordinary shares of the Company:

Name of Director 董事姓名	Nature of Interest 權益性質	Number of shares 股份數目	Number of underlying shares 相關股份數目	Number of underlying shares 股份及 相關股份數目	Approximate percentage of the Company's issued capital 約佔本公司 已發行 股本的百分比
Hu Xiang 胡翔	Personal 個人	26,010,500 Long Position 長倉	1,500,000 Long Position 長倉	27,510,500 Long Position 長倉	3.36%
Liao Dong 廖東	Personal 個人	12,000,000 Long Position 長倉	2,700,000 Long Position 長倉	14,700,000 Long Position 長倉	1.79%
Qu Deqian 屈德乾	Personal 個人	—	1,000,000 Long Position 長倉	1,000,000 Long Position 長倉	0.12%

董事與高級行政人員於股份、相關股份及債券的權益及淡倉

於2019年12月31日，董事、高級行政人員或彼等的聯繫人於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股本、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部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當作或視為擁有的權益或淡倉），或根據證券及期貨條例第352條須記存於本公司存置的登記冊內的權益及淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉如下：

本公司普通股：

Report of the Directors

董事會報告

Share options of the Company:

Details of the Directors' interests in share options of the Company are set out in the Section headed "Share Options" in this report.

Save as disclosed above, as at 31 December 2019, none of the Directors or the chief executive of the Company had registered any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO), or which 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

So far as is known to the Directors or Chief Executive of the Company as at 31 December 2019, shareholders (other than Directors or Chief Executives of the Company who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO) were as follows:

本公司購股權：

董事於本公司購股權擁有的權益詳情載於本報告「購股權」一節。

除上文所披露者外，2019年12月31日，本公司董事或高級行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中登記持有根據證券及期貨條例第XV部第7及第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當作或視為擁有的權益或淡倉），或根據證券及期貨條例第352條須知存於本公司存置之登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

主要股東於股份、相關股份或債券中擁有的權益及淡倉

據本公司董事及高級行政人員所知，於2019年12月31日，股東（本公司董事及高級行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露的權益或淡倉，或記存於本公司根據證券及期貨條例第336條存置之登記冊的權益及淡倉如下：

Report of the Directors

董事會報告

Ordinary shares of the Company:

本公司普通股：

Name of Substantial Shareholder 主要股東名稱	Nature of Interest 權益性質	Number of shares 股份數目	Number of underlying shares 相關股份數目	Number of underlying shares 股份及 相關股份數目	Approximate percentage of the Company's issued capital 約佔本公司已發行股本的百分比
Fangyi Collaboration Holdings Limited 方誼控股有限公司	Beneficial owner 實益擁有人	230,607,300 Long Position 長倉	—	230,607,300 Long Position 長倉	28.14%
Li Xiaoyong 李小勇	Beneficial owner 實益擁有人	43,351,000 Long Position 長倉	—	43,351,000 Long Position 長倉	5.29%

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

As at 31 December 2019, Directors' interests in a major customer were as follows:

ZTE Corporation ("ZTE")

- Hu Xiang and Qu Deqian, Directors of the Company, are members of the 39 shareholders ("Beneficial Owners") of Fangyi Collaboration Holdings Ltd. ("Fangyi"), a substantial shareholder of the Company.
- The Beneficial Owners had an indirect equity interest of approximately 16.6% in ZTE, the largest customer of the Group for the year ended 31 December 2019, through their shareholdings in Shenzhen Zhongxing Weixiantong Shebei Co., Ltd. ("Shenzhen Weixiantong"). Shenzhen Weixiantong owns 49% shareholding interest in Shenzhen Zhongxingxin Tongxun Shebei Co., Ltd. ("Zhongxingxin"), which in turn had approximately 33.87% shareholding interest in ZTE.
- Hu Xiang and Qu Deqian together held approximately 4.1% shareholding interests in Shenzhen Weixiantong. Therefore, they have indirect shareholding interests in ZTE through their shareholding interests in Shenzhen Weixiantong.

董事於交易、安排或合約之重大權益

截至2019年12月31日，在主要客戶中的董事會約中的權益如下：

中興通訊股份有限公司（「中興通訊」）

- 本公司董事胡翔和屈德乾為本公司主要股東方誼控股有限公司（「方誼」）的39名股東（實益擁有人）之成員。
- 截至2019年12月31日止年度，實益擁有人透過於深圳市中興維先通設備有限公司（「深圳維先通」）的持股，間接擁有本集團最大客戶中興通訊約16.6%的股權。深圳維先通擁有深圳市中興新通訊設備有限公司（「中興新」）49%的股權，中興新則擁有中興通訊約33.87%的股權。
- 胡翔和屈德乾合共持有深圳維先通約4.1%的股權。因此，胡翔和屈德乾透過其於深圳維先通的股權，間接擁有中興通訊的股權。

Report of the Directors

董事會報告

As at 31 December 2019, Directors' interests in major suppliers were as follows:

Shenzhen Kang Cheng Shebei Co., Ltd. ("Kang Cheng")

- Kang Cheng is a supplier accounted for 2.3% purchases of the Group for the year ended 31 December 2019.
- The Beneficial Owners have an indirect equity interest in Kang Cheng through their shareholdings in Shenzhen Weixiantong. Shenzhen Weixiantong was a 15% shareholder of Kang Cheng.
- Hu Xiang and Qu Deqian as members of the Beneficial Owners, therefore, have indirect shareholding interests in Kang Cheng through their shareholding interests in Shenzhen Weixiantong.

Shenzhen Shenglongfeng Industrial Co., Ltd. ("Shenglongfeng")

- Hu Xiang, Director of the Company, has directly maintained approximately 2.0% equity interest in Shenglongfeng, a supplier accounted for 0.01% purchases of the Group for the year ended 31 December 2019.
- The Beneficial Owners have an indirect equity interest in Shenglongfeng through their shareholdings in Shenzhen Weixiantong. Shenzhen Weixiantong was a 20% shareholder of Shenglongfeng.
- Hu Xiang and Qu Deqian as members of the Beneficial Owners, therefore, have indirect shareholding interests in Shenglongfeng through their shareholding interests in Shenzhen Weixiantong.

截至2019年12月31日，在主要供應商中董事於合約中的權益如下：

深圳市康鉞機械設備有限公司(「康鉞」)

- 康鉞乃一家佔本集團截至2019年12月31日止年度總採購額2.3%的供應商。
- 實益擁有人透過其於深圳維先通的持股，間接擁有康鉞的股權。深圳維先通為康鉞的股東，擁有15%權益。
- 胡翔和屈德乾為實益擁有人的成員，透過其於深圳維先通的股權，間接擁有康鉞的股權。

深圳市盛隆豐實業有限公司(「盛隆豐」)

- 本公司董事胡翔繼續直接擁有盛隆豐約2.0%的股權。其乃一家佔本集團截至2019年12月31日止年度總採購額0.01%的供應商。
- 實益擁有人透過其於深圳維先通的持股，間接擁有盛隆豐的股權。深圳維先通為盛隆豐的股東，擁有20%權益。
- 胡翔和屈德乾為實益擁有人的成員，透過其於深圳維先通的股權，間接擁有盛隆豐的股權。

Report of the Directors

董事會報告

Shenzhen Zhongxingxindi Technology Co., Ltd. ("Zhongxingxindi") which former name as Shenzhen Zhongxingxindi Tongxin Qicai Co., Ltd.

- The Beneficial Owners have an indirect equity interest in Zhongxingxindi, a supplier accounted for 0% purchase of the Group for the year ended 31 December 2019, through their shareholdings in Shenzhen Weixiantong. Shenzhen Weixiantong was a 34.3% shareholder of Zhongxingxindi. Shenzhen Weixiantong owned 49% shareholding interest in Zhongxingxin, which in turn had a 70% shareholding interest in Zhongxingxindi.
- Hu Xiang and Qu Deqian as members of the Beneficial Owners, therefore, have indirect shareholding interests in Zhongxingxindi through their shareholding interests in Shenzhen Weixiantong.

Save as disclosed above, there were no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company's or any of its subsidiaries was a party, and in which a Director or its connected entities had a material interest (whether directly or indirectly) subsisting at the end of the year or at any time during the year.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions entered into by the Group are set out in note 37 to the financial statements which did not fall under the definition of "connected transaction" or "continuing connected transaction" under Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's 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 existing shareholders of the Company.

深圳市中興新地技術股份有限公司(「中興新地」)其前名為深圳市中興新地通信器材有限公司

- 實益擁有人透過其於深圳維先通的持股，間接擁有中興新地，其乃一家佔本集團截至2019年12月31日止年度總採購額為0%的供應商。深圳維先通為中興新地的股東，擁有34.3%權益。深圳維先通擁有深圳中興新49%的股權，中興新則擁有中興新地70%的股權。
- 胡翔和屈德乾為實益擁有人的成員，透過其於深圳維先通的股權，間接擁有中興新地的股權。

除上文所披露外，於年終及年內任何期間，本公司或其任何子公司並無訂立與本集團業務有重大關係且董事或其關連實體直接或間接擁有重大權益之其他交易、安排或合約。

關連人士交易

本集團所訂立重大關連人士交易詳情載於財務報表附註37，該等交易並非上市規則第14A章所界定的「關連交易」或「持續關連交易」。

優先購股權

本公司的組織章程細則或開曼群島法律並無優先購股權之條文，故本公司須按持股比例向本公司現有股東發售新股。

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the percentage of shares of the Company in public hands is in compliance with the prescribed level of the minimum public float as set out in Rule 8.08 of the Listing Rules.

AUDIT COMMITTEE

The Company has set up an audit committee with written terms of reference. The audit committee comprises three independent non-executive Directors and reports to the Board of Directors.

The Group's consolidated financial statements for the year ended 31 December 2019 have been reviewed by the audit committee of the Company, who are of the opinion that such statements comply with the applicable accounting standards and legal requirements, and that adequate disclosures have been made.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Deloitte as auditor of the Company.

On behalf of the Board
MOBI Development Co., Ltd.

Hu Xiang
Chairman
15 April 2020

充足的公眾持股量

根據本公司可公開獲得的資料以及就董事所知，於本報告日期，本公司的公眾持股比例符合上市規則第8.08條規定的最低公眾持股量。

審核委員會

本公司已設立審核委員會，制訂書面職責範圍。審核委員會包括三名獨立非執行董事，向董事會報告。

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，認為該等報表符合相關會計準則及法律規定並已作出充足披露。

核數師

將於股東週年大會上提呈決議案，重新委任德勤•關黃陳方會計師行為本公司核數師。

代表董事會
摩比發展有限公司

主席
胡翔
2020年4月15日

Independent Auditor's Report

獨立核數師報告



Deloitte.

德勤

TO THE SHAREHOLDERS OF MOBI DEVELOPMENT CO., LTD.
(incorporated in the Cayman Islands with limited liability)

致摩比發展有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of MOBI Development Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 124 to 232, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

意見

我們已審核第124頁至第232頁所載摩比發展有限公司(「貴公司」)及其子公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2019年12月31日的綜合財務狀況報表及於截至該日止年度的綜合損益及其他全面收益報表、綜合權益變動報表及綜合現金流量報表，以及包括主要會計政策概要在內的綜合財務報表附註。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2019年12月31日的綜合財務狀況及截至該日止年度 貴集團的綜合財務表現及其綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

意見基礎

我們已根據香港會計師公會頒佈的《香港審核準則》(「香港審核準則」)進行審核。根據該等準則，我們的責任於本報告「核數師就審核綜合財務報表的責任」一節中詳述。根據香港會計師公會的《專業會計師道德守則》(「守則」)，我們獨立於 貴集團，並已遵守則履行其他道德責任。我們相信，我們所獲得的審核憑證足夠及能適當地為我們的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

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.

關鍵審核事項

關鍵審核事項為我們的專業判斷中，審核本期綜合財務報表中最重要的事項。我們於審核整體綜合財務報表處理此等事項及就此形成意見，而不會就此等事項單獨發表意見。

Key audit matters

關鍵審核事項

How our audit addressed the key audit matters

我們於審核時如何處理關鍵審核事項

Valuation of inventories

存貨估值

We identified the valuation of inventories as a key audit matter due to the use of judgment and estimates by the management in estimating the allowance for inventories.

In determining the allowance of inventories, the management considers the aging analysis, technology development of the industry, net realisable value for obsolete and slow-moving inventories that are no longer suitable for use in operation and subsequent sales or usage.

我們將存貨估值認定為關鍵審核事項，原因是管理層估計存貨撥備時使用判斷及估計。

在釐定存貨撥備時，管理層考慮行業的存貨賬齡分析和技術開發、不再適合營運和後續銷售或使用的陳舊和滯銷存貨的可變現淨值。

Our procedures in relation to valuation of inventories included:

- Understanding how management estimates the allowance of obsolete and slow-moving inventories items;
- Obtaining the inventory aging analysis and checking its classification by age on a sampling basis, to related documents;
- Evaluating the reasonableness of the allowance of obsolete and/or slow-moving inventories identified by the management with reference to the aging analysis of inventories, market information, subsequent sales and usage of inventories;

我們有關存貨估值採取的程序包括：

- 了解管理層如何估計陳舊和滯銷存貨的撥備；
- 取得存貨賬齡分析，抽樣檢查賬齡分類到相關文件中；
- 評估管理層參照存貨的賬齡分析、市場資料、存貨的後續銷售和使用而計提的陳舊及／或滯銷存貨撥備的合理性；

Independent Auditor's Report

獨立核數師報告

Key audit matters 關鍵審核事項

How our audit addressed the key audit matters 我們於審核時如何處理關鍵審核事項

Valuation of inventories (Cont'd) 存貨估值 (續)

As disclosed in note 20 to the consolidated financial statements, as at 31 December 2019, the carrying amount of inventory was RMB281,691,000, net of the write-down on inventories of RMB71,632,000

如綜合財務報表附註20所披露，於2019年12月31日，存貨賬面值為人民幣281,691,000元，扣除存貨撇減人民幣71,632,000元。

- Checking on correctness of the inventory aging analysis and subsequent sales or usage of inventories on a sampling basis to related documents;
 - Checking on the net realisable value of inventories to the subsequent selling prices on a sampling basis;
 - Evaluating the historical accuracy of the allowance estimation by management by comparing historical allowance made to the actual selling prices and actual loss incurred; and
 - Assessing the reasonableness of reversal of allowance for inventories previously recognised by testing the receipts from sale of respective inventories, on a sample basis.
- 以抽樣基準檢查存貨的賬齡分析的正確性和後續銷售或使用到相關文件中；
 - 以抽樣基準檢查存貨可變現淨值及後續售價；
 - 通過比較實際銷售價格的歷史撥備及實際發生的損失，評估管理層對撥備估計的歷史準確性；及
 - 以抽樣本為基準，對先前通過測試出售存貨所得款項確認的存貨撥備撥回的合理性進行評估。

Independent Auditor's Report

獨立核數師報告

Key audit matters 關鍵審核事項

How our audit addressed the key audit matters 我們於審核時如何處理關鍵審核事項

Estimated provision of expected credit losses for trade receivables 貿易應收賬款預期信貸虧損之估計撥備

We identified the estimated provision of expected credit losses for trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective management judgment in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period.

As at 31 December 2019, the Group's net trade receivables amounting to RMB477,785,000 which represented approximately 24.3% of total assets of the Group.

我們將貿易應收賬款預期信貸虧損之估計撥備認定為關鍵審核事項，概因貿易應收賬款對本集團綜合財務狀況之重要性以及於呈報期末評估本集團貿易應收賬款預期信貸虧損（「預期信貸虧損」）時涉及管理層主觀判斷。

於2019年12月31日，本集團的貿易應收賬款淨額為人民幣477,785,000元，佔本集團總資產的約24.3%。

Our procedures in relation to estimated provision of expected credit losses for trade receivables included:

- Obtaining an understanding of key controls on management's process in estimating the expected credit loss allowance for trade receivables;
- Testing the integrity of information used by management to develop the provision matrix, including trade receivables ageing analysis as at 31 December 2019, on a sample basis, by comparing individual items in the analysis with the relevant sales agreements, sales invoices and other supporting documents;
- Challenging management's basis and judgement in determining expected credit loss allowance on trade receivables as at 31 December 2019, including their identification of credit-impaired trade receivables, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information);

我們有關貿易應收賬款預期信貸虧損估計撥備的程序包括：

- 了解管理層估計貿易應收賬款之預期信貸虧損撥備流程的主要控制措施；
- 將分析內的獨立項目與相關銷售協議、銷售票據及其他證明文件比較，以抽樣基準測試管理層用於開發撥備矩陣的資料的完整性，包括於2019年12月31日貿易應收賬款的賬齡分析；
- 查詢管理層在釐定2019年12月31日貿易應收賬款的預期信貸虧損撥備時所採用的基準及判斷，包括彼等對信貸減值貿易應收賬款的識別、管理層將剩餘貿易應收賬款分組為撥備矩陣中不同類別的合理性，以及撥備矩陣中各類別所使用的估計虧損率的基準（參考過往違約率及前瞻性資料）；

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獨立核數師報告

Key audit matters 關鍵審核事項

How our audit addressed the key audit matters 我們於審核時如何處理關鍵審核事項

Estimated provision of expected credit losses for trade receivables (Cont'd) 貿易應收賬款預期信貸虧損之估計撥備(續)

As disclosed in note 4 to the consolidated financial statements, in estimating the amount of lifetime ECL of trade receivables, management uses provision matrix through groupings of various debtors that have similar loss patterns after considering internal credit ratings of trade debtors, ageing, repayment history and past due status of respective trade receivables. Estimated loss rates are based on the Group's historical observed default rates over the expected life of the debtors and taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

As disclosed in note 33 to the consolidated financial statements, the Group recognised an amount of RMB2,712,000 of impairment of trade receivables for the current year and the Group's lifetime ECL on trade receivables as at 31 December 2019 amounted to approximately RMB14,215,000.

如綜合財務報表附註4所披露，經考慮貿易應收賬款的內部信貸評級、賬齡、還款記錄及各貿易應收賬款的逾期情況後，管理層透過具有類似虧損模式的不同應收賬款組別使用撥備矩陣估計貿易應收賬款的存續期預期信貸虧損金額。估計虧損率乃按本集團於應收賬款預期年期內的過往可觀察違約率計算，經考慮毋須付出不必要的成本或努力即可獲得的合理且可支持的前瞻性資料。於各呈報日期，本集團會重新評估過往可觀察違約率，並考慮前瞻性資料的變動。此外，具有重大結餘及信貸減值的貿易應收賬款將個別評估預期信貸虧損。

如綜合財務報表附註33所披露，本集團年內確認的貿易應收賬款減值金額為人民幣2,712,000元，以及本集團於2019年12月31日的貿易應收賬款存續期預期信貸虧損為約人民幣14,215,000元。

- Assessing the reasonableness of the allowance for expected credit loss determined by management with reference to the trading relationship, historical settlement pattern, subsequent settlement information and financial position of the debtors;
- Checking the accuracy of management's estimated provision of expected credit losses for trade receivables under the provision matrix; and
- Evaluating the disclosures regarding the impairment assessment of trade receivables in note 33 to the consolidated financial statements.

- 對管理層經參考貿易關係、過往結算模式、後續結算資料及應收賬款的財務狀況後釐定的預期信貸虧損撥備的合理性進行評估；
- 檢查管理層根據撥備矩陣估計貿易應收款項預期信貸虧損之撥備的準確性；及
- 評估綜合財務報表附註33中有關貿易應收賬款減值評估的披露。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

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

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

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

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

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

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

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

其他資料

貴公司董事負責其他資料。其他資料包括年報所載資料，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資料，我們亦不對其他資料發表任何形式的鑒證結論。

當我們審核綜合財務報表時，我們的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或我們於審核過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料有重大錯誤陳述，我們須報告該事實。於此方面，我們沒有任何報告。

董事及負責管治的人員對綜合財務報表的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製並真實兼公允地呈列的綜合財務報表，並為其認為必須為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部控制負責。

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

負責管治的人員負責履行監督 貴集團財務報告過程的責任。

Independent Auditor's Report

獨立核數師報告

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

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

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

- o 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.
- o 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.
- o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核綜合財務報表的責任

我們的目標為合理鑒證整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向閣下（作為整體）按照我們協定的委任條款報告，除此之外本報告別無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。合理鑒證屬高層次鑒證，但不能擔保根據香港核數準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港核數準則進行審核時，我們運用專業判斷，於整個審核過程中抱持專業懷疑態度。我們亦：

- o 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為我們的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- o 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- o 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。

Independent Auditor's Report

獨立核數師報告

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

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

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

核數師就審核綜合財務報表的責任(續)

- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘我們認為存在重大不確定因素，我們需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂我們的意見。我們的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致 貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。我們須負責指導、監督及執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

我們與負責管治的人員就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現，包括我們於審核期間識別出內部控制的任何重大缺陷溝通。

Independent Auditor's Report

獨立核數師報告

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Wong Kit Sum.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
15 April 2020

核數師就審核綜合財務報表的責任(續)

我們亦向負責管治的人員提交聲明，說明我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們的獨立性的關係及其他事宜及相關防範措施(如適用)與負責管治的人員溝通。

我們從與負責管治的人員溝通的事項中，決定哪些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

出具本獨立核數師報告的審核項目合夥人是王杰森。

德勤•關黃陳方會計師行
執業會計師
香港
2020年4月15日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益報表

For the year ended 31 December 2019

截至2019年12月31日止年度

		Notes	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
		附註		
Revenue	收入	5	1,214,929	1,257,215
Cost of sales	銷售成本		(935,098)	(999,187)
Gross profit	毛利		279,831	258,028
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式下的減值 虧損，扣除撥回	9	(2,712)	(280)
Other income and expenses, other gain and loss	其他收入及開支、其他收益及虧損	6	30,348	41,073
Research and development expenses	研發開支		(97,244)	(89,065)
Administrative expenses	行政開支		(101,001)	(103,377)
Distribution and selling expenses	分銷及銷售開支		(81,820)	(82,445)
Finance costs	財務成本	7	(10,240)	(13,178)
Share of results of associates	應佔聯營公司業績		(406)	(735)
Profit before tax	稅前利潤		16,756	10,021
Income tax credit	所得稅抵免	8	6,855	6,668
Profit and the total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔的年度利潤 及全面收益 總額	9	23,611	16,689
Earnings per share	每股盈利			
– basic (RMB cents)	– 基本(人民幣分)	13	2.88	2.03
– diluted (RMB cents)	– 攤薄(人民幣分)	13	2.88	2.03

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2019

於2019年12月31日

		Notes	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		附註		
Non-current Assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	377,278	392,348
Right-of-use assets	使用權資產	15	35,461	—
Deposits for purchase of plant and equipment	購買廠房及設備項目按金		7,464	6,270
Prepaid lease payments	預付租賃款項	16	—	26,091
Deferred tax assets	遞延稅項資產	17	57,172	50,317
Intangible assets	無形資產	18	66,273	61,310
Interests in associates	於聯營公司的權益	19	4,001	1,290
			547,649	537,626
Current Assets	流動資產			
Inventories	存貨	20	281,691	448,692
Trade and other receivables	貿易及其他應收賬款	21	709,423	843,665
Income tax recoverable	預付所得稅		1,586	3,704
Prepaid lease payments	預付租賃款項	16	—	668
Pledged bank balances	已抵押銀行結餘	22	137,074	171,744
Bank balances and cash	銀行結餘及現金	22	292,411	296,341
			1,422,185	1,764,814
Current Liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	23	666,984	907,142
Contract liabilities	合約負債	24	6,206	22,939
Bank borrowings	銀行借款	25	98,882	196,800
Lease liabilities	租賃負債	26	4,408	—
Deferred income	遞延收入	27	24	24
Dividend payable	應付股息		4,132	—
			780,636	1,126,905
Net Current Assets	流動資產淨額		641,549	637,909
Total Assets less Current Liabilities	總資產減流動負債		1,189,198	1,175,535

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2019

於2019年12月31日

		Notes	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
		附註		
Non-current Liabilities	非流動負債			
Lease liabilities	租賃負債	26	5,021	—
Deferred income	遞延收入	27	12,749	12,773
			17,770	12,773
Net Assets	資產淨額		1,171,428	1,162,762
Capital and Reserves	股本及儲備			
Share capital	股本	28	6	6
Reserves	儲備		1,171,422	1,162,756
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,171,428	1,162,762

The consolidated financial statements on pages 124 to 232 were approved and authorised for issue by the board of directors on 15 April 2020 and are signed on its behalf by:

第124至232頁的綜合財務報表已經董事會於2020年4月15日批准和授權刊發，並由以下董事代表簽署：

Hu Xiang
胡翔
DIRECTOR
董事

Liao Dong
廖東
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2019

截至2019年12月31日止年度

		Share capital	Share premium	Enterprise expansion fund	Statutory surplus reserve	Special reserve	Share option reserve	Retained earnings	Total
		股本	股份溢價	企業發展基金	法定盈餘公積金	特別儲備	購股權儲備	保留盈利	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(note b) (附註b)	(note a) (附註a)	(note a) (附註a)	(note c) (附註c)			
At 1 January 2018	於2018年1月1日	6	462,696	3,034	63,744	2,999	27,602	613,605	1,173,686
Recognition of equity-settled share-based payment	確認以權益結算以股份為基礎的付款	—	—	—	—	—	427	—	427
Profit and the total comprehensive income for the year	年度利潤及全面收益總額	—	—	—	—	—	—	16,689	16,689
Dividend recognised as distribution (note 12)	確認作分派的股息 (附註12)	—	(27,675)	—	—	—	—	—	(27,675)
Shares repurchased and cancelled (note 28)	股份購回及註銷 (附註28)	—	(365)	—	—	—	—	—	(365)
At 31 December 2018	於2018年12月31日	6	434,656	3,034	63,744	2,999	28,029	630,294	1,162,762
Profit and the total comprehensive income for the year	年度利潤及全面收益總額	—	—	—	—	—	—	23,611	23,611
Transfer	轉撥	—	—	—	3,958	—	—	(3,958)	—
Transfer of share option reserve upon forfeiture of share options	於沒收購股權時轉撥購股權儲備	—	—	—	—	—	(2,268)	2,268	—
Dividend recognised as distribution (note 12)	確認作分派的股息 (附註12)	—	(14,435)	—	—	—	—	—	(14,435)
Shares repurchased and cancelled (note 28)	股份購回及註銷 (附註28)	—	(510)	—	—	—	—	—	(510)
At 31 December 2019	於2019年12月31日	6	419,711	3,034	67,702	2,999	25,761	652,215	1,171,428

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2019

截至2019年12月31日止年度

Notes:

- (a) As stipulated by the relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain two statutory reserves, being an enterprise expansion fund and a statutory surplus reserve fund which are non-distributable. Appropriations to such reserves are made out of net profit after tax reported in the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by their respective boards of directors annually. The statutory surplus reserve fund can be used to make up their prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund is used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.
- (b) Under the Companies Law of the Cayman Islands (2009 Revision), the share premium of the Company may be applied for redemption or purchase of any shares of the Company, payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, payment of its debts as they fall due in the ordinary course of business. During the years ended 31 December 2019 and 2018, dividends were funded out of its share premium.
- (c) Special reserve represents the difference between the paid-in capital of 摩比天線技術(深圳)有限公司 MOBI Antenna Technologies (Shenzhen) Co., Ltd. ("MOBI Shenzhen"), a wholly-owned subsidiary of the Company, and the nominal value of the Company's shares issued in connection with the acquisition of MOBI Shenzhen. MOBI Shenzhen was acquired pursuant to the group restructuring completed on 19 December 2002, at which time the Company entered into an equity transfer agreement for the acquisition of the entire equity interest in MOBI Shenzhen.

附註：

- (a) 根據中華人民共和國(「中國」)外資企業的相關法律及法規規定，本公司的中國子公司須作出兩項不可分派的法定儲備金，即企業發展基金及法定盈餘公積金。該等儲備金的撥款乃由中國子公司法定財務報表內呈報的稅後淨利潤撥出，金額及分配基準每年由其董事會決定。法定盈餘公積金可用作彌補去年的虧損(如有)以及可通過資本化發行轉換成股本。企業發展基金則通過資本化發行用作擴充中國子公司的資本基礎。
- (b) 根據開曼群島公司法(2009年修訂本)，本公司的股份溢價可用於贖回或購買本公司任何股份、向股東支付或分派股息，但緊隨擬作出支付或分派之日期後，須能夠於日常業務過程中支付到期的債務。於截至2019年及2018年12月31日止年度，股息自股份溢價撥付。
- (c) 特別儲備指本公司全資子公司摩比天線技術(深圳)有限公司(「摩比深圳」)的已繳股本與本公司就收購摩比深圳發行股份的面值的差額。摩比深圳乃根據2002年12月19日完成的集團重組收購，而本公司於同日已收購摩比深圳的全部股權訂立一項股權轉讓協議。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019

截至2019年12月31日止年度

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	稅前利潤	16,756	10,021
Adjustments for:	就以下項目作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	40,382	43,812
Amortisation of intangible assets	無形資產攤銷	11,974	9,119
Depreciation of right-of-use assets	使用權資產折舊	3,698	–
Finance costs	財務成本	10,240	13,178
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式下的減值虧損，扣除撥回	2,712	280
Write-down of inventories	存貨撇減	1,170	1,457
Loss (gain) on disposals of property, plant and equipment	出售物業、廠房及設備的虧損(收益)	703	(1,074)
Share of results of associates	應佔聯營公司業績	406	735
Interest income from bank deposits	銀行存款利息收入	(6,305)	(4,881)
Government grants related to assets	與資產相關的政府補助金	(24)	(1,452)
Gain on disposal of an associate	出售一間聯營公司的收益	(509)	–
Cash discount from suppliers upon settlement	於結算時來自供應商的現金折扣	(5)	(5,896)
Release of prepaid lease payments	解除預付租賃款項	–	668
Recognition of equity-settled share-based payment	確認以權益結算以股份為基礎的付款	–	427
Operating cash flows before movements in working capital	未計營運資金變動前的經營現金流量	81,198	66,394
Decrease (increase) in inventories	存貨減少(增加)	165,831	(36,765)
Decrease in trade and other receivables	貿易及其他應收賬款減少	131,530	182,341
(Decrease) increase in trade and other payables	貿易及其他應付賬款(減少)增加	(226,126)	44,384
(Decrease) increase in contract liabilities	合約負債(減少)增加	(16,733)	14,019
Cash generated from operations	經營所得現金	135,700	270,373
Taxation receipt	已收稅項	2,118	1,687
NET CASH FROM OPERATING ACTIVITIES	經營活動產生現金淨額	137,818	272,060

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019

截至2019年12月31日止年度

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
INVESTING ACTIVITIES	投資活動		
Placement of pledged bank balances	存置已抵押銀行結餘	(467,389)	(303,880)
Purchase of property, plant and equipment	購買物業、廠房及設備	(62,175)	(36,552)
Development costs paid and capitalised	已付及資本化發展成本	(16,937)	(24,077)
Deposits paid for purchase of plant and equipment	就購買廠房及設備支付的按金	(4,489)	(1,135)
Capital contribution to an associate	向聯營公司出資	(4,000)	-
Withdrawal of pledged bank balances	撤銷已抵押銀行結餘	502,059	298,794
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	25,298	28,394
Interest income from bank deposits	銀行存款利息收入	6,305	4,881
Proceeds on disposal of an associate	出售一間聯營公司的所得款項	1,392	-
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(19,936)	(33,575)
FINANCING ACTIVITIES	融資活動		
Repayment of bank borrowings	償還銀行借款	(328,918)	(256,259)
Dividends paid	已付股息	(10,303)	(28,401)
Interest paid	已付利息	(10,240)	(13,178)
Repayments of lease liabilities	償還租賃負債	(2,841)	-
Repurchase of shares	股份購回	(510)	(365)
New bank borrowings raised	新增銀行借款	231,000	165,595
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(121,812)	(132,608)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於1月1日的現金及現金等價物	296,341	190,464
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物淨值(減少)增加	(3,930)	105,877
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	於12月31日的現金及現金等價物(即銀行結餘及現金)	292,411	296,341

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

I. GENERAL

MOBI Development Co., Ltd. (the “Company”) is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (“The Stock Exchange”) on 17 December 2009. The address of its registered office is Maples Corporate Services Limited P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands and its principal place of business is 7 Langshan First Road, Science and Technology Park, Nanshan District, Shenzhen, Guangdong Province, the PRC.

The principal activities of the Company and its subsidiaries (the “Group”) are production and sale of antennas and radio frequency subsystems.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company and its principal subsidiaries.

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

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

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

HKFRS 16
香港財務報告準則第16號
HK(IFRIC) – Int 23
香港（國際財務報告詮釋委員會）— 詮釋第23號
Amendments to HKFRS 9
香港財務報告準則第9號（修訂本）
Amendments to HKAS 19
香港會計準則第19號（修訂本）
Amendments to HKAS 28
香港會計準則第28號（修訂本）
Amendments to HKFRSs
香港財務報告準則（修訂本）

Leases
租賃
Uncertainty over Income Tax Treatments
所得稅處理的不確定性
Prepayment Features with Negative Compensation
具有負補償的提前還款特性
Plan Amendment, Curtailment or Settlement
計劃修訂、縮減或結清
Long-term Interests in Associates and Joint Ventures
於聯營公司及合營企業的長期權益
Annual Improvements to HKFRSs 2015 – 2017 Cycle
香港財務報告準則2015年至2017年週期的年度改進

I. 一般資料

摩比發展有限公司（「本公司」）為在開曼群島註冊成立的公眾有限公司，其股份於2009年12月17日在香港聯合交易所有限公司（「聯交所」）上市，其註冊辦事處的地址為Maples Corporate Services Limited P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands，其主要營業地點為中國廣東省深圳市南山區科技園朗山一路7號。

本公司及其子公司（「本集團」）的主要業務為生產及銷售天線及無線電射頻子系統。

綜合財務報表以人民幣（「人民幣」）呈列，人民幣亦是本公司及其主要子公司的功能貨幣。

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本

本年度強制生效之新訂香港財務報告準則及香港財務報告準則修訂本

於本年度，本集團首次將用由香港會計師公會（「香港會計師公會」）頒佈的下列新訂香港財務報告準則及香港財務報告準則修訂本：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

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

New and Amendments to HKFRSs that are mandatorily effective for the current year (Cont’d)

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

HKFRS 16 Leases

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

Definition of a lease

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

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

As a lessee

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

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本（續）

本年度強制生效之新訂香港財務報告準則及香港財務報告準則修訂本（續）

除下述者外，於本年度採用新訂香港財務報告準則及香港財務報告準則修訂本，對本集團本年度及過往年度之財務狀況及表現及／或此等綜合財務報表所載之披露並無重大影響。

香港財務報告準則第16號租賃

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

租賃的定義

本集團已選用實際權宜之計，將香港財務報告準則第16號應用於先前根據香港會計準則第17號及香港（國際財務報告詮釋委員會）— 詮釋第4號決定一項安排是否包含租賃識別為租賃的合約，而不會就先前未識別為包含租賃的合約應用此準則。因此，本集團尚未重新評估於首次應用日期之前已存在的合約。

就於2019年1月1日或之後訂立或修訂的合約而言，本集團根據香港財務報告準則第16號所載規定應用租賃的定義，以評估合約是否包含租賃。

作為承租人

本集團已追溯應用香港財務報告準則第16號，並於首次應用日期2019年1月1日確認累計影響。

於2019年1月1日，本集團應用香港財務報告準則第16.C8(b)(ii)條過渡條文，按相等於經任何預付租賃款項調整的相關租賃負債的金額確認額外租賃負債及使用權資產。於首次應用日期的任何差額於期初保留溢利確認，惟並無重列比較資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

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

HKFRS 16 Leases (Cont’d)

As a lessee (Cont’d)

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

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 6%.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本（續）

香港財務報告準則第16號租賃（續）

作為承租人（續）

於過渡期間應用香港財務報告準則第16號項下經修訂追溯法時，本集團按逐項租賃基準就先前根據香港會計準則第17號分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

- i. 選擇不就租期於首次應用日期起12個月內結束的租賃確認使用權資產及租賃負債；及
- ii. 於首次應用日期計量使用權資產時撇除初始直接成本。

就先前分類為經營租賃的租賃確認租賃負債時，本集團已於首次應用日期應用相關集團實體的增量借款利率。本集團應用的加權平均增量借款利率為6%。

At 1 January 2019

於2019年1月1日

RMB'000

人民幣千元

Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日披露的經營租賃承擔	6,588
Less:	減：	
Recognition exemption – short-term leases	確認豁免 – 短期租賃	4,191
		2,397
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款利率折現的租賃負債	2,271
Analysed as	分析為	
Current	流動	1,008
Non-current	非流動	1,263
		2,271

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

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

HKFRS 16 Leases (Cont’d)

As a lessee (Cont’d)

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

		Right-of-use assets
		使用權資產
	Note	RMB'000
	附註	人民幣千元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	於應用香港財務報告準則第16號後 確認的與經營租賃有關的 使用權資產	2,271
Reclassified from prepaid lease payments	從預付租賃款項重新分類 (a)	26,759
		29,030

(a) Upfront payments for leasehold lands in the PRC for own used properties were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to RMB668,000 and RMB26,091,000 respectively were reclassified to right-of-use assets.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本（續）

香港財務報告準則第16號租賃（續）

作為承租人（續）

用作自用的使用權資產於2019年1月1日的賬面值包括以下各項：

		Right-of-use assets
		使用權資產
	Note	RMB'000
	附註	人民幣千元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	於應用香港財務報告準則第16號後 確認的與經營租賃有關的 使用權資產	2,271
Reclassified from prepaid lease payments	從預付租賃款項重新分類 (a)	26,759
		29,030

(a) 於2018年12月31日，用作自用物業的中國租賃土地的預付款項被分類為預付租賃款項。於應用香港財務報告準則第16號後，預付租賃款項的流動及非流動部分分別人民幣668,000元及人民幣26,091,000元已重新分類為使用權資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

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

HKFRS 16 Leases (Cont’d)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

- (b) Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group’s consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.
- (c) Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied under trade and other payables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. The directors of the Company are of an opinion that the discounting effect has no material impact on the Group’s consolidated financial statements for the current year.
- (d) Effective on 1 January 2019, the Group has applied HKFRS 15 Revenue from Contracts with Customers (“HKFRS 15”) to allocate consideration in the contract to each lease and non-lease components. The directors of the Company are of an opinion that the change in allocation basis has no material impact on the Group’s consolidated financial statements for the current year..

Other than described above, as a lessor, the application of HKFRS 16 in the current year has had no material impact on the Group’s consolidated statement of financial position and the disclosures in the consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本（續）

香港財務報告準則第16號租賃（續）

作為出租人

根據香港財務報告準則第16號的過渡條文，本集團毋須就本集團為出租人的租賃過渡作出任何調整，但須自首次應用日期起根據香港財務報告準則第16號就該等租賃入賬，且並無重列比較資料。

- (b) 於應用香港財務報告準則第16號後，已訂立但於首次應用日期後開始並與現有租賃合約項下相同的相關資產有關的新租賃合約會按猶如現有租賃已於2019年1月1日獲修訂者入賬。有關應用對本集團於2019年1月1日的綜合財務狀況報表並無構成影響。然而，自2019年1月1日起，與修訂後的經修訂租期相關的租賃款項會於經延長租期內按直線法基準確認為收入。
- (c) 於應用香港財務報告準則第16號前，所收取的可退還租賃按金被視為應用香港會計準則第17號的租賃的權利及責任（屬貿易及其他應付賬款項下）。根據香港財務報告準則第16號租賃付款的定義，該等按金並非與使用權資產相關的付款，並調整以反映過渡時的貼現影響。本公司董事認為，貼現影響並無對本集團本年度的綜合財務報表造成任何重大影響。
- (d) 自2019年1月1日起，本集團應用香港財務報告準則第15號來自客戶合約的收入（「香港財務報告準則第15號」）以將合約代價分配至各租賃及非租賃組成部分。本公司董事認為，分配基準變動並無對本集團本年度的綜合財務報表造成任何重大影響。

除上文所述外，作為出租人，於本年度採用香港財務報告準則第16號不會對本集團的綜合財務狀況報表及綜合財務報表披露事項產生任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

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

HKFRS 16 Leases (Cont’d)

As a lessor (Cont’d)

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本（續）

香港財務報告準則第16號租賃（續）

作為出租人（續）

以下為對於2019年1月1日的綜合財務狀況報表內已確認的金額所作出的調整。概無呈列不受變動影響的項目。

			Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under HKFRS 16 at 1 January 2019
	Note		先前於2018年 12月31日呈報 的賬面值 RMB'000 人民幣千元	調整 RMB'000 人民幣千元	根據香港財務 報告準則第16號 於2019年1月1日 的賬面值 RMB'000 人民幣千元
Non-current Assets		非流動資產			
Right-of-use assets		使用權資產	–	29,030	29,030
Prepaid lease payments	(a)	預付租賃款項	26,091	(26,091)	–
Current Assets		流動資產			
Prepaid lease payments	(a)	預付租賃款項	668	(668)	–
Current Liabilities		流動負債			
Lease liabilities		租賃負債	–	1,008	1,008
Non-current Liabilities		非流動負債			
Lease liabilities		租賃負債	–	1,263	1,263

Notes to the Consolidated Financial Statements

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17 香港財務報告準則第17號	Insurance Contracts ¹ 保險合約 ¹
Amendments to HKFRS 3 香港財務報告準則第3號(修訂本)	Definition of a Business ² 業務的定義 ²
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號(修訂本)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ 投資者與其聯營公司或合營企業之間的資產出售或注資 ³
Amendments to HKAS 1 and HKAS 8 香港會計準則第1號及香港會計準則第8號(修訂本)	Definition of Material ⁴ 重大的定義 ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	Interest Rate Benchmark Reform ⁴ 利率基準改革 ⁴

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

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

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

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

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

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則修訂本(續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則修訂本

本集團並無提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則修訂本：

¹ 於2021年1月1日或之後開始的年度期間生效

² 對於2020年1月1日或之後開始的首個年度期間或之後的收購日期的業務合併及資產收購生效

³ 於待確定日期或之後開始的年度期間生效

⁴ 於2020年1月1日或之後開始的年度期間生效

除上文之新訂香港財務報告準則及香港財務報告準則修訂本外，2018年已頒佈經修訂財務報告之概念框架。其相關修訂，*提述香港財務報告準則概念框架的修訂*將於2020年1月1日或之後開始的年度期間生效。

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

New and amendments to HKFRSs in issue but not yet effective (Cont’d)

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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

The New Framework:

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則修訂本（續）

除下文所述香港財務報告準則修訂本外，本公司董事預期，應用所有新訂香港財務報告準則及香港財務報告準則修訂本於可見將來不會對綜合財務報表造成重大影響。

2018年財務報告概念框架（「新框架」）及提述香港財務報告準則概念框架的修訂

新框架：

- 重新引入管理及審慎此等術語；
- 引入著重權利的新資產定義以及範圍可能比所取代定義更廣的新負債定義，惟不會改變負債與權益工具之間的區別；
- 討論歷史成本及現值計量，並就如何為某一資產或負債選擇計量基準提供額外指引；
- 指出財務表現主要計量標準為損益，且於特殊情況下會使用其他全面收益，且僅用於資產或負債現值產生變動的收入或開支；及
- 討論不確定因素、終止確認、會計單位、報告實體及合併財務報表。

已作出相應修訂，致使有關若干香港財務報告準則中的提述已更新至符合新框架，惟部分香港財務報告準則仍參考該框架的先前版本。該等修訂於本集團2020年1月1日或之後開始的年度期間生效。除仍參考該框架先前版本的特定準則外，本集團將於其生效日期按新框架決定會計政策，尤其是會計準則未有處理的交易、事件或條件。

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綜合財務報表附註

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

Amendments to HKAS 1 and HKAS 8 Definition of Material

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

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本（續）

香港會計準則第1號及香港會計準則第8號（修訂本）重大的定義

該等修訂本透過載入作出重大判斷時的額外指引及解釋，對重要的定義進行修訂。尤其是修訂本：

- 包含「掩蓋」重要資料的概念，其與遺漏或誤報資料有類似效果；
- 就影響使用者重要性的範圍以「可合理預期影響」取代「可影響」；及
- 包含使用詞組「主要使用者」，而非僅指「使用者」，於決定於財務報表披露何等資料時，該用語被視為過於廣義。

該等修訂本亦與各香港財務報告準則的定義一致，並將在本集團於2020年1月1日開始的年度期間強制生效。預期應用該等修訂本不會對本集團的財務狀況及表現造成重大影響，惟可能影響於綜合財務報表中的呈列及披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis at the end of reporting period, as explained in the accounting policies set out below.

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

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

3. 主要會計政策

綜合財務報表根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例規定的適用披露。

綜合財務報表乃於呈報期末按過往成本編製（如下文所載會計政策所闡明）。

過往成本一般按交換貨品所付代價的公平值計算。

公平值為市場參與者於計量日期進行的有序交易中出售資產所收取或轉讓負債所支付的價格，不論該價格為直接可觀察或使用另一種估值技術估計得出。在估計資產或負債的公平值時，本集團考慮市場參與者於計量日期對該資產或負債進行定價時將會考慮的資產或負債的特點。該等綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬香港財務報告準則第2號以股份為基礎的付款範圍內以股份支付的交易、根據香港財務報告準則第16號（自2019年1月1日起）或香港會計準則第17號（於應用香港財務報告準則第16號之前）入賬的租賃交易以及與公平值類似但並非公平值的計量（如香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

3. 主要會計政策 (續)

此外，就財務申報而言，公平值計量根據公平值計量輸入數據的可觀察程度及公平值計量輸入數據對其整體的重要性分類為第一、第二或第三級，詳情如下：

- 第一級輸入數據為實體可於計量日期取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第二級輸入數據為資產或負債的可直接或間接觀察的輸入數據（第一級所包括的報價除外）；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表載有本公司及本公司所控制實體及其子公司的財務報表。倘本公司符合以下情況，即取得控制權：

- 可對被投資方行使權力；
- 因參與被投資方業務而面對浮動回報的風險或享有其權利；及
- 有能力使用權力影響其回報。

倘有事實及情況顯示上文所列三項控制權要素中有一項或多項出現變動，則本集團重新評估其是否控制被投資方。

綜合子公司賬目於本集團取得子公司控制權時開始，並於本集團失去子公司控制權時終止。具體而言，於年內收購或出售子公司的收入及開支，會自本集團取得控制權之日起直至本集團失去子公司控制權之日止計入綜合損益報表及其他全面收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of consolidation (Cont'd)

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

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

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

Investments in associates

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

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

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

3. 主要會計政策 (續)

綜合基準 (續)

利潤或虧損及其他全面收益的各項目會分配予本公司擁有人。子公司的全面收益總額會分配予本公司擁有人。

如有需要，子公司的財務報表會作出調整，使其會計政策與本集團的會計政策保持一致。

與本集團成員公司間交易有關的所有集團內資產及負債、權益、收入、開支及現金流量悉數於綜合賬目時對銷。

於聯營公司之投資

聯營公司為本集團對其具有重大影響力之實體。重大影響力乃指可參與投資對象之財務及營運政策決定之權力，惟對該等政策並無控制權或共同控制權。

聯營公司之業績、資產及負債乃以會計權益法納入該等綜合財務報表。以權益會計法處理之聯營公司財務報表乃按與本集團就於類似情況下之交易及事件所採用者相同之會計政策編製。根據權益法，於聯營公司之投資乃初步按成本於綜合財務狀況報表中確認，並作出調整以確認本集團分佔聯營公司之損益及其他全面收益。於該聯營公司的資產淨值（損益及其他全面收益除外）變動不入賬，除非該等變動導致本集團持有的所有權益變動。當本集團分佔某聯營公司之虧損超出本集團於該聯營公司之權益（包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部分），則本集團不再繼續確認其分佔之進一步虧損。額外虧損乃以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限而確認。

於投資對象成為一間聯營公司當日，於一間聯營公司之投資採用權益法入賬。取得於聯營公司中投資時，投資成本超過本集團在投資對象的可識別資產及負債的公平值淨額中所佔份額的部份確認為商譽（商譽會納入投資的賬面值內）。如果本集團在此類可識別資產及負債的公平值淨額中所佔的份額超過投資成本，而且在重新評估後亦是如此，則超出的金額會在取得該項投資的當期立即計入損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments in associates (Cont'd)

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

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9 Financial Instruments ("HKFRS 9"), the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal / partial disposal of the relevant associate.

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

Revenue from contracts with customers

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

3. 主要會計政策 (續)

於聯營公司之投資 (續)

本集團評估是否存在客觀證據顯示於一間聯營公司的權益可能存在任何減值。如存在任何客觀證據，投資之全部賬面值將會根據香港會計準則第36號作為單一資產進行減值測試，方法為比較其可收回金額（使用價值及公平值減銷售成本之較高者）與其賬面值。被確認之任何減值虧損不會分配至任何資產（包括形成投資賬面值之一部分的商譽）。該減值虧損之任何撥回根據香港會計準則第36號確認，惟受隨後增加之可收回投資金額規限。

當本集團不再對聯營公司具有重大影響時，作為出售於投資對象的全部權益入賬，產生的收益或虧損於損益確認。倘本集團保留於前聯營公司的權益及保留權益為香港財務報告準則第9號金融工具（「香港財務報告準則第9號」）範圍的金融資產，本集團按當日的公平值計量保留權益及公平值視為初步確認的公平值。聯營公司的賬面值與任何保留權益及出售聯營公司相關權益所得款項的公平值之間的差異於釐定出售聯營公司的盈虧時計入。此外，本集團採用如同聯營公司已直接出售相關資產或負債所適用之基準核算此前計入其他全面收益內與該聯營公司相關之全部金額。因此，倘此前被該聯營公司計入其他全面收益之收益或虧損應於出售相關資產或負債時重新分類至損益，則本集團會於出售／部分出售相關聯營公司時將此項收益或虧損從權益重新分類至損益（作為一項重新分類調整）。

當某集團實體與本集團之聯營公司進行交易時，此類與聯營公司進行之交易所產生之損益將僅按於聯營公司之權益與本集團無關之份額，在本集團之綜合財務報表內予以確認。

來自客戶合約的收入

當（或隨著）履約責任得以滿足，即有關特定履約責任之貨品或服務的「控制權」轉讓至客戶時，本集團會確認收入。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue from contracts with customers (Cont'd)

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

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

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

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

All of the Group's revenue are recognised at a point in time.

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

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)

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

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

3. 主要會計政策 (續)

來自客戶合約的收入 (續)

履約責任指不同的貨品或服務 (或一組貨品或服務) 或一系列不同的貨品或大致相同的服務。

控制權隨時間轉移，而倘滿足以下其中一項標準，則收入乃參照完全滿足相關履約責任的進展情況而隨時間確認：

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團之履約創建或強化客戶於本集團履約時已控制的資產；或
- 本集團之履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約之款項具有可執行之權利。

否則，收入於客戶獲得不同的貨品或服務控制權的時間點確認。

本集團之全部收入於特定時間點確認。

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

租賃

租賃的定義 (根據附註2的過渡條文應用香港財務報告準則第16號)

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立或修訂之合約而言，本集團於開始日期、修訂日期或收購日期 (如適用) 按香港財務報告準則第16號項下之定義評估合約是否為租賃或包含租賃。除非合約之條款及條件其後變動，否則有關合約將不予重新評估。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leases (Cont'd)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

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

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

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2的過渡條文應用香港財務報告準則第16號)

分配代價至合約組成部分

對於包含一項租賃組成部分及一項或多項額外的租賃或非租賃組成部分的合約，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將合約代價分配至各個租賃組成部分。

非租賃組成部分與租賃組成部分分開，並通過應用其他適用準則進行會計處理。

短期租賃

本集團將短期租賃確認豁免應用於租期自開始日期起12個月或以下且不包括購買選擇權之樓宇之租賃。短期租賃之租賃付款於租期內按直線法確認為開支。

使用權資產

使用權資產成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減去所收取的任何租賃優惠；
- 本集團產生的任何初步直接成本；及
- 本集團拆除及移除相關資產、復原相關資產所在場地或將相關資產復原至租賃條款及條件所規定狀態產生的估計成本。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leases (Cont'd)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Cont'd)

Right-of-use assets (Cont'd)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

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

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2的過渡條文應用香港財務報告準則第16號) (續)
使用權資產 (續)

本集團合理確定將於租期結束時取得相關租賃資產之所有權之使用權資產自開始日期起至可使用年期結束折舊。否則，使用權資產於其估計可使用年期及租期之較短者以直線法折舊。

本集團於綜合財務狀況報表將使用權資產作為單獨項目呈列。

可退還租賃按金

已付可退還租賃按金根據香港財務報告準則第9號入賬，初步按公平值計量。於初步確認時對公平值的調整被視為額外租賃付款並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按於當日尚未支付之租賃付款之現值確認及計量租賃負債。於計算租賃付款之現值時，倘租賃之隱含利率不易釐定，則本集團使用於租賃開始日期之增量借款利率。

租賃付款包括：

- 固定付款 (包括實質固定付款) 減任何應收租賃優惠；
- 取決於指數或費率的可變租賃付款，初步使用開始日期的指數或費率計量；
- 本集團於剩餘價值擔保下的預期應付款項；

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leases (Cont'd)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Cont'd)

Lease liabilities (Cont'd)

- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

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

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

Lease modifications

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

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

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

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

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2的過渡條文應用香港財務報告準則第16號) (續)

租賃負債 (續)

- 本集團合理確定將予行使之購買選擇權之行使價；及
- 支付終止租賃的罰款 (倘租賃條款反映本集團行使終止租賃之選擇權)。

於開始日期後，租賃負債按應計利息及租賃付款調整。

當租期有所變動 (在該情況下，相關租賃負債透過使用於重新評估日期之經修訂折現率折現經修訂租賃付款而重新計量)，本集團重新計量租賃負債 (及對相關使用權資產作出相應調整)。

本集團於綜合財務狀況報表將租賃負債作為單獨項目呈列。

租賃修改

倘出現以下情況，則本集團將租賃修訂作為一項單獨的租賃入賬：

- 該項修改通過增加對一項或多項相關資產的使用權擴大租賃範圍；及
- 租賃代價增加的金額相當於範圍擴大對應的單獨價格及對單獨價格進行的任何適當調整以反映特定合約的情況。

就並不以單獨租賃入賬之租賃修訂而言，本集團透過使用於修訂生效日期之經修訂折現率折現經修訂租賃付款按經修訂租賃之租期重新計量租賃負債。

本集團透過對相關使用權資產進行相應調整，對租賃負債的重新計量進行會計處理。當經修訂合約包含租賃組成部分和一個或多個額外租賃或非租賃組成部分時，本集團會根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將經修訂合約代價分配至各個租賃組成部分。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leases (Cont'd)

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

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

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

The Group as a lessor

Classification and measurement of leases

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

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

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

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

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (於2019年1月1日之前)

租賃於租賃條款實質上將所有權的所有風險及回報轉讓給承租人時分類為融資租賃。所有其他租賃分類為經營租賃。

經營租賃付款 (包括收購經營租賃項下持有之土地之成本) 於租期內以直線法確認為開支。

本集團作為出租人

租賃的分類及計量

本集團作為出租人的租賃分類為融資租賃或經營租賃。當租賃條款實質上將與相關資產所有權的所有風險及回報轉讓給承租人時，該合約被分類為融資租賃。所有其他租賃分類為經營租賃。

經營租賃產生的租金收入於相關租期內按直線基準於損益確認。磋商及安排經營租賃產生的初步直接成本計入租賃資產之賬面值，有關成本於租期內按直線基準確認為開支。

本集團作為出租人 (根據附註2的過渡條文應用香港財務報告準則第16號)

分配代價至合約組成部分

當合約包括租賃及非租賃組成部分時，本集團應用香港財務報告準則第15號客戶以分配合約代價至租賃及非租賃組成部分。非租賃組成部分與租賃組成部分基於其相對單獨售價進行分拆。

可退還租賃按金

已收取之可退還租賃按金根據香港財務報告準則第9號入賬，並初步按公平值計量。於初步確認時對公平值作出調整被視為承租人之額外租賃付款。

租賃修訂

本集團自修訂生效日期起將經營租賃修訂入賬為新租賃，將任何與原有租賃有關之預付或應計租賃付款視作新租賃之租賃付款之一部分。

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綜合財務報表附註

For the year ended 31 December 2019

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment

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

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

Ownership interests in leasehold land and building

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

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

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

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備為持有以用於生產或供應貨品或服務或行政用途的有形資產（不包括下述在建物業）乃按成本減其後累計折舊及其後累計減值虧損（如有）於綜合財務狀況報表列賬。

作為生產、供應或行政用途的在建物業按成本減任何已確認減值虧損入賬。成本包括使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本，而對於合資格資產而言，借貸成本根據本集團會計政策資本化。該等資產於可作擬定用途時開始按與其他物業資產相同的基準折舊。

於租賃土地及樓宇的擁有權權益

當本集團就物業的擁有權權益（包括租賃土地及樓宇成分）付款時，全部代價於租賃土地及樓宇部分之間按初始確認時的相對公平值的比例分配。

在相關付款可作可靠分配的情況下，入賬列為經營租賃的租賃土地權益於綜合財務狀況報表中呈列為「使用權資產」（應用香港財務報告準則第16號後）或「預付租賃款項」（應用香港財務報告準則第16號前），惟按公平值模式分類及入賬為投資物業者除外。當代價無法在相關租賃土地的非租賃樓宇部分及未分割權益之間可靠分配時，整項物業分類為物業、廠房及設備。

除在建工程以外的資產按估計可使用年期以直線法確認折舊，以撇銷其成本（扣除餘下價值後）。估計可使用年期、餘下價值及折舊方法於各呈報期末檢討，任何估計變動的影響按預期基準入賬。

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For the year ended 31 December 2019

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment (Cont'd)

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

Intangible assets

Internally-generated intangible assets – research and development expenditure

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

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

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

3. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目乃於出售時或當預期持續使用有關資產將不會產生未來經濟利益時取消確認。物業、廠房及設備項目出售或報廢產生的任何損益按銷售所得款項與資產賬面值的差額計算，於損益確認。

無形資產

內部產生無形資產 – 研發開支

研究活動的開支於產生期間確認為開支。

由開發活動（或自內部項目開發階段）而引起的內部產生無形資產，僅在證明下列各項後方會確認：

- 完成無形資產技術上可行，將可供使用或出售；
- 完成、使用或出售無形資產的意向；
- 使用或出售無形資產的能力；
- 無形資產將產生潛在未來經濟利益的方式；
- 充分取得完成無形資產開發及使用或出售所需的技術、財務及其他資源；及
- 可靠計量無形資產於開發時應佔開支的能力。

Notes to the Consolidated Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangible assets (Cont'd)

Internally-generated intangible assets – research and development expenditure (Cont'd)

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

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any).

Impairment on property, plant and equipment, right-of-use assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, corporate assets are allocated to individual cash-generating units when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, the recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

3. 主要會計政策 (續)

無形資產 (續)

內部產生無形資產 – 研發開支 (續)

內部產生的無形資產初步按無形資產首度符合上述確認準則當日起所產生的開支總額確認。倘無內部產生的無形資產可予確認，則開發費用於產生期間在損益確認。

於初步確認後，內部產生的無形資產以成本減累計攤銷及累計減值虧損(如有)呈報。

物業、廠房及設備、使用權資產及無形資產減值

於呈報期末，本集團審閱其具有有限可使用年期的物業、廠房及設備、使用權資產及無形資產的賬面值，以釐定該等資產是否出現任何減值虧損跡象。倘存在任何減值跡象，則會估計相關資產可收回金額以釐定減值虧損(如有)。

物業、廠房及設備、使用權資產及無形資產的可收回金額乃分別估計。如無法分別估計資產的可收回金額，本集團將估計其所屬現金產生單位的可收回金額。

此外，於能建立一個合理和貫徹的分配基準時，會將企業資產分配至個別現金產生單位，或分配至可以建立合理和貫徹的分配基準的現金產生單位最小組別。本集團對是否有跡象顯示企業資產可能出現減值進行評估。倘存在有關跡象，則會就企業資產歸屬的現金產生單位或現金產生單位組別釐定可收回金額，並與有關現金產生單位或現金產生單位組別的賬面值進行比較。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment on property, plant and equipment, right-of-use assets and intangible assets (Cont'd)

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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

3. 主要會計政策(續)

物業、廠房及設備、使用權資產及無形資產減值(續)

可收回金額乃指公平值減處置成本及使用價值兩者之較高者。於評定使用價值時，估計未來現金流量以稅前折現率折現至現值，稅前折現率反映貨幣時間價值的現時市場評估及與資產(或現金產生單位)相關的風險，而對未來現金流量的估計並無因此調整。

倘資產(或現金產生單位)的可收回金額估計少於賬面值，則資產(或現金產生單位)的賬面值調低至可收回金額。就未能按合理和貫徹的基準分配至現金產生單位的企業資產或部分企業資產，本集團會比較一組現金產生單位的賬面值(包括已分配至該組現金產生單位的企業資產或部分企業資產的賬面值)與該組現金產生單位的可收回金額。分配減值虧損時，減值虧損根據該單位或一組現金產生單位內各資產賬面值按比例分配。資產的賬面值不減至低於其公平值減去處置成本(如可計量)，其使用價值(如可確定)和零之中的最高值。將另行分配至資產的減值虧損金額按比例分配至該單位或一組現金產生單位的其他資產。減值虧損於損益內即時確認。

凡減值虧損於其後撥回，則資產(或現金產生單位或一組現金產生單位)的賬面值增至可收回金額的經修訂估算值，惟增加後的賬面值不得高於在過往年度並未確認資產(或現金產生單位或一組現金產生單位)減值虧損時應有的賬面值。減值虧損的撥回即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Inventories

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

Financial instruments

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

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

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

3. 主要會計政策 (續)

存貨

存貨以成本及可變現淨值兩者中的較低者列賬。存貨成本乃按加權平均法釐定。可變現淨值乃指存貨的估計售價減去所有估計完成成本及完成銷售所需的估計成本後所得的數額。

金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時確認。所有常規方式買賣的金融資產概於交易日予以確認及取消確認。常規方式買賣乃指遵循法規或市場慣例在約定時間內交付資產的金融資產買賣。

金融資產及金融負債初步以公平值計量，惟產生自與客戶的合約之貿易應收賬款（初步按香港財務報告準則第15號計量）除外。收購或發行金融資產及金融負債直接應佔的交易成本於初步確認時加入或從金融資產或金融負債的公平值扣除（倘適用）。

實際利率法為計算金融資產或金融負債的攤銷成本以及分配相關期間的利息收入及利息開支之方法。實際利率乃於初步確認時按金融資產或金融負債的預期年期或適用的較短期間內確切折現估計未來現金收入及付款（包括構成實際利率不可或缺部分的所有已付或已收費用及點數、交易成本及其他溢價或折現）至賬面淨值的利率。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets

Classification and subsequent measurement of financial assets

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

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

All of the Group's financial assets are measured at amortised cost.

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

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, other receivables, pledged bank balances and bank balances which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. 主要會計政策 (續)

金融工具 (續)

金融資產

金融資產的分類及後續計量

滿足以下條件的金融資產後續按攤銷成本計量：

- 以收取合約現金流量為目的而於業務模式內持有金融資產；及
- 合約條款導致於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

本集團所有金融資產均按攤銷成本計量。

就後續按攤銷成本計量的金融資產而言，利息收入乃使用實際利率法予以確認。利息收入乃對一項金融資產總賬面值應用實際利率予以計算，惟後續出現信貸減值的金融資產除外。就後續出現信貸減值的金融資產而言，自下一呈報期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自呈報期開始起利息收入乃對金融資產總賬面值應用實際利率予以確認。

金融資產減值

本集團對須根據香港財務報告準則第9號予以減值的金融資產（包括貿易應收賬款、其他應收賬款、已抵押銀行結餘以及銀行結餘）使用預期信貸虧損（「預期信貸虧損」）模型進行減值評估。預期信貸虧損的金額於各報告日期更新，以反映自首次確認後信貸風險的變化。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

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

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

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

(i) Significant increase in credit risk

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

存續期預期信貸虧損指將相關工具的預期年內所有可能的違約事件產生之預期信貸虧損。相反，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件導致之存續期預期信貸虧損部分。評估乃根據本集團的過往信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

本集團始終就貿易應收賬款確認存續期預期信貸虧損。預期信貸虧損將對擁有大量結餘的該等資產的債務人單獨進行評估，並使用適宜組別的撥備矩陣進行集體評估。

對於所有其他工具，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自首次確認後信貸風險顯著增加，本集團確認存續期預期信貸虧損。是否應確認存續期預期信貸虧損的評估乃基於自首次確認以來發生違約之可能性或風險的顯著增加。

(i) 信貸風險大幅增加

於評估自首次確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與首次確認日起金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量和定性資料，包括無需付出不必要的成本或努力而可得之過往經驗及前瞻性資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

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

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

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險大幅增加 (續)

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部（如有）或內部信貸評級實際或預期顯著惡化；
- 外部市場信貸風險指標顯著惡化，如信貸利差、債務人的信用違約掉期價格大幅增加；
- 業務、財務或經濟狀況的現有或預測不利變化（預計會導致債務人履行其債務責任的能力大幅下降）；
- 債務人經營業績實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境的實際或預期重大不利變動，導致債務人履行其債務責任的能力大幅下降。

不論上述評估結果如何，本集團假設當合約付款逾期超過30日時，信貸風險自初步確認以來已大幅增加，惟本集團有合理且可支持的資料證明除外。

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綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

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

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險大幅增加 (續)

本集團定期監察用以識別信貸風險有否大幅增加的標準之效益，且修訂標準(如適當)來確保標準能在金額逾期前識別信貸風險大幅增加。

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

無論上述如何，倘金融資產逾期超過90日，本集團將視作已發生違約，除非本集團擁有合理且可支持的資料證明較寬鬆的違約標準更為適用，則另當別論。

(iii) 信貸減值金融資產

金融資產在一項或以上事件(對該金融資產估計未來現金流量構成不利影響)發生時出現信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人出現重大財務困難；
- (b) 違約，如違約或逾期事件；
- (c) 借款人的貸款人因有關借款人財務困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；

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For the year ended 31 December 2019

截至2019年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(iii) Credit-impaired financial assets (Cont'd)

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(iii) 信貸減值金融資產 (續)

(d) 借款人有可能申請破產或其他財務重組；或

(e) 該金融資產的活躍市場因財務困難而消失。

(iv) 撇銷政策

資料顯示對手方處於嚴重財務困難及無實際收回可能時，本集團則撇銷金融資產。經考慮法律意見後（倘合適），遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回在損益中確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率（即違約損失程度）及違約風險的函數。違約概率及違約損失率乃基於根據前瞻性資料調整的過往數據評估。預期信貸虧損的預估乃無偏概率加權平均金額，以發生違約的風險為權重確定。

一般而言，預期信貸虧損按本集團根據合約應收的所有合約現金流量與本集團預計收取的現金流量的差額估計，並按首次確認時釐定的實際利率貼現。

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綜合財務報表附註

For the year ended 31 December 2019

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(v) Measurement and recognition of ECL (Cont'd)

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

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

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

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

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 預期信貸虧損的計量及確認 (續)

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

- 金融工具性質（即本集團貿易應收賬款及其他應收賬款各自被評為獨立組別。已抵押銀行結餘及銀行結餘就預期信貸虧損個別評估）；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級（倘有）。

歸類工作經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入按金融資產的總賬面值計算，除非該金融資產信貸減值，則利息收入按金融資產的攤銷成本計算。

取消確認金融資產

本集團僅於資產現金流量的合約權利屆滿或其轉讓金融資產並轉移絕大部分資產所有權風險及回報予另一實體時，才會取消確認金融資產。

於取消確認按攤銷成本計量的金融資產時，資產的賬面值與已收及應收代價之總和的差額，將於損益中確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities at amortised cost

All of the Group's financial liabilities are subsequently measured at amortised cost using the effective interest method.

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

Derecognition of financial liabilities

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

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益

分類為債務或權益

債務及權益工具乃根據合約安排的性質與金融負債及權益工具的定義而分類為金融負債或權益。

權益工具

權益工具為證明實體扣除其所有負債後的資產中所剩餘權益的任何合約。本公司發行的權益工具按已收所得款項扣除直接發行成本確認。

購回本公司本身權益工具已直接於權益確認及扣除。概無就購買、出售、發行或註銷本公司本身權益工具於損益確認收益或虧損。

按攤銷成本計量的金融負債

本集團所有的金融負債隨後採用實際利率法按攤銷成本計量。

金融負債(包括貿易及其他應付賬款及銀行借款)隨後採用實際利率法按攤銷成本計量。

取消確認金融負債

本集團僅會於本集團責任遭解除、取消或屆滿時取消確認金融負債。取消確認的金融負債賬面值與已付及應付代價的差額於損益內確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Share-based payments

Equity-settled share-based payment transactions

Share option granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

Taxation

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

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

3. 主要會計政策 (續)

以股份為基礎的付款

以權益結算以股份支付的交易

授予僱員的購股權

對僱員及提供同類服務的其他人士作出的以權益結算以股份為基礎的付款按權益工具於授出日期的公平值計量。

於授出當日釐定的以權益結算以股份為基礎的付款的公平值(並無考慮所有非市場性質的歸屬條件)，乃按本集團估計權益工具將會最終歸屬的歸屬期間以直線法支銷，並於權益中(購股權儲備)作相應增加。於各呈報期末，本集團重新估計預期將按所有相關非市場性質的歸屬條件的評估歸屬的權益工具數目。修訂原有估計的影響(如有)在損益中確認，以便累計開支反映經修訂估計，購股權儲備亦會作出相應調整。

行使購股權時，先前於購股權儲備中確認的金額將撥入股份溢價。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使，先前於購股權儲備中確認的金額將撥入保留盈利。

稅項

所得稅開支乃指即期應付稅項及遞延稅項的總和。

即期應付稅項基於年度應課稅利潤計算。應課稅利潤與稅前利潤/虧損不同，是由於其他年度應課稅或可扣稅的收入或開支及不曾課稅或扣減的項目所致。本集團的即期稅項負債按呈報期末已頒佈或實質上已頒佈的稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation (Cont'd)

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

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

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

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

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

3. 主要會計政策 (續)

稅項 (續)

遞延稅項按綜合財務報表中資產與負債的賬面值與計算應課稅利潤時採用的相應稅基的暫時差額確認。遞延稅項負債一般就一切應課稅暫時差額而確認，而遞延稅項資產一般在可能產生應課稅利潤以抵銷可扣稅暫時差額的情況下，就所有可扣稅暫時差額確認。倘暫時差額因首次確認（業務合併除外）一項對應課稅利潤或會計利潤概無影響的交易中的資產或負債而產生，則該等遞延稅項資產及負債不予確認。

遞延稅項負債就於子公司的投資相關的應課稅暫時差額作出確認，惟本集團能控制暫時差額的撥回及暫時差額可能不會於可見未來撥回的情況除外。與該等投資相關的可扣稅暫時差額產生的遞延稅項資產，僅在可能有足夠應課稅利潤用於抵銷暫時差額利益，並預期於可見未來撥回的情況下方會確認。

遞延稅項資產的賬面值於各呈報期末審閱，並於不再可能有足夠應課稅利潤可收回全部或部分資產時作出扣減。

遞延稅項資產及負債按預期適用於清償負債或變現資產期間的稅率計算，有關稅率（及稅法）乃於呈報期末已頒佈或實質已頒佈者。

遞延稅項負債及資產的計量反映本集團預期於呈報期末收回或清償資產及負債的賬面值時出現的稅務後果。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation (Cont'd)

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

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

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

Foreign currencies

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

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

3. 主要會計政策 (續)

稅項 (續)

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

就稅項扣減歸因於租賃負債之租賃交易而言，本集團對租賃交易整體應用香港會計準則第12號所得稅規定。使用權資產與租賃負債之臨時差額以淨額估算。使用權資產折舊超過租賃負債主要部分之租金，導致可扣除臨時淨差額。

當即期稅項資產與即期稅項負債可依法相互抵銷，且與同一稅務機關的同一課稅實體所徵收之所得稅有關，遞延稅項資產及負債可相互抵銷。

即期與遞延稅項於損益確認，惟與於其他全面收益或直接於權益中確認的項目相關者除外，在該等情況下，即期與遞延稅項亦於其他全面收益或直接於權益中確認。

外幣

編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣（外幣）進行的交易按交易日期的匯率確認。於呈報期末，以外幣計值的貨幣項目按當日的匯率重新換算。以外幣按過往成本計量的非貨幣項目毋須重新換算。

於結算及重新換算貨幣項目時產生的匯兌差額乃於其產生的期間於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Borrowing costs

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

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

Government grants

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

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

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

Retirement benefits costs

Payments to state-managed retirement benefit schemes which are classified as defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策 (續)

借貸成本

收購、建造或生產合資格資產(需相當長一段時間方可作擬定用途或出售者)直接應佔借貸成本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時為止。

所有其他借貸成本均於產生期間在損益確認。

政府補助金

直至合理確保本集團將遵守相關所附條件並將獲得有關補助金時方會確認政府補助金。

於本集團將補助金擬用於補償的相關成本確認為開支期間，政府補助金有系統地於損益中確認。具體而言，主要條件為本集團須購買、建設或以其他方式收購非流動資產的政府補助金於綜合財務狀況報表內確認為遞延收入，並於有關資產的可使用年期內按系統及合理的基準轉撥至損益。

用於補償已產生的開支或虧損或用作向本集團提供即時財務資助且日後不會產生相關成本的應收政府補助金，於應收取的期間在損益確認。

退休福利成本

國家管理退休福利計劃(被分類為界定供款計劃)的供款，於僱員提供服務而享有供款時作為開支確認。

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綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Short-term employee benefits

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

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. 主要會計政策 (續)

短期僱員福利

短期僱員福利按僱員提供服務時預計將予支付的未折現福利金額予以確認。所有短期僱員福利將確認為開支，惟其他香港財務報告準則另有規定或允許將福利計入資產成本則除外。

負債乃按應給予僱員的福利（如工資及薪金、年假及病假）扣除任何已支付的金額後進行確認。

4. 估計不明朗因素的主要來源

於應用本集團的會計政策（於附註3闡述）時，本公司董事須作出有關未能從其他來源輕易獲得的資產及負債賬面值的判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為與其有關的其他因素。實際業績可能與該等估計不同。

估計及相關假設會持續檢討。倘會計估計的修訂僅影響估計修訂的期間，則會計估計的修訂於該期間確認，或倘會計估計的修訂影響現時及未來期間，則會計估計的修訂於修訂期間及未來期間確認。

以下為於呈報期末，可能構成重大風險以致須對下一個財政年度資產及負債的賬面值作出重大調整的有關日後的主要假設及估計不明朗因素的其他主要來源。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Write-down on inventories

The Group writes down inventories based on an assessment of the net realisable value of inventories. Allowance is applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The identification of obsolete inventories requires the use of judgment and estimates on the conditions and usefulness of the inventories. The management may consider the aging analysis, technology development of the industry, net realisable value for obsolete and slow-moving inventories that are no longer suitable for use in operation and subsequent sales or usage. Where the actual outcome or expectation of the net realisable value of inventories is different from the original estimate, such difference will impact the carrying value of inventories and write-down on inventories in the period in which such estimate has changed. The carrying amount of inventories at 31 December 2019 is RMB281,691,000, net of write down of RMB71,632,000 (2018: RMB448,692,000, net of write down of RMB70,462,000).

Provision of ECL for trade receivables

The Group uses provision matrix to calculate the lifetime ECL for the trade receivables through groupings of various debtors that have similar loss patterns after considering internal credit ratings of trade debtors, ageing, repayment history and past due status of respective trade receivables. The estimated loss rates are based on the Group's historical default rates over the expected life of the debtors and taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL is disclosed in note 33 and the detail of the Group's trade receivables is disclosed in note 21.

4. 估計不明朗因素的主要來源(續)

存貨撇減

本集團以存貨可變現淨值的評估為基準撇減存貨。倘有事件或情況變化顯示存貨的可變現淨值低於成本，則須對存貨計提撥備。陳舊存貨的識別須使用對存貨的狀況及是否可用作出的判斷及估計。管理層可能考慮賬齡分析、行業技術發展以及不再適合用於經營及後續銷售或使用的陳舊及滯銷存貨的可變現淨值。倘存貨可變現淨值的實際結果或預期與原先估計不同，有關差額將影響有關估計出現變動的期間內的存貨及存貨撇減賬面值。於2019年12月31日，存貨的賬面值為人民幣281,691,000元(扣除撇減人民幣71,632,000元)(2018年：人民幣448,692,000元(扣除撇減人民幣70,462,000元))。

貿易應收賬款預期信貸虧損撥備

經考慮貿易應收賬款的內部信貸評級、賬齡、還款記錄及各貿易應收賬款的逾期情況後，本集團透過具有類似虧損模式的不同應收賬款組別使用撥備矩陣計算貿易應收賬款的存續期預期信貸虧損。估計虧損率乃按本集團於應收賬款預期年期內的過往違約率計算，經考慮毋須付出不必要的成本或努力即可獲得的合理且可支持的前瞻性資料。於各報告日期，本集團會重新評估過往可觀察違約率，並考慮前瞻性資料的變動。此外，具有重大結餘及信貸減值的貿易應收賬款將個別評估預期信貸虧損。

預期信貸虧損撥備對估計變動尤為敏感。有關預期信貸虧損的資料於附註33披露及本集團的貿易應收賬款的詳情於附註21披露。

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5. REVENUE AND SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group’s reportable and operating segments under HKFRS 8 are as follows:

Antenna system – manufacturing and sales of antenna system and related products

Base station RF subsystem – manufacturing and sales of base station RF subsystem and related products

Coverage extension solution – manufacturing and sales of a wide array of coverage products

Performance obligations for contracts with customers

All of the Group’s revenue are recognised at a point in time when the customers obtained the control of the antenna system and related products, base station RF subsystem and related products and coverage extension solution and related products.

All the Group’s contracts are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. 收入及分部資料

就分配資源及評估分部表現而向本公司行政總裁，即最高營運決策人（「最高營運決策人」）呈報的資料主要為所交付或提供的貨品或服務類別。在設定本集團的可呈報分部時，最高營運決策人並無將所識別的經營分部匯合。

本集團根據香港財務報告準則第8號的可呈報及經營分部如下：

天線系統 – 製造及銷售天線系統及相關產品

基站射頻子系統 – 製造及銷售基站射頻子系統及相關產品

覆蓋延伸方案 – 製造及銷售各種覆蓋產品

客戶合約之履約責任

本集團的所有收入於客戶獲得天線系統及相關產品、基站射頻子系統及相關產品以及覆蓋延伸方案及相關產品的控制權時確認。

本集團所有合約均為期一年或以內。在香港財務報告準則第15號允許的情況下，分配至該等未達成合約的交易價格未予披露。

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information of segment revenues and segment results

5. 收入及分部資料(續)

有關分部收入及分部業績的資料

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Segment revenues	分部收入		
Antenna system	天線系統	737,796	712,493
Base station RF subsystem	基站射頻子系統	320,222	460,721
Coverage extension solution	覆蓋延伸方案	156,911	84,001
		1,214,929	1,257,215
Timing of revenue recognition	收入確認的時間		
A point in time	於某個時間點確認	1,214,929	1,257,215
Segment results	分部業績		
Antenna system	天線系統	145,344	144,442
Base station RF subsystem	基站射頻子系統	3,922	(729)
Coverage extension solution	覆蓋延伸方案	33,322	25,250
Reconciliation of segment results to profit before tax:	分部業績與稅前利潤對賬：	182,588	168,963
Impairment losses under ECL model, net of reversal	預期信貸虧損模式下的減值虧損，扣除撥回	(2,712)	(280)
Other income and expenses, other gain and loss	其他收入及開支、其他收益及虧損	30,348	41,073
Unallocated corporate expenses	未分配企業開支	(182,822)	(185,822)
Finance costs	財務成本	(10,240)	(13,178)
Share of results of associates	應佔聯營公司業績	(406)	(735)
Profit before tax	稅前利潤	16,756	10,021
Other segment information	其他分部資料		
Depreciation of property, plant and equipment:	物業、廠房及設備折舊：		
Antenna system	天線系統	10,038	9,649
Base station RF subsystem	基站射頻子系統	4,357	6,239
Coverage extension solution	覆蓋延伸方案	2,135	1,138

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information of segment revenues and segment results (Cont'd)

5. 收入及分部資料(續)

有關分部收入及分部業績的資料(續)

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Segment total (note)	分部總計(附註)	16,530	17,026
Unallocated amount	未分配金額	23,852	26,786
Group total	集團總計	40,382	43,812
Research and development expenses:	研發開支：		
Antenna system	天線系統	48,959	45,656
Base station RF subsystem	基站射頻子系統	35,486	38,497
Coverage extension solution	覆蓋延伸方案	12,799	4,912
Group total (note)	集團總計(附註)	97,244	89,065
Amortisation of intangible assets:	無形資產攤銷：		
Antenna system	天線系統	8,350	5,539
Base station RF subsystem	基站射頻子系統	3,624	3,580
Group total (note)	集團總計(附註)	11,974	9,119
Write-down on inventories	存貨撇減		
Base station RF subsystem	基站射頻子系統	1,170	1,457
Group total (note)	集團總計(附註)	1,170	1,457

Note: Amounts included in the measure of segment results.

附註：已包括計量分部業績的金額。

Revenues reported above represent revenues generated from external customers. There are no inter-segment sales for the years ended 31 December 2019 and 2018.

上文呈報的收入為來自外部客戶的收入。截至2019年及2018年12月31日止年度並無分部間銷售。

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. The Group does not allocate impairment losses under ECL model, net of reversal, other income and expenses, other gain and loss, unallocated corporate expenses, finance costs and share of results of associates to individual reportable segments when making decisions about resources to be allocated to the segments and assessing their performance. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

經營分部的會計政策與附註3所述本集團的會計政策相同。本集團於決定分配資源予各分部及評估其表現時，不會將預期信貸虧損模式下的減值虧損，扣除撥回、其他收入及開支、其他收益及虧損、未分配企業開支、財務成本及應佔聯營公司業績分配予個別可呈報分部。此乃向最高營運決策人呈報以用作分配資源及評估表現的方式。

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Disaggregation of revenue from contracts with customers and information about products

No segment information on assets and liabilities is presented as such information is not reported to the CODM for the purposes of resource allocation and performance assessment.

Revenues from each group of similar products within the operating segments are as follows:

5. 收入及分部資料(續)

來自客戶合約的收入及產品資料分拆

由於資產及負債分部資料並無向最高營運決策人呈報以用作分配資源及評估表現，故並無呈列該等資料。

經營分部內各類似產品組別的收入如下：

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Segments	分部		
<i>Antenna system</i>	<i>天線系統</i>		
Multi-band/Multi-system antennas	多頻／多系統天線	370,698	296,153
Low-band refarming/IoT antennas	低頻重耕／物聯網天線	153,362	149,016
WCDMA/FDD-LTE single-band/multi-band antennas	WCDMA/FDD-LTE窄頻／多頻天線	102,267	128,212
FDD+TDD antennas	FDD+TDD天線	30,727	60,928
Microwave antennas	微波天線	24,184	22,198
5G antennas	5G天線	21,203	3,432
CDMA/GSM antennas	CDMA/GSM天線	2,659	7,835
AAU antennas	AAU多頻天線	2,561	6,937
Other antennas	其他天線	30,135	37,782
		737,796	712,493
<i>Base station RF subsystem</i>	<i>基站射頻子系統</i>		
WCDMA/LTE RF devices	WCDMA/LTE射頻器件	212,632	234,300
TD/TD-LTE RF devices	TD/TD-LTE射頻器件	44,137	61,874
Low-band refarming/IoT RF devices	低頻重耕／物聯網射頻器件	41,911	106,141
GSM RF devices	GSM射頻器件	20,098	47,384
Other devices	其他器件	1,444	11,022
		320,222	460,721
<i>Coverage extension solution</i>	<i>覆蓋延伸方案</i>		
Aesthetic antennas	美化天線	136,384	71,413
Small Cell	微基站	13,077	3,973
AP	AP產品	1,086	1,146
Other products	其他產品	6,364	7,469
		156,911	84,001
		1,214,929	1,257,215

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information about major customers

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

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Customer A ¹	客戶A ¹	254,367	332,245
Customer B ²	客戶B ²	219,637	290,773
Customer C ²	客戶C ²	219,498	N/A ³
Customer D ¹	客戶D ¹	176,768	268,722

¹ Revenue from antenna system and base station RF subsystem.

² Revenue from antenna system.

³ The revenue amount of the customers did not contribute over 10% of the total revenue of the Group in the corresponding year.

Geographical information

Information about the Group's revenue from external customers is presented based on the location where the goods are delivered to:

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
The PRC	中國	877,654	846,630
Overseas	海外		
Other countries/areas in Asia	亞洲其他國家／地區	158,504	188,583
Europe	歐洲	134,298	129,449
Americas	美洲	44,473	92,553
Subtotal	小計	337,275	410,585
		1,214,929	1,257,215

All non-current assets (other than deferred tax assets) of the Group are located in the PRC.

5. 收入及分部資料(續)

有關主要客戶的資料

來自於有關年度對本集團收入總額貢獻超過10%的客戶的收入如下：

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Customer A ¹	254,367	332,245
Customer B ²	219,637	290,773
Customer C ²	219,498	N/A ³
Customer D ¹	176,768	268,722

¹ 來自天線系統及基站射頻子系統的收入。

² 來自天線系統的收入。

³ 於有關年度對本集團收入總額貢獻未超過10%的客戶收入金額。

地區資料

有關本集團來自外部客戶收入的資料乃根據交付貨品的位置呈列：

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
The PRC	877,654	846,630
Overseas		
Other countries/areas in Asia	158,504	188,583
Europe	134,298	129,449
Americas	44,473	92,553
Subtotal	337,275	410,585
	1,214,929	1,257,215

本集團所有非流動資產(遞延稅項資產除外)均位於中國。

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6. OTHER INCOME AND EXPENSES, OTHER GAIN AND LOSS

6. 其他收入及開支、其他收益及虧損

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Government grants	政府補助金		
– related to expense items (note)	– 與開支項目相關(附註)	15,938	8,407
– related to assets (note 27)	– 與資產相關(附註27)	24	1,452
Rental income	租金收入	7,424	8,770
Interest income from bank deposits	銀行存款利息收入	6,305	4,881
Cash discount from suppliers upon settlement	於結算時來自供應商的現金折扣	5	5,896
(Loss) gain on disposals of property, plant and equipment	出售物業、廠房及設備的(虧損)收益	(703)	1,074
Net exchange gain	匯兌收益淨額	2,498	9,970
Gain on disposal of an associate	出售一間聯營公司的收益	509	–
Others	其他	(1,652)	623
		30,348	41,073

Note: The amounts represent incentives from various PRC government authorities in connection with the enterprise expansion support, technology advancement support and product development support during the year, which had no conditions imposed by the respective PRC government authorities.

附註：該等款項指年內中國各政府機關就支持企業擴展、技術進步及產品開發所給予的獎勵。該等相關中國政府機關授予的獎勵並無附帶條件。

7. FINANCE COSTS

7. 財務成本

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Interest on bank borrowings	銀行借款利息	9,931	13,178
Interest on lease liabilities	租賃負債利息	309	—
		10,240	13,178

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8. TAXATION

8. 稅項

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current Tax:	即期稅項：		
PRC Enterprise Income Tax (the "EIT")	中國企業所得稅（「企業所得稅」）	–	19
		–	19
Under provision in prior year:	上年度撥備不足：		
EIT	企業所得稅	–	144
Deferred tax (note 17)	遞延稅項（附註17）	(6,855)	(6,831)
		(6,855)	(6,668)

Hong Kong

The applicable tax rate of the Company and MOBI Technology (Hong Kong) Limited ("MOBI HK") is 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been recognised as the Group had no assessable profits arising in Hong Kong for the both years.

The PRC

In September 2014, MOBI Shenzhen was defined by Shenzhen Finance Bureau, Administrator of Local Taxation of Shenzhen Municipality and Shenzhen Municipal office of the State Administration of Taxation (the "SZ Authorities") as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from the EIT for three years starting from the year ended 31 December 2014, according to the New PRC Enterprise Income Tax Law. On 31 October 2017, the SZ Authorities have further extended the preferential tax rate for another three years starting from the year ended 31 December 2017. Accordingly, the tax rate for MOBI Shenzhen is 15% for the years ended 31 December 2019 and 2018.

香港

本公司及摩比科技（香港）有限公司（「摩比香港」）兩個年度的估計應課稅利潤的適用稅率為16.5%。

本集團於兩個年度並無在香港產生任何應課稅利潤，故並無就香港利得稅作出撥備。

中國

於2014年9月，摩比深圳獲深圳財政局、深圳市地方稅務局及深圳市國家稅務局（「深圳當局」）認定為高新技術企業，因此可根據新中國企業所得稅法由截至2014年12月31日止年度起三年以15%的優惠稅率繳納企業所得稅。於2017年10月31日，深圳當局已進一步將優惠稅率由截至2017年12月31日止年度起再延長三年。因此，摩比深圳的稅率於截至2019年及2018年12月31日止年度為15%。

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8. TAXATION (Cont'd)

The PRC (Cont'd)

In December 2016, MOBI Technologies (Xi An) Co., Ltd. ("MOBI Xian") was defined by Province Finance Bureau and Administrator of Local Taxation of Municipality and Municipal office of the State Administration of Taxation in Shaan Xi, as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from the EIT for three years starting from the year ended 31 December 2016, according to the New PRC Enterprise Income Tax Law. Accordingly, the tax rate of MOBI Xian was 15% for the year ended 31 December 2018 and 25% for the year ended 31 December 2019.

In November 2016, MOBI Telecommunications Technologies (Ji An) Co., Ltd. ("MOBI Jian") was defined by Province Finance Bureau and Administrator of Local Taxation of Municipality and Municipal office of the State Administration of Taxation in Jiang Xi (the "Jiang Xi Authorities"), as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from the EIT for three years starting from the year ended 31 December 2016, according to the New PRC Enterprise Income Tax Law. On 16 September 2019, the Jiang Xi Authorities have further extended the preferential tax rate for another three years starting from the year ended 31 December 2019. Accordingly, the tax rate of MOBI Jian is 15% for the years ended 31 December 2019 and 2018.

In December 2019, MOBI Technology (Shenzhen) Co., Ltd. ("MOBI Technology") was defined by the SZ Authorities as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from the EIT for three years starting from the year ended 31 December 2019, according to the New PRC Enterprise Income Tax Law. Accordingly, the tax rate of MOBI Technology is 15% for the year ended 31 December 2019 (2018: 25%).

The applicable tax rate of other PRC subsidiaries are 25% for the year ended 31 December 2019 (2018: 25%).

8. 稅項 (續)

中國 (續)

於2016年12月，摩比科技(西安)有限公司(「摩比西安」)獲陝西省財政廳、陝西省地方稅務局及陝西省國家稅務局認定為高新技術企業，因此可根據新中國企業所得稅法自截至2016年12月31日止年度起三年以15%的優惠稅率繳納企業所得稅。因此，摩比西安於截至2018年12月31日止年度的稅率為15%，及截至2019年12月31日止年度的稅率為25%。

於2016年11月，摩比通訊技術(吉安)有限公司(「摩比吉安」)獲江西省財政廳、江西省地方稅務局及江西省國家稅務局(「江西當局」)認定為高新技術企業，因此可根據新中國企業所得稅法自截至2016年12月31日止年度起三年以15%的優惠稅率繳納企業所得稅。於2019年9月16日，江西當局已進一步將優惠稅率由截至2019年12月31日止年度起再延長三年。因此，摩比吉安於截至2019年及2018年12月31日止年度的稅率為15%。

於2019年12月，摩比科技(深圳)有限公司(「摩比科技」)獲深圳當局認定為高新技術企業，因此可根據新中國企業所得稅法由截至2019年12月31日止年度起三年以15%的優惠稅率繳納企業所得稅。因此，摩比科技於截至2019年12月31日止年度的稅率為15%(2018年：25%)。

截至2019年12月31日止年度，其他中國子公司的適用稅率為25%(2018年：25%)。

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8. TAXATION (Cont'd)

The PRC (Cont'd)

Taxation for the year can be reconciled to profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before tax	稅前利潤	16,756	10,021
Tax at EIT at 15% (2018: 15%) (note a)	按企業所得稅稅率15% (2018年：15%)計算的稅項(附註a)	2,513	1,503
Tax effect of expenses not deductible for tax purpose	不獲稅項減免開支的稅務影響	1,552	1,635
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	-	(382)
Tax effect of share of results of associates	應佔聯營公司業績的稅務影響	61	110
Tax benefit (note b)	稅務利益(附註b)	(10,179)	(10,724)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	3,322	2,976
Effect of different tax rates of group entities	集團實體的不同稅率的影響	(2,096)	(1,930)
Change in opening deferred tax asset resulting from change in applicable tax rates (note 17)	適用稅率變動令期初 遞延稅項資產變動(附註17)	(2,028)	-
Under provision in prior year	上年度撥備不足	-	144
		(6,855)	(6,668)

Notes:

- (a) Applicable income tax rate of 15% represents the relevant income tax rate of MOBI Shenzhen, MOBI Jian and MOBI Technology, the major subsidiaries of the Company (2018: MOBI Shenzhen, MOBI Xian and MOBI Jian).
- (b) Pursuant to the relevant tax rules and regulations in the PRC, additional 75% (2018: 75%) of the qualified research and development costs are allowed to claim as PRC income tax credits. Such PRC income tax credits are accounted for deduction from current income tax expenses when relevant conditions are fulfilled.

8. 稅項(續)

中國(續)

年內稅項可與綜合損益及其他全面收益表的除稅前利潤對賬如下：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before tax	稅前利潤	16,756	10,021
Tax at EIT at 15% (2018: 15%) (note a)	按企業所得稅稅率15% (2018年：15%)計算的稅項(附註a)	2,513	1,503
Tax effect of expenses not deductible for tax purpose	不獲稅項減免開支的稅務影響	1,552	1,635
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	-	(382)
Tax effect of share of results of associates	應佔聯營公司業績的稅務影響	61	110
Tax benefit (note b)	稅務利益(附註b)	(10,179)	(10,724)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	3,322	2,976
Effect of different tax rates of group entities	集團實體的不同稅率的影響	(2,096)	(1,930)
Change in opening deferred tax asset resulting from change in applicable tax rates (note 17)	適用稅率變動令期初 遞延稅項資產變動(附註17)	(2,028)	-
Under provision in prior year	上年度撥備不足	-	144
		(6,855)	(6,668)

附註：

- (a) 15%的適用所得稅稅率指本公司主要子公司摩比深圳、摩比吉安及摩比科技(2018年：摩比深圳、摩比西安及摩比吉安)的相關所得稅稅率。
- (b) 根據中國相關稅務規則及法規，合資格研發成本的額外75%(2018年：75%)可申請中國所得稅抵免。該等中國所得稅抵免於相關條件達成時入賬列作當期所得稅開支減免。

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9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting) the following items:

9. 年度利潤

年度利潤已扣除(計入)以下項目：

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Directors' remuneration (excluding equity-settled share-based payment) (note 10)	董事酬金(不包括以權益結算以股份為基礎的付款)(附註10)	3,212	3,084
Equity-settled share-based payment (including for directors of the Company)	以權益結算以股份為基礎的付款(包括本公司董事)	–	427
Other staff costs	其他員工成本	222,903	257,235
Retirement benefits scheme contributions for other staff	其他員工退休福利計劃供款	25,003	30,843
		251,118	291,589
Auditors' remuneration	核數師酬金		
– audit services	– 核數服務	2,237	2,551
Operating lease rentals in respect of	有關以下各項的經營租賃租金		
– rented premises	– 已租物業	–	6,937
Short-term leases expenses	短期租賃開支	3,923	–
Depreciation of property, plant and equipment	物業、廠房及設備折舊	40,382	43,812
Depreciation of right-of-use assets	使用權資產折舊	3,698	–
Amortisation of intangible assets	無形資產攤銷	11,974	9,119
Release of prepaid lease payments	解除預付租賃款項	–	668
Cost of inventories recognised as expenses	確認為開支的存貨成本	935,098	999,187
Write-down on inventories (included in cost of sales)	存貨撇減(計入銷售成本)	1,170	1,457
Net exchange gain	匯兌收益淨額	(2,498)	(9,970)
Loss (gain) on disposals of property, plant and equipment	出售物業、廠房及設備的虧損(收益)	703	(1,074)
Impairment losses under ECL model, net of reversal	預期信貸虧損模式下的減值虧損，扣除撥回		
– trade receivables	– 貿易應收賬款	2,712	280

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments

The emoluments paid or payable to each of the directors and chief executive by the Group in connection with the management of the affairs of the Company and the Group, disclosed pursuant to the applicable Listing Rule and Companies Ordinance are as follows:

10. 董事及主要行政人員酬金

董事及主要行政人員酬金

根據適用的上市規則及公司條例所披露，本集團就管理本公司及本集團事務已付或應付各董事及主要行政人員的酬金如下：

		2019					
		2019年					
		Retirement benefits scheme		Other emoluments (mainly basic salaries and allowances)		Equity-settled share-based payment	Total
		Fees	contributions	Bonus	(mainly basic salaries and allowances)	payment	Total
		袍金	退休福利計劃供款	獎金	(主要包括底薪及津貼)	以權益結算以股份為基礎的付款	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Hu Xiang (note a)	胡翔(附註a)	89	–	399	692	–	1,180
Liao Dong	廖東	72	15	693	721	–	1,501
Non-executive directors	非執行董事						
Qu Deqian	屈德乾	88	–	–	–	–	88
Chen Zhaojun (note b)	陳兆軍(附註b)	16	–	–	–	–	16
Independent non-executive directors	獨立非執行董事						
Li Tianshu	李天舒	161	–	–	–	–	161
Zhang Han	張涵	141	–	–	–	–	141
Ge Xiaojing	葛曉菁	125	–	–	–	–	125
		692	15	1,092	1,413	–	3,212

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

Directors' and chief executive's emoluments (Cont'd)

10. 董事及主要行政人員酬金 (續)

董事及主要行政人員酬金 (續)

		2018					
		2018年					
					Other	Equity-	
		Fees	Retirement	Bonus	emoluments	settled	Total
			benefits		(mainly basic	share-based	
			scheme		salaries and	payment	
			contributions		allowances)	with equity	
					其他酬金	以權益結算	
		袍金	退休福利	獎金	(主要包括	以股份為	總計
		RMB' 000	計劃供款	獎金	底薪及津貼)	基礎的付款	RMB' 000
		人民幣千元	RMB' 000	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Hu Xiang (note a)	胡翔 (附註a)	88	—	292	693	21	1,094
Liao Dong	廖東	70	19	268	699	24	1,080
Chen Zhaojun (note b)	陳兆軍 (附註b)	41	10	—	379	16	446
Non-executive directors	非執行董事						
Qu Deqian	屈德乾	85	—	—	—	7	92
Chen Zhaojun (note b)	陳兆軍 (附註b)	29	—	—	—	—	29
Independent non-executive directors	獨立非執行董事						
Li Tianshu	李天舒	158	—	—	—	—	158
Zhang Han	張涵	135	—	—	—	—	135
Ge Xiaojing (note c)	葛曉菁 (附註c)	50	—	—	—	—	50
Li Guinian (note c)	李桂年 (附註c)	68	—	—	—	—	68
		724	29	560	1,771	68	3,152

The executive directors' emoluments shown above were for their services as directors of the Company and the Group and their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

以上所載執行董事之酬金乃關於彼等擔任本公司及本集團董事及就管理本公司及本集團事務提供之服務。以上所載之非執行董事之酬金乃關於彼等作為本公司或其子公司董事提供之服務。以上所載獨立非執行董事之酬金乃關於彼等作為本公司董事提供之服務。

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

Directors' and chief executive's emoluments (Cont'd)

Certain executive directors of the Company are entitled to bonus payments which are determined based on the performance of the Group.

Notes:

- (a) Mr. Hu Xiang is also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive officer.

The retirement benefit scheme contribution of Mr. Hu Xiang is paid by Shenzhen Zhongxing Weixiantong Shebei Co., Ltd. 深圳市中興維先通設備有限公司("SZWS") as Mr. Hu Xiang is also a director of SZWS. SZWS is controlled by a group of common controlling shareholders of the Company, detail of which is set out in the prospectus of the Company dated 4 December 2009.

- (b) On 13 July 2018, the board of directors approved the resignation of Mr. Chen Zhaojun from executive director and approved him as non-executive director. On 21 March 2019, the board of directors approved the resignation of Mr. Chen Zhaojun from non-executive director.
- (c) On 3 August 2018, the board of directors approved the resignation of Mr. Li Guinian from independent non-executive director and approved Ms. Ge Xiaojing as an independent non-executive director.

During the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to the directors or the chief executive as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors or the chief executive has waived or agreed to waive any emoluments during the years ended 31 December 2019 and 2018.

10. 董事及主要行政人員酬金 (續)

董事及主要行政人員酬金 (續)

本公司若干執行董事可獲發根據本集團表現釐定的花紅。

附註：

- (a) 胡翔先生亦為本公司行政總裁，以上所披露酬金包括其作為行政總裁提供服務的酬金。

深圳市中興維先通設備有限公司(「深圳維先通」)已向胡翔先生支付退休福利計劃供款，乃由於胡翔先生亦為深圳維先通董事。深圳維先通由本公司及深圳維先通的一組共同控股股東所控制，有關詳情載於本公司於2009年12月4日刊發的招股章程。

- (b) 於2018年7月13日，董事會批准陳兆軍先生辭任執行董事，並批准委任彼為非執行董事。於2019年3月21日，董事會批准陳兆軍先生辭任非執行董事。
- (c) 於2018年8月3日，董事會批准李桂年先生辭任獨立非執行董事，並批准委任葛曉菁女士為獨立非執行董事。

截至2019年及2018年12月31日止年度，本集團並無向董事或主要行政人員支付酬金，作為邀請加盟或於加盟本集團後的獎勵，或作為離職補償。截至2019年及2018年12月31日止年度，概無任何董事或主要行政人員放棄或同意放棄收取任何酬金。

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11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group included two (2018: two) directors for the year ended 31 December 2019, details of whose emoluments are set out above. The emoluments of the remaining three (2018: three) highest paid individuals are as follows:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	1,670	1,736
Bonus	獎金	738	496
Contributions to retirement benefits scheme	退休福利計劃供款	47	49
		2,455	2,281

Their emoluments were within the following bands:

彼等的薪酬介於以下範圍：

		2019 2019年 No. of employees 僱員人數	2018 2018年 No. of employees 僱員人數
– Nil to Hong Kong Dollar ("HK\$") 1,000,000	– 零至1,000,000港元(「港元」)	3	3

12. DIVIDENDS

12. 股息

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Dividends recognised as distribution during the year:	年內確認作分派的股息：		
2018 final dividend of HK\$0.02 per share	2018年末期股息每股0.02港元		
(2018: 2017 final dividend of HK\$0.04 per share)	(2018年：2017年末期股息每股0.04港元)	14,435	27,675

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12. DIVIDENDS (Cont'd)

Subsequent to the end of the reporting period, a final dividend of HK\$0.02 per share in respect of the year ended 31 December 2019 amounting to approximately HK\$16,392,000 (equivalent to RMB15,039,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

The final dividend of HK\$0.02 per share in respect of the year ended 31 December 2018 was approved by the shareholders in the 2019 annual general meeting on 22 May 2019.

13. EARNINGS PER SHARE

The earning figures for calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company are based on the following data:

12. 股息(續)

於呈報期末後，董事建議派付截至2019年12月31日止年度的末期股息每股0.02港元，合共約16,392,000港元（相等於人民幣15,039,000元），須待股東於應屆股東週年大會上批准方可作實。

截至2018年12月31日止年度的末期股息每股0.02港元於2019年5月22日的2019年股東週年大會上經股東批准。

13. 每股盈利

用以計算本公司普通股擁有人應佔每股基本及攤薄盈利的盈利數字乃根據下列數據計算：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Earnings	盈利		
Profit for the year and attributable to owners of the Company and earnings for purpose of basic and diluted earnings per share	本公司擁有人應佔年內利潤及用作計算每股基本及攤薄盈利的盈利	23,611	16,689
		2019	2018
		2019年	2018年
		'000	'000
		千股	千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	用作計算每股基本及攤薄盈利的普通股加權平均數	819,993	820,489

For the years ended 31 December 2019 and 2018, the computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares.

截至2019年及2018年12月31日止年度，每股攤薄盈利的計算並無假設行使本公司購股權，乃由於該等購股權的行使價高於股份的平均市場價。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings	Furniture fixtures and equipment	Leasehold improvements	Motor vehicles	Plant and machinery	Construction in progress	Total
		樓宇	傢具、裝置 及設備	租賃物業 裝修	汽車	廠房及 機器	在建工程	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
COST	成本							
At 1 January 2018	於2018年1月1日	300,070	33,675	10,935	5,904	234,639	53,401	638,624
Additions	添置	1,544	4,173	164	491	21,414	22,934	50,720
Transfer	轉讓	5,009	95	936	902	27,649	(34,591)	—
Disposals	出售	(470)	(3,627)	—	—	(42,490)	—	(46,587)
At 31 December 2018	於2018年12月31日	306,153	34,316	12,035	7,297	241,212	41,744	642,757
Additions	添置	581	3,916	229	397	33,064	13,126	51,313
Transfer	轉讓	98	237	724	—	21,767	(22,826)	—
Disposals	出售	(409)	(3,809)	—	(1,033)	(44,808)	—	(50,059)
At 31 December 2019	於2019年12月31日	306,423	34,660	12,988	6,661	251,235	32,044	644,011
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 January 2018	於2018年1月1日	48,299	15,989	5,001	3,695	152,880	—	225,864
Provided for the year	年內撥備	10,991	4,563	1,041	936	26,281	—	43,812
Eliminated on disposals	出售抵銷	(173)	(2,182)	—	—	(16,912)	—	(19,267)
At 31 December 2018	於2018年12月31日	59,117	18,370	6,042	4,631	162,249	—	250,409
Provided for the year	年內撥備	11,036	3,860	802	903	23,781	—	40,382
Eliminated on disposals	出售抵銷	(192)	(2,501)	—	(981)	(20,384)	—	(24,058)
At 31 December 2019	於2019年12月31日	69,961	19,729	6,844	4,553	165,646	—	266,733
CARRYING VALUES	賬面值							
At 31 December 2019	於2019年12月31日	236,462	14,931	6,144	2,108	85,589	32,044	377,278
At 31 December 2018	於2018年12月31日	247,036	15,946	5,993	2,666	78,963	41,744	392,348

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14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account of their estimated residual value, using straight-line method, at the following rates per annum:

Buildings	Over the shorter of the term of lease or 30 years
Furniture, fixtures and equipment	19% – 31.7%
Leasehold improvements	3% – 33.3%
Motor vehicles	9.5% – 19%
Plant and machinery	9% – 33.3%

The Group's buildings are situated in the PRC under medium-term land use rights.

The Group was in process of obtaining certain relevant property ownership certificates for buildings with carrying amount of approximately RMB6,597,000 (2018: RMB18,353,000) in property, plant and equipment as at 31 December 2019. In the opinion of the directors of the Company, the relevant property ownership certificate can be obtained in due time without incurring significant costs.

The Group as lessor

The Group leases out certain floors of Group's owned buildings under operating leases. The leases typically run for a fixed period of 1 to 10 years. None of the leases includes variable lease payments. The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The portions of the Group's owned buildings under operating leases could not be sold separately or leased out separately under a finance lease and the portions of the Group's owned buildings which are held for use in the Group's production of goods or for administrative purposes are not insignificant. Such of the Group's owned buildings are included in the Group's property, plant and equipment.

14. 物業、廠房及設備(續)

物業、廠房及設備(在建工程除外)項目的折舊乃於估計可使用年期內以直線法經考慮估計剩餘價值後按以下年率撇銷成本計提：

樓宇	租賃年期或30年 (以較短者為準)
傢具、裝置及設備	19%–31.7%
租賃物業裝修	3%–33.3%
汽車	9.5%–19%
廠房及機器	9%–33.3%

本集團位於中國的樓宇按中期土地使用權興建。

本集團正在辦理若干幢樓宇的相關房屋所有權證，其物業、廠房及設備於2019年12月31日的賬面值約為人民幣6,597,000元(2018年：人民幣18,353,000元)。本公司董事認為，可及時取得相關房屋所有權證，而不會產生重大成本。

本集團作為出租人

本集團根據經營租賃出租本集團自有樓宇若干樓層。租賃通常固定為期1至10年。並無租賃包括可變租賃付款。由於所有租賃均以集團實體各自的功能貨幣計值，故本集團不會因租賃安排而承受外幣風險。租賃合約不包括殘值擔保及／或承租人於租賃期末購買物業的選擇權。

本集團經營租賃項下的自有樓宇部分不能獨立出售或根據融資租賃獨立出租，本集團持作用於本集團貨品生產或行政用途的自有樓宇部分並不重大。本集團該等自有樓宇計入本集團的物業、廠房及設備。

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15. RIGHT-OF-USE ASSETS

15. 使用權資產

		Leasehold lands 租賃土地 HK\$'000 千港元	Leased buildings 租賃樓宇 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於2019年1月1日			
Carrying amount	賬面值	26,759	2,271	29,030
As at 31 December 2019	於2019年12月31日			
Carrying amount	賬面值	26,091	9,370	35,461
For the year ended 31 December 2019	截至2019年 12月31日止年度			
Depreciation charge	折舊費	668	3,030	3,698
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16	與短期租賃及租期 於首次應用香港 財務報告準則 第16號日期起 12個月內屆滿的 其他租賃有關的 開支			3,923
Total cash outflow for leases	租賃現金流出總額			7,073
Additions to right-of-use assets	使用權資產添置			10,129

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15. RIGHT-OF-USE ASSETS (Cont'd)

For both years, the Group leases leasehold lands and buildings for its operations. Lease contracts are entered into for fixed term of 1 months to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for buildings. As at 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term expense included in administrative expenses as disclosed in note 9.

As at 31 December 2019, no new leases contracts are entered into by the Group which have not yet commenced.

16. PREPAID LEASE PAYMENTS

15. 使用權資產(續)

於兩個年度內，本集團為其營運租賃租賃土地及樓宇。租賃合約乃按固定年期1個月至50年訂立。租賃條款乃按個別基準進行協商，且包括各種不同條款及條件。於釐定期租期及評估不可撤銷期間的長度時，本集團應用合約的定義並釐定合約可強制執行的期間。

本集團定期就樓宇訂立短期租賃。於2019年12月31日，短期租賃組合類似於計入附註9所披露行政開支的短期開支的短期租賃組合。

於2019年12月31日，本集團並未訂立尚未開始的新租賃合約。

16. 預付租賃款項

		2018
		2018年
		RMB'000
		人民幣千元
Land use rights in the PRC	於中國的土地使用權	
Medium-term lease	中期租賃	26,759
Analysed for reporting purposes as:	分析作呈報用途：	
Current portion	即期部分	668
Non-current portion	非即期部分	26,091
		26,759

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17. DEFERRED TAX ASSETS

17. 遞延稅項資產

		Excess of accounting Allowance for inventories	depreciation over tax depreciation 會計折舊 超出稅務 折舊的 存貨撥備	Allowance for credit losses 信貨虧損 撥備	Unrealised profit of inter- company sales 公司間 銷售的 未變現 利潤	Tax losses 稅務虧損	Share- based payment 以股份為 基礎的 付款	Others 其他	Total 總計
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
At 1 January 2018	於2018年 1月1日	10,961	1,848	2,346	4,075	17,994	4,212	2,050	43,486
Credit (charge) to profit or loss	在損益賬入賬 (扣除)	339	(115)	(259)	558	7,065	64	(821)	6,831
At 31 December 2018	於2018年 12月31日	11,300	1,733	2,087	4,633	25,059	4,276	1,229	50,317
Credit (charge) to profit or loss	在損益賬入賬 (扣除)								
Effect of change in applicable tax rates	適用稅率 變動的 影響	(1,050)	–	–	–	3,078	–	–	2,028
Effect of change of temporary difference	暫時差額的 變動影響	175	(125)	14	128	3,964	–	671	4,827
At 31 December 2019	於2019年 12月31日	10,425	1,608	2,101	4,761	32,101	4,276	1,900	57,172

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17. DEFERRED TAX ASSETS (Cont'd)

At the end of the reporting period, the Group has unused tax losses of RMB217,300,000 (2018: RMB174,859,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMB179,838,000 (2018: RMB151,413,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB37,462,000 (2018: RMB23,446,000) due to the unpredictability of future profit streams. Included in unused tax losses is tax loss of RMB211,696,000 (2018: RMB171,272,000) which will expire in the following years ending 31 December and other losses may be carried forward indefinitely:

17. 遞延稅項資產 (續)

於呈報期末，本集團未動用稅務虧損人民幣217,300,000元（2018年：人民幣174,859,000元）可用於抵銷未來利潤。已就人民幣179,838,000元（2018年：人民幣151,413,000元）的虧損確認遞延稅項資產。由於未來盈利流的不可預測性，我們並無就餘下人民幣37,462,000元（2018年：人民幣23,446,000元）確認遞延稅項資產。未動用稅務虧損包括將於以下截至12月31日止年度屆滿的稅務虧損人民幣211,696,000元（2018年：人民幣171,272,000元）及其他虧損可無限期結轉：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unused tax losses with expiry in:	於以下年度到期的未動用稅務虧損：		
2020	2020年	343	4,270
2021	2021年	44,149	44,149
2022	2022年	77,709	77,709
2023	2023年	45,144	45,144
2024	2024年	44,351	-
		211,696	171,272

Under the relevant laws of PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB480,766,000 (2018: RMB463,462,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

根據中國相關法律，由2008年1月1日起，就中國子公司賺取的利潤宣派的股息須繳納預扣稅。綜合財務報表內並未就中國子公司應佔累計利潤暫時差額人民幣480,766,000元（2018年：人民幣463,462,000元）計提遞延稅項，因為本集團可控制撥回暫時差額的時間，且暫時差額未必能於可見將來撥回。

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18. INTANGIBLE ASSETS

18. 無形資產

		Development costs 發展成本 RMB'000 人民幣千元
COST	成本	
At 1 January 2018	於2018年1月1日	89,015
Additions	添置	24,077
At 31 December 2018	於2018年12月31日	113,092
Additions	添置	16,937
At 31 December 2019	於2019年12月31日	130,029
AMORTISATION	攤銷	
At 1 January 2018	於2018年1月1日	42,663
Charge for the year	年內扣除	9,119
At 31 December 2018	於2018年12月31日	51,782
Charge for the year	年內扣除	11,974
At 31 December 2019	於2019年12月31日	63,756
CARRYING VALUES	賬面值	
At 31 December 2019	於2019年12月31日	66,273
At 31 December 2018	於2018年12月31日	61,310

Development costs on antenna system (LTE antennas and Multi-system Antennas) and base station RF subsystem (LTE filters and new models dedicated for some customers) are internally generated and amortised on a straight-line basis over the 3 years when they are ready for use. Included in the cost of the Group's intangible assets, approximately RMB48.3 million (2018: RMB54.6 million) were relating to development of systems not ready for the intended use and, accordingly, no amortisation was made. The developments of systems not ready for the intended use are expected to generate net cash flow to the Group, and no impairment loss has been recognised.

天線系統 (LTE天線及多系統天線) 及基站射頻子系統 (LTE濾波器及專為某些客戶設計的新模式) 的發展成本為內部產生，於可供使用時在3年內以直線法攤銷。本集團無形資產之成本中約人民幣48.3百萬元 (2018年：人民幣54.6百萬元) 與未能作擬定用途的系統發展有關，因此並無予以攤銷。未能作擬定用途的系統發展預期會為本集團產生現金流量淨額，故並無確認減值虧損。

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18. INTANGIBLE ASSETS (Cont'd)

At 31 December 2019 and 2018, the Group conducted a review of those Group's intangible assets, which are not ready for the intended use.

The recoverable amount is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, the new products' growth rates and expected changes to selling prices and direct costs during the period that cash flow forecasts are made. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the intangible assets. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past experience and expectations of future changes in the market.

For impairment purpose, the Group prepared cash flow forecasts based on financial budgets approved by management covering a 3-years period (2018: 3-years period), taking into account the anticipation of further expansion of 4G and 5G market in which the intangible assets are developed for.

As at the end of the reporting period, any reasonably possible change to key assumptions applied are not likely to cause the recoverable amounts to be below the carrying amount of intangible assets.

19. INTERESTS IN ASSOCIATES

Cost of interests in associates 於聯營公司之權益之成本
Share of post-acquisition losses and other comprehensive income, net of dividends received 應佔收購後虧損及其他全面收益，經扣除已收股息

		4,001	1,290
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18. 無形資產(續)

於2019年及2018年12月31日，本集團已檢討其未能作擬定用途的無形資產。

可收回金額按使用價值計算得出。使用價值計算的關鍵假設涉及折現率、新產品增長率及作出現金流量預測期間售價及直接成本的預期變動。管理層採用反映當時市場對金錢時間值及有關無形資產固有風險評估的稅前利率評估折現率。增長率乃基於行業增長預測得出。售價及直接成本的變動乃根據過往經驗及市場對未來變動的預期作出。

就減值而言，本集團根據經管理層就3年期間(2018年：3年期間)批准的財政預算編製現金流量預測，並考慮到有關無形資產發展的預期4G及5G市場的進一步擴張。

於呈報期末，有關所採用關鍵假設的任何合理可能變動不大可能會導致可收回金額低於無形資產的賬面值。

19. 於聯營公司之權益

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of interests in associates	於聯營公司之權益之成本	5,500	2,700
Share of post-acquisition losses and other comprehensive income, net of dividends received	應佔收購後虧損及其他全面收益，經扣除已收股息	(1,499)	(1,410)
		4,001	1,290

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19. INTERESTS IN ASSOCIATES (Cont'd)

Details of the Group's associates at the end of the reporting period are as follow:

Name of entity	Country of Incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
			2019	2018	2019	2018	
Shenzhen Borynet Co., Ltd. (note i)	the PRC	the PRC	15.1%	15.1%	15.1%	15.1%	Software technology development
深圳市博睿互聯科技有限公司 (附註i)	中國	中國	15.1%	15.1%	15.1%	15.1%	軟件科技開發
Shenzhen Letengwireless Co., Ltd. ("Letengwireless") (note ii)	the PRC	the PRC	–	12%	–	12%	Hardware development
深圳樂騰無線有限公司 (「樂騰無線」)(附註ii)	中國	中國	–	12%	–	12%	硬件開發
Wuxi Gaoyusheng New Material Technology Co., Ltd. ("Gaoyusheng") (note iii)	the PRC	the PRC	40%	–	40%	–	Material development
無錫市高宇晟新材料科技 有限公司(「高宇晟」) (附註iii)	中國	中國	40%	–	40%	–	材料開發

Notes:

- (i) The company is accounted for as an associate as at year end date as the Group has directors in the board of the company and is able to exercise significant influence in the company.
- (ii) During the year ended 31 December 2019, the Group entered into a sale and purchase agreement with an independent third party, pursuant to which the Group disposed of all the equity shares in Letengwireless with cash proceeds of RMB1,392,000. Upon the completion of the disposal, the Group ceased to have significant influence over Letengwireless. A gain on disposal of RMB509,000 is recognised in other gain in the consolidated statement of profit or loss.
- (iii) In October 2019, a wholly-owned subsidiary of the Company and an independent third party agreed to contribute 40% and 60% equity interest of Gaoyusheng, respectively. The Group has contributed cash investment amounting RMB4,000,000 to Gaoyusheng. The Group is able to exercise significant influence in Gaoyusheng as the Group has the power to appoint one out of three director of Gaoyusheng and the Group recognised Gaoyusheng as an associate.

19. 於聯營公司之權益(續)

以下為呈報期末本集團聯營公司的詳細資料：

附註：

- (i) 由於該公司董事會有來自本集團的董事且本集團可對該公司施行重大影響，該公司於年度結算日入賬列作聯營公司。
- (ii) 截至2019年12月31日止年度，本集團與一名獨立第三方訂立買賣協議，據此，本集團出售於樂騰無線的全部權益股份，現金所得款項為人民幣1,392,000元。完成出售後，本集團不再對樂騰無線具有重大影響力。出售收益人民幣509,000元於綜合損益表其他收益內確認。
- (iii) 於2019年10月，本公司全資子公司及一名獨立第三方同意分別收購高宇晟40%及60%股權。本集團向高宇晟投入現金投資人民幣4,000,000元。本集團能夠對高宇晟行使重大影響力，原因為本集團有權委任高宇晟三名董事中其中一名，且本集團確認高宇晟為聯營公司。

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19. INTERESTS IN ASSOCIATES (Cont'd)

Summarised financial information in respect of the Group's material associate, Gaoyusheng is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

Gaoyusheng is accounted for using the equity method in the consolidated financial statements.

19. 於聯營公司之權益 (續)

有關本集團主要聯營公司高宇晟的財務資料概要載列於下文。以下財務資料概要指根據香港財務報告準則編製的聯營公司財務報表所示的金額。

高宇晟以權益法於綜合財務報表入賬。

		2019 2019年 RMB'000 人民幣千元
Current assets	流動資產	12,224
Current liabilities	流動負債	2,368
Profit and other comprehensive income for the year	年度利潤及其他全面收益	(143)

Reconciliation of the summarised financial information presented above to the carrying amount of the interest in Gaoyusheng was set out below:

上列財務資料概要與於高宇晟之權益之賬面值對賬如下：

		2019 2019年 RMB'000 人民幣千元
Net assets of Gaoyusheng	高宇晟之資產淨額	9,856
Proportion of the Group's ownership interest in Gaoyusheng	本集團擁有高宇晟之權益比例	40%
Carrying amount of the Group's interest in Gaoyusheng	本集團於高宇晟權益之賬面值	3,942

Aggregate information of associates that are not individually material

個別非重大聯營公司之匯總資料

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
The Group's share of loss from continuing operations	本集團應佔持續經營業務之虧損	(349)	(735)
Aggregate carrying amount of the Group's interest in these associates	本集團於該等聯營公司之權益之賬面值總額	59	1,290

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20. INVENTORIES

20. 存貨

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Raw materials	原材料	71,964	75,441
Work-in-progress	在製品	22,981	37,390
Finished goods	製成品	258,378	406,323
Less: allowance for inventories	減：存貨撥備	(71,632)	(70,462)
		281,691	448,692

21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收賬款

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Trade receivables – contracts with customers	貿易應收賬款 – 客戶合約	492,000	543,786
Less: allowance for credit losses	減：信貸虧損撥備	(14,215)	(14,122)
		477,785	529,664
Notes and bills receivables	應收票據	136,357	163,125
Rental and utility deposits	租金及設施按金	1,395	1,397
Advance to suppliers	向供應商墊款	21,449	37,977
Value added tax receivables	應收增值稅	30,242	73,566
Other receivables and deposits	其他應收賬款及按金	42,195	37,936
		709,423	843,665

As at 1 January 2018, the carrying amount of trade receivables from contracts with customers amounted to RMB485,929,000., net of allowance for credit losses amounted to RMB11,660,000.

於2018年1月1日，來自客戶合約的貿易應收賬款的賬面值（扣除信貸虧損撥備人民幣11,660,000元）為人民幣485,929,000元。

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21. TRADE AND OTHER RECEIVABLES (Cont'd)

The Group offers credit terms generally accepted in the antenna system, base station RF subsystem and coverage extension solution manufacturing industry to its trade customers, which range from 30 to 240 days (2018: 30 to 240 days) from the invoice dates, for a significant number of the Company's products. For the Group's major customers which are network operators and domestic and overseas wireless network solution providers with good reputation and repayment records, a longer credit term may be extended to them, depending on price, the size of the contract, credibility and reputation of them. In order to manage the credit risks associated with trade receivables effectively, credit limits of customers are evaluated periodically. Before accepting any new customer, the Group conducts research on the creditworthiness of the new customer and assesses the potential customer's credit quality.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the goods receipt date:

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
0 to 30 days	0至30日	130,538	152,331
31 to 60 days	31至60日	65,035	110,780
61 to 90 days	61至90日	57,585	68,429
91 to 120 days	91至120日	39,530	48,616
121 to 180 days	121至180日	62,131	43,516
Over 180 days	超過180日	122,966	105,992
		477,785	529,664

At 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB171,576,000 (2018: RMB144,021,000) which are past due at the end of the reporting period. Out of the past due balances, RMB75,477,000 (2018: RMB58,334,000) has been past due over 90 days and is not considered as in default because the trade receivables are of good credit quality and repayment records history. The Group does not hold any collateral over these balances.

21. 貿易及其他應收賬款(續)

本集團向貿易客戶提供天線系統、基站射頻子系統及覆蓋延伸方案製造行業普遍接受的信貸期，本公司大量產品的信貸期自發票日期起計介乎30至240日(2018年：30至240日)。屬於網絡運營商及國內外無線網絡解決方案供應商且具有良好聲譽及還款記錄的本集團主要客戶，可能獲提供較長的信貸期，視乎價格、合同規模、有關客戶的信用度及聲譽而定。為有效管理與貿易應收賬款相關的信貸風險，本公司定期對客戶的信貸限額進行評估。本集團接納任何新客戶前，會調查該名新客戶的信用記錄及評估潛在客戶的信貸質素。

以下為按收貨日期計的貿易應收賬款(扣除信貸虧損撥備)的賬齡分析：

於2019年12月31日，於呈報期末已逾期之應收賬款賬面值合共約人民幣171,576,000元(2018年：人民幣144,021,000元)計入本集團之貿易應收賬款結餘。逾期結餘人民幣75,477,000元(2018年：人民幣58,334,000元)已逾期超過90日，且未被視為違約，原因是貿易應收賬款信貸質素及過往還款記錄良好。本集團概無持有任何關於該等結餘的抵押物。

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21. TRADE AND OTHER RECEIVABLES (Cont'd)

Details of impairment assessment of trade and other receivables for the year ended 31 December 2019 and 2018 are set out in note 33.

The following is an aged analysis of notes and bills receivable presented based on the notes and bills issue dates:

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
0 to 30 days	0至30日	35,460	27,925
31 to 60 days	31至60日	24,657	36,805
61 to 90 days	61至90日	17,181	31,745
91 to 120 days	91至120日	13,322	43,775
Over 120 days	超過120日	45,737	22,875
		136,357	163,125

All notes and bills received by the Group are with a maturity period of less than one year.

As at 31 December 2019, notes and bills receivables with carrying amount of approximately RMB79,071,000 (2018: nil) are pledged to secure banking facilities.

Detail of pledge of assets set out in note 34.

Analysis of trade and other receivables denominated in currencies other than the functional currencies of the relevant group entities is set out below:

		At 31 December 於12月31日	
		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
United States Dollar ("USD")	美元(「美元」)	71,128	120,595
Euro ("EUR")	歐元(「歐元」)	1,265	18,717
HK\$	港元	-	5,753
		72,393	145,065

21. 貿易及其他應收賬款(續)

截至2019年及2018年12月31日止年度的貿易及其他應收賬款減值評估的詳情載於附註33。

以下為按票據發行日期計的應收票據的賬齡分析：

	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
0 to 30 days	35,460	27,925
31 to 60 days	24,657	36,805
61 to 90 days	17,181	31,745
91 to 120 days	13,322	43,775
Over 120 days	45,737	22,875
	136,357	163,125

本集團收到的所有票據的到期期限均不超過一年。

於2019年12月31日，本集團質押賬面值約人民幣79,071,000元(2018年：無)的應收票據以抵押銀行融資。

資產質押詳情載於附註34。

以有關集團實體的功能貨幣以外的貨幣計值的貿易及其他應收賬款分析如下：

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22. PLEDGED BANK BALANCES/BANK BALANCES AND CASH

The Group's pledged bank balances represent bank deposits with original maturity within 12 months and carry fixed interest rate from 0.3% to 2.75% (2018: 0.3% to 1.5%) per annum. They are mainly pledged to banks to secure bills payables and certain of the bank borrowings of the Group.

The Group's bank balances and cash comprise cash and bank deposits which carry interest at prevailing market rates ranging from 0.001% to 0.30% (2018: 0.001% to 0.30%) per annum.

Certain of the Group's pledged bank balances and bank balances and cash with an aggregate amount of RMB288,865,000 (2018: RMB311,098,000) were denominated in RMB which is not a freely convertible currency in the international market. The government of the PRC has implemented foreign exchange control and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

Analysis of pledged bank balances together with bank balances and cash denominated in currencies other than the functional currencies of the relevant group entities is set out below:

22. 已抵押銀行結餘／銀行結餘及現金

本集團的已抵押銀行結餘指原定存款期為12個月內、按每年0.3厘至2.75厘（2018年：0.3厘至1.5厘）的固定利率計息的銀行存款，已主要抵押予多家銀行作為本集團應付票據及若干銀行借款的抵押。

本集團的銀行結餘及現金包括按每年介乎0.001厘至0.30厘（2018年：0.001厘至0.30厘）的當時市場利率計息的現金及銀行存款。

本集團若干已抵押銀行結餘與銀行結餘及現金，合共人民幣288,865,000元（2018年：人民幣311,098,000元）以人民幣計值，而人民幣並非國際市場的自由兌換貨幣。中國政府實行外匯管制，將資金匯出中國境外須符合中國政府的匯兌限制。

以相關集團實體功能貨幣以外的貨幣計值的已抵押銀行結餘，連同銀行結餘及現金的分析載列如下：

		At 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
EUR	歐元	31,481	1,858
HK\$	港元	22,463	5,346
USD	美元	86,676	149,783
		140,620	156,987

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23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付賬款

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Trade payables	貿易應付賬款	377,759	544,732
Notes and bills payable	應付票據	214,423	258,824
Payroll payable	應付工資	18,976	26,142
Payable for purchase of property, plant and equipment	購置物業、廠房及設備的應付賬款	18,091	32,248
Value added taxes payable	應付增值稅	5,770	21,639
Accrued expenses	預提費用	11,756	8,208
Others	其他	20,209	15,349
		666,984	907,142

The following is an aged analysis of trade payables presented based on the invoice dates:

於按發票日期計的貿易應付賬款的賬齡分析如下：

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
0 to 30 days	0至30日	48,355	106,320
31 to 60 days	31至60日	59,065	111,597
61 to 90 days	61至90日	47,375	98,306
91 to 180 days	91至180日	115,076	163,096
Over 180 days	超過180日	107,888	65,413
		377,759	544,732

Typical credit term of trade payables ranges from 60 to 120 days from the invoice dates.

貿易應付賬款的信貸期一般範圍是自發票日期起計60日至120日。

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23. TRADE AND OTHER PAYABLES (Cont'd)

The following is an aged analysis of notes and bills payable presented based on the notes and bills issue dates:

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
0 to 30 days	0至30日	—	51,185
31 to 60 days	31至60日	32,501	54,670
61 to 90 days	61至90日	50,743	—
Over 90 days	超過90日	131,179	152,969
		214,423	258,824

Typical credit term of notes and bills payables ranges from 90 to 180 days.

應付票據的信貸期一般範圍是90日至180日。

The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

本集團已制定財務風險管理政策，以確保所有應付賬款在信貸期內償還。

Analysis of trade and other payables denominated in currencies other than the functional currencies of the relevant group entities is set out below:

以有關集團實體的功能貨幣以外的貨幣計值的貿易及其他應付賬款分析如下：

		At 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
HK\$	港元	460	451
USD	美元	12,725	12,905
		13,185	13,356

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截至2019年12月31日止年度

24. CONTRACT LIABILITIES

24. 合約負債

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receipt in advance from contracts with customers	預收客戶合約款項	6,206	22,939

As at 1 January 2018, contract liabilities accounted to RMB8,920,000.

於2018年1月1日的合約負債為人民幣8,920,000元。

The decrease in contract liabilities in the current year was mainly due to less customers prepaid in advance near the year ended 31 December 2019.

截至2019年12月31日止年度合約負債的減少乃主要由於年結日前後預付款項的客戶較少。

Contract liabilities are to be settled within the Group's normal operating cycle and are classified as current liabilities.

合約負債將於本集團的正常運營週期內結算並分類為流動負債。

During the year ended 31 December 2019, the revenue amounting to RMB22,939,000 (2018: RMB8,920,000) was recognised in the current year which relates to carried-forward contract liabilities.

截至2019年12月31日止年度，於本年度確認的收益人民幣22,939,000元（2018年：人民幣8,920,000元）與結轉合約負債有關。

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

對已確認的合約負債金額產生影響的一般付款條款如下：

For revenue recognised upon sales of antenna system and related products, base station RF subsystem and related products and coverage extension solution, the Group receives certain of the contract value as advance payments from customers according to the contracts terms. The advance payments give rise to contract liabilities at the start of a contract until the customer obtains control of the respective goods.

就銷售天線系統及相關產品、基站射頻子系統及相關產品以及覆蓋延伸方案所確認的收益而言，本集團根據合約條款收取部分合約額，作為客戶預付款項。預付款項會於合約開始時產生合約負債，直至客戶獲得相應貨品控制權為止。

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25. BANK BORROWINGS

25. 銀行借款

Categories	類別		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
Short-term bank borrowings:	短期銀行借款：			
– Secured fixed rate borrowings	– 有抵押定息借款 (i)		44,000	41,800
– Unsecured fixed rate borrowings	– 無抵押定息借款 (ii)		34,882	155,000
– Unsecured floating rate borrowings	– 無抵押浮息借款 (iii)		20,000	—
			98,882	196,800
The amount is repayable as per follows:	該款項按如下期限償還：			
– Within one year	– 一年內		98,882	196,800
Amounts shown under current liabilities	於流動負債項下呈列款項		98,882	196,800

Notes:

- (i) The RMB secured fixed rate borrowings carried interest at the rate of 3.90% (2018: 4.79%) per annum and were secured by pledged bank balances (2018: pledged bank balances). Details of pledged assets are shown in note 34.
- (ii) The unsecured fixed rate borrowings carried interest at the rate ranged from 4.70% to 5.66% (2018: 5.44% to 6.53%) per annum.
- (iii) During the year ended 31 December 2019, the RMB denominated unsecured floating rate borrowings carried interest at the rate of the Shanghai Interbank Offered Rate ("SHIBOR") plus or subtract 112.75 basis points per annum. The effective interest rate for the unsecured floating rate borrowings was 4.90% per annum.

附註：

- (i) 人民幣有抵押定息借款的年利率為3.90厘(2018年：4.79厘)，由有抵押銀行結餘(2018年：有抵押銀行結餘)作抵押。資產質押詳情於附註34列示。
- (ii) 無抵押定息借款的年利率為4.70厘至5.66厘(2018年：5.44厘至6.53厘)。
- (iii) 截至2019年12月31日止年度，人民幣計值的無抵押浮息借款按上海銀行間同業拆放利率(「SHIBOR」)加或減112.75個基點的年利率計息。無抵押浮息借款的實際年利率為4.90厘。

The Group's bank borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

本集團以有關集團實體的功能貨幣以外的貨幣計值的銀行借款如下：

		2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元
USD	美元	19,882	—

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26. LEASE LIABILITIES

26. 租賃負債

31 December 2019

2019年12月31日

RMB'000

人民幣千元

Lease liabilities payable:	應付租賃負債：	
Within one year	一年內	4,408
Within a period of more than one year but not more than two years	為期一年以上，但不超過兩年	2,818
Within a period of more than two years but not more than five years	為期兩年以上，但不超過五年	2,203
		9,429
Less: Amount due for settlement with 12 months shown under current liabilities	減：於流動負債項下呈列的於12個月內到期結算的款項	4,408
Amount due for settlement after 12 months shown under liabilities	於負債項下呈列的於12個月後到期結算的款項	5,021

27. DEFERRED INCOME

Deferred income represents non-recurring government grants received for acquisition and improvement of property, plant and equipment. The deferred income is released to the profit or loss over the expected useful life of the relevant assets. Movements of deferred income during the years are as follows:

27. 遞延收入

遞延收入指已收取非經常性政府補助金，用於收購及裝修物業、廠房及設備。遞延收入按相關資產的預計可使用年期撥入損益賬。年內遞延收入的變動如下：

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Government grant related to assets	與資產相關的政府補助金		
At beginning of the year	於年初	12,797	14,249
Released to profit or loss	於損益賬撥入	(24)	(1,452)
At end of the year	於年末	12,773	12,797
Analysed for reporting purposes as:	分析作呈報用途：		
Current portion	即期部分	24	24
Non-current portion	非即期部分	12,749	12,773
		12,773	12,797

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28. SHARE CAPITAL OF THE COMPANY

28. 公司股本

		Number of shares		Issued capital	
		股份數目		已發行股本	
		2019	2018	2019	2018
		2019年	2018年	2019年	2018年
		Ordinary	Ordinary	Ordinary	Ordinary
		shares	shares	shares	shares
		普通股	普通股	普通股	普通股
		'000	'000	USD (note i)	USD
		千股	千股	美元(附註i)	美元
Ordinary shares of USD0.000001 each	每股面值0.000001美元的普通股				
Authorised:	法定：				
At beginning and end of the year	於年初及年末	2,000,000	2,000,000	2,000.00	2,000.00
Issued and fully paid	已發行及繳足				
At beginning of the year	於年初	820,217	820,704	820.21	820.70
Share repurchased and cancelled (note ii)	股份購回及註銷(附註ii)	(630)	(487)	(0.63)	(0.49)
At end of the year	於年末	819,587	820,217	819.58	820.21

		Issued capital	
		已發行股本	
		2019	2018
		2019年	2018年
		Ordinary	Ordinary
		shares	shares
		equivalent	equivalent
		等值普通股	等值普通股
		RMB	RMB
		人民幣元	人民幣元
Issued and fully paid	已發行及繳足		
At beginning of the year	於年初	5,735.79	5,738.97
Share repurchased and cancelled (note ii)	股份購回及註銷(附註ii)	(4.30)	(3.18)
At end of the year	於年末	5,731.49	5,735.79

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28. SHARE CAPITAL OF THE COMPANY (Cont'd)

Issued capital shown in the consolidated statements of financial position as at 31 December 2019 and 2018 were rounded to RMB6,000.

There is no movement of authorised ordinary share during the years ended 31 December 2019 and 2018.

Notes:

- (i) USD is short for United States dollar.
- (ii) During the year of 2019, the Company repurchased its own shares through The Stock Exchange as follows:

Month of repurchase	No. of ordinary shares of USD0.000001 each 每股面值0.000001 美元普通股數目	Price per share 每股價格		Aggregate consideration paid	
		Lowest	Highest		
購回月份		最低 HK\$ 港元	最高 HK\$ 港元	已付總代價 HK\$ RMB 港元 人民幣元	
August 2019 2019年8月	630,000	0.91	0.94	577,950	509,929

The above ordinary shares were cancelled upon repurchase.

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

28. 公司股本 (續)

於2019年及2018年12月31日，於綜合財務狀況報表列示的已發行股本約為人民幣6,000元。

截至2019年及2018年12月31日止年度，法定普通股並無變動。

附註：

- (i) 美元為美國美元縮寫。
- (ii) 於2019年，本公司透過聯交所按以下方式購回其自身股份：

以上普通股於購回時已被註銷。

年內，本公司的子公司概無購買、出售或贖回本公司任何上市證券。

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29. SHARE-BASED PAYMENT TRANSACTIONS

Share options were granted on 23 December 2013 ("2013 Option") and 26 March 2015 ("2015 Option") for the primary purpose of providing incentives to directors and eligible employees, and will expire on 22 December 2023 and 25 March 2025 respectively. Under the share option schemes of the Company, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to an individual consultant or advisor who renders or has rendered bona fide services to the Company.

As at 31 December 2019, the number of ordinary shares in respect of which options had been granted and remained outstanding was 46,336,000 (2018: 50,886,000), representing 5.65% (2018: 6.20%) of the total ordinary shares in issue at end of the reporting period.

No consideration is payable on the grant of an option. For 2013 Option and 2015 Option, options may be exercised after the completion of relevant vesting period to the tenth anniversary of the date of grant.

2013 Option

30% of total number of options of 2013 Option ("2013 Option A") are exercisable on the second anniversary date of grant, 30% of total number of options of 2013 Option ("2013 Option B") are exercisable on the third anniversary date of grant and the remaining 40% of total number of options of 2013 Option ("2013 Option C") are exercisable on the fourth anniversary date of grant. In addition, 2013 Option is also subjected to the performance condition of the Group and individual employee to exercise.

29. 以股份支付的交易

於2013年12月23日及2015年3月26日所授出的購股權（分別為「2013年購股權」及「2015年購股權」）的主要目的是向董事及合資格僱員提供獎勵，而該等購股權將分別於2023年12月22日及2025年3月25日屆滿。根據本公司的購股權計劃，本公司董事會可授予合資格僱員（包括本公司及其子公司的董事）可認購本公司股份的購股權。此外，本公司可不時向為或曾為本公司提供真誠服務的個別專家顧問或顧問授出購股權。

於2019年12月31日，就根據購股權授出但仍未行使的購股權所涉及的普通股數目為46,336,000股（2018年：50,886,000股），佔於呈報期末已發行普通股總數的5.65%（2018年：6.20%）。

概無就授出購股權而應付的代價。就2013年購股權及2015年購股權而言，購股權可於有關歸屬期完成後至授出日期第十個週年日期行使。

2013年購股權

2013年購股權購股權總數的30%（「2013年購股權A」）可於授出日期第二個週年日期行使，2013年購股權購股權總數的30%（「2013年購股權B」）可於授出日期第三個週年日期行使，而2013年購股權購股權總數的餘下40%（「2013年購股權C」）可於授出日期第四個週年日期行使。此外，2013年購股權亦須符合本集團及個體僱員的表現條件後方可行使。

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29. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

2013 Option (Cont'd)

Pursuant to the board resolution on 29 May 2015, the 2013 Option was amended whereby the vesting dates of the option has been accelerated. 2013 Option A shall be vested on, and become exercisable from 1 June 2015, 2013 Option B shall be vested on, and become exercisable from 1 April 2016 and 2013 Option C shall be vested on, and become exercisable from 1 April 2017. Such amendment is applicable prospectively to the unexercised 2013 Option and result in a net decrease in fair value of such option measured immediately before and after the modifications, of which no adjustment for the years ended 31 December 2019 and 2018 needed to the fair value of the 2013 Option.

2015 Option

30% of total number of options of 2015 Option ("2015 Option A") are exercisable from 1 April 2016, 30% of total number of options of 2015 Option ("2015 Option B") are exercisable from 1 April 2017 and the remaining 40% of total number of options of 2015 Option ("2015 Option C") are exercisable from 1 April 2018. In addition, 2015 Option is also subjected to the performance condition of the Group and individual employee to exercise.

29. 以股份支付的交易 (續)

2013年購股權 (續)

根據2015年5月29日的董事會決議案，2013年購股權予以修訂，其中購股權的歸屬日期被提前。2013年購股權A將於2015年6月1日歸屬，並自該日起可予行使，2013年購股權B將於2016年4月1日歸屬，並自該日起可予行使及2013年購股權C將於2017年4月1日歸屬，並自該日起可予行使。該修訂追溯應用於未行使的2013年購股權，導致緊接修訂前及緊隨修訂後計量的購股權公平值出現減少淨額，其中截至2019年及2018年12月31日止年度毋須對2013年購股權的公平值作出調整。

2015年購股權

2015年購股權購股權總數的30% (「2015年購股權A」) 可於2016年4月1日行使，2015年購股權購股權總數的30% (「2015年購股權B」) 可於2017年4月1日行使，而2015年購股權購股權總數的餘下40% (「2015年購股權C」) 可於2018年4月1日行使。此外，2015年購股權亦須符合本集團及個體僱員的表現條件後方可行使。

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29. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

Details of specific categories of options are as follows:

29. 以股份支付的交易 (續)

購股權的具體種類的詳情如下：

Option type 購股權類別	Date of grant 授出日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價	Fair value at grant date 公平值
2013 Option A 2013年購股權A	23/12/2013 2013年12月23日	23/12/2013 to 31/05/2015 2013年12月23日至 2015年5月31日	01/06/2015 to 22/12/2023 2015年6月1日至 2023年12月22日	RMB1.09 人民幣1.09元	RMB0.51 人民幣0.51元
2013 Option B 2013年購股權B	23/12/2013 2013年12月23日	23/12/2013 to 31/03/2016 2013年12月23日至 2016年3月31日	01/04/2016 to 22/12/2023 2016年4月1日至 2023年12月22日	RMB1.09 人民幣1.09元	RMB0.51 人民幣0.51元
2013 Option C 2013年購股權C	23/12/2013 2013年12月23日	23/12/2013 to 31/03/2017 2013年12月23日至 2017年3月31日	01/04/2017 to 22/12/2023 2017年4月1日至 2023年12月22日	RMB1.09 人民幣1.09元	RMB0.51 人民幣0.51元
2015 Option A 2015年購股權A	26/03/2015 2015年3月26日	26/03/2015 to 31/03/2016 2015年3月26日至 2016年3月31日	01/04/2016 to 25/03/2025 2016年4月1日至 2025年3月25日	RMB1.47 人民幣1.47元	RMB0.61 人民幣0.61元
2015 Option B 2015年購股權B	26/03/2015 2015年3月26日	26/03/2015 to 31/03/2017 2015年3月26日至 2017年3月31日	01/04/2017 to 25/03/2025 2017年4月1日至 2025年3月25日	RMB1.47 人民幣1.47元	RMB0.61 人民幣0.61元
2015 Option C 2015年購股權C	26/03/2015 2015年3月26日	26/03/2015 to 31/03/2018 2015年3月26日至 2018年3月31日	01/04/2018 to 25/03/2025 2018年4月1日至 2025年3月25日	RMB1.47 人民幣1.47元	RMB0.61 人民幣0.61元

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29. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

The following table discloses movements of the Company's share options held by eligible persons:

2019

Option type	購股權類別	Outstanding at 1/1/2019 於2019年 1月1日 尚未行使	Granted during the year 於年內 授出	Forfeited during the year 於年內 沒收	Exercised during the year 於年內 行使	Expired during the year 於年內 屆滿	Outstanding at 31/12/2019 於2019年 12月31日 尚未行使
2013 Option A	2013年購股權A	7,535,000	—	(663,000)	—	—	6,872,000
2013 Option B	2013年購股權B	8,099,000	—	(663,000)	—	—	7,436,000
2013 Option C	2013年購股權C	11,272,000	—	(884,000)	—	—	10,388,000
2015 Option A	2015年購股權A	7,194,000	—	(702,000)	—	—	6,492,000
2015 Option B	2015年購股權B	7,194,000	—	(702,000)	—	—	6,492,000
2015 Option C	2015年購股權C	9,592,000	—	(936,000)	—	—	8,656,000
		50,886,000	—	(4,550,000)	—	—	46,336,000
Exercisable at the end of the year	可於年末行使						46,336,000
Weighted average exercise price	加權平均行使價	RMB1.4074 人民幣1.4074元	—	RMB1.4397 人民幣1.4397元	—	—	RMB1.4370 人民幣1.4370元

29. 以股份支付的交易 (續)

下表披露合資格人士持有的本公司購股權的變動：

2019年

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29. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd) 2018

29. 以股份支付的交易 (續) 2018年

Option type	購股權類別	Outstanding at 1/1/2018 於2018年 1月1日 尚未行使	Granted during the year 於年內 授出	Forfeited during the year 於年內 沒收	Exercised during the year 於年內 行使	Expired during the year 於年內 屆滿	Outstanding at 31/12/2018 於2018年 12月31日 尚未行使
2013 Option A	2013年購股權A	8,885,000	—	(1,350,000)	—	—	7,535,000
2013 Option B	2013年購股權B	9,449,000	—	(1,350,000)	—	—	8,099,000
2013 Option C	2013年購股權C	13,072,000	—	(1,800,000)	—	—	11,272,000
2015 Option A	2015年購股權A	8,577,000	—	(1,383,000)	—	—	7,194,000
2015 Option B	2015年購股權B	8,577,000	—	(1,383,000)	—	—	7,194,000
2015 Option C	2015年購股權C	11,436,000	—	(1,844,000)	—	—	9,592,000
		59,996,000	—	(9,110,000)	—	—	50,886,000
Exercisable at the end of the year	可於年末行使						50,886,000
Weighted average exercise price	加權平均行使價	RMB1.3448 人民幣1.3448元	—	RMB1.3736 人民幣1.3736元	—	—	RMB1.4074 人民幣1.4074元

The Group recognised the total expense of nil (2018: RMB427,000) for the year ended 31 December 2019 in relation to share options granted by the Company.

本集團已就本公司授出的購股權確認截至2019年12月31日止年度的開支總額零(2018年：人民幣427,000元)。

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30. OPERATING LEASE

The Group as lessee

30. 經營租賃

本集團作為承租人

2018
2018年
RMB'000
人民幣千元

Minimum lease payments paid under operating leases during the year	年內經營租賃項下的最低租賃付款	6,937
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At the end of the reporting period, the Group was committed to make the following future minimum lease payments in respect of rented premises under non-cancellable operating leases with outsiders and a related party, which fall due:

於呈報期末，本集團已根據與外部人士及一名關連人士訂立的不可撤銷經營租賃承諾為所租用物業支付於下述時間到期的未來最低租金：

2018
2018年
RMB'000
人民幣千元

Within one year	一年內	5,199
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	1,389
		6,588

Leases are negotiated and rentals are fixed for lease terms of one to five years.

租賃乃協商而定，一至五年租期內的租金固定。

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30. OPERATING LEASE (Cont'd)

The Group as lessor

All of the leased premises have committed lessees for the next one to ten years.

Minimum lease payments receivable on leases are as follows:

		2019
		2019年
		RMB'000
		人民幣千元
Within one year	一年內	8,881
In the second year	第二年	8,402
In the third year	第三年	6,824
In the fourth year	第四年	5,785
In the fifth year	第五年	5,836
Over five years	五年以上	4,719
		40,447

At 31 December 2018, the Group had contracted with tenants for the following future minimum lease payments:

		2018
		2018年
		RMB'000
		人民幣千元
Within one year	一年內	11,266
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	7,690
		18,956

30. 經營租賃(續)

本集團作為出租人

所有租賃物業均已獲承租人承諾於接下來一至十年內繼續租用。

租賃應收之最低租賃付款如下：

		2018
		2018年
		RMB'000
		人民幣千元
Within one year	一年內	11,266
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	7,690
		18,956

於2018年12月31日，本集團已與租戶訂約的未來最低租賃付款如下：

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31. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the consolidated financial statements in respect of the acquisition of property, plant and equipment

有關收購物業、廠房及設備的已訂約但未在綜合財務報表撥備的資本開支

2019	2018
2019年	2018年
RMB'000	RMB'000
人民幣千元	人民幣千元

5,477	11,971
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32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, share premium and other reserves.

The directors of the Company review the capital structure on a semi-annual basis. As a part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendation of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as raising of new bank loans.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Categories of financial instruments

31. 資本承擔

32. 資本風險管理

本集團管理其資本以確保本集團旗下各公司可以持續經營，並維持債務與權益的最佳平衡，為股東帶來最大回報。自去年起，本集團的整體策略保持不變。

本集團的資本結構包括銀行借款、現金及現金等價物淨額及本公司擁有人應佔權益（包括已發行股本、股份溢價及其他儲備）。

本公司董事每半年檢討資本結構。作為檢討的一部分，董事考慮資本成本及與各類資本相關的風險。根據董事的建議，本集團將透過支付股息、發行新股、股份購回及新造銀行貸款以平衡本集團的整體資本結構。

33. 財務風險管理目標及政策

金融工具の種類

2019	2018
2019年	2018年
RMB'000	RMB'000
人民幣千元	人民幣千元

Financial assets	金融資產		
Amortised cost	攤銷成本	1,085,005	1,198,145
Financial liabilities	金融負債		
Amortised cost	攤銷成本	752,472	1,074,095
Lease liabilities	租賃負債	9,429	–

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, pledged bank balances, bank balances and cash, trade and other payables, lease liabilities and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, market risk (currency risk and interest rate risk) and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk and impairment assessment

As at 31 December 2019, the carrying amounts of the financial assets best represent the Group's maximum exposure to credit risk. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. In this regard, the directors of the Company consider that the Group's credit risk of trade receivables is significantly reduced.

The Group has a significant concentration of customers credit risk as 30.9% (2018: 29.2%) and 86.0% (2018: 68.8%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. These major customers are network operators and domestic and overseas wireless network solution providers with good reputation and repayment records.

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收賬款、已抵押銀行結餘、銀行結餘及現金、貿易及其他應付賬款、租賃負債及銀行借款。此等金融工具的詳情已於相關附註披露。與該等金融工具相關的風險包括信貸風險、市場風險(貨幣風險及利率風險)及流動資金風險。緩和有關風險的政策載列如下。管理層管理並監察有關風險，以確保及時且有效地執行恰當的措施。

信貸風險及減值評估

於2019年12月31日，金融資產的賬面值最能反映本集團所承受的最高信貸風險。本集團概無持有任何抵押物或其他信貸增強措施以為其金融資產相關信貸風險提供保障。

產生自與客戶的合約之貿易應收賬款

為減低信貸風險，本集團管理層已委派專責團隊負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動，收回過期債務。本集團接納任何新客戶前，會採用內部信貸評分系統評估潛在客戶之信貸質素及釐定客戶信貸限額。就此而言，本公司董事認為本集團貿易應收賬款的信貸風險大幅降低。

本集團的客戶信貸風險高度集中，分別為30.9% (2018年：29.2%) 及86.0% (2018年：68.8%)，貿易應收賬款總額亦高度集中，分別來自於本集團最大客戶及五大客戶。該等主要客戶為具有良好聲譽及還款記錄的網絡運營商及境內外無線網絡解決方案供應商。

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies *(Cont'd)*

Credit risk and impairment assessment *(Cont'd)*

Trade receivables arising from contracts with customers *(Cont'd)*

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 82.83% (2018: 73.95%) of the total trade receivables as at 31 December 2019.

In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. Except for debtors with significant outstanding balances and credit-impaired, which are assessed for impairment individually, the remaining trade receivables are grouped by internal credit rating under a provision matrix, based on shared credit risk characteristics by reference to repayment histories. Impairment of RMB2,712,000 (2018: RMB280,000) is recognised during the year. Details of the quantitative disclosures are set out below in this note.

Pledged bank balances and bank balances

The credit risk of the Group on pledged bank balances and bank balances is limited because the majority of the counterparties are international banks or state-owned banks, all of which are with high credit ratings.

Other receivables

The Group's other receivables representing notes and bills receivables and others. The directors of the Company consider that the credit risk on other receivables is limited and the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on these other receivables individually. The Group only accepts bills issued or guaranteed by reputable PRC banks and therefore the management of the Group considers the credit risk is insignificant. In this regard, the directors of the Company consider that the Group's credit risk on other receivables is significantly reduced.

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

產生自與客戶的合約之貿易應收賬款
(續)

本集團按地理位置劃分的集中信貸風險主要來自於中國，佔2019年12月31日貿易應收賬款總額的82.83% (2018年：73.95%)。

此外，本集團按預期信貸虧損模式，基於撥備矩陣就貿易結餘進行個別減值評估。除有重大未償還結餘及信貸減值的應收賬款外 (該等應收賬款進行個別減值評估)，根據參照還款記錄的共同信貸風險特徵，本集團基於撥備矩陣按內部信貸評級分組剩餘貿易應收賬款。本集團年內已確認減值人民幣2,712,000元 (2018年：人民幣280,000元)。定量披露詳情載於本附註。

已抵押銀行結餘以及銀行結餘

因大多數對手方為獲授高信貸評級的國際銀行或國有銀行，本集團已抵押銀行結餘及銀行結餘的信貸風險有限。

其他應收賬款

本集團的其他應收賬款指應收票據及其他應收賬款。本公司董事認為其他應收賬款的信貸風險有限，而本集團管理層已委派專責團隊負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動，收回過期債務。此外，本集團按預期信貸虧損模式對該等其他應收賬款進行個別減值評估。本集團僅接納由信譽良好的中國銀行發行或擔保的票據，因此本集團管理層認為信貸風險屬微不足道。就此而言，本公司董事認為本集團其他應收賬款的信貸風險已大大降低。

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

The Group's internal credit risk grading assessment comprises the following categories:

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

本集團的內部信貸風險等級評測包括以下類別：

Internal credit rating 內部信貸評級	Description 說明	Trade receivables 貿易應收賬款	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方的違約風險較低，且並無任何逾期款項	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – 未發生信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 觀察名單	The counterparty has amounts past-due but is continuously settling after due date and with continuous business transactions with the Group 該等金額已逾期，而對手方於到期日後持續償還，並與本集團持續進行業務交易	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – 未發生信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 自透過內部生成之資料或外部資源進行初始確認後，信貸風險顯著增加	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – 未發生信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – 未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示有關資產已發生信貸減值	Lifetime ECL – credit-impaired 存續期預期信貸虧損 – 發生信貸減值	Lifetime ECL – credit-impaired 存續期預期信貸虧損 – 發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重的財務困難且本集團不認為日後可收回有關款項	Amount is written off 撇銷有關金額	Amount is written off 撇銷有關金額

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

The tables below detail the credit risk exposures of the Group's financial assets representing trade receivables, other receivables, pledged bank balances and bank balances which are subject to ECL assessment:

	Notes 附註	External	Internal	12-month or lifetime ECL 12個月或存續期預期信貸虧損	2019		2018	
		credit rating 外部 信貸 評級	credit rating 內部 信貸 評級		Gross carrying amount 2019年總賬面值 RMB'000 人民幣千元	Gross carrying amount 2018年總賬面值 RMB'000 人民幣千元	Gross carrying amount 2018年總賬面值 RMB'000 人民幣千元	Gross carrying amount 2018年總賬面值 RMB'000 人民幣千元
Financial assets at amortised costs								
按攤銷成本列賬 之金融資產								
Trade receivables	21	N/A	(note 2) Watch list Loss	Lifetime ECL (provision matrix) Lifetime ECL – not credit-impaired Lifetime ECL – credit-impaired	380,902		341,118	
貿易應收賬款	21	不適用	(附註2) 觀察名單 虧損	存續期預期信貸虧損(撥備矩陣) 存續期預期信貸虧損 – 未發生信貸虧損 存續期預期信貸虧損 – 發生信貸虧損	14,045	492,000	13,611	543,786
Pledged bank balances	22	BBB-AAA	N/A	12-month ECL	137,074	137,074	171,744	171,744
抵押銀行結餘	22		不適用	12個月預期信貸虧損				
Bank balances	22	BBB-AAA	N/A	12-month ECL	292,411	292,411	296,341	296,341
銀行結餘	22		不適用	12個月預期信貸虧損				
Other receivables	21	N/A	Low risk (note 1)	12-month ECL	177,735	177,735	200,396	200,396
其他應收賬款	21	不適用	低風險 (附註1)	12個月預期信貸虧損				

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表詳載本集團須進行預期信貸虧損評估之金融資產(即貿易應收賬款、其他應收賬款、抵押銀行結餘及銀行結餘)之信貸風險：

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

2019 2019年		Not past due/No fixed repayment terms		Total 合計
		Past due 逾期	未逾期/ 無固定還款期	
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Other receivables	其他應收賬款	—	177,735	177,735

2018 2018年		Not past due/No fixed repayment terms		Total 合計
		Past due 逾期	未逾期/ 無固定還款期	
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Other receivables	其他應收賬款	—	200,396	200,396

- For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances and credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by internal credit rating.

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

附註：

- 就內部信貸風險管理而言，本集團使用逾期資料評估自初始確認后信貸風險是否已大幅增加。

2018 2018年		Not past due/No fixed repayment terms		Total 合計
		Past due 逾期	未逾期/ 無固定還款期	
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Other receivables	其他應收賬款	—	200,396	200,396

2018 2018年		Not past due/No fixed repayment terms		Total 合計
		Past due 逾期	未逾期/ 無固定還款期	
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Other receivables	其他應收賬款	—	200,396	200,396

- 就貿易應收賬款而言，本集團已採用香港財務報告準則第9號簡化法計量存續期預期信貸虧損的虧損撥備。除有重大未償還結餘及信貸減值的應收賬款外，本集團使用按內部信貸評級分組的撥備矩陣釐定該等項目的預期信貸虧損。

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

Provision matrix – internal credit ratings

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2019 within lifetime ECL (not credit-impaired). Debtors with significant outstanding balances and credit-impaired with gross carrying amounts of RMB97,053,000 (2018: RMB189,057,000) and RMB14,045,000 (2018: RMB13,611,000) respectively as at 31 December 2019 were assessed individually.

Gross carrying amount

		2019		2018	
		2019年		2018年	
		Average	Trade	Average	Trade
		loss rate	receivables	loss rate	receivables
		平均虧損率	貿易應收賬款	平均虧損率	貿易應收賬款
			RMB' 000		RMB' 000
			人民幣千元		人民幣千元
Internal credit rating	內部信貸評級				
Low risk	低風險	#	52,957	#	37,267
Watch list	觀察名單	#	302,555	#	272,181
Doubtful	存疑	1%	25,390	2%	31,670
			380,902		
				341,118	

The percentage was lower than 0.1%.

總賬面值

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

撥備矩陣 – 內部信貸評級

作為本集團信貸風險管理之一部份，本集團對其客戶應用內部信貸評級。下表提供相關貿易應收賬款信貸風險的資料，該等貿易應收賬款乃根據2019年12月31日撥備矩陣（存續期預期信貸虧損 – 未發生信貸減值）評估。於2019年12月31日，就具有重大未償還結餘（總賬面值為人民幣97,053,000元（2018年：人民幣189,057,000元））及發生信貸減值（總賬面值為人民幣14,045,000元（2018年：人民幣13,611,000元））的應收賬款進行個別評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The Group rebutted the presumption of default under ECL model for trade receivables over 90 days past due based on good credit quality and repayment records history for those customers. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 December 2019, the Group reversed RMB180,000 (2018: RMB3,502,000) impairment allowance in net for trade receivables in the profit or loss based on the provision matrix. During the year ended 31 December 2019, impairment allowance of nil (2018: nil[^]) and RMB2,892,000 (2018: RMB3,782,000) were made in the profit or loss on debtors with significant outstanding balances and credit-impaired, respectively.

[^] Amount is less than RMB1,000 and disclosed as nil.

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

估計虧損率乃基於債務人於預期年期的過往可觀察違約率估計，並按毋需花費過多成本或精力可取得的前瞻性資料調整。由於該等客戶的信貸質素及過往還款記錄良好，因此本集團已推翻於預期信貸虧損模型下逾期超過90日的貿易應收賬款屬違約的假設。管理層會定期審閱該分組，以確保更新特定債務人之相關資料。

截至2019年12月31日止年度，本集團基於撥備矩陣就貿易應收賬款撥回減值撥備淨額人民幣180,000元(2018年：人民幣3,502,000元)於損益。截至2019年12月31日止年度，分別就有重大未償還結餘及信貸減值的應收賬款於損益計提減值撥備零(2018年：人民幣零元[^])及人民幣2,892,000元(2018年：人民幣3,782,000元)。

[^] 少於人民幣1,000元的金額披露為零。

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截至2019年12月31日止年度

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

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

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表顯示根據簡化法已確認的貿易應收賬款之存續期預期信貸虧損變動。

		Lifetime ECL (not credit-impaired) 存續期預期 信貸虧損 (未發生信貸減值) RMB'000 人民幣千元	Lifetime ECL (credit-impaired) 存續期預期 信貸虧損 (發生信貸減值) RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2018	於2018年1月1日	1,985	13,864	15,849
Changes due to financial instruments recognised as at 1 January 2018:	金融工具引致的變動 於2018年1月1日已確認：			
– Impairment losses recognised	– 減值虧損確認	–	3,055	3,055
– Transfer to credit-impaired	– 轉移至信貸減值	(903)	903	–
– Impairment losses reversed	– 減值虧損撥回	(571)	(2,410)	(2,981)
– Write-offs	– 撇銷	–	(2,007)	(2,007)
New financial assets originated	產生的新金融資產	–#	206	206
As at 31 December 2018	於2018年12月31日	511	13,611	14,122
Changes due to financial instruments recognised as at 1 January 2019:	金融工具引致的變動 於2019年1月1日已確認：			
– Impairment losses recognised	– 減值虧損確認	–	4,269	4,269
– Transfer to credit-impaired	– 轉撥至信貸減值	(161)	161	–
– Impairment losses reversed	– 減值虧損撥回	(205)	(1,377)	(1,582)
– Write-offs	– 撇銷	–	(2,619)	(2,619)
New financial assets originated	產生的新金融資產	25	–	25
As at 31 December 2019	於2019年12月31日	170	14,045	14,215

Amount is less than RMB1,000

金額少於人民幣1,000元

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綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit risk and impairment assessment (Cont'd)

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

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

貿易應收賬款的虧損撥備變動乃主要由於：

		2019		2018	
		2019年		2018年	
		Increase/(decrease) in lifetime ECL		Increase/(decrease) in lifetime ECL	
		存續期預期信貸虧損		存續期預期信貸虧損	
		增加/(減少)		增加/(減少)	
		Not credit-		Not credit-	
		impaired		impaired	
		Credit-impaired		Credit-impaired	
		未發生		未發生	
		信貸減值		信貸減值	
		發生信貸減值		發生信貸減值	
		RMB' 000		RMB' 000	
		人民幣千元		人民幣千元	
Trade debtors with a gross carrying amounts of RMB4,430,000 (2018: RMB3,958,000) defaulted and transferred to credit-impaired	總賬面值人民幣4,430,000元 (2018年：人民幣3,958,000元) 違約並轉至信貸虧損的貿易應收賬款	(161)	4,430	(903)	3,958
Write-off of the credit-impaired trade debtors with a gross carrying amounts of RMB2,619,000 (2018: RMB2,007,000) as there is evidence indicating that the Group has no realistic prospect of recovery	撇銷信貸虧損總賬面值為人民幣2,619,000元 (2018年：人民幣2,007,000元) 的貿易應收賬款，概因有證據顯示本集團無現實的復甦前景	—	(2,619)	—	(2,007)
Settlement in full of trade debtors with a gross carrying amount of RMB1,377,000 (2018: RMB2,410,000)	總賬面值人民幣1,377,000元 (2018年：人民幣2,410,000元) 的貿易應收賬款悉數結算	—	(1,377)	—	(2,410)

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For the year ended 31 December 2019

截至2019年12月31日止年度

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies *(Cont'd)*

Credit risk and impairment assessment *(Cont'd)*

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

Credit risk is not increased significantly since initial recognition for other receivables and all gross amounts balance of other receivables RMB177,735,000 (2018: RMB200,396,000) are rated as low risk and assessed with 12-month ECL that no material impairment losses have been recognised as at 31 December 2019 and 2018.

Market risk

Currency risk

The Group has foreign currency sales and purchases and certain trade receivables, bank balances, trade payables and bank borrowings of the Group are denominated in HK\$, USD, and EUR, currencies other than the functional currency of the Company's principal subsidiaries, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

當有資料顯示債務人面臨嚴重財務困難且無現實的復甦前景時，例如，債務人已清盤或已進入破產程序，本集團撤銷貿易應收賬款。已撤銷貿易應收賬款均不受執行活動影響。

其他應收賬款的信貸風險自初步確認後並無顯著增加，且其他應收賬款的全部結餘總額人民幣177,735,000元（2018年：人民幣200,396,000元）被評為低風險，並借助12個月預期信貸虧損予以評估，而於2019年及2018年12月31日，均未就此確認重大減值虧損。

市場風險

貨幣風險

本集團有外幣銷售及採購，且本集團的若干貿易應收賬款、銀行結餘、貿易應付賬款及銀行借款以港元、美元及歐元計值（該等貨幣並非本公司主要子公司的功能貨幣），使本集團須承擔外幣風險。本集團目前並無任何外幣對沖政策。然而，管理層會監察外匯風險，必要時考慮對沖重大的外匯風險。

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For the year ended 31 December 2019

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Market risk (Cont'd)

Currency risk (Cont'd)

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		2019		2018	
		2019年		2018年	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
HK\$	港元	22,463	4,592	11,099	451
USD	美元	157,804	32,607	270,378	12,905
EUR	歐元	32,746	—	20,575	—

The following table details the Group's sensitivity to a 5% (2018: 5%) change in RMB against HK\$, USD and EUR. The 5% (2018: 5%) represents management's assessment of the reasonably possible change in the foreign exchange rates. The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the reporting period have been determined based on the adjustment of translation of the monetary assets and liabilities at the end of the reporting period for 5% (2018: 5%) change in foreign currency rates. A negative number below indicates a decrease in post-tax profit where RMB strengthens against HK\$, USD and EUR. For 5% (2018: 5%) weakening of RMB against HK\$, USD and EUR, there would be an equal and opposite impact on post-tax profit.

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

市場風險 (續)

貨幣風險 (續)

於呈報期末本集團以外幣計值的貨幣資產及貨幣負債的賬面值如下：

下表載有本集團人民幣兌港元、美元及歐元5% (2018年：5%) 變動的敏感度詳情。5% (2018年：5%) 乃管理層對外幣匯率合理的可能變動的評估。本集團於呈報期末須承擔的外幣風險的敏感度分析乃按貨幣資產及負債於呈報期末基於5% (2018年：5%) 外幣匯率變動作出的匯兌調整釐定。以下負數表示人民幣兌港元、美元及歐元升值情況下稅後利潤減少。就人民幣兌港元、美元及歐元貶值5% (2018年：5%) 而言，稅後利潤將會出現相等但相反的影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Market risk (Cont'd)

Currency risk (Cont'd)

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
If RMB strengthens against HK\$	倘人民幣兌港元升值	(891)	(532)
If RMB strengthens against USD	倘人民幣兌美元升值	(5,312)	(10,728)
If RMB strengthens against EUR	倘人民幣兌歐元升值	(1,392)	(781)

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

Interest rate risk

The Group is exposed to fair value interest rate risk which arises from pledged bank balances (note 22), fixed rate bank borrowings (note 25) and lease liabilities (note 26). The Group is exposed to cash flow interest rate risk which arises from bank balances (note 22) and floating rate bank borrowings (note 25). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and SHIBOR arising from the Group's RMB denominated borrowings. The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The positive number below indicates increase in post-tax profit, and vice versa.

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

市場風險 (續)

貨幣風險 (續)

	2019	2018
	2019年	2018年
	RMB' 000	RMB' 000
	人民幣千元	人民幣千元
If RMB strengthens against HK\$	(891)	(532)
If RMB strengthens against USD	(5,312)	(10,728)
If RMB strengthens against EUR	(1,392)	(781)

管理層認為，由於年底的風險並不反映年內的風險，故此敏感度分析並不反映既有的外匯風險。

利率風險

本集團面對已抵押銀行結餘(附註22)、定息銀行借款(附註25)及租賃負債(附註26)產生的公平值利率風險。本集團面對銀行結餘(附註22)及浮息銀行借款(附註25)產生的現金流量利率風險。本集團的現金流量利率風險主要集中於本集團以人民幣計值的借款引起的銀行結餘及SHIBOR利率波動。本集團的目標乃以浮動利率持有借款。本集團透過根據利率水平及前景評估任何利率變動產生的潛在影響管理其利率風險。管理層將檢討定息及浮動利率借款的比例，確保其在合理範圍內。

本集團目前並無利率對沖政策。然而，管理層會監察利率風險，並在有需要時考慮對沖重大利率風險。

以下正數表示稅後利潤增加，反之亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Market risk (Cont'd)

Interest rate risk (Cont'd)

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

市場風險 (續)

利率風險 (續)

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
		(note a)	(note a)
		(附註a)	(附註a)
If the interest rates increase	倘利率上升		
Increase in post-tax profit	稅後利潤增加	166	251

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
		(note b)	(note b)
		(附註b)	(附註b)
If the interest rates decrease	倘利率下降		
Decrease in post-tax profit	稅後利潤減少	(143)	(203)

Notes:

The sensitivity analyses have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

- (a) If interest rate on bank balances had been 10 basis points higher and interest rate on short-term floating rate bank borrowings had been 50 basis points higher and all other variables were held constant. These represent management's assessment of the reasonably possible change in interest rates.
- (b) If interest rate on bank balances denominated in HK\$ and other foreign currencies had been 0.1 basis point and 10 basis points lower, respectively, and interest rate on short-term floating rate bank borrowings had been 50 basis points lower and all other variables were held constant. These represent management's assessment of the reasonably possible change in interest rates.

附註：

敏感度分析乃根據於呈報期末的利率風險釐定。編製此分析乃假設於呈報期末未償付之金融工具於整個年度均為未償付。

- (a) 假設銀行結餘的利率增加10個基點，短期浮息銀行借款的利率增加50個基點，而所有其他變數保持不變。此乃管理層對利率合理潛在變動的評估。
- (b) 假設以港元及其他外幣計值的銀行結餘的利率分別下跌0.1個基點及10個基點，而短期浮息銀行借款的利率下跌50個基點，而所有其他變數保持不變。此乃管理層對利率合理潛在變動的評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

Banking facilities available to the Group amounting to approximately RMB498,000,000 (2018: RMB290,000,000) granted the Group for the bank borrowings, bills payables and letter of credits.

The Group relies on bank borrowings as a source of liquidity. As at 31 December 2019, the Group has available unutilised banking facilities of approximately RMB238,522,000 (2018: RMB18,319,000).

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

流動資金風險

於流動資金風險管理中，本集團監控及保持一定水平的現金及現金等價物，令管理層視為足以應付本集團營運所需，並足以緩減現金流量波動的影響。管理層監控銀行借款的運用及確保遵守貸款契約。

本集團已獲得銀行融資約人民幣498,000,000元（2018年：人民幣290,000,000元），用於償還本集團的銀行借款、應付票據及信用證。

本集團依賴銀行借款作為流動資金來源。於2019年12月31日，本集團有可動用未用銀行融資約人民幣238,522,000元（2018年：人民幣18,319,000元）。

下表為本集團金融負債餘下合約到期日的詳情。下表乃按本集團可能需要支付的最早日期根據金融負債的未折現現金流量編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019

截至2019年12月31日止年度

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Financial risk management objectives and policies (Cont'd)

Liquidity risk (Cont'd)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

33. 財務風險管理目標及政策 (續)

財務風險管理目標及政策 (續)

流動資金風險 (續)

該表載列利息及主要現金流量。倘利息按浮動利率計算，則未折現金額按呈報期末的利率曲線計算。

		Weighted average effective interest rate 加權平均 實際利率	Repayable on demand	0 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 days to 1 year	1 year to 5 years	Total undiscounted cash flows 總未折現 現金流	Carrying amount at 31 December 於12月31日 賬面值
		%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2019	2019年										
Trade and other payables	貿易及其他應付賬款	N/A	267,078	81,143	85,970	84,089	131,178	—	—	649,458	649,458
Bank borrowings	銀行借款	不適用									
– Fixed interest rate	— 定息利率	4.41	—	290	5,290	268	40,543	34,361	—	80,752	78,882
– Floating interest rate	— 浮動利率	4.90	—	82	82	82	245	20,163	—	20,654	20,000
Dividend payable	應付股息		4,132	—	—	—	—	—	—	4,132	4,132
Lease liabilities	租賃負債	6.00	—	506	378	362	1,149	2,026	5,861	10,282	9,429
			271,210	82,021	91,720	84,801	173,115	56,550	5,861	765,278	761,901
2018	2018年										
Trade and other payables	貿易及其他應付賬款	N/A	377,156	201,073	173,512	108,851	16,703	—	—	877,295	877,295
Bank borrowings	銀行借款	不適用									
– Fixed interest rate	— 定息利率	5.62	—	922	50,922	677	63,563	86,358	—	202,442	196,800
			377,156	201,995	224,434	109,528	80,266	86,358	—	1,079,737	1,074,095

The amount included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

倘非衍生金融負債浮息工具之浮動利率變動與呈報期末釐定之估計利率不同，則就該等工具計入之數額或會變更。

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period. The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

34. PLEDGE OF OR RESTRICTIONS ON ASSETS

Assets with the following carrying amounts have been pledged to secure bank borrowings and bills payable granted to the Group.

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Pledged bank deposits	質押銀行存款	137,074	171,744
Notes receivable	應收票據	79,071	—
		216,145	171,744

Restrictions on assets

In addition, lease liabilities of RMB9,429,000 are recognised with related right-of-use assets of RMB9,370,000 as at 31 December 2019. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

35. RETIREMENT BENEFITS SCHEME

The employees of the Group are members of a state-managed retirement benefit scheme operated by the local government. MOBI Shenzhen, MOBI Jian and MOBI Xian are required to contribute 14%, 20% and 20% (2018: 14%, 20% and 20%), respectively, of the payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of these entities with respect to the retirement benefit scheme is to make the specified contributions.

The retirement benefits scheme contributions made by the Group amounted to RMB25,003,000 (2018: RMB30,843,000) for the year ended 31 December 2019.

33. 財務風險管理目標及政策 (續)

金融工具的公平值計量

本公司董事認為，按攤銷成本計入綜合財務報表的金融資產及金融負債的賬面值與其於呈報期末的公平值相若。金融資產及金融負債的公平值按公認定價模式，根據折現現金流量分析而釐定。

34. 資產質押受限情況

賬面值如下的資產已予質押，以抵押本集團獲授的銀行借款及應付票據。

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Pledged bank deposits	137,074	171,744
Notes receivable	79,071	—
	216,145	171,744

資產受限情況

此外，於2019年12月31日，確認租賃負債人民幣9,429,000元及相關使用權資產人民幣9,370,000元。租賃協議不施加任何契諾，惟出租人持有的租賃資產中的抵押權益除外以及相關租賃資產不得就借貸用途用作抵押。

35. 退休福利計劃

本集團的僱員乃地方政府設立的國家管理退休福利計劃的成員。摩比深圳、摩比吉安及摩比西安須分別按工資成本的14%、20%及20% (2018年：14%、20%及20%) 向退休福利計劃作出供款作為福利的資金。該等公司的退休福利計劃承擔僅限於作出指定供款。

截至2019年12月31日止年度，本集團作出的退休福利計劃供款為人民幣25,003,000元 (2018年：人民幣30,843,000元)。

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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

Reconciliation of liabilities arising from financial activities for the year ended 31 December 2019 and 2018:

36. 融資活動所產生負債的對賬

下表詳述本集團融資活動所產生負債的變動，包括現金及非現金變動。融資活動產生的負債乃過往或未來現金流量將於本集團的綜合現金流量表內分類為融資活動所產生現金流量的負債。

截至2019年及2018年12月31日止年度，融資活動所產生的負債對賬如下：

		Dividend payable 應付股息 RMB'000 人民幣千元	Bank borrowings 銀行借款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Total liabilities from financing activities 融資活動負債總額 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	726	287,464	—	288,190
Financing cash flows	融資現金流量	(28,401)	(103,842)	—	(132,243)
<i>Non-cash changes</i>	<i>非現金變動</i>				
Finance costs	財務成本	—	13,178	—	13,178
Dividend recognised as distribution (note 12)	確認作分派的股息 (附註12)	27,675	—	—	27,675
At 31 December 2018	於2018年12月31日	—	196,800	—	196,800
Adjustment upon application of HKFRS 16	應用香港財務報告準則 第16號後的調整	—	—	2,271	2,271
As at 1 January 2019 (restated)	於2019年1月1日(經重列)	—	196,800	2,271	199,071
Financing cash flows	融資現金流量	(10,303)	(107,849)	(3,150)	(121,302)
<i>Non-cash changes</i>	<i>非現金變動</i>				
Finance costs	財務成本	—	9,931	309	10,240
Dividend recognised as distribution (note 12)	確認作分派的股息 (附註12)	14,435	—	—	14,435
New lease entered/lease modified	訂立新租賃/租賃修改	—	—	9,999	9,999
At 31 December 2019	於2019年12月31日	4,132	98,882	9,429	112,443

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37. RELATED PARTY TRANSACTIONS

(a) Related party balances and transactions

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with SZWS.

Nature of balances/transactions	結餘／交易性質	2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Lease payment paid	已付租賃款項	1,056	—
Expenses relating to short-term leases	短期租賃相關開支	222	—
Lease liabilities (Note i)	租賃負債(附註i)	2,571	—
Interest on lease liabilities	租賃負債利息	133	—
Operating lease expenses	經營租賃開支	—	1,331
Rental deposit receivable	應收租賃按金	110	72
Other payables (Note ii)	其他應付賬款(附註ii)	111	106

Notes:

- (i) During the year ended 31 December 2019, the Group entered into a new lease agreement for the use of building with SZWS for 3 years. Except for short-term lease in which the Group applied recognition exemption, the Group has recognised an addition of right-of-use assets and lease liabilities of RMB3,594,000 and RMB3,494,000 respectively.
- (ii) The balances are unsecured, interest-free and payable on demand.

37. 關連人士交易

(a) 關連人士結餘及交易

除該等綜合財務報表另有披露者外，本集團與深圳維先通的交易及結餘如下。

Nature of balances/transactions	結餘／交易性質	2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Lease payment paid	已付租賃款項	1,056	—
Expenses relating to short-term leases	短期租賃相關開支	222	—
Lease liabilities (Note i)	租賃負債(附註i)	2,571	—
Interest on lease liabilities	租賃負債利息	133	—
Operating lease expenses	經營租賃開支	—	1,331
Rental deposit receivable	應收租賃按金	110	72
Other payables (Note ii)	其他應付賬款(附註ii)	111	106

附註：

- (i) 截至2019年12月31日止年度，本集團與深圳維先通訂立為期三年的新租賃協議，以使用該樓宇。除本集團採用確認豁免的短期租賃外，本集團已分別確認使用權資產及租賃負債添置人民幣3,594,000元及人民幣3,494,000元。
- (ii) 結餘為無抵押、免息及於要求時償還。

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37. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Operating lease commitments

As disclosed in note 30, as at 31 December 2018, the Group was committed to make the following future minimum lease payment in respect of a rented premise under non-cancellable operating lease with SZWS, which fall due:

	2018 2018年 RMB'000 人民幣千元
Within one year	222

(c) Compensation of key management personnel

The remuneration of directors and other members of key management were as follows:

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Short-term employee benefits	10,464	8,875
Post-employment benefits	148	162
Equity-settled share-based payment	—	83
	10,612	9,120

The remuneration of directors and key executives is determined having regard to the performance of individuals and market trends.

The retirement benefits scheme contributions of one director were paid by SZWS for the year ended 31 December 2019 and 2018 as set in note 10.

37. 關連人士交易 (續)

(b) 經營租賃承擔

如附註30所披露者，於2018年12月31日，本集團已根據與深圳維先通訂立的不可撤銷經營租賃承諾為所租用物業支付於下述時間到期的未來最低租金：

	2018 2018年 RMB'000 人民幣千元
Within one year	222

(c) 主要管理人員的報酬

董事及主要管理層其他成員的薪酬如下：

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Short-term employee benefits	10,464	8,875
Post-employment benefits	148	162
Equity-settled share-based payment	—	83
	10,612	9,120

董事及主要行政人員的薪酬乃根據個人表現及市場趨勢而釐定。

如附註10所載，截至2019年及2018年12月31日止年度，深圳維先通已支付一名董事的退休福利計劃供款。

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

As at the end of both reporting periods, the particulars of the Company's subsidiaries are as follows:

Name of subsidiary 子公司名稱	Place and date of establishment/ incorporation 成立／註冊 成立地點及日期	Issued and fully paid registered capital/share capital 已發行及繳足 註冊資本／股本 2019 & 2018 2019年及2018年	Equity interest attributable to the Group 本集團 應佔股權 2019 & 2018 2019年及2018年	Principal activities 主要業務
MOBI Jian(1)	the PRC 23 May 2006	RMB267,000,000	100%	Production and sale of antennas and radio frequency subsystems
摩比吉安(1)	中國 2006年5月23日	人民幣 267,000,000元	100%	生產及銷售天線和無線電射頻子系統
MOBI Shenzhen (2)	the PRC 12 August 1999	RMB220,000,000	100%	Production and sale of antennas and radio frequency subsystems
摩比深圳(2)	中國 1999年8月12日	人民幣 220,000,000元	100%	生產及銷售天線和無線電射頻子系統
MOBI Xian (3)	the PRC 29 April 2008	RMB120,000,000	100%	Production and sale of antennas and radio frequency subsystems
摩比西安(3)	中國 2008年4月29日	人民幣 120,000,000元	100%	生產及銷售天線和無線電射頻子系統
MOBI HK (4)	Hong Kong 15 December 2010	HK\$10,000,000	100%	Trading of antennas and radio frequency subsystems
摩比香港(4)	香港 2010年12月15日	10,000,000港元	100%	天線和無線電射頻子系統貿易

(1) MOBI Jian is directly held by the Company and a wholly foreign-owned enterprise in the PRC.

(2) MOBI Shenzhen is directly held by MOBI Jian and a wholly foreign-owned enterprise in the PRC.

(3) MOBI Xian is directly held by MOBI Shenzhen and a wholly foreign-owned enterprise in the PRC.

(4) MOBI HK is directly held by the Company.

38. 本公司主要子公司詳情

於兩個呈報期末，本公司子公司詳情如下：

(1) 摩比吉安由本公司及中國外商獨資企業直接持有。

(2) 摩比深圳由摩比吉安及中國外商獨資企業直接持有。

(3) 摩比西安由摩比深圳及中國外商獨資企業直接持有。

(4) 摩比香港由本公司直接持有。

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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司財務狀況報表

		2019	2018
		2019年	2018年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Non-current Assets	非流動資產		
Unlisted investments in subsidiaries	於子公司的非上市投資	375,761	375,761
Amounts due from subsidiaries	應收子公司款項	53,595	66,759
		429,356	442,520
Current Assets	流動資產		
Other receivable	其他應收賬款	—	5,752
Amounts due from subsidiaries	應收子公司款項	35,023	76,211
Bank balances and cash	銀行結餘及現金	22,331	5,284
		57,354	87,247
Current liabilities	流動負債		
Other payable	其他應付賬款	260	255
Amounts due to subsidiaries	應付子公司款項	1,139	35,481
Dividend payable	應付股息	4,132	—
		5,531	35,736
Net Current Assets	流動資產淨額	51,823	51,511
Total Assets less Current Liabilities	總資產減流動負債	481,179	494,031
Capital and Reserves	股本及儲備		
Share capital (note 28)	股本(附註28)	6	6
Reserves	儲備	481,173	494,025
Total Equity	總權益	481,179	494,031

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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

Movement in reserves

		Share premium	Share option reserve (note 29) 購股權儲備	Retained earnings	Total
		股份溢價	(附註29)	保留盈利	合計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	462,696	27,602	23,956	514,254
Recognition of equity-settled share-based payment	確認以權益結算以股份為基礎的付款	—	427	—	427
Profit and the total comprehensive income for the year	年度利潤及全面收益總額	—	—	7,384	7,384
Dividend recognised as distribution	確認作分派的股息	(27,675)	—	—	(27,675)
Shares repurchased	購回股份	(365)	—	—	(365)
At 31 December 2018	於2018年12月31日	434,656	28,029	31,340	494,025
Profit and the total comprehensive income for the year	年度利潤及全面收益總額	—	—	2,093	2,093
Transfer of share option reserve upon forfeiture of share options	於沒收購股權時轉撥購股權儲備	—	(2,268)	2,268	—
Dividend recognised as distribution	確認作分派的股息	(14,435)	—	—	(14,435)
Shares repurchased	購回股份	(510)	—	—	(510)
At 31 December 2019	於2019年12月31日	419,711	25,761	35,701	481,173

40. EVENT AFTER THE REPORTING PERIOD

The outbreak of the COVID-19 and the subsequent quarantine measures as well as the travel restrictions imposed by many countries have had an impact on the global business environment. The Group had to stop its manufacturing activities since the end of January and February 2020 due to mandatory government quarantine measures in an effort to contain the spread of the epidemic and the Group had resumed its manufacturing activities since mid-February 2020.

The COVID-19 outbreak is expected to materially affect the consolidated results of the Group for the first half of 2020. And pending on the development and spread of COVID-19 subsequent to the date these financial statements are authorised for issue, further changes in economic conditions arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date these financial statements are authorised for issue.

39. 本公司財務狀況報表(續)

儲備變動

		Share premium	Share option reserve (note 29) 購股權儲備	Retained earnings	Total
		股份溢價	(附註29)	保留盈利	合計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	462,696	27,602	23,956	514,254
Recognition of equity-settled share-based payment	確認以權益結算以股份為基礎的付款	—	427	—	427
Profit and the total comprehensive income for the year	年度利潤及全面收益總額	—	—	7,384	7,384
Dividend recognised as distribution	確認作分派的股息	(27,675)	—	—	(27,675)
Shares repurchased	購回股份	(365)	—	—	(365)
At 31 December 2018	於2018年12月31日	434,656	28,029	31,340	494,025
Profit and the total comprehensive income for the year	年度利潤及全面收益總額	—	—	2,093	2,093
Transfer of share option reserve upon forfeiture of share options	於沒收購股權時轉撥購股權儲備	—	(2,268)	2,268	—
Dividend recognised as distribution	確認作分派的股息	(14,435)	—	—	(14,435)
Shares repurchased	購回股份	(510)	—	—	(510)
At 31 December 2019	於2019年12月31日	419,711	25,761	35,701	481,173

40. 報告期後事項

COVID-19的爆發及後續檢疫措施以及多國實施的出行限制對全球業務環境均造成影響。由於政府為遏制疫情擴散採取強制性檢疫措施，本集團不得不自2020年1月底及2月停止生產活動，且本集團已自2020年2月中旬起恢復生產活動。

預計COVID-19的爆發將嚴重影響本集團2020年上半年的綜合業績。於本財務報表授權發行日期後，隨著冠狀病毒COVID-19的發展和傳播，經濟狀況將進一步發生變化，可能對本集團的財務業績產生影響，於本財務報表授權發行日期尚無法估計受影響程度。



MOBI 摩比
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