

The logo consists of the letters 'CEC' in a bold, blue, sans-serif font.

华大科技

HUADA TECHNOLOGY

# China Electronics

## Huada Technology Company Limited

### 中國電子華大科技有限公司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

*(於開曼群島註冊成立及於百慕達繼續經營之有限公司)*

(Stock Code 股份代號: 00085)

Annual Report **2019** 年報

## Contents

### 目錄

|  |             |     |
|--|-------------|-----|
| Corporate Information                          | 公司資料        | 2   |
| Chairman's Statement                           | 主席報告        | 4   |
| Management Discussion and Analysis             | 管理層討論及分析    | 8   |
| Corporate Governance Report                    | 企業管治報告      | 14  |
| Biographies of Directors and Senior Management | 董事及高級管理人員簡歷 | 30  |
| Report of the Directors                        | 董事會報告       | 35  |
| Independent Auditor's Report                   | 獨立核數師報告     | 51  |
| Consolidated Statement of Profit or Loss       | 綜合損益表       | 58  |
| Consolidated Statement of Comprehensive Income | 綜合全面收益表     | 59  |
| Consolidated Statement of Financial Position   | 綜合財務狀況表     | 60  |
| Consolidated Statement of Changes in Equity    | 綜合權益變動表     | 62  |
| Consolidated Statement of Cash Flows           | 綜合現金流量表     | 63  |
| Notes to the Consolidated Financial Statements | 綜合財務報表附註    | 65  |
| Five-year Financial Summary                    | 五年財務資料摘要    | 148 |

## Corporate Information 公司資料

### BOARD OF DIRECTORS

#### Non-executive Directors

Dong Haoran (*Chairman*)  
Liu Jinmei

#### Executive Directors

Yu Jian (*Deputy Chairman*)  
Liu Hongzhou (*Managing Director*)

#### Independent Non-executive Directors

Chan Kay Cheung  
Qiu Hongsheng  
Chow Chan Lum

### AUDIT COMMITTEE

Chan Kay Cheung (*Chairman*)  
Qiu Hongsheng  
Chow Chan Lum

### REMUNERATION AND NOMINATION COMMITTEE

Qiu Hongsheng (*Chairman*)  
Chan Kay Cheung  
Chow Chan Lum  
Yu Jian

### COMPANY SECRETARY

Ng Kui Kwan

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### PRINCIPAL OFFICE IN HONG KONG

Room 3403, 34th Floor  
China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

### 董事會

#### 非執行董事

董浩然 (*主席*)  
劉勁梅

#### 執行董事

虞儉 (*副主席*)  
劉紅洲 (*董事總經理*)

#### 獨立非執行董事

陳棋昌  
邱洪生  
鄒燦林

### 審核委員會

陳棋昌 (*主席*)  
邱洪生  
鄒燦林

### 薪酬及提名委員會

邱洪生 (*主席*)  
陳棋昌  
鄒燦林  
虞儉

### 公司秘書

伍舉鈞

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### 香港主要辦事處

香港  
灣仔  
港灣道26號  
華潤大廈  
34樓3403室

## **INVESTOR RELATIONS**

Telephone: (852) 2598 9088  
Facsimile: (852) 2598 9018  
Website: www.cecht.com.cn  
Email: investor@cecht.com.hk

## **STOCK CODE**

00085

## **PRINCIPAL BANKERS**

Agricultural Bank of China  
Shanghai Branch Changning Sub-branch  
Bank of Beijing Co., Ltd  
Bank of China (Hong Kong) Limited  
Bank of China Limited, Macau Branch  
China Construction Bank Corporation  
China Merchants Bank Shenzhen Branch  
Industrial Bank Co., Ltd, Shenzhen Qianhai Branch

## **PRINCIPAL SHARE REGISTRAR**

MUFG Fund Services (Bermuda) Limited  
4th floor North  
Cedar House  
41 Cedar Avenue  
Hamilton HM 12  
Bermuda

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

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

## **INDEPENDENT AUDITOR**

Ernst & Young

## **LEGAL ADVISOR**

Freshfields Bruckhaus Deringer

## **投資者關係聯絡**

電話：(852) 2598 9088  
傳真：(852) 2598 9018  
網頁：www.cecht.com.cn  
電郵：investor@cecht.com.hk

## **股份代號**

00085

## **主要往來銀行**

中國農業銀行股份有限公司  
上海長寧支行  
北京銀行股份有限公司  
中國銀行(香港)有限公司  
中國銀行股份有限公司澳門分行  
中國建設銀行股份有限公司  
招商銀行股份有限公司深圳分行  
興業銀行股份有限公司深圳前海分行

## **股份登記總處**

MUFG Fund Services (Bermuda) Limited  
4th floor North  
Cedar House  
41 Cedar Avenue  
Hamilton HM 12  
Bermuda

## **香港股份過戶登記分處**

卓佳雅柏勤有限公司  
香港  
皇后大道東183號  
合和中心54樓

## **獨立核數師**

安永會計師事務所

## **法律顧問**

富而德律師事務所

## Chairman's Statement

### 主席報告



**Dong Haoran 董浩然**  
*Chairman 主席*

On behalf of the board of directors (the "Board") of China Electronics Huada Technology Company Limited (the "Company"), I hereby report that for the year 2019 the Company together with its subsidiaries (the "Group") achieved a sale revenue of HK\$1,695.5 million, at a level similar to that of last year, the profit attributable to shareholders of the Company was HK\$155.2 million, representing an increase of 36.9% when comparing with last year. Basic earnings per share was HK7.64 cents.

本人謹代表中國電子華大科技有限公司（「本公司」）董事會（「董事會」）宣佈，2019年本公司及其附屬公司（「本集團」）實現銷售收入1,695.5百萬港元，與去年相若，本公司股東應佔溢利為155.2百萬港元，較去年上升36.9%。每股基本盈利為7.64港仙。

## Chairman's Statement 主席報告

The Board recommends the payment of a dividend of HK2.3 cents per share for the year ended 31 December 2019 (2018: HK2.0 cents), amounting to a total dividend of HK\$46.7 million. Subject to approval by shareholders of the Company at the forthcoming annual general meeting, the dividend will be distributed on or before 31 July 2020.

In 2019, with the tremendous assistance from the Company's ultimate controlling shareholder, China Electronics Corporation Limited ("CEC") and through its unsecured guarantee support, the Company successfully raised RMB1.9 billion new unsecured short-term bank borrowings to repay its existing unsecured short-term bank borrowings.

As a leader of the security smart card chips industry in the PRC, our products are mainly used in the sector of identity authentication, financial payment, government utilities as well as telecommunication. In 2019, the Group proactively opened up new markets, including breakthroughs in the application of smart transportation on highways and Internet of Vehicles, as well as achieved efficient development in the area of security chip product lines and solutions.

董事會建議就截至2019年12月31日止年度派付每股2.3港仙(2018年: 2.0港仙)股息, 總計為46.7百萬港元。待本公司股東於應屆股東週年大會上批准後, 股息將於2020年7月31日或之前分派。

於2019年, 在本公司之最終控股股東中國電子信息產業集團有限公司(「中國電子集團」)的強有力支持下, 以提供無抵押擔保方式協助本公司成功籌借人民幣19.0億元新無抵押短期銀行借貸以償還其現有無抵押短期銀行借貸。

本集團作為國內智能卡及安全芯片商之翹楚, 產品廣泛應用於身份識別、金融支付、政府公共事業及電信領域。2019年本集團積極開拓新的市場, 在智慧交通方向的高速公路和車聯網應用上實現突破, 並在安全芯片產品線及解決方案領域得到高效發展。

## Chairman's Statement

### 主席報告

Looking into 2020, the integrated circuits industry is expected to see fiercer competition in both domestic and international markets, with apparent trend of increasing industry chain costs and downward trend of product selling price further accelerating. In the meantime, the COVID-19 pandemic will also cast certain degree of uncertainty on the overall macroeconomic environment in 2020. Nevertheless, further application of the domestic-made substitutes and the state cryptographic algorithm in certain sectors of smart card chips market in 2020, as well as 5G and Internet of Things becoming the key development direction of new infrastructure, both of which will push up demand for higher information security and will bring market opportunities to the businesses of the Group. The Group will continue to closely track domestic market demands, actively explore potential customers and strengthen sales channels construction, follow up on the development needs of telecommunication card chips for 5G application and continue to expand the security chips market, with a view to provide diversified and quality products that meet the demand of the customers and markets.

On the other hand, based on its smart card chips security and application technology accumulated over the years, the Group will continue to pursue in-depth researches on security technology and high reliability technology, and with a market-orientated approach, strengthen research on areas such as Internet of Things system technology, security technology, smart card chips technology, process technology, etc., and take forward the development of products such as Internet of Things security chips and system solutions, and Internet of Things security operation and maintenance platforms in a progressive manner, as well as strengthen the applications for industries such as smart cities, smart manufacturing, smart transportation, smart home, automotive electronics, etc., continuously strive to enhance its core competitiveness in the market of Internet of Things.

展望2020年，國內外集成電路行業競爭將更為激烈，產業鏈環節成本增加趨勢明顯，產品銷售價格的下跌趨勢進一步加劇。同時，新型冠狀病毒疫情對2020年整體宏觀經濟環境也將帶來一定程度的不明朗。然而，2020年智能卡芯片市場在部分領域因國產化替代和國密算法的進一步應用，以及5G和物聯網成為新基建的重點發展方向將推動提升資訊安全需求，將為本集團的業務帶來了市場契機。本集團將繼續緊密跟蹤國內市場需求，積極挖掘潛在客戶，加強銷售渠道建設，跟進5G應用對電信卡芯片的發展需求，繼續拓展安全芯片市場，致力於提供滿足客戶和市場需求的多元化及高品質產品。

另一方面，本集團將基於多年積累的芯片安全和應用技術，繼續深入安全技術和高可靠性技術研究，以市場為導向，加強在物聯網系統技術、安全技術、芯片技術、工藝技術等領域的研究，逐步推進物聯網安全芯片及系統解決方案、物聯網安全運維平臺等產品的開發，同時加強在智慧城市、智慧製造、智慧交通、智慧家居、汽車電子等行業的應用，不斷提升本集團在物聯網市場的核心競爭力。

## Chairman's Statement 主席報告

Lastly, on behalf of the Board, I would like to thank all staff members for their contributions and efforts in the past year. I would also like to express our most sincere gratitude to our shareholders and business partners for their continuing co-operation and support.

最後，本人謹代表董事會，對公司全體同仁在過去一年的辛勤工作與不懈努力表示由衷的感謝，並對各位股東及合作夥伴長期以來的合作與支持深表謝意！

**Dong Haoran**  
*Chairman*

Hong Kong, 30 March 2020

主席  
董浩然

香港，2020年3月30日



# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

#### Results overview

Revenue of the Group for the year ended 31 December 2019 amounted to HK\$1,695.5 million, at a level similar to that of last year. Profit attributable to owners of the Company amounted to HK\$155.2 million, representing an increase of 36.9% when comparing with last year. The basic earnings per share was HK7.64 cents (2018: HK5.58 cents).

#### Integrated circuits design operation

The Group's integrated circuits design operation comprises the design of security smart card chips and the development of application system. Currently, the Group's products are mainly used in the sector of identity authentication, financial payment, government utilities and telecommunication. For the year ended 31 December 2019, the Group has obtained 31 new patents, registered 1 new software copyright and 5 new integrated circuits layout designs.

### 業務回顧

#### 業績概述

本集團截至2019年12月31日止年度之收入為1,695.5百萬港元，與去年相若。本公司權益持有者應佔溢利為155.2百萬港元，較去年上升36.9%。每股基本盈利為7.64港仙（2018年：5.58港仙）。

#### 集成電路設計業務

本集團之集成電路設計業務涵蓋智能卡及安全芯片之設計及應用系統開發。目前，本集團產品主要覆蓋身份識別、金融支付、政府公共事業及電信應用領域。截至2019年12月31日止年度，本集團新增授權專利31項、新登記1項軟件著作及新註冊5項集成電路佈圖設計。

## Management Discussion and Analysis 管理層討論及分析

The year of 2019 saw many complex situations and development in the international arenas, slowing down the growth of global market for integrated circuits. Meanwhile, the market demand for domestic-made smart card chips grew steadily due to the further application of the domestic-made substitutes and the state cryptographic algorithm. In particular, as driven by the maturity of domestic-made chip technology and the policy on the issuance of bank cards with the state cryptographic algorithm, the market demand for domestic-made bank card chips soared. However, product selling prices continued to drop as a result of intensification of competition. In 2019, the Group successfully participated in bank card projects of various major domestic banks and recorded a significant increase in sales volume of bank card chips when comparing with last year. The market demand for telecommunication card chips remained steady amid fierce competition. Sales volume of telecommunication card chips for the year increased when comparing with last year. In 2019, the market demand for social security cards was steady, sales volume of social security card chips for the year increased slightly when comparing with last year. During the year, sales volume of identity authentication products was about the same as last year, while sales volume of some of the other smart card chips decreased significantly due to changes in business planning. For the year ended 31 December 2019, overall sales volume of the Group increased by 10.0% when comparing with last year. As the recorded growth in sales volume for the year was mainly telecommunication card chips with unit price below the weighted average selling price, and along with the effect of decrease in selling price of smart card chips in general when comparing with last year resulting from further intensification of market price competition on the revenue during the year, revenue of the Group for the year ended 31 December 2019 was HK\$1,695.5 million, at a level similar to that of last year.

2019年國際形勢複雜多變，全球集成電路市場增長放緩，國產智能卡芯片市場因國產化替代和國密算法的進一步應用，需求平穩增長。其中，隨著國產芯片技術的成熟及加載國密算法金融卡的發卡政策推動，國產金融卡芯片市場需求增長迅速，但亦因競爭加劇，導致產品銷售價格持續下跌。2019年本集團成功參與各大國內銀行的銀行卡項目，金融卡芯片銷售量較去年有顯著增長。電信卡芯片市場需求保持穩定，但競爭非常激烈，年內電信卡芯片銷售量較去年有所增長。2019年社會保障卡市場需求平穩，年內社會保障卡芯片銷售量較去年略有增長。年內身份識別產品銷售量與去年相若，而若干其他智能卡芯片因業務規劃變化，導致銷售量較去年有顯著下降。截至2019年12月31日止年度，本集團總銷售量較去年增長了10.0%。由於年內銷售量取得增長的主要為單價低於加權平均售價的電信卡芯片，加上受市場價格競爭進一步加劇導致智能卡芯片的售價較去年普遍下跌對年內收入的影響，本集團截至2019年12月31日止年度的收入為1,695.5百萬港元，與去年相若。

## Management Discussion and Analysis

### 管理層討論及分析

The Group has successfully conducted research of and promoted the use of different types of raw materials, which has both mitigated the problem of shortage of raw materials and achieved cost reduction to a certain extent, and offset the negative impact of decrease in selling price of smart card chips when comparing with last year caused by intense market competition on the overall gross profit margin of the year. Overall gross profit margin for the year ended 31 December 2019 was 31.6%, at a level similar to that of last year.

Selling and marketing costs for the year ended 31 December 2019 amounted to HK\$83.2 million (2018: HK\$90.3 million). The percentage of selling and marketing costs to revenue decreased to 4.9% from 5.4% of last year. The decrease was mainly attributable to the continuous implementation by the Group of stringent cost control measures during the year.

Administrative expenses for the year ended 31 December 2019 amounted to HK\$345.8 million (2018: HK\$343.6 million). The percentage of administrative expenses to revenue was 20.4%, at a level similar to that of last year. The Group continued to implement stringent cost control measures during the year.

Research and development costs for the year ended 31 December 2019 amounted to HK\$221.7 million (2018: HK\$211.8 million). The percentage of research and development costs to revenue was 13.1% (2018: 12.6%). Research and development of the Group during the year primarily focused on the research and development of security chip products as well as the continuous improvements in smart card product functions and performance, advanced research of new process, enhancement of product security certification level, enhancement of product security technology, research in application of security chips in the Internet of Things sector and the development of application systems and solutions, etc.

由於本集團成功開展不同原材料的研究和推廣使用，既緩解了原材料緊缺問題，也在一定程度上實現了成本的降控，並抵銷了因市場競爭的激烈化導致智能卡芯片的售價較去年下跌對年內整體毛利率所造成的負面影響。截至2019年12月31日止年度的整體毛利率為31.6%，與去年相若。

截至2019年12月31日止年度的銷售及市場推廣成本為83.2百萬港元（2018年：90.3百萬港元）。銷售及市場推廣成本佔收入的百分比由去年的5.4%下降至4.9%。下降的主要原因是年內本集團繼續實施嚴格的成本控制措施。

截至2019年12月31日止年度的行政開支為345.8百萬港元（2018年：343.6百萬港元）。行政開支佔收入的百分比為20.4%，與去年相若。年內本集團繼續實施嚴格的成本控制措施。

截至2019年12月31日止年度之研究及開發成本為221.7百萬港元（2018年：211.8百萬港元）。研究及開發成本佔收入的百分比為13.1%（2018年：12.6%）。年內本集團的研究及開發主要側重於安全芯片產品的研究及開發和智能卡產品功能及性能的持續提升、新工藝的預研、產品安全認證等級的提升、產品安全技術的提高、應用於物聯網領域的安全芯片研究以及應用系統和解決方案的開發等。

# Management Discussion and Analysis

## 管理層討論及分析

### Other income

Government grants recognised as income decreased by 29.9% to HK\$10.2 million for the year ended 31 December 2019 resulted from less government subsidies received for research and development costs incurred in the year.

For the year ended 31 December 2019, the Group recognised a gain on disposal of a building in the PRC of HK\$9.1 million following the termination of the agreement to purchase Block C of China Electronics Information Security Technology Research and Development Foundation in the PRC.

### Share of result of an associate

China Electronics Optics Valley Union Holding Company Limited (“CEOVU”), an associate of the Group with its shares listed on The Stock Exchange of Hong Kong Limited, is principally engaged in the development of theme industrial parks in the PRC and related businesses. The Group’s share of result from CEOVU for the year ended 31 December 2019 was HK\$120.2 million (2018: HK\$126.0 million).

### Taxation

Income tax credit for the year ended 31 December 2019 amounted to HK\$2.8 million (2018: income tax expense of HK\$27.7 million). The income tax credit in current year was mainly due to a decrease of current taxation and deferred taxation of HK\$15.0 million for the withholding tax on distributed profits and undistributed profits from a subsidiary in the PRC when comparing with last year and derecognition of deferred tax assets of HK\$11.2 million for previous year’s tax losses in 2018.

### 其他收入

由於本集團就截至2019年12月31日止年度發生研究及開發成本獲得之政府補助減少，年內已確認為收入之政府補助下降29.9%至10.2百萬港元。

截至2019年12月31日止年度，在終止購買位於中國的中國電子網絡安全和信息化產業基地C棟樓協議後，本集團確認處置一棟位於中國的樓宇收益9.1百萬港元。

### 應佔一間聯營公司業績

中電光谷聯合控股有限公司（「中電光谷」），本集團的一間聯營公司，其股份於香港聯合交易所有限公司上市，主要於中國從事主題產業園區的開發及相關業務。本集團截至2019年12月31日止年度應佔中電光谷之業績為120.2百萬港元（2018年：126.0百萬港元）。

### 稅項

截至2019年12月31日止年度所得稅抵免為2.8百萬港元（2018年：所得稅開支為27.7百萬港元）。本年度所得稅抵免主要是由於本年度稅項及遞延稅項下之一間中國境內附屬公司之已分配溢利及未分配溢利之預扣所得稅較去年減少15.0百萬港元及於2018年就以前年度稅項虧損除列遞延稅項資產11.2百萬港元所致。

## Management Discussion and Analysis

### 管理層討論及分析

#### FINANCIAL RESOURCES AND LIQUIDITY

The Group generally finances its working capital and funding requirements through internal resources, and bank and other borrowings. At 31 December 2019, the Group had cash and cash equivalents amounted to HK\$350.2 million, of which 97.0% was denominated in Renminbi, 2.3% in United States dollars, 0.7% in Hong Kong dollars (2018: HK\$375.5 million, of which 90.2% was denominated in Renminbi, 8.0% in Hong Kong dollars and 1.8% in United States dollars).

At 31 December 2019, the Group had bank and other borrowings of HK\$2,188.0 million, all were denominated in Renminbi (2018: HK\$2,295.3 million, of which 97.5% were denominated in Renminbi and 2.5% in Hong Kong dollars). Among these borrowings, (i) all were unsecured (2018: HK\$57.5 million were secured by deposits of the Group and HK\$2,237.8 million were unsecured), and (ii) all were borrowed at fixed interest rate (2018: HK\$2,237.8 million and HK\$57.5 million were borrowed at fixed and variable interest rates respectively). At 31 December 2019, committed borrowing facilities available to the Group but not drawn amounted to HK\$881.3 million.

The Group's revenue are mainly denominated in Renminbi and payments are denominated in Renminbi and Hong Kong dollars. The Group will make use of hedging contracts, when appropriate, to hedge the risk of foreign exchange fluctuation arising from its operations.

At 31 December 2019, the Group had net current liabilities of HK\$814.5 million (2018: HK\$1,167.9 million). The gearing ratio, which is calculated as net debt divided by total equity and net debt of the Group, was 40.3% (2018: 48.5%).

#### 財務資源及流動資金

本集團通常通過內部資源和銀行及其他借貸來滿足營運資金的需求。於2019年12月31日，本集團持有現金及現金等價物為350.2百萬港元，分別有97.0%以人民幣、2.3%以美元及0.7%以港元持有(2018年：375.5百萬港元，分別有90.2%以人民幣、8.0%以港元及1.8%以美元持有)。

於2019年12月31日，本集團的銀行及其他借貸為2,188.0百萬港元，全數以人民幣計值(2018年：2,295.3百萬港元，分別有97.5%以人民幣及2.5%以港元計值)。該等借貸中(i)全數為無抵押(2018年：為數57.5百萬港元乃以本集團之存款作抵押及2,237.8百萬港元為無抵押)，及(ii)全數以固定利率借貸(2018年：為數2,237.8百萬港元及57.5百萬港元分別以固定利率及浮動利率借貸)。於2019年12月31日，本集團尚未動用之已承諾借貸備用額為881.3百萬港元。

本集團收入主要以人民幣結算而付款以人民幣及港元結算。本集團會於適時利用對沖合約對沖源自其業務的外匯波動風險。

於2019年12月31日，本集團流動負債淨值為814.5百萬港元(2018年：1,167.9百萬港元)。資本負債比率(以本集團的債務淨額除以權益總額及債務淨額計算)為40.3%(2018年：48.5%)。

## Management Discussion and Analysis 管理層討論及分析

### PLEDGE OF ASSETS

At 31 December 2019, the Group did not pledge any assets as collateral for its borrowings (2018: certain assets of the Group with an aggregate carrying value of HK\$62.8 million were pledged as collateral for borrowings of the Group).

### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2019, the Group did not have any material outstanding capital commitment (2018: nil) for the acquisition of fixed assets and intangible assets. The Group did not have any material contingent liability at 31 December 2019 (2018: nil).

### EMPLOYEE AND REMUNERATION POLICIES

At 31 December 2019, the Group had approximately 370 employees, the majority of whom were based in the PRC. Employee benefit expenses for the year were HK\$161.0 million.

The Group recognises the importance of high calibre and competent staff and has a strict recruitment policy and performance appraisal scheme. Remuneration policies are largely in line with industry practices, and are formulated on the basis of performance and experience and will be reviewed regularly. Bonuses and other merit payments are linked with the performance of the Group and of the individuals as incentive to optimise performance.

### 資產抵押

於2019年12月31日，本集團並無為其借貸抵押任何資產（2018年：本集團賬面總值62.8百萬港元的若干資產已作為本集團借貸的抵押品）。

### 資本承擔及或有負債

於2019年12月31日，本集團就購買固定資產及無形資產並無任何重大尚未履行之資本承擔（2018年：無）。於2019年12月31日，本集團並無任何重大或有負債（2018年：無）。

### 僱員及薪酬政策

於2019年12月31日，本集團僱用約370名僱員，大部份於中國內地工作。年內僱員福利開支為161.0百萬港元。

本集團意識到優秀人才及能幹僱員的重要性，並備有嚴謹的招聘政策及工作表現評估計劃。僱員的薪酬政策與業內慣例大致相符，乃按表現及工作經驗為基準制訂並定期作出檢討。花紅及其他獎賞乃視乎本集團及個別僱員表現而釐定，以鼓勵僱員達致最佳表現。

## Corporate Governance Report

### 企業管治報告

The Company is committed to achieving the best corporate governance practices by emphasising its accountability, transparency, independence, responsibility and fairness. The Company is dedicated to exercise corporate governance through regular reviews of its adopted practices with reference to the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company has complied with all the applicable code provisions in the CG Code as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2019. The following summarises the corporate governance practices adopted by the Company.

#### THE BOARD

As at 31 December 2019, the Board consists of two executive directors, two non-executive directors and three independent non-executive directors. The roles of the chairman of the Board are segregated from the managing director. The chairman of the Board is responsible for leading and overseeing the functioning of the Board and the strategic development of the Group. The managing director is delegated with the authority and responsibility for managing the Group’s business, and the implementation of the Group’s strategies in achieving the overall business objectives. Throughout the year ended 31 December 2019, the position of the chairman of the Board and the managing director were not held by the same individual. As at 31 December 2019, the position of the chairman of the Board and the managing director were held separately by Mr. Dong Haoran and Mr. Liu Hongzhou, respectively. Such division of responsibilities helps to reinforce their independence and accountability. There are no financial, business, family or other material relationships among the directors (including the chairman of the Board and the managing director).

本公司努力實踐最高水平的企業管治常規，尤其注重問責、透明、獨立、責任和公平方面。本公司認真執行企業管治，參考香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治守則（「企業管治守則」）定期檢討所採納的常規。

本公司於截至2019年12月31日止年度內均已遵守上市規則附錄14所載之企業管治守則內適用守則條文。下文概述本公司採納的企業管治常規。

#### 董事會

於2019年12月31日，董事會由兩名執行董事、兩名非執行董事及三名獨立非執行董事組成。董事會主席與董事總經理是兩個明確劃分的不同職位。董事會主席負責領導並監察董事會的運作，以及本集團的策略發展。董事總經理獲授權並專責本集團業務之管理及落實本集團的策略，以達致整體經營目標。於截至2019年12月31日止年度內，董事會主席及董事總經理的職位並沒有由一人同時兼任。於2019年12月31日，董事會主席及董事總經理的職位分別由董浩然先生及劉紅洲先生擔任。該等職責的劃分有助加強其獨立性及問責性。董事（包括董事會主席及董事總經理）之間並無任何財務、商業、家族或其他重大關係。

## Corporate Governance Report 企業管治報告

All the directors, including the non-executive directors, will be subject to retirement by rotation and re-election every three years in accordance with the Listing Rules and the bye-laws of the Company. The remuneration of the directors are determined with reference to their duties, responsibilities, and to the prevailing market conditions.

The Board is responsible for the formulation of long term business objectives, strategies and plans, and to monitor and control the operating and financial performance of the Group. The day-to-day operations and implementation of business objectives are delegated to the managing director. The management is delegated with the necessary authority to carry out daily operations and duties.

The Board is also responsible for performing overall corporate governance duties, including developing and reviewing the Company's corporate governance policy and practice, reviewing and monitoring the training and continuous professional development of directors and senior management, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct applicable to directors, and reviewing the Company's compliance with the CG Code.

The Board is responsible for appointing new directors to fill any vacancy on the Board. The Company's board diversity policy (the "Board Diversity Policy") sets out the approach to achieve diversity within the Board. Appointment of directors will be based on merit that complements and expands the skills and experience of the Board, and after due regard to factors which include but is not limited to gender, age, cultural and educational background, and professional experience towards achieving diversity within the Board. During the year, the Board has reviewed the Board Diversity Policy to ensure its continued effectiveness. The Board considered that diversity within the Board has been achieved as the Board is composed of director from a diverse range of background.

所有董事(包括非執行董事)均須遵照上市規則及本公司的公司章程細則每三年輪流退任一次，並可膺選連任。董事薪酬乃參照彼等的職務、職責及現行市況而釐定。

董事會的責任是訂下長遠經營目標、策略和藍圖，以及監察和調控本集團的營運及財務表現。集團日常營運及經營目標的落實則交由董事總經理負責。管理層已獲授予所需權力，以執行日常營運及職責。

董事會亦負責履行整體的企業管治職責，包括制定及檢討本公司的企業管治政策及常規，檢討及監察董事及高級管理人員的培訓及持續專業發展，檢討及監察本公司在遵守法律及監管規定方面的政策及常規，制定、檢討及監察董事的操守守則，及檢討本公司遵守企業管治守則的情況。

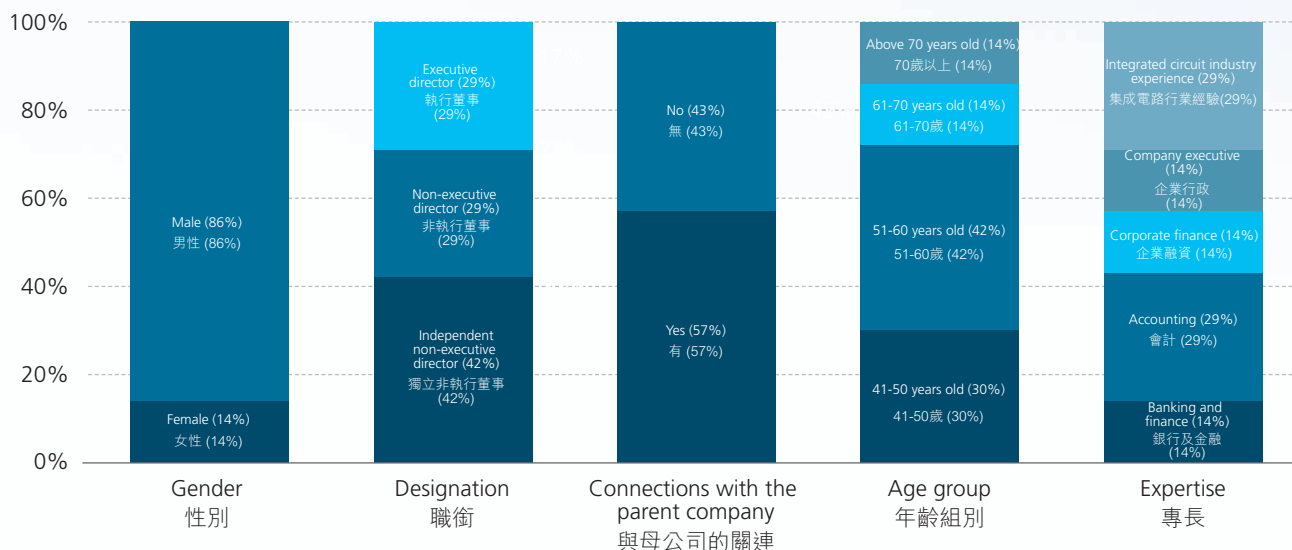
董事會負責委任新董事以填補董事會之任何空缺。本公司的董事會成員多元化政策(「董事會成員多元化政策」)載列為達致董事會成員多元化而採取之方針。委任董事的準則將基於有關人選的才幹能否補充及擴展董事會的技能和經驗，並充份考慮多項因素，包括但不限於性別、年齡、文化及教育背景、以及專業經驗以達致董事會成員的多元化。年內，董事會已審閱董事會成員多元化政策，以確保其行之有效。董事會認為，由於董事會由廣泛不同背景的董事組成，因此已達致董事會成員的多元化。



## Corporate Governance Report 企業管治報告

An analysis of the composition of the Board at 31 December 2019 is set out in the following chart:

於2019年12月31日的董事會成員組成分析如下：



During the year, Mr. Yu Jian was appointed by the Board as a director to fill a causal vacancy upon recommendation of the remuneration and nomination committee. Mr. Yu Jian is a Certified Public Accountant in the PRC with extensive knowledge and experience in accounting and finance. The remuneration and nomination committee and the Board were of the view that Mr. Yu Jian's expertise in the accounting and finance sector, alongside with the other directors' expertises, would contribute towards achieving diversity within the Board.

年內，經薪酬及提名委員會推薦，虞儉先生獲董事會委任為董事以填補出現之臨時空缺。虞儉先生為中國註冊會計師，在會計及金融方面擁有廣泛知識和豐富經驗。薪酬及提名委員會和董事會認為，虞儉先生在會計及金融界的專長結合其他董事的專長，將有助於達致董事會成員的多元化。

## Corporate Governance Report 企業管治報告

All directors have actively participated in the review and monitoring of the Company's business. The Board meets regularly and at least 4 times a year. Between scheduled meetings, the senior management of the Group provides information to the Board on a regular basis regarding the activities and development in the businesses of the Group. The directors have full access to information on the Group and independent professional advice in appropriate circumstances, at the Company's expense. With respect to regular meetings of the Board, the directors will be given written notice of the meeting at least 14 days in advance and an agenda with supporting Board papers no less than 3 days prior to the meeting. For other meetings, directors will be given as much notice as is reasonable and practicable in the circumstances. If a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting. Independent non-executive directors who, and whose close associates, have no material interest in the matter should be present at that Board meeting. All minutes of Board and Board committee meetings are kept by the company secretary of the Company for record with sufficient details of the matters considered and decisions reached by the Board or Board committee(s), including any concerns raised or dissenting views expressed by any director. These minutes are available for inspection at any reasonable time on reasonable notice by any director. The attendance record of the directors at the general meeting(s), Board and Board committee meetings held in 2019 are set out on page 29 of this annual report. Besides providing sufficient time and attention to the affairs of the Group, all directors have disclosed to the Company the number and nature of the offices held in other public companies or organisations and other significant commitments, and updated the Company on any subsequent changes in a timely manner. Appropriate insurance on directors' liabilities are in force to protect the directors from their risk exposure arising from the business of the Group.

各董事均積極參與檢討及監察本公司業務。董事會定期召開會議，且每年召開至少四次。於定期會議之間，本集團的高級管理層會就本集團業務的活動及發展定期向董事會提供資料。董事可隨時獲取本集團的資料及可在適當的情況下尋求獨立專業意見，費用由本公司支付。就召開定期董事會會議而言，董事將至少提前十四天獲得書面會議通知及在會議前不少於三天獲得董事會議程及所需文件。就其他會議而言，在合理及切實的情況下，將盡量給予董事最長的通知期。若董事在董事會上所考慮的事項中存有董事會認為重大的利益衝突，有關事項將以舉行實質董事會會議方式處理。在有關事項中本身及其緊密聯繫人均沒有重大利益的獨立非執行董事應該出席有關的董事會會議。本公司公司秘書應備存董事會及董事委員會的會議紀錄，該等會議紀錄應對董事會或董事委員會所考慮事項及達致的決定作足夠詳細的記錄，其中應該包括董事提出的任何疑慮或表達的反對意見。若有任何董事發出合理通知，應公開有關會議紀錄供其在任何合理的時段查閱。各董事於2019年舉行之股東大會、董事會及董事委員會會議之出席記錄已載列於本年報第29頁內。除確保能付出足夠時間及精力以處理本集團的事務外，所有董事均已向本公司披露其於其他公眾公司或組織擔任職務之數目及性質，以及其他重大承擔，並及時向本公司披露任何其後之變更。涵蓋董事法律責任之適當保險已有效保障本公司董事因本集團業務產生之風險。

## Corporate Governance Report

### 企業管治報告

The directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. The participation by individual directors in the continuous professional development programme with appropriate emphasis on the roles, functions and duties of a director of a listed company in 2019 is set out in the table below.

董事確認需要持續發展並更新本身知識及技能方可為本公司作出貢獻。下表概列各董事於2019年就適切着重上市公司董事之角色、職能及職責之持續專業發展計劃之參與記錄。

|  |                | Reading regulatory updates<br>閱讀監管規定更新資料 | Attending external seminars/ programmes<br>參與外界機構舉辦研討會／活動 |
|--|----------------|--|---|
| <b>Non-executive directors</b>             | <b>非執行董事</b>   |  |   |
| Dong Haoran                                | 董浩然            | ✓  | ✓   |
| Liu Jinmei                                 | 劉勁梅            | ✓  | ✓   |
| <b>Executive directors</b>                 | <b>執行董事</b>    |  |   |
| Yu Jian*                                   | 虞儉*            | ✓  | ✓   |
| Liu Hongzhou                               | 劉紅洲            | ✓  | ✓   |
| Jiang Juncheng**                           | 姜軍成**          | ✓  |   |
| <b>Independent non-executive directors</b> | <b>獨立非執行董事</b> |  |   |
| Chan Kay Cheung                            | 陳棋昌            | ✓  | ✓   |
| Qiu Hongsheng                              | 邱洪生            | ✓  | ✓   |
| Chow Chan Lum                              | 鄒燦林            | ✓  | ✓   |

\* Appointed in March 2019.

\*\* Resigned in March 2019.

\* 於2019年3月獲委任。

\*\* 於2019年3月辭任。

For the year ended 31 December 2019, the company secretary of the Company, Mr. Ng Kui Kwan, has taken no less than 15 hours of relevant training.

於截至2019年12月31日止年度，本公司公司秘書伍舉鈞先生已參加不少於15小時的相關培訓。

## Corporate Governance Report 企業管治報告

### THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules to regulate the directors’ securities transactions. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the year ended 31 December 2019.

### REMUNERATION AND NOMINATION COMMITTEE

As at 31 December 2019, the remuneration and nomination committee comprises three independent non-executive directors, namely Mr. Qiu Hongsheng, Mr. Chan Kay Cheung and Mr. Chow Chan Lum, and an executive director Mr. Yu Jian. Mr. Qiu Hongsheng is the chairman of the remuneration and nomination committee. The terms of reference of the remuneration and nomination committee, which described its authority and duties, is available on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.cecht.com.cn](http://www.cecht.com.cn)).

The principal responsibilities of the remuneration and nomination committee include making recommendations to the Board on the remuneration policy and the remuneration of the directors and the senior management, reviewing and approving the management’s remuneration proposals with reference to the Board’s corporate goals and objectives, determining, with delegated responsibility, the remuneration packages of individual executive director and senior management, making recommendations to the Board on the remuneration of non-executive directors, identifying and making recommendation to the Board on possible appointees as directors, making recommendations to the Board on matters relating to appointment or re-appointment of directors, succession planning for directors and assessing the independence of the independent non-executive directors.

### 上市發行人董事進行證券交易的標準守則 （「標準守則」）

本公司已採納上市規則附錄10所載的標準守則，以規管董事進行的證券交易。經本公司作出具體查詢後，所有董事均已確認，於截至2019年12月31日止年度內，彼等均已全面遵守標準守則。

### 薪酬及提名委員會

於2019年12月31日，薪酬及提名委員會由三名獨立非執行董事，分別為邱洪生先生、陳棋昌先生及鄒燦林先生，和一名執行董事虞儉先生組成。邱洪生先生為薪酬及提名委員會主席。薪酬及提名委員會職權範圍書（說明其職權和責任）已刊載於香港聯合交易所有限公司網站([www.hkex.com.hk](http://www.hkex.com.hk))及本公司網站([www.cecht.com.cn](http://www.cecht.com.cn))內。

薪酬及提名委員會的主要職責包括就董事及高級管理人員的薪酬政策及薪酬向董事會提出建議、因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議、獲董事會轉授責任、釐定個別執行董事及高級管理人員之薪酬待遇、就非執行董事之薪酬向董事會提出建議、為董事會物色及推薦董事人選、並就委任或重新委任董事、董事繼任人事宜向董事會提出建議及評估獨立非執行董事之獨立性。

## Corporate Governance Report

### 企業管治報告

The Company's nomination policy (the "Nomination Policy") sets out the criteria and procedures to be adopted when considering candidates to be appointed or re-appointed as director of the Company. A summary of the nomination criteria of the Nomination Policy is set out below:

- (1) ability to contribute to the effective carrying out by the Board of its responsibilities;
- (2) effect on the Board's composition and diversity in all its aspects, which includes but is not limited to gender, age, cultural and educational background, and professional experience;
- (3) independence of the candidate; and
- (4) commitment to devote sufficient time.

The Board will review the Nomination Policy on a regular basis to ensure its continued effectiveness.

In making recommendations to the Board in respect of the composition of the Board, the appointment, re-appointment or removal of directors, the remuneration and nomination committee will give due regard to nomination criteria as set out in the Nomination Policy. During the year, when considering Mr. Yu Jian's nomination and appointment, the remuneration and nomination committee has applied the above mentioned criteria and procedures.

During the year, the remuneration and nomination committee held four meetings. The attendance record of the committee members at these meetings are set out on page 29 of this annual report. The work performed by the remuneration and nomination committee during the year included reviewing the remuneration policy and the remuneration of the directors and the senior management, assessing performance of the executive directors, determining the remuneration of the executive directors, reviewing the policy for the nomination of directors, making recommendation to the Board on the appointment or re-appointment of directors, and assessing the independence of the independent non-executive directors.

本公司的提名政策(「提名政策」)載列於考慮本公司董事候選人的委任或重新委任時須採納的準則及程序。提名政策的提名準則概要載列如下：

- (1) 能協助董事會有效履行其責任；
- (2) 對董事會的組成及成員多元化之影響，包括但不限於性別、年齡、文化及教育背景、以及專業經驗；
- (3) 董事候選人的獨立性；及
- (4) 投入充足的時間的承諾。

董事會將定期檢討提名政策以確保其行之有效。

在對董事會的組成及董事的委任、重新委任或罷免向董事會提出建議時，薪酬及提名委員會將充分考慮提名政策所載的提名準則。年內，在考慮虞儉先生的提名及委任時，薪酬及提名委員會已應用上述的準則及程序。

年內，薪酬及提名委員會曾舉行4次會議。各委員於該等會議之出席記錄已載列於本年報第29頁內。薪酬及提名委員會於年內之工作包括檢討董事及高級管理人員之薪酬政策及薪酬、評估執行董事之表現、釐定執行董事之薪酬、檢討提名董事的政策、就委任或重新委任董事向董事會作出建議、及評估獨立非執行董事之獨立性。

## Corporate Governance Report 企業管治報告

For the year ended 31 December 2019, the number of senior management (excluding directors) whose remuneration fell within the band from HK\$nil up to HK\$1,000,000, from HK\$1,000,001 up to HK\$1,500,000 and from HK\$1,500,001 up to HK\$2,000,000 were one, two and one respectively. Details of the remuneration of the directors for the year ended 31 December 2019 are set out on pages 145 to 146 of this annual report.

### AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors, namely Mr. Chan Kay Cheung, Mr. Qiu Hongsheng and Mr. Chow Chan Lum. Mr. Chan Kay Cheung is the chairman of the audit committee. The members have extensive experience in financial matters. The terms of reference of the audit committee, which described its authority and duties, is available on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.cecht.com.cn](http://www.cecht.com.cn)).

The audit committee provides an independent review and supervision of financial reporting, oversees and conducts an annual review of the effectiveness of the risk management and internal control systems of the Group, and ensures the external auditor are independent and the effectiveness of the audit process. The audit committee examines all matters relating to the accounting principles and policies adopted by the Group, auditing functions, internal controls, risk management and financial reporting. External auditor and the directors are invited to attend the committee meetings as and when necessary. The audit committee meets at least twice a year with the external auditor. The audit committee also serves as a channel of communication between the Board and the external auditor.

During the year, the audit committee held two meetings. The attendance record of the committee members at these meetings are set out on page 29 of this annual report. The work performed by the audit committee during the year included reviewing the audited consolidated financial statements of the Group for the year ended 31 December 2018, the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2019 and the audit plan and approach of the external auditor, monitoring the progress and results of the audit regularly and reviewing the effectiveness of the risk management and internal control systems of the Group.

截至2019年12月31日止年度，獲支付薪酬介乎零至1,000,000港元、1,000,001港元至1,500,000港元及1,500,001港元至2,000,000港元範圍之高級管理人員（不包括董事）之人數分別為1人、2人及1人。截至2019年12月31日止年度董事薪酬的詳情載於本年報第145頁至第146頁。

### 審核委員會

審核委員會由三名獨立非執行董事，分別為陳棋昌先生、邱洪生先生及鄧燦林先生組成。陳棋昌先生為審核委員會主席。各委員在財經事務範疇皆擁有豐富經驗。審核委員會職權範圍書（說明其職權和責任）已刊載於香港聯合交易所有限公司網站([www.hkex.com.hk](http://www.hkex.com.hk))及本公司網站([www.cecht.com.cn](http://www.cecht.com.cn))內。

審核委員會負責對財務匯報進行獨立檢討及監察，對本集團風險管理及內部監控系統之效能進行監察及年度檢討，以及確保外聘核數師保持獨立和審核程序的有效性。審核委員會檢視所有關於本集團採納的會計原則和政策的事宜、審核功能、內部監控、風險管理及財務匯報的事宜。在需要時，外聘核數師及董事可被邀請出席委員會會議。審核委員會每年與外聘核數師舉行至少兩次會議。審核委員會也擔當董事會與外聘核數師之間溝通的橋樑。

年內，審核委員會曾舉行兩次會議。各委員於該等會議之出席記錄已載列於本年報第29頁內。審核委員會於年內之工作包括審閱本集團截至2018年12月31日止年度之經審核綜合財務報表、本集團截至2019年6月30日止六個月之未經審核綜合中期財務報表和外聘核數師的審核計劃及方法、定期監察審核工作的進展及結果和檢討本集團風險管理及內部監控系統之效能。

# Corporate Governance Report

## 企業管治報告

### INTERNAL AUDIT

The Company's audit department is responsible for carrying out analysis and independent appraisal on the adequacy and effectiveness of the Group's risk management and internal control systems. The tasks of the department include:

- reviewing all aspects of the Group's activities and internal controls;
- comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries on a regular basis; and
- special reviews of areas of concern identified by the management or the audit committee.

The audit department reports directly to the audit committee and has direct access to the Board through the chairman of the audit committee. The audit department may directly report to the audit committee without consulting the management.

The audit department issued reports to senior management covering various operational and financial units of the Group. The audit department also conducted reviews of major projects and contracts as well as areas of concern, if any, identified by the management.

Concerns which have been reported by the audit department were monitored regularly by the management and by the audit committee until corrective measures have been implemented.

### 內部審核

本公司審計部負責對本集團的風險管理及內部監控系統的足夠性和效能作出分析及獨立評估，其職責包括：

- 檢討本集團所有業務及內部監控；
- 定期詳細審核所有業務單位、支援部門和附屬公司的常規、程序、開支和內部監控；及
- 對管理層或審核委員會關注的範疇進行特別檢討。

審計部直接向審核委員會匯報，及其意見可透過審核委員會主席直達董事會。審計部有權無需諮詢管理層而向審核委員會匯報。

審計部就本集團各營運及財務單位向高級管理人員發表報告。審計部並就重大項目和合約，以及管理層關注的事項(如有)進行檢討。

管理層及審核委員會定期跟進審計部報告的關注事項，直至落實糾正措施為止。

# Corporate Governance Report

## 企業管治報告

### EXTERNAL AUDITOR

For the year ended 31 December 2019, the fees payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries are set out below:

### 外聘核數師

於截至2019年12月31日止年度，就本公司及其附屬公司獲提供的審核及非審核服務向本公司外聘核數師應付的費用載列如下：

|  |                         | 2019<br>2019年<br>HK\$'000<br>千港元 |
|--|-------------------------|----------------------------------|
| Audit services   | 審核服務                    | 2,548                            |
| Non-audit services (included tax matters, review and other reporting services) | 非審核服務(包括稅務事項、審閱及其他申報服務) | -                                |
|  |                         | 2,548                            |

### ACCOUNTABILITY AND AUDIT

The Board is responsible for overseeing the preparation of financial statements which give a true and fair view of the state of affairs of the Group and of the results and cash flow during the reporting period. A statement from the auditor about its responsibilities for the audit of the consolidated financial statements is set out on pages 51 to 57 of this annual report. In preparing the financial statements for the year ended 31 December 2019, the Board had selected suitable accounting policies and applied them consistently, had made prudent and reasonable judgments and estimates and prepared the financial statements on a going concern basis.

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems, including reviewing their effectiveness annually. The audit committee is delegated by the Board with the responsibility to oversee independently the Group's financial, risk management and internal control systems and reports to the Board on the effectiveness of the Group's risk management and internal control systems annually.

### 問責和審核

董事會負責監察財務報表的編製，確保賬目真實兼公平地反映本集團的財務狀況及於呈報期間的業績和現金流量。核數師就其審核綜合財務報表之責任所發出的聲明載於本年報第51頁至第57頁。編製截至2019年12月31日止年度的財務報表時，董事會已選擇適當的會計政策並貫徹運用該等政策，並作出審慎合理的判斷和估計及按持續經營基準編製財務報表。

董事會負責整體評估及釐定為達到本集團戰略目標所願承擔的風險性質及程度，以及維持適當及有效的風險管理及內部監控系統(包括每年檢討其效能)。審核委員會獲董事會授權，負責獨立監察本集團財務、風險管理及內部監控系統，以及每年向董事會匯報本集團風險管理及內部監控系統之效能。



## Corporate Governance Report

### 企業管治報告

Appropriate policies and controls have been designed and established for safeguarding assets against unauthorised use or disposition, maintaining proper financial and accounting records, ensuring compliance with applicable laws and regulations, and identifying and managing the key risks that may impact on the Group's performance. As the risk management and internal control systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, they can only be expected to provide reasonable and not absolute assurance against material misstatement or loss.

The management is responsible for the design, implementation and monitoring of the risk management and internal control systems, while the audit committee oversees the actions of the management and review the effectiveness of the systems that have been put in place. Systems and procedures are in place in the Group to identify, control and report on major types of risk the Group encounters. Operational units are responsible for identifying the potential risks, and analysing and evaluating the significance of such risks. Operational units also assess the adequacy of existing controls and implement treatment plans to mitigate such risks and report the view of risks and proposal for the enhancement of the existing systems and procedures regularly to the audit committee, and ultimately to the Board on major findings. The audit committee reviews the existing risk management and internal control systems on an ongoing basis and makes appropriate enhancement when necessary, with a view to improve the effectiveness of such systems.

The Company has engaged Tricor Services Limited, an independent advisory firm, to conduct an annual review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2019. The scope of review included the internal control systems of the Group at the entity level, as well as key business processes of its principal subsidiary, CEC Huada Electronic Design Co., Ltd, covering key controls such as financial, operational and compliance controls of the Group. The review results have been reported to the audit committee and the Board. The Board is satisfied that these systems were effective and adequate throughout the year ended 31 December 2019. In this regard, to enhance the effectiveness of the Group's risk management and internal control systems, the Group has begun to implement the recommendations put forward by Tricor Services Limited.

適當的政策及監控經已訂立及制定，以保障資產不會在未經授權下被挪用或處置、保持正確的財務及會計記錄、確保遵守適用的法律及法規，以及識別及管理可能影響本集團表現的主要風險。由於訂立風險管理及內部監控系統旨在管理，而非消除未能達到業務目標的風險，此等系統預期只能提供合理而非絕對保證不會有重大錯誤陳述或損失的發生。

管理層負責風險管理及內部監控系統的設計、實施和監察，而審核委員會則監察管理層之行動及檢討已實行系統之效能。本集團亦透過現行之系統及程序，以識別、監控及匯報本集團面對之主要風險類別。營運單位負責識別潛在風險，以及分析及評價該等風險的重要性。營運單位亦評估現行監控是否足夠及實施減低該等風險的處理計劃，以及定期向審核委員會匯報有關風險意見及現行系統及程序的改善建議，並最終把主要調查結果匯報董事會。審核委員會持續檢討現行風險管理及內部監控系統，並在有需要時作出適當的改善，藉此提高該等系統之效能。

本公司已委聘卓佳專業商務有限公司（一家獨立諮詢公司）對本集團於截至2019年12月31日止年度風險管理及內部監控系統之效能進行年度審閱。審閱範圍包括公司層面的本集團內部監控系統，及本集團主要附屬公司北京中電華大電子設計有限公司的主要業務流程，涵蓋本集團關鍵監控如財務、營運和合規監控。審閱結果已向審核委員會及董事會匯報。董事會認為於截至2019年12月31日止年度內該等系統有效及足夠。就此而言，為提高本集團風險管理及內部監控系統之效能，本集團已開始實施由卓佳專業商務有限公司提出的建議。

## Corporate Governance Report 企業管治報告

The audit committee has also held discussion with the Group's external auditor, to ensure that a sound internal control system is maintained and operated by the management in compliance with the agreed procedures and standards.

The Board has reviewed and ensured the adequacy of resources, staff qualifications and experience, training programmes and the budget of the Company's accounting, internal audit and financial reporting functions.

The Board is responsible for the handling and dissemination of inside information. The Company has established and implemented procedures for the handling and dissemination of inside information in a timely manner so as to allow all the stakeholders to apprehend the latest position of the Group. These procedures and their effectiveness are subject to review on a regular basis with reference to the Listing Rules, the Securities and Futures Ordinance and in accordance with established procedures.

### SHAREHOLDERS' RIGHTS

#### Procedures for shareholders to convene a special general meeting

Pursuant to the Company's bye-laws and the Companies Act 1981 of Bermuda (as amended), registered shareholders holding at the date of deposit of the requisition not less than one-tenth (10%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda for the attention of the Board or the company secretary of the Company to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such special general meeting shall be held within two months from the date of deposit of such requisition.

審核委員會已與本集團的外聘核數師進行討論確保管理層已維持及管理一個運作良好的內部監控系統，符合所約定的程序及標準。

董事會已檢討及確保本公司在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是足夠的。

董事會負責處理及發佈內幕消息。本公司已制定及實施處理及發佈內幕消息之程序，以便所有權益持有人能及時知悉本集團之最新情況。該等程序及其效能將參考上市規則，證券及期貨條例和根據已制定程序進行定期檢討。

### 股東權利

#### 股東召開股東特別大會之程序

根據本公司公司章程細則及百慕達1981年公司法（經修訂），任何於呈遞要求日期持有有權在本公司股東大會投票之本公司實繳股本不少於十分之一（10%）之登記股東，有權隨時致函本公司註冊辦事處，地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，向董事會或本公司公司秘書發出書面要求，要求董事會召開股東特別大會以處理該要求內指定之任何事務，而該股東特別大會須於有關呈遞要求日期起兩個月內舉行。

## Corporate Governance Report

### 企業管治報告

The written requisition must be signed by the registered shareholders concerned and may consist of several documents in like form, each signed by one or more of these shareholders. The written requisition will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will ask the Board to convene a special general meeting by serving sufficient notice in accordance with the statutory and regulatory requirements to all the registered shareholders. On the contrary, if the written requisition has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, a special general meeting will not be convened as requested.

If within twenty one days from the date of deposit of the requisition the Board fails to proceed to convene a special general meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a special general meeting, but any special general meeting so convened shall be held within three months from the date of deposit of such requisition.

#### Procedures for shareholders to put forward proposals at a general meeting

Pursuant to the Companies Act 1981 of Bermuda (as amended), either any number of the registered shareholders holding not less than one-twentieth (5%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 registered shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

書面要求必須經有關登記股東簽署，並可由數份同樣格式及附有一名或多於一名有關股東簽署之文件組成。書面要求將由公司股份登記處核實，在確定為適當及符合程序後，本公司公司秘書將要求董事會召開股東特別大會，並根據法定及監管規定給予所有登記股東充分的通知期。反之，若書面要求經核實為不符合程序，有關股東將獲知會結果，而股東特別大會亦不會按要求召開。

如董事會未能於呈遞要求日期起二十一日內開展召開股東特別大會，則呈請人(或其中代表全體呈請人總表決權半數以上之任何人士)可自行召開股東特別大會，惟按此方式召開之任何股東特別大會須於呈遞要求日期起三個月內舉行。

#### 股東於股東大會上提呈議案之程序

根據百慕達1981年公司法(經修訂)，持有有權在本公司股東大會投票之本公司實繳股本不少於二十分之一(5%)之登記股東，或不少於100名登記股東，可向本公司提交書面要求：(a)向有權獲發送下一屆股東大會通告之股東發出通知，以告知於該大會上任何可能正式動議及擬動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱任何不超過1,000字之陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。

## Corporate Governance Report 企業管治報告

The written requisition and a sum of money reasonably sufficient to meet the Company's expenses for serving the notice of the resolution and circulating the statement submitted by the registered shareholders concerned in accordance with the statutory and regulatory requirements to all the registered shareholders must be deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda for the attention of the company secretary of the Company not less than six weeks before the meeting in case of a requisition requiring notice of a resolution; and not less than one week before the meeting in the case of any other requisition; and where an annual general meeting is called for a date six weeks or less after the requisition requiring notice of a resolution has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for such purpose.

The written requisition must be signed by the registered shareholders concerned and may consist of several documents in like form, each signed by one or more of these shareholders. The written requisition will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will ask the Board to include the resolution in the agenda for the general meeting, and serving the notice of the resolution and circulating the statement submitted by the registered shareholders concerned in accordance with the statutory and regulatory requirements to all the registered shareholders. On the contrary, if the written requisition has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the general meeting.

書面要求連同繳存合理及足夠款項用以支付公司根據法定及監管規定向所有登記股東發出決議案通知及傳閱有關登記股東呈交之陳述書所產生之開支必須送達本公司註冊辦事處，地址為 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，註明本公司公司秘書收啟。如屬於須發出決議案通知之情況，該要求須於會議舉行前不少於六週送達；如屬於任何其他情況，則須於會議舉行前不少於一週送達。惟倘在送達須發出決議案通知要求後六週或較短期間內之某一日召開股東週年大會，則該要求雖未有在規定時間內送達，就此而言亦將被視為已妥善送達。

書面要求必須經有關登記股東簽署，並可由數份同樣格式及附有一名或多於一名有關股東簽署之文件組成。書面要求將由公司股份登記處核實，在確定為適當及符合程序後，本公司公司秘書將要求董事會將有關決議案納入股東大會之議程，並按照法定及監管規定向所有登記股東發出決議案通知及傳閱有關登記股東呈交之陳述書。反之，若書面要求經核實為不符合程序，有關股東將獲知會結果，而提呈之決議案將不獲納入股東大會之議程內。

# Corporate Governance Report

## 企業管治報告

### Procedures for shareholders to propose a person for election as a director

Pursuant to the Company's bye-laws, a registered shareholder duly qualified to attend and vote at the general meeting wishes to propose a person other than a director of the Company for election as a director at the general meeting must validly serve (1) his/her written notice of intention to propose a candidate for election as a director at the general meeting; (2) a written notice signed by the nominated candidate of the candidate's willingness to be elected; (3) the nominated candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and (4) the nominated candidate's written consent to the publication of his/her personal data, either to the Company's principal place of business in Hong Kong at Room 3403, 34th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong; or to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no earlier than the day after the dispatch of notice of the general meeting appointed for such election and no later than seven days prior to the date of such general meeting.

### Procedures for directing shareholders' enquiries to the Board

Shareholders may at any time send their enquiries to the Board in writing through the company secretary of the Company whose contact details are as follows:

Room 3403, 34th Floor, China Resources Building  
26 Harbour Road, Wanchai, Hong Kong  
Facsimile: (852) 2598 9018  
Email: investor@cecht.com.hk

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

## CONSTITUTIONAL DOCUMENTS

A copy of the constitutional documents of the Company is available on the website of The Stock Exchange of Hong Kong Limited and the website of the Company. There was no significant change to the Company's constitutional documents during the year.

### 股東提名人選參選董事之程序

根據本公司章程細則，合資格出席股東大會並於會上投票之登記股東欲提名一名並非本公司董事之人士於股東大會上參選為董事，則該股東必須在就該選舉而召開之股東大會通告發出翌日起及不遲於該股東大會舉行日期至少七天前，將(1)其有意於股東大會上提名人選參選董事之書面通知、(2)被提名人已簽署之書面通知，證明其願意參選、(3)根據上市規則第13.51(2)條規定需予披露之被提名人的資料、及(4)被提名人同意其個人資料被披露之書面同意書妥善地提交本公司於香港主要營業地點，地址為香港灣仔港灣道26號華潤大廈34樓3403室；或本公司於香港之股份過戶登記分處卓佳雅柏勤有限公司，地址為香港皇后大道東183號合和中心54樓。

### 股東向董事會作出查詢之程序

股東可隨時透過本公司秘書以書面形式將其查詢遞交董事會。本公司秘書之聯絡詳情如下：

香港灣仔港灣道26號  
華潤大廈34樓3403室  
傳真：(852) 2598 9018  
電郵：investor@cecht.com.hk

股東亦可在本公司之股東大會上向董事會作出查詢。

## 憲章文件

本公司的憲章文件已刊載於香港聯合交易所有限公司網站及本公司網站內。年內本公司的憲章文件並無任何重大變動。

# Corporate Governance Report

## 企業管治報告

### ATTENDANCE RECORD AT MEETINGS

Details of the director's attendance at general meetings, Board and Board committee meetings held in 2019 are set out in the table below:

### 會議出席記錄

下表載列各董事於2019年內出席股東大會、董事會及董事委員會會議之詳情：

|  |                | Note<br>附註 | Meetings attended/held<br>出席次數／會議次數 |                                 | Remuneration<br>and<br>nomination<br>committee<br>薪酬及<br>提名<br>委員會 | General<br>meetings<br>股東大會 |
|--|----------------|------------|-------------------------------------|---------------------------------|--|-----------------------------|
|  |                |            | Board**<br>董事會**                    | Audit<br>committee<br>審核<br>委員會 |  |                             |
| <b>Non-executive directors</b>             | <b>非執行董事</b>   |            |                                     |                                 |  |                             |
| Dong Haoran                                | 董浩然            |            | 6/7*                                |                                 |  | 1/1*                        |
| Liu Jinmei                                 | 劉勁梅            |            | 6/6                                 |                                 |  | 0/1                         |
| <b>Executive directors</b>                 | <b>執行董事</b>    |            |                                     |                                 |  |                             |
| Yu Jian                                    | 虞儉             | 1          | 4/4                                 |                                 | 3/3  | 1/1                         |
| Liu Hongzhou                               | 劉紅洲            |            | 6/6                                 |                                 |  | 1/1                         |
| Jiang Juncheng                             | 姜軍成            | 2          | 1/2                                 |                                 | 0/1  | 0/0                         |
| <b>Independent non-executive directors</b> | <b>獨立非執行董事</b> |            |                                     |                                 |  |                             |
| Chan Kay Cheung                            | 陳棋昌            |            | 7/7                                 | 2/2*                            | 4/4  | 1/1                         |
| Qiu Hongsheng                              | 邱洪生            |            | 7/7                                 | 2/2                             | 4/4*   | 1/1                         |
| Chow Chan Lum                              | 鄒燦林            |            | 7/7                                 | 2/2                             | 4/4  | 1/1                         |

\* Chairman

\* 主席

\*\* Included a Board meeting where the chairman of the Board met with independent non-executive directors without other directors and management present.

\*\* 其中一次董事會會議是由董事會主席在沒有其他董事和管理層在場的情況下會見了獨立非執行董事。

Notes:

附註:

1. Appointed in March 2019.
2. Resigned in March 2019.

1. 於2019年3月獲委任。
2. 於2019年3月辭任。

## Biographies of Directors and Senior Management

### 董事及高級管理人員簡歷

#### NON-EXECUTIVE DIRECTORS

**Mr. Dong Haoran**, aged 55, is the Chairman of the Board. Mr. Dong graduated from Tsinghua University with a Bachelor's degree in Semiconductor Devices and Physics, and is a professor level senior engineer. Mr. Dong is the chairman of Huada Semiconductor Co., Ltd ("Huada Semiconductor"), a controlling shareholder of the Company, the chairman of GTA Semiconductor Co., Ltd, the chairman of Shanghai Belling Corp., Ltd ("Shanghai Belling") (a company with its shares listing on the Shanghai Stock Exchange), and an executive director of Advanced Semiconductor Manufacturing Corporation Limited. Mr. Dong joined CEC Huada Electronic Design Co., Ltd ("Huada Electronics") in 1988 and was the executive director of Huada Electronics. Mr. Dong possesses extensive knowledge and experience in the integrated circuit design industry. Mr. Dong was appointed as a director of the Company in February 2015.

**Ms. Liu Jinmei**, aged 50. Ms. Liu graduated from Jilin University and holds a Bachelor's degree in Chinese Language and obtained a Master's degree of Business Administration from Beijing Institute of Technology. Ms. Liu is the deputy general manageress of Huada Semiconductor, a director of Shanghai Belling (a company with its shares listing on the Shanghai Stock Exchange) and a director of GTA Semiconductor Co., Ltd. Ms. Liu was the marketing strategy manageress of BOE Technology Group Co., Ltd and the marketing manageress of China Huaxu Golden Card Co., Ltd. Ms. Liu joined Huada Electronics in 2005 as the marketing manageress of Huada Electronics and was in charge of marketing for a number of years. Ms. Liu was appointed as a director of the Company in January 2018.

#### 非執行董事

**董浩然先生**，55歲，董事會主席。董先生畢業於清華大學半導體器件與物理專業並取得學士學位，並為教授級高級工程師。董先生現任本公司之控股股東華大半導體有限公司（「華大半導體」）董事長，上海積塔半導體有限公司董事長，上海貝嶺股份有限公司（「上海貝嶺」）（該公司股份於上海證券交易所公開上市）董事長，及上海先進半導體製造有限公司執行董事。董先生於1988年加入北京中電華大電子設計有限責任公司（「華大電子」）並曾出任華大電子執行董事，董先生在集成電路設計行業具廣泛知識和豐富經驗。董先生於2015年2月獲委任為本公司董事。

**劉勁梅女士**，50歲。劉女士畢業於吉林大學中文系並取得學士學位，亦於北京理工大學取得工商管理碩士學位。劉女士現任華大半導體副總經理、上海貝嶺（該公司股份於上海證券交易所公開上市）董事及上海積塔半導體有限公司董事。劉女士曾任京東方科技集團股份有限公司市場策劃部經理及北京華旭金卡有限責任公司市場部經理。劉女士於2005年加入華大電子任市場部經理並曾主管市場工作多年。劉女士於2018年1月獲委任為本公司董事。

## Biographies of Directors and Senior Management

### 董事及高級管理人員簡歷

#### EXECUTIVE DIRECTORS

**Mr. Yu Jian**, aged 44, is the Deputy Chairman of the Board. Mr. Yu holds a Bachelor's degree in Economics and a Master's degree in Economics from East China Normal University, and is a Certified Public Accountant in the PRC. Mr. Yu is the chief accountant of Huada Semiconductor, a member of the supervisory committee of GTA Semiconductor Co., Ltd, a member of the supervisory committee of Advanced Semiconductor Manufacturing Corporation Limited, the chairman of the supervisory committee of Shanghai Belling (a company with its shares listing on the Shanghai Stock Exchange) and a director of Solomon Systech (International) Limited (a company with its shares listing on the Hong Kong Stock Exchange). Mr. Yu was the assistant financial controller of Shanghai Guojia Industrial Co., Ltd, the assistant general manager and the finance manager of Shanghai Datang Mobile Communications Equipment Co., Ltd and the financial controller and the deputy general manager of Shanghai Pudong Software Park Co., Ltd. Mr. Yu was appointed as a director of the Company in March 2019.

**Mr. Liu Hongzhou**, aged 57, is the Managing Director of the Company. Mr. Liu graduated from the School of International Business of Nanjing University and holds a Postgraduate degree in Business and Administration, and is a senior engineer. Mr. Liu, having spent much of his career in CEC, was a divisional deputy director of the Asset Management Department of CEC, an executive director and the deputy general manager of Winfair Development Limited, a divisional director of the Treasury Division of the Investment Banking Department of CEC, the deputy general manager of China Electronics Technology Development Corporation, the deputy general manager of the Asset Management Department of CEC, the deputy general manager of the Company, a director of the General Office of CEC, a director of Shenzhen SED Industry Co., Ltd (a company with its shares listing on the Shenzhen Stock Exchange) and the managing director of Shenzhen SED Electronics Group Co., Ltd. Mr. Liu was appointed as a director of the Company in October 2013.

#### 執行董事

**虞儉先生**，44歲，董事會副主席。虞先生畢業於華東師範大學並取得經濟學學士學位及經濟學碩士學位，並為中國註冊會計師。虞先生現任華大半導體總會會計師、上海積塔半導體有限公司監事、上海先進半導體製造股份有限公司監事、上海貝嶺（該公司股份於上海證券交易所公開上市）監事長及Solomon Systech (International) Limited（該公司股份於香港聯交所公開上市）董事。虞先生曾任上海國嘉實業股份有限公司財務總監助理、上海大唐移動通信設備有限公司總經理助理及財務經理和上海浦東軟件園股份有限公司財務總監及副總經理。虞先生於2019年3月獲委任為本公司董事。

**劉紅洲先生**，57歲，本公司董事總經理。劉先生於南京大學國際商學院工商管理碩士研究生畢業，並為高級工程師。劉先生長期於中國電子集團工作，曾任中國電子集團資產部副處長、金溢發展有限公司執行董事及副總經理、中國電子集團投資銀行部資金處處長、中國電子科技開發公司副總經理、中國電子集團資產部副總經理、本公司副總經理、中國電子集團辦公廳主任、深圳市桑達實業股份有限公司（該公司股份於深圳證券交易所公開上市）董事及深圳桑達電子集團有限公司董事總經理。劉先生於2013年10月獲委任為本公司董事。



## Biographies of Directors and Senior Management

### 董事及高級管理人員簡歷

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Chan Kay Cheung**, aged 73. Mr. Chan is the vice chairman of The Bank of East Asia (China) Limited. Mr. Chan was an executive director and the deputy chief executive of The Bank of East Asia, Limited. Mr. Chan joined The Bank of East Asia, Limited in 1965 and possesses extensive knowledge and experience in the banking industry. Mr. Chan is a fellow member of the Hong Kong Institute of Bankers, a member of the Committee of Overseers of Lee Woo Sing College, The Chinese University of Hong Kong and a member of The China Unionpay International Advisory Group. Mr. Chan is also an independent non-executive director of Chu Kong Shipping Enterprises (Group) Company Limited, Hong Kong Food Investment Holdings Limited and SOCAM Development Limited (all being companies with their shares listing on the Hong Kong Stock Exchange). Mr. Chan ceased to be an independent non-executive director of Dah Chong Hong Holdings Limited, previously a listed company in Hong Kong, upon its privatisation in January 2020. Mr. Chan was appointed as a director of the Company in May 1997.

**Mr. Qiu Hongsheng**, aged 55. Mr. Qiu graduated from the School of Management of Harbin Institute of Technology and holds a Postgraduate degree in Management Science and Systems Engineering, and is a Certified Public Valuer in the PRC, an International Certified Senior Enterprise Risk Manager, a Certified M&A Dealmaker in the PRC, a senior economist and a fund management intermediary. Mr. Qiu is an executive director and the general manager of China Consultants of Advisory and Finance Management Co., Ltd and a visiting professor of Tianjin University of Finance and Economics. Mr. Qiu worked in 710 Research Institute of the Ministry of Aerospace Industry of China as an economic analyst for a number of years. Mr. Qiu joined China Consultants of Advisory and Finance Management Co., Ltd, a company directly managed by the Ministry of Finance of the PRC, in 1994 and focuses on management consulting and corporation restructuring transactions. Mr. Qiu possesses a wealth of professional knowledge and practical experiences in corporate finance, mergers and acquisitions, strategic integration, meticulous management, etc. Mr. Qiu is also an independent director of China National Software & Service Co., Ltd, AVIC Heavy Machinery Co., Ltd and GRINM Advanced Materials Co., Ltd (all being companies with their shares listing on the Shanghai Stock Exchange) and an independent non-executive director of CEOVU (a company with its shares listing on the Hong Kong Stock Exchange). Mr. Qiu was appointed as a director of the Company in November 2012.

#### 獨立非執行董事

**陳棋昌先生**，73歲。陳先生現任東亞銀行(中國)有限公司副董事長。陳先生曾任東亞銀行有限公司執行董事兼副行政總裁。陳先生於1965年加入東亞銀行有限公司，在銀行界具廣泛知識和豐富經驗。陳先生為香港銀行學會資深會士、香港中文大學和聲書院院監會成員及中國銀聯國際業務專家委員會委員。陳先生亦為珠江船務企業(股份)有限公司、香港食品投資控股有限公司及瑞安建業有限公司(均為公司股份於香港聯交所公開上市)獨立非執行董事。於2020年1月大昌行集團有限公司(先前為於香港上市之公司)私有化後，陳先生不再為該公司獨立非執行董事。陳先生於1997年5月獲委任為本公司董事。

**邱洪生先生**，55歲。邱先生於哈爾濱工業大學管理學院管理科學與系統工程碩士研究生畢業，並為中國註冊資產評估師、國際註冊高級企業風險管理師、中國註冊併購交易師、高級經濟師及擁有基金從業資格。邱先生現任中華財務諮詢有限公司執行董事及總經理和天津財經大學客座教授。邱先生曾於中國航天工業部710所從事經濟分析工作多年，並於1994年加入中國財政部直接管理之中華財務諮詢有限公司從事管理諮詢及企業重組工作。邱先生在企業融資、購併定價、戰略整合及精細化管理等方面，具有豐富的專業知識和實踐經驗。邱先生現亦為中國軟件與技術服務股份有限公司、中航重機股份有限公司及有研新材股份有限公司(均為公司股份於上海證券交易所公開上市)獨立董事及中電光谷獨立非執行董事(該公司股份於香港聯交所公開上市)。邱先生於2012年11月獲委任為本公司董事。

## Biographies of Directors and Senior Management 董事及高級管理人員簡歷

**Mr. Chow Chan Lum**, aged 69. Mr. Chow graduated from The Chinese University of Hong Kong with a Bachelor of Business Administration degree in 1974, received a Postgraduate Diploma in Accountancy from the University of Strathclyde in Glasgow, United Kingdom in 1975 and was awarded a Postgraduate Diploma in China Law by the University of Macau in 1987. Mr. Chow has been a member of the Institute of Chartered Accountants of Scotland since 1979 and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chow is a member of the Foreign Experts Consultative Committee on China Independent Auditing Standards of the Ministry of Finance of the PRC. Mr. Chow served on a number of committees of the Hong Kong Institute of Certified Public Accountants, including as the deputy chairman of the Auditing & Assurance Standards Committee, and a member of the Investigation Panel and the Professional Standards Monitoring Committee and as president of The Taxation Institute of Hong Kong. Mr. Chow serves as an honorary advisor and committee member of various social bodies, and has been a member of the Chinese People's Political Consultative Conference of Guangdong Province, the PRC from 1997 to 2012. Mr. Chow is also an independent non-executive director of Maoye International Holdings Limited, and has been an independent non-executive director of China Aerospace International Holdings Limited from 2000 to 2012 and Pak Tak International Limited from 2002 to 2014 (all being Hong Kong Main Board listed companies). Mr. Chow was awarded the Medal of Honor by the Government of the Hong Kong Special Administrative Region of the PRC in 2013 and the Honorary Fellowship of the Hong Kong Academy for Performing Arts in October 2017. Mr. Chow was appointed as a director of the Company in June 2015.

鄒燦林先生，69歲。鄒先生於1974年畢業於香港中文大學並取得工商管理學士學位，於1975年取得英國斯特拉斯克萊德大學的會計學深造文憑及於1987年獲澳門大學授予中國法律深造文憑。鄒先生於1979年成為蘇格蘭特許會計師公會會員及為香港會計師公會會員。鄒先生為中國財政部獨立審計準則外方專家諮詢組委員。鄒先生曾出任香港會計師公會多個委員會委員（包括核數及核證專業標準委員會副主席、調查委員會及專業水平監察委員會委員）以及香港稅務學會會長。鄒先生現任多個社會團體的名譽顧問及委員，並於1997年至2012年間擔任中國廣東省中國人民政治協商會議成員。鄒先生現亦為茂業國際控股有限公司獨立非執行董事，及曾於2000年至2012年間及2002年至2014年間分別擔任中國航天國際控股有限公司及百德國際有限公司（均為香港主板上市公司）獨立非執行董事。鄒先生於2013年榮獲中華人民共和國香港特別行政區政府頒發榮譽勳章及於2017年10月榮獲香港演藝學院頒發榮譽院士。鄒先生於2015年6月獲委任為本公司董事。

## Biographies of Directors and Senior Management

### 董事及高級管理人員簡歷

#### SENIOR MANAGEMENT

**Ms. Wang Qiuju**, aged 53, is the financial controller of the Company. Ms. Wang graduated from the School of Economics of Xiamen University and holds a Postgraduate degree in Finance and is a senior accountant. Ms. Wang is a director of CEOVU (a company with its shares listing on the Hong Kong Stock Exchange). Ms. Wang was head of the Finance Department of Shenzhen SED Electronics Corp., head of the Finance Department, financial controller and chief accountant of Shenzhen SED Electronics Group Co., Ltd and the general manager of the Finance Department of China Electronics International Information Service Co., Ltd. Ms. Wang joined the Company in March 2015.

**Mr. Ng Kui Kwan**, aged 58, is the company secretary of the Company. Mr. Ng holds a Bachelor of Arts degree in Accounting from the University of Liverpool, United Kingdom. Mr. Ng is a member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Ng has many years of experience in auditing, finance and administration. Mr. Ng joined the Company in November 2008.

#### 高級管理人員

**王秋菊女士**，53歲，本公司財務總監。王女士於廈門大學經濟學院金融系碩士研究生畢業，並為高級會計師。王女士現任中電光谷（該公司股份於香港聯交所公開上市）董事。王女士曾任深圳桑達電子總公司財務部部長、深圳桑達電子集團有限公司財務部部長、財務總監及總會計師和中國中電國際信息服務有限公司財務部總經理。王女士於2015年3月加入本公司。

**伍舉鈞先生**，58歲，本公司公司秘書。伍先生持有英國利物浦大學會計學學士學位。伍先生為英格蘭及威爾斯特許會計師公會會員及香港會計師公會會員。伍先生在審計、財務及行政方面積累多年經驗。伍先生於2008年11月加入本公司。

# Report of the Directors

## 董事會報告

The directors submit their report together with the financial statements for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group is the design and sale of integrated circuit chips. The activities of the principal subsidiaries are set out in Note 34 to the financial statements.

### RESULTS AND DISTRIBUTION

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 58 of this annual report.

The Board recommends the payment of a dividend of HK2.3 cents per share for the year ended 31 December 2019 (2018: HK2.0 cents), amounting to a total dividend of HK\$46,687,000. The dividend is subject to approval at the forthcoming annual general meeting of the Company.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in Note 13 to the financial statements.

### SHARE CAPITAL

At 31 December 2019, the issued share capital of the Company consisted of 2,029,872,000 shares of HK\$0.01 each. Details of movements in the share capital of the Company during the year are set out in Note 24 to the financial statements.

### RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 62 of this annual report and Note 33 to the financial statements, respectively.

董事會同寅謹此呈交截至2019年12月31日止年度的董事會報告及財務報表。

### 主要業務

本公司為一家投資控股公司。本集團之主要業務是集成電路芯片之設計及銷售。主要附屬公司之業務詳情載於財務報表附註34。

### 業績及分派

本集團本年度之業績載於本年報第58頁之綜合損益表內。

董事會建議就截至2019年12月31日止年度派付每股2.3港仙（2018年：2.0港仙）股息，總計為46,687,000港元。股息需於本公司應屆股東週年大會上獲批准後，方可作實。

### 物業、廠房及設備

本集團之物業、廠房及設備於本年度內之變動詳情載於財務報表附註13。

### 股本

於2019年12月31日，本公司已發行股本為2,029,872,000股每股面值0.01港元之股份。本公司之股本於本年度內之變動詳情載於財務報表附註24。

### 儲備

本集團及本公司之儲備於本年度內之變動詳情分別載於本年報第62頁之綜合權益變動表及財務報表附註33。

# Report of the Directors

## 董事會報告

### DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2019 amounted to HK\$306,742,000 (2018: HK\$413,259,000).

### DIVIDEND POLICY

The Company implements a dividend policy which aims to provide a stable dividend to shareholders. The Company will take into account, among others, the following factors when forming the proposals for dividend distribution:

- (a) the financial performance of the Group; and
- (b) the future funding requirements of the Group.

### FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, the assets and liabilities of the Group for the last five financial years is set out on page 148 of this annual report.

### BUSINESS REVIEW

The Group's business review, discussion and analysis of its performance for the year and the outlook of its businesses are set out in the section headed "Management Discussion and Analysis" and "Chairman's Statement" on pages 8 to 13 and on pages 4 to 7 of this annual report, respectively. Such discussions constitute an integral part of this report.

The performance and results of the Group's businesses are subject to various important factors, including the relationship with its employees, customers and suppliers. The Board believes that the employees are one of the Group's most important assets. The Company will strive to ensure that the remuneration level of employees is in line with industry practices and prevailing market conditions, and remuneration of employees will be determined based on their performance. Being people-oriented, the Group ensures all staff are reasonable remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, and occupational health and safety.

### 可供分派儲備

於2019年12月31日，本公司之可供分派儲備為306,742,000港元（2018年：413,259,000港元）。

### 股息政策

本公司實行旨在提供穩定股息予股東的股息政策。本公司將參考（其中包括）下列因素制定股息分配方案：

- (a) 本集團的財務表現；及
- (b) 本集團未來的融資需求。

### 五年財務資料摘要

本集團過去五個財政年度之業績、資產及負債之摘要載於本年報第148頁。

### 業務回顧

本集團之業務回顧、其年度表現之討論及分析及業務之前景分別載於本年報第8頁至第13頁及第4頁至第7頁之「管理層討論及分析」以及「主席報告」。有關討論構成本報告之重要組成部分。

本集團業務之表現及業績受制於多項重要因素，包括與其僱員、客戶及供應商之關係。董事會認為，僱員為本集團的最重要資產之一。本公司將努力確保僱員之薪酬水平與業內慣例及現行市況相符，而僱員之薪酬將根據其表現而釐定。本集團堅持以人為本，確保所有員工均可獲得合理薪酬，亦繼續改善及定期檢討並更新其於薪酬及福利、培訓和職業健康及安全方面之政策。

## Report of the Directors 董事會報告

In addition, the Board places great emphasis on a long-term and stable relationship with the Group's customers and suppliers for the continuous success and growth of the Group's businesses. The Group has an extensive sales network across the PRC and to manage such network requires a close working relationship with our customers directly and through distributors, agents and other business partners. The Group will continue to strengthen its customer service to provide superior quality service to the users, and strive to achieve the fastest response time and highest customer satisfaction levels in the industry. The Group's continuous effort to build trust and strengthen mutually beneficial cooperation with its customers and suppliers has facilitated to foster long-term cooperation relationships with them.

### RISKS AND UNCERTAINTIES FACTORS

As nearly all of the Group's revenue is attributable to the market in the PRC, the results and performance of the Group's businesses depend on the growth of the information technology sector in the PRC, particularly the electronic information technology sector. Although the information technology sector is demonstrating a growing trend in the past which is in part supported by favourable government policies, any negative trend in the information technology sector or other restrictive policies may materially and adversely affect the business, financial condition and results of operation of the Group.

The PRC integrated circuit market is highly competitive with relatively short product cycles, and is subject to policies of the government. The Group's results of operation substantially depend on the successful execution of its business strategy and development plan to maintain its leading position in the design of integrated circuit chips industry in the PRC. The Group may face challenges in implementing its business strategies, and its ability to achieve its goals may be adversely affected by various factors, some of which are beyond its control. If the Group is not able to execute its business strategy and development plan, its businesses, financial condition and results of operation may be materially and adversely affected.

此外，為達致本集團業務之持續成功及增長，董事會高度重視與本集團之顧客及供應商之長期穩定關係。本集團擁有遍及中國之廣泛銷售網絡，而管理有關網絡需要與本集團之顧客建立直接及透過分銷商、代理及其他業務夥伴建立緊密合作關係。本集團將繼續增強其顧客服務以向用戶提供更優質服務，並致力於業內達致最快反應時間及最高顧客滿意水平。本集團之持續努力與其顧客及供應商構建信任及強化互利合作有助與彼等建立長期合作關係。

### 風險及不確定因素

鑒於本集團之收入主要來自於中國市場，本集團業務之業績及表現乃取決於中國之信息技術產業之增長，尤其是電子信息技術產業。儘管部份因受有利政府政策所支持過往信息技術產業展示了增長趨勢，信息技術產業之任何負面趨勢或其他限制性政策可能對本集團之業務、財務狀況及經營業績造成重大及不利影響。

中國集成電路市場競爭激烈，產品週期較短，並受制於政府政策。本集團之經營業績主要取決於成功執行其業務策略及發展計劃以維持其於中國集成電路芯片設計業界領先地位。本集團可能於實施其業務策略時面臨挑戰，其達致目標之能力可能因多項因素影響嚴重受阻，而其中某些因素乃本集團無法控制。倘本集團無法執行其業務策略及發展計劃，則本集團之業務、財務狀況及經營業績可能受重大及不利影響。

## Report of the Directors

### 董事會報告

#### ENVIRONMENTAL PROTECTION POLICY

As a leader in the design of integrated circuit chips industry in the PRC, the Group is committed to operating its business in an environmentally-friendly manner. Although most of the Group's businesses are not subject to any environmental protection rules and restrictions, the Board believes that operating the Group's businesses in an environmentally-friendly manner is crucial to fulfilling its corporate social responsibilities.

In order to maintain a high standard of staff awareness of the relevant rules and requirements, the Group offers periodical trainings to its key personnel. As a result of the Group's commitment to environmental protection and through the implementation of advanced technologies, the Group has achieved safe and environmentally-friendly operation for the year ended 31 December 2019.

The Company is preparing a Corporate Social Responsibility Report with reference to the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Listing Rules which will be published separately on the website of the Company ([www.cecht.com.cn](http://www.cecht.com.cn)) and on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) within three months after the publication of this annual report.

#### COMPLIANCE WITH LAWS AND REGULATIONS

The Board believes that compliance with laws and regulations is the cornerstone of a business and attaches considerable importance to it. Furthermore, as the shares of the Company are listed on The Stock Exchange of Hong Kong Limited, the Company is also subject to the rules and requirements under the Listing Rules and the Securities and Futures Ordinance (the "SFO"). To the best knowledge of the Board, the Group has complied with the relevant laws and regulations that have a significant impact on the Group throughout the year ended 31 December 2019.

#### 環保政策

作為中國集成電路芯片設計業界之翹楚，本集團致力以環保方式經營其業務。儘管本集團絕大多數之業務毋須受相關環保規則及限制所規限，惟董事會認為，以環保方式經營本集團之業務對履行企業社會責任至關重要。

為維持員工對相關規則及法規之高水準認識，本集團定期向主要人員提供培訓。由於本集團對環保之承擔且採用先進科技，故本集團於截至2019年12月31日止年度達致安全及環保經營。

本公司參考上市規則附錄27所載之環境、社會及管治報告指引編製其企業社會責任報告並將於刊發本年報後的三個月內分別刊載於本公司網站([www.cecht.com.cn](http://www.cecht.com.cn))及香港聯合交易所有限公司網站([www.hkex.com.hk](http://www.hkex.com.hk))。

#### 遵守法律及法規

董事會認為遵守法律及法規乃企業之基石，故十分重視其重要性。此外，由於本公司股份於香港聯合交易所有限公司上市，本公司亦須遵守上市規則和證券及期貨條例（「證券及期貨條例」）項下之規則及規定。據董事會所深知，本集團於截至2019年12月31日止年度內均已遵守對本集團具重大影響之相關法律及法規。

# Report of the Directors

## 董事會報告

### DIRECTORS

The directors who held office during the year and up to the date of this report were:

#### Non-executive Directors

Dong Haoran (*Chairman*)

Liu Jinmei

#### Executive Directors

Yu Jian (*Deputy Chairman*)

(appointed as director and Deputy Chairman on 5 March 2019)

Liu Hongzhou (*Managing Director*)

Jiang Juncheng

(resigned on 5 March 2019)

#### Independent Non-executive Directors

Chan Kay Cheung

Qiu Hongsheng

Chow Chan Lum

In accordance with bye-law 87 of the bye-laws of the Company, Mr. Chow Chan Lum and Mr. Dong Haoran will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for re-election.

The Company has entered into a service contract with each of the directors of the Company containing terms relating to, among other things, compliance with relevant laws and regulations, and observation of the bye-laws of the Company. The directors of the Company will be subject to retirement by rotation and re-election in accordance with the bye-laws of the Company and the Listing Rules.

None of the directors proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules, and considers them to be independent.

### 董事

於本年度內及截至本報告日止在任之董事如下：

#### 非執行董事

董浩然(主席)

劉勁梅

#### 執行董事

虞儉(副主席)

(於2019年3月5日獲委任為董事及副主席)

劉紅洲(董事總經理)

姜軍成

(於2019年3月5日辭任)

#### 獨立非執行董事

陳棋昌

邱洪生

鄒燦林

根據本公司之公司章程細則第87條，鄒燦林先生及董浩然先生須於本公司應屆股東週年大會輪值告退，惟彼等均合資格並願意膺選連任。

本公司已與本公司各董事訂立服務合約，包括有關(其中包括)遵守相關法律及法規、以及遵從本公司之公司章程細則之條款。本公司董事將根據本公司之公司章程細則及上市規則輪值告退及膺選連任。

擬於本公司應屆股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司訂立僱主在一年內不可在不予賠償(法定賠償除外)情況下終止之服務合約。

本公司已接獲各獨立非執行董事就彼等根據上市規則第3.13條發出的年度獨立性確認書，並認為彼等為獨立。



## Report of the Directors

### 董事會報告

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

At 31 December 2019, Mr. Dong Haoran, a non-executive director of the Company and the Chairman of the Board, was interested in 4,672,420 shares of the Company (long position) (representing 0.23% of the issued share capital of the Company), and Ms. Liu Jinmei, a non-executive director of the Company, was interested in 197,250 shares of the Company (long position) (representing 0.01% of the issued share capital of the Company). Save as disclosed herein, none of the directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

#### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company or their respective close associates (as defined under the Listing Rules) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

#### DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

No transaction, arrangement or contract of significance to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

#### 董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於2019年12月31日，董浩然先生（本公司非執行董事及董事會主席）持有4,672,420股本公司股份好倉權益（佔本公司已發行股本0.23%之股份），及劉勁梅女士（本公司非執行董事）持有197,250股本公司股份好倉權益（佔本公司已發行股本0.01%之股份）。除本文所披露者外，概無本公司董事及最高行政人員於本公司或本公司任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中持有任何須記錄於本公司根據證券及期貨條例第352條備存之登記冊內之權益或淡倉，或根據上市規則附錄10所載之上市發行人董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司之權益或淡倉。

#### 董事購買股份或債券之權利

於本年度內之任何時間，本公司、其控股公司或其任何附屬公司或同系附屬公司並無訂立任何使本公司董事或彼等各自之緊密聯繫人（定義見上市規則）可藉著購入本公司或任何其他法人團體之股份或債券而獲益之安排。

#### 董事於重大交易、安排及合約之權益

本公司之董事並無於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立並於年結日或本年度內任何時間仍然有效之重大交易、安排或合約中，直接或間接擁有重大權益。

## CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, at no time during the year had the Company or any of its subsidiaries entered into any contract of significance with any controlling shareholder or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by any controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

## SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

In January 2019, the agreement for the purchase of Block C of China Electronics Information Security Technology Research and Development Foundation in the PRC (the "Property") by Huada Electronics from China Information Security Research Institute Co., Ltd ("CIS Research Institute") and its supplemental agreement (collectively, the "Transfer Agreement") were terminated in accordance with its terms and conditions. Huada Electronics received a refund of RMB258.4 million in January 2019 from CIS Research Institute and relinquished its right to use the Property and its right to earn a profit from the Property to CIS Research Institute. The Group recognised a gain on disposal of a building in the PRC of HK\$9.1 million following the termination of the Transfer Agreement.

## SIGNIFICANT EVENT AFTER THE FINANCIAL YEAR

After the financial year, the outbreak of the COVID-19 has been declared a pandemic by the World Health Organization. If the COVID-19 outbreak remains for a prolonged period of time, it may create negative impacts on the Group's performance. At the date of this report, given the rapid development of the COVID-19 outbreak, the Board considers that it is impracticable to estimate the financial impact to the Group. The Board will continue to assess the impact of the COVID-19 outbreak on the Group's operation and financial performance, closely monitor the Group's exposure to the risks and uncertainties in connection with the COVID-19 outbreak, and maintain close communication with different stakeholders of the Group.

## 重大合約

除本年報所披露者外，於本年度內之任何時間，本公司或其任何附屬公司概無與任何控股股東或其任何附屬公司訂立任何重大合約，亦無就由任何控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立之任何重大合約。

## 財務年度內的重大事項

於2019年1月，華大電子向中國信息安全研究院有限公司（「中國信息安全研究院」）購買位於中國的中國電子網絡安全和信息化產業基地C棟樓（「該物業」）的協議及其補充協議（統稱為「轉讓協議」）已根據其條款及條件而被終止。華大電子於2019年1月收取中國信息安全研究院人民幣258.4百萬元退款並放棄該物業之使用權及收益權。在終止轉讓協議後，本集團確認處置一棟位於中國的樓宇收益9.1百萬港元。

## 財務年度後的重大事項

於財務年度後，新型冠狀病毒的爆發已被世界衛生組織宣佈為大流行。倘新型冠狀病毒爆發的事態持續，或對本集團的表現構成負面影響。於本年報日期，鑒於新型冠狀病毒爆發的事態發展迅速，董事會認為現時估算其對本集團帶來的財務影響並不可行。董事會將繼續評估新型冠狀病毒爆發對本集團營運及財務表現的影響，密切監控本集團所面臨有關新型冠狀病毒爆發的風險及不明朗因素，並與本集團的不同持份者保持緊密溝通。

# Report of the Directors

## 董事會報告

### CONTINUING CONNECTED TRANSACTIONS

Certain of the related party transactions as disclosed in Note 32 to the consolidated financial statements also fall under the definition of “continuing connected transactions” within the meaning of the Listing Rules. These transactions have complied with the requirements as set out in Chapter 14A of the Listing Rules. Details of certain of these transactions which are subject to the reporting and annual review requirements under the Listing Rules are summarised as follows:

### 持續關連交易

根據上市規則的定義，綜合財務報表附註32所披露的若干關聯人士交易亦屬於持續關連交易。該等交易均已遵守上市規則第14A章所載之規定。若干該等交易須遵守上市規則的申報及年度審閱規定，有關詳情概述如下：

**Transaction amount in 2019**  
於2019年交易金額  
**HK\$'000**  
千港元

| Type of transaction  | 交易類別                           | Notes<br>附註     | Transaction amount in 2019<br>於2019年交易金額<br>HK\$'000<br>千港元 |
|--|--------------------------------|-----------------|---|
| Sale of products to the CEC Group                                      | 向中國電子集團成員公司銷售產品                | <i>i, ii(a)</i> | 166,875   |
| Purchase from the CEC Group and provision of services by the CEC Group | 向中國電子集團成員公司採購及中國電子集團成員公司所提供的服務 | <i>i, ii(b)</i> | 161,116   |
| Property management fee paid to the CEC Group                          | 向中國電子集團成員公司支付物業管理費             | <i>i, iii</i>   | 7,373   |
| Rental received from the CEC Group                                     | 向中國電子集團成員公司收取租金                | <i>i, iv</i>    | 2,434   |
| Rental paid to the CEC Group   | 向中國電子集團成員公司支付租金                | <i>i, v</i>     | 18,102  |
| Fees and commissions for financial services paid to the CEC Group      | 向中國電子集團成員公司支付財務服務之手續費及佣金       | <i>i</i>        | 54  |

Notes:

- (i) China Electronics Corporation Limited (“CEC”, together with its subsidiaries, the “CEC Group”), is a connected person of the Company by virtue of being the controlling shareholder of the Company under the Listing Rules.
- (ii) On 25 April 2018, the Company entered into a business services agreement (the “2018 Business Services Agreement”) with CEC to regulate the terms of the proposed continuing connected transactions and their respective proposed caps of the transactions thereunder for the period commencing from 1 July 2018 to 30 June 2021. Pursuant to the 2018 Business Services Agreement, the CEC Group provides products processing, testing and assembling services to the Group, while the Group purchases raw materials, modules, software and equipment from the CEC Group and sells products to the CEC Group.

The 2018 Business Services Agreement and the related caps were approved by the independent shareholders of the Company at the special general meeting held on 28 June 2018, details of which are set out in the circular dated 8 June 2018.

- (a) Sale of products including integrated circuit cards and smart cards modules and chips to the CEC Group.

附註：

- (i) 中國電子信息產業集團有限公司（「中國電子集團」，連同其附屬公司「中國電子集團成員公司」）為本公司之控股股東，亦根據上市規則為本公司之關連人士。
- (ii) 於2018年4月25日，本公司與中國電子集團訂立綜合服務協議（「2018綜合服務協議」），以規管2018年7月1日至2021年6月30日止期間之建議持續關連交易之條款，及其各自項下交易建議上限。根據2018綜合服務協議，中國電子集團成員公司向本集團提供產品加工、成品測試及封裝服務，而本集團向中國電子集團成員公司採購原材料、模組、軟件及設備和向中國電子集團成員公司銷售產品。

2018綜合服務協議及相關上限已獲得本公司獨立股東於2018年6月28日舉行的股東特別大會上批准，有關詳情已載於日期為2018年6月8日之通函內。

- (a) 向中國電子集團成員公司銷售產品包括集成電路卡及智能卡模組和芯片。

## Report of the Directors

### 董事會報告

- (b) Raw materials, modules, software and equipment purchased from the CEC Group are for the Group's research and development of integrated circuit cards, smart cards and chips. The CEC Group also provides products processing, testing and assembling services to the Group.
- (iii) On 19 December 2017, the Company and CEC Rida Property Management Co., Ltd ("CEC Rida"), a subsidiary of CEC, entered into a master property management agreement (the "2018 Master Property Management Agreement") pursuant to which CEC Rida and its subsidiaries shall from time to time provide property management services to the Group for a term of three years commencing from 1 January 2018 and ending on 31 December 2020. The transactions contemplated under the 2018 Master Property Management Agreement constitute continuing connected transactions of the Company. Details of the 2018 Master Property Management Agreement and the related caps are set out in the announcement dated 19 December 2017.
- (iv) On 19 December 2017, the Company and CEC entered into a master lease agreement (the "2018 First Master Lease Agreement") pursuant to which the Group shall from time to time lease properties located within the PRC and owned by the Group to the CEC Group for a term of three years commencing from 1 January 2018 and ending on 31 December 2020. The transactions contemplated under the 2018 First Master Lease Agreement constitute continuing connected transactions of the Company. Details of the 2018 First Master Lease Agreement and the related caps are set out in the announcement dated 19 December 2017.
- (v) On 19 December 2017, the Company and CEC entered into a master lease agreement (the "2018 Second Master Lease Agreement") pursuant to which the Group shall from time to time rent properties located within the PRC and owned by the CEC Group from the CEC Group for a term of three years commencing from 1 January 2018 and ending on 31 December 2020. The transactions contemplated under the 2018 Second Master Lease Agreement constitute continuing connected transactions of the Company. Details of the 2018 Second Master Lease Agreement and the related caps are set out in the announcement dated 19 December 2017. The Company has subsequently revised the annual cap amounts of rental payable by the Group to the CEC Group under the 2018 Second Master Lease Agreement. Details of the revised caps are set out in the announcement dated 9 January 2019. In 2019, the Group adopted Hong Kong Financial Reporting Standard 16 "Leases" ("HKFRS16") which sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under HKFRS16, for transactions relating to leases with a term of 12 months or less and leases of low-value asset contemplated under the 2018 Second Master Lease Agreement, lease payments were disclosed as rental paid to the CEC Group in the above table. Such transactions constituted continuing connected transactions for the Company. For transactions relating to leases with terms ranging from more than one year to three years contemplated under the 2018 Second Master Lease Agreement, the Group recognised HK\$3,723,000 as acquisition of right-of-use assets during 2019. Such acquisition of right-of-use assets constituted one-off connected transaction for the Company.
- (b) 向中國電子集團成員公司採購之原材料、模組、軟件及設備乃供本集團研發集成電路卡、智能卡及芯片之用。中國電子集團成員公司亦向本集團提供產品加工、成品測試及封裝服務。
- (iii) 於2017年12月19日，本公司與中國電子集團附屬公司北京中電瑞達物業有限公司（「中電瑞達」）訂立總物業管理服務協議（「2018年總物業管理服務協議」）。據此，中電瑞達及其附屬公司將由2018年1月1日起至2020年12月31日止為期三年不時向本集團提供物業管理服務。2018年總物業管理服務協議項下擬進行之交易構成本公司之持續關連交易。2018年總物業管理服務協議及相關上限詳情載於日期為2017年12月19日之公告內。
- (iv) 於2017年12月19日，本公司與中國電子集團訂立總租賃協議（「2018年首份總租賃協議」）。據此，本集團將由2018年1月1日起至2020年12月31日止為期三年不時向中國電子集團成員公司出租位於中國及由本集團擁有之物業。2018年首份總租賃協議項下擬進行之交易構成本公司之持續關連交易。2018年首份總租賃協議及相關上限詳情載於日期為2017年12月19日之公告內。
- (v) 於2017年12月19日，本公司與中國電子集團訂立總租賃協議（「2018年第二份總租賃協議」）。據此，本集團將由2018年1月1日起至2020年12月31日止為期三年不時向中國電子集團成員公司租用位於中國及由中國電子集團成員公司擁有之物業。2018年第二份總租賃協議項下擬進行之交易構成本公司之持續關連交易。2018年第二份總租賃協議及相關上限詳情載於日期為2017年12月19日之公告內。本公司其後已修訂根據2018年第二份總租賃協議項下本集團應付中國電子集團成員公司租金之年度上限金額。修訂上限詳情載於日期為2019年1月9日之公告內。於2019年，本集團採納了香港財務報告準則第16號「租賃」（「香港財務報告準則第16號」），其載列確認、計量、列報及披露租賃的原則。根據香港財務報告準則第16號，就有關2018年第二份總租賃協議項下擬進行之租期為十二個月或以下的租賃及低價值資產的租賃的交易，租賃付款已在上表披露為向中國電子集團成員公司支付租金。該等交易構成本公司的持續關連交易。就有關2018年第二份總租賃協議項下擬進行之租期為介乎1年以上至3年的租賃的交易，本集團已於2019年確認3,723,000港元為使用權資產的購置。該等使用權資產購置構成本公司的一次性關連交易。

## Report of the Directors

### 董事會報告

On 25 April 2018, the Company entered into a financial services agreement (the “2018 Financial Services Agreement”) with China Electronics Financial Co., Ltd (“CEC Finance”), a subsidiary of CEC, to regulate the terms of the proposed continuing connected transactions and their respective proposed caps of the transactions thereunder for the period commencing from 1 July 2018 to 30 June 2021. Pursuant to the 2018 Financial Services Agreement, the financial services provided by CEC Finance to the Group includes deposit services, financial assistance and fee-based and commission-based financial services.

The 2018 Financial Services Agreement and the related caps were approved by the independent shareholders of the Company at the special general meeting held on 28 June 2018, details of which are set out in the circular dated 8 June 2018.

Pursuant to the 2018 Financial Services Agreement, the maximum daily balance of deposits (together with the interests accrued thereon) maintained by the Group with CEC Finance shall not exceed RMB820 million and the Group’s actual balance of deposits (together with the interests accrued thereon) with CEC Finance on any given day during the year ended 31 December 2019 had not exceeded such amount. For the provision of financial assistance, the maximum amount of financial assistance provided by CEC Finance to the Group shall not exceed RMB820 million on any given day and the actual balance of financial assistance provided by CEC Finance on any given day during the year ended 31 December 2019 had not exceeded such amount.

Save as disclosed above, all of the related party transactions as disclosed in Note 32 to the consolidated financial statements do not constitute connected transactions or constitute fully exempt connected transactions under the Listing Rules.

於2018年4月25日，本公司與中國電子集團之附屬公司中國電子財務有限責任公司（「中電財務」）訂立全面金融合作協議（「2018全面金融合作協議」），以規管2018年7月1日至2021年6月30日止期間之建議持續關連交易之條款，及其各自項下交易建議上限。根據2018全面金融合作協議，中電財務向本集團提供之財務服務包括存款服務、財務資助及按手續費及佣金計算收費之財務服務。

2018全面金融合作協議及相關上限已獲得本公司獨立股東於2018年6月28日舉行的股東特別大會上批准，有關詳情已載於日期為2018年6月8日之通函內。

根據2018全面金融合作協議，本集團存放於中電財務之存款之最高每日結餘（包括所產生之利息）不可超過人民幣820百萬元，而本集團於截至2019年12月31日止年度任何特定日期於中電財務存款（包括所產生之利息）的實際餘額並未超出此數額。關於提供財務資助，中電財務向本集團提供財務資助之最高金額於任何特定日期不可超過人民幣820百萬元，而中電財務於截至2019年12月31日止年度任何特定日期所提供財務資助的實際餘額並未超出此數額。

除上文所披露者外，於綜合財務報表附註32所披露的所有關聯人士交易並不構成上市規則項下的關連交易或獲全面豁免關連交易。

## Report of the Directors 董事會報告

The above continuing connected transactions have been reviewed by the independent non-executive directors of the Company. In the opinion of the independent non-executive directors of the Company, the above continuing connected transactions were carried out in the ordinary and usual course of business of the Group, on normal commercial terms and were in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Based on the results of the work performed on the above continuing connected transactions, the auditor of the Company has confirmed in its letter to the Board that nothing has come to their attention that causes them to believe that these continuing connected transactions:

- have not been approved by the Board;
- were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- have exceeded the cap as disclosed in the announcements.

本公司獨立非執行董事已審閱上述持續關連交易。本公司獨立非執行董事認為，上述持續關連交易乃本集團於日常業務過程中按一般商務條款，以及規管該等交易之相關協議條款進行，而交易條款屬公平合理，並符合本公司股東之整體利益。

根據對上述持續關連交易執行的工作的結果，本公司核數師已於致董事會之函件中確認他們並無注意到任何事項可使他們認為該等持續關連交易：

- 並未獲董事會批准；
- 若交易涉及本集團提供貨品或服務，在所有重大方面沒有按照本集團之定價政策進行；
- 在所有重大方面沒有按照規管該等交易的相關協議進行；及
- 超逾公告披露的上限。

## Report of the Directors 董事會報告

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, the following directors of the Company are considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group:

### 董事於競爭業務之權益

於本年度內及截至本報告日期，下列本公司董事被視為持有與本集團業務直接或間接構成競爭或可能構成競爭之業務權益：

| Name of director<br>董事姓名 | Name of entity<br>實體名稱   | Principal business<br>of the entity<br>實體之主要業務                | Nature of<br>director's interest<br>in the entity<br>董事於有關實體<br>之權益性質 |
|--------------------------|--|---|---|
| Dong Haoran<br>董浩然       | Huada Semiconductor (Note 1)<br>華大半導體 (附註1)                      | Design and manufacture<br>of integrated circuits<br>集成電路設計及製造 | Deputy chairman<br>副董事長   |
|                          | CEC Chitsing Technology<br>Co., Ltd (Note 1)<br>中電智行技術有限公司 (附註1) | Investment holdings<br>投資控股                                   | Director<br>董事  |
|                          | Shanghai Belling (Note 1)<br>上海貝嶺 (附註1)                          | Design and manufacture<br>of integrated circuits<br>集成電路設計及製造 | Chairman<br>董事長   |
| Yu Jian<br>虞儉            | Shanghai Belling (Note 1)<br>上海貝嶺 (附註1)                          | Design and manufacture<br>of integrated circuits<br>集成電路設計及製造 | Chairman of the<br>supervisory committee<br>(Note 2)<br>監事長 (附註2)     |
| Jiang Juncheng<br>姜軍成    | Shanghai Belling (Note 1)<br>上海貝嶺 (附註1)                          | Design and manufacture<br>of integrated circuits<br>集成電路設計及製造 | Chairman of the<br>supervisory committee<br>(Note 3)<br>監事長 (附註3)     |
| Liu Jinmei<br>劉勁梅        | Shanghai Belling (Note 1)<br>上海貝嶺 (附註1)                          | Design and manufacture<br>of integrated circuits<br>集成電路設計及製造 | Director<br>董事  |

#### Notes:

- (1) CEC is the ultimate controlling shareholder of the Company. CEC is a state-owned nationwide electronics and information technology conglomerate. These companies are subsidiaries or associates of CEC and engaging in, or have subsidiaries or associates engaging in, integrated circuits related businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.
- (2) Appointed in April 2019.
- (3) Resigned in April 2019.

#### 附註：

- (1) 中國電子集團為本公司之最終控股股東。中國電子集團為一家全國性電子及信息科技國有骨幹企業。此等公司為中國電子集團之附屬公司或聯營公司而其或其附屬公司或聯營公司均有從事與本集團業務直接或間接構成競爭或可能構成競爭之集成電路相關業務。
- (2) 於2019年4月獲委任。
- (3) 於2019年4月辭任。

## Report of the Directors

### 董事會報告

The above mentioned competing businesses are operated and managed by independent management and administration. The Board exercises independent judgment and is always acting for the interests of the Company and its shareholders as a whole. Accordingly, the Group is capable of carrying on its businesses independently of, and at arm's length from, the competing businesses mentioned above.

### SHAREHOLDERS WITH NOTIFIABLE INTERESTS

At 31 December 2019, the register maintained by the Company pursuant to Section 336 of the SFO showed that the following persons (other than the directors or chief executive of the Company) had notified the Company that they had an interest of 5% or more in the issued share capital of the Company:

| Name of interested party   | 持有權益者名稱  | Number of shares held or attributable<br>持有或應佔<br>股份數目 | Percentage of shareholding<br>持股百分比 |
|--|--|--|-------------------------------------|
| China Electronics Corporation (BVI) Holdings Company Limited ("CEC (BVI)") | China Electronics Corporation (BVI) Holdings Company Limited (「CEC (BVI)」) | 812,500,000  | 40.03%                              |
| Huada Semiconductor (Note 1)   | 華大半導體 (附註1)  | 1,206,180,000  | 59.42%                              |
| CEC (Note 2)   | 中國電子集團 (附註2)   | 1,206,180,000  | 59.42%                              |

#### Notes:

- (1) Huada Semiconductor holds 100% equity interest in CEC (BVI). Pursuant to the SFO, Huada Semiconductor is deemed to be interested in the 812,500,000 shares of the Company held by CEC (BVI).
- (2) CEC holds 100% equity interest in Huada Semiconductor. Pursuant to the SFO, CEC is deemed to be interested in the shares of the Company held by Huada Semiconductor. The Board regards CEC, a state-owned enterprise established under the laws of the PRC, as being the ultimate holding company of the Company.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, at 31 December 2019, the Company had not been notified of any other interest or short position in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept under Section 336 of the SFO.

上述之競爭業務均由獨立管理層和行政人員營運及管理。董事會行使獨立判斷及以本公司及其股東之整體利益行事。因此，本集團得以按公平基準以獨立於上述競爭業務之方式經營本身業務。

### 擁有須申報權益之股東

於2019年12月31日，根據證券及期貨條例第336條本公司須備存之登記冊所示，下列人士（本公司董事或最高行政人員除外）已知會本公司彼等持有本公司已發行股本5%或以上之權益：

#### 附註：

- (1) 華大半導體持有CEC (BVI)之100%股權。根據證券及期貨條例，華大半導體被視為持有CEC (BVI)所持有之本公司812,500,000股股份之權益。
- (2) 中國電子集團持有華大半導體之100%股權。根據證券及期貨條例，中國電子集團被視為持有華大半導體所持有之本公司股份之權益。董事會視中國電子集團（根據中國法律成立之國有企業）為本公司之最終控股公司。

所有上述所披露之權益均為本公司股份之好倉。

除上文披露者外，於2019年12月31日，本公司並未獲知會有任何其他人士持有本公司股份或相關股份須記錄於根據證券及期貨條例第336條須備存之登記冊內之權益或淡倉。



## Report of the Directors

### 董事會報告

#### SPECIFIC PERFORMANCE OBLIGATION ON CONTROLLING SHAREHOLDER

In October 2019, the Company entered into a loan agreement (the "Loan Agreement") with a bank for a loan in the amount of RMB490,000,000 (the "Loan") for a period of 12 months commencing from the date of the drawdown of the Loan. Pursuant to the terms of the Loan Agreement, it will constitute an event of default if CEC ceases to maintain and own not less than 51% of the beneficial shareholding interest (direct or indirect) of the Company. If an event of default under the Loan Agreement has occurred, the bank may declare the Loan together with all interest accrued thereon and all amounts outstanding thereunder to be immediately due and payable. Details of the Loan and the Loan Agreement are set out in the announcement dated 25 October 2019.

#### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the laws in Bermuda.

#### PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares and the Company had not redeemed any of its shares during the year ended 31 December 2019.

#### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, the aggregate sales attributable to the five largest customers of the Group accounted for 69% of the Group's sales for the year and sales attributable to the Group's largest customer accounted for 22% of the Group's sales for the year. For the year ended 31 December 2019, the aggregate purchases attributable to the five largest suppliers of the Group accounted for 87% of the Group's purchases for the year and purchases attributable to the Group's largest supplier accounted for 42% of the Group's purchases for the year.

To the best knowledge of the Board, CEC Group is not a beneficial owner of the five largest customers and is the beneficial owner of one of the five largest suppliers of the Group.

Save as disclosed above, none of the directors, their respective close associates or any shareholder (which to the best knowledge of the Board owns more than 5% of the Company's issued share capital) had any interest in any of the Group's five largest customers or suppliers.

#### 控股股東之特定履行責任

於2019年10月，本公司與一家銀行就金額為人民幣490,000,000元貸款（「貸款」）訂立借貸合同（「借貸合同」），自貸款提取日期起計為期12個月。根據借貸合同的條款，倘中國電子集團不再維持並擁有本公司不少於51%的實際股權權益（直接或間接），其將構成違約事件。倘發生借貸合同項下的違約事件，銀行可宣告貸款連同所有利息以及所有尚未償還款項為即時到期並須予償還。貸款及借貸合同的詳情載於日期為2019年10月25日之公告內。

#### 優先購買權

本公司之公司章程細則或百慕達法律均無有關優先購買權之條文。

#### 購回、出售或贖回證券

於截至2019年12月31日止年度內，本公司或其任何附屬公司並無購回或出售任何本公司股份，且本公司亦無贖回其任何股份。

#### 主要客戶及供應商

截至2019年12月31日止年度，本集團首五大客戶之總銷售額佔本集團本年度銷售額之69%，而本集團最大客戶之銷售額佔本集團本年度銷售額之22%。截至2019年12月31日止年度，本集團首五大供應商之總採購額佔本集團本年度採購額之87%，而本集團最大供應商之採購額佔本集團本年度採購額之42%。

據董事會所深知，中國電子集團成員公司並非本集團首五大客戶的實益擁有人及為本集團首五大供應商之其中一位的實益擁有人。

除上文披露者外，概無董事、彼等各自的緊密聯繫人或任何股東（據董事會所深知持有本公司已發行股本5%以上者）持有本集團首五大客戶或供應商之任何權益。

## Report of the Directors 董事會報告

### EQUITY-LINKED AGREEMENT

No equity-linked agreements were entered into by the Company during the year ended 31 December 2019 or subsisted at 31 December 2019.

### RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Group are set out in Notes 8 and 35 to the financial statements.

### PERMITTED INDEMNITY PROVISIONS

During the year ended 31 December 2019 and up to the date of this report, the Company has undertaken and maintained a collective liability insurance policy covering, among others, all directors of the Company.

### MANAGEMENT CONTRACT

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Group's businesses were entered into or existed during the year ended 31 December 2019.

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Board, at the date of this report, at least 25% of the Company's total issued share capital are held by the public and fulfills the requirement under the Listing Rules.

### AUDIT COMMITTEE

The audit committee of the Board has reviewed the consolidated financial statements of the Group for the year ended 31 December 2019.

### 與股票掛鈎協議

於截至2019年12月31日止年度或於2019年12月31日，本公司並無訂立或存在任何與股票掛鈎協議。

### 退休及僱員福利計劃

本集團退休及僱員福利計劃之詳情載於財務報表附註8及35。

### 獲准許彌償條文

於截至2019年12月31日止年度及截至本報告日期，本公司已為(包括但不限於)本公司之所有董事購買及維持一項集體責任保險。

### 管理合約

於截至2019年12月31日止年度，概無訂立或存在任何有關本集團全部或任何絕大部分業務之管理及行政合約(僱員合約除外)。

### 公眾持股量

於本報告日期，根據可提供本公司之公開資料及就董事會所深知，本公司已發行股本總額至少有25%由公眾人士持有並符合上市規則之要求。

### 審核委員會

董事會轄下的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。

## Report of the Directors 董事會報告

### AUDITOR

The consolidated financial statements for the year ended 31 December 2019 will be audited by Ernst & Young who will hold the office of auditor of the Company until the conclusion of the forthcoming annual general meeting of the Company.

On 28 June 2018, the term of office of PricewaterhouseCoopers as auditor of the Company expired. On the same day, the shareholders resolved to appoint Ernst & Young as auditor of the Company. Details of the change of auditor are set out in the announcement dated 26 March 2018.

Upon recommendation of the audit committee, the Board resolved to recommend the appointment of PricewaterhouseCoopers as auditor of the Company to fill the vacancy following the expiration of the current term of office of Ernst & Young and to hold office until the conclusion of the next annual general meeting of the Company. Such appointment is subject to the approval of the shareholders at the forthcoming annual general meeting of the Company. Details of the proposed appointment of auditor are set out in the announcement dated 30 March 2020.

On behalf of the Board

**Dong Haoran**  
Chairman

Hong Kong, 30 March 2020

### 核數師

截至2019年12月31日止年度之綜合財務報表將由安永會計師事務所審核。安永會計師事務所將擔任本公司核數師至本公司應屆股東週年大會結束時。

於2018年6月28日，本公司核數師羅兵咸永道會計師事務所任期屆滿。同日，股東決議委任安永會計師事務所為本公司核數師。更換核數師詳情載於日期為2018年3月26日之公告內。

根據審核委員會的推薦，董事會已決議建議委任羅兵咸永道會計師事務所為本公司核數師以填補緊隨安永會計師事務所本任期屆滿後的空缺，任期直至本公司下一屆股東週年大會結束為止。該委任須待股東於本公司應屆股東週年大會批准後，方可作實。建議委任核數師詳情載於日期為2020年3月30日之公告內。

承董事會命

主席  
董浩然

香港，2020年3月30日

## Independent Auditor's Report 獨立核數師報告



**TO THE SHAREHOLDERS OF CHINA ELECTRONICS  
HUADA TECHNOLOGY COMPANY LIMITED**  
*(incorporated in Cayman Islands and continued in  
Bermuda with limited liability)*

### OPINION

We have audited the consolidated financial statements of China Electronics Huada Technology Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 58 to 147, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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.

致中國電子華大科技有限公司全體股東

*(於開曼群島註冊成立及於百慕達繼續經營之有限公司)*

### 意見

本核數師(以下簡稱「我們」)已審計列載於第58至147頁的中國華大電子科技有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況表，及截至該日止年度的綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布之《香港財務報告準則》真實而中肯地反映 貴集團於2019年12月31日之綜合財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為編制。

## Independent Auditor's Report

### 獨立核數師報告

#### BASIS FOR OPINION

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

#### KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

#### 意見基礎

我們已根據香港會計師公會頒布之《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布之《專業會計師道德守則》(「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得之審計憑證足以充份和適當地為我們的審計意見提供基礎。

#### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。就下文各事項而言，我們的審計如何處理關鍵審計事項的描述於該項內容中提供。

我們已經履行了本報告《核數師就審計綜合財務報表須承擔的責任》部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matter 關鍵審計事項

#### **Revenue Recognition** 收入確認

Revenue from the sale of integrated circuit products is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Some of the sales contract terms, including quality inspection period and warranty provision, generate complexity and judgment in determining the timing of revenue recognition.

銷售集成電路產品的收入於資產控制權轉移予客戶的時間點確認，一般於交付產品時發生。在釐定收入確認時間時，部分銷售合約條款（包括質量檢查期及保養條款）涉及複雜性及判斷。

The Group's disclosures about revenue recognition are included in note 2, 4 and 5 to the financial statements.

貴集團有關收入確認的披露載於財務報表附註2、4及5。

#### **Provision for expected credit losses (ECL) on trade receivables** 貿易應收款項的預期信貸虧損（預期信貸虧損）撥備

The gross balance of trade receivables as at 31 December 2019 amounted to HK\$582,364,000 (excluding notes receivable amounted to HK\$145,541,000), against which allowance for expected credit losses amounting to HK\$71,016,000 was made. The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management.

於2019年12月31日，貿易應收款項總結餘為582,364,000港元（除應收票據145,541,000港元），就此作出的預期信貸虧損撥備為71,016,000港元。貿易應收款項的可收回性是貴集團營運資金管理的重要元素，按由管理層持續管理。

### How our audit addressed the key audit matter 該關鍵審計事項在審計中是如何應對的

We performed walkthroughs to understand the design of the revenue recognition process. We tested the controls which the management has established in recording sales and revenue recognition.

我們已走查了解怎樣設計收入確認的過程。我們已測試管理層在記錄銷售及收入確認時制定的監控措施。

We have, on a sample basis, reviewed sales contracts to ensure that the revenue recognition policy applied by the Group follows the HKFRS requirements. More specifically we reviewed how the quality inspection period were considered within the revenue recognition process. We also reviewed the amounts of goods returned during the year.

我們已抽樣審閱銷售合約，確保貴集團所用的收入確認政策遵從香港財務報告準則的規定。更具體地，我們已審閱在收入確認過程中怎樣考慮質量檢查期。我們亦審閱年內退還貨物的款項。

Our other audit procedures included, amongst others, obtaining confirmations, performing sales cutoff test, and testing revenue transactions around the year.

我們的其他審計程序包括（其中包括）獲得確認、進行銷售截賬測試及對整個年度內的收入交易進行測試。

We tested the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.

我們已測試貴集團有關監察貿易應收款項及審閱客戶信貸風險的程序及監控措施。

We obtained the provision matrix and reviewed the Group's historical observed default rates through the analyses of ageing of receivables.

我們已獲得撥備矩陣，並透過分析應收款項的賬齡審閱貴集團的歷史觀察違約率。

## Independent Auditor's Report

### 獨立核數師報告

#### Key audit matter

##### 關鍵審計事項

The Group uses a provision matrix to calculate ECLs for trade receivables. The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs requires significant management judgment, which in turn impacts the recoverability of the Group's receivables. 貴集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。對歷史觀察違約率、預測經濟狀況及預期信貸虧損間的關係進行的評估需要管理層行使重大判斷，繼而影響 貴集團應收款項的可收回性。

The Group's disclosures about provision for ECL are included in note 2, 4 and 20 to the financial statements, which specifically explain the key estimation the management used in the assessment. 貴集團有關預期信貸虧損撥備的披露載於財務報表附註 2、4及20，具體說明管理層於評估中所用的重要估計。

#### Other information included in the Annual Report

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

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

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

#### How our audit addressed the key audit matter

##### 該關鍵審計事項在審計中是如何應對的

We also evaluated management's assessments of forward-looking factors specific to the debtors and the economic environment with public available information.

我們亦評估管理層對債務人特定的前瞻性因素及經濟環境公開所得資料進行的評估。

#### 包括於年報內的其他資料

貴公司董事需對其他信息負責。其他信息刊載於年報內，但不包括合併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，我們亦不對該等其他資料發表任何形式的鑒證結論。

在我們審計綜合財務報表時，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況有重大不一致，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告事項。

## Independent Auditor's Report 獨立核數師報告

### RESPONSIBILITIES OF DIRECTORS 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

### 董事就綜合財務報表須承擔之責任

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

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

審核委員會協助貴集團董事履行彼等監督 貴集團財務報告程序的責任。

### 核數師就審計綜合財務報表承擔之責任

我們的目標為合理確定此等綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告。本報告的製作，僅向閣下報告，除此以外不可作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔任何責任。

合理核證屬高層次的核證，惟根據香港審核準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在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。



## Independent Auditor's Report

### 獨立核數師報告

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - 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.
- 在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述的風險高於未能發現因錯誤而導致之重大錯誤陳述的風險。
  - 了解與審計相關的內部控制，以設計適當的審計程序，但該目的並非對 貴集團內部控制之有效性發表意見。
  - 評價董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。
  - 對董事採用持續經營會計基礎的恰當性作出結論。及根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，或，假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
  - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

## Independent Auditor's Report 獨立核數師報告

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

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

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

- 就 貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

我們還向審核委員會提交聲明，說明我們已遵守有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項及作相關的防範措施（如適用）。

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

---

The engagement partner on the audit resulting in this independent auditor's report is Shun Lung Wai.

出具本獨立核數師報告之審計項目合夥人是孫龍偉先生。

**Ernst & Young**  
Certified Public Accountants

22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

14 May 2020

**安永會計師事務所**  
執業會計師

香港中環  
添美道1號  
中信大廈22樓

二零二零年五月十四日

## Consolidated Statement of Profit or Loss

### 綜合損益表

|  |                   | Year ended 31 December<br>截至12月31日止年度 |                                  |
|--|-------------------|---------------------------------------|----------------------------------|
|  |                   | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
|  |                   | Note<br>附註                            |                                  |
| <b>Revenue</b>                                   | 收入                | 5                                     | <b>1,695,486</b>                 |
| Cost of sales                                    | 銷售成本              | 7                                     | <b>(1,158,987)</b>               |
| <b>Gross profit</b>                              | 毛利                |                                       | <b>536,499</b>                   |
| Other income                                     | 其他收入              | 6                                     | <b>34,910</b>                    |
| Selling and marketing costs                      | 銷售及市場推廣成本         | 7                                     | <b>(83,154)</b>                  |
| Administrative expenses                          | 行政開支              | 7                                     | <b>(345,756)</b>                 |
| Impairment losses on trade and other receivables | 貿易及其他應收款項<br>減值虧損 | 20                                    | <b>(7,402)</b>                   |
| <b>Operating profit</b>                          | 經營溢利              |                                       | <b>135,097</b>                   |
| Finance income                                   | 融資收入              | 9                                     | <b>2,074</b>                     |
| Finance costs                                    | 融資成本              | 9                                     | <b>(103,381)</b>                 |
| Finance costs – net                              | 融資成本－淨額           | 9                                     | <b>(101,307)</b>                 |
| Share of results of associates                   | 應佔聯營公司業績          | 18                                    | <b>121,000</b>                   |
| Share of result of a joint venture               | 應佔一間合營公司業績        |                                       | –                                |
| <b>Profit before taxation</b>                    | 除稅前溢利             |                                       | <b>154,790</b>                   |
| Taxation   | 稅項                | 10                                    | <b>2,796</b>                     |
| <b>Profit for the year</b>                       | 本年度溢利             |                                       | <b>157,586</b>                   |
| <b>Profit for the year attributable to:</b>      | 本年度溢利歸屬於：         |                                       |                                  |
| Owners of the Company                            | 本公司權益持有者          |                                       | <b>155,159</b>                   |
| Non-controlling interests                        | 非控股權益             |                                       | <b>2,427</b>                     |
|  |                   |                                       | <b>157,586</b>                   |
| <b>Dividend</b>                                  | 股息                | 11                                    | <b>46,687</b>                    |
|  |                   |                                       | <b>HK cents<br/>港仙</b>           |
| <b>Basic earnings per share</b>                  | 每股基本盈利            | 12                                    | <b>7.64</b>                      |
|  |                   |                                       | <b>5.58</b>                      |

## Consolidated Statement of Comprehensive Income

### 綜合全面收益表

Year ended 31 December  
截至12月31日止年度

|   |                   | 2019            | 2018      |
|---|-------------------|-----------------|-----------|
|   |                   | 2019年           | 2018年     |
|   |                   | HK\$'000        | HK\$'000  |
|   |                   | 千港元             | 千港元       |
| <b>Profit for the year</b>  | 本年度溢利             | <b>157,586</b>  | 116,590   |
| <b>Other comprehensive income for the year, net of taxation:</b>    | 本年度扣除稅項後的其他全面收益：  |                 |           |
| Items that will not be subsequently reclassified to profit or loss: | 不會期後重分類至溢利或虧損的項目： |                 |           |
| Share of an associate's revaluation gains on properties             | 應佔一間聯營公司的物業重估收益   | -               | 5,853     |
| Items that may be subsequently reclassified to profit or loss:      | 期後可能重分類至溢利或虧損的項目： |                 |           |
| Exchange differences on translation of financial statements         | 換算財務報表的匯兌差額       | <b>(44,670)</b> | (162,274) |
| <b>Total comprehensive income for the year</b>                      | 本年度全面收益總額         | <b>112,916</b>  | (39,831)  |
| <b>Total comprehensive income for the year attributable to:</b>     | 本年度全面收益總額歸屬於：     |                 |           |
| Owners of the Company   | 本公司權益持有者          | <b>111,649</b>  | (42,233)  |
| Non-controlling interests   | 非控股權益             | <b>1,267</b>    | 2,402     |
|   |                   | <b>112,916</b>  | (39,831)  |

## Consolidated Statement of Financial Position

### 綜合財務狀況表

|  |              |            | 31 December<br>2019 | 31 December<br>2018 |
|--|--------------|------------|---------------------|---------------------|
|  |              |            | 2019年12月31日         | 2018年12月31日         |
|  |              | Note<br>附註 | HK\$'000<br>千港元     | HK\$'000<br>千港元     |
| <b>ASSETS</b>  | <b>資產</b>    |            |                     |                     |
| <b>Non-current assets</b>                                | <b>非流動資產</b> |            |                     |                     |
| Property, plant and equipment                            | 物業、廠房及設備     | 13         | 63,153              | 367,599             |
| Right-of-use assets                                      | 使用權資產        | 14         | 52,908              | –                   |
| Investment properties                                    | 投資物業         | 15         | 48,291              | 48,847              |
| Land use rights  | 土地使用權        | 16         | –                   | 11,302              |
| Intangible assets  | 無形資產         | 17         | 1,961               | 2,059               |
| Investment in associates                                 | 於聯營公司投資      | 18         | 2,707,889           | 2,665,777           |
| Deferred tax assets                                      | 遞延稅項資產       | 10         | 42,120              | 38,024              |
|  |              |            | <b>2,916,322</b>    | 3,133,608           |
| <b>Current assets</b>                                    | <b>流動資產</b>  |            |                     |                     |
| Inventories  | 存貨           | 19         | 460,613             | 603,679             |
| Trade and other receivables                              | 貿易及其他應收款項    | 20         | 713,585             | 722,947             |
| Financial assets at fair value through<br>profit or loss | 按公允值計入損益金融資產 | 21         | 14,142              | 42,029              |
| Short-term deposits                                      | 短期存款         | 22         | 450,994             | 91,303              |
| Cash and cash equivalents                                | 現金及現金等價物     | 23         | 350,219             | 375,525             |
|  |              |            | <b>1,989,553</b>    | 1,835,483           |
| <b>Total assets</b>                                      | <b>資產總額</b>  |            | <b>4,905,875</b>    | 4,969,091           |

## Consolidated Statement of Financial Position

### 綜合財務狀況表

|   |                     | 31 December<br>2019<br>2019年12月31日 | 31 December<br>2018<br>2018年12月31日 |
|---|---------------------|------------------------------------|------------------------------------|
|   |                     | Note<br>附註                         | HK\$'000<br>千港元                    |
| <b>EQUITY AND LIABILITIES</b>                       | <b>權益及負債</b>        |                                    |                                    |
| <b>Equity attributable to owners of the Company</b> | <b>本公司權益持有者應佔權益</b> |                                    |                                    |
| Share capital and premium                           | 股本及溢價               | 24                                 | 825,454                            |
| Reserves  | 儲備                  |                                    | (750,876)                          |
| Retained earnings                                   | 保留溢利                |                                    | 1,962,131                          |
|   |                     |                                    | <b>2,036,709</b>                   |
| <b>Non-controlling interests</b>                    | <b>非控股權益</b>        |                                    | 1,922,393                          |
|   |                     |                                    | <b>20,057</b>                      |
| <b>Total equity</b>                                 | <b>權益總額</b>         |                                    | <b>2,056,766</b>                   |
| <b>Liabilities</b>                                  | <b>負債</b>           |                                    |                                    |
| <b>Non-current liabilities</b>                      | <b>非流動負債</b>        |                                    |                                    |
| Lease liabilities                                   | 租賃負債                | 25                                 | 32,180                             |
| Deferred tax liabilities                            | 遞延稅項負債              | 10                                 | 12,923                             |
|   |                     |                                    | 24,511                             |
|   |                     |                                    | <b>45,103</b>                      |
| <b>Current liabilities</b>                          | <b>流動負債</b>         |                                    |                                    |
| Deferred government grants                          | 遞延政府補助              | 26                                 | 43,667                             |
| Contract liabilities                                | 合約負債                |                                    | 6,363                              |
| Trade and other payables                            | 貿易及其他應付款項           | 27                                 | 537,474                            |
| Bank and other borrowings                           | 銀行及其他借貸             | 28                                 | 2,187,988                          |
| Lease liabilities                                   | 租賃負債                | 25                                 | 21,670                             |
| Income tax payable                                  | 應付所得稅款項             |                                    | 6,844                              |
|   |                     |                                    | 12,160                             |
|   |                     |                                    | <b>2,804,006</b>                   |
| <b>Total liabilities</b>                            | <b>負債總額</b>         |                                    | <b>2,849,109</b>                   |
| <b>Total equity and liabilities</b>                 | <b>權益及負債總額</b>      |                                    | <b>4,905,875</b>                   |

The financial statements on pages 58 to 147 were approved and authorised for issue by the board of directors on 30 March 2020 and are signed on its behalf by:

載於第58頁至第147頁之財務報表經董事會於2020年3月30日批准及授權刊發，並由下列人士代表簽署：

**Dong Haoran 董浩然**  
Director 董事

**Liu Hongzhou 劉紅洲**  
Director 董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Attributable to owners of the Company  
本公司權益持有者應佔

|  |                             | Property      |               |                 |                     |                     |                |               | Retained earnings | Non-controlling interests | Total equity |           |
|--|-----------------------------|---------------|---------------|-----------------|---------------------|---------------------|----------------|---------------|-------------------|---------------------------|--------------|-----------|
|  |                             | Share capital | Share premium | Surplus reserve | Translation reserve | revaluation reserve | Merger reserve | Other reserve |                   |                           |              |           |
|  |                             | 股本            | 股本溢價          | 盈餘儲備            | 匯兌儲備                | 物業重估儲備              | 合併儲備           | 其他儲備          | 保留溢利              | 總額                        | 非控股權益        | 權益總額      |
|  |                             | HK\$'000      | HK\$'000      | HK\$'000        | HK\$'000            | HK\$'000            | HK\$'000       | HK\$'000      | HK\$'000          | HK\$'000                  | HK\$'000     | HK\$'000  |
|  |                             | 千港元           | 千港元           | 千港元             | 千港元                 | 千港元                 | 千港元            | 千港元           | 千港元               | 千港元                       | 千港元          | 千港元       |
|  |                             | (Note 24)     | (Note 24)     | (Note (a))      |                     |                     |                |               |                   |                           |              |           |
|  |                             | (附註24)        | (附註24)        | (附註(a))         |                     |                     |                |               |                   |                           |              |           |
| <b>At 1 January 2018</b>                           | <b>於2018年1月1日</b>           | 20,299        | 805,155       | 37,705          | 135,182             | 23,143              | (743,127)      | (4,715)       | 1,751,880         | 2,025,522                 | 16,388       | 2,041,910 |
| Total comprehensive income                         | 全面收益總額                      | -             | -             | -               | (161,407)           | 5,853               | -              | -             | 113,321           | (42,233)                  | 2,402        | (39,831)  |
| Payment of dividend                                | 派付股息                        | -             | -             | -               | -                   | -                   | -              | -             | (60,896)          | (60,896)                  | -            | (60,896)  |
| <b>At 31 December 2018</b>                         | <b>於2018年12月31日</b>         | 20,299        | 805,155       | 37,705          | (26,225)            | 28,996              | (743,127)      | (4,715)       | 1,804,305         | 1,922,393                 | 18,790       | 1,941,183 |
| <b>At 31 December 2018, as previously reported</b> | <b>於2018年12月31日(如以往所報告)</b> | 20,299        | 805,155       | 37,705          | (26,225)            | 28,996              | (743,127)      | (4,715)       | 1,804,305         | 1,922,393                 | 18,790       | 1,941,183 |
| Effect of adoption of HKFRS16                      | 採納香港財務報告準則第16號的影響           | -             | -             | -               | -                   | -                   | -              | -             | 43,264            | 43,264                    | -            | 43,264    |
| <b>At 1 January 2019, as restated</b>              | <b>於2019年1月1日(重列)</b>       | 20,299        | 805,155       | 37,705          | (26,225)            | 28,996              | (743,127)      | (4,715)       | 1,847,569         | 1,965,657                 | 18,790       | 1,984,447 |
| Total comprehensive income                         | 全面收益總額                      | -             | -             | -               | (43,510)            | -                   | -              | -             | 155,159           | 111,649                   | 1,267        | 112,916   |
| Payment of dividend                                | 派付股息                        | -             | -             | -               | -                   | -                   | -              | -             | (40,597)          | (40,597)                  | -            | (40,597)  |
| <b>At 31 December 2019</b>                         | <b>於2019年12月31日</b>         | 20,299        | 805,155       | 37,705          | (69,735)            | 28,996              | (743,127)      | (4,715)       | 1,962,131         | 2,036,709                 | 20,057       | 2,056,766 |

(a) Pursuant to the relevant laws and regulations of the PRC, a portion of the profits of the Company's PRC subsidiaries has been transferred to the enterprise expansion fund and reserve fund (the "surplus reserve") which are restricted as to use.

(a) 根據有關中國法例及條例，本公司於中國之附屬公司的部份溢利已轉撥使用權受限的企業發展基金及儲備基金（「盈餘儲備」）內。

## Consolidated Statement of Cash Flows

### 綜合現金流量表

|   |                    | Year ended 31 December |           |
|---|--------------------|------------------------|-----------|
|   |                    | 截至12月31日止年度            |           |
|   |                    | 2019                   | 2018      |
|   |                    | 2019年                  | 2018年     |
|   |                    | HK\$'000               | HK\$'000  |
|   |                    | 千港元                    | 千港元       |
|   | Note<br>附註         |                        |           |
| <b>Cash flows from operating activities</b>                                     | <b>經營活動之現金流量</b>   |                        |           |
| Cash flows generated from operations  | 經營產生之現金流量          |                        |           |
| Interest paid   | 支付利息               | 29                     |           |
| Income tax paid   | 支付所得稅              |                        |           |
| Net cash flows generated from/ (used in) operating activities                   | 經營活動產生／(所用)之現金流量淨額 | <b>221,793</b>         | 8,642     |
|   |                    | <b>(101,326)</b>       | (101,569) |
|   |                    | <b>(14,617)</b>        | (24,299)  |
|   |                    | <b>105,850</b>         | (117,226) |
| <b>Cash flows from investing activities</b>                                     | <b>投資活動之現金流量</b>   |                        |           |
| Interest received   | 收取利息               | <b>10,151</b>          | 6,151     |
| Purchase of property, plant and equipment, and intangible assets                | 購買物業、廠房及設備、和無形資產   | <b>(18,407)</b>        | (10,349)  |
| Proceeds from disposal of property, plant and equipment                         | 處置物業、廠房及設備所得款項     | <b>276,031</b>         | 1,748     |
| Proceeds from disposal of land use rights                                       | 處置土地使用權所得款項        | <b>11,253</b>          | -         |
| Payment for financial assets at fair value through profit or loss               | 支付按公允值計入損益金融資產款項   | <b>(62,500)</b>        | (541,115) |
| Proceeds from disposal of financial assets at fair value through profit or loss | 出售按公允值計入損益金融資產所得款項 | <b>92,632</b>          | 708,086   |
| Increase in short-term deposits   | 短期存款之增加            | <b>(359,691)</b>       | (80,303)  |
| Dividends received  | 收取股息               | <b>63,760</b>          | 51,000    |
| Proceeds from disposal of a joint venture                                       | 出售一間合營公司所得款項       | -                      | 6,839     |
| Net cash flows generated from investing activities                              | 投資活動產生之現金流量淨額      | <b>13,229</b>          | 142,057   |



## Consolidated Statement of Cash Flows

### 綜合現金流量表

|  |                     | Year ended 31 December |             |
|--|---------------------|------------------------|-------------|
|  |                     | 截至12月31日止年度            |             |
|  |                     | 2019                   | 2018        |
|  |                     | 2019年                  | 2018年       |
|  |                     | HK\$'000               | HK\$'000    |
|  |                     | 千港元                    | 千港元         |
| <b>Cash flows from financing activities</b>                  | <b>融資活動之現金流量</b>    |                        |             |
| Proceeds from bank and other borrowings                      | 銀行及其他借貸所得款項         | <b>2,380,682</b>       | 2,329,347   |
| Repayment of bank and other borrowings                       | 償還銀行及其他借貸           | <b>(2,438,795)</b>     | (2,239,025) |
| Dividend paid  | 支付股息                | <b>(40,597)</b>        | (60,896)    |
| Principal portion of lease payments                          | 租賃付款本金部份            | <b>(20,364)</b>        | –           |
| Net cash flows (used in)/generated from financing activities | 融資活動(所用)/產生之現金流量淨額  | <b>(119,074)</b>       | 29,426      |
| <b>Net increase in cash and cash equivalents</b>             | <b>現金及現金等價物增加淨額</b> | <b>5</b>               | 54,257      |
| Effect of exchange rate changes                              | 匯率變動之影響             | <b>(25,311)</b>        | (52,563)    |
| Cash and cash equivalents at beginning of the year           | 年初之現金及現金等價物         | <b>375,525</b>         | 373,831     |
| <b>Cash and cash equivalents at end of the year</b>          | <b>年終之現金及現金等價物</b>  | <b>350,219</b>         | 375,525     |

# 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

### 1. GENERAL INFORMATION

China Electronics Huada Technology Company Limited (the “Company”) is incorporated in the Cayman Islands and continued in Bermuda with limited liability. The Company has its shares listed on The Stock Exchange of Hong Kong Limited. The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The ultimate holding company of the Company is China Electronics Corporation Limited (“CEC”), which is established in the People’s Republic of China (the “PRC”).

The principal activities of the Company and its subsidiaries (collectively the “Group”) are the design and sale of integrated circuit chips.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 1. 一般資料

中國電子華大科技有限公司(「本公司」)為一家於開曼群島註冊成立，並於百慕達繼續經營的有限責任公司。本公司股份在香港聯合交易所有限公司上市。本公司的註冊辦事處地址為 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司之最終控股公司為中國電子信息產業集團有限公司(「中國電子集團」)(一家於中華人民共和國(「中國」)成立之企業)。

本公司及其附屬公司(統稱「本集團」)的主要業務是集成電路芯片之設計及銷售。

除另有註明外，本綜合財務報表以港元列報。

### 2. 重大會計政策概要

編製本綜合財務報表所採用的主要會計政策載列如下。除另有註明外，此等政策一直貫徹應用於所有呈報之年度。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.1 Basis of preparation

(a) *Compliance with HKFRSs, HKASs, Interpretations and Listing Rules*

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and certain financial assets at fair value through profit or loss which are carried at fair value.

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

(b) *New standards, amendments to standards and interpretations*

In the current year, the Group has adopted for the first time of all the new or amended HKFRSs and HKASs, and Interpretations issued by the Hong Kong Institute of Certified Public Accountants that are relevant to the Group’s operations and effective for the accounting period beginning on 1 January 2019. Except as disclosed below, the adoptions of these new or amended standards and interpretations had no material effect on the results and financial position of the Group and/or disclosures set out in the consolidated financial statements.

### 2. 重大會計政策概要(續)

#### 2.1 編製基準

(a) *符合香港財務報告準則，香港會計準則，詮釋及上市規則*

綜合財務報表乃根據香港會計師公會頒佈之所有適用的香港財務報告準則(「香港財務報告準則」)，香港會計準則(「香港會計準則」)及詮釋而編製。該等綜合財務報表亦遵守香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例所載之適用披露規定。綜合財務報表是按歷史成本常規法編製，並就投資物業及若干按公允值計入損益金融資產(按公允值列賬)的重估而作出修訂。

編製符合香港財務報告準則，香港會計準則及詮釋的綜合財務報表須使用若干關鍵會計估算。管理層在運用本集團的會計政策過程中亦須行使其判斷。對本綜合財務報表而言涉及高度判斷或複雜性的事項，或涉及重要範疇的假設及估算，在附註4中披露。

(b) *新訂準則、準則修訂及詮釋*

本集團於本年度已首次採納香港會計師公會所頒佈之所有與本集團業務相關及於2019年1月1日開始之會計期間生效之新訂或經修訂之香港財務報告準則和香港會計準則，及詮釋。除以下所述外，採納該等新訂或經修訂之準則及詮釋，對本集團之業績及財務狀況及／或於綜合財務報表所載之披露並無重大影響。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.1 Basis of preparation (Cont'd)

(b) *New standards, amendments to standards and interpretations (Cont'd)*

#### HKFRS16 "Leases"

In the current year, the Group has adopted HKFRS16 "Leases". HKFRS16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The Group has applied HKFRS16 retrospectively with the cumulative effect of initial adoption as an adjustment to the retained earnings at 1 January 2019, and the comparative information of the consolidated financial statements continues to be reported under the accounting policies and disclosure requirements prevailing prior to 1 January 2019.

Under HKFRS16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Upon adoption of HKFRS16, the Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for leases with terms of 12 months or less ("short-term leases") and leases of low-value assets. Right-of-use assets are initially measured at cost and subsequently carried at cost less accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and less any lease incentives received. Lease liabilities are initially measured at the present value of the remaining lease payments discounted using the incremental borrowing rate of the lessee. Subsequently, lease liabilities are adjusted by interest accretion and lease payments. For short-term leases and leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

## 2. 重大會計政策概要(續)

### 2.1 編製基準(續)

(b) *新訂準則、準則修訂及詮釋(續)*

#### 香港財務報告準則第16號「租賃」

本集團於本年度已採納香港財務報告準則第16號「租賃」。香港財務報告準則第16號載列確認、計量、列報及披露租賃的原則。香港財務報告準則第16號已被本集團追溯應用，並將首次採納的累計影響確認為對於2019年1月1日的保留溢利的調整，而綜合財務報表的比較資料繼續根據於2019年1月1日前生效的會計政策及披露要求呈報。

根據香港財務報告準則第16號，倘合約為換取對價而給予在一段時間內控制可識別資產使用的權利，則該合約是租賃或包含租賃。在採納香港財務報告準則第16號時，就所有先前分類為經營租賃的租賃，本集團確認使用權資產及租賃負債，但租期為十二個月或以下的租賃（「短期租賃」）及低價值資產租賃除外。使用權資產始初按成本計量，其後以成本減累計折舊及減值虧損計量。使用權資產的成本包括已確認的租賃負債金額，已發生的始初直接成本，以及減已收取的任何租賃優惠。租賃負債始初按承租人的增量借貸利率折現剩餘租賃付款的現值計量。其後，租賃負債根據利息增長及租賃付款進行調整。就短期租賃及低價值資產租賃而言，租賃付款按租賃期以直線法確認為開支。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.1 Basis of preparation (Cont'd)

(b) New standards, amendments to standards and interpretations (Cont'd)

HKFRS16 "Leases" (Cont'd)

The effects of adoption of HKFRS16 at 1 January 2019 are as follows:

#### 2. 重大會計政策概要(續)

##### 2.1 編製基準(續)

(b) 新訂準則、準則修訂及詮釋(續)

香港財務報告準則第16號「租賃」(續)

於2019年1月1日採納香港財務報告準則第16號的影響如下：

|                          |         | <b>Increase</b><br>增加<br>HK\$'000<br>千港元 |
|--------------------------|---------|--|
| Right-of-use assets      | 使用權資產   | 2,614                                    |
| Investment in associates | 於聯營公司投資 | 43,322                                   |
| Lease liabilities        | 租賃負債    | 2,672                                    |
| Retained earnings        | 保留溢利    | 43,264                                   |

The reconciliation from operating lease commitments at 31 December 2018 to lease liabilities at 1 January 2019 is as follows:

於2018年12月31日的經營租賃承擔與於2019年1月1日的租賃負債的對賬如下：

|  |                       | HK\$'000<br>千港元 |
|--|-----------------------|-----------------|
| Operating lease commitments at 31 December 2018                                | 於2018年12月31日的經營租賃承擔   | 17,193          |
| Weighted average incremental borrowing rate at 1 January 2019                  | 於2019年1月1日的加權平均增量借貸利率 | 4.89%           |
| Discounted operating lease commitments at 1 January 2019                       | 於2019年1月1日的折現經營租賃承擔   | 16,511          |
| Less: Commitments relating to short-term leases and leases of low-value assets | 減：涉及短期租賃及低價值資產租賃的承擔   | (13,839)        |
| Lease liabilities at 1 January 2019  | 於2019年1月1日的租賃負債       | 2,672           |

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.1 Basis of preparation (Cont'd)

#### (b) New standards, amendments to standards and interpretations (Cont'd)

The following amendments to standards that are relevant to the operation of the Group have been issued but are not effective for the accounting period beginning on 1 January 2019 and have not been early adopted:

|                                 |  |
|---------------------------------|--|
| HKFRS3 (amendments)             | Definition of a business (effective from 1 January 2020)   |
| HKFRS10 and HKAS28 (amendments) | Sale or contribution of assets between an investor and its associate or joint venture (effective date not yet determined but available for adoption) |
| HKAS1 and HKAS8 (amendments)    | Definition of material (effective from 1 January 2020)   |

Management anticipates that the adoption of the above amendments to standards will have no material effect on the results and financial position of the Group.

#### (c) Going concern

At 31 December 2019, the Group's current liabilities exceeded its current assets by HK\$814,453,000 primarily due to the fact that the Group has liabilities under short-term bank and other borrowings (the "Short-term Borrowings") of HK\$2,187,988,000.

The Board has reviewed the Group's cash flow projections which covers a period of not less than twelve months from 31 December 2019. Given that the Short-term Borrowings of HK\$2,121.0 million are guaranteed by CEC, and taking into account the financial resources available to the Group, including the internally generated funds, expected renewal and extension of borrowings upon their maturities and the available committed borrowing facilities, the Board considers that there are sufficient financial resources available to the Group to meet its liabilities as and when they fall due in the coming twelve months from 31 December 2019. Accordingly, the Board has prepared the consolidated financial statements on a going concern basis.

## 2. 重大會計政策概要(續)

### 2.1 編製基準(續)

#### (b) 新訂準則、準則修訂及詮釋(續)

已頒佈但尚未於2019年1月1日開始之會計期間生效且並未被提早採納之與本集團業務有關之準則修訂如下：

|                             |   |
|-----------------------------|---|
| 香港財務報告準則第3號(修訂)             | 業務之定義(自2020年1月1日起生效)                      |
| 香港財務報告準則第10號及香港會計準則第28號(修訂) | 投資者與其聯營公司或合營公司間之資產出售或投入(生效日期尚待確定，惟可供提早採納) |
| 香港會計準則第1號及第8號(修訂)           | 重大之定義(自2020年1月1日起生效)                      |

管理層預期採納上述準則修訂對本集團的業績及財務狀況並無重大影響。

#### (c) 持續經營

於2019年12月31日，本集團之流動負債高於其流動資產814,453,000港元，主要由於本集團項下擁有2,187,988,000港元短期銀行及其他借貸(「短期借貸」)。

董事會已審閱本集團涵蓋自2019年12月31日起計不少於十二個月期間之現金流量預測。鑒於為數2,121.0百萬港元之短期借貸由中國電子集團提供擔保及經考慮本集團可動用之財務資源，包括內部產生之資金、預期到期借貸可續期和延長及可動用之已承諾借貸備用額，董事會認為本集團有足夠可動用之財務資源以應付其自2019年12月31日起計未來十二個月到期之負債。因此，董事會以持續經營基準編製綜合財務報表。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.2 Consolidation

##### (a) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiaries acquired or disposed of during the year will be included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal (except for acquisition of subsidiaries under common control which are accounted for using the principles of merger accounting), as appropriate.

Apart from the application of merger accounting on those common control combination as disclosed in Note 2.2(c) below, the acquisition method of accounting is used to account for business combination by the Group. The consideration transferred for an acquisition is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in the statement of profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Acquisition-related transaction costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

### 2. 重大會計政策概要(續)

#### 2.2 綜合賬目

##### (a) 附屬公司

附屬公司指由本集團控制的所有實體(包括結構實體)。當本集團因參與實體的營運而獲得或有權享有其可變回報，並有能力通過其對實體的管控制影響有關回報時，則本集團控制該實體。

於年內所收購或出售的附屬公司將自收購生效日期起或直至出售生效日期止(視情況而定)計入綜合財務報表(惟共同控制下收購之附屬公司採用合併會計法原則入賬除外)。

除附註2.2(c)所述對共同控制下的合併採用合併會計法外，收購會計法乃用作本集團業務合併的入賬方法。收購的對價根據於交易日期所給予資產、承擔對被收購方之前權益持有者所產生的負債及本集團發行股本權益的公允值計算。所轉讓的對價包括或有對價安排所產生的任何資產或負債的公允值。本集團將轉讓的任何或有對價按收購日期的公允值計量。被視為資產或負債的或有對價公允值的其後變動，在損益表中確認。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。相關交易收購成本於產生時確認為費用。在業務合併中所購買可識別的資產以及所承擔的負債及或有負債，始初按彼等於收購日期的公允值計量。就個別收購之收購基準而言，本集團可按公允值或按非控制性權益應佔被收購方可識別的資產淨值的比例，計量被收購方的非控制性權益。

# 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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.2 Consolidation (Cont'd)

#### (a) Subsidiaries (Cont'd)

The excess of the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree is less than the fair value of the identifiable net assets acquired, the difference is recognised directly in the consolidated statement of profit or loss.

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

Investments in subsidiaries are stated at cost less provision for impairment losses in the Company's statement of financial position (Note 2.8). Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company in the Company's statement of profit or loss to the extent of dividend received and receivable.

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

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

## 2. 重大會計政策概要 (續)

### 2.2 綜合賬目 (續)

#### (a) 附屬公司 (續)

轉讓的對價、被收購方任何非控制性權益以及之前於被收購方之任何權益在收購日期的公允值之總和超過所收購可識別資產淨值的公允值的數額記錄為商譽。若轉讓的對價、被收購方任何非控制性權益以及之前於被收購方之任何權益在收購日期的公允值之總和低於所收購可識別資產淨值的公允值，該差額直接在綜合損益表確認。

集團內公司間之交易、結餘及未實現交易收益予以對銷。未實現虧損亦予以對銷。附屬公司之會計政策於綜合財務報表中已按需要作出改變，以確保與本集團所採納之政策一致。

在本公司之財務狀況表中，附屬公司投資乃按成本扣除減值虧損撥備列賬(附註2.8)。成本包括投資的直接歸屬成本。附屬公司業績由本公司按已收股息及應收股息計入本公司之損益表內。

#### (b) 不導致失去控制權的附屬公司權益變動

本集團將其與非控制性權益進行、不導致失去控制權的交易入賬為權益交易—即與附屬公司權益持有者以其作為權益持有者身份進行的交易。所支付任何對價的公允值與相關應佔所收購附屬公司資產淨值的差額記錄為權益。向非控制性權益的出售的盈虧亦記錄在權益中。



## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.2 Consolidation (Cont'd)

###### (c) Common control combination

Merger accounting is used to account for the acquisition of subsidiaries under common control by the Group.

Under merger accounting, the consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination.

The consolidated statement of profit or loss includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, whichever is shorter and regardless of the effective date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous statement of financial position dates or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

#### 2. 重大會計政策概要(續)

##### 2.2 綜合賬目(續)

###### (c) 共同控制下的合併

本集團以合併會計法核算共同控制下收購之附屬公司。

於合併會計法下，當共同控制下的合併發生時，綜合財務報表包括被合併實體或業務的財務報表，猶如被合併的實體或業務在開始處於控制方的控制下就已經被合併。

從控制方的角度，被合併的實體或業務的資產淨值以賬面值合併。在共同控制下的合併中產生的商譽或收購方應佔被收購方可識別資產、負債及或有負債的公允值超過收購成本的金額不予確認。

綜合損益表包括每一個被合併實體或業務於其最早呈列日期披露或合併實體或業務開始受到共同控制時(以較遲者為準)的業績，而不考慮共同控制下的合併生效日期之因素。

綜合財務報表中的比較數字，已假設被合併實體或業務已於先前呈列之財務狀況表日或開始受到共同控制時(以較遲者為準)合併已發生之基準呈列。

這些實體採用統一的會計政策。集團內被合併實體或業務之間的所有交易、結餘及未實現交易收益在合併賬目中對銷。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.2 Consolidation (Cont'd)

#### (c) Common control combination (Cont'd)

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination is recognised as an expense in the period in which it is incurred.

The difference between the share capital of entities combined and the fair value of consideration paid has been recorded in the merger reserve in the consolidated financial statements.

#### (d) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in an associate includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

## 2. 重大會計政策概要(續)

### 2.2 綜合賬目(續)

#### (c) 共同控制下的合併(續)

共同控制下的合併發生的交易成本(包括專業服務費、註冊費、提供資訊予股東的成本，將先前個別業務合併產生的成本或損失等)，於發生時計入當期開支。

被合併實體之股本與收購所付之對價之公允值的差額於綜合財務報表中的合併儲備中列示。

#### (d) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。聯營公司投資以會計權益法入賬。根據權益法，投資始初按成本確認，而賬面值被增加或減少以確認投資者應佔被投資者在收購日期後的溢利或虧損份額。本集團於一間聯營公司的投資包括收購時已辨認的商譽。在收購聯營公司的權益時，收購成本與本集團應佔聯營公司可辨認資產和負債的公允值淨額的差額確認為商譽。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.2 Consolidation (Cont'd)

###### (d) Associates (Cont'd)

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in the statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of result of associates" in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### 2. 重大會計政策概要(續)

##### 2.2 綜合賬目(續)

###### (d) 聯營公司(續)

本集團應佔聯營公司收購後之溢利或虧損於損益表內確認，而應佔其收購後的其他全面損益變動則於全面收益表內確認，並相應調整投資賬面值。當本集團應佔某一聯營公司的虧損等於或超過其在該聯營公司的權益(包括任何其他無抵押應收款)，則本集團不會確認進一步虧損，除非本集團須向該聯營公司承擔法定或推定債務或已代其支付款項。

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團計算減值，數額為聯營公司可收回價值與其賬面值的差額，並在損益表中確認於「應佔聯營公司業績」項下。

本集團與其聯營公司之間的上流和下流交易的溢利和虧損，在本集團的財務報表中確認，惟僅限於無關連投資者在聯營公司權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採納之政策一致。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.2 Consolidation (Cont'd)

#### (e) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture. Investment in joint venture is accounted for using the equity method of accounting. Under the equity method, an interest in a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit or loss and movements in other comprehensive income. The Group's investment in a joint venture includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount adjacent to "share of result of a joint venture" in the statement of profit or loss.

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

## 2. 重大會計政策概要(續)

### 2.2 綜合賬目(續)

#### (e) 合營安排

於合營安排之投資根據各投資者於該等安排下的合約權利及責任分類為合營業務或合營公司。本集團已評估其合營安排之性質並釐定其為合營公司。合營公司投資以會計權益法入賬。根據權益法，合營公司權益始初按成本確認，其後調整以確認本集團應佔收購後之溢利或虧損以及其他全面收益變動的份額。本集團於合營公司的投資包括收購時已辨認的商譽。在收購合營公司的權益時，收購成本與本集團應佔合營公司可辨認資產和負債的公允值淨額的差額確認為商譽。當本集團應佔某一合營公司的虧損等於或超過其在該合營公司的權益(包括任何實質上構成本集團在該合營公司淨投資的長期權益)，則本集團不會確認進一步虧損，除非本集團須向該合營公司承擔法定或推定債務或已代其支付款項。

本集團在每個報告日期釐定是否有客觀證據證明合營公司投資已減值。如投資已減值，本集團計算減值，數額為合營公司可收回價值與其賬面值的差額，並在損益表中確認於「應佔一間合營公司業績」項下。

本集團與其合營公司間交易的未實現收益按集團在該合營公司的權益為限予以對銷。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。合營公司的會計政策已按需要作出改變，以確保與本集團採納之政策一致。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.3 Foreign currency translation

#### (a) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) while the functional currency of the Company is Renminbi (“RMB”). The Company has adopted HK\$ as its presentation currency because the management considered it is more beneficial to the users of the consolidated financial statements.

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“functional currency”).

#### (b) Transactions and balances

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

## 2. 重大會計政策概要(續)

### 2.3 外幣換算

#### (a) 功能貨幣及列報貨幣

綜合財務報表以港元(「港元」)列報，而本公司的功能貨幣為人民幣(「人民幣」)。本公司選擇港元為其列報貨幣，原因是管理層認為其更有利於綜合財務報表的使用者。

本集團旗下各實體財務報表內之項目乃以該實體營運所在主要經濟環境所使用之貨幣(「功能貨幣」)計算。

#### (b) 交易及結餘

外幣交易採用交易日期的匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧及將以外幣計值的貨幣資產和負債按年終匯率換算產生的匯兌盈虧在綜合損益表確認。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.3 Foreign currency translation (Cont'd)

##### (c) Group companies

For the purpose of presenting consolidated financial statements, the results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

### 2. 重大會計政策概要(續)

#### 2.3 外幣換算(續)

##### (c) 集團內公司

就列報綜合財務報表而言，功能貨幣與列報貨幣不同的所有集團實體成員（當中沒有成員的貨幣列為嚴重通脹貨幣）的業績和財務狀況按以下方法換算為列報貨幣：

- 每份呈報的財務狀況表內的資產和負債按該財務狀況表日期的收市匯率換算；
- 每份損益表內的收入和開支按平均匯率換算（除非此匯率並不代表交易日期匯率的累計影響的合理約數，則收支項目按交易日期的匯率換算）；及
- 所有由此產生的匯兌差額在其他全面收益中確認。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.4 Property, plant and equipment

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

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

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs over their estimated useful lives. The estimated useful lives of property, plant and equipment are as follows:

|  |  |
|--|--|
| - Buildings and leasehold improvements | 5-20 years<br>(or over the lease term, whichever is shorter) |
| - Plant and machinery                  | 5-10 years   |
| - Motor vehicles                       | 5-10 years   |
| - Furniture and fixtures               | 5 years  |

## 2. 重大會計政策概要(續)

### 2.4 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊及減值虧損後列賬。歷史成本包括收購該項目直接應佔之開支。

資產之其後發生之成本只有當與其有關之未來經濟利益將很有可能流入本集團並且能可靠地作出計量時，方會計入資產賬面值或確認為一項獨立資產(視乎情況而定)。所有其他維修及保養成本在其產生之財政期間內於綜合損益表支銷。

物業、廠房及設備之折舊乃以直線法計算，按其估計可使用年期分攤成本，有關物業、廠房及設備之估計可使用年期如下：

|             |                         |
|-------------|-------------------------|
| - 樓宇及租賃物業裝修 | 5至20年，或租約年期<br>(以較短者為準) |
| - 廠房及機器     | 5至10年                   |
| - 車輛        | 5至10年                   |
| - 傢俬及裝置     | 5年                      |

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.4 Property, plant and equipment (Cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals or retirement are determined by comparing the proceeds with the carrying amount of the asset and are recognised within "other income" in the consolidated statement of profit or loss.

Construction in progress represents the direct costs of construction incurred in property less any impairment losses. No provision for depreciation is made on construction in progress until such time that the relevant assets are completed and available for use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

### 2.5 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

## 2. 重大會計政策概要(續)

### 2.4 物業、廠房及設備(續)

資產的剩餘價值及可使用年期在每個財務狀況表日進行檢討及調整(如適用)。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回價值(附註2.8)。

出售或報廢的盈虧按所得款項與相關資產賬面值的差額釐定，並在綜合損益表內的「其他收入」中確認。

在建工程指興建物業之直接成本減去任何減值虧損後列帳。在建工程於有關資產完成及可供使用前不會計提折舊撥備。當在建工程於竣工並達到可使用狀態時，在建工程會被重分類至適當類別的物業、廠房及設備中。

### 2.5 投資物業

投資物業，主要由租賃土地和樓宇組成，持有為獲得長期租金收益或作為資本增值或兩者兼備同時並非由本集團佔用。其亦包括在建或發展中於日後作投資物業用途的物業。如符合投資物業的所有定義，經營租賃下的土地作為投資物業入賬。在此情況下，有關的經營租賃猶如融資租賃入賬。



## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.5 Investment properties (Cont'd)

Investment property is initially measured at cost, including related transaction costs and, where applicable, borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Changes in fair values are recognised within "other income" in the consolidated statement of profit or loss.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is under construction or development for future use as investment property is classified as investment property under construction. Where fair value of investment properties under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable.

## 2. 重大會計政策概要(續)

### 2.5 投資物業(續)

投資物業始初按成本列賬，包括相關的交易成本及(如適用)借貸成本。在始初確認後，投資物業按公允值列賬，公允值指由外部估值師於每個報告日期釐定的公開市值。公允值乃根據活躍市場價格計算，並就個別資產的性質、地點或狀況作出必要調整。倘未能獲取該等資料，本集團採用其他估值方法，例如近期較不活躍市場的價格或折現現金流量預測。重建並繼續用作投資物業之投資物業，或其市場活躍度下降之投資物業繼續按公允值計量。公允值變動將在綜合損益表內的「其他收入」中確認。

投資物業之公允值反映(其中包括)來自現有租賃之租金收入及按現行市況預期之未來租金收入。公允值亦反映，在類似基準下該物業預期的任何現金流出。

資產之其後發生之成本只有當與其有關之未來經濟利益將很有可能流入本集團並且能可靠地作出計量時，方會計入資產之賬面值。所有其他維修及保養成本在其產生之財政期間內於綜合損益表支銷。

倘一項投資物業成為自用物業，則須被重分類為物業、廠房及設備，其於重分類當日之公允值，就會計目的而言成為其成本。現正興建或發展中以於日後作投資物業用途的物業，被分類為在建投資物業。當在建投資物業之公允值未能可靠計量時，該物業會以成本值計量，直至物業落成之日期或公允值能夠可靠計量之日期兩者之較早者為止。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.5 Investment properties (Cont'd)

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised as a revaluation. The resulting increase in the carrying amount is recognised in other comprehensive income and as increases in property revaluation reserve within equity. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the consolidated statement of profit or loss, and the remaining part of the increase is recognised in other comprehensive income and as increases in property revaluation reserve within equity. For a transfer from completed properties held for sale or properties under development to investment properties that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

### 2.6 Land use rights

The Group made upfront payments to obtain operating leases of land use rights. For the land use rights held for self-use, the upfront payments are recorded as a separate asset and are amortised to the consolidated statement of profit or loss on a straight-line basis over their lease periods. For the land use rights held for sale, the upfront payments are recorded as land use rights held for sale. Land use rights held for sale are stated at the lower of cost and net realisable value.

### 2.7 Intangible assets

#### Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of one to three years.

## 2. 重大會計政策概要(續)

### 2.5 投資物業(續)

倘一項自用物業因改變用途而成為投資物業，該項物業之賬面值與於改變用途當日之公允值之差額確認為重估。重估產生之賬面值的增加於其他全面收益確認並增加權益中之物業重估儲備。然而，倘公允值收益可撥回過往減值虧損，則該收益乃於綜合損益表中確認，其餘的增加於其他全面收益中確認並增加權益中之物業重估儲備。從持作出售的已落成物業或在建物業轉撥到投資物業，將按照公允值進行轉撥，物業在該日的任何公允值與其帳面值之間的差額應當於當期溢利或虧損中確認。

### 2.6 土地使用權

本集團為獲取經營性租賃之土地使用權預付款項。為本集團自用之土地使用權，該預付款項是以一項單獨資產列賬並於租賃期限內以直線法攤銷於綜合損益表中。至於持作出售之土地使用權，該預付款項作為持作出售之土地使用權進行確認。持作出售之土地使用權按照成本值及可變現淨值兩者之較低者列賬。

### 2.7 無形資產

#### 電腦軟件

所購入的電腦軟件使用許可權乃根據購入特定軟件及使該軟件達到可使用所產生之成本予以資本化。該等成本乃在其估計可使用年期(一至三年)內予以攤銷。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.8 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date.

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

#### 2.9 Financial assets

##### 2.9.1 Classification

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

### 2. 重大會計政策概要(續)

#### 2.8 於附屬公司及非金融資產投資之減值

沒有確定使用年期之資產(例如商譽)無需攤銷,但每年須就減值進行測試。各項資產,當有事件出現或情況改變顯示賬面值可能無法收回時須就減值進行檢討。減值虧損按資產之賬面值超出其可收回價值之數額確認。可收回價值以資產之公允值減銷售成本或使用價值兩者之較高者為準。為評估減值,資產按可分開識別現金流量(現金產生單位)的最低層次分類。除商譽外,已減值的非金融資產在每個財務狀況表日均就減值是否可以撥回而進行檢討。

當從附屬公司收到股息而股息超過該附屬公司在股息宣佈期間之全面收益總額時,或若於獨立財務報表中,附屬公司投資之賬面值超過應佔被投資方於其綜合財務報表之淨資產(包括商譽)之賬面值時,則必須對有關附屬公司投資進行減值測試。

#### 2.9 金融資產

##### 2.9.1 分類

金融資產於始初確認時分類為其後按攤銷成本、按公允值計入其他全面收益及按公允值計入損益計量。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.9 Financial assets (Cont'd)

#### 2.9.1 Classification (Cont'd)

##### (a) Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

##### (b) Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding financial assets in order to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## 2. 重大會計政策概要(續)

### 2.9 金融資產(續)

#### 2.9.1 分類(續)

##### (a) 按攤銷成本計量金融資產(債務工具)

倘滿足以下兩個條件，本集團將按攤銷成本計量金融資產：

- 旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

##### (b) 按公允值計入其他全面收益金融資產(債務工具)

倘滿足以下兩個條件，本集團將按公允值計入其他全面收益計量債務投資：

- 旨在持有金融資產以收取合約現金流量及出售金融資產的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.9 Financial assets (Cont'd)

#### 2.9.1 Classification (Cont'd)

##### (c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

## 2. 重大會計政策概要(續)

### 2.9 金融資產(續)

#### 2.9.1 分類(續)

##### (c) 按公允值計入損益金融資產

按公允值計入損益金融資產包括持作買賣的金融資產，於始初確認時指定按公允值計入損益金融資產，或強制要求按公允值計量的金融資產。倘為於近期出售或購回而收購金融資產，則該等金融資產分類為持作買賣。現金流量並非純粹為支付本金及利息的金融資產，不論業務模式如何，均按公允值計入損益分類及計量。儘管如以上標準所述，債務工具可按攤銷成本或按公允值計入其他全面收益分類，但於始初確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公允值計入損益。

# 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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.9 Financial assets (Cont'd)

#### 2.9.2 Recognition and derecognition

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the financial asset or the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

## 2. 重大會計政策概要(續)

### 2.9 金融資產(續)

#### 2.9.2 確認及終止確認

於始初確認時，金融資產分類取決於金融資產的合約現金流量特性及本集團管理該等金融資產的業務模式。除並無重大融資組成部份或本集團為權宜而不調整重大融資組成部份之影響之貿易應收款項外，本集團始初按公允值加上(倘金融資產並非按公允值計入損益)交易成本計量金融資產。貿易應收款項已根據下述的「收入確認」所載之政策釐定的交易價格計量。

為使金融資產按攤銷成本或按公允值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息的現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。

以市場上有既定交收期買賣的金融資產於交易日確認，交易日為本集團承諾購買或出售資產之日。市場上有既定交收期的買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。當金融資產收取現金流量的權利屆滿或已轉讓且本集團已轉讓金融資產的絕大部份風險及回報時或倘本集團並無轉讓或保留金融資產的絕大部份風險及回報，但轉讓金融資產控制權時，終止確認金融資產。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.9 Financial assets (Cont'd)

#### 2.9.3 Subsequent measurement

##### (a) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

##### (b) Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

##### (c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are subsequently measured at fair value with net changes in fair value recognised in the statement of profit or loss.

## 2. 重大會計政策概要(續)

### 2.9 金融資產(續)

#### 2.9.3 其後計量

##### (a) 按攤銷成本計量金融資產(債務工具)

按攤銷成本計量金融資產其後使用實際利息法計量，並可能須作出減值。當資產終止確認，作出修訂或減值時，收益或虧損於損益表中確認。

##### (b) 按公允值計入其他全面收益金融資產(債務工具)

就按公允值計入其他全面收益債務投資而言，利息收入、外匯重估及減值虧損或撥回於損益表中確認，並按與按攤銷成本計量金融資產相同的方式計量。餘下公允值變動於其他全面收益中確認。終止確認時，於其他全面收益中確認的累計公允值變動將結轉至損益表。

##### (c) 按公允值計入損益金融資產

按公允值計入損益的金融資產其後按公允值列賬，而公允值變動的淨額於損益表內確認。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.9 Financial assets (Cont'd)

#### 2.9.4 Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

## 2. 重大會計政策概要(續)

### 2.9 金融資產(續)

#### 2.9.4 減值

本集團就並非按公允值計入損益持有的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原始實際利率的概約利率折現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他增信措施所得的現金流量。

#### 一般法

預期信貸虧損分兩個階段確認。就首次確認以來信貸風險並無大幅增加的信貸敞口而言，會為未來12個月(12個月預期信貸虧損)可能發生的違約事件所產生的信貸虧損計提預期信貸虧損撥備。就首次確認以來信貸風險大幅增加的信貸敞口而言，須就預期於敞口的餘下年期產生的信貸虧損計提虧損撥備，不論違約的時間(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自首次確認以來是否已大幅增加。於作出該評估時，本集團將於報告日期金融工具發生違約的風險與於首次確認日期金融工具發生違約的風險進行比較，及考慮毋須付出成本或精力即可獲得的合理及可靠資料(包括歷史及前瞻性資料)。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.9 Financial assets (Cont'd)

#### 2.9.4 Impairment (Cont'd)

##### General approach (Cont'd)

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments.

The Group may consider a financial asset is credit-impaired when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

## 2. 重大會計政策概要(續)

### 2.9 金融資產(續)

#### 2.9.4 減值(續)

##### 一般法(續)

就按公允值計入其他全面收益的債務投資而言，本集團應用低信貸風險簡化法。於各報告日期，本集團利用毋須付出成本或精力即可獲得的所有合理及可靠資料評估債務投資是否被認為有低信貸風險。於作出該評估時，本集團重新評估債務投資的外部信貸評級。

當內部或外部資料反映，在沒有計及任何現有增信措施前，本集團不大可能悉數收到未償還合約款項，則本集團可認為金融資產存在信貸減值。倘無法合理預期收回合約現金流量，則撇銷金融資產。

按公允值計入其他全面收益之債務投資及按攤銷成本列賬之金融資產須根據一般法作出減值並就計量預期信貸虧損於以下階段內分類，惟應用下文詳述之簡化法的貿易應收款項除外。

階段一 – 自首次確認起信貸風險並無大幅增加且按等同於12個月預期信貸虧損之金額計量虧損撥備之金融工具。

階段二 – 自首次確認起信貸風險已大幅增加而並非為信貸減值金融資產及按等同於全期預期信貸虧損之金額計量虧損撥備之金融工具。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.9 Financial assets (Cont'd)

#### 2.9.4 Impairment (Cont'd)

##### General approach (Cont'd)

Stage 3 – Financial instruments that are credit-impaired at the reporting date (but are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

##### Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### 2.10 Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

The Group's financial liabilities include trade payables, other payables, and bank and other borrowings.

#### 2.10.1 Recognition and derecognition

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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 the statement of profit or loss.

## 2. 重大會計政策概要(續)

### 2.9 金融資產(續)

#### 2.9.4 減值(續)

##### 一般法(續)

階段三 – 於報告日期為信貸減值(惟並非購買或最初信貸減值)及按等同於全期預期信貸虧損之金額計量虧損撥備之金融工具。

##### 簡化法

就不包含重大融資組成部份或當本集團為權宜而不調整重大融資組成部份之影響之貿易應收款項而言，本集團於計算預期信貸虧損時應用簡化法。根據該簡化法，本集團並無追蹤信貸風險的變化，反而於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

### 2.10 金融負債

金融負債於始初確認時被分類為貸款及借貸、或應付款項(視情況而定)。

本集團的金融負債包括貿易應付款項、其他應付款項、和銀行及其他借貸。

#### 2.10.1 確認及終止確認

所有金融負債始初按公允值確認及倘為貸款及借款以及應付款項，則應扣除直接應佔交易成本。

當且僅當本集團的責任獲解除、取消或已到期時，則本集團取消確認金融負債。取消確認的金融負債賬面值與已付及應付對價的差額乃於損益表中確認。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.10 Financial liabilities (Cont'd)

#### 2.10.2 Subsequent measurement

##### Loans and borrowings

After initial recognition, bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

#### 2.10.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 2.11 Inventories

Finished goods and work in progress are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, manufacturing cost of subcontractors, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

## 2. 重大會計政策概要(續)

### 2.10 金融負債(續)

#### 2.10.2 其後計量

##### 貸款及借貸

於始初確認後，銀行及其他借貸隨後以實際利息法按攤銷成本計量，除非貼現影響微不足道，則按成本列賬。終止確認負債及按實際利息法攤銷過程中產生的溢利或虧損在損益表內確認。

計算攤銷成本時考慮收購所產生的任何折價或溢價以及作為實際利率一部分的費用或成本。實際利率攤銷於損益表內列為融資成本。

#### 2.10.3 抵銷金融工具

倘(且僅當)有現行可強制執行的法律權利抵銷已確認金額，並且擬以淨額基準進行結算或同時將資產變現及清償負債，方可將金融資產及金融負債抵銷，淨額於財務狀況表呈報。

### 2.11 存貨

製成品及在製品按成本值及可變現淨值兩者的較低者列賬。成本採用加權平均法釐定。製成品及在製品的成本包括設計成本、原材料、直接勞工、分包商製造成本、其他直接成本和相關的生產經常開支(依據正常營運能力)。存貨成本不包括借貸成本。可變現淨值為在日常業務過程中的估計銷售價減適用的可變動銷售開支。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.12 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other financial institutions and other short-term highly liquid investments with original maturities of 3 months or less.

### 2.13 Share capital

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

### 2.14 Government grants

Government grants are recognised at their fair values where there is a reasonable assurance that the government grant will be received and the Group will comply with all attached conditions. Government grant relating to an asset is included in non-current liabilities, which is credited to the consolidated statement of profit or loss on a straight-line basis over the expected useful life of the related asset. Government grant relating to an expense item is deferred and recognised as income in the consolidated statement of profit or loss over the period necessary to match with the cost that it is intended to compensate.

### 2.15 Current and deferred taxation

The taxation expense comprises current and deferred taxation. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity.

## 2. 重大會計政策概要(續)

### 2.12 現金及現金等價物

現金及現金等價物包括現金、銀行及其他財務機構通知存款及原到期日為3個月或以下的其他短期高流動性投資。

### 2.13 股本

普通股歸類為權益。與發行新股或購股權直接有關之增量成本，以除稅淨額沖減發行收入後於權益中列示。

### 2.14 政府補助

當能夠合理地保證政府補助將可收取，而本集團將會符合所有附帶條件時，則政府補助按其公允價值確認入賬。與資產有關之政府補助列入非流動負債，並按有關資產之估計可使用年期以直線法在綜合損益表中分攤。與開支項目有關之政府補助遞延入賬，並按該開支及補助之間之合理關係在補助之成本發生的期間在綜合損益表中確認為收入。

### 2.15 當期及遞延稅項

稅項開支包括當期和遞延稅項。稅項在綜合損益表中確認，但與其他全面收益或直接在權益中確認的項目有關者則除外。在該等情況下，稅項亦在其他全面收益或權益中確認。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.15 Current and deferred taxation (Cont'd)

###### (a) Current income tax

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

###### (b) Deferred taxation differences

###### (i) Inside basis differences

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### 2. 重大會計政策概要 (續)

##### 2.15 當期及遞延稅項 (續)

###### (a) 當期所得稅支出

當期所得稅支出根據本公司及其附屬公司營運及產生應課稅收入的國家於財務狀況表日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅的狀況，並在適當情況下根據預期須向稅務機關支付的稅款設定撥備。

###### (b) 遞延稅項差異

###### (i) 內在差異

遞延稅項以負債法就資產和負債的稅基與資產和負債在綜合財務報表的賬面值之暫時差異確認。然而，若遞延稅項來自在交易（不包括業務合併）中對資產或負債的始初確認，而在交易時不影響會計盈虧或應課稅盈虧，則不予確認。遞延稅項採用在財務狀況表日已頒佈或實質頒佈，並預期在變現有關之遞延稅項資產或償付遞延稅項負債時適用之稅率（及法例）而釐定。

倘日後應課稅溢利很有可能抵銷可動用之暫時差異，暫時差異方會確認為遞延稅項資產。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.15 Current and deferred taxation (Cont'd)

(b) *Deferred taxation differences (Cont'd)*

(ii) *Outside basis differences*

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) *Offsetting*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2. 重大會計政策概要 (續)

#### 2.15 當期及遞延稅項 (續)

(b) *遞延稅項差異 (續)*

(ii) *外在差異*

就附屬公司、聯營公司及合營安排投資所產生之應課稅暫時差異確認遞延所得稅負債，但不包括本集團可以控制暫時差異之撥回時間以及暫時差異在可預見將來很可能不會撥回的遞延所得稅負債。一般而言，本集團無法控制聯營公司之暫時差異之撥回。聯營公司之未分配溢利所產生之應課稅暫時差異不予確認為遞延稅項負債，惟若有協議賦予本集團能力在可預見將來控制撥回暫時差異除外。

就附屬公司、聯營公司及合營安排投資產生之可扣減暫時差異確認遞延稅項資產，但只限於暫時差異很可能於將來撥回並有充足的應課稅溢利抵銷可動用的暫時性差異。

(c) *抵銷*

當有法定可執行權力將當期稅項資產與當期稅項負債抵銷，且遞延稅項資產和負債涉及由同一稅務機關向應課稅實體或不同應課稅實體徵收的所得稅，並有意按淨額結算餘款，則可將遞延稅項資產與負債互相抵銷。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

### 2.17 Employee benefits

#### (a) Pension obligations

The Group operates a mandatory provident fund scheme ("MPF Scheme") for the eligible employees in Hong Kong. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee – administered funds. The Group's contributions to MPF Scheme are expensed as incurred.

The Group's subsidiaries operating in the PRC have to make contribution to staff retirement scheme managed by local government authorities in accordance with the relevant rules and regulations. Contributions to these schemes are charged to the statement of profit or loss as and when incurred. The Group has no legal or constructive obligations to pay further contributions.

## 2. 重大會計政策概要(續)

### 2.16 撥備

本集團因已發生的事件而須要承擔現有的法律或推定責任；很有可能需要付出資源以償付有關責任及金額已經可靠估計情況下確認撥備。不就未來營運虧損確認撥備。

如有多項類似責任，是否需要為償付而付出資源，則需根據該責任類別整體考慮。即使在同一責任類別所包含的其中某一個項目付出資源的可能性極低，仍須確認撥備。

撥備採用稅前利率折現預期需償付有關責任的開支的現值計量，該利率反映當時市場對金錢時間值和有關責任特定風險的評估。因時間流逝而增加的撥備確認為利息開支。

### 2.17 僱員福利

#### (a) 退休金責任

本集團為香港之合資格僱員設立一項強制性公積金計劃（「強積金計劃」）。該強積金計劃乃一項定額供款計劃，其資產由獨立信託管理基金持有。本集團對強積金計劃之供款於產生時列作開支。

本集團在中國營運之附屬公司須根據相關法例及法規，向由中國有關地方政府機關管理之職工退休計劃供款。對該等退休計劃之供款於產生時計入損益表。本集團並無法律或推定責任作進一步供款。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.17 Employee benefits (Cont'd)

#### (b) Bonus plans

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made.

### 2.18 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not provided for as a provision but is disclosed in the notes to the financial statements. When a change in the probability of an outflow of resources occurs so that the outflow is probable, they will then be recognised as a provision.

## 2. 重大會計政策概要(續)

### 2.17 僱員福利(續)

#### (b) 獎勵計劃

當本集團因為僱員已提供之服務而產生現有法律或推定支付獎勵之責任，而責任金額能可靠估計時，則將獎勵之預計成本確認為負債。

### 2.18 或有負債

或有負債乃因已發生的事件而可能產生的責任，並僅視乎日後會否出現一項或多項非本集團可完全控制的不可確定事件而確認其存在。或有負債亦可因已發生的事件而產生的現有責任，但由於未能肯定是否需要付出資源或未能可靠地估計有關責任的金額而不予確認。

或有負債並不確認為撥備，但於財務報表附註中披露。當資源流出的可能性有變而導致可能付出資源，或有負債將確認為撥備。



## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.19 Revenue recognition

#### (a) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Revenue from transferring of goods or services is recognised at the point in time when control of the asset is transferred to the customer, generally on acceptance of the goods by customers or where contract provides a product quality inspection time period, the product quality inspection time period has lapsed. The Group considers that the control of asset is transferred to the customer at the end of the quality inspection time period.

The Group provides for warranties in relation to the sale of certain goods for general repairs of defects occurring during the warranty period. The Group does not provide service-type warranty, and therefore, the Group does not consider the warranty a separate performance obligation. These assurance-type warranties are accounted for under HKAS37 "Provisions, contingent liabilities and contingent assets".

## 2. 重大會計政策概要(續)

### 2.19 收入確認

#### (a) 與客戶之間之合約產生之收入

與客戶之間之合約產生之收入應於產品或服務控制權轉讓至客戶時確認，其金額反映本集團預期就交換該等產品或服務而有權獲得之對價。當合約對價包含可變金額時，對價金額估計為本集團就向客戶轉讓產品或服務而有權在交換中獲取的數額。可變對價於合約開始時估計並受到約束，直至其後關乎可變對價的不確定因素獲得解決時確認累計收入金額不大可能發生重大收入撥回。來自轉讓產品或服務的收入於資產控制權已轉移至客戶時確認，一般情況下於客戶接納產品時，或倘合約訂有產品質量檢查期，於產品質量檢查期屆滿時。本集團認為資產的控制權於質量檢查期結束時轉移予客戶。

本集團就若干貨品銷售提供保養，於保養期出現的瑕疵進行一般維修。本集團並無提供服務型保養，故本集團不會視保養為獨立的履約責任。該等保證型保養根據香港會計準則第37號「撥備、或然負債及或然資產」入賬。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.19 Revenue recognition (Cont'd)

#### (a) Revenue from contracts with customers (Cont'd)

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised.

#### (b) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

#### (c) Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

## 2. 重大會計政策概要 (續)

### 2.19 收入確認 (續)

#### (a) 與客戶之間之合約產生之收入 (續)

對於給予客戶權利於指定期間內退回貨品的合約，使用預期價值法對不會退回的貨品進行估計，原因是此方法最能預計本集團將享有的可變對價金額。使用香港財務報告準則第15號對限制可變對價估計的規定以釐定可計入交易價格的可變對價金額。對於預期將退回的貨品，會確認退回責任而非收入。

#### (b) 合約負債

合約負債指本集團因已向客戶收取對價（或對價款項已到期），而須向客戶轉讓產品或服務的責任。合約負債於本集團履行合約時確認為收入。

#### (c) 其他收入來源

租賃收入於租賃年內按時間比例基準確認。

利息收入使用實際利息法按權責發生制確認，而實際利率乃用於按金融工具預計年期或較短年期（如適用）將估計未來現金收入準確折現至金融資產賬面淨值的利率。

股息收入於股東收取款項之權利被確立，與股利相關的經濟利益很可能流入本集團，且股利的金額能夠可靠計量時確認。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.20 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

### 2.21 Leases

#### *Policies applicable from 1 January 2019*

#### (a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

## 2. 重大會計政策概要(續)

### 2.20 借貸成本

可直接歸屬且需經較長時間的購、建或生產方能達至預定可使用或出售狀態的合資格資產的一般及特定借貸成本，計入該等資產的成本，直至達至其預定可使用或出售狀況為止。尚未使用於合資格資產的特定借貸作短期投資賺取的投資收入，於合資格資本化的借貸成本中扣除。所有其他借貸成本於其產生期間於綜合損益表內確認。

### 2.21 租賃

#### *自2019年1月1日起適用之政策*

#### (a) *使用權資產*

使用權資產於租賃開始日期確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債之任何重新計量作出調整。使用權資產之成本包括已確認租賃負債金額、已發生始初直接成本，以及於開始日期或之前支付之租賃付款減已收取之任何租賃優惠。除非本集團相當肯定於租期終止時取得租賃資產之擁有權，否則已確認使用權資產於估計可使用年期及租期(以較短者為準)內以直線法折舊。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.21 Leases (Cont'd)

#### Policies applicable from 1 January 2019 (Cont'd)

##### (b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease and are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. As the interest rate implicit in the lease is not readily determinable, the Group's incremental borrowing rate at the lease commencement date is used to calculate the present value of lease payments. After the commencement date, the amount of lease liabilities is increased to reflect the interest on the leases liabilities and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term.

##### (c) Short-term leases and leases of low-value asset

For lease with a term of 12 months or less from the commencement date and does not contain a purchase option ("short-term lease") and lease of asset that are considered to be of low value ("lease of low-value asset"), lease payments are recognised as an expense on a straight-line basis over the lease term.

#### Policies applicable prior to 1 January 2019

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

## 2. 重大會計政策概要(續)

### 2.21 租賃(續)

#### 自2019年1月1日起適用之政策(續)

##### (b) 租賃負債

租賃負債於租賃開始日期確認並按於租期內作出之租賃付款現值計量。租賃付款包括固定付款減任何應收租賃優惠。由於租賃中隱含之利率難以釐定，故以於租賃開始日期之本集團增量借貸利率用作計算租賃付款的現值。於開始日期後，租賃負債金額因應租賃負債之利息而有所增加及因應支付租賃付款而有所減少。此外，倘租期有所修改或變動，則租賃負債之賬面值須重新計量。

##### (c) 短期租賃及低價值資產租賃

對於年期為開始日期起計12個月或以下及不包含購買選擇權之租賃(「短期租賃」)及資產被視為低價值之租賃(「低價值資產租賃」)，租賃付款按租期以直線法確認為開支。

#### 2019年1月1日前適用之政策

凡擁有權的絕大部份風險及回報乃歸出租人所有的租賃，均歸類為經營租賃。根據經營租賃需支付之款項(扣除出租人給予之任何獎勵)，乃於租賃期內以直線法在綜合損益表內確認為費用。

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.22 Research and development costs

Research costs are expensed as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development of the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product cost includes employee costs for software development and an appropriate portion of relevant overheads. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

#### 2. 重大會計政策概要(續)

##### 2.22 研究及開發成本

研究成本於產生時列作開支。當能證明能符合以下所有各項條件時，投放於設計和測試中的可識別和獨特軟件產品的直接開發成本可確認為無形資產：

- 在技術上完成該軟件產品以使其可供使用是可行的；
- 管理層有意圖完成並使用或出售該軟件產品；
- 有能力使用或出售該軟件產品；
- 可證實該軟件產品如何產生很有可能出現的未來經濟利益；
- 有足夠的技術、財務和其他資源完成開發該軟件產品；及
- 該軟件產品在開發期內應佔的開支能可靠地計量。

可資本化成為軟件產品成本的直接成本包括軟件開發的僱員成本和適當比例的相關經常開支。與維護電腦軟件程序有關的成本在產生時確認為開支。

# 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.22 Research and development costs (Cont'd)

Other development costs that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised using straight-line method over their estimated useful lives, which does not exceed three years.

### 2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or the Board, where appropriate.

## 3. FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner.

#### (a) Foreign exchange risk

The foreign exchange risks of the Group occurred due to the fact that the Group had some business activities denominated in foreign currencies. The Group's business activities are primarily exposed to foreign exchange risk in respect of Hong Kong dollars against RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

## 2. 重大會計政策概要(續)

### 2.22 研究及開發成本(續)

不符合以上條件的其他開發成本在產生時確認為開支。過往確認為開支的開發成本不會在往後期間確認為資產。

確認為資產的電腦軟件開發成本乃以直線法按估計不超過三年之可使用年期攤銷。

### 2.23 股息分派

向本公司股東派付的股息在股息獲本公司股東或董事會(按適當)批准的期間內於本集團及本公司的財務報表內列為負債。

## 3. 財務風險管理

### 3.1 財務風險因素

本集團之經營活動承受各種不同財務風險：市場風險(包括外匯風險和現金流量及公允值利率風險)、信貸風險及流動資金風險。管理層對該等風險進行管理及監察，確保能按時有效地採取適當措施。

#### (a) 外匯風險

本集團承受外匯風險之原因是本集團之若干業務活動以外幣結算。本集團之業務主要面臨就港元兌人民幣匯率變動產生之外匯風險。外匯風險因未來商業交易及已確認之資產及負債以相關實體功能貨幣以外之其他貨幣計值而產生。另外，人民幣兌換外幣須遵守中國政府頒佈之外匯管制法規。

## 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. FINANCIAL RISK MANAGEMENT (Cont'd)

##### 3.1 Financial risk factors (Cont'd)

###### (a) Foreign exchange risk (Cont'd)

To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group uses forward contracts, when appropriate, to hedge anticipated cash flows in major foreign currencies.

If Hong Kong dollars had strengthened/weakened by 5% against RMB with all other variables held constant, the post-tax profit for the year ended 31 December 2019 would have been HK\$576,000 lower/higher (2018: HK\$1,440,000 lower/higher), mainly as a result of foreign exchange gains or losses on translation of Hong Kong dollars denominated cash and cash equivalents, and bank and other borrowings.

As less than 10% of the Group's foreign currency transactions are denominated in other foreign currencies, the Board is of the view that foreign exchange risk in relation to transactions denominated in other foreign currencies is low. Therefore, no sensitivity analysis for these currencies is presented.

###### (b) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from interest-bearing assets such as deposits held in banks and other financial institutions. The average interest rate of deposits held in banks and other financial institutions at 31 December 2019 was 3.5% (2018: 2.9%) per annum. The average interest rate of short-term deposits at 31 December 2019 was 2.6% (2018: 3.2%) per annum. Any change in the interest rate from time to time is not considered to have a significant impact on the Group's performance.

#### 3. 財務風險管理 (續)

##### 3.1 財務風險因素 (續)

###### (a) 外匯風險 (續)

為了管理來自未來商業交易及已確認之資產及負債之外匯風險，本集團於適時利用遠期合約對沖主要外幣的預期現金流量。

倘港元兌人民幣升值／貶值5%，而所有其他變量均不變，則截至2019年12月31日止年度之除稅後溢利會減少／增加576,000港元（2018年：減少／增加1,440,000港元），主要由於換算以港元計值之現金及現金等價物和銀行及其他借貸時產生之外匯收益或虧損所致。

由於本集團少於10%之外幣交易以其他貨幣計值，故董事會認為有關以其他貨幣計值交易之外匯風險甚微。因此，並無就此等貨幣呈列敏感性分析。

###### (b) 現金流量及公允值利率風險

本集團之利率風險來自付息資產，當中包括銀行及其他財務機構之存款。於2019年12月31日，存放於銀行及其他財務機構之存款之平均年利率為3.5%（2018年：2.9%）。於2019年12月31日，短期存款之平均年利率為2.6%（2018年：3.2%）。不時頒佈利率之任何變動對本集團之業績並無重大影響。

# 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

### 3. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (b) Cash flow and fair value interest rate risk (Cont'd)

In addition, the Group's interest rate risk which affects its results and operating cash flows also arises from interest-bearing liabilities such as bank and other borrowings. The bank and other borrowings were at fixed and variable rates and exposed the Group to fair value interest rate risk. The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's interest-bearing bank and other borrowings at fixed rate and variable rate were as follows:

|                             |        | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|-----------------------------|--------|---|---|
| Borrowings at fixed rate    | 定息借貸   | 2,187,988   | 2,237,797   |
| Borrowings at variable rate | 浮動利息借貸 | -   | 57,500  |
|                             |        | <b>2,187,988</b>                                      | <b>2,295,297</b>                                      |

If the interest rate on variable rate borrowings had been higher/lower by 50 basis points with all other variables held constant, the post-tax profit for the year ended 31 December 2019 would have been HK\$6,000 lower/higher (2018: HK\$145,000 lower/higher), mainly as a result of higher/lower interest expenses on variable rate borrowings.

### 3. 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (b) 現金流量及公允值利率風險 (續)

此外，影響本集團業績及經營現金流量之利率風險亦來自付息負債，當中包括銀行及其他借貸。銀行及其他借貸為定息及浮動利息，並使本集團承擔公允值利率風險。本集團現時並無利率對沖政策。然而，管理層會監控利率風險，並將於必要時考慮對沖重大的利率風險。

本集團之定息及浮動利息的付息銀行及其他借貸如下：

倘浮動利息借貸之利率增加／減少50個基點，而所有其他變量均不變，則截至2019年12月31日止年度之除稅後溢利會減少／增加6,000港元（2018年：減少／增加145,000港元），主要由於浮動利息借貸之利息支出增加／減少。



## 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. FINANCIAL RISK MANAGEMENT (Cont'd)

##### 3.1 Financial risk factors (Cont'd)

###### (c) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets net of loss allowance as stated in the consolidated statement of financial position. In order to minimise the credit risk, management of the Group has formulated a defined credit policy and 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.

At 31 December 2019, the Group applies the simplified approach for impairment of trade receivables measured at amortised cost. For financial assets such as trade receivables measured at fair value through other comprehensive income, other receivables, short-term deposits, and cash and cash equivalents, they are classified within stage 1 for measurement of ECLs as the carrying amount is not yet past due.

#### 3. 財務風險管理 (續)

##### 3.1 財務風險因素 (續)

###### (c) 信貸風險

倘交易對手於各報告期末未能履行有關各類已確認金融資產的義務，則本集團須承受的最大信貸風險為綜合財務狀況表所載列的該等資產的扣除虧損撥備賬面值。為使信貸風險最小化，本集團管理層已制定一項已界定的信貸政策並委派一支團隊負責釐定信貸限額、信貸審批及其他監控程序，以確保後續行動的執行以收回過期欠款。

於2019年12月31日，本集團就按攤銷成本計量的貿易應收款項的減值採用簡化方法。就金融資產如以公允值計入其他全面收益計量的貿易應收款項、其他應收款項、短期存款，和現金及現金等價物而言，由於賬面值尚未逾期，彼等分類為預期信貸虧損計量第一階段內。

# 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. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (d) Liquidity risk

Prudent liquidity risk management, including maintaining sufficient working capital, the availability of funding through an adequate amount of committed borrowing facilities and the ability to close out market positions, is adopted. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by ensuring that sufficient committed borrowing facilities are available.

The table below analyses the Group's financial liabilities by maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows of the financial liabilities. The Group's consideration of going concern is set out in Note 2.1(c).

### 3. 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (d) 流動資金風險

本集團採納審慎之流動資金風險管理，包括透過維持足夠營運資金、充裕之已承諾借貸備用額以提供充足可供動用資金及處理市場平倉之能力。鑒於相關業務多變之特性，本集團通過確保足夠可供動用之已承諾借貸備用額，藉以維持資金供應之靈活性。

下表載列本集團將結算之金融負債，此乃按照相關到期組別，根據由財務狀況表日至合約到期日之剩餘期間進行分析。於表中披露之金融負債金額乃根據合約之未折現現金流量計算。本集團關於持續經營的考慮詳情載於附註2.1(c)。

|   |                                      | 31 December 2019<br>2019年12月31日              |                 |                 |
|---|--------------------------------------|--|-----------------|-----------------|
|   |                                      | More than<br>1 year but less<br>than 5 years |                 |                 |
|   |                                      | Within 1 year<br>一年內                         | 一年以上<br>但不超過五年  | Total<br>合計     |
|   |                                      | HK\$'000<br>千港元                              | HK\$'000<br>千港元 | HK\$'000<br>千港元 |
| Bank and other borrowings   | 銀行及其他借貸                              | 2,262,477                                    | -               | 2,262,477       |
| Lease liabilities   | 租賃負債                                 | 22,080                                       | 34,678          | 56,758          |
| Trade and other payables<br>(excluding salary and welfare<br>payables and other taxes payables) | 貿易及其他應付款項<br>(不包括應付薪酬和福利<br>及其他應付稅項) | 476,366                                      | -               | 476,366         |
|   |                                      | 2,760,923                                    | 34,678          | 2,795,601       |

## 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. FINANCIAL RISK MANAGEMENT (Cont'd)

##### 3.1 Financial risk factors (Cont'd)

###### (d) Liquidity risk (Cont'd)

#### 3. 財務風險管理 (續)

##### 3.1 財務風險因素 (續)

###### (d) 流動資金風險 (續)

|   |                                      | 31 December 2018<br>2018年12月31日              |                 |                 |
|---|--------------------------------------|--|-----------------|-----------------|
|   |                                      | More than<br>1 year but less<br>than 2 years |                 | Total           |
|   |                                      | Within 1 year<br>一年內                         | 一年以上<br>但不超過兩年  | 合計              |
|   |                                      | HK\$'000<br>千港元                              | HK\$'000<br>千港元 | HK\$'000<br>千港元 |
| Bank and other borrowings   | 銀行及其他借貸                              | 2,378,339                                    | –               | 2,378,339       |
| Trade and other payables<br>(excluding salary and welfare<br>payables and other taxes payables) | 貿易及其他應付款項<br>(不包括應付薪酬和福利<br>及其他應付稅項) | 571,789                                      | –               | 571,789         |
|   |                                      | 2,950,128                                    | –               | 2,950,128       |

##### 3.2 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 stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debts, which includes bank and other borrowings, and equity attributable to owners of the Company, which comprises issued equity and reserves.

##### 3.2 資本風險管理

本集團實行資本管理是要確保本集團之實體將可持續經營，並透過優化債務及權益結餘為權益持有人帶來最大回報。本集團整體策略保持與以前年度一致。

本集團之資本結構包括債務(包括銀行及其他借貸)，及本公司權益持有者應佔權益(包括已發行權益及儲備)。

# 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. FINANCIAL RISK MANAGEMENT (Cont'd)

#### 3.2 Capital risk management (Cont'd)

The Group monitors capital risk using a gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents and short-term deposits. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt.

The Group's gearing ratios as at 31 December 2019 and 2018 were as follows:

### 3. 財務風險管理 (續)

#### 3.2 資本風險管理 (續)

本集團採用資本負債比率監察資本風險。此比率乃以債務淨額除以資本總額計算。債務淨額按借貸總額減現金及現金等價物和短期存款計算。資本總額按綜合財務狀況表所列示之權益加債務淨額計算。

於2019年及2018年12月31日，本集團之資本負債比率如下：

|  |                      | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Bank and other borrowings (Note 28)          | 銀行及其他借貸(附註28)        | 2,187,988                        | 2,295,297                        |
| Less: Cash and cash equivalents<br>(Note 23) | 減：現金及現金等價物<br>(附註23) | (350,219)                        | (375,525)                        |
| Short-term deposits (Note 22)                | 短期存款(附註22)           | (450,994)                        | (91,303)                         |
| Net debt (Note 36)                           | 債務淨額(附註36)           | 1,386,775                        | 1,828,469                        |
| Total equity                                 | 權益總額                 | 2,056,766                        | 1,941,183                        |
| Total capital                                | 資本總額                 | 3,443,541                        | 3,769,652                        |
| Gearing ratio                                | 資本負債比率               | 40.27%                           | 48.50%                           |

In the opinion of the Board, the Group's capital risk is not significant.

#### 3.3 Fair value estimation

Financial instruments measured at fair value are grouped into Levels 1 to 3, based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

董事會認為本集團面對之資本風險不重大。

#### 3.3 公允值估計

以公允值計量之金融工具按其可觀察公允值程度分類為下列一至三級：

- 第一級公允值計量乃自相同資產或負債於活躍市場中之報價(未經調整)得出。

## 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. FINANCIAL RISK MANAGEMENT (Cont'd)

##### 3.3 Fair value estimation (Cont'd)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie prices) or indirectly (ie derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Movements in the financial assets that are measured at fair value during the year are as follows:

#### 3. 財務風險管理 (續)

##### 3.3 公允值估計 (續)

- 第二級公允值計量乃除第一級所包括之報價外，自資產或負債可直接（即價格）或間接（即自價格衍生）觀察之數據得出。
- 第三級公允值計量乃以使用資產或負債之非可觀察市場數據（難以觀察之數據）估值方法得出。

本年度以公允值計量之金融資產之變動如下：

| Wealth management products | 財富管理產品              | Level 1<br>第一級<br>HK\$'000<br>千港元 | Level 2<br>第二級<br>HK\$'000<br>千港元 | Level 3<br>第三級<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|----------------------------|---------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| <b>At 1 January 2018</b>   | <b>於2018年1月1日</b>   | –                                 | –                                 | 202,485                           | 202,485                        |
| Transfer between levels    | 級別間轉撥               | –                                 | 142,360                           | (142,360)                         | –                              |
| Exchange differences       | 匯兌差額                | –                                 | (3,081)                           | (844)                             | (3,925)                        |
| Additions                  | 增加                  | –                                 | 180,720                           | 370,835                           | 551,555                        |
| Disposals                  | 出售                  | –                                 | (282,641)                         | (425,445)                         | (708,086)                      |
| <b>At 31 December 2018</b> | <b>於2018年12月31日</b> | –                                 | 37,358                            | 4,671                             | 42,029                         |
| <b>At 1 January 2019</b>   | <b>於2019年1月1日</b>   | –                                 | <b>37,358</b>                     | <b>4,671</b>                      | <b>42,029</b>                  |
| Exchange differences       | 匯兌差額                | –                                 | (331)                             | (103)                             | (434)                          |
| Additions                  | 增加                  | –                                 | <b>63,398</b>                     | <b>59</b>                         | <b>63,457</b>                  |
| Disposals                  | 出售                  | –                                 | <b>(90,910)</b>                   | –                                 | <b>(90,910)</b>                |
| <b>At 31 December 2019</b> | <b>於2019年12月31日</b> | –                                 | <b>9,515</b>                      | <b>4,627</b>                      | <b>14,142</b>                  |

See Note 15 for disclosures of the investment properties that are measured at fair value.

詳見附註15以公允值計量之投資物業之披露。

# 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

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

#### 4.1 Revenue from contracts with customers

Judgment is required in determining the timing of revenue from contracts with customers. Revenue from the sale of integrated circuit products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of products or where contract provides a product quality inspection period when the product quality inspection period has lapsed.

The Group considers that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of integrated circuit products with rights of return, given the large number of contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group considers that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

### 4. 主要會計估計及判斷

#### 4.1 與客戶之間之合約產生之收入

於釐定與客戶之間之合約產生之收入的時間時，須行使判斷。銷售集成電路產品的收入於資產控制權轉移予客戶的時間點確認，一般於交付產品時或產品質量檢查期屆滿時（如合約賦予一個產品質量檢查期）發生。

鑒於大量合約的特徵相同，本集團認為採用預期價值法就銷售具退回權利的集成電路產品的可變對價進行估計是最合適的方法。

將任何可變對價金額計入交易價格之前，本集團會考慮可變對價金額是否受限制。本集團根據其過往經驗、業務預測及現行經濟狀況，認為可變對價的估計並無受限制。此外，可變對價的不確定性將於短期內解決。

## 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

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

##### 4.2 Income tax and deferred taxation

The Group is subject to income tax in different jurisdictions. Estimation and judgment is required in determining the amount of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact on the income tax and deferred taxation provisions in the period in which such determination is made.

In accordance with the corporate income tax laws in the PRC, a 10% withholding tax will be levied on the dividend declared by the companies established in the PRC to their foreign investors starting from 1 January 2008. During the year, the Board reassessed the dividend policy of its major subsidiary established in the PRC, CEC Huada Electronic Design Co., Ltd ("Huada Electronics") based on the Group's current business plan and financial position, certain retained earnings generated by Huada Electronics would be distributed to its non-PRC registered intermediate holding company and as such, deferred tax liabilities in this respect was provided in the year to the extent that such earnings are estimated by the Board to be distributed in the foreseeable future.

No deferred tax liability has been provided by the Group for the earnings of HK\$778,293,000 (2018: HK\$615,592,000) expected to be retained by the subsidiaries in the PRC and not to be remitted out of the PRC in the foreseeable future.

#### 4. 主要會計估計及判斷(續)

##### 4.2 所得稅及遞延稅項

本集團須於不同司法權區繳納所得稅。於釐定所得稅項撥備之金額時，需作出估計及判斷。於日常業務過程中存在交易及計算均難以確定其最終之稅務釐定。倘該等事項之最終稅務結果有別於始初確認之金額，該等差異的釐定將對當期之所得稅及遞延稅項撥備產生影響。

根據中國企業所得稅法，自2008年1月1日起，對在中國成立的公司向其海外投資者分派的股息徵收10%的預扣所得稅。於本年內，董事會基於本集團現時業務計劃及財務狀況重新審視成立於中國之主要附屬公司北京中電華大電子設計有限責任公司（「華大電子」）的股息政策，華大電子的若干保留溢利將分派予其中國境外的中間控股公司。因此，以董事會估計於可預見將來分派的溢利為基礎，於本年度就有關遞延稅項負債作出撥備。

本集團並無就預期由中國附屬公司保留且不會於可預見未來分派出中國境外金額為778,293,000港元（2018年：615,592,000港元）的溢利撥備遞延稅項負債。

# 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

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

#### 4.3 Provision for expected credit losses on trade receivables

Except for certain trade receivable from customers with specific credit risk that management adopts an individual impairment assessment approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on the past due days for groupings of various customer segments that have similar loss patterns (ie by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (ie gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 20 to the financial statements.

### 4. 主要會計估計及判斷(續)

#### 4.3 貿易應收款項預期信貸虧損之撥備

除管理層就具有特定信貸風險若干來自客戶的貿易應收款項採用個別減值評估方法外，本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率按具有類似虧損形態的不同客戶群分類(即按地區、產品類型、客戶類型及評級)之已逾期日數計算。

撥備矩陣最初基於本集團的歷史觀察違約率。本集團將通過前瞻性資料、以調整歷史信貸虧損經驗及校準矩陣。例如，如果預測的經濟狀況(即國內生產總值)將在未來一年內惡化，這可能導致違約數量增加，歷史違約率將會被調整。在各報告日，歷史觀察到的違約率都會被更新，並分析前瞻性估計的變化。

對歷史觀察到的違約率、預測的經濟狀況及預期信貸虧損之間的相關性的評估是一個重要的估計。預期信貸虧損的金額對環境的變化及預測的經濟狀況很敏感。本集團的歷史信貸虧損經驗及對經濟狀況的預測也可能無法代表未來客戶的實際違約情況。有關本集團貿易應收款項的預期信貸虧損的資料披露於財務報表附註20。



## 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

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

##### 4.4 Fair value of investment properties

During the year, the Board assessed the principal assumptions underlying management's estimation of fair value of investment properties of the Group. The fair value of investment properties are assessed annually by an independent professional valuer. The valuation is principally based on direct comparison method by taking into account the terms of any existing leases and other external evidence such as current market rents or sales for similar types of properties in the locality, and using capitalisation rates that reflect current market expectation for the assets being valued. The valuation techniques and significant assumptions of investment properties are disclosed in Note 15.

##### 4.5 Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the statement of financial position date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management has to estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

#### 4. 主要會計估計及判斷(續)

##### 4.4 投資物業公允值

年內，董事會評估管理層對本集團投資物業公允值估計之主要假設。投資物業之公允值每年均由獨立專業估值師作出評估。該估值主要基於直接比較法，計入任何現有租約之條款及其他外在證據（如於附近地點同類型物業之現時市場租金或銷售價格）並使用反映對所估值之資產之現時市場預期之資本化比率計算。投資物業之估值方法及重大假設在附註15中披露。

##### 4.5 非金融資產減值

本集團於財務狀況表日期評估所有非金融資產是否有任何減值跡象。當有跡象顯示未必能收回非金融資產的賬面值時，則進行減值測試。減值存在於當一項資產或一項現金產生單位的賬面值超過其可收回價值時，可收回價值即其公允值減出售成本與其使用價值的較高者。公允值減出售成本按自同類資產公平交易中具約束力的銷售交易的可得數據或可觀察市價減出售資產的增量成本計算。管理層計算使用價值時，須估計資產或現金產生單位的預計未來現金流量，選取合適的貼現率以計算該等現金流量的現值。

# 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

### 5. REVENUE AND SEGMENT INFORMATION

#### (a) Revenue

### 5. 收入及分部資料

#### (a) 收入

#### Year ended 31 December

截至12月31日止年度

|                                     |          | 2019      | 2018      |
|-------------------------------------|----------|-----------|-----------|
|                                     |          | 2019年     | 2018年     |
|                                     |          | HK\$'000  | HK\$'000  |
|                                     |          | 千港元       | 千港元       |
| Sale of integrated circuit products | 銷售集成電路產品 | 1,695,486 | 1,686,996 |

All the revenue of the Group are from sale of goods, which is recognised at a point in time when control of the goods is transferred to the customers.

本集團所有的收入來自銷售貨品，乃按照貨物的控制權轉移至客戶的時間點確認。

#### (b) Operating segments

Management has determined the operating segments based on the reports reviewed by the Board (the chief operating decision maker) that are used to assess performance and allocate resources. The Board assesses the performance of an operating segment based on a measure of its operating profit excluding unallocated corporate income and expenses.

#### (b) 營運分部

管理層已根據董事會（主要營運決策者）已審閱作評估表現及分配資源用的報告，確定營運分部。董事會根據營運分部之經營溢利（不包括未分配的公司收入及開支）以評估其表現。

The Board considers that the Group's operations are operated and managed as a single segment and accordingly, no operating segment information is presented.

董事會認為本集團之業務以單一分部營運及管理，故並無披露營運分部資料。

Revenues of HK\$373,768,000, HK\$344,619,000 and HK\$191,665,000 (2018: HK\$379,004,000 and HK\$200,523,000), respectively, derived from 3 (2018: 2) external customers of the Group have exceeded 10% of the revenue of the Group. Save as disclosed herein, no revenue derived from a single external customer has exceeded 10% of the revenue of the Group.

分別來自本集團之3名（2018年：2名）外界客戶為數373,768,000港元，344,619,000港元及191,665,000港元（2018年：379,004,000港元及200,523,000港元）之收入超過本集團收入之10%。除本文所披露者外，並無其他來自單一外界客戶之收入超過本集團收入之10%。

Nearly 100% of the Group's revenue is attributable to the market in the PRC and over 90% of the Group's non-current assets are located in the PRC. No geographical information is therefore presented.

鑒於本集團接近100%之收入來自於中國市場且超過90%之非流動資產位於中國，故並無披露地區性資料。

## 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

#### 6. OTHER INCOME

#### 6. 其他收入

|   |               | Year ended 31 December |               |
|---|---------------|------------------------|---------------|
|   |               | 截至12月31日止年度            |               |
|   |               | 2019                   | 2018          |
|   |               | 2019年                  | 2018年         |
|   |               | HK\$'000               | HK\$'000      |
|   |               | 千港元                    | 千港元           |
| Government grants                         | 政府補助          | 10,179                 | 14,511        |
| Gain on disposal of a joint venture       | 出售一間合營公司收益    | –                      | 2,415         |
| Exchange gains                            | 匯兌收益          | –                      | 2,050         |
| Fair value gains on financial assets      | 按公允值計入損益      |                        |               |
| at fair value through profit or loss      | 金融資產公允值收益     | 957                    | 3,229         |
| Gains on disposal of financial assets     | 出售按公允值計入損益    |                        |               |
| at fair value through profit or loss      | 金融資產收益        | 1,722                  | 7,211         |
| Gain on disposal of a building in the PRC | 處置一棟位於中國的樓宇收益 | 9,122                  | –             |
| Interest income                           | 利息收入          | 9,819                  | –             |
| Rental income                             | 租金收入          | 2,434                  | 2,531         |
| Others                                    | 其他            | 677                    | 908           |
|   |               | <b>34,910</b>          | <b>32,855</b> |

#### 7. EXPENSES BY NATURE

#### 7. 按性質劃分之費用

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

列作銷售成本、銷售及市場推廣成本和行政開支之費用分析如下：

|   |                | Year ended 31 December |          |
|---|----------------|------------------------|----------|
|   |                | 截至12月31日止年度            |          |
|   |                | 2019                   | 2018     |
|   |                | 2019年                  | 2018年    |
|   |                | HK\$'000               | HK\$'000 |
|   |                | 千港元                    | 千港元      |
| Depreciation and amortisation expenses        | 折舊及攤銷費用        |                        |          |
| (Notes 13, 16 and 17)                         | (附註13、16及17)   | 44,209                 | 45,379   |
| Depreciation of right-of-use assets (Note 14) | 使用權資產折舊(附註14)  | 21,670                 | –        |
| Employee benefit expenses (Note 8)            | 僱員福利開支(附註8)    | 160,998                | 161,223  |
| Changes in inventories of finished goods      | 製成品及在製品存貨變動    |                        |          |
| and work in progress                          |                | 135,952                | 197,594  |
| Raw materials and consumables used            | 所用原材料及消耗品      | 994,449                | 919,501  |
| Provision for inventories (Note 19)           | 存貨之撥備(附註19)    | 28,586                 | 40,285   |
| Rental expenses for short-term leases and     | 短期租賃及低價值資產租賃租金 |                        |          |
| leases of low-value asset                     | 開支             | 5,623                  | –        |
| Operating lease expenses on properties        | 物業之經營租賃開支      | –                      | 16,629   |
| Auditor's remuneration                        | 核數師酬金          | 2,548                  | 2,573    |

## 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

#### 7. EXPENSES BY NATURE (Cont'd)

Research and development costs for the year ended 31 December 2019 were HK\$221,746,000 (2018: HK\$211,823,000) and mainly comprised of employee costs of HK\$111,896,000 (2018: HK\$110,787,000) and material costs of HK\$61,311,000 (2018: HK\$34,375,000). No research and development costs were capitalised during the year ended 31 December 2019 (2018: nil).

#### 7. 按性質劃分之費用(續)

截至2019年12月31日止年度之研究及開發成本為221,746,000港元(2018年: 211,823,000港元), 主要包括僱員成本111,896,000港元(2018年: 110,787,000港元)及材料成本61,311,000港元(2018年: 34,375,000港元)。於截至2019年12月31日止年度內, 並無研究及開發成本予以資本化(2018年: 無)。

#### 8. EMPLOYEE BENEFIT EXPENSES

#### 8. 僱員福利開支

##### Year ended 31 December

|  |                   | 截至12月31日止年度    |                |
|--|-------------------|----------------|----------------|
|  |                   | 2019           | 2018           |
|  |                   | 2019年          | 2018年          |
|  |                   | HK\$'000       | HK\$'000       |
|  |                   | 千港元            | 千港元            |
| Salaries, allowances and benefits in kind                  | 薪金、津貼及實物福利        | 143,583        | 139,626        |
| Contributions to retirement schemes<br>(Notes (a) and (b)) | 退休計劃供款(附註(a)及(b)) | 17,415         | 21,597         |
|  |                   | <b>160,998</b> | <b>161,223</b> |

(a) The Group operates a MPF Scheme for the eligible employees in Hong Kong. The Group's contributions to MPF Scheme are expensed as incurred.

(a) 本集團為其香港合資格僱員設立強積金計劃。本集團對強積金計劃之供款於產生時列作開支。

(b) The Company's PRC subsidiaries participate in a defined contribution retirement scheme based on laws and regulations in the PRC. The local government authority of the PRC is responsible for the pension liabilities to these retired employees in the PRC. These PRC subsidiaries made contributions to retirement schemes in the PRC and are expensed as incurred.

(b) 本公司在中國之附屬公司根據中國法例及規例參與定額供款退休計劃。中國有關地方政府機關負責該等中國退休僱員之退休金責任。該等中國附屬公司對退休計劃作出供款並於產生時列作開支。

## 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

#### 8. EMPLOYEE BENEFIT EXPENSES (Cont'd)

##### (c) Five highest paid individuals

Total emoluments paid to the five highest paid individuals of the Group during the year are as follows:

#### 8. 僱員福利開支 (續)

##### (c) 五名最高薪酬人士

年內支付予本集團五名最高薪酬人士之總酬金如下：

|   |            | Year ended 31 December<br>截至12月31日止年度 |                                  |
|---|------------|---------------------------------------|----------------------------------|
|   |            | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 4,287                                 | 4,482                            |
| Bonuses                                   | 花紅         | 4,266                                 | 5,842                            |
| Contributions to retirement schemes       | 退休計劃供款     | 1,131                                 | 786                              |
|   |            | <b>9,684</b>                          | <b>11,110</b>                    |

The emoluments of the five highest paid individuals included one director of the Company (2018: nil) and their emoluments were within the following bands:

五名最高薪酬人士包括一名(2018年：無)本公司董事而彼等之酬金介乎以下範圍：

|                               |                           | Number of individuals<br>人數 |               |
|-------------------------------|---------------------------|-----------------------------|---------------|
|                               |                           | 2019<br>2019年               | 2018<br>2018年 |
| HK\$1,500,001 – HK\$2,000,000 | 1,500,001港元 – 2,000,000港元 | 3                           | 2             |
| HK\$2,000,001 – HK\$2,500,000 | 2,000,001港元 – 2,500,000港元 | 2                           | 2             |
| HK\$2,500,001 – HK\$3,000,000 | 2,500,001港元 – 3,000,000港元 | –                           | 1             |
|                               |                           | <b>5</b>                    | <b>5</b>      |

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

年內，本集團並無向五名最高薪酬人士支付任何酬金作為加盟本集團或加盟時之獎勵或作為離任之補償。

# 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

### 9. FINANCE COSTS – NET

### 9. 融資成本－淨額

|                     |         | Year ended 31 December |          |
|---------------------|---------|------------------------|----------|
|                     |         | 截至12月31日止年度            |          |
|                     |         | 2019                   | 2018     |
|                     |         | 2019年                  | 2018年    |
|                     |         | HK\$'000               | HK\$'000 |
|                     |         | 千港元                    | 千港元      |
| Finance costs:      | 融資成本：   |                        |          |
| – Interest expense  | – 利息支出  | <b>103,381</b>         | 97,610   |
| Finance income:     | 融資收入：   |                        |          |
| – Interest income   | – 利息收入  | <b>(2,074)</b>         | (5,614)  |
| Finance costs – net | 融資成本－淨額 | <b>101,307</b>         | 91,996   |

### 10. TAXATION

### 10. 稅項

|  |                          | Year ended 31 December |          |
|--|--------------------------|------------------------|----------|
|  |                          | 截至12月31日止年度            |          |
|  |                          | 2019                   | 2018     |
|  |                          | 2019年                  | 2018年    |
|  |                          | HK\$'000               | HK\$'000 |
|  |                          | 千港元                    | 千港元      |
| Current taxation   | 本年度稅項                    |                        |          |
| – PRC corporate income tax                               | – 中國企業所得稅                | <b>5,395</b>           | 15,456   |
| – Withholding tax on distributed profits<br>(Note (c))   | – 已分配溢利之預扣所得稅<br>(附註(c)) | <b>8,523</b>           | 414      |
|  |                          | <b>13,918</b>          | 15,870   |
| Deferred taxation  | 遞延稅項                     |                        |          |
| – PRC corporate income tax                               | – 中國企業所得稅                | <b>(4,938)</b>         | 513      |
| – Withholding tax on undistributed profits<br>(Note (c)) | – 未分配溢利之預扣所得稅<br>(附註(c)) | <b>(11,776)</b>        | 11,342   |
|  |                          | <b>(16,714)</b>        | 11,855   |
|  |                          | <b>(2,796)</b>         | 27,725   |

## 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

#### 10. TAXATION (Cont'd)

(a) No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profit in Hong Kong for the year ended 31 December 2019 (2018: nil).

(b) In accordance with the corporate income tax laws of the PRC, the applicable statutory tax rate of Huada Electronics and Shanghai Huahong Integrated Circuit Co., Ltd ("Huahong") is 25%. However, Huada Electronics and Huahong qualified as an "Integrated Circuit Design Enterprises in National Planning Layout" ("ICDE") for the year ended 31 December 2019 and thus enjoyed a 10% preferential tax rate (2018: 10% preferential tax rate). Based on management's self-assessment and their track record of success in obtaining such types of qualifications, it is highly likely that Huada Electronics will continue to qualify as an ICDE and Huahong will qualify as a "High and New Technology Enterprise" after the year ended 31 December 2019 and thus will enjoy a 10% and a 15% preferential tax rate, respectively.

(c) According to the relevant regulations of the corporate income tax laws of the PRC, when a foreign investment enterprise in the PRC distributes dividends out of the profits earned from 1 January 2008 onwards to its overseas investors, such dividends are subject to withholding tax at a rate of 10%.

#### 10. 稅項(續)

(a) 由於本集團於截至2019年12月31日止年度於香港並無產生任何應課稅溢利，故並無就香港利得稅作出撥備(2018年：無)。

(b) 根據中國企業所得稅法的規定，華大電子及上海華虹集成電路有限責任公司(「華虹」)之適用法定稅率為25%。然而，截至2019年12月31日止年度華大電子及華虹獲得「國家規劃佈局內集成電路設計企業」(「國家集成電路設計企業」)資格，因此華大電子及華虹享受10%之優惠稅率(2018年：10%之優惠稅率)。基於管理層的自我評估以及過往成功獲得該類別資格，於截至2019年12月31日止年度之後，華大電子將很可能繼續獲得國家集成電路設計企業資格及華虹將獲得「高新技術企業」資格並因而將分別享受10%及15%之優惠稅率。

(c) 根據中國企業所得稅法的有關規定，中國境內之外商投資企業以股息向其境外投資者分配自2008年1月1日起產生的溢利，該等股息須繳納10%的預扣所得稅。

## 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

#### 10. TAXATION (Cont'd)

(d) Reconciliation between the taxation on the Group's profit before taxation and the theoretical taxation that would arise using the respective applicable statutory tax rates is as follows:

#### 10. 稅項 (續)

(d) 本集團除稅前溢利之稅項與按各自適用法定稅率所計算之理論稅項之對賬如下：

|   |                      | Year ended 31 December<br>截至12月31日止年度 |                                  |
|---|----------------------|---------------------------------------|----------------------------------|
|   |                      | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Profit before taxation  | 除稅前溢利                | 154,790                               | 144,315                          |
| Calculated at respective applicable statutory tax rates                         | 按各自適用法定稅率計算之稅項       | 33,529                                | 59,837                           |
| Effect of tax concession  | 稅項減免之影響              | (36,243)                              | (34,198)                         |
| Research and development costs additional deductions                            | 研究及開發成本額外扣除          | (14,717)                              | (12,126)                         |
| Income not subject to tax   | 毋須課稅收入               | (15,973)                              | (38,344)                         |
| Expenses not deductible for taxation purposes                                   | 不可扣稅開支               | 23,893                                | 20,027                           |
| Effect of change in tax rate on deferred taxation                               | 稅率變動對遞延稅項之影響         | (285)                                 | (405)                            |
| Derecognition of deferred tax assets for previous year's tax losses             | 就以前年度稅項虧損除列遞延稅項資產    | -                                     | 11,158                           |
| Withholding tax on distributed profits and current year's undistributed profits | 已分配溢利及本年度未分配溢利之預扣所得稅 | 5,270                                 | 17,722                           |
| Tax losses for which no deferred tax asset was recognised                       | 並無確認遞延稅項資產之稅項虧損      | 1,730                                 | 4,054                            |
| Taxation  | 稅項                   | (2,796)                               | 27,725                           |

#### (e) Deferred taxation

#### (e) 遞延稅項

|                          |        | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|--------------------------|--------|---|---|
| Deferred tax assets      | 遞延稅項資產 | 42,120  | 38,024  |
| Deferred tax liabilities | 遞延稅項負債 | (12,923)  | (24,511)  |
|                          |        | 29,197  | 13,513  |



## 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

#### 10. TAXATION (Cont'd)

##### (e) Deferred taxation (Cont'd)

The movements in the deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances with the same taxation authority are as follows:

#### 10. 稅項 (續)

##### (e) 遞延稅項 (續)

倘不計及抵銷具相同稅務機關之餘額，年內遞延稅項資產及負債之變動如下：

| Deferred tax assets   | 遞延稅項資產              | Impairment of inventories<br>存貨減值<br>HK\$'000<br>千港元 | Salary and welfare payables<br>應付薪酬和福利<br>HK\$'000<br>千港元 | Deferred government grants<br>遞延政府補助<br>HK\$'000<br>千港元 | Others<br>其他<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|---|---------------------|--|---|---|---------------------------------|--------------------------------|
| <b>At 1 January 2018</b>  | <b>於2018年1月1日</b>   | 3,658  | 3,206   | 4,379   | 29,737                          | 40,980                         |
| Exchange differences<br>(Charged)/credited to the statement of profit or loss | 匯兌差額<br>(計入)/抵免損益表  | (310)  | (168)   | (254)   | (1,115)                         | (1,847)                        |
|   |                     | 4,168  | 623   | 1,531   | (7,431)                         | (1,109)                        |
| <b>At 31 December 2018</b>  | <b>於2018年12月31日</b> | 7,516  | 3,661   | 5,656   | 21,191                          | 38,024                         |
| <b>At 1 January 2019</b>  | <b>於2019年1月1日</b>   | 7,516  | 3,661   | 5,656   | 21,191                          | 38,024                         |
| Exchange differences<br>Credited to the statement of profit or loss           | 匯兌差額<br>抵免損益表       | (222)  | (80)  | (129)   | (489)                           | (920)                          |
|   |                     | 3,251  | 23  | 281   | 1,461                           | 5,016                          |
| <b>At 31 December 2019</b>  | <b>於2019年12月31日</b> | 10,545   | 3,604   | 5,808   | 22,163                          | 42,120                         |

| Deferred tax liabilities  | 遞延稅項負債              | Fair value gains<br>公允值收益<br>HK\$'000<br>千港元 | Withholding tax on undistributed profits<br>未分配溢利之預扣所得稅<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|---|---------------------|--|--|--------------------------------|
| <b>At 1 January 2018</b>  | <b>於2018年1月1日</b>   | 3,214  | 10,912   | 14,126                         |
| Exchange differences<br>(Credited)/charged to the statement of profit or loss | 匯兌差額<br>(抵免)/計入損益表  | 1  | (362)  | (361)                          |
| Reclassification to current income tax payable                                | 重分類至當期應付所得稅款項       | (596)  | 14,532   | 13,936                         |
| <b>At 31 December 2018</b>  | <b>於2018年12月31日</b> | 2,619  | 21,892   | 24,511                         |
| <b>At 1 January 2019</b>  | <b>於2019年1月1日</b>   | 2,619  | 21,892   | 24,511                         |
| Exchange differences<br>Charged to the statement of profit or loss            | 匯兌差額<br>計入損益表       | 379  | (269)  | 110                            |
| Reclassification to current income tax payable                                | 重分類至當期應付所得稅款項       | 78   | 5,270  | 5,348                          |
| <b>At 31 December 2019</b>  | <b>於2019年12月31日</b> | 3,076  | 9,847  | 12,923                         |

## 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

#### 10. TAXATION (Cont'd)

#### 10. 稅項 (續)

##### (e) Deferred taxation (Cont'd)

##### (e) 遞延稅項 (續)

The amounts shown in the consolidated statement of financial position include the following:

於綜合財務狀況表列示之金額包括以下項目：

|                                    |               | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|------------------------------------|---------------|---|---|
| <b>Deferred tax assets</b>         | <b>遞延稅項資產</b> |   |   |
| – To be recovered after 12 months  | – 將於12個月後收回   | 15,325  | –   |
| – To be recovered within 12 months | – 將於12個月內收回   | 26,795  | 38,024  |
|                                    |               | <b>42,120</b>   | <b>38,024</b>   |
| <b>Deferred tax liabilities</b>    | <b>遞延稅項負債</b> |   |   |
| – To be settled after 12 months    | – 將於12個月後償付   | 3,076   | –   |
| – To be settled within 12 months   | – 將於12個月內償付   | 9,847   | 24,511  |
|                                    |               | <b>12,923</b>   | <b>24,511</b>   |

Deferred tax assets are recognised for tax losses carrying forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. At 31 December 2019, the Group did not recognise deferred tax assets of HK\$64,863,000 (2018: HK\$62,919,000) in respect of losses amounting to HK\$393,110,000 (2018: HK\$381,329,000) that can be carried forward against future taxable income. Tax losses of HK\$393,110,000 has no expiry date (2018: HK\$381,329,000).

遞延稅項資產乃就結轉之稅項虧損而被確認，惟以有可能透過未來之應課稅溢利變現有關稅項利益為限。於2019年12月31日，本集團並未就可結轉以抵銷未來應課稅溢利之虧損393,110,000港元（2018年：381,329,000港元）確認遞延稅項資產64,863,000港元（2018年：62,919,000港元）。393,110,000港元之稅項虧損並無屆滿日期（2018年：381,329,000港元）。

## 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

#### 11. DIVIDEND

#### 11. 股息

##### Year ended 31 December

截至12月31日止年度

2019 2018

2019年 2018年

HK\$'000 HK\$'000

千港元 千港元

|                   |      |               |        |
|-------------------|------|---------------|--------|
| Proposed dividend | 建議股息 | <b>46,687</b> | 40,597 |
|-------------------|------|---------------|--------|

The Board recommends the payment of a dividend of HK2.3 cents per share for the year ended 31 December 2019 (2018: HK2.0 cents per share). The proposed dividend is subject to approval by the shareholders of the Company at the forthcoming annual general meeting of the Company. The proposed dividend of HK\$46,687,000 (2018: HK\$40,597,000), calculated based on the Company's number of shares issued at 30 March 2020, is not recognised as a liability in these consolidated financial statements.

董事會建議就截至2019年12月31日止年度派付每股2.3港仙(2018年:每股2.0港仙)股息。惟建議股息須待本公司股東於本公司應屆股東週年大會上批准後,方可作實。根據本公司於2020年3月30日的已發行股份數目計算的建議股息46,687,000港元(2018年:40,597,000港元)並無於綜合財務報表內確認為一項負債。

#### 12. EARNINGS PER SHARE

#### 12. 每股盈利

The calculation of the basic earnings per share is based on the following data:

每股基本盈利乃根據下列數據計算:

##### Year ended 31 December

截至12月31日止年度

2019 2018

2019年 2018年

|   |                       |                      |               |
|---|-----------------------|----------------------|---------------|
| Profit for the year attributable to owners of the Company (HK\$'000)                    | 本公司權益持有者應佔之本年度溢利(千港元) | <b>155,159</b>       | 113,321       |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 用以計算每股基本盈利之普通股加權平均數目  | <b>2,029,872,000</b> | 2,029,872,000 |
| Basic earnings per share (HK cents)   | 每股基本盈利(港仙)            | <b>7.64</b>          | 5.58          |

No diluted earnings per share is presented as the Company did not have any potential ordinary share outstanding.

由於本公司並無任何未發行潛在普通股,故並無披露每股攤薄盈利。

# 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

### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

|                                    |                         | Buildings and<br>leasehold<br>improvements<br>樓宇及<br>租賃物業裝修<br>HK\$'000<br>千港元 | Plant and<br>machinery<br>廠房及機器<br>HK\$'000<br>千港元 | Motor<br>vehicles<br>車輛<br>HK\$'000<br>千港元 | Furniture<br>and fixtures<br>傢俬及裝置<br>HK\$'000<br>千港元 | Construction<br>in progress<br>在建工程<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|------------------------------------|-------------------------|--|--|--|---|--|--------------------------------|
| <b>Year ended 31 December 2018</b> | <b>截至2018年12月31日止年度</b> |  |  |  |   |  |                                |
| Opening net book amount            | 年初賬面淨值                  | 382,146  | 19,060   | 2,288                                      | 2,956   | 13,902   | 420,352                        |
| Exchange differences               | 匯兌差額                    | (15,844)   | (1,500)  | (74)                                       | (99)  | (647)  | (18,164)                       |
| Additions                          | 添置                      | -  | 3,411  | -  | 729   | 623  | 4,763                          |
| Transfer upon completion           | 完工轉撥                    | -  | 387  | -  | -   | (387)  | -                              |
| Transfers                          | 轉撥                      | (23,244)   | 23,244   | -  | -   | -  | -                              |
| Disposals                          | 處置                      | -  | (625)  | (245)                                      | (476)   | -  | (1,346)                        |
| Depreciation                       | 折舊                      | (27,930)   | (8,268)  | (594)                                      | (1,214)   | -  | (38,006)                       |
| Closing net book amount            | 年末賬面淨值                  | 315,128  | 35,709   | 1,375                                      | 1,896   | 13,491   | 367,599                        |
| <b>At 31 December 2018</b>         | <b>於2018年12月31日</b>     |  |  |  |   |  |                                |
| Cost                               | 成本                      | 389,296  | 115,265  | 7,525                                      | 9,613   | 13,491   | 535,190                        |
| Accumulated depreciation           | 累計折舊                    | (74,168)   | (79,556)   | (6,150)                                    | (7,717)   | -  | (167,591)                      |
| Net book amount                    | 賬面淨值                    | 315,128  | 35,709   | 1,375                                      | 1,896   | 13,491   | 367,599                        |
| <b>Year ended 31 December 2019</b> | <b>截至2019年12月31日止年度</b> |  |  |  |   |  |                                |
| Opening net book amount            | 年初賬面淨值                  | 315,128  | 35,709   | 1,375                                      | 1,896   | 13,491   | 367,599                        |
| Exchange differences               | 匯兌差額                    | (1,727)  | (643)  | (20)                                       | (34)  | (295)  | (2,719)                        |
| Additions                          | 添置                      | 7,053  | 3,169  | -  | 649   | -  | 10,871                         |
| Disposals                          | 處置                      | (275,684)  | (278)  | -  | (16)  | -  | (275,978)                      |
| Depreciation                       | 折舊                      | (24,270)   | (10,827)   | (524)                                      | (999)   | -  | (36,620)                       |
| Closing net book amount            | 年末賬面淨值                  | 20,500   | 27,130   | 831  | 1,496   | 13,196   | 63,153                         |
| <b>At 31 December 2019</b>         | <b>於2019年12月31日</b>     |  |  |  |   |  |                                |
| Cost                               | 成本                      | 69,694   | 114,022  | 7,360                                      | 9,098   | 13,196   | 213,370                        |
| Accumulated depreciation           | 累計折舊                    | (49,194)   | (86,892)   | (6,529)                                    | (7,602)   | -  | (150,217)                      |
| Net book amount                    | 賬面淨值                    | 20,500   | 27,130   | 831  | 1,496   | 13,196   | 63,153                         |

Depreciation expense of HK\$1,427,000 (2018: HK\$2,048,000), HK\$3,447,000 (2018: HK\$4,946,000) and HK\$31,746,000 (2018: HK\$31,012,000) has been charged to selling and marketing costs, cost of sales and administrative expenses, respectively.

折舊開支中1,427,000港元(2018年: 2,048,000港元)、3,447,000港元(2018年: 4,946,000港元)及31,746,000港元(2018年: 31,012,000港元)已分別計入銷售及市場推廣成本、銷售成本和行政開支。

## 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

#### 14. RIGHT-OF-USE ASSETS

#### 14. 使用權資產

**Buildings**  
樓宇  
HK\$'000  
千港元

|                            |              |          |
|----------------------------|--------------|----------|
| At 1 January 2019          | 於2019年1月1日   | 2,614    |
| Exchange differences       | 匯兌差額         | 10       |
| Additions                  | 添置           | 89,852   |
| Effect of rental reduction | 減租的影響        | (17,898) |
| Depreciation               | 折舊           | (21,670) |
| At 31 December 2019        | 於2019年12月31日 | 52,908   |

#### 15. INVESTMENT PROPERTIES

#### 15. 投資物業

Year ended 31 December

截至12月31日止年度

|                       |       | 2019     | 2018     |
|-----------------------|-------|----------|----------|
|                       |       | 2019年    | 2018年    |
|                       |       | HK\$'000 | HK\$'000 |
|                       |       | 千港元      | 千港元      |
| Beginning of the year | 年初    | 48,847   | 51,202   |
| Exchange differences  | 匯兌差額  | (1,078)  | (2,355)  |
| Changes in fair value | 公允值變動 | 522      | -        |
| End of the year       | 年末    | 48,291   | 48,847   |

(a) The investment properties are located in the PRC and are subject to various tenancies with terms ranging from 1 year to 3 years.

(a) 該等投資物業均位於中國並以1至3年期之多項租約持有。

(b) The rental income from investment properties for the year ended 31 December 2019 amounted to HK\$2,434,000 (2018:HK\$2,531,000).

(b) 於截至2019年12月31日止年度，投資物業的租金收入為2,434,000港元(2018年：2,531,000港元)。

(c) The fair value of the Group's investment properties at 31 December 2019 have been arrived at on the basis of a valuation carried out on that date by Beijing Zhou Xin Da Hua Appraisal Co., Ltd, a firm of independent and qualified professional valuers not connected with the Group. The valuation was principally based on direct comparison method by taking into account the terms of any existing leases and other external evidence such as current market rents or sales for similar types of properties in the locality, and using capitalisation rates that reflect current market expectation for the assets being valued. For all investment properties, their current uses represent the highest and best use.

(c) 本集團投資物業於2019年12月31日之公允值乃由與本集團無任何關係的獨立及擁有認可資格之專業估值師—北京卓信大華資產評估有限公司於當日進行估值。該估值主要基於直接比較法，計入任何現有租約之條款及其他外在證據(如於附近地點同類型物業之現時市場租金或銷售價格)並使用反映對所估值之資產之現時市場預期之資本化比率計算。所有投資物業現在均透過最大限度使用達致最佳用途。

# 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

### 15. INVESTMENT PROPERTIES (Cont'd)

(c) (Cont'd)

At 31 December 2019, all of the fair value measurements of the Group's investment properties were categorised into Level 3 of the fair value hierarchy. Details of fair value hierarchy classification are set out in Note 3.3. There were no transfers of fair value measurements into or out of Level 3 during the year.

At the end of the reporting period, the management of the Group works with Beijing Zhou Xin Da Hua Appraisal Co., Ltd to establish and determine the appropriate valuation techniques and inputs for Level 3 fair value measurements. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the Board.

Information about fair value measurements using significant unobservable inputs (Level 3) is as follows:

### 15. 投資物業(續)

(c) (續)

於2019年12月31日，本集團所有投資物業的公允值計量均歸類為公允值級別架構的第三級。公允值級別架構的分類詳情載於附註3.3內。於年內，該等投資物業並無公允值計量轉入或轉出第三級。

於報告期末，本集團管理層與北京卓信大華資產評估有限公司共同建立及確定適合第三級之公允值計量的估值方法及數據。當資產公允值出現重大變動，將向董事會匯報波動的原因。

使用重大的難以觀察之數據作公允值計量(第三級)的有關資料如下：

| Description<br>詳情                                      | Fair value at 31<br>December 2019<br>於2019年12月31<br>日之公允值<br>HK\$'000<br>千港元 | Valuation<br>technique(s)<br>估值方法       | Unobservable<br>inputs<br>難以觀察之數據 | Range of<br>unobservable Relationship of<br>inputs/weighted Relationship of<br>average unobservable inputs to<br>fair value |  |
|--|--|---|-----------------------------------|---|--|
|  |  |   |                                   | 難以觀察之數據範<br>圍/加權平均值   | 難以觀察之數據與公允值<br>的關係   |
| Office building and<br>carparks – Beijing<br>寫字樓及車位—北京 | 48,291   | Direct<br>comparison<br>method<br>直接比較法 | Market price<br>市場價格              | RMB31,140<br>per square metre<br>每平方米<br>人民幣31,140元   | The higher the market<br>price, the higher the<br>fair value<br>市場價格越高，公允值<br>越高 |

## 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

#### 16. LAND USE RIGHTS

#### 16. 土地使用權

|                       |      | Year ended 31 December<br>截至12月31日止年度 |                                  |
|-----------------------|------|---------------------------------------|----------------------------------|
|                       |      | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Beginning of the year | 年初   | 11,302                                | 12,314                           |
| Disposal              | 處置   | (11,302)                              | –                                |
| Exchange differences  | 匯兌差額 | –                                     | (550)                            |
| Amortisation          | 攤銷   | –                                     | (462)                            |
| End of the year       | 年末   | –                                     | 11,302                           |

All the land use rights are located in the PRC and with remaining lease terms ranging from 10 years to 50 years.

所有土地使用權均位於中國及以剩餘契約期10至50年持有。

#### 17. INTANGIBLE ASSETS

#### 17. 無形資產

|                                    |        | Computer software<br>電腦軟件<br>HK\$'000<br>千港元 |         |
|------------------------------------|--------|--|---------|
| <b>Year ended 31 December 2018</b> |        | <b>截至2018年12月31日止年度</b>                      |         |
| Opening net book amount            | 年初賬面淨值 |  | 2,869   |
| Exchange differences               | 匯兌差額   |  | (108)   |
| Additions                          | 添置     |  | 6,209   |
| Amortisation                       | 攤銷     |  | (6,911) |
| Closing net book amount            | 年末賬面淨值 |  | 2,059   |
| <b>At 31 December 2018</b>         |        | <b>於2018年12月31日</b>                          |         |
| Cost                               | 成本     |  | 9,413   |
| Accumulated amortisation           | 累計攤銷   |  | (7,354) |
| Net book amount                    | 賬面淨值   |  | 2,059   |
| <b>Year ended 31 December 2019</b> |        | <b>截至2019年12月31日止年度</b>                      |         |
| Opening net book amount            | 年初賬面淨值 |  | 2,059   |
| Exchange differences               | 匯兌差額   |  | (45)    |
| Additions                          | 添置     |  | 7,536   |
| Amortisation                       | 攤銷     |  | (7,589) |
| Closing net book amount            | 年末賬面淨值 |  | 1,961   |
| <b>At 31 December 2019</b>         |        | <b>於2019年12月31日</b>                          |         |
| Cost                               | 成本     |  | 9,942   |
| Accumulated amortisation           | 累計攤銷   |  | (7,981) |
| Net book amount                    | 賬面淨值   |  | 1,961   |

Amortisation expense amounting to HK\$7,589,000 (2018: HK\$6,911,000) has been charged to research and development costs under administrative expenses.

攤銷開支7,589,000港元(2018年:6,911,000港元)已計入行政開支項下之研究及開發成本中。

# 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

### 18. INVESTMENT IN ASSOCIATES

### 18. 於聯營公司投資

Year ended 31 December  
截至12月31日止年度

|  |                       | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 |
|--|-----------------------|----------------------------------|----------------------------------|
| Beginning of the year                                      | 年初                    | 2,665,777                        | 2,782,326                        |
| Share of the effect of adoption of HKFRS16                 | 應佔採納香港財務報告準則第16號的影響   | 43,322                           | -                                |
| Share of results   | 應佔業績                  | 121,000                          | 126,651                          |
| - Post-acquisition profit                                  | - 收購後溢利               | 114,653                          | 132,454                          |
| - Loss on cancellation of subsidiaries of an associate     | - 一間聯營公司之註銷附屬公司虧損     | (621)                            | (1,286)                          |
| - Gain/(Loss) on anti-dilution of interest in an associate | - 一間聯營公司之權益反稀釋收益/(虧損) | 6,968                            | (4,517)                          |
| Exchange differences                                       | 匯兌差額                  | 2,153                            | (128,058)                        |
| Dividend   | 股息                    | (63,923)                         | (51,313)                         |
| Share of revaluation gains on properties                   | 應佔物業重估收益              | -                                | 5,853                            |
| Share of currency translation differences                  | 應佔貨幣換算差額              | (60,440)                         | (69,682)                         |
| End of the year  | 年末                    | 2,707,889                        | 2,665,777                        |

Particulars of the associates at 31 December 2019 and 2018 are as follows:

聯營公司於2019年及2018年12月31日之詳情如下：

| Name<br>名稱   | Place of establishment and type of legal entity<br>成立地點及公司性質 | Principal place of operation and activities<br>主要經營地點及業務  | Paid-in capital<br>實收資本   | Interest held<br>所持權益 |               |
|--|--|---|---|-----------------------|---------------|
|  |  |   |   | 2019<br>2019年         | 2018<br>2018年 |
| China Electronics Optics Valley Union Holding Company Limited<br>("CEOVU")<br>中電光谷聯合控股有限公司<br>([中電光谷]) | Cayman Islands, limited liability company<br>開曼群島, 有限責任公司    | PRC, development of theme industrial parks in the PRC and related businesses<br>中國, 於中國從事主題產業園區的開發及相關業務 | HK\$757,435,200<br>(2018: HK\$761,821,200)<br>757,435,200港元<br>(2018年: 761,821,200港元) | 33.67%                | 33.47%        |
| Beijing Chipadvanced Technology Inc.<br>北京確安科技股份有限公司   | PRC, limited liability company<br>中國, 有限責任公司                 | PRC, provision of integrated circuit testing services<br>中國, 提供集成電路測試服務                                 | RMB57,907,381<br>(2018: RMB40,740,000)<br>人民幣57,907,381元<br>(2018年: 人民幣40,740,000元)   | 7.29%                 | 10.36%        |

The Board is of the opinion that CEOVU is material to the Group.

董事會認為中電光谷對本集團而言屬重要。



## 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

#### 18. INVESTMENT IN ASSOCIATES (Cont'd)

The fair value of the Group's interest in CEOVU at 31 December 2019 based on the closing price of HK\$0.485 per CEOVU ordinary share as quoted on The Stock Exchange of Hong Kong Limited on 31 December 2019 was HK\$1,236,750,000.

There are no contingent liabilities relating to the Group's interest in associates at 31 December 2019 (2018: nil).

Set out below are the summarised financial information of CEOVU and its subsidiaries:

#### 18. 於聯營公司投資(續)

本集團於中電光谷之權益於2019年12月31日之公允值為1,236,750,000港元，乃根據每股中電光谷普通股於2019年12月31日在香港聯合交易所有限公司所報之收市價0.485港元計算。

於2019年12月31日本集團於聯營公司的權益並沒有或有負債(2018年：無)。

中電光谷及其附屬公司之財務資料如下：

|  |                   | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|--|-------------------|---|---|
| <b>Current</b>                             | <b>流動</b>         |   |   |
| Assets                                     | 資產                | <b>13,363,373</b>                                     | 12,642,138  |
| Liabilities                                | 負債                | <b>(4,591,049)</b>                                    | (5,666,477)   |
| <b>Non-current</b>                         | <b>非流動</b>        |   |   |
| Assets                                     | 資產                | <b>7,107,684</b>                                      | 5,952,458   |
| Liabilities                                | 負債                | <b>(6,870,947)</b>                                    | (4,196,408)   |
| Net assets                                 | 資產淨值              | <b>9,009,061</b>                                      | 8,731,711   |
| Net assets attributable to owners of CEOVU | 歸屬於中電光谷權益持有者之資產淨值 | <b>7,865,811</b>                                      | 7,923,344   |
| Investment in an associate                 | 於一間聯營公司投資         | <b>2,693,919</b>                                      | 2,652,135   |

|   |                       | Year ended 31 December<br>截至12月31日止年度<br>2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 |
|---|-----------------------|---|----------------------------------|
| Revenue   | 收入                    | <b>3,875,841</b>  | 3,589,423                        |
| Profit for the year attributable to owners of CEOVU                     | 本年度溢利歸屬於中電光谷權益持有者     | <b>426,661</b>  | 395,938                          |
| Other comprehensive income for the year:                                | 本年度其他全面收益：            |   |                                  |
| Revaluation gains on properties   | 物業重估收益                | -   | 17,578                           |
| Currency translation differences  | 貨幣換算差額                | <b>6,419</b>  | (209,282)                        |
| Total comprehensive income for the year attributable to owners of CEOVU | 本年度全面收益總額歸屬於中電光谷權益持有者 | <b>433,080</b>  | 204,234                          |

## 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

#### 19. INVENTORIES

#### 19. 存貨

|                  |     | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|------------------|-----|---|---|
| Work in progress | 在製品 | 171,287   | 151,927   |
| Finished goods   | 製成品 | 289,326   | 451,752   |
|                  |     | <b>460,613</b>  | <b>603,679</b>  |

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$1,130,401,000 (2018: HK\$1,117,095,000).

確認為開支並計入銷售成本之存貨成本為1,130,401,000港元（2018年：1,117,095,000港元）。

Provision for inventories of HK\$28,586,000 (2018: HK\$40,285,000) has been charged to cost of sales.

為數28,586,000港元之存貨撥備（2018年：40,285,000港元）已計入銷售成本。

#### 20. TRADE AND OTHER RECEIVABLES

#### 20. 貿易及其他應收款項

|  |                  | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|--|------------------|---|---|
| Trade receivables                                | 貿易應收款項           | 727,905   | 757,585   |
| Less: Loss allowance for impairment (Note (b))   | 減：減值虧損撥備(附註(b))  | (71,016)  | (65,402)  |
| Trade receivables – net                          | 貿易應收款項－淨額        | 656,889   | 692,183   |
| Other receivables from third parties             | 其他應收第三方款項        | 22,514  | 17,039  |
| Less: Loss allowance for impairment (Note (c))   | 減：減值虧損撥備(附註(c))  | (567)   | (348)   |
| Other receivables from third parties – net       | 其他應收第三方款項－淨額     | 21,947  | 16,691  |
| Other receivables from related parties (Note 32) | 其他應收關聯人士款項(附註32) | 1,094   | 3,470   |
| Undeducted input value-added tax and prepaid tax | 未扣除的進項增值稅及預付稅項   | 14,229  | 3,355   |
| Prepayments and deposits                         | 預付款項及按金          | 19,426  | 7,248   |
|  |                  | <b>713,585</b>  | <b>722,947</b>  |

## 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

#### 20. TRADE AND OTHER RECEIVABLES (Cont'd)

At 31 December 2019 and 2018, the carrying amounts of trade and other receivables of the Group approximated their fair values.

Trade and other receivables were unsecured and interest-free. Included in the balance of trade receivables are trade receivables from related parties of HK\$71,477,000 (2018: HK\$64,175,000) (Note 32).

Trade and other receivables of the Group at 31 December 2019 and 2018 were denominated in the following currencies:

#### 20. 貿易及其他應收款項(續)

於2019年及2018年12月31日，本集團之貿易及其他應收款項之賬面值與其公允值相若。

貿易及其他應收款項均為無抵押及免息。計入貿易應收款項結餘內之應收關聯人士貿易款項為71,477,000港元(2018年：64,175,000港元)(附註32)。

本集團於2019年及2018年12月31日之貿易及其他應收款項按貨幣劃分如下：

|                   |     | <b>31 December<br/>2019</b> | 31 December<br>2018 |
|-------------------|-----|-----------------------------|---------------------|
|                   |     | <b>2019年12月31日</b>          | 2018年12月31日         |
|                   |     | <b>HK\$'000</b>             | HK\$'000            |
|                   |     | 千港元                         | 千港元                 |
| Renminbi          | 人民幣 | <b>712,860</b>              | 722,467             |
| Hong Kong dollars | 港元  | <b>536</b>                  | 480                 |
| US dollars        | 美元  | <b>189</b>                  | -                   |
|                   |     | <b>713,585</b>              | 722,947             |

(a) The majority of the Group's sales are with credit terms of 30 days to 135 days. The remaining amounts are due immediately after the delivery of goods. The ageing analysis of trade receivables (net of loss allowance for impairment) presented based on the revenue recognition date is as follows:

(a) 本集團之銷售大部份之信貸期為30日至135日，其餘銷售於緊隨貨品交付時到期。根據收入確認日列示的貿易應收款項(扣除減值虧損撥備)的賬齡分析如下：

|                                 |            | <b>31 December<br/>2019</b> | 31 December<br>2018 |
|---------------------------------|------------|-----------------------------|---------------------|
|                                 |            | <b>2019年12月31日</b>          | 2018年12月31日         |
|                                 |            | <b>HK\$'000</b>             | HK\$'000            |
|                                 |            | 千港元                         | 千港元                 |
| Current to 30 days              | 30日內       | <b>307,117</b>              | 330,280             |
| 31 – 60 days                    | 31日至60日    | <b>86,898</b>               | 63,652              |
| 61 – 180 days                   | 61日至180日   | <b>158,620</b>              | 169,427             |
| Over 180 days and within 1 year | 180日以上及1年內 | <b>94,478</b>               | 112,669             |
| Over 1 year                     | 1年以上       | <b>9,776</b>                | 16,155              |
|                                 |            | <b>656,889</b>              | 692,183             |

## 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

#### 20. TRADE AND OTHER RECEIVABLES (Cont'd)

(b) Movements in the loss allowance for impairment of the Group's trade receivables are as follows:

#### 20. 貿易及其他應收款項(續)

(b) 本集團貿易應收款項減值虧損撥備之變動如下：

|                        |       | Year ended 31 December<br>截至12月31日止年度 |                                  |
|------------------------|-------|---------------------------------------|----------------------------------|
|                        |       | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Beginning of the year  | 年初    | 65,402                                | 48,259                           |
| Impairment losses, net | 淨減值虧損 | 7,171                                 | 20,044                           |
| Exchange differences   | 匯兌差額  | (1,557)                               | (2,901)                          |
| End of the year        | 年末    | 71,016                                | 65,402                           |

At 31 December 2019, the gross carrying amount of trade receivables measured at amortised cost was HK\$510,887,000 (2018: HK\$591,251,000), of which HK\$434,468,000 (2018: HK\$514,541,000) was within one year with expected credit loss rate of 0.1%, HK\$6,624,000 (2018: HK\$6,482,000) was between one year to five years with expected credit loss rate ranging from 5.8% to 69.6%, HK\$22,234,000 (2018: HK\$9,491,000) was over five years with expected credit loss rate of 100.0%, and HK\$47,561,000 (2018: HK\$60,737,000) was from customers with specific credit risk with expected credit loss rate of 100.0% (2018: 90.0%).

於2019年12月31日，按攤銷成本計量的貿易應收款項賬面總值為510,887,000港元（2018年：591,251,000港元），分別有434,468,000港元（2018年：514,541,000港元）為1年內，預期信貸虧損率為0.1%，6,624,000港元（2018年：6,482,000港元）為1年至5年，預期信貸虧損率介乎5.8%至69.6%，22,234,000港元（2018年：9,491,000港元）為5年以上，預期信貸虧損率為100.0%，及47,561,000港元（2018年：60,737,000港元）來自於有特定風險的客戶，預期信貸虧損率為100.0%（2018年：90.0%）。

## 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

#### 20. TRADE AND OTHER RECEIVABLES (Cont'd)

(c) Movements in the loss allowance for impairment of the Group's other receivables are as follows:

#### 20. 貿易及其他應收款項(續)

(c) 本集團其他應收款項減值虧損撥備之變動如下：

|                       |      | Year ended 31 December<br>截至12月31日止年度 |                                  |
|-----------------------|------|---------------------------------------|----------------------------------|
|                       |      | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Beginning of the year | 年初   | 348                                   | 166                              |
| Impairment losses     | 減值虧損 | 231                                   | 196                              |
| Exchange differences  | 匯兌差額 | (12)                                  | (14)                             |
| End of the year       | 年末   | 567                                   | 348                              |

Other receivables are mainly rental deposits, deposits with suppliers and advance to employees. Majority of the above balances relate to receivables for which there was no recent history of default. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied for such receivables at 31 December 2019 was 4.6% (2018: 3.0%).

其他應收款項主要為租金按金、支付供應商按金及預付僱員款項。以上大部分結餘與並無近期違約記錄的應收款項有關。在無法識別具信貸評級的可比公司的情況下，預期信貸虧損透過使用參考本集團過往虧損記錄的虧損率方法進行估計。虧損率已作出調整以反映現行狀況及未來經濟狀況的預測(如適用)。此等應收款項於2019年12月31日所應用的虧損率為4.6%(2018年：3.0%)。

## 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

#### 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

#### 21. 按公允值計入損益金融資產

|                            |        | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|----------------------------|--------|---|---|
| Wealth management products | 財富管理產品 | 14,142  | 42,029  |

The wealth management products are issued by commercial banks in the PRC. These wealth management products are principal protected and with non-guaranteed return. They are denominated in Renminbi and can be redeemed either at any time or at certain time within three months. The fair values of these investments were determined with reference to either the statements provided by the commercial banks or discounted cash flow method.

財富管理產品乃由中國商業銀行發行。該等財富管理產品乃為保本及非保證回報，並以人民幣計值及可於任何時間或三個月內的若干時間贖回。該等投資的公允值乃經參考商業銀行所提供的對賬單或折現現金流量法而釐定。

#### 22. SHORT-TERM DEPOSITS

#### 22. 短期存款

|                                 |              | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|---------------------------------|--------------|---|---|
| At banks                        | 銀行結存         | 15,629  | -   |
| At other financial institutions | 其他財務機構結存     |   |   |
| – A related party (Note 32)     | – 關聯人士(附註32) | 435,365   | 91,303  |
|                                 |              | 450,994   | 91,303  |

Short-term deposits represent deposits with original maturity over 3 months. The effective interest rate on these deposits at 31 December 2019 was 2.6% (2018: 3.2%) per annum.

短期存款乃指原到期日為3個月以上之存款。於2019年12月31日，該等存款之實際年利率為2.6% (2018年：3.2%)。

## 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

#### 23. CASH AND CASH EQUIVALENTS

#### 23. 現金及現金等價物

|                                 |              | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|---------------------------------|--------------|---|---|
| Cash                            | 現金           |   |   |
| At banks and on hand            | 銀行結存及現金      | 203,112   | 164,398   |
| At other financial institutions | 其他財務機構結存     |   |   |
| – A related party (Note 32)     | – 關聯人士(附註32) | 80,128  | 211,127   |
|                                 |              | 283,240   | 375,525   |
| Time deposits (Note (a))        | 定期存款(附註(a))  |   |   |
| At other financial institutions | 其他財務機構結存     |   |   |
| – A related party (Note 32)     | – 關聯人士(附註32) | 66,979  | –   |
|                                 |              | 350,219   | 375,525   |

(a) Time deposits represent deposits with original maturity of 3 months or less.

(a) 定期存款乃指原到期日為3個月或以下之存款。

#### 24. SHARE CAPITAL AND PREMIUM

#### 24. 股本及溢價

|                    |              | Ordinary share of<br>HK\$0.01 each<br>每股面值0.01港元之普通股 |  |  |   |                                |
|--------------------|--------------|--|--|--|---|--------------------------------|
|                    |              | Authorised<br>法定<br>'000<br>千股                       | Issued and<br>fully paid<br>已發行及繳足<br>'000<br>千股 | Share capital<br>股本<br>HK\$'000<br>千港元 | Share<br>premium<br>股份溢價<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
| At 1 January 2018, | 於2018年1月1日，  |  |  |  |   |                                |
| 31 December 2018,  | 2018年12月31日， |  |  |  |   |                                |
| 1 January 2019 and | 2019年1月1日及   |  |  |  |   |                                |
| 31 December 2019   | 2019年12月31日  | 30,000,000   | 2,029,872  | 20,299                                 | 805,155                                     | 825,454                        |

# 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

### 25. LEASE LIABILITIES

### 25. 租賃負債

|                                     |              | HK\$'000<br>千港元 |
|-------------------------------------|--------------|-----------------|
| At 1 January 2019                   | 於2019年1月1日   | 2,672           |
| Exchange differences                | 匯兌差額         | (8)             |
| Interest on the lease liabilities   | 租賃負債利息       | 2,757           |
| New leases                          | 新增租賃         | 89,852          |
| Effect of rental reduction          | 減租的影響        | (18,302)        |
| Lease payments                      | 租賃付款         | (23,121)        |
| At 31 December 2019                 | 於2019年12月31日 | 53,850          |
| Analysed for reporting purposes as: | 作分析報告用途：     |                 |
| Current portion                     | 流動部份         | 21,670          |
| Non-current portion                 | 非流動部份        | 32,180          |
|                                     |              | 53,850          |

### 26. DEFERRED GOVERNMENT GRANTS

### 26. 遞延政府補助

|   |       | Year ended 31 December<br>截至12月31日止年度 |                                  |
|---|-------|---------------------------------------|----------------------------------|
|   |       | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Beginning of the year                       | 年初    | 44,083                                | 31,863                           |
| Exchange differences                        | 匯兌差額  | (974)                                 | (1,947)                          |
| Additions                                   | 增加    | 10,058                                | 23,535                           |
| Credited to the statement of profit or loss | 抵免損益表 | (9,500)                               | (9,368)                          |
| End of the year                             | 年末    | 43,667                                | 44,083                           |

The amount mainly represented various subsidies granted by and received from local government authorities for financing various research and development projects conducted by the Group. These subsidies will be recognised as income over the period necessarily to match with the cost that they are intended to compensate.

該款項主要為因本集團研究及開發項目而從地方政府機關收取之各種補助。此補助將按該開支及補助之間之合理關係在補助之成本發生之期間確認為收入。



## 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

#### 27. TRADE AND OTHER PAYABLES

#### 27. 貿易及其他應付款項

|   |                        | <b>31 December<br/>2019</b> | 31 December<br>2018 |
|---|------------------------|-----------------------------|---------------------|
|   |                        | <b>2019年12月31日</b>          | 2018年12月31日         |
|   |                        | <b>HK\$'000</b>             | HK\$'000            |
|   |                        | 千港元                         | 千港元                 |
| Trade payables                                    | 貿易應付款項                 | <b>312,486</b>              | 401,972             |
| Other payables to related parties<br>(Note 32)    | 其他應付關聯人士款項<br>(附註32)   | <b>9,192</b>                | 9,444               |
| Salary and welfare payables                       | 應付薪酬和福利                | <b>56,754</b>               | 57,341              |
| Other taxes payables                              | 其他應付稅項                 | <b>2,062</b>                | 9,350               |
| Other payables and accrued expenses<br>(Note (a)) | 其他應付款項及預提費用<br>(附註(a)) | <b>156,980</b>              | 160,373             |
|   |                        | <b>537,474</b>              | 638,480             |

(a) Other payables and accrued expenses mainly represented payables for software usage fees for the purposes of research and development and sales commissions.

(a) 其他應付款項及預提費用主要為應付用於研究及開發目的之軟件使用費及銷售佣金。

The ageing analysis of the Group's trade payables mainly based on the date of invoices is as follows:

本集團貿易應付款項主要按發票日期的賬齡分析如下：

|                    |         | <b>31 December<br/>2019</b> | 31 December<br>2018 |
|--------------------|---------|-----------------------------|---------------------|
|                    |         | <b>2019年12月31日</b>          | 2018年12月31日         |
|                    |         | <b>HK\$'000</b>             | HK\$'000            |
|                    |         | 千港元                         | 千港元                 |
| Current to 30 days | 30日內    | <b>148,416</b>              | 258,037             |
| 31 – 60 days       | 31日至60日 | <b>38,280</b>               | 58,261              |
| Over 60 days       | 60日以上   | <b>125,790</b>              | 85,674              |
|                    |         | <b>312,486</b>              | 401,972             |

Included in the balance of trade payables are trade payables to related parties amounting to HK\$2,030,000 (2018: HK\$38,819,000) (Note 32).

計入貿易應付款項結餘內之應付關聯人士貿易款項為2,030,000港元(2018年: 38,819,000港元)(附註32)。

At 31 December 2019 and 2018, the carrying amounts of trade and other payables of the Group approximated their fair values.

於2019年及2018年12月31日，本集團之貿易及其他應付款項之賬面值與其公允值相若。

## 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

#### 28. BANK AND OTHER BORROWINGS

#### 28. 銀行及其他借貸

|   |                    | <b>31 December</b> | 31 December |
|---|--------------------|--------------------|-------------|
|   |                    | <b>2019</b>        | 2018        |
|   |                    | <b>2019年12月31日</b> | 2018年12月31日 |
|   |                    | <b>HK\$'000</b>    | HK\$'000    |
|   |                    | 千港元                | 千港元         |
| Bank borrowings                                   | 銀行借貸               | <b>2,121,009</b>   | 2,226,820   |
| Entrusted loans from related parties<br>(Note 32) | 關聯人士委託貸款<br>(附註32) | <b>66,979</b>      | 68,477      |
|   |                    | <b>2,187,988</b>   | 2,295,297   |
| Secured   | 已抵押                | –                  | 57,500      |
| Unsecured   | 無抵押                | <b>2,187,988</b>   | 2,237,797   |
|   |                    | <b>2,187,988</b>   | 2,295,297   |

Bank and other borrowings were arranged at fixed and variable rates. The average effective interest rate of the Group's bank and other borrowings at 31 December 2019 was 4.2% (2018: 4.2%) per annum.

At 31 December 2019 and 2018, the carrying amounts of bank and other borrowings of the Group approximated their fair values.

At 31 December 2019, bank borrowings of HK\$2,121,009,000 were guaranteed by CEC.

The bank and other borrowings of the Group were denominated in the following currencies:

銀行及其他借貸乃按定息及浮息安排。於2019年12月31日，本集團銀行及其他借貸的平均實際年利率為4.2%（2018年：4.2%）。

於2019年及2018年12月31日，本集團之銀行及其他借貸之賬面值與其公允值相若。

於2019年12月31日，為數2,121,009,000港元的銀行借貸由中國電子集團提供擔保。

本集團之銀行及其他借貸按貨幣劃分如下：

|                   |     | <b>31 December</b> | 31 December |
|-------------------|-----|--------------------|-------------|
|                   |     | <b>2019</b>        | 2018        |
|                   |     | <b>2019年12月31日</b> | 2018年12月31日 |
|                   |     | <b>HK\$'000</b>    | HK\$'000    |
|                   |     | 千港元                | 千港元         |
| Renminbi          | 人民幣 | <b>2,187,988</b>   | 2,237,797   |
| Hong Kong dollars | 港元  | –                  | 57,500      |
|                   |     | <b>2,187,988</b>   | 2,295,297   |

## 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

#### 29. CASH FLOWS GENERATED FROM OPERATIONS

#### 29. 經營產生之現金流量

|  |                   | Year ended 31 December |           |
|--|-------------------|------------------------|-----------|
|  |                   | 截至12月31日止年度            |           |
|  |                   | 2019                   | 2018      |
|  |                   | 2019年                  | 2018年     |
|  |                   | HK\$'000               | HK\$'000  |
|  |                   | 千港元                    | 千港元       |
| Profit before taxation   | 除稅前溢利             | 154,790                | 144,315   |
| Adjustments for:   | 調整：               |                        |           |
| Depreciation of property, plant and equipment                              | 物業、廠房及設備折舊        | 36,620                 | 38,006    |
| Depreciation of right-of-use assets  | 使用權資產折舊           | 21,670                 | –         |
| Amortisation of intangible assets  | 無形資產攤銷            | 7,589                  | 6,911     |
| Interest income  | 利息收入              | (11,893)               | (5,614)   |
| Interest expenses  | 利息支出              | 103,381                | 97,610    |
| Gain on disposal of property, plant and equipment                          | 處置物業、廠房及設備收益      | (9,175)                | (404)     |
| Gain on disposal of a joint venture  | 出售一間合營公司收益        | –                      | (2,415)   |
| Amortisation of land use rights  | 土地使用權攤銷           | –                      | 462       |
| Share of results of associates   | 應佔聯營公司業績          | (121,000)              | (126,651) |
| Share of result of a joint venture   | 應佔一間合營公司業績        | –                      | (228)     |
| Impairment losses on trade and other receivables                           | 貿易及其他應收款項減值虧損     | 7,402                  | 20,240    |
| Provision for inventories  | 存貨之撥備             | 28,586                 | 40,285    |
| Changes in fair value of investment property                               | 投資物業公允值變動         | (522)                  | –         |
| Fair value gains on financial assets at fair value through profit or loss  | 按公允值計入損益金融資產公允值收益 | (957)                  | (3,229)   |
| Gains on disposal of financial assets at fair value through profit or loss | 出售按公允值計入損益金融資產收益  | (1,722)                | (7,211)   |
|  |                   | 214,769                | 202,077   |
| Changes in working capital   | 營運資金變動            |                        |           |
| Inventories  | 存貨                | 114,480                | (237,879) |
| Trade and other receivables  | 貿易及其他應收款項         | (7,010)                | 26,774    |
| Deferred government grants   | 遞延政府補助            | (416)                  | 12,220    |
| Changes in contract liabilities  | 合約負債變動            | (7,014)                | 2,915     |
| Trade and other payables   | 貿易及其他應付款項         | (93,016)               | 2,535     |
| Cash flows generated from operations                                       | 經營產生之現金流量         | 221,793                | 8,642     |

## 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

#### 30. LEASE COMMITMENTS

##### The Group as lessor

The Group's future aggregate minimum lease payments receivables under non-cancellable operating leases are as follows:

|                                     |           | <b>31 December<br/>2019</b> | 31 December<br>2018 |
|-------------------------------------|-----------|-----------------------------|---------------------|
|                                     |           | <b>2019年12月31日</b>          | 2018年12月31日         |
|                                     |           | <b>HK\$'000</b>             | HK\$'000            |
|                                     |           | 千港元                         | 千港元                 |
| Within one year                     | 1年內       | <b>2,630</b>                | 2,689               |
| After one year but within two years | 第1年後至第2年內 | -                           | 2,689               |
|                                     |           | <b>2,630</b>                | 5,378               |

##### The Group as lessee

The Group's future aggregate minimum lease payments under non-cancellable operating leases for office premises under the disclosure requirements prevailing prior to 1 January 2019 are as follows:

|                             |          | 31 December<br>2018 |
|-----------------------------|----------|---------------------|
|                             |          | 2018年12月31日         |
|                             |          | HK\$'000            |
|                             |          | 千港元                 |
| Not later than one year     | 1年內      | 10,911              |
| In the second to fifth year | 第2年至第5年內 | 6,282               |
|                             |          | 17,193              |

#### 31. CONTINGENT LIABILITIES

The Group did not have any material contingent liability at 31 December 2019 (2018: nil).

#### 30. 租賃承擔

##### 本集團作為出租人

本集團根據不可解除之經營租賃而於未來應收之最低租賃款項總額如下：

##### 本集團作為承租人

根據於2019年1月1日前生效之披露要求之本集團根據不可解除之辦公室物業之經營租賃而須於未來支付之最低租賃款項總額如下：

#### 31. 或有負債

於2019年12月31日，本集團並無任何重大或有負債(2018年：無)。

## 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

#### 32. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to those transactions and balances disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions in the ordinary course of business with related parties during the year:

##### (a) Significant transactions with related parties

#### 32. 關聯人士交易及結餘

除於本綜合財務報表其他部份已披露的交易及結餘外，於本年度內本集團於日常業務過程中與關聯人士進行了下列各項重大交易：

##### (a) 與關聯人士之重大交易

|  |                       | Year ended 31 December |          |
|--|-----------------------|------------------------|----------|
|  |                       | 截至12月31日止年度            |          |
|  |                       | 2019                   | 2018     |
|  |                       | 2019年                  | 2018年    |
|  |                       | HK\$'000               | HK\$'000 |
|  |                       | 千港元                    | 千港元      |
| <b>CEC</b>                                     | <b>中國電子集團</b>         |                        |          |
| Interest expenses                              | 利息支出                  | 2,989                  | 3,040    |
| Guarantee fee                                  | 擔保費                   | 10,795                 | 11,171   |
| <b>Companies under common control of CEC</b>   | <b>受中國電子集團共同控制之公司</b> |                        |          |
| Sale of products                               | 銷售產品                  | 166,875                | 167,559  |
| Purchase of goods and services                 | 採購貨品及服務               | 161,116                | 590,804  |
| Interest income                                | 利息收入                  | 5,659                  | 3,294    |
| Rental expenses                                | 租金支出                  | 653                    | 2,360    |
| Rental income                                  | 租金收入                  | 2,434                  | 2,531    |
| Property management fee                        | 物業管理費                 | 7,373                  | 8,605    |
| Additions of right-of-use assets<br>(Note (i)) | 新增使用權資產<br>(附註(i))    | 80,262                 | –        |
| <b>Associate</b>                               | <b>聯營公司</b>           |                        |          |
| Purchase of goods and services                 | 採購貨品及服務               | 6,369                  | 7,437    |

(i) The Group recognised these right-of-use assets based on leases with terms ranging from one year to two years, with the intention to renew these leases for further periods.

(i) 本集團根據租期為1年至2年並打算予以延長的租賃確認該等使用權資產。

## 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

#### 32. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

#### 32. 關聯人士交易及結餘 (續)

##### (b) Significant balances with related parties

##### (b) 與關聯人士之重大結餘

|  |                       | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|--|-----------------------|---|---|
| <b>CEC</b>                                   | <b>中國電子集團</b>         |   |   |
| Other payables                               | 其他應付款項                | 3,349   | 3,424   |
| Borrowings                                   | 借貸                    | 66,979  | 68,477  |
| <b>Companies under common control of CEC</b> | <b>受中國電子集團共同控制之公司</b> |   |   |
| Trade receivables                            | 貿易應收款項                | 71,477  | 64,175  |
| Other receivables                            | 其他應收款項                | 1,094   | 3,453   |
| Cash and deposits                            | 現金及存款                 | 582,472   | 302,430   |
| Contract liabilities                         | 合約負債                  | 3,384   | -   |
| Trade payables                               | 貿易應付款項                | 1,456   | 37,425  |
| Other payables                               | 其他應付款項                | 5,843   | 6,020   |
| <b>Associate</b>                             | <b>聯營公司</b>           |   |   |
| Trade payables                               | 貿易應付款項                | 574   | 1,394   |

Other than the deposits and the borrowings which are interest bearing, the above balances with related parties were unsecured, interest-free and settled according to the relevant contract terms. The borrowings from related parties are unsecured and with an interest rate of 4.35% per annum.

除存款及借貸為附息外，上述關聯人士結餘為無抵押、免息並根據相關的合同條款結算。關聯人士借貸為無抵押及按年利率4.35%計息。

##### (c) Key management compensation

##### (c) 主要管理人員酬金

|   |            | Year ended 31 December<br>截至12月31日止年度 |                                  |
|---|------------|---------------------------------------|----------------------------------|
|   |            | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 6,088                                 | 5,797                            |
| Contributions to retirement schemes       | 退休計劃供款     | 831                                   | 550                              |
|   |            | 6,919                                 | 6,347                            |

## 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. INFORMATION ABOUT STATEMENT OF FINANCIAL POSITION OF THE COMPANY 33. 有關本公司財務狀況表之資料

|   |                | 31 December<br>2019<br>2019年12月31日 | 31 December<br>2018<br>2018年12月31日 |
|---|----------------|------------------------------------|------------------------------------|
|   | Note<br>附註     | HK\$'000<br>千港元                    | HK\$'000<br>千港元                    |
| <b>ASSETS</b>   | <b>資產</b>      |                                    |                                    |
| <b>Non-current assets</b>                             | <b>非流動資產</b>   |                                    |                                    |
| Property, plant and equipment                         | 物業、廠房及設備       | 1,231                              | 1,539                              |
| Right-of-use assets                                   | 使用權資產          | 2,193                              | –                                  |
| Investments in subsidiaries                           | 附屬公司投資         | 1,047,274                          | 1,037,086                          |
| Amount due from a subsidiary                          | 應收一間附屬公司款項     | 2,081,853                          | 2,128,423                          |
|   |                | <b>3,132,551</b>                   | <b>3,167,048</b>                   |
| <b>Current assets</b>                                 | <b>流動資產</b>    |                                    |                                    |
| Trade and other receivables                           | 貿易及其他應收款項      | 71,356                             | 179,659                            |
| Financial assets at fair value through profit or loss | 按公允值計入損益金融資產   | 9,515                              | 37,358                             |
| Cash and cash equivalents                             | 現金及現金等價物       | 55,209                             | 114,801                            |
|   |                | <b>136,080</b>                     | <b>331,818</b>                     |
| <b>Total assets</b>                                   | <b>資產總額</b>    | <b>3,268,631</b>                   | <b>3,498,866</b>                   |
| <b>EQUITY AND LIABILITIES</b>                         | <b>權益及負債</b>   |                                    |                                    |
| <b>Equity</b>   | <b>權益</b>      |                                    |                                    |
| Share capital and premium                             | 股本及溢價          | 825,454                            | 825,454                            |
| Reserves  | 儲備             | 301,078                            | 413,383                            |
|   |                | <b>1,126,532</b>                   | <b>1,238,837</b>                   |
| <b>Liabilities</b>                                    | <b>負債</b>      |                                    |                                    |
| <b>Non-current liabilities</b>                        | <b>非流動負債</b>   |                                    |                                    |
| Lease liabilities                                     | 租賃負債           | 77                                 | –                                  |
| Deferred tax liabilities                              | 遞延稅項負債         | –                                  | 17,119                             |
|   |                | <b>77</b>                          | <b>17,119</b>                      |
| <b>Current liabilities</b>                            | <b>流動負債</b>    |                                    |                                    |
| Trade and other payables                              | 貿易及其他應付款項      | 11,984                             | 9,196                              |
| Bank and other borrowings                             | 銀行及其他借貸        | 2,121,009                          | 2,226,705                          |
| Lease liabilities                                     | 租賃負債           | 2,185                              | –                                  |
| Income tax payables                                   | 應付所得稅款項        | 6,844                              | 7,009                              |
|   |                | <b>2,142,022</b>                   | <b>2,242,910</b>                   |
| <b>Total liabilities</b>                              | <b>負債總額</b>    | <b>2,142,099</b>                   | <b>2,260,029</b>                   |
| <b>Total equity and liabilities</b>                   | <b>權益及負債總額</b> | <b>3,268,631</b>                   | <b>3,498,866</b>                   |

The statement of financial position of the Company was approved by the board of directors on 30 March 2020 and are signed on its behalf by:

本公司之財務狀況表經董事會於2020年3月30日批准，並由下列人士代表簽署：

**Dong Haoran 董浩然**  
Director 董事

**Liu Hongzhou 劉紅洲**  
Director 董事

## 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. INFORMATION ABOUT STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

### 33. 有關本公司財務狀況表之資料 (續)

#### (a) Reserves of the Company

#### (a) 本公司之儲備

|                            |                     | Translation<br>reserve<br>匯兌儲備<br>HK\$'000<br>千港元 | Contributed<br>surplus<br>實繳盈餘<br>HK\$'000<br>千港元 | Retained<br>earnings<br>保留溢利<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|----------------------------|---------------------|---|---|---|--------------------------------|
| <b>At 1 January 2018</b>   | <b>於2018年1月1日</b>   | 7,587   | 231,971   | 173,493   | 413,051                        |
| Total comprehensive income | 全面收益總額              | (7,463)   | –   | 68,691  | 61,228                         |
| Payment of dividend        | 派付股息                | –   | –   | (60,896)  | (60,896)                       |
| <b>At 31 December 2018</b> | <b>於2018年12月31日</b> | 124   | 231,971   | 181,288   | 413,383                        |
| <b>At 1 January 2019</b>   | <b>於2019年1月1日</b>   | <b>124</b>  | <b>231,971</b>                                    | <b>181,288</b>                                  | <b>413,383</b>                 |
| Total comprehensive income | 全面收益總額              | <b>(5,788)</b>                                    | –   | <b>(65,920)</b>                                 | <b>(71,708)</b>                |
| Payment of dividend        | 派付股息                | –   | –   | <b>(40,597)</b>                                 | <b>(40,597)</b>                |
| <b>At 31 December 2019</b> | <b>於2019年12月31日</b> | <b>(5,664)</b>                                    | <b>231,971</b>                                    | <b>74,771</b>                                   | <b>301,078</b>                 |

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is distributable to shareholders in certain circumstances as specified in Section 54 thereof.

根據百慕達1981年(經修訂)·本公司之實繳盈餘可於該公司法第54條所訂明之若干情況下分派予股東。



## 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

#### 34. INVESTMENTS IN SUBSIDIARIES – COMPANY

#### 34. 附屬公司投資—本公司

|  | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|--|---|---|
| Investments – unlisted equity interests, 投資—非上市股權，<br>at cost 按成本值 | <b>1,047,274</b>                                      | 1,037,086   |

Particulars of the principal subsidiaries at 31 December 2019 and 2018 are as follows:

主要附屬公司於2019年及2018年12月31日之詳情如下：

| Name<br>名稱                | Place of establishment<br>and type of legal entity<br>成立地點及公司性質 | Principal place of<br>operation and activities<br>主要經營地點及業務                | Registered and<br>paid-in capital<br>註冊及實收資本 | Interest held<br>所持權益 |                  |                |                  |
|---------------------------|---|--|--|-----------------------|------------------|----------------|------------------|
|                           |   |  |  | 2019<br>2019年         |                  | 2018<br>2018年  |                  |
|                           |   |  |  | Directly<br>直接        | Indirectly<br>間接 | Directly<br>直接 | Indirectly<br>間接 |
| Huada Electronics<br>華大電子 | PRC, limited liability company<br>中國，有限責任公司                     | PRC, design and sale of<br>integrated circuit chips<br>中國，集成電路芯片之<br>設計及銷售 | RMB446,800,000<br>人民幣446,800,000元            | 100%                  | –                | 100%           | –                |
| Huahong<br>華虹             | PRC, limited liability company<br>中國，有限責任公司                     | PRC, design and sale of<br>integrated circuit chips<br>中國，集成電路芯片之<br>設計及銷售 | RMB158,471,000<br>人民幣158,471,000元            | –                     | 95.64%           | –              | 95.64%           |

The Board is of the opinion that the non-controlling interests of Huahong is immaterial to the Group and thus the financial information of Huahong is not disclosed.

董事會認為，華虹之非控股權益對本集團而言屬不重要，故並無披露華虹之財務資料。

# 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

### 35. EMOLUMENTS OF DIRECTORS OF THE COMPANY

#### (i) For the year ended 31 December 2019

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries, are as follows:

| Name of director<br>董事姓名                            | Fee<br>袍金<br>HK\$'000<br>千港元 | Salary<br>薪金<br>HK\$'000<br>千港元 | Estimated  | Retirement   | Discretionary<br>bonuses<br>酌情花紅<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|---|------------------------------|---------------------------------|--|--|---|--------------------------------|
|   |                              |                                 | money value<br>of other<br>benefits<br>其他福利估<br>計貨幣價值<br>HK\$'000<br>千港元 | benefit<br>scheme<br>退休福利<br>計劃<br>HK\$'000<br>千港元 |   |                                |
| Dong Haoran<br>董浩然                                  | -                            | -                               | -  | -  | -   | -                              |
| Yu Jian <sup>(2)</sup><br>虞儉 <sup>(2)</sup>         | -                            | -                               | -  | -  | -   | -                              |
| Jiang Juncheng <sup>(3)</sup><br>姜軍成 <sup>(3)</sup> | -                            | -                               | -  | -  | -   | -                              |
| Liu Hongzhou<br>劉紅洲                                 | -                            | 750                             | -  | 305  | 789 <sup>(1)</sup>                                  | 1,844                          |
| Liu Jinmei<br>劉勁梅                                   | -                            | -                               | -  | -  | -   | -                              |
| Chan Kay Cheung<br>陳棋昌                              | 200                          | -                               | -  | -  | -   | 200                            |
| Qiu Hongsheng<br>邱洪生                                | 200                          | -                               | -  | -  | -   | 200                            |
| Chow Chan Lum<br>鄒燦林                                | 200                          | -                               | -  | -  | -   | 200                            |
|   | 600                          | 750                             | -  | 305  | 789   | 2,444                          |

<sup>(1)</sup> Discretionary bonus for the year 2018 approved and paid in 2019.

<sup>(2)</sup> Appointed on 5 March 2019.

<sup>(3)</sup> Resigned on 5 March 2019.

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors had waived any emoluments during the year.

### 35. 本公司董事的酬金

#### (i) 截至2019年12月31日止年度

作為董事(包括本公司或其附屬公司)提供服務而獲發放或應收的酬金如下:

| Name of director<br>董事姓名                            | Fee<br>袍金<br>HK\$'000<br>千港元 | Salary<br>薪金<br>HK\$'000<br>千港元 | Estimated  | Retirement   | Discretionary<br>bonuses<br>酌情花紅<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|---|------------------------------|---------------------------------|--|--|---|--------------------------------|
|   |                              |                                 | money value<br>of other<br>benefits<br>其他福利估<br>計貨幣價值<br>HK\$'000<br>千港元 | benefit<br>scheme<br>退休福利<br>計劃<br>HK\$'000<br>千港元 |   |                                |
| Dong Haoran<br>董浩然                                  | -                            | -                               | -  | -  | -   | -                              |
| Yu Jian <sup>(2)</sup><br>虞儉 <sup>(2)</sup>         | -                            | -                               | -  | -  | -   | -                              |
| Jiang Juncheng <sup>(3)</sup><br>姜軍成 <sup>(3)</sup> | -                            | -                               | -  | -  | -   | -                              |
| Liu Hongzhou<br>劉紅洲                                 | -                            | 750                             | -  | 305  | 789 <sup>(1)</sup>                                  | 1,844                          |
| Liu Jinmei<br>劉勁梅                                   | -                            | -                               | -  | -  | -   | -                              |
| Chan Kay Cheung<br>陳棋昌                              | 200                          | -                               | -  | -  | -   | 200                            |
| Qiu Hongsheng<br>邱洪生                                | 200                          | -                               | -  | -  | -   | 200                            |
| Chow Chan Lum<br>鄒燦林                                | 200                          | -                               | -  | -  | -   | 200                            |
|   | 600                          | 750                             | -  | 305  | 789   | 2,444                          |

<sup>(1)</sup> 2018年酌情花紅於2019年獲批核及發放。

<sup>(2)</sup> 於2019年3月5日獲委任。

<sup>(3)</sup> 於2019年3月5日辭任。

年內，本集團並無向董事支付任何酬金作為加盟本集團或加盟時之獎勵或作為離任之補償。年內亦無董事放棄任何酬金。

## 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

#### 35. EMOLUMENTS OF DIRECTORS OF THE COMPANY (Cont'd)

##### (ii) For the year ended 31 December 2018

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries, are as follows:

#### 35. 本公司董事的酬金(續)

##### (ii) 截至2018年12月31日止年度

作為董事(包括本公司或其附屬公司)提供服務而獲發放或應收的酬金如下:

| Name of director<br>董事姓名                        | Fee<br>袍金<br>HK\$'000<br>千港元 | Salary<br>薪金<br>HK\$'000<br>千港元 | Estimated<br>money value<br>of other<br>benefits<br>其他福利估<br>計貨幣價值<br>HK\$'000<br>千港元 | Retirement<br>benefit<br>scheme<br>退休福利<br>計劃<br>HK\$'000<br>千港元 | Discretionary<br>bonuses<br>酌情花紅<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
|---|------------------------------|---------------------------------|---|--|---|--------------------------------|
| Dong Haoran<br>董浩然                              | -                            | -                               | -   | -  | -   | -                              |
| Jiang Juncheng<br>姜軍成                           | -                            | -                               | -   | -  | -   | -                              |
| Ma Yuchuan <sup>(2)</sup><br>馬玉川 <sup>(2)</sup> | -                            | -                               | -   | -  | -   | -                              |
| Liu Hongzhou<br>劉紅洲                             | -                            | 750                             | -   | 177  | 654 <sup>(1)</sup>                                  | 1,581                          |
| Liu Jinmei <sup>(3)</sup><br>劉勁梅 <sup>(3)</sup> | -                            | -                               | -   | -  | -   | -                              |
| Chan Kay Cheung<br>陳棋昌                          | 200                          | -                               | -   | -  | -   | 200                            |
| Qiu Hongsheng<br>邱洪生                            | 200                          | -                               | -   | -  | -   | 200                            |
| Chow Chan Lum<br>鄒燦林                            | 200                          | -                               | -   | -  | -   | 200                            |
|   | 600                          | 750                             | -   | 177  | 654   | 2,181                          |

<sup>(1)</sup> Discretionary bonus for the year 2017 approved and paid in 2018.

<sup>(2)</sup> Resigned on 15 January 2018.

<sup>(3)</sup> Appointed on 15 January 2018.

<sup>(1)</sup> 2017年酌情花紅於2018年獲批核及發放。

<sup>(2)</sup> 於2018年1月15日辭任。

<sup>(3)</sup> 於2018年1月15日獲委任。

## 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

#### 36. NET DEBT

#### 36. 債務淨額

|   |             | 31 December<br>2019<br>2019年12月31日<br>HK\$'000<br>千港元 | 31 December<br>2018<br>2018年12月31日<br>HK\$'000<br>千港元 |
|---|-------------|---|---|
| Cash and cash equivalents               | 現金及現金等價物    | 350,219   | 375,525   |
| Short-term deposits                     | 短期存款        | 450,994   | 91,303  |
| Borrowings repayable<br>within one year | 一年內償還借貸     | (2,187,988)   | (2,295,297)   |
| Net debt                                | 債務淨額        | (1,386,775)   | (1,828,469)   |
| Cash and short-term deposits            | 現金及短期存款     | 801,213   | 466,828   |
| Gross debt – fixed interest rates       | 債務總額 – 固定利率 | (2,187,988)   | (2,237,797)   |
| Gross debt – variable interest rates    | 債務總額 – 浮動利率 | –   | (57,500)  |
| Net debt                                | 債務淨額        | (1,386,775)   | (1,828,469)   |

|  |                              | Other assets<br>其他資產          |   | Liabilities<br>from<br>financing<br>activities –<br>Borrowings<br>repayable<br>within<br>one year<br>融資活動的<br>負債 –<br>一年內<br>償還借貸 | Total<br>合計<br>HK\$'000<br>千港元 |
|--|------------------------------|-------------------------------|---|---|--------------------------------|
|  |                              | Cash<br>現金<br>HK\$'000<br>千港元 | Short-<br>term<br>deposits<br>短期存款<br>HK\$'000<br>千港元 | HK\$'000<br>千港元   |                                |
| <b>Year ended 31 December<br/>2018</b> | <b>截至2018年12月31日<br/>止年度</b> |                               |   |   |                                |
| Opening net debt                       | 年初債務淨額                       | 373,831                       | 11,000  | (2,314,473)   | (1,929,642)                    |
| Cash flows                             | 現金流量                         | 14,618                        | 83,654  | (90,322)  | 7,950                          |
| Exchange differences                   | 匯兌差額                         | (12,924)                      | (3,351)   | 109,498   | 93,223                         |
| Closing net debt                       | 年末債務淨額                       | 375,525                       | 91,303  | (2,295,297)   | (1,828,469)                    |
| <b>Year ended 31 December<br/>2019</b> | <b>截至2019年12月31日<br/>止年度</b> |                               |   |   |                                |
| Opening net debt                       | 年初債務淨額                       | 375,525                       | 91,303  | (2,295,297)   | (1,828,469)                    |
| Cash flows                             | 現金流量                         | (19,007)                      | 368,182   | 58,113  | 407,288                        |
| Exchange differences                   | 匯兌差額                         | (6,299)                       | (8,491)   | 49,196  | 34,406                         |
| Closing net debt                       | 年末債務淨額                       | 350,219                       | 450,994   | (2,187,988)   | (1,386,775)                    |

## Five-year Financial Summary

### 五年財務資料摘要

#### RESULTS

#### 業績

|   |                  | Year ended 31 December<br>截至12月31日止年度 |                                  |                                  |                                  |  |
|---|------------------|---------------------------------------|----------------------------------|----------------------------------|----------------------------------|--|
|   |                  | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 | 2017<br>2017年<br>HK\$'000<br>千港元 | 2016<br>2016年<br>HK\$'000<br>千港元 | 2015<br>2015年<br>HK\$'000<br>千港元<br>(Restated)<br>(重列) |
|   |                  | (Audited)<br>(經審核)                    | (Audited)<br>(經審核)               | (Audited)<br>(經審核)               | (Audited)<br>(經審核)               | (Audited)<br>(經審核)                                     |
| Revenue   | 收入               | <b>1,695,486</b>                      | 1,686,996                        | 1,453,035                        | 1,358,953                        | 1,720,099  |
| Profit for the year attributable to owners of the Company | 本年度溢利歸屬於本公司權益持有者 | <b>155,159</b>                        | 113,321                          | 220,097                          | 1,061,166                        | 177,353  |

#### ASSETS AND LIABILITIES

#### 資產及負債

|                   |      | 31 December<br>12月31日            |                                  |                                  |                                  |  |
|-------------------|------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--|
|                   |      | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 | 2017<br>2017年<br>HK\$'000<br>千港元 | 2016<br>2016年<br>HK\$'000<br>千港元 | 2015<br>2015年<br>HK\$'000<br>千港元<br>(Restated)<br>(重列) |
|                   |      | (Audited)<br>(經審核)               | (Audited)<br>(經審核)               | (Audited)<br>(經審核)               | (Audited)<br>(經審核)               | (Audited)<br>(經審核)                                     |
| Total assets      | 資產總額 | <b>4,905,875</b>                 | 4,969,091                        | 5,074,820                        | 6,093,268                        | 6,721,257  |
| Total liabilities | 負債總額 | <b>(2,849,109)</b>               | (3,027,908)                      | (3,032,910)                      | (4,412,619)                      | (5,170,282)  |
|                   |      | <b>2,056,766</b>                 | 1,941,183                        | 2,041,910                        | 1,680,649                        | 1,550,975  |

(i) The financial summary for the year ended 31 December 2015 is restated using the principles of merger accounting, as prescribed in HKAG5. Details of which were disclosed in Note 2.1 of the consolidated financial statements of the Group for the year ended 31 December 2016.

(ii) 截至2015年12月31日止年度之財務資料摘要乃採用香港會計指引第5號所規定之合併會計原則重列。有關詳情已於本集團截至2016年12月31日止年度之綜合財務報表附註2.1披露。

The background features a series of flowing, overlapping blue lines that create a sense of movement and depth. Below these lines, a grid of light blue circles is visible, receding into the distance to create a perspective effect. The overall color palette is various shades of blue, from light to deep, set against a white background.

Room 3403, 34th Floor,  
China Resources Building,  
26 Harbour Road,  
Wanchai, Hong Kong  
香港灣仔港灣道26號  
華潤大廈34樓3403室  
Tel 電話: (852) 2598 9088  
Fax 傳真: (852) 2598 9018

[www.cecht.com.cn](http://www.cecht.com.cn)