


China Singyes New Materials Holdings Limited
中國興業新材料控股有限公司

(Incorporated in the Bermuda with limited liability)
(於百慕達註冊成立的有限公司)



Stock Code 股份代碼: 8073



大同国际能源革命科技创新园
DATONG INTERNATIONAL ENERGY REVOLUTION SCI-TECH INNOVATION PARK



2019 年度報告
ANNUAL REPORT

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Sun Jinli
Mr. Zhao Feng (resigned on 6 December 2019)
Mr. Zhang Chao
Mr. Tang Liwen

Non-executive Director

Mr. Liu Hongwei (*Chairman*)

Independent Non-executive Directors

Mr. Lee Kwok Tung Louis (resigned on 6 December 2019)
Mr. Wei Junfeng (resigned on 6 December 2019)
Ms. Pan Jianli (appointed on 6 December 2019)
MR. Pan Jianguo (appointed on 6 December 2019)
Dr. Li Ling

COMPLIANCE OFFICER

Mr. Sun Jinli

COMPANY SECRETARY

Ms. Lau Wai Han (*CPA*)

AUTHORISED REPRESENTATIVES

Mr. Sun Jinli
Ms. Lau Wai Han (*CPA*)

AUDIT COMMITTEE

Ms. Pan Jianli (*Chairperson*)
Mr. Pan Jianguo
Dr. Li Ling

董事會

執行董事

孫金禮先生
趙峰先生(於二零一九年十二月六日辭任)
張超先生
湯立文先生

非執行董事

劉紅維先生(*主席*)

獨立非執行董事

李國棟先生(於二零一九年十二月六日辭任)
魏軍鋒先生(於二零一九年十二月六日辭任)
潘建麗女士(於二零一九年十二月六日獲委任)
潘建國先生(於二零一九年十二月六日獲委任)
李玲博士

合規主任

孫金禮先生

公司秘書

劉慧嫻女士(*CPA*)

授權代表

孫金禮先生
劉慧嫻女士(*CPA*)

審核委員會

潘建麗女士(*主席*)
潘建國先生
李玲博士

CORPORATE INFORMATION

公司資料

REMUNERATION COMMITTEE

Mr. Pan Jianguo (*Chairman*)
Ms. Pan Jianli
Dr. Li Ling

NOMINATION COMMITTEE

Mr. Liu Hongwei (*Chairman*)
Mr. Pan Jianguo
Dr. Li Ling

LEGAL ADVISER

Jeffrey Mak Law Firm
1309, 13th Floor, Prince's Building
10 Chater Road, Central
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AUDITOR

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PRINCIPAL BANKERS

Agricultural Bank of China, Zhuhai South Bay Branch
Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
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薪酬委員會

潘建國先生(主席)
潘建麗女士
李玲博士

提名委員會

劉紅維先生(主席)
潘建國先生
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主要往來銀行

中國農業銀行珠海南灣支行
香港上海滙豐銀行有限公司
中國工商銀行(亞洲)有限公司

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Clarendon House
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HONG KONG SHARE REGISTRAR

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STOCK CODE

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股份代號

8073

CHAIRMAN'S STATEMENT

主席報告

On behalf of the Board, I am pleased to present to you the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2019.

In 2019, the revenue of the Group was RMB148.0 million, representing a year-on-year increase of 14.5%; the profit attributable to shareholders was RMB18.2 million. The Board recommended the payment of a final dividend of HK1.0 cents per share.

BUSINESS DEVELOPMENT

Due to the acquisition of Huabei Limited in December 2018, revenue from sales of ITO film was RMB51.9 million, representing a significant increase of 174.5%.

The total revenue from sales of Smart Light-adjusting Film and Smart Light-adjusting Glass businesses was RMB67.0 million. With its excellent product performance, the Group has established good cooperative relations with most of the major customers in the industry, thus further enhancing the market share of Smart Light-adjusting Products, and achieving the increasingly prominent brand effect of the Company. Despite the continuous pressure on the market price of Smart Light-adjusting Products, the Group's sales profit remains stable, due to good capacity coordination and cost control.

In terms of overseas business development, the Company has actively cooperated with world-famous glass brand companies in light-adjusting films for buildings and vehicles.

本人謹代表董事會，欣然提呈本公司及其附屬公司（「本集團」）截至二零一九年十二月三十一日止之年度業績。

於二零一九年，本集團收入為人民幣148.0百萬元，同比增長14.5%；股東應佔溢利為人民幣18.2百萬元。董事會建議派發末期股息為每股1.0港仙。

業務發展

得益於二零一八年十二月收購華貝有限公司，ITO導電膜銷售收入為人民幣51.9百萬元，大幅增長174.5%。

智能調光膜及智能調光玻璃業務銷售收入合共為人民幣67.0百萬元。憑藉優異的產品性能，本集團已與行業內大部分主要客戶建立了良好合作關係，進一步提升智能調光產品的市場佔有率，公司品牌效應日益凸顯。通過良好的產能協調及成本控制，縱然智能調光產品的市場價價持續受壓，本集團的銷售利潤水平仍保持穩定。

在海外業務發展方面，本公司已與世界著名玻璃品牌公司積極開展建築用調光膜和汽車用調光膜的合作。

TECHNOLOGY DEVELOPMENT

The Group has always insisted on the development driven by technical innovation and has maintained its core advantages through technological upgrade and product transformation. In 2019, the Group's market share of Smart Light-adjusting Film in Mainland China reached 40%. Meanwhile, the Group has been recognised as a key enterprise technology center in Zhuhai City. Its Smart Color-switching Glass research and development project was listed in the 2018 Zhuhai Innovation and Entrepreneurship Team and High-level Talent Entrepreneurship Projects, and the government grant of RMB12.0 million was approved for the project.

FUTURE PLAN

In the future, the Group will continuously strengthen scientific and technological research and development and application innovation of functional film materials and will continue to explore a broader market, increase its market share and strengthen its market positioning through mergers and acquisitions. Our goal is to build a manufacturing industrial cluster with a focus on conducting films and Smart Light-adjusting Products.

Liu Hongwei
Chairman

30 March 2020

技術研發

本集團始終堅持以技術創新引領發展，通過技術升級和產品改造，保持核心優勢。於二零一九年，本集團在中國大陸智能調光膜的市場佔有率已達到40%。同時，本集團獲認定為珠海市重點企業技術中心，其中智能變色玻璃研發項目入選《珠海市2018年度創新創業團隊和高層次人才創業項目》，並獲批政府補助人民幣12.0百萬元。

未來規劃

面對未來，本集團將持續強化功能性薄膜材料的科技研發和應用創新；繼續通過併購的方式，開拓廣泛的市場、增加市場份額和定位。我們的目標是打造以導電膜及智能調光產品為主的製造產業群。

劉紅維
主席

二零二零年三月三十日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group carries out research and development on, and manufactures and sells ITO film, Smart Light-adjusting Film, Smart Light-adjusting Glass and Smart Light-adjusting Projection System. The Group uses ITO film as one of the main materials for the development of downstream products, namely: (i) polymer dispersed liquid crystal film (i.e. Smart Light-adjusting Film); (ii) electronically switchable glass (i.e. Smart Light-adjusting Glass); and (iii) Smart Light-adjusting Projection System. The Group is one of the few integrated manufacturers in the PRC which produces and sells ITO film as well as a range of related downstream products.

ITO film can be applied for use in a variety of products including smart phones, GPS systems and other touch-screen devices and equipment such as automated teller machines. Our ITO film customers are primarily domestic touch-screen device manufacturers. Revenue from sales of ITO film was RMB51,948,000 for the year ended 31 December 2019, which represented a significant increase of RMB33,025,000 or 174.5%, from RMB18,923,000 for the same period in 2018. In December 2018, the Group has acquired Huabei Limited to further expand its market share of ITO film in Southern China. This has largely contributed to the significant growth in sales volume for the year ended 31 December 2019.

Smart Light-adjusting Film is made from the integration of ITO film (which we manufacture in-house) and polymer dispersed liquid crystals. Smart Light-adjusting Film can be switched from a milky, cloudy, translucent and opaque state into a colourless and transparent state when electricity is applied to it, and may be applied to windows and glass to control the passing-through of light. Our Smart Light-adjusting Film customers are primarily construction companies and contractors of developers. Revenue from sales of Smart Light-adjusting Film was RMB49,231,000 for the year ended 31 December 2019, which represented an increase of RMB1,531,000 or 3.2%, from RMB47,700,000 for the same period in 2018 as a result of the growth in sales volume driven by the continuous expansion of the customer base.

業務回顧

本集團從事ITO導電膜、智能調光膜、智能調光玻璃及智能調光投影系統的研發、生產及銷售。本集團使用ITO導電膜作為主要材料之一來開發下游產品，即(i)聚合物分散液晶膜(即智能調光膜)；(ii)電控智能調光玻璃(即智能調光玻璃)；及(iii)智能調光投影系統。本集團是中國為數不多的生產及銷售ITO導電膜以及一系列相關下游產品的綜合製造商。

ITO導電膜可以應用於多種產品(包括智能手機、GPS系統及自動櫃員機等其他觸摸屏裝置及設備)。我們的ITO導電膜客戶主要為國內觸摸屏設備製造商。截至二零一九年十二月三十一日止年度的ITO導電膜銷售收入為人民幣51,948,000元，較二零一八年同期的人民幣18,923,000元大幅增加人民幣33,025,000元或174.5%。於二零一八年十二月，本集團收購華貝有限公司，以進一步擴大ITO導電膜在華南地區的市場份額。這在很大程度上促成了截至二零一九年十二月三十一日止年度銷量的顯著增長。

智能調光膜透過整合我們內部生產的ITO導電膜及聚合物分散液晶而製成。通電後，智能調光膜可由乳白色、朦朧、半透明及不透明狀調節成無色及透明狀，可用於窗戶及玻璃，以控制光線穿透。我們的智能調光膜客戶主要為建築公司及開發商的承包商。截至二零一九年十二月三十一日止年度的智能調光膜銷售收入為人民幣49,231,000元，較二零一八年同期的人民幣47,700,000元增加人民幣1,531,000元或3.2%，乃由於客戶群不斷擴大帶動銷量增長所致。

Smart Light-adjusting Glass is manufactured by placing a layer of Smart Light-adjusting Film between two layers of glass. Smart Light-adjusting Glass permits a user to control the permeability of light through the glass by adjusting the voltage of electricity voltage applied to the Smart Light-adjusting Film fixed therein. Our Smart Light-adjusting Glass customers are primarily construction companies and contractors of developers. Revenue from sales of Smart Light-adjusting Glass was RMB17,762,000 for the year ended 31 December 2019, which represented an increase of RMB752,000 or 4.4%, from RMB17,010,000 for the same period in 2018 as a result of the upward adjustment on the average selling price.

Smart Light-adjusting Projection System makes use of project technology to project visual images onto projection screens. Such projection screens are manufactured using Smart Light-adjusting Products which is opaque when no power source is applied to it. Our Smart Light-adjusting Projection System customers are primarily construction companies and commercial users. Revenue from sales of Smart Light-adjusting Projection System was RMB3,237,000 for the year ended 31 December 2019, which represented a significant decrease of RMB23,168,000 or 87.7%, from RMB26,405,000 for the same period in 2018 because of the keen competition caused by the emergence of similar projection system products supplied by domestic home appliance companies.

Other goods and services include rendering of consulting services, installation services and other products. The aggregated revenue from other goods and services was RMB25,856,000 for the year ended 31 December 2019, which represented an increase of RMB6,602,000 or 34.3%, from RMB19,254,000 for the same period in 2018.

Our Group strives to manufacture and supply high quality products to our customers, and our Directors believe that our Group is a reputable supplier of ITO film and related downstream products in the PRC. Our key operating subsidiary was ranked as the leading manufacturer of Smart Light-adjusting Products in the PRC in terms of market share by revenue. Leveraging on our current market position as a leading producer of ITO film and Smart Light-adjusting Products in the PRC in terms of market share, our business remained stable during the year ended 31 December 2019. However, due to increase in impairment loss on trade receivables, the Group recorded a slight decrease of RMB1,567,000 or 7.9% in profit attributable to owners of the Company, to RMB18,221,000 for the year ended 31 December 2019 from RMB19,788,000 for the same period in 2018.

智能調光玻璃透過在兩層玻璃中間放置一層智能調光膜而製成。智能調光玻璃允許用戶透過調節應用於智能調光玻璃內部的智能調光膜的電壓控制透光性。我們的智能調光玻璃客戶主要為建築公司及開發商的承包商。截至二零一九年十二月三十一日止年度的智能調光玻璃銷售收入為人民幣17,762,000元，較二零一八年同期的人民幣17,010,000元增加人民幣752,000元或4.4%，乃由於平均售價上調所致。

智能調光投影系統利用投影技術將視覺影像投影至投影屏上。投影屏使用智能調光產品製成，智能調光產品在斷電時呈不透明狀態。我們智能調光投影系統的客戶主要為建築公司及商業用戶。截至二零一九年十二月三十一日止年度的智能調光投影系統銷售收入為人民幣3,237,000元，較二零一八年同期的人民幣26,405,000元大幅減少人民幣23,168,000元或87.7%，原因為國內家電企業開始供應類似投影系統產品導致激烈競爭。

其他貨品及服務包括提供諮詢服務、安裝服務及其他產品。截至二零一九年十二月三十一日止年度來自其他貨品及服務的總收入為人民幣25,856,000元，較二零一八年同期的人民幣19,254,000元增加人民幣6,602,000元或34.3%。

本集團致力於製造及向客戶供應優質產品，董事相信本集團是中國ITO導電膜及相關下游產品的知名供應商。按收入所佔市場份額計算，我們的主要營運附屬公司在中國智能調光產品製造商中名列前茅。憑藉我們目前作為中國ITO導電膜及智能調光產品的領先生產商的市場地位（按市場份額計），我們的業務截至二零一九年十二月三十一日止年度保持穩定增長。然而，由於貿易應收款項減值虧損增加，本集團截至二零一九年十二月三十一日止年度錄得本公司擁有人應佔溢利人民幣18,221,000元，較二零一八年同期的人民幣19,788,000元，略微減少人民幣1,567,000元或7.9%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK AND PROSPECTS

Our Directors believe that, as a market participant which is active in the technology sector, it is crucial for the business of our Group to devote substantial resources towards research and development (including identifying new materials and applications) which will advance or sustain its competitiveness in light of evolving market trends and customer preferences and needs. Further, our Directors believe that our Group's current market leading positions in the PRC by market share relating to its ITO film and Smart Light-adjusting Film and downstream application (namely, the Smart Light-adjusting Projection System) is testimonial of sufficient market demand for its products and it is an opportune time to capitalise and realise its potential in overseas markets. As such, our Group intends to extend its footprint to overseas markets as well as develop production lines which cater for expected demand for its film products. Moreover, in response to the changing market conditions of the Smart Light-adjusting Glass and Smart Light-adjusting Projection System, our Group changes to focus on the film products.

The Shares of the Company were successfully listed on GEM on 21 July 2017 (the "Listing"). Our Directors believe that the net proceeds from the Listing will provide us with additional capital to implement our future plans, which would be conducive to increasing our competitiveness in the market in which we operate which will assist us in securing more customers and in turn assist us in achieving our goal of increasing our market presence and geographical reach both in the PRC and abroad. In addition, our Directors expect the Listing assist us to gain access to the capital market for the future growth of our Group.

The Coronavirus disease 2019 outbreak

The Coronavirus disease 2019 (COVID-19) outbreak in China in December 2019 is affecting hundreds of thousands of people in all parts of the world. The ongoing pandemic is also having severe impact on the global economy. The unprecedented measures imposed in China, including large-scale quarantines and travel restrictions, have inevitably led to disruption on normal activity of both individuals and enterprises.

前景及展望

我們董事認為，作為活躍於技術行業的市場參與者之一，將大量資源投入到研發(包括識別新材料及應用)對本集團的業務至關重要，有鑒於不斷變化的市場趨勢以及客戶偏好及需求，此舉將提升或保持本集團的競爭力。此外，我們董事相信，按與本集團ITO導電膜及智能調光膜及下游應用(即智能調光投影系統)有關的市場份額計，本集團目前的市場領導地位佐證了其膜類產品的充足市場需求，並且現時是把握並實現其於海外市場潛力的恰當時機。因此，本集團擬將其駐點拓展至海外市場及開發生產線，以迎合其產品的預期需求。此外，為應對智能調光玻璃及智能調光投影系統不斷變化的市場環境，本集團將重點轉向膜類產品。

本公司股份於二零一七年七月二十一日於GEM成功上市(「上市」)。董事相信，上市所得款項淨額將為我們提供額外資本以實施我們的未來計劃，將有助於提升我們於我們經營市場中的競爭力，協助我們取得更多客戶，從而幫助我們實現我們的目標，增加我們的市場份額以及在中國及海外的地理覆蓋。此外，董事預期，上市將協助我們獲取進入資本市場的渠道以支持本集團的未來增長。

二零一九年新型冠狀病毒爆發

於二零一九年十二月爆發的二零一九年新型冠狀病毒(COVID-19)正影響世界各地成千上萬的人。疫情的持續亦對全球經濟產生嚴重影響。於中國實行前所未有的措施，包括大規模隔離及旅行限制，不可避免地導致個人及企業正常活動的中斷。

In response to the coronavirus crisis, our Group had immediate actions to protect our employees, address business challenges, and mitigate risks. We have implemented multiple control and preventive measures on COVID-19 in workplace. We have searched for new supplier, given that the supply of one of the raw materials by a manufacturer in Taiwan was suspended because of the disrupted supply-chain. At the same time, we have maintained close relationship with our customers to understand the potential impact of the epidemic on our sales orders.

As a result of the COVID-19 outbreak, the resumption of our manufacturing was deferred by one week to 9 February 2020 after the Chinese New Year holiday. As of the date of this announcement, more than 95 percent of our employees have resumed work and our production has reached the pre-outbreak level. As far as we are aware, except for the delay in delivery of certain sales orders, the impact of COVID-19 epidemic on our operation and financial performance was limited. However, the crisis has not ended, and its full effects are still uncertain. Our Directors will closely monitor the development of the situation and react proactively.

FINANCIAL REVIEW

Revenue

Our revenue was RMB148,034,000 for the year ended 31 December 2019, which represented an increase of RMB18,742,000, or 14.5% from RMB129,292,000 for the same period in 2018. The increase was primarily attributable to increase in revenue from the sales of ITO film.

Cost of sales and Gross Profit

Our cost of sales was RMB89,052,000 for the year ended 31 December 2019, which represented an increase of RMB18,963,000 or 27.1%, from RMB70,089,000 for the same period in 2018. The increase in cost of sales mainly reflected the increase in sales of ITO film for the year ended 31 December 2019 as compared to the same period in 2018.

為了應對冠狀病毒危機，本集團立即採取行動，以保護員工、應對業務挑戰並降低風險。我們已於作業場所實施多項針對 COVID-19 控制及預防措施。鑑於其中一個由台灣製造商供應的原材料由於供應鏈中斷而暫停供應，因此我們已尋找新的供應商。同時間，我們與客戶保持密切關係以了解疫情對我們的銷售訂單的潛在影響。

由於 COVID-19 爆發，我們於中國新年假期後推遲一個星期至二零二零年二月九日恢復生產。截至本公告日期，我們 95% 以上的員工已恢復工作，我們的生產亦已達到爆發前水平。就我們所知，除了部份銷售訂單的交付有所延誤外，COVID-19 疫情對我們的營運及財務表現影響有限。然而，危機尚未結束，其全面影響仍不確定。董事將密切監控事態發展並作出積極反應。

財務回顧

收入

本集團截至二零一九年十二月三十一日止年度的收入為人民幣 148,034,000 元，較二零一八年同期的人民幣 129,292,000 元增加人民幣 18,742,000 元或 14.5%。該增加主要由於銷售 ITO 導電膜收入增加所致。

銷售成本及毛利

截至二零一九年十二月三十一日止年度的銷售成本為人民幣 89,052,000 元，較二零一八年同期的人民幣 70,089,000 元增加人民幣 18,963,000 元或 27.1%。銷售成本增加主要反映截至二零一九年十二月三十一日止年度，ITO 導電膜的銷量比二零一八年同期有所增長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Our gross profit was RMB58,982,000 for the year ended 31 December 2019, which remained steady as compared to RMB59,203,000 for the same period in 2018. Our gross profit margin decreased from 45.8% for the year ended 31 December 2018 to 39.8% for the same period in 2019. The decrease was mainly attributed to the change in the sales mix, which the proportion of revenue from sales of ITO film (being less profitable than Smart Light-adjusting products) relative to total revenue has increased.

Selling and distribution expenses

Our selling and distribution expenses were RMB9,587,000 for the year ended 31 December 2019, which remained steady as compared to RMB9,695,000 for the same period in 2018. These mainly represented remuneration for sales and marketing employees based on sales performances and expenses relating to the marketing efforts in business promotion and participation in exhibitions. As a percentage of revenue, the selling and distribution expenses dropped to 6.5% for the year ended 31 December 2019 from 7.5% for same period in 2018.

Administrative expenses

Our administration expenses were RMB22,686,000 for the year ended 31 December 2019, which represented an increase of approximately RMB1,946,000 or 9.4%, from RMB20,740,000 for the same period in 2018. The increases in administration expenses mainly reflected the increase in remuneration for administrative employees (including Directors' fee), depreciation and research costs. As a percentage of revenue, the administrative expenses slightly decreased to 15.3% for the year ended 31 December 2019 from 16.0% for the same period in 2018.

Liquidity, Financial Resources and Capital Structure

Our primary use of cash is to satisfy our working capital and capital expenditure needs. Historically, our Group's use of cash has mainly been financed through a combination of cash received from the sales of our products and financial support from our Group's related parties.

截至二零一九年十二月三十一日止年度的毛利為人民幣58,982,000元，二零一八年同期為人民幣59,203,000元，保持穩定。毛利率由截至二零一八年十二月三十一日止年度的45.8%下降至二零一九年同期的39.8%。下降主要因銷售組合變動，即銷售ITO導電膜（其利潤率較智能調光產品為低）收入佔總收入的比例有所上升所致。

銷售及分銷開支

截至二零一九年十二月三十一日止年度，我們的銷售及分銷開支為人民幣9,587,000元，與二零一八年同期的人民幣9,695,000元相比保持穩定。其主要為根據銷售業績而釐定之銷售及營銷員工之報酬，以及與我們業務推廣及參與展覽相關的營銷工作開支。按收入的百分比計算，銷售及分銷開支截至二零一八年十二月三十一日止年度的7.5%降至二零一九年同期的6.5%。

行政開支

截至二零一九年十二月三十一日止年度，我們的行政開支為人民幣22,686,000元，較二零一八年同期的人民幣20,740,000元增加約人民幣1,946,000元或9.4%。行政開支增加主要反映行政僱員薪酬（包括董事袍金）、減值及研究成本有所增加。按收入的百分比計算，行政開支由截至二零一八年十二月三十一日止年度的16.0%略微減少至二零一九年同期的15.3%。

流動資金、財務資源及資本架構

我們的現金主要用於滿足我們的營運資金及資本開支需要。以往，本集團的現金使用主要透過綜合從銷售產品及本集團關連方財務支持所獲得的現金予以撥付。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 December 2019, our Group did not have any bank borrowings. Going forward, we believe our liquidity requirements will be satisfied using a combination of cash generated from operating activities, bank borrowings and proceeds from the Listing. Our Directors believe that in the long term, our Group's operation will be funded by internally generated cash flows and, if necessary, additional equity and/or debt financing.

Use of Proceeds from the Listing

The Shares of the Company were listed on GEM on 21 July 2017 (the "Listing Date") with net proceeds received by the Company from the Share Offer in the amount of HK\$93,500,000 after deducting underwriting commission and all related listing expenses.

An analysis of the utilization of the net proceeds from the Listing Date up to 31 December 2019 is set out below:

於二零一九年十二月三十一日，本集團並無任何銀行借貸。展望未來，我們相信，綜合使用營運活動所得現金、銀行借貸及上市之所得款項，我們的流動資金需求將會得到滿足。董事相信，長遠而論，本集團之營運將透過內部所得現金流以及(如必要)額外股本及／或債務融資撥付。

上市所得款項用途

本公司股份於二零一七年七月二十一日(「上市日期」)於GEM上市，本公司自股份發售獲得所得款項淨額93,500,000港元(經扣除包銷佣金及所有上市相關開支)。

上市日期至二零一九年十二月三十一日止所得款項淨額的使用情況分析如下所列：

		Planned use of net proceeds as stated in the Prospectus up to 31 December 2019 截至二零一九年十二月三十一日招股章程所列所得款項淨額的計劃使用情況 HK\$ million 百萬港元	Actual use of net proceeds up to 31 December 2019 截至二零一九年十二月三十一日所得款項淨額的實際使用情況 HK\$ million 百萬港元	Actual balances of proceeds up to 31 December 2019 截至二零一九年十二月三十一日所得款項的實際結餘 HK\$ million 百萬港元
Overseas business expansion	海外業務擴張	9.8	4.2	5.6
Research and development of new materials and products	新材料及產品研發	21.1	11.5	9.6
Purchase of machinery and equipment for production of anti-ambient screen	購買用於生產環境光遮蔽螢幕的機器及設備	6.8	6.8	—
Enhancement to wide ITO film	強化寬ITO導電膜	4.3	4.3	—
Working capital	營運資金	7.3	7.3	—

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

		Planned use of net proceeds as stated in the Prospectus up to 31 December 2019 截至二零一九年 十二月三十一日 招股章程所列 所得款項淨額的 計劃使用情況 HK\$ million 百萬港元	Actual use of net proceeds up to 31 December 2019 截至二零一九年 十二月三十一日 所得款項淨額的 實際使用情況 HK\$ million 百萬港元	Actual balances of proceeds up to 31 December 2019 截至二零一九年 十二月三十一日 所得款項的 實際結餘 HK\$ million 百萬港元
Business Strategy				
業務策略				
Sales and marketing effects in the PRC	於中國的銷售及營銷工作	8.7	4.7	4.0
Project for full automation of production line for Smart Light-adjusting Products	智能調光產品全自動生產線項目	12.0	12.0	—
Establishment and mass production of domestic laser none cinema systems	建立及批量生產國內激光家庭影院系統	3.0	0.8	2.2
Installation of extra-wide Production line for Smart Light-adjusting Products	安裝智能調光產品超寬生產線	11.5	—	11.5
Installation of fully automated production line for pressing of glass	安裝玻璃加工全自動生產線	9.0	—	9.0

The business strategies as set out in the prospectus of the Company dated 30 June 2017 (the “Prospectus”) were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds was applied in accordance with the actual development of the market.

本公司日期為二零一七年六月三十日之招股章程(「招股章程」)所載之業務策略乃基於本集團於編製招股章程時對未來市況之最佳估計。所得款項用途已按照市場之實際發展動用。

As at 31 December 2019, approximately HK\$51.6 million out of the net proceeds from the Share Offer had been used. The unused net proceeds have been deposited in licensed banks.

於二零一九年十二月三十一日，已動用股份發售所得款項淨額為約51,600,000港元。未動用所得款項淨額已存放於持牌銀行。

The Company intends to apply the net proceeds in the manner consistent with that set out in the Prospectus. However, the actual use of proceeds was lower than planned use of proceeds because of the delay in automation and installation of production lines. It has taken more time than expected to look for suitable machinery and equipment producers which could meet our production requirements. Recently, the Company has identified suitable machinery producer and expects to install new production line in the year 2019. The Directors will constantly evaluate the Group's business strategies and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.

Capital Expenditure

For the year ended 31 December 2019, our capital expenditure amounted to RMB27,698,000 (2018: RMB4,553,000) and mainly arose from expenditures for purchase of production machinery.

Gearing Ratio

Gearing ratio is calculated by dividing the total liabilities by total equity at the end of the reporting period. As at 31 December 2019, our gearing ratio remained stable at 27.7% (31 December 2018: 26.1%).

Capital Commitments

As at 31 December 2019, the Group had capital commitments amounting to RMB13,620,000 (2018: Nil) in respect of the acquisition of machinery and equity investments.

本公司擬按照招股章程所述方式動用所得款項淨額。然而，由於生產線的自動化和安裝延遲，所得款項的實際使用低於所得款項的計劃使用。尋找能夠滿足我們生產要求的適合機器及設備生產商需要比預期耗費更多的時間。近期，本公司已確定適合的機器生產商，並預計在二零一九年安裝新的生產線。董事將持續評估本集團之業務策略，並可能因應不斷變化之市況更改或修訂計劃，以達致本集團之可持續業務增長。

資本開支

截至二零一九年十二月三十一日止年度，我們的資本開支金額為人民幣27,698,000元(二零一八年：人民幣4,553,000元)，主要產生自購買生產機器的開支。

資產負債比率

資產負債比率乃按報告期末總負債除以總權益計算。於二零一九年十二月三十一日，我們的資產負債比率保持穩定，為27.7% (二零一八年十二月三十一日：26.1%)。

資本承擔

於二零一九年十二月三十一日，本集團就收購機器及權益投資之資本承擔為人民幣13,620,000元(二零一八年：無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Contingent Liabilities

As at 31 December 2019, Zhuhai New Materials was involved in a product quality dispute arising from the ordinary course of business where a customer initiated a proceeding against Zhuhai New Materials to claim a compensation relating to a product quality dispute. As a result of this lawsuit, cash at bank of Zhuhai New Materials amounted to RMB12,518,000 has been set aside and sealed by a court in the PRC. The directors, based on the advice from the Group's legal counsel, believe that Zhuhai New Materials has a valid defence against the lawsuit and, accordingly, have not provided for any loss arising from the litigation, other than the related legal costs. As at 31 December 2018, the Group had no significant contingent liabilities.

Pledge of assets

As at 31 December 2019, the Group had pledged deposits amounting to RMB20,000 (2018: RMB20,000).

Significant Investments, Acquisitions and Disposals

During the year ended 31 December 2019, the Group did not make any material acquisition or disposal of subsidiaries and associated companies and significant investments.

Foreign Currency Exposure

The Group's principal businesses are located in the Mainland China and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB, except for those of the overseas subsidiary in Hong Kong and the Company whose functional currency is HK\$. Foreign currency exposure mainly arises from intra-company balance denominated in HK\$ as recorded by Zhuhai New Materials. At 31 December 2019, Zhuhai New Materials recorded an amount due to the Company of RMB58,743,000 (2018: RMB63,846,000) denominated in HK\$. If RMB strengthens/weakens against HK\$ as a reasonable possible change of 5%, the profit before tax of the Group will increase/decrease by approximately RMB2,937,000 (2018: RMB3,192,000), correspondingly.

或然負債

於二零一九年十二月三十一日，珠海新材料於日常生產經營中遭遇產品質量糾紛，客戶對珠海新材料提起訴訟，要求就產品質量糾紛作出賠償。由於該訴訟，珠海新材料銀行現金人民幣12,518,000元已由中國法院撥出並凍結。根據本集團法律顧問之意見，董事相信珠海新材料可對該訴訟提出有力抗辯，因此，除相關法律及費用外，並無就訴訟所產生之任何虧損作出撥備。於二零一八年十二月三十一日，本集團並無重大或然負債。

資產抵押

於二零一九年十二月三十一日，本集團之抵押存款為人民幣20,000元(二零一八年：人民幣20,000元)。

重大投資、收購及出售

截至二零一九年十二月三十一日止年度，本集團並無進行任何重大收購或出售附屬公司及聯營公司以及重大投資。

外幣風險

本集團的主要業務位於中國大陸，大部分交易以人民幣進行。本集團大部分資產及負債以人民幣計值，惟於香港的境外附屬公司及本公司的功能貨幣為港元。外幣風險主要產生自珠海新材料錄得之以港元計值之集團內公司間結餘。於二零一九年十二月三十一日，珠海新材料錄得之以港元計值應付本公司款項人民幣58,743,000元(二零一八年：人民幣63,846,000元)。倘因可能合理變動人民幣兌港元走強/走弱5%，則本集團之除稅前溢利將相應增加/減少約人民幣2,937,000元(二零一八年：人民幣3,192,000元)。

DIVIDEND

The Directors proposed a final dividend of HK1.0 cents per share (2018: HK1.2 cents). The actual dividend payout ratio in each year will depend on the actual performance of the Group, the general industry and economic environment.

Cheques for the final dividend (subject to approval at the forthcoming annual general meeting of the Company) is expected to be dispatched to the shareholders of the Company on or before Monday, 20 July 2020.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, we had a total headcount of 132 (2018: 193) full-time employees. The remuneration package of our employees includes a basic salary, allowances and bonuses. The various allowances cover holidays, social security and housing contributions. We make contributions to all mandatory social security and housing provident funds for our employees.

POSSIBLE RISKS AND UNCERTAINTIES FACING THE COMPANY

The Group's financial conditions, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not known to the Group or which may not be material now but could turn out to be material in the future.

BUSINESS RISK

A number of factors may affect the business, financial conditions and/or results of operations of the Group, major risks are summarised below.

股息

董事建議末期股息每股1.0港仙(二零一八年:1.2港仙)。各年之實際股息支付率將視乎本集團之實際業績、總體行業及經濟環境而定。

末期股息(須於本公司應屆股東週年大會獲批准)之支票預期將於二零二零年七月二十日(星期一)或之前派送至股東。

僱員及薪酬政策

於二零一九年十二月三十一日，我們合共有132名(二零一八年:193名)全職僱員。僱員薪酬組合包括基本薪金、津貼及花紅。各種津貼包括假期、社會保險及住房供款。我們為僱員向所有法定社會保險及住房公積金供款。

本公司面臨的潛在風險及不確定因素

本集團財務狀況、營運業績、業務及前景可能受若干風險及不確定因素影響。以下為本集團識別的主要風險及不確定因素。本集團未知或目前未必屬於重大但日後可能轉變為重大的其他風險及不確定因素亦可能存在。

業務風險

多項因素或會影響本集團之業務、財務狀況及／或經營業績，主要風險概述如下。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Competition in the ITO film and Smart Light-adjusting Products industry

ITO film market

In recent years, the ITO film industry in the PRC has experienced rapid growth with the number of market participants. However, key production technologies, manufacturing facilities as well as market share have remained dominated by few market participants. It is expected that more dominant players may expand and consolidate their market share through mergers and acquisitions as well as development of product lines. In the future it will have to compete with more dominant players not only in terms of pricing and customer base, but also when sourcing upstream products.

Smart Light-adjusting Products market

In the Smart Light-adjusting Products market, the Group faces competition from other large domestic PRC manufacturers with substantial market share as well as new entrants to the market. There has been a rapid increase in the number of high-end downstream users of Smart Light-adjusting Products (such as media companies and luxury hotels) given the increasingly broad applications of these products. This has led to pressure on suppliers to cope with demand through mass production, leading to the lowering of production costs as well as increasing price competition. Furthermore, the lack of industry standards and regulations in the PRC relating to “energy-saving” products may lead to the production of inferior and low-quality products which could also result in increased price competition.

Other than pricing, the Company may also need to compete from the technological perspective in order to satisfy different customer needs. Future profitability will largely be determined by a company’s ability to offer product customisation and optimisation.

The Company’s ability to remain competitive in the markets in which it operates could materially affect its market share or the sales price of its products, which could materially affect its profitability, results of operations and business prospects.

ITO導電膜及智能調光產品行業的競爭

ITO導電膜市場

近年來，中國的ITO導電膜行業發展迅猛，擁有許多市場參與者。然而，關鍵的生產技術、生產設施及市場份額仍由少數市場參與者主導。預計越來越多的主要參與者或會進行併購及增設生產線，以期擴大及鞏固市場份額。未來本集團須與更多主要市場參與者在價格、客戶基礎及採購上游產品方面展開競爭。

智能調光產品市場

在智能調光產品市場，本集團的競爭對手包括佔據主要市場份額的其他國內大型製造商以及新加入的參與者。由於智能調光產品用途越來越廣泛，高端下游用戶（如傳媒公司及豪華酒店）迅速增多。供應商為滿足需求而進行批量生產，降低了生產成本，並導致價格競爭加劇。此外，由於國內尚無制定有關「節能」產品的行業標準及規例，劣質產品的出現亦可能導致更激烈的價格競爭。

為滿足不同的客戶需求，除了定價，本集團還可能需在技術層面進行競爭。未來盈利將主要由公司定制及優化產品的能力決定。

本集團在經營所在市場保持競爭優勢的能力，對其產品的市場份額或售價造成重大影響，繼而對其盈利能力、經營業績及業務前景造成重大影響。

Protection against the intellectual property rights and/or any claims of infringement of intellectual property by third parties

The Directors believe that the protection of the Group's technical and proprietary know-how (including self-developed production techniques, technology and methods, new material composition formulas, blue-prints, designs as well as other core intellectual property know-how) is crucial to its success as the Group operates in a sector where technological innovation and technical skills and capabilities are vital for suppliers to remain competitive, especially in light of evolving customer demands. If the Group's core intellectual property and know-how (whether protected by patent or otherwise) are infringed on or leaked to its competitors, the Group's competitiveness and market position may be materially weakened, which may in turn have a material adverse effect on its sales and financial performance.

As the Group aims to gradually increase its market presence in overseas markets, it faces an increased risk of being the subject of intellectual property infringement claims, invalidity or indemnification relating to third parties' proprietary rights, especially where similar technical know-how are registered in the relevant target markets. The validity and scope of claims concerning technologies relating to the manufacturing of ITO film, Smart Light-adjusting Products and Smart Light-adjusting Projection System may involve complex scientific, legal and factual questions and analysis and, as a result, the determination of such claims may be highly uncertain. An adverse determination in any such litigation or proceedings to which the Group becomes a party could result in having to pay damages, seek licenses from third parties, pay on-going royalties for use, redesign its products or become subject to injunctions, each of which could prevent the Group from carrying on some or all of its business, which could result in its customers or potential customers deferring or limiting their purchase or use of its products. This could materially adversely affect the Group's business, financial condition and results of operations.

保護知識產權及／或被第三方提起涉及侵犯知識產權的申索

董事認為，保護本集團的技術及專有知識（包括自主開發的生產技藝、技術及方法、新材料組成配方、藍圖、設計及其他核心知識產權）對其取得成功尤為關鍵，原因是在其所處行業，特別是在客戶需求不斷演變的情況下，技術創新及技能對供應商保持競爭優勢十分關鍵。倘本集團的核心知識產權及專有知識（無論是否獲專利保護）被競爭對手侵犯或被洩漏予競爭對手，其競爭力及市場地位或會受到嚴重削弱，而這或會對其銷售及財務表現產生重大不利影響。

由於本集團有意逐步於海外市場開拓據點，其在被提出知識產權侵權索賠、知識產權被判定無效或在第三方知識產權方面被提起彌償等方面的風險會增大，而在類似技術知識於相關目標市場已被註冊的情況下尤為如此。釐定ITO導電膜、智能調光產品及智能調光投影系統生產技術申索的合法性及範圍，涉及到科學、法律及事實各層面的問題及分析，過程複雜，因而該等申索的不確定程度很高。倘本集團在所牽涉的訴訟中被判不利判決，其或須支付賠償、向第三方取得許可，一直支付技術使用費、重新設計其產品或被頒發禁止令，該等情形均可能妨礙本集團推進部分或全部業務，並可能導致其現有及潛在客戶推遲或減少購買或使用其產品。這可能對本集團的業務、財務狀況及經營業績造成重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Reliance on a single production base to manufacture the Products

The Group currently carries out its entire production process at a single production base in the PRC which is leased from a subsidiary of Singyes Solar, one of the Group's controlling shareholder. Any disruptions to the Group's use or occupation of its production base for whatsoever reasons (including damage caused by floods, fires, earthquakes, typhoons and other natural disasters or matters outside the Group's control) may affect its ability to produce and deliver products to the customers on a timely manner and/or in accordance with the terms of agreements entered into with the customers. Such disruptions will materially and adversely affect the Group's business and operations as well as its profitability and financial results (as efforts to restore operations following a disruption may be costly and time-consuming).

FINANCIAL RISK

The financial risk management objectives and policies of the Group are set out in note 36 to the consolidated financial statements.

倚賴單一生產基地製造產品

本集團目前在租賃自其控股股東之一興業太陽能的一間附屬公司的國內單一生產基地進行整個生產流程。倘本集團對生產基地的使用或佔用因任何原因(包括水災、火災、地震、颱風及其他天災或本集團無法控制的事宜導致的損壞)而中斷，可能影響其及時及／或根據與客戶訂立協議的條款生產及交付產品予客戶的能力。該等中斷將對本集團的業務及經營以及其盈利能力及財務業績(乃由於中斷後的恢復經營工作可能產生高昂成本且耗時長久)造成重大不利影響。

財務風險

本集團之財務風險管理目標及政策載列於綜合財務報表附註36。

CORPORATE GOVERNANCE REPORT

企業管治報告

OVERVIEW

The Board of Directors (the “Board”) recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Directors consider that the Company has applied the principles and complied with all the applicable code provisions set out in the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 of the GEM Listing Rules during the year ended 31 December 2019 and up to the date of this report (the “Relevant Period”).

This corporate governance report (“Corporate Governance Report”) is to outline the major principles of the Company’s corporate governance. Shareholders of the Company are encouraged to make their views known to the Group if they have issues with the Company’s corporate governance and to directly raise any matters of concern to the chairman of the Board (“Chairman”).

The following is a summary of the work performed by the Board or Board Committees in corporate governance function during the Relevant Period:

- (a) review the Company’s policies and practices on corporate governance;
- (b) review and monitor the training and continuous professional development of the Directors and senior management of the Group;
- (c) review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- (d) review and monitor the code of conduct applicable to employees and the Directors; and
- (e) review the Company’s compliance with the CG Code and disclosure in the corporate governance report.

概覽

董事會(「董事會」)認為在本集團管理架構及內部監控程序引進良好企業管治元素乃非常重要，藉以達致有效的問責性。董事認為，本公司於截至二零一九年十二月三十一日止年度及直至本報告日期(「相關期間」)已應用GEM上市規則附錄15載列之企業管治守則(「企業管治守則」)載列之原則及遵守當中載列之所有適用守則條文。

本企業管治報告(「企業管治報告」)概述本公司企業管治的主要原則。倘本公司股東對本公司企業管治事項有任何問題，可以踴躍向本集團提出觀點，亦可以直接向董事會主席(「主席」)提出任何受關注的事項。

以下是於相關期間董事會或董事會委員會對企業管治職能所開展的工作總結：

- (a) 審核本公司有關企業管治的政策和做法；
- (b) 審核及監控本集團董事及高級管理層的培訓及持續專業發展；
- (c) 審核及監控本公司在遵守法律和監管要求方面的政策及做法；
- (d) 審核及監控適用於員工和董事的行為準則；以及
- (e) 審核企業管治報告中本公司企業管治守則的合規及披露情況。

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry of all Directors and all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding directors' securities transactions adopted by the Company during the Relevant Period.

BOARD OF DIRECTORS

Board Composition

During the Relevant Period, the composition of the Board is as follows:

Executive Directors

Mr. Sun Jinli (*Chief Executive Officer*)
Mr. Zhao Feng (resigned on 6 December 2019)
Mr. Zhang Chao
Mr. Tang Liwen

Non-executive Director

Mr. Liu Hongwei (*Chairman*)

Independent Non-executive Directors

Mr. Lee Kwok Tung Louis (resigned on 6 December 2019)
Mr. Wei Junfeng (resigned on 6 December 2019)
Ms. Pan Jianli (appointed on 6 December 2019)
Mr. Pan Jianguo (appointed on 6 December 2019)
Dr. Li Ling

董事進行證券交易之行為守則

本公司已採納有關董事進行證券交易之行為守則，其條款不遜於GEM上市規則第5.48條至5.67條載列之規定交易準則。本公司已向所有董事作出具體查詢，且所有董事已確認彼等於相關期間內一直遵守本公司採納之有關董事證券交易之規定交易準則及行為守則。

董事會

董事會組成

於相關期間，董事會之組成如下：

執行董事

孫金禮先生(*行政總裁*)
趙峰先生(於二零一九年十二月六日辭任)
張超先生
湯立文先生

非執行董事

劉紅維先生(*主席*)

獨立非執行董事

李國棟先生(於二零一九年十二月六日辭任)
魏軍鋒先生(於二零一九年十二月六日辭任)
潘建麗女士(於二零一九年十二月六日獲委任)
潘建國先生(於二零一九年十二月六日獲委任)
李玲博士

During the year ended 31 December 2019, five Board meetings and two general meetings were held and the attendance of each director is set out as follows:

截至二零一九年十二月三十一日止年度，本集團共舉行五次董事會會議及兩次股東週年大會以及各董事之出席情況載列如下：

Name of Directors	董事姓名	Attendance 出席	
		Board meetings 董事會會議	General meeting 股東大會
Executive Directors	執行董事		
Mr. Sun Jinli	孫金禮先生	5/5	1/2
Mr. Zhao Feng (resigned on 6 December 2019)	趙峰先生 (於二零一九年十二月六日辭任)	4/5	0/2
Mr. Zhang Chao	張超先生	4/5	0/2
Mr. Tang Liwen	湯立文先生	5/5	0/2
Non-executive Director	非執行董事		
Mr. Liu Hongwei	劉紅維先生	5/5	2/2
Independent Non-executive Directors	獨立非執行董事		
Mr. Lee Kwok Tung Louis (resigned on 6 December 2019)	李國棟先生 (於二零一九年十二月六日辭任)	5/5	1/2
Mr. Wei Junfeng (resigned on 6 December 2019)	魏軍鋒先生 (於二零一九年十二月六日辭任)	4/5	0/2
Ms. Pan Jianli (appointed on 6 December 2019)	潘建麗女士 (於二零一九年十二月六日獲委任)	N/A 不適用	N/A 不適用
Mr. Pan Jianguo (appointed on 6 December 2019)	潘建國先生 (於二零一九年十二月六日獲委任)	N/A 不適用	N/A 不適用
Dr. Li Ling	李玲博士	5/5	0/2

During the Relevant Period, the Board has complied with the requirements of the GEM Listing Rules to have at least three independent non-executive Directors who represent more than one-third of the Board and with at least one of whom possesses appropriate professional qualifications or accounting or related financial management expertise pursuant to Rule 5.05 of the GEM Listing Rules.

於相關期間，董事會已遵守GEM上市規則之規定，根據GEM上市規則第5.05條委任最少三位董事成員為獨立非執行董事，佔董事會人數多於三分之一，其中最少一位獨立非執行董事具備適當專業資格或會計或相關財務管理專長。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board has received from each independent non-executive Director (“INED”) a written annual confirmation of his/her independence pursuant to Rule 5.09 and 5.10 of the GEM Listing Rules, and the nomination committee of the Company (the “Nomination Committee”) has assessed the independence of each INED and the Company considers that each of their independence is in compliance with 5.05(1) and 5.05(2) and 5.05A of the GEM Listing Rules as at the date of this report. Each INED will inform the Company in writing as soon as practicable if there is any change of circumstances which may affect his independence. The Directors do not have financial, business, family or other material/relevant relationships with each other.

After annual assessment by the Nomination Committee, the Board considers the current structure, size and composition of the Board is performing a balanced and independent monitoring function on management practices to complement the Company’s corporate strategy. The Directors and their biographical details as at the date of this report are set out on pages 36 to 41 of this report.

CHAIRMAN AND CHIEF EXECUTIVE

The positions of Chairman and Chief Executive Officer are held by Mr. Liu Hongwei and Mr. Sun Jinli respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company’s business development and daily management and operations generally. Their respective responsibilities are clearly defined and set out in writing.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The current Articles of Association of the Company (the “Articles”) provide that at each annual general meeting, one-third of the directors for the time being shall retire from office by rotation and that every director shall be subject to retirement by rotation at least once every three years.

董事會已收到各獨立非執行董事根據GEM上市規則第5.09及5.10條之規定提交確認其符合獨立性之週年確認函，而本公司提名委員會（「提名委員會」）已於本報告日期評核各獨立非執行董事之獨立性，而本公司認為彼等各自的獨立性符合GEM上市規則第5.05(1)、5.05(2)及5.05A條。倘出現任何可影響其獨立性的變動情況，各獨立非執行董事將於實際可行情況下盡快以書面通知本公司。董事之間概無存有財務、業務、家屬或其他重大／相關的關係。

提名委員會進行年度評核後，董事會認為董事會現時的架構、人數及組成對管理層慣例正發揮公正及獨立的監察職能，以配合本公司的企業策略。董事及彼等於本報告日期的履歷詳情載於本報告第36至41頁。

主席及行政總裁

主席及行政總裁職務分別由劉紅維先生及孫金禮先生擔任。主席提供領導，並負責董事會有效運作及領導。行政總裁一般專注於本公司業務發展及日常管理與營運。彼等各自之責任清晰界定及以書面方式載列。

委任及重選董事

本公司現行章程細則（「細則」）訂明，於每屆股東週年大會上，當時至少三分之一的董事須輪值告退，且每名董事須至少每3年輪值告退一次。

All of the non-executive Director and independent non-executive Directors are appointed for a specific term but they are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. The term of appointment of each Independent Non-Executive Director has been set out in the section headed “Directors’ Service Contracts” of this report. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence and must provide an annual confirmation of his independence to the Company. Up to the date of this report, no independent non-executive Director has served the Company more than 9 years.

DIVISION OF RESPONSIBILITIES BETWEEN THE BOARD AND MANAGEMENT

While the Board is responsible for directing and approving the Group’s overall strategies, the Group also has formed management teams in its business areas, comprising both the executive Directors and senior officers of the Group, with authority and responsibility for developing and exercising both operational and non-operational duties. The management team members of the Group have a wide range of skills, knowledge and experience necessary to govern the Group’s operations. All management team members are required to report directly to the Chairman on a regular basis to report business performance and operational and functional issues of the Group. This will allow the Group’s management to allocate resources more efficiently for its decision-making and facilitate its daily operations.

全體非執行董事及獨立非執行董事以特定任期獲委任，惟彼等須根據細則於股東週年大會上輪席退任及重選。各獨立非執行董事的任期載列於本報告「董事服務合約」一節。倘出現任何可能影響獨立非執行董事獨立性的變動，各獨立非執行董事均須盡快在切實可行的情況下通知本公司，並須向本公司提供有關其獨立性的年度確認書。截至本報告日期止，尚無獨立非執行董事服務本公司超過9年。

董事會及管理層的責任分工

雖然董事會負責指導及批准本集團的整體策略，本集團亦已在其商業範疇上組成管理隊伍，當中包括本集團執行董事及高級管理人員，並擁有發展及行駛營運及非營運職務的權力及責任。管理隊伍成員具備的廣泛技能、知識及經驗以管理本集團的營運。所有管理隊伍成員必須定期直接向主席匯報本集團的業務表現、營運及職務上的事項，因此可令本集團管理層更有效地分配資源以制定決策及促進日常營運。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board and the Group's management fully appreciate their respective roles and are committed to corporate governance. The Board is responsible for overseeing the processes by which the management identifies business opportunities and risks. The Board's role is not to manage the day-to-day business operations of the Group and the responsibility of which remains vested in the management.

The Board has set up formal procedures for the Board's decisions. Matters which the Board considers suitable for delegation to its committees are contained in the specific terms of reference of its committees. The terms of reference clearly define the powers and responsibilities of the Board Committees. In addition, the Board will receive reports and/or recommendations from time to time from the Board Committees on any matter significant to the Group.

AUDIT COMMITTEE

The Company has established the Audit Committee on 21 July 2017 in compliance with Rule 5.28 of the GEM Listing Rules. Among other things, the primary duties of the Audit Committee are to review and supervise the Company's financial reporting process, internal control system and risk management system and to provide advice and recommendations to the Board on the appointment, reappointment and removal of external auditors.

The Audit Committee consists of three independent non-executive Directors, namely Ms. Pan Jianli, Mr. Pan Jianguo and Dr. Li Ling. Ms. Pan Jianli is the chairperson of the Audit Committee.

During the year ended 31 December 2019, four meetings of the Audit Committee were held to review the Group's quarterly, half-yearly and annual financial results. Two of the meetings were attended by the Company's external auditor so that the members of the Audit Committee could exchange their views and concerns on the financial reporting process of the Group with the auditor.

董事會及本集團管理層充分認知彼等各自的角色，並忠於良好企業管治。董事會負責監督管理層識別商機及風險的過程。董事會的角色並非管理本集團日常業務，此責任仍然歸屬於管理層。

董事會已為董事會的決策訂立正式程序。董事會認為適合向其委員會授權的事項已載於其委員會的特定職權範圍內。職權範圍明確界定董事會委員會的權力及責任。此外，董事會不時從董事會委員會收到有關對本集團而言屬重大的任何事項的報告及／或建議。

審核委員會

本公司已遵照GEM上市規則第5.28條於二零一七年七月二十一日成立審核委員會。其中，審核委員會的主要職責為檢討及監督我們的財務申報過程、內部監控制度及風險管理系統，並就外部核數師的委任、續聘及罷免向董事會提供意見及建議。

審核委員會成員包括三名獨立非執行董事潘建麗女士、潘建國先生及李玲博士。潘建麗女士為審核委員會主席。

截至二零一九年十二月三十一日止年度，審核委員會已舉行四次會議，審閱本集團的季度、半年度及年度財務業績。本公司外聘核數師已出席其中兩次會議，審核委員會成員可與該核數師就本集團財務報告流程交換意見和關切事宜。

Name of Directors	董事姓名	No. of Audit Committee Meetings attended/held 審核委員會 會議出席／舉行次數
Mr. Lee Kwok Tung Louis (<i>Chairman</i>) (resigned on 6 December 2019)	李國棟先生(主席) (於二零一九年十二月六日辭任)	4/4
Mr. Wei Junfeng (resigned on 6 December 2019)	魏軍鋒先生 (於二零一九年十二月六日辭任)	4/4
Ms. Pan Jianli (<i>Chairperson</i>) (appointed on 6 December 2019)	潘建麗女士(主席) (於二零一九年十二月六日獲委任)	N/A 不適用
Mr. Pan Jianguo (appointed on 6 December 2019)	潘建國先生 (於二零一九年十二月六日獲委任)	N/A 不適用
Dr. Li Ling	李玲博士	4/4

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters with senior management and the auditors of the Company relating to the preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2019. This report has been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting principles and practices adopted by the Group and that adequate disclosure has been made.

The Audit Committee has also reviewed the effectiveness of internal controls for the year ended 31 December 2019. Such review covered financial, operational and compliance controls and risk assessment of the Group. The Board was satisfied that the effectiveness of the internal controls of the Group had been properly reviewed by the Audit Committee.

審核委員會已審閱本集團所採納的會計原則及慣例，並與本公司高級管理層及核數師討論與編製本集團截至二零一九年十二月三十一日止年度的經審核綜合財務報表相關的財務申報事宜。本報告已經審核委員會審閱，其認為編製該等業績符合本集團採納的適用會計原則及常規，並已充分披露。

審核委員會已審閱截至二零一九年十二月三十一日止年度內的內部監控的成效。該審閱涵蓋本集團的財務監控、營運監控及合規監控及風險評估。董事會信納本集團內部監控的成效已由審核委員會妥善審閱。

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee on 21 July 2017 with written terms of reference in compliance with Rules 5.34 and 5.35 of the GEM Listing Rules. The primary duties of the Remuneration Committee are, among other things, to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group; review and approve the management's remuneration proposals and benefits; and to ensure none of our Directors determine their own remuneration. The remuneration of our Directors will be regularly monitored by our remuneration committee to ensure that the level of remuneration and compensation is appropriate.

The Remuneration Committee consists of three independent non-executive Directors, namely, Mr. Pan Jianguo, Ms. Pan Jianli and Dr. Li Ling. Mr. Pan Jianguo is the chairman of the Remuneration Committee.

During the year ended 31 December 2019, the Remuneration Committee held a meeting to approve the remuneration packages and performance bonuses for the Directors and senior management of the Company after reviewing of the remuneration policy and structure of the Directors and senior management of the Group and assessment of individual performance of each.

薪酬委員會

本公司已於二零一七年七月二十一日成立薪酬委員會，並遵照GEM上市規則第5.34及5.35條制訂其書面職權範圍。薪酬委員會的主要職責為(其中包括)就與本集團全體董事及高級管理層有關的整體薪酬政策及架構向董事會提出推薦建議；審閱及批准管理層的薪酬提議及福利並確保概無董事自行釐定其薪酬。薪酬委員會將定期監督董事薪酬以確保薪酬及補償水平屬適當。

薪酬委員會由三名獨立非執行董事組成，即潘建國先生、潘建麗女士及李玲博士，潘建國先生為薪酬委員會主席。

截至二零一九年十二月三十一日止年度，薪酬委員會舉行一次會議，經檢討薪酬政策及本集團董事及高級管理層之架構以及評估各自之個別表現後，批准本公司董事及高級管理層之薪酬組合及表現花紅。

Name of Directors	董事姓名	No. of Remuneration Committee Meetings attended/held 薪酬委員會會議出席／舉行次數
Mr. Wei Junfeng (<i>Chairman</i>) (resigned on 6 December 2019)	魏軍鋒先生(主席) (於二零一九年十二月六日辭任)	2/2
Mr. Lee Kwok Tung Louis (resigned on 6 December 2019)	李國棟先生 (於二零一九年十二月六日辭任)	2/2
Mr. Jianguo (<i>Chairman</i>) (appointed on 6 December 2019)	潘建國先生(主席) (於二零一九年十二月六日獲委任)	N/A 不適用
Ms. Jianli (appointed on 6 December 2019)	潘建麗女士 (於二零一九年十二月六日獲委任)	N/A 不適用
Dr. Li Ling	李玲博士	2/2

NOMINATION COMMITTEE

The Company has established the Nomination Committee on 21 July 2017 with written terms of reference in compliance with paragraph A.5.2 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules. The primary function of the nomination committee is to make recommendations to the Board and senior management regarding appointment of Directors and candidates to fill vacancies on the Board and senior management team.

The Nomination Committee consists of three members, including one non-executive Director, namely, Mr. Liu Hongwei and two independent non-executive Directors, namely, Mr. Wei Junfeng and Dr. Li Ling. Mr. Liu Hongwei is the chairman of the Nomination Committee.

During the year ended 31 December 2019, the Nomination Committee held a meeting to review the structure, size and composition of the Board and concluded that members of the Board have possessed the expertise and independence to carry out the Board's functions and responsibilities.

提名委員會

本公司已於二零一七年七月二十一日成立提名委員會，其書面職權範圍符合GEM上市規則附錄15所載企業管治常規守則第A.5.2條。提名委員會之主要職能為就委任董事及候選人以填補董事會及高級管理層團隊之空缺向董事會提出推薦建議。

提名委員會由三名成員組成，包括一名非執行董事劉紅維先生以及兩名獨立非執行董事魏軍鋒先生及李玲博士。劉紅維先生為提名委員會主席。

截至二零一九年十二月三十一日止年度，提名委員會舉行一次會議以審閱董事會之架構、規模及組成，並認為董事會成員具備專業知識及獨立身份以履行董事會職能及職責。

No. of Nomination Committee Meetings attended/held 提名委員會會議出席／舉行次數

Name of Directors	董事姓名	No. of Nomination Committee Meetings attended/held 提名委員會會議出席／舉行次數
Mr. Liu Hongwei (<i>Chairman</i>)	劉紅維先生(主席)	2/2
Mr. Wei Junfeng (resigned on 6 December 2019)	魏軍鋒先生 (於二零一九年十二月六日辭任)	2/2
Mr. Pan Jianguo (appointed on 6 December 2019)	潘建國先生 (於二零一九年十二月六日獲委任)	N/A 不適用
Dr. Li Ling	李玲博士	2/2

TRAINING

Pursuant to Code Provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure their contribution to the Board remains informed and relevant. During the year ended 31 December 2019, all Directors participated in appropriate continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities.

培訓

根據企業管治守則的第A.6.5條守則條文，所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其在具備全面資料及切合所需的情況下對董事會作出貢獻。截止二零一九年十二月三十一日年度內，所有董事已透過參加培訓及／或閱讀有關本公司業務或董事職責及責任的材料參與適當的持續專業發展活動。

CORPORATE GOVERNANCE REPORT

企業管治報告

		Reading regulatory updates and directors' duties 閱讀監管規定更新資料及董事職務	Reading materials relating to business and industry 閱讀有關業務及行業的資料	Attending professional briefings/seminars/conferences relevant to directors' duties, regulatory updates and business 出席有關董事職務、監管規定更新及業務的專業簡報會/研討會/會議
Executive Directors	執行董事			
Mr. Sun Jinli	孫金禮先生	✓	✓	✓
Mr. Zhao Feng (resigned on 6 December 2019)	趙峰先生 (於二零一九年十二月六日辭任)	✓	✓	✓
Mr. Zhang Chao	張超先生	✓	✓	✓
Mr. Tang Liwen	湯立文先生	✓	✓	✓
Non-executive Director	非執行董事			
Mr. Liu Hongwei	劉紅維先生	✓	✓	✓
Independent Non-executive Directors	獨立非執行董事			
Mr. Lee Kwok Tung Louis (resigned on 6 December 2019)	李國棟先生 (於二零一九年十二月六日辭任)	✓	✓	✓
Mr. Wei Junfeng (resigned on 6 December 2019)	魏軍鋒先生 (於二零一九年十二月六日辭任)	✓	✓	✓
Ms. Pan Jianli (appointed on 6 December 2019)	潘建麗女士 (於二零一九年十二月六日獲委任)	✓	✓	✓
Mr. Pan Jianguo (appointed on 6 December 2019)	潘建國先生 (於二零一九年十二月六日獲委任)	✓	✓	✓
Dr. Li Ling	李玲博士	✓	✓	✓
Company Secretary	公司秘書			
Ms. Lau Wai Han	劉慧嫻女士	✓	✓	✓

COMPANY SECRETARY

Ms. Lau Wai Han was appointed as the company secretary of the Company on 23 June 2017. Please refer to the section headed “Biographical details of Directors and Senior Management” of this report for her biographical information.

During the year ended 31 December 2019, Ms. Lau has confirmed that she has taken no less than 15 hours of relevant professional training.

FINANCIAL REPORTING

The management provides to the Board explanation, information and regular updates of the Company’s performance, financial position and prospects to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities (as set out in the Independent Auditor’s Report) for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group’s ability to continue as a going concern and the Board has prepared the consolidated financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by auditor about their reporting responsibility is set out in the independent auditor’s report on pages 63 to 70.

公司秘書

劉慧嫻女士於二零一七年六月二十三日獲委任為本公司之公司秘書。有關劉女士之履歷資料，請參閱本報告「董事及高級管理層之履歷詳情」一節。

截至二零一九年十二月三十一日止年度，劉女士已確認彼已接受不少於15個小時之相關專業培訓。

財務申報

管理層須就本公司之表現、財務狀況及前景向董事會提供解釋、資料及定期更新，以便董事會對提呈董事會審批之財務及其他資料作出知情評估。

董事知悉彼等編製可真實及公平地反映本集團財務狀況之本集團財務報表之責任(載於獨立核數師報告)。董事會並不知悉與可能使本集團持續經營之能力受到重大質疑之事項或情況相關之任何重大不明朗因素，故董事會已按持續經營基準編製綜合財務報表。外聘核數師之責任為根據其審核對董事會編製之綜合財務報表提出獨立意見，並向本公司股東報告其意見，核數師就其申報責任之聲明載於第63至70頁之獨立核數師報告。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's risk management and internal control system and reviewing its effectiveness on a periodic basis, at least annually. The review covers all material controls, including but not limited to financial, operational, and compliance controls. During the year ended 31 December 2019, the Board assessed and reviewed the risk management policies and measures and internal control procedures of the Group. The Group has also engaged external independent professionals to review its risk management and internal control systems. Our Directors considered them effective and adequate, and further enhance the Group's risk management and internal control systems as appropriate.

There is currently no internal audit function within the Group. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit functions for the Group as the need arises. Nevertheless, the Board will continue to review the need for an internal audit function annually.

AUDITOR'S REMUNERATION

During the year ended 31 December 2019, the fees paid/payable for the services provided by the Company's auditor are set out as follows:

Services rendered	所提供服務	Fees paid/payable 已付／應付費用
Statutory audit services	法定核數服務	RMB1,500,000 人民幣1,500,000元
Non-audit services	非核數服務	RMB250,000 人民幣250,000元

風險管理及內部控制

董事會負責本公司之風險管理及內部控制系統以及定期(至少每年)檢討其成效。該檢討涵蓋所有重大控制，包括但不限於財務、營運及合規控制。截至二零一九年十二月三十一日止年度，董事會已評估及檢討本集團之風險管理政策及計量以及內部控制程序。本集團亦已委聘外部獨立專業人士審閱其風險管理及內部控制系統。董事認為該等系統為有效及重組，並且(如合適)將進一步強化本集團之風險管理及內部控制系統。

現時本集團並無內部審核職能。董事會已檢討內部審核職能之需要，彼等認為以本集團之規模、業務性質及複雜性而言，在需要時外聘獨立專業人士為本集團進行內部核數工作，更具成本效益。然而，董事會將持續每年檢討內部審核職能之需要。

核數師酬金

於截至二零一九年十二月三十一日止年度，就本公司核數師提供之服務已付／應付費用載列如下：

SHAREHOLDERS' RIGHTS

Communication with Shareholders

The Board recognises the importance of effective and on-going communications with Shareholders and continues to act in the best interests of the Company and its shareholders. The Company keeps Shareholders and investors informed of its business performance and strategies by adopting a transparent and timely disclosure policy which complies with the GEM Listing Rules and provides all Shareholders equal access to such information. The Company also publishes all documents on the Company's website.

The annual general meeting of the Company (the "AGM") also provides a forum for the Board to dialogue and interact with the Shareholders directly. The Directors and the committee members are available to answer questions during the AGM. Notice of AGM, annual report, financial statements and related papers were posted to Shareholders for their consideration at least 20 clear business days prior to the AGM.

At each general meeting, the chairman of the meeting proposes individual resolutions in respect of each substantially separate matter. All matters at the Company's general meetings are resolved by poll and the procedures for conducting a poll will be explained at the meeting. Independent scrutineer will be engaged to ensure all votes at general meeting are properly counted. Poll vote results will be posted on the websites of the Company and HKEX in a timely manner.

AGM proceedings and policies regarding Shareholders' communication of the Company are continually reviewed in the light of corporate governance best practices.

Set out below is a summary of certain rights of the shareholders of the Company.

股東的權利

與股東之溝通

董事會確認與股東有效及持續溝通之重要性，並繼續以本公司及其股東之最佳利益行事。通過採納符合GEM上市規則之透明及時之披露政策，本公司持續向股東及投資者知會其業務表現及策略之最新情況，並讓全體股東平等獲得有關資料。本公司亦於本公司網站上刊發所有有關文件。

本公司之股東週年大會（「股東週年大會」）亦為董事會提供與股東直接對話及互動之平臺。董事及各委員會成員可於股東週年大會上回答提問。股東週年大會通告、年報、財務報表及相關文件均於股東週年大會日期前至少足20個營業日寄發予本公司股東，供其考慮。

於每次股東大會上，大會主席就每項獨立的事宜個別提出決議案。本公司股東大會上提呈的所有事項均以投票表決方式議決且進行投票表決的程序會在會議上解釋。本公司將委聘獨立監票員以確保所有選票在股東大會上均適當點算。投票表決結果將及時於本公司及聯交所網站公佈。

就企業管治最佳常規而言，股東週年大會程序及有關本公司之股東溝通政策將持續檢討。

下文載列本公司股東若干權利之概要。

(a) Convening of general meeting on requisition by shareholders

Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and its principal office in Hong Kong at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong for the attention of the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within three (3) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

(b) Procedures for putting forward proposals at a Shareholders' meeting

Pursuant to the Companies Act 1981 of Bermuda, either any number of the shareholders holding not less than one-twentieth (5%) of the total voting rights of all the shareholders of the Company, or not less than one hundred of such shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and its principal office in Hong Kong at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong for the attention of the Board on the secretary of the Company, with a sum

(a) 按股東要求召開股東大會

任何於遞呈要求日期持有不少於本公司繳入股本(附有於本公司股東大會表決權利)十分一之股東，有權於任何時間透過本公司於百慕達註冊辦事處(地址為Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda)及其香港主要辦事處(地址為香港干諾道中168至200號信德中心招商局大廈31樓3108室)向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後的三(3)個月內舉行。倘遞呈該要求後的二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可自行根據百慕達一九八一年公司法第74(3)條以同樣方式作出此舉。

(b) 於股東大會上提呈建議的程序

根據百慕達一九八一年公司法，股東持有任何股份數目不低於本公司全體股東總投票權之二十分之一(5%)，或該等股東不低於一百名人士可書面要求本公司(a)向有權收取下屆股東大會通告的股東發出關於在該會議上可能妥善提出或計劃提出的任何決議的通告；及(b)將不超過一千字的有關將在會議上提出的決議涉及的事項或將在會上處理的事務說明書，提交給有權收取任何股東大會通告的股東傳閱。由所有呈請人簽署之呈請，須在不遲於(倘為要求決議案通知之呈請)大會舉行前六週或(倘為任何其他呈請)大會舉行前一週透過本公司於百慕達註冊辦事處(地址為Clarendon House, 2 Church Street,

reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the meeting in the case of any other requisition. Provided that if an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

(c) Enquiries to the Board

Shareholders may put forward enquiries to the Board in writing to the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the enquiries.

Enquiry Contact:

By email: IR@syeamt.com
By post: Unit 3108, 31/F,
China Merchants Tower,
Shun Tak Centre,
168-200 Connaught Road Central,
Hong Kong
Attention: Public Relationship

CONSTITUTIONAL DOCUMENTS

The Board is not aware of any significant changes in the Company's constitutional documents during the year ended 31 December 2019.

Hamilton, HM11, Bermuda)及其香港主要辦事處(地址為香港干諾道中168至200號信德中心招商局大廈31樓3108室)送交本公司董事會及/或公司秘書,並須支付足以彌補本公司相關開支之款項。惟倘在遞交呈請後六週或較短期間內之某一日召開股東週年大會,則該呈請雖未有在規定時間內遞交,就此而言亦將被視為已妥為遞交。

(c) 向董事會查詢

股東可向董事會按本公司於香港的主要辦事處提交書面查詢。或倘本公司終止不再為相關主要辦事處,註冊辦事處須載明查詢目的。

查詢聯絡方式:

電郵: IR@syeamt.com
郵寄: 香港
干諾道中168至200號
信德中心
招商局大廈
31樓3108室
收件人: 公共關係部

憲章文件

董事並不知悉本公司之憲章文件於截至二零一九年十二月三十一日止年度有任何重大變動。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. LIU Hongwei (劉紅維) aged 56, is the founder and the Chairman of our Group. He was appointed as the Director of our Company on 28 November 2014 and he was re-designated as our non-executive Director of our Company with effect from 21 July 2017. He is currently also the chairman of the Nomination Committee of our Company. He is primarily responsible for the formulation and execution of our Group's overall business strategies and policies.

Mr. Liu was a director of Singyes New Materials (H.K.) Company Limited ("New Materials (H.K.)") from November 2014 to June 2016. He has been a director since November 2003 and further an executive director and the chairman since December 2008 of China Singyes Solar Technologies Holdings Limited ("Singyes Solar"), a controlling shareholder of our Company and the shares of which are listed on the main board of HKEx (stock code: 750).

Mr. Liu graduated from Wuhan Industrial University with a bachelor's degree, majoring in inorganic materials engineering, in July 1986. Mr. Liu is currently the chairman of Guangdong Photovoltaic Energy System Standardization Technology Committee, member of the Standing Committee of the Ninth Session of Zhuhai Municipal People's Congress, and an honorary fellow at the United International College of Beijing Normal University-Hong Kong Baptist University.

Mr. Liu is a senior construction material engineer with over 20 years of experience in the curtain wall engineering sector and over 10 years of experience in the photovoltaic power generation application sector. Mr. Liu has registered patents under his name in the PRC regarding amorphous silicon photovoltaic building integration and solar power generation system.

主席及非執行董事

劉紅維先生，56歲，為本集團創辦人兼主席。彼於二零一四年十一月二十八日獲委任為本公司董事，並自二零一七年七月二十一日起調任為本公司非執行董事。彼現時為本公司薪酬委員會成員。彼主要負責制定及執行本集團整體業務策略及政策。

劉先生自二零一四年十一月至二零一六年六月擔任香港興業新材料有限公司(「香港興業」)董事。彼自二零零三年十一月起出任中國興業太陽能技術控股有限公司(「興業太陽能」，本公司控股股東，其股份於主板上市(股份代號：750))之董事，並自二零零八年十二月起擔任其執行董事兼主席。

劉先生於一九八六年七月畢業於武漢工業大學獲得無機材料工程專業學士學位。劉先生現任廣東省光伏能源系統標準化技術委員會主任委員、珠海市第九屆人民代表大會常務委員會委員、北京師範大學·香港浸會大學聯合國際學院榮譽院士。

劉先生，高級建築材料工程師，在幕牆工程領域有逾20年經驗，在光伏發電應用領域有逾10年經驗。劉先生以其名下註冊非晶矽光伏建築一體化、太陽能並網發電系統等國家專利。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層之履歷詳情

EXECUTIVE DIRECTORS

Mr. SUN Jinli (孫金禮) aged 56, is an executive Director, the chief executive officer and compliance officer of our Company. He is primarily responsible for formulating the overall sales and marketing strategies and overseeing the development and operations of our Group. He is also the chairman of the board, the legal representation and a director of Zhuhai Singyes New Materials Company Limited (“Zhuhai New Materials”) since March 2010 and a director of Singyes HK since November 2014.

He has been an executive director of Singyes Solar, a controlling shareholder of our Company and the shares of which are listed on the main board of HKEx (stock code: 750) from June 2008 to July 2017.

Mr. Sun graduated from Wuhan Industrial University with a bachelor's degree in July 1986, majoring in inorganic materials engineering. Mr. Sun is a level one architect certified by the Construction Department of the PRC, with over 20 years of experience in the curtain wall engineering sector and over 10 years of experience in the photovoltaic power generation sector. He entered the new light-adjusting material sector in 2009 and has accumulated extensive knowledge of vacuum technology, optical film technology, thin film deposition technology and roll-to-roll process and technology. He has been researching the application of magnetron sputtering technology in glass base materials, organic base materials and metal base materials for years and made a series of achievements in the process and technological development relating to ITO film, Smart Light-adjusting Film, Smart Light-adjusting Glass and Smart Light-adjusting Projection System.

Mr. ZHANG Chao (張超), aged 47, is an executive Director of our Company. He is primarily responsible for business development and the growth and development of our Group. He has also been a director of Zhuhai New Materials since May 2015 and New Materials (H.K.) since June 2016.

執行董事

孫金禮先生，56歲，為本公司執行董事、行政總裁及合規主任。彼主要負責制定整體銷售及營銷策略，並監督本集團發展及營運。彼自二零一零年三月起亦為珠海興業新材料科技有限公司（「珠海新材料」）之董事會主席、法定代表及董事以及自二零一四年十一月起為香港興業之董事。

彼自二零零八年六月至二零一七年七月出任興業太陽能（本公司控股股東，其股份於主板上市（股份代號：750））之執行董事。

孫先生於一九八六年七月畢業於武漢工業大學並獲得無機材料工程專業學士學位。孫先生，中國建設部註冊一級建造師，在幕牆工程領域擁有逾20年經驗，在光伏發電應用領域有逾10年經驗，自二零零九年開始進入新型調光材料領域，對真空技術、光學薄膜技術、薄膜成膜技術、卷對卷工藝技術有較深研究，多年來一直從事磁控濺射技術在玻璃基材、有機基材、金屬基材應用工作，並在ITO導電膜、智能調光膜、智能調光玻璃和智能調光投影系統的相關工藝技術開發方面取得了一系列的成果。

張超先生，47歲，為本公司執行董事。彼主要負責業務發展以及本集團增長及發展。彼自二零一五年五月起亦為珠海新材料的董事及自二零一六年六月起為香港興業的董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

Mr. Zhang graduated from Qiqihar Railway Transportation Employee University with a bachelor's degree in July 1995. Mr. Zhang has over 15 years of experience in the curtain wall engineering sector. He was certified as a cost engineer in October 2001, obtained the level one architect in January 2006 and obtained the level one architect certificate in December 2007. He has also obtained a patent under his name in relation to smart photovoltaic controller hubs.

Mr. TANG Liwen (湯立文), aged 53, was appointed as an executive Director on 12 September 2016. He is also the general manager of Zhuhai New Materials and is primarily responsible for the overall operation and management of our Company since June 2014.

Mr. Tang graduated with a bachelor degree in mechanical specialty from the Shanghai Maritime University in July 1989. He obtained a postgraduate degree in business administration from Tsinghua University in October 2001 and is currently reading a doctorate degree in material science at Xiangtan University.

Mr. Tang is an intermediate engineer who has over 25 years of experience in the development of electrical appliances and over 15 years of experience in technology management. He has led more than 30 development projects in new products and new materials, led research which had led to ten technologies being patented under his name including solar photovoltaic tiles and was awarded a third prize in technological achievement by the Xiangtan Municipal in 2013. He also took part in compiling the local standard for "Electroluminescent Smart Light-adjusting Glass" in Guangdong Province in 2015.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. PAN Jianli, aged 42, has been appointed as an independent non-executive Director on 6 December 2019. She is currently the chairperson of the Audit Committee and a member of the Remuneration Committee of our Company.

張先生於一九九五年七月畢業於齊齊哈爾鐵路運輸職工大學工業與民用建築專業。張先生於幕牆工程領域擁有逾15年經驗。彼於二零零一年十月獲認證為造價工程師，於二零零六年一月取得一級建造師的執業資格，及於二零零七年十二月獲取一級建造師註冊證書。彼亦已就智慧光伏集線控制器取得其名下之專利。

湯立文先生，53歲，於二零一六年九月十二日獲委任為執行董事。彼自二零一四年六月起亦為珠海新材料總經理及主要負責該公司整體營運及管理。

湯先生於一九八九年七月畢業於上海海運學院，並獲得機械專業學士學位。彼亦於二零零一年十月獲授清華大學工商管理研究生學位並現時攻讀湘潭大學材料科學博士學位。

湯先生為中級工程師，於電器設備開發領域擁有逾25年經驗及於技術管理方面擁有逾15年經驗。彼在新產品及新材料方面領導實施逾30個開發項目，領導研究並取得其名下包括太陽能光伏片在內的十項技術專利，並於二零一三年獲授湘潭市科技成果三等獎。彼亦於二零一五年參與制定廣東省「電致調光玻璃」地區標準。

獨立非執行董事

潘建麗女士，42歲，於二零一九年十二月六日獲委任為獨立非執行董事。彼現時為本公司審核委員會主席及薪酬委員會之成員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

Ms. Pan obtained her master's degree in management from Guanghua School of Management, Peking University (北京大學光華管理學院) in the PRC in 2009 and her bachelor's degree in economics from Shandong University of Finance and Economics (山東財經大學) in the PRC in 1999. Ms. Pan is a Senior Accountant (高級會計師) and a member of the Chinese Institute of Certified Public Accountant. Ms. Pan has over 20 years of experience in accounting and financing.

Mr. PAN Jianguo, aged 48, has been appointed as an independent non-executive Director on 6 December 2019. He is currently the chairman of the Remuneration Committee and members of the Audit Committee and Nomination Committee of our Company.

Mr. Pan has been the general manager of Shanxi Changan Electricity Construction Company Limited* (陝西長安電力建設有限公司) since 2019 and has over 20 experience in business administration. He graduated from the Northwest Light Industry Institution (西北輕工業學院) (currently known as Shanxi University of Science & Technology (陝西科技大學)) in the PRC in 1994.

Dr. LI Ling (李玲), aged 59, joined our Company and was appointed as an independent non-executive Director of our Company with effect from 21 July 2017. She is currently also a member of the Remuneration Committee, Audit Committee, and Nomination Committee of our Company.

Dr. Li graduated from Qiqihar Institute of Light Industry with a bachelor degree in synthetic fibre in 1983. She then graduated from Dalian University of Technology with a master degree in engineering in 1990. She later graduated from South China University of Technology with a doctoral degree in high molecular material in 1998. From 1983 to 1987, she worked as a technician in a chemical research institute in Jixi City in Heilongjiang. From 1990 to 1992, she worked as a lecturer at Qiqihar Institute of Light Industry. From 1992 to 1995, she worked as an engineer in the Zhongshan branch of China Academy of Science & Technology Development. From 1998 to 2002, she was an associate research fellow in biomedical engineering research institute at Jinan University. From 2002 to date, she has been a professor and researcher in the college of science and engineering at Jinan University. She has 25 years of experience in the field of material research, she has obtained 8 technology patents under her name and written 4 nanotechnology books.

潘女士於二零零九年取得中國北京大學光華管理學院的管理學碩士學位，以及於一九九九年取得中國山東財經大學的經濟學學士學位。潘女士為高級會計師及中國註冊會計師協會會員。潘女士於會計及財務方面擁有逾20年經驗。

潘建國先生，48歲，於二零一九年十二月六日獲委任為獨立非執行董事。彼現時為本公司薪酬委員會主席及審核委員會及提名委員會成員。

潘先生自二零一九年起一直擔任陝西長安電力建設有限公司總經理並於工商管理方面擁有逾20年經驗。彼於一九九四年畢業於中國西北輕工業學院(現稱陝西科技大學)。

李玲博士，59歲，於二零一七年七月二十一日加入本公司及獲委任為本公司獨立非執行董事。彼現時為本公司薪酬委員會、審核委員會及提名委員會成員。

李博士於一九八三年畢業於齊齊哈爾輕工學院，獲授合成纖維學士學位。彼其後於一九九零年畢業於大連理工大學，獲授工程學碩士學位。彼其後於一九九八年畢業於華南理工大學，獲授高分子材料博士學位。自一九八三年至一九八七年，彼於黑龍江雞西市一間化學研究所任職技術員。自一九九零年至一九九二年，彼於齊齊哈爾輕工學院任職講師。自一九九二年至一九九五年，彼於中國科學技術發展戰略研究院中山分院任職工程師。自一九九八年至二零零二年，彼為暨南大學生物醫學工程研究所之助理研究員。自二零零二年至今，彼為暨南大學科學及工程學院之教授及研究員。彼於材料研究領域有25年經驗，並已取得其名下八項科技專利及編著四部納米技術著作。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

SENIOR MANAGEMENT

Ms. LIN Jing (林靜), aged 45, has been the deputy executive general manager of Singyes Applicable Materials since March 2010 and is in charge of product quality and human resources management of our Company.

Ms. Lin graduated with a secretarial specialty from the Minjiang Vocational University in July 1995 and later obtained a bachelor's degree in business administration from Shenzhen University in June 2010. She was the secretary to the general manager, material control manager and information centre manager of Asia Simulation Control System Engineering (Zhuhai) Co., Ltd. between July 1995 and April 2001. She was the human resources manager and assistant to deputy manager of operations of AF Technology Limited between 2001 and 2008. Ms. Lin has over 20 years of experience in business administration.

Ms. YANG Yang (楊洋), aged 53, is the chief engineer of Singyes Applicable Materials and is in charge of product development, optimisation of production flow and setting of technological standards.

She graduated with a bachelor degree in engineering, majoring in materials science and engineering, from Southeast University in July 1989, completed an internal quality auditor examination from Shenzhen Conformity Certification Consult in March 1998, and later obtained a master's degree in engineering, majoring in computer technology, from Beijing Institute of Technology in October 2002. She was an engineer and director of technology at Zhuhai Nanke Jicheng Electronic Limited between February 2001 and August 2010. Ms. Yang has over 15 years of experience in technology management and has worked at Singyes Applicable Materials since August 2010 as manager for quality management, manager for technology, deputy chief engineer and assistant engineer.

高級管理人員

林靜女士，45歲，自二零一零年三月起擔任興業應用材料常務副總經理，負責本公司產品質量及人力資源管理。

林女士於一九九五年七月畢業於閩江職業大學文秘專業，其後於二零一零年六月獲得深圳大學工商管理學士學位。彼自一九九五年七月至二零零一年四月為亞洲仿真控制系統工程(珠海)有限公司總經理秘書、材料控制經理及資訊中心經理。彼自二零零一年至二零零八年為廣東亞仿科技股份有限公司人力資源經理及營運副經理助理。林女士於工商管理方面擁有逾20年經驗。

楊洋女士，53歲，為興業應用材料首席工程師，負責產品開發、優化生產流程及制定技術標準。

彼於一九八九年七月畢業於東南大學材料科學與工程專業，獲得工程學士學位，於一九九八年三月完成深圳市康達信認證諮詢中心之內部質量審核員考試，及其後於二零零二年十月獲授予北京理工大學電腦應用專業工程碩士學位。彼自二零零一年二月至二零一零年八月曾擔任珠海南科集成電子有限公司技術部門工程師及董事。楊女士於技術管理方面擁有逾15年經驗並自二零一零年八月起於興業應用材料工作，任職質量管理經理、技術經理、副首席工程師及助理工程師。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層之履歷詳情

Mr. WU Bing (吳冰), aged 36, has been the chief financial officer of our Company since December 2015, and has overall responsibility for the financial management of our Company.

Mr. Wu obtained his bachelor's degree in accounting from Zhengzhou University in July 2005. From July 2005 to March 2007, Mr. Wu served as project assistant and project manager, involved in a number of listed companies' annual audit, asset evaluation and audit of the state-owned economic enterprises and other work in Zhuhai Hua Tian Certified Public Accountants.

In April 2007, Mr. Wu joined Zhuhai Singyes Green Building Technology Co., Ltd. and has served as assistant manager of the accounting department, responsible for internal oversight and risk control operations. Mr. Wu was qualified as an assistant accountant and has over 10 years of experience in risk control and financial management.

Save as disclosed in this report, none of our senior management members has (i) any directorship in any listed companies in the latest three years; (ii) any family relationship with the Directors; and (iii) any relationship with the Controlling Shareholders.

COMPANY SECRETARY

Ms. LAU Wai Han (劉慧嫻), aged 32, was appointed as our company secretary of our Company in 23 June 2017 and is responsible for overall company secretarial matters of our Group. She obtained a Bachelor Degree in Business Administration in Accounting and Finance from the University of Hong Kong in December 2009. She has over 6 years of experience in the areas of accounting, finance and auditing, and has been a member of The Hong Kong Institute of Certified Public Accountants since March 2013.

吳冰先生，36歲，自二零一五年十二月至今擔任本公司首席財務官，全面負責公司的財務管理。

吳先生於二零零五年七月畢業於鄭州大學獲得會計學學士學位。自二零零五年七月至二零零七年三月，吳先生在珠海華天會計師事務所擔任專案助理、專案經理，參與多家上市公司年度審計、資產評估及國有企業經濟審計等工作。

吳先生於二零零七年四月加入珠海興業綠色建築科技有限公司，擔任其會計核算部副經理職務，負責內部監督及風險控制工作。彼已取得助理會計師資格，並在風險控制和財務管理方面擁有逾10年經驗。

除本報告披露者外，我們的高級管理層概無(i)於過去三年於任何上市公司擔任任何董事職務；(ii)與董事有任何家庭關係；及(iii)與控股股東有任何關係。

公司秘書

劉慧嫻女士，32歲，於二零一七年六月二十三日獲委任為本公司之公司秘書，負責本集團的整體公司秘書事務。彼於二零零九年十二月獲授香港大學會計及財務工商管理學士學位。彼於會計、財務及審核領域擁有逾6年經驗。彼自二零一三年三月起為香港會計師公會會員。

REPORT OF THE DIRECTORS

董事會報告書

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

PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in Bermuda under the Companies Act as an exempted company with limited liability on 14 November 2014. The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company has established a place of business in Hong Kong at Unit 3108, 31/F China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong. The Company was registered under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) on 18 April 2016. Each of Mr. Sun Jinli and Ms. Lau Wai Han has been appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on the Company in Hong Kong is the same as its principal place of business in Hong Kong set out above.

As the Company is incorporated in Bermuda, it operates subject to the Companies Act and to its constitution, which comprises the Memorandum of Association and the Bye-laws.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group carries out research and development on, and manufactures and sells ITO film, Smart Light-adjusting Film, Smart Light-adjusting Glass and Smart Light-adjusting Projection System. The Group is one of the few integrated manufacturers in the PRC which produces and sells ITO film as well as a range of related downstream products. The Group principally operated in Mainland China.

Details of the principal activities of the principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2019.

董事會欣然提呈本集團之截至二零一九年十二月三十一日止年度的年報連同經審核綜合財務報表。

主要營業地點

本公司根據公司法於二零一四年十一月十四日於百慕達註冊成立為獲豁免有限責任公司。本公司註冊辦事處為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司於香港干諾道中168-200號信德中心招商局大廈31樓3108室設立香港主要營業地點。本公司於二零一六年四月十八日根據公司條例(香港法例第622章)第16部註冊。孫金禮先生及劉慧嫻女士各自獲委任為本公司授權代表，代表本公司在香港接收傳票及通告。本公司於香港之傳票送達地址與上文載列之香港主要營業地點相同。

由於本公司在百慕達註冊成立，因此其營運須受公司法及其組織章程(包括組織章程大綱及細則)所規限。

主營業務

本公司為一間投資控股公司。本集團從事ITO導電膜、智能調光膜、智能調光玻璃及智能調光投影系統的研發、生產及銷售。本集團是中國為數不多的生產及銷售ITO導電膜以及一系列相關下游產品的綜合製造商。本集團主要在中國大陸營運。

主要附屬公司的主要業務詳情載於財務報表附註1。於截至二零一九年十二月三十一日止年度，本集團的主要業務性質並無重大變動。

The Subscription of shares of Singyes Solar and change in shareholding of the Company

Reference is made to the announcement issued jointly by the Company and Singyes Solar on 5 June 2019 in relation to, among other things, the Subscription, Non-disposal Undertaking and the Release (the “Joint Announcement”); and the announcement issued by the Company on 11 October 2019 with respect to the change of independent financial adviser (the “Announcement”). Terms used herein shall have the same meanings as those defined in the Joint Announcement and the Announcement unless the context requires otherwise.

Pursuant to the Subscription Agreement, Singyes Solar has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, at Completion, 1,687,008,585 Subscription Shares at the Subscription Price of HK\$0.92 per Subscription Share. Upon Completion, (1) 1,687,008,585 Subscription Shares were duly allotted and issued as fully paid to the Subscriber, representing 66.92% of the issued share capital of Singyes Solar as enlarged by the allotment and issuance of the Subscription Shares; and (2) Strong Eagle's shareholding in Singyes Solar has decreased from 24.43% to 8.08% of the issued share capital of Singyes Solar.

Release of the Non-Disposal Undertaking

As disclosed in the prospectus of the Company dated 30 June 2017 (the “Prospectus”), each of the then controlling shareholders of the Company has made the Non-Disposal Undertaking to the Company. In anticipation of the effect to the controlling shareholding of the Company should the Subscription be completed, the Directors sought the approval of the Singyes NM Independent Shareholders on the release and discharge of the obligations of Mr. Liu Hongwei and Strong Eagle under the Non-disposal Undertaking by way of an ordinary resolution at the SGM. The Singyes NM IBC, comprising all the independent non-executive Directors, namely Mr. Lee Kwok Tung Louis, Mr. Wei Junfeng and Dr. Li Ling, has been formed to advise the Singyes NM Independent Shareholders as to the fairness and reasonableness of the Release.

認購興業太陽能股份及本公司股權變動

茲提述本公司與興業太陽能於二零一九年六月五日聯合發佈的公告，內容有關(其中包括)認購事項、不出售承諾及解除(「聯合公告」);及本公司於二零一九年十月十一日發佈的公告，內容有關更換獨立財務顧問(「公告」)。除文義另有所指外，本公告所用詞彙與聯合公告及公告所界定者具有相同涵義。

根據認購協議，興業太陽能已有條件同意向認購人配發及發行，而認購人已有條件同意於完成時認購1,687,008,585股認購股份，認購價為每股認購股份0.92港元。於完成後，(1)已向認購人正式配發及發行1,687,008,585股繳足認購股份，佔興業太陽能經配發及發行認購股份擴大之已發行股本的66.92%;及(2)Strong Eagle於興業太陽能的股權由佔興業太陽能已發行股本的24.43%降至8.08%。

解除不出售承諾

誠如本公司日期為二零一七年六月三十日之招股章程(「招股章程」)所披露，本公司當時之各控股股東已向本公司作出不出售承諾。為預測認購事項完成對本公司控股股權之影響，董事尋求興業新材料獨立股東於股東特別大會上透過普通決議案批准解除及免除劉紅維先生及Strong Eagle於不出售承諾項下之責任。興業新材料獨立董事委員會(由全體獨立非執行董事(即李國棟先生、魏軍鋒先生及李玲博士)組成)已告成立，以就解除之公平性及合理性向興業新材料獨立股東提供意見。

REPORT OF THE DIRECTORS

董事會報告書

Appointment of Independent Financial Adviser

Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), has been appointed as the independent financial adviser of the Company (the “IFA”) to advise the Singyes NM IBC and the Singyes NM Independent Shareholders in relation of the Release. The appointment of the IFA has been approved by the Singyes NM IBC. The letter of advice from the IFA in respect of the Release was included in the circular of the Company dated 16 October 2019.

Special General Meeting held on 31 October 2019

As disclosed in the announcement of poll results of special general meeting (the “SGM”) held on 31 October 2019 of the Company dated 31 October 2019, the ordinary resolution to approve the Release was duly passed by the Shareholders by way of poll at the SGM.

BUSINESS REVIEW

The business review of the company for the year ended 31 December 2019 has been set out in the section headed “Management Discussion and Analysis” of this report. Discussions and information therein forms part of this Report of the Directors.

RESULTS AND APPROPRIATIONS

The Group’s result for the year ended 31 December 2019 and its financial position as at that date are set out in the consolidated financial statements on page 71 to 199 of this report. And the financial position of the Company as at 31 December 2019 is set out in note 37 to the consolidated financial statements.

委任獨立財務顧問

紅日資本有限公司，一間可進行證券及期貨條例(香港法例第571章)下第1類(證券交易)及第6類(就企業融資提供意見)受規管活動的持牌法團，已獲委任為本公司獨立財務顧問(「獨立財務顧問」)，以就解除向興業新材料獨立董事委員會及興業新材料獨立股東提供建議。獨立財務顧問的任命已獲得興業新材料獨立董事委員會的批准。有關解除的獨立財務顧問意見函件載於本公司日期為二零一九年十月十六日的通函內。

於二零一九年十月三十一日舉行之股東特別大會

誠如本公司日期為二零一九年十月三十一日的公告(內容有關於二零一九年十月三十一日舉行之股東特別大會(「股東特別大會」)投票結果)所披露，批准解除之普通決議案已於股東特別大會上按投票表決方式獲股東正式通過。

業務回顧

本公司截至二零一九年十二月三十一日止年度之業務回顧載列於本報告「管理層討論及分析」一節。當中之有關討論及資料構成本董事會報告書之一部分。

業績及分派

本集團截至二零一九年十二月三十一日止年度之業績及其於該日之財務狀況載於本報告第71至199頁之綜合財務報表。本公司於二零一九年十二月三十一日之財務狀況載列於綜合財務報表附註37。

The Directors proposed a final dividend of HK1.0 cents per share (2018: HK1.2 cents). The actual dividend payout ratio in each year will depend on the actual performance of the Group, the general industry and economic environment.

SHARE CAPITAL

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

RESERVES

Details of movements in reserves of the Group and the Company during the year ended 31 December 2019 are set out in the consolidated statement of changes in equity on page 75 of this report and in note 28 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserve available for distribution, calculated in accordance with the provisions of the applicable law of Bermuda, was approximately RMB6,341,000.

Final dividend amounting to RMB4,658,000 was declared out of the distributable reserve. A resolution will be proposed in the forthcoming annual general meeting that the amount of RMB10,000,000 standing to the credit of the share premium account be reduced and that the credit arising therefrom be transferred to the contributed surplus account for distribution of final dividends.

Cheques for the final dividend (subject to approval at the forthcoming annual general meeting of the Company) will be dispatched to the shareholders of the Company on or before Monday, 20 July 2020.

PROPERTY, PLANT AND EQUIPMENT

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

董事建議末期股息每股1.0港仙(二零一八年:1.2港仙)。各年之實際股息支付率將視乎本集團之實際業績、總體行業及經濟環境而定。

股本

本公司於截至二零一九年十二月三十一日止年度股本變動之進一步詳情載於綜合財務報表附註26。

儲備

本集團及本公司儲備於截至二零一九年十二月三十一日止年度之變動詳情分別載於本報告第75頁之綜合權益變動表以及綜合財務報表附註28。

可分派儲備

於二零一九年十二月三十一日，根據百慕達適用法律條款計算，本公司可供分派儲備為人民幣6,341,000元。

末期股息人民幣4,658,000元已從可分派儲備宣派。本公司將於應屆股東週年大會上提呈決議案，以削減股份溢價賬中的進賬額人民幣10,000,000元及由此產生的進賬轉撥至繳入盈餘以供分派末期股息。

末期股息(須於本公司應屆股東週年大會獲批准)之支票將於二零二零年七月二十日(星期一)或之前派送至股東。

物業、廠房及設備

截至二零一九年十二月三十一日止年度，本集團廠房及設備之變動詳情載於綜合財務報表附註12。

REPORT OF THE DIRECTORS

董事會報告書

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 200 of this report.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's customers consist of domestic touch-screen device manufacturers, construction companies, contractors of developers, and commercial users. For the year ended 31 December 2019, sales to the Group's top five customers and its largest customer accounted for 27% and 6.9% of total revenue, respectively.

The Group procures a majority of the raw materials from third party suppliers based in the PRC who are agents of overseas manufacturers, and procure certain raw materials (including ITO target, protective film, PDLC and projectors) from PRC manufacturers. For the year ended 31 December 2019, purchases from the Group's top five suppliers and its largest supplier accounted for 43.5% and 12.3% of total purchases, respectively.

During the year ended 31 December 2019, none of the Directors, their close associates (as defined in the GEM Listing Rules), or any of the shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in any of the Group's five largest customers or suppliers.

財務概要

本集團於過往五個財政年度之業績、資產及負債之概要載於本報告第200頁。

主要客戶及供應商

本集團之客戶包括國內觸屏設備製造商、建築公司、開發商的承包商以及商業用戶。截至二零一九年十二月三十一日止年度，對本集團五大客戶及其最大客戶之銷售額分別佔總收入約27%及6.9%。

本集團自位於中國的第三方供應商(作為海外製造商的代理)採購我們的大部分原材料，同時本集團亦自中國製造商採購若干原材料(包括ITO靶材、保護膜、PDLC及投影儀)。截至二零一九年十二月三十一日止年度，自本集團之五大供應商及其最大供應商之採購分別佔採購總額之43.5%及12.3%。

於截至二零一九年十二月三十一日止年度，概無董事、彼等的緊密聯繫人士(定義見GEM上市規則)或本公司任何股東(就董事所知擁有本公司已發行股本5%以上)於本集團之五大客戶或供應商中擁有任何權益。

DIRECTORS

The Directors of the Company during the year ended 31 December 2019 and up to the date of this report were:

Executive Directors

Mr. Sun Jinli
Mr. Zhao Feng (resigned on 6 December 2019)
Mr. Zhang Chao
Mr. Tang Liwen

Non-executive Director

Mr. Liu Hongwei (*Chairman*)

Independent Non-executive Directors

Mr. Lee Kwok Tung Louis (resigned on 6 December 2019)
Mr. Wei Junfeng (resigned on 6 December 2019)
Ms. Pan Jianli (appointed on 6 December 2019)
Mr. Pan Jianguo (appointed on 6 December 2019)
Dr. Li Ling

In accordance with Bye-law 83(2) and 84(1) of the Company's bye-laws, Mr. Tang Liwen, Ms. Pan Jianli, Mr. Pan Jianguo and Dr. Li Ling will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-elections.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company commencing from 23 June 2017 for a term of three years unless terminated in accordance with the terms therein. Under the terms of the service contract, the service contract may be terminated by not less than one month prior written notice or otherwise served by either party on the other.

Mr. Liu Hongwei, a non-executive Director, has signed a letter of appointment with the Company for a term of three years commencing 21 July 2017. Under the terms of the letter of appointment, the appointment may be terminated by not less than two months' prior written notice or otherwise served by either party on the other.

董事

截至二零一九年十二月三十一日止年度及直至本報告日期本公司的董事如下：

執行董事

孫金禮先生
趙峰先生(於二零一九年十二月六日辭任)
張超先生
湯立文先生

非執行董事

劉紅維先生(主席)

獨立非執行董事

李國棟先生(於二零一九年十二月六日辭任)
魏軍鋒先生(於二零一九年十二月六日辭任)
潘建麗女士(於二零一九年十二月六日獲委任)
潘建國先生(於二零一九年十二月六日獲委任)
李玲博士

根據本公司之細則第83(2)及84(1)條，湯立文先生、潘建麗女士、潘建國先生及李玲博士於應屆股東週年大會上須輪席退任，並符合資格膺選連任。

董事服務合約

各非執行董事及獨立非執行董事已與本公司簽訂委任函，自二零一七年六月二十三日起為期三年，除非根據其條款被終止。根據委任函之條款，委任可通過任一方向另一方發出不少於兩個月之事先書面通知或其他方式予以終止。

獨立非執行董事劉紅維先生已與本公司簽訂委任函，自二零一七年七月二十一日起為期三年。根據委任函之條款，委任可通過任一方向另一方發出不少於兩個月之事先書面通知或其他方式予以終止。

REPORT OF THE DIRECTORS

董事會報告書

Ms. Pan Jianli, an independent non-executive Director, has signed a letter of appointment with the Company for a term of three years commencing 6 December 2019. Under the terms of the letter of appointment, the appointment may be terminated by not less than one month's prior written notice or otherwise served by either party on the other.

Mr. Pan Jianguo, an independent non-executive Director, has signed a letter of appointment with the Company for a term of three years commencing 6 December 2019. Under the terms of the letter of appointment, the appointment may be terminated by not less than one month's prior written notice or otherwise served by either party on the other.

Dr. Li Ling, an independent non-executive Director, has signed a letter of appointment with the Company for a term of three years commencing 21 July 2017. Under the terms of the letter of appointment, the appointment may be terminated by not less than two months' prior written notice or otherwise served by either party on the other.

The term of service of a Director is subject to the provisions on retirement by rotation of Directors as set out in the Bye-laws. None of our Directors has entered into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Details of the remuneration of the Directors are set out in note 7 to the financial statements. The emoluments paid to senior management (excluding the Directors) during the year ended 31 December 2019 were within the following bands:

獨立非執行董事潘建麗女士已與本公司簽訂委任函，自二零一九年十二月六日起為期三年。根據委任函之條款，委任可通過任一方發出不於兩個月之事先書面通知或其他方式予以終止。

獨立非執行董事潘建國先生已與本公司簽訂委任函，自二零一九年十二月六日起為期三年。根據委任函之條款，委任可通過任一方發出不於兩個月之事先書面通知或其他方式予以終止。

獨立非執行董事李玲博士已與本公司簽訂委任函，自二零一七年七月二十一日起為期三年。根據服務合約之條款，服務合約可通過任一方發出不於一個月之事先書面通知或其他方式予以終止。

董事之任期受細則所載有關董事輪值退任之條文所規限。概無董事與本集團任何成員公司訂立任何服務合約，惟不包括於一年內屆滿或僱主可於一年內不支付賠償(法定賠償除外)而終止之合約。

有關董事薪酬之詳情載於財務報表附註7。截至二零一九年十二月三十一日止年度，已支付高級管理人員(董事除外)之薪酬介乎以下範疇：

Bands	範疇	Number of Senior Management 高級管理人員數目
RMB100,001 to RMB1,000,000	人民幣100,001元至人民幣1,000,000元	2

SHARE OPTION SCHEME

On 17 October 2017, the Company adopted a share option scheme (the “Share Option Scheme”). Under the Share Option Scheme, the Board may, at its absolute discretion and on such terms as it may think fit, grant Share Options to the any Eligible Person (who is (i)(a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether full time or part time) of, or (b) any individual for the time being seconded to work for, any member of the Group or any substantial shareholder or any company controlled by a substantial shareholder (a “Category A Eligible Person”); or (ii) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group (a “Category B Eligible Person”) and, for the purposes of the Share Option Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of participants, collectively the “Eligible Person”) to subscribe at a price calculated in accordance with the Share Option Scheme for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

購股權計劃

於二零一七年十月十七日，本公司採納一項購股權計劃「購股權計劃」。根據購股權計劃，董事會可全權酌情及按其認為合適之有關條款，向任何合資格人士（指「A類合資格人士」即(i)本集團任何成員公司或任何主要股東或主要股東控制的任何公司的(a)任何董事或擬任董事（不論為執行董事或非執行董事，包括任何獨立非執行董事）、僱員或擬任僱員（不論為全職或兼職），或(b)當時借調為其工作的任何個人；或(ii)「B類合資格人士」即向本集團任何成員公司提供研究、開發或其他技術支持或任何顧問、諮詢、專業或其他服務的任何人士或實體；就購股權計劃而言，包括屬於上述任何一類參與者的一名或多名人士控制的任何公司，統稱「合資格人士」）授出購股權，以按購股權計劃所載方法計算之價格認購董事會根據購股權計劃條款釐定之有關數目的股份。

REPORT OF THE DIRECTORS

董事會報告書

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Company to grant Share Options to the selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the growth and development of the Group.

Total number of Shares available under the Share Option Scheme

On 31 January 2018, options to subscribe for a total of 21,000,000 shares with a nominal amount of US\$0.01 each in the share capital of the Company were granted under the Scheme at the exercise price of HK\$1.16 per share. During the year ended 31 December 2019, a total of 5,300,000 options (2018: Nil) were forfeited due to the resignation of grantees. As at the date of this Report, 15,700,000 share options has been granted under the Share Option Scheme to entitle the holders of these share options to subscribe for a total 15,700,000 Shares, representing 3.019% of the issued Shares of the Company.

Further details of the Share Option Scheme are set out in note 27 to the consolidated financial statements.

Maximum entitlement of each Eligible Participant

The maximum number of Shares issued and to be issued upon the exercise of the Share Options granted under the Share Option Scheme and any other share option schemes of the Company to any Eligible Person(s) (including cancelled, exercised and outstanding Share Options), in any 12-month period up to the date of grant shall not exceed 1% of the number of Shares in issue, unless (i) a circular is despatched to the Shareholders; (ii) the Shareholders approve the grant of the Share Options in excess of the 1% limit referred to in this paragraph; and (iii) the relevant Eligible Person and his associates shall abstain from voting. The number and terms (including the exercise price) of Share Options to be granted to such Eligible Person(s) must be fixed before Shareholders' approval.

購股權計劃之目的

購股權計劃之目的為讓本公司向選定的合資格人士授予購股權，作為彼等對本集團之發展及增長所作出或將會作出之貢獻之激勵或獎賞。

購股權計劃項下可發行的股份總數

於二零一八年一月三十一日，根據該計劃授出了認購本公司股本中總額為21,000,000股每股面值0.01美元之購股權，行使價為每股1.16港元。截至二零一九年十二月三十一日止年度，由於承授人辭任，合共沒收5,300,000份購股權(二零一八年：無)。於本報告日期，根據購股權計劃已授出15,700,000份購股權可賦予購股權持有人認購總共15,700,000股股份的權利，即佔本公司已發行股份的3.019%。

購股權計劃的進一步詳情載於綜合財務報表附註27。

各合資格參與人可認購的股份數目上限

根據購股權計劃及本公司任何其他購股權計劃授予任何合資格人士之購股權(包括已註銷、已行使及尚未行使之購股權)獲行使時已發行及將予發行之股份總數，於截至授出當日止任何十二個月期間，不得超過已發行股份數目之1%，除非(i)一份通函已寄發予股東；(ii)股東批准授出超過本段所述之1%上限之購股權；及(iii)有關合資格人士及其聯繫人須放棄投票。將授予合資格人士之購股權之數目及條款(包括行使價)必須於股東批准前釐定。

Time of exercise of option

A Share Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period commencing on such date on or after the date on which the Share Option is granted as the Board may determine in granting the Share Options and expiring at the close of business on such date as the Board may determine in granting the Share Options but in any event shall not exceed ten (10) years from the date of grant (which is the date of offer of grant if the offer for the grant of the Share Options is accepted).

Acceptance of offers

An offer for the grant of Share Options must be accepted within thirty (30) days inclusive of the day on which such offer was made. The amount payable by the grantee of the Share Options to the Company on acceptance of the offer for the grant of Share Options is HK\$1.00.

Exercise price per Share for the exercise of a Share Option

The exercise price per Share payable on the exercise of a Share Option is to be determined by the Board provided always that it shall be at least the higher of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant (which is deemed to be the date of Board meeting for approving the grant of Options), which must be a business day; and (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of offer of grant, provided that the exercise price per Share shall in no event be less than the nominal amount of the Share.

Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten (10) years commencing on 17 October 2017, the date on which the Share Option Scheme is adopted by Shareholders in general meeting, and shall expire at the close of business on the day immediately preceding the tenth anniversary thereof unless terminated earlier by Shareholders in general meeting.

購股權的行使時間

購股權可根據購股權計劃之條款，於董事會授出購股權時決定之日起及於授出購股權之後起，直至董事會於授出購股權時決定之日及結束營業止之期間內隨時行使，惟在任何情況下該期間不得超過授出當日（倘授出購股權之要約獲接納則為授出要約當日）起計十(10)年。

接納要約

授出購股權之要約必須在提出該等要約當日起三十(30)日(包括當日)予以接納。購股權承授人於接納授出購股權之要約時，須支付本公司之金額為1.00港元。

行使購股權的每股股份行使價

行使購股權時應付之每股股份的行使價由董事會釐定，惟不得低於以下較高價：(i) 在授出當日（該日將被視為批准授出購股權之董事會會議日期）（必須為營業日）股份於聯交所發出之日報表上所報收市價；及(ii) 緊接授出要約當日前五(5)個營業日股份於聯交所發出之日報表上所報平均收市價，惟在任何情況下每股股份之行使價不得低於股份之面值。

購股權計劃的餘下年限

購股權計劃自二零一七年十月十七日（即本公司股東在股東大會上採納購股權計劃當日）起十(10)年期間一直有效，並於緊接十週年前一日營業時間結束時屆滿（股東於股東大會上提早終止者除外）。

REPORT OF THE DIRECTORS 董事會報告書

The Company may by resolution in general meeting or the Board may at any time terminate the Share Option Scheme and in such event no further Share Option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Share Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Share Options granted prior to such termination at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, so far as the Directors are aware, the following persons have or are deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance (the “SFO”) or which were recorded in the register of the Company required to be kept by the Company under Section 336 of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Long position in the Shares 於股份的好倉

Name of shareholders 股東名稱	Capacity/ Nature of interests 身份／權益性質	Number of Shares held 所持股份數目	Approximate percentage of shareholding 概約持股百分比 (Note 5) (附註5)
Top Access Management Limited ("Top Access")	Beneficial owner 實益擁有人	324,324,325	62.37%
China Singyes Solar Technologies Holdings Limited ("Singyes Solar") 中國興業太陽能技術控股有限公司 (「興業太陽能」)	Interest in a controlled corporation (Note 1) 受控法團權益(附註1)	324,324,325	62.37%

本公司可經股東大會通過之決議案或董事會隨時終止購股權計劃，而自此之後再無購股權可予授出，惟購股權計劃之條文仍將維持相當程度之效力，足以令在購股權計劃終止前已授出之任何購股權的行使，或根據購股權計劃之條文規定之其他方面仍然有效。該終止於終止前授出之購股權仍可根據購股權計劃生效及行使。

主要股東於股份及相關股份的 權益及淡倉

於二零一九年十二月三十一日，就董事所知，以下人士於股份或相關股份中擁有或被視作擁有根據證券及期貨條例（「證券及期貨條例」）第XV部第2及第3分部的條文須作出披露的權益及淡倉，或須載入本公司根據證券及期貨條例第336條所存置的本公司登記冊內的權益及淡倉，或直接或間接擁有附帶權利可於任何情況下在本公司或本集團任何其他成員公司之股東大會上投票之任何類別股本面值5%或以上的權益：

REPORT OF THE DIRECTORS
董事會報告書

Name of shareholders 股東名稱	Capacity/ Nature of interests 身份／權益性質	Number of Shares held 所持股份數目	Approximate percentage of shareholding 概約持股百分比 (Note 5) (附註5)
Water Development (HK) Holdings Co Limited ("Water Development (HK)") 水發集團(香港)控股有限公司 (「水發集團(香港)」)	Interest in a controlled corporation (Note 2) 受控法團權益(附註2)	324,324,325	62.37%
Shuifa Energy Group Co., Ltd. ("Shuifa Energy") 水發能源集團有限公司(「水發能源」)	Interest in a controlled corporation (Note 2) 受控法團權益(附註2)	324,324,325	62.37%
Shuifa Group Co., Ltd ("Shuifa Group") 水發集團有限公司(「水發集團」)	Interest in a controlled corporation (Note 2) 受控法團權益(附註2)	324,324,325	62.37%
Oasis Investments II Master Fund Ltd.	Person having a security interest in shares 於股份擁有抵押權益的人士	324,324,325	62.37%
Oasis Investments II Offshore Feeder Ltd.	Interest in a controlled corporation (Note 3) 受控法團權益(附註3)	324,324,325	62.37%
Oasis Management Company Ltd.	Investment manager 投資管理人	324,324,325	62.37%
Fischer Seth Hillel Corporation	Interest in a controlled corporation 受控法團權益	324,324,325	62.37%
AMATA Limited	Beneficial owner 實益擁有人	40,000,000	7.69%
Mr. Luo Jingxi 羅靜熙先生	Interest in a controlled corporation (Note 4) 受控法團權益(附註4)	40,000,000	7.69%

REPORT OF THE DIRECTORS

董事會報告書

Notes:

1. The entire issued share capital of Top Access is legally and beneficially owned by Singyes Solar, which is deemed to be interested in the Shares held by Top Access under Part XV of the SFO.
2. Water Development is the legal and beneficial owner of 1,687,008,585 shares of Singyes Solar, representing approximately 66.92% of the issued share capital in Singyes Solar. Water Development (HK) is beneficially and wholly-owned by Shuifa Energy, which is in turn beneficially and wholly-owned by Shuifa Group. As such, each of Water Development (HK), Shuifa Energy and Shuifa Group is deemed to be interested in the Shares to which Singyes Solar is interested in (through its shareholding in Top Access) under Part XV of the SFO.
3. Oasis Investments II Master Fund Ltd. is beneficially and 86% owned by Oasis Investments II Offshore Feeder Ltd. As such, Oasis Investments II Offshore Feeder Ltd. is deemed to be interested in the Shares in which Oasis Investments II Master Fund Ltd. has a security interest under Part XV of the SFO.
4. AMATA Limited is legally and beneficially owned by Mr. Luo Jingxi, Mr. Hua Jianjun, Mr. Zhong Qibo and Mr. He Qiangmin as to 39%, 27%, 20% and 14% respectively. Mr. Luo Jingxi is deemed to be interested in the Shares held by AMATA Limited under Part XV of the SFO.
5. The percentage is calculated on the basis of 520,000,000 Shares in issue as at 31 December 2019.

附註：

1. Top Access Management Limited (「Top Access」)的全部已發行股本由中國興業太陽能技術控股有限公司(「興業太陽能」)合法及實益擁有，根據證券及期貨條例第XV部，興業太陽能被視為於Top Access持有之股份中擁有權益。
2. 水發集團為興業太陽能之1,687,008,585股股份之合法及實益擁有人，佔興業太陽能已發行股本之約66.92%。水發集團(香港)由水發能源實益及全資擁有，而水發能源由水發集團實益及全資擁有。因此，根據證券及期貨條例第XV部，水發集團(香港)、水發能源及水發集團均被視為於興業太陽能擁有權益(透過其於Top Access之股權)之股份中擁有權益。
3. Oasis Investments II Master Fund Ltd.由Oasis Investments II Offshore Feeder Ltd.實益擁有86%權益。因此，根據證券及期貨條例第XV部，Oasis Investments II Offshore Feeder Ltd.被視為於Oasis Investments II Master Fund Ltd.擁有抵押權益之股份中擁有權益。
4. AMATA Limited分別由羅靜熙先生、華建軍先生、鍾啟波先生及何強民先生合法及實益擁有39%、27%、20%及14%。根據證券及期貨條例第XV部，羅靜熙先生被視為於AMATA Limited持有的股份中擁有權益。
5. 該百分比乃根據於二零一九年十二月三十一日已發行520,000,000股股份計算。

Save as disclosed above, as at 31 December 2019, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person or corporation other than the Directors and the Chief Executives whose interests are set out in the section “Directors’ and Chief Executives’ interests and short positions in Shares, underlying Shares and debenture of the Company and its associated corporations” below, had any interest or short position in the Shares or underlying Shares of the Company that was required to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

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

As at 31 December 2019, so far as the Directors are aware, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, have been notified to the Company and the Stock Exchange, are as follows:

Long positions in the shares of Singyes Solar (Note 1)

Name of Director(s) 董事姓名	Capacity/Nature of Interests 身份／權益性質	Number of Shares held 所持股份數目	Approximate percentage of total registered share capital 概約持股百分比 (Note 3) (附註3)
Mr. Liu Hongwei 劉紅維先生	Interest of a controlled corporation 受控法團權益	203,802,750 (Note 2) (附註2)	8.08%

除上文所披露者外，於二零一九年十二月三十一日，根據本公司根據證券及期貨條例第336條所存置的權益登記冊，除其權益已載於下文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」一節的董事及最高行政人員外，概無人士於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部條文須予披露的任何權益或淡倉。

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零一九年十二月三十一日，就董事所知，董事及本公司最高行政人員於本公司或其相關法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有已根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉)，或已載入本公司根據證券及期貨條例第352條所存置的登記冊內的權益及淡倉，或須根據GEM上市規則第5.46至5.67條已知會本公司及聯交所的權益及淡倉如下：

於本公司股份的好倉(附註1)

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董事會報告書

Notes:

1. Singyes Solar is listed in the Main Board of the Stock Exchange with stock code: 750. Singyes Solar is a holding company of the Company pursuant to the SFO.
2. 203,802,750 shares of Singyes Solar are held by Strong Eagle Holdings Limited, whose share capital is 53% owned by Mr. Liu Hongwei (the non-executive Director and Chairman of the Company). Mr. Liu Hongwei is deemed to be interested in these shares by virtue of the SFO.
3. The percentage is calculated on the basis of 2,521,081,780 shares in issue of Singyes Solar as at 31 December 2019.

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which was taken or deemed to have under such provisions of the SFO), or which was required to be recorded pursuant to Section 352 of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its associated corporations” above, at no time since the Listing Date and up to the date of this report, was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or to acquire benefits by means of acquisitions of shares in, or debentures of, the Company or any other body corporate.

附註:

1. 興業太陽能於聯交所主板上市，股票代號為：750。根據證券及期貨條例，興業太陽能為本公司的控股公司。
2. 203,802,750股興業太陽能股份由Strong Eagle Holdings Limited持有，而本公司主席及非執行董事劉紅維先生持有Strong Eagle Holdings Limited股本之53%。根據證券及期貨條例，劉紅維先生被視於該等股份中持有權益。
3. 該百分比乃根據興業太陽能於二零一九年十二月三十一日已發行2,521,081,780股股份計算。

除上文所披露者外，於二零一九年十二月三十一日，概無董事或本公司最高行政人員於本公司或其相關法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有須根據證券及期貨條例第XV部第7及8部知會本公司及聯交所的任何權益或淡倉（包括根據證券及期貨條例條文被當作或視為擁有的權益及淡倉），或須根據證券及期貨條例第352條記錄的任何權益或淡倉，或須根據GEM上市規則第5.46條至5.68條另行知會本公司及聯交所的任何權益或淡倉。

收購股份或債權證的權利

除上文「董事及最高行政人員於本公司及其相聯法團的股份、相關股份及債權證的權益及淡倉」一節所披露者外，自上市日期後及截至本報告日期止全部時間，本公司或其任何附屬公司概其任何同系附屬公司概無訂立任何安排，以使董事或本公司最高行政人員或彼等各自的聯繫人（定義見GEM上市規則）以使彼等有權認購本公司或其任何相關法團（定義見GEM上市規則第XV部）的證券，或透過認購本公司或任何其他法人團體的股份或債權證而獲益。

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISION

No permitted indemnity provision existed during the year ended 31 December 2019.

INTEREST IN COMPETING BUSINESSES

Singyes Solar, one of the controlling shareholders (as defined under GEM Listing Rules) of the Company, has entered into the deed of non-competition dated 23 June 2017 (the "Deed of Non-competition") in favour of the Company, details of which were set out in the Prospectus. Pursuant to the Deed of Non-competition, Singyes Solar has undertaken to our Company (for ourselves and as trustee for each of our subsidiaries) that with effect from the Listing Date, it shall not, and shall procure each of its close associates (other than our Group) shall not, whether on its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, whether as a shareholder, director, employee, partner, agent or otherwise (other than being a director or shareholder of our Group or members of our Group), carry on or be engaged in, directly or indirectly, a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any business which competes or may in any aspect compete directly or indirectly with the business or which is similar to the business currently and may from time to time be engaged by our Group (including but not limited to the production and sale and businesses ancillary to any of the foregoing).

管理合約

除僱員聘任合約外，截至二零一九年十二月三十一日止年度沒有就本公司的全部或任何重大部分業務的管理及行政訂立或存在任何合約。

獲准許的彌償條文

截至二零一九年十二月三十一日止年度不存在獲准許的彌償條文。

於競爭業務的權益

本公司控股股東(定義見GEM上市規則)興業太陽能已以本公司為受益人訂立日期為二零一七年六月二十三日的不競爭契據(「不競爭契據」)，其詳情載於招股章程。根據不競爭契據，興業太陽能已向本公司(就我們及我們不時的各間附屬公司的受託人)承諾自上市日期起，彼等將不會，並將促使彼等的緊密聯繫人(本集團除外)不會(不論就其本身或聯同或代表任何人士、事務所或公司以及不論直接或間接及不論作為股東、董事、僱員、合夥人、代理人或其他(本集團或本集團成員公司的董事或股東除外))直接或間接進行或從事，於任何方面與本集團業務或與本集團現時及可能不時從事的業務(包括但不限於生產及銷售及與任何前述業務配套的業務)類似的業務構成或可能構成競爭的任何業務或於當中擁有權益或涉及或從事受限制業務或收購或於當中持有任何權利或權益或以其他方式牽涉其中(在各情況下不論作為股東、合夥人、代理人或其他身份及不論為換取溢利、回報或其他利益)。

REPORT OF THE DIRECTORS

董事會報告書

During the year ended 31 December 2019 and up to the date of this report, none of the Directors, the controlling shareholders of the Company or their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group and any other conflicts of interest with the Group.

The controlling shareholders of the Company have confirmed to the Company that during the year ended 31 December 2019 and up to the date of this report, Singyes Solar and its respective close associates (as defined under the GEM Listing Rules) have complied with the undertakings contained in the Deed of Non-competition.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 32 to the financial statements headed "Related party transactions and balances" of this report, no transactions, arrangements and contracts of significance in relation to our Group's business to which the Company or any of its subsidiaries was a party and in which any Director of the Company or his connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

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

Neither the Company nor its subsidiaries have purchased, sold or redeemed any listed securities of the Company during the year end 31 December 2019.

截至二零一九年十二月三十一日止年度及直至本報告日期，概無董事、本公司控股股東或彼等各自的緊密聯繫人(定義見GEM上市規則)擁有任何與本集團業務構成或可能構成競爭的業務，或於當中擁有權益，亦概無與本集團擁有任何其他利益衝突。

本公司控股股東已向本公司確認，截至二零一九年十二月三十一日止年度及直至本報告日期，彼等及彼等各自的緊密聯繫人(定義見GEM上市規則)已遵守不競爭契據所載的承諾。

董事於交易、安排或合約的權益

除本報告財務報表附註32「關連方交易及結餘」所披露，本公司任何董事或其他關連實體概無本公司或其任何附屬公司所訂立於年結日或截至二零一九年十二月三十一日止年度任何時間仍然有效且對本集團業務屬重大的交易、安排及合約中直接或間接擁有重大權益。

購買、出售或贖回本公司之上市證券

截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

RELATIONSHIPS WITH KEY STAKEHOLDERS

Talent is the core of the Group's operations, recruiting the most suitable talent for each position is one of the Group's important tasks. The Group strictly complies with relevant laws and regulations and establishes a human resources management system to protect the legitimate rights and interests of all employees.

We maintain on-going communication with our customers to ensure understanding and satisfaction of their demand and expectations, as well as to constantly improve our services by knowing their satisfactory rates.

As a manufacturing company, the quality of the Group's products and even its reputation depend largely on the quality of the raw materials. In order to ensure the quality of suppliers and maintain a healthy and orderly supply chain system, the Group has committed to improving the relationship management of suppliers.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, we had a total headcount of 132 (2018: 193) full-time employees. The remuneration package of our employees includes a basic salary, allowances and bonuses. The various allowances cover holidays, social security and housing contributions. We make contributions to all mandatory social security and housing provident funds for our employees.

TAX RELIEF AND EXEMPTION

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

與主要利益相關者的關係

人才是本集團營運的核心，為每個崗位聘請最適合的人才本集團其中一項重要的工作。本集團嚴格遵守相關法律法規，設立人力資源管理制度，保障所有員工的合法權益。

我們一直保持與顧客的溝通，確保理解和滿足顧客的需求和期望，並希望瞭解客戶的滿意情況，以對我們的服務品質不斷作出改進。

作為一家生產企業，本集團產品的品質以至本集團的聲譽很大程度上取決於原材料的品質。為了確保供應商隊伍的質素，維持健康有序的供應鏈體系，本集團一直致力於完善供應商的關係管理。

僱員及薪酬政策

於二零一九年年十二月三十一日，我們合共有132(二零一八年：193)名全職僱員。僱員薪酬組合包括基本薪金、津貼及花紅。各種津貼包括假期、社會保險及住房供款。我們為僱員向所有法定社會保險及住房公積金供款。

稅務寬減及豁免

本公司概不知悉任何因股東持有本公司上市證券而向彼等提供之稅務寬減。

REPORT OF THE DIRECTORS

董事會報告書

COMPLIANCE WITH LAWS AND REGULATIONS

The Directors believe that the Group has implemented sufficiently robust internal control policies and procedures to ensure the on-going compliance with applicable laws and regulations by the Group, the Directors and the senior management. During the year ended 31 December 2019 and up to date of this report, as far as the Company is aware, the Group has complied in material aspects with applicable laws and regulations.

ENVIRONMENTAL POLICY

The Group pursues best practices for the environment and focuses on the impact of the Group's business on the environment and natural resources. In addition to complying with environmental laws and international standards and appropriate protection of the natural environment, the Group also integrates the concept of environmental protection into its internal management and daily operation activities to achieve the goal of environmental sustainability.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the law of Bermuda, being the jurisdiction in which the Company is incorporated.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float of at least 25% of the Company's total issued share capital pursuant to the GEM Listing Rules as at the date of this report.

遵守法律及法規

董事認為，本集團已實施充分穩健的內部控制政策及程序，以確保本集團、董事及高級管理層持續遵守適用法律及法規。於截至二零一九年十二月三十一日止年度及截至本報告日期，據本公司所知，本集團已在重大方面遵守適用法律及法規。

環境政策

本集團追求與環境的最佳實務，著重集團業務對環境及天然資源的影響。除了遵循環境相關法規及國際準則，適切地保護自然環境外，集團亦將環境保護的概念融入內部管理及日常營運活動當中，致力達成環境永續之目標。

優先購買權

本公司細則或百慕達（即本公司註冊成立的司法權區）法例均無有關優先購買權的條文。

足夠公眾持股量

根據本公司可公開獲得的資料及就董事所悉，於本報告日期，根據GEM上市規則本公司已維持本公司已發行股本總額至少25%的規定的公眾持股量。

CONTINUING CONNECTED TRANSACTIONS

No transactions as set out in the “Related party transactions and balances” in note 32 to the consolidated financial statements are subject to the reporting, annual review, announcement and/or independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Octal Capital Limited (“Octal Capital”) to be the compliance adviser. As informed by Octal Capital, neither Octal Capital nor any of its directors or employees or associates, has or may have, any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules, except for the compliance adviser agreement and the supplemental compliance adviser entered into between the Company and Octal Capital dated 30 August 2016 and 28 June 2017 respectively.

CLOSURE OF REGISTER OF MEMBERS

The Company would publish an announcement to inform Shareholders and potential investors about the respective closure periods of the register of members for the eligibility to attend the forthcoming annual general meeting of the Company and to receive the final dividend.

持續關連交易

綜合財務報表附註32「關連方交易及結餘」所載之交易毋須按照GEM上市規則第20章受報告、年度審閱、公告及／或獨立股東批准之限制。

合規顧問權益

根據GEM上市規則第6A.19條，本公司已委任八方金融有限公司（「八方金融」）為合規顧問。據八方金融表示，除本公司與八方金融訂立的日期分別為二零一六年八月三十日訂立的合規顧問協議及二零一七年六月二十八日的補充合規顧問協議外，八方金融及其任何董事或僱員或聯繫人概無於本公司或本集團任何成員公司的股本中擁有或可能擁有根據GEM上市規則第6A.32條須知會本公司的任何權益（包括購股權或可認購有關證券的權利）。

暫停辦理股份過戶登記

本公司將刊發公告，以告知股東及潛在投資者有關暫停辦理股份過戶登記的時間，分別為符合資格出席本公司應屆股東週年大會及收取末期股息。

REPORT OF THE DIRECTORS

董事會報告書

AUDITOR

The financial statements of the Company for the year ended 31 December 2019 were audited by Ernst & Young which will retire at the forthcoming annual general meeting. A resolution for the re-appointment of Ernst & Young as auditor of the Company will be proposed at the forthcoming annual general meeting. The Company have not changed in its external auditor in any of the preceding three years.

EVENTS AFTER THE REPORTING PERIOD

As disclosed under the section “The Coronavirus disease 2019 outbreak” above, the impact of COVID-19 epidemic on our operation and financial performance was limited though, the crisis has not ended and its full effects are still uncertain. Our Directors will closely monitor the development of the situation, address the impact on our business, and react proactively.

Save as mentioned above, the Board is not aware of any significant events affecting the Group, which have occurred subsequent to 31 December 2019 and up to the date of this announcement.

By order of the Board

Liu Hongwei

Chairman

Hong Kong, 30 March 2020

核數師

本公司截至二零一九年十二月三十一日止年度之財務報表已經安永會計師事務所審核，安永會計師事務所將於應屆股東週年大會上退任。本公司於應屆股東週年大會上將提呈一項決議案續聘安永會計師事務所為本公司核數師。本公司於前三年概無變更其外部核數師。

報告期後事項

誠如上文「二零一九年新型冠狀病毒爆發」一節所披露，儘管COVID-19疫情對我們的營運及財務表現影響有限，但危機尚未結束，其全面影響仍不確定。董事將密切監控事態發展、應對其對我們業務的影響，並作出積極反應。

除上文所披露者外，董事會並不知悉於二零一九年十二月三十一日後及直至本公告日期發生任何對本集團造成影響的重要事項。

承董事會命

主席

劉紅維先生

香港，二零二零年三月三十日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the shareholders of China Singyes New Materials Holdings Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Singyes New Materials Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 71 to 199, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKASs”) issued by the Hong Kong Institute of Certified Public Accountants (“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.



致中國興業新材料控股有限公司全體股東
(於百慕達註冊成立的有限公司)

意見

我們已審核中國興業新材料控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於71至199頁的財務報表，當中包括於二零一九年十二月三十一日的綜合財務狀況表，及截至該日止年度的綜合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包括主要會計政策概要的綜合財務報表附註。

我們認為，綜合財務報表已按照由國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實及公平地反映 貴集團於二零一九年十二月三十一日的財務狀況，及其截至該日止年度的綜合財務表現及綜合現金流量狀況，並按照香港公司條例的披露規定妥善編製。

意見基礎

我們已根據香港會計師公會(「香港會計師公會」)所頒佈的香港核數準則(「香港核數準則」)的規定進行審核。我們在該等標準下的責任已於報告內「核數師就審核綜合財務報表承擔的責任」一節詳述。根據香港會計師公會的《專業會計師道德守則》(「守則」)，我們獨立於 貴集團，已根據守則履行其他道德責任。我們相信，我們所獲得的審核憑證可充足及適當地為我們的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

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

關鍵審核事項

關鍵審核事項是我們根據專業判斷所決定，在當前時期綜合財務報表審核中最重要的事宜。我們在綜合財務報表審核過程中將該等事宜作為一個整體來對待，並由此形成我們的意見。我們並不對該等事宜各自作出意見。以下我們將分別闡述我們是如何對下述各項事宜進行審核。我們對下述每一事項在審計中是如何處理的描述亦以此為背景。

我們已履行本報告「核數師就審核綜合財務報表承擔的責任」一節所述的責任，包括有關該等事項的責任。因此，我們的審核包括執行為應對綜合財務報表重大錯誤陳述風險的評估而設的程序。我們審核程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表的審核意見提供基礎。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 我們之審計如何處理關鍵審計事項
<p><i>Impairment assessment of trade receivables</i> 貿易應收款項減值評估</p>	<p>Our audit procedures included the following: 我們的審核程序包括以下：</p> <ul style="list-style-type: none"> evaluated and tested the design and operating effectiveness of the controls over the accounting process of allowance for impairment and evaluated management's assumptions and judgement by comparing to the historical collection trends; 通過與歷史收集趨勢相比較，評估和檢驗減值撥備會計程序之控制措施在設定及操作上的有效性，並評估管理層的假設及判斷； checked the accuracy of preparation of the ageing analysis of trade receivables by customer by tracing the data back to the source documents; 通過將數據追溯至源文件，檢查客戶編製應收款項賬齡分析的準確性；

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 我們之審計如何處理關鍵審計事項
<p><i>Impairment assessment of trade receivables</i> 貿易應收款項減值評估</p> <p>As at 31 December 2019, the net carrying amount of the Group's trade receivables amounted to RMB129,034,000 (after netting off an impairment provision of RMB13,936,000), which was material to the Group's consolidated financial statements. The impairment of trade receivables was assessed based on the expected credit loss model. The assessment of expected credit losses of trade receivables was performed at 31 December 2019 using simplified approach which involved significant management judgement and estimation including their assessment of customers' current financial positions and forward-looking information. The assessment was highly judgmental.</p> <p>於二零一九年十二月三十一日，貴集團貿易應收款項的賬面淨值為人民幣129,034,000元(扣除減值撥備人民幣13,936,000元後)，對貴集團的綜合財務報表屬重大。貴集團已根據預期信用損失模式對貿易應收款項進行減值評估。於二零一九年十二月三十一日，已使用簡化方法對貿易應收款項之預期信用損失進行評估，當中涉及管理層之重大判斷及估計，包括彼等對客戶之現時財務狀況及前瞻性資料的評估。該評估涉及高度判斷。</p> <p>The disclosures about the impairment assessment of trade receivables are included in notes 3 and 18 to the consolidated financial statements.</p> <p>有關貿易應收款項減值評估的披露資料載於綜合財務報表附註3及18。</p>	<ul style="list-style-type: none"> checked on a sampling basis, the debtors' historical payment patterns and the bank receipts for the payments received subsequent to the year end; 抽樣檢查債務人的歷史支付模式以及本年末以後收到的付款的銀行收據； checked on a sampling basis, the evidence including correspondence with the debtors for the latest progress of the outstanding amounts and credit status of these debtors by performing company search; 抽樣核查相關憑證，包括債務人的函件，了解未償還金額的最新進度以及通過執行公司搜索了解該等債務人的信用狀況； assessed the expected credit loss provisioning methodology, examining the key data inputs on a sampling basis and reviewing the key assumptions used to determine the expected credit losses, including both historical and forward-looking information and 評估預期信用損失撥備方法，按抽樣基準檢查關鍵數據輸入資料，並審閱用於釐定預期信用損失之關鍵假設，包括過往及前瞻性資料及 assessed the disclosures regarding the Group's exposure to credit risk in the consolidated financial statements. 評估綜合財務報表中貴集團所面臨的信貸風險的披露。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 我們之審計如何處理關鍵審計事項
<p><i>Impairment of goodwill</i> 商譽減值</p> <p>As at 31 December 2019, the Group recorded an amount of goodwill of RMB6,448,000. Management has performed an annual impairment test on the recoverability of goodwill as required by IAS 36. No impairment charge has been recorded against goodwill in the current year. Certain assumptions used in the impairment review were subjective and involved significant judgements and estimates, and they included:</p> <p>於二零一九年十二月三十一日，貴集團錄得商譽人民幣6,448,000元。管理層已按國際會計準則第36號之規定對商譽之可收回性進行年度減值測試。本年度並無錄得商譽的減值開支。減值審查採用之若干假設乃主觀且涉及重大判斷及估計，而當中包括：</p> <ul style="list-style-type: none"> the future cash flow growth assumptions used in the Group's most recent budgets for the next five years, including future budgeted revenue and profit margin; 於貴集團最近期未來五年預算中採用的未來現金流量增長假設，包括未來預算收益及利潤率； the growth rate used beyond the period covered by the budgets; and 預算所涵蓋期間後所使用的增長率；及 the discount rate applied to future cash flows. 應用至未來現金流量的貼現率。 <p>The accounting estimates and disclosures related to the impairment assessment of goodwill are included in note 3 and note 16 to the financial statements. 有關商譽減值評估之會計估計及披露載於財務報表附註3及16內。</p>	<p>In order to evaluate the impairment test carried out by management and assess the value-in-use of the cash-generating unit, we performed the following procedures: 為評估管理層所作的減值測試及評估現金產生單位的使用價值，我們已執行以下程序：</p> <ul style="list-style-type: none"> Evaluated management's future cash flow forecasts and the process by which they were drawn up; 評價管理層的未來現金流量預測及該等預測的制訂過程； Analysed the key assumptions adopted by management, such as the growth rate of revenue and the budgeted gross margins during the forecast periods by checking to the historical trend; 通過檢查過往趨勢，分析管理層採用之關鍵假設，如預測期間內收益的增長率及預算毛利率； Performed sensitivity analyses on the forecasts; 對預測執行敏感度分析； Involved our internal valuation specialists to assist us in evaluating the methodologies and key valuation parameters used by the Group and the discount rate used by comparing to the industry index; and 與行業指數比較，邀請我們的內部估值專家協助我們評價貴集團所使用的方法及關鍵估值參數以及採用的貼現率；及 Evaluated the adequacy of the Group's disclosures regarding goodwill impairment testing. 評價貴集團對於商譽減值測試的披露是否恰當。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料(綜合財務報表及我們就此發出的核數師報告除外)。貴公司的年報預計將於本核數師報告日期後向我們提供。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不會就其發表任何形式的鑒證結論。

結合我們對財務報表的審計，我們的責任為閱讀其他資料，在此過程中，考慮其他資料是否與財務報表或我們於審計過程中所瞭解的情況存在重大抵觸，或者似乎存在重大錯誤陳述的情況。當我們閱讀年報時，倘我們認為年報存在重大錯誤陳述，則我們須就該事宜與審核委員會進行溝通。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則和香港公司條例的披露規定，編製真實公平的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda of Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表承擔的責任

我們的目標為合理確定整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有我們意見的核數師報告。根據百慕達一九八一年公司法第90節，我們的報告僅向閣下(作為整體)作出，且別無其他目的。我們概不就本報告的內容對其他任何人士負責或承擔責任。

合理確定屬高層次核證，但不能擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果按合理預期該等錯誤陳述個別或匯總起來可能影響該等綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

我們根據香港審計準則進行審計的工作之一，是運用專業判斷，在整個審計過程中保持職業懷疑態度。我們亦：

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘我們總結認為存在重大不確定因素，我們需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂我們的意見。我們之結論乃根據截至核數師報告日期獲得之審計憑證而作出。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表(包括披露資料)的整體列報方式、結構及內容，以及綜合財務報表是否公允反映有關交易和事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。我們須負責指導、監督及執行集團的審核工作。我們僅對我們之審核意見承擔責任。

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

我們就(其中包括)審核的計劃範圍及時間安排以及重大審核發現(包括我們在審核期間發現的內部控制的任何重大缺陷)與審核委員會溝通。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

The engagement partner on the audit resulting in this independent auditor's report is Siu Fung Terence Ho.

Ernst & Young

Certified Public Accountants

Hong Kong

30 March 2020

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關職業道德要求，並與彼等溝通所有可能合理地被認為會影響我們獨立性的關係及其他事項，以及相關防範措施(倘適用)。

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

出具本獨立核數師報告的審計項目合夥人是何兆烽。

安永會計師事務所

執業會計師

香港

二零二零年三月三十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		Notes	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
REVENUE	收入	4	148,034	129,292
Cost of sales	銷售成本		(89,052)	(70,089)
Gross profit	毛利		58,982	59,203
Other income and gains	其他收入及收益	5	5,897	2,326
Selling and distribution expenses	銷售及分銷開支		(9,587)	(9,695)
Administrative expenses	行政開支		(22,686)	(20,740)
Impairment loss on trade receivables	貿易應收款項減值虧損	6	(7,779)	(5,242)
Interest expense	利息支出	6	(482)	-
Other expenses	其他開支		(3,227)	(3,147)
PROFIT BEFORE TAX	除稅前溢利	6	21,118	22,705
Income tax expense	所得稅開支	9	(2,605)	(2,877)
PROFIT FOR THE YEAR	年度溢利		18,513	19,828
OTHER COMPREHENSIVE INCOME:	其他全面收益:			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	將不會於後續期間重新分類至損益之其他全面收益:			
Exchange differences on translation of financial statements	換算財務報表之匯兌差額		1,315	3,274
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度全面收益總額		19,828	23,102

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit attributable to:	以下人士應佔溢利：			
Owners of the Company	本公司擁有人		18,221	19,788
Non-controlling interests	非控股權益		292	40
			18,513	19,828
Total comprehensive income attributable to:	以下人士應佔全面收益總額：			
Owners of the Company	本公司擁有人		19,536	23,062
Non-controlling interests	非控股權益		292	40
			19,828	23,102
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通股權益持有人 應佔每股盈利			
Basic and diluted	基本及攤薄	11	RMB0.035 人民幣0.035元	RMB0.041 人民幣0.041元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2019 二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、廠房及設備	12	67,183	49,746
Equity investments designated at fair value through other comprehensive income	指定按公平值計入其他全面收益之權益投資	13	5,000	–
Prepayments in advance	預付款項	19	15,116	–
Deferred tax assets	遞延稅項資產	14	3,195	1,557
Right-of-use assets	使用權資產	15	8,058	–
Goodwill	商譽	16	6,448	6,448
Total non-current assets	非流動資產總額		105,000	57,751
CURRENT ASSETS				
流動資產				
Inventories	存貨	17	19,231	15,377
Trade and bills receivables	應收貿易款項及應收票據	18	131,652	142,970
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	19	18,747	10,818
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	20	5,000	–
Pledged bank balances	已抵押銀行結餘	21	12,538	20
Cash and cash equivalents	現金及現金等價物	21	26,932	68,279
Total current assets	流動資產總額		214,100	237,464
CURRENT LIABILITIES				
流動負債				
Trade payables	貿易應付款項	22	19,186	19,192
Other payables and accruals	其他應付款項及應計費用	23	29,791	36,155
Lease liabilities	租賃負債	15	1,738	–
Tax payable	應付稅項		4,346	2,715
Provision for product warranties	產品質保撥備	24	583	591
Total current liabilities	流動負債總額		55,644	58,653
NET CURRENT ASSETS	流動資產淨值		158,456	178,811

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2019 二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		263,456	236,562
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liability	遞延稅項負債	14	–	820
Lease liabilities	租賃負債	15	6,656	–
Deferred income	遞延收入	25	6,869	1,599
Total non-current liabilities	非流動負債總額		13,525	2,419
Net assets	淨資產		249,931	234,143
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Issued capital	已發行股本	26	35,415	35,415
Reserves	儲備	28	209,049	193,553
Non-controlling interests	非控股權益		244,464 5,467	228,968 5,175
Total equity	總權益		249,931	234,143

Mr. Sun Jinli
孫金禮先生
Director
董事

Mr. Zhang Chao
張超先生
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔										
		Issued capital	Share premium account	Contributed surplus	Statutory reserve fund	Share option reserve	Capital reserves	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
		已發行股本	股份溢價賬	繳入盈餘	法定儲備金	購股權儲備	資本儲備	匯兌波動儲備	保留盈利	總計	非控股權益	權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(note 26) (附註26)			(note 28(a)) (附註28(a))	(note 28(b)) (附註28(b))	(note 28(c)) (附註28(c))					
At 1 January 2018	於二零一八年一月一日	32,655	76,175	(5,161)	6,191	-	55,567	(2,448)	21,913	184,892	-	184,892
Profit for the year	本年度溢利	-	-	-	-	-	-	-	19,788	19,788	40	19,828
Other comprehensive income for the year:	年內其他全面收益：											
Exchange differences on translation of financial statements	換算財務報表之匯兌差額	-	-	-	-	-	-	3,274	-	3,274	-	3,274
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	3,274	19,788	23,062	40	23,102
Acquisition of subsidiaries	收購附屬公司	2,760	19,088	-	-	-	-	-	-	21,848	5,135	26,983
Share issue expense	股份發行開支	-	(100)	-	-	-	-	-	-	(100)	-	(100)
Transfer to contributed surplus	轉撥至繳入盈餘	-	(10,000)	10,000	-	-	-	-	-	-	-	-
Transfer from retained profits	轉撥自保留溢利	-	-	-	3,188	-	-	-	(3,188)	-	-	-
Equity-settled share option arrangements (note 27)	以權益結算之購股權安排(附註27)	-	-	-	-	2,384	-	-	-	2,384	-	2,384
Final 2017 dividend declared	派發二零一七年末期股息	-	-	(3,118)	-	-	-	-	-	(3,118)	-	(3,118)
At 31 December 2018	於二零一八年十二月三十一日	35,415	85,163	1,721	9,379	2,384	55,567	826	38,513	228,968	5,175	234,143
At 1 January 2019	於二零一九年一月一日	35,415	85,163*	1,721*	9,379*	2,384*	55,567*	826*	38,513*	228,968	5,175	234,143
Profit for the year	本年度溢利	-	-	-	-	-	-	-	18,221	18,221	292	18,513
Other comprehensive income for the year:	年內其他全面收益：											
Exchange differences on translation of financial statements	換算財務報表之匯兌差額	-	-	-	-	-	-	1,315	-	1,315	-	1,315
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	1,315	18,221	19,536	292	19,828
Transfer to contributed surplus**	轉撥至繳入盈餘**	-	(10,000)	10,000	-	-	-	-	-	-	-	-
Transfer from retained profits	轉撥自保留溢利	-	-	-	3,002	-	-	-	(3,002)	-	-	-
Equity-settled share option arrangements (note 27)	以權益結算之購股權安排(附註27)	-	-	-	-	1,340	-	-	-	1,340	-	1,340
Final 2018 dividend declared	派發二零一八年末期股息	-	-	(5,380)	-	-	-	-	-	(5,380)	-	(5,380)
At 31 December 2019	於二零一九年十二月三十一日	35,415	75,163*	6,341*	12,381*	3,724*	55,567*	2,141*	53,732*	244,464	5,467	249,931

* These reserve accounts comprise the consolidated reserves of RMB209,049,000 (2018: RMB193,553,000) in the consolidated statement of financial position.

** Pursuant to a resolution passed at the general meeting held on 9 May 2019, an amount of RMB10,000,000 was transferred from the share premium account to the contributed surplus. Under the Companies Act 1981 of Bermuda, a company may make distributions to its shareholders out of the contributed surplus under certain circumstances.

* 該等儲備賬目包含綜合財務狀況表內之綜合儲備人民幣209,049,000元(二零一八年：人民幣193,553,000元)。

** 根據於二零一九年五月九日舉行之股東大會上通過之決議案，人民幣10,000,000元之款項已由股份溢價賬轉撥至繳入盈餘。根據一九八一年百慕達公司法，一家公司可於若干情況下自繳入盈餘向其股東作出分派。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量			
Profit before tax	除稅前溢利		21,118	22,705
Adjustments for:	調整如下：			
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12	8,569	6,095
Depreciation of right-of-use assets	使用權資產折舊	15	2,194	–
Impairment loss recognised on trade receivables	貿易應收款項中確認之減值虧損	18	7,779	5,242
Unrealised foreign exchange losses, net	未變現匯兌虧損，淨額		1,187	3,295
Equity-settled share option expense	以權益結算之購股權開支	27	1,340	2,384
Write-off/(gain on disposal) of items of property, plant and equipment	物業、廠房及設備項目撇銷/(出售收益)	6	1,757	(41)
Bank interest income	銀行利息收入	5	(122)	(89)
Interest expense	利息支出	6	482	–
Deferred income released to profit or loss	撥至損益的遞延收益	5	(3,255)	(91)
			41,049	39,500
Decrease/(increase) in inventories	存貨減少/(增加)		(3,854)	2,555
Decrease/(increase) in trade and bills receivables	貿易應收款項及應收票據減少/(增加)		3,539	(34,599)
Decrease/(increase) in prepayments, deposits and other receivables	預付款、按金及其他應收款項減少/(增加)		(9,896)	526
Decrease in trade payables	貿易應付款項減少		(6)	(17,806)
Increase/(decrease) in other payables and accruals	其他應付款項及應計費用增加/(減少)		(2,809)	565
Receipt of government grants related to expense items	收取開支項目相關之政府補助		7,200	–
Decrease in provision for product warranties, net	產品質保撥備減少淨額		(8)	(721)
Increase in amounts due from related parties	應收關連方款項增加		(301)	–
Decrease in amounts due to related parties	應付關連方款項減少		–	(1,050)
Cash used in operations	經營業務所用現金		34,914	(11,030)
Income tax paid	已付所得稅		(3,432)	(3,664)
Net cash flows from/(used in) operating activities	經營活動所得/(所用)現金流量淨額		31,482	(14,694)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動所得現金流量			
Purchases of items of property, plant and equipment 購買物業、廠房及設備項目		(46,295)	(5,544)
Decrease in amounts due from related parties 應收關連方款項減少		2,268	13
Decrease/(increase) in pledged deposits 已抵押存款減少/(增加)		(12,518)	1,934
Proceeds from disposal of items of property, plant and equipment 出售物業、廠房及設備項目之所得款項		-	259
Receipt of government grants related to assets 收取資產相關之政府補助	25	1,325	969
Increase in financial assets at fair value through profit or loss 按公平值計入損益之金融資產增加	20	(5,000)	-
Purchases of equity investments designated at fair value through other comprehensive income 購買指定按公平值計入其他全面收益之權益投資	13	(5,000)	-
Acquisition of subsidiaries 收購附屬公司		-	2,361
Interest received 已收利息		122	89
Net cash flows from/(used in) investing activities 投資活動所得/(所用)現金流量淨額		(65,098)	81
CASH FLOWS FROM FINANCING ACTIVITIES 融資活動所得現金流量			
Share issue expenses 股份發行開支		-	(100)
Principal portion of lease payments 租賃付款的本金部分		(1,835)	-
Interest portion of lease liabilities 租賃負債的利息部分		(482)	-
Dividends paid 已付股息		(5,380)	(3,018)
Increase/(decrease) in amounts due to related parties 應付關連方款項增加/(減少)		(74)	440
Net cash flows used in financing activities 融資活動所用現金流量淨額		(7,771)	(2,678)
NET DECREASE IN CASH AND CASH EQUIVALENTS 現金及現金等價物減少淨額			
Cash and cash equivalents at beginning of year 年初現金及現金等價物		68,279	85,538
Effect of foreign exchange rate changes, net 外匯匯率變動影響淨額		40	32
CASH AND CASH EQUIVALENTS AT END OF YEAR 年末現金及現金等價物		26,932	68,279
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS 現金及現金等價物結餘分析			
Cash and bank balances (note 21) 現金及銀行結餘 (附註21)		26,932	68,279

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

China Singyes New Materials Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Center, 168–200 Connaught Road Central, Hong Kong.

The Company is an investment holding company. During the year, the Company’s subsidiaries were involved in the sale and installation of Indium Tin Oxide (“ITO”) film, and the research and development, production, sale and installation of Smart Light-adjusting Film, Smart Light-adjusting Glass and Smart Light-adjusting Projection System in Mainland China of the People’s Republic of China (the “PRC”).

In the opinion of the directors of the Company (the “Directors”), the parent company and the intermediate holding company are Top Access Management Limited (“Top Access”) and China Singyes Solar Technologies Holdings Limited (“Singyes Solar”). On 28 November 2019, the ultimate holding company was changed from Strong Eagle Holdings Limited (“Strong Eagle”) to Shuifa Group Co., Ltd. which is established in the PRC. Top Access was incorporated in the British Virgin Islands. Singyes Solar was incorporated in Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

1. 公司及集團資料

中國興業新材料控股有限公司(「本公司」)為於百慕達註冊成立的有限公司。本公司的註冊辦事處地址為 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司主要營業地點位於香港干諾道中 168–200 號信德中心招商局大廈 31 樓 3108 室。

本公司為一間投資控股公司。年內，本公司之附屬公司於中華人民共和國(「中國」)大陸從事銦錫氧化物(ITO)導電膜的銷售及安裝，以及智能調光膜、智能調光玻璃及智能調光投影系統的研發、生產、銷售及安裝。

本公司董事(「董事」)認為，本公司的母公司及中間控股公司為 Top Access Management Limited (「Top Access」) 及中國興業太陽能技術控股有限公司(「興業太陽能」)。於二零一九年十一月二十八日，最終控股公司由 Strong Eagle Holdings Limited (「Strong Eagle」) 改為水發集團有限公司(其於中國成立)。Top Access 於英屬處女群島註冊成立。興業太陽能於百慕達註冊成立，其股份於香港聯合交易所有限公司(「聯交所」)主板上市。

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name 名稱	Place and date of incorporation/ registration and place of operations 註冊成立／登記地點及日期及營業地點	Issued ordinary/ registered share capital 已發行普通／註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 本公司應佔權益百分比 直接	Indirect 間接	
Singyes New Materials (H.K.) Company Limited ("New Materials (H.K.)") 香港興業新材料有限公司(「香港興業」)	Hong Kong 28 November 2014 香港二零一四年十一月二十八日	USD1 1美元	100	-	Investment holding 投資控股
Huabei Limited ("Huabei") 香港華貝有限公司(「華貝」)	Hong Kong 23 March 2018 香港二零一八年三月二十三日	HKD10,000 10,000港元	100	-	Investment holding 投資控股
Zuhai Singyes New Materials Company Limited ^(a) ("Zuhai New Materials") 珠海興業新材料科技有限公司 (「珠海新材料」) ^(a)	The PRC/ Mainland China 31 March 2010 中國／中國大陸 二零一零年三月三十一日	RMB62.5 million 人民幣62.5百萬元	-	100	Research, manufacture, sale and installation of photovoltaic products 研究、製造、銷售及安裝光伏產品
Yan'an Singyes New Materials Company Limited ^(b) ("Yan'an New Materials") 延安興業新材料科技有限公司 ^(b) (「延安新材料」)	The PRC/ Mainland China 1 December 2017 中國／中國大陸 二零一七年十二月一日	RMB20 million 人民幣20百萬元	-	75	Research, manufacture, sale and installation of new materials 研究、製造、銷售及安裝新材料
Shenzhen Kangsheng Photoelectric Technology Company Limited ^(b) ("Shenzhen Kangsheng") 深圳市康盛光電科技有限公司 ^(b) (「深圳康盛」)	The PRC/ Mainland China 11 March 2011 中國／中國大陸 二零一一年三月十一日	RMB16 million 人民幣16百萬元	-	75	Research, manufacture and sale of photovoltaic products 研究、製造及銷售光伏產品

Notes:

- (a) Zuhai New Materials registered as a wholly-foreign-owned enterprise under the PRC law.
- (b) Yan'an New Materials and Shenzhen Kangsheng were registered as Sino-foreign equity joint venture enterprises under the PRC law.

1. 公司及集團資料(續)

有關附屬公司之資料

本公司附屬公司之詳情如下：

Name 名稱	Place and date of incorporation/ registration and place of operations 註冊成立／登記地點及日期及營業地點	Issued ordinary/ registered share capital 已發行普通／註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 本公司應佔權益百分比 直接	Indirect 間接	
Singyes New Materials (H.K.) Company Limited ("New Materials (H.K.)") 香港興業新材料有限公司(「香港興業」)	Hong Kong 28 November 2014 香港二零一四年十一月二十八日	USD1 1美元	100	-	Investment holding 投資控股
Huabei Limited ("Huabei") 香港華貝有限公司(「華貝」)	Hong Kong 23 March 2018 香港二零一八年三月二十三日	HKD10,000 10,000港元	100	-	Investment holding 投資控股
Zuhai Singyes New Materials Company Limited ^(a) ("Zuhai New Materials") 珠海興業新材料科技有限公司 (「珠海新材料」) ^(a)	The PRC/ Mainland China 31 March 2010 中國／中國大陸 二零一零年三月三十一日	RMB62.5 million 人民幣62.5百萬元	-	100	Research, manufacture, sale and installation of photovoltaic products 研究、製造、銷售及安裝光伏產品
Yan'an Singyes New Materials Company Limited ^(b) ("Yan'an New Materials") 延安興業新材料科技有限公司 ^(b) (「延安新材料」)	The PRC/ Mainland China 1 December 2017 中國／中國大陸 二零一七年十二月一日	RMB20 million 人民幣20百萬元	-	75	Research, manufacture, sale and installation of new materials 研究、製造、銷售及安裝新材料
Shenzhen Kangsheng Photoelectric Technology Company Limited ^(b) ("Shenzhen Kangsheng") 深圳市康盛光電科技有限公司 ^(b) (「深圳康盛」)	The PRC/ Mainland China 11 March 2011 中國／中國大陸 二零一一年三月十一日	RMB16 million 人民幣16百萬元	-	75	Research, manufacture and sale of photovoltaic products 研究、製造及銷售光伏產品

附註：

- (a) 珠海新材料根據中國法律註冊為外商獨資企業。
- (b) 延安新材料及深圳康盛根據中國法律註冊為中外合資企業。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019 二零一九年十二月三十一日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for structured deposits, bills receivable and equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2019. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and

2.1 呈列基準

本財務報表根據國際財務報告準則（「國際財務報告準則」）編製，其包括國際會計準則理事會（「國際會計準則理事會」）批准的準則及詮釋、國際會計準則（「國際會計準則」）與國際會計準則委員會批准且仍然有效的常設詮釋委員會之詮釋，以及香港公司條例之披露規定。除結構性存款、應收票據及權益投資按公平值計量外，該等報表根據歷史成本慣例編製。除另有指明外，該等報表以人民幣（「人民幣」）呈列且所有數值已四捨五入至最近之千位。

綜合基準

綜合財務報表包括截至二零一九年十二月三十一日止年度的本公司及其附屬公司（統稱為「本集團」）的財務報表。附屬公司為由本公司直接或間接控制的實體。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象的權力（如本集團獲賦予現有能以主導投資對象相關活動的既存權利）影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are 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. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investments retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 呈列基準(續)

綜合基準(續)

- (c) 本集團的投票權及潛在投票權。

附屬公司與本公司的財務報表的報告期間相同，並採用一致會計政策編製。附屬公司業績自本集團獲得對其的控制權之日起合併，並繼續保持合併至該控制權終止之日。

損益及其他綜合收益的每一成分均歸屬於本公司之所有者及非控股權益，即使這將導致非控股權益產生赤字差額。所有與本集團成員間交易相關的集團內資產及負債、權益、收入、開支及現金流量在合併時均全部沖銷。

如果事實及情況表明上述三項控制權因素中的一項或多項發生變動，則本集團會重新評估其是否仍然控制著投資對象。一間附屬公司的擁有權權益發生變動(並未失去控制權)，則按權益交易入賬。

倘本集團失去對一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控制權益的賬面值及(iii)於權益內記錄的累計交易差額；及確認(i)所收代價的公平值、(ii)所保留任何投資的公平值及(iii)損益賬中任何因此產生的盈餘或虧損。先前於其他綜合收益確認的集團應佔成分，按照本集團直接處置相關資產或負債所需的相同基準，重新分類至損益或保留溢利(如適用)。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
IFRS 16	<i>Leases</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements 2015–2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

2.2 會計政策及披露變動

本集團於本年度財務報表中首次採用以下新訂及經修訂的國際財務報告準則。

國際財務報告準則第9號 (修訂本)	帶負補償的預付款特徵
國際財務報告準則第16號	租賃
國際會計準則第19號 (修訂本)	計劃修訂、削減或結算
國際會計準則第28號 (修訂本)	聯營或合營企業的長期權益
國際財務報告詮釋委員會詮釋第23號	所得稅處理的不確定性
二零一五年至二零一七年週期年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號 (修訂本)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Except for the adoption of IFRS 16, the adoption of the above new standard, new interpretation and amendments to IFRSs has had no significant financial effect on the financial position or performance of the Group. The nature and impact of IFRS 16 are described below:

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. For the adoption of IFRS 16, the Group has not restated comparative information and has not recognised any transition adjustments against the opening balance of equity at 1 January 2019. The comparative information for 2018 was not restated and continued to be reported under IAS 17 and related interpretations.

2.2 會計政策及披露變動(續)

除採用國際財務報告準則第16號外，採用上述新準則、新詮釋及該等國際財務報告準則修訂本並無對本集團的財務狀況或表現構成重大財務影響。國際財務報告準則第16號的性質及影響載列於下文：

國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會第4號釐定安排是否包含租賃、常設詮釋委員會—第15號經營租賃—優惠及常設詮釋委員會—第27號評估牽涉租賃的法律形式的交易的內容。該準則載列有關租賃的確認、計量、呈列及披露原則，並要求承租人將所有租賃列示於單一資產負債表模型內以確認及計量使用權資產及租賃負債，惟若干確認豁免除外。國際財務報告準則第16號項下的出租人會計與國際會計準則第17號相比並無大幅改變。出租人將繼續使用國際會計準則第17號中的類似原則將租賃分類為經營租賃或融資租賃。因此，國際財務報告準則第16號對本集團為出租人的租賃並無財務影響。

本集團使用經修改追溯採納法採納國際財務報告準則第16號，初始應用日期為二零一九年一月一日。就採納國際財務報告準則第16號而言，本集團並無重列比較資料，且並無就於二零一九年一月一日的權益期初結餘確認任何過渡調整。本集團並無重列二零一八年度的比較資料，並繼續根據國際會計準則第17號及相關詮釋進行報告。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

New definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of plant and office premises. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease by lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

2.2 會計政策及披露變動(續)

新租賃定義

根據國際財務報告準則第16號，倘合約為換取代價而授予在一段期間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。當客戶有權從使用可識別資產獲得絕大部分經濟利益以及有權主導可識別資產的使用時，即擁有控制權。本集團選擇使用過渡性的可行權宜方法，僅在初步應用日期對先前應用國際會計準則第17號及國際財務報告詮釋委員會第4號確定為租賃的合約應用該準則。根據國際會計準則第17號及國際財務報告詮釋委員會第4號未確定為租賃的合約不會進行重新評估。因此，國際財務報告準則第16號項下的租賃定義僅適用於在二零一九年一月一日或之後訂立或變更的合約。

作為承租人—先前分類為經營租賃的租賃

採納國際財務報告準則第16號的影響性質

本集團就廠房及辦公室物業的多個項目訂立租賃合約。作為承租人，本集團先前根據對租賃是否將資產所有權的絕大部分回報及風險轉移至本集團的評估，將租賃分類為融資租賃或經營租賃。根據國際財務報告準則第16號，本集團採用單一方法確認及計量所有租賃的使用權資產及租賃負債，惟低價值資產租賃(按個別租賃基準選擇)及租期為12個月或以下的租賃(「短期租賃」)(按相關資產類別選擇)的兩項選擇性豁免除外。本集團並無就自二零一九年一月一日開始的租期按直線法於經營租賃下確認租金開支，而是就未償還租賃負債確認使用權資產折舊(及減值，如有)及應計利息(作為財務成本)。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

As a lessee – Leases previously classified as operating leases (Continued)

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. The Group elected to present the lease liabilities separately in the consolidated statement of financial position. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the consolidated statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the consolidated statement of financial position.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics

2.2 會計政策及披露變動(續)

作為承租人—先前分類為經營租賃的租賃(續)

過渡的影響

於二零一九年一月一日的租賃負債按剩餘租賃款項的現值，經使用二零一九年一月一日的增量借款利率貼現後予以確認。本集團選擇於綜合財務狀況表中單獨呈列租賃負債。使用權資產按就緊接二零一九年一月一日前綜合財務狀況表內已確認租賃相關的任何預付或應計租賃款項金額作出調整後的租賃負債金額計量。

所有該等資產均於該日根據香港會計準則第36號進行減值評估。本集團選擇於綜合財務狀況表中單獨呈列使用權資產。

於二零一九年一月一日應用國際財務報告準則第16號時，本集團使用以下選擇性可行權宜方法：

- 對租期於初步應用日期起計十二個月內結束的租賃應用短期租賃豁免
- 對具有合理的類似特質的租賃組合採用單一貼現率

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Financial impact at 1 January 2019

The impact arising from the adoption of IFRS 16 at 1 January 2019 was as follows:

		Increase 增加 RMB'000 人民幣千元
Assets	資產	
Increase in right-of-use assets	使用權資產增加	10,931
Liabilities	負債	
Increase in lease liabilities	租賃負債增加	10,931

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

2.2 會計政策及披露變動(續)

於二零一九年一月一日的財務影響

於二零一九年一月一日採納國際財務報告準則第16號產生的影響如下：

於二零一九年一月一日的租賃負債與二零一八年十二月三十一日的經營租賃承擔的對賬如下：

		RMB'000 人民幣千元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日的經營租賃承擔	6,074
Less: Commitments relating to those leases with a remaining lease term ended before 31 December 2019	減：與餘下租期於二零一九年十二月三十一日之前屆滿的該等租賃有關的承擔	(9)
Add: Payments for optional extension periods not recognised as at 31 December 2018	加：於二零一八年十二月三十一日未確認之可選擇延長期之付款	6,419
		12,484
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日的加權平均增量借款利率	4.75%
Discounted operating lease commitments as at 1 January 2019	於二零一九年一月一日的貼現經營租賃承擔	10,931
Lease liabilities as at 1 January 2019	於二零一九年一月一日的租賃負債	10,931

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i> ¹
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 17	<i>Insurance Contracts</i> ³
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> ¹
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> ²

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

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after 1 January 2023

⁴ No mandatory effective date yet determined but available for adoption

2.3 已發佈但尚未生效的國際財務報告準則

本集團在編製該等財務報表時，尚未採用下述已發佈但尚未生效的任何新訂和經修訂的國際財務報告準則。

國際財務報告準則第3號 (修訂本)	業務之定義 ¹
國際財務報告準則第9號、 國際會計準則第39號及 國際財務報告準則第7號 (修訂本)	利率基準改革 ¹
國際財務報告準則第10號及 國際會計準則第28號 (修訂本)	投資者及其聯營公司或合營企業間的資產出售或注資 ⁴
國際財務報告準則第17號	保險合約 ³
國際會計準則第1號及國際 會計準則第8號(修訂本)	重要性之定義 ¹
國際會計準則第1號 (修訂本)	負債分類為即期或非即期 ²

¹ 由二零二零年一月一日或之後開始的年度期間生效

² 由二零二二年一月一日或之後開始的年度期間生效

³ 由二零二三年一月一日或之後開始的年度期間生效

⁴ 尚未釐定強制生效日期，惟可供採納

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2.3 已發佈但尚未生效的國際 財務報告準則(續)

下述為有關預期適用於本集團的該等國際財務報告準則的進一步資料。

國際財務報告準則第3號之修訂本闡明並提供有關業務定義之額外指引。該等修訂本闡明一套綜合活動及資產將被視為業務，其必須至少包括可對產出能力有重大貢獻之投入及實質性進程。在不包括需要創造產出之所有投入及進程時業務可以存在。該等修訂本移除評估市場參與者是否有能力收購業務並持續產出。相反，專注點在於所收購之投入及所收購之實質性進程能否共同對創造產出之能力作出重大貢獻。該等修訂本亦縮小產出的定義以注重向客戶提供的商品或服務、一般活動之投資收入或其他收入。此外，該等修訂本提供指引以評估所收購之進程是否為實質性的並引入可選擇的公平值集中性測試，以允許簡化評估一系列所收購之活動及資產是否為業務。本集團預期自二零二零年一月一日起採納該等修訂本。由於該等修訂預期適用於首次應用日期或之後發生之交易或其他事件，故本集團於過渡日期將不受該等修訂影響。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

Amendments to IFRS 9, IAS 39 and IFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已發佈但尚未生效的國際 財務報告準則(續)

國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號之修訂本訂旨在解決銀行同業拆息改革對財務申報之影響。該等修訂本提供可在替換現有利率基準前之不確定期限內繼續進行對沖會計處理之暫時性補救措施。此外，該等修訂本規定公司須向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。該等修訂本由二零二零年一月一日或之後開始的年度期間生效，並獲准提早採納。預期該等修訂對本集團的財務報表並無任何重大影響。

國際財務報告準則第10號及國際會計準則第28號之修訂本針對國際財務報告準則第10號及國際會計準則第28號之間有關投資者及其聯營公司或合營企業間的資產出售或注資兩者規定之不一致情況。該等修訂本規定，當投資者及其聯營公司或合營企業間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務之資產時，由該交易產生之收益或虧損於該投資者之損益內確認，惟僅以不相關投資者於該聯營公司或合營企業之權益為限。該等修訂本已前瞻應用。國際會計準則理事會已於二零一五年十二月剔除國際財務報告準則第10號及國際會計準則第28號之修訂本的以往強制生效日期，而新的強制生效日期將於對聯營公司或合營企業的會計處理完成更廣泛的檢討後釐定。然而，該等修訂現時可供採納。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that 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. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations not under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.3 已發佈但尚未生效的國際 財務報告準則(續)

國際會計準則第1號及國際會計準則第8號之修訂本提供重要性之新定義。新定義列明倘可以合理預期遺漏、誤述或模糊資料將對通用財務報表主要使用者基於該等財務報表作出之決定造成影響，則該等資料屬重大。該修訂本闡明重大性將視乎資料之性質或量級而定。倘可以合理預期將影響主要使用者作出之決定，則資料之誤述屬重大。本集團預期自二零二零年一月一日起採納該等修訂本。預期該等修訂對本集團的財務報表並無任何重大影響。

2.4 主要會計政策概要

業務合併及商譽

並非共同控制下的業務合併使用收購法入賬。所轉讓代價按收購日期的公平值計量，即本集團轉讓的資產、本集團向被收購方原擁有人承擔的負債及本集團為交換被收購方控制權而發行的股權於收購日期的公平值總和。就各業務合併而言，本集團選擇是否以公平值或應佔被收購方可識別資產淨值之比例，計量被收購方之非控股權益，即賦予其持有人在清盤時按比例分佔資產淨值之現時擁有權權益。非控股權益的所有其他部分按公平值計量。收購相關成本於產生時列為開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the (a) consideration transferred, (b) the amount recognised for non-controlling interests; and (c) any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

當本集團收購業務時，其評估金融資產及所承擔負債，以按照合約條款、收購日期的經濟情況及相關狀況進行適當分類及指定。這包括將被收購方主合約中的嵌入式衍生工具分開。

倘業務合併分階段實現，早前持有的股權按收購日期的公平值重新計量，因此產生的任何收益或虧損於損益確認。

收購方將予轉讓的任何或然代價乃按收購日期的公平值確認。分類為資產或負債的或然代價按公平值計量，公平值變動於損益確認。分類為權益的或然代價不予重新計量，而其後結算於權益入賬。

商譽初步按成本(即(a)所轉讓代價；(b)就非控股權益確認的金額；及(c)本集團先前於被收購方持有的股權公平值的總額，超出所收購可識別資產淨值及所承擔負債的部分)計量。倘該代價與其他項目的總和低於所收購資產淨值的公平值，差額經重新評估後於損益確認為議價購買收益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽每年進行減值測試，倘有事件或情況變化表明賬面值可能減值，則更頻繁地進行減值測試。本集團於十二月三十一日對商譽進行年度減值測試。就減值測試而言，業務合併中收購的商譽自收購日期起分配至預期受益於合併協同效益的本集團各現金產生單位或現金產生單位組別(不論本集團其他資產或負債是否分配予該等單位或單位組別)。

減值透過評估商譽涉及的現金產生單位(現金產生單位組別)的可收回金額而釐定。倘現金產生單位(現金產生單位組別)的可收回金額低於賬面值，則確認減值虧損。就商譽確認的減值虧損不會於隨後期間撥回。

倘商譽分配予現金產生單位(或現金產生單位組別)，且該單位內部分經營被出售，則與被出售經營有關的商譽在釐定出售收益或虧損時計入經營的賬面值。在該等情況下，被出售的商譽基於所出售經營及所保留現金產生單位部分的相對價值計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

Merger accounting for business combinations under common control

The acquisition of subsidiaries under common control has been accounted for using merger accounting principles. The merger method of accounting involves incorporating the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

Fair value measurement

The Group measures its structured deposits, bills receivables and equity investments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

就共同控制下的業務合併採用合併會計法

收購受共同控制的附屬公司已使用合併會計原則入賬。合併會計法涉及列入發生共同控制形式合併的合併實體或業務的財務報表項目，猶如該等項目自相關合併實體或業務首次受有關控制方控制當日起已綜合處理。

公平值計量

本集團於每個報告期末按公平值計量其結構性存款、應收票據及權益投資。公平值指於計量日期之市場參與者之間之有序交易中，就出售資產所收取之價格或轉讓負債所支付之價格。公平值計量乃基於假設出售資產或轉讓負債之交易於資產或負債之主要市場，或在未有主要市場之情況下，則於資產或負債之最有利市場進行。主要或最有利市場須位於本集團能到達之地方。資產或負債之公平值乃使用市場參與者為資產或負債定價所用之假設計量(假設市場參與者依照彼等之最佳經濟利益行事)。

非金融資產之公平值計量乃經計及一名市場參與者透過使用其資產之最高及最佳用途或透過將資產出售予將使用其最高及最佳用途之另一名市場參與者而能夠產生經濟利益之能力。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要(續)

公平值計量(續)

本集團使用適用於不同情況之估值技術，而其有足夠數據計量公平值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

於財務報表計量或披露公平值之所有資產及負債，均根據對公平值計量整體而言屬重要之最低層輸入數據在下述公平值等級架構內進行分類：

- 第一層 – 按同等資產或負債於活躍市場之報價(未經調整)計算
- 第二層 – 按估值技巧計算(藉此直接或間接可觀察對公平值計量而言屬重要之最低層輸入數據)
- 第三層 – 按估值技巧計算(藉此觀察不到對公平值計量而言屬重要之最低層輸入數據)

就按經常性基準於財務報表確認之資產及負債而言，本集團於每個報告期末通過重新評估分類(基於對公平值計量整體而言屬重大之最低層輸入數據)以決定等級架構內各層之間是否有轉移。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 主要會計政策概要(續)

非金融資產的減值

倘出現減值跡象或須對資產(不包括存貨、遞延稅項資產及金融資產)進行年度減值測試,則會估計資產的可收回金額。資產的可收回金額乃資產或現金產生單位使用價值與其公平值減出售成本兩者中的較高者,並且就個別資產釐定,如果資產並不產生大部分獨立於其他資產或資產組合的現金流入,在該情況下,可收回金額則按資產所屬的現金產生單位釐定。

只有資產的賬面值超過其可收回金額時,減值虧損方予確認。評估使用價值時,估計未來現金流量採用反映當前市場對貨幣時間價值的評估及該項資產的特有風險的稅前貼現率貼現為現值。減值虧損乃於產生期間計入損益中與減值資產功能一致的費用類別。

於每個報告期末評估是否有跡象顯示過往已確認的減值虧損可能已不再存在或可能減少。倘出現該等跡象,則會估計可收回金額。只有在用以釐定資產(商譽除外)的可收回金額的估計方法出現變動時,方會撥回該資產過往已確認的減值虧損,但撥回的金額不可超逾假設過往年度並無就該項資產確認減值虧損而釐定的賬面值(扣除任何折舊/攤銷)。撥回的減值虧損乃於其產生期間計入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2.4 主要會計政策概要(續)

關連方

在以下情況下，一方將被視為本集團的關連方：

(a) 有關方為一名人士或該人士之關係密切家庭成員，而該人士：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本集團母公司的主要管理人員的其中一名成員；

或

(b) 該方為實體而符合下列任何一項條件：

- (i) 該實體與本集團屬同一集團之成員公司；
- (ii) 該實體為另一家實體的聯營公司或合營企業(或另一家實體的母公司、附屬公司或同系附屬公司)；
- (iii) 該實體與本集團均為同一第三方的合營企業；
- (iv) 該實體為第三方實體的合營企業，而另一家實體則為該第三方實體的聯營公司；

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced as intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 主要會計政策概要(續)

關連方(續)

- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃；
- (vi) 該實體受(a)項所界定人士控制或受共同控制；
- (vii) 於(a)(i)項所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員；及
- (viii) 該實體或本集團任何之成員，向本集團或本集團之母公司提供主要管理人員服務。

物業、廠房及設備與折舊

除在建工程以外，物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。一項物業、廠房及設備項目的成本包括其購買價及將資產達至運作狀況及位置，以作其擬定用途所產生的任何直接應計成本。

物業、廠房及設備項目開始運作後所產生的開支，如維修保養，一般於產生期間在損益中扣除。若滿足確認標準，則重大檢查的開支會於資產賬面值中資本化作為替換。若須定期替換大部份物業、廠房及設備，則本集團會按特定可使用年期確認該部份為個別資產，並據此作出折舊。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value (nil to 5% of cost) over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Plant and machinery	5–10 years
Motor vehicles	5 years
Office equipment	3–5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents items of property, plant and equipment under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowing funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊(續)

各項物業、廠房及設備折舊乃以直線法按其估計可使用年期撇銷其成本至其剩餘價值，即零至5%的成本。物業、廠房及設備的估計可使用年期如下：

廠房及機器	5至10年
汽車	5年
辦公設備	3至5年

當一項物業、廠房及設備的各部分有不同可使用年期時，該項目的成本乃按合理基準在各部分之間分配，而各部分乃個別地折舊。剩餘價值、可使用年期及折舊方法至少應於每個財政年度末復核，並作出調整(如適當)。

物業、廠房及設備項目包括任何初始確認的主要部分於出售或預期其使用或出售不會帶來未來經濟利益時終止確認。因出售或報廢而於該資產終止確認年度的損益內確認的任何盈虧乃有關資產出售所得款項淨額與賬面值的差額。

在建工程指正在建築中的物業、廠房及設備，乃以成本減任何減值虧損列賬，且並無計提折舊。成本包括建築期間的直接建築成本及有關借款的資本化借貸成本。在建工程於完工及可作使用時，將重新分類至物業、廠房及設備之適當類別。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, 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.

2.4 主要會計政策概要(續)

無形資產(商譽除外)

單獨取得的無形資產於初始確認時按成本計量。業務合併中購入的無形資產成本為收購日期的公平值。無形資產的可使用年期分為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，並於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於每個財政年度末檢討一次。

研究及開發成本

所有研究成本於產生時計入損益。

開發新產品項目產生的開支，僅在本集團能夠證明以下各項時，方予以資本化及遞延，即：完成無形資產以供使用或出售的技術可行性；本集團完成資產的意圖及其使用或出售該資產的能力；資產日後如何產生經濟利益；能否獲得完成該項目的資源，以及在開發過程中可靠計量開支的能力。不符合這些標準的產品開發開支將於產生時確認為費用。

租賃(自二零一九年一月一日起適用)

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Plant and office premises	2 to 5 years
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用當日)確認。使用權資產按成本減任何累計折舊及減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債金額、已產生初始直接成本及於開始日期或之前作出的租賃款項減任何已收租賃獎勵。使用權資產於資產的租期及估計可使用年期(以較短者為準)按直線法折舊，如下：

廠房及辦公場所	2至5年
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倘於租期結束時租賃資產的擁有權轉讓至本集團或成本反映購買權的行使，折舊則根據資產的估計可使用年期計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee (Continued)

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. 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, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group elected to present lease liabilities separately in the consolidated statement of financial position.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日期以租期內作出的租賃款項現值確認。租賃款項包括定額付款(含實質定額款項)減任何應收租賃獎勵款項、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保下支付的金額。租賃款項亦包括本集團合理確定行使的購買選擇權的行使價及尚在租期內反映本集團正行使終止選擇權時，有關終止租賃支付的罰款。不取決於指數或利率的可變租賃款項在出現觸發付款的事件或條件的期間內確認為開支。

於計算租賃款項的現值時，由於租賃內所含利率不易釐定，故本集團應用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額增加，以反映利息增加及就所付之租賃款項減少。此外，倘有任何修改、租期變更、租賃款項變更(例如指數或比率的變更導致未來租賃款項發生變化)或購買相關資產的選擇權評估變更，則重新計量租賃負債的賬面值。

本集團選擇於綜合財務狀況表單獨呈列租賃負債。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee (Continued)

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of plant (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人(續)

(c) 短期租賃及低價值資產租賃

本集團對其廠房短期租賃(即自開始日期起計租期為十二個月或以下,並且不包含購買選擇權的租賃)應用短期租賃確認豁免。低價值資產租賃的確認豁免亦應用於被認為低價值的辦公室設備租賃。

短期租賃及低價值資產租賃的租賃款項在租期內按直線法確認為開支。

本集團作為出租人

倘本集團作為出租人,則於租賃開始時(或發生租賃變更時)將其各項租賃分類為經營租賃或融資租賃。

本集團並未轉讓資產所有權所附帶的絕大部分風險及回報的租賃歸類為經營租賃。倘合約包含租賃部分及非租賃部分,則本集團以相對獨立的售價基準將合約代價分配至各部分。租金收入於租期內按直線法列賬並因其經營性質計入損益表之收入。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值,並於租期內按相同基準確認為租金收入。或然租金乃於所賺取的期間內確認為收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessor (Continued)

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

Leases (applicable before 1 January 2019)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為出租人(續)

凡相關資產所有權所附帶的絕大部分風險及回報轉讓予承租人的租賃，均列作融資租賃。

租賃(於二零一九年一月一日前適用)

凡資產擁有權的絕大部分回報及風險仍歸出租人所有的租賃，均列作經營租賃。倘本集團為出租人，由本集團根據經營租賃出租的資產乃計入非流動資產，而經營租賃的應收租金按直線法於租期內計入損益。倘本集團為承租人，根據經營租賃的應付租金在扣除自出租人收取的任何租金優惠後，按直線法於租期內於損益內扣除。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.4 主要會計政策概要(續)

投資及其他金融資產

初始確認及計量

金融資產於初步確認時分類為其後按攤銷成本計量、按公平值計入其他全面收益及按公平值計入損益。

初步確認時金融資產的分類取決於金融資產的合約現金流量特徵以及本集團管理該等資產的業務模式。除並不包含顯著融資組成部份或本集團已就此應用可行權宜方法不調整顯著融資組成部份的影響之貿易應收款項外，本集團初始按公平值加上(倘金融資產並非按公平值計入損益計量)交易成本計量金融資產。並不包含顯著融資組成部份或本集團已就此應用可行權宜方法之貿易應收款項，乃根據下文「收入確認」所載之政策按國際財務報告準則第15號釐定之交易價格計量。

為使金融資產按攤銷成本或按公平值計入其他全面收益進行分類及計量，需就未償還本金產生純粹支付本金及利息(「純粹支付本金及利息」)之現金流量。不論業務模式，具有非純粹支付本金及利息之現金流量的金融資產按公平值計入損益進行分類及計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

初始確認及計量(續)

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量的金融資產乃於旨在持有金融資產以收取合約現金流量的業務模式內持有，而按公平值計入其他全面收益分類及計量乃於旨在持有以收取合約現金流量及作出售的業務模式內持有。並非於上述業務模式持有的金融資產按公平值計入損益進行分類及計量。

金融資產之所有一般買賣都在交易日確認，即本集團承諾購買或出售資產之日期。一般買賣指須在一般市場規則或慣例指定的期限內交付資產之金融資產買賣。

後續計量

金融資產的後續計量取決於其下列分類：

以攤銷成本列賬的金融資產(債務工具)

按攤銷成本列賬的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

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

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

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

後續計量(續)

按公平值計入其他全面收益的金融資產(債務工具)

就按公平值計入其他全面收益之債務投資而言，利息收入、匯兌重估及減值虧損或撥回於損益內確認並採用與就按攤銷成本計量之金融資產相同的方式計算。餘下公平值變動於其他全面收益確認。於終止確認時，於其他全面收益內確認之累計公平值變動撥回至損益。

指定按公平值計入其他全面收益的金融資產(權益投資)

於初步確認時，本集團可選擇於權益投資符合國際會計準則第32號金融工具：呈報項下的權益定義且並非持作買賣時，將權益投資不可撤回地分類為指定按公平值計入其他全面收益之權益投資。該分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會撥回至損益。當確立支付權、與股息相關的經濟利益可能會流入本集團且股息金額能可靠地計量時，股息於損益中確認為其他收入，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收益入賬。指定按公平值計入其他全面收益的權益投資不受減值評估影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

後續計量(續)

按公平值計入損益之金融資產

按公平值計入損益之金融資產，於財務狀況表內按公平值入賬，其公平值變動淨額則於損益表內確認。

該類別包括本集團並無不可撤回地選擇按公平值計入其他全面收益進行分類的衍生工具及股權投資。在支付權確立、與股息相關的經濟利益很可能流入本集團且股息金額能夠可靠計量時，分類為按公平值計入損益之金融資產的股權投資之股息於損益內確認為其他收入。

終止確認金融資產

在下列情況下，一項金融資產(可適用於某項金融資產的一部分，或一組同類金融資產的一部分)主要終止確認(即自本集團綜合財務狀況表移除)：

- 從資產獲取現金流量的權利已經屆滿；或

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets (Continued)

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the assets. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要(續)

終止確認金融資產(續)

- 本集團已轉讓獲取資產產生的現金流的權利，或已根據一項「過手」安排承擔責任，在無重大延誤的情況下，將有關現金流量全數付予第三方；及本集團(a)轉讓了與此項資產相關的大部分風險與回報，或(b)並無轉讓或保留該項資產絕大部分風險和回報，但已轉讓該項資產的控制權。

倘本集團已轉讓從資產收取現金流量的權利或訂立轉手安排，則評估有否保留資產所有權的風險及回報及保留的程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產控制權，則該等資產基於本集團的持續參與程度確認。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債基於本集團所保留權利及責任的基準計量。

所轉讓資產擔保形式的持續參與，以資產原賬面值與本集團可能被要求償還的最高代價金額中的較低者計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

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

General approach

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

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

2.4 主要會計政策概要(續)

金融資產減值

本集團就並非按公平值計入損益持有的所有債務工具確認預期信用損失率(「預期信用損失率」)撥備。預期信用損失率乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

一般方法

預期信用損失率分兩個階段進行確認。就自初步確認起信貸風險並無大幅增加的信貸敞口而言，會就未來12個月內可能發生違約事件而導致的信貸虧損(12個月預期信用損失率)計提預期信用損失率。就自初步確認起信貸風險大幅增加的該等信貸敞口而言，不論何時發生違約，於敞口的餘下年期內的預期信用損失率均須計提虧損撥備(全期預期信用損失率)。

於各報告日期，本集團評估金融工具信貸風險是否自初步確認起大幅增加。本集團於進行評估時比較金融工具於報告日期發生違約的風險與金融工具於初步確認日期發生違約的風險，並考慮合理及有理據而無需付出不必要之成本或努力即可獲得之資料(包括過往及前瞻性資料)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

2.4 主要會計政策概要(續)

金融資產減值(續)

一般方法(續)

倘合約付款已逾期90天，則本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料反映，在計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

按攤銷成本計量的金融資產須根據一般法減值，且按以下階段分類以計量預期信用損失率，而採用下文所詳述簡化法的貿易應收款項除外。

- 第一階段 – 自初步確認起信貸風險並無大幅增加且虧損撥備按等於12個月預期信用損失率的數額計量的金融工具
- 第二階段 – 自初步確認起信貸風險大幅增加但並非屬信貸減值金融資產且虧損撥備按等於全期預期信用損失率的數額計量的金融工具
- 第三階段 – 於報告日期信貸減值(並非購入或源生信貸減值)且虧損撥備按等於全期預期信用損失率的數額計量的金融資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Simplified approach

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

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

2.4 主要會計政策概要(續)

金融資產減值(續)

簡化法

就並不包含顯著融資組成部份或本集團已就此應用實務中權宜處理方法不調整顯著融資組成部份的影響之貿易應收款項而言，本集團採用簡化法計算預期信用損失率。根據簡化法，本集團並無追蹤信貸風險的變化，反而於各報告日期根據全期預期信用損失率確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並就債務人特定的前瞻性印務及經濟環境作出調整。

就包含顯著融資組成部份的貿易應收款項而言，本集團選擇上文所述之政策作為其會計處理政策，採納簡化法計算預期信用損失率。

金融負債

初始確認及計量

金融負債於初始確認時分類為按公平值計入損益之金融負債、貸款及借貸、應付款項，或被指定為有效對沖內對沖工具之衍生工具(如適當)。

所有金融負債初始按公平值確認，如屬貸款及借貸、及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括應付賬款、其他應付款項及租賃負債。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement

The subsequent measurement of the Group's loans and borrowings is as follows:

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

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.4 主要會計政策概要(續)

金融負債(續)

後續計量

本集團的貸款及借貸之後續計量如下：

經初始確認後，本集團的金融負債其後以攤銷成本計量，除非折現影響並不重大，否則採用實際利率法，反之，則按成本入賬。負債終止確認時，或通過實際利率攤銷時，收益及虧損於損益中確認。

攤銷成本將任何收購折價或溢價和構成實際利率不可或缺的費用或成本計算在內。實際利率攤銷計入損益之融資成本。

終止確認金融負債

當金融負債項下的義務被解除、取消或期滿，則終止確認金融負債。

如一項現有金融負債被來自同一貸款方且大部分條款均有差別的另一項金融負債所取代，或現有負債的條款被大幅修改，此種置換或修改視作終止確認原有負債並確認新負債處理，而兩者的賬面值差額於損益中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

2.4 主要會計政策概要(續)

抵銷金融工具

倘於現時存在可強制執行的合法權利以抵銷已確認款額及有意向按淨額基準進行結算，或同時變現資產及結算負債，則金融資產及金融負債會予以抵銷，而淨額會於財務狀況表中記錄。

存貨

存貨按成本或可變現淨值兩者較低者列賬。成本以加權平均基準釐定，就在製品和製成品而言，成本包括直接材料、直接勞工及適當分攤的經常性費用。可變現淨值按估計售價減任何尚需投入的完成生產及出售的估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金、活期存款，以及期限短、流動性強、易於轉換為已知金額現金、價值變動風險小且一般於收購後三個月內的較短期限到期的投資。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金和銀行存款，而銀行存款包括無限制用途的定期存款。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

2.4 主要會計政策概要(續)

撥備

如因過往事件產生現時債務(法定或推定)及未來可能需要有資源流出以償還債務，而該債務金額能可靠估計，則確認撥備。

如貼現的影響重大，則就撥備確認的金額為償還債務預期所需未來支出於報告期末的現值。貼現現值因時間流逝而產生的增幅計入損益之融資成本。

本集團就銷售若干產品用作質保期內所發生缺陷的一般修理提供保證。本集團授出之該等保證類別質保之撥備基於銷量以及維修程度及退貨之過往經驗，貼現至彼等之現值(如適當)確認。

所得稅

所得稅包括當期和遞延稅項。有關損益外確認項目的所得稅於損益外確認，於其他全面收益確認或直接在權益確認。

當期稅項資產和負債按預期自稅務局退回或支付予稅務局的金額計算，基於報告期末已訂立或大致訂立的稅率(及稅法)，並計及本集團經營所在國家現行之詮釋及慣例。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項採用負債法就於報告期末資產和負債的稅基與兩者用作財務報告的賬面值之間的各項暫時差異計提撥備。

所有應課稅暫時差異均被確認為遞延稅項負債，但：

- 於一項交易(該交易並非為業務合併)進行時初始確認的資產或負債商譽產生的遞延稅項負債既不對應會計溢利也不對應課稅溢利或虧損構成影響的情況除外；及
- 關於附屬公司投資的應課稅暫時差異，如撥回這些暫時差異的時間可受控制且暫時差異於可預見將來可能不會撥回的情況除外。

所有可扣減暫時性差額及未動用稅項抵免與任何未動用稅務虧損結轉，均被確認為遞延稅項資產。倘可能具有應課稅利潤抵銷可扣減暫時性差額、可動用結轉之未動用稅項抵免及稅務虧損，則會確認遞延稅項資產，惟下述情況除外：

- 由於一項交易(該交易並非為業務合併)進行時與初始確認的資產或負債產生的可扣減暫時差異有關的遞延稅項資產，既不對應會計溢利也不對應課稅溢利或虧損構成影響的情況除外；及

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 主要會計政策概要(續)

所得稅(續)

- 與附屬公司的投資相關的可扣減暫時差異，遞延稅項資產只限於暫時差異將於可預見將來撥回及應課稅溢利可用以抵扣暫時差異時確認的情況除外。

遞延稅項資產的賬面值於每個報告期末審閱，並扣減至不再可能有足夠應課稅溢利以動用所有或部分遞延稅項資產為止。相反地，於每個報告期末會重新評估過往未被確認的遞延稅項資產，並在可能有足夠應課稅溢利以動用所有或部分遞延稅項資產時予以確認。

遞延稅項資產和負債以資產被變現或負債被清償的期間預期適用的稅率衡量，並根據於報告期末已制訂或實際上已制訂的稅率(及稅法)計算。

僅當本集團有可合法執行權利可將當期稅項資產與當期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算當期稅務負債及資產或同時變現資產及結算負債的不同稅務實體徵收的所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

2.4 主要會計政策概要(續)

政府補助

倘有合理保證可獲取政府補助，而所有附帶條件均可予以遵從，則按公平值確認政府補助。倘補助與支出項目有關，則以有系統基準於該項補助所補貼成本列支之期間確認為收入。

倘補助涉及一項資產，則其公平值記入遞延收益賬目及於相關資產的預期可使用年限期間按等同年度金額撥回至損益。

收入確認

來自客戶合約的收益

來自客戶合約的收益於商品或服務的控制權轉移至客戶時，按反映本集團預期就交換該等商品或服務而有權獲得的代價金額予以確認。

當合約中的代價包含可變金額時，代價金額按本集團向客戶提供商品或服務而有權收取的金額作出估計。可變代價於合約開始時作出估計並受到限制，直至與可變代價相關的不確定因素其後獲得解決，已確認的累計收益金額很可能不會出現重大收益轉回為止。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) *Sale of goods*

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(b) *Installation services*

The Group provides installation services that are bundled together with the sale of Smart Light-adjusting Projection System to a customer. The installation services can be obtained from other providers and do not significantly customise or modify the goods sold.

2.4 主要會計政策概要(續)

收入確認(續)

來自客戶合約的收益(續)

倘合約中包括向客戶提供商品或服務的時間超過一年的重大融資利益的融資部份，則收益按應收金額的現值計量，並於合約開始時使用本集團與客戶的單獨融資交易中反映的貼現率貼現。倘合約中包括為本集團提供超過一年的重大融資利益的融資部份，則根據該合約確認的收益包括按實際利率法計算的合約負債所產生的利息開支。對於客戶付款與承諾商品或服務轉移期為一年或少於一年的合約，本集團並未就重大融資部份影響對交易價作出調整，而是採用國際財務準則報告第15號中可行權宜方式確定交易價。

(a) *銷售商品*

銷售商品的收益於資產控制權轉讓予客戶之時間點(一般為交付商品時)確認。

(b) *安裝服務*

本集團向客戶提供與銷售智能調光投影系統綁定一起的安裝服務。安裝服務可從其他提供商取得且不會顯著自定義或修改已售商品。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(b) *Installation services* (Continued)

Contracts for bundled sales of goods and installation services are comprised of two performance obligations because the promises to transfer the goods and provide installation services are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative standalone selling prices of the goods and installation services.

Revenue from installation services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. The input method recognises revenue on the basis of the labour costs expended relative to the total expected labour costs to complete the service.

(c) *Provision of consulting services*

Revenue from the provision of consulting services is recognised over time when the relevant services have been provided to which the Group has the right to invoice.

Other income

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

2.4 主要會計政策概要(續)

收入確認(續)

來自客戶合約的收益(續)

(b) 安裝服務(續)

商品與安裝服務捆綁銷售之合約包含兩項履約責任，因為轉讓商品及提供安裝服務的承諾能夠獨立及單獨識別。因此，交易價依據商品及安裝服務的相對獨立出售價格予以分配。

安裝服務的收益使用計量已完成服務的進度輸入法於一段時間內確認，乃因本集團所提供的利益由客戶同時取得及耗用。輸入法基於相對完成服務的總預期勞工成本所消耗的勞動成本來確認收益。

(c) 提供諮詢服務

提供諮詢服務的收益於一段時間內當相關服務已提供而本集團對該等服務有權開立發票時確認。

其他收入

利息收入按應計基準，並採用將金融工具預計年期內(或適用的較短期間)估計未來收取的現金折現至金融資產賬面淨值的確實貼現率以實際利息法確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 主要會計政策概要(續)

合約負債

本集團轉讓相關貨品或服務前，收到客戶付款或付款到期(以較早者為準)時，確認合約負債。本集團履行合約(即將相關貨品或服務的控制權轉讓予客戶)時，合約負債確認為收入。

以股份為基礎付款

本公司設有購股權計劃藉以鼓勵及回饋對本集團之成功經營作出貢獻之合資格參與者。本集團僱員(包括董事)以股份為基礎付款之方式收取報酬，而僱員則提供服務作為股權工具(「股權結算交易」)之代價。

透過授出權益而與僱員進行股權結算交易之成本乃參考授出權益當日之公平值計量。該公平值由外聘估值師採用二項式模式釐定。

股權結算交易之成本於達成表現及／或服務條件之期間內在僱員福利開支確認，並於權益作出相應增加。在歸屬日期前於各呈報期間結算日就股權結算交易確認的累計開支反映歸屬期間屆滿，以及本集團對最終能歸屬之股權工具數目之最佳估計。於某一期間在損益扣除或計入之款項為於該期間期初及期末時確認之累計開支變動。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

2.4 主要會計政策概要(續)

以股份為基礎付款(續)

在釐定獎賞之授出日期公平值時不會考慮服務及非市場表現條件，惟將會評估達成條件之可能性，其為本集團對最終能歸屬之股權工具數目之最佳估計之一部份。市場表現條件將在授出日期公平值內反映。附帶於獎賞中之任何其他條件，如並無相關服務要求，皆被視為非歸屬條件。非歸屬條件於獎賞公平值內反映，並導致獎賞即時支銷，惟如亦包括服務及／或表現條件則除外。

因未能達致非市場表現及／或服務條件而最終並無歸屬之獎賞不會確認開支。倘獎賞包括一項市場或非歸屬條件，不論市場或非歸屬條件是否獲達成，有關交易均會視作已歸屬處理，惟所有其他表現及／或服務條件必須達成。

倘股權結算獎賞之條款被修訂，而獎賞之原有條款已獲達致，所確認之開支最少須達到猶如條款並無修改時所確認之水平。此外，任何會增加以股份為基礎的付款的交易公平值總額，或於修訂當日計量時對僱員有利的修訂，均須確認開支。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

(a) Pension scheme

The employees of the Group's subsidiaries in Mainland China are required to participate in a central pension scheme operated by the local government. These subsidiaries and their employees are required to make monthly contributions calculated as a percentage of the employees' wages and salaries, subject to certain ceilings and local practices set by the relevant local governments, to the central pension scheme. Other than the central pension scheme, the Group's subsidiaries in Mainland China have no legal obligation for retirement benefits beyond the contributions made. Contributions to these plans are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.4 主要會計政策概要(續)

以股份為基礎付款(續)

倘股權結算獎賞被註銷，其將視作已於註銷日期歸屬般處理，而有關獎賞之任何未確認開支須即時確認。此包括在本集團或僱員控制範圍內之非歸屬條件未能達成之任何獎賞。然而，倘有新獎賞取代被註銷之獎賞，並於授出日期被指定為替代獎賞，則被註銷及新作出之獎賞將視作原有獎賞被修訂般處理(如前段所述)。

於計算每股盈利時，未行使購股權的攤薄影響反映為額外股份攤薄。

其他僱員福利

(a) 退休金計劃

本集團在中國大陸營運的附屬公司的僱員均須參與由當地政府運作的中央退休計劃。該等附屬公司及其僱員須每月按僱員工資及薪水的某個比例向中央退休計劃供款，惟須遵守相關地方政府制定的若干上限及當地實情。除中央退休計劃外，本集團在中國大陸的附屬公司除作出供款外，對退休福利再無其他法律責任。該等計劃的供款根據中央退休計劃的規則於到期應付時自損益扣除。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other employee benefits (Continued)

(b) Housing fund

Contributions to a defined contribution housing fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to profit or loss as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

2.4 主要會計政策概要(續)

其他僱員福利(續)

(b) 住房公積金

屬於由中國大陸公積金行政中心管理的住房公積金界定供款於產生時自損益扣除。

借貸成本

收購、建設或生產合資格資產(即需要較長時間準備作擬定用途或銷售的資產)直接應佔的借貸成本將予以資本化，作為該等資產部分成本。該等借貸成本的資本化於該等資產實質上達到擬定用途或銷售狀態時將終止。擬用作合資格資產的開支的特定借貸的暫時投資所得投資收益自予以資本化的借貸成本中扣除。所有其他借貸成本於產生期間確認為開支。借貸成本由利息及實體發生的與該項融資借貸相關的其他成本組成。

股息

當末期股息於股東大會上獲股東批准時，即確認為負債。擬派末期股息已於財務報表附註披露。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Dividends (Continued)

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared. In the event that the interim dividends are paid out of the share premium account, shareholders' approval at an extraordinary general meeting is needed. When these interim dividends have been approved by the shareholders and declared, they are recognised as a liability.

Foreign currencies

These financial statements are presented in RMB. The functional currency of the Company is HK\$. The Group's presentation currency is RMB because the Group's principal operations are carried out in Mainland China. Each entity in the Group determines its own functional currency and items included in these financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要(續)

股息(續)

中期股息同時建議派付及宣派，因為本公司的公司組織章程大綱及細則授予董事宣派中期股息的權利。因此，中期股息於建議派付及宣派時即刻確認為負債。倘中期股息從股份溢價賬支付，則需要股東於股東特別大會上批准。當該等中期股息已獲股東批准及宣派時被確認為負債。

外幣

此等財務報表乃以人民幣呈列。本公司的功能貨幣為港元。本集團的呈列貨幣為人民幣，原因是本集團主要業務於中國大陸進行。本集團各實體決定其自身的功能貨幣，列入各實體財務報表的項目使用該呈列貨幣計量。本集團內實體錄得的外幣交易初步使用交易日期的通行功能貨幣匯率入賬。以外幣計值的貨幣資產及負債按報告期末的通行外幣匯率換算。結算或換算貨幣項目時產生的差額於損益確認。

按歷史成本及外幣計量的非貨幣項目使用初步交易日期的匯率換算。以外幣按公平值計量的非貨幣項目，採用釐定公平值當日的匯率換算。換算以公平值計量的非貨幣項目所產生的收益或虧損視為等同於確認該項目公平值變動的收益或虧損(即於其他全面收益或損益確認公平值收益或虧損的項目的換算差額，亦分別於其他全面收益或損益確認)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

2.4 主要會計政策概要(續)

外幣(續)

在釐定初步確認相關資產、開支或收入及終止確認與預付代價有關的非貨幣資產或非貨幣負債所用的匯率時，初始交易日期為本集團初步確認預付代價產生的非貨幣資產或非貨幣負債當日。倘若涉及多筆預付款項或預收款項，則本集團須釐定每次支付或收取預付代價的交易日期。

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末的現行匯率換算為人民幣，其損益按該年內加權平均匯率換算為人民幣。

交易產生的匯兌差額於其他全面收益確認並於外匯波動儲備內累計。出售國外業務時，其他全面收益中與特定國外業務相關的部分於損益確認。

3. 主要會計估計

財務報表之編製需要管理層作出判斷、估計及假設，有關估計及假設會影響所呈報收入、費用、資產及負債之金額及其相關披露以及或然負債之披露。然而，由於有關該等假設及估計之不確定因素，可能導致管理層須就日後受影響之資產或負債之賬面值作出重大調整。

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3. SIGNIFICANT ACCOUNTING ESTIMATES (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2019 was RMB6,448,000 (2018: RMB6,448,000). Further details are given in note 16 to the financial statements.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and profile).

3. 主要會計估計(續)

估計不確定因素

下文討論於報告期末就未來和其他估計不確定因素的主要來源所作出的主要假設，該等假設對下一個財政年度的資產和負債賬面值造成重大調整的重大風險。

商譽減值

本集團至少每年評估商譽是否出現減值。該過程需要估計獲分配商譽的現金產生單位的使用價值。本集團須於估計使用價值時對現金產生單位的預期未來現金流量作出估計，亦須選用合適的貼現率以計算該等現金流量的現值。於二零一九年十二月三十一日，商譽的賬面值為人民幣6,448,000元(二零一八年：人民幣6,448,000元)。有關的進一步詳情載述於財務報表附註16。

貿易應收款項的預期信用損失率撥備

本集團使用撥備矩陣計算貿易應收款項的預期信用損失率。撥備率乃基於具有類似虧損模式的多個客戶分部進行分組(即按客戶類型及評級劃分)而逾期的天數計算。

3. SIGNIFICANT ACCOUNTING ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables (Continued)

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 18 to the financial statements.

3. 主要會計估計(續)

估計不確定因素(續)

貿易應收款項的預期信用損失率撥備 (續)

撥備矩陣初步基於本集團的歷史觀察違約率。本集團將通過校正矩陣以調整歷史信貸虧損經驗及前瞻性資料。例如，若預測經濟狀況(如國內生產總值)於未來一年內惡化，從而導致製造行業的違約數量增加，歷史違約率將得到調整。於各報告日期，歷史觀察違約率將會予以更新，並分析前瞻性估計的變化。

對歷史觀察違約率、預測經濟狀況及預期信用損失率之間的相關性評估乃一項重要的估計。預期信用損失率的金額對環境及預測經濟狀況敏感。本集團的歷史信貸虧損經驗及對經濟狀況的預測亦可能無法表示客戶於日後的實際違約情況。有關本集團貿易應收款項的預期信用損失率資料於財務資料附註18披露。

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3. SIGNIFICANT ACCOUNTING ESTIMATES (Continued)

Estimation uncertainty (Continued)

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Corporate income tax (“CIT”)

The Group’s subsidiaries operating in Mainland China are subject to PRC CIT. As a result of the fact that certain matters relating to PRC CIT have not been confirmed by the relevant local tax authorities, objective estimates based on currently enacted tax laws, regulations and other related policies are required in determining the provision for PRC CIT to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact the income tax and tax provision in the period in which the final outcome is determined. The carrying amount of PRC CIT payable at 31 December 2019 was RMB4,346,000 (2018: RMB2,715,000).

3. 主要會計估計 (續)

估計不確定因素 (續)

租賃 – 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借款利率並須作出若干實體特定的估計（如附屬公司之獨立信貸評級）。

企業所得稅 (「企業所得稅」)

本集團的中國大陸附屬公司營運須繳納中國企業所得稅。由於有關中國企業所得稅的若干事宜未被當地相關稅務機構確認，故需要基於目前制定的稅務法律、法規及其他相關政策作出客觀估計，釐定中國企業所得稅撥備。倘該等事宜的最後稅款不同於最初記錄的金額，差額將影響所得稅及於釐定最後稅款期間的稅款撥備。於二零一九年十二月三十一日，應付中國企業所得稅的賬面值為人民幣4,346,000元（二零一八年：人民幣2,715,000元）。

3. SIGNIFICANT ACCOUNTING ESTIMATES (Continued)

Estimation uncertainty (Continued)

Useful lives and residual values of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end date taking into account changes in circumstances. The carrying amount of property, plant and equipment at 31 December 2019 was RMB67,183,000 (2018: RMB49,746,000).

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customers' interests or competitor actions. Management reassesses these estimates at the end of each reporting period. There was no impairment provision for inventories as at 31 December 2019 (2018: Nil).

3. 主要會計估計(續)

估計不確定因素(續)

物業、廠房及設備的使用年期和剩餘價值

於釐定物業、廠房及設備項目的使用年期和剩餘價值時，本集團須考慮多項因素，如改變或改良生產程序或因產品或資產所產生的服務的市場需求、資產的預定用途、預期實際損耗、資產維護及保養，以及資產用途的法律或類似限制有變將導致的技術或商業性陳舊。資產可使用年期乃根據本集團對用途相似的類似資產的經驗估計。倘物業、廠房及設備項目的估計可使用年期及／或剩餘價值與過往估計不同，則折舊金額將予以調整。可使用年期及剩餘價值乃於各財政年結日因應情況變化作出評估。於二零一九年十二月三十一日，物業、廠房及設備的賬面值為人民幣67,183,000元(二零一八年：人民幣49,746,000元)。

存貨之可變現淨值

存貨之可變現淨值乃其於日常業務過程中之估計售價，扣除完成及出售所產生之估計成本。該等估計乃根據現行市況及銷售類似性質產品之過往經驗。其將因客戶權益或競爭者行動變動大幅變動。管理層於各報告期末重新評估該等估計。於二零一九年十二月三十一日，並無存貨減值撥備(二零一八年：無)。

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3. SIGNIFICANT ACCOUNTING ESTIMATES (Continued)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets should be recognised when it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets at 31 December 2019 was RMB3,195,000 (2018: RMB1,557,000). Further details are given in note 14 to the financial statements.

4. OPERATING SEGMENT INFORMATION AND REVENUE

Operating segment information

The Group's revenue and contribution to consolidated results are mainly derived from its sale of ITO Film, Smart Light-adjusting Film, Smart Light-adjusting Glass and Smart Light-adjusting Projection System and installation of Smart Light-adjusting Projection System, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resource allocation and performance assessment. In addition, the principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

3. 主要會計估計(續)

估計不確定因素(續)

遞延稅項資產

倘將來可能錄得應課稅溢利以扣減遞延稅項資產，應確認遞延稅項資產。董事須根據未來應課稅溢利的可能時間及數額以及未來稅項規劃策略作出重大判斷，以釐定可予確認的遞延稅項資產金額。於二零一九年十二月三十一日，遞延稅項資產的賬面值約為人民幣3,195,000元(二零一八年：人民幣1,557,000元)。有關的進一步詳情載述於財務報表附註14。

4. 經營分部資料及收入

經營分部資料

本集團的收入及綜合業績貢獻主要來自其銷售ITO導電膜、智能調光膜、智能調光玻璃及智能調光投影系統，以及安裝智能調光投影系統，其被視為單一可呈報分部，與向本集團高級管理層就分配資源及業績評估呈報內部資料的方式一致。此外，本集團使用的主要資產位於中國大陸。因此，除以整間公司的方式披露外，無須呈報部分分析。

4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

Entity-wide disclosures:

*Geographical information**Non-current assets*

		2019 二零一九年		2018 二零一八年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Mainland China	中國大陸	93,476	96.6	54,471	96.9
Hong Kong	香港	3,329	3.4	1,723	3.1
		96,805	100.0	56,194	100.0

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

No revenue from a single customer amounted to 10% or more of the total revenue of the Group during the years ended 31 December 2019 and 2018.

An analysis of revenue is as follows:

		2019 二零一九年	2018 二零一八年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue from contracts with customers	來自客戶合約的收益	148,034	129,292

4. 經營分部資料及收入(續)

整間公司的披露：

地區資料

非流動資產

上述非流動資產資料乃基於資產的位置且不包括金融工具及遞延稅項資產。

有關主要客戶的資料

截至二零一九年及二零一八年十二月三十一日止年度，概無貢獻超過本集團收入總額10%之單一客戶收入。

對收入的分析如下：

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Type of goods or services	商品或服務的類型		
Sales of ITO Film	銷售ITO導電膜	51,948	18,923
Sales of Smart Light-adjusting Film	銷售智能調光膜	49,231	47,700
Sales of Smart Light-adjusting Glass	銷售智能調光玻璃	17,762	17,010
Sales of Smart Light-adjusting Projection System	銷售智能調光投影系統	3,237	26,405
Rendering of consulting services	進行諮詢服務	-	3,303
Installation services	安裝服務	8,064	2,319
Sales of other products	銷售其他產品	17,792	13,632
Total revenue from contracts with customers	來自客戶合約的收益總額	148,034	129,292

4. 經營分部資料及收入(續)

來自客戶合約的收益

(i) 分類收入資料

4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

Geographical markets

Revenue from external customers

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Domestic – Mainland China*	國內 – 中國大陸*	141,729	122,669
Others	其他	6,305	6,223
Total revenue from contracts with customers	來自客戶合約的收益總額	148,034	129,292

* The place of domicile of the Group's principal operating subsidiary is Mainland China. The principal revenue of the Group is generated in Mainland China.

4. 經營分部資料及收入(續)

來自客戶合約的收益(續)

(i) 分類收入資料(續)

地區市場

來自外部客戶的收入

* 本集團主要營運附屬公司的所在地為中國大陸。本集團的主要收入產生自中國大陸。

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

Timing of revenue recognition

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Goods transferred at a point in time 於時間點轉讓之貨物	139,970	123,670
Services transferred over time 於一段時間內轉讓之服務	8,064	5,622
Total revenue from contracts with customers 來自客戶合約的收益總額	148,034	129,292

The amount of revenue from the sale of goods recognised in the current year that was included in the contract liabilities at the beginning of the year and recognised from performance obligations satisfied in the previous year amounted to RMB1,950,000 (note 23).

4. 經營分部資料及收入(續)

來自客戶合約的收益(續)

(i) 分類收入資料(續)

收益確認之時間

於本年度，已確認銷售商品之收益金額(於年初計入合約負債及於上一年度通過達成履約責任確認)為人民幣1,950,000元(附註23)。

4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within one to six months from delivery, except for small and new customers, where payment is normally expected to be settled shortly after the delivery of goods.

Installation services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of installation and customer acceptance, except for new customers, where payment in advance is normally required.

Consulting services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of consulting services.

At 31 December 2019, the remaining performance obligations (unsatisfied or partially unsatisfied) were expected to be recognised within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. 經營分部資料及收入(續)

來自客戶合約的收益(續)

(ii) 履約責任

有關本集團履約責任之資料概述如下：

銷售商品

履約責任於交付商品時履行及一般要求於交付後一至六個月內付款，惟小及新客戶除外，其付款通常預期於商品交付後立即結付。

安裝服務

當提供服務時，履約責任於一段時間內履行，一般要求於安裝完成及客戶驗收後付款，惟新客戶除外，通常要求其提前付款。

諮詢服務

當提供服務時，履約責任於一段時間內履行，及款項一般要求於完成諮詢服務時支付。

於二零一九年十二月三十一日，尚未履約責任(未履約或部分履約)預期於一年內確認。按國際財務報告準則第15號所允許，分配至該等未履約合約之交易價並無披露。

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5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Deferred income released to profit or loss (note 25):	撥至損益的遞延收益(附註25):		
- related to assets	- 與資產有關	240	91
- related to expenses	- 與開支有關	3,015	-
Bank interest income	銀行利息收入	122	89
Government grants*	政府補助*	2,342	2,016
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	-	41
Sales of scrap materials	廢料銷售	178	89
		5,897	2,326

* There were no unfulfilled conditions or contingencies relating to these grants.

5. 其他收入及收益

其他收入及收益分析如下：

	2019	2018
	二零一九年	二零一八年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Deferred income released to profit or loss (note 25):		
- related to assets	240	91
- related to expenses	3,015	-
Bank interest income	122	89
Government grants*	2,342	2,016
Gain on disposal of property, plant and equipment	-	41
Sales of scrap materials	178	89
	5,897	2,326

* 概無有關該等補助的未達成條件或或然事件。

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6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

6. 除稅前溢利

本集團除稅前溢利乃經扣除／(計入)以下各項：

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本		82,558	68,238
Cost of installation service	安裝服務成本		6,494	1,851
			89,052	70,089
Employee benefit expense: (including directors' and chief executive's remuneration (note 7)):	僱員福利開支： (包括董事及行政總裁 酬金(附註7))：			
Wages and salaries	工資及薪金		14,421	13,213
Pension scheme contributions	退休金計劃供款		890	729
Equity-settled share option expense	以權益結算之購股權開支		990	1,192
			16,301	15,134
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12	8,569	6,095
Depreciation of right-of-use assets	使用權資產折舊	15(a)	2,194	-
Research costs	研究成本		6,499	5,517
Interest expense	利息支出	15(b)	482	-
Equity-settled share option expense	以權益結算之購股權開支		350	1,192
Minimum lease payments under operating leases	經營租賃項下最低租賃付款		-	1,180
Lease payments not included in the measurement of lease liabilities	未計入租賃負債計量的租賃 款項	15(c)	23	-
Auditor's remuneration	核數師酬金		1,500	1,500
Impairment loss on trade receivables, net	貿易應收款項減值虧損， 淨額	18	7,779	5,242
Write-off/(gain on disposal) of items of property, plant and equipment	物業、廠房及設備項目 撇銷／(出售收益)		1,757	(41)
Product warranty provision/(reversal of unutilised provision)	產品質保撥備／(未動用 撥備撥回)	24	217	(482)
Foreign exchange losses, net	匯兌虧損，淨額		1,408	3,072

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7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

7. 董事及行政總裁酬金

根據香港聯交所證券上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露的本年度董事及主要行政人員薪酬如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees	袍金	1,292	1,016
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	865	657
Pension scheme contributions	退休金計劃供款	69	70
		934	727
		2,226	1,743

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Ms. Li Ling 李玲女士	132	127
Mr. Lee Kwok Tung Louis ⁽ⁱⁱ⁾ 李國棟先生 ⁽ⁱⁱ⁾	110	127
Mr. Wei Junfeng ⁽ⁱⁱ⁾ 魏軍鋒先生 ⁽ⁱⁱ⁾	121	127
Ms. Pan Jianli ⁽ⁱⁱⁱ⁾ 潘建麗女士 ⁽ⁱⁱⁱ⁾	11	-
Mr. Pan Jianguo ⁽ⁱⁱⁱ⁾ 潘建國先生 ⁽ⁱⁱⁱ⁾	11	-
	385	381

There were no other emoluments payable to the independent non-executive directors during the year (2018: Nil).

7. 董事及行政總裁酬金(續)

(a) 獨立非執行董事

年內支付予獨立非執行董事之袍金如下：

於年內並無應付獨立非執行董事之其他酬金(二零一八年：無)。

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7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors and a non-executive director

7. 董事及行政總裁酬金(續)

(b) 執行董事及非執行董事

		Salaries, allowances and benefits Fees	in kind 薪金、津貼 袍金 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃 供款 RMB'000 人民幣千元	Total remuneration 薪金總額 RMB'000 人民幣千元
2019	二零一九年				
Executive directors:	執行董事：				
Mr. Sun Jinli ⁽ⁱ⁾	孫金禮先生 ⁽ⁱ⁾	185	232	28	445
Mr. Zhao Feng ⁽ⁱⁱ⁾	趙峰先生 ⁽ⁱⁱ⁾	167	-	-	167
Mr. Zhang Chao	張超先生	185	237	28	450
Mr. Tang Liwen	湯立文先生	185	396	13	594
		722	865	69	1,656
Non-executive director:	非執行董事：				
Mr. Liu Hongwei	劉紅維先生	185	-	-	185
		907	865	69	1,841

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7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors and a non-executive director (Continued)

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2018	二零一八年				
Executive directors:	執行董事：				
Mr. Sun Jinli	孫金禮先生	127	238	28	393
Mr. Zhao Feng	趙峰先生	127	-	-	127
Mr. Zhang Chao	張超先生	127	238	28	393
Mr. Tang Liwen	湯立文先生	127	181	14	322
		508	657	70	1,235
Non-executive director:	非執行董事：				
Mr. Liu Hongwei	劉紅維先生	127	-	-	127
		635	657	70	1,362

(i) Mr. Sun Jinli who acts as an executive director of the Company is also the chief executive officer of the Company.

(ii) Mr. Lee Kwok Tung Louis and Mr. Wei Junfeng resigned as the Company's independent non-executive directors on 6 December 2019, and Mr. Zhao Feng resigned as the Company's executive director on 6 December 2019.

(iii) Ms. Pan Jianli and Mr. Pan Jianguo were appointed as the Company's independent non-executive directors on 6 December 2019.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

7. 董事及行政總裁酬金(續)

(b) 執行董事及非執行董事 (續)

(i) 孫金禮先生擔任本公司執行董事，亦為本公司行政總裁。

(ii) 李國棟先生及魏軍鋒先生於二零一九年十二月六日辭任本公司獨立非執行董事職務，及趙峰先生於二零一九年十二月六日辭任本公司執行董事職務。

(iii) 潘建麗女士及潘建國先生於二零一九年十二月六日獲委任為本公司獨立非執行董事。

年內並無任何董事或行政總裁放棄或同意放棄任何薪酬之安排。

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8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2018: three directors), details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining two (2018: two) highest paid employees who are neither a director nor chief executive of the Company during the year are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	481	353
Equity-settled share option expense	以權益結算之購股權開支	94	-
Pension scheme contributions	退休金計劃供款	19	9
		594	362

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

		Number of employees 僱員人數	
		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	零港元至1,000,000港元	2	2

8. 五位最高薪僱員

年內，五位最高薪僱員包括三位董事（二零一八年：三位），有關其薪酬詳情載於上文附註7。年內，餘下兩位（二零一八年：兩位）非本公司董事及非行政總裁的最高薪僱員的薪酬詳情如下：

下列薪酬範圍內非董事及非行政總裁最高薪僱員的數目如下：

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9. INCOME TAX

The major components of income tax expense for the year are as follows:

9. 所得稅

於本年度所得稅開支的主要部分如下：

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current – Mainland China	當期 – 中國大陸		
Charge for the year	年度開支	5,063	3,872
Overprovision in prior year	上年度超額撥備	–	(380)
Deferred (note 14)	遞延(附註14)	(2,458)	(615)
Total tax charge for the year	年度稅項開支總額	2,605	2,877

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9. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the applicable tax rates for the jurisdictions in which companies within the Group are domiciled to the tax expense at the effective tax rate is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Notes 附註		
Profit before tax	除稅前溢利	21,118	22,705
Add: non-deductible expenses incurred by the Company	加：本公司產生之不可扣減開支 (a)	3,773	2,382
Profit before tax generated by Hong Kong and PRC subsidiaries	由香港及中國附屬公司產生之除稅前溢利	24,891	25,087
At the applicable tax rates	按適用稅率計算	3,808	3,782
Tax losses utilised from previous year	過往年度動用之稅務虧損	(171)	(35)
Effect on deferred tax of change in tax rate	稅率變動之遞延稅項影響	(328)	-
Overprovision of current tax in prior year	過往年度之當期稅項超額撥備	-	(380)
Tax effect of additional tax deduction for motor vehicles purchased	因所購買汽車所產生的額外扣減稅項之稅務影響	(186)	-
Tax effect of additional tax deduction for research costs incurred	研究成本產生之額外稅項扣減之稅務影響	(674)	(621)
Expenses not deductible for tax	不可扣減稅項開支	143	103
Tax losses not recognised	未獲確認的稅項虧損	13	28
Tax charge at the Group's effective tax rate	本集團實際稅率的稅項開支	2,605	2,877

Notes:

(a) Pursuant to the rules and regulations of Bermuda, the Group is not subject to any income tax in Bermuda. Losses incurred by the Company during the year mainly consist of share option expenses and remuneration of directors. These expenses are not expected to be tax deductible.

9. 所得稅(續)

以集團的除稅前溢利，按集團內各公司所在之國家或司法管轄區的適用稅率計算的稅項開支，及按集團實際稅率計算的稅項開支，兩者對賬如下：

附註：

(a) 根據百慕達的法律法規，本集團無須繳納百慕達的任何所得稅。本公司於本年度內產生之虧損主要包括購股權開支及董事薪酬。該等開支預期不可扣減稅項。

9. INCOME TAX (Continued)

Notes: (Continued)

- (b) During the year, Zhuhai New Materials was entitled to a preferential PRC CIT rate of 15% as it is accredited as “High and New Technology Enterprise” (“HNTE”) from 28 November 2018 to 28 November 2021. Shenzhen Kangsheng was entitled to a preferential PRC CIT rate of 15% as it is accredited as HNTE from 9 December 2019 to 9 December 2022.
- (c) The applicable CIT rate for Hong Kong incorporated subsidiaries was 16.5% during the year. No provision for Hong Kong profits tax has been made as the Group had deductible tax loss from previous year.

10. DIVIDEND

At a meeting of the Directors held on 30 March 2020, the Directors recommended a final dividend of HK1.0 cents per share for the year ended 31 December 2019 (2018 final dividend: HK1.2 cents), subject to shareholder approval at the forthcoming annual general meeting.

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the Company for the year of RMB18,221,000 (2018: RMB19,788,000), and the weighted average number of ordinary shares of 520,000,000 (2018: weighted average number of ordinary shares of 480,767,000) in issue during the year.

No adjustment has been to the basic earnings per share amounts in respect of a dilution as the exercise price of the Company's outstanding share options was higher than the average market price of the Company's shares for the years ended 31 December 2019 and 2018.

9. 所得稅(續)

附註：(續)

- (b) 年內，由於珠海新材料自二零一八年十一月二十八日至二零二一年十一月二十八日被認定為高新技術企業(「高新技術企業」)，其有權享有15%的優惠中國企業所得稅稅率。由於深圳康盛自二零一九年十二月九日至二零二二年十二月九日被認定為高新技術企業，其有權享有15%的優惠中國企業所得稅稅率。
- (c) 於本年度，於香港註冊成立的附屬公司的適用企業所得稅率為16.5%。由於本集團上一年度並無任何可抵扣稅項虧損，故並無就香港利得稅計提撥備。

10. 股息

於二零二零年三月三十日舉行之董事會議上，董事建議就截至二零一九年十二月三十一日止年度派付末期股息每股1.0港仙(二零一八年末期股息：1.2港仙)，惟須待股東於應屆股東週年大會上批准。

11. 本公司普通股權益持有人應佔每股盈利

每股基本盈利金額乃根據本公司普通股權益持有人應佔本年度溢利人民幣18,221,000元(二零一八年：人民幣19,788,000元)，以及本年度已發行普通股加權平均數520,000,000股(二零一八年：普通股加權平均數480,767,000股)計算。

由於截至二零一九年及二零一八年十二月三十一日止年度本公司尚未行使購股權之行使價高於本公司股份之平均市價，故概無就攤薄對每股基本盈利金額作出調整。

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12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2019	二零一九年十二月三十一日					
At 1 January 2019:	於二零一九年一月一日:					
Cost	成本	83,860	2,769	150	2,057	88,836
Accumulated depreciation	累計折舊	(38,160)	(844)	(86)	-	(39,090)
Net carrying amount	賬面淨值	45,700	1,925	64	2,057	49,746
At 1 January 2019, net of accumulated depreciation	於二零一九年一月一日，扣除累計折舊	45,700	1,925	64	2,057	49,746
Additions	添置	10,908	2,013	-	14,777	27,698
Depreciation provided for the year	本年度折舊撥備	(7,988)	(562)	(19)	-	(8,569)
Transfer from construction in progress ("CIP")	自在建工程（「在建工程」）轉撥	15,596	-	-	(15,596)	-
Transfer to CIP	轉入在建工程	(806)	-	-	806	-
Exchange realignment	匯率調整	-	65	-	-	65
Write-off	撇銷	(1,756)	-	(1)	-	(1,757)
At 31 December 2019, net of accumulated depreciation	於二零一九年十二月三十一日，扣除累計折舊	61,654	3,441	44	2,044	67,183
At 31 December 2019:	於二零一九年十二月三十一日:					
Cost	成本	102,933	4,857	138	2,044	109,972
Accumulated depreciation	累計折舊	(41,279)	(1,416)	(94)	-	(42,789)
Net carrying amount	賬面淨值	61,654	3,441	44	2,044	67,183

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

12. 物業、廠房及設備(續)

		Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2018	二零一八年十二月三十一日					
At 1 January 2018:	於二零一八年一月一日:					
Cost	成本	61,536	822	107	-	62,465
Accumulated depreciation	累計折舊	(22,335)	(583)	(43)	-	(22,961)
Net carrying amount	賬面淨值	39,201	239	64	-	39,504
At 1 January 2018, net of accumulated depreciation	於二零一八年一月一日, 扣除累計折舊	39,201	239	64	-	39,504
Additions	添置	689	1,807	-	2,057	4,553
Acquisition of subsidiaries	收購附屬公司	11,907	44	15	-	11,966
Depreciation provided for the year	本年度折舊撥備	(5,915)	(165)	(15)	-	(6,095)
Disposals	出售	(182)	-	-	-	(182)
At 31 December 2018, net of accumulated depreciation	於二零一八年十二月三十一日, 扣除累計折舊	45,700	1,925	64	2,057	49,746
At 31 December 2018:	於二零一八年十二月三十一日:					
Cost	成本	83,860	2,769	150	2,057	88,836
Accumulated depreciation	累計折舊	(38,160)	(844)	(86)	-	(39,090)
Net carrying amount	賬面淨值	45,700	1,925	64	2,057	49,746

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13. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

13. 指定按公平值計入其他全面收益之權益投資

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unlisted equity investment, at fair value Xi'an Xingye Metro Media Co., Limited 非上市權益投資，按公平值 西安興業地鐵傳媒有限公司	5,000	-

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers the investment to be strategic in nature.

由於本集團認為上述權益投資屬戰略性性質，故不可撤銷地將該投資指定為按公平值計入其他全面收益之權益投資。

14. DEFERRED TAX

The movements of deferred tax assets during the year are as follows:

Deferred tax assets

		Lease liabilities 租賃負債 RMB'000 人民幣千元	Impairment on trade receivables 貿易應收款項減值 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	-	638	304	942
Deferred tax credited to profit or loss during the year (note 9)	計入年內損益之遞延稅項(附註9)	-	606	9	615
At 31 December 2018	於二零一八年十二月三十一日	-	1,244	313	1,557
At 31 December 2018	於二零一八年十二月三十一日	-	1,244	313	1,557
Effect of adoption of IFRS 16	採納國際財務報告準則第16號之影響	1,640	-	-	1,640
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	1,640	1,244	313	3,197
Deferred tax credited to profit or loss during the year (note 9)	計入年內損益之遞延稅項(附註9)	(381)	846	792	1,257
At 31 December 2019	於二零一九年十二月三十一日	1,259	2,090	1,105	4,454

The Group has tax losses arising in Hong Kong of RMB523,000 (2018: RMB619,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of RMB251,000 (2018: Nil) that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose.

遞延稅項資產於年內之變動如下：

遞延稅項資產

本集團擁有自香港產生之稅項虧損人民幣523,000元(二零一八年：人民幣619,000元)可無限期用於抵銷產生虧損公司之未來應課稅溢利。本集團亦擁有自中國大陸產生之稅項虧損人民幣251,000元(二零一八年：無)可用於抵銷產生虧損公司之未來應課稅溢利，將於一至五年後到期。

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14. DEFERRED TAX (Continued)

Deferred tax liability

		Right-of-use assets 使用權資產 RMB'000 人民幣千元	Accelerated depreciation for tax purpose 就稅務目的之 加速折舊 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	-	-	-
Acquisition of subsidiaries	收購附屬公司	-	820	820
At 31 December 2018	於二零一八年十二月 三十一日	-	820	820
At 31 December 2018	於二零一八年十二月 三十一日	-	820	820
Effect of adoption of IFRS 16	採納國際財務報告準則 第16號之影響	1,640	-	1,640
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	1,640	820	2,460
Deferred tax credited to profit or loss during the year (note 9)	計入年內損益之遞延稅項 (附註9)	(381)	(820)	(1,201)
At 31 December 2019	於二零一九年十二月 三十一日	1,259	-	1,259

14. 遞延稅項(續)

遞延稅項負債

14. DEFERRED TAX (Continued)

Deferred tax liability (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項資產淨額	4,454	1,557
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項負債淨額	(1,259)	-
Net deferred tax assets	遞延稅項資產淨額	3,195	1,557

Under the CIT Law of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from foreign investment enterprises established in Mainland China effective from 1 January 2008. Under the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate for dividends paid by a Mainland resident enterprise to a Hong Kong resident enterprise is 5% if the Hong Kong enterprise owns at least 25% of the Mainland enterprise.

Deferred taxation has not been provided for in the consolidated statement of financial position in respect of temporary differences attributable to the profits of the PRC subsidiaries during the year, 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. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB74,839,000 as at 31 December 2019 (2018: RMB57,348,000).

14. 遞延稅項(續)

遞延稅項負債(續)

為列示目的，若干遞延稅項資產與負債已於財務狀況表中抵銷。以下為對本集團遞延稅項結餘就財務報告分析用途之分析：

根據中國企業所得稅法，由二零零八年一月一日起，在中國大陸成立之外資企業凡向外國投資者宣派股息，須徵收10%的預扣稅。根據《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》，倘香港企業最少擁有大陸企業25%的股本權益，由大陸居民企業付予香港居民企業的股息的預扣稅率為5%。

由於本集團可控制撥回暫時差額的時機，且暫時差額可能在短期內不會撥回，故並無就年內產生自中國附屬公司溢利的暫時差額在綜合財務狀況表內計提遞延稅項。於二零一九年十二月三十一日，與投資位於中國大陸的附屬公司有關的暫時差額合共約人民幣74,839,000元(二零一八年：人民幣57,348,000元)並無確認遞延稅項負債。

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15. LEASES

The Group as a lessee

The Group has lease contracts for plant and office premises used in its operations. Leases of plant and office premises generally have lease terms of 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) *Right-of-use assets*

The carrying amount of the Group's right-of-use assets and the movements during the year are as follows:

		Plant and office premises 廠房及 辦公室物業 RMB'000 人民幣千元
As at 1 January 2019	於二零一九年一月一日	10,931
Depreciation charge	折舊費用	(2,194)
Early termination	提早終止	(679)
As at 31 December 2019	於二零一九年十二月三十一日	8,058

15. 租賃

本集團作為承租人

本集團就經營業務所用之廠房及辦公室物業所訂立租賃合約。廠房及辦公室物業之租期通常為三年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

(a) *使用權資產*

本集團年內使用權資產的賬面值及變動如下：

15. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		Lease liabilities 租賃負債 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	10,931
Accretion of interest recognised during the year	年內已確認利息增幅	482
Early termination	提早終止	(702)
Payment	付款	(2,317)
Carrying amount at 31 December	於十二月三十一日的賬面值	8,394
Analysed into:	分析為:	
Current portion	流動部分	1,738
Non-current portion	非流動部分	6,656

(c) The amount recognised in profit or loss in relation to leases is as follows:

15. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

年內租賃負債的賬面值及變動如下:

(c) 於損益中確認的租賃相關款項如下:

		2019 二零一九年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	482
Depreciation charge of right-of-use assets	使用權資產折舊開支	2,194
Expense relating to short-term leases (included in administrative expenses)	與短期租賃有關的開支(計入行政開支)	23
Total amount recognised in profit or loss	損益中確認款項總額	2,699

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16. GOODWILL

Cost and net carrying amount	成本及賬面淨值
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Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the Shenzhen Kangsheng cash-generating unit (“Shenzhen Kangsheng CGU”) for impairment testing:

The recoverable amount of the Shenzhen Kangsheng CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections is 19.8%. The growth rate used to extrapolate the cash flows of the industrial products unit beyond the five-year period is 3%.

Assumptions were used in the value in use calculation of the Shenzhen Kangsheng CGU for 31 December 2019. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue – The budgeted revenue is based on the historical data and management’s expectation on the future market.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Pre-tax discount rate – The discount rate used is before tax and reflects specific risks relating to Shenzhen Kangsheng CGU.

16. 商譽

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
6,448	6,448

商譽之減值測試

透過業務合併收購之商譽分配至深圳康盛現金產生單位(「深圳康盛現金產生單位」)作減值測試：

深圳康盛現金產生單位之可收回金額已基於使用價值計算而釐定，其採用經高級管理層批准涵蓋五年期之財務預算為依據之現金流量預測。現金流量預測採用之稅前貼現率為19.8%。推算五年期間後之工業產品單位現金流量採用之增長率為3%。

假設被用於計算二零一九年十二月三十一日深圳康盛現金產生單位之使用價值。以下闡釋管理層基於其現金流量預測進行商譽減值測試時所依據之各項關鍵假設：

預算收益 – 預算收益乃基於歷史數據及管理層對未來市場之預期。

預算毛利率 – 用於釐定分配至預算毛利率之價值所用的基準為緊接預算年度前一年所取得之平均毛利率，並對預計效率提升以及預計市場發展而上調。

稅前貼現率 – 所用貼現率為除稅前，並反映與深圳康盛現金產生單位有關的特定風險。

16. GOODWILL (Continued)**Impairment testing of goodwill (Continued)**

The values assigned to the key assumptions on market development of the cash-generating unit and the discount rate are consistent with external information sources.

The directors had estimated the reasonably possible changes in those factors and acknowledged that, even if the most unfavourable possible values were assigned to those factors, the recoverable amount then calculated, after incorporating any consequential effects of such assignments on the other variables used to measure the recoverable amount of the Shenzhen Kangsheng CGU, would still exceed its carrying amount.

17. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	產成品

16. 商譽(續)**商譽之減值測試(續)**

就有關現金產生單位之市場發展及貼現率的主要假設所賦予之價值，與外部資料來源一致。

董事已估計該等因素之合理可能變動，並確認即使該等因素發生最不利的可能變動，經考慮相關因素對計量深圳康盛現金產生單位之可收回金額使用之其他變量有關賦值之任何影響後，當時所計算之可收回金額仍超過其賬面值。

17. 存貨

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw materials	10,835	5,322
Work in progress	2,988	3,699
Finished goods	5,408	6,356
	19,231	15,377

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18. TRADE AND BILLS RECEIVABLES

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	142,970	149,245
Less: Impairment	減：減值	(13,936)	(8,292)
		129,034	140,953
Bills receivable	應收票據	2,618	2,017
		131,652	142,970

The Group's trading terms with its customers are mainly on credit. The credit periods generally range from one to six months for major customers. Trade receivables from small and new customers are normally expected to be settled shortly after the delivery of goods. No credit period is set by the Group for small and new customers.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

18. 貿易應收款項及應收票據

本集團與客戶間的貿易條款以信貸交易為主。本集團一般授予主要客戶介乎一至六個月的信貸期。來自小型及新增客戶的貿易應收款項通常預期在緊隨交付商品之後立即結算。本集團未就小型及新增客戶設定信貸期。

本集團並無就貿易應收款項餘額持有任何抵押品或其他信貸加強措施。貿易應收款項為免息。

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18. TRADE AND BILLS RECEIVABLES (Continued)

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the billing date and net of loss allowance, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	三個月內	38,929	51,283
3 to 6 months	三至六個月	28,136	18,953
6 to 12 months	六至十二個月	19,086	30,652
1 to 2 years	一年至兩年	27,906	35,274
2 to 3 years	兩年至三年	13,808	6,808
Over 3 years	三年以上	3,787	-
		131,652	142,970

At 31 December 2019, retentions held by customers for contract works included in trade receivables amounted to approximately RMB3,543,000 (2018: RMB2,916,000). Retention money receivables are normally collected within two to three years after the completion of the relevant construction work.

18. 貿易應收款項及應收票據 (續)

於報告期末，按照賬單日期及扣除虧損撥備基準計算的貿易應收款項及應收票據賬齡分析如下：

於二零一九年十二月三十一日，貿易應收款項中包括的客戶所持承包工程質保金約為人民幣3,543,000元(二零一八年：人民幣2,916,000元)。應收質保金一般於相關建築工程完成後二至三年內收取。

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18. TRADE AND BILLS RECEIVABLES (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At beginning of year	於年初	8,292	4,250
Impairment loss, net (note 6)	減值虧損，淨額(附註6)	7,779	5,242
Amount written off as uncollectible	不可回收之已註銷款項	(2,135)	(1,200)
At end of year	於年末	13,936	8,292

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and profile). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than two years and are not subject to enforcement activity.

18. 貿易應收款項及應收票據 (續)

貿易應收款項之虧損撥備變動如下：

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分類組別(即按客戶類型及評級劃分)的逾期天數釐定。該計算反映概率加權結果、貨幣時間價值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。一般而言，倘貿易應收款項逾期超過兩年，則予以撇銷，且不受強制執行活動規限。

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18. TRADE AND BILLS RECEIVABLES (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2019

		Past due 已逾期			Total 總計
		Current 當期	Less than 3 months 少於三個月	Over 3 months 超過三個月	
Expected credit loss rate	預期信貸虧損率	2.75%	1.56%	16.19%	9.75%
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	38,683	27,429	76,858	142,970
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	1,063	427	12,446	13,936

As at 31 December 2018

		Past due 已逾期			Total 總計
		Current 當期	Less than 3 months 少於三個月	Over 3 months 超過三個月	
Expected credit loss rate	預期信貸虧損率	0.53%	2.01%	8.94%	5.56%
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	40,690	23,547	85,008	149,245
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	217	474	7,601	8,292

18. 貿易應收款項及應收票據 (續)

下表使用撥備矩陣載列有關本集團貿易應收款項信貸風險敞口之資料：

於二零一九年十二月三十一日

於二零一八年十二月三十一日

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19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

19. 預付款項、按金及其他應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<i>Current portion:</i>			
	<i>即期部分：</i>		
Prepayments to suppliers	應付供應商款項	15,332	6,089
Deposits	按金	436	327
Due from related parties (note 32(c))	應收關連方款項(附註32(c))	498	2,465
Other receivables	其他應收款項	2,481	1,937
		18,747	10,818
<i>Non-current portion:</i>			
	<i>非即期部分：</i>		
Prepayments for equipment*	設備預付款*	15,116	-
Total	總計	33,863	10,818

* Included in the prepayments for equipment is mainly prepayment paid to an independent supplier to expand productivity of ITO film.

* 設備預付款主要包括為提高ITO導電膜的生產效率而支付予一名獨立第三方供應商的預付款。

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20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20. 按公平值計入損益之金融資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Structured deposits	結構性存款	5,000	-

The above structured deposits at 31 December 2019 were issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. The structured deposits are with expected rates of return (not guaranteed) at rate linked to 3M-London Interbank Offered Rate.

上述於二零一九年十二月三十一日的結構性存款乃由中國大陸銀行發行，其被強制分類為按公平計入損益的金融資產，原因為其合約現金流量並非僅為本金及利息之付款。結構性存款的預期回報率（無擔保）與3個月倫敦銀行同業拆息掛鉤。

21. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

21. 現金及現金等價物以及抵押存款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	39,470	68,299
Less: Restricted cash	減：受限制現金	(12,518)	-
Pledged deposit for performance guarantee	履約擔保之抵押存款	(20)	(20)
Cash and cash equivalents	現金及現金等價物	26,932	68,279

As at 31 December 2019, the restricted cash represents cash sealed by a court in the PRC as the Company's subsidiary, Zhuhai New Materials, has been named as a defendant in a lawsuit in a product quality dispute arising in the ordinary course of business. Further details of the lawsuit are included in note 30 to the financial statements.

於二零一九年十二月三十一日，受限制現金為本公司附屬公司由中國法院凍結之現金，珠海新材料於日常生產經營中遭遇產品質量糾紛被列為被告。此訴訟之進一步詳情載於財務報表附註30。

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21. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (Continued)

The Group's cash and bank balances were denominated in the following currencies:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<i>RMB equivalent amount:</i>	<i>人民幣等值金額:</i>		
RMB	人民幣	38,314	67,409
HK\$	港元	764	287
US\$	美元	369	583
EUR	歐元	3	-
		39,450	68,279

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

21. 現金及現金等價物以及抵押存款(續)

本集團現金及銀行結餘以下列貨幣列值:

人民幣不可自由地兌換為其他貨幣。然而，根據中國大陸的外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准通過獲授權經營外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金按每日銀行存款利率之浮動利率計息。銀行結餘和抵押存款已存入近期沒有不良拖欠記錄、信譽良好的銀行中。

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22. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the purchase recognition date, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 6 months	六個月內	14,292	13,371
6 to 12 months	六至十二個月	1,167	463
1 to 2 years	一年至兩年	2,218	2,233
2 to 3 years	兩年至三年	918	336
Over 3 years	三年以上	591	2,789
		19,186	19,192

The trade payables are non-interest-bearing and are normally settled on three-month terms.

於報告期末，基於確認購買日期計算貿易應付款項的賬齡分析如下：

該等貿易應付款項為免息並通常按三個月期限結算。

23. OTHER PAYABLES AND ACCRUALS

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract liabilities*	合約負債*	1,504	2,813
Accrued expenses	應計開支	1,602	2,276
Payroll and welfare payable	應付工資及福利	1,501	4,235
Tax and surcharge payables	應付稅項及附加費	22,476	20,573
Payables related to property, plant and equipment	物業、廠房及設備有關之應付款項	526	4,007
Due to related parties (note 32(c))	應付關連方款項(附註32(c))	748	822
Other payables	其他應付款項	1,434	1,429
		29,791	36,155

23. 其他應付款項及應計費用

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23. OTHER PAYABLES AND ACCRUALS (Continued)

* Contract liabilities consisted of short-term advances received from customers in relation to delivery products. Changes in contract liabilities during the year are as follows:

		RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	2,813
Revenue recognised that was included in the contract liabilities at the beginning of the year (note 4)	於年初計入合約負債之確認收益(附註4)	(1,950)
Net increase due to cash received, excluding amounts recognised as revenue during the year	已收現金增加淨額，不包括年內確認為收益之金額	641
At 31 December 2019	於二零一九年十二月三十一日	1,504

There were no contract assets at the end of the reporting period recognised in the consolidated statement of financial position.

23. 其他應付款項及應計費用 (續)

* 合約負債包括就交付產品自客戶收取之短期預付款。年內，合約負債之變動如下：

於報告期末並無於綜合財務狀況表內確認之合約資產。

24. PROVISION

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At beginning of year	於年初	591	1,312
Additional provision/(reversal of unutilised provision)	額外撥備/(未動用撥備撥回)	217	(482)
Amounts utilised during the year	於年內已動用金額	(225)	(239)
At end of year	於年末	583	591

The Group provides 6-month to 2-year warranties to its customers on certain of its products, under which default products are repaired or replaced. The amount of provision for warranties is estimated on sales and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised as appropriate.

本集團就其若干產品向其客戶提供6個月至2年的質保，據此有缺陷產品可予維修或退換。質保之撥備金額基於銷售以及維修程度及退貨之過往經驗估計。估計基準持續檢討及按適用情況予以修訂。

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25. DEFERRED INCOME

25. 遞延收入

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Notes 附註		
At beginning of year	於年初		1,599	721
Receipts of government grants related to:	收取有關的政府補助：			
Property, plant and equipment	物業、廠房及設備	(i)	1,325	969
Research and development	研發	(ii)	7,200	-
Released to profit or loss	撥至損益	5	(3,255)	(91)
			6,869	1,599
Government grants related to	有關的政府補助			
Property, plant and equipment	物業、廠房及設備		2,684	1,599
Research and development	研發		4,185	-
			6,869	1,599

Notes:

- (i) The Group has received certain government grants in respect of the purchase of equipment and is released to profit or loss by annual instalments to match with the expected useful lives of the relevant assets.
- (ii) During the year, the Group received government grant in relation to the research and development project of the Smart Colour-Switching Glass undertaking by the Group under the “2018 Zhuhai Innovation and Entrepreneurship Team and High-Level Talent Entrepreneurship Project”. The grant is released to profit or loss as other income over the periods when the research costs, which the grant is intended to compensate, are expensed.

附註：

- (i) 本集團已獲得有關購買設備的若干政府補助，並按年度分期撥至損益以匹配相關資產之預期可使用年期。
- (ii) 年內，本集團就其於《珠海市2018年度創新創業團隊和高層次人才創業項目》項下進行的智能變色玻璃研發項目獲政府補貼。該補貼於其擬補償的研究費用支出期間作為其他收入撥至損益。

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26. SHARE CAPITAL

Shares

		2019 二零一九年 US\$000 千美元	2018 二零一八年 US\$000 千美元
Authorised:	法定：		
10,000,000,000 ordinary shares of US\$0.01 each	10,000,000,000股每股面值0.01美元之普通股	100,000	100,000
Issued and fully paid	已發行及繳足		
520,000,000 ordinary shares of US\$0.01 each	520,000,000股每股面值0.01美元之普通股	5,200	5,200
Equivalent to approximately RMB'000	等於約人民幣千元	35,415	35,415

There was no movement in the Company's issued share capital during the year.

年內，本公司已發行股本概無任何變動。

27. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible persons for their contribution or potential contribution to the growth and development of the Group ("Eligible Persons"). Eligible Persons of the Scheme include:

- (i) (a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether full time or part time) of, or

26. 股本

股份

		2019 二零一九年 US\$000 千美元	2018 二零一八年 US\$000 千美元
Authorised:	法定：		
10,000,000,000 ordinary shares of US\$0.01 each	10,000,000,000股每股面值0.01美元之普通股	100,000	100,000
Issued and fully paid	已發行及繳足		
520,000,000 ordinary shares of US\$0.01 each	520,000,000股每股面值0.01美元之普通股	5,200	5,200
Equivalent to approximately RMB'000	等於約人民幣千元	35,415	35,415

年內，本公司已發行股本概無任何變動。

27. 購股權計劃

本公司採納一項購股權計劃(「計劃」)，旨在向為本集團之增長及發展作出貢獻或潛在貢獻之合資格人士(「合資格人士」)提供獎勵及報酬。計劃之合資格人士包括：

- (i) (a) 任何公司的任何董事或擬任董事(不論為執行董事或非執行董事，包括任何獨立非執行董事)、僱員或擬任僱員(不論為全職或兼職)，或

27. SHARE OPTION SCHEME (Continued)

- (i) (Continued)
- (b) any individual for the time being seconded to work for, any member of the Group or any substantial shareholder or any company controlled by a substantial shareholder;
- (ii) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group; and
- (iii) for the purposes of the Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of participants.

The Scheme was approved by the Company's shareholders on 17 October 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The total number of shares which may be issued upon the exercise of all share options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total issued share capital of the Company as at the date on which the Scheme is adopted unless the Company obtains a fresh approval from shareholders to refresh the 10% limit on the basis that the maximum number of shares in respect of which share options may be granted under the Scheme together with any share options outstanding and yet to be exercised under the Scheme and any other share option schemes shall not exceed 30% of the issued share capital of the Company from time to time.

27. 購股權計劃(續)

- (i) (續)
- (b) 當時借調為其工作的任何個人，本集團任何成員公司或任何主要股東或由主要股東控制的任何公司；
- (ii) 向本集團任何成員公司提供研究、開發或其他技術支持或任何顧問、諮詢、專業或其他服務的任何人士或實體；及
- (iii) 就計劃而言，包括屬於上述任何一類參與者的一名或多名人士控制的任何公司。

計劃已於二零一七年十月十七日獲本公司股東批准，除非另行註銷或修訂，否則計劃從該日起保持十年的效力。

因行使根據計劃及本公司任何其他購股權計劃將予授出之所有購股權而可能發行之股份總數合共不得超過本公司於採納計劃之日期已發行股本總額10%，除非本公司獲得股東新批准更新10%限額，條件為根據計劃可授出之購股權以及根據計劃及任何其他購股權計劃尚未行使及有待行使之任何購股權涉及之股份數目上限將不得超過本公司不時已發行股本之30%。

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27. SHARE OPTION SCHEME (Continued)

The maximum number of shares issued and to be issued upon the exercise of the share options granted under the Scheme and any other share option schemes of the Company to any Eligible Persons (including cancelled, exercised and outstanding share options), in any 12-month period up to the date of grant shall not exceed 1% of the number of shares in issue, unless (i) a circular is despatched to the shareholders; (ii) the shareholders approve the grant of the share options in excess of the 1% limit referred to in this paragraph; and (iii) the relevant Eligible Persons and his associates shall abstain from voting. The number and terms (including the exercise price) of share options to be granted to such Eligible Persons must be fixed before shareholders' approval.

Any grant of a share option to a director, chief executive of the Company or substantial shareholder (or any of their respective associates) must be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the share options).

Where any grant of share options to a substantial shareholder or an independent non-executive director (or any of their respective associates) will result in the total number of shares issued and to be issued upon the exercise of the share options already granted and to be granted to such person under the Scheme and any other share option schemes of the Company (including share options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant: (i) representing in aggregate over 0.1% of the shares in issue; and (ii) having an aggregate value, based on the closing price of the shares at each date of grant, in excess of HK\$5 million, such further grant of share options is required to be approved by shareholders in a general meeting in accordance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange. Any change in the terms of a share option granted to a substantial shareholder or an independent non-executive director or any of their respective associates is also required to be approved by shareholders.

27. 購股權計劃(續)

根據計劃及本公司任何其他購股權計劃授予任何合資格人士之購股權(包括已註銷、已行使及尚未行使之購股權)獲行使時已發行及將予發行之股份總數,於截至授出當日止任何十二個月期間,不得超過已發行股份數目之1%,除非(i)一份通函已寄發予股東;(ii)股東批准授出超過本段所述之1%上限之購股權;及(iii)有關合資格人士及其聯繫人須放棄投票。將授予合資格人士之購股權之數目及條款(包括行使價)必須於股東批准前釐定。

凡向本公司董事、行政總裁或主要股東(或任何彼等各自之聯繫人)授出任何購股權,必須得到獨立非執行董事(不包括任何身兼購股權承授人之獨立非執行董事)之批准。

凡向主要股東或獨立非執行董事(或任何彼等各自之聯繫人)授出任何購股權,將導致該人士根據計劃及本公司任何其他購股權計劃已獲授或將予獲授之購股權(包括已行使、已註銷及尚未行使之購股權)獲行使時已發行及將予發行之股份總數,於截至授出當日止(包括當日)任何十二個月期間:(i)合共佔已發行股份超過0.1%;及(ii)根據股份於各授出當日之收市價計算,股份總值超過5,000,000港元者,則此項進一步授出購股權之事宜須根據聯交所GEM證券上市規則於股東大會上經股東批准。凡向主要股東或獨立非執行董事或任何彼等各自之聯繫人授出購股權之條款有任何修改,亦須經股東批准。

27. SHARE OPTION SCHEME (Continued)

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee.

The exercise price of share options is determinable by the directors but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

The following share options were outstanding under the Scheme during the year:

27. 購股權計劃(續)

授出購股權之要約可由承授人支付共計1港元之名義代價後，於要約當日起30日內予以接納。

購股權之行使價由董事釐定，惟不可低於以下最高者：(i)本公司股份於購股權要約日期在聯交所之收市價；(ii)本公司股份於緊接要約日期前五個交易日在聯交所之平均收市價。

本年度計劃項下尚未行使之購股權如下：

		2019 二零一九年		2018 二零一八年	
		Exercise price 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份	Exercise price 行使價 HK\$ per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	1.16	21,000	-	-
Granted during the year	年內授出	-	-	1.16	21,000
Forfeited during the year	年內沒收	1.16	(5,300)	-	-
At 31 December	於十二月三十一日	1.16	15,700	1.16	21,000

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27. SHARE OPTION SCHEME (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2019 二零一九年 '000 千份	2018 二零一八年 '000 千份	Exercise price 行使價 HK\$ per share 每股港元	Exercise period 行使期
5,233	7,000	1.16	31 January 2021 to 30 January 2028 二零二一年一月三十一日至 二零二八年一月三十日
5,233	7,000	1.16	31 January 2022 to 30 January 2028 二零二二年一月三十一日至 二零二八年一月三十日
5,234	7,000	1.16	31 January 2023 to 30 January 2028 二零二三年一月三十一日至 二零二八年一月三十日
15,700	21,000		

During the year ended 31 December 2019, a total of 5,300,000 options (2018: Nil) were forfeited due to the resignation of grantees.

The Group recognised a share option expense of RMB1,340,000, net of reversal of share option expense due to the forfeiture of share options during the year (2018: RMB2,384,000).

At the end of the reporting period, the Company had 15,700,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 15,700,000 additional ordinary shares of the Company and additional share capital of US\$157,000 (equivalent to approximately HK\$1,223,000, before issue expenses).

As at the date of approval of these financial statements, the Company had 15,700,000 share options outstanding under the Scheme, which represented approximately 3.019% of the Company's shares in issue as at that date.

27. 購股權計劃(續)

於報告期末尚未行使購股權之行使價及行使期如下：

截至二零一九年十二月三十一日止年度，由於承授人辭任，合共沒收5,300,000份購股權(二零一八年：無)。

本集團已確認購股權開支人民幣1,340,000元，已扣除年內因沒收購股權而產生的購股權開支撥回(二零一八年：人民幣2,384,000元)。

於報告期末，本公司根據計劃擁有15,700,000份尚未行使之購股權。根據本公司之現時資本結構，悉數行使尚未行使之購股權將導致發行15,700,000股本公司額外普通股以及額外股本157,000港元(相當於約1,223,000港元，未計發行開支)。

於該等財務報表批准日期，本公司根據計劃擁有15,700,000份尚未行使之購股權，佔本公司於該日之已發行股份之約3.019%。

28. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior year are presented in the consolidated statement of changes in equity on page 75 of the financial statements.

(a) Statutory reserves fund

Pursuant to the relevant laws and regulations in the PRC, a portion of profits as determined in accordance of the Generally Accepted Accounting Principles of the PRC of subsidiaries established in the PRC has been transferred to reserves funds. Such reserve funds are non-distributable except in the event of liquidation and subject to certain restrictions set out in the relevant PRC regulations. They can be used to offset accumulated losses or capitalised as paid-up capital.

(b) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to accumulated loss should the related options expire or be forfeited.

(c) Capital reserves

Capital reserves consist of (i) the deemed contribution from the Company's intermediate holding company, Singyes Solar with respect to share options granted by Singyes Solar; and (ii) the advance received from Top Access in 2015 amounting to RMB55,161,000, which was waived by Top Access during the same year.

28. 儲備

本集團本年度及過往年度之儲備金額及相關變動載於財務報表第75頁綜合權益變動表內。

(a) 法定準備金

根據中國的相關法律法規，根據中國公認會計原則釐定於中國成立的一間附屬公司的部分溢利已轉撥至儲備金。該等儲備金不可分派（除非發生清盤）並受限於中國相關法規所載的若干限制。該等儲備可以用於抵銷累計虧損或資本化為繳足股本。

(b) 購股權儲備

購股權儲備包括已授出有待行使之購股權之公平值，如財務報表附註2.4內以股份為基礎付款之會計政策內進一步闡釋。當有關購股權獲行使時，該金額將轉撥至股份溢價賬，或倘相關購股權屆滿或被沒收時則轉撥至累計虧損。

(c) 資本儲備

資本儲備包括(i)本公司的中間控股公司興業太陽能就興業太陽能授予購股權的視作出資；(ii)及二零一五年Top Access金額為人民幣55,161,000元的墊款，該墊款已於同年獲Top Access免除。

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財務報表附註

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29. COMMITMENTS

(a) The Group had the following capital commitments at the end of the reporting period:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contracted, but not provided for:		
Machinery	9,120	-
Capital contribution for equity investment	4,500	-
	13,620	-

(b) Operating lease commitments as at 31 December 2018

The Group leased certain of its office and factory under operating lease arrangements. Leases for properties were negotiated for terms ranging from one to five years. As at 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2018 二零一八年 RMB'000 人民幣千元
Within one year	2,552
In the second to fifth years, inclusive	3,522
	6,074

29. 承擔

(a) 於報告期末，本集團有下列資本承擔：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contracted, but not provided for:		
Machinery	9,120	-
Capital contribution for equity investment	4,500	-
	13,620	-

(b) 於二零一八年十二月三十一日之經營租賃承擔

本集團根據經營租賃安排租賃部分辦公室及工廠。物業租賃的談判期限為一年至五年。於二零一八年十二月三十一日，本集團的不可撤銷經營租賃下的未來最低租賃付款總額如下：

	2018 二零一八年 RMB'000 人民幣千元
Within one year	2,552
In the second to fifth years, inclusive	3,522
	6,074

30. CONTINGENT LIABILITIES

As at 31 December 2019, Zhuhai New Materials was involved in a product quality dispute arising from the ordinary course of business where a customer initiated a proceeding against Zhuhai New Materials to claim a compensation relating to a product quality dispute. As a result of this lawsuit, cash at bank of Zhuhai New Materials amounting to RMB12,518,000 has been set aside and sealed by a court in the PRC. The directors, based on the advice from the Group's legal counsel, believe that Zhuhai New Materials has a valid defence against the lawsuit and, accordingly, have not provided for any loss arising from the litigation, other than the related legal costs.

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

During the year, the Group entered into tripartite agreements with some of its customers and suppliers, pursuant to which the parties to the agreements unanimously agreed that the Group's trade receivable amounting to RMB10,044,000 is offset with trade payables amounting to RMB10,044,000.

30. 或然負債

於二零一九年十二月三十一日，珠海新材料於日常生產經營中遭遇產品質量糾紛，客戶對珠海新材料提起訴訟，要求就產品質量糾紛作出賠償。由於該訴訟，珠海新材料銀行現金人民幣12,518,000元已由中國法院撥出並凍結。根據本集團法律顧問之意見，董事相信珠海新材料可對該訴訟提出有力抗辯，因此，除相關法律及費用外，並無就訴訟所產生之任何虧損作出撥備。

31. 綜合現金流量表附註

(a) 重大非現金交易

於本年度，本集團與部分客戶及供應商訂立三方協議，據此，協議訂約方一致同意本集團的貿易應收款項為人民幣10,044,000元，以貿易應付款為人民幣10,044,000元抵銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019 二零一九年十二月三十一日

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities

2019

31. 綜合現金流量表附註(續)

(b) 因融資活動產生的負債變動

二零一九年

		Dividend payable 應付股息 RMB'000 人民幣千元	Amount due to related parties 應付關連方 款項 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
At 31 December 2018	於二零一八年十二月三十一日	100	822	-
Effect of adoption of IFRS 16	採納國際財務報告準則第16號之影響	-	-	10,931
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	100	822	10,931
Changes from financing cash flows	融資現金流量產生的變動	(5,380)	(74)	(2,317)
Early termination	提前終止	-	-	(702)
Interest expense charged to profit or loss	計入損益的利息支出	-	-	482
Final 2018 dividend declared	派發二零一八年末期股息	5,380	-	-
At 31 December 2019	於二零一九年十二月三十一日	100	748	8,394

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

31. 綜合現金流量表附註(續)

(b) Changes in liabilities arising from financing activities (Continued)

(b) 因融資活動產生的負債變動(續)

2018

二零一八年

		Dividend payable 應付股息 RMB'000 人民幣千元	Amount due to related parties 應付關連方款項 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	-	1,432
Changes from operating cash flows	經營現金流量產生的變動	-	(1,050)
Changes from financing cash flows	融資現金流量產生的變動	(3,018)	440
Final 2017 dividend declared	派發二零一七年末期股息	3,118	-
At 31 December 2018	於二零一八年十二月三十一日	100	822

(c) Total cash outflow for leases

(c) 租賃現金流出總額

The total cash outflow for leases included in the statement of cash flows is as follows:

現金流量表中包含的租賃現金流出總額如下：

		2019 二零一九年 RMB'000 人民幣千元
Within operating activities	於經營活動中	23
Within financing activities	於融資活動中	2,317
		2,340

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019 二零一九年十二月三十一日

32. RELATED PARTY TRANSACTIONS AND BALANCES

Details of the Company's principal related parties are as follows:

Company name	Relationship
Top Access	Parent company
Singyes Solar	Intermediate holding company
Zhuhai Singyes Green Building Technology Co., Ltd. ("Zhuhai Singyes")	Fellow subsidiary
Singyes Energy-saving Technologies Co., Ltd. ("Singyes Energy-saving")	Fellow subsidiary
Hunan Singyes Solar Technology Co., Ltd. ("Hunan Singyes")	Fellow subsidiary
Zhuhai Singyes Renewable Energy Co., Ltd. ("Singyes Renewable Energy")	Fellow subsidiary
Singyes Engineering (H.K.) Co., Ltd. ("Singyes Engineering (H.K.)")	Fellow subsidiary
Singyes Green Investment (HK) Co., Ltd. ("Singyes Green Investment")	Fellow subsidiary

32. 關連方交易及結餘

本公司主要關連方的詳情如下：

公司名稱	關係
Top Access	母公司
興業太陽能	中間控股公司
珠海興業綠色建築科技有限公司 (「珠海興業」)	同系附屬公司
興業節能科技有限公司 (「興業節能」)	同系附屬公司
湖南興業太陽能科技有限公司 (「湖南興業」)	同系附屬公司
珠海興業新能源科技有限公司 (「興業新能源」)	同系附屬公司
香港興業工程有限公司 (「香港興業工程」)	同系附屬公司
興業綠色投資(香港)有限公司 (「興業綠色投資」)	同系附屬公司

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019 二零一九年十二月三十一日

32. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) During the Period, the Group had the following material transactions with its related party:

		Notes	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
Operating lease rental expenses:	經營租約租金開支：			
Singyes Energy-saving	興業節能	(i)	-	931
Meal expenses:	餐費開支：			
Singyes Energy-saving	興業節能	(ii)	326	392
Purchases of vehicles:	購車：			
Singyes Green Investment	興業綠色投資	(iii)	2,088	-
Sales of goods:	銷售貨品：			
Singyes Renewable Energy	興業新能源	(iii)	88	-
Zhuhai Singyes	珠海興業	(iii)	178	-
			266	-

Notes:

- (i) The directors consider that the operating lease rental expenses paid by the Group to Singyes Energy-saving as determined under the tenancy agreements were based on market rates for similar premises in similar location.

附註：

- (i) 董事認為，本集團向興業節能支付根據租賃協議釐定的經營租約租金開支乃基於類似地點類似物業的市場費率。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019 二零一九年十二月三十一日

32. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

- (a) During the Period, the Group had the following material transactions with its related party:
(Continued)

Notes: (Continued)

- (i) (Continued)

Upon the adoption of IFRS 16, above lease was recognised and measured as right-of-use asset. During the year, the rental paid to Singyes Energy-saving amounted to RMB931,000. As at 31 December 2019, the carrying amounts of the right-of-use asset and lease liabilities in relation to the above lease were RMB4,632,000 and RMB4,772,000, respectively.

- (ii) Singyes Energy-saving provides meal services to the employees of the Group at the rate of RMB3 per breakfast per person and RMB11 per lunch/dinner per person as determined under the service agreements. The directors consider that the rates in respect of the provision of meal services by Singyes Energy-saving were determined on normal commercial terms.
- (iii) The sales of goods to related parties were made according to the price negotiated by both parties by reference to the market price.

32. 關連方交易及結餘(續)

- (a) 於此期間，本集團與關連方進行以下重大交易：
(續)

附註：(續)

- (i) (續)

經採納國際財務報告準則第16號，上述租賃已確認並按使用權資產計量。於年內，支付予興業節能的租金為人民幣931,000元。於二零一九年十二月三十一日，上述租賃的使用權資產及租賃負債的賬面價值分別為人民幣4,632,000元及人民幣4,772,000元。

- (ii) 興業節能向本集團的僱員提供就餐服務，按服務協議釐定的費率為每人每次早餐人民幣3元及每人每次中餐／晚餐人民幣11元。董事認為，就興業節能提供就餐服務的費率乃按一般商業條款釐定。
- (iii) 向關聯方銷售貨品乃根據雙方參考市價釐定的價格進行。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

32. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

32. 關連方交易及結餘(續)

(b) Other transactions with related parties:

(b) 與關連方的其他交易：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest-free advances from:	來自下列各方免息預付款：		
Singyes Engineering (H.K.)	香港興業工程	6,203	-
Singyes Energy-saving	興業節能	21,010	-
Singyes Solar	興業太陽能	3,577	-
Hunan Singyes	湖南興業	-	1,940
		30,790	1,940
Repayment of interest-free advances from:	來自下列各方償還免息預付款：		
Singyes Engineering (H.K.)	香港興業工程	5,895	-
Singyes Energy-saving	興業節能	21,392	-
Hunan Singyes	湖南興業	-	1,500
Singyes Solar	興業太陽能	3,577	-
		30,864	1,500
Interest-free advances to:	免息墊款予：		
Zhuhai Singyes	珠海興業	142,050	175,000
Singyes Renewable Energy	興業新能源	-	40,000
Singyes Solar	興業太陽能	45	47
		142,095	215,047
Repayment of interest-free advances to:	向以下各方償還免息墊款：		
Zhuhai Singyes	珠海興業	142,802	175,060
Singyes Solar	興業太陽能	1,561	-
Singyes Renewable Energy	興業新能源	-	40,000
		144,363	215,060

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32. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(c) Outstanding balances with related parties

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Due from the related parties:			
<i>Non-trade in nature</i>			
	應收關連方款項：		
	<i>非貿易性質</i>		
Singyes Solar	興業太陽能	45	1,561
Zhuhai Singyes	珠海興業	152	904
		197	2,465
<i>Trade in nature</i>			
	貿易性質		
Zhuhai Singyes	珠海興業	201	-
Singyes Renewable Energy	興業新能源	100	-
		301	-
Due to related parties:			
	應付關連方款項：		
Hunan Singyes Solar	湖南興業太陽能	440	440
Singyes Engineering (H.K.)	香港興業工程	308	-
Singyes Energy-saving	興業節能	-	382
		748	822

Balances with the related parties are interest-free, unsecured and have no fixed terms of repayment.

關連方結餘為免息、無抵押及並無固定還款期限。

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32. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(d) Compensation of key management personnel of the Group

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind 薪金、津貼及實物利益	1,336	799
Pension scheme contributions 退休金計劃供款	51	50
Equity-settled share option expense 以權益結算之購股權開支	87	79
	1,474	928

Further details of directors' and the chief executive's emoluments are included in note 7 to the financial statements.

有關董事及行政總裁酬金的進一步詳情載於財務報表附註7。

33. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Gross amount of assets continued to be recognised: 繼續確認資產之總額：		
Endorsed Bills 背書票據	1,822	1,440

32. 關連方交易及結餘 (續)

(d) 本集團主要管理人員的薪酬

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind 薪金、津貼及實物利益	1,336	799
Pension scheme contributions 退休金計劃供款	51	50
Equity-settled share option expense 以權益結算之購股權開支	87	79
	1,474	928

33. 金融資產轉讓

未完全終止確認的已轉讓金融資產

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Gross amount of assets continued to be recognised: 繼續確認資產之總額：		
Endorsed Bills 背書票據	1,822	1,440

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33. TRANSFERS OF FINANCIAL ASSETS (Continued)

Transferred financial assets that are not derecognised in their entirety (Continued)

At 31 December 2019, the Group endorsed certain bills receivable accepted by banks in Mainland China (the “Endorsed Bills”) with a total carrying amount of RMB1,822,000 (2018: RMB1,440,000) to certain of its suppliers in order to settle the trade payables due to such suppliers. The Endorsed Bills had a maturity of one to seven months at 31 December 2019. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to the Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB1,822,000 as at 31 December 2019.

33. 金融資產轉讓(續)

未完全終止確認的已轉讓金融 資產(續)

於二零一九年十二月三十一日，本集團將中國大陸銀行接受的總賬面值為人民幣1,822,000元(二零一八年：人民幣1,440,000元)的若干應收票據(「背書票據」)背書予其若干供應商，以結算應付該等供應商的貿易應付款項。於二零一九年十二月三十一日，背書票據的到期時間為一至七個月。董事認為，本集團已保留大部分風險及回報(包括背書票據違約風險)，因此繼續確認背書票據及相關已結算貿易應付款項的全部賬面值。背書後，本集團並無保留使用背書票據的任何權利，包括向任何其他第三方出售、轉讓或抵押背書票據。年內以供應商有追索權的背書票據結算的貿易應付款項於二零一九年十二月三十一日的總賬面值為人民幣1,822,000元。

33. TRANSFERS OF FINANCIAL ASSETS (Continued)

Transferred financial assets that are derecognised in their entirety

As at 31 December 2019, the Group endorsed certain bills receivable accepted by certain reputable banks in Mainland China to certain of its suppliers in order to settle the trade payables due to such suppliers, with carrying amounts in aggregate of RMB7,685,000 (referred to as the “Derecognised Bills”, 2018: RMB13,806,000). The Derecognised Bills had a maturity from one to six months at 31 December 2019. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amount of the Derecognised Bills. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Directors, the fair value of the Group’s Continuing Involvement in the Derecognised Bills is not significant.

During the year, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills (2018: Nil). No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

33. 金融資產轉讓(續)

已完全終止確認的已轉讓金融資產

於二零一九年十二月三十一日，本集團將中國大陸若干知名銀行接受的總賬面值為人民幣7,685,000元(二零一八年：人民幣13,806,000元)的若干應收票據(「終止確認票據」)背書予其若干供應商，以結算結欠該等供應商的貿易應付款項。於二零一九年十二月三十一日，終止確認的票據的到期時間為一至六個月。根據中國票據法，如中國銀行違約，終止確認票據持有人有權向本集團追索(「持續參與」)。董事認為，本集團已轉讓與終止確認票據有關的絕大部分風險及回報。因此，本集團已終止確認終止確認票據的全部賬面值。本集團持續參與終止確認票據及購回該等終止確認票據的未貼現現金流量面臨的最高損失風險等於其賬面值。董事認為，本集團持續參與終止確認票據的公平值並不重大。

於本年度，本集團並無於已終止確認票據轉讓日期確認任何收益或虧損(二零一八年：無)。並無因持續參與而於年內或累計確認任何收益或虧損。於整個年度內背書已平均作出。

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34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2019

Financial assets

34. 按類別分類之金融工具

於報告期末，各類別金融工具的賬面值如下：

二零一九年

金融資產

		Financial assets at fair value through profit or loss 按公平值 計入損益之 金融資產 RMB'000 人民幣千元	Financial assets at fair value through other comprehensive income 透過其他全面 收益按公平值 列賬之金融資產 RMB'000 人民幣千元	Financial assets at amortised cost 以攤銷成本 列賬的 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Equity investments (note 13)	權益投資(附註13)	-	5,000	-	5,000
Trade and bills receivables	貿易應收款項及 應收票據	-	2,618	129,304	131,652
Financial assets included in prepayments, deposits and other receivables	預付款項、按金及 其他應收款項中 包含的金融資產	-	-	3,415	3,415
Structured deposits (note 20)	結構性存款 (附註20)	5,000	-	-	5,000
Pledged deposits	抵押存款	-	-	12,538	12,538
Cash and cash equivalents	現金及現金等價物	-	-	26,932	26,932
		5,000	7,618	171,919	184,537

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31 December 2019 二零一九年十二月三十一日

34. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:
(Continued)

Financial liabilities

		Financial liabilities at amortised cost 以攤銷成本列賬的金融負債 RMB'000 人民幣千元
Trade payables	應付賬款	19,186
Financial liabilities, included in other payables and accruals	金融負債(包括其他應付款項及應計費用)	2,708
Lease liabilities	租賃負債	8,394
		30,288

2018

二零一八年

Financial assets

金融資產

		Financial assets at amortised cost 以攤銷成本列賬的金融資產 RMB'000 人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	142,970
Financial assets, included in prepayments, deposits and other receivables	預付款項、按金及其他應收款項中包含的金融資產	4,729
Pledged deposits	抵押存款	20
Cash and cash equivalents	現金及現金等價物	68,279
		215,998

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34. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:
(Continued)

Financial liabilities

		Financial liabilities at amortised cost 以攤銷成本 列賬的金融負債 RMB'000 人民幣千元
Trade payables	應付賬款	19,192
Financial liabilities, included in other payables and accruals	金融負債(包括其他應付款項及應計費用)	8,534
		27,726

34. 按類別分類之金融工具 (續)

於報告期末，各類別金融工具的賬面值如下：(續)

金融負債

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

35. 金融工具的公平值及公平 值等級

本集團金融工具之賬面值及公平值(賬面值合理接近公平值的金融工具除外)如下：

		Carrying amounts 賬面值		Fair values 公平值	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets	金融資產				
Equity investments designated at fair value, through other comprehensive income	指定按公平值計入其他全面收益之 權益投資	5,000	-	5,000	-
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	5,000	-	5,000	-
		10,000	-	10,000	-

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Management has assessed that the fair values of cash and cash equivalents, short term pledged deposits, trade receivables, bills receivable, trade payables, financial assets included in prepayments, deposits and other receivables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the financial assets at fair value through profit or loss relating to the structured deposits were calculated by discounting the contractual cash flows over the remaining contractual term of the structured deposits at the risk-free interest rate plus credit spread.

Management estimated that the fair values of unlisted equity investments designated at fair value through other comprehensive income approximates to the original cost paid to subscribe such investments as the investee was newly established in 2019 and had no operation.

35. 金融工具的公平值及公平值等級(續)

管理層已評估現金及現金等價物、短期抵押存款、貿易應收款項、應收票據、貿易應付款、預付款項中包含的金融資產、存款和其他應收款以及其他應付款和應計項目中包含的金融負債的公平值與其賬面價值主要是由於該等工具的短期到期。

金融資產及負債的公平值包括自願雙方之間在當前交易中可交換工具的金額，惟強制或清算出售除外。

以下方法及假設用於估計公平值：

與結構性存款相關的以公平值計量且其變動計入當期損益的金融資產的公平值乃通過以無風險利率加信貸利差對結構性存款的剩餘合約期限內的合約現金流量進行折現計算得出。

管理層估計，以非公平值計量且其變動計入其他綜合收益的非上市權益投資，其公平值被投資組織二零一九年新設且無經營活動時認購該項投資所支付的原始成本相若。

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35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

		Fair value measurement using 公平值計量使用			
		Quoted prices in active markets (Level 1) 活躍市場之 報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀 察輸入數據 (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<i>As at 31 December 2019</i>	於二零一九年十二月 三十一日				
Financial assets at fair value through profit and loss	按公平值計入損益之 金融資產	-	5,000	-	5,000
Bills receivable	應收票據	-	-	2,618	2,618
Equity investments designated at fair value through other comprehensive income	指定按公平值計入 其他全面收益之 權益投資	-	-	5,000	5,000
		-	5,000	7,618	12,618

The Group did not have any financial liabilities measured at fair value as at 31 December 2019 (2018: Nil).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2018: Nil).

35. 金融工具的公平值及公平值等級(續)

公平值等級

下表說明本集團金融工具公平值計量層級：

按公平值計量之資產：

於二零一九年十二月三十一日，本集團概無任何以公平值計量的金融負債(二零一八年：無)。

於年內，金融資產及金融負債在第一層與第二層之間不存在公允價值計量的轉移，亦無進出第三層的轉移(二零一八年：無)。

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise trade and bills receivables, other receivables, trade and other payables and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group does not have any significant exposure to the risk of changes in market interest rates as the Group does not have any significant long-term receivables and loans which are subject to floating interest rate.

Foreign currency risk

The Group's principal businesses are located in the Mainland China and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB, except for those of the overseas subsidiaries in Hong Kong and the Company whose functional currency is HK\$. Foreign currency exposure mainly arises from intra-company balance denominated in HK\$ as recorded by Zhuhai New Materials. At 31 December 2019, Zhuhai New Materials recorded an amount due to the Company of RMB58,743,000 (2018: RMB63,846,000) denominated in HK\$. If RMB strengthens/weakens against HK\$ as a reasonable possible change of 5%, the profit before tax of the Group will increase/decrease by approximately RMB2,937,000 (2018: RMB3,192,000), correspondingly.

36. 財務風險管理目的及政策

本集團的主要金融工具包括貿易應收款項及應收票據、其他應收款項、貿易及其他應付款項以及現金及現金等價物。該等金融工具的主要用途是為本集團的經營籌集資金。

本集團金融工具所產生之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會復核及商議管理各類風險的政策，有關政策概述如下。

利率風險

本集團並無面臨市場利率的任何重大變動風險，因本集團並無受浮息利率規限的任何重大長期應收款項及貸款。

外幣風險

本集團的主要業務位於中國大陸，大部分交易以人民幣進行。本集團大部分資產及負債以人民幣計值，惟於香港的海外附屬公司及本公司的功能貨幣為港元。外幣風險主要產生自珠海新材料錄得之以港元計值之集團內公司間結餘。於二零一九年十二月三十一日，珠海新材料錄得之應付本公司款項人民幣58,743,000元(二零一八年：人民幣63,846,000元)。倘按可能合理變動人民幣兌港元走強/走弱5%，則本集團之除稅前溢利將相應增加/減少約人民幣2,937,000元(二零一八年：人民幣3,192,000元)。

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

36. 財務風險管理目的及政策 (續)

信貸風險

本集團僅與獲認可及享有信譽的第三方人士交易。本集團的政策是，所有擬按信用條款交易的客戶須經過信用驗證程序。此外，應收款項餘額均持續監控，而本集團所承受的壞賬風險並不重大。

最高風險及年終所處階段

下表載列於十二月三十一日按照本集團的信貸政策劃分的信貸質素及最高信貸風險，乃主要基於逾期資料（除非取得其他資料無須不必要的成本或努力）釐定以及按年終所處階段進行之分類。所呈列金額為金融資產之賬面總值。

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2019

36. 財務風險管理目的及政策 (續)

信貸風險 (續)

最高風險及年終所處階段 (續)

於二零一九年十二月三十一日

		12-month	Lifetime ECLs			Simplified	Total
		ECLs	ECLs				
		十二個月	全期預期信用損失率			簡化方法	總計
		預期信貸	Stage 1	Stage 2	Stage 3	approach	Total
		虧損	第一階段	第二階段	第三階段	簡化方法	總計
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade receivables*	貿易應收款項*	-	-	-	-	129,034	129,034
Financial assets included in prepayments, deposits and other receivables	包括於預付款項按金及其他應收款項之金融資產						
- Normal**	- 普通**	3,415	-	-	-	-	3,415
Pledged deposits	已抵押存款						
- Not yet past due	- 尚未逾期	12,538	-	-	-	-	12,538
Cash and cash equivalents	現金及現金等價物						
- Not yet past due	- 尚未逾期	26,932	-	-	-	-	26,932
		42,885	-	-	-	129,034	171,919

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2018

		12-month	Lifetime ECLs			Simplified approach	Total
		ECLs	全期預期信用損失率				
		十二個月	Stage 1	Stage 2	Stage 3	簡化方法	總計
		預期信貸	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		虧損	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade receivables*	貿易應收款項*	-	-	-	-	140,953	140,953
Financial assets included in prepayments, deposits and other receivables	包括於預付款項按金及其他應收款項之金融資產						
- Normal**	- 普通**	4,729	-	-	-	-	4,729
Pledged deposits	已抵押存款						
- Not yet past due	- 尚未逾期	20	-	-	-	-	20
Cash and cash equivalents	現金及現金等價物						
- Not yet past due	- 尚未逾期	68,279	-	-	-	-	68,279
			73,028	-	-	140,953	213,981

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

36. 財務風險管理目的及政策 (續)

信貸風險 (續)

最高風險及年終所處階段 (續)

於二零一八年十二月三十一日

* 就本集團採用簡化方法釐定減值的貿易應收款項而言，基於撥備矩陣得出的資料於財務報表附註18披露。

** 當金融資產並未逾期及並無資料表明自初始確認起金融資產的信貸風險並無大幅增加時，計入預付款項、按金及其他應收款項之金融資產的信貸質素將視為「正常」。

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

The Group had certain concentrations of credit risks arising from the total trade receivables due from the Group's largest customer and the Group's five largest customers as follows:

	2019 二零一九年 %	2018 二零一八年 %
Due from the Group's largest customer 應收本集團最大客戶	3.1	12.9
Due from the Group's five largest customers 應收本集團五大客戶	20.5	26.1

All of these customers have good credit quality based on their credit history, and long-term business relationship has been established between the Group and these customers. The Group has delegated a team responsible for determination of credit limits and monitoring procedures to ensure that there will be follow-up action to recover overdue debts.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The liquidity of the Group is primarily dependent on its ability to maintain a balance between continuity of funding and flexibility through the settlements from customers and the payments to vendors.

36. 財務風險管理目的及政策 (續)

信貸風險 (續)

最高風險及年終所處階段 (續)

本集團有若干信貸風險集中之風險，為應收本集團最大客戶及本集團五大客戶貿易款項總額如下：

基於該等客戶的信貸歷史，所有該等客戶均擁有良好的信貸質素，且雙方已建立長期的業務關係。本集團已委派一支團隊負責釐定信貸限額及監控程序，以確保將採取後續行動收回逾期壞賬。

流動資金風險

本集團運用循環流動資金計劃工具監察其資金短缺的風險。該工具計及其金融工具及金融資產(例如貿易應收款項及應收票據)的到期日以及預計經營業務現金流量等因素。

本集團的流動資金主要取決於在資金持續性及其透過客戶付款與付款予供應商兩者的靈活性之間取得平衡的能力。

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		2019 二零一九年				
		Less than 3 months	3 to less than 12 months	1 to less than 5 years		Total
		On demand	三至少於 十二個月	一至少於 五年		總計
		於要求時 RMB'000	少於三個月 RMB'000	十二個月 RMB'000	五年 RMB'000	總計 RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade payables	應付賬款	8,023	11,163	-	-	19,186
Other payables	其他應付款項	1,960	-	-	-	1,960
Lease liabilities	租賃負債	-	224	1,895	7,320	9,439
Due to related parties	應付關連方款項	748	-	-	-	748
		10,731	11,387	1,895	7,320	31,333

		2018 二零一八年				
		Less than 3 months	3 to less than 12 months			Total
		On demand	三至少於 十二個月			總計
		於要求時 RMB'000	少於三個月 RMB'000	十二個月 RMB'000		總計 RMB'000
		人民幣千元	人民幣千元	人民幣千元		人民幣千元
Trade payables	應付賬款	13,371	463	5,358		19,192
Other payables	其他應付款項	7,592	-	120		7,712
Due to related parties	應付關連方款項	822	-	-		822
		21,785	463	5,478		27,726

36. 財務風險管理目的及政策 (續)

流動資金風險 (續)

於報告期末，基於已訂約但未貼現的付款，本集團之金融負債到期情況如下：

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The Group's objectives of its capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing services and products commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt comprises trade payables, lease liabilities, other payables and accruals, and tax payable, less cash and cash equivalents and pledged bank balance. Capital represents equity attributable to owners of the Company.

36. 財務風險管理目的及政策 (續)

資本管理

本集團的資本管理目標是保全本集團持續經營的能力，以致其可繼續為股東提供回報並為其他利益相關者提供福利，並通過與風險水平相當的服務及產品的定價向股東提供足夠回報。

本集團按風險比例制訂資本金額。本集團管理其資本結構並根據經濟狀況變動及相關資產的風險特點加以調整。為了維持或調整資本結構，本集團可調整已付股東的股息金額，向股東退還資本，發行新股或出售資產以減債。

本集團以槓桿比率監控資本，該比率為淨債務除以總權益加淨債務。淨債務包括貿易應付款項、租賃負債、其他應付款項及應計費用及應付稅項，減去現金及現金等價物及抵押銀行結餘。資本指本公司擁有人應佔權益。

NOTES TO FINANCIAL STATEMENTS

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group's strategy is to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, but are not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. As at 31 December 2018, the Group's total cash and cash equivalents and pledged bank balances exceeded the total trade payables, other payables and accruals and tax payable. As such, no gearing ratio as at 31 December 2018 is presented. The gearing ratio as at 31 December 2019 was as follows:

36. 財務風險管理目的及政策 (續)

資本管理 (續)

本集團的策略是保持槓桿比率在穩健的資本水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量要求和支付到期債務的能力，保持可用銀行融資在合理水平及調整投資計劃和融資計劃(如需要)，以確保本集團擁有合理水平的資本支持其業務。於二零一八年十二月三十一日，本集團之現金及現金等價物總額以及已抵押銀行結餘超出貿易應付款項、其他應付款項及應計費用以及應付稅項總額。因此，並無呈列二零一八年十二月三十一日之資產負債比率。於二零一九年十二月三十一日的資產負債比率如下：

		2019 二零一九年 RMB'000 人民幣千元
Trade payables	貿易應付款項	19,186
Lease liabilities	租賃負債	8,394
Other payables and accruals	其他應付款項及應計費用	29,791
Tax payable	應付稅項	4,346
Less: cash and cash equivalents	減：現金及現金等價物	(26,932)
Less: pledged bank balance	減：已抵押銀行結餘	(12,538)
Net debt (A)	淨債務(A)	22,247
Equity attributable to owners of the parent	母公司擁有人應佔權益	244,464
Capital and net debt (B)	資本及淨債務(B)	266,711
Gearing ratio (A/B)	槓桿比率(A/B)	8%

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019 二零一九年十二月三十一日

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

37. 本公司財務狀況表

有關報告期末本公司財務狀況表的資料載列如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investment in subsidiaries	於附屬公司之投資	21,848	21,848
CURRENT ASSETS	流動資產		
Trade receivables	貿易應收款項	3,504	3,428
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	773	131
Due from the intermediate holding company	應收中間控股公司款項	-	3,178
Due from subsidiaries	應收附屬公司款項	147,809	149,425
Cash and cash equivalents	現金及現金等價物	706	282
Total current assets	流動資產總額	152,792	156,444
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	1,239	368
Due to a related party	應付一間附屬公司款項	308	-
Total current liabilities	流動負債總額	1,547	368
Net current assets	流動資產淨值	151,245	156,076
Net assets	資產淨值	173,093	177,924
EQUITY	權益		
Issued capital	已發行股本	35,415	35,415
Reserves (note)	儲備(附註)	137,678	142,509
Total equity	總權益	173,093	177,924

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019 二零一九年十二月三十一日

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued) 37. 本公司財務狀況表(續)

Note:

附註:

A summary of the Company's reserves is as follows:

本公司的儲備概述如下:

		Share premium account	Capital reserve	Contributed surplus	Exchange fluctuation reserve	Share option reserve	Accumulated losses	Total
		股份溢價賬	資本儲備	繳入盈餘	匯兌波動儲備	購股權儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
1 January 2018	於二零一八年一月一日	76,175	55,161	-	399	-	(12,476)	119,259
Total comprehensive income for the year	本年度全面虧損總額	-	-	-	7,378	-	(2,382)	4,996
Acquisition of subsidiaries	收購附屬公司	19,088	-	-	-	-	-	19,088
Share issue expense	股份發行開支	(100)	-	-	-	-	-	(100)
Transfer to contributed surplus	調撥至繳入盈餘	(10,000)	-	10,000	-	-	-	-
Equity-settled share option arrangements	以權益結算之購股權安排	-	-	-	-	2,384	-	2,384
2017 final dividend declared	派發二零一七年末期股息	-	-	(3,118)	-	-	-	(3,118)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	85,163	55,161	6,882	7,777	2,384	(14,858)	142,509
Total comprehensive income for the year	本年度全面收益總額	-	-	-	2,982	-	(3,773)	(791)
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-
Share issue expense	股份發行開支	-	-	-	-	-	-	-
Transfer to contributed surplus	調撥至繳入盈餘	(10,000)	-	10,000	-	-	-	-
Equity-settled share option arrangements	以權益結算之購股權安排	-	-	-	-	1,340	-	1,340
2018 final dividend declared	派發二零一八年末期股息	-	-	(5,380)	-	-	-	(5,380)
At 31 December 2019	於二零一九年十二月三十一日	75,163	55,161	11,502	10,759	3,724	(18,631)	137,678

38. EVENT AFTER THE REPORTING PERIOD

Impact of the recent coronavirus situation

Up to the date of this announcement, management has not been aware of any cases of COVID-19 infection among the Group's staff and the outbreak did not have any significant impact on the Group's operations. The Directors currently have an appropriate response plan in place and will continue to monitor and assess the ongoing development and respond accordingly.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2020.

38. 報告期後事項

近期冠狀病毒狀況之影響

截至本公告日期，管理層並未發現有本集團員工感染COVID-19，該疾病的爆發亦未對本集團的營運產生重大影響。董事現已制定適當的應對方案，並將持續監控及評估疫情發展並作出應對。

39. 批准刊發財務報表

財務報表已於二零二零年三月三十日經董事會批准及授權刊發。

5-YEAR FINANCIAL SUMMARY

五年財務概要

		Year ended 31 December				
		截至十二月三十一日止年度				
		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
RESULTS	業績					
Revenue	收入	60,477	90,887	115,823	129,292	148,034
Profit before tax	除稅前溢利	9,408	8,829	17,719	22,705	21,118
Profit for the year	年內溢利	7,696	6,381	14,026	19,828	18,513
Profit attributable to:	以下人士應佔溢利：					
Owners of the Company	本公司擁有人	7,696	6,381	14,026	19,788	18,221

		As at 31 December				
		於十二月三十一日				
		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總額	89,753	126,484	239,923	295,215	319,100
Total liabilities	負債總額	31,269	48,857	54,660	61,072	69,169
Net assets	資產淨值	58,484	77,627	185,263	234,143	249,931

The summary of the consolidated results of the Group for the year ended 31 December 2015 and the consolidated assets and liabilities of the Group as at 31 December 2015 have been extracted from the Prospectus. Such summary is presented on the basis as set out in the Prospectus.

本集團截至二零一五年十二月三十一日止年度之綜合業績及本集團於二零一五年十二月三十一日之綜合資產及負債之概要乃摘錄自招股章程。



中國興業新材料控股有限公司
China Singyes New Materials Holdings Limited

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