

The background of the cover is a vibrant blue with a pattern of white dots and lines, resembling a circuit board or a digital network. In the center, there is a large, stylized circular graphic composed of concentric rings and lines, also in a circuit-like pattern. The text is positioned in the upper left and center of the cover.

TRULY®

信利國際有限公司

Truly International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 00732

2020 年報 ANNUAL REPORT

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GENERAL INFORMATION

一般資料

EXECUTIVE DIRECTORS

Lam Wai Wah (Chairman)
Wong Pong Chun, James
Song Bei Bei
Dai Cheng Yun
Cheung Wing Cheung

NON-EXECUTIVE DIRECTOR

Ma Wai Tong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chung Kam Kwong
Ip Cho Ting, Spencer
Heung Kai Sing

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Lau Fan Yu

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F One Pacific Place
88 Queensway
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG LEGAL ADVISOR

Luk & Partners
In Association with
Morgan, Lewis & Bockius
Suites 1902-09, 19th Floor
Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

執行董事

林偉華(主席)
黃邦俊
宋貝貝
戴成雲
張榮祥

非執行董事

馬煒堂

獨立非執行董事

鍾錦光
葉祖亨
香啟誠

公司秘書及合資格會計師

劉範儒

核數師

德勤 • 關黃陳方會計師行
註冊公眾利益實體核數師
香港
金鐘道88號
太古廣場一座35樓

香港股份過戶登記分處

卓佳秘書商務有限公司
香港皇后大道東183號
合和中心54樓

香港法律顧問

陸繼鏘律師事務所
與摩根路易斯律師事務所聯營
香港
皇后大道中15號
置地廣場公爵大廈
19樓1902-09室

GENERAL INFORMATION

一般資料

MAJOR BANKERS

Agricultural Bank of China Limited
Bank of China Limited
Bank of China (Hong Kong) Limited
China Construction Bank Corporation
China Construction Bank (Asia) Corporation Limited
CMB Wing Lung Bank Limited
CTBC Bank Co., Ltd.
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
Standard Chartered Bank (HK) Limited

REGISTERED OFFICE

P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

PRINCIPAL OFFICE

2/F Chung Shun Knitting Centre
1–3 Wing Yip Street
Kwai Chung, N.T.
Hong Kong

WEBSITE

<http://www.truly.com.hk>

主要往來銀行

中國農業銀行股份有限公司
中國銀行股份有限公司
中國銀行(香港)有限公司
中國建設銀行股份有限公司
中國建設銀行(亞洲)股份有限公司
招商永隆銀行有限公司
中國信託商業銀行股份有限公司
恒生銀行有限公司
中國工商銀行股份有限公司
渣打銀行(香港)有限公司

註冊辦事處

P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

主要辦事處

香港
新界葵涌
永業街1至3號
忠信針織中心2樓

網址

<http://www.truly.com.hk>

FINANCIAL HIGHLIGHTS

財務摘要

For the year ended 31 December

截至十二月三十一日止年度

		2020	2019	Change 變動
		二零二零年	二零一九年	
		HK\$'000 千港元	HK\$'000 千港元	
Revenue	收益	22,171,710	22,532,499	-1.6%
Gross profit	毛利	2,048,801	1,825,411	+12.2%
Profit for the year attributable to owners of the Company	本公司擁有人 應佔本年度溢利	502,287	562,456	-10.7%
EBITDA	稅息折舊及攤銷前利潤	2,481,149	2,288,349	+8.4%
EPS (HK cents)	每股盈利(港仙)			
— Basic	— 基本	15.27	17.10	-10.7%

The Board does not recommend the payment of final dividend for the year ended 31 December 2020 (2019: nil).

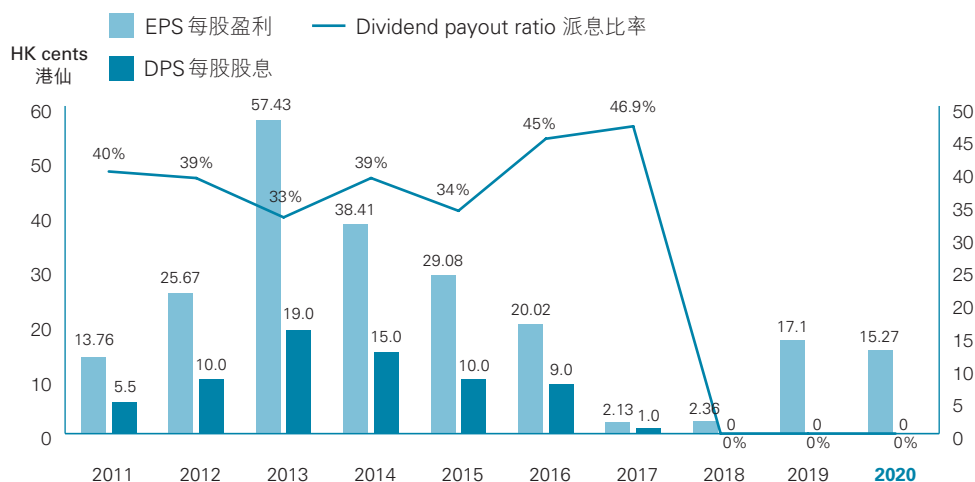
董事會不建議就截至二零二零年十二月三十一日止年度派付末期股息(二零一九年：無)。

FINANCIAL HIGHLIGHTS

財務摘要

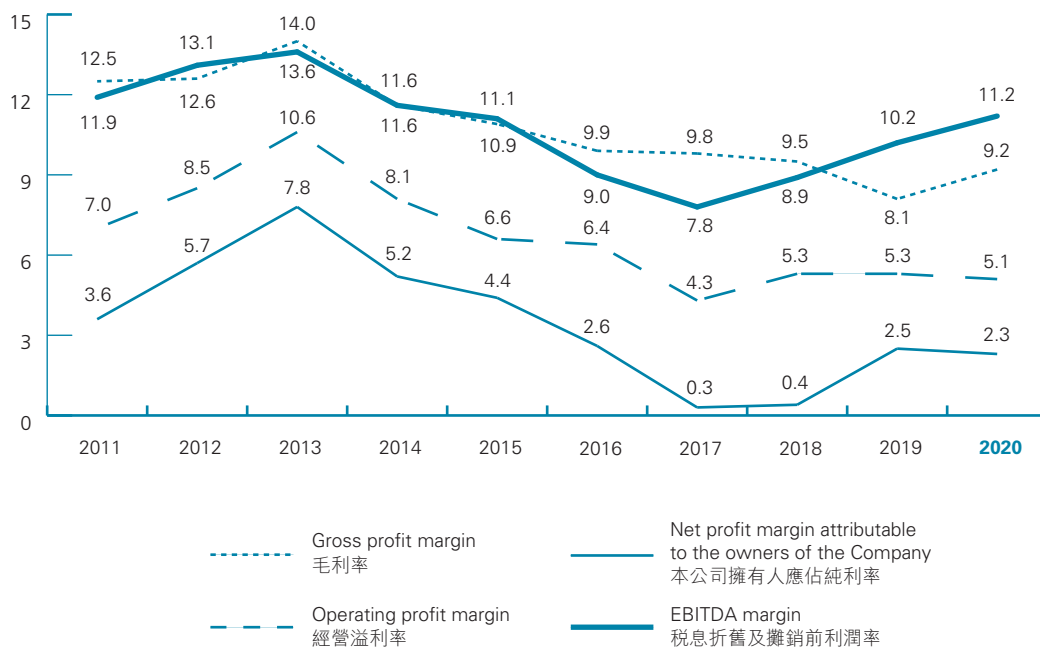
Basic earnings per share, dividends per share and dividend payout ratio

每股基本盈利、每股股息及派息比率



Analysis of EBITDA, gross, operating and net profit margins (%)

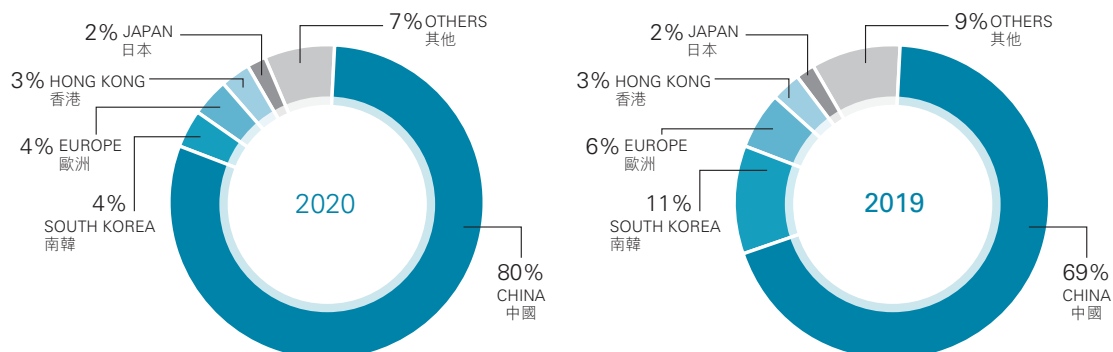
稅息折舊及攤銷前利潤率、毛利率、經營溢利率以及純利率分析 (%)



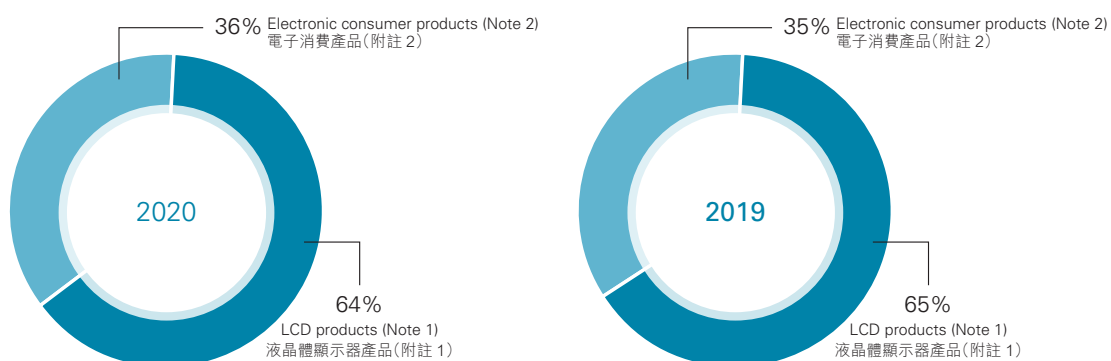
FINANCIAL HIGHLIGHTS

財務摘要

Turnover by geographical segments
按地區分類劃分之營業額



Turnover by operating segments
按經營分類劃分之營業額



Note 1: LCD products — manufacture and distribution of LCD products and touch panel products
附註 1：液晶體顯示器產品 — 製造及分銷液晶體顯示器產品及觸控屏產品

Note 2: Electronic consumer products — manufacture and distribution of electronic consumer products such as CCM, fingerprint identification modules, personal health care products and electrical devices
附註 2：電子消費產品 — 製造及分銷電子消費產品(例如微型相機模組、指紋識別模組、個人保健產品及電子設備)

FINANCIAL SUMMARY

財務資料概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue	收益	22,071,521	20,733,418	19,762,442	22,532,499	22,171,710
Gross profit	毛利	2,195,678	2,040,167	1,885,553	1,825,411	2,048,801
Finance costs	財務費用	(180,237)	(323,108)	(353,679)	(419,129)	(380,025)
Profit before tax	稅前溢利	872,352	187,288	253,319	736,857	738,692
Income tax expense	所得稅開支	(195,785)	(94,451)	(105,106)	(128,693)	(139,919)
Profit for the year	本年度溢利	676,567	92,837	148,213	608,164	598,773
Attributable to:	以下人士應佔：					
Owners of the Company	本公司擁有人	581,867	62,987	74,190	562,456	502,287
Non-controlling interests	非控股權益	94,700	29,850	74,023	45,708	96,486
		676,567	92,837	148,213	608,164	598,773
Earnings per share	每股盈利					
Basic	基本					
(HK cents per share)	(每股港仙)	20.02	2.13	2.36	17.10	15.27

ASSETS AND LIABILITIES

資產及負債

		At 31 December 於十二月三十一日				
		2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Non-current assets	非流動資產	10,099,418	14,371,223	14,154,947	13,978,778	15,390,078
Current assets	流動資產	13,197,343	12,567,607	10,899,554	11,007,458	11,147,378
Total assets	資產總值	23,296,761	26,938,830	25,054,501	24,986,236	26,537,456
Bank and other borrowings	銀行及其他借款	7,227,360	8,457,338	7,193,297	5,822,616	5,512,049
Bonds payable	應付債券	827,456	895,073	850,265	373,731	400,596
Other liabilities	其他負債	7,947,078	9,138,264	8,764,912	9,782,190	10,149,425
Total liabilities	負債總額	16,001,894	18,490,675	16,808,474	15,978,537	16,062,070
Net assets	資產淨值	7,294,867	8,448,155	8,246,027	9,007,699	10,475,386
Equity attributable to owners of the Company	本公司擁有人應佔權益	6,711,475	7,882,771	7,636,576	8,056,021	9,371,885
Non-controlling interests	非控股權益	583,392	565,384	609,451	951,678	1,103,501
Total equity	權益總額	7,294,867	8,448,155	8,246,027	9,007,699	10,475,386

THE CHAIRMAN'S STATEMENT

主席報告書

Truly International Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”) was able to meet management’s expectations in 2020 despite the ongoing trade frictions and the unprecedented impact of the COVID-19 outbreak on the global economy.

Due to the outbreak of the COVID-19 in China in January 2020, I returned to the Group’s headquarters in Shanwei on 27 January 2020 and have remained there till now. During the period, the Group activated the highest level of emergency response plan, formulated the “Emergency Response Plan for Epidemic Prevention and Control”, set up a total of 9 working groups including coordination, temperature checking, disinfection, canteen, dormitory, procurement, isolation, monitoring and publicity, to make thorough arrangements and deployment for the epidemic prevention work. The Group has also strictly implemented various preventive and control measures to effectively protect the health of our staff and ensure safe production with zero infection, and to take advantage of the high degree of automation of our machinery to ensure normal production and operation to meet the sales needs of our customers.

The Group’s revenue of HK\$22.2 billion in 2020 was approximately 1.6% lower than that in 2019, with the smartphone related products business declining by 9.7% year-on-year, while the non-smartphone related products business, particularly industrial, medical and Internet of Things related products, continued to grow by 11.6% year-on-year.

In 2020, in view of the keen competition in the smartphone related products business, business strategy was adjusted to strengthen the higher margin non-smartphone related products business and the Group’s gross profit margin increased to 9.2%, representing an increase of approximately 1.1% when compared to 2019.

Due to an one-off provision of the Leshi Zhixin’s receivables of approximately HK\$282 million (RMB240 million), profit for the year attributable to owners of the Company decreased by approximately 10.7% to approximately HK\$502.3 million in 2020 when compared to 2019.

信利國際有限公司(「本公司」，連同其附屬公司統稱「本集團」)於二零二零年儘管受到持續不斷之貿易摩擦及新型冠狀病毒疫情為全球經濟帶來史無前例之影響，本集團之表現仍達到管理層的預期。

新型冠狀病毒於二零二零年一月在中國爆發，本人在二零二零年一月二十七日回到集團汕尾總部，一直留守至今，期間本集團啟動最高級別緊急應變計劃，製訂了《疫情防控應急工作實施方案》，成立了綜合協調、測溫、消毒、食堂、宿舍、採購、隔離、監察和宣傳共9個工作小組，為防疫工作做了周密安排及部署，並嚴格落實各項防控措施，以有效保障員工健康及安全生產，做到零感染，把握機械高度自動化之優勢，確保正常生產，營運去達到客戶銷售需要。

二零二零年錄得之收益222億港元相對二零一九年在收益方面減少約1.6%，智能手機相關產品業務按年下跌9.7%，而非智能手機相關產品業務(尤其是工業、醫療及物聯網相關產品)持續增長，按年上升11.6%。

鑒於二零二零年智能手機相關產品業務競爭激烈，業務策略已作調整以拓展毛利較高的非智能手機相關產品業務，本集團之毛利率增加至9.2%，較二零一九年增加約1.1%。

由於一次性樂視致新應收款撥備約2.82億港元(人民幣2.4億元)，本公司擁有人應佔本年度溢利二零二零年較二零一九年減少約10.7%至約5.023億港元。

THE CHAIRMAN'S STATEMENT

主席報告書

Truly (Huizhou) Smart Display Limited* (信利(惠州)智能顯示有限公司) ("Truly Huizhou"), a major associate of the Group, continued to improve its financial performance in 2020 and the Group's share of loss from the associate for 2020 decreased by HK\$13.1 million to approximately HK\$2 million when compared to 2019 due to the reduction in finance costs and continued focus on AMOLED wearable product applications.

The Group's fifth generation TFT-LCD production plant in Shanwei has been entered into mass production period in the first quarter of 2020 and delivered finished goods to the Group's major customers in 2020. The mass production of this TFT-LCD production plant has contributed to the Group by reducing the cost of producing TFT-LCD screens used in LCD modules and touch modules.

The Group's other associate in Sichuan is another fifth generation TFT-LCD production plant, which commenced full-scale trial operation in late 2020 and will enter mass production in 2021.

In 2021, the global economy is still facing a lot of uncertainties. However, with the successful development of the COVID-19 vaccine and its widespread use around the world, the global economy is expected to recover gradually from the outbreak. In addition, the growing popularity of 5G networks and the increasing demand for product upgrades from customers will continue to benefit the Group's growth in related products.

The management remains confident of achieving revenue growth in 2021. The management would like to express its appreciation to the Group's bankers, staff and workers for their continuing support and outstanding contribution. Additionally, the management wishes to extend its gratitude for customers, suppliers and other business partners.

Lam Wai Wah
Chairman

Hong Kong, 30 March 2021

本集團之主要聯營公司信利(惠州)智能顯示有限公司(「信利惠州」)於二零二零年之財務表現持續改善，本集團於二零二零年分佔該聯營公司虧損約2百萬港元較二零一九年減少13.1百萬港元，原因為財務費用減少及持續專攻AMOLED穿戴式產品應用。

本集團設於汕尾之第五代TFT-LCD生產廠房已於二零二零年第一季進入量產，製成品亦已於二零二零年交付予本集團之主要客戶。此TFT-LCD生產廠房之量產減輕了生產液晶顯示器模組及觸控模組所用TFT-LCD屏幕之成本，為本集團帶來貢獻。

本集團位於四川之另一間聯營公司為另一間第五代TFT-LCD生產廠房，已於二零二零年底開始全面試運行，並會在二零二一年進入量產。

二零二一年，全球經濟仍面臨較多不確定性，但隨著新型冠狀病毒疫苗研發成功，在全球普及接種，全球經濟預期逐步從疫情中恢復，另5G網絡的普及，增加客戶產品升級需要，將持續有利於集團相關產品業務增長。

管理層對於二零二一年取得收益增長充滿信心。管理層謹此感謝本集團各往來銀行、僱員及員工一直以來的鼎力支持及寶貴貢獻。此外，管理層謹此向客戶、供應商及其他業務夥伴致以謝忱。

主席
林偉華

香港，二零二一年三月三十日

* for identification purpose only

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group is one of the largest manufacturers of smartphone component parts in the PRC and worldwide top-level automotive display suppliers. The Group is principally engaged in the manufacture and sale of liquid crystal display products including touch panel products and electronic consumer products including compact camera module, fingerprint identification modules, personal health care products and electrical devices.

BUSINESS REVIEW

Although it was a challenging year in 2020 for the smartphone industry under the COVID-19 pandemic and the continuing Sino-US trade and political frictions, the Group's revenue of 2020 recorded a slight decrease by 1.6% to approximately HK\$22.2 billion (2019: HK\$22.5 billion).

Profit for the year attributable to the owners of the Company was decreased to approximately HK\$502 million (2019: approximately HK\$562 million) by approximately 10.7%. Basic earnings per share for the year decreased to 15.27 HK cents from 17.1 HK cents in 2019. It was mainly because (i) an one-off provision of the Leshi Zhixin's receivables of HK\$282 million (RMB240 million); (ii) the improvement of gross profit margin from 8.1% in 2019 to 9.2% in 2020; (iii) the appreciation of renminbi exchange rate in 2020 when compared to 2019 and (iv) the continuing improvement on the financial performance of associates of the Group in 2020.

No interim dividend was declared or paid during 2020 (2019: Nil). The Board does not recommend the payment of final dividend for the year ended 31 December 2020 (2019: nil).

The gross profit margin for the year increased to approximately 9.2% (2019: 8.1%) and net profit margin for the year attributable to owners of the Company decreased to 2.3% (2019: 2.5%). Increase in gross profit margin was mainly due to the increase of sales of certain higher margin non-smartphone related products.

The Group's LCD business including touch products was about 64% of the Group revenue in 2020 (2019: 65%). Other businesses of the Group including the sales of compact camera modules, fingerprint identification products and printed circuit board were 36% of the Group's revenue in 2020 (2019: 35%). LCD business would continue to be the core business of the Group in coming few years.

The Group continues to put resources in the Group's research and development by spending around HK\$876 million in 2020 (2019: HK\$809 million). During the year, the Group continued to register many patents related manufacturing process of the PRC factories of the Group.

本集團為中國最大智能手機元件部件製造商及全球頂級汽車顯示屏供應商之一。本集團之主要業務為製造及銷售液晶體顯示器產品（包括觸控屏產品）及電子消費產品，包括微型相機模組、指紋識別模組、個人保健產品及電子設備。

業務回顧

儘管智能手機行業於二零二零年在COVID-19疫情以及持續不斷之中美貿易及政治摩擦下面臨重重挑戰，本集團於二零二零年之收益錄得輕微減少1.6%至約222億港元（二零一九年：225億港元）。

本公司擁有人應佔本年度溢利減少約10.7%至約5.02億港元（二零一九年：約5.62億港元）。本年度每股基本盈利由二零一九年之17.1港仙減少至15.27港仙，主要由於(i)一次性樂視致新應收款撥備2.82億港元（人民幣2.4億元）；(ii)毛利率由二零一九年之8.1%改善至二零二零年之9.2%；(iii)於二零二零年之人民幣匯率較二零一九年升值及(iv)本集團聯營公司於二零二零年之財務表現持續改善。

於二零二零年並無宣派或派付中期股息（二零一九年：無）。董事會不建議就截至二零二零年十二月三十一日止年度派付末期股息（二零一九年：無）。

本年度毛利率上升至約9.2%（二零一九年：8.1%），而本公司擁有人應佔本年度純利率則減少至2.3%（二零一九年：2.5%）。毛利率上升主要由於若干較高毛利之非智能手機相關產品之銷售有所增加。

本集團之液晶體顯示器業務（包括觸控產品）佔本集團於二零二零年之收益約64%（二零一九年：65%）。本集團其他業務（包括微型相機模組、指紋識別產品及印刷電路板銷售）佔本集團於二零二零年之收益為36%（二零一九年：35%）。未來數年液晶體顯示器業務將繼續為本集團之核心業務。

於二零二零年，本集團繼續投入約8.76億港元（二零一九年：8.09億港元）於集團研發工作。於本年度，本集團繼續為旗下中國廠房註冊多項有關生產工序之專利。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Recognitions

During the year, the Group received numerous recognitions from customers, industrial associates and institutions and local governments, major recognitions were shown as follows:

Truly Opto-Electronics Limited (信利光電股份有限公司) (“Truly Opto”), a PRC subsidiary, was named to the list of “Top Guangdong 500 Manufacturing Companies” by Guangdong Manufacturers Association, ranking 37th in 2020.

信利半導體有限公司, a PRC subsidiary, was named to the list of “Top Guangdong 500 Manufacturing Companies” by Guangdong Manufacturers Association, ranking 155th in 2020.

Truly Huizhou was named to the list of “Top Guangdong 500 Manufacturing Companies” by Guangdong Manufacturers Association, ranking 236th in 2020.

Truly Opto, a PRC subsidiary, was awarded the “Guangdong Advanced Unit” by Guangdong Provincial Party Committee.

Segment Information

Information reported to the Company’s executive directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of performance focuses on the sales of different types of products. Inter-segment sales are charged at prevailing market rates. Thus the Group is currently organised into two operating segments which are sales of LCD products and electronic consumer products. The information for each operating segment is as follows:

LCD products	— manufacture and distribution of LCD products and touch panel products
Electronic consumer products	— manufacture and distribution of electronic consumer products such as compact camera module, fingerprint identification modules, personal health care products and electrical devices

榮譽

於年內，本集團獲得了來自客戶、行業協會和機構和地方政府的多項榮譽。主要榮譽記錄如下：

中國附屬公司信利光電股份有限公司(「信利光電」)榮獲廣東省制造業協會列為「二零二零年廣東省制造業企業500強」第37位。

中國附屬公司信利半導體有限公司榮獲廣東省制造業協會列為「二零二零年廣東省制造業企業500強」第155位。

信利惠州榮獲廣東省制造業協會列為「二零二零年廣東省制造業企業500強」第236位。

中國附屬公司信利光電榮獲廣東省委員會的「廣東省先進集體」。

分類資料

向本公司執行董事(即主要營運決策者)報告以分配資源及評估表現的報告資料集中於不同類別產品的銷售。分類間銷售乃按現行市價支銷。因此，本集團目前分為兩個經營分類，即銷售液晶體顯示器產品及電子消費產品。各經營分類的資料如下：

液晶體顯示器產品	— 製造及分銷液晶體顯示器產品及觸控屏產品
電子消費產品	— 製造及分銷電子消費產品(例如微型相機模組、指紋識別模組、個人保健產品及電子設備)

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Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2020

分類收益及業績

本集團按經營及報告分類劃分的收益及業績分析如下：

截至二零二零年十二月三十一日止年度

		LCD products 液晶顯示 器產品 HK\$'000 千港元	Electronic consumer products 電子消費產品 HK\$'000 千港元	Segment total 分類總額 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	外銷	14,247,960	7,923,750	22,171,710	-	22,171,710
Inter-segment sales	分類間銷售	-	279,038	279,038	(279,038)	-
		14,247,960	8,202,788	22,450,748	(279,038)	22,171,710
RESULT	業績					
Segment result	分類業績	959,567	498,878	1,458,445	(13,059)	1,445,386
Finance costs	財務費用					(380,025)
Impairment loss under expected credit loss model on other receivable	其他應收款項預期信用損失模式下減值虧損					(281,901)
Share of results of associates	分佔聯營公司業績					20
Unallocated expenses	未分配開支					(17,577)
Unallocated other gains and losses	未分配其他收益及虧損					(27,211)
Profit before tax	稅前溢利					738,692

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For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		LCD products 液晶顯示 器產品 HK\$'000 千港元	Electronic consumer products 電子消費產品 HK\$'000 千港元	Segment total 分類總額 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	外銷	14,581,528	7,950,971	22,532,499	–	22,532,499
Inter-segment sales	分類間銷售	–	238,247	238,247	(238,247)	–
		14,581,528	8,189,218	22,770,746	(238,247)	22,532,499
RESULT	業績					
Segment result	分類業績	878,094	338,395	1,216,489	(11,162)	1,205,327
Finance costs	財務費用					(419,129)
Share of results of associates	分佔聯營公司業績					(23,968)
Unallocated expenses	未分配開支					(17,782)
Unallocated other gains and losses	未分配其他收益及虧損					(7,591)
Profit before tax	稅前溢利					736,857

Segment profit represents the profit earned by each segment without allocation of central administration costs including directors' salaries, finance costs, share of results of associates, loss on fair value changes of derivative financial instruments, impairment loss under expected credit loss model on other receivable and gain (loss) from changes in fair value of financial assets at fair value through profit or loss and gain on disposal of an associate. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

分類溢利指未分配中央行政管理成本，包括董事薪金、財務費用、分佔聯營公司業績、衍生金融工具公平價值變動虧損、其他應收款項預期信用損失模式下減值虧損及於損益以公平價值列賬之金融資產公平價值變動收益(虧損)及出售聯營公司之收益的各分類所賺取溢利。此為向主要營運決策者報告以分配資源及評估表現的計算方法。

MANAGEMENT DISCUSSION AND ANALYSIS

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Geographical information

The following table sets out information about (i) the Group's revenue from external customers by location of customers and (ii) the Group's non-current assets by location of assets.

地區資料

下表載列(i)本集團按客戶所在地區分類的外部客戶收益及(ii)本集團按資產所在地區分類的非流動資產的資料。

		Revenue from external customers 外部客戶收益		Non-current assets 非流動資產	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
The PRC	中國	17,748,804	15,631,008	14,511,914	13,801,607
South Korea	南韓	922,826	2,544,518	—	—
Hong Kong	香港				
(place of domicile)	(本籍地)	542,544	576,667	15,658	96,190
Japan	日本	370,252	484,406	—	—
Europe	歐洲	936,784	1,272,751	—	—
Others	其他	1,650,500	2,023,149	—	—
		22,171,710	22,532,499	14,527,572	13,897,797

Notes:

- (i) Regarding revenue arising from sales to external customers in Europe and others, no individual countries are material and hence separate disclosure is not required.
- (ii) Non-current assets exclude financial assets at fair value through profit or loss, deferred tax assets and amount due from an associate.

附註：

- (i) 就來自歐洲及其他地區外部客戶的銷售收益而言，概無個別國家佔有重大份額，故並無呈列獨立披露資料。
- (ii) 非流動資產不包括在損益以公平價值列賬之金融資產、遞延稅項資產及應收聯營公司款項。

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Outlook

Looking ahead to 2021, the global economic environment is still full of uncertainties. However, with the successful development of the COVID-19 vaccine and its widespread use around the world, the global economy is expected to recover gradually from the outbreak. In addition, the popularity of 5G networks will increase the need for customers to upgrade their products, and the smartphone and automotive sectors will regain their growth. The management continues to keep abreast of market developments, technological upgrades in the industry and maintain close communication with customers to provide high quality and appropriate products or solutions to achieve business growth. At the same time, the management is confident that the Group's revenue and profit attributable to the owners of the Company will grow in 2021 as it continues to tighten its control over costs and expenses.

Proposed Spin-off Update

The management is still considering to submit a new application to CSRC within 2021 after the application not approved by the Public Offering Review Committee of CSRC in January 2019. Further announcement will be made by the Company as and when appropriate in compliance with the Listing Rules.

前景

展望二零二一年，全球經濟環境仍充滿變數，但隨着新型冠狀病毒疫苗研發成功，在全球普及接種，全球經濟預期逐步從疫情中恢復，另5G網絡的普及，增加客戶產品升級需要，智能手機和汽車行業將重拾增長，管理層仍持續關注市場發展變化，行業科技升級及與客戶保持密切溝通，提供高質量和合適的產品或解決方案，實現業務增長。同時繼續加緊控制成本及支出，管理層對本集團收益及本公司擁有人應佔溢利於二零二一年取得增長充滿信心。

建議分拆進展

繼申請於二零一九年一月不獲中國證監會發行審核委員會批准後，管理層仍考慮於二零二一年內向中國證監會提交新申請。本公司將於適當時間根據上市規則刊發進一步公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 December 2020 (the "Year") was approximately HK\$22.2 billion, representing an decrease of approximately 1.6% or approximately HK\$361 million year-on-year. The decrease in the Group's revenue for the Year was mainly attributable to (i) the smartphone related products business declining by 9.7% year-on-year and (ii) continuing growth in non-smartphone related products business particular for industrial, medical and Internet of Things related products by 11.6% year-on-year.

Gross Profit and Margin

The Group's gross profit for the Year was approximately HK\$2,049 million (2019: approximately HK\$1,825 million) and the gross profit margin was approximately 9.2% (2019: approximately 8.1%), which was approximately 1.1% higher than that for 2019.

The gross profit margin of the Group has been increased from 8.1% to 9.2% in 2020. Increase in gross profit margin was mainly due to increase of sales of certain higher margin industrial, medical and Internet of Things related products and decrease of additional allowance for inventories.

Other Income

The Group's other income for the Year was approximately HK\$155 million, representing an increase of approximately 6.1% or approximately HK\$9 million when compared with 2019. The increase in other income was mainly because the compensation income of approximately HK\$18 million received in 2020 but only approximately HK\$5 million in 2019.

Other Gains or Losses

The Group's other gains or losses for the Year was approximately HK\$31 million net other gain (2019: net other loss of approximately HK\$20 million). The increase in net other gain was mainly because of the appreciation of RMB during the Year and the Group recorded a net foreign exchange gain of approximately HK\$57 million (2019: approximately HK\$2 million net foreign exchange loss).

財務回顧

收益

本集團截至二零二零年十二月三十一日止年度(「本年度」或「年內」)之收益約為222億港元，按年減少約1.6%或約3.61億港元。本集團本年度收益減少主要由於(i)智能手機相關產品業務按年縮減9.7%；及(ii)非智能手機相關產品業務(尤其是工業、醫療及物聯網相關產品)持續按年增長11.6%。

毛利及毛利率

本集團於本年度之毛利約為20.49億港元(二零一九年：約18.25億港元)，而毛利率則約為9.2%(二零一九年：約8.1%)，較二零一九年上升約1.1%。

本集團毛利率由8.1%增至二零二零年之9.2%。毛利率上升主要由於若干利潤較高之工業、醫療及物聯網相關產品銷售增加以及額外存貨撥備減少。

其他收入

本集團於本年度之其他收入約為1.55億港元，較二零一九年增加約6.1%或約9百萬港元。其他收入增加主要由於二零二零年收訖賠償收入約0.18億港元，惟二零一九年則僅約5百萬港元。

其他收益或虧損

本集團於本年度之其他收益或虧損為其他收益淨額約0.31億港元(二零一九年：其他虧損淨額約0.20億港元)。其他收益淨額增加主要由於本年度人民幣升值及本集團錄得之匯兌收益淨額約0.57億港元(二零一九年：匯兌虧損淨額約2百萬港元)。

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Impairment Losses under Expected Credit Loss Model, Net of Reversal

The Group's impairment losses under expected credit loss model, net of reversal was approximately HK\$315 million (2019: approximately HK\$22 million). The increase in impairment losses was mainly due to an one-off provision of the Leshi Zhixin's receivables of approximately HK\$282 million (RMB240 million).

Distribution and Selling Expenses

The Group's distribution and selling expenses for the Year has been slightly decreased by approximately 1.4% or approximately HK\$6 million to approximately HK\$424 million when compared to 2019. The decrease in distribution and selling expenses was mainly attributable to the continuing tight expenditure control by the management.

Administrative Expenses

The Group's administrative expenses for the Year has been significantly increased by approximately 18.3% or approximately HK\$58 million to approximately HK\$377 million when compared to 2019. The increase in administrative expenses was mainly attributable to the significant increase of PRC real estate tax, educational surcharge and city construction and maintenance tax in 2020.

Finance costs

The Group's finance costs for the Year has been decreased by approximately 9.3% or approximately HK\$39 million to approximately HK\$380 million when compared to 2019. The decrease in finance costs was mainly attributable to the decrease in interest on bonds payable and loans from an associate.

Share of results of associates

Share of results of associates by the Group has been turned into slight profit in 2020 (approximately HK\$20,000) from share of loss in 2019 (approximately HK\$24 million). The improvement in share of results of associates was mainly attributable to: (i) the management's appropriate change of production strategy and sales strategy of the Group's major associate, Truly Huizhou, to focus on AMOLED wearable products application and (ii) commencement of full-scale trial operation in late 2020 by Truly (Renshou) High-end Display Technology Limited* (信利(仁壽)高端顯示科技有限公司) ("Truly Renshou"), another major associate of the Group.

* for identification purpose only

預期信用損失模式下減值虧損(扣除撥回)

本集團之預期信用損失模式下減值虧損(扣除撥回)約為3.15億港元(二零一九年:約0.22億港元)。減值虧損增加主要由於一次性樂視致新應收款撥備約2.82億港元(人民幣2.40億元)。

分銷及銷售費用

本集團於本年度之分銷及銷售費用較二零一九年輕微減少約1.4%或約6百萬港元至約4.24億港元。分銷及銷售費用減少主要由於管理層繼續加緊控制支出。

行政費用

本集團於本年度之行政費用較二零一九年大幅增加約18.3%或約0.58億港元至約3.77億港元。行政費用增加主要由於二零二零年中國房產稅、教育費附加及城市維護建設稅大幅增加。

財務費用

本集團於本年度之財務費用較二零一九年減少約9.3%或約0.39億港元至約3.80億港元。財務費用減少主要由於應付債券及聯營公司貸款之利息減少。

分佔聯營公司業績

本集團之分佔聯營公司業績已由二零一九年之分佔虧損(約0.24億港元)轉為二零二零年出現微利(約20,000港元)。分佔聯營公司業績改善主要由於: (i) 管理層適當改變本集團主要聯營公司信利惠州之生產策略及銷售策略, 專攻AMOLED穿戴式產品應用及(ii) 本集團另一間主要聯營公司信利(仁壽)高端顯示科技有限公司(「信利仁壽」)於二零二零年底開始全面試產。

* 僅供識別

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Income Tax Expenses

Pursuant to the relevant law and regulations in the PRC, two of the Company's PRC major subsidiaries were continuously approved as Hi-Tech Enterprise and entitled to 15% PRC enterprise income tax for three years from 2018 to 2020. Accordingly, PRC Enterprise Income Tax is provided at 15% for the year ended 31 December 2020 for these two major PRC subsidiaries.

Profit for the Year Attributable to Owners of the Company

Profit for the Year attributable to owners of the Company was decreased to approximately HK\$502 million by approximately of 10.7% or HK\$60 million when compared to 2019. It was mainly because of (i) an one-off provision of the Leshi Zhixin's receivables of HK\$282 million (RMB240 million); (ii) the improvement of gross profit margin from 8.1% in 2019 to 9.2% in 2020; (iii) the appreciation of renminbi exchange rate in 2020 when compared to 2019 and (iv) the continuing improvement on the financial performance of associates of the Group in 2020.

Significant Investments, Acquisitions, Assets and Liabilities

Update on investment in a major associate — Truly Huizhou

Truly Huizhou has incurred operating loss approximately of HK\$3.3 million in 2020, which 59.7039% loss shared by the Group for the Year. It was significantly decreased by 87.04% or HK\$22 million when compared to 2019, which is mainly due to the reduction in finance costs and continued focus on AMOLED wearable products application. Share of loss from Truly Huizhou by the Group decreased by approximately HK\$13.1 million to approximately HK\$2 million when compared to 2019. The management expected that Truly Huizhou could turn to operating profit in 2021.

For the bank loans obtained by Truly Huizhou under the full guarantee provided by the Group in November 2015, the associate has started to repay by semi-annual instalments in November 2017. As at 31 December 2020, the relevant syndicated loan amount of Truly Huizhou under the Group's corporate guarantee has been reduced to approximately HK\$1.31 billion.

所得稅開支

根據中國相關法律及法規，本公司兩間中國主要附屬公司持續獲批為高新技術企業，於二零一八年至二零二零年止三年間可享15%中國企業所得稅率。因此，截至二零二零年十二月三十一日止年度，該兩間中國主要附屬公司就中國企業所得稅按15%稅率計提撥備。

本公司擁有人應佔本年度溢利

本公司擁有人應佔本年度溢利較二零一九年減少約10.7%或0.60億港元至約5.02億港元，主要由於(i)一次性樂視致新應收款撥備為2.82億港元(人民幣2.40億元)；(ii)毛利率由二零一九年之8.1%改善至二零二零年之9.2%；(iii)於二零二零年之人民幣匯率較二零一九年升值及(iv)本集團聯營公司於二零二零年之財務表現持續改善。

重大投資、收購、資產及負債

有關投資主要聯營公司 — 信利惠州之最新消息

信利惠州於二零二零年錄得經營虧損約3.3百萬港元，本集團於本年度分佔其中59.7039%，較二零一九年顯著減少87.04%或0.22億港元，主要由於財務費用減少及持續專攻AMOLED穿戴式產品應用。本集團分佔信利惠州虧損較二零一九年減少約0.131億港元至約2百萬港元。管理層預期信利惠州可於二零二一年錄得經營溢利。

信利惠州於二零一五年十一月取得由本集團提供全面擔保之銀行貸款，並自二零一七年十一月起每半年分期償還。於二零二零年十二月三十一日，信利惠州獲本集團提供公司擔保之相關銀團貸款額已減至約13.1億港元。

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Update on the 5th generation TFT-LCD Production Plant in Shanwei

The Group's fifth generation TFT-LCD production plant in Shanwei has been entered into mass production period in the first quarter of 2020 and delivered finished goods to the Group's major customers in 2020. The mass production of this TFT-LCD production plant has contributed to the Group by reducing the cost of producing TFT-LCD screens used in LCD modules and touch modules.

Litigation update in relation to Investment in Leshi Zhixin

In February 2017, Truly Electronics Manufacturing Limited (信利電子有限公司) ("Truly Electronics"), an indirectly wholly-owned subsidiary of the Company, entered into an investment agreement, pursuant to which Truly Electronics conditionally agreed to acquire in an aggregate of 2.3438% equity interest in Leshi Zhixin Electronic Technology (Tianjin) Limited* (樂視致新電子科技(天津)有限公司) ("Leshi Zhixin") at a consideration of RMB720,000,000. The first instalment of the consideration in the amount of RMB240 million was paid in March 2017. Subsequently, as the Company's management considered that a condition of the relevant investment agreement has been breached by Leshi Zhixin and/or Leshi Holding (Beijing) Co., Limited* (樂視控股(北京)有限公司) ("Leshi Holding"), Truly Electronics suspended the payment of the remaining instalments of the consideration in the amount of RMB480 million and terminated the said investment agreement in July 2017. In August 2017, Truly Electronics (as plaintiff) filed a civil complaint against Leshi Zhixin and Leshi Holding (as defendants) to seek rectification of the breach by Leshi Zhixin and Leshi Holding and refund of the first instalment of RMB240 million paid by Truly Electronics. For further details, please refer to the Company's announcements dated 29 August 2017, 23 March 2018, and the 2018 Annual Report of the Company.

The Group has been informed by the Group's PRC lawyer that a decision letter issued by the court of first instance has been received in early November 2019, which the court of first instance decided to turn down the Group's civil complaint in relation to the dispute on the investment agreement. Subsequently, the Group has lodged an objection to the high court in Beijing on 15 November 2019. The Beijing High court started the trial of second instance on 20 October 2020 and the Group is waiting for the hearing by the Beijing High Court.

Further announcements will be made by the Company as and when appropriate in compliance with the Listing Rules.

有關汕尾第五代 TFT-LCD 生產廠房之最新消息

本集團設於汕尾之第五代 TFT-LCD 生產廠房已於二零二零年第一季度展開量產，製成品亦已於二零二零年交付予本集團之主要客戶。此 TFT-LCD 生產廠房之量產減輕了生產液晶體顯示器模組及觸控模組所用 TFT-LCD 屏幕之成本，為本集團帶來貢獻。

有關投資樂視致新之訴訟最新消息

於二零一七年二月，本公司間接全資附屬公司信利電子有限公司（「信利電子」）訂立投資協議，據此，信利電子有條件同意按代價人民幣 720,000,000 元收購樂視致新電子科技(天津)有限公司（「樂視致新」）合共 2.3438% 股權。首期代價人民幣 2.40 億元已於二零一七年三月支付。其後，由於本公司管理層認為樂視致新及／或樂視控股(北京)有限公司（「樂視控股」）違反相關投資協議其中一項條件，故信利電子暫停支付餘下多期代價人民幣 4.80 億元，並於二零一七年七月終止上述投資協議。於二零一七年八月，信利電子（作為原告）向樂視致新及樂視控股（作為被告）提出民事起訴，尋求糾正樂視致新及樂視控股之違約情況並退還信利電子支付之首期代價人民幣 2.40 億元。進一步詳情請參閱本公司日期為二零一七年八月二十九日及二零一八年三月二十三日之公告以及本公司二零一八年年報。

本集團中國律師向本集團表示，於二零一九年十一月初接獲原訟法院發出之裁定書，當中裁定駁回本集團就投資協議糾紛提出之民事起訴。其後，本集團於二零一九年十一月十五日向北京高級法院提出上訴，北京高級法院於二零二零年十月二十日開始二審審理，而本集團現正等待北京高級法院聆訊。

本公司將於適當時間根據上市規則刊發進一步公告。

* for identification purpose only

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Update on investment in an associate, Truly Renshou

Truly Renshou has completed the building construction of the fifth generation of TFT-LCD factory in Renshou in 2018. The full installation of the machineries has been completed in 2020 and full-scale trial operation commenced in late 2020 and will enter mass production in 2021. The Group recorded share of profit from the associate of approximately HK\$2 million in 2020 (2019: share of loss of approximately HK\$1.4 million).

Update on Major Transaction Formation of the AMOLED JV Company

On 14 July 2017, Truly Electronics Manufacturing Limited (信利電子有限公司), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company, entered into the AMOLED JV agreement in relation to the formation of the AMOLED JV Company in Renshou County, Meishan City, Sichuan Province, the PRC as the project company for the AMOLED Project. The total investment of the AMOLED JV Company will be RMB27,900 million and production facilities for the sixth generation of AMOLED will be established. The Group will contribute RMB2,000 million for 13.3% equity interest. For detail of it, please refer to the announcement of the Company, Major Transaction Formation of the AMOLED JV Company, dated 14 July 2017.

As additional time is required for preparing and finalizing certain information to be included in the Circular, the dispatch of the Circular has been further delayed to a date on or before 31 May 2021. For detail of it, please refer to the announcement of the Company, Further Delay in Despatch of Circular in Relation to A Major Transaction for the Formation of the AMOLED JV Company, dated 26 February 2021.

Further announcements will be made by the Company as and when appropriate in compliance with the Listing Rules.

New Club Loan for Refinancing

On 9 April 2020, Truly Semiconductors Limited, a wholly-owned subsidiary of the Company, entered into a facility agreement with specific performance covenants and the committed amount of HK\$1.52 billion. For detail of it, please refer to the announcement of the Company dated 9 April 2020. The new club loan with the committed amount of HK\$1.52 billion has been fully withdrawn in June 2020 and the Group has utilized this loan amount plus internal financial resources to fully repay the outstanding syndicated loan balance of HK\$2.25 billion on schedule in June 2020.

有關投資聯營公司信利仁壽之最新消息

信利仁壽已於二零一八年完成於仁壽縣興建第五代TFT-LCD廠房。所有機器安裝於二零二零年完成，於二零二零年底開始全面試運行，並會在二零二一年進入量產。本集團於二零二零年錄得分佔聯營公司溢利約2百萬港元(二零一九年：分佔虧損約1.4百萬港元)。

有關成立AMOLED合資公司之主要交易之最新消息

於二零一七年七月十四日，本公司於中國註冊成立之間接全資附屬公司信利電子有限公司訂立AMOLED合資協議，內容有關於中國四川省眉山市仁壽縣成立AMOLED合資公司，作為AMOLED項目之項目公司。AMOLED合資公司之投資總額將為人民幣279億元，第六代AMOLED生產設施將會建成。本集團將就13.3%股權注資人民幣20億元。詳情請參閱本公司日期為二零一七年七月十四日之公告「主要交易－成立AMOLED合資公司」。

由於需要更多時間編製及落實將載入通函內之若干資料，通函寄發日期已進一步延至二零二一年五月三十一日或之前。詳情請參閱本公司日期為二零二一年二月二十六日之公告「進一步延遲寄發通函－有關主要交易－關於成立AMOLED合資公司」。

本公司將於適當時間根據上市規則刊發進一步公告。

再融資新俱樂部貸款

於二零二零年四月九日，本公司之全資附屬公司信利半導體有限公司訂立一份附帶強制履約契諾之融資協議，承諾提供之總金額為15.2億港元。詳情請參閱本公司日期為二零二零年四月九日之公告。承諾提供之總金額為15.2億港元的新俱樂部貸款已於二零二零年六月全數提取，本集團已於二零二零年六月使用此筆貸款另加內部財務資源以如期全數償還銀團貸款餘額22.5億港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity and Financial Resources

The Group's assets have been increased by approximately HK\$1,551 million and liabilities have been increased by approximately HK\$84 million during the Year.

As at 31 December 2020, the outstanding lease liabilities, bonds payable and bank and other borrowings, net of restricted bank deposits, cash and bank balances, were approximately HK\$4,909 million (2019: approximately HK\$5,657 million). It was decreased by approximately 13% or HK\$748 million when compared to these net borrowings as at 31 December 2019. These borrowing bear interest at prevailing market rate and their maturity profiles are shown in the financial statements. For non-current portion of these borrowings were matured within 5 years.

As at 31 December 2020, the Group had net current liabilities of approximately HK\$3,303 million (as at 31 December 2019, net current liabilities of approximately HK\$3,840 million) and its current ratio increased to 0.77 times as at 31 December 2020 from 0.74 times as at 31 December 2019. The major reason for the decrease in net current liabilities position as at 31 December 2020 was because the Group has reduced debts and new capital expenditures during the Year, implemented some cost control measures and co-operations from customers and suppliers. The management would continue to improve the Group's net current liabilities position.

As at 31 December 2020, the Group has restricted bank deposits, cash and bank balances approximately HK\$1,395 million together with adequate unutilized banking facilities. The Group's working capital is mainly financed by internal cash flow generated from its operation and banking facilities granted by financial institutions. The gearing ratio based on total interest bearing debts, net of restricted bank deposits, cash and bank balances was approximately 52%, which has decreased from 70% at 31 December 2019.

Material Acquisitions and Disposals

Save as disclosed in this report, the Group had no material acquisitions or disposal of subsidiaries and associated companies for the year ended 31 December 2020.

流動資金及財務資源

於本年度，本集團資產增加約15.51億港元，負債則增加約0.84億港元。

於二零二零年十二月三十一日，未償還租賃負債、應付債券以及銀行及其他借款（經扣除受限制銀行存款、現金及銀行結存）約為49.09億港元（二零一九年：約56.57億港元），較二零一九年十二月三十一日之借款淨額減少約13%或7.48億港元。此等借款乃根據現行市場利率計息，其到期狀況載於財務報表內。此等借款之非即期部分於五年內到期。

於二零二零年十二月三十一日，本集團之流動負債淨額約為33.03億港元（於二零一九年十二月三十一日：流動負債淨額約38.40億港元），而流動比率由二零一九年十二月三十一日之0.74倍上升至二零二零年十二月三十一日之0.77倍。於二零二零年十二月三十一日之流動負債淨額減少，主要由於本集團年內削減債務及新資本支出、實施若干成本控制措施及獲得客戶及供應商合作。管理層將繼續改善本集團之流動負債淨額狀況。

於二零二零年十二月三十一日，本集團之受限制銀行存款、現金及銀行結存約為13.95億港元，並有充足的尚未運用銀行備用額。本集團營運資金主要以其營運所產生內部現金流量及金融機構授出之銀行備用額撥付。按計息債務總額（經扣除受限制銀行存款、現金及銀行結存）計算之資本負債比率由二零一九年十二月三十一日之70%下跌至約52%。

重大收購及出售

除本報告所披露者外，截至二零二零年十二月三十一日止年度，本集團概無重大收購或出售附屬公司及聯營公司。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Charges on Assets

On 9 April 2020, Truly Semiconductors Limited, a direct wholly-owned subsidiary of the Company, as the borrower, entered into a facility agreement relating to a term loan facility in the principal amount up to HK\$2,250,000,000 with, among others, a bank as the agent. Please refer to the announcement of the Company dated 9 April 2020 for further details. As at 31 December 2020, the Group's term loan borrowings of approximately HK\$920,000,000 were secured by pledge of the Group's certain assets including equity interests in certain subsidiaries, namely Truly Semiconductors Limited, Truly Electronics Manufacturing Limited, Hong Kong Truly International Holdings Limited, Truly Industrial (Shanwei) Co., Limited (信利工業(汕尾)有限公司), 信利半導體有限公司, a PRC subsidiary and Truly Opto-Electronics Limited (信利光電股份有限公司).

As at 31 December 2020, the Group had no other pledge or mortgage on its fixed assets.

Employee and Remuneration

Around 16,000 workers and staff are currently employed in Shan Wei factories of the Company in the PRC and around 100 personnel in the Group's Hong Kong office. Total staff costs for 2020 were approximately HK\$1,657 million.

Capital Commitments

Capital expenditure commitment of around HK\$254 million in respect of acquisition of property, plant and equipment was contracted for but not provided as at 31 December 2020.

Contingent Liabilities

- (1) At 31 December 2020, the Group has given corporate guarantee for certain bank borrowings granted to the associate, Truly Huizhou, with the borrowing limit at approximately HK\$3.53 billion (2019: approximately HK\$3.37 billion) and the bank loans with the amount of approximately HK\$1.31 billion (2019: approximately HK\$1.80 billion) were utilised by the associate.

Besides, at 31 December 2020, the other shareholder of the associate provided corporate guarantee to the above bank borrowings in proportion to its respective ownership interest amounting to approximately HK\$831 million (2019: approximately HK\$792 million). A counter-indemnity in favour of the other shareholder is executed pursuant to which the Group undertakes to indemnify the other shareholder approximately 23.5% (2019: approximately 23.5%) of the liabilities arising from the bank borrowings.

資產抵押

於二零二零年四月九日，本公司之直接全資附屬公司信利半導體有限公司以借款人名義就本金額最高達2,250,000,000港元之定期貸款融資與(其中包括)一間擔任代理行之銀行訂立融資協議。進一步詳情請參閱本公司日期為二零二零年四月九日之公告。於二零二零年十二月三十一日，本集團約920,000,000港元之定期貸款借款以質押本集團若干資產(包括於若干附屬公司(即信利半導體有限公司、信利電子有限公司、香港信利國際有限公司、信利工業(汕尾)有限公司、中國附屬公司信利半導體有限公司及信利光電股份有限公司)之股權)作擔保。

於二零二零年十二月三十一日，本集團並無質押或抵押其他固定資產。

僱員及薪酬

現時約有16,000名工人及僱員受聘於本公司位於國內汕尾之工廠，以及大約100名員工受聘於本集團香港辦事處。二零二零年員工總成本約為16.57億港元。

資本承擔

於二零二零年十二月三十一日，有關收購物業、廠房及設備之已訂約但未撥備資本支出承擔約為2.54億港元。

或然負債

- (1) 於二零二零年十二月三十一日，本集團就授予聯營公司信利惠州借款上限約為35.3億港元(二零一九年：約33.7億港元)之若干銀行借款作出公司擔保，而該聯營公司已動用銀行貸款約13.1億港元(二零一九年：約18.0億港元)。

此外，於二零二零年十二月三十一日，該聯營公司之其他股東按其相應擁有權權益比例就上述銀行借款提供公司擔保約8.31億港元(二零一九年：約7.92億港元)。本集團以其他股東為受益人簽立反彌償保證，據此本集團承諾向其他股東彌償銀行借款所產生債務其中約23.5%(二零一九年：約23.5%)。

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The directors assess the risk of default of the associate at the end of reporting period and consider the risk to be insignificant and it is less likely that any guaranteed amount will be claimed by the counterparties.

- (2) Furthermore, the Company has received three notices of response to action from the Court according to which, on 31 October 2018, 6 November 2018 and 7 November 2018, the Claimant, Shenzhen Goodix Technology Co., Limited (深圳市匯頂科技股份有限公司) filed three civil complaints (the “Civil Complaints”) against the Defendants including a non-wholly owned subsidiary of the Company, namely, Truly Opto-Electronics Limited* (信利光電股份有限公司) (as 2nd defendant) (“Truly Opto”, together with the 1st defendant and 3rd defendant in the Civil Complaint, the “Defendants”). The Claimant alleged that the acts of the Defendants such as production, sale and promise to sale of optical fingerprint identification modules, lens components and chips without authorization from the Claimant caused an infringement upon the Claimant’s patents. In each of the Civil Complaints, the Claimant sought a judgment from the Court to order that: (i) the Defendants shall immediately cease all acts of patent infringement including but not limited to ceasing production, sale and promise to sale of all products which are subject to the alleged infringement; (ii) the Defendants shall immediately destroy the abovementioned products; (iii) Truly Opto and the 1st defendant shall be jointly liable for compensating the economic loss suffered by the Claimant in the sum of RMB50,000,000 (three civil complaints in aggregate of RMB150 million), and the reasonable expenses incurred by the Claimant in seeking an injunction against the infringement acts in the sum of RMB500,000 (three civil complaints in aggregate of RMB1,500,000); and (iv) the Defendants shall be liable for the litigation expenses in relation to the Civil Complaint. For details of these three litigations, please refer to the Announcements of the Company dated 20 November 2018 and 13 December 2018. The Three Civil Complaints were turned down by the decisions of the relevant court on 30 December 2019 and 3 March 2020 respectively. Therefore, the Group need not pay any compensation to the Claimant. For detail of it, please refer to the announcements of the Company dated 18 February 2020 and 4 March 2020.

董事於報告期末評估聯營公司之違約風險後認為，有關風險並不重大，而交易對方申索任何擔保金額之可能性不大。

- (2) 此外，本公司接獲三份由法院發出之應訴通知書，據此，索償人深圳市匯頂科技股份有限公司先後於二零一八年十月三十一日、二零一八年十一月六日及二零一八年十一月七日向該等被告（包括本公司非全資附屬公司信利光電股份有限公司（「信利光電」，作為第二被告，連同民事訴訟第一被告及第三被告統稱為「該等被告」）提出三宗民事訴訟（「民事訴訟」）。索償人指稱該等被告未經索償人授權進行製造、銷售及許諾銷售光學指紋識別模組、鏡頭組件及芯片等行為侵犯索償人之專利權。針對各項民事訴訟，索償人向法院尋求判令：(i) 該等被告立即停止所有專利侵權行為，包括但不限於停止製造、銷售及許諾銷售所有涉嫌侵權產品；(ii) 該等被告立即銷毀上述產品；(iii) 信利光電及第一被告共同賠償索償人蒙受之經濟損失人民幣50,000,000元（三宗民事訴訟合共人民幣1.50億元）及索償人為尋求禁制侵權行為而產生之合理開支人民幣500,000元（三宗民事訴訟合共人民幣1,500,000元）；及(iv) 該等被告承擔與民事訴訟有關之訴訟費用。有關上述三宗訴訟之詳情，請參閱本公司日期為二零一八年十一月二十日及二零一八年十二月十三日之公告。該三宗民事訴訟先後於二零一九年十二月三十日及二零二零年三月三日遭有關法院駁回。因此，本集團毋須向索償人支付任何賠償。詳情請參閱本公司日期為二零二零年二月十八日及二零二零年三月四日之公告。

* for identification purpose only

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(3) During the year ended 31 December 2020, a wholly owned subsidiary of the Company is a defendant in legal actions in Hong Kong in respect of the claim by a customer for alleged defective goods manufactured by the subsidiary according to its customers' designs and specifications. The claim against the wholly owned subsidiary is approximately US\$23.9 million (equivalent to approximately HK\$186.4 million) in aggregate.

In December 2020, the subsidiary has entered into settlement agreement with the customer pursuant to which it is mutually agreed that the subsidiary is required to deliver certain quantity of products to the customer under pre-agreed delivery time table and payment terms. Upon completion of the deliveries and payment by the customer within 2021, any claims between the Group and the customer shall be deemed finally settled and satisfied. The Directors consider that the fulfillment of the terms of the settlement agreement is highly probable and the legal proceedings will be dismissed accordingly and no provision for legal claims is made.

Exposure to fluctuations in exchange rates will be considered to hedge, if any.

OTHER INFORMATION

Dividends

The Board does not recommend the payment of final dividend (2019: nil) for the year ended 31 December 2020.

No interim dividend (2019: nil) was declared during 2020.

The total dividend payout ratio for the year was zero.

Closure of Register of Members

For determining the entitlement to attend and vote at the 2021 Annual General Meeting, the Register of Members will be closed from Friday, 28 May 2021 to Wednesday, 2 June 2021, during the period no transfer of shares can be registered. In order to be eligible to attend and vote at the AGM, all transfers accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 27 May 2021.

(3) 截至二零二零年十二月三十一日止年度，本公司一間全資附屬公司在香港之法律訴訟中列為被告，該等訴訟涉及一名客戶就該附屬公司根據其客戶之設計及規格製造之貨品被指稱有缺陷而提出索償。針對該全資附屬公司之索賠總額約為0.239億美元（相當於約1.864億港元）。

於二零二零年十二月，該附屬公司與客戶訂立和解協議，據此，雙方同意該附屬公司須根據預先協定的交付時間表及付款條款向客戶交付若干數量的產品。待客戶於二零二一年內完成交付及付款後，本集團與客戶間之任何索賠將被視為最終和解及滿意。董事認為，履行和解協議條款之可能性很大，法律訴訟將據此撤銷，且不會對法律索賠作出任何撥備。

如有匯率波動風險，則會考慮進行對沖。

其他資料

股息

董事會不建議就截至二零二零年十二月三十一日止年度派付末期股息（二零一九年：無）。

於二零二零年並無宣派中期股息（二零一九年：無）。

年內之總派息比率為零。

暫停辦理股份過戶登記手續

為釐定出席二零二一年度股東週年大會並於會上投票之資格，本公司將於二零二一年五月二十八日（星期五）至二零二一年六月二日（星期三）暫停辦理股份過戶登記手續，期間不會進行任何股份過戶登記。為符合資格出席股東週年大會並於會上投票，所有股份過戶文件連同有關股票，須於二零二一年五月二十七日（星期四）下午四時三十分前，送達本公司股份過戶登記分處卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心54樓，以辦理登記手續。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Customers and suppliers

In the year under review, sales to the five largest customers accounted for approximately 30% of the total sales of the Group and purchases from the five largest suppliers accounted for approximately 31% of the total purchases of the Group.

For the year ended 31 December 2020, our largest customer accounted for approximately 8% of the total sales of the Group.

For the year ended 31 December 2020, our largest supplier accounted for approximately 9% of the total purchases of the Group.

As at 31 December 2020, none of the directors, their associates, or any shareholders which to the knowledge of the directors owned more than 5% of the Company's issued share capital had any beneficial interests in the Group's five largest customers and/or five largest suppliers mentioned in the preceding paragraph.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and senior management of the Group are set out as follows:

Mr. Lam Wai Wah, aged 68, is the Chairman and Managing Director of the Company. He is the founder of the Group and has over 40 years of experience in the electronics industry. He is primarily responsible for the formulation of the Group's overall strategic planning and business development.

Mr. Wong Pong Chun, James, aged 62, is an Executive Director of the Company and the Chief Operating Officer of the Group. He is responsible for the Group's operations in respect of internal controls and risk management, investors' relationship and external affairs. He joined the Group in 1987. Mr. Wong has been an Independent Non-executive Director of Vital Innovations Holdings Limited (Stock code: 06133) listed in Hong Kong since 30 December 2020.

Mr. Song Bei Bei, age 44, is an Executive Director of the Company, a senior vice president. He is responsible for government relations and investment project. Mr. Song is also a director of an associate of the Company. Mr. Song joined the Group in 2001 as a design engineer in research and development department and was promoted to project manager and senior project manager during 2005 to 2013. During the period from 2014 to 2018, Mr. Song was further promoted to a senior management position of the Group. He graduated from the North China Institute of Technology with a Bachelor's Degree in Mechatronic Engineering.

客戶及供應商

回顧年內，向五大客戶進行之銷售額佔本集團總銷售額約30%及自五大供應商之購貨額佔本集團總購貨額約31%。

截至二零二零年十二月三十一日止年度，本集團最大客戶佔本集團總銷售額約8%。

截至二零二零年十二月三十一日止年度，本集團最大供應商佔本集團總購貨額約9%。

於二零二零年十二月三十一日，概無董事、彼等之聯繫人或任何據董事所知擁有本公司已發行股本超過5%之股東於前段所述本集團五大客戶及／或五大供應商中擁有任何實益權益。

董事及高級管理人員

本公司董事及本集團高級管理人員之履歷載列如下：

林偉華先生，現年六十八歲，本公司之主席兼董事總經理。彼為本集團之創辦人，從事電子業超過四十年，主要負責制訂本集團之整體策略規劃及業務發展。

黃邦俊先生，現年六十二歲，本公司之執行董事兼本集團營運總監。彼負責本集團有關內部監控及風險管理方面之業務運作、投資者關係與對外事務。彼於一九八七年加入本集團。黃先生自二零二零年十二月三十日起擔任香港上市公司維太創科控股有限公司（股份代號：06133）之獨立非執行董事。

宋貝貝先生，現年四十四歲，本公司執行董事兼本集團之高級副總裁。彼主要負責政府關係及投資規劃。宋先生亦是本公司一間聯營公司之董事。宋先生於二零零一年加入本集團為研發部之設計工程師，後於二零零五年至二零一三年晉升為項目經理及高級項目經理。於二零一四年至二零一八年期間，宋先生再進一步晉升為本集團之高級管理職位。彼畢業於華北工學院並取得機械電子工程學士學位。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Mr. Dai Cheng Yun, age 47, is an Executive Director of the Company, a vice president of the Group. He is responsible for the Group's panel factory operating affairs. Mr. Dai is also a supervisor of a subsidiary and a vice chairman of an associate of the Company. He graduated from the Hunan University of Technology (formerly known as Hunan University of Commerce) with a Bachelor of Marketing Degree. Mr. Dai joined the Group in 2000 as a team head of technicians and was promoted to a senior management position during the period from 2006 to 2018.

Mr. Cheung Wing Cheung, age 50, is an Executive Director of the Company. He holds a Master of Philosophy Degree and a Bachelor of Engineering Degree from The University of Hong Kong, and a Bachelor of Laws Degree from the University of London. He is responsible for overseas sales and marketing affairs (excluding handheld phone products) of the Group. Mr. Cheung Wing Cheung has been serving the Group since year 2000 and in the senior management position for more than 10 years. Before joining the Group, he worked for the technical position from a multi-national technology company.

Mr. Ma Wai Tong, aged 49, joined the Group in January 2011 and was an executive director of the Company, the Chief Financial Officer, an authorised representative and the company secretary of the Group and the Company respectively until 16 November 2020. Mr. Ma was also a vice chairman and deputy general manager of a subsidiary of the Company until 11 November 2020. Mr Ma has been re-designated from an executive Director to a non-executive Director and has resigned as the Chief Financial Officer, the company secretary and an authorised representative of the company with effect from 17 November 2020. Mr. Ma had more than 20 years of auditing, accounting and financing experience and was an independent non-executive director of a company listed in Hong Kong from 14 September 2018 till 24 December 2019. He is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Ma holds a bachelor's degree in Accountancy and a master's degree of Professional Accounting from the Hong Kong Polytechnic University.

Mr. Chung Kam Kwong, aged 63, is an Independent Non-executive Director of the Company and the Chairman of the Group's Audit, Remuneration and Nomination Committees. He is a practising Certified Public Accountant in Hong Kong, fellow member of the Hong Kong Institute of Certified Public Accountants, fellow member of Australian Society of Certified Practising Accountants and a member of the Macau Society of Certified Practising Accountants. Mr. Chung has extensive experience in accounting and financial management and has been the independent Non-executive Director, management consultant and Company Secretary of a number of listed companies in Hong Kong.

戴成雲先生，現年四十七歲，本公司執行董事兼本集團之副總裁。彼主要負責本集團各面板工廠營運事務。戴先生亦是本公司一間附屬公司之監事及一間聯營公司之副董事長。彼畢業於湖南工商大學(前稱湖南商學院)並取得經濟學學士學位。戴先生於二零零零年加入本集團為技術員組長，並於二零零六年至二零一八年期間晉升為本集團之高級管理職位。

張榮祥先生，現年五十歲，本公司之執行董事。彼分別持有香港大學之工程學士學位及哲學碩士學位，並取得University of London之法律學士學位。彼主要負責集團海外銷售及市場事務(不包括手提電話產品)。張榮祥先生於二零零零年加入本集團及任職高級管理職位超過十年。彼於加入本集團之前，曾於一間跨國科技公司任職技術職位。

馬煒堂先生，現年四十九歲，於二零一一年一月加入本集團，並分別擔任本公司執行董事、本集團及本公司之財務總監、授權代表及公司秘書，直至二零二零年十一月十六日止。馬先生亦曾為本公司一間附屬公司之副董事長及副總經理，直至二零二零年十一月十一日止。馬先生由執行董事調任為非執行董事，並辭任本公司財務總監、公司秘書及授權代表，自二零二零年十一月十七日起生效。馬先生擁有超過二十年之審計、會計及財務工作經驗，並於二零一八年九月十四日至二零一九年十二月二十四日期間出任一間香港上市公司之獨立非執行董事。彼為香港會計師公會會員。馬先生持有香港理工大學之會計學學士學位及專業會計碩士學位。

鍾錦光先生，現年六十三歲，本公司之獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會主席。彼為香港執業會計師，並為香港會計師公會資深會員、澳洲會計師公會資深會員，亦為澳門會計師公會成員。鍾先生於會計及財務管理上擁有豐富經驗，並為香港多間上市公司之獨立非執行董事、管理顧問及公司秘書。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Mr. Ip Cho Ting, Spencer, aged 62, is an Independent Non-executive Director and members of the Group's Audit, Remuneration and Nomination Committees. He is the holder of a Bachelor of Science degree from the University of Wisconsin, Green Bay, U.S.A. Mr. Ip is an Accredited Mediator of the Hong Kong International Arbitration Centre.

Mr. Heung Kai Sing, aged 72, is an Independent Non-executive Director and members of the Group's Audit, Remuneration and Nomination Committees. He has experience in textile industry.

Mr. Lau Fan Yu, aged 53, is the Chief Financial Officer and Company Secretary of the company, Mr. Lau is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lau received his bachelor's degree of commerce (major in finance) from Concordia University, Canada in May 1991. He further completed the master of business administration from City University of Hong Kong in November 2001. Mr. Lau has over 25 years of experience in the field of accounting and corporate financial management, including experience as the Chief Financial Officer and Company Secretary in Hong Kong listed companies.

葉祖亭先生，現年六十二歲，獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會之成員。彼持有美國Green Bay威斯康辛大學之理學士學位。葉先生是香港國際仲裁中心之認許調解員。

香啟誠先生，現年七十二歲，獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會之成員。彼於紡織業擁有豐富經驗。

劉範儒先生，現年五十三歲，本公司集團財務總監兼公司秘書，劉先生為特許公認會計師公會之資深會員及香港會計師公會之會員。劉先生於一九九一年五月從加拿大Concordia University取得商學士學位，主修金融。彼其後於二零零一年十一月於香港城市大學取得工商管理學碩士學位。劉先生於會計及企業財務管理方面擁有超過25年經驗，包括於香港上市公司出任集團財務總監及公司秘書之經驗。

By order of the Board
Lam Wai Wah
Chairman

Hong Kong, 30 March 2021

承董事會命
主席
林偉華

香港，二零二一年三月三十日

DIRECTORS' REPORT

董事會報告書

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of liquid crystal display products including touch panel products and electronic consumer products including compact camera module, fingerprint identification modules, personal health care products and electrical devices.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2020 are set out in the consolidated statement of profit or loss and other comprehensive income on page 55.

No interim dividend has been paid or declared during the year ended 31 December 2020.

The directors do not propose the payment of the final dividend for the year ended 31 December 2020.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired plant and machinery amounting to HK\$275,407,000 and furniture, fixtures and equipment amounting to HK\$49,109,000 for the purpose of expanding its manufacturing capacity in Shan Wei City, Guangdong Province and Meishan City, Sichuan Province in the People's Republic of China.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year in the issued share capital of the Company are set out in note 33 to the consolidated financial statements.

董事會提呈截至二零二零年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司乃投資控股公司，其附屬公司之主要業務為製造及銷售液晶顯示器產品（包括觸控屏產品）及電子消費產品，包括微型相機模組、指紋識別模組、個人保健產品及電子設備。

業績及溢利分配

截至二零二零年十二月三十一日止年度的本集團業績載列於第55頁的綜合損益及其他全面收益表內。

於截至二零二零年十二月三十一日止年度並無派付或宣派中期股息。

董事不建議就截至二零二零年十二月三十一日止年度派發末期股息。

物業、廠房及設備

年內，本集團就擴充其位於中華人民共和國廣東省汕尾市及四川省眉山市之產能而添置總值為275,407,000港元之廠房及機器，以及總值為49,109,000港元之傢俬、裝置及設備。

本集團之物業、廠房及設備於年內之上述及其他變動詳情載於綜合財務報表附註16。

股本

本公司之已發行股本於年內之變動詳情載於綜合財務報表附註33。

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2020 were as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Share premium	股份溢價	1,395,441	1,395,441
Special reserve	特別儲備	17,410	17,410
Retained profits	保留溢利	266,182	224,923
		1,679,033	1,637,774

Under the applicable laws of the Cayman Islands, the share premium of the Company is available for distributions or paying dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediate following the distribution or paying dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

The special reserve of the Company represents the difference between the net book values of the underlying assets of the Company's subsidiaries acquired at the date on which the shares of these companies were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisitions.

本公司之可分派儲備

於二零二零年十二月三十一日，本公司可分派予股東之儲備如下：

根據開曼群島之適用法例，本公司之股份溢價可依據其組織章程大綱或細則之條文向股東作出分派或支付股息，惟於緊隨作出分派或支付股息後，本公司須可於日常業務過程中支付到期債項。

本公司之特別儲備乃指於本公司收購其附屬公司之股份當日該等被收購公司之相關資產賬面淨值與本公司就收購而發行之本公司股份面值兩者間之差額。

DIRECTORS' REPORT

董事會報告書

Directors

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

Executive directors:

Lam Wai Wah
Wong Pong Chun, James
Song Bei Bei
Dai Cheng Yun
Cheung Wing Cheung

Non-executive director:

Ma Wai Tong (re-designated from an executive director to a non-executive director with effect from 17 November 2020)

Independent non-executive directors:

Chung Kam Kwong
Ip Cho Ting, Spencer
Heung Kai Sing

In accordance with Articles 100 and 120 of the Company's Articles of Association, Wong Pong Chun, James, Cheung Wing Cheung and Chung Kam Kwong retire and, being eligible, offer themselves for re-election.

The independent non-executive directors are subject to retirement by rotation in accordance with the above articles.

No director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its 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

年內及截至本報告書之日期止，本公司之董事如下：

執行董事：

林偉華
黃邦俊
宋貝貝
戴成雲
張榮祥

非執行董事：

馬煒堂(自二零二零年十一月十七日起由執行董事調任為非執行董事)

獨立非執行董事：

鍾錦光
葉祖亨
香啟誠

依據本公司組織章程細則第100條及第120條之規定，黃邦俊、張榮祥及鍾錦光將告退，惟合資格並表示願意重選連任。

獨立非執行董事須按上述細則輪值告退。

擬於即將舉行之股東週年大會重選連任之董事概無與本公司或其附屬公司訂立任何本集團不得於一年內免付賠償(法定賠償除外)而予以終止之服務合約。

董事之重大合約權益

本公司或其任何附屬公司概無訂立任何本公司董事直接或間接擁有重大權益，並且於本年底或年內任何時間仍然生效之重大合約。

DIRECTORS' REPORT

董事會報告書

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2020, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, 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 Companies, were as follows:

Long positions

(a) Ordinary shares of HK\$0.02 each of the Company

Name of director 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司之已發行 股本百分比 %
Lam Wai Wah 林偉華	Beneficial owner 實益擁有人	1,441,852,000	43.84
	Held by spouse (note 1) 由配偶持有(附註1)	74,844,000	2.28
		1,516,696,000	46.11
Wong Pong Chun, James 黃邦俊	Held by spouse (note 2) 由配偶持有(附註2)	1,650,000	0.05
Song Bei Bei 宋貝貝	Beneficial owner 實益擁有人	1,800,000	0.05
Dai Cheng Yun 戴成雲	Beneficial owner 實益擁有人	202,000	0.01
Cheung Wing Cheung 張榮祥	Beneficial owner 實益擁有人	566,000	0.02

董事之股份及相關股份權益

於二零二零年十二月三十一日，根據本公司遵照證券及期貨條例第352條所保存之登記冊所記錄，或根據上市公司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資料，董事及其聯繫人擁有之本公司及其相聯法團之股份及相關股份權益如下：

好倉

(a) 本公司每股面值0.02港元之普通股

(b) Registered capital of the associated corporation of the Company

Truly Opto-Electronics Limited ("Truly Opto") (Note 3)

Name of director	Capacity	Registered capital contributed (RMB) 提供註冊資本 (人民幣)	Percentage of paid up registered capital of Truly Opto 佔信利光電之繳足註冊資本百分比 %
Lam Wai Wah 林偉華	Beneficial owner 實益擁有人	647,360	0.1755
Wong Pong Chun, James 黃邦俊	Beneficial owner 實益擁有人	2,590,120	0.7024
Ma Wai Tong 馬煒堂	Beneficial owner 實益擁有人	396,100	0.1074
Cheung Wing Cheung 張榮祥	Beneficial owner 實益擁有人	324,020	0.0879

Notes:

1. Lam Wai Wah is deemed to be interested in 74,844,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Chung King Yee, Cecilia.
2. Wong Pong Chun, James is deemed to be interested in 1,650,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Lai Ching Mui, Stella.
3. Truly Opto-Electronics Limited, a company registered in the People's Republic of China, is an indirect non-wholly owned subsidiary of the Company.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as at 31 December 2020.

(b) 本公司相聯法團之註冊資本

信利光電股份有限公司(「信利光電」)(附註3)

Registered capital contributed (RMB) 提供註冊資本 (人民幣)	Percentage of paid up registered capital of Truly Opto 佔信利光電之繳足註冊資本百分比 %
647,360	0.1755
2,590,120	0.7024
396,100	0.1074
324,020	0.0879

附註：

1. 林偉華被視為擁有 74,844,000 股由其配偶鍾琮綺實益持有之本公司普通股權益。
2. 黃邦俊被視為擁有 1,650,000 股由其配偶黎清梅實益持有之本公司普通股權益。
3. 信利光電股份有限公司(於中華人民共和國註冊之公司)為本公司之間接非全資附屬公司。

除上文披露者外，於二零二零年十二月三十一日，各董事或其聯繫人概無擁有本公司或其任何相聯法團之任何股份及相關股份之任何權益或淡倉。

SHARE OPTIONS

During the year, the Company has not adopted any share option scheme.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed above under the heading "Directors' Interests in Shares and Underlying Shares", at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2020, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that other than the interests disclosed above in respect of Lam Wai Wah, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2020.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has not yet adopted new share option scheme during the year.

購股權

年內，本公司概無採納任何購股權計劃。

購買股份或債券之安排

除上文「董事之股份及相關股份權益」所披露之外，本公司或其任何附屬公司於年內並無參與任何安排，致使本公司之董事可透過收購本公司或任何其他法人團體之股份或債券而獲得利益。

主要股東

除上文所披露有關林偉華擁有之權益外，根據本公司遵照證券及期貨條例第336條所保存之主要股東登記冊所顯示，於二零二零年十二月三十一日，本公司並不知悉其於本公司之已發行股本中擁有任何其他有關權益或淡倉。

除上文披露者外，於二零二零年十二月三十一日，本公司並未獲悉本公司已發行股本中之任何其他有關權益或淡倉。

薪酬政策

本集團僱員之薪酬政策乃由薪酬委員會按僱員之貢獻、資歷及能力釐定。

本公司董事之酬金乃由薪酬委員會經考慮本公司之經營業績、個人表現及可資比較市場統計數據釐定。

年內，本公司尚未採納新購股權計劃。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2020.

MODEL CODE

None of the Directors of the Company is aware of information that would reasonably indicate that the Company was not in the year under review in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the code provisions of the Corporate Governance Code (the "Code") for the purposes of reviewing and providing supervision over the Group's financial reporting matters, risk management and internal controls. The annual results of the Group for the year ended 31 December 2020 has been reviewed by the Audit Committee.

The Audit Committee comprises Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, with Mr. Chung Kam Kwong as chairman of the Audit Committee. They meet at least four times a year.

The Group has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

優先購買權

本公司之組織章程細則或開曼群島法例均無關於優先購買權之條文，規定本公司須按比例向現有股東發售新股。

購買、出售或贖回上市證券

截至二零二零年十二月三十一日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

標準守則

根據本公司董事所知悉，並無資料合理顯示本公司於回顧年度未有遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十所載之上市發行人董事進行證券交易的標準守則。

審核委員會

本公司已遵照企業管治守則（「守則」）之守則條文成立審核委員會，以審閱及監督本集團財務申報事宜、風險管理及內部監控。本集團截至二零二零年十二月三十一日止年度之全年業績已經由審核委員會審閱。

審核委員會由鍾錦光先生、葉祖亭先生及香啟誠先生組成，而鍾錦光先生擔任審核委員會主席。彼等每年最少召開四次會議。

本集團已根據上市規則第3.13條接獲各獨立非執行董事分別發出有關其獨立性之年度確證書。本公司認為所有獨立非執行董事均為獨立人士。

REMUNERATION AND NOMINATION COMMITTEES

The Company has a Remuneration Committee and a Nomination Committee respectively which were established in accordance with the relevant requirements of the Code. The two Committees are chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

CORPORATE GOVERNANCE

The Board considers that good corporate governance of the Company is essential to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintain and ensure high standards of corporate governance. We have complied with all the applicable code provisions set out in the "Corporate Governance Code" contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2020, except for a major deviation as below:

- Code Provision A.2.1 — The roles of the Chairman and the Chief Executive are not separated and are performed by the same individual, Mr. Lam Wai Wah. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the Company's management and believes that this structure will enable us to make and implement decisions promptly and efficiently.
- Code Provision E.1.2 — The Chairman did not attend the annual general meeting of the Company held on 5 June 2020 due to remaining in Shanwei factory since February 2020.
- Code Provision A.6.7 — Mr. Heung Kai Sing, an independent non-executive director of the Company was unable to attend the annual general meeting of the Company held on 5 June 2020 due to concern on COVID-19 infection.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner. More details are contained in the separate Corporate Governance Report on pages 37 to 47.

薪酬委員會及提名委員會

本公司已根據守則之相關規定分別成立薪酬委員會及提名委員會。該兩個委員會均由獨立非執行董事鍾錦光先生出任主席，並包括三名其他成員，即葉祖亭先生及香啟誠先生（獨立非執行董事）以及黃邦俊先生（本公司執行董事）。

企業管治

董事會認為本公司良好的企業管治對保障股東利益及提升本集團表現而言至關重要。董事會致力維持及確保高水準之企業管治。截至二零二零年十二月三十一日止年度內，本集團一直遵守上市規則附錄十四內之「企業管治守則」所載之所有適用守則條文，惟以下重大偏差除外：

- 守則條文第A.2.1條 — 主席及行政總裁之職位並未分開，由同一人（林偉華先生）出任。董事會將定期舉行會議，以考慮影響本公司運作之重大事宜。董事會認為此架構將不會導致董事會與本公司管理層之間之權力及授權失衡，並相信此架構將使本集團能快速及有效制訂及推行決策。
- 守則條文第E.1.2條 — 由於主席自二零二零年二月起一直留守汕尾廠房，故缺席於二零二零年六月五日舉行之本公司股東週年大會。
- 守則條文第A.6.7條 — 本公司獨立非執行董事香啟誠先生因擔心感染新型冠狀病毒而未能出席於二零二零年六月五日舉行之本公司股東週年大會。

董事會將不斷檢討及改進本公司之企業管治實務及準則，確保業務活動及決策過程得到恰當及審慎之規管。更多詳情載於第37至47頁之獨立企業管治報告。

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2020.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$225,000.

AUDITORS

A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Lam Wai Wah
CHAIRMAN

Hong Kong, 30 March 2021

公眾持股量充裕程度

本公司於截至二零二零年十二月三十一日止年度內一直維持足夠之公眾持股量。

捐款

於年內，本集團捐出為數225,000港元之慈善及其他捐款。

核數師

在本公司之股東週年大會上將提呈一項決議案，以再度委聘德勤•關黃陳方會計師行連任本公司核數師一職。

代表董事會

主席
林偉華

香港，二零二一年三月三十日

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS AND BOARD COMMITTEES

The Board

The Board was responsible for the Company's corporate governance, and was ultimately accountable for the Company's activities, strategies and financial performance.

The Board was mainly responsible for formulating and approving the business strategies, objectives, policies and plans of the Company, and monitoring the execution of the Company's strategies. It was also responsible for overseeing the operating and financial performance of the Company and establishing appropriate risk control policies and procedures in order to ensure that the strategic objectives of the Company are materialized. In addition, the Board was also responsible for improving the corporate governance structure and enhancing communications with shareholders.

The Board has delegated the responsibilities for the execution of strategies and decision-making for day-to-day operation of the Company to the management team headed by the Managing Director, Mr. Lam Wai Wah.

The management reported regularly to the Board on the operating and financial performance of the Company. Development, expansion and other major capital expenditure and commitment, as well as major financing decisions were all reviewed and approved by the Board.

Connections between members of the Board

None of the members of the Board have any connections (including financial, business, family relationship and other material/related relationships) with each other during the period under review.

Director's dealing in securities

Having made specific enquiry of all the Directors, the Company confirmed that all Directors had complied with their obligations regarding dealings in securities under the Model Code set out in Appendix 10 of the Listing Rules during the period under review.

董事會及董事會委員會

董事會

董事會負責本公司之企業管治，並對本公司之活動、策略及財務表現承擔最終責任。

董事會主要負責制訂及批准本公司之業務策略、目標、政策及計劃，以及監督本公司策略之執行。董事會亦負責監督本公司之經營及財務表現，制訂合適之風險監控政策及程序，以確保本公司策略性目標之實現。此外，董事會亦負責改善企業管治結構及增強與股東之溝通。

董事會將本公司之策略執行、日常經營決策等職責轉授予由董事總經理林偉華先生領導之管理層團隊。

管理層向董事會定期報告本公司之經營及財務表現。發展、擴張及其他重大資本開支及承擔以及重要融資決策均由董事會審閱及批准。

董事會成員之關連

於回顧期間，董事會成員之間概無任何關連（包括財務、業務、家庭關係及其他重大／關聯關係）。

董事之證券交易

經向全體董事作出特定查詢後，本公司確認全體董事於回顧期間內已遵守上市規則附錄十所載之標準守則關於證券交易之規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

Non-executive directors

The non-executive Directors were not appointed for a specific term but were subject to retirement by rotation in accordance with the Company's Articles of Association.

Independent non-executive Directors

The Company has received confirmation from each of the independent non-executive Directors as regards his independence to the Company and considered that each of the independent non-executive Directors was independent to the Company during the period under review.

Directors' Training

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All directors are encouraged to attend relevant training courses at the Company's expenses. The Company has been encouraging the directors to participate continuous professional development courses and seminars organized by professional institutions or professional firms and reading materials on relevant topics so that they can continuously update and further improve their relevant knowledge and skills.

In addition, the Company Secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials.

非執行董事

非執行董事無固定任期，惟須根據本公司之組織章程細則輪值告退。

獨立非執行董事

本公司已接獲各獨立非執行董事就彼等為本公司獨立人士之事宜而發出之確認書，並認為各獨立非執行董事於回顧期間內確屬本公司獨立人士。

董事培訓

董事須參與合適持續專業發展以提升及更新彼等之知識及技能，確保彼等對董事會作出知情及相關貢獻。本公司鼓勵全體董事出席相關培訓課程，費用由本公司支付。本公司一直鼓勵董事參與由專業機構或專業公司舉辦之持續專業發展課程及座談會以及相關主題之閱讀資料，從而讓彼等持續更新及進一步提升彼等之相關知識及技能。

此外，公司秘書不時向董事書面報告上市規則、企業管治常規及其他規管制度之最新變動及發展。

Board committees

The Board was supported by three Board Committees. Each Board Committee has its own responsibilities, power and functions. The chairman of the respective Board Committees reported to the Board from time to time and made recommendations on matters discussed when appropriate.

Remuneration Committee

The Company has established the remuneration committee (the "Remuneration Committee") in compliance with the Listing Rules. The Remuneration Committee is governed by its terms of reference, which have been revised by the Board on 26 March 2012 pursuant to the CG Code, setting out the Remuneration Committee's authority, duties and responsibilities are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee is chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure of the remuneration of the directors and senior management and the specific remuneration packages of all executive directors and senior management. Details of the remuneration of each of the directors for the year are set out in Note 12 to the consolidated financial statements.

Five meetings were held during the year by the Remuneration Committee to review the remuneration packages and assess the performance of executive directors and non-executive director and the director's fees of the independent non-executive directors. All members of the Remuneration Committee attended the said meeting.

董事會委員會

董事會下設三個董事會委員會。各董事會委員會之職責、權力及職能各不相同。各董事會委員會主席不時向董事會報告，並於適當時候就所討論事務向董事會提供建議。

薪酬委員會

本公司已遵照上市規則成立薪酬委員會（「薪酬委員會」）。薪酬委員會受其職權範圍規管，該職權範圍已獲董事會於二零一二年三月二十六日根據企業管治守則修訂，當中載有薪酬委員會之權力、職務及職責之經修訂職權範圍可於本公司及聯交所網站查閱。

薪酬委員會由獨立非執行董事鍾錦光先生出任主席，並包括三名其他成員本公司獨立非執行董事葉祖亭先生及香啟誠先生以及執行董事黃邦俊先生。

薪酬委員會之主要職責為就本公司有關董事及高級管理人員之薪酬政策及架構以及就全體執行董事及高級管理人員之具體薪酬待遇，向董事會提出建議。本年度各董事之薪酬詳情載於綜合財務報表附註12。

年內，薪酬委員會舉行五次會議，以審閱執行董事之薪酬待遇及評核執行董事及非執行董事之表現及獨立非執行董事之董事袍金。全體薪酬委員會成員均已出席上述會議。

Nomination Committee

The Company has established the nomination committee (the Nomination Committee) in compliance with the Listing Rules. The Nomination Committee is governed by its terms of reference, which have been revised by the Board on 26 March 2012 and 20 August 2014 pursuant to the CG Code, setting out the Nomination Committee's authority, duties and responsibilities are available on the websites of the Company and the Stock Exchange.

The Nomination Committee is chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis and to make recommendations to the Board on matters relating to any proposed changes.

The Company has adopted a board diversity policy which sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Five meetings were held during the year by the Nomination Committee to review the nomination procedures and the current composition of the Board. All members of the Nomination Committee attended the said meeting.

Audit Committee

The Company has established the audit committee (the "Audit Committee") in compliance with the Listing Rules. The Audit Committee is governed by its terms of reference, which have been revised by the Board on 26 March 2012 and 18 November 2015 pursuant to the CG Code, setting out the Audit Committee's authority, duties and responsibilities are available on the websites of the Company and the Stock Exchange.

The primary duties of the Audit Committee are to review and provide supervision over the Group's financial reporting matters, internal controls and the system of risk management.

The Audit Committee comprises Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, with Mr. Chung Kam Kwong as chairman of the Audit Committee.

The Audit Committee held five meetings during the year. All members of the Audit Committee attended the said meeting.

提名委員會

本公司已遵照上市規則成立提名委員會（「提名委員會」）。提名委員會受其職權範圍規管，該職權範圍已獲董事會於二零一二年三月二十六日及二零一四年八月二十日根據企業管治守則修訂，當中載有提名委員會之權力、職務及職責之經修訂職權範圍可於本公司及聯交所網站查閱。

提名委員會由獨立非執行董事鍾錦光先生出任主席，並包括三名其他成員本公司獨立非執行董事葉祖亨先生及香啟誠先生以及執行董事黃邦俊先生。

提名委員會之主要職責為定期檢討董事會之架構、人數及組成，並就有關任何建議變動之事宜向董事會提出建議。

本公司已採納董事會成員多元化政策，其旨在列載董事會為達致及保持成員多元化而採取的方針，以提高董事會之有效性。

年內，提名委員會舉行五次會議，以審閱董事會之提名程序及現有成員。全體提名委員會成員均已出席上述會議。

審核委員會

本公司已遵照上市規則成立審核委員會（「審核委員會」）。審核委員會受其職權範圍規管，該職權範圍已獲董事會於二零一二年三月二十六日及二零一五年十一月十八日根據企業管治守則修訂，當中載有審核委員會之權力、職務及職責之經修訂職權範圍可於本公司及聯交所網站查閱。

審核委員會之主要職責為審閱及監察本集團財務申報事宜、內部監控及風險管理系統。

審核委員會由鍾錦光先生、葉祖亨先生及香啟誠先生組成，而鍾錦光先生擔任審核委員會主席。

年內，審核委員會舉行五次會議。全體審核委員會成員均已出席上述會議。

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企業管治報告

The Board Meetings, Board Committees Meetings and General Meetings

The Directors' attendances at the Board Meetings, the Board Committees Meetings and General Meetings for the year ended 31 December 2020 were as follows:

董事會會議、董事會委員會會議及股東大會

於截至二零二零年十二月三十一日止年度，董事於董事會會議、董事會委員會會議及股東大會之出席情況如下：

Director 董事	Board 董事會	Number of meetings attended 出席會議次數			General Meetings 股東大會
		Board Committees 董事會委員會			
		Audit 審核	Remuneration 薪酬	Nomination 提名	
Executive directors:					
執行董事：					
Lam Wai Wah 林偉華	5/5	n/a 不適用	n/a 不適用	n/a 不適用	0/1
Wong Pong Chun, James 黃邦俊	5/5	n/a 不適用	5/5	5/5	1/1
Song Bei Bei 宋貝貝	5/5	n/a 不適用	n/a 不適用	n/a 不適用	0/1
Dai Cheng Yun 戴成雲	5/5	n/a 不適用	n/a 不適用	n/a 不適用	0/1
Cheung Wing Cheung 張榮祥	5/5	n/a 不適用	n/a 不適用	n/a 不適用	1/1
Non-executive director:					
非執行董事：					
Ma Wai Tong (Note) 馬煒堂(附註)	5/5	n/a 不適用	n/a 不適用	n/a 不適用	1/1
Independent non-executive directors:					
獨立非執行董事：					
Chung Kam Kwong 鍾錦光	5/5	5/5	5/5	5/5	1/1
Heung Kai Sing 香啟誠	5/5	5/5	5/5	5/5	0/1
Ip Cho Ting, Spencer 葉祖亭	5/5	5/5	5/5	5/5	1/1
Total number of meeting(s) held 舉行會議總數					
	5	5	5	5	1

Note: Mr. Ma Wai Tong was re-designated from an executive director to a Non-executive director with effect from 17 November 2020. Among 5 board meetings, Mr. Ma attended 4 board meetings and 1 board meeting in his capacity as an executive director and a non-executive director, respectively. He also attended 1 general meeting in his capacity as an executive director.

附註：馬煒堂先生由執行董事調任為非執行董事，自二零二零年十一月十七日起生效。在5次董事會會議中，馬先生以執行董事身分出席4次董事會會議，並以非執行董事身分出席1次董事會會議。彼亦以執行董事身分出席1次股東大會。

AUDITOR'S REMUNERATION

For the year ended 31 December 2020, the fees paid to the Company's external auditors amounted to HK\$3,400,000.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems of the Company and reviewing their effectiveness. The Board oversees the overall risk management of the Group and endeavours to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failures to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Throughout the year from 1 January 2020 to 31 December 2020, the Board conducted reviews of the effectiveness of the internal control system in all material respects including but not limited to operational, financial, risk management and compliance controls. The Group's system of internal control comprised a well-defined organizational and management structure with levels and limits of authority which was established to help achieve business objectives, safeguard assets against unauthorized access or disposal, ensure the maintenance of proper accounting records to produce reliable management and financial information for internal use and for publication purpose, help management mitigate potential risk factors and ensure compliance with relevant rules and regulations. The system was designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems so as to achieve the Group's objectives and long-term goals.

核數師之薪酬

截至二零二零年十二月三十一日止年度，支付予本公司外聘核數師之費用為3,400,000港元。

風險管理及內部監控

董事會負責本公司之風險管理及內部監控系統以及檢討其成效。董事會監督本集團整體風險管理，並致力於識別風險、監控已識別風險之影響及推動實行配合減輕風險之措施。本公司之風險管理及內部監控系統旨在管理（但非完全杜絕）未能達致業務目標之風險，亦只會就重大失實陳述或損失提供合理（但並非絕對）保證。於二零二零年一月一日至二零二零年十二月三十一日止年度期間，董事會就內部監控系統之成效進行檢討，有關檢討涵蓋所有重要監控領域，包括但不限於營運監控、財務監控、風險管理及合規監控。本集團內部監控系統包括一個明確界定標準及權限之組織及管理架構，旨在協助實現本集團之業務目標，保障資產免受未經授權使用或出售，確保備存適當會計記錄以提供可靠之管理及財務資料作內部使用及刊發之用，幫助管理層減低潛在風險因素，以及確保遵守有關法規及規定。該系統旨在合理（但並非絕對）保證並無重大失實陳述或損失情況，並管理（但非完全杜絕）營運系統之失誤風險以實現本集團之目的及長期目標。

The process used to identify, evaluate and manage significant risks

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

Risk Identification

- Identifies risks that may potentially affect the Group's business and operations.

Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact and consequence on the business and the likelihood of their occurrence.

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to the management and the Board regularly.

The main features of the risk management and internal control systems

Control procedures have been designed to safeguard assets against misappropriation and disposition; ensure compliance with relevant laws, rules and regulations; ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and to provide reasonable assurance against material misstatement, loss or fraud.

用於識別、評估及管理重大風險之程序

本集團用於識別、評估及管理重大風險之程序概述如下：

風險識別

- 識別可能對本集團業務及營運構成潛在影響之風險。

風險評估

- 採用管理層制訂之評估標準，評估已識別風險；及
- 考慮風險對業務之影響及後果以及出現風險可能性。

風險應對

- 透過比較風險評估之結果，排列風險處理次序；及
- 釐定風險管理策略及內部監控程序，以防止、避免或降低風險。

風險監察及匯報

- 持續並定期監察風險，並確保設有適當之內部監控程序；
- 於出現任何重大變動時，修訂風險管理策略及內部監控程序；及
- 定期向管理層及董事會匯報風險監察結果。

風險管理及內部監控系統之主要特點

監控程序乃為保障資產免遭挪用及處置；確保遵守相關法例、規則及規例；確保有關為業務用途或刊發而提供可靠財務資料之會計記錄得到妥善保管；及針對重大失實陳述、損失或欺詐提供合理保證而設。

The process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects

The Board would be directly responsible for internal control of the Group and for reviewing its effectiveness.

The Board has engaged an external compliance consultancy and Internal control services limited as its risk management and internal control review adviser ("the Adviser") to conduct the annual review of the risk management and internal control systems for the year ended 31 December 2020. Such review is conducted annually and cycles reviewed are under rotation basis. The scope of review was previously determined and approved by the Board. The Adviser has reported findings and areas for improvement to the Audit Committee and management. The Board and Audit Committee are of the view that there are no material internal control defeats noted. All recommendations from the Adviser are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board therefore considered that the risk management and internal control systems are effective and adequate.

The procedures and internal controls for the handling and dissemination of inside information

The Board assesses the likely impact of any unexpected and significant event that may impact the price of the Shares or their trading volume and decides whether the relevant information is considered inside information and needs to be disclosed as soon as reasonably practicable pursuant to Rules 13.09 and 13.10 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. Executive Directors and the legal advisor also may have responsibility for approving certain announcements and/or circulars to be issued by the Company under powers delegated by the Board from time to time.

檢討風險管理及內部監控系統成效以及處理重大內部監控不足之處所用程序

董事會直接負責本集團之內部監控，並檢討其成效。

董事會已委聘一間外部合規諮詢及內部監控服務有限公司作為其風險管理及內部監控審閱顧問（「顧問」），以就截至二零二零年十二月三十一日止年度之風險管理及內部監控系統進行年度檢討。該檢討每年進行，並輪流檢討各個週期。檢討範圍先前已獲董事會釐定及審批。顧問已向審核委員會及管理層匯報結果及有待改善的地方。董事會及審核委員會認為並無發現重大內部監控不足之處。顧問提供之所有建議均獲本集團適當跟進，以確保該等建議可於合理時間內執行。因此，董事會認為風險管理及內部監控系統充分有效。

處理及發佈內幕消息之程序及內部監控

董事會評估任何無法預料及重大事件可能對股價或其成交量帶來之影響，並決定有關資料應否被視為內幕消息，及是否須根據上市規則第13.09及13.10條以及證券及期貨條例第XIVA部項下內幕消息條文在合理實際可行情況下盡快披露。根據董事會不時轉授之權力，執行董事及法律顧問亦可能須負責審批本公司將刊發之若干公告及／或通函。

FINANCIAL REPORTING

The directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements for the year 2020. The Management also provides all directors with monthly updates giving them a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

COMPANY SECRETARY

The position of Company Secretary is held by Mr. Lau Fan Yu, the CFO of the Group. The Company Secretary reported to the Board chairman from time to time. All directors have access to the advice and services of the company secretary to ensure that board procedures, and all applicable laws, rules and regulations are followed.

Since Mr. Lau was appointed in 2020, he has to take no less than 15 hours of relevant professional training for the financing year commencing on or after 1 January 2021.

SHAREHOLDERS' RIGHTS

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

財務匯報

董事經作出適當諮詢後認為，由於本集團於可見將來擁有足夠資源繼續現有營運，故適宜採納持續經營基準編製二零二零年財務報表。管理層亦每月向全體董事提供最新資料，載列有關本公司之表現、狀況及前景之中肯及易於理解之評估，內容足以讓整個董事會及各董事履行根據上市規則第3.08條及第13章之職責。

公司秘書

公司秘書一職由本集團之財務總監劉範儒先生擔任。公司秘書不時向董事會主席作出匯報。全體董事均已向公司秘書取得意見及服務，確保遵守董事會程序以及所有適用法例、規則及規例。

自劉先生於二零二零年獲委任起，彼須於二零二一年一月一日或之後開始之財政年度接受不少於15小時之相關專業培訓。

股東權利

為保障股東權益及權利，本公司將就各重大獨立事宜（包括選舉個別董事）於股東大會上提呈獨立決議案。股東大會上提呈之所有決議案將根據上市規則以投票方式表決，而投票表決之結果將於各股東大會結束後在本公司及聯交所網站刊載。

INVESTOR RELATIONS

(1) Communication with Shareholders and Procedures for putting forward proposals at general meetings

All published information, including financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents are promptly posted on the Group's website at www.truly.com.hk. Viewers can also send enquiries and proposals putting forward for shareholders' consideration at shareholder meetings to the Board or senior management by email at enquiry@truly.com.hk or directly by raising questions at the general meeting of the Company.

(2) Procedures for Shareholders to convene an extraordinary general meeting

Shareholders shall have the right to request the Board to convene an extraordinary general meeting ("EGM") of the Company. Shareholders holding in aggregate of not less than one-tenth (10%) of the paid up capital of the Company which carries the right of voting at the general meeting of the Company may send a written request to the Board of the Company to request for a EGM. The written requisition, duly signed by the shareholders concerned, must state the purposes of the meeting and must be deposited at the Company's principle place of business in Hong Kong.

Shareholders who wish to move a resolution at general meetings may follow the procedures set out in the preceding paragraph.

(3) Constitutional Documents

There was no change to the Company's Memorandum and Articles of Association during the financial year 2020. A copy of the Memorandum and Articles of Association is posted on the websites of the Company and the Stock Exchange.

DIVIDEND POLICY

Under the dividend policy adopted by the Company with effect from 28 March 2019, the Board may consider declaring and paying dividends to the Shareholders out of the Company's distributable reserves. Such declaration and payment of dividends shall remain to be determined at the sole discretion of the Board, subject to the requirements of all applicable laws and the memorandum and articles of association of the Company.

投資者關係

(1) 與股東之溝通及於股東大會上提呈建議之程序

所有刊發資料(包括財務報表、業績公告、股東大會通函及通告及相關解釋文件)均及時於本集團網站www.truly.com.hk發佈。閱覽該等資料之人士亦可透過發送電郵至 enquiry@truly.com.hk 向董事會或高級管理層查詢及寄發將於股東大會上提呈以供股東考慮之建議，或直接於本公司股東大會上提出問題。

(2) 股東召開股東特別大會的程序

股東將有權要求董事會召開本公司的股東特別大會(「股東特別大會」)。合共持有本公司附帶本公司股東大會投票權之繳足股本不少於十分之一(10%)之股東可向本公司董事會發出書面要求，要求召開股東特別大會。經有關股東正式簽署之書面要求必須陳述該大會之目的，且必須遞交至本公司位於香港的主要營業地點。

欲於股東大會上動議一項決議案之股東可遵循前段所載之程序。

(3) 憲章文件

於二零二零年財政年度，本公司之組織章程大綱及細則並無變動。組織章程大綱及細則之副本已於本公司及聯交所網站刊載。

股息政策

根據本公司採納的股息政策，自二零一九年三月二十八日起，董事會可考慮自本公司的可供分派儲備向股東宣派及派付股息。該等股息的分派及支付應由董事會全權酌情決定，惟必須遵守所有適用法規及本公司的組織章程大綱及章程細則。

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Under the dividend policy, in deciding whether to propose or declare a dividend and in determining the dividend amount and means of payment, the Board shall take into account, among others:

- (i) the actual and expected financial performance of the Group;
- (ii) the Group's liquidity position;
- (iii) the capital and debt level of the Group;
- (iv) retained profits and distributable reserves of the Company and major subsidiaries of the Group; and
- (v) the working capital requirements, capital expenditure requirements and future development plans of the Group.

The Board shall endeavor to strike a balance between providing immediate return to the shareholders through the payment of dividends whilst retaining adequate reserves as the Group's working capital and for the Group's future growth. There can be no assurance that dividends will be proposed, declared or paid by the Company in any particular amount at any time or from time to time.

The Board will from time to time review the dividend policy and may exercise at its absolute and sole discretion to update, amend and/or modify the Dividend Policy at any time as the Board deems fit and necessary. Details of the Company's dividend policy are set out in the announcement of the Company dated 28 March 2019.

BOARD DIVERSITY POLICY

The Company recognises the importance of diversity to corporate governance and the board effectiveness.

The purpose of this policy is to set out the basic principles to be followed to ensure that the board of directors (the "Board") has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

Board nomination and appointments will continue to be made on merit basis based on its business needs from time to time while taking into account diversity.

Selection of board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, race, language, cultural background, educational background, industry experience and professional experience.

根據該股息政策，於決定是否建議或宣派股息及釐定股息金額及分派方式時，董事會應考慮（其中包括）：

- (i) 本集團的實際及預期財務表現；
- (ii) 本集團的流動資金狀況；
- (iii) 本集團的資本及負債水平；
- (iv) 本公司及本集團主要附屬公司的保留溢利及可供分派儲備；及
- (v) 本集團的營運資金需求、資本開支需求及未來發展計劃。

董事會應盡力在透過分派股息而為股東提供即時回報與保留足夠儲備作為本集團的營運資金及作本集團未來增長之間取得平衡。本公司概不保證於任何時間或不時建議、宣派或派付任何特定金額的股息。

董事會將不時檢討該股息政策，並在其認為合適及必要時可隨時絕對及全權酌情更新、修訂及／或更改該股息政策。有關本公司股息政策的詳情載於本公司日期為二零一九年三月二十八日的公告內。

董事會成員多元化政策

本公司認同董事會成員多元化對企業管治及董事會行之有效的重要性。

本政策旨在列載須遵從的基本原則，以確保董事會（「董事會」）成員在所需技能、經驗以及視角的多元化方面達到適當平衡，從而提升董事會的有效運作並保持高標準的企業管治水平。

董事會成員的提名與委任將繼續以用人唯才為原則，以不時的業務需求為基準，並考慮董事會成員多元化的裨益。

董事會甄選候選人將以一系列多元化範疇為基準，並參考本公司的業務模式和特定需求，包括但不限於性別、種族、語言、文化背景、教育背景、行業經驗和專業經驗。



TO THE SHAREHOLDERS OF
TRULY INTERNATIONAL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Truly International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 55 to 184, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

BASIS FOR OPINION

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



致信利國際有限公司股東

(於開曼群島註冊成立之有限公司)

意見

本核數師行已完成審核第55至184頁所載信利國際有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零二零年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表之附註，包括主要會計政策概要。

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零二零年十二月三十一日之綜合財務狀況以及其截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露要求妥為編製。

意見之基礎

本行根據香港會計師公會頒佈之《香港審計準則》(「香港審計準則」)進行審核。本行在該等準則下承擔之責任已在本報告「核數師就審計綜合財務報表須承擔之責任」部分中作進一步闡述。根據香港會計師公會頒佈之《專業會計師道德守則》(「守則」)，本行獨立於 貴集團，並已履行守則中之其他專業道德責任。本行相信，本行所獲得之審計憑證能充足及適當地為本行之審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據本行之專業判斷，認為對本期綜合財務報表之審計最為重要之事項。這些事項是在本行審計整體綜合財務報表及出具意見時進行處理，而本行不會對這些事項提供單獨之意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Key audit matters

關鍵審計事項

Impairment assessment of interest in an associate

有關聯營公司權益之減值評估

We identified the impairment assessment of interest in an associate, Truly (Hui Zhou) Smart Display Limited ("Truly HZ"), as a key audit matter due to its significance in the context of the Group's consolidated financial statements.

於聯營公司信利(惠州)智能顯示有限公司(「信利惠州」)權益之減值評估對 貴集團之綜合財務報表關係重大，故本行視之為關鍵審計事項。

As disclosed in note 3 to the consolidated financial statements, the Group is required to assess at the end of each reporting period whether there is any indication that the carrying amount of interests in associates may be impaired. Since impairment indications exist, the Group assessed the interest in Truly HZ for impairment and considered no impairment of interest in Truly HZ is necessary as at 31 December 2020. As disclosed in note 19 to the consolidated financial statements, as at 31 December 2020, the carrying amount of interest in Truly HZ amounted to approximately HK\$653 million.

誠如綜合財務報表附註3所披露，貴集團須於各報告期末評估有否任何跡象顯示聯營公司權益之賬面值可能出現減值。由於存在減值跡象，貴集團對於信利惠州所佔權益進行減值評估，並認為於信利惠州所佔權益於二零二零年十二月三十一日毋須減值。誠如綜合財務報表附註19所披露，於二零二零年十二月三十一日，於信利惠州所佔權益之賬面值約為6.53億港元。

How our audit addressed the key audit matters

本行之審計如何處理關鍵審計事項

Our procedures in relation to the impairment assessment of interest in Truly HZ included:

本行就對信利惠州權益所作減值評估進行之程序包括：

- Obtaining an understanding and evaluating the appropriateness of the Group's accounting policy in assessing impairment for interests in associates;
- 了解及評價 貴集團就對聯營公司權益進行減值評估所採用會計政策是否恰當；
- Assessing the Group management's process for identifying the existence of impairment indicators for the interests in associates;
- 評估 貴集團管理層識別聯營公司權益是否存在減值跡象之過程；
- Where indicators of impairment have been identified, assessing the reasonableness of the recoverable amount of the associate and obtaining an understanding from the management about the financial position and future prospects of the associate;
- 倘已識別減值跡象，評估聯營公司之可收回金額是否合理並向管理層了解該聯營公司之財務狀況及未來前景；
- Assessing the reasonableness of key inputs and assumptions used by the management in their estimation of recoverable amount, including revenue projection and growth rate applied;
- 評估管理層於估計可收回金額時所採用主要輸入數據及假設(包括現金流量預測及所應用收益增長率)是否合理；
- Involvement of internal expert to assess the reasonableness of discount rate applied in the discounted cash flow model; and
- 使內部專家參與評估於折現現金流量模型應用之折現率是否合理；及
- Comparing cash flow projections to supporting evidence, such as projection of sales volume, and evaluating the reasonableness of the projection with reference to the future prospect of the associate as well as our knowledge of the industry and business.
- 比較現金流量預測與支持憑據(例如銷量預測)，並透過參考聯營公司之未來前景及基於本行對行業及業務之認識評價預測是否合理。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Key audit matters

關鍵審計事項

Assessment of the appropriateness of the going concern basis

評估持續經營基準之適切性

We identified the assessment of the appropriateness of the going concern basis as a key audit matter as it involves subjective management judgements and estimates based on management's assessment of the Group's operations in the future, availability of future financing and market conditions.

由於評估持續經營基準之適切性涉及管理層基於其對 貴集團於日後之營運、可動用之未來融資及市況而作出之主觀判斷和估算，本行將評估持續經營基準之適切性識別為關鍵審計事項。

As set out in note 3 to the consolidated financial statements, although the Group has generated a net profit of approximately HK\$599 million and positive operating cash flows of approximately HK\$2,595 million during the year ended 31 December 2020, the Group's current liabilities exceeded its current assets by approximately HK\$3,303 million as at 31 December 2020. 誠如綜合財務報表附註3所載，儘管 貴集團於截至二零二零年十二月三十一日止年度產生純利約5.99億港元及正數經營現金流量約25.95億港元，貴集團於二零二零年十二月三十一日之流動負債仍超出其流動資產約33.03億港元。

The management of the Group believes that the Group will continue to generate positive operating cash flows in the coming twelve months. Taking into account the Group's cash balance of approximately HK\$1,035 million and unutilised bank facilities which amounted to approximately HK\$2,151 million as at 31 December 2020, the management of the Group concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis.

貴集團管理層相信，貴集團於未來十二個月將繼續產生正數經營現金流量。經計及 貴集團於二零二零年十二月三十一日之現金結餘約10.35億港元及未動用銀行融資約21.51億港元，貴集團管理層認為，按持續經營基準編製綜合財務報表屬適切之舉。

How our audit addressed the key audit matters

本行之審計如何處理關鍵審計事項

Our procedures in relation to the assessment of the appropriateness of the going concern basis of the Group included:

本行就 貴集團評估持續經營基準之適切性所進行之程序包括：

- Obtaining an understanding of management's liquidity assessment including the preparation of cash flow forecast by management;
- 了解管理層對流動資金進行之評估，包括管理層編製之現金流量預測；
- Comparing the cash flow forecast against the budget approved by the board of directors of the Company and checking the accuracy of the calculation of the cash flow forecast;
- 將現金流量預測與 貴公司董事會所批准預算進行比較，並核查現金流量預測之準確性；
- Challenging the key assumptions in management's cash flow forecast for the next twelve months against historical performance, economic and industry indicators, and other publicly available information;
- 根據過往表現、經濟及行業指標以及其他公開可得資料，就管理層用於未來十二個月現金流量預測之主要假設提出質疑；
- Checking the details of loan repayments in the cash flow forecast to supporting documents, such as borrowing agreements and repayment schedules;
- 核查現金流量預測之輔助文件內有關償還貸款之詳情，如借款協議及還款時間表；
- Agreeing the amount of unutilised bank facilities to borrowing agreements and bank confirmations; and
- 信納未動用銀行融資額與借款協議及銀行確認函一致；及
- Assessing the appropriateness of the related disclosures in the consolidated financial statements.
- 評估綜合財務報表所載相關披露之適當性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

OTHER INFORMATION

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

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

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

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

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內之所有資料，但不包括綜合財務報表及本行之核數師報告書。

本行對綜合財務報表之意見並不涵蓋其他資料。本行亦不對該等其他資料發表任何形式之鑒證結論。

就本行對綜合財務報表之審計而言，本行之責任是閱讀其他資料，並藉此考慮其他資料是否與綜合財務報表或本行在審計過程中得知之情況存在重大抵觸，或基於其他原因似乎存在重大錯誤陳述之情況。倘基於本行已執行之工作，所得結論為其他資料出現重大錯誤陳述，本行需要報告該事實。在這方面，本行並無任何報告。

董事及管治層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佈之香港財務報告準則及香港《公司條例》之披露規定擬備真實而中肯之綜合財務報表，並對其認為為使綜合財務報表之擬備不存在由於欺詐或錯誤而導致之重大錯誤陳述所需之內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，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，或別無其他實際之替代方案。

管治層須負責監督 貴集團之財務申報過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

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

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

- 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.

核數師就審計綜合財務報表須承擔之責任

本行之目標，是根據議定之委聘條款對綜合財務報表整體是否不存在由於欺詐或錯誤而導致之重大錯誤陳述取得合理保證，並出具包括本行意見之核數師報告書。本行之報告僅向閣下作出，而並無其他用途。本行不會就本報告之內容對任何其他人士承擔或負上任何責任。合理保證是高水平之保證，但不能保證按照香港審計準則進行之審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期該等錯誤陳述單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出之經濟決定，則有關之錯誤陳述可被視作重大。

在根據香港審計準則進行審計之過程中，本行運用了專業判斷，保持了專業懷疑態度。本行亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，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之審計憑證，作為本行意見之基礎。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之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審計相關之內部控制，以設計適當之審計程序，但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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

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

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

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

核數師就審計綜合財務報表須承擔之責任 (續)

- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取之審計憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對 貴集團之持續經營能力產生重大疑慮。如果本行認為存在重大不確定性，則有必要在核數師報告書中提請使用者注意綜合財務報表中之相關披露。假若有關之披露不足，則本行須修改意見。本行之結論是基於截至核數師報告書日期止所取得之審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表之整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內各實體或業務活動之財務資料獲得充足、適當之審計憑證，以便對綜合財務報表發表意見。本行負責集團審計之方向、監督和執行。本行為審計意見承擔全部責任。

除其他事項外，本行與管治層溝通了計劃之審計範圍、時間安排、重大審計發現等，包括本行在審計中識別出內部控制之任何重大不足之處。

本行還向管治層提交聲明，說明本行已符合有關獨立性之相關專業道德要求，並與彼等溝通有可能合理地被認為會影響本行獨立性之所有關係和其他事項，以及（在適用情況下）就消除威脅而採取之行動或應用之防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lam Chi Hong.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
30 March 2021

核數師就審計綜合財務報表須承擔之責任 (續)

從與管治層溝通之事項中，本行確定哪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。本行在核數師報告書中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在本行報告中溝通某事項造成之負面後果超過產生之公眾利益，本行決定不應在報告中溝通該事項。

出具本獨立核數師報告書之審計項目合夥人是藍志康。

德勤•關黃陳方會計師行
執業會計師

香港
二零二一年三月三十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		NOTES 附註		
Revenue	收益	5	22,171,710	22,532,499
Cost of sales	銷售成本		(20,122,909)	(20,707,088)
Gross profit	毛利		2,048,801	1,825,411
Other income	其他收入	7	154,825	145,866
Other gains and losses	其他損益	8	31,010	(20,165)
Impairment losses under expected credit loss model, net of reversal	預期信用損失模式下減值虧損，扣除撥回	11	(314,868)	(22,395)
Distribution and selling expenses	分銷及銷售費用		(423,895)	(430,027)
Administrative expenses	行政費用		(377,176)	(318,736)
Finance costs	財務費用	9	(380,025)	(419,129)
Share of results of associates	分佔聯營公司業績		20	(23,968)
Profit before tax	稅前溢利		738,692	736,857
Income tax expense	所得稅開支	10	(139,919)	(128,693)
Profit for the year	本年度溢利	11	598,773	608,164
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>可能於其後重新分類至損益的項目：</i>			
Exchange differences arising on translation of foreign operations	換算海外業務所產生之外匯差額		871,169	(222,562)
Share of other comprehensive income (expense) of associates	分佔聯營公司其他全面收益(開支)		4,441	(1,771)
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)		875,610	(224,333)
Total comprehensive income for the year	本年度全面收益總額		1,474,383	383,831
Profit for the year attributable to:	本年度溢利應佔：			
Owners of the Company	本公司擁有人		502,287	562,456
Non-controlling interests	非控股權益		96,486	45,708
			598,773	608,164
Total comprehensive income for the year attributable to:	本年度全面收益總額應佔：			
Owners of the Company	本公司擁有人		1,315,806	350,076
Non-controlling interests	非控股權益		158,577	33,755
			1,474,383	383,831
Earnings per share	每股盈利	15		
Basic (HK cents per share)	基本(每股港仙)		15.27	17.10

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2020 • 於二零二零年十二月三十一日

		NOTES 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	12,255,374	12,123,153
Right-of-use assets	使用權資產	17	860,292	521,420
Intangible assets	無形資產	18	—	—
Goodwill	商譽		413	413
Interests in associates	於聯營公司的權益	19	1,249,049	1,179,815
Financial assets at fair value through profit or loss	於損益以公平價值列賬之金融資產	20	7,347	5,549
Deferred tax assets	遞延稅項資產	32	56,519	75,432
Deposits paid for acquisition of property, plant and equipment	就收購物業、廠房及設備支付訂金		89,457	72,996
Rental deposits	租賃按金	22	72,987	—
Amount due from an associate	應收聯營公司款項	25	798,640	—
			15,390,078	13,978,778
CURRENT ASSETS	流動資產			
Inventories	存貨	21	3,444,401	3,974,828
Trade and other receivables	應收賬項及其他應收款項	22	3,496,771	3,735,030
Trade receivables at fair value through other comprehensive income	於其他全面收益以公平價值列賬之應收賬項	23	1,211,709	1,293,194
Amounts due from associates	應收聯營公司款項	25	1,590,736	1,348,250
Tax recoverable	可收回稅項		8,636	18,412
Restricted bank deposits	受限制銀行存款	26	360,143	134,064
Bank balances and cash	銀行結存及現金	26	1,034,982	503,680
			11,147,378	11,007,458
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬項及其他應付款項	27	8,516,864	9,178,327
Contract liabilities	合約負債	28	333,542	251,017
Tax payable	應付稅項		79,641	54,342
Bank and other borrowings	銀行及其他借款	29	4,613,225	5,215,550
Bonds payable	應付債券	31	44,764	—
Amounts due to associates	結欠聯營公司款項	25	734,385	129,214
Lease liabilities	租賃負債	30	126,128	19,048
Derivative financial instruments	衍生金融工具	24	1,949	283
			14,450,498	14,847,781
NET CURRENT LIABILITIES	流動負債淨額		(3,303,120)	(3,840,323)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		12,086,958	10,138,455

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2020 • 於二零二零年十二月三十一日

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
	NOTES 附註			
NON-CURRENT LIABILITIES	非流動負債			
Bank and other borrowings	銀行及其他借款	29	898,824	607,066
Bonds payable	應付債券	31	355,832	373,731
Lease liabilities	租賃負債	30	265,624	79,813
Deferred tax liabilities	遞延稅項負債	32	91,292	70,146
			1,611,572	1,130,756
NET ASSETS	資產淨值		10,475,386	9,007,699
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	33	65,785	65,785
Share premium and other reserves	股份溢價及其他儲備		9,306,100	7,990,236
Equity attributable to owners of the Company	本公司擁有人應佔權益		9,371,885	8,056,021
Non-controlling interests	非控股權益		1,103,501	951,678
TOTAL EQUITY	權益總額		10,475,386	9,007,699

The consolidated financial statements on pages 55 to 184 were approved and authorised for issue by the board of directors on 30 March 2021 and are signed on its behalf by:

載於第55至184頁之綜合財務報表已於二零二一年三月三十日獲董事會批准及授權刊發，並由以下人士代表簽署：

Lam Wai Wah
林偉華
DIRECTOR
董事

Wong Pong Chun, James
黃邦俊
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

		Share capital	Share premium	Special reserve	Capital redemption reserve	Exchange reserve	Other reserves	Retained profits	Total equity attributable to owners of the Company 本公司擁有人應佔權益總額	Non-controlling interests	Total
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	特別儲備 HK\$'000 千港元 (附註 a)	資本贖回儲備 HK\$'000 千港元	外匯儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元 (附註 b)	保留溢利 HK\$'000 千港元	權益總額 HK\$'000 千港元	非控股權益 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	65,785	1,395,441	990	867	2,989	1,476,482	4,693,520	7,636,074	609,436	8,245,510
Profit for the year	本年度溢利	-	-	-	-	-	-	562,456	562,456	45,708	608,164
Other comprehensive expense for the year	本年度其他全面開支										
— Exchange differences arising on translation of foreign operations	— 換算海外業務所產生之外匯差額	-	-	-	-	(210,609)	-	-	(210,609)	(11,953)	(222,562)
— Share of other comprehensive expense of associates	— 分佔聯營公司其他全面開支	-	-	-	-	(1,771)	-	-	(1,771)	-	(1,771)
Total comprehensive (expense) income for the year	本年度全面(開支)收入總額	-	-	-	-	(212,380)	-	562,456	350,076	33,755	383,831
Deemed disposal of partial interest in a subsidiary without losing control (note 43(a))	視作出售一間附屬公司部分權益而不致失去控制權(附註43(a))	-	-	-	-	23,701	306,490	(260,320)	69,871	387,279	457,150
Transfer	轉撥	-	-	-	-	-	29,544	(29,544)	-	-	-
Dividends paid to non-controlling interests	已付非控股權益股息	-	-	-	-	-	-	-	-	(78,792)	(78,792)
At 31 December 2019	於二零一九年十二月三十一日	65,785	1,395,441	990	867	(185,690)	1,812,516	4,966,112	8,056,021	951,678	9,007,699
Profit for the year	本年度溢利	-	-	-	-	-	-	502,287	502,287	96,486	598,773
Other comprehensive income for the year	本年度其他全面收益										
— Exchange differences arising on translation of foreign operations	— 換算海外業務所產生之外匯差額	-	-	-	-	809,078	-	-	809,078	62,091	871,169
— Share of other comprehensive income of associates	— 分佔聯營公司其他全面收益	-	-	-	-	4,441	-	-	4,441	-	4,441
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	813,519	-	502,287	1,315,806	158,577	1,474,383
Acquisition of additional interest in a subsidiary (note 43(a))	收購一間附屬公司額外權益(附註43(a))	-	-	-	-	688	5,979	(6,609)	58	(6,754)	(6,696)
Transfer	轉撥	-	-	-	-	-	30,636	(30,636)	-	-	-
At 31 December 2020	於二零二零年十二月三十一日	65,785	1,395,441	990	867	628,517	1,849,131	5,431,154	9,371,885	1,103,501	10,475,386

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

Notes:

- (a) The special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisitions in prior year.
- (b) Other reserves comprise:
- (i) the statutory surplus reserve and the enterprise expansion reserve of the subsidiaries established in the People's Republic of China (the "PRC") other than Hong Kong. According to the Articles of Association of the PRC subsidiaries, a percentage of net profit as reported in the PRC statutory accounts should be transferred to the statutory surplus reserve and the enterprise expansion reserve determined at the discretion of the board of directors of these companies. The statutory surplus reserve can be set off against accumulated losses whilst the enterprise expansion reserve can be used for expansion of production facilities or an increase in registered capital; and
- (ii) amounts arising from the acquisition of additional equity interests in subsidiaries from non-controlling shareholders of subsidiaries or deemed disposal of equity interests in subsidiaries without losing control. It represents the difference between the consideration paid or received and the adjustment to the non-controlling interests in subsidiaries.

附註：

- (a) 特別儲備指所收購附屬公司之股份面值與本公司於過往年度就收購而發行之股份面值兩者間之差額。
- (b) 其他儲備包括：
- (i) 在中華人民共和國（「中國」）（不包括香港）成立之附屬公司之法定盈餘儲備及企業發展儲備。根據中國附屬公司之組織章程細則，中國法定賬目內呈報之純利若干百分比須轉撥至法定盈餘儲備及企業發展儲備，該百分比乃由該等公司之董事會酌情決定。法定盈餘儲備可抵銷累計虧損，而企業發展儲備則可用於擴展生產設施或增加註冊資本；及
- (ii) 自附屬公司非控股股東收購附屬公司額外股權或視作出售附屬公司股權而不致失去控制權產生之金額，相當於已付或已收取代價與附屬公司非控股權益調整之差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Profit before tax	稅前溢利	738,692	736,857
Adjustments for:	調整：		
Interest income	利息收入	(11,028)	(6,910)
Interest income from an associate	聯營公司之利息收入	(31,448)	(39,621)
Impairment losses under expected credit loss model on trade receivable, net of reversal	應收賬項預期信用損失模式下減值虧損，扣除撥回	314,868	33,159
Allowance for inventories, net	存貨撥備淨額	49,002	149,644
Impairment losses under expected credit loss model on loan receivable, net of reversal	應收貸款預期信用損失模式下減值虧損，扣除撥回	—	(10,764)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,316,531	1,115,593
Depreciation of right-of-use assets	使用權資產折舊	45,901	16,770
Loss on disposal/write-off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	5,600	10,449
(Gain) loss from changes in fair value of financial assets at fair value through profit or loss	於損益以公平價值列賬之金融資產公平價值變動(收益)虧損	(1,798)	4,767
Loss on fair value changes of derivative financial instruments, net	衍生金融工具公平價值變動虧損淨額	29,009	2,824
Government grants	政府津貼	(73,131)	(75,670)
Gain on disposal of an associate	出售聯營公司之收益	(6,822)	—
Share of results of associates	分佔聯營公司業績	(20)	23,968
Finance costs	財務費用	380,025	419,129
Dividend income from financial assets at fair value through profit or loss	於損益以公平價值列賬之金融資產之股息收入	—	(1,563)
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	2,755,381	2,378,632
Decrease (increase) in inventories	存貨減少(增加)	718,067	(1,057,858)
(Increase) decrease in trade and other receivables	應收賬項及其他應收款項(增加)減少	(20,107)	1,039,963
Decrease (increase) in trade receivables at fair value through other comprehensive income	於其他全面收益以公平價值列賬之應收賬項減少(增加)	167,447	(1,127,267)
Increase in amounts due from associates	應收聯營公司款項增加	(908,672)	(218,189)
(Decrease) increase in trade and other payables	應付賬項及其他應付款項(減少)增加	(726,960)	974,042
Increase in contract liabilities	合約負債增加	69,425	138,526
Increase in amounts due to associates	應付聯營公司款項增加	562,734	115,518
Government grants received for operating activities	已收政府津貼用於經營活動	73,011	74,712
Settlement of derivative financial instruments	結算衍生金融工具	(27,454)	(2,541)
Cash generated from operations	經營活動所賺取之現金	2,662,872	2,315,538
Hong Kong Profits Tax paid	已繳香港利得稅	(4,682)	—
PRC withholding tax paid	已繳中國預扣稅	(3,402)	(5,235)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(58,275)	(105,246)
Tax paid for other jurisdictions	其他司法權區已繳稅項	(1,040)	(419)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	2,595,473	2,204,638

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Dividend income from financial assets at fair value through profit or loss	於損益以公平價值列賬之金融資產之股息收入	—	1,563
Purchase of property, plant and equipment	購買物業、廠房及設備	(959,606)	(1,231,436)
Advance to an associate	向聯營公司墊款	—	(73,710)
Repayment from an associate	獲聯營公司還款	—	300,510
Deposits paid for acquisition of property, plant and equipment	就收購物業、廠房及設備支付訂金	(89,457)	(72,996)
Interest received	已收利息	42,476	56,437
Payments for right-of-use assets	就使用權資產付款	(3,795)	(47,212)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	34,648	41,776
Placement of restricted bank deposits	存放受限制銀行存款	(929,265)	(479,715)
Release of restricted bank deposits	解除受限制銀行存款	730,040	477,755
Repayment of loan receivable	應收貸款還款	—	10,764
Payments for rental deposits	就租賃按金付款	(72,987)	—
Proceeds from disposal of an associate	出售聯營公司所得款項	22,838	—
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(1,225,108)	(1,016,264)
FINANCING ACTIVITIES	融資活動		
Repayment of bank and other borrowings	償還銀行及其他借款	(10,586,639)	(9,809,471)
Repayment of loans from an associate	償還聯營公司貸款	—	(963,900)
Repayment of lease liabilities	償還租賃負債	(42,597)	(6,108)
Dividends paid to non-controlling interests	已付非控股權益股息	—	(78,792)
Interest paid for bank and other borrowings	已付銀行及其他借款利息	(359,076)	(364,368)
Interest paid for loans from an associate	已付聯營公司貸款利息	—	(23,311)
Interest paid for bonds payable	已付應付債券利息	(20,003)	(34,731)
Interest paid for lease liabilities	已付租賃負債利息	(855)	(260)
New bank and other borrowings raised	新造銀行及其他借款	10,124,088	8,562,619
New loans from an associate	新造聯營公司貸款	—	963,900
Repayments of bonds payable	償還應付債券	—	(807,868)
Proceeds on issue of bonds payable	發行應付債券所得款項	—	337,312
Acquisition of additional interest in a subsidiary	收購一間附屬公司額外權益	(6,696)	—
Proceeds from deemed disposal of partial interest in a subsidiary without losing control	視作出售一間附屬公司部分權益而不致失去控制權所得款項	—	457,150
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(891,778)	(1,767,828)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加(減少)淨額	478,587	(579,454)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值項目	503,680	1,090,379
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	52,715	(7,245)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年終之現金及現金等值項目，指銀行結存及現金	1,034,982	503,680

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

1. GENERAL

Truly International Holdings Limited (the “Company”) is incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company. The Company is a public limited company with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its ultimate controlling party is Mr. Lam Wai Wah, who is also the Chairman and Managing Director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “General Information” to the annual report.

The functional currency of the Company is United States dollars (“US\$”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is different from the functional currency of the Company, as the directors of the Company (the “Directors”) consider that HK\$ is the most appropriate presentation currency in view of its place of listing.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the business of manufacture and sale of liquid crystal display (“LCD”) products including touch panel products and electronic consumer products including compact camera module, fingerprint identification modules, personal health care products and electrical devices.

1. 一般事項

信利國際有限公司(「本公司」)於開曼群島根據開曼群島公司法註冊成立為一間受豁免公司。本公司為一間上市有限公司，其股份在香港聯合交易所有限公司(「聯交所」)上市。其最終控股人士為林偉華先生，亦為本公司主席兼董事總經理。本公司註冊辦事處及主要營業地點之地址於年報「一般資料」一節披露。

本公司之功能貨幣為美元(「美元」)。本公司董事(「董事」)經考慮其上市地點，認為港元(「港元」)為最適合之呈列貨幣，故綜合財務報表乃以本公司功能貨幣以外之港元呈報。

本公司乃投資控股公司，其附屬公司之主要業務為製造及銷售液晶體顯示器(「LCD」)產品(包括觸控屏產品)及電子消費產品，包括微型相機模組、指紋識別模組、個人保健護理產品及電子設備。

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂

於本年度強制生效之香港財務報告準則之修訂

於本年度，本集團已就編製綜合財務報表首次應用香港會計師公會(「香港會計師公會」)頒佈之修訂香港財務報告準則中對概念框架之提述及下列香港財務報告準則之修訂，有關修訂於二零二零年一月一日或之後開始之年度期間強制生效：

香港會計準則第1號及香港會計準則第8號(修訂)	重大之定義
香港財務報告準則第3號(修訂)	業務之定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂)	利率基準改革

於本年度應用修訂香港財務報告準則中對概念框架之提述及香港財務報告準則之修訂並無對本年度及過往年度之本集團財務狀況及表現及／或該等綜合財務報表所載之披露造成重大影響。

應用香港會計準則第1號及香港會計準則第8號(修訂)重大之定義

本集團已於本年度首次應用香港會計準則第1號及香港會計準則第8號(修訂)。該等修訂對重大提供一個定義，說明「倘忽略、錯誤說明或模糊某資料，可合理地預期影響提供某一特定申報實體財務資料之通用財務報表主要用家基於該等財務報表所作之決定，該等資料即屬重大」。該等修訂亦澄清重要性將取決於資料的性質或規模，並於考慮財務報表的整體內容時個別或與其他資料一併考慮。

於本年度應用該等修訂並無對綜合財務報表構成任何影響。

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendment to HKFRS 16	Covid-19-Related Rent Concessions ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ²

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂

本集團並無提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及其修訂：

香港財務報告準則第17號	保險合約及相關修訂 ¹
香港財務報告準則第16號(修訂)	Covid-19相關租金寬減 ⁴
香港財務報告準則第3號(修訂)	對概念框架之提述 ²
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第16號(修訂)	利率基準改革 — 第二階段 ⁵
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資公司之間之資產出售或注資 ³
香港會計準則第1號(修訂)	香港詮釋第5號(二零二零年)有關流動或非流動負債分類及相關修訂 ¹
香港會計準則第16號(修訂)	物業、廠房及設備 — 作擬定用途前之所得款項 ²
香港會計準則第37號(修訂)	繁重合約 — 履約成本 ²
香港財務報告準則(修訂)	香港財務報告準則二零一八年至二零二零年之年度改進 ²

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

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

- ¹ Effective for annual periods beginning on or after 1 January 2023.
- ² Effective for annual periods beginning on or after 1 January 2022.
- ³ Effective for annual periods beginning on or after a date to be determined.
- ⁴ Effective for annual periods beginning on or after 1 June 2020.
- ⁵ Effective for annual periods beginning on or after 1 January 2021.

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

(a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform — Phase 2

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 *Interest Rate Benchmark Reform — Phase 2* relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements and disclosure requirements applying HKFRS 7 *Financial Instruments: Disclosures* to accompany the amendments regarding modifications and hedge accounting.

- **Modification of financial assets, financial liabilities and lease liabilities.** A practical expedient is introduced for modifications required by the reform (modifications required as a direct consequence of the interest rate benchmark reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current HKFRSs requirements. A similar practical expedient is proposed for lessee accounting applying HKFRS 16 *Leases*;

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂(續)

- ¹ 於二零二三年一月一日或之後開始之年度期間生效。
- ² 於二零二二年一月一日或之後開始之年度期間生效。
- ³ 於待定日期或之後開始之年度期間生效。
- ⁴ 於二零二零年六月一日或之後開始之年度期間生效。
- ⁵ 於二零二一年一月一日或之後開始之年度期間生效。

除下文所述之香港財務報告準則之修訂外，董事預期應用所有其他新訂香港財務報告準則及其修訂將不會於可見未來對綜合財務報表構成重大影響。

(a) 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂)利率基準改革 — 第二階段

香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂)利率基準改革 — 第二階段涉及金融資產、金融負債及租賃負債的修訂，運用香港財務報告準則第7號金融工具：披露下特定的對沖會計要求及披露要求以配合有關修訂及對沖會計處理。

- **金融資產、金融負債及租賃負債之修訂。**為改革所需的修訂引入一種可行權宜方法(由於利率基準改革而直接做出的修訂，並且是在經濟上等同的基礎上進行)。此等修訂是通過更新實際利率作出。所有其他修訂均採用現行香港財務報告準則進行會計處理。建議就香港財務報告準則第16號租賃的承租人會計方式採用類似之可行權宜方法；

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

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

(a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform — Phase 2 (continued)

- **Disclosures.** The amendments require disclosures in order to allow users to understand the nature and extent of risks arising from the interest rate benchmark reform to which the Group is exposed to and how the entity manages those risks as well as the entity’s progress in transitioning from interbank offered rates to alternative benchmark rates, and how the entity is managing this transition.

As at 31 December 2020, the Group has several London Interbank Offered Rate (“LIBOR”)/Hong Kong Interbank Offered Rate (“HIBOR”) bank loans which will or may be subject to interest rate benchmark reform. The Group will negotiate with the banks of the relevant bank loans and closely monitor if there are any significant modification gains or losses should the interest rate benchmark for these loans change resulting from the reform on application of the amendments.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂(續)

(a) 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂)利率基準改革 — 第二階段(續)

- **披露事項。**該等修訂需要作出披露，以使用戶能夠理解本集團所面臨利率基準改革所產生風險的性質和程度，以及該實體如何管理該等風險及該實體從銀行同業拆息轉換為替代基準利率的過程，以及該實體如何管理此過渡。

於二零二零年十二月三十一日，本集團有多筆倫敦銀行同業拆息(「倫敦銀行同業拆息」)/香港銀行同業拆息(「香港銀行同業拆息」)的銀行貸款將會或可能進行利率基準改革。本集團將與相關銀行貸款的銀行進行磋商，並密切關注該等貸款的利率基準是否會因適用修正案的改革而出現重大修改收益或虧損。

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

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

(b) Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 December 2020, the application of the amendments will not result in reclassification of the Group's liabilities.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂(續)

(b) 香港會計準則第1號(修訂)香港詮釋第5號(二零二零年)有關流動或非流動負債分類及相關修訂

該等修訂就評估自報告日期起至少十二個月之延遲結付權利提供澄清及額外指引，以將負債分類為流動或非流動，當中包括：

- 指定將負債分類為流動負債或非流動負債應以報告期末已存在之權利為依據。具體而言，該等修訂澄清：
 - (i) 分類不應受到管理層在12個月內清償負債之意圖或期望所影響；及
 - (ii) 倘權利以遵守契諾為條件，倘在報告期末符合條件，則該權利存在，即使貸款人直到較後日期方檢定合規與否；及
- 澄清倘負債具有可由對手方選擇透過轉讓實體本身的權益工具進行結清之條款，則僅當實體應用香港會計準則第32號金融工具：呈列將選擇權單獨確認為權益工具時，該等條款方不會影響其分類為流動或非流動。

此外，香港詮釋第5號因香港會計準則第1號之修訂而予以修改，以使相應措辭一致，但結論不變。

根據本集團於二零二零年十二月三十一日之未償還負債，應用該等修訂將不會導致本集團負債之重新分類。

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

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

(c) Amendments to HKFRSs *Annual Improvements to HKFRSs 2018–2020*

The annual improvements make amendments to the following standards.

HKFRS 9 Financial Instruments (“HKFRS 9”)

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the “10 per cent” test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other’s behalf.

HKFRS 16 Leases (“HKFRS 16”)

The amendment to Illustrative Example 13 accompanying HKFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

The application of these amendments is not expected to have significant impact on the financial position and performance of the Group.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂(續)

(c) 香港財務報告準則(修訂)香港財務報告準則二零一八年至二零二零年之年度改進

年度改進對以下準則進行修訂。

香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)

該修訂澄清，為評估在「10%」標準下對原訂金融負債條款的修訂是否構成實質性修訂，借款人僅包括在借款人与貸款人之間已支付或收取之費用，包括由借款人或貸款人代表對方支付或收取之費用。

香港財務報告準則第16號(修訂)租賃(「香港財務報告準則第16號」)

香港財務報告準則第16號所附示例第13號之修訂從示例中刪除了出租人為租賃物業裝修而作出補償說明，以消除任何潛在混淆。

預期應用該等修訂不會對本集團之財務狀況及表現造成重大影響。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of consolidated financial statements

In preparing the consolidated financial statements of the Company, the Directors have given careful consideration to the future liquidity of the Company and its subsidiaries (collectively referred to as the "Group") in light of the fact that the Group's current liabilities exceeded its current assets by approximately HK\$3,303 million as at 31 December 2020.

For the year ended 31 December 2020, the Group generated a net profit of approximately HK\$599 million and generated operating cash flows of approximately HK\$2,595 million. As at 31 December 2020, total cash and cash equivalents of approximately HK\$1,035 million were held by the Group and unutilised bank facilities amounted to approximately HK\$2,151 million were available. In the opinion of the Directors, the Group expects to continue to generate positive operating cash flows in the coming twelve months.

Based on the aforesaid factors, the Directors are satisfied that the Group will have sufficient financial resources to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

3. 綜合財務報表編製基準及主要會計政策

3.1 綜合財務報表編製基準

編製本公司綜合財務報表時，鑑於本公司及其附屬公司（統稱「本集團」）於二零二零年十二月三十一日之流動負債超出其流動資產約33.03億港元，董事已審慎考慮本集團之未來流動資金。

截至二零二零年十二月三十一日止年度，本集團錄得純利約5.99億港元，並產生經營現金流量約25.95億港元。於二零二零年十二月三十一日，本集團持有現金及現金等值項目合共約10.35億港元，而可動用之未動用銀行融資約為21.51億港元。董事認為，本集團預期未來十二個月將繼續產生正數經營現金流量。

基於上述因素，董事信納本集團將具備充足財務資源悉數應付其於可見將來到期之財務承擔。因此，綜合財務報表已按持續經營基準編製。

綜合財務報表已按照香港會計師公會頒佈之香港財務報告準則編製。就編製綜合財務報表而言，倘預期資料被合理地會影響主要用戶之決定，則有關資料被視為重要資料。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露資料。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

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

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.1 綜合財務報表編製基準 (續)

誠如下文所載會計政策所闡釋，綜合財務報表乃根據歷史成本法編製，惟於各報告期末若干按公平價值計量之金融工具除外。

歷史成本一般根據交易貨物及服務時所付代價之公平價值計量。

公平價值是指市場參與者之間在計量日進行的有序交易中出售一項資產所收取之價格或轉移一項負債所支付之價格，無論該價格是直接觀察到之結果或採用其他估值技術作出之估計。在對資產或負債之公平價值作出估計時，本集團考慮到市場參與者在計量日為資產或負債進行定價時將會考慮該等資產或負債之特徵。在此等綜合財務報表中計量及／或披露之公平價值均按此基準釐定，惟香港財務報告準則第2號以股份為基礎支付範圍內以股份為基礎支付之交易、根據香港財務報告準則第16號入賬之租賃交易、以及與公平價值類似但並非公平價值的計量（例如香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）除外。

就按公平價值交易之金融工具及於後續期間使用不可觀察輸入數據計量公平價值之估值技術而言，估值技術予以調整致令初始確認時估值技術結果等於交易價格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

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

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

3.2 Significant accounting policies

Basis of consolidation

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

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

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

3. 綜合財務報表編製基準及主要會計政策(續)

3.1 綜合財務報表編製基準(續)

此外，根據公平價值計量之輸入值的可觀察程度及其對整體公平價值計量之重要性分為第一、第二或第三層，以作財務報告之用，敘述如下：

- 第一層輸入值指實體能於計量日在活躍市場上得到相同資產或負債之標價(未予調整)；
- 第二層輸入值指除包含在第一層標價以外，可直接或間接觀察之資產或負債輸入值；及
- 第三層輸入值指資產或負債之不可觀察輸入值。

3.2 主要會計政策

綜合賬目之基準

綜合財務報表包括本公司以及本公司及其附屬公司控制之實體之財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Basis of consolidation (continued)

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

綜合賬目之基準(續)

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

損益及各其他全面收益項目乃歸屬予本公司擁有人及非控股權益。附屬公司之全面收益總額乃歸屬予本公司擁有人及非控股權益，即使導致非控股權益結餘出現虧絀。

附屬公司之財務報表於有需要情況下作出調整，致使其會計政策與本集團之會計政策一致。

所有與本集團成員公司之間交易有關之集團內公司間資產與負債、權益、收入、開支及現金流量於綜合賬目時悉數對銷。

附屬公司之非控股權益與本集團權益分開呈列，於清盤後相當於其持有人有權按比例分佔相關附屬公司資產淨值之現存所有權權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Basis of consolidation (continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

綜合賬目之基準(續)

本集團於現有附屬公司所佔權益之變動

本集團於附屬公司所佔權益之變動倘不致令本集團失去對該等附屬公司之控制權，有關變動入賬列作權益交易。本集團之相關權益組成部分及非控股權益之賬面值須予調整，以反映於附屬公司所佔相對權益之變動，包括根據本集團及非控股權益之權益比例重新歸屬本集團及非控股權益之有關儲備。

非控股權益之調整金額與已付或已收代價公平價值之間任何差額均直接於權益中確認，並歸屬於本公司擁有人。

於聯營公司之投資

聯營公司指本集團可施加重大影響力之實體。重大影響力指參與投資對象之財務及營運決策之權力，而非控制或聯合控制有關政策之權力。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments in associates (continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

於聯營公司之投資(續)

聯營公司之業績及資產與負債採用權益會計法列入此等綜合財務報表。編製作權益會計處理用途之聯營公司財務報表所採用會計政策與本集團於類似情況就類似交易及事項所採用者一致。根據權益法，於聯營公司之投資初始以成本在綜合財務狀況表內確認，並於其後調整以確認本集團分佔聯營公司損益及其他全面收益。倘本集團分佔聯營公司虧損超出本集團所佔該聯營公司權益(包括任何實質上構成本集團於該聯營公司之淨投資一部分之任何長期權益)，則本集團會終止確認其分佔之進一步虧損。本集團會確認額外虧損，惟僅以本集團代表該聯營公司所招致法定或推定責任或所作付款為限。

於聯營公司之投資乃自投資對象成為聯營公司當日起按權益法入賬。收購於聯營公司之投資時，投資成本超出本集團應佔投資對象可識別資產及負債之公平價值淨額之差額會確認為商譽，及計入投資之賬面值內。倘於重新評估後本集團應佔可識別資產及負債公平價值淨額超逾投資成本，則差額於投資被收購期間即時於損益中確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

Investments in associates *(continued)*

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate is recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

3. 綜合財務報表編製基準及主要會計政策 *(續)*

3.2 主要會計政策 *(續)*

於聯營公司之投資 *(續)*

本集團評估有否客觀證據證明於聯營公司之權益可能出現減值。倘存在任何客觀證據，投資（包括商譽）全部賬面值作為單一資產根據香港會計準則第36號進行減值測試，方法為將其可收回金額（即使用價值與公平價值減出售成本兩者中之較高者）與其賬面值作比較。任何已確認減值虧損不分配至任何構成投資賬面值一部分的資產（包括商譽）。根據香港會計準則第36號，確認任何減值虧損撥回以投資其後增加之可收回金額為限。

倘集團旗下實體與本集團聯營公司交易，本集團之綜合財務報表確認與該聯營公司交易所產生之損益僅限於該聯營公司與本集團以外之權益。

商譽

收購業務產生之商譽以收購業務日期設立之成本減累計減值虧損（如有）列賬。

就減值測試而言，商譽乃被分配到預期將從合併之協同效應中受益之本集團各有關現金賺取單位（或現金賺取單位之組別），此乃就內部管理目的監察商譽之最低層次，並不大於經營分部。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

Goodwill *(continued)*

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described above.

Revenue from contracts with customers

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

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

3. 綜合財務報表編製基準及主要會計政策 *(續)*

3.2 主要會計政策 *(續)*

商譽 *(續)*

已獲分配商譽之現金賺取單位(或現金賺取單位之組別)每年或(更頻繁地)每當該單位有可能出現減值之跡象時進行減值測試。當可收回金額少於其賬面值時,減值虧損之分配次序為首先用以削減任何商譽之賬面值,然後根據單位(或現金賺取單位之組別)內每項資產之賬面值按比例分配至其他資產。

於出售相關現金賺取單位或一組現金賺取單位內任何現金賺取單位時,商譽應佔金額計入釐定出售損益之金額內。當本集團出售現金賺取單位(或一組現金賺取單位內現金賺取單位)內業務時,所出售商譽金額按所出售業務(或現金賺取單位)與所保留現金賺取單位(或一組現金賺取單位)部分之相對價值計量。

本集團就收購一間聯營公司所產生商譽採納之政策載於上文。

客戶合約收益

本集團於達成履約責任時(或就此)確認收益,即與特定履約責任相關之貨品或服務「控制權」轉移至客戶時。

履約責任指一項明確貨品或服務(或一批貨品或服務)或一系列大致相同之明確貨品或服務。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Revenue from contracts with customers (continued)

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

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

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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

Property, plant and equipment

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

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

客戶合約收益(續)

倘符合以下其中一項條件，則控制權為隨時間轉移，而收益則參考相關履約責任之完成進度隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供利益；
- 本集團履約創建及增強客戶於本集團履約時控制之資產；或
- 本集團履約未創建對本集團具有替代用途之資產，而本集團有強制執行權收取至今已履約部分之款項。

否則，收益於客戶獲得明確貨品或服務控制權時確認。

合約負債指本集團因已自客戶收取代價(或代價款項已到期)而須向客戶轉讓貨品或服務之責任。

物業、廠房及設備

物業、廠房及設備(包括持作生產或提供貨品或服務用途，或用作行政用途之租賃土地及樓宇，惟下文所述之在建工程除外)乃於綜合財務狀況表按成本減其後累計折舊及其後累計減值虧損(如有)入賬。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

Property, plant and equipment *(continued)*

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the reducing balance/straight-line methods. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

3. 綜合財務報表編製基準及主要會計政策 *(續)*

3.2 主要會計政策 *(續)*

物業、廠房及設備 *(續)*

作生產、供應或行政用途之在建物業按成本減任何已確認減值虧損列賬。成本包括將資產送往所需地點及達致所需狀況以便按管理層心目中的形式運作所產生的任何直接應計成本及(就合資格資產而言)根據本集團會計政策資本化之借款成本。該等資產於可作擬定用途時開始計算折舊，所用基準與其他物業資產相同。

當本集團就同時包括租賃土地及樓宇部分之物業之擁有權權益支付款項時，整筆代價根據租賃土地及樓宇部分於初始確認時之相對公平價值按比例分配至該兩部分。在能夠可靠分配相關付款之情況下，於租賃土地之權益在綜合財務狀況表內呈列為「使用權資產」。當代價無法在非租賃樓宇部分與相關租賃土地之不可分割權益之間可靠分配時，整項物業分類為物業、廠房及設備。

資產(在建工程除外)採用餘額遞減/直線法，按其估計可使用年期確認折舊，以撇銷其成本減剩餘價值。估計可使用年期、剩餘價值及折舊方法於各報告期末予以檢討，任何估計變動之影響乃按預先計提之基準入賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。出售或棄用物業、廠房及設備項目產生之任何收益或虧損按該資產之出售所得款項與賬面值之差額計算，並於損益確認。

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綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

租賃

租賃之定義

倘合約為換取代價而給予在一段時間內控制可識別資產的用途，則該合約屬於租賃或包含租賃。

就於初始應用日期或之後訂立或修改或因業務合併產生之合約而言，本集團根據香港財務報告準則第16號項下定義於開始時、修改日期或購入日期(倘適用)評估合約是否屬於租賃或包含租賃。該合約將不會重新評估，除非合約之條款及條件其後變動。

本集團作為承租人

將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分之合約而言，本集團根據租賃組成部分之相對獨立價格及非租賃組成部分之獨立價格總和將合約代價分配至各租賃組成部分，包括收購含有租賃土地及非租賃樓宇組成部分之物業所有權權益之合約，惟有關分配無法可靠作出則除外。

本集團採用可行權宜方法，不將非租賃組成部分從租賃組成部分區分開來，而是將租賃組成部分及任何相關非租賃組成部分作為一項單獨租賃組成部分進行入賬。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Short-term leases

The Group applies the short-term lease recognition exemption to leases of buildings that have a lease term of twelve months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

短期租賃

本集團對於租期為自開始日期起計十二個月或以下且不包含購買選擇權之樓宇租賃應用短期租賃確認豁免。短期租賃之租賃付款於租賃年內以直線法或另一個有系統之基準確認為開支。

使用權資產

使用權資產之成本包括：

- 租賃負債之初始計量金額；
- 在開始日期或之前支付的任何租賃付款，扣除任何已收租賃獎勵金額；
- 本集團招致之任何初始直接成本；及
- 本集團為拆卸及移除相關資產、復原相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態預計將招致之成本。

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。

使用權資產於其估計可使用年期與租賃年期兩者中之較短期間按直線法折舊。

本集團在綜合財務狀況表內將使用權資產呈列為單獨項目。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

可退還租賃按金

已付可退還租賃按金根據香港財務報告準則第9號入賬，初始按公平價值計量。於初始確認時對公平價值作出之調整被視為額外租賃付款，並列入使用權資產之成本。

租賃負債

在租賃開始日期，本集團按該日尚未支付之租賃付款現值確認及計量租賃負債。在計算租賃付款之現值時，如無法輕易確定租賃內含之利率，本集團使用租賃開始日期之遞增借貸利率。

租賃付款包括：

- 固定付款 (包括實質上固定的付款)，扣除任何應收租賃獎勵；
- 取決於指數或比率之可變租賃付款，初始使用於開始日期的指數或比率計量；
- 本集團在餘值擔保下之預計應付款項；
- 購買選擇權之行使價 (倘可合理確定本集團將行使該項選擇權)；及
- 終止租賃之罰款 (倘租賃期反映出本集團行使終止租賃之選擇權)。

於開始日期後，租賃負債按累計利息及租賃付款作出調整。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債 (續)

每當變更租賃年期時，本集團均重新計量租賃負債（並對相關使用權資產作出相應調整），在此情況下相關租賃負債透過折現經修訂租賃付款（使用於重新計量當日之經修訂折現率）重新計量。

本集團在綜合財務狀況表內將租賃負債呈列為單獨項目。

租賃修訂

如果同時符合以下條件，本集團將租賃修訂入賬列作一項單獨租賃：

- 該項修訂通過加入一項或多項相關資產之使用權而擴大租賃範圍；及
- 租賃代價增加之金額與租賃範圍擴大部份之單獨價格及就反映特定合約之情況而對該單獨價格作出之任何適當調整相稱。

就並非入賬列作單獨租賃之租賃修訂而言，本集團透過使用於修訂生效日期之經修訂折現率折現經修訂租賃付款而按經修訂租賃之年期重新計量租賃負債。

本集團透過對相關使用權資產作出相應調整將租賃負債之重新計量入賬。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Foreign currencies

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

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

租賃(續)

本集團作為出租人

租賃之分類及計量

本集團作為出租人之租賃分類為融資或經營租賃。當租賃條款轉讓其相關資產擁有權之絕大部分風險與回報予承租人時，合約分類為融資租賃。所有其他租賃則分類為經營租賃。

來自經營租賃之租金收入於相關租賃之年期內按直線基準於損益中確認。磋商及安排經營租賃引致之初始直接成本均加入租賃資產之賬面值，而有關成本於租賃年期內按直線基準確認為開支。

可退還租賃按金

已收可退還租賃按金根據香港財務報告準則第9號入賬，初始按公平價值計量。對初始確認時之公平價值所作調整被視為來自承租人之額外租賃付款。

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)所確認之交易乃按交易日期之現行匯率入賬。於報告期末，以外幣列值之貨幣項目乃按該日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目則不予重新換算。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Foreign currencies (continued)

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

For the purposes of presenting the consolidated financial statements, (i) the assets and liabilities of the Group's foreign operations are translated into US\$; (ii) the assets and liabilities of the Group denominated or translated into US\$ are then translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the exchange reserve.

Borrowing costs

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

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

外幣(續)

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額乃於產生期間在損益中確認。

就呈報綜合財務報表而言，(i) 本集團海外業務之資產及負債按報告期末之現行匯率換算為美元；(ii) 本集團以美元計值或換算為美元之資產及負債其後按報告期末之現行匯率換算為本集團之呈列貨幣(即港元)。收入及開支項目則按期內平均匯率換算。所產生外匯差額(如有)於其他全面收益確認，並於外匯儲備項下權益累計。

借款成本

收購、建設或生產合資格資產(須經長時間方可作擬定用途或出售之資產)直接應佔之借款成本計入該等資產之成本中，直至該等資產大致可作其擬定用途或出售為止。

於計算一般借款的資本化率時，倘在相關資產達到預定用途或出售後任何特定借款仍然存在，則計入一般借款組別。有待用於合資格資產的開支的特定借款暫時投資所賺取的投資收入自合資格作撥充資本的借款成本扣除。

所有其他借款成本於產生之期間於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

Employee benefits

Retirement benefit costs

Payments to the state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

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

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

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

政府津貼

當能夠合理保證本集團符合政府津貼附帶之條件，並且將會收取有關津貼時，方會確認政府津貼。

政府津貼乃於本集團將擬用作補貼相關成本之津貼確認為開支之期間內有系統地於損益確認。特別是以本集團須購買、建設或以其他方式收購非流動資產作為首要條件之政府津貼於綜合財務狀況表確認為遞延收入，並於有關資產之可使用年期按系統及合理基準轉撥至損益。

用作已產生開支或虧損的補償或向本集團提供即時財務援助而應收(並無日後相關成本)與收入相關的政府津貼，乃於其成為可收取的期間於損益內確認。有關津貼呈列為「其他收入」。

僱員福利

退休福利成本

國家管理退休福利計劃及強制性公積金計劃之供款於僱員提供使其有權享有供款之服務時確認為開支。

短期僱員福利

短期僱員福利按預期於僱員提供服務時支付之福利未折現金額確認。除非其他香港財務報告準則規定或允許於資產成本內納入福利，否則所有短期僱員福利確認為開支。

負債乃就工資、薪金及年假等應付僱員福利(經扣除任何已付金額)予以確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation

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

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

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

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

稅項

所得稅開支指本期應付稅項與遞延稅項之總和。

本期應付稅項乃按本年度應課稅溢利計算。應課稅溢利因其他年度之應課稅收入或可扣稅支出或毋須課稅或不可扣稅之項目而與稅前溢利不同。本集團之本期稅項負債乃採用於報告期末已制定或實質制定之稅率計算。

遞延稅項乃就綜合財務報表內資產與負債之賬面值與計算應課稅溢利所用之相應稅基間之暫時差額而確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產通常於可能出現可用於扣減暫時差額之應課稅溢利時就所有可扣減暫時差額確認。若暫時差額乃因初始確認一項既不影響應課稅溢利亦不影響會計溢利之交易中(業務合併除外)之資產及負債而產生,則不會確認該等遞延稅項資產及負債。此外,倘暫時差額乃因初始確認商譽而產生,則不會確認遞延稅項負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation (continued)

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

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

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

稅項(續)

遞延稅項負債乃按因附屬公司之投資所產生之應課稅暫時差額進行確認，惟倘本集團可控制暫時差額撥回及暫時差額有可能不會於可見未來撥回之情況則除外。因該等投資所產生可扣減暫時差額而產生之遞延稅項資產，僅於可能出現足夠應課稅溢利以致暫時差額的利益被利用，而在可見未來將預期可被撥回時確認。

遞延稅項資產之賬面值於報告期末進行檢討，並於不再可能有足夠應課稅溢利用於收回全部或部分資產時作出調減。

遞延稅項資產及負債乃按預期於償還負債或變現資產期間適用之稅率，根據於報告期末已制定或實質制定之稅率(及稅法)計算。

遞延稅項負債及資產的計量，反映本集團於報告期末預期將要收回或償還其資產及負債賬面值之稅務後果。

就計量本集團確認使用權資產及相關租賃負債之租賃交易之遞延稅項而言，本集團首先釐定稅項扣減是歸屬於使用權資產抑或租賃負債。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

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

Intangible assets

Intangible assets acquired separately

Intangible assets including acquired technical know-how with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

稅項(續)

就稅項扣減歸屬於租賃負債之租賃交易而言，本集團會對使用權資產及租賃負債分開應用香港會計準則第12號所得稅之規定。由於應用初始確認豁免，故初始確認有關使用權資產及租賃負債之暫時差異不予確認。其後因重新計量租賃負債及租賃修訂而調整使用權資產及租賃負債之賬面值所產生之暫時差異(不受初始確認豁免限制)於重新計量或修訂當日確認。

倘有合法可強制執行權利以即期稅項資產抵銷即期稅項負債，且兩者均涉及由相同徵稅機關向相同課稅實體徵收之所得稅，則遞延稅項資產與負債互相抵銷。

本期及遞延稅項於損益中確認，惟倘與在其他全面收益或直接在權益中確認之項目有關，則本期及遞延稅項亦會分別於其他全面收益或直接於權益確認。

無形資產

分開收購之無形資產

具有限使用年期之無形資產(包括所收購的專門知識技術)乃按成本減累計攤銷及任何累計減值虧損入賬。攤銷具有限使用年期之無形資產時，採用直線法按該等資產之估計可使用年期確認。估計可使用年期及攤銷方法於各報告期末予以檢討，任何估計變動之影響乃按預先計提之基準入賬。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

存貨

存貨乃以成本及可變現淨值兩者之較低值入賬。存貨成本以先入先出法計算。可變現淨值乃按存貨之估計售價減所有估計完成成本及在市場上銷售所需成本計算。

金融工具

金融資產及金融負債乃當集團實體成為工具合約其中一方時確認。所有以一般方式買賣之金融資產均按買賣日期基準確認及取消確認。一般方式買賣指資產須於市場規則或慣例所設定之時限內交付之金融資產買賣。

金融資產及金融負債初步按公平價值計量，惟產生自客戶合約之應收賬項根據香港財務報告準則第15號客戶合約收益(「香港財務報表第15號」)初步計量除外。收購或發行金融資產及金融負債(不包括於損益以公平價值列賬(「於損益以公平價值列賬」)之金融資產)直接應佔之交易成本於初始確認時加入金融資產公平價值或從金融負債公平價值扣除(倘適用)。收購於損益以公平價值列賬之金融資產或金融負債直接應佔之交易成本即時於損益確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

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

All other financial assets are subsequently measured at FVTPL.

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

實際利率法為計算金融資產或金融負債之攤銷成本以及於相關期間分配利息收入及利息開支之方法。實際利率指將估計未來現金收入及付款(包括所有構成實際利率不可或缺部分之已付或已收費用及點數、交易成本及其他溢價或折讓)於金融資產或金融負債預期年期或(倘適用)較短期間準確折現至初始確認時賬面淨值之利率。

金融資產

金融資產之分類及後續計量

符合下列條件之金融資產其後按攤銷成本計量：

- 金融資產乃於目的為出售及收取合約現金流量之商業模式內持有；及
- 合約條款於特定日期產生僅為支付本金及未償還本金利息之現金流量。

符合以下條件之金融資產其後按於其他全面收益以公平價值列賬(「於其他全面收益以公平價值列賬」)計量：

- 金融資產乃於目的為同時出售及收取合約現金流量之商業模式內持有；及
- 合約條款於特定日期產生僅為支付本金及未償還本金利息之現金流量。

所有其他金融資產其後按於損益以公平價值列賬計量。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

- (i) Amortised cost and interest income
- Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and trade receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.
- (ii) Trade receivables classified as at FVTOCI
- Subsequent changes in the carrying amounts for trade receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(續)

- (i) 攤銷成本及利息收入
- 其後按攤銷成本計量之金融資產及其後按於其他全面收益以公平價值列賬計量之應收賬項乃使用實際利率法確認利息收入。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值之金融資產除外（見下文）。就其後出現信貸減值之金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘出現信貸減值之金融工具因信貸風險改善而不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。
- (ii) 分類為於其他全面收益以公平價值列賬之應收賬項
- 由於按實際利率法計算之利息收入而分類為於其他全面收益以公平價值列賬之應收賬項之賬面值其後變動於損益確認。該等應收款項所有其他賬面值變動於其他全面收益確認，並於於其他全面收益以公平價值列賬儲備累計。減值撥備於損益確認，並在在不減少該等應收款項賬面值之情況下對其他全面收益作出相應調整。當該等應收款項取消確認時，先前於其他全面收益確認之累計收益或虧損將重新分類至損益。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, trade receivables at FVTOCI, amounts due from associates, restricted bank deposits and bank balances) and financial guarantee contract which is subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及後續計量 (續)

(iii) 於損益以公平價值列賬之金融資產
不符合按攤銷成本計量或按於其他全面收益以公平價值列賬計量或指定為於其他全面收益以公平價值列賬之金融資產按於損益以公平價值列賬計量。

於各報告期末，於損益以公平價值列賬之金融資產按公平價值計量，而任何公平價值收益或虧損則於損益確認。於損益確認之收益或虧損淨額不包括金融資產所賺取之任何股息，並計入「其他收益及虧損」項目內。

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值

本集團就根據香港財務報告準則第9號須進行減值評估之金融資產(包括應收賬項及其他應收款項、於其他全面收益以公平價值列賬之應收賬項、應收聯營公司款項、受限制銀行存款及銀行結存)及財務擔保合約按預期信用損失(「預期信用損失」)模式進行減值評估。預期信用損失金額於各報告日更新，以反映自初始確認以來之信貸風險變動。

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綜合財務報表附註

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)

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

The Group always recognises lifetime ECL for trade receivables.

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

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值(續)

全期預期信用損失指於相關工具預期年期內所有潛在違約事件所產生之預期信用損失。相反，12個月預期信用損失(「12個月預期信用損失」)指預期將於報告日後12個月內可能發生違約事件所產生之全期預期信用損失部分。評估乃根據本集團過往信用損失經驗(就債務人之特定因素作出調整)、整體經濟狀況以及評估於報告日之現時狀況及未來狀況預測而進行。

本集團一直就應收賬項確認全期預期信用損失。

就所有其他工具而言，本集團計量相等於12個月預期信用損失之虧損撥備，除非信貸風險自初始確認以來顯著增加，在此情況下本集團確認全期預期信用損失。評估應否確認全期預期信用損失是基於自初始確認以來發生違約情況之可能性或風險有否顯著增加。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)

- (i) Significant increase in credit risk
- In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

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

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值 (續)

- (i) 信貸風險顯著增加
- 評估信貸風險自初始確認以來有否顯著增加時，本集團比較於報告日金融工具發生違約之風險與於初始確認日期金融工具發生違約之風險。作出該評估時，本集團考慮合理可作為依據之定量及定性資料，包括毋須付出不必要成本或努力即可獲得之過往經驗及前瞻性資料。

具體而言，評估信貸風險有否顯著增加時考慮下列資料：

- 金融工具之外部 (如有) 或內部信貸評級實際或預期嚴重惡化；
- 信貸風險之外界市場指標嚴重惡化，例如信貸息差大幅增加及債務人信貸違約掉期價顯著上升；
- 業務、財務或經濟狀況之現存或預計不利變動預期會導致債務人履行其債務責任之能力大幅下降；
- 債務人之經營業績實際或預期嚴重惡化；

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)

- (i) Significant increase in credit risk (continued)
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值 (續)

- (i) 信貸風險顯著增加 (續)
 - 債務人之監管、經濟或技術環境實際或預期出現重大不利變動而導致債務人履行其債務責任之能力大幅下降。

不論上述評估結果如何，本集團假設合約付款逾期超過30日即代表信貸風險自初始確認以來顯著增加，除非本集團有合理可作為依據之資料顯示並非如此則作別論。

儘管上文所述，本集團假設倘債務工具釐定為於報告日具有低信貸風險，則債務工具之信貸風險自初始確認以來並無顯著增加。倘屬以下情況，債務工具釐定為具有低信貸風險：(i) 違約風險偏低；(ii) 借款人於短期內具備雄厚實力履行其合約現金流量責任；及(iii) 長期經濟及業務狀況之不利變動可能但不一定削弱借款人履行其合約現金流量責任之能力。倘債務工具按國際通用定義界定之內部或外部信貸評級為「投資級別」，則本集團認為其信貸風險偏低。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)

For financial guarantee contract, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk for financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值 (續)

(i) 信貸風險顯著增加 (續)

就財務擔保合約而言，本集團成為不可撤回承擔一方當日被視為就評估減值進行初始確認之日期。於評估財務擔保合約之信貸風險有否顯著增加時，本集團考慮特定債務人之違約風險變動。

本集團定期監察確定信貸風險有否顯著增加所用標準之成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

(ii) 違約之定義

就內部信貸風險管理而言，當內部建立或自外部取得之資料顯示債務人不大可能向其債權人(包括本集團)支付全額款項(不計及本集團所持任何抵押品)時，則本集團認為發生違約事件。

倘不考慮上述各項，本集團認為金融資產逾期超過90日即表示違約，除非本集團有合理可作為依據之資料顯示更滯後違約標準較為合適則作別論。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)

(iii) Credit-impaired financial assets

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

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

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值 (續)

(iii) 出現信貸減值之金融資產

當一項或多項對金融資產估計未來現金流量具有不利影響之事件發生時，即表示該金融資產出現信貸減值。金融資產出現信貸減值之證據包括下列事件之可觀察數據：

- (a) 發行人或借款人遇到嚴重財政困難；
- (b) 違反合約，例如違約或發生逾期事件；
- (c) 借款人之貸方出於與借款人財政困難有關之經濟或合約考慮而給予借款人在任何其他情況下均不予作出之讓步；或
- (d) 借款人有可能破產或進行其他財務重組。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group assesses ECL on trade receivables with significant balance individually and uses a practical expedient in estimating ECL on remaining trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值 (續)

(iv) 撇銷政策

本集團在有資料顯示對手方陷入嚴重財政困難且無實際收回可能 (例如對手方被清盤或已進入破產程序) 時撇銷金融資產。經考慮法律意見 (如適當) 後, 已撇銷金融資產仍可根據本集團之收回程序實施強制執行。撇銷構成一項取消確認事件。其後收回任何款項將於損益確認。

(v) 預期信用損失之計量及確認

預期信用損失之計量為違約概率、違約損失率 (即違約時損失程度) 及違約風險之函數。違約概率及違約損失率評估乃以過往數據及前瞻性資料為依據。預期信用損失之估計反映按產生違約之相關風險作為加權數值而釐定之無偏頗及概率加權金額。本集團對有重大結餘之應收賬項進行個別評估, 並使用可行權宜方法, 運用撥備矩陣估計餘下應收賬項之預期信用損失, 當中考慮過往信用損失經驗, 並就無需付出過多成本或努力即可獲得之前瞻性資料作出調整。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)

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

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contract for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

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

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值 (續)

- (v) 預期信用損失之計量及確認 (續)
預期信用損失通常為根據合約應付本集團之所有合約現金流量與本集團預計收取之現金流量 (按初始確認時釐定之實際利率折現) 之間差額。

就財務擔保合約而言，本集團僅須在債務人違反保證文書條款情況下作出付款。因此，預期信用損失為償還持有人所產生信用損失之預期付款現值減去本集團預期從持有人、債務人或任何其他方收取之任何金額。

就財務擔保合約之預期信用損失而言，倘實際利率無法釐定，本集團將採用可反映當前市場對貨幣時間價值之評估及現金流量特定風險之折現率，惟僅當及僅限於調整折現率時方考慮該等風險，而非調整現金差額進行折現。

利息收入乃根據金融資產之賬面總值計算，除非金融資產出現信貸減值，在此情況下，利息收入根據金融資產之攤銷成本計算。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and financial guarantee contract subject to impairment assessment under HKFRS 9 (continued)

- (v) Measurement and recognition of ECL (continued)
Except for trade receivables that are measured at FVTOCI and financial guarantee contract, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account. For trade receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Derecognition/modification of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfer the financial asset and substantially all the risk and rewards of ownership of the asset to another entity.

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

On derecognition of trade receivables classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

根據香港財務報告準則第9號須進行減值評估之金融資產及金融擔保合約減值 (續)

- (v) 預期信用損失之計量及確認 (續)
除按於其他全面收益以公平價值列賬計量之應收賬項及財務擔保合約外，本集團通過調整賬面值於損益確認所有金融工具之減值收益或虧損，惟相應調整通過虧損撥備賬確認之應收賬項及其他應收款項除外。至於按於其他全面收益以公平價值列賬計量之應收賬項，虧損撥備乃於其他全面收益確認，並於於其他全面收益以公平價值列賬儲備累計，而不會減少該等應收款項之賬面值。有關金額為涉及累計虧損撥備之於其他全面收益以公平價值列賬儲備之變動。

取消確認／修改金融資產

僅當自資產收取現金流量之合約權利屆滿時，或本集團將金融資產及資產擁有權絕大部分風險及回報轉讓予另一實體時，本集團方會取消確認金融資產。

於取消確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收總代價之間差額於損益確認。

於取消確認分類為於其他全面收益以公平價值列賬之應收賬項時，先前於於其他全面收益以公平價值列賬儲備累計之累計收益或虧損重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Non-substantial modifications of financial assets

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortised over the remaining term. Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the date of modification.

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, bank and other borrowings, amounts due to associates and bonds payable) are subsequently measured at amortised cost, using the effective interest method.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產非重大修改

對不導致撤除確認的金融資產非重大修改而言，有關金融資產之賬面值將按金融資產原先實際利率折現經修改合同現金流量至現值計算。產生之交易成本或費用會調整至經修改金融資產之賬面值，並於餘下年期攤銷。對金融資產賬面值之任何調整於修改當日之損益中確認。

金融負債及權益

分類為債務或權益

債務及權益工具乃根據合同安排之性質以及金融負債及權益工具之定義分類為金融負債或權益。

權益工具

權益工具乃證明實體於扣減所有負債後之資產中擁有剩餘權益之任何合同。本公司發行之權益工具於扣除直接發行成本後按已收所得款項記賬。

按攤銷成本列賬之金融負債

金融負債(包括應付賬項及其他應付款項、銀行及其他借款、結欠聯營公司款項以及應付債券)其後以實際利率法按攤銷成本計量。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are initially measured at their fair values. It is subsequently measured at the higher of:

- (i) the amount of the loss allowance determined in accordance with HKFRS 9; and
- (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融負債及權益 (續)

財務擔保合約

財務擔保合約乃規定發行人須作出特定付款以補償持有人因特定債務人未能根據債務工具條款支付到期款項而產生之虧損之合約。財務擔保合約負債初步按其公平價值計量，其後按以下各項之較高者計量：

- (i) 根據香港財務報告準則第9號釐定之虧損撥備金額；及
- (ii) 初始確認之金額減(倘適用)於擔保期內確認之累計攤銷。

取消確認金融負債

本集團僅在本集團之責任獲解除、取消或屆滿時，方會取消確認金融負債。被取消確認之金融負債賬面值與已付及應付代價兩者間之差額於損益確認。

衍生金融工具

衍生工具於訂立衍生工具合約當日初步按公平價值確認，其後於報告期末按公平價值重新計量，計算所得之盈虧於損益確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

物業、廠房及設備、使用權資產及無形資產(商譽除外)之減值虧損(見上文有關商譽之會計政策)

於報告期末，本集團檢討其具有有限使用年期之物業、廠房及設備、使用權資產及無形資產之賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則須估計有關資產之可收回金額，以釐定減值虧損之程度(如有)。

物業、廠房及設備、使用權資產及無形資產之可收回金額予以個別估計，倘無法個別估計可收回金額，本集團則估算該資產所屬現金賺取單位之可收回金額。

於測試現金賺取單位之減值時，倘可確定合理及一致之分配基準，則公司資產將分配至相關現金賺取單位，或分配至現金賺取單位內可確定合理及一致分配基準的最小組別。可收回金額乃按公司資產所屬現金賺取單位或現金賺取單位組別釐定，並與相關現金賺取單位或現金賺取單位組別之賬面值比較。

可收回金額乃公平價值減出售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量使用稅前折現率折現至其現值，該折現率反映貨幣時間價值之當前市場估計及未調整估計未來現金流量之資產(或現金賺取單位)特定風險。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units or the group of cash-generating unit. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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

3. 綜合財務報表編製基準及主要會計政策(續)

3.2 主要會計政策(續)

物業、廠房及設備、使用權資產及無形資產(商譽除外)之減值虧損(見上文有關商譽之會計政策)(續)

倘估計資產(或現金賺取單位)之可收回金額低於其賬面值，資產(或現金賺取單位)之賬面值將被削減至其可收回金額。就無法按合理而一致之分配基準分配至現金賺取單位之公司資產或部分公司資產而言，本集團將一組現金賺取單位之賬面值(包括已分配至該組現金賺取單位之公司資產或部分公司資產之賬面值)與該組現金賺取單位或該現金賺取單位之可收回金額作比較。在分配減值虧損時，減值虧損之分配次序為首先用以削減任何商譽之賬面值(倘適用)，然後根據該單位或該組現金賺取單位內每項資產之賬面值按比例分配至其他資產。一項資產之賬面值不予削減至低於下列各項中之最高值：公平價值減出售成本(倘可計量)、其使用價值(倘可確定)及零。原應分配至該項資產之減值虧損金額按比例分配至該單位或該組現金賺取單位內之其他資產。減值虧損即時於損益確認。

倘減值虧損其後撥回，有關資產(或現金賺取單位或一組現金賺取單位)之賬面值將增加至其可收回金額之經修訂估計值，惟所增加之賬面值不得超過該項資產(或現金賺取單位或一組現金賺取單位)於過往年度並無確認減值虧損時所應釐定之賬面值。減值虧損撥回即時於損益確認。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying accounting policies

The following is the critical judgement, apart from those involving estimation (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of Truly (Hui Zhou) Smart Display Limited ("Truly HZ") as an associate

Note 19 describes that Truly HZ is an associate of the Group although the Group has 59.7% ownership interest and voting rights in Truly HZ. Other than the Group, there are two other shareholders in Truly HZ. The Directors assessed whether or not the Group has control over Truly HZ based on whether the Group has the practical ability to direct the relevant activities of Truly HZ unilaterally. Resolutions for relevant activities of Truly HZ require approval in shareholders' meetings as stated in the Articles of Association of Truly HZ. In making their judgement, the Directors considered the requirements for shareholders' meeting as stated in the Articles of Association of Truly HZ, in which it states a shareholders' meeting cannot be held without the presence of either one of the other two shareholders. On this basis, the Directors concluded that the Group does not have control but significant influence over Truly HZ because any resolutions to be passed in shareholders' meetings shall have the consent from either one of the other shareholders demonstrated by their action of being present in the meetings. Accordingly, Truly HZ is classified as an associate of the Group.

4. 關鍵會計判斷及估計不確定性的主要來源

於應用本集團的會計政策(於附註3載述)時,董事須就從其他來源不顯而易見的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及認為屬有關的其他因素為基礎。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘若會計估計修訂只影響該期間,則有關修訂會在修訂估計期間確認。倘若有關修訂既影響本期,亦影響未來期間,則有關修訂會在修訂期間及未來期間確認。

應用會計政策之關鍵判斷

除涉及估計之判斷(見下文)以外,以下為董事於應用本集團會計政策過程中所作對綜合財務報表中確認之金額產生最重大影響之關鍵判斷。

將信利(惠州)智能顯示有限公司(「信利惠州」)分類為聯營公司

誠如附註19所述,儘管本集團擁有信利惠州59.7%擁有權權益及投票權,惟信利惠州為本集團的聯營公司。除本集團外,信利惠州另有兩名股東。董事評估本集團是否對信利惠州擁有控制權時,乃基於本集團是否有實際能力單方面管理信利惠州的相關業務。信利惠州的組織章程細則訂明,信利惠州相關業務的決議案須於股東大會上批准。於作出判斷時,董事考慮信利惠州組織章程細則訂明有關股東大會的要求,其規定不得在其餘兩名股東其中一名缺席的情況下舉行股東大會。據此,董事認為本集團對信利惠州並無控制權但有重大影響力,因任何於股東大會上通過的決議案須經其餘股東其中一名藉出席會議來表示同意。因此,信利惠州分類為本集團聯營公司。

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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables

Credit-impaired trade receivables are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the not credit-impaired trade receivables which have similar credit risk characteristics. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivables and the ECL are disclosed in notes 22 and 35(b).

4. 關鍵會計判斷及估計不確定性的主要來源 (續)

估計不確定性的主要來源

以下為於報告期末極可能導致資產及負債之賬面值於下個財政年度內作出重大調整之未來相關主要假設及估計不明朗因素之其他主要來源。

應收賬項之預期信用損失撥備

出現信貸減值之應收賬項乃個別評估預期信用損失。此外，本集團使用撥備矩陣計算信用風險特徵相若而並無出現信貸減值之應收賬項之預期信用損失。撥備率按具有類似虧損型態之不同債務人組別之內部信貸評級計算。撥備矩陣以本集團歷史違約率為基準，當中計及毋須付出不必要成本或努力即可獲得合理可作為依據之前瞻性資料。於各報告日重新評估歷史觀察所得違約率，並考慮前瞻性資料之變動。

預期信用損失撥備極受估計變動影響。有關本集團應收賬項及預期信用損失之資料於附註22及35(b)披露。

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5. REVENUE

Disaggregation of revenue from contract with customers by types of products is analysed as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Sales of LCD products	銷售液晶體顯示器產品	14,247,960	14,581,528
Sales of electronic consumer products	銷售電子消費產品	7,923,750	7,950,971
		22,171,710	22,532,499

The Group is principally engaged in the manufacture and distribution of LCD products and electronic consumer products. The Group recognises the revenue at a point in time when the control of products is transferred to the customer, i.e. when the goods have been delivered to customer's specific location. A receivable is recognised by the Group when the goods are delivered to the customer's premises as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The customers have neither rights of return nor rights to defer or avoid payment for the goods once they are accepted by the customers. The normal credit period is 30 to 90 days upon delivery.

During the year ended 31 December 2020 and 2019, all performance obligations for sales of LCD products and electronic consumer products are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied performance obligations as at 31 December 2020 and 31 December 2019 are not disclosed.

5. 收益

按產品種類劃分之客戶合約收益分析如下：

本集團之主要業務為製造及分銷液晶體顯示器產品及電子消費產品。本集團於產品控制權轉移至客戶(即貨品已交付予客戶的指定地點)時確認收益。本集團於貨品交付至客戶處所時確認應收款項，此乃收取代價權利成為無條件之時間點，原因為有關款項只須經過一段時間即可收取。客戶一經接收貨物，即無權退貨亦無權推遲或逃避支付貨品款項。正常信貸期為交付後30至90日。

截至二零二零年及二零一九年十二月三十一日止年度，銷售液晶體顯示器產品及電子消費產品之履約責任均為期一年或以下。根據香港財務報告準則第15號之規定，毋須披露截至二零二零年十二月三十一日及二零一九年十二月三十一日止年度分配至未履行履約責任之交易價格。

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6. SEGMENT INFORMATION

Information reported to the Company's executive directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of performance focuses on the sales of different types of products. Inter-segment sales are charged at prevailing market rates. Thus the Group is currently organised into two operating segments which are sales of LCD products and electronic consumer products. The information for each operating segment is as follows:

LCD products	—	manufacture and distribution of LCD products and touch panel products
Electronic consumer products	—	manufacture and distribution of electronic consumer products such as compact camera module, fingerprint identification modules, personal health care products and electrical devices

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2020

		LCD products 液晶體顯示器產品 HK\$'000 千港元	Electronic consumer products 電子消費產品 HK\$'000 千港元	Segment total 分類總額 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	外銷	14,247,960	7,923,750	22,171,710	—	22,171,710
Inter-segment sales	分類間銷售	—	279,038	279,038	(279,038)	—
		14,247,960	8,202,788	22,450,748	(279,038)	22,171,710
RESULT	業績					
Segment result	分類業績	959,567	498,878	1,458,445	(13,059)	1,445,386
Finance costs	財務費用					(380,025)
Impairment loss under expected credit loss model on other receivable	其他應收款項預期信用損失模式下減值虧損					(281,901)
Share of results of associates	分佔聯營公司業績					20
Unallocated expenses	未分配開支					(17,577)
Unallocated other gains and losses	未分配其他收益及虧損					(27,211)
Profit before tax	稅前溢利					738,692

6. 分類資料

向本公司執行董事(即主要營運決策者)報告以分配資源及評估表現的報告資料集中於不同類別產品的銷售。分類間銷售乃按現行市價支銷。因此，本集團目前分為兩個經營分類，即銷售液晶體顯示器產品及電子消費產品。各經營分類的資料如下：

液晶體顯示器產品	—	製造及分銷液晶體顯示器產品及觸控屏產品
電子消費產品	—	製造及分銷電子消費產品(例如微型相機模組、指紋識別模組、個人保健產品及電子設備)

分類收益及業績

本集團按經營及報告分類劃分的收益及業績分析如下：

截至二零二零年十二月三十一日止年度

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6. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

For the year ended 31 December 2019

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Segment total 分類總額 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	外銷	14,581,528	7,950,971	22,532,499	–	22,532,499
Inter-segment sales	分類間銷售	–	238,247	238,247	(238,247)	–
		14,581,528	8,189,218	22,770,746	(238,247)	22,532,499
RESULT	業績					
Segment result	分類業績	878,094	338,395	1,216,489	(11,162)	1,205,327
Finance costs	財務費用					(419,129)
Share of results of associates	分佔聯營公司業績					(23,968)
Unallocated expenses	未分配開支					(17,782)
Unallocated other gains and losses	未分配其他收益及虧損					(7,591)
Profit before tax	稅前溢利					736,857

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs including directors' salaries, finance costs, share of results of associates, loss on fair value changes of derivative financial instruments, impairment loss under expected credit loss model on other receivable, gain (loss) from changes in fair value of financial assets at FVTPL and gain on disposal of an associate. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

6. 分類資料 (續)

分類收益及業績 (續)

截至二零一九年十二月三十一日止年度

經營分類之會計政策與附註3所述之本集團會計政策相同。分類溢利指未分配中央行政管理成本，包括董事薪金、財務費用、分佔聯營公司業績、衍生金融工具公平價值變動虧損、其他應收款項預期信用損失模式下減值虧損、於損益以公平價值列賬之金融資產公平價值變動收益(虧損)及出售一間聯營公司之收益之各分類所賺取溢利。此為向主要營運決策者報告以分配資源及評估表現之計算方法。

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6. SEGMENT INFORMATION (continued)

Other information

For the year ended 31 December 2020

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Amounts included in the measure of segment results:	計算分類業績所包括的金額：				
Allowance for inventories, net (included in cost of sales)	存貨撥備淨額 (計入銷售成本)	48,780	222	–	49,002
Depreciation (including amounts capitalised in inventories)	折舊 (包括於存貨資本化之金額)	1,262,882	53,649	–	1,316,531
Depreciation of right-of-use assets	使用權資產折舊	42,956	2,945	–	45,901
Loss on disposal/write off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	1,810	3,790	–	5,600
Impairment losses under expected credit loss model, net of reversal	預期信用損失模式下減值虧損，扣除撥回	30,117	2,850	281,901	314,868

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		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Amounts included in the measure of segment results:	計算分類業績所包括的金額：			
Allowance for inventories, net (included in cost of sales)	存貨撥備淨額 (計入銷售成本)	130,377	19,267	149,644
Depreciation (including amounts capitalised in inventories)	折舊 (包括於存貨資本化之金額)	1,055,252	60,341	1,115,593
Depreciation of right-of-use assets	使用權資產折舊	13,245	3,525	16,770
Loss on disposal/write off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	9,169	1,280	10,449
Impairment losses under expected credit loss model, net of reversal	預期信用損失模式下減值虧損，扣除撥回	21,468	927	22,395

Segment assets and liabilities are not disclosed as they are not regularly reviewed by chief operating decision maker.

由於分類資產及負債並非由主要營運決策者定期審閱，故並無披露該等資產及負債。

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6. SEGMENT INFORMATION (continued)

Geographical information

The following table sets out information about (i) the Group's revenue from external customers by location of customers and (ii) the Group's non-current assets by location of assets.

		Revenue from external customers 外部客戶收益		Non-current assets 非流動資產	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
The PRC	中國	17,748,804	15,631,008	14,438,927	13,801,607
South Korea	南韓	922,826	2,544,518	—	—
Hong Kong (place of domicile)	香港 (本籍地)	542,544	576,667	15,658	96,190
Japan	日本	370,252	484,406	—	—
Europe	歐洲	936,784	1,272,751	—	—
Others	其他	1,650,500	2,023,149	—	—
		22,171,710	22,532,499	14,454,585	13,897,797

Notes:

- (i) Regarding revenue arising from sales to external customers in Europe and others, no individual countries are material and hence separate disclosure is not required.
- (ii) Non-current assets exclude financial assets at FVTPL, deferred tax assets, rental deposits and amount due from an associate.

6. 分類資料 (續)

地區資料

下表載列 (i) 本集團按客戶所在地區分類的外部客戶收益及 (ii) 本集團按資產所在地區分類的非流動資產的資料。

附註：

- (i) 就來自歐洲及其他地區外部客戶的銷售收益而言，概無個別國家佔有重大份額，故並無呈列獨立披露資料。
- (ii) 非流動資產不包括於損益以公平價值列賬之金融資產、遞延稅項資產、租賃按金及應收聯營公司款項。

Information about major customers

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

主要客戶資料

於相應年度對本集團總銷售額貢獻超過10%之客戶收益如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Customer A ¹	客戶甲 ¹	N/A 不適用 ²	3,594,108
Customer B ¹	客戶乙 ¹	N/A 不適用 ²	3,413,367

- ¹ Revenue from LCD products and electronic consumer products.
- ² The corresponding revenue did not contribute over 10% of the total revenue of the Group.

- ¹ 來自液晶顯示器產品及電子消費產品之收益。
- ² 相應收益佔本集團總收益不超過10%。

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7. OTHER INCOME

7. 其他收入

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Other income includes:	其他收入包括：		
Government grants (Note)	政府津貼(附註)	73,131	75,670
Compensation income	賠償收入	17,850	4,846
Interest income	利息收入	11,028	6,910
Interest income from an associate	來自聯營公司之利息收入	31,448	39,621
Rental income with fixed monthly rental	固定月租之租金收入	16,837	9,150
Dividend income from financial assets at FVTPL	於損益以公平價值列賬之金融資產之股息收入	—	1,563
Consultation income from an associate	來自聯營公司之諮詢收入	—	4,996
Sundry income	雜項收入	4,531	3,110
		154,825	145,866

Note: During the current year, apart from the government grants detailed in note 39, the Group also recognised government grants of HK\$3,996,000 in respect of COVID-19-related subsidies which relates to Employment Support Scheme provided by the Hong Kong government during the current year (2019: nil).

附註：於本年度，除附註39詳述的政府津貼外，本集團亦就與香港政府於本年度所提供的補就業計劃相關之COVID-19相關補助確認政府津貼3,996,000港元(二零一九年：無)。

8. OTHER GAINS AND LOSSES

8. 其他損益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Loss on disposal/write-off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	(5,600)	(10,449)
Gain (loss) from changes in fair value of financial assets at FVTPL	於損益以公平價值列賬之金融資產公平價值變動收益(虧損)	1,798	(4,767)
Loss on fair value changes of derivative financial instruments, net	衍生金融工具公平價值變動虧損淨額	(29,009)	(2,824)
Net foreign exchange gain (loss)	外匯收益(虧損)淨額	56,999	(2,125)
Gain on disposal of an associate (note 19(ii))	出售聯營公司之收益(附註19(ii))	6,822	—
		31,010	(20,165)

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9. FINANCE COSTS

9. 財務費用

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest on bank and other borrowings	銀行及其他借款之利息	358,170	356,703
Interest on bonds payable	應付債券之利息	21,000	38,855
Interest on loans from an associate	聯營公司貸款之利息	—	23,311
Interest on lease liabilities	租賃負債之利息	855	260
		380,025	419,129

10. INCOME TAX EXPENSE

10. 所得稅開支

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current tax:	本期稅項：		
PRC Enterprise Income Tax	中國企業所得稅	95,946	81,114
Other jurisdictions	其他司法權區	1,235	419
		97,181	81,533
Withholding tax	預扣稅	6,939	11,450
		104,120	92,983
(Over)underprovision in prior years:	過往年度(超額撥備)撥備不足：		
The PRC	中國	(4,260)	7,286
Deferred tax (see note 32)	遞延稅項(見附註32)	40,059	28,424
Income tax expense for the year	本年度所得稅開支	139,919	128,693

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10. INCOME TAX EXPENSE (continued)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The Directors consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Income tax arising in the PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the relevant law and regulations in the PRC, PRC subsidiaries qualified as Hi-Tech Enterprise are entitled to 15% PRC enterprise income tax. The tax rate of the other PRC subsidiaries is 25%.

Pursuant to the PRC Enterprise Income Tax Law (the "EIT Law of PRC") and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holding companies incorporated in Hong Kong is subject to the PRC withholding tax at the applicable tax rates of 5% to 10%.

10. 所得稅開支(續)

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，引入兩級制利得稅率制度。條例草案於二零一八年三月二十八日簽署成為法律並於翌日刊登憲報。根據兩級制利得稅率制度，合資格集團實體首2百萬港元溢利將按8.25%之稅率徵稅，而超過2百萬港元之溢利則按16.5%之稅率徵稅。不符合兩級制利得稅率制度資格之集團實體之溢利將繼續按16.5%之劃一稅率徵稅。董事認為，實施兩級制利得稅率制度所牽涉金額對綜合財務報表而言並不重大。香港利得稅乃就兩個年度內估計應課稅溢利按稅率16.5%計算。

於中國及其他司法權區產生之所得稅按相關司法權區之現行稅率計算。

根據中國相關法律及法規，符合高新技術企業資格之中國附屬公司所享有中國企業所得稅率為15%。其他中國附屬公司之稅率為25%。

根據中國企業所得稅法(「中國企業所得稅法」)及實施條例細則，自二零零八年一月一日起，就向於香港註冊成立之控股公司分派中國附屬公司賺取之溢利須按5%至10%之適用稅率繳納中國預扣稅。

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10. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅開支(續)

本年度之所得稅開支與綜合損益及其他全面收益表之稅前溢利之對賬如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit before tax	稅前溢利	738,692	736,857
Add: share of results of associates	加：分佔聯營公司業績	(20)	23,968
		738,672	760,825
Tax at the average income tax rate of 15.61% (2019: 15.35%) (Note i)	按平均所得稅率 15.61% (二零一九年：15.35%) 課稅 (附註 i)	115,319	116,822
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	83,643	48,220
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(67,456)	(24,953)
(Over)underprovision in respect of prior years	過往年度(超額撥備)撥備不足	(4,260)	7,286
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	12,005	218
Utilisation of tax losses not recognised	動用未確認稅務虧損	(71)	(3,953)
Withholding tax on undistributed earnings of PRC subsidiaries	中國附屬公司未分派盈利之預扣稅	21,886	11,850
Withholding tax on interest income	利息收入之預扣稅	6,939	9,365
Underprovision of withholding tax in respect of PRC subsidiaries on distributed earnings in prior years	中國附屬公司過往年度已分派盈利之預扣稅撥備不足	—	2,085
Tax relief related to additional tax deduction on research expenses incurred (Note ii)	涉及就所產生研究開支給予額外扣稅之稅務寬減(附註 ii)	(28,924)	(39,084)
Others	其他	838	837
Income tax expense for the year	本年度所得稅開支	139,919	128,693

Notes:

- (i) The average income tax rate for the year ended 31 December 2020 and 2019 represents the weighted average tax rate of the operations in different jurisdictions on the basis of the relevant amounts of profit before tax and the tax rate of the relevant entities for the year.
- (ii) Pursuant to relevant law and regulations, the PRC subsidiaries are entitled to additional tax deduction on qualifying research and development costs expenditures for the years ended 31 December 2020 and 2019.

附註：

- (i) 截至二零二零年及二零一九年十二月三十一日止年度之平均所得稅率指根據稅前溢利相關款額及年內相關實體之稅率計算之不同司法權區業務之加權平均稅率。
- (ii) 根據相關法律及法規，截至二零二零年及二零一九年十二月三十一日止年度，中國附屬公司有權就合資格研發成本開支享有額外稅務扣減。

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11. PROFIT FOR THE YEAR

11. 本年度溢利

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit for the year has been arrived at after charging:	本年度溢利乃於扣除以下各項後達致：		
Auditor's remuneration	核數師酬金	3,400	4,000
Cost of inventories recognised as expenses	確認為開支之存貨成本	19,197,940	19,748,404
Allowance for inventories, net (included in cost of sales)	存貨撥備淨額(列入銷售成本)	49,002	149,644
Research expenses (included in cost of sales)	研究開支(列入銷售成本)	875,967	809,040
Depreciation of property, plant and equipment (including amounts capitalised in inventories)	物業、廠房及設備折舊(包括於存貨資本化之金額)	1,316,531	1,115,593
Depreciation of right-of-use assets	使用權資產折舊	45,901	16,770
Expenses related to short-term leases	涉及短期租賃之開支	15,347	12,621
Staff costs, inclusive of directors' remuneration (note 12):	員工成本，包括董事酬金(附註12)：		
Salaries and other benefits	薪金及其他福利	1,547,737	1,479,348
Contributions to retirement benefit scheme	退休福利計劃供款	108,961	112,319
		1,656,698	1,591,667
Impairment losses under expected credit loss model, net of reversal	預期信用損失模式下減值虧損，扣除撥回		
Trade receivables	應收賬項	32,967	33,159
Other receivables	其他應收款項	281,901	—
Loan receivable	應收貸款	—	(10,764)
		314,868	22,395

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12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

2020

(a) EXECUTIVE DIRECTORS

		Lam Wai Wah	Wong Pong Chun, James	Ma Wai Tong (Note i) 馬煒堂 (附註i)	Song Bei Bei	Dai Cheng Yun	Cheung Wing Cheung	Total
		林偉華 HK\$'000 千港元	黃邦俊 HK\$'000 千港元	(附註i) 馬煒堂 HK\$'000 千港元	宋貝貝 HK\$'000 千港元	戴成雲 HK\$'000 千港元	張榮祥 HK\$'000 千港元	總額 HK\$'000 千港元
Fees	袍金	-	-	-	-	-	-	-
Other emoluments:	其他酬金：							
Salaries and other benefits	薪金及其他福利	3,991	1,422	1,587	1,215	1,080	1,320	10,615
Performance related incentive payments (Note ii)	與表現掛鉤之獎金 (附註ii)	243	312	127	-	-	510	1,192
Contributions to retirement benefit scheme	退休福利計劃供款	-	36	17	11	11	18	93
Sub-total	小計	4,234	1,770	1,731	1,226	1,091	1,848	11,900

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

12. 董事及行政總裁酬金

根據適用上市規則及公司條例披露年內董事及行政總裁之酬金如下：

二零二零年

(a) 執行董事

上述所示執行董事之酬金主要為彼等就管理本公司及本集團事務時提供服務之酬金。

(b) NON-EXECUTIVE DIRECTOR

		Ma Wai Tong (Note i) 馬煒堂 (附註i) HK\$'000 千港元
Fees	袍金	29
Other emoluments:	其他酬金：	
Salaries and other benefits	薪金及其他福利	-
Performance related incentive payments (Note ii)	與表現掛鉤之獎金(附註ii)	-
Contributions to retirement benefit scheme	退休福利計劃供款	-
Sub-total	小計	29

The non-executive director's emolument shown above was mainly for his service as Director of the Company.

上述所示非執行董事之酬金主要為彼等就擔任本公司董事時提供服務之酬金。

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12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

2020 (continued)

(c) INDEPENDENT NON-EXECUTIVE DIRECTORS

		Chung Kam Kwong 鍾錦光 HK\$'000 千港元	Ip Cho Ting, Spencer 葉祖亭 HK\$'000 千港元	Heung Kai Sing 香啟誠 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Fees	袍金	264	132	132	528
Other emoluments:	其他酬金：				
Salaries and other benefits	薪金及其他福利	—	—	—	—
Performance related incentive payments	與表現掛鉤之獎金	—	—	—	—
Contributions to retirement benefit scheme	退休福利計劃供款	—	—	—	—
Sub-total	小計	264	132	132	528

The independent non-executive directors' emoluments shown above were mainly for their services as Directors.

上述所示獨立非執行董事之酬金主要為彼等就擔任董事時提供服務之酬金。

		HK\$'000 千港元
Total for all directors in 2020	二零二零年全體董事總計	12,457

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12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

2019

(a) EXECUTIVE DIRECTORS

		Lam Wai Wah 林偉華 HK\$'000 千港元	Wong Pong Chun, James 黃邦俊 HK\$'000 千港元	Ma Wai Tong 馬煒堂 HK\$'000 千港元	Song Bei Bei 宋貝貝 HK\$'000 千港元	Dai Cheng Yun 戴成雲 HK\$'000 千港元	Cheung Wing Cheung 張榮祥 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Fees	袍金	-	-	-	-	-	-	-
Other emoluments:	其他酬金：							
Salaries and other benefits	薪金及其他福利	3,999	1,919	1,803	1,066	737	1,053	10,577
Performance related incentive payments (Note ii)	與表現掛鈎之獎金(附註ii)	243	312	290	-	-	85	930
Contributions to retirement benefit scheme	退休福利計劃供款	-	36	18	12	12	18	96
Sub-total	小計	4,242	2,267	2,111	1,078	749	1,156	11,603

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

上述所示執行董事之酬金主要為彼等就管理本公司及本集團事務時提供服務之酬金。

(b) INDEPENDENT NON-EXECUTIVE DIRECTORS

		Chung Kam Kwong 鍾錦光 HK\$'000 千港元	Ip Cho Ting, Spencer 葉祖亨 HK\$'000 千港元	Heung Kai Sing 香啟誠 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Fees	袍金	264	132	132	528
Other emoluments:	其他酬金：				
Salaries and other benefits	薪金及其他福利	-	-	-	-
Performance related incentive payments	與表現掛鈎之獎金	-	-	-	-
Contributions to retirement benefit scheme	退休福利計劃供款	-	-	-	-
Sub-total	小計	264	132	132	528

12. 董事及行政總裁酬金(續)

二零一九年

(a) 執行董事

(b) 獨立非執行董事

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12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

2019 (continued)

(b) INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

The independent non-executive directors' emoluments shown above were mainly for their services as Directors.

		HK\$'000 千港元
Total for all directors in 2019	二零一九年全體董事總計	12,131

Note i: Mr. Ma Wai Tong was re-designated from an executive Director to a non-executive director of the Company with effect from 17 November 2020.

Note ii: The performance related incentive payments are based on the remuneration approved by the remuneration committee for the years ended 31 December 2020 and 2019.

Mr. Lam Wai Wah is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

Neither the Chief Executive nor any of the Directors waived any emoluments during the years ended 31 December 2020 and 2019.

12. 董事及行政總裁酬金(續)

二零一九年(續)

(b) 獨立非執行董事(續)

上述所示獨立非執行董事之酬金主要為彼等就擔任董事時提供服務之酬金。

附註i：馬煒堂先生由本公司執行董事調任為非執行董事，自二零二零年十一月十七日起生效。

附註ii：與表現掛鉤之獎金乃根據截至二零二零年及二零一九年十二月三十一日止年度薪酬委員會批准之酬金釐定。

林偉華先生亦為本公司行政總裁，彼於上文披露之酬金包括彼作為行政總裁時提供服務之酬金。

截至二零二零年及二零一九年十二月三十一日止年度，概無行政總裁或任何董事放棄收取任何酬金。

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13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included four (2019: three) directors and the chief executive, details of whose remunerations are set out in note 12 above. Details of the remuneration for the year of the remaining one (2019: two) highest paid employees who is neither a director nor chief executive of the Company are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,693	7,331
Performance related incentive payments	與表現掛鈎之獎金	410	136
Contributions to retirement benefit scheme	退休福利計劃供款	18	28
		2,121	7,495

Their emoluments were within the following bands:

有關僱員酬金之金額介乎：

		2020 二零二零年 Number of employee 僱員數目	2019 二零一九年 Number of employee 僱員數目
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	1	–
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	–	1
HK\$4,000,001 to HK\$4,500,000	4,000,001 港元至 4,500,000 港元	–	1

During the year, no emoluments were paid by the Group to any of the directors, chief executive or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2019: nil). None of the directors and the chief executive has waived or agreed to waive any emoluments during the year ended 31 December 2020 (2019: nil).

年內，本集團並無向本集團任何董事、行政總裁或五名最高薪酬人士支付任何酬金，作為加入本集團或於加入本集團時之獎勵，或作為離職補償（二零一九年：無）。截至二零二零年十二月三十一日止年度，概無董事或行政總裁已放棄或同意放棄任何酬金（二零一九年：無）。

14. DIVIDENDS

No dividend has been paid or declared by the Company for 2020, nor has any dividend been proposed since the end of the reporting period (2019: nil).

14. 股息

本公司並無就二零二零年派付或宣派任何股息，自報告期末以來亦無建議任何股息（二零一九年：無）。

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15. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

Earnings

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Earnings for the purposes of basic earnings per share	用以計算每股基本盈利之盈利		
Profit for the year attributable to owners of the Company	本公司擁有人應佔本年度溢利	502,287	562,456

Number of shares

		2020 二零二零年 '000 千股	2019 二零一九年 '000 千股
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	3,289,229	3,289,229

No diluted earnings per share is presented as there were no potential ordinary shares in issue for both years.

15. 每股盈利

每股基本盈利乃根據下列數據計算：

盈利

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Earnings for the purposes of basic earnings per share	用以計算每股基本盈利之盈利		
Profit for the year attributable to owners of the Company	本公司擁有人應佔本年度溢利	502,287	562,456

股份數目

		2020 二零二零年 '000 千股	2019 二零一九年 '000 千股
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	3,289,229	3,289,229

由於兩個年度並無潛在已發行普通股，故並無呈列每股攤薄盈利。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總額 HK\$'000 千港元
COST	成本						
At 1 January 2019	於二零一九年一月一日	1,640,357	1,747,947	14,138,175	45,540	2,662,985	20,235,004
Currency realignment	貨幣調整	(27,891)	(36,097)	(307,300)	(451)	(19,613)	(391,352)
Additions	添置	1,060	109,881	498,758	1,812	586,877	1,198,388
Disposals/write off	出售/撇銷	–	(3)	(159,901)	(10,355)	–	(170,259)
Transfers	調撥	–	–	138,151	–	(138,151)	–
At 31 December 2019	於二零一九年十二月三十一日	1,613,526	1,821,728	14,307,883	36,546	3,092,098	20,871,781
Currency realignment	貨幣調整	231,770	120,265	1,049,745	1,361	64,071	1,467,212
Additions	添置	44,851	49,109	275,407	423	304,107	673,897
Disposals/write off	出售/撇銷	–	(90)	(62,088)	(130)	–	(62,308)
Transfers	調撥	2,338,834	–	674,003	–	(3,012,837)	–
At 31 December 2020	於二零二零年十二月三十一日	4,228,981	1,991,012	16,244,950	38,200	447,439	22,950,582
DEPRECIATION	折舊						
At 1 January 2019	於二零一九年一月一日	438,533	939,106	6,515,139	34,622	–	7,927,400
Currency realignment	貨幣調整	(7,167)	(21,086)	(147,697)	(381)	–	(176,331)
Provided for the year	年度撥備	44,141	149,172	920,685	1,595	–	1,115,593
Eliminated on disposals/write off	出售/撇銷對銷	–	(2)	(113,925)	(4,107)	–	(118,034)
At 31 December 2019	於二零一九年十二月三十一日	475,507	1,067,190	7,174,202	31,729	–	8,748,628
Currency realignment	貨幣調整	28,667	77,762	544,444	1,236	–	652,109
Provided for the year	年度撥備	93,086	134,468	1,087,271	1,706	–	1,316,531
Eliminated on disposals/write off	出售/撇銷對銷	–	(32)	(21,943)	(85)	–	(22,060)
At 31 December 2020	於二零二零年十二月三十一日	597,260	1,279,388	8,783,974	34,586	–	10,695,208
CARRYING VALUES	賬面值						
At 31 December 2020	於二零二零年十二月三十一日	3,631,721	711,624	7,460,976	3,614	447,439	12,255,374
At 31 December 2019	於二零一九年十二月三十一日	1,138,019	754,538	7,133,681	4,817	3,092,098	12,123,153

The cost of leasehold land and buildings is depreciated over forty years or the terms of the respective leases, whichever is the shorter, using the straight-line method.

租賃土地及樓宇之成本以直線法以四十年年期或各自租賃年期(以較短者為準)折舊。

The other items of property, plant and equipment, other than construction in progress, are depreciated on a reducing balance method at the following rates per annum:

其他物業、廠房及設備項目(在建工程除外)以餘額遞減法,按以下年率計算折舊:

Furniture, fixtures and equipment	10% to 20%	傢俬、裝置及設備	10% 至 20%
Plant and machinery	11% to 15%	廠房及機器	11% 至 15%
Motor vehicles	25% to 30%	汽車	25% 至 30%

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17. RIGHT-OF-USE ASSETS

17. 使用權資產

		Leasehold land 租賃土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2019	於二零一九年十二月三十一日				
Carrying amount	賬面值	418,207	5,324	97,889	521,420
As at 31 December 2020	於二零二零年十二月三十一日				
Carrying amount	賬面值	440,530	9,190	410,572	860,292
For the year ended 31 December 2020	截至二零二零年十二月 三十一日止年度				
Depreciation charge	折舊支出	9,705	8,154	28,042	45,901
For the year ended 31 December 2019	截至二零一九年十二月 三十一日止年度				
Depreciation charge	折舊支出	11,537	4,423	810	16,770

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Expense relating to short-term leases	涉及短期租賃之開支	15,347	12,621
Total cash outflow for leases	租賃之總現金流出	(62,594)	(66,201)
Additions to right-of-use assets	添置使用權資產	332,029	150,698

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17. RIGHT-OF-USE ASSETS (continued)

For both years, the Group leases various offices and plant and machinery for its operations. Lease contracts are entered into for fixed term of 13 months to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. The leasehold land components of these owned properties are presented separately as the payments made can be allocated reliably.

The Group regularly entered into short-term leases for various offices and plant and machinery. As at 31 December 2020 and 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 11 and above.

17. 使用權資產(續)

於該兩個年度，本集團租用多個辦公室及機器供營運所需。所訂租賃合約之固定年期為13個月至5年不等。租賃條款乃按個別基準磋商，並包含一系列不同條款及條件。在釐定租賃年期及評估不可撤銷期間時，本集團應用合約之定義，並釐定可強制執行合約之期間。

此外，本集團擁有多幢工業樓宇（其生產設施所在地）及辦公大樓。本集團為該等物業權益（包括相關租賃土地）之登記擁有人。該等自置物業之租賃土地部分單獨呈列為能夠可靠分配之付款。

本集團定期就多個辦公室以及廠房及機器訂立短期租賃。於二零二零年及二零一九年十二月三十一日，短期租賃組合與短期租賃開支於附註11及上文披露之短期租賃組合相若。

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18. INTANGIBLE ASSETS

18. 無形資產

		Technical know-how 技術專業知識 HK\$'000 千港元
COST	成本	
At 1 January 2019, 31 December 2019 and 31 December 2020	於二零一九年一月一日、 二零一九年十二月三十一日及 二零二零年十二月三十一日	23,230
AMORTISATION	攤銷	
At 1 January 2019, 31 December 2019 and 31 December 2020	於二零一九年一月一日、 二零一九年十二月三十一日及 二零二零年十二月三十一日	23,230
CARRYING VALUES	賬面值	
At 31 December 2020	於二零二零年十二月三十一日	—
At 31 December 2019	於二零一九年十二月三十一日	—

Technical know-how are amortised on a straight-line basis over four years.

技術專業知識乃以直線法攤銷，攤銷期為四年。

19. INTERESTS IN ASSOCIATES

19. 於聯營公司的權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cost of investments — unlisted	投資成本 — 非上市	2,557,724	2,574,599
Share of results and other comprehensive expense	應佔業績及其他全面開支	(1,269,254)	(1,274,575)
Exchange difference arising on translation	換算產生之外匯差額	(39,421)	(120,209)
		1,249,049	1,179,815

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19. INTERESTS IN ASSOCIATES (continued)

Details of the Group's associates at the end of the reporting period are as follows:

Name of entity 實體名稱	Form of entity 實體形式	Place of incorporation/ registration 註冊成立/ 登記地點	Principal place of operation 主要營業 地點	Class of shares 股份類別	Proportion of ownership interest held by the Group 本集團持有之 所有權權益比例		Principal activities 主要業務
					2020 二零二零年	2019 二零一九年	
Truly HZ 信利惠州	Incorporated 註冊成立	The PRC 中國	The PRC 中國	Registered capital 註冊資本	59.7%* (Note i) (附註 i)	59.7%* (Note i) (附註 i)	Development and production of active-matrix organic light-emitting diode and LCD products 開發及生產有源矩陣有機發光二極管及液晶顯示器產品
杭州登虹科技有限公司 (「杭州登虹科技」)	Incorporated 註冊成立	The PRC 中國	The PRC 中國	Registered capital 註冊資本	— (Note ii) (附註 ii)	11.8%* (Note ii) (附註 ii)	Development and production of intelligent camera 開發及生產智能相機
Truly (Renshou) High-end Display Technology Limited ("Truly RS") 信利(仁壽)高端顯示科技有限公司(「信利仁壽」)	Incorporated 註冊成立	The PRC 中國	The PRC 中國	Registered capital 註冊資本	7.1%* (Note iii) (附註 iii)	7.1%* (Note iii) (附註 iii)	Development and production of LCD products 開發及生產液晶顯示器產品

* Rounded to one decimal point for disclosure purpose.

Notes:

- (i) According to the Articles of Association of Truly HZ, shareholders' meeting cannot be held without the presence of either one of the other two shareholders. The Directors consider that the Group does not have control but only significant influence over Truly HZ under such a term because any resolutions to be passed in shareholders' meetings shall have the consent from either one of the other shareholders demonstrated by their action of being present in the meetings. Truly HZ is therefore classified as an associate of the Group.
- (ii) The Group was able to exercise significant influence over 杭州登虹科技 because it had the power to appoint one out of five directors of 杭州登虹科技 under the Articles of Association of 杭州登虹科技 where the relevant activities of 杭州登虹科技 is directed by the board of directors. During the year ended 31 December 2020, the associate was disposed of to an independent third party at a cash consideration of RMB20,300,000 (equivalent to HK\$22,838,000) and a gain of HK\$6,822,000 has been credited to other gains and losses.

19. 於聯營公司的權益 (續)

本集團於報告期末之聯營公司詳情如下：

* 就披露目的四捨五入至小數點後一個位。

附註：

- (i) 根據信利惠州的組織章程細則，不得在其餘兩名股東其中一名缺席的情況下舉行股東大會。董事認為在該條款下，本集團對信利惠州並無控制權，僅有重大影響力，因任何於股東大會上通過的決議案須經其餘股東其中一名藉出席會議來表示同意。因此，信利惠州分類為本集團聯營公司。
- (ii) 由於本集團有權根據杭州登虹科技的組織章程細則委任一名董事作為該公司五名董事之一，故本集團可對杭州登虹科技行使重大影響力，而杭州登虹科技的相關活動由董事會主導。截至二零二零年十二月三十一日止年度，聯營公司出售予一名獨立第三方，現金代價為人民幣20,300,000元（相當於22,838,000港元），收益6,822,000港元已計入其他收益及虧損。

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19. INTERESTS IN ASSOCIATES (continued)

Notes: (continued)

- (iii) The Group has significant influence over Truly RS by virtue of the substantial voting right of 67.1% granted to the Group in the first ten years since the incorporation of Truly RS in 2018, as stated in the shareholders' agreement of Truly RS. Other than the Group, there are two other shareholders in Truly RS. According to the Articles of Association of Truly RS, shareholders' meeting cannot be held without the presence of either one of the other two shareholders. The Directors consider that the Group does not have control but only significant influence over Truly RS under such a term because relevant activities of the associate is directed through shareholder's meeting and any resolutions to be passed in shareholders' meetings shall have the consent from either one of the other shareholders demonstrated by their action of being present in the meetings. Truly RS is therefore classified as an associate of the Group.

Summarised financial information of material associates

Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Truly HZ

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current assets	流動資產	1,091,614	893,061
Non-current assets	非流動資產	4,973,097	4,967,503
Current liabilities	流動負債	3,749,207	3,678,099
Non-current liabilities	非流動負債	1,375,672	1,307,474
Revenue	收益	1,411,683	1,753,802
Loss for the year	本年度虧損	(3,272)	(25,256)
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)	7,439	(2,967)
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	4,167	(28,223)

19. 於聯營公司的權益(續)

附註：(續)

- (iii) 誠如信利仁壽股東協議所載，本集團對信利仁壽有重大影響力，原因是本集團自二零一八年信利仁壽註冊成立起計首十年獲授67.1%重大投票權。除本集團外，信利仁壽尚有其他兩名股東。根據信利仁壽的組織章程細則，不得在其餘兩名股東其中一名缺席的情況下舉行股東大會。董事認為在該條款下，本集團對信利仁壽並無控制權，僅有重大影響力，因該聯營公司相關活動乃透過股東大會主導及任何於股東大會上通過的決議案須經其餘股東其中一名藉出席會議來表示同意。因此，信利仁壽分類為本集團聯營公司。

重大聯營公司的財務資料概要

有關本集團重大聯營公司的財務資料概要載列如下。以下財務資料概要指按照香港財務報告準則所編制聯營公司財務報表內所示的金額。

所有該等聯營公司乃採用權益會計法於此等綜合財務報表入賬。

信利惠州

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19. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates (continued)

Truly HZ (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net assets of Truly HZ	信利惠州資產淨值	939,832	874,991
Proportion of the Group's ownership interest in Truly HZ	本集團於信利惠州的所有權權益比例	59.7%	59.7%
		561,117	522,404
Goodwill	商譽	91,845	85,912
Carrying amount of the Group's interest in Truly HZ	本集團於信利惠州的權益的賬面值	652,962	608,316

Truly RS

信利仁壽

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current assets	流動資產	2,142,770	2,124,191
Non-current assets	非流動資產	10,540,764	9,303,851
Current liabilities	流動負債	2,207,611	1,333,953
Non-current liabilities	非流動負債	2,130,700	2,315,332
Revenue	收益	872,944	136,413
Profit (loss) and total comprehensive income (expense) for the year	本年度溢利(虧損)及全面收益(開支)總額	27,631	(19,723)

19. 於聯營公司的權益(續)

重大聯營公司的財務資料概要(續)

信利惠州(續)

上述財務資料概要與綜合財務報表內確認於聯營公司的權益的賬面值對賬如下：

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19. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates (continued)

Truly RS (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net assets of Truly RS	信利仁壽資產淨值	8,345,223	7,778,757
Proportion of the Group's ownership interest in Truly RS	本集團於信利仁壽的所有權權益比例	7.1%	7.1%
Carrying amount of the Group's interest in Truly RS	本集團於信利仁壽的權益的賬面值	596,087	555,626

Summarised financial information of an associate which is not material

杭州登虹科技

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
The Group's share of loss and total comprehensive expense	本集團應佔虧損及全面開支總額	—	(7,481)
Carrying amount of the Group's interest in the associate	本集團於聯營公司的權益的賬面值	—	15,873

19. 於聯營公司的權益 (續)

重大聯營公司的財務資料概要 (續)

信利仁壽 (續)

上述財務資料概要與綜合財務報表內確認於聯營公司的權益的賬面值對賬如下：

非重大聯營公司的財務資料概要

杭州登虹科技

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20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20. 於損益以公平價值列賬之金融資產

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Listed equity shares in Hong Kong (Note) 於香港上市之權益股份(附註)	7,347	5,549

Note: The investment represents equity interest in a company with its shares listed on the Stock Exchange, which is stated at fair value. The fair value of listed equity security is determined based on quoted market bid price available from the Stock Exchange. During the year ended 31 December 2020, a fair value gain of HK\$1,798,000 (2019: fair value loss of HK\$4,767,000) has been recognised in profit or loss.

附註：該投資指於一間公司之股本權益，該公司之股份於聯交所上市，並按公平價值列賬。上市股本證券之公平價值按於有關證券交易所所報之市場買入價釐定。截至二零二零年十二月三十一日止年度，公平價值收益1,798,000港元(二零一九年：公平價值虧損4,767,000港元)已於損益確認。

21. INVENTORIES

21. 存貨

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Raw materials 原材料	1,245,374	1,857,128
Work in progress 在製品	1,784,472	685,787
Finished goods 製成品	414,555	1,431,913
	3,444,401	3,974,828

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22. TRADE AND OTHER RECEIVABLES

22. 應收賬項及其他應收款項

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade and bills receivables	應收賬項及應收票據	3,989,094	3,773,869
Less: Allowance for credit losses	減：信用損失撥備	(646,203)	(612,719)
		3,342,891	3,161,150
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	512,947	578,059
Less: Allowance for credit losses	減：信用損失撥備	(286,080)	(4,179)
		226,867	573,880
Total trade and other receivables	應收賬項及其他應收款項總額	3,569,758	3,735,030
Less: Rental deposits shown under non-current assets	減：非流動資產所示租賃按金	(72,987)	—
Amounts shown under current assets	流動資產所示款項	3,496,771	3,735,030

As at 31 December 2020, 31 December 2019 and 1 January 2019, the gross amount of trade receivables from contracts with customers (including trade receivables at FVTOCI (note 23)) amounted to HK\$5,200,803,000, HK\$5,067,063,000 and HK\$5,097,103,000 respectively.

The Group allows a credit period ranging from 30 to 90 days to its trade customers.

Included in the other receivables are other PRC tax recoverable of HK\$18,552,000 (2019: HK\$140,970,000).

The Group's trade and bills receivables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

於二零二零年十二月三十一日、二零一九年十二月三十一日及二零一九年一月一日，來自客戶合約之應收賬項（包括於其他全面收益以公平價值列賬之應收賬項（附註23））總額分別為5,200,803,000港元、5,067,063,000港元及5,097,103,000港元。

本集團給予其貿易客戶之信貸期介乎30至90日不等。

其他應收款項內包括其他可收回中國稅項18,552,000港元（二零一九年：140,970,000港元）。

本集團以有關集團實體功能貨幣以外之貨幣列值之應收賬項及應收票據載列如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Denominated in HK\$	以港元計值	3,130	3,934
Denominated in Euro	以歐元計值	—	37

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22. TRADE AND OTHER RECEIVABLES (continued)

The following is an aged analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period, net of the allowance for credit losses at the reporting date:

		2020 二零二零年			2019 二零一九年		
		Trade receivables	Bills receivables	Total	Trade receivables	Bills receivables	Total
		應收賬項	應收票據	合計	應收賬項	應收票據	合計
		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
Within 60 days	60日內	2,251,913	–	2,251,913	2,100,297	5,789	2,106,086
61 to 90 days	61至90日	608,869	113	608,982	713,932	–	713,932
More than 90 days	超過90日	481,996	–	481,996	341,132	–	341,132
		3,342,778	113	3,342,891	3,155,361	5,789	3,161,150

As at 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$482,889,000 (2019: HK\$569,149,000) which are past due as at the reporting date. Out of the past due balance, HK\$126,503,000 (2019: HK\$129,071,000) has been past due over 90 days or more and is not considered as in default based on good repayment records for those customers and continuous business relationship with the Group.

Details of impairment assessment of trade and other receivables are set out in note 35.

22. 應收賬項及其他應收款項(續)

於報告日之應收賬項及應收票據(於報告期末按發票日期呈列)減信用損失撥備之賬齡分析如下:

於二零二零年十二月三十一日，本集團之應收賬項結餘內包括總賬面值為482,889,000港元(二零一九年：569,149,000港元)之應收賬款，該等款項於報告日已過期。已過期結餘其中126,503,000港元(二零一九年：129,071,000港元)已過期超過90日或以上，但基於該等客戶之還款記錄良好及持續與本集團有業務往來關係，故並無被視為拖欠款項。

應收賬項及其他應收款項之減值評估詳情載於附註35。

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23. TRADE RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

23. 於其他全面收益以公平價值列賬之應收賬項

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade receivables	應收賬項	854,563	1,289,128
Bills receivables	應收票據	357,146	4,066
		1,211,709	1,293,194

The following is an aging analysis of trade receivables at FVTOCI presented based on the invoice date at the end of the reporting year:

於報告年末按發票日期呈列於其他全面收益以公平價值列賬之應收賬項之賬齡分析如下：

		2020 二零二零年			2019 二零一九年		
		Trade receivables 應收賬項 HK\$'000 千港元	Bills receivables 應收票據 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Trade receivables 應收賬項 HK\$'000 千港元	Bills receivables 應收票據 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Within 60 days	60日內	851,796	342,544	1,194,340	1,176,506	1,227	1,177,733
61–90 days	61至90日	2,767	2,467	5,234	111,430	488	111,918
More than 90 days	超過90日	–	12,135	12,135	1,192	2,351	3,543
		854,563	357,146	1,211,709	1,289,128	4,066	1,293,194

Details of impairment assessment of trade receivables at FVTOCI are set out in note 35.

於其他全面收益以公平價值列賬之應收賬項之減值評估詳情載於附註35。

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24. DERIVATIVE FINANCIAL INSTRUMENTS

24. 衍生金融工具

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
	Notes 附註			
Foreign currency forwards	外匯遠期	(i)	1,949	194
Structured foreign currency forward	結構式外匯遠期	(ii)	—	89
			1,949	283

Notes:

(i) Foreign currency forwards

The Group had entered into certain foreign currency forward contracts to hedge against the appreciation of US\$ against Renminbi ("RMB") and the appreciation of Euro against RMB for certain agreed periods of time. The Group and the respective bank would settle with reference to the strike price on the predetermined settlement date on a gross basis as per the contract.

(ii) Structured foreign currency forward

The Group entered into a structured foreign currency forward contract with a bank to hedge against the appreciation of US\$ against HK\$ for an agreed period of time. The Group and the bank will settle on a net basis with reference to the difference between the spot rate of US\$ against HK\$ and the strike price on the predetermined settlement date as per the contract. The contract includes a knock-out provision whereby the contract will automatically be terminated in accordance with the terms set out in this contract.

附註：

(i) 外匯遠期

本集團訂立若干外匯遠期合約，以於若干協定期間內對沖美元兌人民幣（「人民幣」）之升值及歐元兌人民幣之升值。本集團與個別銀行將參考每份合約預先釐定結算日之行使價按總額基準結算。

(iii) 結構式外匯遠期

本集團與一間銀行訂立一份結構式外匯遠期合約，以於協定期間內對沖美元兌港元之升值。本集團與該銀行將按淨額基準並經參考美元兌港元之現貨匯率與每份合約預先釐定結算日之行使價之差額結算。該合約包括取消條文，故合約可根據合約所載條款自動終止。

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25. AMOUNTS DUE FROM (TO) ASSOCIATES

At 31 December 2020, the amount due from an associate of HK\$798,640,000 (2019: HK\$747,050,000) is non-trade in nature and is unsecured and interest bearing of 4.35% (2019: 4.35%) per annum. At 31 December 2019, the amount was expected to be fully repaid within one year from the end of the reporting period. At 31 December 2020, the Directors revisit the cash flow positions and financing capability of the associate and expect the amount will not be repaid within 2021 and classified it as non-current. At 31 December 2020, the amount due from associates of HK\$1,590,736,000 (2019: HK\$601,200,000) represent the cash advance to an associate for the purchase of raw materials for further processing and the finished goods will be resold to the Group within one year. The amounts are unsecured, interest-free and no fixed repayment term. The Group allows a credit period of 90 days for the trade balance due from associates and there are no significant increase in credit risk of these amounts since initial recognition.

Amount due to associate is derived from normal business activities and is unsecured and interest-free. A credit period of 90 days is allowed. During the year ended 31 December 2019, loans from an associate of HK\$963,900,000 with interest charged at rates from 7% to 8% per annum were fully repaid by the Group.

26. RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH

25. 應收(付)聯營公司款項

於二零二零年十二月三十一日，應收聯營公司款項798,640,000港元(二零一九年：747,050,000港元)屬非貿易性質，並為無抵押及按年利率4.35%(二零一九年：4.35%)計息。於二零一九年十二月三十一日，預計該筆款項將在報告期結束起計一年內悉數償還。於二零二零年十二月三十一日，董事重新審視聯營公司的現金流狀況及融資能力，預計該筆款項將不會在二零二一年內償還，並將其分為類非流動。於二零二零年十二月三十一日，應收聯營公司款項1,590,736,000港元(二零一九年：601,200,000港元)指向聯營公司購買原材料作進一步加工的現金墊款，製成品將於一年內轉售予本集團。本集團就應收聯營公司貿易結餘授出之信貸期為90日，而有關款項之信貸風險自初始確認以來並無大幅增加。

應付聯營公司款項源自一般業務活動，並為無抵押及免息。給予之信貸期為90日。截至二零一九年十二月三十一日止年度，本集團已悉數償還963,900,000港元按年利率介乎7%至8%計息之聯營公司貸款。

26. 受限制銀行存款／銀行結存及現金

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash on hand and in bank	現金及銀行結存	1,034,982	503,680
Restricted bank deposits	受限制銀行存款	360,143	134,064
		1,395,125	637,744

The Group's bank balances and deposits that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

本集團以有關集團實體功能貨幣以外之貨幣列值之銀行結存及存款載列如下：

		JPY 日圓 HK\$'000 千港元	HK\$ 港元 HK\$'000 千港元	US\$ 美元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元
As at 31 December 2020	於二零二零年 十二月三十一日	6,302	35,205	44,478	36,176
As at 31 December 2019	於二零一九年 十二月三十一日	3,645	24,842	27,437	1,712

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26. RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH (continued)

Bank deposits and bank balances carry interest at fixed and variable rates respectively which ranged from 0.01% to 2.50% (2019: 0.01% to 2.35%) per annum.

Restricted bank deposits is to secure bills payables and are therefore classified as current assets. The restricted bank deposits carry fixed interest rate ranged from 1.30% to 2.00% (2019: 1.35% to 3%) per annum. The restricted bank deposits will be released upon settlement of bills payables.

27. TRADE AND OTHER PAYABLES

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

		2020 二零二零年			2019 二零一九年		
		Trade payables 應付賬項 HK\$'000 千港元	Bills payables 應付票據 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Trade payables 應付賬項 HK\$'000 千港元	Bills payables 應付票據 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Within 60 days	60日內	4,414,421	831,959	5,246,380	4,948,729	740,832	5,689,561
61 to 90 days	61至90日	411,355	332,193	743,548	765,278	142,978	908,256
More than 90 days	超過90日	906,290	468,632	1,374,922	806,835	331,246	1,138,081
		5,732,066	1,632,784	7,364,850	6,520,842	1,215,056	7,735,898

The credit period on purchases of goods ranges from 60 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

Included in other payables are deposits received with aggregate carrying amount of HK\$50,319,000 (2019: HK\$30,437,000), accruals of operating expenses with aggregate carrying amount of HK\$383,340,000 (2019: HK\$337,906,000), payables for the acquisition of property, plant and equipment with aggregate amount of HK\$499,659,000 (2019: HK\$872,304,000), government grants of HK\$7,984,000 (2019: HK\$8,291,000) (note 39) and dividend payable of HK\$1,258,000 (2019: HK\$1,258,000).

26. 受限制銀行存款／銀行結存及現金(續)

銀行存款及銀行結存分別按固定及介乎0.01%至2.50%(二零一九年:0.01%至2.35%)之浮動年利率計息。

受限制銀行存款用以抵押應付票據，其因此分類為流動資產。受限制銀行存款按固定年利率1.30%至2.00%(二零一九年:1.35%至3%)計息。受限制銀行存款將於應付票據結算時解除。

27. 應付賬項及其他應付款項

於報告期末按發票日期呈列之應付賬項及應付票據之賬齡分析如下：

採購貨品的信貸期介乎60至90日。本集團已制定適當財務風險管理政策，以確保於信貸期內支付所有應付款項。

其他應付款項包括總賬面值為50,319,000港元(二零一九年:30,437,000港元)之已收按金、總賬面值為383,340,000港元(二零一九年:337,906,000港元)之應計經營費用、總額為499,659,000港元(二零一九年:872,304,000港元)之就收購物業、廠房及設備之應付款項、7,984,000港元(二零一九年:8,291,000港元)之政府津貼(附註39)及1,258,000港元(二零一九年:1,258,000港元)之應付股息。

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27. TRADE AND OTHER PAYABLES (continued)

The Group's trade and bills payables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Denominated in HK\$	以港元計值	56,699	37,664
Denominated in JPY	以日圓計值	173,824	167,967

28. CONTRACT LIABILITIES

The amounts represent advance payment from customers. The Group typically receives a 50% deposit on acceptance of manufacturing order and remaining 50% deposit before delivery of products for customers assessed to be lower creditability.

Revenue recognised during the year ended 31 December 2020 and 2019 included the whole amount of contract liabilities at the beginning of the year. There was no revenue recognised during the year ended 31 December 2020 and 2019 that related to performance obligations that were satisfied in prior year.

As at 1 January 2019, contract liabilities amounted to HK\$112,491,000.

The increase in contract liabilities balance as at 31 December 2020 is mainly due to increase in advances received from customers during the year.

27. 應付賬項及其他應付款項(續)

本集團以有關集團實體功能貨幣以外之貨幣列值之應付賬項及應付票據載列如下：

28. 合約負債

該等款項指客戶預付款項。本集團一般於接受生產訂單時向被評為信用程度較低之客戶收取50%之訂金，並於交付產品前收取餘下50%。

截至二零二零年及二零一九年十二月三十一日止年度確認之收益包括年初之全數合約負債。截至二零二零年及二零一九年十二月三十一日止年度確認之收益並無涉及於上年度履行之履約責任。

於二零一九年一月一日，合約負債為112,491,000港元。

於二零二零年十二月三十一日，合約負債結餘增加主要由於年內所收取訂金客戶墊款增加。

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29. BANK AND OTHER BORROWINGS

29. 銀行及其他借款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank loans	銀行貸款	3,829,881	3,525,307
Bills discounted with recourse	具追索權之已貼現票據	23,551	5,789
Trust receipt loans	信託收據貸款	652,988	1,064,454
Other loans	其他貸款	1,005,629	1,227,066
		5,512,049	5,822,616
Secured	有抵押	920,000	–
Unsecured	無抵押	4,592,049	5,822,616
		5,512,049	5,822,616
The Group's bank and other borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:			
The Group's bank and other borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:			
Denominated in HK\$	以港元計值	917,202	3,420,798
Denominated in JPY	以日圓計值	66,903	76,290
Denominated in Euro	以歐元計值	–	91,064

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29. BANK AND OTHER BORROWINGS (continued)

29. 銀行及其他借款(續)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount repayable*:	應付賬面值*：		
Within one year	於一年內	3,960,237	4,256,635
More than one year, but not exceeding two years	一年後但於兩年內	898,824	60,716
More than two years, but not exceeding five years	兩年後但於五年內	—	546,350
		4,859,061	4,863,701
Carrying amount of above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:	流動負債所示包含須按要求償還條款但未償還之上述借款之賬面值：		
Within one year	於一年內	652,988	958,915
		5,512,049	5,822,616
Less: Amount included under current liabilities (including bank loans with a repayable on demand clause)	減：列於流動負債中之款項（包括具有按要求償還條款之銀行貸款）	(4,613,225)	(5,215,550)
Amount due after one year shown under non-current liabilities	非流動負債所示於一年後到期之款項	898,824	607,066

* The amount due are based on scheduled repayment dates set out in loan agreements.

* 到期款項乃根據載於貸款協議之預定還款日期計算。

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29. BANK AND OTHER BORROWINGS (continued)

During the year ended 31 December 2020, the Group has obtained a term loan facility with an amount of HK\$1,520,000,000 for refinancing of its existing banking facility. The Group shall repay the loans by instalments and the final repayment date shall be 30 June 2022. The principal loan amount as at 31 December 2020 is HK\$920,000,000. The effective interest rate of this loan is 4.79% per annum.

The Group's bank borrowings included fixed-rate borrowings of approximately HK\$3,482,496,000 (2019: HK\$2,128,867,000) which carry effective interest rates ranged from 0.74% to 8.40% per annum (2019: 2.03% to 7.13%) (which are also equal to contracted interest rates). The remaining Group's borrowings are variable-rate borrowings which carry interest at Hong Kong Interbank Offered Rate ("HIBOR"), London Interbank Offered Rate ("LIBOR") or Benchmark Loan Rate issued by the National Interbank Funding Center ("Benchmark Loan Rate") plus certain basis points. Interest is repriced every three months and the range of effective interest rates is at 1.44% to 5.00% (2019: 1.60% to 5.00%) per annum.

As at 31 December 2020, bank borrowing amounting to HK\$920,000,000 (2019: nil) is secured by personal guarantee and restricted cash collateral account in the corresponding bank of Mr. Lam Wai Wah. The borrowing is also secured by 100% equity interests in Truly Semiconductors Limited ("Truly Semiconductors"), Truly Electronics Manufacturing Limited ("Truly Electronics"), Hong Kong Truly International Holdings Limited, 信利工業(汕尾)有限公司("信利工業(汕尾)"), 信利半導體有限公司("信利半導體") and 信利光電股份有限公司("信利光電股份"), amount due from an associate of HK\$798,640,000 and intercompany balances among subsidiaries of the Company.

29. 銀行及其他借款(續)

截至二零二零年十二月三十一日止年度，本集團獲得一筆為數1,520,000,000港元之有期貸款融資，以對其現有銀行融資進行再融資。本集團將分期償還貸款，最終還款日期為二零二二年六月三十日。於二零二零年十二月三十一日之貸款本金額為920,000,000港元。該筆貸款之實際年利率為4.79%。

本集團之銀行借款包括為數約3,482,496,000港元(二零一九年：2,128,867,000港元)之定息借款，實際年利率介乎0.74%至8.40%(二零一九年：2.03%至7.13%)(亦相當於合約利率)。本集團之其餘借款均為浮息借款，按香港銀行同業拆息(「香港銀行同業拆息」)、倫敦銀行同業拆息(「倫敦銀行同業拆息」)或全國銀行間同業拆借中心發佈的貸款基準利率(「基準貸款利率」)加若干基點計息。利息每三個月重定，實際利率介乎年利率1.44%至5.00%(二零一九年：1.60%至5.00%)。

於二零二零年十二月三十一日，為數920,000,000港元(二零一九年：零)之銀行借款由林偉華先生之個人擔保及相應銀行之受限制現金抵押賬戶擔保。借款亦由信利半導體有限公司(「信利半導體」)、信利電子有限公司(「信利電子」)、香港信利國際有限公司、信利工業(汕尾)有限公司(「信利工業(汕尾)」)、信利半導體有限公司(「信利半導體」)及信利光電股份有限公司(「信利光電股份」)之100%股權、應收聯營公司款項798,640,000港元以及本公司附屬公司間之公司間結餘作抵押。

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30. LEASE LIABILITIES

30. 租賃負債

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	126,128	19,048
Within a period of more than one year but not more than two years	一年後但於兩年內	128,672	30,832
Within a period of more than two years but not more than five years	兩年後但於五年內	136,952	48,981
		391,752	98,861
Less: Amount due for settlement with twelve months shown under current liabilities	減：流動負債所示於十二個月內 結付之結欠款項	(126,128)	(19,048)
Amount due for settlement after twelve months shown under non-current liabilities	非流動負債所示於十二個月後結付 之結欠款項	265,624	79,813

The Group's weighted average incremental borrowing rate for lease liabilities is 7.11% (2019: 6.97%).

本集團租賃負債的加權平均增量借款利率為7.11% (二零一九年：6.97%)。

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31. BONDS PAYABLE

31. 應付債券

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Classified under current liabilities	列為流動負債	44,764	—
Classified under non-current liabilities	列為非流動負債	355,832	373,731
		400,596	373,731

In July 2016, 信利光電股份有限公司 (the “Issuer”), a non-wholly owned subsidiary of the Company, issued a tranche of domestic corporate bonds (the “Bonds”) with an aggregate principal amount of RMB750,000,000. The Bonds bear fixed interest at 5.8% per annum and is payable annually each year. The effective interest rate of the Bonds payable is 6% per annum. At the end of the third year after issuance, the Issuer has an option to adjust upward the interest rate of the Bonds and bondholders can exercise retractable option.

On 29 July 2019, following the exercise of the retractable option by the majority of the bondholders, the Issuer repurchased the Bonds with principal amount of RMB712,405,700 and paid the relevant interests. The remaining Bonds with principal amount of RMB37,594,300 without exercising the retractable option by the relevant investors would be held until maturity in July 2021 with the unadjusted coupon rate at 5.8% per annum.

On 10 September 2019, the Issuer issued a tranche of Bonds with an aggregate principal amount of RMB300,000,000. The Bonds bear fixed interest at 5.2% per annum and is payable annually each year. The effective interest rate of the Bonds payable is 5.5% per annum. The Bonds will mature in September 2022.

The Bonds are listed on the Shenzhen Stock Exchange.

於二零一六年七月，本公司非全資附屬公司信利光電股份有限公司(「發行人」)發行一批本金總額為人民幣750,000,000元的境內公司債券(「債券」)。債券之年利率固定為5.8%，每年派息一次。應付債券之實際年利率為6%。於發行後第三年末，發行人可選擇上調債券利率，而債券持有人則可行使回售選擇權。

於二零一九年七月二十九日，繼大多數債券持有人行使回售選擇權後，發行人購回本金額人民幣712,405,700元之債券並支付有關利息。餘下未被相關投資者行使回售選擇權本金額為人民幣37,594,300元之債券將按沒有調整之年利率5.8%被持有直至二零二一年七月到期為止。

於二零一九年九月十日，發行人發行一批本金總額為人民幣300,000,000元之債券。債券之年利率固定為5.2%，每年派息一次。應付債券之實際年利率為5.5%。債券將於二零二二年九月到期。

債券於深圳證券交易所上市。

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32. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presenting in the consolidated statement of financial position, the following is the analysis of the deferred tax balances for financial reporting purposes:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	91,292	70,146
Deferred tax assets	遞延稅項資產	(56,519)	(75,432)
		34,773	(5,286)

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

32. 遞延稅項資產／負債

為於綜合財務狀況表中呈列，就財務呈報而言之遞延稅項結餘分析如下：

在本年度及過往年度內確認的主要遞延稅項負債(資產)及其變動如下：

		Loss available for offsetting against future taxable profit 可用作抵銷未來應課稅溢利之虧損 HK\$'000 千港元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Allowance for inventories 存貨撥備 HK\$'000 千港元	Undistributed profits of the PRC subsidiaries 中國附屬公司未分配溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	(67,774)	7,838	(22,628)	48,854	(33,710)
Charge (credit) to profit or loss for the year	於年度損益中支銷(抵免)	22,190	1,604	(7,220)	11,850	28,424
At 31 December 2019	於二零一九年十二月三十一日	(45,584)	9,442	(29,848)	60,704	(5,286)
Charge (credit) to profit or loss for the year	於年度損益中支銷(抵免)	45,584	(740)	(26,671)	21,886	40,059
At 31 December 2020	於二零二零年十二月三十一日	-	8,702	(56,519)	82,590	34,773

At 31 December 2020, the Group has unused tax losses arising in Hong Kong amounting to HK\$303,391,000 (2019: HK\$369,798,000) available indefinitely for offsetting against future profits of the companies in which the losses arose. At 31 December 2020, the Group has unused tax losses arising in the PRC of HK\$111,327,000 (2019: HK\$107,759,000) and such tax losses can be carried forward for a period of five years which are available for offsetting future profits.

於二零二零年十二月三十一日，本集團於香港產生之未動用稅務虧損為303,391,000港元(二零一九年：369,798,000港元)，可無限定期用作抵銷出現虧損時公司之未來溢利。於二零二零年十二月三十一日，本集團於中國產生之未動用稅項虧損為111,327,000港元(二零一九年：107,759,000港元)，而有關稅項虧損可結轉五年，並可用作抵銷未來溢利。

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32. DEFERRED TAX ASSETS/LIABILITIES (continued)

At 31 December 2020, no deferred tax asset has been recognised in respect of such tax losses. As at 31 December 2019, deferred tax asset has been recognised in respect of approximately HK\$95,180,000 of such tax losses arising from the PRC and HK\$132,068,000 arising from Hong Kong. As at 31 December 2019, no deferred tax asset has been recognised in respect of the remaining Hong Kong and PRC tax losses of approximately HK\$250,309,000 in aggregate due to the unpredictability of future profit streams.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. At 31 December 2020, deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$5,673,303,000 (2019: HK\$4,555,192,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

32. 遞延稅項資產／負債(續)

於二零二零年十二月三十一日，概無就有關稅務虧損確認遞延稅項資產。於二零一九年十二月三十一日，已就約95,180,000港元於中國產生之稅務虧損及約132,068,000港元於香港產生之稅務虧損確認遞延稅項資產。於二零一九年十二月三十一日，概無就合共約250,309,000港元之餘下香港及中國稅務虧損確認遞延稅項資產，原因為未來溢利流屬不可預測。

根據中國企業所得稅法，自二零零八年一月一日起，就中國附屬公司賺取之溢利所宣派的股息須繳納預扣稅。於二零二零年十二月三十一日，在綜合財務報表中，並無就中國附屬公司之保留溢利的暫時差額5,673,303,000港元(二零一九年：4,555,192,000港元)作出遞延稅項撥備，原因為本集團有能力控制撥回暫時差額的時間，亦有可能不會在可見未來撥回暫時差額。

33. SHARE CAPITAL

33. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.02 per share	每股面值0.02港元之普通股		
Authorised:	法定：		
Balance at 1 January 2019,	於二零一九年一月一日、		
31 December 2019 and	二零一九年十二月三十一日及		
31 December 2020	二零二零年十二月三十一日之結餘	5,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
Balance at 1 January 2019,	於二零一九年一月一日、		
31 December 2019 and	二零一九年十二月三十一日及		
31 December 2020	二零二零年十二月三十一日之結餘	3,289,229,398	65,785

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

年內，概無本公司附屬公司已購入、出售或贖回本公司上市證券。

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34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt, which includes the borrowings, lease liabilities and bonds payable disclosed in notes 29, 30 and 31 respectively, net of cash and cash equivalents, and equity comprising issued share capital and reserves.

The Directors review the capital structure periodically. The Directors consider the cost of capital and the risks associates with the capital, and will balance its overall capital structure through the payment of dividends, new share issues of the Company and share buy-backs as well as raising of bank borrowings.

The Group's overall strategy remains unchanged from the prior year.

34. 資本風險管理

本集團進行資本管理以確保本集團內的實體能持續經營，同時透過優化債務與權益平衡為股東帶來最大回報。

本集團的資本架構由債務淨額(包括附註29、30及31分別披露之借款、租賃負債及應付債券，經扣除現金及現金等值項目)及股權(包括已發行股本及儲備)組成。

董事定期審查其資本架構。董事考慮資本成本及與資本相關之風險，並將透過支付股息、發行本公司新股份及回購股份以及籌集銀行借款平衡其總體資本架構。

本集團之整體策略仍與前一年相同。

35. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

35. 金融工具

a. 金融工具分類

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<i>Financial assets</i>	金融資產		
Financial assets at amortised cost	按攤銷成本列賬之金融資產	7,228,911	5,433,676
Trade receivables at FVTOCI	於其他全面收益以公平價值列賬之應收賬項	1,211,709	1,293,194
Financial assets at FVTPL	於損益以公平價值列賬之金融資產	7,347	5,549
		8,447,967	6,732,419
<i>Financial liabilities</i>	金融負債		
Amortised cost	攤銷成本	14,652,783	15,057,824
Derivative financial instruments	衍生金融工具	1,949	283
		14,654,732	15,058,107

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies

The Group's major financial instruments include restricted bank deposits, bank balances and cash, trade and other receivables, trade receivables at FVTOCI, amounts due from associates, financial assets at FVTPL, trade and other payables, bank and other borrowings, amounts due to associates, bonds payable, lease liabilities and derivative financial instruments. Details of these financial instruments are disclosed in respective notes.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group's activities expose primarily to the financial risks of changes in interest rates, foreign currency exchange rates and change in prices (see below).

(i) Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies which are different from US\$ and RMB, the functional currency of the respective group entities.

35. 金融工具 (續)

b. 金融風險管理目標及政策

本集團之主要金融工具包括受限制銀行存款、銀行結存及現金、應收賬項及其他應收款項、於其他全面收益以公平價值列賬之應收賬項、應收聯營公司款項、於損益以公平價值列賬之金融資產、應付賬項及其他應付款項、銀行及其他借款、應付聯營公司款項、應付債券、租賃負債以及衍生金融工具。該等金融工具之詳情於各項附註作出披露。

有關該等金融工具之風險及降低該等風險的政策載於下文。管理層會管理及監察該等風險，以確保及時有效實施適當措施。

市場風險

本集團之業務主要承受利率及外匯匯率變動等金融風險以及價格變動風險(見下文)。

(i) 外幣風險

本集團之若干交易以外幣計值，該等外幣為相關集團實體功能貨幣美元及人民幣以外的貨幣。

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

The carrying amount of the Group's monetary assets, monetary liabilities and inter-group receivables and payables denominated in currencies other than the functional currency of the relevant group entities at the reporting date are as follows:

35. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

市場風險 (續)

(i) 外幣風險 (續)

於報告日，以相關集團實體功能貨幣以外貨幣計值之本集團貨幣資產、貨幣負債及集團內公司間應收款項及應付款項之賬面值如下：

		Liabilities 負債		Assets 資產	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
The Group	本集團				
HK\$	港元	977,075	3,465,897	48,472	37,558
JPY	日圓	255,375	254,983	6,302	3,645
Euro	歐元	–	91,064	4	57
RMB	人民幣	6,519	6,189	36,176	1,712
Inter-company balances	公司間結餘				
HK\$	港元	5,280,081	3,085,058	3,630,910	3,023,779
JPY	日圓	12,952	12,952	2,264	12,952
RMB	人民幣	134,423	91,866	4,976,496	4,258,347

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax for the year in response to reasonably possible change in the functional currency of the relevant group entities i.e. US\$ or RMB to the relevant currencies which the Group has significant exposure at the reporting date. Since HK\$ are pegged to US\$ under the Linked Exchange Rate System, the management does not expect significant foreign currency exposure in relation to the exchange rate fluctuation between HK\$ and US\$. The Group mainly exposes to foreign currency risks other than US\$.

		2020 二零二零年		2019 二零一九年	
		US\$/RMB strengthens (weakens) 美元／人民幣 升值(貶值)	Increase (decrease) in profit 溢利增加 (減少) HK\$'000 千港元	US\$/RMB strengthens (weakens) 美元／人民幣 升值(貶值)	Increase (decrease) in profit 溢利增加 (減少) HK\$'000 千港元
JPY	日圓	6% (6%)	13,153 (13,153)	3% (3%)	6,383 (6,383)
Euro	歐元	6% (6%)	— —	3% (3%)	2,311 (2,311)
RMB	人民幣	6% (6%)	(246,675) 246,675	3% (3%)	(105,694) 105,694

As set out in note 24, at the end of the reporting period, the Group had foreign currency forwards and structured foreign currency forward which also expose the Group to currency fluctuation risks.

35. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 外幣風險(續)

敏感度分析

下表顯示由於有關集團實體之功能貨幣(即美元或人民幣)兌換本集團於報告日面對重大風險之相關貨幣可能出現之合理變動，而導致本集團本年度稅後溢利所產生之概約變動。由於根據聯繫匯率制度港元與美元掛鈎，管理層並不預期出現有關港元與美元匯率波動之重大外幣風險。本集團主要承受美元以外外幣之風險。

誠如附註24所載，於報告期末，本集團持有外匯遠期及結構式外匯遠期，故本集團面對外匯波動風險。

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis (continued)

For the foreign currency forwards with transactions denominated in US\$ outstanding at 31 December 2020, if US\$ was strengthened against RMB by 5%, the post-tax profit for the year ended 31 December 2020 would increase by approximately HK\$730,000, if US\$ was weakened against RMB by 5%, the post-tax profit for the year ended 31 December 2020 would decrease by approximately HK\$4,271,000.

For the foreign currency forwards with transactions denominated in Euro outstanding at 31 December 2019, if Euro was strengthened against RMB by 5%, the post-tax profit for the year ended 31 December 2019 would increase by approximately HK\$3,483,000, if Euro was weakened against RMB by 5%, the post-tax profit for the year ended 31 December 2019 would decrease by approximately HK\$4,125,000.

For structured foreign currency forward with transactions denominated in US\$ outstanding at 31 December 2019, if US\$ was strengthened against HK\$ by 3%, the post-tax profit for the year ended 31 December 2019 would increase by HK\$25,000, if US\$ was weakened against HK\$ by 3%, the post-tax profit for the year ended 31 December 2019 would decrease by HK\$4,808,000.

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

35. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 外幣風險(續)

敏感度分析(續)

就於二零二零年十二月三十一日之未平倉美元外匯遠期交易而言，倘美元兌人民幣升值5%，截至二零二零年十二月三十一日止年度之稅後溢利將增加約730,000港元；倘美元兌人民幣貶值5%，截至二零二零年十二月三十一日止年度之稅後溢利則減少約4,271,000港元。

就於二零一九年十二月三十一日之未平倉歐元外匯遠期交易而言，倘歐元兌人民幣升值5%，截至二零一九年十二月三十一日止年度之稅後溢利將增加約3,483,000港元；倘歐元兌人民幣貶值5%，截至二零一九年十二月三十一日止年度之稅後溢利則減少約4,125,000港元。

就於二零一九年十二月三十一日之未平倉美元結構式外匯遠期交易而言，倘美元兌港元升值3%，截至二零一九年十二月三十一日止年度之稅後溢利將增加25,000港元；倘美元兌港元貶值3%，截至二零一九年十二月三十一日止年度之稅後溢利則減少4,808,000港元。

管理層認為，由於年終之風險未能反映本年內之風險，敏感度分析對固有外匯風險不具代表性。

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits, amount due from an associate, fixed-rate bank borrowing, lease liabilities and bonds payable. The Group is also exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances and variable-rate bank and other borrowings (see notes 26 and 29 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR and LIBOR arising from the Group's HK\$ denominated borrowings and the fluctuation of Benchmark Loan Rate arising from the Group's RMB denominated borrowings. The management considers the exposure to interest rate risk in relation to bank balances is insignificant due to the low interest rate. The Group currently does not use any derivative contract to hedge its exposure to interest rate risk. However, the management of the Company will consider hedging significant interest rate exposure should the need arise. The Group will negotiate with the banks of the relevant bank loans and closely monitor if there are any significant modification gains or losses should the interest rate benchmark for these loans change resulting from the reform on application of the amendments.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank borrowings. The analysis is prepared assuming the amount of liability outstanding at the reporting period was outstanding for the whole year. A 100 basis point (2019: 100 basis point) increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points (2019: 100 basis point) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2020 would decrease/increase by HK\$16,947,000 (2019: HK\$30,843,000).

35. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險

本集團須承擔公平價值利率風險，該風險與定息銀行存款、應收聯營公司款項、定息銀行借款、租賃負債及應付債券有關。本集團亦須承擔現金流量利率風險，該風險乃來自銀行結存及浮息銀行借款以及其他借款（詳情見附註26及29）之現行市場利率變動。本集團之現金流量利率風險來自本集團以港元計值之借款，主要集中於香港銀行同業拆息及倫敦銀行同業拆息之變動；而來自本集團以人民幣計值之借款，則主要集中於貸款基準利率之變動。由於存款利率水平較低，因此管理層認為銀行結存之相關利率風險並不重大。本集團現時並無使用任何衍生合約以對沖其利率風險。然而，本公司管理層將於有需要時考慮對沖重大利率風險。本集團將與相關銀行貸款的銀行進行協商，並密切監察該等貸款之利率基準是否會因應用修訂的改革而出現重大修改收益或虧損。

敏感度分析

以下敏感度分析乃根據浮息銀行借款之利率風險而釐定。該分析乃假定於報告期全年之負債款項尚未收回而編製。本公司乃使用100點子（二零一九年：100點子）之增加或減少，代表管理層對利率可能出現合理變動作出之評估。

倘利率上升／下跌100點子（二零一九年：100點子），而所有其他變量維持不變，本集團於截至二零二零年十二月三十一日止年度之稅後溢利將減少／增加16,947,000港元（二零一九年：30,843,000港元）。

35. FINANCIAL INSTRUMENTS (continued)**b. Financial risk management objectives and policies (continued)****Market risk (continued)****(iii) Other price risks**

The Group is exposed to equity price risk arising from investments in listed equity securities measured at FVTPL.

Price risk sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting period.

If equity prices had been 15% (2019: 15%) higher/lower, the post-tax profit for the year ended 31 December 2020 would increase/decrease by HK\$920,000 (2019: HK\$695,000) as a result of the changes in fair value of financial assets at FVTPL.

Credit risk and impairment assessment

As at 31 December 2020, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group had concentration of credit risk as 20% (2019: 19%) of total trade receivables was due from the Group's largest trade debtor, which is a company located in the PRC.

In order to minimise credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

35. 金融工具 (續)**b. 金融風險管理目標及政策 (續)****市場風險 (續)****(iii) 其他價格風險**

本集團承受投資於損益以公平價值計量之上市股本證券產生之股本價格風險。

價格風險敏感度分析

以下敏感度分析乃根據於報告期之股本價格風險而釐定。

倘股本價格上升／下跌15% (二零一九年：15%)，則截至二零二零年十二月三十一日止年度之稅後溢利將因於損益以公平價值列賬之金融資產之公平價值變動而增加／減少920,000港元 (二零一九年：695,000港元)。

信貸風險及減值評估

於二零二零年十二月三十一日，本集團因對手方未能履行其責任而導致本集團出現財務虧損之信貸風險上限，為相關已確認金融資產於綜合財務狀況表所列之賬面值。

本集團最大應收貿易賬款應佔應收賬項總額之20% (二零一九年：19%)，故本集團之信貸風險集中。本集團之最大應收貿易賬款來自一間位於中國之公司。

為將信貸風險減至最低，本集團管理層已委派專職團隊釐定信貸上限、信貸批核及其他監察程序，以確保採取跟進行動收回逾期債項。此外，本集團應用預期信用損失模型或基於撥備矩陣對應收賬款結餘進行個別減值評估。就此而言，董事認為本集團之信貸風險已大為降低。

由於對手方均為信譽卓著之銀行，流動資金之信貸風險有限。

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

With respect of credit risk arising from other receivables, the Group performs impairment assessment under ECL with significant balances and credit-impaired individually and/or collectively. Due to the deterioration of the financial performance of a particular other receivable, the other receivable is considered as credit-impaired. For the remaining other receivables, the balances are grouped based on shared credit risk characteristics by reference to the Group's internal credit ratings. The Group has considered the consistently low historical default rate in connection with payments, and concluded that credit risk inherent in the Group's remaining outstanding other receivables that are not credit-impaired is insignificant. In addition, other receivables consist of a large number of counterparties which do not give rise to significant concentration of credit risk.

The Group's internal credit risk grading assessment comprises the following categories:

35. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

就其他應收款項產生之信貸風險而言，本集團根據預期信用損失模式對重大結餘及有信貸減值個別地及／或集體地進行減值評估。由於特定其他應收款項之財務狀況惡化，其他應收款項被視為有信貸減值。就餘下其他應收款項而言，其結餘乃參考本集團之內部信貸評級，按共同信貸風險特徵分類。本集團已考慮到與付款有關的歷史違約率持續偏低，並認為本集團餘下無信貸減值的未償還其他應收款項的固有信貸風險不大。此外，其他應收款項來自多名並無出現重大信貸風險集中情況之對手方。

本集團之內部信貸風險評級評估包括以下類別：

Internal credit rating 內部信貸評級	Description 詳情	Trade receivables 應收賬項	Other financial assets/other item 其他金融資產／其他項目
Group A A類	The counterparty has a low risk of default based on historical repayment record and has a good reputation 根據過往還款記錄，對手方之違約風險偏低，且具有良好聲譽	Lifetime ECL — not credit-impaired 全期預期信用損失 — 無信貸減值	12m ECL — not credit-impaired 12個月預期信用損失 — 無信貸減值
Group B B類	The counterparty has higher creditability but sometime repays after due dates 對手方具有較高信譽，惟偶爾會逾期還款	Lifetime ECL — not credit-impaired 全期預期信用損失 — 無信貸減值	12m ECL — not credit-impaired 12個月預期信用損失 — 無信貸減值
Group C C類	The counterparty usually settles after due date with a higher risk of default 對手方通常於到期日後進行結算，違約風險較高	Lifetime ECL — not credit-impaired 全期預期信用損失 — 無信貸減值	Lifetime ECL — not credit-impaired 全期預期信用損失 — 無信貸減值
Group D D類	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL — credit-impaired 全期預期信用損失 — 有信貸減值	Lifetime ECL — credit-impaired 全期預期信用損失 — 有信貸減值
Group E E類	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人有嚴重財政困難，而本集團預期不大可能收回	Amount is written off 撤銷有關金額	Amount is written off 撤銷有關金額

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets and financial guarantee contract, which are subject to ECL assessment:

35. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表詳細列出本集團須進行預期信用損失評估之金融資產及財務擔保合約所承受之信貸風險：

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
	附註	外部信貸評級	內部信貸評級	12個月或全期預期信用損失	賬面總值	
					2020	2019
					二零二零年	二零一九年
					HK\$'000	HK\$'000
					千港元	千港元
Trade receivables at FVTOCI						
於其他全面收益以公平價值列賬之應收賬項						
Trade receivables	23	N/A	(Note iii)	Lifetime ECL (provision matrix)	854,563	1,289,128
應收賬項		不適用	(附註iii)	全期預期信用損失 (撥備矩陣)		
Bills receivables	23	A1-Ba1	N/A	12m ECL	357,146	4,066
應收票據			不適用	12個月預期信用損失		
Financial assets at amortised cost						
按攤銷成本計量之金融資產						
Amounts due from associates	25	N/A	(Note i)	12m ECL	2,389,376	1,348,250
應收聯營公司款項		不適用	(附註i)	12個月預期信用損失		
Restricted bank deposits	26	A2-Baa1	N/A	12m ECL	360,143	134,064
受限制銀行存款			不適用	12個月預期信用損失		
Bank balances	26	A2-Ba1	N/A	12m ECL	1,034,982	503,680
銀行結存			不適用	12個月預期信用損失		

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
	附註	外部信貸評級	內部信貸評級	12個月或全期預期信用損失	賬面總值	
					2020	2019
					二零二零年	二零一九年
					HK\$'000	HK\$'000
					千港元	千港元
Trade receivables 應收賬項	22	N/A 不適用	(Note iii) (附註 iii)	Lifetime ECL (provision matrix) 全期預期信用損失 (撥備矩陣)	3,388,944	3,186,391
			Group D D類	Lifetime ECL (credit-impaired) 全期預期信用損失 (有信貸減值)	600,037	581,689
Bills receivables 應收票據	22	A2	N/A 不適用	12m ECL 12個月預期信用損失	113	5,789
Other receivables 其他應收款項	22	N/A 不適用	(Note i) (附註 i)	12m ECL 12個月預期信用損失	101,519	23,111
		Ba2	N/A 不適用	Lifetime ECL (not credit-impaired) 全期預期信用損失 (無信貸減值)	–	267,600
		N/A 不適用	Group D (Note iv) D類 (附註 iv)	Lifetime ECL (credit-impaired) 全期預期信用損失 (有信貸減值)	286,080	–
Other item 其他項目						
Financial guarantee contract (Note ii) 財務擔保合約 (附註 ii)	44	N/A 不適用	Group A A類	12m ECL 12個月預期信用損失	1,401,333	1,893,806

35. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Notes:

- i. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.
- ii. For financial guarantee contract, the gross carrying amount represents the maximum amount that the Group has guaranteed under the respective contract amounting to HK\$1,401,333,000 as at 31 December 2020 (2019: HK\$1,893,806,000). At the end of the reporting period, the Directors have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contract. Accordingly, the loss allowance for financial guarantee contract issued by the Group is measured at an amount equal to 12m ECL. Based on the assessment of the management, the ECL on financial guarantee contract is insignificant.
- iii. For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors which are credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by debtors' aging.
- iv. The Group has claimed against the debtor through legal proceedings in the PRC. As the amount is unsecured and due to the deterioration of the financial position of the debtor in recent years, the Directors consider the debtor has been credit impaired and the recoverability of the debtor balance is remote, full impairment loss of HK\$281,901,000 has been recognised in profit or loss during the year ended 31 December 2020.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2020 within lifetime ECL (not credit impaired). As at 31 December 2020, the debtors with credit-impaired amounted to HK\$600,037,000 (2019: HK\$581,689,000) are assessed individually, and the rest of debtors amounted to HK\$3,388,944,000 (2019: HK\$3,186,391,000) are assessed under a provision matrix based on internal credit rating.

35. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

附註：

- i. 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自初步確認以來有否大幅增加。
- ii. 財務擔保合約方面，賬面總值指本集團於二零二零年十二月三十一日根據個別合約作出擔保之最高金額為1,401,333,000港元(二零一九年：1,893,806,000港元)。於報告期末，董事已進行減值評估，所得結論為自初始確認財務擔保合約以來信貸風險並無顯著增加。因此，就本集團所發出財務擔保合約作出之虧損撥備乃按相等於12個月預期信用損失之金額計量。根據管理層之評估，財務擔保合約之預期信用損失並不重大。
- iii. 應收賬項方面，本集團已採用香港財務報告準則第9號之簡化法按全期預期信用損失計量虧損撥備。除出現信貸減值之應收賬款外，本集團採用按應收賬款之賬齡分類之撥備矩陣釐定該等項目之預期信用損失。
- iv. 本集團已透過在中國之法律訴訟向債務人索償。基於該款項為無抵押及由於債務人近年之財務狀況惡化，董事認為債務人已出現信貸減值，且收回債務人結餘的機會甚微，故已於截至二零二零年十二月三十一日止年度的損益中確認全部減值虧損281,901,000港元。

作為本集團信貸風險管理其中一環，本集團透過應收賬款之賬齡評估其客戶之減值，原因為該等客戶中有多名具有共同風險特徵之小型客戶，而該風險特徵代表客戶根據合約條款悉數付款之能力。下表提供有關應收賬項承受之信貸風險資料，該等資料乃根據於二零二零年十二月三十一日符合全期預期信用損失(無信貸減值)之撥備矩陣進行評估。於二零二零年十二月三十一日，為數600,037,000港元(二零一九年：581,689,000港元)已出現信貸減值之應收賬款乃個別地進行評估，而其餘為數3,388,944,000港元(二零一九年：3,186,391,000港元)之應收賬款則基於內部信貸評級根據撥備矩陣進行評估。

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued) Gross carrying amount

		2020 二零二零年			2019 二零一九年		
		Average loss rate 平均虧損率	Trade receivables 應收賬項 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元	Average loss rate 平均虧損率	Trade receivables 應收賬項 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Current (not past due)	即期(未逾期)	0.98%	2,888,193	28,304	0.51%	2,599,469	13,257
1-60 days past due	已逾期1至60日	1.14%	324,096	3,695	1.47%	367,368	5,400
61-90 days past due	已逾期61至90日	4.44%	37,656	1,671	4.50%	81,790	3,680
More than 90 days past due	已逾期90日以上	8.99%	138,999	12,496	6.31%	137,764	8,693
			3,388,944	46,166		3,186,391	31,030

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

In the opinion of the Directors, the trade receivables at the end of the reporting period which have been past due over 90 days are not considered as in default based on good repayment records for those customers and continuous business relationship with the Group.

35. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續) 賬面總值

估計虧損率乃按應收賬款於預計年內觀察所得之過往違約率進行估算，並就毋須付出不必要成本或努力即可獲得之前瞻性資料作出調整。管理層定期檢討有關分類以確保涉及特定應收賬款之相關資料為最新資料。

董事認為，於報告期末已逾期90日以上之應收賬項乃基於該等客戶之良好還款記錄及彼等與本集團持續之業務往來關係而不會視為拖欠款項。

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綜合財務報表附註

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Gross carrying amount (continued)

Movement in the allowance for impairment of trade receivables

35. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

賬面總值 (續)

應收賬項減值撥備之變動

		Lifetime ECL (not credit- impaired) 全期預期 信用損失 (無信貸減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期 信用損失 (有信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	11,149	575,298	586,447
Changes due to financial instruments recognised as at 1 January 2019:	於二零一九年一月一日確認 金融工具引致之變動：			
— Transfer to credit-impaired	— 轉撥至信貸減值	(263)	263	—
— Impairment losses recognised	— 已確認減值虧損	3,313	13,015	16,328
— Impairment losses reversed	— 已撥回減值虧損	(9,675)	—	(9,675)
New financial assets originated	新增金融資產	26,506	—	26,506
Written off	撇銷	—	(6,887)	(6,887)
As at 31 December 2019	於二零一九年十二月三十一日	31,030	581,689	612,719
Changes due to financial instruments recognised as at 1 January 2020:	於二零二零年一月一日確認 金融工具引致之變動：			
— Transfer to credit-impaired	— 轉撥至信貸減值	(1,193)	1,193	—
— Impairment losses recognised	— 已確認減值虧損	174	17,717	17,891
— Impairment losses reversed	— 已撥回減值虧損	(26,380)	—	(26,380)
New financial assets originated	新增金融資產	41,456	—	41,456
Written off	撇銷	(716)	(2,261)	(2,977)
Exchange realignment	匯兌調整	1,795	1,699	3,494
As at 31 December 2020	於二零二零年十二月三十一日	46,166	600,037	646,203

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Gross carrying amount (continued)

Movement in the allowance for impairment of trade receivables (continued)

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

35. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

賬面總值 (續)

應收賬項減值撥備之變動 (續)

應收賬項虧損撥備變動主要由於：

		2020 二零二零年		2019 二零一九年	
		Increase (decrease) in lifetime ECL 全期預期信用損失 增加(減少)		Increase (decrease) in lifetime ECL 全期預期信用損失 增加(減少)	
		Not credit- impaired 無信貸減值 HK\$'000 千港元	Credit- impaired 有信貸減值 HK\$'000 千港元	Not credit- impaired 無信貸減值 HK\$'000 千港元	Credit- impaired 有信貸減值 HK\$'000 千港元
Trade receivables with gross carrying amount of HK\$18,910,000 (2019: HK\$13,278,000) defaulted and transferred to credit-impaired	賬面總值為18,910,000港元之應收賬項(二零一九年：13,278,000港元)欠款及轉撥至信貸減值	(1,193)	1,193	(263)	263
New trade receivables with gross carrying amount of HK\$3,311,802,000 (2019: HK\$3,110,521,000)	賬面總值為3,311,802,000港元(二零一九年：3,110,521,000港元)之新應收賬項	41,456	–	26,506	–

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Gross carrying amount (continued)

Movement in the allowance for impairment of loan receivable and other receivables

35. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

賬面總值 (續)

應收貸款及其他應收款項減值撥備之變動

		Other receivables		Loan receivable	Total
		Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Lifetime ECL (credit-impaired)	
		全期預期信用損失 (無信貸減值)	全期預期信用損失 (有信貸減值)	應收貸款	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	4,179	–	10,764	14,943
Changes due to financial instruments recognised as at 1 January 2019	於二零一九年一月一日確認金融工具引致之變動				
— Impairment losses reversed	— 已撥回減值虧損	–	–	(10,764)	(10,764)
As at 31 December 2019	於二零一九年十二月三十一日	4,179	–	–	4,179
Changes due to financial instruments recognised as at 1 January 2020:	於二零二零年一月一日確認金融工具引致之變動：				
— Transfer to credit-impaired	— 轉撥至信貸減值	(4,179)	4,179	–	–
— Impairment losses recognised	— 已確認減值虧損	–	281,901	–	281,901
As at 31 December 2020	於二零二零年十二月三十一日	–	286,080	–	286,080

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綜合財務報表附註

For the year ended 31 December 2020 • 截至二零二零年十二月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Gross carrying amount (continued)

Movement in the allowance for impairment of loan receivable and other receivables (continued)

Changes in the loss allowance for loan receivable and other receivables is mainly due to:

35. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

賬面總值 (續)

應收貸款及其他應收款項減值撥備之變動 (續)

應收貸款虧損撥備變動主要由於：

		2020 二零二零年		2019 二零一九年	
		Increase (decrease) in lifetime ECL		Increase (decrease) in lifetime ECL	
		全期預期信用損失增加(減少)		全期預期信用損失增加(減少)	
		Not credit-impaired	Credit-impaired	Not credit-impaired	Credit-impaired
		無信貸減值	有信貸減值	無信貸減值	有信貸減值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Other receivables with gross carrying amount of HK\$286,080,000 (2019: nil) defaulted and transferred to credit-impaired	賬面總值為286,080,000港元之其他應收款項(二零一九年：無)欠款及轉撥至信貸減值	(4,179)	4,179	-	-
Other receivables with gross carrying amount of HK\$286,080,000 (2019: nil) defaulted	賬面總值為286,080,000港元之其他應收款項(二零一九年：無)欠款	-	281,901	-	-
Settlement in full of a loan receivable with gross carrying amount of nil (2019: HK\$10,764,000)	悉數結清賬面總值為零(二零一九年：10,764,000港元)之應收貸款	-	-	-	(10,764)

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk

As at 31 December 2020, the Group's current liabilities exceeded its current assets by approximately HK\$3,303 million. Having taken into account the factors set out in note 3, the Directors consider the Group will have sufficient financial resources to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The Group's liquidity position is monitored closely by the management of the Company.

In the management of liquidity risk, the Group monitors its current and expected liquidity requirements regularly and ensuring sufficient liquid cash and adequate committed lines of funding from reputable financial institutions to meet the Group's liquidity requirements in the short and long term. The management of the Company also monitors the forecast and maintains a level of cash and cash equivalents adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The table includes both interest and principal cash flow. To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

35. 金融工具(續)

b. 金融風險管理目標及政策(續)

流動資金風險

於二零二零年十二月三十一日，本集團之流動負債超出其流動資產約33.03億港元。考慮到附註3所載之因素，董事信納本集團將具備充足財務資源悉數應付其於可見將來到期之財務承擔。因此，綜合財務報表已按持續經營基準編製。

本集團之流動資金狀況由本公司管理層密切監控。

於管理流動資金風險時，本集團定期監察其現時及預期流動資金需求，並確保擁有充足之流動現金及獲得信譽卓著之金融機構之足夠信貸額度，以滿足本集團之短期及長期流動資金需求。本公司管理層亦會監督及維持充足之現金及現金等值項目水平，以為本集團之營運提供資金及減低現金流量波動之影響。

下表詳細呈列本集團非衍生金融負債之剩餘合約年期。該表根據本集團可被要求還款之最早日期金融負債之未折現現金流量而編製。具體而言，附有按要求償還條款之銀行貸款均列入最早之期限，不論銀行選擇行使權利之概率高低。該表包括利息及本金現金流量。倘利息流量是以浮動利率計算，則未折現金額乃根據報告期末之利率計算。

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

In addition, the following table details the Group's liquidity analysis for its derivative financial liabilities. The table has been drawn up based on the undiscounted contractual net cash outflows on derivative instruments that settle on a net basis and, the undiscounted gross inflows and outflows on those derivatives that require gross settlement. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

35. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

流動資金風險 (續)

此外，下表詳列本集團就其衍生金融負債所作之流動資金分析。下表乃根據以淨額基準結算之衍生工具之未折現合約現金流出淨額及須以總額結算之衍生工具之未折現流入及流出總額而編製。本集團衍生金融工具之流動資金分析乃根據合約到期日編製，此乃由於管理層認為合約到期日對於瞭解衍生工具現金流量之時間性十分重要。

		Weighted average interest rate	On demand or 0 to 3 months	4-6 months	7-12 months	1-2 years	2-3 years	Over 3 years	Total undiscounted cash flows	Carrying amount at 31 December
		加權平均利率 %	按要求或零至三個月 HK\$'000 千港元	四至六個月 HK\$'000 千港元	七至十二個月 HK\$'000 千港元	一至二年 HK\$'000 千港元	二至三年 HK\$'000 千港元	超過三年 HK\$'000 千港元	未折現現金流量總額 HK\$'000 千港元	於十二月三十一日之賬面值 HK\$'000 千港元
2020	二零二零年									
Non-derivative instruments	非衍生工具									
Trade and other payables	應付賬項及其他應付款項		8,005,753	-	-	-	-	-	8,005,753	8,005,753
Amounts due to associates	應付聯營公司款項		734,385	-	-	-	-	-	734,385	734,385
Fixed interest rate bank borrowings	定息銀行借款	4.95	2,296,579	426,504	217,038	673,321	-	-	3,613,442	3,482,496
Variable interest rate bank and other borrowings	浮息銀行借款及其他借款	2.40	919,287	397,457	444,012	330,400	-	-	2,091,156	2,029,553
Bonds payable	應付債券	5.27	-	9,252	55,530	369,710	-	-	434,492	400,596
Lease liabilities	租賃負債	7.11	33,330	37,813	80,326	147,587	96,386	53,910	449,352	391,752
Financial guarantee contract	財務擔保合約		1,401,333	-	-	-	-	-	1,401,333	-
			13,390,667	871,026	796,906	1,521,018	96,386	53,910	16,729,913	15,044,535
Derivative – gross settlement	衍生 – 總額結算									
Foreign currency forward	外匯遠期									
— inflow	— 流入		60,372	-	-	-	-	-	60,372	60,562
— outflow	— 流出		(62,511)	-	-	-	-	-	(62,511)	(62,511)
			(2,139)	-	-	-	-	-	(2,139)	(1,949)

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

		Weighted average interest rate	On demand or 0 to 3 months	4-6 months	7-12 months	1-2 years	2-3 years	Over 3 years	Total undiscounted cash flows	Carrying amount at 31 December
		加權平均 利率 %	按要求或 零至三個月 HK\$'000 千港元	四至六個月 HK\$'000 千港元	七至十二個月 HK\$'000 千港元	一至兩年 HK\$'000 千港元	兩至三年 HK\$'000 千港元	超過三年 HK\$'000 千港元	未折現現金 流量總額 HK\$'000 千港元	於十二月 三十一日 之賬面值 HK\$'000 千港元
2019	二零一九年									
Non-derivative instruments	非衍生工具									
Trade and other payables	應付賬項及其他應付款項		8,732,263	-	-	-	-	-	8,732,263	8,732,263
Amount due to an associate	應付聯營公司款項		129,214	-	-	-	-	-	129,214	129,214
Fixed interest rate bank borrowings	定息銀行借款	5.48	973,439	391,340	251,459	83,057	585,277	-	2,284,572	2,128,867
Variable interest rate bank and other borrowings	浮息銀行借款及其他借款	4.20	1,078,478	2,512,309	167,110	19,525	-	-	3,777,422	3,693,749
Bonds payable	應付債券	5.27	-	-	19,685	19,685	385,214	-	424,584	373,731
Lease liabilities	租賃負債	6.97	5,235	4,810	15,648	36,072	35,462	18,659	115,886	98,861
Financial guarantee contract	財務擔保合約		1,893,806	-	-	-	-	-	1,893,806	-
			12,812,435	2,908,459	453,902	158,339	1,005,953	18,659	17,357,747	15,156,685
Derivative – gross settlement	衍生 – 總額結算									
Foreign currency forward	外匯遠期									
— inflow	— 流入		92,174	-	-	-	-	-	92,174	92,389
— outflow	— 流出		(92,583)	-	-	-	-	-	(92,583)	(92,583)
			(409)	-	-	-	-	-	(409)	(194)
Derivatives – net settlement	衍生 – 淨額結算									
Structured foreign currency forward	結構式外匯遠期		13	(24)	(56)	(30)	-	-	(97)	(89)

35. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

流動資金風險 (續)

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35. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Bank loans with a repayment on demand clause is included in the “on demand or 0 to 3 months” time band in the above maturity analysis. The aggregate carrying amounts of these bank loans amounted to HK\$652,988,000 (2019: HK\$958,915,000). Taking into account the Group’s financial position, the Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors believe that such bank loans will be repaid within three months (2019: three months) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

		Maturity Analysis – Bank loans with a repayment on demand clause based on scheduled repayments								
		到期分析 – 按還款時間表具有按要求償還條款之銀行貸款及因違反貸款契諾而須按要求償還之銀行貸款								
		0 to 3 months	4-6 months	7-12 months	1-2 years	2-3 years	Over 3 years	Total undiscounted cash outflows 未折現現金 流出總額	Carrying amount 賬面值	
		零至三個月 HK\$'000 千港元	四至六個月 HK\$'000 千港元	七至十二個月 HK\$'000 千港元	一至兩年 HK\$'000 千港元	二至三年 HK\$'000 千港元	超過三年 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
31 December 2020	二零二零年十二月三十一日	657,517	-	-	-	-	-	657,517	652,988	
31 December 2019	二零一九年十二月三十一日	967,518	-	-	-	-	-	967,518	958,915	

The amounts included above for financial guarantee contract are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

35. 金融工具(續)

b. 金融風險管理目標及政策(續)

流動資金風險(續)

具有按要求償還條款之銀行貸款計入計入上述到期分析「按要求或零至三個月」期限內。該等銀行貸款之賬面總值為652,988,000港元(二零一九年：958,915,000港元)。考慮到本集團財務狀況，董事認為銀行不大可能行使酌情權要求即時還款。董事認為該等銀行貸款將按照貸款協議所載還款時間表於報告期末後三個月(二零一九年：三個月)償還，有關詳情載列於下表：

計入上述財務擔保合約之金額為本集團於擔保交易對手申索金額時可能須根據全面擔保金額安排結算之最高金額。根據於報告期末之預期，本集團認為很大可能毋須根據安排支付任何金額。然而，此項估計可予變動，視乎交易對手根據擔保提出申索之可能性而定，而此可能性則視乎由交易對手持之獲擔保金融應收款項會否蒙受信用損失而定。

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35. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group's financial assets at FVTPL, trade receivables at FVTOCI and derivative financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

35. 金融工具(續)

c. 金融工具之公平價值計量

此附註提供有關本集團如何釐定不同金融資產及金融負債之公平價值之資料。

(i) 按經常基準以公平價值計量之本集團金融資產及金融負債之公平價值

於各報告期末，本集團之於損益以公平價值列賬之金融資產、於其他全面收益以公平價值列賬之應收賬款及衍生金融工具乃按公平價值計量。下表為有關如何釐定此等金融資產及金融負債之公平價值之資料。

Financial assets/ financial liabilities 金融資產/金融負債	Fair value as at 於以下日期之公平價值		Fair value hierarchy 公平價值層次結構	Valuation techniques and key inputs 估值方法及主要輸入數據
	31 December 2020 二零二零年十二月三十一日	31 December 2019 二零一九年十二月三十一日		
Financial assets at FVTPL — listed equity shares in Hong Kong 於損益以公平價值列賬之金融資產 — 於香港上市之權益股份	Assets — HK\$7,347,000 資產 — 7,347,000 港元	Assets — HK\$5,549,000 資產 — 5,549,000 港元	Level 1 第1級	Quoted bid prices in an active market 於活躍市場中之報價
Trade receivables at FVTOCI 於其他全面收益以公平價值列賬之應收賬項	Assets — HK\$1,211,709,000 資產 — 1,211,709,000 港元	Assets — HK\$1,293,194,000 資產 — 1,293,194,000 港元	Level 2 第2級	Discounted cash flow method 現金流量折現法
				The key input is market interest rate. 主要輸入數據為市場利率。
Foreign currency forwards (Note 1) 外匯遠期(附註1)	Liabilities — HK\$1,949,000 負債 — 1,949,000 港元	Liabilities — HK\$194,000 負債 — 194,000 港元	Level 2 第2級	Discounted cash flow method 現金流量折現法
				The key inputs are foreign exchange spot rates and forward rates and interest rate curves. 主要輸入數據為外匯現貨及遠期利率以及利率曲線。
Structured foreign currency forward (Note 2) 結構式外匯遠期(附註2)	—	Liabilities — HK\$89,000 負債 — 89,000 港元	Level 3 第3級	Monte Carlo Simulation Method 蒙特卡羅模擬法
				The key inputs are spot exchange rate on the date of valuation, strike rate, time to maturity, notional amount, payout amount for each settlement, risk-free rate of US\$ against HK\$ and the average implied volatility of the exchange rate as at valuation date. 主要輸入數據為估值日期即期匯率、執行利率、期限、名義金額、各次結算時之支出金額、美元兌港元無風險利率以及於估值日期匯率平均隱含波幅。

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35. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Note 1: The discounted cash flow method uses only observable market inputs.

Note 2: For structured foreign currency forward with transactions denominated in US\$, if the average implied volatility of the exchange rate is 5% higher/lower and held other variables constant, the Group's post-tax profit for the year ended 31 December 2019 would decrease by HK\$101,000/decrease by HK\$69,000. Due to the terms of the contracts, changes in the inputs adopted in the valuation model would lead to asymmetric changes in the fair values.

There is no transfer between different levels of the fair value hierarchy for the current year.

Fair value hierarchy as at 31 December 2020 and 2019

35. 金融工具(續)

c. 金融工具之公平價值計量(續)

(i) 按經常基準以公平價值計量之本集團金融資產及金融負債之公平價值(續)

附註1：折現現金流量法僅使用可觀察市場輸入數據。

附註2：美元結構式外匯遠期方面，倘匯率平均隱含波幅上升／下跌5%而其他可變因素不變，則本集團截至二零一九年十二月三十一日止年度之稅後溢利將減少101,000港元／減少69,000港元。因應合約條款，估值模型採納之輸入數據變動將導致公平價值產生不對稱變化。

於本年度公平價值層次結構之不同層次間並無轉移。

於二零二零年及二零一九年十二月三十一日之公平價值層次結構

		2020 二零二零年			
		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Financial assets	金融資產				
Financial assets at FVTPL	於損益以公平價值列賬之金融資產	7,347	–	–	7,347
Trade receivables at FVTOCI	於其他全面收益以公平價值列賬之應收賬項	–	1,211,709	–	1,211,709
		7,347	1,211,709	–	1,219,056
Financial liabilities	金融負債				
Derivative financial instruments	衍生金融工具	–	1,949	–	1,949

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35. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

- (i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Fair value hierarchy as at 31 December 2020 and 2019
(continued)

35. 金融工具 (續)

c. 金融工具之公平價值計量 (續)

- (i) 按經常基準以公平價值計量之本集團金融資產及金融負債之公平價值 (續)
於二零二零年及二零一九年十二月三十一日之公平價值層次結構 (續)

		2019 二零一九年			Total 合計 HK\$'000 千港元
		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	
Financial assets	金融資產				
Financial assets at FVTPL	於損益以公平價值列賬之金融資產	5,549	–	–	5,549
Trade receivables at FVTOCI	於其他全面收益以公平價值列賬之應收賬項	–	1,293,194	–	1,293,194
		5,549	1,293,194	–	1,298,743
Financial liabilities	金融負債				
Derivative financial instruments	衍生金融工具	–	194	89	283

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35. FINANCIAL INSTRUMENTS (continued)

c. Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Fair value hierarchy as at 31 December 2020 and 2019
(continued)

Reconciliation of Level 3 fair value measurement of financial liabilities

		Structured foreign currency forwards 結構式外匯遠期 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	–
Total gain in profit or loss	損益中之收益總額	(656)
Net settlement	結算淨額	745
At 31 December 2019	於二零一九年十二月三十一日	89
Total gain in profit or loss	損益中之收益總額	(428)
Net settlement	結算淨額	339
At 31 December 2020	於二零二零年十二月三十一日	–

The total gain of nil (2019: HK\$418,000) for the year included in profit or loss represents the total fair value gain related to structured foreign currency forwards held at the end of the reporting period that is included in "Other gains and losses".

本年度計入損益之總收益零元 (二零一九年：418,000港元) 指與計入「其他損益」之於報告期末所持結構式外匯遠期有關之公平價值收益總額。

(ii) Fair value of financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

As at 31 December 2020, except for bonds payable with a fair value of HK\$406,330,000 (2019: HK\$376,417,000) based on quoted market price that is categorised into Level 1 fair value hierarchy, the Directors consider that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

(ii) 並非按經常基準以公平價值計量之金融資產及金融負債之公平價值 (惟須作出公平價值披露)

於二零二零年十二月三十一日，除公平價值為406,330,000港元 (二零一九年：376,417,000港元) 根據市場報價歸入第1級公平價值層次之應付債券外，董事認為於綜合財務報表按攤銷成本列賬之其他金融資產及金融負債之賬面值與其公平價值相若。

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36. OPERATING LEASE COMMITMENTS

The Group as lessor

Property and machinery rental income with fixed monthly rentals earned during the year were HK\$10,482,000 (2019: HK\$9,150,000) and HK\$6,355,000 (2019: nil) respectively, which were derived from letting of staff quarters and machinery included in the Group's property, plant and equipment.

Certain properties held for rental purposes have committed leases for the next two years.

Minimum lease payments receivable on leases are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within one year	一年內	5,687	421
In the second year	於第二年	14,288	205
		19,975	626

37. COMMITMENTS

36. 經營租約承擔

本集團作為出租人

本年度賺取之物業及機器收入及固定月租分別為10,482,000港元(二零一九年: 9,150,000港元)及6,355,000港元(二零一九年: 無), 該等租金收入來自出租計入本集團物業、廠房及設備之員工宿舍以及機器。

若干持作出租用途之物業未來兩年均附有已承諾之租賃。

以下為租賃之最低應收租賃付款:

37. 承擔

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	就收購物業、廠房及設備已訂約但未在綜合財務報表中撥備之資本支出	254,288	400,272

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38. RETIREMENT BENEFITS SCHEMES

All of the Group's Hong Kong employees are required to join the Mandatory Provident Fund Scheme. The Group is required to contribute 5%, while the employees are required to contribute 5% of their salaries to the scheme to the maximum of HK\$1,500 (2019: HK\$1,500) per month for each employee.

According to the relevant laws and regulations in the PRC, the PRC subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

39. GOVERNMENT GRANTS

At the end of the reporting period, government grants of HK\$7,984,000 (2019: HK\$8,291,000) were included in trade and other payables, to subsidise the acquisition of property, plant and machinery for scientific research development. The amount has been treated as deferred income and will be transferred to profit or loss over the useful lives of the relevant assets. This policy resulted in a credit to profit or loss in the current year of HK\$120,000 (2019: HK\$958,000).

Incentive subsidies of HK\$69,015,000 (2019: HK\$74,712,000) have been received in the current year to encourage the operations of the PRC subsidiaries for the development on advance technology and export sales. The subsidiaries have complied with application rules of the incentives and, therefore, the Group recognised the grants in profit or loss.

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

38. 退休福利計劃

本集團之全體香港僱員均須參加強制性公積金計劃。本集團須作出5%供款，而僱員亦須向該計劃作出其薪酬5%之供款，每名僱員之每月供款最高為1,500港元(二零一九年：1,500港元)。

根據中國有關法律及規例，中國附屬公司須向國家管理的退休福利計劃作出相當於其僱員薪酬若干百分比之供款。本集團就退休福利計劃所負之責任僅為向該計劃作出所須供款。

39. 政府津貼

於報告期末，本集團用作資助收購物業、廠房及機器以開展科研發展之政府津貼7,984,000港元(二零一九年：8,291,000港元)列入應付賬項及其他應付款項。該數額已被視為遞延收入並按相關資產之可使用年期轉撥至損益。此政策導致本年度計入損益之金額為120,000港元(二零一九年：958,000港元)。

本年度收到政府為鼓勵中國附屬公司在先進技術及外銷業務方面的發展而授出的鼓勵津貼69,015,000港元(二零一九年：74,712,000港元)。該等附屬公司已遵守有關鼓勵之應用規則，因此，本集團於損益確認有關津貼。

40. 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債乃現金流量已或日後現金流量會於本集團綜合現金流量表分類為融資活動產生之現金流量。

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40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

40. 融資活動所產生負債之對賬 (續)

		Bank and other borrowings 銀行及 其他借款 HK\$'000 千港元 (note 29) (附註29)	Lease liabilities 租賃負債 HK\$'000 千港元 (note 30) (附註30)	Loans from an associate 聯營公司 貸款 HK\$'000 千港元 (note 25) (附註25)	Bonds payable 應付債券 HK\$'000 千港元 (note 31) (附註31)	Dividend payable 應付股息 HK\$'000 千港元	Interest payable 應付利息 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2019	於二零一九年 一月一日	7,193,297	6,672	–	850,265	1,258	36,220	8,087,712
Financing cash flows	融資現金流量	(1,246,852)	(6,368)	(23,311)	(505,287)	–	(364,368)	(2,146,186)
Currency realignment	貨幣調整	(37,209)	(81)	–	(10,102)	–	(472)	(47,864)
Interest expenses	利息開支	–	260	23,311	38,855	–	356,703	419,129
Non-cash transactions (note 41)	非現金交易 (附註41)	(86,620)	98,378	–	–	–	–	11,758
At 31 December 2019	於二零一九年 十二月三十一日	5,822,616	98,861	–	373,731	1,258	28,083	6,324,549
Financing cash flows	融資現金流量	(462,551)	(43,452)	–	(20,003)	–	(359,076)	(885,082)
Currency realignment	貨幣調整	180,929	22,899	–	25,868	–	1,712	231,408
Interest expenses	利息開支	–	855	–	21,000	–	358,170	380,025
Non-cash transactions (note 41)	非現金交易 (附註41)	(28,945)	312,589	–	–	–	–	283,644
At 31 December 2020	於二零二零年 十二月三十一日	5,512,049	391,752	–	400,596	1,258	28,889	6,334,544

41. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2020, short-term borrowings on bills discounted with recourse of HK\$28,945,000 (2019: HK\$86,620,000) have been settled through bills receivables discounted to the relevant financial institutions.

During the year ended 31 December 2020, right-of-use assets for new lease agreements entered into by the Group for land and buildings and plant and machinery with a total amount of HK\$312,589,000 (2019: HK\$98,378,000) and the same amount of lease liabilities were recognised.

41. 重大非現金交易

截至二零二零年十二月三十一日止年度，有追索權之貼現票據之短期借貸28,945,000港元(二零一九年：86,620,000港元)已透過貼現應收票據向相關金融機構結清。

截至二零二零年十二月三十一日止年度，本集團就訂立新租賃協議之土地及樓宇以及廠房及機器確認總值為312,589,000港元(二零一九年：98,378,000港元)之使用權資產及相同金額之租賃負債。

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42. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions with related parties.

- (i) During the year, the Group entered into the following transactions with an associate.

42. 關連人士交易

除綜合財務報表其他章節所披露者外，本集團與關連人士進行以下交易。

- (i) 年內，本集團與聯營公司訂立以下交易。

Associate 聯營公司	Nature of transaction 交易性質	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Truly HZ 信利惠州	Sales 銷售	61,222	59,121
	Purchase 採購	943,809	1,422,452
	Interest income 利息收入	31,448	39,621
	Rental income 租金收入	120	120
	Expenses relating to short-term leases 有關短期租賃之支出	—	435
Truly RS 信利仁壽	Sales 銷售	82,047	—
	Purchase 採購	596,408	100,691
	Purchase of plant and machinery 購置廠房及機器	13,940	16,922
	Interest expense 利息支出	—	23,311
	Utility expenses 水電費	7,674	5,821
	Expenses related to short-term leases 有關短期租賃之支出	8,951	—
	Consultation income 諮詢收入	—	4,996

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42. RELATED PARTY TRANSACTIONS (continued)

- (ii) The remuneration of Directors and other members of key management during the year were as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Short-term benefits	短期福利	13,909	15,079
Post-employment benefits	離職後福利	110	4,018
		14,019	19,097

The remuneration of Directors and key executives are determined by the remuneration committee having regard to the performance of individuals and market trends.

- (iii) As at 31 December 2020, bank borrowing amounting to HK\$920,000,000 (2019: nil) granted to the Group is secured by personal guarantee and restricted cash collateral account in the corresponding bank of Mr. Lam Wai Wah.

42. 關連人士交易(續)

- (ii) 本年度董事及其他主要管理層成員之薪酬如下：

董事及主要行政人員之薪酬乃由薪酬委員會參考個人表現及市場趨勢後釐定。

- (iii) 於二零二零年十二月三十一日，本集團獲授為數920,000,000港元(二零一九年：無)之銀行借款由林偉華先生之個人擔保及相應銀行之受限制現金抵押賬戶擔保。

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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(a) General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

43. 本公司主要附屬公司資料

(a) 附屬公司之一般資料

於報告期末本公司直接及間接持有之附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 註冊成立/登記/ 營業地點	Nominal value of issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股 股本/註冊資本面值	Proportion ownership interest held by the Company 本公司持有之 所有權權益比例 2020 二零二零年	2019 二零一九年	Principal activities 主要業務
Truly Electronics 信利電子有限公司	Hong Kong 香港	HK\$1,000,010 1,000,010 港元	100%	100%	Trading of electronic calculators and electronic components 電子計算機及電子元件貿易
Truly Instrument Limited 信利儀器有限公司	Hong Kong 香港	HK\$100 100 港元	100%	100%	Trading of electric tooth brush and health care products 電動牙刷及個人保健產品貿易
Truly Semiconductors 信利半導體有限公司	Hong Kong 香港	HK\$1,000 1,000 港元	100%	100%	Trading of LCD products 液晶體顯示器產品貿易
Truly Opto-electronics Limited (Note) 信利光電有限公司(附註)	Hong Kong 香港	HK\$1,000,000 1,000,000 港元	78.8%	78.8%	Trading of compact camera module, fingerprint identification modules and touch panel 微型相機模組及觸控屏產品貿易
Truly Industrial Limited 信利工業有限公司	Hong Kong 香港	HK\$872,894 872,894 港元	100%	100%	Trading of electronic components 電子元件貿易
Truly (USA) Inc. 信利電子有限公司*	United States of America 美利堅合眾國	US\$20,000 20,000 美元	100%	100%	Marketing of electronic calculators 電子計算機市場營銷
信利半導體*	The PRC 中國	US\$137,500,000 137,500,000 美元	100%	100%	Manufacture of electronic calculators and electronic components 製造電子計算機及電子元件
信利儀器(汕尾)有限公司*	The PRC 中國	US\$498,300,000 498,300,000 美元	100%	100%	Manufacture of LCD products 製造液晶體顯示器產品
信利儀器(汕尾)有限公司*	The PRC 中國	US\$1,000,000 1,000,000 美元	100%	100%	Manufacture of electric toothbrush and health care products 製造電動牙刷及個人保健產品
信利光電股份(Note)(附註)	The PRC 中國	RMB368,769,402 人民幣368,769,402 元	78.8%	78.8%	Manufacture of compact camera module, fingerprint identification modules and touch panel 製造微型相機模組及觸控屏產品
信利工業(汕尾)*	The PRC 中國	RMB280,000,000 人民幣280,000,000 元	100%	100%	Manufacture of electronic component 製造電子元件
信元光電有限公司(Note)(附註)	The PRC 中國	RMB200,000,000 人民幣200,000,000 元	78.8%	74.4%	Manufacture of electronic component 製造電子元件
信利電路有限公司#	The PRC 中國	RMB45,000,000 人民幣45,000,000 元	N/A 不適用	100%	Manufacture of electronic component 製造電子元件

* wholly foreign owned enterprise
deregistered during the year ended 31 December 2020

* 外商獨資企業
於截至二零二零年十二月三十一日止年度取消註冊

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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(a) General information of subsidiaries (continued)

Note: Change in ownership interest in a subsidiary

On 31 May 2019, a PRC subsidiary, 信利光電股份, has increased its registered capital by RMB19,919,192 with cash considerations of approximately RMB290,000,000 (equivalent to HK\$323,350,000) from an independent third party (the "First Capital Increase"). In addition, 信利光電股份 has further increased its registered capital by RMB8,850,210 with cash considerations of approximately RMB120,000,000 (equivalent to HK\$133,800,000) from another independent third party (the "Second Capital Increase") on 24 October 2019. Upon the completion of the First Capital Increase and the Second Capital Increase, its registered capital increased from RMB340,000,000 to RMB368,769,402. The effective equity interest of the Group in 信利光電股份 and Truly Opto-electronics Limited, a wholly owned subsidiary of 信利光電股份, reduced from 85.4% to 80.7% and further reduced to 78.8%. The effective equity interest of the Group in 信元光電有限公司, a non-wholly owned subsidiary of 信利光電股份, reduced from 80% to 74.4%. An amount of HK\$387,279,000 (being the proportionate share of the carrying amount of the assets of 信利光電股份) has been transferred to non-controlling interests. The difference of HK\$69,871,000 between the consideration received by the Group and attributable equity interests in the subsidiary has been credited to other reserves.

During the year ended 31 December 2020, the Group acquired 5.5% additional equity interest in 信元光電有限公司 from the other shareholder at a cash consideration of HK\$6,696,000. The effective interest of the Group in 信元光電有限公司 increased from 74.4% to 78.8%. An amount of HK\$6,754,000 (being the proportionate share of the carrying amount of the assets of 信元光電有限公司) has been transferred to reserves. The difference of HK\$58,000 between the consideration paid by the Group and attributable equity interests in the subsidiary has been credited to other reserves.

43. 本公司主要附屬公司資料(續)

(a) 附屬公司之一般資料(續)

附註：於附屬公司之擁有權權益變動

於二零一九年五月三十一日，中國附屬公司信利光電股份獲一名獨立第三方給予現金代價約人民幣290,000,000元(相當於323,350,000港元)令其註冊資本增加人民幣19,919,192元(「第一次增資」)。此外，信利光電股份於二零一九年十月二十四日獲另一名獨立第三方給予現金代價約人民幣120,000,000元(相當於133,800,000港元)令其註冊資本進一步增加人民幣8,850,210元(「第二次增資」)。於完成第一次增資及第二次增資後，該公司之註冊資本由人民幣340,000,000元增至人民幣368,769,402元。本集團於信利光電股份及其全資附屬公司信利光電有限公司所佔實際股權由85.4%減至80.7%及進一步減至78.8%。本集團於信利光電股份之非全資附屬公司信元光電有限公司所佔實際股權由80%減至74.4%。387,279,000港元(即信利光電股份資產賬面值之按比例分佔權益)已轉撥至非控股權益。本集團已收代價與該附屬公司應佔股權之間的差額69,871,000港元已計入其他儲備。

截至二零二零年十二月三十一日止年度，本集團向其他股東收購信元光電有限公司5.5%額外股權，現金代價為6,696,000港元。本集團於信元光電有限公司之實際股權由74.4%增至78.8%。6,754,000港元(即信元光電有限公司資產賬面值之按比例分佔權益)已轉撥至儲備。本集團所支付之代價與該附屬公司應佔股本權益之差額58,000港元已計入其他儲備。

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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(continued)*

(a) General information of subsidiaries *(continued)*

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the result or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Except for Truly Electronics Manufacturing Limited and Truly (USA) Inc., all other subsidiaries are indirectly held by the Company.

None of the subsidiaries had any debt securities at the end of the year except for 信利光電股份 which has issued an aggregate principal amount of RMB337,594,300 (2019: RMB337,594,300) of bonds payable, in which the Group has no interests.

43. 本公司主要附屬公司資料(續)

(a) 附屬公司之一般資料(續)

上表列出董事認為主要影響本集團業績或資產之本公司附屬公司。董事認為詳列其他附屬公司之詳情將令年報篇幅過長。

除信利電子有限公司及Truly (USA) Inc.外，所有其他附屬公司均由本公司間接持有。

除信利光電股份發行本金總額人民幣337,594,300元(二零一九年：人民幣337,594,300元)之應付債券而本集團於當中並無權益外，於年末各附屬公司概無任何債務證券。

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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 由非控股權益持有之所有權權益及投票權比例		Profit/(loss) attributable to non-controlling interests 非控股權益應佔溢利/(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2020	2019	2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年
		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
信利光電股份*	The PRC 中國	21.2%	21.2%	98,304	45,640	1,103,501	943,560
Wholly owned subsidiary of 信利光電股份							
信利光電股份之 全資附屬公司							
信元光電有限公司	The PRC 中國	21.2%	25.6%	(1,818)	68	-	8,118
				96,486	45,708	1,103,501	951,678

* excluding non-controlling interests of 信利光電股份's subsidiary

43. 本公司主要附屬公司資料(續)

(b) 擁有重大非控股權益之非全資附屬公司之詳情

下表載列擁有重大非控股權益之本集團非全資附屬公司之詳情：

* 不包括信利光電股份附屬公司之非控股權益

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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

Summarised financial information in respect of the above subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

信利光電股份 and its subsidiaries

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current assets	流動資產	9,036,735	7,852,017
Non-current assets	非流動資產	5,407,653	5,120,307
Current liabilities	流動負債	8,008,420	7,487,036
Non-current liabilities	非流動負債	1,205,537	1,001,163
Equity attributable to owners of the Company	本公司擁有人應佔權益	4,126,930	3,532,447
Non-controlling interests of 信利光電股份	信利光電股份之非控股權益	1,103,501	943,560
Non-controlling interests of subsidiary of 信利光電股份	信利光電股份附屬公司之非控股權益	—	8,118
Revenue	收益	17,376,330	17,883,343
Expenses	開支	16,913,529	17,567,318
Profit for the year	本年度溢利	462,801	316,025

43. 本公司主要附屬公司資料(續)

(b) 擁有重大非控股權益之非全資附屬公司之詳情(續)

有關上述附屬公司擁有重大非控股權益之財務資料概要如下。下列財務資料概要為集團內公司間對銷前之金額。

信利光電股份及其附屬公司

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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

信利光電股份 and its subsidiaries (continued)

43. 本公司主要附屬公司資料(續)

(b) 擁有重大非控股權益之非全資附屬公司之詳情(續)

信利光電股份及其附屬公司(續)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit attributable to owners of the Company	本公司擁有人應佔溢利	366,315	270,317
Profit attributable to the non-controlling interests of 信利光電股份	信利光電股份非控股權益應佔溢利	98,304	45,640
(Loss) profit attributable to the non-controlling interests of subsidiary of 信利光電股份	信利光電股份附屬公司之非控股權益應佔(虧損)溢利	(1,818)	68
Profit for the year	本年度溢利	462,801	316,025
Other comprehensive income (expense) attributable to owners of the Company	本公司擁有人應佔其他全面收益(開支)	228,089	(59,844)
Other comprehensive income (expense) attributable to the non-controlling interests of 信利光電股份	信利光電股份非控股權益應佔其他全面收益(開支)	61,638	(11,788)
Other comprehensive income (expense) attributable to the non-controlling interests of subsidiary of 信利光電股份	信利光電股份附屬公司之非控股權益應佔其他全面收益(開支)	453	(165)
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)	290,180	(71,797)
Total comprehensive income attributable to owners of the Company	本公司擁有人應佔全面收益總額	594,404	210,473
Total comprehensive income attributable to the non-controlling interests of 信利光電股份	信利光電股份非控股權益應佔全面收益總額	159,942	33,852
Total comprehensive expense attributable to the non-controlling interests of subsidiary of 信利光電股份	信利光電股份附屬公司之非控股權益應佔全面開支總額	(1,365)	(97)
Total comprehensive income for the year	本年度全面收益總額	752,981	244,228
Dividends paid to non-controlling interests of 信利光電股份	已付信利光電股份非控股權益之股息	—	78,792
Net cash inflow from operating activities	經營業務現金流入淨額	669,256	152,640
Net cash outflow from investing activities	投資活動現金流出淨額	(819,176)	(808,553)
Net cash inflow from financing activities	融資活動現金流入淨額	495,085	238,960
Net cash inflow (outflow)	現金流入(流出)淨額	345,165	(416,953)

44. CONTINGENT LIABILITIES/FINANCIAL GUARANTEE CONTRACT

(i) Contingent liabilities

During the year ended 31 December 2020, a wholly owned subsidiary of the Company is a defendant in legal actions in Hong Kong in respect of the claim by a customer for alleged defective goods manufactured by the subsidiary according to its customers' designs and specifications. The claim against the wholly owned subsidiary is approximately US\$23.9 million (equivalent to approximately HK\$186.4 million) in aggregate.

In December 2020, the subsidiary has entered into settlement agreement with the customer pursuant to which it is mutually agreed that the subsidiary is required to deliver certain quantity of products to the customer under pre-agreed delivery time table and payment terms. Upon completion of the deliveries and payment by the customer within 2021, any claims between the Group and the customer shall be deemed finally settled and satisfied. The Directors consider that the fulfillment of the terms of the settlement agreement is highly probable and the legal proceedings will be dismissed accordingly and no provision for legal claims is made.

(ii) Financial guarantee contract

44. 或然負債／金融擔保合約

(i) 或然負債

截至二零二零年十二月三十一日止年度，本公司一間全資附屬公司在香港之法律訴訟中列為被告，該等訴訟涉及一名客戶就該附屬公司根據其客戶之設計及規格製造之貨品被指稱有缺陷而提出索償。針對該全資附屬公司之索賠總額約為0.239億美元（相當於約1.864億港元）。

於二零二零年十二月，該附屬公司與客戶訂立和解協議，據此，雙方同意該附屬公司須根據預先協定的交付時間表及付款條款向客戶交付若干數量的產品。待客戶於二零二一年內完成交付及付款後，本集團與客戶間之任何索賠將被視為最終和解及滿意。董事認為，履行和解協議條款之可能性很大，法律訴訟將據此撤銷，且不會對法律索賠作出任何撥備。

(ii) 金融擔保合約

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Corporate guarantee given by the Group for bank borrowings granted to:	本集團就授予以下人士之銀行借款作出公司擔保：		
An associate	聯營公司	1,401,333	1,893,806
and utilised by:	及由以下人士動用：		
An associate	聯營公司	1,307,461	1,800,204

44. CONTINGENT LIABILITIES/FINANCIAL GUARANTEE CONTRACT (continued)

(ii) Financial guarantee contract (continued)

In addition, at 31 December 2020, the other shareholder of an associate provided corporate guarantee to the above bank borrowings in proportion to its respective ownership interest amounting to approximately HK\$831 million (2019: HK\$792 million). A counter-indemnity in favour of the other shareholder is executed pursuant to which the Group undertakes to indemnify the other shareholder 23.5% (2019: 23.5%) of the liabilities arising from the bank borrowings.

The bank borrowings were secured by the associate's property, plant and equipment and the Directors assess the exposure of the corporate guarantee at the end of reporting period is insignificant. It is not likely that any guaranteed amount will be claimed by the counterparties and the fair value of the corporate guarantee is not significant at initial recognition.

45. TRANSFERS OF FINANCIAL ASSETS

The following were the Group's bills receivables as at 31 December 2020 and 2019 that were discounted to banks on a full recourse basis.

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount of discounted bills receivables	已貼現應收票據之賬面值	23,551	5,789
Carrying amount of associated liabilities	相關負債之賬面值	(23,551)	(5,789)
Net position	淨狀況	-	-

The Group discounted bills receivables to banks by discounting those receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as discounted bills (see note 29). These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

44. 或然負債／金融擔保合約(續)

(ii) 金融擔保合約(續)

此外，於二零二零年十二月三十一日，聯營公司之其他股東按其擁有權權益比例就上述銀行借款提供公司擔保約8.31億港元(二零一九年：7.92億港元)。本集團以該其他股東為受益人簽立反彌償保證，據此本集團承諾向其他股東彌償銀行借款所產生負債之23.5%(二零一九年：23.5%)。

銀行借款以聯營公司之物業、廠房及設備作抵押，而董事於報告期末評估所面對公司擔保之風險不大。交易對手不大可能申索任何擔保金額，且公司擔保之公平價值並不重大。

45. 轉讓金融資產

以下為本集團於二零二零年及二零一九年十二月三十一日獲銀行按全面追索基準貼現之應收票據。

本集團按全面追索基準將應收票據交由銀行貼現。由於本集團並無轉移該等應收款項涉及之重大風險及回報，故繼續確認應收款項之全數賬面值，並將於轉讓時收訖之現金確認為貼現票據(見附註29)。該等金融資產於本集團之綜合財務狀況表按攤銷成本列賬。

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46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

46. 本公司之財務狀況表及儲備

於報告期末有關本公司財務狀況表之資料包括：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current Assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	446,009	446,009
Amount due from a subsidiary	應收附屬公司款項	1,299,045	1,258,169
		1,745,054	1,704,178
Current Assets	流動資產		
Other receivables	其他應收款項	384	360
Bank balances and cash	銀行結存及現金	2,234	2,019
		2,618	2,379
Current Liability	流動負債		
Other payables	其他應付款項	1,987	2,131
Net Current Assets	流動資產淨值	631	248
Net Assets	資產淨值	1,745,685	1,704,426
Capital and Reserves	資本及儲備		
Share capital	股本	65,785	65,785
Reserves	儲備	1,679,900	1,638,641
Total Equity	權益總額	1,745,685	1,704,426

		Share premium*	Special reserve#	Capital redemption reserve 資本 贖回儲備	Retained profits	Total
		股份溢價*	特別儲備#	贖回儲備	保留溢利	合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	1,395,441	17,410	867	185,068	1,598,786
Profit and other comprehensive income for the year	本年度溢利及其他全面收益	–	–	–	39,855	39,855
At 31 December 2019	於二零一九年十二月三十一日	1,395,441	17,410	867	224,923	1,638,641
Profit and other comprehensive income for the year	本年度溢利及其他全面收益	–	–	–	41,259	41,259
At 31 December 2020	於二零二零年十二月三十一日	1,395,441	17,410	867	266,182	1,679,900

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

- * Under the applicable laws of Cayman Islands, the share premium of the Company is available for distributions or paying dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution or paying dividend the Company is able to pay its debts as they fall due in the ordinary course of business.
- # The special reserve of the Company represents the difference between the net book values of the underlying assets of the Company's subsidiaries acquired at the date on which the shares of these companies were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisitions in prior years.

46. 本公司之財務狀況表及儲備 (續)

- * 根據開曼群島之適用法例，本公司之股份溢價可依據其組織章程大綱或細則之條文向股東作出分派或支付股息，惟於緊隨作出分派或支付股息後，本公司須可於日常業務過程中支付到期債項。
- # 本公司之特別儲備乃指於本公司在收購其附屬公司之股份當日該等被收購公司之相關資產賬面淨值與本公司過往年度就收購而發行之本公司股份面值兩者間之差額。

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