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雷士國際控股有限公司
NVC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with Limited Liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 2222

2019 年報
Annual Report

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Corporate Information

公司資料

Executive Directors

WANG Donglei
CHAN Kim Yung, Eva
WANG Dongming
XIAO Yu
WANG Keven Dun

Non-executive Director

YE Yong

Independent Non-executive Directors

LEE Kong Wai, Conway
WANG Xuexian
WEI Hongxiong
SU Ling

Company Secretary

LEUNG Ching Ching

Authorized Representatives

WANG Dongming
LEUNG Ching Ching

Registered Office

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman, KY1-1111
Cayman Islands

執行董事

王冬雷
陳劍瑢
王冬明
肖宇
王頓

非執行董事

叶勇

獨立非執行董事

李港衛
王學先
魏宏雄
蘇嶺

公司秘書

梁晶晶

授權代表

王冬明
梁晶晶

註冊辦事處

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Cayman Islands

Principal Place of Business in Hong Kong

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Corporate Website

www.nvc-international.com

Investor Relations

Email: ir@nvc-international.com

Principal Share Registrar and Transfer Office

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P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar

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

Principal Legal Advisor as to Hong Kong Law

Freshfields Bruckhaus Deringer

香港主要營業地點

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投資者關係

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股份過戶登記總處

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Cayman Islands

香港股份過戶登記分處

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

香港法律主要法律顧問

富而德律師事務所

Corporate Information

公司資料

Auditor

BDO Limited (Certified Public Accountant)

核數師

香港立信德豪會計師事務所有限公司(執業會計師)

Principal Bankers

Industrial Bank, Huizhou Branch
Hongkong and Shanghai Banking Corporation Limited
China Guangfa Bank, Huizhou Branch

主要往來銀行

興業銀行惠州分行
香港上海滙豐銀行有限公司
廣發銀行惠州分行

Investor and Media Relations Consultant

Wonderful Sky Financial Group Holdings Limited

投資者及傳媒關係顧問

皓天財經集團控股有限公司

Company Profile

公司介紹

NVC International Holdings Limited (formerly known as NVC Lighting Holding Limited) (the “Company”, and together with its subsidiaries, the “Group”) is a well-known lighting product supplier in the industry, mainly engaged in the design, development, production, promotion and sales of various lighting products. After the disposal of a majority equity interest in the PRC lighting business of NVC in December 2019, the Group has production bases in Zhejiang, Shanghai, Zhuhai in Guangdong in China and Vietnam, etc. It also has overseas product development centers that meet European standards. We have set up operation agencies in more than 40 countries and regions around the world.

Since the establishment in 1998, we always insist on independent innovation in product research and development, and are committed to providing efficient, energy-saving, healthy and comfortable lighting solutions for the fields of construction, transportation, urban lighting, supermarket, hotel, office, housing, school and industry. On 20 May 2010, the Company’s shares were listed on the main board of the Stock Exchange (stock code: 02222). On 12 December 2019, the Group officially completed the disposal of the majority equity interest in the PRC lighting business of NVC. Since then, the Group has shifted the focus of traditional lighting business from the PRC professional lighting to international professional lighting, meanwhile the focus of the business in China has been shifted to products and channel construction for quality smart life solutions of the NVC brand.

雷士國際控股有限公司(原名為雷士照明控股有限公司)(「本公司」, 連同其附屬公司統稱「本集團」), 是行業知名的照明產品供貨商, 主要從事各類照明產品的設計、開發、生產、推廣和銷售。於2019年12月出售雷士中國照明業務大部分股權後, 本集團目前在中國擁有浙江、上海、廣東珠海及越南等生產基地, 在海外亦建有符合歐洲標準的產品開發中心, 我們在全球超過40個國家和地區設立了經銷機構。

自1998年創立以來, 我們始終堅持產品研發的自主創新, 致力於為建築、交通、城市亮化、商超、酒店、辦公、家居、學校、工業等領域提供高效節能、健康舒適的照明解決方案。於2010年5月20日, 本公司股份在聯交所主板上市(股份代號: 02222)。於2019年12月12日, 本集團正式完成了出售雷士中國照明業務大部分股權的交易, 自此本集團將傳統照明業務的重心由中國專業照明轉向國際專業照明, 同時將中國業務的重點轉向雷士品牌優質智慧生活方案的產品和渠道建設上。

Company Profile

公司介紹

As a professional lighting enterprise, our products and application solutions are selected and used by a number of famous projects and brands, the Group was the lighting and service cooperative partner of the Olympic Council of Asia in 2011 and provided lighting products and solutions for famous projects including Rio Olympic Games, G20 Hangzhou Summit, Milan Expo, Guangzhou Asian Games, Shanghai World Expo, Beijing Olympic Games, Royal Wharf in London, Birmingham Airport in the UK, Villas of Saudi Arabia Sabic Group, and Qatar Beverly Hills (卡塔爾貝弗利山莊). The Group has been committed to beautifying the commercial and living space with artificial lighting and protecting the ecological environment with environmentally-friendly and energy-saving lighting. Therefore, we have been vigorously promoting the research and development and applications of advanced lighting technologies, accomplishing its brand beliefs and commitments with excellence and expertise.

作為一家專業的照明企業，我們的產品及應用解決方案獲眾多著名工程和知名品牌所採用，本集團曾在2011年成為亞洲奧林匹克理事會照明及服務合作夥伴，並為里約奧運會、杭州G20峰會、米蘭世博會、廣州亞運會、上海世博會、北京奧運會、倫敦皇家碼頭、英國伯明翰機場、沙特Sabic集團別墅群、卡塔爾貝弗利山莊等著名工程提供照明產品及解決方案。本集團致力於以人工照明美化商業與人居空間，並以環保節能照明保護健康的生態環境。因此，我們不斷推動先進照明技術的研發與應用，以專家精神，實踐品牌信念和承諾。

Financial Highlights

財務概要

For the years ended 31 December

截至12月31日止年度

		2019	2018	2017	2016	2015
		2019年	2018年	2017年	2016年	2015年
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
			(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)
			(經重列)	(經重列)	(經重列)	(經重列)
Continuing Operations	持續經營業務					
Revenue	收入	2,222,610	1,684,699	1,519,350	1,489,582	1,508,133
Gross profit	毛利	533,361	331,960	248,758	275,231	300,149
Gross profit margin (Note 1)	毛利率(附註1)	24.0%	19.7%	16.4%	18.5%	19.9%
(Loss)/Profit before income tax	稅前(虧損)/利潤	(5,469)	(471,731)	(55,487)	(30,819)	100,143
(Loss)/Profit margin before income tax (Note 1)	稅前(虧損)/利潤率(附註1)	(0.25%)	(28.0%)	(3.7%)	(2.1%)	6.6%
(Loss)/Profit for the year from continuing operations	持續經營業務之本年(虧損)/利潤	(87,263)	(703,330)	(74,137)	(49,067)	72,435
Net (loss)/profit margin from continuing operations (Note 1)	持續經營業務之淨(虧損)/利潤率(附註1)	(3.9%)	(41.7%)	(4.9%)	(3.3%)	4.8%
Profit for the year from discontinued operations	非持續經營業務之本年利潤	3,790,435	400,994	405,737	227,650	55,302
Profit/(Loss) for the year from continuing and discontinued operations (Note 2)	持續經營業務及非持續經營業務之本年利潤/(虧損)(附註2)	3,703,172	(302,336)	331,600	178,583	127,737
Attributable to:	以下各方應佔:					
Owners of the parent	母公司擁有人	3,674,982	(327,592)	314,268	150,928	55,759
Non-controlling interests	非控制性權益	28,190	25,256	17,332	27,655	71,978

Note 1: Gross profit margin equals to gross profit divided by revenue; (loss)/profit margin before income tax equals to (loss)/profit before income tax divided by revenue; net (loss)/profit margin equals to (loss)/profit for the year divided by revenue.

附註1: 毛利率等於毛利除以收入; 稅前(虧損)/利潤率等於稅前(虧損)/利潤除以收入; 淨(虧損)/利潤率等於本年(虧損)/利潤除以收入。

Note 2: (Loss)/Profit for the year represents (loss)/profit before netting off profit for the year attributable to non-controlling interests.

附註2: (虧損)/利潤為扣除非控制性權益應佔本年利潤前的(虧損)/利潤。

Financial Highlights

財務概要

As at 31 December

於12月31日

		2019	2018	2017	2016	2015
		2019年	2018年	2017年	2016年	2015年
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Non-current assets	非流動資產	2,288,452	3,371,817	1,836,115	1,346,409	1,221,748
Current assets	流動資產	3,145,807	4,229,285	3,637,201	3,598,264	3,645,816
Current liabilities	流動負債	1,925,244	3,974,163	2,043,767	1,635,629	1,313,771
Net current assets	淨流動資產	1,220,563	255,122	1,593,434	1,962,635	2,332,045
Total assets less current liabilities	總資產減流動負債	3,509,015	3,626,939	3,429,549	3,309,044	3,553,793
Non-current liabilities	非流動負債	114,914	231,423	99,320	535,369	97,764
Total equity	總權益	3,394,101	3,395,516	3,330,229	2,773,675	3,456,029
Including:	其中：					
Equity attributable to owners of the parent	母公司擁有人應佔權益	3,319,729	3,286,696	3,242,052	2,703,481	3,316,907
Non-controlling interests	非控制性權益	74,372	108,820	88,177	70,194	139,122
Current ratio (Note 1)	流動比率(附註1)	1.63	1.06	1.78	2.20	2.78

Note 1: Current ratio equals to current assets divided by current liabilities.

附註1：流動比率等於流動資產除以流動負債。

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board of Directors (the "Board") of NVC International Holdings Limited (the "Company"), I hereby present to you the 2019 annual report of the Company and its subsidiaries (collectively referred to as the "Group").

Review in 2019:

Affected by trade barriers and geopolitical tensions, the global economic growth rate further decreased in 2019. Meanwhile, with the continuous increase in the penetration rate of the global LED lighting, there is accelerated concentration and reorganization in the global lighting industry. In the face of a complex and changeable economic and industrial environment, the Group has actively carried out strategic adjustment and business transformation. It completed the substantial transaction in relation to the disposal of the majority equity interest in the business of NVC lighting in China during the Reporting Period. After the completion of the transaction, the Group obtained a large amount of cash from the disposal of the maturing PRC lighting business, for paying dividends to shareholders and financing further development. The Group has shifted the focus of traditional lighting business from the PRC professional lighting to international professional lighting, meanwhile, the focus of the business in China has been shifted to products and channel construction for quality smart life solutions of the NVC brand.

In 2019, the Group's continuing operations achieved revenue of RMB2,222,610,000, representing an increase of 31.9% compared with the Corresponding Period, the discontinued operations achieved revenue of RMB3,335,389,000, representing an increase of 3.6% compared with the Corresponding Period; the Group's gross profit from continuing operations amounted to RMB533,361,000, representing an increase of 60.7% compared with the Corresponding Period, and the gross profit from discontinued operations amounted to RMB1,286,503,000, representing an increase of 12.2% compared with the Corresponding Period, which was in line with our expectation as a whole.

致各位股東：

本人謹代表雷士國際控股有限公司（「本公司」）董事會（「董事會」），向各位提呈本公司及其附屬公司（統稱「本集團」）2019年年度報告。

2019年回顧：

受貿易壁壘和地緣政治緊張局勢的影響，2019年世界經濟增速進一步收窄。同時，隨著全球LED照明滲透率的不斷提升，全球照明行業格局正加速集中和重組。面對複雜多變的經濟和行業環境，本集團積極實施戰略調整及業務轉型，報告年度內完成了出售雷士中國照明業務大部分股權的重大交易。通過該交易的完成，本集團從出售漸趨成熟的中國照明業務獲得大量現金分紅回饋股東，同時獲得進一步發展所需資金。本集團將傳統照明業務的重心由中國專業照明轉向國際專業照明，同時將中國業務的重點轉向雷士品牌優質智慧生活方案的產品和渠道建設上。

2019年本集團持續經營業務實現收入人民幣2,222,610千元，與同期比較增長31.9%；非持續經營業務實現收入人民幣3,335,389千元，與同期比較增長3.6%；持續經營業務實現毛利額人民幣533,361千元，與同期比較增長60.7%；非持續經營業務實現毛利額人民幣1,286,503千元，與同期比較增長12.2%，整體符合預期。

Chairman's Statement

主席報告

Outlook for 2020:

At the beginning of 2020, with the outbreak of “Novel Coronavirus Pneumonia”, a black swan, China launched a tense and severe prevention and control campaign. The Group has given full play to mobilize the epidemic prevention resources of international companies, actively supported the Disposal Business in providing support for the construction of hospitals around China, organized volunteers to go to the front line of the anti-epidemic campaign, and formulated various preferential policies to assist end-distributors in tiding over the difficulties. Internally, the Group has always put the safety and well-being of its employees in the first place, purchasing epidemic prevention materials through multiple channels and ways, conducting scientific epidemic prevention publicity from time to time, initiating the flexible working mechanism and innovating online marketing mode to ensure the normal operation of the Company.

Under the complex environment with internal and external difficulties, the Group has actively adjusted its development strategy. In 2020, it will take steady growth as its primary goal and continuously expand its business coverage by adopting the policy of diversified development, subdivision of product lines, and expansion of subdivision channels. It will continuously promote its internal restructuring and resource allocation optimization to achieve its sustainable development.

2020年展望：

2020年開局，隨著「新型冠狀病毒肺炎」這隻黑天鵝的冒然闖入，全中國掀起了一場緊張嚴峻的防控戰役。本集團充分發動國際公司的防疫資源，積極支持出售業務援建各地醫院，組織志願者奔赴抗疫前線，並制定各項優惠政策援助終端經銷商度過難關。在公司內部，本集團始終把員工的生命安全放在首位，通過多渠道多方式採購防疫物資，不定期進行科學防疫宣傳，啟動彈性辦公機制及創新線上營銷模式，保證公司的正常運營。

在內憂外患的複雜環境下，本集團積極調整發展戰略，2020年將以穩增長為首要目標，通過採取多元化開發、細分產品線及拓細分渠道的方針不斷拓展業務版圖；持續推進集團內部架構重組及資源優化配置，實現本集團的可持續發展。

Chairman's Statement

主席報告

In retail channels in North American, as a strategic supplier of global leading building material retail enterprises, the Group will continue to maintain the characteristics and advantages of a front-runner in innovation and quick response, to ensure the supply of quarterly new products, while maintaining the spirit of innovation in product functions and supporting installation to further enhance the added value of products. In the future, we will also increase decorative lighting products and commercial lighting products for use in offices and schools. In terms of commercial channels, the Group will intensify its marketing efforts, focus on developing more powerful local distributors, adhere to the market positioning of high cost-effective products, and focus on increasing the sales volume of customized projects and energy management projects. In addition, the Group established a Vietnamese factory in 2019 and completed the upfront investment and staffing, the output of which in the second quarter of 2020 will be expected to meet the export demand in Southeast Asian and North American markets, which will effectively buffer the impact of tariff growth on the North American market. Meanwhile, the phase II self-built building of the Vietnamese factory will be completed by the end of 2021, with the economies of scale effect and cost advantages gradually appearing, and a further improvement in the core competitiveness of the products. In 2020, in the Japanese market, efforts will be made to gradually expand B2B channels towards distributors while continuously expanding B2C retail channels towards consumers, so as to comprehensively upgrade its business in the Japanese market.

在北美零售渠道，作為全球建材零售龍頭企業的戰略供應商，本集團將繼續保持創新領先、快速反應的特點和優勢，確保季度新品的供應，同時在產品功能及配套安裝上保持創新精神，進一步提升產品附加值。未來我們也將增加應用於辦公室及學校的裝飾類照明產品和商用照明產品。在商用渠道方面，本集團將加大市場營銷力度，專注於開發更多有實力的當地經銷商，同時堅持產品高性價比的市場定位，重點擴展定制項目和能源管理項目的銷量。此外，本集團已於2019年成立越南工廠並完成前期投資及人員配備，預計在2020年第二季度生產量可以滿足東南亞及北美市場出口需求，將有效緩衝關稅增長對北美市場的影響。同時越南工廠第二期自建廠房將在2021年底完工，規模經濟效益及成本優勢將逐步顯現，產品核心競爭力進一步提升。2020年日本市場將致力在持續擴大面向消費者的B2C零售渠道的同時，逐步擴展面向經銷商的B2B渠道，以全面提升日本市場業務。

Chairman's Statement

主席報告

In overseas emerging channels, the Group will establish a Vietnamese subsidiary in 2020, and take Vietnamese market projects as an opportunity to enhance the value of the brand of NVC International in the local quality lighting product market. At the same time, it will take Vietnam as the starting point of service and extend the coverage to neighboring countries such as Cambodia and Laos, so as to accelerate the overseas market expansion. In newly developed regions such as Italy, Pakistan and South Africa, the Group will focus on engineering channels and plans to increase the number of shop-in-shops in Italy from 16 to 100 by 2021, covering major Italian cities and regions to provide professional engineering support services for end customers. In the Middle East region, the Group will continuously enhance its project support capacity, develop localized products and professional lighting solutions meeting local demand, and strive to obtain more supporting projects of the 2022 Qatar FIFA World Cup and Expo 2020 Dubai. At the same time, we will focus on improving the image display and sales capabilities of exclusive outlets in Gulf states, tap customer demand through targeted resource investment, and improve the ability of an outlet to acquire small projects.

於海外新興渠道，2020年本集團將成立越南子公司，並以越南市場項目為契機，提升雷士國際品牌在當地照明精品市場的品牌價值，同時以越南作為服務起點，覆蓋周邊柬埔寨、老撾等國家，加快海外市場拓展步伐。在意大利、巴基斯坦和南非等新開拓的區域，本集團將聚焦於工程渠道，並計劃於2021年前將意大利店中店數量由目前的16家擴展至100家，覆蓋意大利主要城市及地區，為終端客戶提供專業的工程配套服務。而在中東區域本集團將持續提升項目支持能力，開發適合當地需求的本土化產品及專業的照明解決方案，爭取獲得更多2022年卡塔爾世界盃和2020年迪拜世博會的配套項目；同時重點提升海灣國家專賣店的形象展示和銷售能力，通過精準的資源投放深挖客戶需求，提升店面獲取小型工程項目的能力。

Chairman's Statement

主席報告

In terms of product development and brand building, the Group will continue to accelerate the development of new products and technology upgrades with a focus on market and customer demand in 2020. Through the establishment of a close research-production-marketing communication mechanism, it quickly adjusts its product strategy to adapt to the changing market environment. The second half of 2020 is a critical moment for the Group's brand-new lighting products and non-lighting products to appear around the world. These products cover B2B and B2C product series, and are expected to open up new business and channels for brands in domestic and foreign markets. In terms of organizational structure and personnel training, the Group will continuously promote the automation reform of factories in 2020, streamline the organizational hierarchy of functional platforms and establish a flat organizational structure to reduce fixed costs. At the same time, through the effective access to overseas resources, it has introduced high-quality international talents to realize the localized operation and has established a cost-effective and competitive talent service system to ensure that there are adequate human resources for the sustainable and healthy development of the Company. In terms of supply chain management, the Group will continue to implement the JIT system in factories, make early plans for production capacities of suppliers, and coordinate with all factories to properly schedule their production capacities. In 2020, the Group will improve the system of introduction and evaluation of logistics providers and integrate logistics resources to reduce logistics costs. Meanwhile, it will strengthen the control of product inventory ages, formulate plans to treat expired products in a timely manner and reduce warehousing costs. In addition, the Group has spared no effort to strengthen information construction. A new ERP system will be fully implemented in the Elec-Tech System in 2020. The system based on the cloud platform model will facilitate business and information flow among companies and realize global cross-regional cooperation and data sharing for major businesses, effectively shortening business operation time and improving work efficiency. The launch of this new ERP system reflects the Group's confidence and determination to further promote excellent digital management. Subsequently, it will successively integrate research, production and marketing and other company platforms within the Group to realize the interconnection of data flow and information management within the Group, thus improving the overall operational efficiency of the Group.

在產品開發及品牌建設上，2020年本集團將繼續圍繞市場和客戶需求，加快新品開發及技術升級。通過建立緊密的研產銷溝通機制，快速調整產品策略以適應不斷變化的市場環境。2020年下半年是本集團的全新照明產品和非照明產品在全球各地登場的關鍵時刻，該等產品涵蓋B2B及B2C等產品系列，預計將為品牌在國內外市場開拓新的業務和渠道。在組織架構及人才培養上，2020年本集團將持續推動工廠的自動化改革，精簡職能平台的組織層級，建立扁平化組織結構以降低固定成本。同時通過有效連接海外資源，引入優質的國際化人才以實現本土化運作，建立一個兼具成本效益及競爭優勢的人才服務體系，為公司的可持續健康發展提供人才保障。在供應鏈管理方面，本集團將繼續推行工廠的JIT制度，提前佈局供應商產能，協調各工廠做好產能調度。2020年本集團將完善物流供應商的引進及考核制度，整合物流資源以降低物流成本；同時加強產品庫存時間管控，及時制定超期產品處理方案，降低倉儲成本。此外，本集團亦不遺餘力地加強信息化建設，2020年將在怡達體系全面啟用新的ERP系統，該基於雲平台模式的系統將打通各公司間的業務和信息流，實現主要業務的全球性跨區域合作和資源共享，有效縮短業務操作時間及提升工作效率。啟動該全新的ERP系統體現了集團進一步推進優良的數字化管理的信心和決心，後續將陸續整合研產銷及集團內其他公司平台，實現集團內數據流程和信息管理的互聯互通，提升集團整體運營效率。

Chairman's Statement

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Acknowledgement

Our stable development for over 20 years depends on the wholehearted contributions and persistent support from the Board and all staff members. I would like to express my heartfelt thanks to the long-term support of all shareholders, clients, suppliers and distributors. In the future, we will strive forward steadily as in the past with full responsibility to all shareholders, clients, suppliers and distributors, with an aim to make NVC International a world-wide respected brand and secure satisfactory results to repay the support from various sectors.

WANG Donglei

Chairman

Hong Kong
23 April 2020

致謝

我們二十餘年的穩步發展，離不開董事會同仁及全體員工的不離不棄及無私貢獻。本人對各股東、客戶、供貨商及經銷商的長期支持深表感謝。未來，我們將繼續秉著對各股東、客戶、供貨商及經銷商負責的態度，穩健務實地走好每一步，將雷士國際打造成讓世人尊敬的品牌，以令人滿意的業績回饋各界的支持。

王冬雷

董事長

香港
2020年4月23日

Management Discussion and Analysis

管理層討論與分析

Market and Business Review

The economic development of the world in 2019 was still not promising. According to the World Economic Outlook published by the International Monetary Fund in January 2020, the global economic growth rate was expected to be 2.9% in 2019, which is the lowest level since the global economic crisis in 2008. However, optimistically, good news started to appear from Sino-US trade consultation, the monetary policy has completely shifted to “easy”, other early signs of stabilization of the global economy may continue and finally optimize the consumption expenditure, and the manufacturing industry and global trade may bottom out.

In comprehensive consideration of the global LED industry, LED lighting industries are widely distributed in North America, Asia and Europe, among which, Western Europe, Japan, the United States and other developed countries have been intensively engaged in technological research and development for many years, occupying the commanding heights of the industry. With their economic growth and population advantages, rising stars such as China, South Korea and other Asian countries have become emerging forces in global LED industries, by accelerating industrial expansion through improving their research and development capabilities. Nowadays, orders and production bases for global LED lighting products has been gradually shifting to emerging markets. The Group has been deeply engaged in the lighting industry for more than 20 years and has established sales networks and channels in major countries and regions such as Europe, Australia, North America, East Asia, Middle East and Southeast Asia. During the Reporting Period, the Group established a production base in Vietnam and has completed the preparatory work for the production, which is another key measure for the Group to explore overseas markets. In addition, on 12 December 2019, the very substantial disposal of a majority equity interest in the Disposal Business was formally completed, through which the Group received large amounts of cash dividends from the disposal of the increasingly mature China lighting business, to reward shareholders and at the same time finance our further development. The Group shifted

市場及業績回顧

2019年世界經濟發展仍不容樂觀，根據國際貨幣基金組織2020年1月份發佈的《世界經濟展望》，2019年全球經濟增長率預計為2.9%，這也是自2008年全球經濟危機以來的最低水準。不過從積極方面看，中美貿易磋商不時出現利好消息，以及貨幣政策已全面向寬鬆態勢轉變等全球經濟企穩的早期跡象可能持續並最終強化消費支出，製造業和全球貿易可能觸底反彈。

縱觀全球LED產業格局，LED照明產業廣泛分佈於北美、亞洲及歐洲地區。其中西歐、日本及美國等發達國家多年來精耕於技術研發，佔據了行業制高點。後起之秀如中國和韓國等亞洲國家依託經濟增長和人口優勢，通過提高研發能力加速產業擴張，已成為全球LED產業的新興勢力，目前全球LED照明產品訂單和生產基地正逐步向新興市場轉移。本集團深耕照明行業二十餘年，目前已於歐洲、澳洲、北美、東亞、中東及東南亞等主要國家及地區建立銷售網絡及渠道。報告年度內，本集團於越南建立生產基地並已完成前期生產籌備，這是本集團開拓海外市場的又一關鍵舉措。此外，於2019年12月12日，處置出售業務大部分股權之非常重大出售交易正式完成交割，通過該交易的完成，本集團從出售漸趨成熟的中國照明業務獲得大量現金分紅回饋股東，同時獲得進一步發展所需資金。本集團將照明業務

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the focus of its lighting business from China to the international market and focused its China business to non-lighting products and systems of the NVC brand. In 2019, the Group's continuing operations achieved revenue of RMB2,222,610,000, representing an increase of 31.9% compared with the Corresponding Period, the discontinued operations achieved revenue of RMB3,335,389,000, representing an increase of 3.6% compared with the Corresponding Period; the Group's gross profit from continuing operations amounted to RMB533,361,000, representing an increase of 60.7% compared with the Corresponding Period, and the gross profit from discontinued operations amounted to RMB1,286,503,000, representing an increase of 12.2% compared with the Corresponding Period, which was in line with our expectation as a whole.

PRC Sales (Discontinued Operations)

As a leading enterprise in the PRC lighting industry, during the Reporting Period, the Group continued to devote itself to technology innovation of products in the Chinese market, with a focus on the research and development of high-end lighting products and solutions, and sold lighting products under the NVC brand through its exclusive regional distributors and its more than 3,000 exclusive outlets throughout China. During the Reporting Period, the NVC brand gained satisfactory results in market segments such as commercial lighting, home lighting and e-commerce channels through adopting differentiated strategies to deepen channel development.

In the commercial lighting sector, the Group has effectively improved its engineering service capability and project conversion rate by adopting a sales strategy of "keeping the existing market share and exploring the incremental market", focusing on key projects and customers and supporting the development of specific engineering products. During the Reporting Period, the Group completed the supply of goods for many RMB10-million-level outdoor projects such as "7th CISM Military World Games in Wuhan", "Bengbu Urban Night View Lighting Improvement Project (Phase III)", "Lishui Landscape Lighting Project" and "Chengdu Metro Line 5"; the amount of shipments to Top 50 customers in real estate industries including

的重心由中國轉向國際，同時中國業務的重點轉向雷士品牌的非照明產品及系統。2019年本集團持續經營業務實現收入人民幣2,222,610千元，與同期比較增長31.9%；非持續經營業務實現收入人民幣3,335,389千元，與同期比較增長3.6%；持續經營業務實現毛利額人民幣533,361千元，與同期比較增長60.7%；非持續經營業務實現毛利額人民幣1,286,503千元，與同期比較增長12.2%，整體符合預期。

中國銷售（非持續經營業務）

作為中國照明行業領先企業，報告年度內，本集團於中國市場繼續致力於產品技術的革新，聚焦於高端照明產品及解決方案的研發，並通過其遍及中國各地的獨家區域經銷商及其旗下3,000餘家專賣店銷售雷士品牌流通照明產品。報告年度內，通過採取差異化策略進行渠道深耕，中國雷士品牌銷售在商業照明、家居照明及電商渠道等細分市場上都取得令人滿意的成績。

在商業照明領域，本集團通過採取「保存量、挖增量」的銷售策略，聚焦重點項目及客戶，配合特定工程產品開發，有效提升了工程服務能力及項目轉化率。報告年度內完成「武漢軍運會」、「蚌埠市城市夜景亮化提升工程（三期）」、「麗水景觀亮化工程」及「成都地鐵5號線」等多個千萬級戶外工程項目的供貨；中海地產、恒大地產、保利地產及綠地集團等地產行業50強客戶的出貨量亦超過千萬人民幣。在家居

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China Overseas Property, Evergrande Real Estate, Poly Real Estate and Greenland Group also exceeded RMB10 million. In the home lighting sector, the Group continued to promote the construction of home-style outlets. During the Reporting Period, it established and upgraded a total of more than 700 home-style outlets. It supported our channel penetration strategies, making efforts to promote the upgrading and transformation of outlets in township channels, so as to expand the coverage of outlets in township channels. In addition, by optimizing the supply chain and streamlining the product pool, and promoting product standardization, modularization and platform reform, the gross profit margin of retail channels was improved during the Reporting Period compared with the Corresponding Period. In the e-commerce sector, with a focus on the channel strategy of “platform centralization and product refinement”, the Group made efforts to develop business mainly on core platforms such as Tmall, JD Proprietary and Suning Flagship Store. Through large-scale brand activities on platforms, enhancement of visual display of products, precise advertising and media resource investment, the sales volume on core platforms increased steadily; by adjusting key product structure to balance the planning for offerings, ceiling lamp, bath heater and table lamp saw double-digit growth. In terms of backend support, the Group has also continuously improved its warehousing and distribution capabilities and built a quality management system adapted to the internet, ensuring user experience and brand reputation on the internet.

Since the Company will continue to indirectly hold a 30% equity interest in Disposal Business, it will continue to benefit from the future development of Disposal Business.

照明領域，本集團繼續推進家居風格店建設，報告年度內新建或升級家居風格店共計700餘家，配合渠道滲透策略，著力推進鄉鎮渠道網點升級改造，實現更廣泛的鄉鎮渠道網點覆蓋。此外，通過優化供應鏈及精簡產品池，推動產品標準化、模組化及平台化改革，報告年度內零售渠道毛利率較同期有所改善。於電子商務領域，本集團圍繞「平台集中化、產品精品化」的渠道策略，主抓天貓、京東自營及蘇寧旗艦店等核心平台，通過平台大型品牌活動、產品視覺展示提升及精準的廣告、媒體資源投放，核心平台銷量實現較穩定增長；通過調整重點產品結構，均衡品類佈局，吊燈，浴霸及檯燈品類實現雙位數增長。在後台方面，本集團亦毫不鬆懈地進行倉儲及配送能力的提升，建設適應互聯網的品質管理體系，保障用戶體驗及品牌互聯網口碑。

由於本公司將繼續間接持有出售業務30%股權，因此將繼續從出售業務未來的發展中獲益。

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International Sales

With many years of rich marketing experience and an excellent global operation team, the Group continued to make great progress in international markets during the Reporting Period, gradually unlocking the development potential of overseas markets. The Group divides the international market into mature channels and emerging channels by region features.

It has become an industry consensus for many years that winning the North American market, which is the world's largest lighting market, is winning the international lighting market. In 2019, the North American market remained the largest market for overseas mature channels of the Group. In terms of retail channels in the North American market, during the Reporting Period, the Group actively assisted its largest customer in completing the launch of more than 50 differentiation projects, and supported the customer in the promotion of core product lines such as downlights, high bay lights and ceiling lamps, and adjusted its pricing policies in a timely manner in line with market conditions and policy changes, thus ensuring a steady increase in sales despite severe market conditions. Commercial channels in North American focus on the proprietary brand. In order to alleviate the impact of Sino-US trade friction, the Company's marketing team actively prepared for inventory in advance, tracked the price changes of competitive products throughout the process and formulated various targeted promotion plans, to prevent the decline in sales and maintain the stability of gross profit margin to the maximum extent. During the Reporting Period, business expansion in the Japanese market was accelerated. A number of bulb lamp and ceiling lamp series have been successfully introduced to major home appliance hypermarkets in Japan, with a steady increase in the order volume. In mature markets including the UK, the Group continued to maintain its wholesale business with wholesalers in key channels, and focused on and optimized its core product lines to improve product profitability. At the same time, the Group reached strategic cooperation with well-known local builders in the UK and acquired more than 20 project mandates pending implementation, thus expecting a considerable return in 2020. The Group also actively developed its engineering business. After a year of follow-up, the first large hotel and apartment construction project in Australia was successfully converted into orders, for which products were shipped successively.

國際銷售

憑藉多年的豐富營銷經驗及優秀的全球化運作團隊，報告年度內本集團繼續在海外市場闊步前行，海外市場的發展潛力被逐步釋放。本集團按區域特徵將國際市場劃分為成熟渠道和新興渠道。

北美市場作為全球最大的照明市場，多年來得北美者得天下已成行業共識，2019年北美市場仍然是本集團海外成熟渠道的頭號市場。在北美市場零售渠道方面，報告年度內本集團積極協助最大客戶完成50餘個差異化項目的上市，配合客戶進行核心產品線如筒燈、高棚燈、吸頂燈的促銷活動，同時緊跟市場行情及政策變動及時調整定價政策，在嚴峻的市場行情下仍確保了銷售額的穩步提升。北美商用渠道則以自主品牌為主，為緩解中美貿易摩擦影響，本公司營銷團隊積極進行前期庫存儲備，並全程跟蹤競品價格變動並制定各項針對性促銷方案，最大限額防止銷售額的下滑及保持了毛利率的穩定。報告年度內，日本市場加快拓展步伐，目前球泡燈及吸頂燈的多個系列產品已成功導入到日本各大家電量販店，訂單量穩步提升。在英國等成熟市場，本集團繼續保持與重點渠道批發商的批發業務，聚焦和優化核心產品線以提升產品利潤率。同時，本集團已與英國當地知名建築商達成戰略合作並獲得超過20個項目儲備，預計將在2020年獲得可觀回報。本集團亦積極開拓工程業務，經過持續一年的跟進，澳大利亞首個酒店及公寓大型建築項目成功轉化成訂單並陸續出貨。

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In overseas emerging channels, breakthrough development was achieved in the Southeast Asian market during the Reporting Period, with the Indonesian market continuing to play a leading role. During the Reporting Period, the number of terminal retail outlets increased to more than 2,000. Through an investment of online and offline marketing resources, tertiary sales in the Indonesian market and the influence of the NVC brand in this area were significantly improved. At the same time, the Group continued to promote the construction of the Vietnamese market and has established a representative office in Vietnam, with a focus on developing the Mekong River region and developing new agency and wholesale business in the central region. In terms of engineering channels, the Group actively granted authorization to engineering distributors and made plans for unconventional channels, and set up new exhibition halls in Cambodia, to expand its cooperation with various contractors. In terms of the Belt and Road Initiative projects, the Group won the bid for the “Rye Railway Project”, the first double-track railway in Nigeria and has delivered products for the first phase. In the Middle East region, the Group continuously strengthened the development of and support for major projects in 2019, and successfully won projects for certain stadiums of the “2022 Qatar FIFA World Cup”, and completed delivery of products. At the same time, substantial progress was achieved for some pavilions and related supporting facilities for the Expo 2020 Dubai.

在海外新興渠道，報告年度內東南亞市場取得了突破性發展，其中印尼市場繼續發揮領頭優勢，報告年度內終端零售網點已拓展至2,000餘家，通過線上及線下營銷資源投放，印尼市場的終端銷量及雷士品牌在當地的影響力都有顯著提升。同時，本集團持續推進越南市場的建設並已設立越南代表辦事處，重點開拓湄公河區域及發展中部新代理批發業務。在工程渠道方面，本集團積極進行工程經銷商的授權及隱形渠道佈局，並已在柬埔寨開設新展廳，以擴大與各承建商的合作。在一帶一路項目上，本集團成功中標尼日利亞首條雙線鐵路「拉伊鐵路項目」並已完成首期出貨。在中東區域，2019年本集團持續加強對大項目的開發和支持，並成功獲得了「2022年卡塔爾世界盃」部分場館的項目並完成供貨，同時，2020年迪拜世博會部分場館和相關配套的項目也取得了實質性的進展。

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Product Research and Development and Brand Honors

The Group has been deeply engaged in the lighting industry for more than 20 years. It has been adhering to the craftsman spirit of professionalism and dedication. It has committed to the innovative development of product quality, the satisfaction of the increasing demand of consumers and corporate customers around the world for high-quality lighting products, and made unremitting efforts to build a world-renowned brand. In China's top 500 list in terms of brand value published in December 2019, the Group ranked among the list again, with a brand value of RMB33.126 billion, further improving its brand value and reputation. During the Reporting Period, our research and development focused on classification management of product lines and platform standardization. Through the introduction of the advanced ecological tree management system, the Group has divided product pools into the professional category, the application category and the brand category, while upgrading the performance and lighting effects of various products according to those of international first-class brands to control the cost and price competitiveness of strategic products. In terms of platform standardization, the standardization and process efficiency improvement team was established to build and upgrade various series of product standardization platforms and carried out a unified upgrade, management and control through including main components and parts in the standardization library, thus achieving the target of the Group to reduce cost by technologies. In the field of intelligent development and application, during the Reporting Period, the Group successfully developed and iterated smart home applications, and supported suppliers in making a connection to software systems of smart power supplies. At the same time, intelligent control applications were developed and a connection was made to the voice control system of Google Home in the North American market. APP systems were also developed in an orderly manner in the Toshiba market in Japan. Intelligent modules, intelligent remote controllers and intelligent desk lamps for main products also successfully entered the main marketing channels.

產品研發及品牌榮譽

本集團深耕照明領域20餘年，一直秉承專業、專注的工匠精神，致力於產品品質的創新發展，致力於滿足世界各地消費者及企業客戶對高品質照明產品日益增長的需求，為打造享譽世界的品牌而不懈努力。在2019年12月揭曉的中國品牌價值500強榜單中，本集團以人民幣331.26億元的品牌價值再次入選，品牌價值及美譽度進一步提升。報告年度研發工作重點圍繞產品線分類管理及平台標準化展開。本集團通過引入先進的生態樹管理體系，對產品池進行專業類、應用類及品牌類的劃分，同時對標國際一線品牌進行各品類產品性能和燈光效果的升級，保證戰略產品的成本和價格競爭力。在平台標準化方面則成立標準化及工藝效率提升蜂巢組以進行各系列產品標準化平台的建立和升級，通過將主要元器件納入標準化庫進行統一升級及管控，最終達成集團的技術降成本目標。在智慧化開發及應用領域，報告年度內本集團成功進行智慧家庭應用程式（APP）的開發和疊代，並配合供應商進行智慧電源的軟件系統對接；同時北美市場也實現了智慧控制APP開發及Google Home語音控制系統的對接；日本東芝市場的APP系統開發亦有序推進；而主打產品智慧模組、智慧遙控器及智慧檯燈也成功進入主要市場銷售渠道。

Management Discussion and Analysis

管理層討論與分析

The Group's Main Products

The Group focuses on developing creative research and development capability, providing professional and optimized LED lighting solutions, and aim to promote the national energy-saving, emission-reduction scheme and enhance green lighting industry forward to more sustainable, healthy and well-regulated growth.

At present, the Group is mainly engaged in research and development, production and sale of lighting luminaire products, lamp products, lighting electronic products and other products, and provides distributors and project customers with products and services, in the form of self-owned brand + OEM. The main lighting luminaire products of the Group include downlights, ceiling lamps, batten lights, ceiling lights, track lights, panel lights, flood lights, multiple lights and garden lights. The lamp products are mainly strip lights, bulb lamps, energy-saving lamps and energy-saving lamp tubes. Lighting electronic products and other products of the Group include driving power and electronic ballasts.

本集團主要產品

本集團致力於打造創新性研發能力，為客戶提供專業的LED照明優化解決方案，以推進國際節能減排，發展綠色照明環保產業為使命，推進LED照明產業持續、健康、有序的發展。

目前本集團主要從事照明燈具、光源、照明電器及其他產品的研發、生產和銷售，並採用自有品牌+OEM的形式為廣大經銷商及工程客戶提供產品及服務。本集團的照明燈具的主要產品包括筒燈、吸頂燈、支架燈、天花燈、導軌射燈、面板燈、投光燈、格柵射燈及庭院燈等；光源產品主要是燈帶、球泡燈、節能燈及節能燈管；照明電器及其他包含驅動電源、電子鎮流器及其它產品等。

Management Discussion and Analysis

管理層討論與分析

Samples of Main Products of Luminaire in Mature Markets:
成熟市場燈具主要產品示例：



Downlight Series
小夜燈筒燈系列



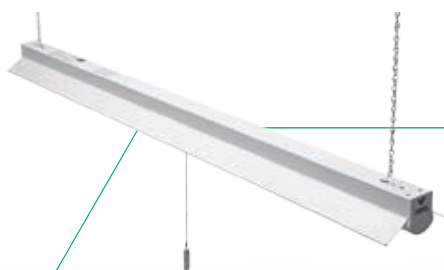
Slim Canless Downlight Series
超薄筒燈系列



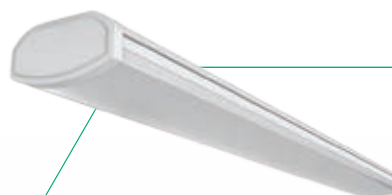
Slim Flushmounts Series
扁平吸頂燈系列



Round Flushmounts Series
圓形吸頂燈系列



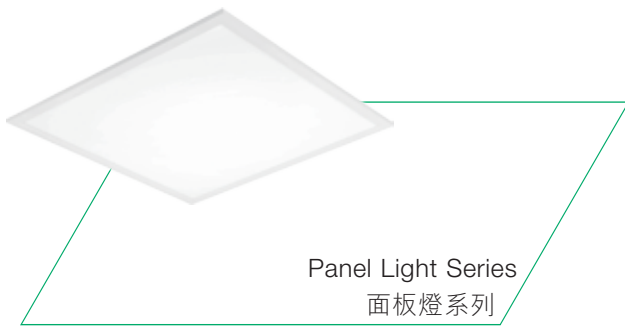
Batten Light Series
支架燈系列



Rectangle Flushmounts Series
長方形吸頂燈系列

Management Discussion and Analysis 管理層討論與分析

Samples of Main Products of Luminaire in Emerging Markets:
新興市場燈具主要產品示例：



Management Discussion and Analysis

管理層討論與分析

Samples of Lamp Products:
光源產品示例：



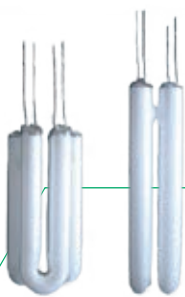
Bulb Lamp Series
球泡燈系列



Candle Lamp Series
蠟燭燈系列



Spiral Energy-saving
Lamp Series
螺旋節能燈系列



Energy-saving
Lamp Tube Series
節能燈管系列



Strip Light
燈帶

Samples of Lighting Electronic Products:
照明電器產品示例：



American Standard
LED Drive Series
美標LED驅動電源系列



European Standard
LED Drive Series
歐標LED驅動電源系列



Electronic Ballast Series
電子鎮流器系列

Management Discussion and Analysis

管理層討論與分析

Financial Review

Sales Revenue

Sales revenue represents the invoiced value of goods sold, after allowances for returns and trade discounts. During the Reporting Period, the sales revenue from continuing operations of the Group amounted to RMB2,222,610,000, representing an increase of 31.9% as compared with the Corresponding Period.

For business management need and the nature of business units based on the products and market, the Group classified the reportable operating segments as follows:

Revenue by geographical locations, NVC brand sales and non-NVC brand sales

The table below sets forth the sales revenue by geographical locations, NVC brand products and non-NVC brand products and the growth rate of each item. Our non-NVC brand products primarily consist of ODM products.

財務回顧

銷售收入

銷售收入指已售貨物的發票價值，經扣除退貨和折扣的淨額。於報告年度內，本集團持續經營業務取得銷售收入為人民幣2,222,610千元，較同期增長31.9%。

出於經營管理需要及其產品和市場組成業務單元的性質，本集團劃分以下報告經營分部：

按地理位置及雷士品牌與非雷士品牌銷售劃分的收入

下表載列按地理位置及雷士品牌產品和非雷士品牌產品劃分的銷售收入及各項目的增長率。我們的非雷士品牌產品主要由ODM產品組成。

Management Discussion and Analysis

管理層討論與分析

Year ended 31 December
截至12月31日止年度

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣	Growth rate 增長率
Continuing operations	持續經營業務			
Sales revenue from PRC	來自中國的銷售收入			
Non-NVC brands	非雷士品牌	307,143	409,023	(24.9%)
Sales revenue from international market	來自國際的銷售收入			
NVC brand	雷士品牌	196,329	185,150	6.0%
Non-NVC brands	非雷士品牌	1,719,138	1,090,526	57.6%
<i>Subtotal</i>	<i>小計</i>	1,915,467	1,275,676	50.2%
Total	合計	2,222,610	1,684,699	31.9%

During the Reporting Period, the sales of non-NVC brands sales in China decreased by 24.9%, mainly due to the continuous decrease in the demand in the traditional lamp product market and internal business adjustment of the Group; the international sales increased by 50.2%, while the sales of NVC brand was stable, and the sales of non-NVC brands increased by 57.6% as compared with the Corresponding Period, mainly due to the revenue contribution from the acquisition of Elec-Tech Solid State Lighting (HK) Limited and its subsidiaries ("ETISL Group") at the end of 2018 and revenue growth resulting from accelerating the pace of developing new business and new markets.

於報告年度內，中國銷售非雷士品牌銷售下降24.9%，主要受傳統光源產品市場需求持續萎縮及集團內部業務調整的影響。國際銷售增長50.2%，其中雷士品牌銷售平穩，而非雷士品牌與同期比較增長57.6%，主要是2018年底收購怡達（香港）光電科技有限公司及其附屬公司（「怡達集團」）帶來的收入貢獻及加快新業務及新市場的拓展步伐帶來的收入增長。

Management Discussion and Analysis

管理層討論與分析

Cost of Sales

Cost of sales mainly consists of the cost of raw materials, outsourced manufacturing costs, direct and indirect labor costs and indirect costs. Major raw materials of the Group include iron, aluminum and alloys, fluorescent powder, glass tubes, electronics components and LED packaged chips. Outsourced manufacturing costs primarily include the cost of purchased semi-finished products used in the production of our products and finished products produced by other manufacturers. Indirect costs primarily include water, electricity, depreciation and amortisation and others. The table below sets forth the composition of our cost of sales:

銷售成本

銷售成本主要包括原材料成本、外包生產成本、直接和間接勞工成本及間接費用。本集團的主要原材料包括鐵、鋁及合金、螢光粉、玻璃管、電子元器件以及LED封裝晶片等。外包生產成本主要包括採購其他製造商生產的用於我們的產品生產的半成品以及成品的成本。間接費用成本主要包括水、電、折舊和攤銷以及其他。下表列示銷售成本的組成：

		Year ended 31 December 截至12月31日止年度			
		2019 2019年		2018 2018年	
		RMB' 000	Percentage in revenue (%)	RMB' 000	Percentage in revenue (%)
		千人民幣	佔收入比例 (%)	千人民幣	佔收入比例 (%)
Continuing operations	持續經營業務				
Raw materials (including outsourced manufacturing costs)	原材料 (含外包生產成本)	1,400,042	63.0%	1,160,617	68.9%
Labor costs	勞工成本	136,150	6.1%	125,312	7.4%
Indirect costs	間接費用	153,057	6.9%	66,810	4.0%
Total	合計	1,689,249	76.0%	1,352,739	80.3%

During the Reporting Period, the cost of sales as a percentage in revenue decreased from 80.3% to 76.0%, while the corresponding gross profit margin increased from 19.7% to 24.0%, mainly due to the comprehensive positive effect of the higher gross profit margin from acquired ETISL Group in 2018, structural change of product sales and cost reduction by the Group during the Reporting Period.

於報告年度內，銷售成本佔收入的百分比從80.3%降至76.0%，毛利率從19.7%升至24.0%，主要由於2018年收購的怡達集團毛利率較高，報告年度內產品銷售結構變動以及本集團全面降本取得積極成效的綜合影響。

Management Discussion and Analysis

管理層討論與分析

Gross Profit and Gross Profit Margin

Gross profit is calculated as the net value of revenue less cost of sales.

During the Reporting Period, gross profit was RMB533,361,000, representing an increase of 60.7% as compared with the Corresponding Period, and gross profit margin of sales increased from 19.7% to 24.0%. The gross profit and gross profit margin by segments are shown as follows:

The table below shows the gross profit and gross profit margin by geographical locations and NVC brand products and non-NVC brand products for the periods indicated:

毛利及毛利率

毛利指收入減去銷售成本後的淨額。

於報告年度內，實現毛利為人民幣533,361千元，與同期比較增長60.7%，銷售毛利率從19.7%升至24.0%。各分部的毛利及毛利率列示如下：

下表列示所示期間的按地理位置及雷士及非雷士品牌的毛利及毛利率：

		Year ended 31 December 截至12月31日止年度			
		2019 2019年		2018 2018年	
		RMB'000 千人民幣	(%) (%)	RMB'000 千人民幣	(%) (%)
Continuing operations	持續經營業務				
Gross profit from PRC sales:	中國銷售產生的毛利：				
Non-NVC brands	非雷士品牌	61,374	20.0%	97,087	23.7%
Gross profit from international sales:	國際銷售產生的毛利：				
NVC brand	雷士品牌	50,336	25.6%	45,636	24.6%
Non-NVC brands	非雷士品牌	421,651	24.5%	189,237	17.4%
<i>Subtotal</i>	<i>小計</i>	471,987	24.6%	234,873	18.4%
Total	合計	533,361	24.0%	331,960	19.7%

During the Reporting Period, the gross profit margin from domestic non-NVC brands business decreased from 23.7% to 20.0%, mainly due to the effects of the change in product structure. The gross profit margin on international sales increased from 18.4% to 24.6%, mainly due to the comprehensive effect of gross profit contribution from ETISSL Group, the gradual entry of LED lighting products with a higher gross profit margin into our main customer channels in international markets, as well as the cost reduction by the Group during the Reporting Period.

於報告年度內，中國銷售非雷士品牌業務毛利率從23.7%下降至20.0%，主要是產品結構變動的影響。國際銷售產生的毛利率從18.4%上升到24.6%，主要是報告年度內怡達集團帶來的毛利貢獻、毛利率較高的LED照明產品銷售逐步進入國際市場主要客戶渠道以及本集團推行全面降本取得積極成效的綜合影響。

Management Discussion and Analysis

管理層討論與分析

Other income and gains

Our other income and gains from continuing operations mainly consist of fair value gain of derivative component of convertible bonds, government grants, interest income and surcharge from suppliers (the breakdown of other income and gains is provided in note 5 to the consolidated financial statements on pages 291 to 292 of this annual report). We received various types of government grants in the form of tax subsidies and incentives for research and development activities. Government subsidies are provided by relevant authorities at their discretion, and may not be recurring in nature. During the Reporting Period, other income and gains from continuing operations decreased to RMB76,621,000 as compared with the Corresponding Period, which was mainly due to gain on fair value change of the derivative component of convertible bonds of RMB82,903,000 in the Corresponding Period. No such gain incurred during the Reporting Period as the convertible bonds were fully converted into shares of the Company during the Corresponding Period of 2018.

Selling and distribution costs

Our selling and distribution costs from continuing operations mainly consist of freight costs, advertising and promotion expenses, staff costs and other costs including office expenses, custom clearance expenses, travelling expenses, depreciation and amortisation, insurance fees and other miscellaneous costs.

During the Reporting Period, our selling and distribution costs from continuing operations were RMB248,586,000, representing an increase of 140.1% as compared with the Corresponding Period. The increase was mainly due to the increase in the staff cost, freight and warehouse services fee during the Reporting Period resulting from the acquisition of subsidiaries in 2018. Our selling and distribution costs as a percentage in revenue increased from 6.1% to 11.2%.

其他收入及收益

我們持續經營業務的其他收入及收益主要包括可換股債券衍生工具部分公允價值收益、政府補助、利息收入及來自供應商的附加費（其他收入及收益的組成請參照本年報第291頁至第292頁之合併財務報表附註5）。同時我們收到各種作為稅收補貼以及鼓勵進行科技研發的政府補助。這些政府補助由相關機構酌情發放，未必屬於經常性。於報告年度內，來自持續經營業務之其他收入及收益較同期下降至人民幣76,621千元，主要是同期可換股債券衍生工具部份公允價值變動收益為人民幣82,903千元。由於可換股債券已於2018年同期全數轉換為本公司股份，故於報告年度內並無該等收益產生。

銷售及分銷費用

我們持續經營業務的銷售及分銷費用主要包括運費、宣傳和推廣費、員工成本和其他費用，包括辦公費、報關費、交通費、折舊和攤銷、保險費和其他雜項。

於報告年度內，我們持續經營業務的銷售及分銷費用較同期增長140.1%，至人民幣248,586千元。該增長主要是由於2018年收購附屬公司所導致的報告年度內員工成本、運費及倉儲服務費等上升所致。我們的銷售及分銷費用佔收入的比例由6.1%上升至11.2%。

Management Discussion and Analysis

管理層討論與分析

Administrative expenses

Our administrative expenses from continuing operations mainly consist of staff costs, amortisation and depreciation, research and development expenses, office expenses and other expenses including tax expenses, audit fees, other professional fees, impairment of trade and other receivables and other miscellaneous expenses. These taxes mainly include land use tax and stamp duty in connection with our administrative functions.

During the Reporting Period, our administrative expenses from continuing operations were RMB336,212,000, representing an increase of 80.1% as compared with the Corresponding Period, which was mainly the increase in the staff cost, amortisation and depreciation resulting from the acquisition of subsidiaries in 2018, impairment of trade and other receivables and the increase of professional service fees resulting from the disposal of subsidiaries during the Reporting Period. Our administrative expenses as a percentage in revenue increased from 11.1% to 15.1%.

Other expenses

Other expenses from continuing operations mainly consist of loss on modification of terms of convertible bonds, losses on disposal of property, plant and equipment, impairment loss of goodwill, impairment and provision in relation to the litigations, fair value loss of held-for-trading financial assets, donation and other miscellaneous expenses. During the Reporting Period, our other expenses from continuing operations increased significantly as compared with the Corresponding Period, which was mainly due to impairment of goodwill related to ETISL Group recognised during the Reporting Period.

管理費用

持續經營業務的管理費用主要包括員工成本、攤銷和折舊、研發費、辦公費用及其他費用，其他費用主要包括稅項、審核費、其他專業費用、貿易及其他應收賬款減值和其他雜項。這些稅項主要包括與我們的行政部門有關的土地使用稅和印花稅。

於報告年度內，我們持續經營業務的管理費用較同期增長80.1%，至人民幣336,212千元，主要是由於2018年收購附屬公司所導致員工成本、折舊及攤銷的增加、於報告年度內出售附屬公司導致的貿易及其他應收賬款減值以及專業服務費用等的增加。我們的管理費用佔收入的比例由11.1%上升至15.1%。

其他費用

持續經營業務的其他費用主要包括可換股債券條款變更產生的損失、處置物業、廠房及設備的損失、商譽減值損失、與訴訟相關的減值及撥備、交易性金融資產公允價值損失、捐贈支出和其他雜項開支。報告年度內我們持續經營業務的其他費用較同期大幅增長主要是由於報告年度內與怡達集團確認的商譽減值有關。

Management Discussion and Analysis

管理層討論與分析

Finance costs

Finance costs from continuing operations represent interests on bank loans, interest on lease liabilities and interest expenses on convertible bonds.

Share of Results of Associates and a Joint Venture

This item represents the Group's share of net profits or net losses in the associates and a joint venture during the Reporting Period.

Gain on Disposal of a Subsidiary

During the Reporting Period, the Company disposed of its entire interest in NVC Lighting (China) Co., Ltd., a subsidiary of the Company to an independent third party at a consideration of RMB100,000 and recorded a gain of RMB761,273,000. The net carrying liabilities of such subsidiary before being disposed was RMB761,173,000.

Income tax

During the Reporting Period, the Group's income tax expenses from continuing operations amounted to RMB81,794,000, representing a decrease of 64.7% as compared with the Corresponding Period. It is mainly due to the effect in the increase of withholding income tax arising from the distribution of earnings by the Company's subsidiaries in the PRC to the Company in the Corresponding Period. These subsidiaries were disposed of during the Reporting Period.

財務費用

持續經營業務的財務費用為銀行貸款利息、租賃負債利息及可換股債券利息開支。

應佔聯營公司及一家合營公司業績

本項反映於報告年度內本集團在聯營公司及一家合營公司中享有的淨利潤或承擔的淨虧損份額。

出售一家附屬公司收益

於報告年度內，本公司以人民幣100千元的代價將一家附屬公司雷士照明(中國)有限公司的全部權益出售於獨立第三方，並錄得處置收入人民幣761,273千元，出售前該附屬公司的賬面淨負債為人民幣761,173千元。

所得稅

於報告年度內，本集團持續經營業務的所得稅開支達人民幣81,794千元，較同期下降64.7%，主要是由於同期本公司於中國的附屬公司向本公司分配盈利所繳納的預扣所得稅增加的影響，該等附屬公司已於報告年度內出售。

Management Discussion and Analysis

管理層討論與分析

Loss for the Year (including Profit Attributable to Non-controlling Interests)

Due to the factors mentioned above, our loss for the year from continuing operations (including profit attributable to non-controlling interests) was RMB87,263,000 during the Reporting Period.

Exchange differences on translation of foreign operations

During the Reporting Period, our exchange differences on translation of overseas business were RMB100,383,000. These exchange differences primarily arose from the translation of the financial statements of the Company and the overseas subsidiaries which are denominated in foreign currencies.

Loss Attributable to Owners of the Parent for the Year

Due to the factors mentioned above, loss attributable to owners of the parent from continuing operations was RMB101,524,000 during the Reporting Period.

Profit attributable to non-controlling interests for the year

During the Reporting Period, profit attributable to non-controlling interests from continuing operations was RMB14,261,000.

本年虧損 (包括非控制性權益應佔部份)

由於上述因素，於報告年度內，我們持續經營業務的本年虧損 (包括非控制性權益應佔部份) 為人民幣87,263千元。

換算海外業務產生的匯兌差額

於報告年度內，我們換算海外業務產生的匯兌差額為人民幣100,383千元，此匯兌差額主要是以外幣計價的本公司及海外附屬公司財務報表的換算造成。

母公司擁有人應佔的本年虧損

由於上述因素，於報告年度內，持續經營業務的母公司擁有人應佔的虧損為人民幣101,524千元。

非控制性權益應佔的本年利潤

於報告年度內，持續經營業務的非控制性權益應佔的利潤為人民幣14,261千元。

Management Discussion and Analysis

管理層討論與分析

Cash Flow and Liquidity

Cash flow

The table below sets out selected cash flow data from our consolidated statement of cash flows.

		31 December 12月31日	
		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Net cash flows from operating activities	經營活動所得現金 流量淨額	849,088	364,479
Net cash flows from/(used in) investing activities	投資活動所得/(所用) 現金流量淨額	4,308,674	(1,661,390)
Net cash flows (used in)/from financing activities	融資活動(所用)/ 所得現金流量淨額	(4,468,645)	941,987
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物 增加/(減少)淨額	689,117	(354,924)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	912,998	1,265,589
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(50,595)	2,333
Cash and cash equivalents as stated in the consolidated statement of cash flows	於合併現金流量表中呈列 的現金及現金等價物	1,551,520	912,998

At the end of the Reporting Period, the cash and bank balances of the Group were mainly denominated in RMB, HK\$, GBP, BRL and US\$. 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.

現金流量及流動性

現金流量

下表載列從我們的合併現金流量表中節選的現金流量數據。

於本報告年度末，本集團的現金及銀行結餘主要以人民幣、港元、英鎊、巴西雷亞爾及美元計值。人民幣不可自由轉換為其他貨幣。然而，根據中國內地的《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進行外匯業務的銀行將人民幣兌換為其他貨幣。

Management Discussion and Analysis

管理層討論與分析

Liquidity

Net current assets and working capital sufficiency

The table below sets out our current assets, current liabilities and net current assets as at the end of the Reporting Period.

流動性

淨流動資產及營運資金的充足性

下表載列於報告年度末的流動資產、流動負債及淨流動資產。

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
CURRENT ASSETS	流動資產		
Inventories	存貨	385,418	683,524
Trade and bills receivables	貿易及票據應收賬款	606,590	1,504,176
Prepayments, deposits and other receivables	預付款、保證金及其他 應收賬款	479,812	361,313
Income tax recoverable	預付所得稅	1,733	568
Other current assets	其他流動資產	24,928	45,014
Held-for-trading investments	持作買賣投資	39,506	44,190
Restricted bank balances and short-term deposits	受限制的銀行結餘及 短期存款	56,300	677,502
Cash and cash equivalents	現金及現金等價物	1,551,520	912,998
Sub-total current assets	流動資產小計	3,145,807	4,229,285
CURRENT LIABILITIES	流動負債		
Trade and bills payables	貿易及票據應付賬款	530,918	1,385,298
Other payables and accruals	其他應付款及預提費用	806,276	1,324,472
Interest-bearing loans and borrowings	計息貸款及借款	21,917	1,064,924
Lease liabilities	租賃負債	6,674	–
Government grants	政府補助	1,009	1,612
Income tax payable	應付所得稅	558,450	187,168
Derivative financial instruments	衍生金融工具	–	10,689
Sub-total current liabilities	流動負債小計	1,925,244	3,974,163
NET CURRENT ASSETS	淨流動資產	1,220,563	255,122

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2019 and 31 December 2018, the total net current assets of the Group amounted to RMB1,220,563,000 and RMB255,122,000 respectively, and the current ratio was 1.63 and 1.06 respectively. In light of our current liquidity position, the unutilised banking facilities available to the Group and our projected cash generated from operations, the Directors believe that we have sufficient working capital for our present requirements and for the next 12 months.

Capital management

The table below sets out our gearing ratio as at the end of the Reporting Period.

於2019年12月31日和2018年12月31日，本集團的淨流動資產總額分別為人民幣1,220,563千元和人民幣255,122千元，流動比率分別為1.63和1.06。鑒於我們目前的流動性狀況、本集團在銀行尚未使用的信貸餘額及預期因經營而產生的現金，董事認為我們擁有充足的營運資金來應付目前及未來12個月的資金需求。

資本管理

下表載列於報告年度末的資本負債比率。

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Interest-bearing loans and borrowings	計息貸款及借款	21,917	1,064,924
Total debt	債務合計	21,917	1,064,924
Less: Cash and cash equivalents and short-term deposits	減：現金及現金等價物及短期存款	(1,607,820)	(1,590,500)
Net debt	淨債務	N/A 不適用	N/A 不適用
Total equity attributable to owners of the parent	母公司擁有人應佔總權益	3,319,729	3,286,696
Gearing ratio	資本負債比率	N/A 不適用	N/A 不適用

Management Discussion and Analysis

管理層討論與分析

The primary goal of our capital management is to maintain the stability and growth of our financial position. We regularly review and manage our capital structure and make corresponding adjustments, after taking into consideration changes in economic conditions, our future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. We manage our capital by monitoring our gearing ratio (which is calculated as net debt divided by the total equity attributable to owners of the parent). Net debt is the balance of interest-bearing loans and borrowings less cash and cash equivalents and short-term deposits.

Inventories

The balance of inventories represents our balance of stock of raw materials, work in progress and finished goods as at the end of the Reporting Period. We monitor our inventories on a regular basis.

More details about the inventories are provided in note 24 to the consolidated financial statements on page 352 of this annual report.

Trade and bills receivables

Trade receivables of the Group mainly represented proceeds receivable from sale of goods. The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit periods generally range from 30 to 180 days for major customers. Each major customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balance.

More details about the trade and bills receivables are provided in note 25 to the consolidated financial statements on pages 353 to 356 of this annual report.

我們資本管理的主要目標是保持公司財務狀況的穩定性及增長。我們定期審查並管理我們的資本結構，並在考慮經濟狀況的轉變、未來資本需要、當前及預期的盈利能力及營運現金流量、預期資本支出及預期策略性投資機會後作出相應的調整。我們透過監控公司的資本負債比率（淨債務除以母公司擁有人應佔總權益）來管理資本。淨債務為計息貸款以及借款扣除現金及現金等價物及短期存款之餘額。

存貨

存貨結餘指本集團在本報告年度末的原材料、在製品及產成品庫存餘額。本集團對存貨進行定期監控。

有關存貨的詳細情況請參照本年報第352頁的合併財務報表附註24。

貿易及票據應收賬款

本集團的貿易應收賬款主要指來自貨物銷售的應收所得賬款。本集團與客戶之間主要通過信用交易，但新客戶一般需要提前支付。主要客戶的信用期限一般介於30天至180天不等。每位主要客戶均設置最高信用限額。本集團尋求對其未結清應收賬款維持嚴格監控，並已建立一個信用監控部門以將信用風險降至最低。高級管理人員定期覆核逾期結餘。鑒於上述情況及本集團貿易應收賬款與大量分散客戶有關，信用風險的集中度並不高。本集團並無就其貿易應收賬款結餘持有任何抵押品或採取其他信用增級。

有關貿易及票據應收賬款的詳細情況請參照本年報第353頁至第356頁的合併財務報表附註25。

Management Discussion and Analysis

管理層討論與分析

Trade and bills payables

More details about the trade and bills payables are provided in note 30 to the consolidated financial statements on pages 365 to 366 of this annual report.

Interest-bearing loans and borrowings

More details about the interest-bearing loans and borrowings are provided in note 32 to the consolidated financial statements on page 369 of this annual report.

Convertible bonds

More details about the convertible bonds are provided in note 47 to the consolidated financial statements on pages 435 to 438 of this annual report.

Capital expenditure

We funded our capital expenditure with cash generated from operations and bank loans. Our capital expenditure is primarily related to expenditure on property, plant and equipment, right-of-use assets and other intangible assets. During the Reporting Period, the Group's capital expenditure amounted to RMB133,122,000, mainly attributable to the increase in cost of leasehold improvements, machinery equipment, moulds, non-productive equipment and research and development expenses.

貿易及票據應付賬款

有關貿易及票據應付賬款的詳細情況請參照本年報第365頁至第366頁的合併財務報表附註30。

計息貸款及借款

有關計息貸款及借款的詳細情況請參照本年報第369頁合併財務報表附註32。

可換股債券

有關可換股債券的詳細情況請參照本年報第435頁至第438頁的合併財務報表附註47。

資本支出

我們的資本支出來源為經營業務所產生的現金以及銀行貸款所取得的現金。資本支出主要為有關物業、廠房及設備、使用權資產及其他無形資產。於報告年度內，本集團資本支出為人民幣133,122千元，主要是裝修費、機器設備、模具、非生產設備以及研發開支的增加。

Management Discussion and Analysis

管理層討論與分析

Off-balance Sheet Arrangement

Except for the derivative financial liabilities in relation to forward exchange contracts as at 31 December 2018, we did not have any outstanding derivative financial instruments and off-balance sheet guarantees for outstanding loans. We did not engage in trading activities involving non-exchange traded contracts.

Capital Commitments

On 31 December 2019, the capital commitments in respect of contribution into associates and investments and purchase of property, plant and equipment was RMB91,975,000 (31 December 2018: RMB514,259,000).

Merger, Acquisition, Investment and Disposals

In June 2019, ETI Solid State Lighting (Zhuhai) Limited, a wholly-owned subsidiary of the Company invested an amount of RMB1 million to establish Yidong (Zhuhai) Technology Co., Ltd.* (怡東(珠海)科技有限公司) (“Yidong (Zhuhai)”). Yidong (Zhuhai) is principally engaged in the development, production and sales of lighting products.

In July 2019, NVC Global Solutions Limited, a wholly-owned subsidiary of the Company invested an amount of RMB5,000,000 to establish a wholly-owned subsidiary, NVC Overseas Corporation (Huizhou)* (怡迅(惠州)光電科技有限公司) (“NVC Overseas”). NVC Overseas is principally engaged in the development, production and sales of lighting products.

In July 2019, NVC Global Solutions Limited, a wholly-owned subsidiary of the Company, invested an amount of SGD100 to acquire 100% of the equity of NVC Lighting & Electrical Technology Singapore Pte. Ltd. (“NVC Singapore”). NVC Singapore was an entity controlled by Mr. WANG Dongming, a Director of the Company. Upon the completion of the acquisition, NVC Singapore is no longer a connected person of the Company. NVC Singapore is principally engaged in the development, production and sales of lighting luminaire products.

表外安排

除了於2018年12月31日的遠期外匯合同的衍生金融負債外，我們概無任何已發行的衍生金融工具及未還貸款的表外擔保。我們概未從事涉及非交易所買賣合約的交易活動。

資本承諾

於2019年12月31日，我們注資聯營公司及投資，以及購置物業、廠房及設備的資本承諾為人民幣91,975千元（2018年12月31日：人民幣514,259千元）。

兼併、收購、投資及出售

於2019年6月，本公司全資附屬公司怡迅(珠海)光電科技有限公司投資人民幣1,000千元成立怡東(珠海)科技有限公司(「怡東(珠海)」)。怡東(珠海)的主營業務為照明產品的開發、生產和銷售等。

於2019年7月，本公司全資附屬公司雷士國際(香港)有限公司投資人民幣5,000千元成立全資附屬公司怡迅(惠州)光電科技有限公司(「怡迅(惠州)」)，怡迅(惠州)的主營業務為照明產品的開發、生產和銷售等。

於2019年7月，本公司全資附屬公司雷士國際(香港)有限公司出資100新幣收購新加坡雷士照明電氣技術有限公司(「新加坡雷士」)的100%股權，新加坡雷士原為本公司董事王冬明先生控制的一家實體，收購完成後，新加坡雷士不再為本公司之關連人士。新加坡雷士的主營業務為照明燈具產品的開發、生產和銷售等。

Management Discussion and Analysis

管理層討論與分析

On 10 August 2019, the Company, LED Holdings Limited (“LED Holdings”), Brilliant Lights International Holding Pte. Ltd., Brilliant Lights Investment Pte. Ltd. (“Purchaser”) and Lighting Holdings II Pte. Ltd. (an entity indirectly controlled by KKR Asian Fund III L.P.) entered into a share purchase agreement (“Share Purchase Agreement”), pursuant to which the Company and LED Holdings have conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire three wholly-owned subsidiaries of the Company (“Target Companies”), which are principally engaged in the manufacturing, sales and distribution of commercial lighting products and home lighting products as well as e-commerce business in the Mainland China market under the “NVC” brand, with a valuation of 100% of the equity of the Target Companies of RMB5,559,010,897, subject to the terms of the Share Purchase Agreement (“Very Substantial Disposal”). After the closing of the Very Substantial Disposal (“Closing”), the Company and Lighting Holdings II Pte. Ltd. will respectively indirectly hold 30% and 70% of the total equity interests in the Target Companies and the Target Companies will not be consolidated into the consolidated financial statements of the Group. Relevant details are contained in the announcement and the circular of the Company dated 11 August 2019 and 31 October 2019, respectively. The Very Substantial Disposal was approved by the shareholders of the Company at the extraordinary general meeting held on 18 November 2019. On 12 December 2019, all the precedent conditions in the Share Purchase Agreement were fulfilled, and the Closing took place in accordance with the terms and conditions of the Share Purchase Agreement. On Wednesday, 18 December 2019, the special dividend of HK\$0.9 (or approximately RMB0.8) per Share was paid to the shareholders whose names appeared on the register of Shareholders of the Company on Monday, 25 November 2019. After an adjustment, the final values of the final cash and share consideration were US\$662,607,039 and RMB812,221,000 respectively. The Very Substantial Disposal will enable the Company to obtain considerable cash consideration, increase shareholder return and continuously expand overseas business.

於2019年8月10日，本公司、耀能控股有限公司（「耀能控股」）、Brilliant Lights International Holding Pte. Ltd.、Brilliant Lights Investment Pte. Ltd.（「買方」）及Lighting Holdings II Pte. Ltd.（由KKR Asian Fund III L.P.間接控制的實體），訂立一項購股協議（「購股協議」），據此並在購股協議條款規限下本公司及耀能控股有條件同意出售及買方有條件同意收購本公司之三家全資附屬公司（「目標公司」），目標公司主要從事以「雷士」品牌在中國內地市場生產、銷售及分銷商業照明產品及家居照明產品以及電子商務業務，而對目標公司100%股權的估值為人民幣5,559,010,897元（「非常重大出售」）。本次非常重大出售交割（「交割」）後，本公司及Lighting Holdings II Pte. Ltd.將分別間接持有目標公司權益總額中的30%及70%，而目標公司將不會綜合入賬至本集團綜合財務報表。有關詳情載於本公司日期分別為2019年8月11日和2019年10月31日的公告和通函。非常重大出售已獲本公司股東於2019年11月18日舉行的股東特別大會上批准。於2019年12月12日，載於購股協議之所有先決條件已獲達成，交割已根據購股協議所載條款及條件落實。而特別股息每股0.9港元（折合約人民幣0.8元）已於2019年12月18日（星期三）派付予於2019年11月25日（星期一）名列本公司股東名冊的股東。最終現金代價及股份代價的最終價值經調整分別為662,607,039美元及人民幣812,221千元。非常重大出售將使公司獲得可觀的現金對價、增加股東回報並持續擴展海外業務。

Management Discussion and Analysis

管理層討論與分析

In November 2019, NVC Lighting International Limited (雷士照明國際有限公司), a wholly-owned subsidiary of the Company, proposed to invest an amount of US\$8 million to establish a wholly-owned subsidiary, NVC Vietnam Technology & Lighting Company Limited (“NVC Vietnam”). NVC Vietnam is principally engaged in the development, production and sales of lighting products. As at the date of this annual report, the registered capital of NVC Vietnam was not fully paid.

Save as disclosed in the above, the Group made no material acquisition, merger or sale of subsidiaries and associates during the Reporting Period.

Other Significant Investment and Performance

Huizhou NVC, the Company’s former wholly-owned subsidiary, signed a partnership agreement with the general partner to establish a limited partnership. Through the establishment of the limited partnership, the Company will be able to benefit from a wealth of attractive investment opportunities in the lighting industry and achieving economies of scale and synergies. For more details, please refer to the announcement of the Company dated 4 May 2016. Pursuant to the Share Purchase Agreement, Huizhou NVC and the limited partnership have been disposed. Upon the Closing, the limited partnership has not yet commenced its external investment.

於2019年11月，本公司全資附屬公司雷士照明國際有限公司擬投資8,000千美元成立全資附屬公司NVC Vietnam Technology & Lighting Company Limited (「NVC Vietnam」)。NVC Vietnam的主營業務為照明產品的開發、生產和銷售等，截至本年報日期，NVC Vietnam之註冊資金尚未繳足。

除上述披露之外，於報告年度內，本集團沒有進行重大附屬公司、聯營公司及合營公司的收購、兼併或出售。

其他重大投資及表現

本公司的前全資附屬公司惠州雷士與普通合夥人訂立合夥協議成立有限合夥企業。通過成立有限合夥企業，本公司將獲益於照明行業中具有吸引力之投資機會並實現規模經濟和協同效益。詳情請參照本公司日期為2016年5月4日的公告。根據購股協議，惠州雷士與該有限合夥企業已被出售。截至交割之時，該有限合夥企業尚未開始對外投資。

Management Discussion and Analysis

管理層討論與分析

Pledge of Assets

Save for those disclosed in other parts of this annual report, at the end of the Reporting Period, certain assets of the Group were pledged as follows:

- (1) As at 31 December 2019, right-of-use assets related to leasehold land with aggregate carrying amount of RMB17,852,000 (31 December 2018: land-use rights of RMB45,676,000) and certain buildings included in property, plant and equipment with aggregate carrying amounts of RMB120,002,000 (31 December 2018: RMB257,642,000) were pledged for the Group's and an associate's bank loan facilities.
- (2) As at 31 December 2019, certain trade and bills receivables with carrying amounts of RMB21,110,000 (31 December 2018: RMB353,031,000) were pledged to secure the bank borrowings.
- (3) In accordance with several letters of guarantee, deposits with carrying amounts of RMB56,300,000 (31 December 2018: RMB612,792,000) were pledged for issuing letters of guarantee and borrowing facilities.
- (4) As at 31 December 2018, deposits with carrying amounts of RMB710,000 were pledged for the Group's applications of assets preservation in certain PRC legal proceedings.

抵押資產

除本年報其他部份內容所披露資料外，於報告年度末，本集團已質押的若干資產如下：

- (1) 於2019年12月31日，賬面值合計人民幣17,852千元（2018年12月31日：土地使用權為人民幣45,676千元）的與租賃土地有關的使用權資產及若干計入物業、廠房及設備的賬面值合計人民幣120,002千元（2018年12月31日：人民幣257,642千元）的樓宇作為本集團及一家聯營公司之銀行貸款融資的抵押。
- (2) 於2019年12月31日，賬面值人民幣21,110千元（2018年12月31日：人民幣353,031千元）的若干貿易及票據應收賬款已質押作為銀行借款的抵押。
- (3) 根據數封銀行保函協議，賬面值為人民幣56,300千元的存款（2018年12月31日：人民幣612,792千元）已質押以發出銀行保函及作為借款融資。
- (4) 於2018年12月31日，為在本集團的某些中國法律訴訟中申請資產保全，賬面值為人民幣710千元的存款已進行質押。

Management Discussion and Analysis

管理層討論與分析

Market Risks

We are exposed to various market risks in the ordinary course of business. Our risk management strategy aims to minimise the adverse effects of these risks to our financial results.

Foreign currency risk

We are exposed to transactional currency risk. Such risk arises from sales or procurement by an operating unit in currencies other than its functional currency. As a result, we are exposed to fluctuations in the exchange rate between the functional currencies and foreign currencies. During the Reporting Period, the Group had entered into several forward exchange contracts in place to hedge the foreign exchange exposure and did not experience any material difficulties or negative impacts on our operations or liquidity as a result of fluctuations on currency exchange rates.

Commodity price risk

We are exposed to fluctuations in the prices of raw materials which are influenced by global changes as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect our financial performance. We did not enter into any commodity derivative instruments to hedge the potential commodity price changes.

Liquidity risk

We monitor our risk of having a shortage of funds by considering the maturity of our financial instruments, financial assets and liabilities and projected cash flows from operations. Our goal is to maintain a balance between continuity and flexibility of funding through the use of bank loans and other interest-bearing loans. Our Directors have reviewed our working capital and capital expenditure requirements and determined that we have no significant liquidity risk.

市場風險

在日常業務過程中，我們面臨下述各種市場風險。我們的風險管理策略旨在將這些風險對我們財務業績的影響降至最低。

外幣風險

我們承受貨幣交易風險。交易風險因營運單位以其功能貨幣以外的貨幣進行銷售或採購而產生。因此，我們面臨功能貨幣與外幣之間的匯率波動的風險。於報告年度內，本集團簽訂若干匯率遠期合同以對沖匯率風險，因此並無因貨幣匯率的波動而令我們營運或流動資金出現任何重大困難或負面影響。

商品價格風險

我們承受原材料價格波動的風險。原材料價格受全球變動及地區性供求狀況的影響。原材料價格的波動可能對我們的財務業績產生不利影響。本公司尚未簽訂任何商品衍生工具以對沖潛在的商品價格變化。

流動資金風險

我們通過考慮我們金融票據、金融資產及負債的到期日和預計從營運產生的現金流量來監控資金短缺的風險。我們的目標是通過使用銀行貸款和其他計息貸款使資金的連續性和靈活性保持平衡。我們的董事已審核我們的營運資金及資本開支要求，並確定我們沒有重大流動資金風險。

Management Discussion and Analysis

管理層討論與分析

Credit risk

Our major credit risk arises from exposure to a substantial number of trade and bills receivables, deposits and other receivables from debtors. We have policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and we have strict control over credit limits of trade receivables. Our cash and short-term deposits are mainly deposited with registered banks in Mainland China and Hong Kong. We also have policies that limit our credit risk exposure to any financial institutions. The carrying amounts of trade and bills receivables, deposits and other receivables, cash and cash equivalents and short-term deposits included in the consolidated statement of financial position represent our maximum exposure to credit risk in relation to our financial assets. We have no other financial assets which carry significant exposure to credit risk. In 2019, we entered into a number of one-year insurance contracts with China Export & Credit Insurance Corporation, which covered 75% or 90% uncollectible receivables from overseas sales between the period from 1 July 2019 to 30 November 2020 with a maximum compensation amount of US\$48,000,000 (equivalent to approximately RMB334,858,000). We purchased such insurance in order to minimise our exposure to credit risk as we expand our business. We plan to renew such insurance contracts when they become due.

Employees

As at 31 December 2019, the Group had approximately 2,709 employees in total (31 December 2018: 7,642). The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance contributions, employee provident fund schemes, discretionary incentive and share option schemes.

信用風險

我們的主要信用風險來自於債務人的大量貿易及票據應收賬款、保證金及其他應收賬款。我們已訂立政策確保產品出售予有適當信用額度的客戶，且我們嚴格控制貿易應收賬款的信用額度。我們的現金和短期存款主要存於中國大陸及香港的註冊銀行。我們亦有限制信用風險暴露於任何金融機構的政策。合併財務狀況表中的貿易及票據應收賬款、保證金及其他應收賬款的賬面值、現金及現金等價物和短期存款反映了本集團就有關金融資產的最大信用風險。我們沒有其他帶有重大信用風險的金融資產。2019年，我們與中國出口信用保險公司訂立若干一年期保險合同，在其承保範圍內，覆蓋於2019年7月1日至2020年11月30日期間的海外銷售應收賬款不可回收金額的75%或90%，最高賠償金額為48,000千美元（折合約人民幣334,858千元）。我們購買上述保險是為了最大程度降低我們擴張業務所帶來的信用風險。我們計劃於到期時將該等保險合同續期。

僱員

於2019年12月31日，本集團的總員工人數約2,709名（2018年12月31日：7,642名）。本集團會定期就有關市場慣例及個別僱員的表現審核僱員薪酬及福利。除支付基本薪金外，僱員也享受其他福利包括社會保險、員工公積金計劃、酌情性獎勵及購股權計劃。

Directors and Senior Management

董事及高級管理層

Executive Directors 執行董事



Mr. WANG Donglei (王冬雷), aged 56, is an executive director, the chairman and the former chief executive officer of the Company (Mr. WANG Donglei has resigned as the chief executive officer of the Company on 22 February 2019). Mr. WANG joined the Group in January 2013. He has many years of experience in product research and development, manufacturing and business management. In 1996, Mr. WANG participated in the founding of Zhuhai China Resource Appliance Co., Ltd.* (珠海華潤電器有限公司) (which was subsequently renamed as Elec-Tech International Co., Ltd.* (安徽德豪潤達電氣股份有限公司) (“ETIC”) and the shares of which were listed on the Shenzhen Stock Exchange in China in 2004) and served as the chairman and the general manager. He has been serving as a director and the chairman of ETIC from 2001 and has resigned as the chairman of ETIC on 8 October 2018. At present, Mr. WANG is a director of ETIC and also holds positions in various subsidiaries of ETIC Group which include: the director of ETI LED Solutions Inc., the director of Elec-Tech US Inc. and director of Elec-Tech Photoelectric Technology (Dalian) Co., Ltd.* (大連德豪光電科技有限公司). In addition, Mr. WANG has been appointed as a director of Brilliant Lights (Finco) Pte. Ltd. and Brilliant Lights International Holding Pte. Ltd. with effect from 12 December 2019. Mr. WANG graduated from China Dalian Institute of Technology (subsequently renamed as Dalian University of Technology) with a bachelor’s degree in engineering. Mr. WANG Donglei is the elder brother of Mr. WANG Dongming and Mr. WANG Sheng, and the father of Mr. WANG Keven Dun.

Mr. WANG holds 90% equity interest in Wuhu Elec-Tech Investment Co., Ltd.* (蕪湖德豪投資有限公司); Wuhu Elec-Tech Investment Co., Ltd.* (蕪湖德豪投資有限公司) in turn holds 16.02% of the shares of ETIC. ETIC held 20.59% of the issued shares of the Company as of 31 December 2019.

王冬雷先生，現年56歲，是本公司執行董事、董事長兼前任首席執行官（王冬雷先生已於2019年2月22日辭任本公司首席執行官）。王先生於2013年1月加入本集團。他擁有多年的產品研發、生產製造、企業管理經驗。王先生曾於1996年參與創辦珠海華潤電器有限公司（後更名為安徽德豪潤達電氣股份有限公司（「德豪潤達」），其股份於2004年在中國深圳證券交易所上市），並擔任董事長兼總經理。他自2001年起擔任德豪潤達的董事及董事長，於2018年10月8日辭任德豪潤達董事長。目前，王先生為德豪潤達董事及分別於以下德豪潤達集團下屬公司中擔任職務：ETI LED Solutions Inc.董事，Elec-Tech US Inc.董事，大連德豪光電科技有限公司董事。此外，王先生自2019年12月12日起擔任Brilliant Lights (Finco) Pte. Ltd.及Brilliant Lights International Holding Pte. Ltd. 董事。王先生畢業於中國大連工學院（後更名為大連理工大學），並獲得工學學士學位。王冬雷先生是王冬明先生及王晟先生的兄長，以及王頓先生的父親。

王先生持有蕪湖德豪投資有限公司90%的股權；蕪湖德豪投資有限公司持有德豪潤達16.02%的股份。於2019年12月31日，德豪潤達持有本公司已發行股份的20.59%。

Directors and Senior Management 董事及高級管理層



Ms. CHAN Kim Yung, Eva (陳劍瑢), aged 52, is an executive director, the vice chairman, chief executive officer and vice president of mature channels for overseas sales of the Company. Ms. CHAN joined the Group in November 2018 and has been appointed as the chief executive officer of the Company with effect from 22 February 2019. From 1998 to 2004, Ms. CHAN served as the general manager and vice president of Zhuhai China Resource Appliance Co., Ltd. where she was in charge of the sales and marketing of global business; from 2004 to 2012, she served as the senior vice president of ETIC where she was in charge of the company's global business strategy and risk management; from 2012 to 2018, she served as the chief executive officer of Elec-Tech Solid State Lighting (HK) Limited, a company mainly engaged in international LED lighting business. In addition, Ms. CHAN has been appointed as a director of Brilliant Lights (Finco) Pte. Ltd. and Brilliant Lights International Holding Pte. Ltd. with effect from 12 December 2019. Ms. CHAN graduated from University of Saskatchewan where she obtained a Bachelor's degree in Engineering in 1991, a Master's degree in Engineering in 1993 and an MBA degree in 1995.

陳劍瑢女士，現年52歲，是本公司執行董事、副董事長、首席執行官兼海外銷售成熟渠道副總裁。陳女士於2018年11月加入本集團並於2019年2月22日起獲委任為本公司首席執行官。陳女士自1998年至2004年，於珠海華潤電器有限公司擔任總經理及副總裁，負責全球市場及銷售；自2004年至2012年，於德豪潤達擔任高級副總裁，負責該公司之全球業務戰略及風險管理；自2012年至2018年，於怡達（香港）光電科技有限公司（一間主要從事國際LED照明業務的公司）擔任首席執行官。此外，陳女士自2019年12月12日起擔任Brilliant Lights (Finco) Pte. Ltd.及Brilliant Lights International Holding Pte. Ltd.董事。陳女士畢業於薩斯喀徹溫大學，於1991年獲工程學學士學位，於1993年獲工程學碩士學位，及於1995年獲工商管理碩士學位。

Directors and Senior Management 董事及高級管理層



Mr. WANG Dongming (王冬明), aged 49, is an executive director of the Company. Mr. WANG joined the Group in June 2013. Mr. WANG has more than 20 years' of experience in electrical and finance industry, and has many years of experience in manufacturing, finance and business management. He was the vice finance manager of China Infrastructure Materials Corporation* (中國基建物資總公司) and the general manager of its Shenzhen subsidiary, respectively, from 1992 to 2000. From 2000 to 2013, Mr. WANG acted as an executive director, a vice general manager, the chief financial officer of ETIC, and the general manager of lighting division of ETIC. Mr. WANG is currently a director of NVC Lighting & Electrical Technology Singapore Pte. Ltd. Mr. WANG graduated from Shaanxi Institute of Finance and Economics (陝西財經學院) with a bachelor's degree in finance and accounting in 1992. Mr. WANG Dongming is the younger brother of Mr. WANG Donglei and Mr. WANG Sheng, and the uncle of Mr. WANG Keven Dun.

王冬明先生，現年49歲，是本公司執行董事。王先生於2013年6月加入本集團。王先生在電氣、財務行業擁有逾20年的經驗，並具有多年的生產製造、財務、經營管理經驗。他曾於1992年至2000年間分別擔任中國基建物資總公司財務副經理及深圳公司總經理。王先生亦曾於2000年至2013年間擔任德豪潤達之執行董事、副總經理、財務總監及照明事業部總經理。王先生目前擔任NVC Lighting & Electrical Technology Singapore Pte. Ltd董事。王先生於1992年畢業於陝西財經學院，並取得了財會專業學士學位。王冬明先生是王冬雷先生及王晟先生的弟弟，以及是王頓先生的叔叔。

Directors and Senior Management 董事及高級管理層



Mr. XIAO Yu (肖宇), aged 60, is an executive director of the Company and vice president of manufacturing of the Company. Mr. XIAO joined the Group in May 2014 as a non-executive director and re-designated as an executive director in August 2014. Mr. XIAO graduated from Dalian Institute of Technology (later renamed as Dalian University of Technology) with a bachelor's degree in 1985 and also graduated with an EMBA's degree from School of Economics and Management of Tsinghua University in 2008. He holds the engineer's qualification certificate. From July 1986 to June 1996, Mr. XIAO worked in Beijing Beinei Group* (北京北內集團) as the deputy chief coordinator and the party secretary of the Communist Party of China of the Central Coordination Office, during which he was awarded the titles of Beijing Model Worker and Beijing Excellent Young Intellectual. He was the chairman and general manager of Westar (Zhongshan) Electrical Appliance Manufacturing Co., Ltd.* (威斯達電器(中山)製造有限公司), a subsidiary of ETIC Group from July 1996 to August 2004, was the deputy general manager of the ETIC Group and the chairman of Westar (Zhongshan) Electrical Appliance Manufacturing Co., Ltd.* (威斯達電器(中山)製造有限公司) from September 2004 to February 2008, and was senior vice president of ETIC from March 2012 to December 2014. From May 2008 to the present, he has successively served as the consultant to the president of ETIC Group, the chairman and general manager of Elec-Tech Photoelectric Technology (Dalian) Co., Ltd.* (大連德豪光電科技有限公司) and the general manager of Elec-Tech Photoelectric Technology (Wuhu) Co., Ltd.* (蕪湖德豪潤達光電科技有限公司). Currently, Mr. XIAO works in different subsidiaries of ETIC Group as: a director of Zhuhai East Yingcheng Precision Die-casting Co., Ltd.* (珠海市東部穎承精密壓鑄有限公司), a director of Appliance of America (Zhuhai) Limited* (北美電器(珠海)有限公司), an executive director of Elec-Tech Photoelectric Technology (Dalian) Co., Ltd.* (大連德豪光電科技有限公司) and an executive director of Huizhou Thorled-opto Co., Ltd.* (惠州雷通光電器件有限公司). Mr. XIAO has extensive experience in enterprise production management. He once served as a senior officer in companies listed in Mainland China for several years and therefore has in-depth knowledge and understanding on corporate governance and enterprise management.

肖宇先生，現年60歲，是本公司執行董事及負責生產製造的副總裁。肖先生於2014年5月加入本集團，擔任非執行董事，其後於2014年8月調任為執行董事。肖先生於1985年畢業於大連工學院（後更名為大連理工大學）並取得學士學位及於2008年畢業於清華大學經濟管理學院高級工商管理專業，獲碩士學位。他具有中國工程師資格證書。肖先生曾於1986年7月至1996年6月期間在北京北內集團總公司工作，擔任副總調度長兼總調度室黨委書記，期間曾被評為北京市勞動模範、北京市優秀青年知識份子。他亦曾於1996年7月至2004年8月期間擔任德豪潤達集團下屬公司威斯達電器(中山)製造有限公司的董事長兼總經理、於2004年9月至2008年2月期間擔任德豪潤達集團常務副總經理兼威斯達電器(中山)製造有限公司的董事長及於2012年3月至2014年12月期間擔任德豪潤達高級副總裁。他自2008年5月至今歷任德豪潤達集團的總裁顧問、大連德豪光電科技有限公司的董事長兼總經理及蕪湖德豪潤達光電科技有限公司總經理。目前，肖先生分別於以下德豪潤達集團下屬公司中擔任職務：珠海市東部穎承精密壓鑄有限公司董事、北美電器(珠海)有限公司董事、大連德豪光電科技有限公司執行董事、惠州雷通光電器件有限公司執行董事。肖先生具有長期的企業生產管理工作經驗，其間數年擔任中國大陸上市公司高級管理人員，對公司治理、企業管理等具有深刻的認識和理解。

Directors and Senior Management

董事及高級管理層



Mr. WANG Keven Dun (王頓), aged 27, is an executive director of the Company. Mr. WANG joined the Group in December 2016. Mr. WANG has been the analyst in Compass Lexecon LLC. from August 2014 to December 2016. Mr. WANG obtained a bachelor's degree in Economics and Molecular and Cell Biology from University of California, Berkeley in 2014. Mr. WANG Keven Dun is the son of Mr. WANG Donglei, the chairman and executive director of the Company, and the nephew of Mr. WANG Sheng, vice president of procurement logistics system of the Company, and Mr. WANG Dongming, the executive director of the Company.

王頓先生，現年27歲，是本公司執行董事。王先生於2016年12月加入本集團。王先生自2014年8月至2016年12月於Compass Lexecon LLC.擔任分析師。王先生於2014年於加州大學伯克利分校取得經濟學和分子與細胞生物學學士學位。王頓先生是本公司董事長兼執行董事王冬雷先生的兒子，並且是本公司採購物流系統副總裁王晟先生及本公司執行董事王冬明先生的侄子。

Directors and Senior Management 董事及高級管理層



Non-executive Director
非執行董事

Mr. YE Yong (叶勇), aged 52, is a non-executive director of the Company. Mr. YE joined the Company in November 2018. From 1991 to 1994, Mr. YE served as the department manager of Chongqing Qinwang Company Limited* (重慶秦王有限公司), where he was involved in the foreign trade and management matters; in 1994, he founded and had served as the chairman and general manager of Xiehe Lighting Company Limited* (協和照明有限公司) till 1999; He founded Sichuan NVC Lighting Equipment Operations Co., Ltd.* (四川雷士照明器材運營有限公司) ("Sichuan NVC") in 1999 and has served as the chairman since then, in charge of sales and management of the Company's business in Sichuan Province. Mr. YE graduated from economical management department of Southwest University in 1991 with a college diploma.

叶勇先生，現年52歲，是本公司非執行董事。叶先生於2018年11月加入本公司。叶先生自1991年至1994年，於重慶秦王有限公司擔任部門經理，從事外貿及管理工作；於1994年，創辦協和照明有限公司，並自1994年至1999年擔任董事長及總經理；於1999年，創辦四川雷士照明器材營運有限公司（「四川雷士」）並擔任董事長，負責本公司於四川省的銷售及管理工作。叶先生於1991年畢業於西南大學經濟管理專業，專科學歷。

Directors and Senior Management

董事及高級管理層



Independent Non-executive Directors 獨立非執行董事

Mr. LEE Kong Wai, Conway (李港衛), aged 65, is an independent non-executive director of the Company. Mr. LEE joined the Company in November 2012. He received a bachelor of arts degree from Kingston University (formerly known as Kingston Polytechnic) in London and further obtained his postgraduate diploma in business from Curtin University of Technology in Australia. Mr. LEE served as a partner of Ernst & Young (“EY”) for over 29 years, until 2009, during which he held key leadership positions in the development of EY in China. Mr. LEE is a member of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants, Australia and New Zealand, Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Certified Practising Accountants. Mr. LEE currently also serves as an independent non-executive director of the following companies: Chaowei Power Holdings Limited, West China Cement Limited, China Modern Dairy Holdings Ltd., GOME Retail Holdings Limited, Yashili International Holdings Ltd., GCL New Energy Holdings Limited, WH Group Limited, China Rundong Auto Group Limited (all shares of which are listed on the main board of the Stock Exchange) and Guotai Junan Securities Co., Ltd. (the shares of which are listed on the main board of the Stock Exchange and the Shanghai Stock Exchange). He acted as an independent non-executive director of CITIC Securities Company Limited (the shares of which are listed on main board of the Stock Exchange and the Shanghai Stock Exchange) from November 2011 to May 2016 and Tibet Water Resources Ltd (the shares of which are listed on the main board of the Stock Exchange) from March 2011 to February 2020, respectively. Mr. LEE was a member of the Chinese People’s Political Consultative Conference of Hunan Province (中國湖南省政協委員) in China from 2008 to 2017.

李港衛先生，現年65歲，是本公司獨立非執行董事。李先生於2012年11月加入本公司。他於倫敦金斯頓大學（前身為金斯頓理工學院）獲得文學學士學位，隨後於澳大利亞科廷理工大學獲得商學深造文憑。李先生直至2009年止曾任安永會計師事務所（「安永」）合夥人共29年，為安永發展中國業務擔當主要領導角色。李先生是英格蘭及威爾斯特許會計師公會、澳大利亞及新西蘭特許會計師公會、英國特許會計師公會、香港會計師公會及澳門會計師公會會員。李先生現為超威動力控股有限公司、中國西部水泥有限公司、中國現代牧業控股有限公司、國美零售控股有限公司、雅士利國際控股有限公司、協鑫新能源控股有限公司、萬洲國際有限公司、中國潤東汽車集團有限公司（上述公司之股份均在聯交所主板上市）和國泰君安證券股份有限公司（一間股份於聯交所主板及上海證券交易所上市之公司）之獨立非執行董事。他曾分別於2011年11月至2016年5月期間及於2011年3月至2020年2月期間擔任中信證券股份有限公司（一間股份於聯交所主板及上海證券交易所上市之公司）和西藏水資源有限公司（一間股份於聯交所主板上市之公司）之獨立非執行董事。李先生於2008年至2017年期間曾任中國政協湖南省委員會委員。

Directors and Senior Management 董事及高級管理層



Mr. WANG Xuexian (王學先), aged 56, is an independent non-executive director of the Company. Mr. WANG joined the Company in May 2014. Mr. WANG graduated from Renmin University of China with a Master's degree in Civil Laws in January 1990. He is a lawyer in China, and his qualification for serving as an independent director has been approved by the Shanghai Stock Exchange. From January 1990 to the present, he has worked as an assistant professor and lecturer in Dalian University of Technology. He currently serves as a deputy professor of Dalian University of Technology, a lawyer of Heng Xin Law Office* (遼寧恒信律師事務所) in Liaoning. Mr. WANG has extensive experience in law studies, teaching and the work of lawyers, once served as an independent director of several listed or unlisted companies in the Mainland China, and has in-depth knowledge and understanding on domestic and overseas laws, corporate management and corporate governance. Mr. WANG acted as an independent director of ETIC from April 2014 to October 2018.

王學先先生，現年56歲，是本公司獨立非執行董事。王先生於2014年5月加入本公司。王先生於1990年1月畢業於中國人民大學，並獲得民法學碩士學位。他具有中國律師資格，並已取得上海證券交易所獨立董事資格。王先生自1990年1月至今在大連理工大學工作，歷任助教、講師。目前，王先生擔任大連理工大學副教授、遼寧恒信律師事務所律師。王先生具有長期的法律研究、教學及律師工作經驗，也曾擔任數家中國大陸上市及非上市公司獨立董事，對境內外法律、企業管理、公司治理等具有深刻的認識和理解。王先生曾於2014年4月至2018年10月期間擔任德豪潤達的獨立董事。

Directors and Senior Management

董事及高級管理層



Mr. WEI Hongxiong (魏宏雄), aged 46, is an independent non-executive director of the Company. Mr. WEI joined the Company in May 2014. Mr. WEI graduated from Xi'an Polytechnic University with a bachelor's degree in engineering. Mr. WEI is currently a full-time lawyer of Beijing Kangda (Shenzhen) Law Firm (北京市康達(深圳)律師事務所). Mr. WEI held the qualification of an independent director of a listed company of the China Securities Regulatory Commission, and he is also a statistician and patent agent in China. In 1998, he started to work in the Shantou Haojiang Development and Reform Bureau, mainly engaging in the planning and studies of economic and social development, and the feasibility studies and approval of major projects. From 2006 to the present, he has worked as a full-time lawyer. Mr. WEI once served as a deputy director of the Legal Services Commission of the Cultural Industry of the Shenzhen Lawyers Association, a law expert of the Expert Pool of the Shenzhen Nanshan Science and Technology Commission. Mr. WEI is mainly engaged in corporate establishment and regulatory governance, restructuring and reorganization, issuance and listing of shares, acquisitions and mergers, private equity, intellectual property rights and other law services. He once served as a long-term legal advisor of many enterprises, had/has been dealing with and participating in the restructuring and listing of many enterprises (A shares, red chips) and special law services such as those for the construction of major projects. He has many years' of experience in the provision of law services such as those for corporate governance, securities and capital market and intellectual property rights.

魏宏雄先生，現年46歲，是本公司獨立非執行董事。魏先生於2014年5月加入本公司。魏先生畢業於西安工程大學，並獲得工學學士學位。魏先生現為北京市康達(深圳)律師事務所專職律師。魏先生持有中國證券監督管理委員會上市公司獨立董事資格、也持有中國統計師及中國專利代理人資格。他自1998年開始在汕頭市濠江區發展和改革局工作，主要從事經濟和社會發展的規劃和研究、重大項目可行性研究和立項審批工作。自2006年起至今從事專職律師工作。魏先生曾擔任深圳市律師協會文化產業法律業務委員會副主任、深圳市南山科技專家庫法律專家。魏先生的主要專業領域為公司設立及規範治理、改制重組、股票發行上市、收購兼併、私募基金、智慧財產權等法律業務。他亦擔任多家企業常年法律顧問，曾經或正在辦理及參與多家企業改制上市(A股、紅籌)、重大項目建設等專項法律業務，具有多年的公司規範治理、證券及資本市場、智慧財產權等領域法律服務經驗。

Directors and Senior Management 董事及高級管理層



Mr. SU Ling (蘇嶺), aged 55, is an independent non-executive director of the Company. Mr. SU joined the Company in December 2016. From 1986 to 1990, he worked as an officer in the former Bureau of Drugs of the Ministry of Health; from 1992 to 1993, he served as a visiting scientist in the Center for Drug Evaluation and Research of the U.S. Food and Drug Administration; from 1996 to 1999, he served as a researcher in epidemiology of the Merck Research Laboratories of Merck & Co Inc.; from 2000 to 2002, he served as the medical director of the Merck China; from January 2003 to November 2003, he served as the senior director of global regulatory strategy of the Merck Research Laboratories of Merck & Co Inc.; from 2004 to 2007, he served as the director of the medical and drug development department in Shanghai Roche Pharmaceuticals Co., Ltd.; from 2007 to 2010, he served as the vice president and the head of the Asia-Pacific clinical research and development department in Wyeth Pharmaceutical Co., Ltd.; from 2010 to 2012, he served as the senior vice president and head of the Pharma Development Department in Greater China in Beijing Novartis Pharmaceuticals Co., Ltd.; from 2012 to 2016, he served as the life science strategic advisor in Sidley Austin LLP; from 2016 to present, he has been a venture partner of Lily Asia Ventures, the professor of Shenyang Pharmaceutical University. Mr. SU graduated from School of Pharmacy, Shanghai Medical University (currently known as School of Pharmacy, Fudan University) majoring in pharmacology in 1986, obtained a master's degree in drug clinical research and development from University of North Carolina in 1992 and obtained a doctoral degree in epidemiology from University of North Carolina in 1996.

蘇嶺先生，現年55歲，是本公司獨立非執行董事。蘇先生於2016年12月加入本公司。蘇先生自1986年至1990年，於中國國家衛生部藥政管理局擔任科員；自1992年至1993年，於美國食品藥品管理局藥品評價與研究中心擔任客座研究員；自1996年至1999年，於美國默沙東公司默克研究所擔任流行病學研究員；自2000年至2002年，於默沙東(中國)公司擔任醫學總監；自2003年1月至2003年11月，於美國默沙東公司默克研究所擔任全球註冊策略高級總監；自2004年至2007年，於上海羅氏製藥有限公司擔任醫學及藥品開發部總監；自2007年至2010年，於惠氏製藥有限公司擔任副總裁暨亞太區臨床研究開發部負責人；自2010年至2012年，於北京諾華製藥有限公司擔任高級副總裁暨大中國區藥品開發部負責人；自2012年至2016年，於盛德國際律師事務所擔任生命科學戰略顧問；自2016起至今，於禮來亞洲基金擔任風險合夥人，瀋陽藥科大學擔任教授。蘇先生於1986年畢業於上海醫科大學藥學院(現為復旦大學藥學院)藥理專業，於1992年於北卡羅萊納大學取得藥物臨床研發專業碩士學位，於1996年於北卡羅萊納大學取得流行病學博士學位。

Directors and Senior Management

董事及高級管理層

Senior Management 高級管理層



Mr. WANG Donglei (王冬雷), aged 56, is the former chief executive officer of the Company and has resigned as the chief executive officer of the Company on 22 February 2019. His biographical details are set out above under the paragraph headed “Executive Directors”.

王冬雷先生，現年56歲，是本公司前任首席執行官並於2019年2月22日辭任本公司首席執行官。他的個人簡介已在上文「執行董事」一段中述明。



Ms. CHAN Kim Yung, Eva (陳劍瑢), aged 52, is the chief executive officer, vice chairman and the vice-president in charge of the mature channel of the overseas sales of the Company. Her biographical details are set out above under the paragraph headed “Executive Directors”.

陳劍瑢女士，現年52歲，是本公司的首席執行官、副董事長及負責海外銷售成熟渠道的副總裁。她的個人簡介已在上文「執行董事」一段中述明。



Mr. XIAO Yu (肖宇), aged 60, is the vice-president in charge of the manufacturing of the Company. His biographical details are set out above under the paragraph headed “Executive Directors”.

肖宇先生，現年60歲，是本公司負責生產製造的副總裁。他的個人簡介已在上文「執行董事」一段中述明。

Directors and Senior Management 董事及高級管理層



Mr. TAN Ying (談鷹), aged 53, is the chief financial officer and vice-president of overseas sales in emerging market of the Company. Before joining the Group in 2006, Mr. TAN was the financial accountant in Goodman Fielder Ingredients Limited from 1999 to 2000 and the chief financial officer in Shenzhen New World Sunlong Tech Co., Ltd.* (深圳新世界翔龍網絡技術有限公司) and Shenzhen Sun Long Communication Co., Ltd.* (深圳市翔龍通訊有限公司) from 2000 to 2006. Mr. TAN received an MBA degree from University of Manchester in 2007. He is a fellow member of the Financial Service Institute of Australia.

談鷹先生，現年53歲，是本公司的首席財務官兼海外銷售新興市場的副總裁。在2006年加入本集團前，談先生曾於1999年至2000年期間擔任Goodman Fielder Ingredients Limited的財務會計師，並於2000年至2006年期間擔任深圳新世界翔龍網絡技術有限公司及深圳市翔龍通訊有限公司的財務總監。談先生於2007年獲得了曼徹斯特大學的工商管理碩士學位。他現為澳大利亞金融服務業協會的會員。



Mr. WANG Sheng (王晟), aged 53, is a vice president of procurement logistics system of the Company. Mr. WANG joined the Group in 2014. Mr. WANG has over 20 years' of experience in procurement management. Mr. WANG has taken up the posts of deputy general manager, vice president, director, vice chairman and chairman at ETIC from 1996 to present. In 2004, Mr. WANG obtained a certificate of EMBA from Zhongshan University. Mr. WANG Sheng is Mr. WANG Donglei's younger brother and Mr. WANG Dongming's elder brother, and Mr. WANG Keven Dun's uncle.

王晟先生，現年53歲，是本公司採購物流系統的副總裁。王先生於2014年加入本集團。王先生在採購管理方面擁有逾20年的經驗。王先生於1996年至今在德豪潤達擔任副總經理、副總裁、董事、副董事長及董事長等不同職務。王先生於2004年取得中山大學高級管理人員工商管理碩士(EMBA)結業證書。王晟先生是王冬雷先生的弟弟及王冬明先生的兄長，以及王頓先生的叔叔。

Directors and Senior Management

董事及高級管理層

Company Secretary

公司秘書



Miss LEUNG Ching Ching (梁晶晶), aged 39, is the company secretary of the Company. Miss LEUNG is a senior manager of corporate services of Tricor Services Limited. Miss LEUNG has over 15 years' of experience in company secretarial industry, and provided services to clients ranging from private companies to public companies listed on the main board of the Stock Exchange. Other than the Company, Miss LEUNG is currently also named company secretary to four other listed companies of which the shares are listed on the main board of the Stock Exchange. Miss LEUNG is a Chartered Secretary and a fellow of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute. Miss LEUNG graduated from The Chinese University of Hong Kong and admitted to the bachelor's degree of Social Science. She also received a master of arts degree in Professional Accounting and Information System from City University of Hong Kong.

梁晶晶小姐，現年39歲，是本公司的公司秘書。梁小姐為卓佳專業商務有限公司之企業服務高級經理。梁小姐在公司秘書界擁有逾15年經驗，向包括私人公司及於聯交所主板上市的公眾公司在內的客戶提供服務。除本公司外，梁小姐現同時為另外四家股份於聯交所主板上市的公司擔任公司秘書。梁小姐為一名特許秘書，亦為香港特許秘書公會以及特許公司治理公會的資深會員。梁小姐畢業於香港中文大學並獲授予社會科學學士學位。她亦持有香港城市大學專業會計與資訊系統文學碩士學位。

Report of Directors

董事會報告

The Directors present their report together with the audited financial statements for the year ended 31 December 2019 (“Financial Statements”).

Principal Activities

The Company was redomiciled from the British Virgin Islands to the Cayman Islands on 30 March 2010 and incorporated as an exempted company with limited liability. The Group’s operations are conducted mainly through the direct and indirect subsidiaries of the Company. The Group is principally engaged in the design, development, production, marketing and sale of a variety of lighting products. During the Reporting Period, there is no significant change in the Group’s principal activities. The financial performance of the principal activities of the Group during the Reporting Period is set out in the consolidated statement of profit or loss of the consolidated financial statements on pages 201 to 202.

Results and Dividends

The Group’s profit for the Reporting Period and the state of affairs of the Group as at 31 December 2019 are set out in the consolidated financial statements on pages 201 to 453 of this annual report.

On 16 March 2019, the Board has proposed to declare special dividend of HK\$0.05 (equivalent to approximately RMB4 cents) per share payable to the shareholders of the Company, which was approved on the Company’s extraordinary general meeting held on 11 April 2019. Based on the 4,227,280,649 Shares in issue as at 8 April 2019, the special dividend payable was HK\$211,364,032 (equivalent to approximately RMB189,335,673 at an exchange rate of 0.89578) (tax inclusive). On Tuesday, 30 April 2019, the special dividend was paid to the shareholders whose names appeared on the register of shareholders of the Company on Monday, 8 April 2019.

董事會呈報本報告連同本集團截至2019年12月31日止年度經審計財務報表（「財務報表」）。

主營業務

本公司於2010年3月30日從英屬維爾京群島遷至開曼群島註冊成立為獲豁免有限責任公司。本集團的經營主要通過本公司的直接或間接附屬公司進行。本集團的主要業務是設計、開發、生產、推廣和銷售各種各樣的照明產品。報告年度內，本集團的主營業務沒有重大變化。本集團於報告年度主營業務的財務業績，載於合併財務報表第201頁至第202頁的合併損益表。

業績及股息

本集團於報告年度的利潤以及本集團截至2019年12月31日的業務狀況載於本年報第201頁至第453頁的合併財務報表。

於2019年3月16日，董事會已建議派發特別股息，每股0.05港元（折合約人民幣4分）予本公司之股東。該建議已於2019年4月11日舉行的本公司股東特別大會上獲得通過。按2019年4月8日已發行股份4,227,280,649股計算，支付的特別股息額為211,364,032港元（折合約人民幣189,335,673元，匯率為0.89578）（含稅）。特別股息已於2019年4月30日（星期二）派付予於2019年4月8日（星期一）名列本公司股東名冊的股東。

Report of Directors

董事會報告

Pursuant to the circular dated 31 October 2019, the Board proposed a special dividend of HK\$0.9 (or approximately RMB0.8) per share for shareholders of the Company. The proposal was approved at the extraordinary general meeting of the Company held on 18 November 2019. Based on 4,227,280,649 shares issued as at 25 November 2019, the special dividend payable was HK\$3,804,552,584 (or approximately RMB3,368,205,000, based on the exchange rate of 0.88531) (inclusive of tax). On Wednesday, 18 December 2019, the special dividend was paid to the shareholders whose names appeared on the register of shareholders of the Company on Monday, 25 November 2019.

The Board has proposed not to declare final dividend for the year ended 31 December 2019.

Annual General Meeting

The annual general meeting (“Annual General Meeting”) of the Company is scheduled to be held on 12 June 2020. A notice convening the Annual General Meeting will be published and dispatched to the shareholders in due course.

Closure of Register of Members

The Register of Members will be closed from Tuesday, 9 June 2020 to Friday, 12 June 2020 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 8 June 2020.

根據2019年10月31日之通函，董事會已建議派發特別股息，每股0.9港元（折合約人民幣0.8元）予本公司之股東。該建議已於2019年11月18日舉行的本公司股東特別大會上獲得通過。按2019年11月25日已發行股份4,227,280,649股計算，支付的特別股息額為3,804,552,584港元（折合約人民幣3,368,205,000元，匯率為0.88531）（含稅）。特別股息已於2019年12月18日（星期三）派付予於2019年11月25日（星期一）名列本公司股東名冊的股東。

董事會已建議不派發截至2019年12月31日止年度之末期股息。

股東周年大會

本公司之股東周年大會（「股東周年大會」）謹訂於2020年6月12日舉行。召開股東周年大會之通告將於適當時候刊發及寄發予股東。

暫停辦理股票過戶登記手續

本公司將於2020年6月9日（星期二）至2020年6月12日（星期五）（包括首尾兩天）期間暫停辦理過戶登記手續。股東如欲符合資格出席股東周年大會並於會上投票，所有股份過戶文件連同有關股票必須於2020年6月8日（星期一）下午四時三十分之前送達本公司的香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

Business Review

The discussion for the business review of the Reporting Period of the Group as well as the major risks and uncertainty factors facing the Group are set forth in the “Management Discussion and Analysis” on pages 15 to 43 of this annual report. The future business development of the Group is set forth in the “Chairman’s Statement” on pages 9 to 14 of this annual report. The critical indices adopted in the financial statements for the analysis of the performance of the Group during the Reporting Period are set forth in the “Management Discussion and Analysis” on pages 15 to 43 of this annual report.

Compliance with Laws and Regulations

The Group has complied with relevant laws and regulations affecting the operation of the Group significantly.

Relationship with Stakeholders

The Group acknowledges that our employees, clients and business cooperative partners are the key to our sustainable development. The Group is committed to the establishment of close relationship with our employees and the provision of premium lighting solutions to our clients, and continues to strengthen the cooperation with our business cooperative partners so as to attain the win-win outcome for various parties and push ahead with the healthy and rapid development of the lighting industry.

業務回顧

本集團報告年度內之業務回顧以及本集團面對的主要風險及不確定性因素之討論載於本年報第15頁至第43頁之「管理層討論與分析」。有關本集團未來業務發展載於本年報第9頁至第14頁之「主席報告」。採用財務表現關鍵指標對本集團報告年度內表現之分析載於本年報第15頁至第43頁之「管理層討論與分析」。

遵守法律法規

本集團已遵守對本集團營運構成重大影響的相關法律和法規。

與持份者的關係

本集團確認我們的僱員、客戶及業務夥伴是我們可持續發展的關鍵。本集團致力與僱員建立密切關係、為客戶提供優質的照明應用解決方案，並持續加強與我們的業務夥伴合作，以達到多方共贏，推動照明產業健康、快速的向前發展。

Report of Directors

董事會報告

Environmental Protection and Social Responsibility

The Group is committed to the support for the sustainable environmental protection. As the well-known supplier for lighting products in the industry, the Group shall comply with various environmental protection laws and regulations formulated by the relevant international and local government departments. The Group is the advocate pioneer for green lighting and committed to the promotion of “Lighting Environment”: to beautify the commercial and living space with artificial lighting, protect the healthy living environment for mankind with energy-saving lighting for environmental protection, and support the energy-saving environmental protection business for the whole world with action taken. Meanwhile, the Group has proactively performed its social responsibilities such as having advocated and pushed forward with the public welfare project of “luminosity charity walk” for over a decade since 2007 with the footprints of charity covering over ten provincial cities to take lighting and warmth to the local children by means of improving the lighting environment, supporting education with love, fulfilling their wishes and so on. The Group will go further to continue to carry out the enterprise social responsibilities as a means of feedback to our society.

Equity-linked Agreement

The Group neither entered into nor had any equity-linked agreement during the Reporting Period.

Permitted Indemnity Provision

According to the Company’s Articles of Association, each director is entitled to the compensation out of the assets and profits of the Company for all actions, costs, charges, losses, damages, expenses or liabilities incurred due to the execution of his/her duties or taken place related to such execution. The Company has taken out the appropriate directors’ and officers’ liability insurance policy for the directors and officers of the Group as a means of security.

環境保護及社會責任

本集團致力支持環境可持續性。作為行業內知名的照明產品供應商，本集團須遵守有關國際及當地政府部門制定的各項環保法律和法規。本集團是綠色照明的宣導者，致力宣導「光環境」：以人工照明美化商業及人居空間，以環保型節能照明保護人類健康生存環境，以行動支持世界的節能環保事業。同時，本集團積極踐行社會責任，2007年發起並推動了光明行公益工程，十年如一日，足跡已遍佈10多個省市，通過改善照明環境、愛心支教、心願實現等方式，為當地孩子們帶去光明和溫暖。本集團將再接再厲，繼續努力實踐企業社會責任，回饋社會。

股票掛鈎協議

在報告年度內，本集團並無訂立或存在任何股票掛鈎協議。

准許的彌償條文

根據本公司之組織章程細則，每位董事有權就其任期內，或因執行其職務而可能遭致或發生與此相關之一切訴訟、費用、收費、損失、損害、開支或責任從本公司資產及利潤中獲得賠償。本公司已為本集團董事及高級職員購買適當的董事及高級職員責任保險作為保障。

Use of Net Proceeds Received from the Initial Public Offering

On 20 May 2010, net proceeds received from the initial public offering, including the exercise of Over-allotment Option, after deducting related expenses, were approximately HK\$1.467 billion. Out of which, as at 31 December 2019, approximately HK\$367 million was used for capital expenditure, approximately HK\$367 million was used for the continual implementation of our branding strategies and enhancement of our sales network, approximately HK\$147 million was used for enhancing our research and development efforts, approximately HK\$439 million was used for our expansion plans, both in the PRC and the international markets and approximately HK\$147 million was used for working capital and other general corporate purposes.

Financial Highlights

A summary of the audited results and of the assets and liabilities of the Group for the last five reporting periods is set out on pages 7 to 8 of this annual report.

Bank Loans and Other Borrowings

Details of bank loans and other borrowings are set out in note 32 to the consolidated financial statements on page 369 of this annual report.

Save as disclosed in this annual report, the Group did not grant any loans to any entities, nor did it offer any financial assistance to its associates or make any guarantee for the facilities granted to its associates.

Property, Plant and Equipment

Details of movements in the property, plant and equipment for the Reporting Period are set out in note 15 to the consolidated financial statements on pages 310 to 311 of this annual report.

首次公開發行所得賬款淨額的應用

於2010年5月20日，首次公開發行所得賬款淨額（包括行使超額配股權，經扣除相關開支）約為1,467百萬港元。截至2019年12月31日止，該首次公開發行所得賬款淨額當中已有約367百萬港元用作資本支出，約367百萬港元已用於持續實行我們的品牌戰略及增強我們的銷售網絡，約147百萬港元已用於加強研發工作，約439百萬港元已用於我們在中國及國際市場實行的擴張計劃以及約147百萬港元已用作營運資金和其他一般企業用途。

財務概要

本集團過去五個報告年度的經審計的業績和資產及負債之概要，載於本年報第7頁至第8頁。

銀行貸款及其他借款

有關銀行貸款及其他借款的詳情，載於本年報第369頁合併財務報表附註32。

除本年報所披露者外，本集團沒有給予某實體的貸款，也沒有提供予聯屬公司的財務資助或為聯屬公司融資所作出的擔保。

物業、廠房及設備

於報告年度內，物業、廠房及設備的變動詳情，載於本年報第310頁至第311頁合併財務報表附註15。

Report of Directors

董事會報告

Share Capital

Details of movements in the share capital for the Reporting Period are set out in note 34 to the consolidated financial statements on pages 371 to 372 of this annual report.

Reserves

Details of movements in the reserves of the Company and the Group for the Reporting Period are set out in note 36 to the consolidated financial statements on pages 374 to 376 and the consolidated statement of changes in equity on page 207 of this annual report.

Distributable Reserves

As at 31 December 2019, the Company's reserves available for distribution amounted to RMB3,514,545,000.

Public Float

As of the date of this annual report, based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules for the Reporting Period and at any time prior to the date of this annual report.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association or applicable laws of the Cayman Islands where the Company was incorporated.

Tax Allowances

The Company is not aware of any particular tax allowances granted to the Company's shareholders due to their interests in its securities.

股本

於報告年度內的股本變動詳情，載於本年報第371頁至第372頁合併財務報表附註34。

儲備

於報告年度內，本公司及本集團的儲備變動詳情，載於本年報第374頁至第376頁合併財務報表附註36和第207頁合併權益變動表。

可供分派之儲備

於2019年12月31日，本公司的可供分派之儲備為人民幣3,514,545千元。

公眾持股量

截至本年報日期，根據本公司可公開取得之資料及就本公司董事會所知悉，本公司在報告年度內，及截至本年報日期前任何時間保持《上市規則》所指定之公眾持股量。

優先購買權

本公司組織章程或其註冊成立所在地開曼群島之適用法律並無載列有關優先購買權的條文。

稅項減免

本公司並不知悉本公司股東因持有本公司證券而可獲得任何稅項減免。

Directors

The directors of the Company during the Reporting Period and up to the date of this annual report are as follows:

Executive Directors

WANG Donglei	appointed on 11 January 2013 and re-designated as an executive Director on 2 February 2015, and resigned as the chief executive officer on 22 February 2019
CHAN Kim Yung, Eva	appointed on 25 November 2018, and appointed as the chief executive officer on 22 February 2019
WANG Dongming	appointed on 21 June 2013
XIAO Yu	appointed on 29 May 2014 and re-designated as an executive Director on 8 August 2014
WANG Keven Dun	appointed on 12 December 2016

Non-executive Directors

LI Huating	appointed on 12 December 2016 and resigned on 28 February 2019
YE Yong	appointed on 25 November 2018

Independent Non-executive Directors

LEE Kong Wai, Conway	appointed on 28 November 2012
WANG Xuexian	appointed on 29 May 2014
WEI Hongxiong	appointed on 29 May 2014
SU Ling	appointed on 19 December 2016

Mr. LI Huating resigned as a non-executive Director in order to devote more time to pursue his other business commitments with effect from 28 February 2019. Mr. LI Huating has confirmed that he has no disagreement with the Board and there is no other matter in relation to his resignation that needs to be brought to the attention of the Shareholders.

董事

於報告年度內及截至本年報日期，本公司董事名單如下：

執行董事

王冬雷	於2013年1月11日獲委任，並於2015年2月2日調任為執行董事，並於2019年2月22日辭任首席執行官
陳劍瑢	於2018年11月25日獲委任，並於2019年2月22日獲委任為首席執行官
王冬明	於2013年6月21日獲委任
肖宇	於2014年5月29日獲委任，並於2014年8月8日調任為執行董事
王頓	於2016年12月12日獲委任

非執行董事

李華亭	於2016年12月12日獲委任，並於2019年2月28日辭任
叶勇	於2018年11月25日獲委任

獨立非執行董事

李港衛	於2012年11月28日獲委任
王學先	於2014年5月29日獲委任
魏宏雄	於2014年5月29日獲委任
蘇嶺	於2016年12月19日獲委任

李華亭先生為投入更多時間於彼等之其他事務，辭任非執行董事，自2019年2月28日起生效。李華亭先生已確認其與董事會並無意見分歧，亦無任何與其辭任有關之其他事項須提請股東注意。

Report of Directors

董事會報告

Directors' and Senior Management's Biographies

Directors' and senior management's biographies are set out in the section headed "Directors and Senior Management" on pages 44 to 56 of this annual report.

Directors' Service Contracts

The relevant information on Directors' service contracts is set out in the section headed "Appointment and Re-election of Directors" in the "Corporate Governance Report" on pages 93 to 95 of this annual report.

Directors' Interests in Transactions, Arrangements or Contracts

Save for certain continuing connected transactions as disclosed in the section headed "Connected Transactions, Potential Connected Transactions and Continuing Connected Transactions" in this report, no Director nor an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company's holding company, or any of its subsidiaries or fellow subsidiaries was a party during or at the end of the Reporting Period.

Confirmation of Independence from the Independent Non-executive Directors

The Company has received from each of the independent non-executive Directors, namely Mr. LEE Kong Wai, Conway, Mr. WANG Xuexian, Mr. WEI Hongxiong and Mr. SU Ling, the annual confirmation letter of their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that the independent non-executive Directors were independent from their respective date of appointment to 31 December 2019 and remain independent as of the date of this annual report.

董事及高級管理層履歷

董事及高級管理層履歷載於本年報第44頁至第56頁的「董事及高級管理層」一節。

董事服務合同

董事服務合同相關資訊載於本年報第93頁至第95頁的「企業管治報告」中的「董事的委任及重選」一節。

董事於交易、安排及合同之權益

除本報告標題為「關連交易、可能的關連交易及持續關連交易」一節披露的若干持續關連交易外，於報告年度內或報告年度末，概無董事或與董事有關連之實體於本公司之控股公司或其任何附屬公司或同系附屬公司所參與訂立，且對本集團之業務有重大意義之任何交易、安排或合同中直接或間接擁有重大權益。

獨立非執行董事確認其獨立性

本公司已接獲各獨立非執行董事（李港衛先生、王學先先生、魏宏雄先生及蘇嶺先生）根據《上市規則》第3.13條各自發出之年度獨立性確認函。本公司認為，各獨立非執行董事從各自委任日期起至2019年12月31日期間一直屬獨立人士，截至本年報日期仍然如此。

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares or Debentures

As at 31 December 2019, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were 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 or short positions which they were taken or deemed to have under such provisions of the SFO), or recorded in the register required to be maintained pursuant to Section 352 of Part XV of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the provisions of the Model Code were as follows:

Long positions in the Company

Name of Director 董事姓名	Nature of interests 權益性質	Class of shares 股份類別	Number of shares or underlying shares 股份或相關股份數目	Percentage of the total issued shares 佔已發行股份 總數的百分比
YE Yong 叶勇	Beneficial owner 實益擁有人	Ordinary shares 普通股	274,039,000 (L) (Note 1) (附註1)	6.48%
	Spouse's interest 配偶的權益	Ordinary shares 普通股	7,433,000 (L) (Note 2) (附註2)	0.18%

Notes:

- (L) represents long position.
- As these shares are held by Ms. GAO Xia, the spouse of Mr. YE Yong, Mr. YE Yong is deemed to be interested in these shares.

董事及最高行政人員於股份、相關股份或債權證中擁有的權益及淡倉

於2019年12月31日，本公司董事及最高行政人員於本公司及其相聯法團（定義見《證券及期貨條例》第XV部份）的股份、相關股份及債權證中擁有根據《證券及期貨條例》第XV部份第7及8部份須知會本公司及聯交所（包括根據《證券及期貨條例》規定，彼等當作或視為擁有之權益或淡倉）或根據《證券及期貨條例》第XV部份第352條規定須予存置之登記冊或根據標準守則須另行知會本公司及聯交所之權益及淡倉如下：

本公司的好倉

Name of Director 董事姓名	Nature of interests 權益性質	Class of shares 股份類別	Number of shares or underlying shares 股份或相關股份數目	Percentage of the total issued shares 佔已發行股份 總數的百分比
YE Yong 叶勇	Beneficial owner 實益擁有人	Ordinary shares 普通股	274,039,000 (L) (Note 1) (附註1)	6.48%
	Spouse's interest 配偶的權益	Ordinary shares 普通股	7,433,000 (L) (Note 2) (附註2)	0.18%

附註：

- (L)代表好倉。
- 該等股份由叶勇先生的配偶高霞女士持有，因此叶勇先生被視為於該等股份中擁有權益。

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Saved as disclosed above, as at 31 December 2019, none of the Directors or chief executives of the Company have or are deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notifiable 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 recorded in the register required to be maintained by the Company pursuant to Section 352 of the SFO, or which were notifiable to the Company and the Stock Exchange pursuant to the provisions of the Model Code.

Interests and short positions of substantial shareholders in the shares and underlying shares

As at 31 December 2019, to the best knowledge of the Directors and chief executives of the Company, the following shareholders (other than Directors or chief executives of the Company) had 5% or more interests or short positions in the issued shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

除上文所披露者外，於2019年12月31日，本公司董事或最高行政人員並無於本公司或其相聯法團（定義見《證券及期貨條例》第XV部份）之股份、相關股份或債權證中擁有或被視為擁有任何根據《證券及期貨條例》第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據《證券及期貨條例》彼等被當作或被視為持有的權益及淡倉）或須記入根據《證券及期貨條例》第352條規定本公司存置之記錄冊或根據標準守則須知會本公司及聯交所之權益或淡倉。

主要股東所持股份及相關股份的權益及淡倉

於2019年12月31日，就本公司董事及最高行政人員所知，根據《證券及期貨條例》第336條所存置的主要股東登記名冊顯示，下列股東（非本公司董事或最高行政人員）於本公司已發行股份及相關股份中擁有5%或以上的權益或淡倉：

Name of shareholder 股東名稱	Nature of Interests 權益性質	Class of shares 股份類別	Number of shares or underlying shares 股份或相關股份數目	Percentage of the total issued shares 佔已發行股份 總數的百分比
Elec-Tech International (H.K.) Company Limited 德豪潤達國際(香港)有限公司	Beneficial owner 實益擁有人	Ordinary shares 普通股	870,346,000 (L) (Note 1) (附註1)	20.59%
ETIC 德豪潤達	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	870,346,000 (L) (Note 2) (附註2)	20.59%
SU Lixin 蘇立新	Beneficial owner 實益擁有人	Ordinary shares 普通股	649,350,649 (L)	15.36%

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Name of shareholder 股東名稱	Nature of Interests 權益性質	Class of shares 股份類別	Number of shares or underlying shares 股份或相關股份數目	Percentage of the total issued shares 佔已發行股份 總數的百分比
Schneider Electric Asia Pacific Limited	Beneficial owner 實益擁有人	Ordinary shares 普通股	288,371,000 (L)	6.82%
Schneider Electric Industries SAS	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	288,371,000 (L) (Note 3) (附註3)	6.82%
Schneider Electric SE	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	288,371,000 (L) (Note 3) (附註3)	6.82%

Notes:

- (L) represents long position.
- These shares were held by Elec-Tech International (H.K.) Company Limited. As Elec-Tech International (H.K.) Company Limited is a wholly-owned subsidiary of ETIC, ETIC is deemed to be interested in all these shares.
- These shares were held by Schneider Electric Asia Pacific Limited. As Schneider Electric Asia Pacific Limited is a wholly-owned subsidiary of Schneider Electric Industries SAS, which in turn is a wholly-owned subsidiary of Schneider Electric SE, Schneider Electric Industries SAS and Schneider Electric SE are deemed to be interested in these shares.

Save as disclosed above, as at 31 December 2019, so far as the Directors are aware, no other person (except the Directors and chief executive) or corporation had 5% or more interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be maintained by the Company pursuant to Section 336 of the SFO.

附註：

- (L)代表好倉。
- 該等股份由德豪潤達國際(香港)有限公司持有。德豪潤達國際(香港)有限公司是德豪潤達的全資附屬公司，因此德豪潤達被視為於該等股份中擁有權益。
- 該等股份由Schneider Electric Asia Pacific Limited持有。Schneider Electric Asia Pacific Limited是Schneider Electric Industries SAS的全資附屬公司，而Schneider Electric Industries SAS又是Schneider Electric SE的全資附屬公司，因此Schneider Electric Industries SAS及Schneider Electric SE被視為於該等股份中擁有權益。

除上文所披露者外，就董事所知，於2019年12月31日，概無任何人士(本公司董事或最高行政人員除外)或法團擁有須登記於根據《證券及期貨條例》第336條規定本公司須備存的登記冊內的本公司股份及相關股份5%或以上的權益或淡倉。

Report of Directors

董事會報告

Share Option Scheme

A share option scheme (the “Share Option Scheme”) was conditionally approved and adopted at an extraordinary general meeting held on 27 April 2010. The purpose of the Share Option Scheme is to provide the Company with a means of incentivizing and retaining employees, encouraging employees to work towards enhancing the value of the Company and promoting the long-term growth of the Company. This scheme will link the value of the Company with the interests of the participants, enabling participants and the Company to develop together and promoting the Company’s corporate culture. The Directors may, at their discretion, invite any Directors (including executive Directors, non-executive Directors and independent non-executive Directors), employees and advisors, consultants, distributors, contractors, contract manufacturers, agents, customers, business partners and service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group to participate in the Share Option Scheme. The period within which the options must be exercised shall be determined by the Directors at the time of grant and such period must expire no later than 10 years from the date when the Board resolves to make the offer of options to the grantees. All outstanding options shall lapse when the grantee is dead or retired, the employment of the grantee ceases or where the grantee is no longer an employee of the Group.

購股權計劃

本公司為提供激勵和挽留僱員，並鼓勵僱員努力提升本公司的價值，促進本公司的長期發展，在2010年4月27日經股東特別大會有條件批准和採納購股權計劃（「購股權計劃」）。該計劃將本公司的價值與參與者的利益緊密相連，促進參與者與本公司共同發展，並提高本公司的企業文化。董事可酌情邀請任何董事（包括執行董事、非執行董事和獨立非執行董事）、僱員以及董事會全權酌情認為已對或將對本集團作出貢獻的本集團任何成員公司的顧問、專業顧問、經銷商、承包商、訂約生產商、代理人、客戶、業務夥伴和服務供應商參與購股權計劃。董事授出購股權時決定購股權的行使期限，而有關行使期必須不遲於董事會決議向承授人授出購股權當日起計滿10年屆滿。承授人身故、退休、離職或不再為本集團成員時，所有未行使購股權會失效。

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme or any other share option schemes adopted by the Company shall not exceed 10% (the Company may refresh the 10% limit in certain conditions) of the aggregate of the shares in issue on the listing date or 30% of the shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to each participant under the Share Option Scheme or any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the shares in issue. Any further grant of options which would result in the number of shares issued as aforesaid exceeding the said 1% limit requires shareholders' prior approval with the relevant participant and his associates abstaining from voting. At the time of grant of the options, our Company may specify any minimum period(s) for which an option must be held before it can be exercised. The Share Option Scheme does not contain any such minimum period.

The subscription price for the shares granted under the options shall be no less than the highest of (a) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Stock Exchange business days immediately preceding the date of grant; and (c) the nominal value of a share upon its issue. The amount payable by a grantee on acceptance of a grant of options is US\$1.00. The Share Option Scheme will expire on the date of the tenth anniversary of the adoption of the Share Option Scheme. Further details of the Share Option Scheme are set out in the prospectus of the Company dated 7 May 2010.

During the Reporting Period, no option has been granted under the Share Option Scheme and there is no outstanding option under the Share Option Scheme.

根據購股權計劃或本公司採納的任何其他購股權計劃所授出的所有購股權獲行使時可發行的股份數目上限不得超過本公司上市日期已發行股份的10%（本公司可在某些情況下更新此10%上限）或本公司不時已發行股份的30%。每名參與者於任何12個月期間根據購股權計劃或本公司採納的任何其他購股權計劃授予每名參與者的購股權獲行使時已發行及將發行的股份總數不得超過已發行股份的1%。如果再授出購股權會導致按上述方式發行的股份數目超過1%，則須經股東事先批准，而相關參與者及其聯繫人必須放棄投票。於授出購股權時，本公司可指明行使購股權前須持有有關購股權的任何最短時限。購股權計劃並無包括任何該等最短時限。

根據購股權計劃可認購的股份的認購價不得低於以下三者的最高者：(a)聯交所於授出日期發出的每日報價表所列的股份收市價；(b)聯交所於緊接授出日期前五個聯交所營業日發出的每日報價表所列的股份平均收市價；及(c)一股股份於發行時的賬面值。承授人接納購股權的應付金額為1.00美元。購股權計劃的有效期為十年，於購股權計劃採納滿十年之日屆滿。購股權計劃的進一步詳情載於本公司於2010年5月7日刊發的招股書。

於報告年度內，並無根據購股權計劃授出任何購股權，且購股權計劃項下並無任何已授出購股權。

Report of Directors

董事會報告

Adoption of Restricted Share Unit Scheme

On 20 December 2018, the Board has approved the adoption of a restricted share unit scheme. Pursuant to the restricted share unit scheme, the Company may direct and procure the trustee to purchase Shares (either on-market or off-market) to satisfy the restricted share units upon vesting and to hold the purchased Shares on trust for the relevant participants until such restricted share units are vested with the relevant participants in accordance with the restricted share units scheme rules. Further details are set out in the announcement of the Company dated 20 December 2018. The restricted share units scheme has been approved at the extraordinary general meeting held on 25 January 2019.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the Company repurchased a total of 914,000 shares of the Company at prices ranging from HK\$0.495 to HK\$0.50 per share on the Stock Exchange, with an aggregate consideration of approximately HK\$453,750 (equivalent to approximately RMB392,000). The repurchased shares have been cancelled in April 2019. The Company considered that it was the best way of enhancing shareholder value and that it was in the best interest of the shareholders by returning a substantial part of the surplus funds to the shareholders.

Particulars of the repurchases are as follows:

Date of repurchase	回購日期	Number of shares 股份數量	Price per share 每股價格		Aggregate consideration 總代價
			Highest 最高 HKD 港元	Lowest 最低 HKD 港元	
4 January 2019	2019年1月4日	914,000	0.50	0.495	453,750
Total:	總數：	914,000			453,750

採納受限制股份單位計劃

於2018年12月20日，董事會批准採納受限制股份單位計劃。根據該受限制股份單位計劃，本公司可指示和促使受託人購買股份（不論是在場內或場外）以於受限制股份單位歸屬後償付受限制股份單位，並以信託方式為相關參與人持有已購入股份直至此等受限制股份單位按照受限制股份單位計劃規則歸屬於相關的參與人。進一步詳情載於本公司日期為2018年12月20日的公告。該受限制股份單位計劃已於2019年1月25日之股東特別大會上獲得通過。

收購、出售或贖回本公司任何上市證券

於本報告年度，本公司於聯交所以每股股價0.495港元至0.50港元購回合計914,000股本公司股份，其代價總額合計約453,750港元（折合約人民幣392,000元）。所購回股份已於2019年4月份註銷。本公司認為，此乃提升股東價值之最佳方法，而向股東退回大部分盈餘資金亦符合股東之最佳利益。

回購詳情如下：

Interests of Directors in Competing Business

Save for those disclosed below by the Company, during the Reporting Period, none of the Directors or their respective associates (as defined under the Listing Rules) of the Company was interested in any business which competes or is likely to compete with the businesses of the Group.

Mr. WANG Donglei, an executive director and the chairman of the Company, holds 90% equity interest in Wuhu Elec-Tech Investment Co., Ltd.* (蕪湖德豪投資有限公司), Wuhu Elec-Tech Investment Co., Ltd.* (蕪湖德豪投資有限公司) in turn holds 16.02% of the shares of ETIC, and ETIC in turn holds 20.59% of the shares (870,346,000 shares as at 31 December 2019) of the Company. Mr. WANG Donglei is also a director of ETIC and holds directorships in a number of subsidiaries of ETIC Group. Apart from this, Mr. XIAO Yu holds directorships in a number of subsidiaries of ETIC Group. To the best knowledge of the Company, ETIC was established on 14 May 1996 with issued capital of RMB1,764,720,000 as at 31 December 2019, the shares of which were listed on the Shenzhen Stock Exchange in June 2004. Based on the preliminary annual result of ETIC dated 15 April 2020 (unaudited and subject to further adjustment), its operating revenue for the year of 2019 is approximately RMB2,967,023,000, its net profit is approximately RMB253,943,000 and its total assets is approximately RMB5,418,442,000. The principal business of ETIC is production and sale of small household appliances and LED products, while the Group's subsidiaries are principally engaged in the production and sale of lamp products, luminaire products and lighting electronic products, including a variety of LED lamps, luminaires and electrical products. As a result, Mr. WANG Donglei and Mr. XIAO Yu are deemed to be interested, directly or indirectly, in the business that competes or may compete with that of the Company and/or its subsidiaries. Based on the Group's internal governance and proper decision-making mechanism, the Group is capable of carrying on its business independently of, and at arms length from the competing business.

董事於競爭業務之權益

除本公司於下文所披露之外，於報告年度內，本公司董事及其各自的聯繫人（定義見《上市規則》）概無於與本集團業務競爭或可能競爭之業務中擁有權益。

本公司執行董事兼董事長王冬雷先生持有蕪湖德豪投資有限公司90%的股權；蕪湖德豪投資有限公司持有德豪潤達16.02%的股份；德豪潤達持有本公司20.59%的股份（截止2019年12月31日持有870,346,000股股份）。王冬雷先生亦擔任德豪潤達的董事以及在德豪潤達集團多家附屬公司中擔任董事職務。除此之外，肖宇先生在德豪潤達集團多家附屬公司擔任董事職務。據本公司所知，德豪潤達乃於1996年5月14日成立，截止2019年12月31日股本為人民幣1,764,720千元。該公司之股份於2004年6月在深圳證券交易所上市。根據德豪潤達日期為2020年4月15日的初步年度業績（未經審核及可能作進一步調整），其2019年度的營業收入約為人民幣2,967,023千元，其淨利潤約為人民幣253,943千元，總資產約為人民幣5,418,442千元。德豪潤達的主營業務為生產和銷售小家電及LED產品，由於本集團附屬公司主要從事光源、燈具及照明電器產品的生產及銷售，亦包括各種LED光源、燈具及電器產品，因此王冬雷先生及肖宇先生被視為於直接或間接對本公司及／或附屬公司業務構成競爭或可能構成競爭的業務上佔有權益。依靠本集團的內部管治及合理的決策機制，本集團能夠獨立於競爭業務，並基於各自利益來經營其業務。

Report of Directors

董事會報告

Controlling Shareholders and Their Pledge of Shares

During the Reporting Period, the Company did not have controlling shareholders.

Connected Transactions, Potential Connected Transactions and Continuing Connected Transactions

Potential Connected Transactions

Purported Pledge and Guarantee Agreements

Please refer to the relevant section in the 2016 annual report of the Company for details of the Purported Pledge and Guarantee Agreements. The Board would like to reiterate that the entering into of the Relevant Purported Pledge and Guarantee Agreements was not carried out with the knowledge of the current Board. Accordingly, the Board is not presently aware of a fair and reasonable justification for the entering into of the Relevant Purported Pledge and Guarantee Agreements, nor has the Board been provided with a proper explanation which indicates that the Relevant Purported Pledge and Guarantee Agreements are in the interests of the Company or its shareholders as a whole. NVC China has commenced several proceedings in the PRC against Mr. WU Changjiang and other defendants in connection with certain Purported Pledge and Guarantee Agreements. In those proceedings, NVC China's position is that the Purported Pledge and Guarantee Agreements are not legally valid or enforceable. Please refer to the Company's announcement dated 14 April 2015 for details.

控股股東及其質押股份

於報告年度內，本公司沒有控股股東。

關連交易、可能的關連交易及持續關連交易

可能的關連交易

所謂質押及擔保協議

所謂質押及擔保協議的詳情，請參見本公司2016年年度報告的相關章節。董事會重申，相關所謂質押及擔保協議是在現任董事會並不知情的情況下訂立的。因此，董事會目前並不知悉訂立相關所謂質押及擔保協議有公平合理的理據，董事會亦未獲提供表明相關所謂質押及擔保協議符合本公司或其股東整體利益的適當解釋。雷士中國已就特定的所謂質押及擔保協議對吳長江先生及其他被告在中國提起數宗訴訟。在該些訴訟中，雷士中國的立場是，所謂質押及擔保協議為法律無效或不可執行。詳情請參閱本公司日期為2015年4月14日的公告。

Counter Guarantees from Wu Ji

Please refer to the relevant section in the 2016 annual report of the Company for details of the Counter Guarantees from Wu Ji. The Board would like to reiterate that the Board only became aware of the executed Letters of Counter Guarantees in 2015. The Letters of Counter Guarantee relate to a number of pledge and guarantee agreements, entered into by Mr. WU Changjiang, purportedly on behalf of the Company. The Board was not previously aware of NVC China's purported entering into of the pledge and guarantee agreements. The Board is also not presently aware of a fair and reasonable justification for the Letters of Counter Guarantee and/or the pledge and guarantee agreements, nor has Mr. WU Changjiang provided the Board with a proper explanation which indicates that these letters and agreements are in the interests of the Company or its shareholders as a whole. Nonetheless, the Board notes that the Letters of Counter Guarantees have apparently been granted in return for the purported pledge and guarantee agreements entered into by the Company in relation to the various loans mentioned above. Please refer to the Company's announcement dated 2 September 2015 for more details.

During the Reporting Period, the Group has disposed of its entire interest in NVC China to an independent third party.

無極的反擔保

無極的反擔保的詳情，請參見本公司2016年年度報告的相關章節。董事會希望重申，董事會僅在2015年方獲悉經簽署的反擔保函。反擔保函涉及若干由吳長江先生據稱代表本公司訂立的質押及擔保協議。董事會此前對雷士中國據稱訂立質押及擔保協議並不知情。董事會目前亦不知悉訂立反擔保函及／或質押及擔保協議有任何公平合理的理據，且吳長江先生亦未向董事會提供適當解釋，說明該等函件和協議符合本公司或其股東的整體利益。儘管如此，董事會注意到，反擔保函看似為換取本公司就以上所述各項貸款訂立所謂質押及擔保協議而授出。欲知更多詳情，請查閱本公司日期為2015年9月2日的公告。

於報告年度內，本集團已向一名獨立第三方處置其於雷士中國的全部權益。

Report of Directors

董事會報告

Continuing Connected Transactions Exempted from Independent Shareholders' Approval

Trademark Licensing Agreement

Huizhou NVC, a former wholly owned subsidiary of the Company, entered into a trademark licensing agreement on 2 August 2019 with Guangdong Elec-Tech Lighting Electrical Co., Ltd.* (廣東德豪潤達照明電氣有限公司) ("Guangdong ETLEC"), which is a directly wholly owned subsidiary of ETIC. Pursuant to the trademark licensing agreement, Huizhou NVC grants Guangdong ETLEC an exclusive license to use certain PRC registered trademarks of Huizhou NVC, including trademarks comprising the "NVC" and "雷士" brands, on certain Guangdong ETLEC's light source products and a sole license to use such registered trademarks on certain Guangdong ETLEC's non-light source products in the PRC. As ETIC is a substantial shareholder of the Company and Guangdong ETLEC is a subsidiary of ETIC, Guangdong ETLEC is a connected person of the Company (as defined under the Listing Rules), and the transactions between Guangdong ETLEC and the Company constitute connected transactions under Chapter 14A of Listing Rules. The trademark licensing fee is agreed based on arm's length negotiations between the parties and is on normal commercial terms. The term of the trademark licensing agreement is three years commencing on 1 January 2019. To further promote Company's brand name and to expand the scope of the Group's products, the Company decided to enter into the agreement to enable Guangdong ETLEC to produce certain light source products and non-light source products using Company's registered trademarks. Guangdong ETLEC has a well-established sales channel for light source products and non-light source products which is complementary to the existing product sales channel of the Company. Guangdong ETLEC is a vertically well integrated light source products and non-light source products producer and its product quality and price are very competitive in the market. The Board believed that through cooperation with Guangdong ETLEC, the Company's sales and distribution network coverage on light source products and non-light source products will be further extended, which is expected to further improve the Company's operation results (please refer to the Company's announcement dated 2 August 2019 for more details).

豁免獨立股東批准的持續關連交易

商標許可協議

2019年8月2日，本公司的前全資附屬公司惠州雷士和德豪潤達的直接全資附屬公司廣東德豪潤達照明電氣有限公司（「廣東德豪潤達照明電氣」）訂立了一份商標許可協議。根據該商標許可協議，惠州雷士授予廣東德豪潤達照明電氣一項在中國於廣東德豪潤達照明電氣的特定光源產品上使用其某些中國註冊商標，包括「NVC」及「雷士」的獨佔許可，以及一項在中國於廣東德豪潤達照明電氣的特定非光源產品上使用該等註冊商標的排他許可。由於德豪潤達為本公司主要股東且廣東德豪潤達照明電氣為德豪潤達的附屬公司，廣東德豪潤達照明電氣為本公司關連人士（定義見《上市規則》），而廣東德豪潤達照明電氣與本公司之間的交易構成上市規則第14A章項下的關聯交易。商標許可費是經由雙方通過公平磋商後按一般商務條款約定的。該商標許可協議自2019年1月1日起，為期三年。為進一步推廣本公司品牌及拓寬本集團的產品範圍，本公司決定訂立該協議，使廣東德豪潤達照明電氣能夠使用本公司的註冊商標生產特定的光源及非光源產品。廣東德豪潤達照明電氣擁有成熟的光源及非光源產品銷售管道，可以與本公司的現有產品銷售管道形成互補。廣東德豪潤達照明電氣是一家縱向一體化的光源及非光源產品生產商，其產品品質和價格在市場上極具競爭力。董事會相信，通過與廣東德豪潤達照明電氣的合作，本公司的光源及非光源產品的銷售和分銷網路將得到進一步的擴展，預期能進一步提升本公司的經營業績。（詳情請參見本公司日期為2019年8月2日的公告）。

The maximum aggregate annual amounts receivable by us from Guangdong ETLEC under the trademark licensing agreement for the year ended 31 December 2019 and the years ending 31 December 2020 and 2021 are RMB18,000,000, RMB19,500,000 and RMB21,000,000, respectively.

During the Reporting Period, the actual amount received by us from Guangdong ETLEC under the trademark licensing agreement was RMB9,167,000 which did not exceed the annual cap.

Please refer to the section headed “Directors and Senior Management” of this annual report for information of the Directors’ positions and interests in ETIC Group.

Framework Finished Products and Raw Materials Purchase Agreement

The Company entered into a framework finished products and raw materials purchase agreement on 10 December 2018 with ETIC (the “ETIC Purchase Agreement”), pursuant to which, the Company agreed to purchase finished products and raw materials including but not limited to LED chips, LED power sources and LED lamp products from ETIC and its subsidiaries on a non-exclusive basis. As ETIC is a substantial shareholder of the Company, ETIC and its subsidiaries are connected persons of the Company (as defined under the Listing Rules), and the transactions between ETIC and its subsidiaries and the Company constitute connected transactions under Chapter 14A of Listing Rules. The quality, quantity and technical standards of the products delivered by ETIC and its subsidiaries must meet the Company’s standards as set out in the sub-contract for each purchase order. The prices charged by ETIC and its subsidiaries will be agreed following arm’s length negotiations between the parties with reference to the prevailing market price. The term of the framework agreement is three years commencing on 1 January 2019. The Company entered into such purchase agreement given the Group has a continuous demand for the relevant finished products and raw materials in the next three years and the fees charged by ETIC and its subsidiaries are competitive (please refer to the Company’s announcement dated 10 December 2018 for details). In view of the better-than-expected demand for ETIC’s products, the Company expected that the original annual cap for the transactions under the ETIC Purchase Agreement for the year ended 31 December 2019 will not be sufficient to meet the Company’s requirements. Accordingly, the Board approved to revise upward the annual cap for the transactions under the ETIC Purchase Agreement for the year ended 31 December 2019 (please refer to the Company’s announcement dated 21 August 2019 for details).

截至2019年、2020年及2021年12月31日止年度，我們就商標許可協議而應收取廣東德豪潤達照明電氣的最高年度總額分別為人民幣18百萬元、人民幣19.5百萬元和人民幣21百萬元。

於報告年度內，我們就商標許可協議而應收廣東德豪潤達照明電氣的實際金額為人民幣9,167千元，沒有超過年度上限。

董事於德豪潤達集團任職及權益情況請見本年報「董事及高級管理層」部份。

產成品及原材料採購框架協議

2018年12月10日，本公司與德豪潤達訂立了一份產成品及原材料採購框架協議（「德豪潤達採購協議」）。根據該協議，本公司同意按非排他性基準從德豪潤達及其附屬公司採購產成品及原材料，包括但不限於LED晶片、LED電源和LED光源等產品。由於德豪潤達為本公司主要股東，德豪潤達及其附屬公司為本公司關連人士（定義見《上市規則》），而德豪潤達及其附屬公司與本公司之間的交易構成上市規則第14A章項下的關連交易。德豪潤達及其附屬公司交付的產品的品質、數量及技術標準須符合為每筆採購訂單而簽訂的單項合同中載明的本公司標準。德豪潤達及其附屬公司所收取的價格將由雙方通過公平磋商參照市場現行收費標準釐定。該框架協議自2019年1月1日起，為期三年。鑒於本集團於未來三年對相關產成品和原材料的持續需求，而德豪潤達及其附屬公司所收取的費用具有競爭力，故本公司訂立該採購協議（詳情請參見本公司日期為2018年12月10日的公告）。由於對德豪潤達產品需求較預期為佳，本公司預期德豪潤達採購協議項下有關交易之截至2019年12月31日止之原年度上限將不足以滿足本公司之需求。因此，董事會批准上調德豪潤達採購協議項下有關交易之截至2019年12月31日止之年度上限。（詳情請參見本公司日期為2019年8月21日的公告）。

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The maximum aggregate annual amounts payable by us to ETIC and its subsidiaries under the ETIC Purchase Agreement for the year ended 31 December 2019 and the years ending 31 December 2020 and 2021 are RMB180,000,000, RMB98,000,000 and RMB98,000,000, respectively.

During the Reporting Period, the actual amount paid by us to ETIC and its subsidiaries under the ETIC Purchase Agreement was RMB161,528,000 which did not exceed the annual cap.

New ETIC Sales Agreement

The Company entered into a framework sales agreement (the “New ETIC Sales Agreement”) on 10 December 2018 with ETIC, pursuant to which, the Company agreed to sell finished products and raw materials including but not limited to LED luminaire products to ETIC and its associates on a non-exclusive basis. As ETIC is a substantial shareholder of the Company, ETIC and its associates are connected persons of the Company (as defined under the Listing Rules), and the transactions between ETIC and its associates and the Company constitute connected transactions under Chapter 14A of Listing Rules. The quality, quantity and technical standards of the products delivered by the Group must meet ETIC and its associates’ standards as set out in the sub-contract for each sales order. The prices charged by the Group will be agreed following arm’s length negotiations between the parties with reference to the prevailing market price. The term of the framework agreement is three years commencing on 1 January 2019. The Company entered into such sales agreement given the continued demand for such finished products and raw materials by ETIC and its associates in the next three years and the fees paid/payable by ETIC and its associates are competitive (please refer to the Company’s announcement dated 10 December 2018 for details).

The maximum aggregate annual amounts receivable by us from ETIC and its subsidiaries under the New ETIC Sales Agreement for the year ended 31 December 2019 and the years ending 31 December 2020 and 2021 are RMB98,000,000, RMB98,000,000 and RMB98,000,000, respectively.

截至2019年、2020年及2021年12月31日止年度，我們就德豪潤達採購協議而支付德豪潤達及其附屬公司的最高年度總額分別為人民幣180百萬元、人民幣98百萬元和人民幣98百萬元。

於報告年度內，我們就德豪潤達採購協議而支付德豪潤達及其附屬公司的實際金額為人民幣161,528千元，沒有超過年度上限。

新德豪潤達銷售協議

2018年12月10日，本公司與德豪潤達訂立了一份銷售框架協議（「新德豪潤達銷售協議」）。根據該協議，本公司同意按非排他性基準向德豪潤達及其聯繫人銷售產成品和原材料，包括但不限於LED燈具。由於德豪潤達為本公司主要股東，德豪潤達及其聯繫人為本公司關連人士（定義見《上市規則》），而德豪潤達及其聯繫人與本公司之間的交易構成上市規則第14A章項下的關聯交易。本集團交付的產品的品質、數量及技術標準須符合為每筆銷售訂單而簽訂的單項合同中載明的德豪潤達及其聯繫人的標準。本集團所收取的價格將由雙方通過公平磋商參照市場現行收費標準釐定。該框架協議自2019年1月1日起，為期三年。鑒於德豪潤達及其聯繫人於未來三年對相關產成品和原材料的持續需求，而德豪潤達及其聯繫人於所已付／應付的費用具有競爭力，故本公司訂立該等銷售協議（詳情請參見本公司日期為2018年12月10日的公告）。

截至2019年、2020年及2021年12月31日止年度，我們就新德豪潤達銷售協議而收取德豪潤達及其附屬公司的最高年度總額分別為人民幣98百萬元、人民幣98百萬元和人民幣98百萬元。

During the Reporting Period, the actual amount received by us from ETIC and its subsidiaries under the New ETIC Sales Agreement was RMB8,625,000 which did not exceed the annual cap.

The Lease Agreement I

The Company entered into a lease agreement on 10 December 2018 with ETIC, pursuant to which the Group agrees to lease certain properties from ETIC and its associates (the “Lease Agreement I”). As ETIC is a substantial shareholder of the Company, ETIC and its associates are connected persons of the Company (as defined under the Listing Rules), and the transactions between ETIC and its associates and the Company constitute connected transactions under Chapter 14A of Listing Rules. Details of each properties to be leased will be set out in the sub-contract for each lease. The rent charged by ETIC and its associates will be agreed following arm’s length negotiations between the parties with reference to the prevailing market price. The term of the Lease Agreement I is three years commencing on 1 January 2019. The Company decided to enter into the Lease Agreement I given the Group has a continuous demand for the relevant properties in the next three years and the rent charged by ETIC and its associates are competitive (please refer to the Company’s announcement dated 10 December 2018 for details).

The maximum aggregate annual amounts paid by us to ETIC and its associates under the Lease Agreement I for the year ended 31 December 2019 and the years ending 31 December 2020 and 2021 are RMB5,000,000, RMB5,000,000 and RMB5,000,000, respectively.

During the Reporting Period, the actual amount paid by us to ETIC and its subsidiaries under the Former Lease Agreement I was RMB923,000 which did not exceed the annual cap.

於報告年度內，我們就新德豪潤達銷售協議而應收取德豪潤達及其附屬公司的實際金額為人民幣8,625千元，沒有超過年度上限。

租賃協議一

2018年12月10日，本公司與德豪潤達訂立了一份租賃協議，據此本集團同意自德豪潤達及其聯繫人租賃若干物業（「租賃協議一」）。由於德豪潤達為本公司主要股東，德豪潤達及其聯繫人為本公司關連人士（定義見《上市規則》），而德豪潤達及其聯繫人與本公司之間的交易構成上市規則第14A章項下的關聯交易。有關將予租賃的各項物業的詳情將載於各項租賃的單項合同。德豪潤達及其聯繫人所收取的租金將由協議雙方通過公平磋商參照市場現行收費標準釐定。該租賃協議一自2019年1月1日起，為期三年。鑒於本集團於未來三年對相關物業的持續需求，且德豪潤達及其聯繫人所收取的租金具有競爭力，故本公司決定訂立租賃協議一（詳情請參見本公司日期為2018年12月10日的公告）。

截至2019年、2020年及2021年12月31日止年度，我們就租賃協議一而應付給德豪潤達及其聯繫人的最高年度總額分別為人民幣5百萬元、人民幣5百萬元和人民幣5百萬元。

於報告年度內，我們就原租賃協議一而應付給德豪潤達及其附屬公司的實際金額為人民幣923千元，沒有超過年度上限。

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The Lease Agreement II

The Company entered into a lease agreement on 10 December 2018 with ETIC, pursuant to which the Group agrees to lease certain properties to ETIC and its associates (the “Lease Agreement II”). As ETIC is a substantial shareholder of the Company, ETIC and its associates are connected persons of the Company (as defined under the Listing Rules), and the transactions between ETIC and its associates and the Company constitute connected transactions under Chapter 14A of Listing Rules. Details of each properties to be leased will be set out in the sub-contract for each lease. The rent charged by the Group will be agreed following arm’s length negotiations between the parties with reference to the prevailing market price. The term of the Lease Agreement II is three years commencing on 1 January 2019. The Company entered into the Lease Agreement II given ETIC and its associates have a continuous demand for such properties in the next three years and the rent paid/payable by ETIC and its associates are competitive (please refer to the Company’s announcement dated 10 December 2018 for details).

The maximum aggregate annual amounts received by us from ETIC and its associates under the Lease Agreement II for the year ended 31 December 2019 and the years ending 31 December 2020 and 2021 are RMB5,000,000, RMB5,000,000 and RMB5,000,000, respectively.

During the Reporting Period, the actual amount received by us from ETIC and its subsidiaries under the Former Lease Agreement II was RMB488,000 which did not exceed the annual cap.

租賃協議二

2018年12月10日，本公司與德豪潤達訂立了一份租賃協議，據此本集團同意租賃若干物業予德豪潤達及其聯繫人（「租賃協議二」）。由於德豪潤達為本公司主要股東，德豪潤達及其聯繫人為本公司關連人士（定義見《上市規則》），而德豪潤達及其聯繫人與本公司之間的交易構成上市規則第14A章項下的關聯交易。有關將予租賃的各項物業的詳情將載於為各項租賃簽訂的單項合同。本集團所收取的租金將由協議雙方通過公平磋商參照市場現行收費標準釐定。該租賃協議二自2019年1月1日起，為期三年。鑒於德豪潤達及其聯繫人於未來三年對該等物業的持續需求，且德豪潤達及其聯繫人已付／應付的租金具有競爭力，故本公司訂立租賃協議二（詳情請參見本公司日期為2018年12月10日的公告）。

截至2019年、2020年及2021年12月31日止年度，我們就租賃協議二而應收取德豪潤達及其聯繫人的最高年度總額分別為人民幣5百萬元、人民幣5百萬元和人民幣5百萬元。

於報告年度內，我們就原租賃協議二而應收取德豪潤達及其附屬公司的實際金額為人民幣488千元，沒有超過年度上限。

Transportation and Warehousing Services Framework Agreement

The Company entered into a transportation and warehousing services framework agreement (the “ETIC Transportation and Warehousing Services Framework Agreement”) on 22 December 2017 with ETIC, pursuant to which the Group agrees to provide transportation and warehousing services to ETIC and its associates. As ETIC is a substantial shareholder of the Company, ETIC and its associates are connected persons of the Company (as defined under the Listing Rules), and the transactions between ETIC and its associates and the Company constitute connected transactions under the Chapter 14A of Listing Rules. Individual agreements will be entered into between the parties with respect to the specific services pursuant to the terms of the ETIC Transportation and Warehousing Services Framework Agreement. Such individual agreements will be entered in the ordinary and usual course of business and on normal commercial terms. The payment arrangement should be provided in the individual agreements. The prices charged by the Group will be agreed upon arm’s length negotiations between the parties with reference to the prevailing market price. The term of the ETIC Transportation and Warehousing Services Framework is three years commencing from 1 January 2018. The entering of the ETIC Transportation and Warehousing Services Framework Agreement will enable the Company to (i) enhance the customer base in the field of transportation and warehousing services; and (ii) expand sources of income by providing transportation and warehousing services (please refer to the Company’s announcement dated 22 December 2017 for details).

The maximum aggregate annual amounts receivable by us from ETIC and its associates under the ETIC Transportation and Warehousing Services Framework Agreement for the years ended 31 December 2018 and 2019 and the year ending 31 December 2020 are RMB60,000,000, RMB80,000,000 and RMB100,000,000, respectively.

During the Reporting Period, the actual amount received by us from ETIC under the ETIC Transportation and Warehousing Services Framework Agreement was RMB5,254,000 which did not exceed the annual cap.

運輸及倉儲服務框架協議

於2017年12月22日，本公司與德豪潤達訂立一份運輸及倉儲服務框架協議（「德豪潤達運輸及倉儲服務框架協議」），據此，本集團同意向德豪潤達及其聯繫人提供運輸及倉儲服務。由於德豪潤達為本公司主要股東，德豪潤達及其聯繫人為本公司關連人士（定義見《上市規則》），而德豪潤達及其聯繫人與本公司之間的交易構成上市規則第14A章項下的關連交易。協議雙方將根據德豪潤達運輸及倉儲服務框架協議的條款就特定服務訂立獨立協議。該等獨立協議將於一般及日常業務過程中按照一般商業條款訂立。付款安排應於獨立協議中規定。由本集團所收取的價格將由訂約方通過公平磋商參照市場現行收費標準釐定。德豪潤達運輸及倉儲服務框架協議自2018年1月1日起，為期三年。訂立德豪潤達運輸及倉儲服務框架協議將使本公司得以(i)於運輸及倉儲服務領域加強客戶基礎；及(ii)透過提供運輸及倉儲服務擴大收入來源（詳情請參見本公司日期為2017年12月22日的公告）。

截至2018年、2019年及2020年12月31日止年度，我們就德豪潤達運輸及倉儲服務框架協議而應收取德豪潤達及其聯繫人的最高年度總額分別為人民幣60百萬元、人民幣80百萬元和人民幣100百萬元。

於報告年度內，我們就德豪潤達運輸及倉儲服務框架協議而應收德豪潤達的實際金額為人民幣5,254千元，沒有超過年度上限。

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Services Agreement

NVC HK, a wholly-owned subsidiary of the Company, entered into the services agreement (the "Services Agreement") on 18 May 2017 with NVC Lighting & Electrical Technology Singapore Pte. Ltd. ("NVC Singapore"), pursuant to which NVC Singapore has agreed to provide services in relation to lighting solutions and management of the distributors and dealers in the Asia Pacific and East Europe region for NVC HK. NVC HK is a wholly-owned subsidiary of the Company. NVC Singapore was controlled by Mr. WANG Dongming, an executive Director of the Company. Mr. WANG Dongming held 60% equity interest of NVC Singapore. Therefore, NVC Singapore was a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Services Agreement constituted the connected transactions of the Company under the Listing Rules. Pursuant to the Services Agreement, NVC Singapore will charge consultant fee from NVC HK based on monthly expenses of human resources incurred by the Service Provider. The annual actual expenses depend on actual business developments and the related budget. The term of the Services Agreement is three years commencing on 1 January 2017. NVC Singapore can provide the Group with desirable profession services based on its personnel with professional knowledge and experience, and it is more cost-efficient than operating and managing such activities overseas by the Group itself (please refer to the Company's announcement dated 18 May 2017 for details). As the Company had acquired 100% equity interest in NVC Singapore, NVC Singapore is no longer a connected person of the Company.

The maximum aggregate annual amounts payable by us to NVC Singapore under the Services Agreement for the years ended 31 December 2017, 2018 and 2019 are RMB5,000,000, RMB6,500,000 and RMB8,500,000, respectively.

During the Reporting Period, the actual amount paid by us to NVC Singapore under the Services Agreement was RMB5,344,000 which did not exceed the annual cap.

服務協議

2017年5月18日，本公司全資附屬公司香港雷士與NVC Lighting & Electrical Technology Singapore Pte. Ltd.（「新加坡雷士」）訂立服務協議（「服務協議」），據此新加坡雷士同意向香港雷士提供與照明解決方案及亞太和東歐地區的分銷商和經銷商管理有關的服務。香港雷士為本公司全資附屬公司。新加坡雷士曾由本公司一名執行董事王冬明先生所控制，王冬明先生曾持有新加坡雷士60%的股權。因此，新加坡雷士曾為上市規則第14A章下本公司之關連人士，服務協議項下擬進行之交易相應曾構成上市規則下本公司之關連交易。依照服務協議，新加坡雷士將向香港雷士收取顧問費，費用基於服務提供方產生的月度人力資源費用。每年實際發生的費用將按照實際業務發展及相關預算確定。該服務協議自2017年1月1日起，為期三年。新加坡雷士基於其富有專業知識及經驗的人員團隊可為本集團提供合意的專業服務，並且其相較於由本集團自身在海外運營和管理此等活動更具成本效益（詳情請參見本公司日期為2017年5月18日的公告）。由於本公司已於報告年度內收購新加坡雷士的100%股權，新加坡雷士不再為本公司之關連人士。

截至2017年、2018年及2019年12月31日止年度，我們就服務協議而應支付新加坡雷士的最高年度總額分別為人民幣5百萬元、人民幣6.5百萬元和人民幣8.5百萬元。

於報告年度內，我們就服務協議而應支付新加坡雷士的實際金額為人民幣5,344千元，沒有超過年度上限。

Sales Framework Agreement

The Company entered into a sales framework agreement (the "Sales Framework Agreement") on 22 December 2017 with NVC Singapore, pursuant to which the Group agrees to sell finished products to NVC Singapore and its associates. NVC Singapore was controlled by Mr. WANG Dongming, an executive director of the Company, who held 60% equity interest of NVC Singapore. Therefore, NVC Singapore was a connected person of the Company under Chapter 14A of the Listing Rules, and accordingly, the proposed transactions under the Sales Framework Agreement constituted connected transactions of the Company under the Listing Rules. Individual agreements will be entered into between the parties with respect to the specific finished products pursuant to the terms of the Sales Framework Agreement. Such individual agreements will be entered in the ordinary and usual course of business and on normal commercial terms. The payment arrangement should be provided in the individual agreements. The prices charged by the Group for the finished products will be agreed upon arm's length negotiations between the parties with reference to the market price for the same or similar type of products provided in the same or surrounding regions. The entering of the Sales Framework Agreement will facilitate the penetration of the Company's products into Singapore and ASEAN market and enhance the Company's brand awareness. The term of the Sales Framework Agreement is three years commencing from 1 January 2018 (please refer to the Company's announcement dated 22 December 2017 for details). Since the Company has acquired 100% equity of NVC Singapore within the Reporting Period, NVC Singapore is no longer a connected person of the Company.

The maximum aggregate annual amounts receivable by us from NVC Singapore under the Sales Framework Agreement for the years ended 31 December 2018 and 2019 and the year ending 31 December 2020 are RMB20,000,000, RMB30,000,000 and RMB40,000,000, respectively.

During the Reporting Period, the actual amount received by us from NVC Singapore arising from the Sales Framework Agreement was RMB262,000 which did not exceed the annual cap.

銷售框架協議

2017年12月22日，本公司與新加坡雷士訂立一份銷售框架協議（「銷售框架協議」），據此，本集團同意向新加坡雷士及其聯繫人銷售產成品。新加坡雷士曾由本公司一名執行董事王冬明先生所控制，王冬明先生曾持有新加坡雷士60%的股權。因此，新加坡雷士曾為上市規則第14A章下本公司之關連人士，銷售框架協議項下擬進行之交易相應曾構成上市規則下本公司之關連交易。訂約方將根據銷售框架協議之條款訂立有關特定產成品之獨立協議。該等獨立協議將於一般及日常業務過程中按照一般商業條款訂立。付款安排應於獨立協議中規定。本集團收取的產成品價格將由訂約方通過公平磋商參照於同區域或周邊地區相同或類似產品之市場收費標準釐定。訂立銷售框架協議將有助於本公司產品滲透至新加坡及東盟市場，並增強本公司品牌知名度。該銷售框架協議自2018年1月1日起，為期三年（詳情請參見本公司日期為2017年12月22日的公告）。由於本公司已於報告年度內收購新加坡雷士的100%股權，新加坡雷士不再為本公司之關連人士。

截至2018年、2019年及2020年12月31日止年度，我們就銷售框架協議而應收取新加坡雷士的最高年度總額分別為人民幣20百萬元、人民幣30百萬元和人民幣40百萬元。

於報告年度內，我們就銷售框架協議而應收取新加坡雷士的實際金額為人民幣262千元，沒有超過年度上限。

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Sales Framework Agreement with Sichuan NVC

The Company entered into a sales framework agreement (the "Sales Framework Agreement with Sichuan NVC") on 20 December 2018 with Sichuan NVC, pursuant to which the Group agrees to sell finished products and raw materials including but not limited to LED luminaire products to Sichuan NVC and its associates on a non-exclusive basis. Sichuan NVC is an associate of Mr. YE Yong, a non-executive director of the Company, as the spouse of Mr. YE Yong is interested in over 30% equity interests of Sichuan NVC. Therefore, Sichuan NVC is a connected person of the Company under Chapter 14A of the Listing Rules, and accordingly, the proposed transactions under the Sales Framework Agreement with Sichuan NVC constitute connected transactions of the Company under the Listing Rules. Individual agreements will be entered into between the parties with respect to the specific finished products and raw materials pursuant to the terms of the Sales Framework Agreement with Sichuan NVC. Such individual agreements will be entered in the ordinary and usual course of business and on normal commercial terms. The payment arrangement should be provided in the individual agreements. The prices charged by the Group for the finished products and raw materials will be agreed upon arm's length negotiations between the parties with reference to the prevailing market prices. The term of the Sales Framework Agreement with Sichuan NVC is three years commencing from 1 January 2019. The Company entered into such sales framework agreement given the continued demand for such finished products and raw materials by Sichuan NVC and its associates in the next three years and the fees paid/payable by Sichuan NVC and its associates are competitive (please refer to the Company's announcement dated 20 December 2018 for details).

The maximum aggregate annual amounts receivable by us under the Sales Framework Agreement with Sichuan NVC for the year ended 31 December 2019 and the years ending 31 December 2020 and 2021 are RMB38,000,000, RMB39,000,000 and RMB38,000,000, respectively.

During the Reporting Period, the actual amount received by us from Sichuan NVC under the Sales Framework Agreement with Sichuan NVC was RMB18,002,000 which did not exceed the annual cap.

四川雷士銷售框架協議

2018年12月20日，本公司與四川雷士訂立一份銷售框架協議（「四川雷士銷售框架協議」），據此，本集團同意按非排他性基準向四川雷士及其聯繫人銷售產成品和原材料（包括但不限於LED燈具）。四川雷士為本公司一名非執行董事叶勇先生的聯繫人，叶勇先生之配偶於四川雷士超過30%的股權中擁有權益。因此，四川雷士為上市規則第14A章下本公司之關連人士，四川雷士銷售框架協議項下擬進行之交易相應構成上市規則下本公司之關連交易。訂約方將根據四川雷士銷售框架協議之條款訂立有關特定產成品和原材料之獨立協議。該等獨立協議將於一般及日常業務過程中按照一般商業條款訂立。付款安排應於獨立協議中規定。本集團收取的產成品和原材料價格將由訂約方通過公平磋商參照現行市價釐定。該四川雷士銷售框架協議自2019年1月1日起，為期三年。鑒於四川雷士及其聯繫人於未來三年對該等產成品和原材料的持續需求，以及四川雷士及其聯繫人已付／應付的費用具有競爭力，本公司訂立銷售框架協議（詳情請參見本公司日期為2018年12月20日的公告）。

截至2019年、2020年及2021年12月31日止年度，我們就四川雷士銷售框架協議而應收取的最高年度總額分別為人民幣38百萬元、人民幣39百萬元和人民幣38百萬元。

於報告年度內，我們就四川雷士銷售框架協議而應收四川雷士的實際金額為人民幣18,002千元，沒有超過年度上限。

Transportation and Warehousing Services Framework Agreement with Sichuan NVC

The Company entered into a transportation and warehousing services framework agreement (the “Sichuan NVC Transportation and Warehousing Services Framework”) on 20 December 2018 with Sichuan NVC, pursuant to which the Group agreed to provide transportation and warehousing services to Sichuan NVC and its associates on a non-exclusive basis. Sichuan NVC is an associate of Mr. YE Yong, a non-executive director of the Company, as the spouse of Mr. YE Yong is interested in over 30% equity interests of Sichuan NVC. Therefore, Sichuan NVC is a connected person of the Company under Chapter 14A of the Listing Rules, and accordingly, the proposed transactions under the Sichuan NVC Transportation and Warehousing Services Framework constitute connected transactions of the Company under the Listing Rules. The quality, quantity and technical standards of the services delivered by the Group must meet Sichuan NVC and its associates’ standards as set out in the sub-contract for each service order. The prices charged by the Group will be agreed upon arm’s length negotiations between the parties with reference to the prevailing market price. The term of the Sichuan NVC Transportation and Warehousing Services Framework is three years commencing from 1 January 2019. The Company entered into such Sichuan NVC Transportation and Warehousing Services Framework Agreement given the continued demand for such services by Sichuan NVC and its associates in the next three years and the fees paid/payable by Sichuan NVC and its associates are competitive (please refer to the Company’s announcement dated 20 December 2018 for details).

The maximum aggregate annual amounts receivable by us under the Sichuan NVC Transportation and Warehousing Services Framework Agreement for the year ended 31 December 2019 and the years ending 31 December 2020 and 2021 are RMB1,900,000, RMB2,000,000 and RMB2,100,000, respectively.

四川雷士運輸及倉儲服務框架協議

於2018年12月20日，本公司與四川雷士訂立一份運輸及倉儲服務框架協議（「四川雷士運輸及倉儲服務框架協議」），據此，本集團同意按非排他性基準向四川雷士及其聯繫人提供運輸及倉儲服務。四川雷士為本公司一名非執行董事叶勇先生的聯繫人，叶勇先生之配偶於四川雷士超過30%的股權中擁有權益。因此，四川雷士為上市規則第14A章下本公司之關連人士，四川雷士運輸及倉儲服務框架協議項下擬進行之交易相應構成上市規則下本公司之關連交易。本集團交付的服務的品質、數量及技術標準須符合為每筆服務訂單而簽訂的單項合同中載明的四川雷士及其聯繫人的標準。由本集團所收取的價格將由訂約方通過公平磋商參照市場現行收費標準釐定。四川雷士運輸及倉儲服務框架協議自2019年1月1日起，為期三年。鑒於四川雷士及其於未來三年對該等服務的持續需求，以及四川雷士及其聯繫人已付／應付的費用具有競爭力，本公司訂立四川雷士運輸及倉儲服務框架協議（詳情請參見本公司日期為2018年12月20日的公告）。

截至2019年、2020年及2021年12月31日止年度，我們就四川雷士運輸及倉儲服務協議而應收取的最高年度總額分別為人民幣1.9百萬元、人民幣2百萬元和人民幣2.1百萬元。

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During the Reporting Period, we did not have any transaction with Sichuan NVC arising from the Sichuan NVC Transportation and Warehousing Services Framework Agreement.

Confirmation on Continuing Connected Transactions

Pursuant to rule 14A.55 of the Listing Rules, the above continuing connected transactions have been reviewed by the independent non-executive Directors, who confirmed that these continuing connected transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to relevant agreements governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's the connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits and Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter containing a conclusion that the continuing connected transactions disclosed by the Group above have no non-compliance with Rule 14A.56 of Listing Rule. The auditor's letter has confirmed that nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group as stated in this annual report;

於報告年度內，我們未就四川雷士運輸及倉儲服務框架協議與四川雷士產生任何交易。

持續關連交易的確認

根據《上市規則》第14A.55條，本公司獨立非執行董事已審閱上述持續關連交易。本公司獨立非執行董事確認，該等持續關連交易是：

- (i) 於本集團一般及日常業務過程中訂立；
- (ii) 按一般商業條款或更優的條款進行；及
- (iii) 根據規管有關交易的相關協議進行，條款公平合理且符合本公司股東的整體利益。

本公司核數師已獲聘請根據香港會計師公會發出的香港審驗服務準則第3000號「審核及審閱歷史財務資料以外的審驗服務」，及參考香港會計師公會的執行指引第740號「關於香港上市規則所述持續關連交易的核數師函件」以匯報本集團持續關連交易。核數師已出具函件，總結本集團上述披露的持續關連交易中，並無違反《上市規則》第14A.56條。核數師的函件確認其並未注意到任何事情可使他們認為持續關連交易：

- (i) 並未獲董事會批准；
- (ii) 在各重大方面沒有按照本年報所述的本集團定價政策進行；

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- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing the continuing connected transactions; and
- (iv) have exceeded their respective annual caps for the financial year ended 31 December 2019 set out in the previous announcements of the Company.

A copy of the auditor's letter has been submitted by the Company to the Stock Exchange.

During the year ended 31 December 2019, the Group entered into certain transactions with "related parties" as defined under the applicable accounting standards, which include transactions that constitute continuing connected transactions for which the disclosure requirements under Chapter 14A of the Listing Rules have been complied with. Details of the material related party transactions are disclosed in note 42 to the consolidated financial statements of this annual report.

Disclosures pursuant to Rules 13.21 and 13.22 of the Listing Rules

The Board is not aware of any circumstances resulting in the responsibility of disclosure under Rules 13.21 and 13.22 of the Listing Rules.

Remuneration Policy

The Group's remuneration policy is to compensate our employees based on their performance, qualifications and our results of operations.

The emoluments of our Directors and senior management are determined by our Remuneration Committee with reference to our results of operations, their individual performance and the comparable market statistics.

- (iii) 在各重大方面沒有根據持續關連交易的有關協議進行；及
- (iv) 超逾在本公司之前發出的公告中所載其各自於截至2019年12月31日止財政年度的年度上限。

本公司已將有關核數師函件副本送呈聯交所。

截至2019年12月31日止年度，本集團與根據適用會計準則界定的「關聯方」訂立若干交易，包括構成《上市規則》第14A章持續關連交易並已遵守其披露規定的交易。重大關聯方交易的詳情披露於本年報之合併財務報表附註42。

根據上市規則第13.21條及13.22條的披露

董事會並不知悉任何根據《上市規則》第13.21條及13.22條須予披露的情況。

薪酬政策

本集團的薪酬政策為根據僱員表現、資歷及本集團經營業績作出回報。

本公司董事及高級管理人員的薪酬由薪酬委員會依據本公司的經營業績、個人表現及可比較的市場統計而決定。

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The Company was not aware of any arrangement under which a Director has waived or agreed to waive any emoluments. Details of the remuneration of the Directors and the Group's five highest-paid individuals are set out in note 9 and note 10 to the consolidated financial statements on pages 296 to 301 of this annual report, respectively.

Housing Fund and Pension Scheme

According to the relevant PRC laws and regulations, the Group's subsidiaries operating in the PRC are required to participate in the housing fund and the contribution pension scheme operated by local governments. Under these schemes, the Group is required to pay to the contribution pension scheme based on a certain percentage of the remuneration of its employees. The only obligation of the Group with respect to the housing fund and pension scheme is to make the required contributions under the scheme. Contributions made under the housing fund and pension scheme are charged in the statements of profit or loss as incurred.

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the Scheme.

The Group also participates in defined contribution retirement scheme organised by the relevant local government authorities in the United States and Japan. Certain employees of the Group eligible for participating in the retirement schemes are entitled to retirement benefits from the scheme. The Group is required to make contributions to the retirement scheme up to the time of the retirement of the eligible employees, excluding those employee who resign before retirement, at a percentage that is specified by the local government authorities.

本公司並未獲悉任何董事已放棄或同意放棄任何薪酬的安排。董事薪酬及本集團五名最高薪酬人士的詳情分別載於本年報第296頁至第301頁的合併財務報表附註9和附註10。

住房公積金及退休金計劃

根據中國相關的法律及法規，本集團於中國經營的附屬公司均須參與地方政府組織的住房公積金及退休金供款計劃。根據該計劃，本集團須按其僱員薪金的若干百分比向退休金供款計劃供款。本集團對住房公積金及退休金計劃的唯一義務乃支付現在所需的供款。對住房公積金及退休金計劃作出的供款於發生時在損益表扣除。

本集團根據強制性公積金計劃條例為所有香港合資格員工設立強制性公積金計劃（「強積金計劃」）。強積金計劃的資產與本集團的資產分開於受獨立受託人控制的基金中持有。根據強積金計劃規則，僱主及其員工各自須按規則訂明的百分比作出供款。本集團對強積金計劃的唯一責任是根據計劃作出所需供款。

本集團亦參與由美國及日本有關當地政府機構組織的定額供款退休計劃。本集團符合參與退休計劃的若干員工享有計劃的退休福利。本集團須於截至合資格員工退休之時對退休計劃作出供款（不包括於退休前辭任的員工）供款百分比由當地政府機構訂明。

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The Company may not utilize any forfeited contributions in order to make fewer contributions than the current amounts.

During the Reporting Period, the Group's contributions to the housing fund and pension scheme from continuing operations were RMB27,003,000. Details of the Group's contributions to the housing fund and pension scheme are set out in note 7 on pages 294 to 295 to the consolidated financial statements of this annual report.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

Charitable Contributions

During the Reporting Period, the Group made donations of approximately RMB20,000 from the continuing operations.

Major Customers and Suppliers

During the Reporting Period, the revenue from the sales to our largest customer accounted for 11% of the Group's total revenue, the revenue from the sales to our top five customers accounted for less than 30% of the Group's total revenue; and the purchases of goods and services from our top five suppliers accounted for less than 30% of the Group's total purchases.

本公司不可以動用已被沒收的供款以減低現有的供款水準。

本報告年度內，本集團的持續經營業務就住房公積金及退休金計劃所作的供款為人民幣27,003千元。本集團就住房公積金及退休金計劃的供款詳情載於本年報合併財務報表第294頁至第295頁附註7。

管理合同

於報告年度內，本公司並無進行或簽署任何與本公司全部或重大部份業務之管理及行政有關之合同。

捐贈支出

於報告年度內，本集團持續經營業務的捐贈支出約為人民幣20千元。

主要客戶及供貨商

於報告年度內，向我們最大客戶的銷售所得的收入佔本集團總收入的11%，而向我們五大客戶銷售所得的收入佔本集團總收入的比例及向五大供應商採購的貨物及服務佔本集團總採購的比例均低於30%。

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Compliance with the Code on Corporate Governance Practices and the Code on Corporate Governance

During the Reporting Period, the Company had complied with the principles and codes provisions set out in the Corporate Governance Code, except for code provision A.2.1. Please refer to “Corporate Governance Report” on pages 90 to 115 of this annual report for further details.

Model Code for Securities Transactions

The Company has adopted the Model Code as its code of conduct regarding Directors’ securities transactions. Specific enquiry has been made to all Directors, and all of them have confirmed that they have complied with all relevant requirements as set out in the Model Code during the Reporting Period.

Events after the Reporting Period

Since the beginning of 2020, the outbreak of the Novel Coronavirus (“COVID-19”) has spread throughout the world and has impacted the global economic and business environment. Up to the date of this annual report, COVID-19 has not resulted in material impact to the Group. Pending the development and spread of COVID-19 subsequent to the date of this annual report, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of this annual report. The Group will continue to monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Group.

Audit Committee

The Audit Committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2019.

遵守企業管治常規守則及企業管治守則

於報告年度內，本公司一直遵守企業管治守則所載的原則和守則條文，惟守則條文第A.2.1條除外。詳情請參照本年報第90頁至第115頁的「企業管治報告」。

證券交易的標準守則

本公司已採納標準守則作為有關董事進行證券交易的行為守則。本公司已向所有董事作出個別查詢，而所有董事已確認本報告年度已遵從標準守則所載的所有相關規定。

報告期後事項

自2020年初起，新型冠狀病毒（「COVID-19」）疫情肆虐全球，已影響到全球經濟及商業環境。截至本年報日期，COVID-19尚未對本集團的運營造成重大影響。視乎本年報日期後COVID-19的發展及蔓延情況，由此導致本集團經濟狀況的進一步變動可能對本集團財務業績造成影響，其程度截至本年報日期尚無法估計。本集團將繼續監察COVID-19的發展，並積極應對其對本集團財務狀況及經營業績造成的影響。

審核委員會

本公司審核委員會已審閱本集團截至2019年12月31日止年度之經審核合併財務報表。

Auditor

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, the consolidated statement of comprehensive income and the consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2019 as set out in this annual report have been audited by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year.

A resolution to re-appoint BDO Limited as our auditor will be submitted for Shareholders' approval at forthcoming annual general meeting.

By order of the Board
Chairman
WANG Donglei

Hong Kong
23 April 2020

核數師

本年報所列截至2019年12月31日止年度的本集團合併財務狀況表、合併損益表、合併全面損益表、合併權益變動表及有關附註載明的本集團於該年度經審核合併財務報表金額數字經已獲本集團的核數師香港立信德豪會計師事務所有限公司審核。

本公司擬再次委任香港立信德豪會計師事務所有限公司為本公司核數師的決議案將於本公司即將舉行的股東周年大會上提呈供股東批准。

承董事會命
董事長
王冬雷

香港
2020年4月23日

Corporate Governance Report

企業管治報告

The Board presents this Corporate Governance Report in the Group's annual report for the year ended 31 December 2019.

Corporate Governance Practices

The Board is committed to achieving high corporate governance standards.

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code.

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

The Board are of the opinion that, during the Reporting Period, the Company had complied with the principles and code provisions as set out in the CG Code, except for Code Provision A.2.1 which requires that the role of chairman and chief executive officer should be separate and should not be performed by the same person. The details of deviation are set out in section headed "Chairman and Chief Executive Officer" below in this Corporate Governance Report. Since 22 February 2019, the roles of the chairman and chief executive officer of the Company have been separated and the requirement under Code Provision A.2.1 has been complied with.

Model Code for Securities Transactions

The Company has adopted the Model Code which was set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions.

Specific enquiry has been made to all the Directors and all of them have confirmed that they have complied with the Model Code throughout the year ended 31 December 2019.

The Company has also established written guidelines no less exacting than the Model Code for securities transactions by the relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company (the "Employees Written Guidelines").

董事會提呈載於本集團截至2019年12月31日止年度年報的企業管治報告。

企業管治常規

董事會致力達致高水準的企業管治。

本公司企業管治常規乃以企業管治守則所載的原則及守則條文為基礎。

董事會相信，高水準的企業管治可提供一個重要框架，使本集團能保障股東利益、提高企業價值、制定其業務策略及政策、以及提高其透明度和問責性。

董事會認為，本公司於報告年度內一直遵守企業管治守則所載的原則和守則條文，惟守則條文第A.2.1條除外，該條文規定主席及行政總裁的角色應分開及不應由同一個人擔任。偏離詳情載列於下文本企業管治報告中「董事長及首席執行官」一節。自2019年2月22日起，本公司董事長與行政總裁的角色已分開，而守則條文A.2.1條之規定已獲遵守。

證券交易的標準守則

本公司已採納《上市規則》附錄10所載標準守則作為有關董事進行證券交易的行為守則。

本公司已向所有董事作出個別查詢，而所有董事已確認彼等已於截至2019年12月31日止整個年度內一直遵守標準守則。

就可能擁有本公司非公開股價敏感資料的有關僱員所進行的證券交易，本公司亦已制定嚴苛程度不遜於標準守則的書面指引（「僱員書面指引」）。

Corporate Governance Report

企業管治報告

The Company is not aware any incident of non-compliance of the Employees Written Guidelines by the relevant employees.

Board of Directors

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

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

Board Composition

During the Reporting Period and up to the date of this annual report, the Board comprises the following Directors:

Executive Directors

WANG Donglei (*Chairman*) (*Resigned as the chief executive officer on 22 February 2019*)
CHAN Kim Yung, Eva (*Vice chairman and chief executive officer*) (*Appointed as the chief executive officer on 22 February 2019*)
WANG Dongming
XIAO Yu
WANG Keven Dun

Non-executive Directors

LI Huating (*Resigned on 28 February 2019*)
YE Yong

Independent Non-executive Directors:

LEE Kong Wai, Conway
WANG Xuexian
WEI Hongxiong
SU Ling

The biographical information of the Directors are set out in the section headed "Directors and Senior Management" on pages 44 to 56 of this annual report.

就本公司所知，並無有關僱員未遵守僱員書面指引的事件。

董事會

本公司由高效的董事會領導，其負責監管本集團業務、策略決策及表現，並應客觀行事，所作決策須符合本公司的最佳利益。

董事會定期檢討董事於履行其對本公司的職責時所須作出的貢獻，以及其是否投入足夠時間以履行該等職責。

董事會架構

於報告年度內及截至本年報日期，董事會由以下董事組成：

執行董事

王冬雷 (*董事長*)
(*於2019年2月22日
辭任首席執行官*)
陳劍瑢 (*副董事長及首席
執行官*) (*於2019年
2月22日獲委任為首席
執行官*)
王冬明
肖宇
王頓

非執行董事

李華亭
(*於2019年2月28日辭任*)
叶勇

獨立非執行 董事

李港衛
王學先
魏宏雄
蘇嶺

董事的履歷資料載於本年報第44至第56頁「董事及高級管理層」一節。

Corporate Governance Report

企業管治報告

The relationships between the Directors are disclosed in the respective Director's biography under the section "Directors and Senior Management" on pages 44 to 56 of this annual report.

Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

During the Reporting Period, Mr. WANG Donglei assumed the roles of both chairman and chief executive officer of the Company before 22 February 2019, the Company therefore deviated from this code provision. Mr. WANG Donglei is a director of ETIC, which is the controlling corporation of the largest shareholder of the Company, Elec-Tech International (H.K.) Company Limited. Mr. WANG Donglei has many years of experience in product research and development, manufacturing and business management. The dual role arrangement provides strong and consistent market leadership and is critical for efficient business planning and decision making of the Company. As all major decisions are made in consultation with the Board and its relevant committees, and there are four independent non-executive directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure the balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purposes of complying with the Code and maintaining a high standard of corporate governance practices of the Company. However, Mr. WANG Donglei resigned as the chief executive officer of the Company on 22 February 2019 and Ms. CHAN Kim Yung, Eva was appointed as the chief executive officer of the Company on the same day. Since then, the roles of the chairman and chief executive officer of the Company have been separated and the requirement under Code Provision A.2.1 has been complied with. Currently, Mr. WANG Donglei serves as the chairman of the Company and Ms. CHAN Kim Yung, Eva serves as the chief executive officer of the Company. The Company had fully complied with the principles and code provisions as set out in the CG Code.

董事之間的關係於本年報第44至第56頁「董事及高級管理層」一節項下各董事的履歷中披露。

董事長及首席執行官

企業管治守則的守則條文第A.2.1條規定主席及行政總裁的角色應分開及不應由同一個人擔任。

於報告年度內，王冬雷先生於2019年2月22日之前身兼本公司董事長及首席執行官兩職，故本公司偏離此條文。王冬雷先生為德豪潤達的董事，而該公司為本公司第一大股東德豪潤達國際（香港）有限公司的控股公司，且王冬雷先生擁有多年的產品研發、生產製造及企業管理經驗。這雙重角色有助於貫徹有力而統一的市場領導，對本公司有效率之業務規劃和決策至為重要。由於所有主要決策均會諮詢董事會及其有關委員會，並且董事會有四名獨立非執行董事提出獨立見解，故董事會認為有足夠保障措施確保董事會權力平衡。董事會亦會繼續檢討及監察本公司的常規，以符合守則規定及保持本公司高水準的企業管治常規。然而，於2019年2月22日，王冬雷先生辭任本公司首席執行官，而陳劍瑢女士於同日獲委任為本公司首席執行官。自此，本公司董事長與行政總裁的角色已分開，而守則條文A.2.1條之規定已獲遵守。目前，王冬雷先生擔任本公司董事長，而陳劍瑢女士則擔任本公司首席執行官。本公司已全面遵守守則所載的原則和守則條文。

Independent Non-executive Directors

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

The Company has received written annual confirmation from each of the independent non-executive Directors, namely Mr. LEE Kong Wai, Conway, Mr. WANG Xuexian, Mr. WEI Hongxiong and Mr. SU Ling in respect of their independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors were independent from their respective date of appointment to 31 December 2019.

Appointment and Re-election of Directors

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

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of independent non-executive Directors.

獨立非執行董事

於報告年度內，董事會已遵守《上市規則》的規定，即委任至少三名獨立非執行董事（佔董事會的三分之一），其中一名獨立非執行董事具備適當的專業資格或會計或相關財務管理專業知識。

本公司已接獲各獨立非執行董事（即李港衛先生、王學先先生、魏宏雄先生及蘇嶺先生）根據《上市規則》第3.13條所載之獨立性指引發出之年度獨立性確認函。本公司認為，所有獨立非執行董事從各自委任日期起至2019年12月31日期間止一直屬獨立人士。

董事的委任及重選

企業管治守則條文第A.4.1條規定，非執行董事須有指定任期，並須接受重選，而企業管治守則條文第A.4.2條指出，所有獲委任填補臨時空缺的董事須在獲委任後首次股東大會上由股東選任，且每位董事（包括按指定任期委任的董事）須至少每三年輪席告退一次。

董事委任、重選及罷免程序及過程載於本公司組織章程。提名委員會負責檢討董事會架構，發展及制定提名及委任董事的相關程序，監察董事委任及繼任安排以及評估獨立非執行董事的獨立性。

Corporate Governance Report

企業管治報告

Each of the executive Directors has entered into a service contract with the Company for a term of three years with effect from their respective date of appointment unless terminated by not less than three months' written notice served by either the executive Directors or the Company. Each of the non-executive Directors and independent non-executive Directors has signed an appointment letter with the Company for a term of three years with effect from their respective date of appointment unless terminated by not less than three months' written notice served by either the non-executive directors of the Company. The above appointments are subject to the provisions of retirement and rotation of Directors under the Company's Articles of Association.

In accordance with Article 83(3) of the Company's Articles of Association, any new director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment, any new director appointed as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting after appointment. And in accordance with Article 84(1) and (2) of the Company's Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any director who wishes to retire and not to offer himself/herself for re-election. Any further directors so to retire shall be those of the Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Accordingly, Mr. WANG Donglei, Mr. XIAO Yu, Mr. WEI Hongxiong and Mr. SU Ling will retire at the forthcoming annual general meeting. Mr. WEI Hongxiong and Mr. SU Ling confirmed that they will not offer themselves for re-election at the Annual General Meeting in order to devote more time to pursue

各執行董事已與本公司訂立服務合約，除非執行董事或本公司以不少於三個月的書面通知終止合約，否則該等合約自各自委任日期起計為期三年。非執行董事及獨立非執行董事已各自與本公司簽立委任書，自彼等各自委任日期起計為期三年，除非本公司任何一位非執行董事發出不少於三個月之書面通知而終止。上述委任須遵守本公司組織章程項下董事退任及輪席告退的規定。

根據本公司的組織章程第83(3)條，任何獲委任填補臨時空缺之任何新任董事均須於其獲委任後首個股東大會上經股東重選，任何獲委任新加入董事會之董事須於獲委任後下一個股東大會由股東重選。且根據本公司的組織章程第84(1)及(2)條，於每屆股東周年大會上，當時為數三分之一的董事（或如董事人數並非三的倍數，則須為最接近但不少於三分之一的董事人數）均須輪席退任，惟每位董事須至少每三年於股東周年大會上退任一次。退任董事有資格膺選連任，並可於彼退任的整個會議期間繼續擔任董事。輪席退任的董事須包括（就必需確定輪席退任董事數目而言）願意退任且不擬膺選連任的任何董事。其他須如此退任的董事乃自上次連任或獲委任起計任期最長而須輪席退任的董事，惟倘有數位人士於同日出任或連任董事，則應以抽籤方式決定退任董事人選（除非彼等之間另有協定）。因此，王冬雷先生、肖宇先生、魏宏雄先生及蘇嶺先生將於應屆股東周年大會退任董事職務。魏宏雄先生及蘇嶺先生確認，為投入更多時間於彼等之其他事務，故他們將不會尋求在股東周年大會膺選連任。魏宏雄先生及蘇嶺先生確認彼等與董事會並無分歧，亦無有關彼等退任之事宜須知會股東。除此之外，王冬雷先生及肖宇

Corporate Governance Report

企業管治報告

their other business commitments. Mr. WEI Hongxiong and Mr. SU Ling have confirmed that they have no disagreement with the Board and that there is no matter relating to their retirement that needs to be brought to the attention of the Shareholders. Apart from this, Mr. WANG Donglei and Mr. XIAO Yu, being eligible, will offer themselves for re-election at the annual general meeting. None of the Directors who is proposed for re-election or any other Directors has a service contract with us that is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Responsibilities, Accountabilities and Contributions of the Board and Management

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

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

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

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

先生均合資格亦願意於股東周年大會上膺選連任。待重選的董事以及任何其他董事概不存在公司在一年內不可在不予賠償(法定賠償除外)的情況下終止的服務合約。

董事及管理層職責、問責及貢獻

董事會負責領導及控制本公司，並共同負責指引及監督本公司業務。

董事會直接及間接透過其委員會定立戰略向管理層指導及提供方向，並監督其實施，監控本集團的營運及財務業績，並確保有效的內部控制及風險管理系統得以實施。

所有董事(包括非執行董事及獨立非執行董事)已為董事會帶來多領域的寶貴業務經驗、知識及專長，使其高效及有效地運作。

獨立非執行董事負責確保本公司高水準的監管申報，在董事會於企業行動及營運帶來有效的獨立判斷提供平衡。

所有董事均可全面並及時獲得本公司所有資料以及可通過要求在適當情況下尋求獨立專業意見，以向本公司履行其職責，費用由本公司承擔。

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The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company.

Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

Continuous Professional Development of Directors

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

Every newly appointed Director will receive a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

董事須向本公司披露彼等擔任的其他職務的詳情，而董事會定期審閱各董事向本公司履行其職責時須作出的貢獻。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易（特別是或會涉及利益衝突者）、財務資料、委任董事及本公司其他重大營運事宜。

有關執行董事會決策、指導及協調本公司日常營運及管理之職責乃授予首席執行官及高級管理層。獲授權職能及工作任務乃定期檢討。上述高級職員訂立任何重大交易前須取得董事會批准。

董事持續專業發展

董事應及時了解監管動態及變化以有效履行彼等職責及確保他們對董事會作出適切貢獻。

每名新委任董事首次獲委任時將接受正式及全面的就任導引，以確保董事適當了解本公司的業務及運作，並完全得知其於《上市規則》及有關法定規例下的職責及責任。

董事應參與適用的持續專業發展，務求發展及更新彼等的知識及技能。本公司將為董事安排內部籌辦的簡報會，於適當情況下向董事發出相關題材的閱讀資料，並鼓勵所有董事出席相關培訓課程，費用由本公司承擔。

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The records of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors for the year ended 31 December 2019 are summarized as follows:

董事於截至2019年12月31日止年度收到的有關董事職責及監管業務發展的持續性的專業發展記錄概述如下：

Name of Directors 董事姓名		Type of Training ^{Note} 培訓類別 ^{附註}
Executive Directors 執行董事		
WANG Donglei	王冬雷	B
CHAN Kim Yung, Eva	陳劍瑢	B
WANG Dongming	王冬明	B
XIAO Yu	肖宇	B
WANG Keven Dun	王頓	B
Non-Executive Directors 非執行董事		
LI Huating (Note 1)	李華亭 (附註1)	N/A
YE Yong	叶勇	B
Independent Non-Executive Directors 獨立非執行董事		
LEE Kong Wai, Conway	李港衛	A & B
WANG Xuexian	王學先	B
WEI Hongxiong	魏宏雄	B
SU Ling	蘇嶺	B

Notes:

- Mr. LI Huating resigned on 28 February 2019.

Types of Training

- A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops
- B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

附註：

- 李華亭先生於2019年2月28日辭任。

培訓類別

- A: 參加培訓課程，包括但不限於介紹會、研討會、會議和講習班
- B: 閱讀相關新聞快訊、報紙、期刊、雜誌和相關出版物

Corporate Governance Report

企業管治報告

Board Committees

The Board has established five committees, namely the Audit Committee, Remuneration Committee, Nomination Committee, Strategy and Planning Committee and Independent Investigations Committee, for overseeing particular aspects of the Company's affairs. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The majority of the members of Audit Committee, Remuneration Committee and Nomination Committee are Independent Non-executive Directors.

Audit Committee

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee include maintaining relationship with the auditor of the Group, reviewing financial information of the Group, supervising the financial reporting system, risk management and internal control system of the Group, and the duties of corporate governance designated by the Board.

During the Reporting Period, the Audit Committee held two meetings to review, in respect of annual financial results for the year ended 31 December 2018, the interim results and reports for the period ended 30 June 2019, and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works and, connected transactions and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors twice.

董事委員會

董事會已成立五個委員會，分別為審核委員會、薪酬委員會、提名委員會、戰略與規劃委員會和獨立調查委員會，以監察本公司特定方面的事務。審核委員會、薪酬委員會及提名委員會的職權範圍刊載於本公司網站及聯交所網站，並於股東要求時可供查閱。

審核委員會、薪酬委員會及提名委員會的成員大多數為獨立非執行董事。

審核委員會

審核委員會的職權範圍的嚴苛程度概不遜於企業管治守則所載列的標準。審核委員會的主要職責包括維持與本集團核數師的關係；審閱本集團的財務資料；監督本集團的財務報告制度、風險管理及內部監控系統；以及董事會轉授的企業管治職責。

於報告年度內，審核委員會共舉行了兩次會議，以審閱截至2018年12月31日止年度的年度財務業績及截至2019年6月30日止期間的中期業績及報告，以及有關財務報告、經營及合規控制、風險管理及內部監控制度的有效性、內部審核職能、委聘外聘核數師及參與非審核服務及工作的相關範圍、關聯交易及保證員工就或有不當事項提出疑問的安排。

審核委員會亦曾與外聘核數師舉行兩次會議。

Corporate Governance Report

企業管治報告

Rule 3.21 of the Listing Rules requires the Audit Committee to comprise a minimum of three members with independent non-executive directors in majority and at least one member with appropriate professional qualifications or accounting or related financial management expertise.

As of the date of this annual report, the Audit Committee consists of three members, namely, independent non-executive Director Mr. LEE Kong Wai, Conway, independent non-executive Director Mr. WANG Xuexian and independent non-executive Director Mr. SU Ling, respectively. Mr. LEE Kong Wai, Conway is the chairman of the Audit Committee.

Remuneration Committee

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

The Remuneration Committee adopted the model set out in item (ii) under the code provision B.1.2(c) of the CG Code, i.e., making recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

During the Reporting Period, the Remuneration Committee met once to review and make recommendation to the Board on the remuneration policy and structure of the Company, and the performance and the remuneration packages of the executive Directors and senior management, and review the terms of executive Directors' service contracts and other related matters.

Rule 3.25 of the Listing Rules requires an issuer to establish a Remuneration Committee chaired by independent non-executive Director and comprising a majority of independent non-executive Directors.

《上市規則》第3.21條規定審核委員會須包括至少三名成員，獨立非執行董事須佔大多數，至少一名成員具備適當的專業資格或會計或相關財務管理專業知識。

截至本年報日期，審核委員會由三名成員組成，分別為獨立非執行董事李港衛先生、獨立非執行董事王學先先生及獨立非執行董事蘇嶺先生。李港衛先生為審核委員會主席。

薪酬委員會

薪酬委員會的職權範圍的嚴苛程度概不遜於企業管治守則所載列的標準。薪酬委員會的主要職責包括審閱個別董事及高級管理層的薪酬待遇、全體董事及高級管理層的薪酬政策及架構並就此向董事會提供意見，及設立透明程序以制定有關薪酬政策及架構，從而確保概無董事或任何彼等的聯繫人士參與釐定彼等自身的薪酬。

薪酬委員會採用了企業管治守則條文第B.1.2(c)條項下第(ii)款中所列模式，即向董事會建議個別執行董事及高級管理人員的薪酬待遇。

薪酬委員會於報告年度舉行一次會議，以審閱本公司薪酬政策及架構，以及執行董事及高級管理層的表現及薪酬待遇、審閱執行董事的服務合約及其他相關事宜，並就此向董事會提供意見。

《上市規則》第3.25條規定發行人須成立薪酬委員會，由獨立非執行董事擔任主席及獨立非執行董事應佔大多數。

Corporate Governance Report

企業管治報告

Ms. CHAN Kim Yung, Eva has been appointed as a member of the Remuneration Committee with effect from 25 January 2019. As of the date of this annual report, the Remuneration Committee consists of three members, namely, executive Director Ms. CHAN Kim Yung, Eva, independent non-executive Director Mr. LEE Kong Wai, Conway and independent non-executive Director Mr. WEI Hongxiong, respectively. Mr. WEI Hongxiong is the chairman of the Remuneration Committee.

In addition to the information about remuneration disclosed in note 9 and note 10 to the consolidated financial statements on pages 296 to 301 of this annual report, the remuneration of the other senior management of the Company falls in the following bands:

陳劍瑢女士已獲委任為薪酬委員會成員，自2019年1月25日起生效。於本年報日期，薪酬委員會由三位成員組成，分別為執行董事陳劍瑢女士、獨立非執行董事李港衛先生及獨立非執行董事魏宏雄先生。魏宏雄先生為薪酬委員會主席。

除於本年報第296頁至第301頁的合併財務報表附註9和附註10披露的薪酬資料外，本公司其他高級管理人員的薪酬等級在以下組別內：

Number of Members of Senior Management 高級管理層人數

Nil to HK\$1,000,000	零至1,000,000港元	—
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	—
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	—

Nomination Committee

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

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

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

During the Reporting Period, the Nomination Committee met twice to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, and to consider the qualifications of the retiring directors standing for election at the Annual General Meeting. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Code Provision A.5.1 of the CG Code requires an issuer to establish a Nomination Committee chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

提名委員會

提名委員會的職權範圍的嚴苛程度概不遜於企業管治守則所載列的標準。提名委員會的主要職責包括檢討董事會的架構，發展及制定提名及委任董事的相關程序，就董事委任及繼任計劃向董事會提供意見，以及評估獨立非執行董事的獨立性。

評估董事會的組成時，提名委員會會考慮本公司董事會成員多元化政策所列的有關董事會成員多元化的不同方面及因素。提名委員會會討論及就董事會成員多元化可量化目標達成共識（如適合），並建議董事會採納。

在物色及挑選本公司董事合適候選人時，提名委員會向董事會提出建議前，會考慮到以下載於董事提名政策相關必要條件，以配合企業策略及達成董事會成員多元化（如適合）。

於報告年度內，提名委員會舉行兩次會議以檢討董事會結構、人數及構成以及獨立非執行董事的獨立性，以及考慮於股東周年大會上膺選連任的退任董事的資格。提名委員會認為，董事會已維持適當平衡的多元化觀點。

企業管治守則的守則條文第A.5.1條規定，發行人須成立提名委員會，由董事會主席或獨立非執行董事擔任主席及獨立非執行董事應佔大多數。

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As of the date of this annual report, the Nomination Committee consists of three members, namely, executive Director Mr. WANG Donglei, independent non-executive Director Mr. LEE Kong Wai, Conway and independent non-executive Director Mr. WEI Hongxiong, respectively. Mr. WANG Donglei is the chairman of the Nomination Committee.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objectives.

於本年報日期，提名委員會由三位成員組成，分別為執行董事王冬雷先生、獨立非執行董事李港衛先生及獨立非執行董事魏宏雄先生。王冬雷先生為提名委員會主席。

董事會多元化政策

本公司已採納董事會多元化政策，當中載列達致董事會多元化的方法。本公司明白並深信董事會多元化的裨益，並視董事會層面日益多元化為維持本公司競爭優勢的要素。

根據董事會成員多元化政策，提名委員會將每年檢討董事會的架構、規模及構成，並在適當情況下，就董事會變動以補充本公司的企業戰略及確保董事會保持均衡、多元化構成的事宜，提出建議。就檢討及評估董事會構成而言，提名委員會致力於尋求各個層面的多元化，以及將考慮多個方面，包括但不限於性別、年齡、文化及教育背景、專業資質、技能、知識以及地區及行業經驗。

本公司旨在就本公司業務增長維持適當平衡的多元化觀點，同時亦致力確保自董事會以下各級層級人員的招聘及甄選流程具有適當架構，以便招徠多元背景的人選供本公司考慮。

董事會將考慮設定可計量的目標，以落實多元化政策，並不時檢討該等目標，以確保其合適性及確定達致該等目標的進度。

提名委員會現時認為董事會具有足夠的多元化，並且董事會未曾設定任何可計量的目標。

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

Director Nomination Policy

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

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

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

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

提名委員會將適時檢討董事會多元化政策，以確保其行之有效。

董事提名政策

董事會將其甄選及委任董事的責任及權利轉授予本公司提名委員會。

本公司已採納董事提名政策，當中載列有關本公司董事提名及委任的甄選準則及程序及董事會繼任計劃考慮因素，旨在確保董事會成員具備切合本公司要求及董事會持續性的技能、經驗及多元觀點以及維持董事會的領導角色。

董事提名政策載列評估候選人是否適任及對董事會的潛在貢獻的有關因素，包括但不限於以下各項：

- 品格及誠信；
- 資格，包括與本公司業務及公司戰略有關的專業資格、技能、知識及經驗；
- 所有方面的多元化，包括但不限於性別、年齡（18歲或以上）、文化及教育背景、民族、專業經驗、技能、知識及服務年期；
- 根據上市規則，對董事會獨立非執行董事的要求及候任獨立非執行董事的獨立性；及
- 就作為本公司董事會及／或董事委員會成員履行職責投入的時間及關注，作出的承諾。

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The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

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

Strategy and Planning Committee

The primary function of the Strategy and Planning Committee is to propose and formulate the strategic development plan of the Company for the Board's consideration.

Ms. CHAN Kim Yung, Eva has been appointed as a member of the Strategy and Planning Committee with effect from 25 January 2019. As of the date of this annual report, the Strategy and Planning Committee consists of four members, namely, executive Director Mr. WANG Donglei, executive Director Mr. XIAO Yu, executive Director Ms. CHAN Kim Yung, Eva and independent non-executive Director Mr. WANG Xuexian, respectively. Mr. WANG Donglei is the chairman of the Strategy and Planning Committee. During the Reporting Period, one meeting was convened by the Strategy and Planning Committee.

董事提名政策亦載列於股東大會上甄選及委任新董事以及重選董事的程序。

提名委員會將適時檢討董事提名政策，以確保其行之有效。

戰略與規劃委員會

戰略與規劃委員會的主要職責為建議及制定本公司策略發展計劃以供董事會考慮。

陳劍瑢女士已獲委任為戰略與規劃委員會成員，自2019年1月25日起生效。於本年報日期，戰略與規劃委員會由四位成員組成，分別為執行董事王冬雷先生、執行董事肖宇先生、執行董事陳劍瑢女士及獨立非執行董事王學先先生。王冬雷先生為戰略與規劃委員會主席。於報告年度內，戰略與規劃委員會召開一次會議。

Independent Investigations Committee

To advance the internal investigations into matters involving Mr. WU Changjiang, the former executive Director and chief executive officer of the Company, the Company has established an Independent Investigations Committee under the Board. The Independent Investigations Committee has been authorized by the Board to exercise powers and perform duties on behalf of the Board in relation to the conduct of the investigations into, among other things, the alleged wrongdoing of Mr. WU Changjiang. The Independent Investigations Committee has also been authorized to consider and make recommendations to the Board with respect to any potential proceedings arising from the internal investigations. In connection with the Company's investigations of the alleged wrongdoing of Mr. WU Changjiang, the Independent Investigations Committee has instructed a third-party service provider to conduct a forensic review of related irregularities and an internal controls assessment of the Company and its key subsidiaries. The forensic review and the internal controls assessment has been completed. Please refer to the announcements of the Company dated 17 July 2015 and 17 September 2015 for details.

As of the date of this annual report, the Independent Investigations Committee consists of three members, namely, independent non-executive Director Mr. LEE Kong Wai, Conway, independent non-executive Director Mr. WANG Xuexian and independent non-executive Director Mr. WEI Hongxiong, respectively. During the Reporting Period, no meeting was convened by the Independent Investigations Committee.

Corporate Governance Functions

The Board has delegated the responsibility for performing the functions set out in the code provision D.3.1 of the CG Code to the Audit Committee.

獨立調查委員會

為推進本公司前執行董事及首席執行官吳長江先生參與的有關事件的內部調查的進行，本公司在董事會下成立了獨立調查委員會。董事會已授權獨立調查委員會在本公司對吳長江先生可能的不法行為進行內部調查時，代表董事會行使相關權力並履行相關職責。獨立調查委員會亦獲授權對內部調查可能引致的任何訴訟程序予以考量並向董事會提出相關建議。就本公司對吳長江先生涉嫌的違規行為的調查，獨立調查委員會指示第三方服務機構對有關違規行為展開法務調查，並對本公司及其主要附屬公司進行內控評估，法務調查及內部監控評估現已完成。詳情請參閱本公司日期為2015年7月17日及2015年9月17日的公告。

於本年報日期，獨立調查委員會由三名成員組成，分別為獨立非執行董事李港衛先生、獨立非執行董事王學先先生及獨立非執行董事魏宏雄先生。於報告年度內，獨立調查委員會未召開會議。

企業管治職能

董事會已授權審核委員會負責履行企業管治守則的守則條文第D.3.1條所載職能。

Corporate Governance Report

企業管治報告

During the Reporting Period, the Audit Committee had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Attendance Records of Directors

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

During the Reporting Period, the Company held fifteen Board meetings in total. The attendance record of each Director at the Board and Board committee meetings and the general meeting of the Company held during the Reporting Period is set out in the table below:

於報告年度內，審核委員會已檢查本公司企業管治政策及常規，董事及高級管理層的培訓及持續專業發展，本公司遵守法律及監管規定的政策及常規，遵守標準守則及僱員書面指引的情況，以及本公司遵守企業管治守則及於本企業管治報告作出披露的情況。

董事出席會議的記錄

定期董事會會議須每年至少召開四次，由多數董事親身或透過電子通訊方式出席。

於報告年度內，本公司共舉行十五次董事會會議。各董事出席於報告年度舉行的董事會及董事委員會會議以及本公司股東大會的記錄載列於下表：

Name of Director	董事姓名	Attendance/Number of Meetings							
		Board	Audit Committee	Remuneration Committee	Nomination Committee	Strategy and Planning Committee	Independent Investigations Committee	Annual General Meeting	Extraordinary General Meeting
		董事會	審核委員會	薪酬委員會	提名委員會	戰略與規劃委員會	獨立調查委員會	股東周年大會	股東特別大會
WANG Donglei	王冬雷	15/15			2/2	1/1		1/1	3/4
CHAN Kim Yong, Eva (Note 1)	陳劍瑢 (附註1)	15/15		1/1		1/1		1/1	4/4
WANG Dongming	王冬明	13/15						1/1	4/4
XIAO Yu	肖宇	15/15				1/1		1/1	4/4
WANG Keven Dun	王頓	14/15						1/1	4/4
YE Yong	叶勇	15/15						1/1	3/4
LI Huating (Note 2)	李華亭 (附註2)	2/2						0/0	4/4
LEE Kong Wai, Conway	李港衛	15/15	2/2	1/1	2/2		0/0	1/1	4/4
WANG Xuexian	王學先	15/15	2/2			1/1	0/0	1/1	3/4
WEI Hongxiong	魏宏雄	15/15		1/1	2/2		0/0	1/1	4/4
SU Ling	蘇嶺	15/15	2/2					1/1	4/4

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Note:

1. Ms. CHAN Kim Yung, Eva joined Remuneration Committee and Strategy and Planning Committee on 25 January 2019.
2. Mr. LI Huating resigned on 28 February 2019.
3. During the Reporting Period, no Board or Committee meeting was attended by a Director's alternate.

Apart from regular Board meetings, the Chairman also held one meeting with independent non-executive Directors without the presence of other Directors during the Reporting Period.

Risk Management and Internal Controls

The Board confirm its responsibilities for the risk management and internal control of the Group and shall examine its effectiveness through the Audit Committee to safeguard the assets and investment of the Group as well as the interests of shareholders. The risk management and internal control system aims at the management but not the elimination of risks of failure to attain the business target, and only provides reasonable but not absolute guarantee for not having material misstatements or losses.

Characteristics of the risk management and internal control system of the Company, and the program for reviewing the effectiveness of the risk management and internal control system:

The Board shall be responsible for the risk management and internal control system, continue to inspect its effectiveness and warrant that the Group shall establish and maintain the effective risk management and internal control system; inspect the risk management and internal control of the Group at least once a year; supervise the management in respect of the design, implementation and supervision of the risk management and internal control system;

附註：

1. 陳劍瑢女士已於2019年1月25日加入薪酬委員會及戰略與規劃委員會。
2. 李華亭先生已於2019年2月28日辭任。
3. 於報告年度內，概無替任董事代為出席董事會或委員會會議。

除定期董事會會議外，於報告年度內，主席亦與獨立非執行董事舉行一次會議，而並無其他董事出席。

風險管理及內部監控

董事會確認其對本集團風險管理和內部控制系統的責任，並通過審核委員會審查其有效性，以保障本集團的資產及投資以及股東利益。該風險管理及內部控制系統乃旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大失實陳述或損失作出合理而非絕對保證。

本公司的風險管理和內部控制系統的特點，以及用以檢討風險管理及內部監控系統有效性的程序：

董事會對風險管理及內部控制系統負責並持續檢查其有效性，保證本集團建立及維持有效的風險管理及內部監控系統；最少每年一次對本集團的風險管理及內部控制系統進行檢查；監督管理層對風險管理及內部控制系統的設計、實施及監督；

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The Audit Committee shall be responsible for the inspection of the risk management and internal control system of the Company; the assessment for the outcome of the evaluating and auditing the risk management and internal control system; the supervision and promotion of rectifying the defects of the risk management and internal control; the discussion with the management over the risk management and internal control system in order to ensure that the management has performed its duties to set up the effective system; at the same time, proactively or upon the appointment by the Board, the research in respect of the material investigation outcome regarding the matters of the risk management and internal control system and the response of the management for the outcome of the investigation;

The management shall undertake the duties of risk management and internal control; formulate the appropriate strategy in response to the risk; conduct the risk alert in advance and promptly issue the risk management report; at the same time, be responsible for evaluating the internal control; identify the defects of the internal control and formulate the rectification scheme; inform the Board and the Audit Committee of the relevant information.

Programs for Identifying, Assessing and Managing the Material Risk:

Risk identification: to determine the standards for measuring the risk; identify the potential risk which may affect the Group.

Risk assessment: to assess the identified risk and classify the level of the risk.

Risk response: to select the strategy in response to the level of the risk for the risk control department to follow up whether the strategy in response is effective; at the same time, formulate the relevant policy in response to avoid the recurrence of the risk or minimize the relevant risk.

審核委員會負責檢查本公司風險管理及內部控制系統；評估風險管理及內部控制評價和審計的結果，督促風險管理及內控缺陷的整改；並與管理層討論風險管理及內部控制系統，確保管理層已履行職責建立有效的系統；同時，主動或應董事會的委派，就有關風險管理及內部控制事宜的重要調查結果及管理層對調查結果的回應進行研究；

管理層承擔風險管理及內部監控的職責，制定應對風險的對策，進行風險預警及按時出具風險管理報告。同時，負責內部控制評價工作，識別內部控制缺陷並制定整改方案，並將相關資料回饋至董事會及審核委員會。

用於識別、評估及管理重大風險的程序：

風險識別：確定風險衡量標準，識別可能對本集團構成潛在影響的風險。

風險評估：對識別出的風險進行評估並劃分風險等級。

風險應對：根據風險等級選擇應對策略，並由風險管控制部門跟進相關應對策略是否有效；同時制定相關對策避免風險的再次發生或降低相關風險。

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Risk supervision: to continue the regular inspection of the relevant risk; promptly revise the risk management and internal control procedure; ensure that the relevant controlling procedure is appropriate and effective; provide the management and the Board with the regular report on the outcome of risk supervision.

The Company shall set up the audit and risk control department to regularly monitor and assess the internal risk and control system of each department in order to determine the risk which may affect the business and other aspects of the Group (including key operational and financial processes, regulatory compliance and information safety).

With the support from the Audit Committee, the Board, having examined the risk management and internal control system for the year as of 31 December 2019 (including the financial, operational and compliance control) by means of the risk assessment report and the internal audit report, is of the opinion that such systems are effective and adequate. The annual examination has also covered the adequacy of resources, employees' qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

The Company has set up the program for the purpose of issue-reporting, so as to encourage the employees of the Company to express their questions on the premise of confidentiality in respect of the potential misconduct concerning the financial report, the internal control or other matters of the Company.

As for the surveillance and disclosure of the inside information, the Company has adopted the policy for the disclosure of inside information, with the aim to ensure that the internal personnel shall comply with the requirements for confidentiality and perform the responsibility for the disclosure of inside information. The policy has expressly set forth the identification of inside information and the decision-making tree for taking the required action. The employees and other relevant parties shall maintain strict confidentiality in respect of the inside information. In the event of disclosing the inside information, it shall be made on the fair, true and effective basis.

風險監督：持續並定期檢查有關風險，適時修訂風險管理及內部監控程序，保證相關監控程序適當、有效；向管理層及董事會定期匯報風險監督的結果。

本公司設立審計與風險控制部，以定期對各部門進行內部風險和控制系統進行監控和評估，以確定可能影響本集團業務及其他方面（包括關鍵營運及財務流程、監管合規及信息安全）的風險。

董事會在審核委員會的支持下藉助風險評估報告及內部審計報告審查了截至2019年12月31日止年度的風險管理和內部監控制度，包括財務、營運及合規控制，並認為該等體系為有效及足夠。年度審查亦涵蓋公司在會計、內部審核及財務匯報職能方面的資源、員工資歷和經驗、員工培訓及有關預算的充足性。

本公司設立舉報程序，以鼓勵本公司職員在保密的前提下就財務報告、內部監控或本公司其他事項可能出現的不當行為提出疑問。

有關內幕消息之監視及披露，本公司已採納內幕消息披露政策，旨在確保內部人士遵守保密要求，並履行內幕消息的披露責任。政策清晰載述辨別內幕消息及所需採取行動之決策樹。僱員及其他相關方須對內幕消息嚴謹保密。倘就內幕消息作出披露，方法須為公平、真實及有效。

Corporate Governance Report

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Directors' Responsibility in Respect of the Financial Statements

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

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 185 to 200 of this annual report. Shareholders are advised to read the qualified opinion in the independent auditor's report.

Auditors' Remuneration

The remuneration paid to the Company's external auditor of the Company in respect of audit services and non-audit services for the Reporting Period amounted to RMB4,600,000 and RMB8,000,000 respectively.

An analysis of the remuneration paid to the external auditor of the Company, BDO Limited, in respect of audit services and non-audit services for the Reporting Period is set out below:

Service Category	服務項目	Fees Paid/Payable	
		已付 / 應付費用	RMB' 000 千人民幣
Audit Services:	審核服務：		
– mainly related to annual audit	– 主要涉及年度審計		4,600
Non-audit Services:	非審核服務：		
– mainly related to interim review and acting as reporting accountants in the Very Substantial Disposal	– 主要涉及中期審閱及於非常重大出售事項中擔任申報會計師		8,000
			<hr/> 12,600 <hr/>

董事有關財務報表的責任

董事確認彼等編製本集團截至2019年12月31日止年度財務報表的責任。

董事並不知悉任何重大不確定因素涉及可能對本公司持續經營能力造成重大疑惑的事件或情況。

本公司獨立核數師有關其對合併財務報表的申報責任的聲明載於本年報第185頁至第200頁的獨立核數師報告內。建議股東閱讀獨立核數師報告中的保留意見。

核數師酬金

於報告年度內，本公司就審核服務及非審核服務支付本公司外聘核數師的薪金分別為人民幣4,600千元及人民幣8,000千元。

本公司就報告年度的審核服務及非審核服務支付予本公司外聘核數師香港立信德豪會計師事務所有限公司的薪金列載如下：

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Company Secretary

Miss LEUNG Ching Ching has been appointed as the Company's company secretary. Miss LEUNG Ching Ching is a senior manager of corporate services of Tricor Services Limited, an Asia's leading business expansion specialist specializing in integrated business, corporate and investor services.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters. Mr. TAN Ying, the chief financial officer and vice-president of overseas sales in emerging market of the Company has been designated as the primary contact person at the Company which would work and communicate with Miss LEUNG Ching Ching on the Company's corporate governance and secretarial and administrative matters.

During the Reporting Period, Miss LEUNG Ching Ching has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Director. Pursuant to the Listing Rules, all resolutions put forward at general meetings will be voted on by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

公司秘書

梁晶晶小姐已獲委任為本公司公司秘書。梁晶晶小姐為卓佳專業商務有限公司的企業服務高級經理。卓佳專業商務有限公司為亞洲領先的業務拓展專家，專門從事提供綜合的商務、企業及投資者服務。

全體董事均可就企業管治及董事會常規及事宜取得公司秘書的意見及服務。本公司首席財務官兼海外銷售新興市場的副總裁談鷹先生已獲指定為本公司主要聯絡人士，將就本公司企業管治、秘書及行政事宜與梁晶晶小姐協作及溝通。

於報告年度內，梁晶晶小姐已遵守上市規則第3.29條的規定，接受不少於15小時的相關專業培訓。

股東權利

為保障股東權益及權利，各重大個別事宜（包括推選個別董事）以獨立決議案形式於股東大會上提呈。根據《上市規則》，除主席以誠實信用原則作出決定，容許純粹有關程序或行政事宜的決議案以舉手方式表決外，所有於股東大會上提呈的決議案將以投票方式表決，而投票表決結果將於各股東大會後刊載於本公司及聯交所網站。

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Convening an Extraordinary General Meeting by Shareholders

Pursuant to Article 58 of the Company's Articles of Association, an extraordinary general meeting (the "EGM") may be convened by the Board upon requisition of one or more Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of the deposit of the requisition, the Board fails to proceed to convene such EGM, the requisitionist(s) himself (themselves) may do so in the same manner, while all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisitionist(s) must state the objects clearly in the requisition, sign the requisition and deposit the same to the Board or the company secretaries or the primary contact person of the Company.

Putting Forward Proposals at General Meetings

There are no provisions allowing shareholders to put forward new resolutions at the general meetings under the Cayman Islands Companies Law (2020 Revision) or the Articles of Association of the Company. However, shareholders who wish to put forward proposal at general meetings may convene an EGM following the procedures set out above.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

股東召開股東特別大會

根據本公司組織章程細則第58條，持有不少於本公司繳足股本（附有於本公司股東大會的投票權）十分之一的一名或以上股東遞交要求後，董事會可召開股東特別大會（「股東特別大會」）。該等會議須於有關要求遞交後兩個月內舉行。倘於要求遞交後21日內，董事會未能召開股東特別大會，則遞交要求人士可自行按相同方式召開有關大會，而遞交要求人士因董事會未能召開有關大會而產生的所有合理費用須由本公司補償予遞交要求人士。

遞交要求人士須在要求中指明大會目的，簽署要求書並將其遞交予本公司董事會或公司秘書或主要聯絡人士。

於股東大會上提出議案

開曼群島公司法（2020年修訂版）及本公司組織章程細則並無條文准許股東於股東大會上提呈新決議案。然而，有意於股東大會上提出議案的股東可根據上文所載的程序召開股東特別大會。

向董事會作出查詢

就向董事會作出任何查詢而言，股東可將書面查詢送交至本公司。本公司通常不會處理口頭或匿名查詢。

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Contact Details

Shareholders may send their requisitions, proposed resolutions for the general meeting or enquiries to the Board as mentioned above to the primary contact person of the Company as set out below:

Name: The Chairman of NVC International Holdings Limited
Address: Unit 608, 6/F, Lakeside 1, No. 8 Science Park West Avenue, Hong Kong Science Park, Pak Shek Kok, Sha Tin, Hong Kong
Fax: (852) 2865 1638
Email: ir@nvc-international.com

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

Communication with Shareholders and Investors

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. The chairman of the Board as well as chairman of Audit Committee, Remuneration Committee and Nomination Committee or, in their absence, other members of the respective committees will make themselves available at the annual general meetings to meet Shareholders and answer their enquiries.

聯絡詳情

股東可將上文召開股東大會的要求、提呈議案或向董事會的查詢送交至下文所載本公司主要聯絡人士：

名稱：雷士國際控股有限公司董事長
地址：香港沙田白石角香港科學園
科技大道西8號尚湖樓
6樓608室
傳真：(852) 2865 1638
電郵：ir@nvc-international.com

為免生疑，股東須於上述地址存置及發出正式簽署之書面要求、通知或聲明或查詢（視情況而定）之正本，並提供其全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予披露。

與股東及投資者的溝通

本公司相信，與股東有效溝通乃促進投資者關係及投資者瞭解本集團業務表現及策略所必需。本公司盡力保持與股東之間的對話，尤其是透過股東周年大會及其他股東大會。董事會主席、審核委員會主席、薪酬委員會主席及提名委員會主席（如彼等未能出席，則各委員會成員），將出席股東周年大會，以會見股東及回答彼等的提問。

Corporate Governance Report

企業管治報告

On 27 December 2019, the shareholders of the Company passed the special resolutions approving the change of company name from “NVC Lighting Holding Limited 雷士照明控股有限公司” to “NVC International Holdings Limited 雷士國際控股有限公司” and the amendment to the Second Amended and Restated Memorandum and Articles of Association of the Company by replacing all references to “NVC Lighting Holding Limited 雷士照明控股有限公司” with “NVC International Holdings Limited 雷士國際控股有限公司” to reflect the change of company name. An up-to-date version of the Company’s Articles of Association is also available on the Company’s website and the Stock Exchange’s website.

To promote effective communication, the Company maintains a website at www.nvc-international.com, where information and updates on the Company’s business developments and operations, financial information, corporate governance practices and other information are available for public access.

Policies relating to Shareholders

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

The Company has adopted a Dividend Policy on payment of dividends pursuant to code provision E.1.5 of the CG Code that has become effective from 1 January 2019. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Company intends to distribute no less than 30% of its annual net profits as dividends to its shareholders, subject to the conditions and factors as set out below.

於2019年12月27日，本公司股東通過特別決議案，批准將公司名稱由「NVC Lighting Holding Limited 雷士照明控股有限公司」更改為「NVC International Holdings Limited 雷士國際控股有限公司」，及修訂本公司經第二次修訂及重述之組織章程大綱及細則以反映更改公司名稱，方式為將所有對「NVC Lighting Holding Limited 雷士照明控股有限公司」的提述替換為「NVC International Holdings Limited 雷士國際控股有限公司」。本公司最新的組織章程亦可於本公司網站及聯交所網站查詢。

為促進有效溝通，本公司設有網站 www.nvc-international.com，網站載有本公司業務發展及營運、財務資料、企業管治常規及其他豐富資料及各項更新，以供公眾人士查閱。

與股東有關的政策

本公司已制定股東溝通政策，以確保妥善處理股東的意見及關注事項。該政策予以定期檢討，以確保其行之有效。

本公司已根據企業管治守則的守則條文第E.1.5條（自2019年1月1日起生效），就股息派付採納股息政策。於建議或宣派股息時，在建議或宣派股息時，本公司應維持足夠現金儲備，以應付其資金需求、未來增長以及其股權價值。在符合下列條件及因素的情況下，本公司擬向其股東分派不少於其年度淨利潤的30%，作為股息。

Corporate Governance Report

企業管治報告

The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the Memorandum and Articles of the Association of the Company and all applicable laws and regulations and the factors set out below. The Board shall also take into account the following factors of the Group when considering the declaration and payment of dividends, including financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of shareholders, any restrictions on payment of dividends and any other factors that the Board may consider relevant.

Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as interim dividend, final dividend, special dividend and any distribution of net profits that the Board may deem appropriate. Any final dividend for a financial year will be subject to shareholders' approval. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Company's Memorandum and Articles of Association.

The Board will review the Dividend Policy as appropriate from time to time.

Going Concern

There are no material uncertainties relating to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

根據本公司組織章程大綱及細則、所有適用法律法規及下列因素，董事會可酌情宣派及分派股息予本公司股東。董事會在考慮宣派股息時，應同時考慮下列有關本集團的因素，包括財務業績、現金流狀況、業務狀況及策略、未來營運及收入、資金需求及支出計畫、股東的利益、任何派付股息的限制及董事會可能視為相關的任何其他因素。

根據本公司及本集團的財政狀況以及上述條件及因素，董事會可於財政年度或期間建議及／或宣派中期股息、年度股息、特別股息及任何董事會認為適當的淨利潤分派作為股息。任何年度股息均須經股東批准。本公司可以現金、以股代息或董事會認為合適的其他方式宣派及派付股息。任何未領取的股息應被沒收及應根據本公司組織章程大綱及細則復歸本公司。

董事會將視情況不時檢討股息政策。

持續經營能力

概無有關任何事件或情況的重大不明朗因素可對本公司的持續經營能力構成重大疑問。

Environmental, Social and Governance Report

環境、社會及管治報告

About the Report

This Report is the fourth Environmental, Social and Governance Report published by NVC International Holdings Limited (formerly known as “NVC Lighting Holding Limited”), with the aim of disclosing the performance of the Group on Environmental, Social and Governance (“ESG”) topics. For the Corporate Governance section, see pages 90 to 115 of the Annual Report.

The Board understands its responsibility to confirm the authenticity of this Report. This Report discloses the performance on and the impact of all material topics related to the Group and gives a fair view of the performance of the Group on the topics. The Board has reviewed this Report and confirmed its accuracy, authenticity and completeness.

Reporting Guideline and Principle

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“Guideline”), the Core Option of the Global Reporting Initiative Sustainability Reporting Standards, and the actual situation of the Group. This Report is based on the reporting principles of “materiality”, “quantitative”, “balance” and “consistency”. All significant changes in data have been reviewed and are presented by comparison on an annual basis, for readers’ review. This Report has complied with all the “comply or explain” provisions as set out in the Guideline. We did not disclose certain key performance indicators which are required to be disclosed by the Stock Exchange but not directly related to the business of the Group or have minimal influence.

關於本報告

本報告為雷士國際控股有限公司（前稱「雷士照明控股有限公司」）第四份對外發佈的《環境、社會及管治報告》，旨在披露本集團於環境、社會及管治（「ESG」）議題的相關表現。有關企業管治一節，請參閱年報第90頁至第115頁。

董事會明白其確認本報告真實性的責任。本報告披露所有與集團有關的實質性議題的表現及影響，並公正表述集團於各議題的表現。董事會已審閱本報告，確認內容準確、真實和完整。

報告指引及原則

本報告乃根據香港聯合交易所主板上市規則附錄二十七《環境、社會及管治報告指引》（「指引」），參考《全球報告倡議組織可持續發展報告標準》的核心符合方案，及結合集團實際情況編製而成。本報告以「重要性」、「量化」、「平衡」及「一致性」的報告原則為基礎。所有重大數據變化均經過審視，並以按年比較的方式呈列，以供讀者審閱。本報告已遵守指引載列的「不遵守就解釋」條文，部分聯交所要求披露的關鍵績效指標與本集團業務沒有直接相關度或影響微小，我們並沒有進行相關的數據披露。

Environmental, Social and Governance Report

環境、社會及管治報告

Reporting Boundary

For the purpose of business optimization, the Group's PRC lighting business was disposed of during the year, in respect of which the transaction was completed on 12 December 2019. In order to present to stakeholders ESG performance related to the Group's business during the Reporting Period, the time-period data (all environmental data, certain employee data and operational data) in this Report cover ESG performance of the "Discontinued Operations" (the headquarters of the disposed portion, Guangdong Huizhou Base, and Chongqing Wanzhou Base) from January to November in 2019, and ESG performance of "Continuing Operations" (the headquarters of NVC International Holdings Limited, Zhejiang Jiangshan Base, Shanghai Qingpu Base and Guangdong Zhuhai Base) for the year; time-point data (most employee data and certain operational data) in this Report only cover ESG performance of "Continuing Operations" (the headquarters of NVC International Holdings Limited, Zhejiang Jiangshan Base, Shanghai Qingpu Base and Guangdong Zhuhai Base) for the year.

Reporting Period

The Reporting Period is the financial year from 1 January to 31 December 2019.

Feedback

We are committed to disclosing comprehensive and accurate ESG information to stakeholders and welcome your comments and suggestions on this Report. Contact information is as follows:

NVC International Holdings Limited
Address: 608, 6/F, Lakeside 1, No. 8 Science Park West Avenue, Hong Kong Science Park, Pak Shek Kok, Sha Tin, Hong Kong
Email address: ir@nvc-international.com
Tel: (852) 3970 2238/3970 2237
Fax: (852) 2865 1638
Website: www.nvc-international.com

報告邊界

基於業務優化的目的，本集團的中國照明業務於年內出售，並於2019年12月12日完成交割。為向利益相關方提供報告年度內與集團業務有關的ESG表現，本報告的時期數據（所有環境數據、部分員工數據及營運數據）覆蓋「非持續經營業務」（出售業務總部、廣東惠州基地、重慶萬州基地）2019年1月至11月份的ESG表現，以及「持續經營業務」（雷士國際控股有限公司總部、浙江江山基地、上海青浦基地及廣東珠海基地）全年的ESG表現；時點數據（大部分員工數據及部分營運數據）僅覆蓋「持續經營業務」（雷士國際控股有限公司總部、浙江江山基地、上海青浦基地及廣東珠海基地）全年的ESG表現。

報告期

本報告期為2019年1月1日至2019年12月31日的財政年度。

意見反饋

我們致力於為利益相關方披露全面及準確的ESG信息，歡迎您對本報告提出意見及建議。聯繫方式如下：

雷士國際控股有限公司
地址：香港沙田白石角香港科學園科技大道西8號尚湖樓6樓608室
電郵：ir@nvc-international.com
電話：(852) 3970 2238/3970 2237
傳真：(852) 2865 1638
網站：www.nvc-international.com

Environmental, Social and Governance Report

環境、社會及管治報告

Chairman's Message

Dear stakeholders,

As a professional lighting enterprise, the Group has always been committed to beautifying commercial and residential spaces with artificial lighting, providing global users with lighting solutions and creating value for stakeholders who have always supported us. On the way to create a world brand, we are fully aware that the sustainable philosophy serves as a guide for the development of the Group. Only by paying attention to the concerns of all stakeholders, being customer-oriented, caring for employees, putting brand first, protecting the environment and concerning for the community can we become a leading enterprise in the international lighting industry and maintain our leading position.

Pursue Superior Product and Improve Service Quality

Providing customers with high-quality products and lighting solutions in a dedicated and professional manner is the top priority of the Group's daily operations. The whole-process quality management procedure is the basis for ensuring our quality. The voice of customers is the driving force for us to continuously improve and upgrade our service level. Technological research and development is the source of our innovation. Marketing in line with local conditions is the catalyst for us to unlock our potential in overseas markets. During the year, many lighting projects undertaken by or involving and innovative products developed by us were recognized in the industry. In terms of overseas markets, there has been an improvement in the Group's position in the UK and US markets. At present, the Group has reached strategic cooperation with well-known local builders in many major cities including London and Atlanta and has obtained projects in the pipeline. In addition, we have developed our business in the Southeast Asian market, an emerging channel, such as Indonesia and Vietnam. In the future, we will continue to adhere to the principle of making superior products, focus on developing overseas markets, and make unremitting efforts to build a world-renowned brand.

主席致辭

致各利益相關方：

作為一家專業的照明企業，本集團始終致力於以人工照明美化商業與居住空間，提供照明解決方案服務至全球用戶，為一直支持我們的利益相關方創造價值。於創造世界品牌的道路上，我們深知可持續理念對於集團發展的指導意義，唯有重視各利益相關方的關注，以客戶為中心、關懷員工、品牌至上、保護環境、關心社區，才能成為國際照明行業的領頭企業並保持領先地位。

追求極致產品 提升服務質量

專注、專業地為客戶提供優質產品及照明解決方案，乃集團日常營運工作的重中之重。全流程的質量管理程序是我們品質保證的基礎，客戶的聲音是我們不斷改善、提升服務水平的動力，科技研發是我們創新的源泉，因地制宜的營銷則是我們釋放海外市場潛力的催化劑。年內，我們負責或參與的多項照明工程及研發的創新產品均獲得業界肯定。於海外市場方面，本集團於英美市場的地位逐步提升，目前已與倫敦、亞特蘭大等多個主要城市的當地知名建築商達成戰略合作並獲得項目儲備；此外，我們在新興渠道東南亞市場，如印尼、越南等地亦取得突破性發展。未來，我們將繼續堅持極致產品主義，重點發展海外市場，為打造享譽世界的品牌不懈努力。

Environmental, Social and Governance Report

環境、社會及管治報告

Create a Good Environment for Promoting Employee Development

We believe that employees are the Group's most important human resources and we are committed to providing employees with an equal and safe working environment to help them realize their own values. We attract and recruit talents to maintain the vitality and innovation capacity of the Group, assist employees in setting career goals and career planning, and provide them with corresponding skills and ability training to promote their growth. The benefits, health, safety and spare time life of employees are also the focus of our attention. We give employees fair pay, ensure work safety and provide a variety of employee activities, hoping to make employees feel the meaning and delights of work.

Promote Energy Saving and Emission Reduction to Create a Green Environment

We take the development of green lighting and environmental protection industries as our mission. We have actively conformed to the general trend of green ecological development of the lighting industry, and continuously promoted the development of the LED era. We have integrated the philosophies of intelligent lighting and energy saving into our product design and engineering projects to provide humanized and energy-saving lighting solutions. Through the formulation of environmental policies, we have regularly reviewed the Group's performances and impacts on the environment, continuously improved our environmental management work, integrated the philosophy of green environmental protection into our daily operations, and supported the building of a green, ecological and environment-friendly society.

創造良好環境 促進員工發展

我們相信員工是集團最重要的人力資源，我們致力於為員工提供平等及安全的工作環境，幫助其實現自我價值。我們吸引並延攬人才以保持集團活力及創新能力，協助員工設立職業目標及進行職業規劃，為其提供相應的技能及能力培訓，以促進其成長。員工的福利、健康、安全及業餘生活亦是我們關注的重點。我們予以員工公平回報、確保工作安全及提供豐富的員工活動，希望讓員工感受工作的意義及樂趣。

推進節能減排 營造綠色環境

我們以發展綠色照明環保產業為使命，積極迎接受照明行業綠色生態發展的大趨勢，不斷推進LED時代的發展，並將智能照明、節約能耗的理念融入產品設計及工程項目中，提供具人性化及節能的照明方案。透過制定環境方針，我們定期審視集團於環境的表現及影響，不斷完善自身的環境管理工作，將綠色環保理念貫穿日常營運，助力建設綠色生態環保型社會。

Environmental, Social and Governance Report

環境、社會及管治報告

Pay Attention to Social Development and Make Contributions

We have actively responded to the national strategic thinking of poverty alleviation and development, and paid attention to the education and lighting environment in impoverished mountainous areas. Since the launch of NVC Bright Future in 2007, we have persisted in our efforts for 10 years to improve the learning environment of children in impoverished mountainous areas covering 18 provinces and cities, thus giving back to the society. Our trip of love will continue, for paying attention to rural education and spreading light and hope.

There is still a long way to go to achieve sustainable development. We certainly adhere to the Group's philosophies of environmental and social responsibilities and work with all stakeholders to contribute to the improvement in the green lighting environment, and industrial and social progress.

By Order of the Board
WANG Donglei
Chairman
April 2020

心繫社會發展 貢獻企業力量

我們積極響應國家扶貧開發的戰略思想，心繫貧困山區的教育和照明環境。自2007年雷士光明行誕生以來，我們已堅持10年，足跡遍佈18個省市，盡我們的力量改善貧困山區孩子的學習環境，回饋社會。我們的愛心之旅仍將繼續，關注鄉村教育，傳遞光明與希望。

實現可持續發展任重道遠，我們必定堅持集團的環境及社會責任理念，攜手各利益相關方，為綠色照明環境的發展、行業及社會的進步作出貢獻！

承董事會命
王冬雷
董事長
2020年4月

Environmental, Social and Governance Report

環境、社會及管治報告

NVC Profile

The Group, a famous provider of lighting solutions in lighting industry, has been engaged in the design, development, production, marketing and sale of a variety of lighting products, with a focus on energy-saving lighting products and health lighting products. We pay attention to brand building and deep development of channels and emphasize the principle of “making superior products”, and have always persisted in improving users’ light environment experience through innovative technology and artistic design, striving to move from “Made in China” to “Created in China”.

After a disposal of a majority equity of China lighting business of NVC in December 2019, we have production bases currently in China including Zhejiang Jiangshan Base, Shanghai Qingpu Base and Guangdong Zhuhai Base, and preliminary production preparation for the production base in Vietnam has already been completed. In addition, we have overseas product development centers that meet European standards and have established distribution agencies in more than 40 countries and regions around the world. We are gradually shifting the focus of our lighting business from China to the international market, to promote the internationalization process of the NVC brand, and have expanded the sales channels in United States, Britain, Italy, the Middle East and Southeast Asia, thus moving towards the goal of becoming a leading service provider of global intelligent lighting solutions.

雷士簡介

本集團為行業知名的照明解決方案提供商，設計、開發、生產、營銷並銷售多種照明產品，重點關注節能照明產品及健康照明產品。我們注重品牌建設和渠道深耕，強調「極致產品」主義，始終堅持透過創新科技和藝術設計提升用戶的光環境體驗，努力從「中國製造」邁向「中國創造」。

於2019年12月出售雷士中國照明業務大部分股權後，目前我們在中國擁有浙江江山、上海青浦、廣東珠海等生產基地，於越南建立的生產基地已完成前期生產籌備工作。此外，我們在海外擁有符合歐洲標準的產品開發中心，並於全球超40個國家和地區設立經銷機構。我們正逐步將照明業務的重心由中國轉向國際，推進雷士品牌的全球化進程，拓展美國、英國、意大利、中東、東南亞的銷售渠道，朝著成為領先的全球化智能照明解決方案服務商的目標前進。

Environmental, Social and Governance Report

環境、社會及管治報告

Outstanding Projects and Products in 2019

2019年優秀工程及產品

Name of Award 獎項名稱	Project and Product 工程及產品	Awarding Organization/Conference 頒獎單位／會議
First Prize for the CIES Lighting Project Design Award 中照照明工程設計獎一等獎	Night Lighting Project of Qingdao Olympic Sailing Center 青島奧林匹克帆船中心 夜景照明工程	China Illuminating Engineering Society 中國照明學會
Third Prize for the CIES Lighting Project Design Award 中照照明工程設計獎三等獎	Night Lighting Project of Zhuhai Sub-venue of CCTV Spring Festival Gala 央視春晚珠海分會場 夜景照明工程	China Illuminating Engineering Society 中國照明學會
Lighting Product Contribution Award of 2019 Beijing International Horticultural Exhibition 2019年北京世園會照明產品貢獻獎	Night Lighting Project of Beijing International Horticultural Exhibition 北京世園會夜景亮化項目	The 5th Tour Forum for Smart City Lighting Design and Application Development and the Theme Sharing Meeting of Beijing International Horticultural Exhibition 第五屆智慧城市照明設計與應用發展巡迴論壇暨北京世界園藝博覽會主題分享會
First Prize for the CIES Lighting Technology Innovation Award 中照照明科技創新獎一等獎	“UFO” total-reflection track light series 「飛碟」全反射軌道射燈系列	China Illuminating Engineering Society 中國照明學會
Red Dot Award – Product Design Award 紅點獎 – 產品設計獎	UFO series 飛碟系列	Red Dot Design Award 紅點設計大獎

Sustainability Management

Under the background of the unpromising economic performance of the world and the coexistence of challenges and opportunities arising from the rapid development of the global LED industry, the Group is fully aware of the importance of sustainability management to the successful transformation of an enterprise from a “manufacturing enterprise” to a “channel-based enterprise”. By integrating sustainability management into corporate daily operation, we are confident of effectively coping with risks arising out of corporate transformation and seizing the opportunities in the international LED lighting market, and thus become an international “quality life solution” service provider with sustainable development capability.

可持續發展管理

基於不容樂觀的世界經濟表現和全球LED產業高速發展的挑戰與機遇並存的背景，本集團深知可持續發展管理對企業從「製造型企業」成功轉型為「渠道型企業」的重要性，通過將可持續發展管理融入企業的日常營運中，我們有信心能有效應對企業轉型過程帶來的風險，並抓住國際LED照明市場中的機遇，成為一家具備可持續發展能力的國際「優質生活解決方案」服務商。

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Currently, the Group's multiple departments, including the Audit and Risk Control Department, System Management Department, Human Resources Department, Factory Management Department, Supplier Management Department and Brand/Marketing Planning Department, actively cooperated and participated in the work of sustainability management of the Group. In the future, we will continuously promote the restructuring of the Group's internal structure, and will continuously expand the business segment and optimize resource allocation by adopting the policies of channel expansion, cost reduction and creation of quality products, thus achieving the sustainable development of the Group.

We deeply understand that the progress of the Group is inseparable from the industry development, and have actively joined industry organizations and participated in industry research activities. We have joined China Association of Lighting Industry, China Illuminating Engineering Society and Shenzhen Urban Lighting Association (深圳市城市照明學會), and have become the chairman of the Building Electronics Branch of China Building Decoration Association (中國建築裝飾協會), thus supporting the industry development.

Stakeholder Engagement

We understand that along our sustainable development journey, strengthening stakeholder engagement to understand the ESG topics related to the Group that they concern plays an important role in the formulation of long-term operation and management strategies by the management. We have carried out assessments of material ESG topics for three consecutive years, understood the topics that concern stakeholders through questionnaires, and disclosed in this Report the actions taken by the Group to manage these topics during the year.

目前，多部門積極合作參與本集團的可持續管理工作，包括審計風控部、體系管理部、人力資源部、工廠管理部、供應商管理部、品牌／市場策劃部等。未來，我們將持續推進集團內部架構重組，並通過採取拓渠道、降成本、鑄精品的方針不斷拓展業務板塊及優化資源配置，努力實現本集團的可持續發展。

我們深明集團的進步離不開行業發展，積極加入行業組織及參與行業研究活動。我們已加入中國照明電器協會、中國照明學會、深圳城市照明學會，並成為中國建築裝飾協會建築電器分會會長單位，助力推動行業發展。

利益相關方溝通

我們明白於可持續發展道路上，加強與利益相關方的溝通以了解其關注的集團 ESG 議題對於管理層制定長期經營及管理戰略有著舉足輕重的作用。我們連續三年開展 ESG 實質性議題評估工作，透過問卷調查了解利益相關方的關注議題，並於本報告披露集團年內在管理該等議題所作出的行動。

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Assessment of Material Topics

Through the four processes, namely identification, prioritization, validation and review, we have identified material topics that are closely related to the daily operations of the Group and are of great concern to stakeholders.

An independent consultant company was engaged to assess material topics. According to the guide of the Stock Exchange and the Global Reporting Initiative Sustainability Reporting Standards, the consultant company firstly identified 25 potential material topics 委託獨立顧問公司進行實質性議題評估。根據聯交所指引、全球報告倡議組織可持續發展報告標準，顧問公司首先識別出25個潛在實質性議題

After review by the Group's management, the material topics for the year were confirmed and disclosed in detail in this Report 經集團管理層審核，確認本年實質性議題，並於本報告中重點披露

After evaluation, we prioritized 25 potential material topics into 4 levels according to the scores assigned by stakeholders and the management of the Group, and 9 topics at Level I are the Group's material topics, and their boundaries are extended to include suppliers. The management of the Group has reviewed and approved the results of the materiality assessment.

實質性議題評估

透過鑒別、排序、審核及檢視四個程序，我們識別與本集團日常營運密切相關且利益相關方高度關注的重要議題。

Stakeholders and the Group's management were invited to participate in the online questionnaire surveys and assign scores to 25 potential material topics. The topics were prioritized according to the "significance of economic, environmental and social impacts" and "influence on stakeholder assessments and decisions", and a materiality matrix was drawn

邀請利益相關方及集團管理層參與線上問券，收集其對於25個潛在實質性議題的重要性評分。根據「經濟、環境和社會影響的重要性」及「對利益相關方評估和決策的影響」兩維度對這些議題進行排序，繪製實質性矩陣

The assessment process of material topics was reviewed to identify room for improvement 檢視實質性議題評估過程，識別改善空間

經評估，我們將25個潛在實質性議題按利益相關方及集團管理層的評分排序並分為4個級別，位於第一級別的9個議題為本集團的實質性議題，其議題邊界均伸延至供應商。本集團管理層已審核並通過本次實質性議題評估結果。

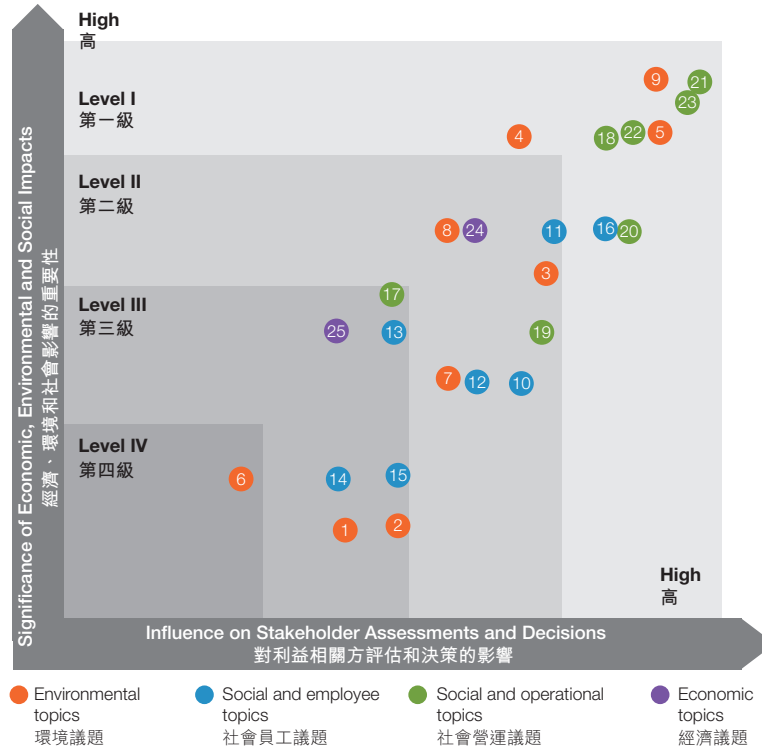


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2019 Matrix of Material Topics

2019年實質性議題矩陣



Level I 第一級	Level II 第二級	Level III 第三級	Level IV 第四級
<ul style="list-style-type: none"> 4 Waste management 廢棄物管理 5 Energy saving/green product 節能產品/綠色產品 9 Environmental compliance 環保合規 16 Management for prevention of child and forced labour 防止童工及強制勞工管理 18 Product health and safety 產品健康與安全 20 Product sales and labels 產品銷售及標籤 21 Product quality management 產品質量管理 22 Research and development, and intellectual property rights 研發及知識產權 23 Customer satisfaction 客戶滿意度 	<ul style="list-style-type: none"> 3 Raw material management 原材料管理 7 Waste gas management 廢棄管理 8 Wastewater management 廢水管理 10 Talent management 人才管理 11 Occupational safety and health 職業安全與健康 12 Training and development 培訓與發展 19 Supplier management 供應商管理 24 Corporate economic performance 公司經濟表現 	<ul style="list-style-type: none"> 1 Energy management 能源管理 2 Management of water resources 水資源管理 13 Communication with employees 員工溝通 14 Anti-discrimination 反歧視 15 Diversity and equal opportunity 多元化及平等機會 17 Community engagement 社區參與 25 Anti-corruption 反貪腐 	<ul style="list-style-type: none"> 6 Greenhouse gas management 溫室氣體管理

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Response to Material Topics

回應實質性議題

Material Topics 實質性議題	Actions of the Group in 2019 本集團2019年的行動	Section 對應章節
Wastes Management 廢棄物管理	<ul style="list-style-type: none"> Adoption of advanced equipment and improvement in production technologies Management of waste disposal processes Establishment of an annual emission reduction plan, regular monitoring of the discharge of hazardous waste, and comparison with the expected results in the previous year Waste collection and treatment by a qualified third party Installation of conspicuous signs at the place where solid waste is placed 	Waste and Emission, Reduction Measures 廢棄物、減排舉措
Energy Saving/Green Product 節能產品／綠色產品	<ul style="list-style-type: none"> Continuous promotion of IoT ecological cooperation and strengthening of the research and development of medium and high-end smart home lighting solutions Participation in intelligent lighting plans for public facilities 	Green Manufacturing 綠色製造
Environmental Compliance 環保合規	<ul style="list-style-type: none"> Regular review of the change in environmental protection laws, regulations and standards Completion of ISO14001:2015 environmental management system certification, and holding of a monthly meeting Formulation of environmental policies and regular holding of management review meetings 	Environmental Compliance Management 環境合規管理

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Material Topics 實質性議題	Actions of the Group in 2019 本集團2019年的行動	Section 對應章節
Management for Prevention of Child and Forced Labour	<ul style="list-style-type: none"> • Verification of ages against identity documents during the recruitment • Check-up of children who are employed by mistake, and notification to the labour bureau • Proper work arrangement for minors • Assurance of the completion by minors of compulsory education 	Management for Prevention of Child and Forced Labour
防止童工及強制勞工管理	<ul style="list-style-type: none"> • 招工時查驗身份證鑒別年齡 • 如發現誤僱用的童工，將為其檢查身體並通知勞動局 • 妥善安排未成年工的工作 • 確保未成年工完成義務教育 	防止童工及強制勞工管理
Product Health and Safety	<ul style="list-style-type: none"> • Whole-process quality inspection • Procedures for recall of defective products, to minimize the negative impacts of defective products 	Quality Assurance
產品健康與安全	<ul style="list-style-type: none"> • 全流程質量檢驗 • 設有問題产品召回程序，最小化問題產品的消極影響 	品質保證
Product Sales and Labels	<ul style="list-style-type: none"> • Standard use of labels • Customization and use of energy efficiency labels according to regulations, and provision of an explanation in packaging materials and instruction manuals of products • Expansion of overseas marketing channels according to local conditions 	Quality Assurance
產品銷售及標籤	<ul style="list-style-type: none"> • 規範標籤使用 • 按規定定制及使用能效標識，並於產品包裝物上或使用說明書中予以說明 • 因地制宜地拓展海外營銷渠道 	品質保證

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Material Topics 實質性議題	Actions of the Group in 2019 本集團2019年的行動	Section 對應章節
Product Quality Management 產品質量管理	<ul style="list-style-type: none"> Obtaining of ISO9001:2015 quality management system certification and various product certifications Provision of corresponding guiding documents for production processes Whole-process quality inspection 擁有ISO9001:2015品質管理體系認證及多個產品認證 各生產流程配備對應的指導文件 全流程質量檢驗 	Quality Assurance 品質保證
Research and Development, and Intellectual Property Rights 研發及知識產權	<ul style="list-style-type: none"> Entry of smart modules, smart remote controllers and smart table lamps into major marketing channels Expansion of smart development and application to cover overseas markets Life-cycle research and development management of new products 14 new licensed patents Protection of intellectual property rights at three stages of a project 智慧模組、智慧遙控器及智慧檯燈進入主要市場銷售渠道 將智慧化開發及應用覆蓋至海外市場 對新產品進行全生命週期的研發管理 新增授權專利14項 於項目開展的三階段保護知識產權 	Research and Development Innovation 研發創新
Customer Satisfaction 客戶滿意度	<ul style="list-style-type: none"> Conducting customer satisfaction survey and analysing the results Active handling of customer complaints 進行客戶滿意度調查並分析結果 積極處理客訴事件 	Customer Satisfaction 客戶滿意度

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Quality Assurance

“Expert in Luminous Environment” is the core brand philosophy of the Group. We are committed to providing high-quality products and creating a comfortable, safe and energy-saving lighting environment for customers. “Product Quality Management”, “Product Health and Safety” and “Product Sales and Labels” are material topics identified by the Group. We will focus on disclosing in this section the performance of the Group on the three topics and the influences.

Product Quality Management

The Group has obtained ISO9001:2015 quality management system certification since 2010 and has a number of national and international product certifications, ensuring the quality and safety of the products provided.

- Domestic certification
國內認證
- China Compulsory Certification “CCC”
中國強制性產品認證「CCC」
- China Quality Certification “CQC”
中國質量認證「CQC」
- CQC-Energy Conservation Certification
CQC節能認證

- International certification
國際認證
- American UL certification
美國UL認證
- American DCL certification
美國DCL認證
- European Norms Electrical Certification
“ENEC”
歐洲標準電氣認證「ENEC」
- Japan PSE Certification
日本PSE認證

Product Certification
產品認證

品質保證

「光環境專家」是本集團的品牌核心理念，我們致力於提供高質量產品，為客戶創造舒適、安全及節能的光環境。「產品質量管理」、「產品健康與安全」、「產品銷售及標籤」為本集團識別出的實質性議題，我們將於本章節重點披露集團於這三個議題的表現及影響。

產品質量管理

本集團自2010年起已獲得ISO9001:2015品質管理體系認證，目前擁有多個國家及國際產品認證，確保所提供產品的質量與安全。

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Quality Management Systems

In accordance with relevant laws and regulations¹ and ISO 9001:2015 Standard, the Group has established an internal quality management system, covering product design, production and service processes, to ensure that there are corresponding procedural guidance documents for all production processes.

質量管理體系

依據有關法律法規¹及ISO9001:2015標準，本集團建立內部質量管理體系，覆蓋產品的設計、生產及服務流程，確保生產各流程均有相應的程序指導文件。

Research, Development and Design Stage 研發設計階段	Product Research and Development Control 《產品研發控制》 Design and Development Control Procedure 《設計和開發控制程序》
Purchase Stage 進貨階段	Supplier Management 《供方管理》 Warehousing Management Control Procedure 《倉儲管理控制程序》
Production Stage 生產階段	Production Process Control Procedure 《生產過程控制程序》 Procedure for Control of Product Monitoring and Measurement 《產品的監視和測量控制程序》 Procedure for Control of Trial Production and Operation of New Products 《新產品試生產運行控制程序》
Finished Product Stage 成品階段	Procedure for Control of Defective Goods 《不合格品控制程序》 Procedure for Control of Corrective Measures 《新產品試生產運行控制程序》
After-sales Stage 售後階段	Management System for Recall of Defective Consumer Goods 《缺陷消費品召回管理制度》 Service and Customer Satisfaction Control Procedure 《服務和顧客滿意控制程序》

¹ For laws and regulations on quality management, please see the section headed Laws and Regulations in this Report

¹ 質量管理相關法律法規請參見本報告法律及法規章節

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Whole-process Quality Monitoring

Monitoring and measuring products in a timely manner during the product realization process is an indispensable step for creating high-quality products and ensuring the health and safety of products. Four departments, namely the Quality Control Department, Technology Department, Planning Department and Production Department, are responsible for taking the lead in quality monitoring and measurement. The quality monitoring process includes four major procedures: incoming material monitoring, production process monitoring, finished product monitoring, statistical analysis results and feedback. All departments work together to cover the whole-process quality inspection in product realization.

全流程質量監測

於產品實現過程中及時對產品進行監視及測量是鍛造優質產品、保障產品健康與安全不可或缺的關鍵步驟。質管部、技術部、計劃部及生產部四部門負責牽頭質量監視及測量工作，質量監測流程包括來料監測、生產過程監測、成品監測、統計分析結果及反饋四大程序，各部門分工合作以覆蓋產品實現過程中的全流程質量檢驗。

In process quality control: A specially designated person carries out in process quality control of the whole production process

巡檢：專職人員巡迴檢查生產全過程

<p>First article inspection: Mass production is allowed only when the sample passes the first article inspection</p> <p>首檢：首檢樣品合格後才可批量生產</p>	<p>Self inspection: Workers at stations carry out self-inspection of their production quality</p> <p>自檢：各工位作業人員對各自生產質量進行自檢</p>	<p>Special inspection: Several special inspection points are set in appropriate production processes</p> <p>專檢：適當工序中設置若干個專檢點</p>
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Production Process Quality Control

生產過程檢測

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The Technology Department and the Quality Control Department are responsible for the incoming material monitoring. Materials that pass the inspection are warehoused for later use, while the defective incoming materials are handled in accordance with the Procedure for Control of Defective Goods. For incoming materials that may probably be accepted but cannot be inspected due to urgent production needs, these four departments shall work together to properly carry out review, identification and recording, and separate semi-finished products from finished products in movement, so as to recall and replace defective products in the future. First inspection, self-inspection, special inspection and in process quality control of products and processes are four main parts of production process monitoring, in which different responsible persons carry out inspections to identify potential problems before a product is finished, as far as possible. Finally, the Quality Control Department will perform sampling inspection of and make a judgment on the packaged finished products, and conduct a statistical analysis of monitoring data of the whole production process to continuously improve the Group's product inspection.

Procedures for Recall of Defective Products

We have the Management System for Recall of Defective Consumer Goods to ensure the safe and rapid recall of defective products. If it is found that the sold products have common problems or do not meet the national standards, the sales of the products will be suspended immediately, goods in process and the finished products which have not been shipped will be strictly controlled. The Technology Department will immediately establish a product recall team to formulate a recall plan, and the Brand/Marketing Planning Department will publish recall information through the network platform, and answer public inquiries so as to minimize the negative impact arising out of defective products. After the event, we will analyze the cause of the event, and the Quality Control Department will collate teaching materials and cases for product recall and train relevant departments to avoid similar events. During the year, there were no non-compliance of relevant laws and regulations which had a significant impact on the Group relating to health and safety of products.

技術部及質管部負責來料監測工作，經檢驗合格的物料准予入庫待用，不合格來料依據《不合格品控制程序》處理。對於合格概率較大但因生產急需而未能檢驗判定的來料，四部門需合作做好審核及標識記錄，將半成品及成品隔離流轉，以便日後追回及更換不合格產品。產品和流程首檢、自檢、專檢、巡檢為生產過程監測的四大組成部分，由不同負責人員進行多次檢驗，盡量於成品製成前識別潛在問題。最終由質管部對已包裝成品實施抽樣檢驗及判定，並進行生產全流程的監測數據統計分析，持續改進集團的產品檢驗工作。

問題產品召回程序

我們設有《缺陷消費品召回管理制度》以保證安全、迅速地召回缺陷產品。若發現已售出產品存在普遍問題或不符合國家標準，將第一時間停止該產品的銷售，並嚴格控制在生產的產品及未出貨的成品。技術部立即成立產品召回小組制定召回計劃，品牌／市場策劃部通過網絡平台發佈召回信息，解答公眾諮詢，以最大程度降低缺陷產品帶來的負面影響。事後我們分析事件成因，由質管部整理產品召回教材案例，對有關部門進行培訓，以避免發生類似事故。年內，本集團無任何違反有關提供產品的健康與安全且對本集團造成重大影響的法律法規事宜。

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Product Sales and Labels

In order to better expand international markets and achieve corporate sustainable development in international markets, the Group has formulated effective marketing plans and strategic cooperation models according to local conditions and the characteristics of mature and emerging channels, so as to gradually unlock its development potential in overseas markets. In mature channels, we have adjusted pricing policies in a timely manner in line with market conditions and policy changes, while maintaining business relations with key channel wholesalers in mature markets including the UK, to secure a competitive market position in overseas mature markets. For overseas emerging channels, we have actively allocated marketing resources. We have expanded the number of retail outlets to more than 2,000 outlets in the Indonesian market, and enhance the influence of the NVC brand in the local market under the model of online and offline marketing. We have established a Vietnamese representative office in the Vietnamese market to develop new wholesale agency business.

In terms of product labeling, we have standardized the use of the Group's logos, and the Brand/Marketing Planning Department has caused all departments to adopt the uniform shape of the logo and standards for the use of the logo. We have also formulated the Measures for Management of Energy Efficiency Labeling, and have customized and used energy efficiency labels in accordance with national regulations on logo pattern and specification, and information indicated on the logo, and provided an explanation in packaging materials and instruction manuals of products. During the year, there were no non-compliance of relevant laws and regulations which had a significant impact on the Group relating to product advertising and labelling.

Customer Satisfaction

Continuous improvement in customer satisfaction has always been our target. The Group has always persisted in listening to the voices of customers, responded to customers' needs in a timely manner, improved its service level, and has been committed to meeting customers' needs with more efficient and high-quality services.

產品銷售及標籤

為更好開拓國際市場、實現企業在國際市場上的可持續發展，本集團因地制宜，根據成熟渠道和新興渠道的特點，制定有效的營銷方案與戰略合作模式，逐步釋放本集團的海外市場發展潛力。在成熟渠道，我們緊跟市場行情及政策變動及時調整定價政策，同時維持與英國等成熟市場的重點渠道批發商的業務關係，確保在海外成熟市場中保持富有競爭力的市場地位。針對海外新興渠道，我們積極開展營銷資源部署，於印尼市場拓展終端零售網點至2,000餘家，並結合線上線下營銷模式提升雷士品牌在當地的影響力；於越南市場設立越南代表辦事處，開拓新代理批發業務。

在產品標籤方面，我們規範使用集團標識，並由品牌／市場策劃部將統一的標識形狀及使用標準規範貫徹至各部門。我們亦制定《能源效率標識管理辦法》，根據國家統一規定的能效標識樣式、規格及標註規定定制及使用能效標識，並於產品包裝物上或使用說明書中予以說明。年內，本集團無任何違反有關提供產品的廣告、標籤事宜且對本集團造成重大影響的法律法規事宜。

客戶滿意度

持續提高客戶滿意度一直是我們追求的目標。本集團始終堅持聆聽客戶的聲音，及時回應客戶需求，提升服務水平，致力於以更高效優質的服務滿足客戶需求。

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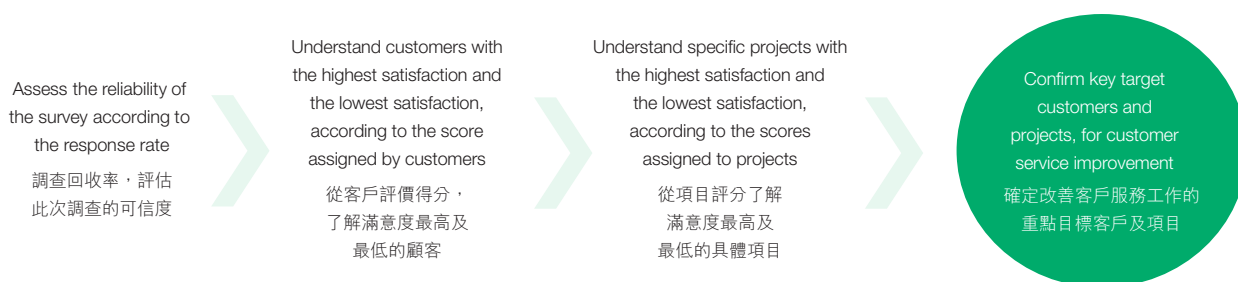
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Customer Satisfaction Survey

Customer satisfaction survey is an effective way for us to understand the level of products and services currently provided by us. By completing the Customer Satisfaction Questionnaire, customers assign a score to the products and services provided by the Group in terms of product and service quality. After statistical analysis, the Marketing Department prepares the Summary of Customer Satisfaction Survey Report to determine the target customers and key projects involved in future improvement work so as to more effectively meet customers' needs.

客戶滿意度調查

顧客滿意度調查是我們了解及掌握目前所提供產品及服務水平的有效方式。通過填寫《顧客滿意度調查表》，客戶從產品質量及服務質量兩維度對集團提供的產品及服務進行評分，經統計分析，營銷部編製《顧客滿意度調查報告總結》，確定往後改善工作涉及的目標客戶及重點項目，以便更有效地滿足客戶所需。



Customer Satisfaction Survey and Analysis
客戶滿意度調查工作及分析

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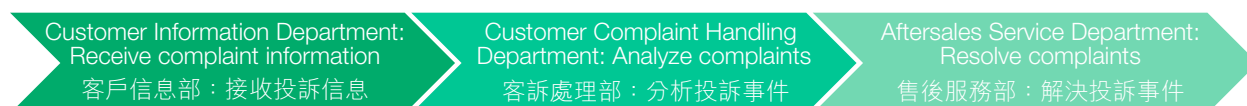
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Improvement in Grievance Handling Mechanisms

The Group has established sound complaint channels. Customers can give their feedback on products and services provided by us, through telephone, internet, satisfaction survey, etc.. Through the establishment of the Process for Handling of Abnormal Conditions as to Customer Complaints, we have standardized our actions according to the types of complaints, the responsibilities and authorities of departments, the investigation and handling of complaints, etc., to ensure that customer complaints are effectively handled.

完善投訴處理機制

本集團設立完善的投訴渠道，客戶可通過電話、網絡、滿意度調查等方式反饋其對我們提供的產品及服務的意見。透過設立《客戶投訴異常處理流程》，我們從投訴類型、各部門的職責及權限、投訴調查及處理等方面進行規範，確保客戶投訴得到有效處理。



- Receive complaints and timely report customer complaint information to customer complaint engineers
- 接收投訴，及時將客訴消息反饋至客訴工程師
- Analyze the complaint, verify whether the complaint is caused by product problems, and negotiate with relevant departments and customers for solutions and cost claims
- 分析投訴事件，核實是否為產品本身問題，與相關部門、客戶協商解決方案及費用索賠
- Solve the problem of the customer according to the solution provided by the Customer Complaint Handling Department
- 根據客訴處理部提供的處理方案解決客戶的問題

Customer Complaint Handling Process

客戶投訴處理流程

The Customer Return Management Standard of the Group specifies the measures to respond to the return and replacement requests of customers. For products that meet the return policy after review, we will accept customers' return requests. For products that do not meet the return policy, we provide customers with fee-based maintenance services, and strive to ensure that customers' return requests are properly handled, so that their demands for products can finally be met.

本集團的《客戶退貨管理規範》列明接收客戶退換貨要求的應對措施，經審核符合退貨政策的產品，我們將接受客戶的退貨申請；對於不符合退貨政策的產品，我們為客戶提供收費維修服務，致力令客戶的退換貨要求獲得合適處理，對於產品的需求最終能得到滿足。

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Research and Development Innovation

The Group believes that research and development innovation is an important driving force for sustainable development. Through establishing a sound research and development system and defining the product research and development orientation, the Group has continuously improved its competitiveness.

Product Research and Development

We have established research and development centers and laboratories in Shanghai, Zhejiang, Shenzhen, Zhuhai in Guangdong, the US and UK, employing renowned electric light source and luminaire experts from home and abroad as consultants to deliver innovative cutting-edge technologies to the Group. We have also cooperated with many universities, such as Tsinghua University, Fudan University and Northwestern Polytechnical University, truly realizing the industry-university-research integration. During the year, the Group's research and development focused on the development of new products, the creation of best sellers and the promotion of smart projects. Our main products, namely smart modules, smart remote controllers and smart table lamps, have successfully entered main marketing channels. In addition, we have expanded smart development and application to cover overseas markets. We have realized the development of smart control application software and connection to Google Home voice control system in the North American market. Meanwhile, we have promoted the development of the application software system in the Toshiba market in Japan in an orderly manner.

研發創新

本集團認為研發創新為可持續發展的重要動力，透過建立完善的研發體系、明確集團的產品研發方向，不斷提升自身的競爭力。

產品研發

目前我們已於上海、浙江、深圳、廣東珠海、美國及英國等地建立研發中心和實驗室，聘請國內外著名光源專家、燈具專家作為顧問，為本集團輸送創新的前沿技術，我們亦與多間大學，如清華大學、復旦大學、西北工業大學合作，真正實現產、學、研一體化。年內，本集團的研發工作以新品開發、打造爆品及推進智慧項目為主線。我們的主打產品智慧模組、智慧遙控器及智慧檯燈成功進入主要市場銷售渠道，此外，我們將智慧化開發及應用覆蓋至海外市場，目前，我們已於北美市場實現智慧控制應用軟件開發及Google Home語音控制系統的對接，同時有序推進日本東芝市場的應用軟件系統開發。

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Support for Industry Innovation

In addition to improving the research and development capabilities of the Group, we have actively promoted industry innovation, participating in many national research projects, including “research into high-efficiency and long-life LED driving power technology”, “research into key technologies of high-efficiency, high-reliability, medium-and high-power LED luminaires” and “key technology research and demonstration for improvement in the lighting environment of public buildings”. We are committed to jointly promoting the development of the lighting industry through cooperation with other partners. During the year, UFO light series independently designed by the designers of the Group won the Red Dot Design Award, known as the “Oscar” in the design industry. This not only demonstrates our innovative design capacity but also facilitates the international publicity of the Group’s design philosophy.

Life-cycle Management of New Products

With the philosophy of “market-oriented” product development, we have formulated the Design and Development Control Procedure to manage the research and development of new products independently developed by the Group throughout their life cycle.

助力行業創新

除提升集團內部的研發能力，我們亦積極推動行業創新，參與多項國家級的研究項目，包括「高效長壽命LED驅動電源技術研究」、「高效高可靠中大功率LED燈具關鍵技術研究」、「公共建築光環境提升關鍵技術研究及示範」等，致力於通過與其他合作方合作共同推動照明行業的發展。年內，由本集團的設計師百分百自主設計的飛碟燈系列榮獲素有「奧斯卡」之稱的國際紅點設計大獎，此次獲獎不僅展示我們的創新設計能力，亦有助於集團的設計理念於國際層面的傳播。

新產品全生命週期管理

秉持「以市場為導向」的產品開發理念，我們制定《設計與開發控制程序》，對集團自主研發的新產品的全生命週期進行研發管理。



Three Main Stages of New Product Development

新產品開發三大階段

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Protection of Intellectual Property Rights and Information

In order to ensure the Group's research and development innovation capacities and market competitiveness, we standardize the management of intellectual property rights and protect the Group's business secrets, and passed the "IPR management system certification" in December 2018. We strictly comply with relevant laws and regulations², and have formulated a series of systems including the Management Procedures for Protection of Intellectual Property Rights and the Management Procedures for Confidentiality of Intellectual Property Rights, to promote the orderly work of the Group including obtaining patents, protecting patents and trade secrets.

Protection of Intellectual Property Rights

On the way to research and development innovation, we pay attention to the protection of our intellectual property rights and are committed to avoiding infringement risks. Our protection of intellectual property rights mainly covers the three stages, namely IPR risk control, IPR acquisition and existing IPR protection, so as to avoid the possibility of infringement before the commencement of a project, obtain the maximum scope of protection when a patent is licensed, and protect existing intellectual property rights from infringement. During the year, the Group has a total of 14 new licensed patents, consisting of 3 utility model patents, 1 design patents and 10 invention patents, and had 36 new patent applications. In addition, the Group was not involved in any litigation related to the infringement of intellectual property rights during the year.

知識產權及信息保護

為保證集團的研發創新能力及市場競爭力，我們規範知識產權管理及保護集團的商業秘密，並於2018年12月順利通過「知識產權管理體系認證」。我們嚴格遵守相關法律法規²，並制定《知識產權保護管理程序》、《知識產權保密管理程序》等一系列制度以促使集團獲取專利、保護專利及商業秘密等工作的有序進行。

保護知識產權

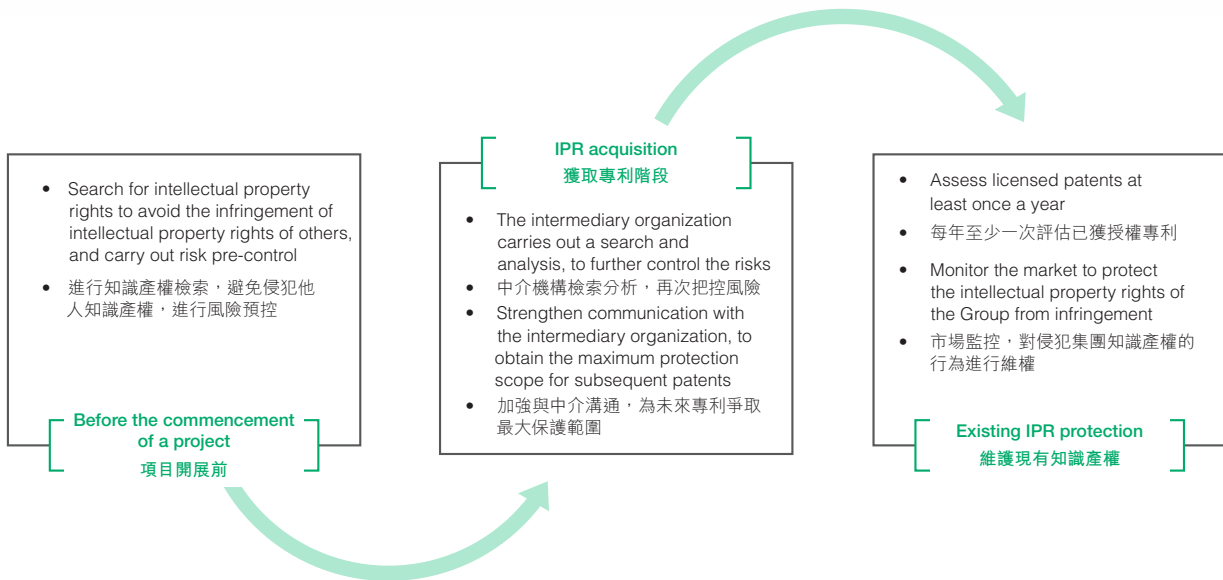
在研發創新的道路上，我們注重對自身知識產權的保護，亦致力規避侵權風險。我們的知識產權保護工作主要涵蓋管控知識產權風險、獲取知識產權、維護現有知識產權三大階段，以求於項目開展前規避侵權可能性、專利獲得授權時得到最大保護範圍、現有知識產權不受侵犯。年內，本集團共新增授權專利14項，其中實用型專利3項、外觀型專利1項、發明專利10項，新申請專利共36項。此外，本集團於年內並不涉及任何與侵犯知識產權有關的訴訟。

² For laws and regulations on protection of intellectual property rights, please see the section headed Laws and Regulations in this Report

² 知識產權保護相關法律法規請參見本報告法律及法規章節

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Information Confidentiality

In order to ensure full use of the Group's information resources, trade secrets and know-how and prevent infringement of its legitimate rights and interests, we continuously strengthen our work for security and confidentiality in the Group's daily operations. The Group's confidential matters are classified into three categories: top secret, secret and confidential. Each category has a designated scope of designated persons who are allowed to know the confidential information. The persons with access to confidential information are required to sign a confidentiality agreement to define their confidentiality responsibilities. In addition to strictly requiring persons with access to the confidential information to keep information confidential, our work for information confidentiality covers the management of relevant parties including suppliers, employees, external cooperative agencies or persons.

信息保密

為保證本集團所擁有的信息資源、商業秘密、技術秘密等能得到充分利用，合法權益不受侵害，我們持續加強安全保密工作，並貫穿集團日常營運中。集團的保密事項分為絕密、機密和秘密三種密級，每一密級均有指定的准予知曉保密信息的涉密人員範圍，涉密人員需簽訂保密協議，明確自己承擔的保密責任。除嚴格要求涉密人員的保密外，我們亦將信息保密工作覆蓋至供應商、員工、外部合作機構或人員等相關方的管理中。

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Suppliers

供應商

Suppliers are required to provide their ownership certificates of intellectual property rights to designs
要求供應商提供設計知識產權權屬證明



Employees

員工

Reference check of new employees is carried out with regard to intellectual property rights
對新入職員工進行知識產權背景調查

External confidential documents sent out by the employees should be fully encrypted
員工對外發送涉密文件時需做到全面加密

Separated employees have the confidentiality obligation
Employees
離職員工具有保密義務



External persons

外部人員

External persons who receive training at the Company or cooperate with the Company are required to sign an agreement for the protection of intellectual property rights
外來公司的進修、合作人員需簽訂知識產權保護協議

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Supplier Management

We are fully aware that supplier management and assurance of the quality of products provided by suppliers are crucial for meeting the product quality and production requirements of the Group. We have specified supplier admission conditions, strictly developed and selected suppliers, regularly reviewed and evaluated suppliers, and updated the list of qualified suppliers in a timely manner, thus maintaining the quality of products supplied by suppliers and their supply capabilities.

Selection of Qualified Suppliers

The Group has specified strict supplier admission conditions. For example, only the suppliers with certain production capacity, long-term supply capacity, excellent quality management level, etc. who meet the admission conditions are qualified as candidate suppliers of the Group. Guangdong Zhuhai Base carries out information review, on-site review, scoring and rating of candidate suppliers to select qualified suppliers. For suppliers designated by customers, Guangdong Zhuhai Base also carries out information review, sample confirmation and use a small batch of their products, to ensure the production level of the suppliers.

供應商管理

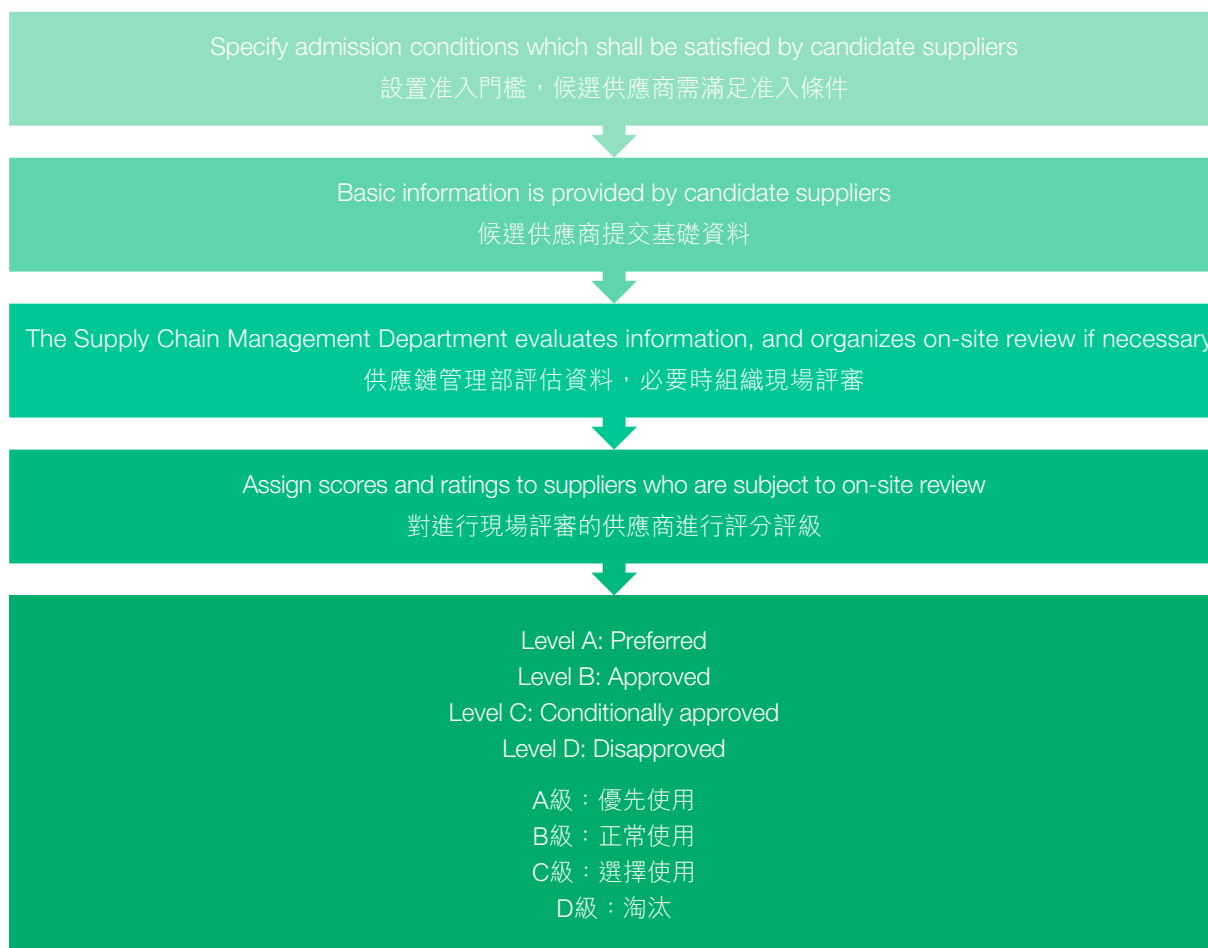
我們深知供應商管理、確保供應商提供產品的質量對於滿足集團自身產品的質量及生產要求至關重要。我們制定供應商准入條件，嚴格開發並篩選供應商，並定期對供應商進行審核評估，及時更新合格供應商名錄，保持供應商的供貨質量及能力。

篩選合格供應商

本集團設有嚴格的供應商准入條件，如具備一定的生產能力及長期供貨能力、良好的質量管理水平等，符合准入條件的供應商才具備成為集團候選供應商的資格。廣東珠海基地對候選供應商進行資料評審、現場審核、評分評級，以篩選合格供應商；對於客戶指定的供應商，廣東珠海基地亦對其進行資料評審、樣品確認及小批量使用，以保證供應商的生產水平。

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Guangdong Zhuhai Base-Process for Selecting Qualified Suppliers
廣東珠海基地－篩選合格供應商流程

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Supplier Assessment

In addition to assessing the quality of products supplied daily by suppliers, we regularly evaluate suppliers on an annual basis, assigning scores to all suppliers in terms of the yield of incoming materials, timely delivery rate for incoming materials, the reasonableness of material prices and degree of support of the supplier, so as to identify suppliers with poor supply capacity or other problems in a timely manner. We will provide guidance for suppliers with poor performance or failing scores or require them to carry out rectification, and cancel their supply qualification as appropriate. During the year, the Group had 855 qualified suppliers, of which 838 were located in mainland China and 17 in Hong Kong.

Sustainable Supply Chain

The Group has also integrated environmental and social requirements into the daily operation and management of suppliers. For example, Shanghai Qingpu Base requires suppliers of extremely important production materials to provide ISO 9001, RoHS, 3C, UL, CE, BS certificates etc. to help understand their management level and impact at the environmental and social levels. The Group will consider cancelling the qualification of suppliers who commit violations and are punished by administrative organs of the government for violating relevant social responsibilities. We hope to motivate suppliers to jointly fulfill their environmental and social responsibilities, to build a sustainable supply chain.

Anti-corruption

The Group has advocated a corporate culture of honesty and fairness. It has strictly complied with laws and regulations on anti-corruption³, and has formulated and maintained internal policies including the Management Rule on Honesty, Self-discipline and Fair Transactions. It has prohibited corrupt practices including bribery, corruption and misappropriation of corporate funds, and has established a good code of business ethics, thus creating an honest and efficient working environment.

³ For laws and regulations on anti-corruption, please see the section headed Laws and Regulations in this Report

供應商考核

除對供應商日常供貨的質量進行考核之外，我們亦定期對供應商進行年度評分考核，圍繞來料合格率、來料及時率、物料價格合理性及供應商配合度四個維度對所有供貨供應商統一評分，以及時識別供貨能力較差或存在其他問題的供應商。對於較差或評分不合格的供應商，我們將對其進行輔導或整改，並視情況取消其供貨資格。年內，本集團的合格供應商共855家，其中共有838家位於中國內地，17家位於香港地區。

可持續供應鏈

本集團亦將環境、社會有關要求融入供應商日常經營管理中。如上海青浦基地要求提供極重要生產性物料的供應商提供ISO9001、RoHS、3C、UL、CE、BS等證書等以助於了解其環境、社會層面的管理水平及影響。對於出現違反行為、受到政府行政機關就違反相關社會責任的處罰的供應商，將考慮取消其合格供應商資格。我們希望帶動供應商共同履行環境及社會責任，打造可持續供應鏈。

反貪腐

本集團踐行廉潔公正的企業文化，嚴格遵守反貪腐相關法律及法規³，制定並維持《廉潔自律和公平交易管理規範》等內部政策，禁止賄賂、貪污、挪用公款等貪腐行為，建立良好商業道德規範，營造廉潔高效的工作氛圍。

³ 反貪污相關法律法規請參見本報告法律及法規章節

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Deepened Anti-corruption

In order to effectively prevent corruption, the Group has evaluated the materiality and possibility of fraud risk every year, and implemented corresponding risk control measures according to the evaluation results, including but not limited to the provision of moral education and strengthening of constraints under documents and systems. In addition, we have established strict procedures for giving and receiving gifts, to prevent employees from accepting bribes and any other forms of illicit gains in business operations, including discount fees, gifts and other illicit remuneration. Giving gifts due to business needs shall be subject to review by the competent department and reported to the general manager for approval. In addition, employees are required to sign the Integrity and Self-discipline Undertaking and receive professional ethics education when they are employed. If an employee is found to violate relevant regulations, he/she will be subject to disciplinary actions, including dismissal, demotion and position transfer, depending on the circumstances. If an employee is found to violate the criminal law, such case will be transferred to judicial organs for handling.

The Group encourages employees or other persons who have direct or indirect business relations with us to report corruption through complaint mailbox, tip-off telephone, letter, etc. The Audit and Risk Control Department will independently investigate an event and report the investigation results to the Board of Directors or the chairman of the Board.

深化反腐工作

為有效防範貪腐行為，本集團每年對舞弊風險的重要性及可能性進行評估，根據評估結果實施相應的風險控制措施，包括但不限於提供道德教育、加強文件制度約束等。另外，我們建立嚴格的禮品饋贈及接受程序，防範員工於業務經營中接受賄賂及其他任何形式的不正當收益，包括折扣費、禮品及其他非法報酬，因業務需要的禮品饋贈需經主管部門審核並報總經理批准。此外，員工入職時需簽署《廉潔自律承諾書》並接受職業道德教育。倘發現員工相關違規行為，視情況給予其紀律處分，包括撤職、降級及調崗等，觸犯刑律者則移送司法機關處理。

本集團鼓勵員工或與我們有直接或間接業務關係的各方人士通過舉報信箱、電話、信函等方式舉報貪腐行為。審計風控部將獨立調查事件並將調查結果上報董事會或董事長。

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Report Handling Process
舉報處理流程

During the year, there were no non-compliance of relevant laws and regulations that had a significant impact on the Group relating to bribery, extortion, fraud and money laundering, or get involved in any corruption case.

Care for Employees

We adhere to the people-oriented principle, respect each employee, protect the legitimate rights and interests of employees, create a positive working atmosphere and provide promotion opportunities to achieve the common development of the Group and employees.

Employee Composition

As at 31 December 2019, the Group's continuing operations (the headquarters of NVC International Holdings Limited, Zhejiang Jiangshan Base, Shanghai Qingpu Base and Guangdong Zhuhai Base) had a total of 2,498 employees with a male-female ratio of 2:3, of which 83.3% were front-line employees and 16.7% were managers. Most employees aged between 30-50, accounting for 63.9%. During the year, the quarterly average employee turnover rate of the Group's continuing operations was 11.9% and the quarterly average new hire rate was 9.1%. For detailed employee data, please see the "Performance Data Summary" table.

年內，本集團無任何違反有關賄賂、勒索、欺詐及洗黑錢且對本集團有重大影響的相關法律及法規事宜，亦無涉及任何貪腐個案。

員工關懷

我們堅持以人為本，尊重每位員工，保障員工合法權益，營造積極的工作氛圍及提供晉升機會，實現集團與員工的共同發展。

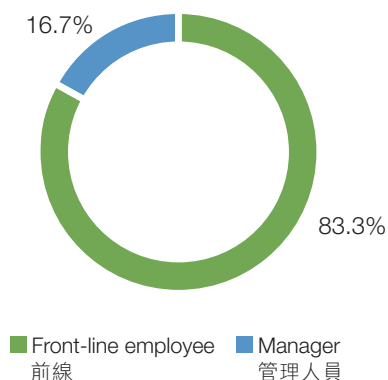
員工構成

截至2019年12月31日，本集團持續經營業務（雷士國際控股有限公司總部、浙江江山基地、上海青浦基地、廣東珠海基地）共有2,498名員工，男女比例為2:3，其中83.3%為前線員工，16.7%為管理人員。員工年齡主要集中於30至50歲，佔63.9%。年內，集團持續經營業務的員工季度平均流失率為11.9%，季度平均新入職率為9.1%。員工詳細數據請參見「數據表現摘要」表。

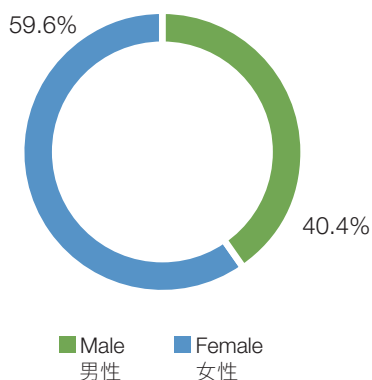
Environmental, Social and Governance Report

環境、社會及管治報告

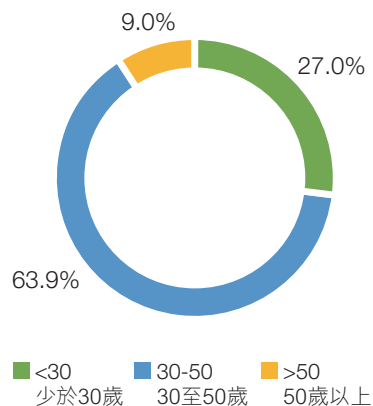
Functional Distribution
職能分佈



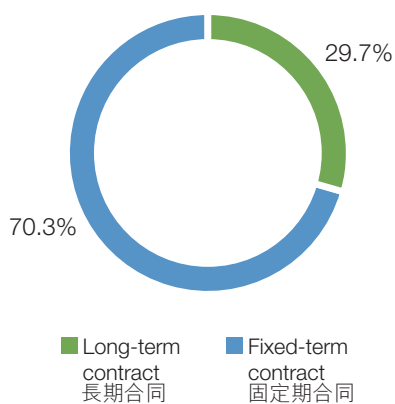
Gender Distribution
性別分佈



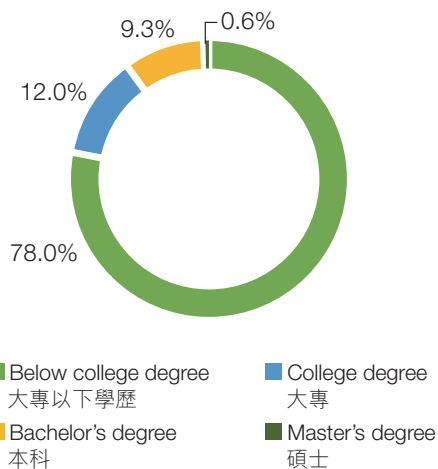
Age Distribution
年齡分佈



Contract Type Distribution
合同類型分佈



Educational Distribution
學歷分佈

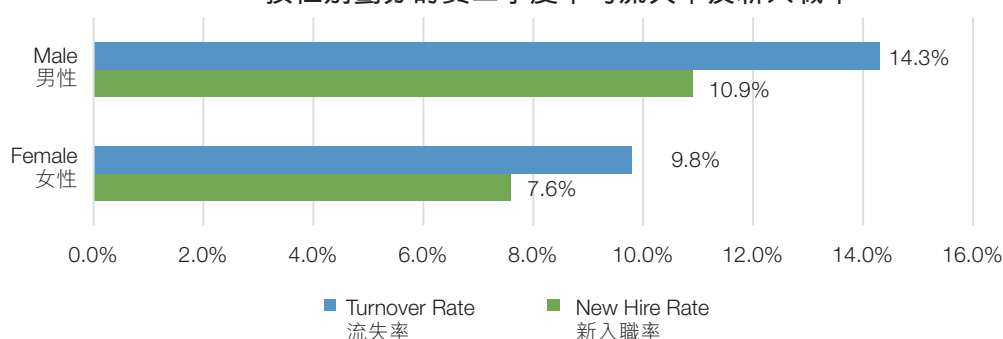


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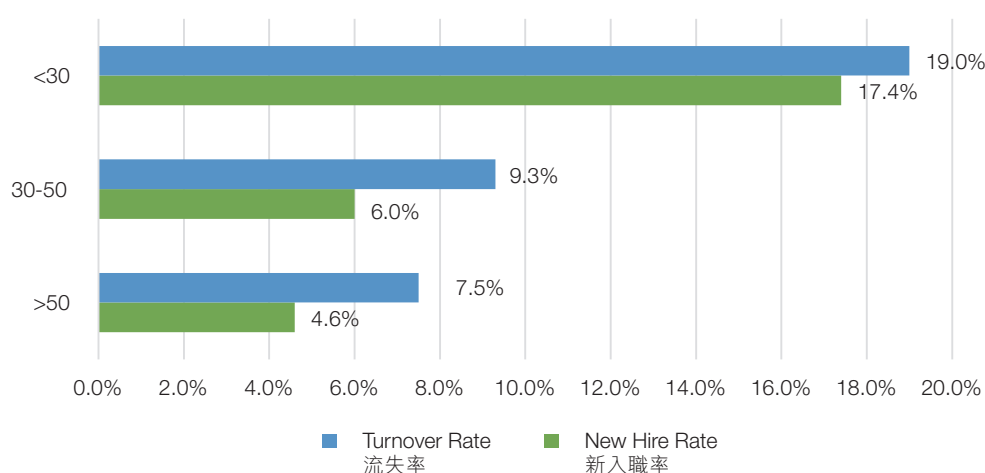
Average Quarterly Turnover Rate and New Hire Rate by Gender

按性別劃分的員工季度平均流失率及新入職率



Average Quarterly Turnover Rate and New Hire Rate by Age

按年齡劃分的員工季度平均流失率及新入職率



Talent Management

The Group is fully aware of the contribution of talents to the development of the Group. Through strict compliance with relevant laws and regulations⁴ and the establishment of a sound human resources management system, the Group is committed to creating a working environment that is safe, equal and free from all forms of discrimination and harassment, for its employees.

⁴ For laws and regulations on employment practices, please see the section headed Laws and Regulations in this Report

人才管理

本集團深明人才對集團事業發展的貢獻，通過嚴格遵守有關的法律法規⁴並建立完善的人力管理制度，致力於為集團員工創造安全、平等、免受一切形式歧視及騷擾的工作環境。

⁴ 僱傭常規相關法律法規請參見本報告的法律及法規章節

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During the year, there were no non-compliance of relevant laws and regulations that had a significant impact on the Group relating to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, anti-discrimination and other treatment and benefits.

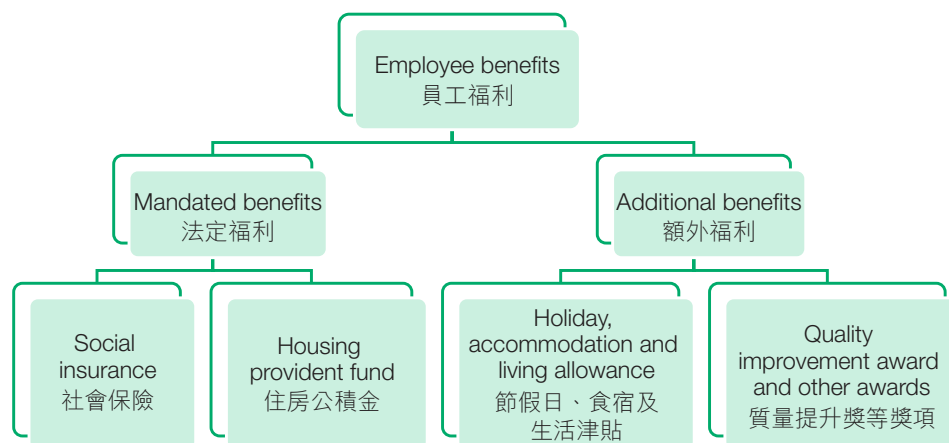
Remuneration and Rights

In order to attract and recruit talents, we have standardized the remuneration management system to distribute remuneration for employees fairly and efficiently, and provided employees with competitive remuneration consisting of basic salaries, performance bonuses, allowances, etc. based on factors including market prices, employees' performance, and corporate business benefits. The working hours and vacations of employees are reasonably arranged according to the requirements of different positions. The Group has formulated systems including the Work and Rest Time and Attendance Management Standard, defining the maximum weekly working hours to ensure the physical and mental health of employees.

年內，本集團無任何違反有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、反歧視以及其他待遇及福利且對本集團有重大影響的相關法律及規例事宜。

薪酬及權益

為吸引並延攬人才，我們規範薪酬管理制度以公平高效地分配員工薪酬，結合市場價格、員工工作表現、公司經營效益等多因素為員工提供由基本薪金、績效獎金、津貼等組成的富有競爭力的薪酬。員工工作時長及休假依據不同崗位的要求合理安排，集團制定《作息時間和考勤管理規範》等制度，設置每週工時上限，確保員工身心健康。



Employee Benefit Composition
員工福利構成

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In addition, adhering to the principles of fairness and equality, we have formulated and maintained anti-discrimination policies to eradicate all forms of discrimination including gender, race and disability discrimination. Employees can report discrimination through complaint mechanisms. We treat men and women equally in terms of recruitment and promotion, remuneration and benefits, and prohibit discrimination against women employees. We provide pregnant employees with extra benefits including long holidays.

Recruitment and Promotion

The Group adheres to the talent introduction strategy of “fairness, impartiality, openness and competence-based employment”, and employs suitable talents for positions in comprehensive consideration of the competence, and morals of candidates. The recruitment and dismissal of employees are organized and coordinated by the Human Resources Department, under the guidance of internal policies including the Recruitment Management Standards.

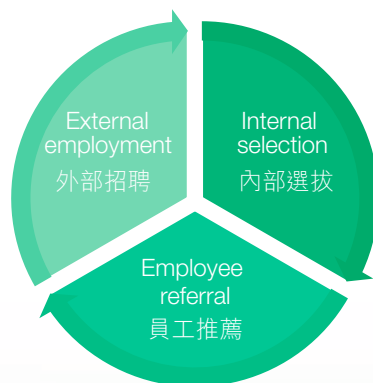
In order to stimulate employees, the Group has a complete promotion, reward and punishment system. Zhejiang Jiangshan Base conducts employee evaluation every year, and rewards and punishes employees according to the evaluation results. Employees can obtain promotion opportunities through competitive employment and direct nomination. During the year, the Group held a year-end management meeting to give special recognition to 20 outstanding strivers in order to improve the enthusiasm of employees.

此外，秉持公平、平等的原則，我們制定並維持反歧視政策，杜絕對性別、種族、殘疾等一切形式的歧視，員工可透過申訴及投訴機制反饋歧視行為。我們於招聘及晉升、薪酬及福利等各方面對男女一視同仁，嚴禁歧視女工。對於懷孕女工，我們為其提供長假等額外福利。

招聘及晉升

本集團秉承「公平、公正、公開、能崗匹配」的人才引進策略，綜合考慮應聘者的工作能力、思想品德等條件，為不同崗位匹配合適的人才。員工的招聘及解僱均由人力資源部組織協調，受《招工招聘管理規範》等內部政策指引。

為激勵員工，集團設有完整的僱員晉升及獎懲體系，浙江江山基地於每年開展員工考評，根據考評結果對員工實施相應的獎懲。員工可通過競聘及直接提名等多方式獲得晉升機會。年內，集團開展管理年終會議，對20名優秀奮鬥者給予特別表彰，以提高員工工作積極性。



Talent Recruitment Through Multiple Channels
多渠道人才招聘

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Management for Prevention of Child and Forced Labour

The Group strictly prohibits all forms of child and forced labour within the scope of its business, and has formulated internal policies including the Control Procedures for Prohibition of Forced Labour, the Control Procedures for Prohibition of Child Labour and the Control Procedures for Minors and regularly investigated and evaluated the effect of relevant policies. The Group confirms the ages of employees through effective methods including checking ID cards, so as to ensure that employees are at least 16 years of age when they are employed. The Group reasonably specifies working hours for minors and prevents them from being engaged in any work unsuitable for minors including high-temperature work or work at height.

We have established and maintained relief procedures for child labourers. Once a child labourer is found, we will immediately terminate his/her work and arrange a check-up, and will notify the local labor bureau after ascertaining the reasons. We have also established a policy to promote the education of minors to ensure that they complete compulsory education. During the year, there were no non-compliance of relevant laws and regulations that had a significant impact on the Group relating to the prevention of child and forced labour, and there is no reported case regarding child or forced labour.

Communication with Employees

We attach importance to maintaining good communication and friendly relations with employees. Zhejiang Jiangshan Base conducts an employee satisfaction survey every year and has established a sound complaint mechanism to collect opinions and requirements of employees. In order to promote democratic management, decision-making and supervision, we encourage employees to actively participate in affairs in relation to the management of the Group through the trade union, such as wage negotiation, so as to maintain good communication between employees and the management.

防止童工及強制勞工管理

本集團嚴格禁止業務範圍內一切形式的童工及強制勞工行為，制定《禁止強迫勞動控制程序》、《禁用童工控制程序》及《未成年工控制程序》等內部政策，並定期調查評估相關政策的實施效果。集團招工採取查驗身份證等有效方法鑒別員工真實年齡，確保員工入職時至少達16周歲。對於未成年工，集團將合理安排其工作時間，並避免其從事高溫高處等任何不適用於未成年人的作業。

我們建立及維持救濟童工程序，一旦發現童工，立即停止其工作並安排身體健康檢查，查清原因後通知當地勞動局。我們亦建立推廣未成年工教育政策，確保其完成法定義務教育。年內，本集團無任何違反有關防止童工及強制勞工且對本集團造成重大影響的法律法規事宜，亦無相關童工及強制勞工個案。

員工溝通

我們重視與員工保持良好溝通及友好關係。浙江江山基地每年開展員工滿意度調查並建立完善申訴機制，以收集員工意見及要求。為推進民主管理、決策及監督，我們鼓勵員工通過工會積極參與集團管理的有關事務，如進行工資協商，維持員工與管理層之間良好溝通。

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We are committed to promoting the work-life balance of employees. During the year, the Group regularly carried out a variety of cultural, sports and recreational activities, including parent-child activities, annual employee tour and departmental team construction.

Training and Development

We pay attention to the career planning of employees, providing employees with dual career development channels and rich training activities, so as to promote the comprehensive and healthy development of employees.

Strengthened Training System

In order to standardize employee training, we have incorporated training management into the Group's daily operations and formulated internal training systems, including but not limited to the Employee Training System and the Training Control Procedures. The Human Resources Administration Department understands the training needs of employees through training intermediaries and feedback from departments, and formulates an annual training plan accordingly. In consideration of its department configuration and specific responsibility requirements, each department implements annual training plans and specific training programs. In order to understand the training effect and improve the training performance in the future, effectiveness evaluation of employees will be carried out after the training, to evaluate their learning outcomes, and the Group will reorganize the training if necessary.

我們致力於促進員工工作與生活平衡。年內，本集團定期開展豐富多彩的文化、體育及娛樂活動，包括親子活動、年度員工旅遊及部門團建等。

培訓與發展

我們注重員工的職業生涯規劃，為員工提供職業發展雙通道及豐富的培訓活動，促進員工全面健康發展。

完善培訓體系

為規範員工培訓工作，我們將培訓管理納入本集團日常營運中，並制定內部培訓制度，包括但不限於《員工培訓制度》、《培訓控制程序》等。人力行政部透過培訓中介及各部門反饋，了解員工培訓需求，並據此制定年度培訓計劃。結合自身部門配置及具體崗位職責要求，各部門落實年度培訓計劃並實施具體培訓項目。為了解培訓效果以改進日後培訓績效，員工將於培訓結束後接受有效性評價，評估其學習成果，必要時本集團將重新組織培訓。

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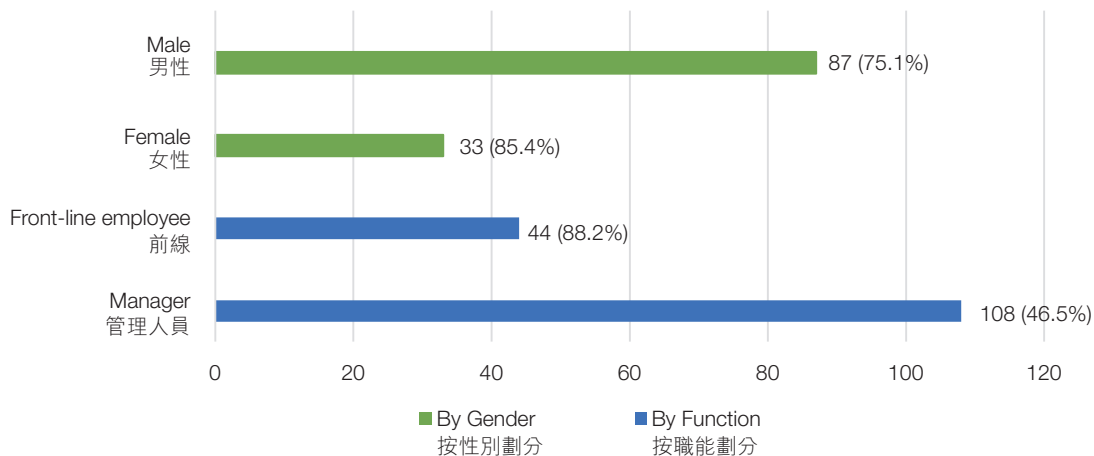
環境、社會及管治報告

During the year, a total of 2,029 employees of the Group's continuing operations had received training, accounting for 81.2%, with the average training hours per employee reaching 55 hours. For specific employee training data, please see the "Performance Data Summary" table.

年內，本集團持續經營業務共有2,029名員工接受培訓，總體受訓百分比為81.2%，員工人均受訓時數為55小時。員工培訓的具體數據請參見「數據表現摘要」表。

Average Training Hours per Employee by Gender and Function (Unit: Hour)*

按性別及職能劃分的人均受訓時數（單位：小時）*



* Figures in brackets are the percentage of employees trained by gender or function
* 括號內數據為按性別或職能劃分的員工受訓百分比

The Group attaches great importance to the development of comprehensive and professional abilities of its employees. According to job responsibilities, required competence and occupational risks, we provide targeted training to employees in different positions, including orientation training, pre-job training, job-transfer training, professional skills training, management training and training outside the workplace. We also make knowledge transfer more effective and interesting through training methods including lecture, meeting, on-site explanation and apprenticeship. In order to meet the needs of market development, we organized a series of training activities during the year to improve the professional quality of employees, covering product quality testing teaching, retail training, lighting design seminar, service experience sharing, etc..

本集團十分注重員工綜合能力及專業能力的培養。依據崗位職責、所需能力及職業風險，我們為不同崗位的員工提供針對性的培訓，包括職前培訓、崗前培訓、轉崗培訓、專業技能培訓、管理培訓及送外培訓，並通過授課、會議、現場講解及師帶徒等多樣培訓方式加強知識傳授的有效性及趣味性。為順應市場發展需求，我們於年內組織一系列的培訓活動以提高員工的職業素質，活動內容涵蓋產品質量檢測教學、零售實戰培訓、照明設計研討、服務經驗分享等。

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Career Development

The Group understands that employees have their own strengths. In order to help employees fully show their personal abilities to realize their career values, the Group has established the “dual career development channels”, providing a management development channel and a professional development channel, so that they have the opportunity to develop themselves through a channel suitable for them according to their own characteristics and abilities.

Occupational Safety and Health

The Group has adhered to the safety policy of “safety and prevention first, with fire control”, and strictly complied with relevant laws and regulations⁵ and formulated occupational safety and health systems including the Environmental, Occupational Health Operation and Testing Control Procedures and the Work Safety Management System, to ensure the safety and stability of production. During the year, there were no non-compliance of relevant laws and regulations which had a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards, and there is no reported case regarding work-related fatalities or occupational diseases.

⁵ For laws and regulations on occupational safety and health, please see the section headed Laws and Regulations in this Report

職業發展

本集團了解員工各有所長。為幫助員工充分表現個人能力，實現其事業價值，本集團設置「職業發展雙通道」，提供管理發展通道及專業發展通道，使其有機會結合自身特點及能力，於適合自己的通道上得以發展。

職業安全與健康

堅持「安全第一、預防為主、防消結合」的安全方針，本集團嚴格遵守相關法律法規⁵，制定《環境、職業健康運行和檢測控制程序》、《安全生產管理制度》等職安健制度以確保生產過程安全穩定。年內，本集團無任何違反有關提供安全工作環境及保障僱員避免職業危害且對本集團造成重大影響的法律法規事宜。亦無因工死亡或職業病的個案。

⁵ 職安健相關法律法規請參見本報告法律及法規章節

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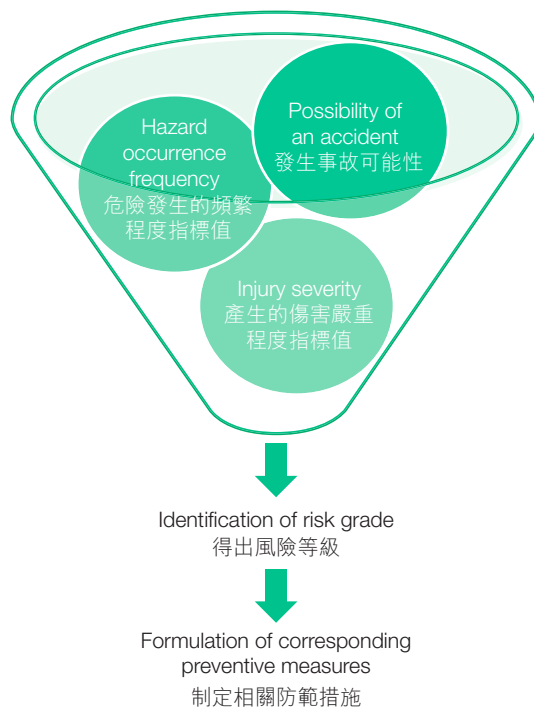
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Identification and Assessment of Health and Safety Risk

Before new equipment, new materials and new production processes are put into use or operation, Shanghai Qingpu Base conducts health and safety risk analysis to identify potential and possible safety and health hazards, and takes corresponding measures to keep the relevant risks to a controllable and acceptable level. Shanghai Qingpu Base also regularly evaluates the health, safety, hygiene and production equipment of the factory, and immediately makes improvements for any potential safety hazards found.

健康安全風險識別及評估

於新設備、新材料、新生產工藝流程等投入使用或運行前，上海青浦基地進行健康與安全風險分析，識別潛在及可能的安全健康危險因素，並採取相應措施使有關風險處於可控及可接受範圍內。上海青浦基地亦定期評估廠房的生產設備及廠房的健康安全衛生，針對發現的安全隱患立即做出改善。



Process for Evaluation of Occupational Safety and Health Risk
職業安全健康風險評估流程

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環境、社會及管治報告

Creation of a Safe Workplace

In addition to regular safety and health inspections in the workplace, we ensure the safety of the working environment of employees by multiple methods. According to legal requirements and the nature of the Group's production, the Group reasonably allocates fire safety facilities, which are managed and maintained by specialized departments. In consideration of the use of harmful substances including dust and organic solvents in certain workshops, Shanghai Qingpu Base has engaged the local Occupational Disease Prevention and Control Center to conduct an annual test for these workshops to ensure compliance with the national standard.

Chemical management is the focus of work to ensure safety in workplaces. We strictly prohibit the storage of an excessive amount of chemicals in factories. Chemicals must be stored in sealed corrosion-resistant containers. In order to implement the safety policy of "prevention first", Zhejiang Jiangshan Base has equipped employees exposed to occupational hazards with suitable protective equipment and posted signs and safety notices to reduce the safety and health risks of employees during production.

Safety and Health Education

All production-related employees are required to receive job-related training, and employees are required to receive health and safety training and education before they are qualified for the work. New employees, transferred employees and employees working in the place where an accident occurred are required to receive health and safety training. In addition, fire drills are necessary safety drills. The Group will arrange fire drills at least once a year to increase employees' familiarity with escape routes and the use of fire-fighting equipment. During the year, the number of trainees in safety training of the Group was 18,521 persons, with 27,281 training hours in aggregate.

營造安全工作場所

除定期對工作場所進行安全衛生檢查外，我們亦通過多種方式保證員工工作環境的安全。根據法定要求及結合本集團生產性質，本集團合理配置消防安全設施，並由專門部門負責管理及維護。考慮到部分車間存在使用粉塵、有機溶劑等有害物質的情況，上海青浦基地聯繫當地職業病防治中心對這部分車間進行每年一次的化驗，確保符合國家規定水平。

化學品管理是保障工作場所安全的工作重點，我們嚴禁工廠內儲存過量化學品。化學品均須用抗腐蝕的器皿密封盛載。貫徹「預防為主」的安全方針，浙江江山基地為涉及職業病危害的員工配備適用的防護用品，並張貼標識及安全告示，致力降低員工於生產過程中的安全健康風險。

安全健康教育

所有生產有關的員工均需進行與工作崗位有關的培訓，員工需接受健康與安全培訓教育才能獲得上崗資格。新進、調職及在發生事故地方工作的員工需接受健康安全培訓。此外，火警演習是必要的安全演習。本集團每年至少安排一次火警演習，增加員工對逃生路線、消防裝備使用等的熟悉程度。年內，本集團的安全培訓總人次為18,521人次，安全培訓總時數為27,281小時。

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環境、社會及管治報告

Promotion of Energy Saving and Environmental Protection

With the mission of promoting national energy conservation and emission reduction and developing the green lighting industry, the Group is committed to developing energy-saving lighting products and continuously improving its internal environmental management system to reduce the impact of its operations on the environment.

Environmental Compliance Management

The Group has formulated internal policies in accordance with international certification standards and national laws and regulations, including the Control Procedures for Laws, Regulations and Other Requirements, the Control Procedures for Corrective and Preventive Measures, and the Environmental Manual, defining the responsibilities of departments and implementing environmental management standards. Certain subsidiaries have obtained ISO14001:2015 environmental management system certification.

The general manager of Guangdong Zhuhai Base has formulated the environmental policy according to the actual situation of the Company, and has held a regular management review meeting every year to review the implementation. The Management Department revises the policy every year or when the environmental target changes significantly. In addition, the Guangdong Zhuhai Base holds an ISO14001 meeting every month to collect opinions from various departments on the current environmental management. The Management Department implements constructive suggestions to improve the management system.

推動節能環保

本集團以推進國家節能減排，發展綠色照明環保產業為使命，致力於研發節能照明產品，並持續完善內部環境管理系統，減少運營對環境產生的影響。

環境合規管理

本集團按國際認證標準及國家法律法規制定內部政策，包括《法律法規及其他要求控制程序》、《糾正和預防措施控制程序》和《環境手冊》，明確各部門職責並落實環境管理準則。部分子公司已獲得ISO14001:2015環境管理體系認證。

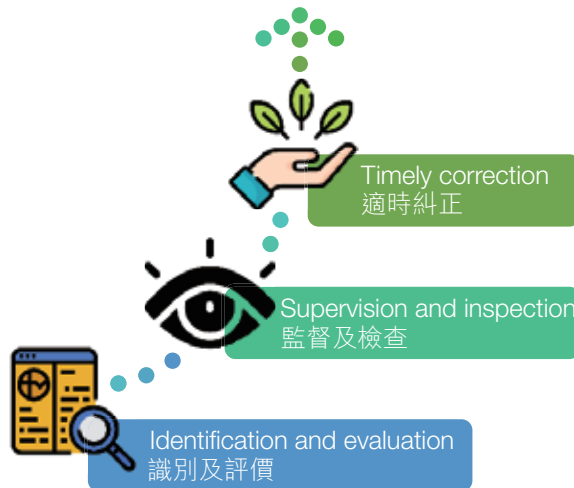
廣東珠海基地的總經理結合公司實際情況制定環境方針，每年定期召開管理評審會議審查實施情況，管理部每年或當環境目標發生重大變化時對該方針進行修訂。另外，廣東珠海基地每月進行一次ISO14001會議，從下而上收集各部門對現行環境管理的意見，並由管理部落實具建設性建議，完善管理體系。

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The Factory Management Department identifies and evaluates laws, regulations and other requirements in relation to environmental protection, water pollution, atmospheric pollution, noise pollution, waste, energy resources and chemical management, and completes the List of Laws, Regulations and Other Requirements and Compliance Evaluation Form, which is submitted to the System Management Department. The System Management Department is responsible for supervising and inspecting the implementation of compliance requirements of the environmental management system. The management representative shall report serious abnormal situations to the top management and take corrective measures in due course. The Group has strictly complied with laws and regulations in relation to the environment⁶. During the year, there were no non-compliance of relevant laws and regulations that had a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.

工廠管理部識別和評價與環境保護、水體污染、大氣污染、噪音污染、廢棄物、能源資源及化學品管理等相關法律法規及其他要求，填報《法律、法規和其他要求清單及合規性評價表》並提交予體系部門。體系部門負責監督檢查環境管理體系合規要求執行情況。管理者代表需向最高管理者報告嚴重異常情況，適時採取糾正措施。本集團嚴格遵行與環境有關的法律法規⁶。年內，本集團無任何違反有關廢氣及溫室氣體排放、向水或土地排污及有害或無害廢棄物的產生且對本集團造成重大影響的法律法規事宜。



⁶ For laws and regulations in relation to the environment, please see the section headed Laws and Regulations in this Report

⁶ 環境相關法律法規請參見本報告法律及法規章節

Environmental, Social and Governance Report

環境、社會及管治報告

Handling of Environmental Emergencies

The Group has established systems including the Rules on Emergency Management of Environmental Risk Accidents, to provide guidelines for handling environmental emergencies, thus reducing the risks and impacts of the accident. In case of chemical spill, the Environmental Safety Committee will determine the scope of influence and prepare a treatment plan in a timely manner according to the type and nature of pollution sources. The committee will also provide appropriate protective equipment and carry out on-going environmental monitoring and evaluation after the emergency. We train relevant employees engaged in positions with potential significant environmental impacts to make sure they are aware of their responsibilities and have a higher emergency awareness.

Resource Management

Energy

Our operations rely on various energy types, including direct energy (diesel, gasoline and natural gas combustion) and indirect energy (purchased electricity). During the year, our energy consumption of direct and indirect energy was 54,035 GJ and 174,147 GJ respectively. During the year, our total energy consumption was 228,182 GJ, representing a decrease of 11% compared with last year, with a consumption intensity of 0.041 GJ/thousand RMB revenue.

Water Resources

The Group uses tap water for its operations, and there were no issues in sourcing water that is fit for purpose during the year. The total water consumption for the year was 369,837 tons, with the water consumption intensity of 0.067 tons/thousand RMB revenue. Guangdong Zhuhai Base, which was newly included in the reporting boundary, consumed 18,989 tons of water, accounting for 5% of the total water consumption of the Group during the year.

突發環境事件處理

本集團設立《環境風險事故應急管理規定》等制度為突發環境事件提供處理準則，降低此類事件發生的風險及帶來的影響。如發生化學品洩漏，環境安全委員會判定影響範圍，按污染源種類和性質及時決定處理方案，並提供適當的防護設備，應急狀態終止後繼續進行環境監測及評價工作。我們對從事存在潛在重大環境影響的崗位相關人員進行培訓，使其了解其職責及提高應急意識。

資源管理

能源

我們運營依賴各種能源，包括直接能源（柴油、汽油和天然氣燃燒）和間接能源（外購電力），年內分別耗用54,035千兆焦耳和174,147千兆焦耳。年內，我們的能源消耗總量為228,182千兆焦耳，較去年減少11%，消耗密度為0.041千兆焦耳／千元人民幣營業額。

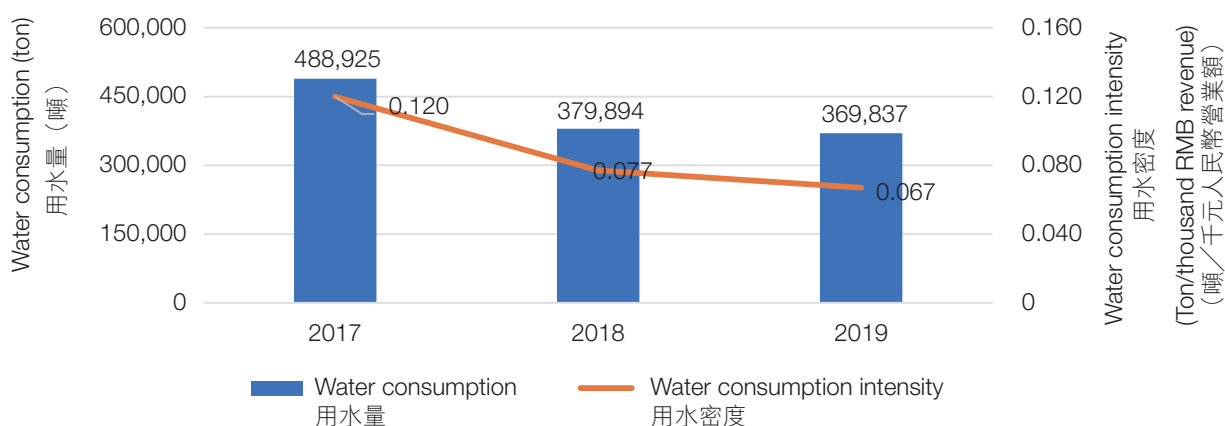
水資源

本集團營運使用自來水，年內無任何獲取適用水源上的問題。全年總用水量為369,837噸，用水密度為0.067噸／千元人民幣營業額。年內新納入報告邊界內的廣東珠海基地耗用18,989噸用水，佔本集團總用水量的5%。

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Water Consumption and Intensity 水資源用量及密度



Packaging Material

The Group uses plastic bags, color boxes, paper boxes, labels and other packaging materials in operations, with the total consumption of 39,213 tons and the intensity of 0.007 tons/thousand RMB revenue during the year.

包裝材料

我們的營運使用包裝物料包括塑料袋、彩盒、紙箱和標籤，年內共耗用39,213噸，密度為0.007噸／千元人民幣營業額。

Packaging Material

包裝材料

Consumption in 2019 (ton)

2019年耗用量(噸)

Plastic bags 塑料袋	225
Color boxes 彩盒	6,395
Paper boxes 紙箱	32,564
Labels 標籤	29
Total 總計	39,213

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Resource Efficiency Measures

The Group aims to save production costs and has strictly implemented the Energy Resources Management Rules. Without affecting the product quality, we save environmental resources and improve energy efficiency to reduce our impact on the environment.

資源效益舉措

本集團以節省生產成本為目標，嚴格執行《能源資源管理規定》。在不影響產品質量的前提下落實節約環境資源及提升能源效益行動，減低我們對環境的影響。

Energy 能源

- The Equipment Department centralizes the management of the central air conditioning and the office air conditioners, and repairs the leaking switching valves in a timely manner
設備部門統一管理中央空調及辦公室空調，及時維修漏氣的開關閥門
- The indoor temperature is maintained at 26 degrees celsius or above
室內溫度維持26攝氏度或以上
- Traditional lights are gradually replaced with energy-saving LED lamps
逐漸以較節能的LED燈取代傳統照明
- The Group promotes the conservation of electricity and educates employees to save electricity
本集團提倡並教育員工節約用電

Packaging materials 包裝材料

- The use of unnecessary packaging materials is minimized
儘量減少使用不必要的包裝材料
- Recyclable materials are selected
選擇可回收再用物料

Water resources 水資源

- Domestic water: Water-saving devices are installed
生活用水：安裝節水型器具
- Production water: Water-saving cooling towers are used
生產用水：採用節水型冷卻塔
- Random inspection for water leakage is carried out weekly, and water leakage is treated in a timely manner
每週隨機檢查是否有漏水情況並及時處理
- The Group promotes water saving and educates employees to save water
本集團提倡並教育員工節約用水



Resource Saving Measures
節省資源舉措

Environmental, Social and Governance Report 環境、社會及管治報告

Emissions Management

Greenhouse gas

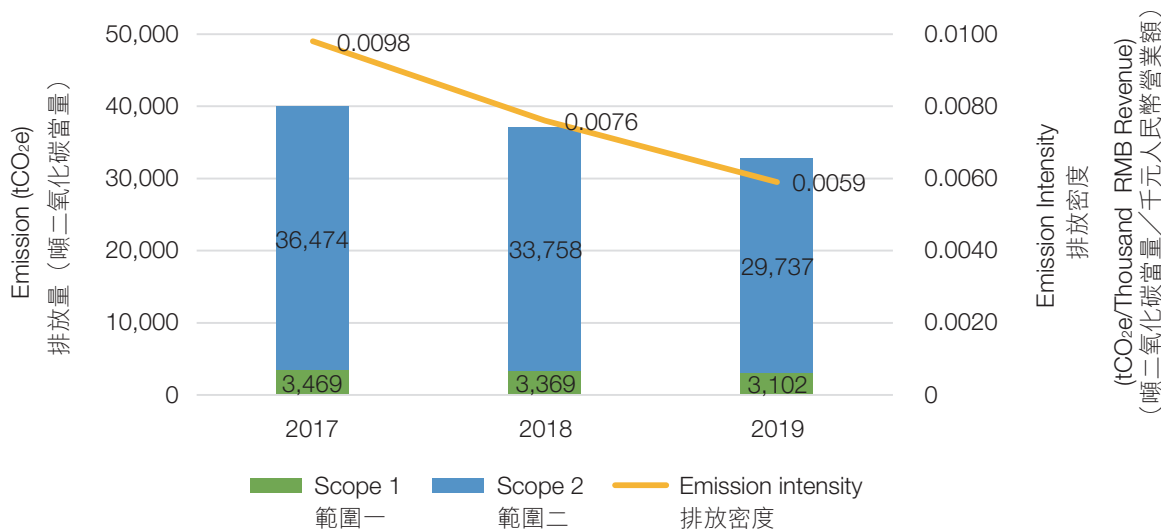
The total direct (scope 1) GHG emissions from natural gas, gasoline and diesel combustion in our factories and vehicles were 3,102 tCO₂e, representing a decrease of 8% compared with 2018. The total indirect (scope 2) GHG emissions from consumption of purchased electricity were 29,737 tCO₂e, representing a decrease of 12% compared with 2018. During the year, our total GHG emissions were 32,839 tCO₂e with the emission intensity of 0.0059 tons/thousand RMB revenue.

排放管理

溫室氣體

我們工廠和車輛因燃燒天然氣、汽油和柴油共產生3,102噸二氧化碳當量直接碳排放(範圍一)，較2018年下降8%。因耗用外購電力而產生29,737噸二氧化碳當量間接碳排放(範圍二)，較2018年下降12%。年內，我們共排放32,839噸二氧化碳當量溫室氣體，排放密度為0.0059噸二氧化碳當量/千元人民幣營業額。

GHG Emissions and Intensity
溫室氣體排放量及密度



Waste Gas

The air pollutants discharged from fuel combustion in factories and vehicles of the Group include 0.509 ton of nitrogen oxide, 1.005 tons of sulfur dioxide and 1.167 tons of particulate matters. During the year, air pollutant emissions decreased significantly compared with last year, due to the switch to natural gas by Guangdong Huizhou Base in the third quarter and the update of the data calculation basis by Chongqing Wanzhou Base.

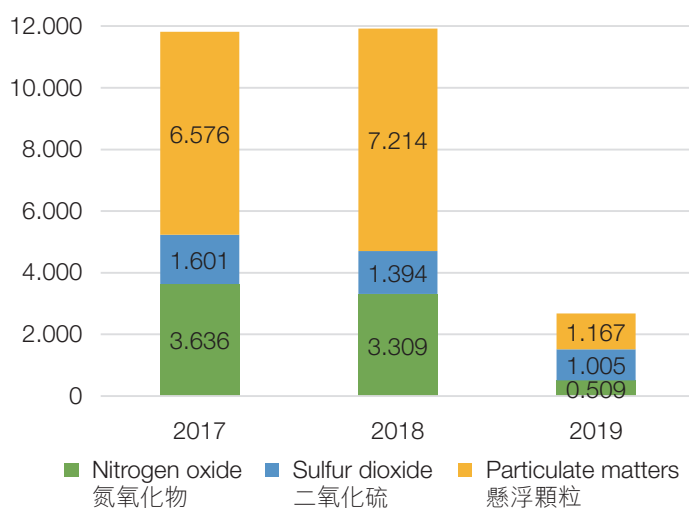
廢氣

本集團因工廠及車輛設備燃料燃燒釋出空氣污染物，包括0.509噸氮氧化物、1.005噸二氧化硫及1.167噸懸浮顆粒。年內廣東惠州基地於第三季度轉用天然氣和重慶萬州基地更新數據計算參考依據，因此空氣污染物排放量較去年大幅減低。

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Air Pollutants Emissions (ton)
空氣污染物排放量 (噸)



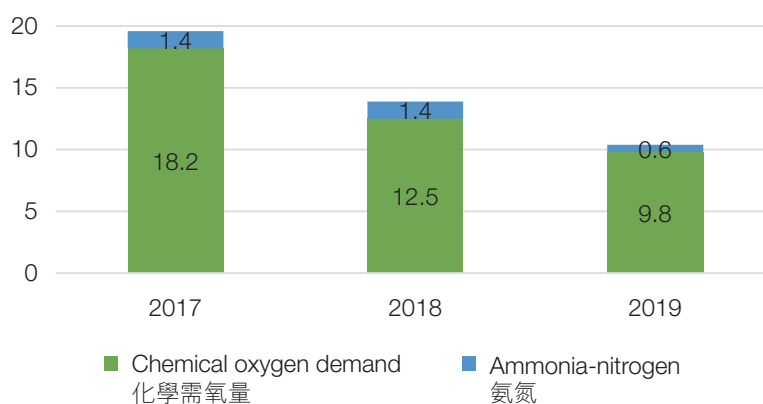
Wastewater

The production bases discharged domestic wastewater and production wastewater, including 9.8 tons of chemical oxygen demand and 0.6 ton of ammonia-nitrogen, representing a decrease of 22% and 57% respectively as compared with last year.

廢水

生產基地排放生活廢水及生產廢水，當中含9.8噸化學需氧量和0.6噸氨氮污染物，年內排放量比去年分別減少22%和57%。

Wastewater Pollutants Discharge (ton)
廢水污染物排放量 (噸)



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Waste

Production of lighting products involves the discharge of hazardous waste including surplus sludge, waste oil, packaging for waste mineral oil, and mercury-contained waste lamp tube. In 2019, there was a decrease of 60% in the generation of hazardous waste as compared with last year, amounting to 483 tons, of which 90% was surplus sludge. Generation intensity was computed as 0.09 kg/thousand RMB revenue. During the year, we adopted advanced equipment and improved production technology to reduce the generation of hazardous waste. For example, machines were cleaned with a cotton cloth dipped in alcohol, instead of soaking in alcohol.

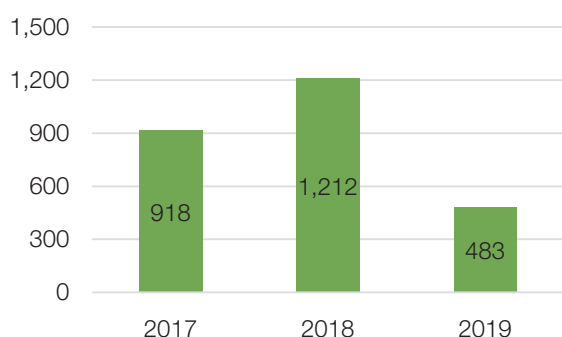
The amount of non-hazardous waste generated was 4,608 tons, of which 1,935 tons were recycled externally, accounting for 42%, and 2,673 tons were disposed in landfills. Generation intensity⁷ was computed as 0.83 kg/thousand RMB revenue. Recycled waste includes waste paper, plastic, metal, etc., while non-recyclable waste is mainly domestic waste and construction waste.

廢棄物

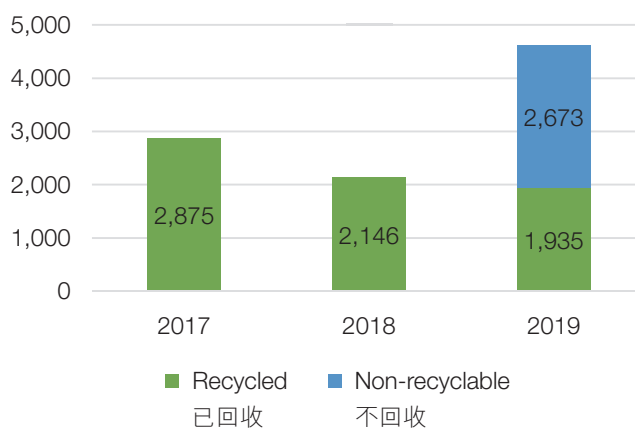
照明產品生產過程排放剩餘污泥、廢油、廢棄礦物油包裝、含汞廢燈管等有害廢棄物。2019年比去年減少產生60%的有害廢棄物，共483噸，當中九成為剩餘污泥，排放密度為0.09公斤／千元人民幣營業額。年內，我們採用先進設備和改善生產技術以減少有害廢棄物排放，如以棉布蘸酒精後擦拭機器代替酒精浸泡刷洗。

一般廢棄物排放量共4,608噸，其中進行外部回收1,935噸，佔42%，棄置堆填區處理2,673噸，排放密度⁷為0.83公斤／千元人民幣營業額。已回收廢棄物包括廢紙、塑料、金屬等，而不可回收品主要為生活廢物及建築垃圾。

Hazardous Waste Generation (Ton)
有害廢棄物產生量 (噸)



Non-hazardous Waste Generation (Ton)*
一般廢棄物產生量 (噸) *



* The amount of recycled non-hazardous waste in 2018 excluded Guangdong Huizhou Base.

* 2018年一般廢棄物(已回收)數據未包含廣東惠州基地。

⁷ In 2019, there were new non-hazardous waste generation data for non-recyclable waste, and therefore, the data were included in the calculation of non-hazardous waste generation intensity

⁷ 2019年新增不回收部分的一般廢棄物排放數據，故一般廢棄物排放密度的計算亦包含該部分數據

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Emission Reduction Measures

The Group understands the importance of reducing and managing the generation of waste gas, waste and wastewater (the “three wastes”), and has therefore implemented a series of emission reduction measures in accordance with the “Three Wastes” Emission Management System. The engineering center is responsible for supervising and managing the discharge of “three wastes” from production bases to ensure that the discharge complies with national laws and regulations. During the year, Guangdong Zhuhai Base has engaged a third party to carry out noise and waste gas detections and environmental protection acceptance inspection for completion, and there were no non-compliance.

減排舉措

本集團明白減少及管理廢氣、廢棄物和廢水(「三廢」)產生的重要性，因此依據《「三廢」排放管理制度》落實一系列減排措施。工程中心負責監督管理生產基地的「三廢」排放，確保排放符合國家法律法規要求。年內，廣東珠海基地已委託第三方進行噪音、廢氣和竣工環境保護驗收檢測，並沒有任何超標情況發生。

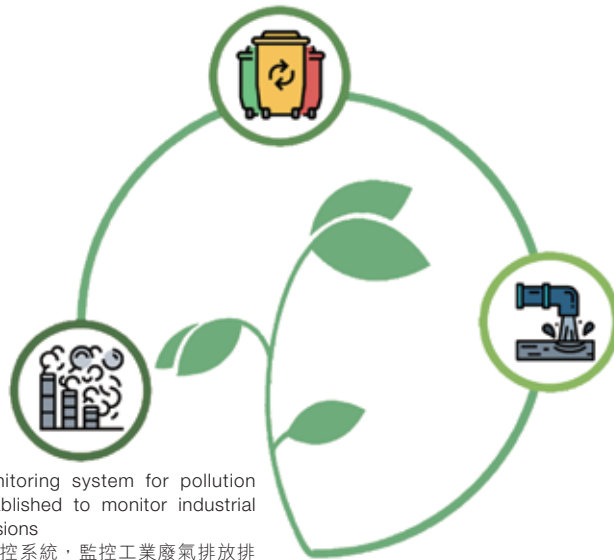
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環境、社會及管治報告

Waste

廢棄物

- The Waste Management Rule has been formulated to manage the waste disposal process
制定《廢棄物管理規定》，管理廢棄物的處置流程
- The Plan for Management of Organizations Generating Hazardous Waste, an annual emission reduction plan, has been prepared to regularly monitor the discharge of hazardous waste, and make comparison with the expected results in the previous year, for analysis
訂立年度減排計劃《危險廢物產生單位管理計劃》，定期監測有害廢氣物排放量，與上年度預期結果進行比較分析
- The engineering center collects, transports and disposes of waste in a unified way
工程中心統一收集、轉運及處置廢棄物
- The Group has signed a fixed commission agreement for hazardous waste with a recognized environmental protection company
本集團與認可的環保公司簽訂有害廢棄物固定委託協議
- After classification and collection, recyclable waste is handed over to a recognized recycler for treatment;
Waste not worth recycling will be handed over to the local municipal environmental sanitation department for collection and treatment
將可回收廢棄物分類收集後，交由認可回收商處理；
無回收利用價值的廢棄物則交由當地市政環衛部門收集處理
- Conspicuous signs are installed at the place where solid waste is placed
於固體廢棄物放置場所設置易於識別的告示牌



Waste gas

廢氣

- An on-line monitoring system for pollution sources is established to monitor industrial waste gas emissions
設污染源線上監控系統，監控工業廢氣排放排放
- Activated carbon adsorption devices and other technologies are used to reduce volatile organic compounds VOCs emissions in factories
採用活性碳吸附裝置等技術，減少工廠揮發性有機化合物VOCs排放

Wastewater

廢水

- The Group has formulated a wastewater treatment procedure, and managed equipment of sewage treatment stations and provided training
本集團制定廢水治理操作規程，管理污水處理站設備和提供培訓
- Industrial sewage and domestic sewage are separated for treatment;
Domestic sewage is discharged into the municipal sewage pipe network after being filtered;
Qualified environmental protection companies are engaged to collect industrial sewage for biochemical treatment, to ensure compliant discharge
分開治理工業污水及生活污水；
生活污水過濾排入市政污水管網；
工業污水委託具資質環保公司收集後進行生化處理，確保排放達標
- Existing wastewater treatment equipment is improved
完善現有廢水處理設備
- Data of wastewater treatment stations are summarized every month and properly kept
每月統計廢水處理站數據並妥善保存

Measures for Reduction of "Three Wastes"

「三廢」減排措施

Environmental, Social and Governance Report

環境、社會及管治報告

Promoting Intelligent Lighting

The Group is committed to becoming an “expert in luminous environment” and providing customers with comfortable and energy-saving lighting solutions. Through more than a decade of experience accumulation and continuous investment, the Group has established a sound green research and development system. We have various research and development centers and laboratories at home and abroad, and engaged famous electric light source experts and luminaire experts as consultants to research into cutting-edge technologies of intelligent lighting. We have established NVC (Beijing) Lighting Environment Innovation Institute, to promote the development of luminaires in the LED era, in terms of optical research and innovation.

During the year, the Group continued to promote the IoT ecological cooperation with Alibaba AI Lab, Huawei, Hangzhou Research Institute of China Mobile, Google, Amazon, etc., to strengthen the research and development of medium and high-end smart home lighting solutions, thus accelerating smart lighting arrangements. According to usage scenarios, lighting requirements, physiological characteristics and other factors, intelligent lighting provides a more humanized and energy-saving lighting scheme, with room for development in home, office, business and public facilities. In terms of public facilities, Daxing International Airport, a large international aviation hub, uses our intelligent lighting system, which automatically turns on the lights or adjusts the rightness when natural lighting is insufficient. In addition, the Group participated in the Qinling Tunnel lighting project, which requires the consideration of the driver’s safety and comfort in long-distance driving. Intelligent lighting is used to adjust the tunnel lighting environment to an appropriate level according to weather, climate and time, reducing manual intervention and saving energy.

推動智能照明

本集團致力成為「光環境專家」，為客戶提供舒適而節能的照明方案。經過十多年的累積和持續投入，本集團已建立完善的綠色研發體系。我們於國內外擁有多個研發中心和實驗室，並聘請著名電光源專家、燈具專家為顧問，研究智能照明的頂尖技術。我們成立雷士（北京）光環境創新研究院，從光學研究和創新層面上推動LED時代照明燈具的發展。

年內，本集團繼續推進與阿里人工智慧實驗室、華為、中移杭研、Google、Amazon等的物聯網生態合作，強化中高端智慧家居照明解決方案研發，加快了智慧照明的佈局。智能照明結合使用場景、光照需求、生理特徵等因素，提供更人性化和節省能源的照明方案，於家居、辦公、商務及公共設施均有發展空間。於公共設施方面，大型國際航空樞紐大興國際機場採用我們的智能照明系統，當自然採光不足時會自動啟動燈光或調節亮度。另外，本集團亦參與秦嶺隧道照明計劃，該項目需要考慮駕駛者長時間駕駛的安全及舒適度，因此利用智能照明按天氣、氣候、時間調節合適的隧道光環境，減少人工干預及節省能源。

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Community Engagement

The Group has actively responded to the national appeal for poverty alleviation and development, taking education and poverty alleviation as the top priority in its community work. It has continuously transformed the lighting environment of schools through “NVC Bright Future”. We have paid attention to the people in financial difficulties and organized our cadres to visit the poor villagers, providing them with daily necessities. In addition, it is our concern to carry out and promote trade exchange activities, so as to facilitate the sustainable development of the industry. During the year, we invested RMB85 thousand and carried out voluntary work for 120 hours, to give back to society and undertake the social responsibility of the Group.

NVC Bright Future

With the philosophy of “education support comes first in poverty alleviation, accompanied by ideological support”, the Group has increased its investment in the field of education-based poverty alleviation. Through its public welfare brand “NVC Bright Future”, it has continuously expanded the lighting transformation of the educational environment in poor areas, old revolutionary base areas and remote mountainous areas, and has offered rich and interesting classes of love for local children, and visited families of poor students, thus spreading light with love.

Since 2007, “NVC Bright Future” has covered 18 provinces and cities including Guizhou, Sichuan and Chongqing, improving the educational lighting environment for over 200 schools and benefiting more than 100 thousand teachers and students. Our trip of love will continue and help improve the current situation of rural education resources.

社區參與

本集團積極響應國家扶貧開發的思想，將教育扶貧置於本集團社區工作的首位，持續通過「雷士光明行公益活動」改造學校的照明環境。我們亦關注貧困群眾，組織本集團幹部走訪慰問貧困村民並為其送上生活用品。此外，開展並推動行業交流活動，促進行業的持續發展亦是我們關注的範疇。年內，我們共投入8.5萬元人民幣、義務工作時數120小時，以回饋社會，承擔本集團應負的社會責任。

雷士光明行

跟隨「扶貧先扶智，扶貧必扶志」的思路，本集團加大投入於教育扶貧領域，通過自有公益品牌「雷士光明行」，不斷擴大對貧困地區、革命老區、偏遠山區的教育環境燈光改造，為當地孩子開展豐富有趣的愛心課堂、走訪慰問特困學生家庭，用愛傳遞光明。

自2007年以來，「雷士光明行」的足跡覆蓋貴州、四川、重慶等18個省市，改善超200所學校的教育燈光環境，10萬多名師生從中受益。我們的愛心之旅將延續下去，助力改善鄉村教育的資源現狀。

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During the year, the Group continued “NVC Bright Future” in Nanzhang, Hubei, carrying out lighting renovation projects for a total of 112 classrooms and teachers’ offices, dormitories and other school facilities in 2 primary schools in Nanzhang, with the replacement of a total of 1,348 light sources amounting to RMB47,194.

Our volunteers offered classes of love for children, leading children to feel the poetry culture, understand the historic culture, and brought poetry books for the children, hoping that children can understand Chinese cultural deposits through the power of poetry.

With daily necessities including oil and rice and Class AA table lamps produced by the Group, the volunteers visited poor families, replacing their bulbs and giving warmth to them.

今年，「雷士光明行」於湖北南漳愛心續航，為南漳的2所小學共112間教室、教師辦公室、宿舍等學校環境進行燈光改造工程，共更換燈源1,348個，累計金額達47,194元人民幣。

我們的志願者為孩子開展愛心支教課堂，帶領孩子們感受詩詞文化、了解歷史文化，亦為孩子們帶去詩詞書籍，希望通過詩詞的力量讓孩子體會中國文化的底蘊。

帶著油、米等生活用品及本集團生產的AA級檯燈，志願者走訪特困家庭，為他們更換燈泡，送去溫暖。

Promotion of Industry Development

The Group is committed to building an exchange platform for outstanding domestic designers. During the year, we held a designer exchange meeting in Shaanxi, attracting many famous designers and industry elites, at which more than 100 designers jointly discussed the opportunities and the challenges and exchanged their respective experiences in the lighting design industry. We also participated in the drafting and preparation of the CECS standard report on “Green Building Materials Evaluation Standard – LED Lighting Products”, to support the promotion of the application of green building materials and standardization of the standards of LED lighting products. We believe that close industry exchanges and industry standardization will certainly promote the healthy and sustainable development of the lighting industry.

Laws and Regulations

The Group strictly complies with relevant laws and regulations, including but not limited to the following:

推動行業發展

本集團致力於為國內優秀設計師搭建交流平台。年內，我們匯聚多名著名設計師及行業精英，於陝西開展設計師交流會，100多名設計師共同探討交流照明設計行業的機會挑戰和各自的經驗。我們亦參與《綠色建材評價標準LED照明產品》CECS標準報告的起草及編製工作，助力推動綠色建築材料的應用，規範LED照明產品的標準。我們相信密切的行業交流及行業標準化必將促進照明事業的健康可持續發展。

法律及法規

本集團嚴格遵守相關的法律法規，包括但不限於以下內容：

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Aspects 層面	Applicable Laws and Regulations 適用的法律及法規	Section 對應章節
Emissions	Atmospheric Pollution Prevention and Control Law of the People's Republic of China Water Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes	Emissions Management
排放物	《中華人民共和國大氣污染防治法》 《中華人民共和國水污染防治法》 《中華人民共和國固體廢棄物污染環境防治法》	排放管理
Use of Resources	Law of the People's Republic of China on Energy Conservation	Resource Management
資源耗用	《中華人民共和國節約能源法》	資源管理
Environment and Natural Resources	Environmental Protection Law of the People's Republic of China	Environmental Compliance Management
環境及天然資源	《中華人民共和國環境保護法》	環境合規管理
Employment	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China	Talent Management
僱傭	《中華人民共和國勞動法》 《中華人民共和國勞動合同法》	人才管理
Health and Safety	Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Production Safety Law of the People's Republic of China	Occupational Health and Safety
健康與安全	《中華人民共和國職業病防治法》 《中華人民共和國安全生產法》	職業健康與安全
Labour Standards	Provisions on Prohibition of Child Labour Law of the People's Republic of China on the Protection of Minors	Management for Prevention of Child and Forced Labour
勞工準則	《禁止使用童工規定》 《中華人民共和國未成年人保護法》	防止童工及強制勞工管理
Product Responsibility	Product Quality Law of the People's Republic of China Tort Law of the People's Republic of China Patent Law of the People's Republic of China	Quality Assurance
產品責任	《中華人民共和國產品質量法》 《中華人民共和國侵權責任法》 《中華人民共和國專利法》	品質保證
Anti-corruption	Anti-Unfair Competition Law of the People's Republic of China Criminal Law of the People's Republic of China	Anti-corruption
反貪腐	《中華人民共和國反不正當競爭法》 《中華人民共和國刑法》	反貪腐

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Performance Data Summary

數據表現摘要

Environmental Data^{Note 1}

環境數據^{註1}

				2019	2018
		Unit			
		單位			
Resources consumption					
資源消耗					
Electricity	電力	kWh	度／千瓦時	48,374,238	55,019,662
Gasoline	汽油	Liter	公升	102,092	90,778
Diesel	柴油	Liter	公升	15,375	180
Natural Gas	天然氣	m ³	立方米	1,290,253	1,446,040
Total energy consumption	能源消耗總量	GJ	千兆焦耳	228,182	257,267
Total energy intensity	總能源密度	GJ/thousand RMB revenue	千兆焦耳／千元人民幣營業額	0.041	0.052
Tap Water	自來水	Ton	噸	369,837	379,894
Water consumption intensity	用水密度	Ton/thousand RMB revenue	噸／千元人民幣營業額	0.067	0.077
Greenhouse gas					
溫室氣體					
Total emissions	總排放量	tCO ₂ e	噸二氧化碳當量	32,839	37,127
Direct emission (scope 1)	直接排放 (範圍一)	tCO ₂ e	噸二氧化碳當量	3,102	3,369
Indirect emission (scope 2)	間接排放 (範圍二)	tCO ₂ e	噸二氧化碳當量	29,737	33,758
Emission intensity	排放密度	tCO ₂ e/thousand RMB revenue	噸／千元人民幣營業額	0.0059	0.0076
Exhaust gas pollutants					
廢氣污染物					
Nitrogen oxide	氮氧化物	Ton	噸	0.509	3.309
Sulfur dioxide	二氧化硫	Ton	噸	1.005	1.394
Particulate matters	懸浮顆粒	Ton	噸	1.167	7.214
Wastewater pollutants					
廢水污染物					
Chemical oxygen demand	化學需氧量	Ton	噸	9.8	12.5
Ammonia – Nitrogen	氨氮	Ton	噸	0.6	1.4

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		Unit 單位		2019	2018
Hazardous waste					
危險廢棄物					
Total amount of hazardous waste generated	危險廢棄物總量	Ton	噸	483	1,212
Waste oil	廢油	Ton	噸	13.3	-
Surplus sludge	剩餘污泥	Ton	噸	427.8	-
Packages for waste mineral oil	廢棄礦物油包裝	Ton	噸	1.2	-
Oily wastewater	含油廢水	Ton	噸	21.6	-
Waste packing bucket	廢包裝桶	Ton	噸	1.6	-
Waste lamp tube	廢燈管	Ton	噸	1.6	-
Varnish baking slag	烤漆渣	Ton	噸	1.2	-
Waste acid	廢酸	Ton	噸	2.8	-
Activated carbon	活性炭	Ton	噸	2	-
Waste circuit boards	廢舊電路板	Ton	噸	10	-
Non-hazardous waste (the data of non-hazardous waste for 2018 exclude the data of Guangdong Huizhou Base)					
一般廢棄物 (2018年一般廢棄物數據未包含廣東惠州基地)					
Total amount of non-hazardous waste generated	一般廢棄物總量	Ton	噸	4,608	2,146
Recycled waste	回收量	Ton	噸	1,935	2,146
Non-recyclable waste	不回收量	Ton	噸	2,673	-
Consumption of packaging materials (the total consumption of the Group for 2018 only includes the data of Guangdong Huizhou Base and Chongqing Wanzhou Base; Unit: piece)					
包裝材料使用量 (2018年本集團總數只包含廣東惠州基地及重慶萬州基地數據，單位為件)					
Total amount of packaging materials	包裝材料總量	Ton	噸	39,213	-
Plastic bags	塑膠袋	Ton	噸	225	59,500,865 pieces
Color boxes	彩盒	Ton	噸	6,395	51,103,558 pieces
Paper boxes	紙箱	Ton	噸	32,564	14,317,707 pieces
Labels	標籤	Ton	噸	29	186,076,514 pieces

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Note 1: The environmental data for 2019 includes the environmental performance of the “Continuing Operations” (the headquarters of NVC International Holdings Limited, Zhejiang Jiangshan Base, Shanghai Qingpu Base and Guangdong Zhuhai Base) for 2019 and the environmental performance of the “Discontinued Operations” (the headquarters of the disposed portion, Guangdong Huizhou Base, and Chongqing Wanzhou Base) prior to the delivery in December 2019, namely between January and November.

註1：2019年環境數據包括「持續經營業務」（雷士國際控股有限公司總部、浙江江山基地、上海青浦基地、廣東珠海基地）2019年全年環境表現，及「非持續經營業務」（出售業務總部、廣東惠州基地、重慶萬州基地）於2019年12月完成交割前，即1月至11月份的環境表現。

Employee Data^{Note 2}

員工數據^{註2}

		2019	2018
Total number of employees		2,498	5,279
總人數			
Gender distribution			
性別分佈			
Male	男性	1,009	2,437
Female	女性	1,489	2,842
Functional distribution			
職能分佈			
Management	管理	417	1,859
Frontline	前線	2,081	3,420
Age distribution			
年齡分佈			
< 30	< 30	675	1,432
30-50	30-50	1,597	3,558
> 50	> 50	226	289
Regional distribution			
地區分佈			
Mainland China	內地	2,498	5,278
Hong Kong	香港	0	1
Employment type distribution			
僱傭類型分佈			
Full-time	全職	2,498	—
Part-time	兼職	0	—
Contract type distribution			
合同類型分佈			
Long-term contract	長期合同	741	—
Fixed-term contract	固定期合同	1,757	—

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		2019	2018
Educational distribution			
學歷分佈			
Master's degree	碩士	16	–
Bachelor's degree	本科	232	–
College degree	大專	301	–
Below college degree	大專以下	1,949	–
Turnover – by age			
流失情況 – 按年齡			
Number of employees lost			
流失人數			
< 30	< 30	654	1,580
30-50	30-50	747	1,214
> 50	> 50	68	73
Quarterly average turnover rate			
季度平均流失率			
< 30	< 30	19.0%	26.7%
30-50	30-50	9.3%	8.1%
> 50	> 50	7.5%	6.6%
Turnover – by gender			
流失情況 – 按性別			
Number of employees lost			
流失人數			
Male	男性	805	1,682
Female	女性	664	1,185
Quarterly average turnover rate			
季度平均流失率			
Male	男性	14.3%	17.0%
Female	女性	9.8%	9.8%
New hire – by age			
新招聘情況 – 按年齡			
Number of new employees			
新入職人數			
< 30	< 30	602	1,693
30-50	30-50	486	1,034
> 50	> 50	42	62
Quarterly average new hire rate			
季度平均新入職率			
< 30	< 30	17.4%	28.6%
30-50	30-50	6.0%	6.9%
> 50	> 50	4.6%	5.6%

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		2019	2018
New hire – by gender			
新招聘情況 – 按性別			
Number of new employees			
新入職人數			
Male	男性	614	1,596
Female	女性	516	1,193
Quarterly average new hire rate			
季度平均新入職率			
Male	男性	10.9%	16.1%
Female	女性	7.6%	9.8%
Training performance – by gender			
培訓績效 – 按性別			
Total number of employees trained			
(the data for 2018 are the total training person-time)			
受訓總人數 (2018年為受訓總人次)			
Male	男性	758	12,969
Female	女性	1,271	10,868
Percentage of employees trained			
受訓百分比			
Male	男性	75.1%	–
Female	女性	85.4%	–
Total training hours			
受訓總時數			
Male	男性	88,188	31,861
Female	女性	49,010	26,375
Training performance – by function			
培訓績效 – 按職能			
Total number of employees trained			
(the data for 2018 are the total training person-time)			
受訓總人數 (2018年為受訓總人次)			
Management	管理	194	5,632
Frontline	前線	1,835	18,205
Percentage of employees trained			
受訓百分比			
Management	管理	46.5%	–
Frontline	前線	88.2%	–

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		2019	2018
Total training hours			
受訓總時數			
Management	管理	44,879	19,301
Frontline	前線	92,319	38,935
Occupational safety and health training^{Note 3}			
職業安全與健康培訓 ^{註3}			
Total training person-time	培訓總人次	18,521	23,295
Total training hours	培訓總時數	27,281	47,394

Note 2: Unless otherwise specified, the employee data for 2019 only covers the employee data of the "Continuing Operations" (the headquarters of NVC International Holdings Limited, Zhejiang Jiangshan Base, Shanghai Qingpu Base and Guangdong Zhuhai Base) for 2019.

Note 3: The data of "Occupational Safety and Health Training" includes the performance of the "Continuing Operations" (the headquarters of NVC International Holdings Limited, Zhejiang Jiangshan Base, Shanghai Qingpu Base and Guangdong Zhuhai Base) for 2019 and the performance of the "Discontinued Operations" (the headquarters of the disposed portion, Guangdong Huizhou Base, and Chongqing Wanzhou Base) prior to the delivery in December 2019, namely between January and November.

註2：非特殊說明，2019年員工數據僅披露「持續經營業務」（雷士國際控股有限公司總部、浙江江山基地、上海青浦基地、廣東珠海基地）2019年全年員工數據。

註3：「職業安全與健康培訓」數據包括「持續經營業務」（雷士國際控股有限公司總部、浙江江山基地、上海青浦基地、廣東珠海基地）2019年全年表現，及「非持續經營業務」（出售業務總部、廣東惠州基地、重慶萬州基地）於2019年12月完成交割前，即1月至11月份的表現。

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Operational Data

營運數據

		Unit		2019	2018
		單位			
Total number of suppliers ^(Note 4)	供應商總數 ^(註4)	/	家	855	–
Regional distribution	地區分佈				
Hong Kong	香港	/	家	17	–
Mainland China	中國內地	/	家	838	–
Community engagement ^(Note 5)	社區參與 ^(註5)				
Public welfare investment	公益投入	10,000 RMB	萬元人民幣	8.5	10
Hours of voluntary work	義務工作時數	Hour	小時	120	–

Note 4: The supplier data only covers the supplier data of the “Continuing Operations” (the headquarters of NVC International Holdings Limited, Zhejiang Jiangshan Base, Shanghai Qingpu Base and Guangdong Zhuhai Base) for 2019.

註4：供應商數據僅披露「持續經營業務」（雷士國際控股有限公司總部、浙江江山基地、上海青浦基地、廣東珠海基地）2019年全年供應商數據。

Note 5: The data of “Community Engagement” includes the performance of the “Continuing Operations” (the headquarters of NVC International Holdings Limited, Zhejiang Jiangshan Base, Shanghai Qingpu Base and Guangdong Zhuhai Base) for 2019 and the performance of the “Discontinued Operations” (the headquarters of the disposed portion, Guangdong Huizhou Base, and Chongqing Wanzhou Base) prior to the delivery in December 2019, namely between January and November.

註5：「社區參與」數據包括「持續經營業務」（雷士國際控股有限公司總部、浙江江山基地、上海青浦基地、廣東珠海基地）2019年全年表現，及「非持續經營業務」（出售業務總部、廣東惠州基地、重慶萬州基地）於2019年12月完成交割前，即1月至11月份的表現。

Environmental, Social and Governance Report

環境、社會及管治報告

Content Index

The content index of this Report includes the Global Reporting Initiative Sustainability Reporting Standards, and the Environmental, Social, and Governance Reporting Guide set out in Appendix 27 of the Main Board Listing Rules of The Hong Kong Stock Exchange.

內容索引

本報告內容索引包含《全球報告倡議組織可持續發展報告標準》及香港聯合交易所主板上市規則附錄二十七《環境、社會及管治報告指引》。

Material Aspects 實質性方面		GRI Indicator GRI指標	ESG Guide ESG指引	Description 描述		Section/Remark 章節/備註	
General Disclosure	一般披露						
Organizational Profile	組織概況	102-1		Name of the organization	組織名稱	Cover the Annual Report	年報封面
		102-2		Activities, brands, products and services	活動、品牌、產品與服務	Annual Report – Management Discussion and Analysis	年報 – 管理層討論與分析
		102-3		Location of headquarters	總部位置	Hong Kong, China	中國香港
		102-4		Location of operations	經營位置	Annual Report – Company Profile	年報 – 公司介紹
		102-5		Ownership and legal form	所有權與法律形式	Annual Report – Company Profile	年報 – 公司介紹
		102-6		Markets served	服務的市場	Annual Report – Company Profile	年報 – 公司介紹
		102-7		Scale of the organization	組織規模	Annual Report – Financial Highlights	年報 – 財務概要
		102-8	B1.1	Total workforce by gender, employee type, age group and geographical region	按性別、僱傭類型、年齡級別及地區劃分的僱員總數	Employee Composition	員工構成
		102-9	B5	Policies on managing environmental and social risks of the supply chain	管理供應鏈的環境及社會風險政策	Supplier Management	供應商管理
		102-10		Significant changes to the organization and its supply chain	組織及其供應鏈的重大變化	No Significant Changes	無重大變化
		102-11		Precautionary principle or approach	預警原則或方針	Environmental compliance management	環境合規管理
		102-12		External initiatives	外部倡議	Code of Conduct – Responsible Business Alliance	負責任商業聯盟行為準則
		102-13		Membership of associations	協會的成員資格	Sustainability Management	可持續發展管理

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Material Aspects 實質性方面		GRI Indicator GRI指標	ESG Guide ESG指引	Description 描述		Section/Remark 章節/備註	
Strategy	戰略	102-14		Statement from senior decision-maker	高級決策者的聲明	Chairman's Statement	主席致辭
Ethics and Integrity	道德和誠信	102-16		Values, principles, standards and norms of behavior	價值、原則、標準及行為規範	Sustainability Management	可持續發展管理
Governance	管治	102-18		Governance structure	管治結構	Sustainability Management	可持續發展管理
Stakeholder Engagement	利益相關方參與	102-41		Collective bargaining agreements	集體談判協議	If they are not applicable in locations of operation, relevant laws shall be complied with	運營所在地不適用，遵守相關法律法規
		102-42		Identifying and selecting stakeholders	利益相關方的識別和遴選	Stakeholder Engagement	利益相關方溝通
		102-43		Approach to stakeholder engagement	利益相關方參與方針	Stakeholder Engagement	利益相關方溝通
		102-44		Key topics and concerns raised	提出的主要議題和關切問題	Stakeholder Engagement	利益相關方溝通
Reporting Practice	報導實踐	102-45		Entities included in the consolidated financial statements	合併財務報表中所涵蓋的實體	Annual Report – Notes to the Consolidated Financial Statements	年報 – 合併財務報表附註
		102-46		Defining report content and topic boundaries	界定報告內容與議題邊界	About the Report	關於本報告
		102-47		List of material topics	實質性議題列表	Material Topic Analysis	實質性議題分析
		102-48		Restatements of information	信息重述	No restatement	無信息重述
		102-49		Changes in reporting	報告變化	No Significant Changes	無重大變化
		102-50		Reporting period	報告期	About the Report	關於本報告
		102-51		Date of most recent report	最近報告日期	About the Report	關於本報告
		102-52		Reporting cycle	報告週期	About the Report	關於本報告
		102-53		Contact point for questions regarding the report	有關本報告問題的聯絡人資訊	About the Report	關於本報告
		102-54		Claims of reporting in accordance with the GRI Standards	符合GRI標準進行報告的聲明	About the Report	關於本報告
		102-55		GRI content index	GRI內容索引	Content Index	內容索引
		102-56		External assurance	外部鑒證	There is no external assurance for the report temporarily	本報告暫無尋求外部鑒證
Relevant Topics	相關議題						
Economic	經濟						

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Material Aspects 實質性方面		GRI Indicator GRI指標	ESG Guide ESG指引	Description 描述		Section/Remark 章節 / 備註	
Anti-corruption 反腐敗		103	B7	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	有關防止賄賂、勒索、 詐欺及洗黑錢的(a)政策及(b) 遵守對發行人有重大影響的相 關法律及規例的資料	Anti-corruption	反貪腐
		103	B7.2	Preventive measures and whistle-blowing procedures, how they are implemented and monitored	防範措施及舉報程序，及相關 執行及監察方法		
		205-3	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	於匯報期內對發行人或其僱員提出 並已審結的貪污訴訟案件的數目 及訴訟結果	Anti-corruption	反貪腐
Economic Performance 經濟表現		103		Report how the organization manages the material aspect or its impacts	說明機構如何管理該實質性議題 及其影響	Annual Report – Management Discussion and Analysis	年報 – 管理層討論 與分析
		201-1		Direct economic value generated and distributed	直接產生和分配的經濟價值	Annual Report – Financial Review	年報 – 財務回顧
Environment	環境						
Environmental Protection Compliance	環保合規	103		Report how the organization manages the material aspect or its impacts	說明機構如何管理該實質性議題 及其影響	Environmental Compliance Management	環境合規管理
		307-7		Non-compliance with environmental laws and regulations	違反環境法律法規		
Energy	能源		A2	Policies on the efficient use of resources, including energy, water and other raw materials	有效使用資源(包括能源、水及 其他原材料)的政策	Resource Management	資源管理
		302-1 302-3	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時 計算)及密度(如以每產量單位、每項 設施計算)	Performance Data Summary	數據表現摘要
		302-4	A2.3	Energy use efficiency initiatives and results achieved	能源使用效益計劃及取得成果	Resource Management	資源管理

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Material Aspects 實質性方面		GRI Indicator GRI指標	ESG Guide ESG指引	Description 描述		Section/Remark 章節/備註
Water Resources 水資源		303-1	A2	Policies on the efficient use of resources, including energy, water and other raw materials	有效使用資源(包括能源、水及其他原材料)的政策	Resource Management 資源管理
			A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	總耗水量及密度(如以每產量單位、每項設施計算)	Performance Data Summary 數據表現摘要
			A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	描述求取適用水源上可有任何問題, 以及提升用水效益計畫及所得成果	Resource Management 資源管理
Emissions 排放		305-1 305-2 305-4	A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的: (a) 政策; 及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Emissions Management 排放管理 Laws and Regulations 法律及法規
			A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)	Performance Data Summary 數據表現摘要
			A1.1	The types of emissions and respective emissions data	排放物種類及相關排放數據	Performance Data Summary 數據表現摘要
			A1.5	Description of measures to mitigate emissions and results achieved	描述減低排放量的措施及所得成果	Emissions Management 排放管理

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Material Aspects 實質性方面		GRI Indicator GRI指標	ESG Guide ESG指引	Description 描述		Section/Remark 章節 / 備註			
Sewage and Waste 污水和廢棄物		A1.3		Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)		所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)			
				A1.4			Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Performance Data Summary	數據表現摘要
				A1.6			Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved		
Packaging Material 包裝材料		A2.5		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced		製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位估量	Performance Data Summary	數據表現摘要	
Environment and Natural Resources 環境及天然資源		A3		Policies on minimising the issuer's significant impact on the environment and natural resources		減低發行人對環境及天然資源造成重大影響的政策。			
				A3.1			Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental Compliance Management	環境合規管理
Energy Saving/Green Product 節能產品 / 綠色產品		103	A3	Policies on minimising the issuer's significant impact on the environment and natural resources		減低發行人對環境及天然資源造成重大影響的政策	Green Manufacturing	綠色製造	

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Material Aspects 實質性方面		GRI Indicator GRI指標	ESG Guide ESG指引	Description 描述		Section/Remark 章節/備註	
Social	社會						
Employment	僱傭	103 401-2	B1	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissed, recruitment and promotion, working hours, rest period, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視及其他待遇及福利的(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料	Talent Management	人才管理
		401-1	B1.2	Employee turnover rate by gender, age group and geographical region	按性別、年齡及地區劃分的僱員流失比率	Performance Data Summary	數據表現摘要
Health and Safety	健康與安全		B2	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料	Occupational Safety and Health Laws and Regulations	職業安全與健康 法律及法規
			B2.1	Number and rate of work-related fatalities	因工作關係而死亡的人數及比率	Performance Data Summary	數據表現摘要
			B2.2	Lost days due to work injury	因工傷損失工作日數	Performance Data Summary	數據表現摘要
			B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	描述所採納的職業健康與安全措施，以及相關執行和監察方法	Occupational Safety and Health	職業安全與健康
Development and Training	發展及培訓		B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動	Training and Development	培訓與發展
			B3.1	The percentage of employees trained by gender and employee category	按性別及僱員類別劃分的受訓僱員百分比		
		404-1	B3.2	The average training hours completed per employee by gender and employee category	按性別及僱員類別劃分，每名僱員完成受訓的平均時數	Performance Data Summary	數據表現摘要

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Material Aspects 實質性方面	GRI Indicator GRI指標	ESG Guide ESG指引	Description 描述		Section/Remark 章節/備註		
Labour Standards 勞工準則		B4	Information on:	有關防止童工或強制勞工的：	Management for Prevention of Child and Forced Labour	防止童工及強制勞工管理	
			(a) the policies; and	(a) 政策；及			
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	(b) 遵守對發行人有重大影響的相關法律及規例的資料	Laws and Regulations	法律及法規		
		B4.1	Description of measures to review employment practices to avoid child and forced labour	描述檢討招聘慣例的措施以避免童工及強制勞工	Management for Prevention of Child and Forced Labour	防止童工及強制勞工管理	
B4.2	Description of steps taken to eliminate such practices when discovered	描述在發現違規情況時消除有關情況所採取的步驟	Management for Prevention of Child and Forced Labour	防止童工及強制勞工管理			
Supply Chain Management 供應鏈管理		B5	Policies on managing environmental and social risks of the supply chain	管理供應鏈的環境及社會風險政策	Supplier Management	供應商管理	
			B5.1	Number of suppliers by geographical region	按地區劃分的供應商數目	Performance Data Summary	數據表現摘要
			B5.2	Description of practices relating to engaging suppliers. Number of suppliers where the practices are being implemented, how they are implemented and monitored	描述有關聘用供應商的慣例。向其執行有關的慣例的供應商數目，以及有關慣例的執行及監察方法	Supply Chain Management	供應鏈管理
Product Liability 產品責任		B6	Information on:	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：	Quality Assurance	品質保證	
			(a) the policies; and	(a) 政策；及			
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	(b) 遵守對發行人有重大影響的相關法律及規例的資料	Laws and Regulations	法律及法規		
		B6.3	Description of practices relating to observing and protecting intellectual property rights	描述與維護及保障知識產權有關的慣例	Research and Development Innovation	研發創新	

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Material Aspects 實質性方面	GRI Indicator GRI指標	ESG Guide ESG指引	Description		Section/Remark 章節/備註	
		B6.4	Description of quality assurance process and recall procedures	描述品質檢定過程及產品回收程序	Quality Assurance	品質保證
		B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	描述消費者資料保障及私隱政策，以及相關執行及監察方法	Protection of Intellectual Property Rights and Information	知識產權及信息保護
Customer Satisfaction 客戶滿意度	103	B6	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	有關於提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料	Customer Satisfaction	客戶滿意度
		B6.2	Number of products and service related complaints received and how they are dealt with	接獲關於產品及服務的投訴數目以及應對方法	Customer satisfaction	客戶滿意度
Local Community 當地社區		B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策	Community Engagement	社區參與
		B8.1	Focus areas of contribution	專注貢獻範疇	Community Engagement	社區參與
		B8.2	Resources contributed to the focus area	在專注範疇所動用資源		

“Comply or explain” provisions set out in Appendix 27 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited

香港聯合交易所主板上市規則附錄二十七之「不遵守就解釋」條文

“Recommended Disclosures” in Appendix 27 of Main Board Listing Rules by The Stock Exchange of Hong Kong Limited

香港聯合交易所主板上市規則附錄二十七之「建議披露」條文

Independent Auditor's Report

獨立核數師報告



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**TO THE SHAREHOLDERS OF NVC INTERNATIONAL HOLDINGS LIMITED
(FORMERLY KNOWN AS NVC LIGHTING HOLDING LIMITED)**
(Incorporated in the Cayman Islands with limited liability)

Qualified Opinion

We have audited the consolidated financial statements of NVC International Holdings Limited (formerly known as NVC Lighting Holding Limited) (the “Company”) and its subsidiaries (together the “Group”) set out on pages 201 to 453, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the “Basis for Qualified Opinion” section of our report, the consolidated financial statements present fairly, in all material respects, of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

**致雷士國際控股有限公司
(前稱雷士照明控股有限公司)全體股東
(於開曼群島註冊成立的有限公司)**

保留意見

我們已審核載於第201至第453頁之雷士國際控股有限公司(前稱雷士照明控股有限公司)(「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表，包括於2019年12月31日的合併財務狀況表及截至該日止年度的合併損益表、合併全面收入表、合併權益變動表及合併現金流量表，以及合併財務報表附註，包括主要會計政策概要。

我們認為，除了我們的報告中「保留意見基礎」一節所述事項可能帶來的影響外，合併財務報表乃根據國際財務報告準則(「國際財務報告準則」)在所有重大方面公允地反映 貴集團於2019年12月31日的合併財務狀況及截至該日止年度的合併財務表現及合併現金流量，並已根據香港公司條例的披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告

Basis for Qualified Opinion

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts

As set out in Note 37 to the consolidated financial statements, a subsidiary of the Company (the "Subsidiary") entered into several pledge and guarantee agreements in 2013 and 2014 (the "Pledge and Guarantee Agreements") with certain banks in the People's Republic of China (the "PRC"), providing guarantees to the banks for their loan facilities granted to certain borrowers. Certain counter guarantees were provided by one of the borrowers of the bank loans (the "Borrower") to the Group. During 2014, aggregate pledged time deposits of RMB550,924,000 of the Subsidiary had been withdrawn by the banks due to default of the bank loans under the guarantees of the Subsidiary.

The Group initiated legal actions to claim the counter guarantees provided by the Borrower. The directors were of the opinion that an amount of RMB265,564,000 (the "Recoverable Amount") was recoverable in prior years. Therefore other receivables of RMB550,924,000 due from the Borrower were included in "Prepayments, deposits and other receivables" in the consolidated statement of financial position as at 31 December 2014, and a provision for the irrecoverable amount of RMB285,360,000 had been recognised in profit or loss for the year ended 31 December 2014. There was no subsequent reversal of the provision or further provision recognised up to 31 December 2017.

保留意見基礎

(a) 其他應收賬款減值及關於財務擔保合約的不確定性

誠如合併財務報表附註37所載，貴公司一家附屬公司（「該附屬公司」）分別於2013年及2014年與中華人民共和國（「中國」）境內若干銀行訂立數項質押及擔保協議（「質押及擔保協議」），就該等銀行向其若干借款人授予貸款融資而提供擔保。各筆銀行貸款其中一名借款人（「該借款人」）向貴集團提供若干反擔保。數家銀行基於該附屬公司擔保的數項銀行貸款違約，已於2014年度提取該附屬公司質押定期存款總額為人民幣550,924千元。

貴集團已採取法律行動，就該借款人提供的反擔保提出索償。董事認為過往年度可收回金額人民幣265,564千元（「可收回金額」）。因此，於2014年12月31日，其他應收該借款人賬款人民幣550,924千元的金額已計入合併財務狀況表內「預付款、保證金及其他應收賬款」一項，並對不可收回金額人民幣285,360千元計提撥備，且於截至2014年12月31日止年度的損益表內確認。直至2017年12月31日並無後續撥回計提撥備或確認進一步的撥備。

Independent Auditor's Report

獨立核數師報告

Basis for Qualified Opinion (continued)

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts (continued)

As at 31 December 2018, the directors assessed the amount that the Group would recover from the Borrower under the Pledge and Guarantee Agreements taking into consideration all information available, including the additional claims from other creditors against the Borrower as noted in a court announcement issued in December 2018. Based on the then latest estimated value of the Borrower's assets, the priority of other creditors over the Borrower's asset and the amounts of their claims, the directors considered that the Group would not be able to recover the Recoverable Amount. Therefore an additional provision of RMB265,564,000 on the Recoverable Amount was recognised in profit or loss for the year ended 31 December 2018. The provision was included in "Other expenses, net" in the consolidated statement of profit or loss. After the additional provision, the net carrying amount of the Recoverable Amount became RMBNil as at 31 December 2018.

As set out in Note 37 to the consolidated financial statements, the Subsidiary also entered into guarantee agreements with another PRC bank in 2013 (the "Guarantee Agreement 1") and a PRC finance company in 2014 (the "Guarantee Agreement 2") respectively, providing guarantees to the PRC bank and the PRC finance company for their loan facilities granted to their borrowers. The outstanding loans of RMB35,497,000 and RMB34,000,000 in relation to the Guarantee Agreements 1 and 2 were in default in 2015 and 2014 respectively. The PRC bank and the PRC finance company took legal actions against the respective borrowers and the guarantors (including the Borrower and the Subsidiary as guarantors) to recover the loan balances and interests.

保留意見基礎 (續)

(a) 其他應收賬款減值及關於財務擔保合約的不確定性 (續)

於2018年12月31日，董事根據質押及擔保協議及考慮所有可用信息（包括於2018年12月頒佈的一項法院公告所提及之其他債權人對該借款人的額外索償）評估貴集團收回該借款人的款額。根據該借款人資產的當時最新估值、其他債權人對該借款人資產的優先權及其索償金額，董事認為貴集團無法收回可收回金額。因此，於截至2018年12月31日止年度，可收回金額的額外撥備人民幣265,564千元已於損益表確認。該撥備已計入合併損益表「其他費用，淨額」。扣除額外撥備後，可收回金額的淨賬面值於2018年12月31日為人民幣零元。

誠如合併財務報表附註37所載，該附屬公司亦分別於2013年與另一家中國銀行訂立擔保協議（「擔保協議1」）以及於2014年與一家中國財務公司訂立擔保協議（「擔保協議2」），為該家中國銀行及該家中國財務公司向其借款人授予貸款融資提供擔保。就擔保協議1及擔保協議2的未償還貸款人民幣35,497千元及人民幣34,000千元分別於2015年及2014年違約。該家中國銀行及該家中國財務公司已採取法律行動向各借款人及一眾擔保人（包括該借款人及該附屬公司，作為擔保人）追討貸款結餘及利息。

Independent Auditor's Report

獨立核數師報告

Basis for Qualified Opinion (continued)

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts (continued)

For the Guarantee Agreement 1, according to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC bank of the outstanding loan, plus interest and costs. The Subsidiary filed application of retrial of the PRC court judgements and the commencement thereof was accepted by the PRC court in January 2018, but the application was rejected according to the court judgement received by the Subsidiary in May 2018.

For the Guarantee Agreement 2, according to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary was adjudicated to be jointly liable for the payment to the PRC finance company of the outstanding loan, plus interest and costs.

As of 31 December 2017, the Subsidiary was in the process of applying for protests of the PRC court judgements in relation to Guarantee Agreements 1 and 2. Accordingly, the Group was of the view that the legal proceedings in relation to Guarantee Agreements 1 and 2 were still in progress notwithstanding the respective final court judgements and the rejection of the application of retrial in relation to Guarantee Agreement 1.

保留意見基礎 (續)

(a) 其他應收賬款減值及關於財務擔保合約的不確定性 (續)

就擔保協議1而言，根據於2016年的首次法院判決及於2017年的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付未償還貸款另加利息及開支承擔共同責任。該附屬公司就中國法院判決申請重審，且中國法院已於2018年1月受理相關法律訴訟，但根據該附屬公司於2018年5月收到的法院判決，該申請已被法院拒絕。

就擔保協議2而言，根據於2016年的首次法院判決及於2017年的最終法院判決，該附屬公司被裁定須就向該家中國財務公司支付未償還貸款另加利息及開支承擔共同責任。

截至2017年12月31日，該附屬公司正就與擔保協議1及擔保協議2有關的中國法院判決申請抗訴。因此，貴集團認為，儘管已作出相關最終法院判決且與擔保協議1有關的重審申請遭拒絕，但與擔保協議1及擔保協議2有關的法律訴訟仍在進行中。

Independent Auditor's Report

獨立核數師報告

Basis for Qualified Opinion (continued)

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts (continued)

Based on the view that the legal proceedings were still in progress and with reference to legal opinions obtained and other factors, the directors considered that the likelihood of the Group sustaining losses from the Guarantee Agreements 1 and 2 was remote as it was considered that the loans had sufficient underlying securities including the Borrower's guarantees and the Subsidiary is only one of the guarantors for the loans. As a result, the directors considered that no provision thereon was considered necessary as at 31 December 2017.

The Group had another litigation (defined as Guarantee Agreement 3 in (b) below) with circumstances similar to those of Guarantee Agreement 1 and Guarantee Agreement 2. As of 31 December 2018, the directors assessed whether to recognise any provision for losses arising from Guarantee Agreement 1 and Guarantee Agreement 2 with reference to all available information including the Group's experience in Guarantee Agreement 3 and latest legal opinion and considered that it was probable that the Group's application for protest of the PRC court judgements would not be successful and the Subsidiary would be adjudicated to be jointly liable for the payment to the PRC bank and PRC finance company for their losses. Accordingly full provisions for outstanding loans in relation to the Guarantee Agreements 1 and 2 respectively, plus interest and costs, in the amounts of RMB61,830,000 and RMB60,700,000 respectively, were recognised in profit or loss for the year ended 31 December 2018. The provision was included in "Other expenses, net" in the consolidated statement of profit or loss.

保留意見基礎 (續)

(a) 其他應收賬款減值及關於財務擔保合約的不確定性 (續)

基於法律訴訟仍在進行中及經參考取得的法律意見及其他因素，董事認為 貴集團須就擔保協議1及擔保協議2承擔損失的可能性輕微，因據悉該貸款具有足夠的相關擔保（包括該借款人的擔保），而該附屬公司亦僅為該貸款的其中一名擔保人。因此，董事認為不需要於2017年12月31日作出相關撥備。

貴集團另一起訴訟（定義為下文(b)中的擔保協議3），其情況類似於擔保協議1及擔保協議2。截至2018年12月31日，董事已參考包括 貴集團於擔保協議3中的經驗及最新法律意見在內的所有可用資料評估是否確認任何因擔保協議1及擔保協議2而產生的虧損撥備，並認為有可能 貴集團就中國法院判決的申請抗訴將不會成功，而該附屬公司將被裁定須就向該家中國銀行及中國財務公司支付的虧損承擔共同責任。因此，有關擔保協議1及2的未償還貸款的全數撥備另加利息及開支分別為人民幣61,830千元及人民幣60,700千元，於截至2018年12月31日止年度確認為損益。該撥備已計入合併損益表「其他費用，淨額」。

Independent Auditor's Report

獨立核數師報告

Basis for Qualified Opinion *(continued)*

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts *(continued)*

In our audit of the Company's consolidated financial statements for the year ended 31 December 2017, we were unable to obtain sufficient appropriate audit evidence to ascertain whether the assessment on recoverability of the Recoverable Amount due from the Borrower and RMBNil provision for the Guarantee Agreements 1 and 2 as at 31 December 2017 was appropriate. As such audit scope limitation may have a consequential impact on the amounts of provisions on the Recoverable Amount and on Guarantee Agreement 1 and Guarantee Agreement 2 recognised during the year ended 31 December 2018, the audit opinion on the Company's consolidated financial statements for the year ended 31 December 2018 was modified. Our audit opinion on the Company's consolidated financial statements for the year ended 31 December 2019 is also modified because of the possible effect of this matter on the comparability of the related 2019 figures and the 2018 figures in the consolidated financial statements for the year ended 31 December 2019.

保留意見基礎 (續)

(a) 其他應收賬款減值及關於財務擔保合約的不確定性 (續)

在我們對 貴公司截至2017年12月31日止年度合併財務報表的審核中，我們未能取得充分恰當的審核證據以確定能否收回應收該借款人的可收回金額，以及於2017年12月31日就擔保協議1及擔保協議2計提撥備人民幣零元是否合適。由於有關審核範圍限制或會對於截至2018年12月31日止年度確認的可收回金額以及擔保協議1及擔保協議2的計提撥備金額構成重大影響， 貴公司截至2018年12月31日止年度合併財務報表的審核意見已予以修訂。我們有關 貴公司截至2019年12月31日止年度合併財務報表的審核意見亦予以修訂，乃由於該事宜可能會對截至2019年12月31日止年度合併財務報表內相關2019年及2018年數字的可比性產生影響。

Independent Auditor's Report

獨立核數師報告

Basis for Qualified Opinion (continued)

(b) Provision for loss on financial guarantee contract

As set out in Note 37 to the consolidated financial statements, in addition to the agreements as mentioned in the above paragraphs, the Subsidiary entered into a guarantee agreement (the "Guarantee Agreement 3") with a PRC bank in 2014, providing guarantee to the bank for a loan facility granted to its borrower. The bank loan was in default in 2014 and the bank took legal actions against the borrower and the guarantors (including the Subsidiary) to recover the bank loan balance and interest. A court order was issued to freeze assets of the guarantors (including the Subsidiary) in the amount of RMB62,000,000. As a result of the court order, bank balance of the Subsidiary in the amount of RMB55,396,000 (the "Withdrawn Amount Recoverable") had been frozen by the bank in 2014. According to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC bank of RMB60,000,000, plus interest and costs. In February 2017, the frozen bank balance of the Subsidiary was withdrawn by the court for the purpose of settlement of the claim by the PRC bank. During 2017, the Subsidiary filed an application of retrial of the PRC court judgements in relation to Guarantee Agreement 3 which was rejected by the PRC court. During 2017, the Subsidiary filed an application of protest of the PRC court judgements and the commencement of related legal proceeding was accepted by the PRC court in March 2018. Accordingly, the Group was of the view that the legal proceeding was still in progress notwithstanding the final court judgement and the rejection of the application of retrial.

保留意見基礎 (續)

(b) 財務擔保合約虧損撥備

誠如合併財務報表附註37所載，除以上段落所述的協議，該附屬公司於2014年與中國的一家銀行訂立一項擔保協議（「擔保協議3」），為銀行向其借款人授予貸款融資提供擔保。該銀行之貸款未能於2014年償還，而該銀行已採取法律行動向借款人及一眾擔保人（包括該附屬公司）追討銀行貸款結餘及利息。經已發出法院指令凍結擔保人（包括該附屬公司）資產，即金額人民幣62,000千元。鑒於該法院指令，該附屬公司金額為人民幣55,396千元的銀行存款（「可收回被提取賬款」）已於2014年被銀行凍結。根據於2016年的首次法院判決及於2017年的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付人民幣60,000千元賬款另加利息及成本承擔共同責任。於2017年2月，該附屬公司的被凍結銀行存款被法院提取以支付該家中國銀行的索償。2017年，該附屬公司已就擔保協議3的中國法院判決申請重審，然相關申請被中國法院駁回。2017年，該附屬公司已就中國法院判決申請抗訴，中國法院已於2018年3月受理相關法律訴訟。因此，貴集團認為，儘管已作出最終法院判決且重審申請遭拒絕，但法律訴訟仍在進行中。

Independent Auditor's Report

獨立核數師報告

Basis for Qualified Opinion *(continued)*

(b) Provision for loss on financial guarantee contract *(continued)*

As of 31 December 2017, the directors, with reference to legal opinion obtained and other factors, considered that the likelihood of the Group sustaining losses from the guarantee was remote as it was considered that the bank loan had sufficient underlying securities and the Subsidiary is only one of the guarantors for the bank loan. The directors believed that the Withdrawn Amount Recoverable would be fully recovered upon the conclusion of the protest of the PRC court judgements and no provision on the Withdrawn Amount Recoverable was considered necessary as at 31 December 2017. In addition, the directors were of the opinion that no provision on any shortfall between the amount to be ultimately settled by the Group under the Guarantee Agreement 3 and the Subsidiary's withdrawn amount was considered necessary as at 31 December 2017.

保留意見基礎 (續)

(b) 財務擔保合約虧損撥備 (續)

截至2017年12月31日，經參考取得的法律意見及其他因素，董事認為貴集團須就該項擔保承擔損失的可能性輕微，因據悉該銀行貸款具有足夠的相關擔保，而該附屬公司僅為該銀行貸款的其中一名擔保人。董事相信當中國法院判決抗訴完結時，可收回被提取賬款可悉數收回，且於2017年12月31日無需對可收回被提取賬款計提撥備。此外，董事認為，貴集團根據擔保協議3最終作出的付款金額與該附屬公司被提取賬款之間的任何差額亦不需要於2017年12月31日計提撥備。

Independent Auditor's Report

獨立核數師報告

Basis for Qualified Opinion (continued)

(b) Provision for loss on financial guarantee contract (continued)

As of 31 December 2018, the directors assessed whether the Group would be held liable for the PRC bank's loss under Guarantee Agreement 3 and as a result, whether the Group would incur loss. The directors' assessment was made with reference to all available information and the latest circumstances including the fact that it has been a significant lapse of time since the Subsidiary filed its protest with the PRC court but no positive reply has been received. The legal opinion obtained considered the likelihood of the protest being successful was significantly lowered and became remote. Based on the assessment, the directors considered that it was probable for the Group to be held liable for the PRC bank's loss under Guarantee Agreement 3. The Withdrawn Amount Recoverable of RMB55,396,000 was therefore determined to be irrecoverable and fully impaired with the corresponding amount recognised in the profit or loss during the year ended 31 December 2018. The directors also estimated there was a shortfall of RMB4,604,000 between the Group's liability under Guarantee Agreement 3 and the withdrawn amount. Provision for this shortfall plus interest and costs under Guarantee Agreement 3 of RMB28,989,000 was recognised in the profit or loss during the year ended 31 December 2018. These provisions were included in "Other expenses, net" in the consolidated statement of profit or loss.

保留意見基礎 (續)

(b) 財務擔保合約虧損撥備 (續)

截至2018年12月31日，董事評估貴集團是否會根據擔保協議3承擔中國銀行的虧損，及貴集團是否會因此產生虧損。董事的評估乃參考所有可用資料及最新情況作出，包括該附屬公司向中國法院提出抗訴長期未收到正面回覆這一事實。獲取的法律意見認為抗訴成功的可能性微乎其微。通過是次評估，董事認為貴集團可能會據擔保協議3承擔中國銀行的虧損。因此，可收回被提取賬款人民幣55,396千元已確定為不可收回並已悉數減值，且相應金額於截至2018年12月31日止年度損益表中確認。董事亦估計，貴集團於擔保協議3項下的負債與被提取金額之間的差額為人民幣4,604千元。根據擔保協議3，該差額另加利息及開支的撥備人民幣28,989千元於截至2018年12月31日止年度確認為損益。該等撥備已計入合併損益表「其他費用，淨額」。

Independent Auditor's Report

獨立核數師報告

Basis for Qualified Opinion (continued)

(b) Provision for loss on financial guarantee contract (continued)

In our audit of the Company's consolidated financial statements for the year ended 31 December 2017, we were unable to obtain sufficient appropriate audit evidence regarding whether the Group would be held liable for the PRC bank's loss and the probability that the Group would incur loss under Guarantee Agreement 3 as at 31 December 2017. As such audit scope limitation may have a consequential impact on the amount of Withdrawn Amount Recoverable impaired and the amount of provision for further loss under Guarantee Agreement 3 recognised during the year ended 31 December 2018, the audit opinion on the Company's consolidated financial statements for the year ended 31 December 2018 was modified. Our audit opinion on the Company's consolidated financial statements for the year ended 31 December 2019 is also modified because of the possible effect of this matter on the comparability of the related 2019 figures and 2018 figures in the consolidated financial statements for the year ended 31 December 2019.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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 qualified opinion.

保留意見基礎 (續)

(b) 財務擔保合約虧損撥備 (續)

在我們對 貴公司截至2017年12月31日止年度合併財務報表的審核中，我們未能就 貴集團是否會承擔中國銀行的虧損以及 貴集團根據擔保協議3將於2017年12月31日承擔虧損的可能性取得充分恰當的審核證據。由於有關審核範圍限制或會對可收回被提取賬款減值以及於截至2018年12月31日止年度確認的擔保協議3的進一步虧損的計提撥備金額構成重大影響， 貴公司截至2018年12月31日止年度合併財務報表的審核意見已予以修訂。我們有關 貴公司截至2019年12月31日止年度合併財務報表的審核意見亦予以修訂，乃由於該事宜可能會對截至2019年12月31日止年度合併財務報表內相關2019年及2018年數字的可比性產生影響。

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

Independent Auditor's Report

獨立核數師報告

Other Information in the Annual Report

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the "Basis for Qualified Opinion" section above, we were not able to obtain sufficient appropriate evidence about impairment of other receivables and provision for financial guarantee contracts in our audit of the Company's consolidated financial statements for the year ended 31 December 2018 which may have a possible effect on the comparability of the related 2019 figures and 2018 figures. Accordingly we are unable to conclude whether or not the other information in the relevant period is materially misstated in respect to these matters.

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, we do not provide a separate opinion on these matters. In addition to the matters described in the "Basis for Qualified Opinion" section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

年度報告的其他資料

董事負責其他資料。其他資料包括 貴公司年報中除合併財務報表及核數師報告外的資料。

我們對合併財務報表的意見不包括其他資料，我們不會作出任何形式的保證結論。

關於我們對合併財務報表的審核，我們的責任是閱讀其他資料，並考慮其他資料是否與合併財務報表或在審核中獲知的一致，或有否出現重大錯誤陳述。根據我們所做的工作，如果我們認為這些其他資料存在重大錯誤陳述，我們必須報告該事實。

誠如上文「保留意見基礎」一節所述，我們無法於審核 貴公司截至2018年12月31日止年度的合併財務報表中取得有關財務擔保合約的其他應收賬款減值及撥備的充足合適證據，這可能對有關2019年數字及2018年數字的可比較性產生潛在影響。因此，我們無法斷定其他資料於有關期間是否存在有關該等事項的重大錯誤陳述。

關鍵審核事項

關鍵審核事項為我們的專業判斷中，審核本期合併財務報表中最重要的事項。我們於審核整體合併財務報表處理此等事項及就此形成意見，而不會就此等事項單獨發表意見。除本報告「保留意見基礎」一節所述之事項外，我們已釐定下文所述事項為我們之報告將傳達之關鍵審核事項。

Independent Auditor's Report

獨立核數師報告

Impairment assessment on goodwill

Refer to Notes 2.3, 3 and 18 to the consolidated financial statements.

The Group's goodwill amounted to RMB213,968,000 as at 31 December 2019, of which RMB204,017,000 is related to the United States market cash-generating unit ("CGU"). During the year, an impairment loss of goodwill amounted to RMB173,216,000 was recognised in the profit or loss.

We focused on the area due to the size of the goodwill. Furthermore, the directors' assessment of the fair value less costs of disposal calculation of the CGU involves judgement and estimates about the future results of the businesses, key assumptions including budgeted gross margins, discount rate and growth rate applied to future cash flow forecast.

Our response:

Our audit procedures included, amongst others, the followings:

- (i) Evaluating and checking the composition of the Group's future cash flow forecasts in the CGU, and the process by which it was drawn up, including testing the underlying fair value less costs of disposal calculation and comparing them to the latest approved budget;
- (ii) Assessing the reasonableness of the key assumptions by comparing the current year actual results with the 2019 figures included in the previous forecast, by reference to future plans and by performing independent market analysis; and
- (iii) Utilising our own valuation specialists' work when considering the appropriateness of the major assumptions in the fair value less costs of disposal calculation.

商譽的減值評估

參見合併財務報表附註2.3、3及18。

於2019年12月31日，貴集團的商譽為人民幣213,968千元，其中人民幣204,017千元與美國市場現金產出單位（「現金產出單位」）有關。本年，商譽減值損失人民幣173,216千元於損益確認。

鑒於商譽規模，我們專注於此領域。此外，董事對使用現金產出單位計算的公允價值減處置成本評估涉及對未來營業業績的判斷和估計，及包括預算毛利率、貼現率及適用於未來現金流量預測的增長率的主要假設。

我們的回覆：

我們的審核程序包括（但不限於）下列各項：

- (i) 評估及檢查 貴集團現金產出單位的未來現金流量預測的構成及其產生過程，包括測試基本公允價值減處置成本計算並將其與最新批准的預算進行比較；
- (ii) 通過參考未來計劃及進行獨立市場分析，比較當前年度實際業績與先前預測中包含的2019年數據，以評估關鍵假設的合理性；及
- (iii) 在考慮公允價值減處置成本計算中的主要假設的合適性時利用我們自己的估值專家的估值結果。

Independent Auditor's Report

獨立核數師報告

Directors' Responsibilities for the Consolidated Financial Statements

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

董事對合併財務報表的責任

董事須負責根據國際財務報告準則及香港公司條例的披露規定編製並公允地呈列該等合併財務報表，並為其認為必須為使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部監控負責。

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

董事亦負責監督貴集團財務報告過程，審核委員會協助董事履行其有關責任。

核數師就審核合併財務報表的責任

我們的目標為合理確定整體合併財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向閣下（作為整體）按照委任條款報告，除此之外本報告別無其他目的。我們不會就本報告內容向任何其他人士負上或承擔任何責任。

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。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據合併財務報表作出的經濟決定時，則被視為重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核合併財務報表的責任 (續)

根據香港審計準則進行審核時，我們運用專業判斷，於整個審核過程中保持專業懷疑態度。我們亦：

- 識別及評估合併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。
- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

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

We communicate with 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.

核數師就審核合併財務報表的責任 (續)

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

我們與審核委員會就（其中包括）審核工作的計劃範圍及時間安排及重大審核發現，包括我們於審核期間識別出內部監控的任何重大缺陷溝通。

Independent Auditor's Report 獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

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 directors, 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.

BDO Limited

Certified Public Accountants

Chan Tsz Hung

Practising Certificate Number: P06693

Hong Kong, 23 April 2020

核數師就審核合併財務報表的責任 (續)

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

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

香港立信德豪會計師事務所有限公司
執業會計師

陳子鴻

執業證書編號：P06693

香港，2020年4月23日

Consolidated Statement of Profit or Loss

合併損益表

Year ended 31 December 2019 截至2019年12月31日止年度

		Notes 附註	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
CONTINUING OPERATIONS	持續經營業務			
REVENUE	收入	5	2,222,610	1,684,699
Cost of sales	銷售成本		(1,689,249)	(1,352,739)
Gross profit	毛利		533,361	331,960
Other income and gains	其他收入及收益	5	76,621	124,249
Selling and distribution costs	銷售及分銷費用		(248,586)	(103,553)
Administrative expenses	管理費用		(336,212)	(186,706)
Impairment of trade receivables	貿易應收賬款減值		(14,756)	(3,166)
Impairment of other receivables	其他應收賬款減值		(555,788)	(320,580)
Other expenses, net	其他費用·淨額	6	(198,268)	(277,586)
Finance costs	財務費用	8	(5,157)	(35,826)
Share of results of associates	應佔聯營公司業績		(17,957)	(523)
Gain on disposal of a subsidiary	處置一家附屬公司收益	51(b)	761,273	-
LOSS BEFORE INCOME TAX	稅前虧損	7	(5,469)	(471,731)
Income tax	所得稅	11	(81,794)	(231,599)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之 本年虧損		(87,263)	(703,330)
DISCONTINUED OPERATIONS	非持續經營業務			
Profit for the year from discontinued operations	非持續經營業務之 本年利潤	12	3,790,435	400,994
PROFIT/(LOSS) FOR THE YEAR	本年利潤/(虧損)		3,703,172	(302,336)

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Consolidated Statement of Profit or Loss

合併損益表

Year ended 31 December 2019 截至2019年12月31日止年度

		Note 附註	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
Attributable to:	以下各方應佔：			
Owners of the parent	母公司擁有人			
Loss for the year from continuing operations	持續經營業務之 本年虧損		(101,524)	(717,245)
Profit for the year from discontinued operations	非持續經營業務之 本年利潤		3,776,506	389,653
Profit/(loss) for the year attributable to owners of the parent	母公司擁有人應佔 本年利潤／(虧損)		3,674,982	(327,592)
Non-controlling interests	非控制性權益			
Profit for the year from continuing operations	持續經營業務之 本年利潤		14,261	13,915
Profit for the year from discontinued operations	非持續經營業務之 本年利潤		13,929	11,341
Profit for the year attributable to non-controlling interests	非控制性權益應佔 本年利潤		28,190	25,256
			3,703,172	(302,336)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT FROM CONTINUING AND DISCONTINUED OPERATIONS	持續經營業務及非持續經營業務之母公司擁有人應佔每股盈利／(虧損)			
Basic	基本	14	RMB86.93 cents 人民幣86.93分	RMB(8.55) cents 人民幣(8.55)分
Diluted	攤薄	14	RMB86.93 cents 人民幣86.93分	RMB(8.55) cents 人民幣(8.55)分
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT FROM CONTINUING OPERATIONS	持續經營業務之母公司擁有人應佔每股虧損			
Basic	基本	14	RMB(2.40) cents 人民幣(2.40)分	RMB(18.71) cents 人民幣(18.71)分
Diluted	攤薄	14	RMB(2.40) cents 人民幣(2.40)分	RMB(18.71) cents 人民幣(18.71)分

Consolidated Statement of Comprehensive Income

合併全面收入表

Year ended 31 December 2019 截至2019年12月31日止年度

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
PROFIT/(LOSS) FOR THE YEAR	本年利潤／(虧損)	3,703,172	(302,336)
OTHER COMPREHENSIVE INCOME	其他全面收入		
Items that may be reclassified subsequently to profit or loss:	其後重新分類至損益表的項目：		
– Exchange differences on translation of foreign operations	– 換算海外業務產生的換算差額	(100,383)	(10,596)
– Share of other comprehensive income of associates	– 應佔聯營公司其他全面收入	4,037	–
– Reclassification upon disposal of subsidiaries	– 處置附屬公司後的重新分類	(4,699)	–
	51	(101,045)	(10,596)
Items that will not be reclassified subsequently to profit or loss:	其後不得重新分類至損益表的項目：		
– Fair value change on financial assets at fair value through other comprehensive income, net of tax	– 計入其他全面收入的以公允價值計量的金融資產的公允價值變動，扣除稅項	11,996	6,500
– Share of other comprehensive income of associates	– 應佔聯營公司其他全面收入	(6)	–
		(89,055)	(4,096)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年全面收入合計	3,614,117	(306,432)
Attributable to:	以下各方應佔：		
Owners of the parent	母公司擁有人	3,585,738	(332,437)
Non-controlling interests	非控制性權益	28,379	26,005
		3,614,117	(306,432)

Consolidated Statement of Financial Position

合併財務狀況表

31 December 2019 2019年12月31日

		Notes 附註	2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	320,233	653,576
Prepaid land lease payments	預付土地租金	16	–	44,800
Right-of-use assets	使用權資產	17	226,472	–
Goodwill	商譽	18	213,968	1,127,376
Other intangible assets	其他無形資產	19	389,425	678,857
Investments in associates	於聯營公司投資	20	803,118	44,386
Investment in a joint venture	於一家合營公司投資	21	–	64,800
Long term investments	長期投資	22	28,000	235,996
Deferred tax assets	遞延稅項資產	23	23,873	72,029
Prepayments	預付款	26	283,363	449,997
Total non-current assets	非流動資產合計		2,288,452	3,371,817
CURRENT ASSETS	流動資產			
Inventories	存貨	24	385,418	683,524
Trade and bills receivables	貿易及票據應收賬款	25	606,590	1,504,176
Prepayments, deposits and other receivables	預付款、保證金及其他應收賬款	26	479,812	361,313
Income tax recoverable	預付所得稅		1,733	568
Other current assets	其他流動資產	27	24,928	45,014
Held-for-trading investments	持作買賣投資	28	39,506	44,190
Restricted bank balances and short-term deposits	受限制的銀行結餘及短期存款	29	56,300	677,502
Cash and cash equivalents	現金及現金等價物	29	1,551,520	912,998
Total current assets	流動資產合計		3,145,807	4,229,285
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易及票據應付賬款	30	530,918	1,385,298
Other payables and accruals	其他應付賬款及應計費用	31	806,276	1,324,472
Interest-bearing loans and borrowings	計息貸款及借款	32	21,917	1,064,924
Lease liabilities	租賃負債	17	6,674	–
Government grants	政府補助	33	1,009	1,612
Income tax payable	應繳所得稅		558,450	187,168
Derivative financial liabilities	衍生金融負債	44	–	10,689
Total current liabilities	流動負債合計		1,925,244	3,974,163
NET CURRENT ASSETS	淨流動資產		1,220,563	255,122
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		3,509,015	3,626,939

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Consolidated Statement of Financial Position

合併財務狀況表

31 December 2019 2019年12月31日

		Notes 附註	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
NON-CURRENT LIABILITIES				
	非流動負債			
Lease liabilities	租賃負債	17	43,017	–
Government grants	政府補助	33	1,837	9,138
Deferred tax liabilities	遞延稅項負債	23	70,060	222,285
Total non-current liabilities	非流動負債合計		114,914	231,423
Net assets	淨資產		3,394,101	3,395,516
EQUITY				
Equity attributable to owners of the parent				
	權益			
	母公司擁有人應佔權益			
Share capital	股本	34	3	3
Reserves	儲備	36	3,319,726	3,101,326
Proposed dividend	建議宣派股息	13	–	185,367
			3,319,729	3,286,696
Non-controlling interests	非控制性權益	41	74,372	108,820
Total equity	總權益		3,394,101	3,395,516

WANG Donglei

王冬雷

Director

董事

CHAN Kim Yung, Eva

陳劍瑛

Director

董事

Consolidated Statement of Changes in Equity

合併權益變動表

Year ended 31 December 2019 截至2019年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔							Non-controlling interests 非控制性權益		Total equity 總權益			
		Share capital 股本	Treasury shares 庫存股份	Share premium 股份溢價	Equity reserve 權益儲備	Other reserve 其他儲備	Shareholders' contribution 股東出資	Statutory reserve 法定公積金	Foreign currency translation reserve 外幣換算儲備	Retained profits 留存利潤	Proposed dividends 宣派股息	Total 合計	Non-controlling interests 非控制性權益	Total equity 總權益
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
At 1 January 2018 as originally presented Initial application of IFRS 9	於2018年1月1日 原先呈列 初步應用國際財務報告準則第9號	3	-	1,336,737	(4,158)	(2,000)	6,416	182,655	(130,051)	1,822,510	29,940	3,242,052	88,177	3,330,229
At 1 January 2018 as restated	於2018年1月1日 經重列	3	-	1,336,737	(4,158)	(2,000)	6,416	182,655	(130,051)	1,803,099	29,940	3,222,641	88,177	3,310,818
Loss for the year	本年虧損	-	-	-	-	-	-	-	-	(327,592)	-	(327,592)	25,256	(302,336)
Other comprehensive income:	其他全面收入：	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	換算海外業務產生的換算差額	-	-	-	-	-	-	-	(11,345)	-	-	(11,345)	749	(10,596)
Fair value change on financial assets at fair value through other comprehensive income, net of tax	計入其他全面收入的以公允價值計量的金融資產的公允價值變動，扣除稅項	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	本年全面收入合計	-	-	-	-	6,500	-	-	(11,345)	(327,592)	-	(332,437)	26,005	(306,432)
Conversion of convertible bonds	轉換可換股債券	-	-	450,492	-	-	-	-	-	-	-	450,492	-	450,492
Transfer to statutory reserve	轉入法定公積金	-	-	-	-	-	-	113,581	-	(113,581)	-	-	-	-
Share repurchased	購回股份	-	(1,371)	-	-	-	-	-	-	-	-	(1,371)	-	(1,371)
Acquisition of subsidiaries (Note 48)	收購附屬公司 (附註48)	-	-	-	-	-	-	-	-	-	-	-	5,849	5,849
Acquisition of additional interests in subsidiaries (Note 49)	收購附屬公司額外股權(附註49)	-	-	(22,689)	-	-	-	-	-	-	-	(22,689)	(2,311)	(25,000)
Capital contribution to a non-wholly-owned subsidiary from non-controlling interests	從非控股權益向非全資附屬公司出資	-	-	-	-	-	-	-	-	-	-	-	900	900
Dividends paid to non-controlling shareholders	向非控制性股東派付股息	-	-	-	-	-	-	-	-	-	-	-	(9,800)	(9,800)
Dividend paid	已付股息	-	-	-	-	-	-	-	-	-	(29,940)	(29,940)	-	(29,940)
Proposed dividend	建議宣派股息	-	-	(185,367)	-	-	-	-	-	-	185,367	-	-	-
At 31 December 2018	2018年12月31日	3	(1,371)	1,579,173	(4,158)	4,500	6,416	296,236	(141,396)	1,361,926	185,367	3,286,696	108,820	3,395,516

Consolidated Statement of Changes in Equity

合併權益變動表

Year ended 31 December 2019 截至2019年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔											
		Share capital 股本	Treasury shares 庫存股份	Share premium 股份溢價	Equity reserve 權益儲備	Other reserve 其他儲備	Shareholders' contribution 股東出資	Statutory reserve 法定公積金	Foreign currency translation reserve 外幣換算儲備	Retained profits 留存利潤	Proposed dividends 建議派息	Total 合計	Non-controlling interests 非控制性權益
	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
3	(1,371)	1,579,173	(4,158)	4,500	6,416	296,236	(141,396)	1,361,926	185,367	3,286,696	108,820	3,395,516	
-	-	-	-	-	-	-	-	3,674,982	-	3,674,982	28,190	3,703,172	
-	-	-	-	-	-	-	(100,572)	-	-	(100,572)	189	(100,383)	
-	-	-	-	(6)	-	-	4,037	-	-	4,031	-	4,081	
-	-	-	-	-	-	-	(4,699)	-	-	(4,699)	-	(4,699)	
-	-	-	-	11,996	-	-	-	-	-	11,996	-	11,996	
-	-	-	-	11,990	-	-	(101,234)	3,674,982	-	3,585,738	28,379	3,614,117	
-	-	-	-	-	-	19,973	-	(19,973)	-	-	-	-	
-	(392)	-	-	-	-	-	-	-	-	(392)	-	(392)	
-	1,763	(1,763)	-	-	-	-	-	-	-	-	-	-	
-	-	786,487	-	(11,396)	(6,416)	(230,869)	-	(537,806)	-	-	(8,314)	(8,314)	
-	-	1,259	-	-	-	-	-	-	-	1,259	(2,159)	(900)	
-	-	-	-	-	-	-	-	-	-	-	(52,354)	(52,354)	
-	-	-	-	-	-	-	-	(3,368,205)	(185,367)	(3,553,572)	-	(3,553,572)	
3	-	2,365,166	(4,158)	5,094	-	85,340	(242,630)	1,110,924	-	3,319,729	74,372	3,394,101	

At 1 January 2019

2019年1月1日

Profit for the year
本年利潤
Other comprehensive income:
其他全面收入：
Exchange differences on translation of foreign operations
換算海外業務產生的換算差額
Share of other comprehensive income of associate
應佔聯營公司其他全面收入
Reclassification upon disposal of subsidiaries (Note 51)
處置附屬公司後重新分類(附註51)
Fair value change on financial assets at fair value through other comprehensive income, net of tax
計入其他全面收入的金融資產的公允價值變動，扣除稅項

Total comprehensive income for the year

本年全面收入合計

Transfer to statutory reserve
轉入法定公積金
Share repurchased
購回股份
Cancellation of treasury shares (Note 34)
註銷庫存股份(附註34)

Transfer upon disposal of subsidiaries

處置附屬公司後轉發

Acquisition of additional interests in subsidiaries

收購附屬公司額外股權

Dividends paid to non-controlling shareholders
向非控制性股東派付股息
Dividend paid
已付股息

At 31 December 2019

2019年12月31日

Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2019 截至2019年12月31日止年度

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Loss before income tax from continuing operations	持續經營業務 所得稅前虧損	(5,469)	(471,731)
Profit before income tax from discontinued operations	非持續經營業務 所得稅前利潤	4,363,759	534,870
		4,358,290	63,139
Adjustments for:	經以下各項調整：		
Interest income	利息收入	(30,810)	(14,287)
Finance costs	財務費用	28,112	59,895
Share of results of associates	應佔聯營公司業績	21,371	(5,259)
Share of results of a joint venture	應佔一家合營公司 業績	20,734	35,200
Loss on disposal of items of property, plant and equipment	處置物業、廠房 及設備項目的虧損	11,438	2,229
Depreciation of items of property, plant and equipment	物業、廠房及 設備項目折舊	92,402	86,374
Depreciation of items of right-of-use assets	使用權資產項目折舊	30,816	-
Amortisation of prepaid land lease payments	攤銷預付土地租金	-	1,319
Amortisation of other intangible assets	其他無形資產攤銷	44,407	12,125
Impairment of property, plant and equipment, net	物業、廠房及 設備減值，淨額	16,782	1,538
Impairment of goodwill	商譽減值	173,216	-
Impairment of trade receivables, net	貿易應收賬款 減值，淨額	56,770	26,437
Impairment of prepayments and other receivables, net	預付款及其他 應收賬款減值，淨額	671,433	319,880
Write-down of inventories	撇減存貨	29,474	5,836
Government grants released to consolidated statement of profit or loss	撥至合併損益表 的政府補助	(73,977)	(25,577)

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Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2019 截至2019年12月31日止年度

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
Fair value change of derivative component of convertible bonds	可換股債券衍生工具部份的公允價值變動	-	(82,903)
Fair value gain on deemed disposal of an associate	被視作處置一家聯營公司的公允價值收益	-	(85,958)
Loss on modification of terms of convertible bonds	修訂可換股債券之條款產生之虧損	-	78,387
Provision for losses on financial guarantee contracts	財務擔保合約虧損撥備	7,147	151,519
Fair value change on derivative financial liabilities	衍生金融負債公允價值變動	-	10,689
Unrealised exchange difference	未變現匯兌差額	(38,396)	8,347
Fair value change of held-for-trading investments	持作買賣投資的公允價值變動	4,684	44,596
Gain on disposal of subsidiaries	處置附屬公司收益	(4,749,970)	-
Gain on modification of lease term	修訂租約年期收益	(110)	-
Realised gain on disposal of derivative financial liabilities	處置衍生金融負債之變現收益	(859)	-
Gain on disposal of financial assets at fair value through other comprehensive income	處置按公允價值計入其他全面收入之金融資產收益	(4,648)	-
		668,306	693,526
Increase in inventories	存貨增加	(42,123)	(35,403)
Increase in trade and bills receivables	貿易及票據應收賬款增加	(223,127)	(182,558)
(Increase)/decrease in prepayments, deposits and other receivables	預付款、保證金及其他應收賬款(增加)/減少	(1,464,763)	72,405
Decrease in other current assets	其他流動資產減少	5,624	8,468
Increase in trade and bills payables	貿易及票據應付賬款增加	443,774	65,811
Increase/(decrease) in other payables and accruals	其他應付賬款及應計費用增加/(減少)	1,657,098	(119,637)
Receipt of government grants	收到政府補助	74,223	22,203
Cash generated from operations	經營所得現金	1,119,012	524,815
Income tax paid	已繳所得稅	(269,924)	(160,336)

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Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2019 截至2019年12月31日止年度

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
Net cash generated from operating activities	經營活動所得現金 流量淨額	849,088	364,479
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Interest received	已收利息	30,810	14,287
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項目的所得賬款	2,588	6,558
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(114,367)	(99,852)
Payment for purchases of right-of-use assets	購買使用權資產賬款	(23,939)	-
Realisation of derivative financial liabilities	衍生金融負債變現	(9,830)	-
Dividend received from an associate	收取一家聯營公司股息	-	9,000
Acquisition of additional interests in subsidiaries	收購附屬公司額外股權	(900)	(25,000)
Acquisitions of subsidiaries	收購附屬公司	(369,084)	(1,266,828)
Purchase of long term investments	購買長期投資	(500)	(100)
Proceeds from disposal of long term investment	處置長期投資所得賬款	210,544	-
Investments in associates	於聯營公司投資	-	(5,000)
Investment in a joint venture	於一家合營公司投資	(2,000)	-
Disposal of subsidiaries	處置附屬公司	3,985,830	-
Additions to other intangible assets	添置其他無形資產	(21,680)	(5,242)
Decrease/(increase) in the restricted bank balance and short-term deposits	受限制的銀行結餘及短期存款 減少/(增加)	621,202	(289,213)
Net cash generated/(used in) investing activities	投資活動所得/ (所用) 現金淨額	4,308,674	(1,661,390)

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Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2019 截至2019年12月31日止年度

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Capital contribution from non-controlling shareholders	非控制性股東增資	–	900
Dividends paid to non-controlling shareholders	向非控制性股東派付股息	(52,354)	(9,800)
Dividends paid	已派股息	(3,553,572)	(29,940)
New bank loans	新增銀行貸款	–	1,060,670
Repayment of bank loans	償還銀行貸款	(816,258)	(22,246)
Lease payments	租賃付款	(23,854)	–
Interest paid	已付利息	(22,215)	(56,226)
Shares repurchased	購回股份	(392)	(1,371)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(4,468,645)	941,987
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	689,117	(354,924)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	912,998	1,265,589
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(50,595)	2,333
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	1,551,520	912,998
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances, unrestricted	現金及銀行結餘，不受限制	1,551,520	912,998

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

1. Corporate Information

NVC International Holdings Limited (formerly known as NVC Lighting Holding Limited) (the “Company”, together with its subsidiaries are collectively referred to as the “Group”) was incorporated in the territory of the British Virgin Islands (the “BVI”) as a limited liability company on 2 March 2006 and was redomiciled to the Cayman Islands on 30 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s shares are listed on the Main Board of Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise the manufacture and sale of lamps, luminaries, lighting electronic products and related products. Information on the Group’s subsidiaries is set out in Note 41.

The consolidated financial statements are presented in Renminbi (“RMB”), which is different from the Company’s functional currency (United States dollars). These consolidated financial statements are presented in RMB because management considers that a substantial majority of the Group’s transactions are denominated in RMB and the Group primarily generates and expends cash in RMB. Accordingly, RMB presents more reliable and more relevant information about the Group’s transactions.

1. 公司資料

雷士國際控股有限公司(前稱雷士照明控股有限公司)(「本公司」, 連同其附屬公司統稱「本集團」)是一家於2006年3月2日在英屬維爾京群島(「英屬維爾京群島」)註冊成立的有限責任公司。於2010年3月30日, 本公司遷冊至開曼群島, 成為開曼群島法例第22章公司法(1961年法例三, 經合併及修訂)下的獲豁免有限責任公司。本公司目前的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司主要業務為投資控股。附屬公司的主要業務包括生產及銷售光源、燈具、照明電器及相關產品。本集團附屬公司的資料載於附註41。

合併財務報表以人民幣(「人民幣」)呈列, 而本公司的功能貨幣為美元(「美元」)。由於管理層認為本集團大部份交易以人民幣計值及本集團產生及所用現金主要以人民幣計值, 故該等合併財務報表以人民幣呈列。因此, 人民幣將呈列與本集團交易更關連的可靠資料。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.1 Basis of Preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”), which in collective term include all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the IASB, and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that have been measured at fair value. These consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand (‘000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2019. 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 parent 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.

2.1 編製基礎

該等合併財務報表乃根據國際會計準則委員會（「國際會計準則委員會」）所頒佈之國際財務報告準則（「國際財務報告準則」）以及香港公司條例的披露要求編製。國際財務報告準則包括國際會計準則委員會頒佈之所有適用個別國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋。此外，合併財務報表包括聯合交易所有限公司證券上市規則（「上市規則」）之適用披露規定。本合併財務報表乃按歷史成本基準編製，惟按公允價值計量的若干金融工具除外。該等合併財務報表均以人民幣呈列，除非另有指明，所有數值均四捨五入到最近的千位（‘000）。

合併基準

合併財務報表包括本公司及其附屬公司於截至2019年12月31日止年度的財務報表。附屬公司編製財務報表的報告年度與本公司的報告年度相同，並採用一致的會計政策。附屬公司的業績自本集團取得其控制權的日期起計入合併財務報表內，直至其控制權終止之日為止。

利潤或虧損及其他全面收入項目歸屬本公司母公司擁有人及非控制性權益，即使導致非控制性權益出現虧絀結餘。本集團成員公司之間交易所產生的集團內資產和負債、權益、收入、支出和現金流已於合併時全數抵銷。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.1 Basis of Preparation (continued)

Basis of consolidation (continued)

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 in the accounting policy for subsidiaries below. 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 investment 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 編製基礎 (續)

合併基準 (續)

倘事實和情況顯示下文附屬公司會計政策所述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資公司。附屬公司的所有權權益變動（沒有失去控制權），按權益交易入賬。

倘本集團失去對附屬公司之控制權，則終止確認(i)該附屬公司之資產（包括商譽）及負債，(ii)任何非控制性權益之賬面價值及(iii)於權益內記錄之累計匯兌差額；及確認(i)已收代價之公允價值，(ii)所保留任何投資之公允價值及(iii)於損益賬中確認任何因此產生之利潤或虧絀。倘本集團已直接出售有關資產及負債，先前於其他全面收入確認之本集團應佔部份規定按相同基準重新分類至損益或留存利潤（如適當）。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs

(a) Adoption of new/revised IFRSs – effective 1 January 2019

In the current year, the Group has applied, for the first time, the following new/revised IFRSs, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2019.

IFRS 16	Leases
IFRIC-Int 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 28	Long Term Interests in Associates and Joint Ventures
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IFRS 3, Business Combinations
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IFRS 11, Joint Arrangements
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IAS 12, Income Taxes
Annual Improvements to IFRSs 2015-2017 Cycle	Amendments to IAS 23, Borrowing Costs

2.2 採納國際財務報告準則

(a) 採納新訂／經修訂國際財務報告準則－於2019年1月1日生效

於本年內，本集團已首次採用以下與本集團合併財務報表相關及於2019年1月1日開始之年度期間生效之新訂／經修訂國際財務報告準則。

國際財務報告準則第16號	租賃
國際財務報告委員會詮釋第23號	所得稅處理的不確定性－詮釋
國際財務報告準則第9號之修訂	附帶負補償的提前還款特性
國際會計準則第28號之修訂	聯營公司及合營公司中的長期權益
2015年至2017年週期國際財務報告準則之年度改進	國際財務報告準則第3號之修訂，業務合併
2015年至2017年週期國際財務報告準則之年度改進	國際財務報告準則第11號之修訂，合營安排
2015年至2017年週期國際財務報告準則之年度改進	國際會計準則第12號之修訂，所得稅
2015年至2017年週期國際財務報告準則之年度改進	國際會計準則第23號之修訂，借款成本

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

Except as explained below, the adoption of these new/revised IFRSs has no material impact on the Group's consolidated financial statements.

IFRS 16 Leases (“IFRS 16”)

IFRS 16 supersedes IAS 17 Leases (“IAS 17”), IFRIC-Int 4 Determining whether an Arrangement contains a Lease (“IFRIC-Int 4”), 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.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2019年1月1日生效 (續)

除下文所闡釋者外，採納該等新訂／經修訂國際財務報告準則並無對本集團之合併財務報表產生重大影響。

國際財務報告準則第16號租賃 (「國際財務報告準則第16號」)

國際財務報告準則第16號取代國際會計準則第17號租賃 (「國際會計準則第17號」)、國際財務報告詮釋委員會 – 詮釋第4號釐定安排是否包括租賃 (「國際財務報告詮釋委員會 – 詮釋第4號」)、準則詮釋委員會 – 詮釋第15號經營租賃 – 優惠以及準則詮釋委員會 – 詮釋第27號評估涉及租賃法律形式的交易實質。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人以單一資產負債表入賬模型將所有租賃入賬。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

IFRS 16 Leases (“IFRS 16”) (continued)

Lessor accounting under IFRS 16 is substantially unchanged under 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 an impact for 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. Under this method, the standard is applied retrospectively with the cumulative effect on initial adoption as an adjustment to opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2019年1月1日生效 (續)

國際財務報告準則第16號租賃 (「國際財務報告準則第16號」) (續)

國際財務報告準則第16號大致沿用國際會計準則第17號內出租人的會計處理。出租人將繼續使用與國際會計準則第17號所載者相似的原則將租賃分類為經營或融資租賃。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影響。

本集團於首次應用日期2019年1月1日按經修訂追溯採納方法採納國際財務報告準則第16號。根據此方法，本集團追溯應用該準則，並將初始採納該準則的累積影響確認為對2019年1月1日留存利潤期初餘額的調整，而2018年的比較資料並無重列並繼續根據國際會計準則第17號列報。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

IFRS 16 Leases (“IFRS 16”) (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-Int 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC-Int 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.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2019年1月1日生效 (續)

國際財務報告準則第16號租賃 (「國際財務報告準則第16號」) (續)

租賃的新定義

根據國際財務報告準則第16號，一項合約如讓渡權利於一段時間內控制一項已識別資產的用途以獲取代價，則屬於或包含租賃。倘客戶有權透過使用該項已識別資產獲取絕大部份經濟利益及有權操控該項已識別資產用途，則讓渡控制權。在首次應用日期，本集團選擇採用的過渡期可行權宜方法，僅對於之前應用國際會計準則第17號及國際財務報告詮釋委員會－詮釋第4號識別為租賃的合約應用該準則。並無根據國際會計準則第17號及國際財務報告詮釋委員會－詮釋第4號識別為租賃的合約不予重新評估。因此，國際財務報告準則第16號的租賃定義僅適用於在2019年1月1日或之後訂立或更改的合約。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

IFRS 16 Leases (“IFRS 16”) (continued)

New definition of a lease (continued)

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2019年1月1日生效 (續)

國際財務報告準則第16號租賃 (「國際財務報告準則第16號」) (續)

租賃的新定義 (續)

在開始或重新評估包含租賃組成部份的合約時，本集團以各租賃組成部份和非租賃組成部份的單獨價格為基礎將合約內的代價分配至該等組成部份。本集團已作為承租人採用可行權宜方法，選擇不分拆非租賃組成部份，而是將租賃組成部份及與其相關的非租賃組成部份（如租賃物業的物業管理服務）作為單一租賃組成部份入賬。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

IFRS 16 Leases (“IFRS 16”) (continued)

As a lessee – Leases previously classified as operating leases

(i) Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of land and buildings. 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 the elective exemption for short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for leases, that at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (“short-term leases”). Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2019年1月1日生效 (續)

國際財務報告準則第16號租賃 (「國際財務報告準則第16號」) (續)

作為承租人 – 之前分類為經營租賃的租賃

(i) 採納國際財務報告準則第16號影響之性質

本集團擁有多個土地及樓宇項目的租賃合約。本集團之前作為承租人根據對租賃是否將資產擁有權的絕大部份報酬與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，本集團對所有租賃應用單一方法確認及計量使用權資產與租賃負債，惟短期租賃（基於每一類相關資產選擇）的選擇性豁免除外。本集團選擇不就於租賃開始之日租賃期為12個月或以下且不包含購買選擇權的租賃（「短期租賃」）確認使用權資產及租賃負債。相反，本集團在租賃期內以直線法將與該等租賃相關的租賃付款確認為開支。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

IFRS 16 Leases (“IFRS 16”) (continued)

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

(i) Nature of the effect of adoption of IFRS 16 (continued)

Leases previously accounted for as operating leases

Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The weighted average of the incremental borrowing rates used for determination of the remaining lease payments was 7.08%. The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments recognised in the statement of financial position immediately before 1 January 2019.

The Group also applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.

The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2019年1月1日生效 (續)

國際財務報告準則第16號租賃 (「國際財務報告準則第16號」) (續)

作為承租人 – 之前分類為經營租賃的租賃 (續)

(i) 採納國際財務報告準則第16號影響之性質 (續)

先前作為經營租賃入賬之租賃

租賃負債按剩餘租賃付款的現值確認，並使用於首次應用日期的增量借款利率貼現。用於釐定剩餘租賃付款之加權平均增量借款利率為7.08%。本集團就先前分類為經營租賃的租賃確認使用權資產及租賃負債，惟短期租賃除外。使用權資產按相等於租賃負債的金額確認，並於緊接2019年1月1日前就於財務狀況表確認的任何相關預付及應計租賃付款進行調整。

本集團亦應用短期租賃豁免於在首次應用日期起12個月內終止的租賃期限的租賃。

國際財務報告準則第16號於2019年1月1日採用的影響(增加／(減少))如下：

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective
1 January 2019 (continued)

IFRS 16 Leases (“IFRS 16”) (continued)

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

(i) Nature of the effect of adoption of IFRS 16
(continued)

Leases previously accounted for as operating
leases (continued)

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國
際財務報告準則－於
2019年1月1日生效
(續)

*國際財務報告準則第16號
租賃(「國際財務報告準則
第16號」)(續)*

*作為承租人－之前分類為
經營租賃的租賃(續)*

(i) 採納國際財務報告準
則第16號影響之性質
(續)

先前作為經營租賃入
賬之租賃(續)

RMB'000
千人民幣

Assets	資產	
<i>Non-current assets</i>	<i>非流動資產</i>	
Right-of-use assets	使用權資產	73,487
Prepaid land lease payments	預付土地租金	(44,800)
Total non-current assets	非流動資產合計	28,687
<i>Current assets</i>	<i>流動資產</i>	
Prepayments, deposits and other receivables	預付款、保證金及 其他應收賬款	
– prepaid land lease payments (Note 16)	– 預付土地租金(附註16)	(876)
– prepaid leased buildings	– 預付租賃建築物	(103)
Total current assets	流動資產合計	(979)
Total assets	總資產	27,708
Liabilities	負債	
<i>Current liabilities</i>	<i>流動負債</i>	
Lease liabilities – leased buildings	租賃負債－租賃建築物	8,349
Total current liabilities	流動負債合計	8,349
<i>Non-current liabilities</i>	<i>非流動負債</i>	
Lease liabilities – leased buildings	租賃負債－租賃建築物	19,359
Total non-current liabilities	非流動負債合計	19,359
Total liabilities	總負債	27,708

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合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

IFRS 16 Leases (“IFRS 16”) (continued)

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

(i) Nature of the effect of adoption of IFRS 16 (continued)

Leases previously accounted for as operating leases (continued)

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

		RMB' 000 千人民幣
Operating lease commitments as at 31 December 2018 (Note 17(i))	於2018年12月31日的經營租賃承擔(附註17(i))	37,194
Less: commitments relating to short-term leases	減：與短期租賃有關的承諾	(506)
Less: total future interest expense	減：日後利息開支總額	(8,980)
Lease liabilities as at 1 January 2019	於2019年1月1日的租賃負債	27,708

(ii) Summary of new accounting policies

The new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application, are set out in Note 2.3.

2.2 採納國際財務報告準則(續)

(a) 採納新訂／經修訂國際財務報告準則－於2019年1月1日生效(續)

國際財務報告準則第16號租賃(「國際財務報告準則第16號」)(續)

作為承租人－之前分類為經營租賃的租賃(續)

(i) 採納國際財務報告準則第16號影響之性質(續)

先前作為經營租賃入賬之租賃(續)

於2019年1月1日的租賃負債與截至2018年12月31日的經營租賃承擔的對賬如下：

(ii) 新訂會計政策概要

本集團採納國際財務報告準則第16號後的新訂會計政策，自首次應用日期起適用載於附註2.3。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

IFRIC-Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of IAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2019年1月1日生效 (續)

國際財務報告解釋委員會 – 詮釋第23號 – 所得稅處理的不確定性

該詮釋透過就如何反映所得稅會計處理涉及的不確定性因素提供指引，為國際會計準則第12號所得稅的規定提供支持。

根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更好預測不確定性因素的解決方式。實體亦須假設稅務機關將會檢討其有權檢討的金額，並在作出上述檢討時完全知曉所有相關資料。如實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。否則，釐定稅項涉及的不確定性因素採用「最可能金額」或「預期值」法兩者中能更好預測不確定性因素解決方式的方法來反映。

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合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

Amendments to IFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (“FVOCI”) if specified conditions are met – instead of at fair value through profit or loss.

Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures

The amendment clarifies that IFRS 9 applies to long-term interests (“LTI”) in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that IFRS 9 is applied to these LTI before the impairment losses guidance within IAS 28.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2019年1月1日生效 (續)

國際財務報告準則第9號之修訂 – 附帶負補償的提前還款特性

該修訂釐清倘符合指定條件，負補償的可預付金融資產可按攤銷成本或按公允價值計入其他全面收入（「按公允價值計入其他全面收入」）的方式計量 – 而非按公允價值計入損益的方式計量。

國際會計準則第28號之修訂 – 聯營公司及合營公司中的長期權益

該修訂澄清國際財務報告準則第9號應用於構成於聯營公司或合營公司之投資淨額一部分的於聯營公司或合營公司之長期權益（「長期權益」），並規定國際財務報告準則第9號先於國際會計準則第28號減值虧損指引應用於該等長期權益。

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合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

Annual Improvements to IFRSs 2015-2017 Cycle – Amendments to IFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to IFRSs 2015-2017 Cycle – Amendments to IFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2019年1月1日生效 (續)

2015年至2017年週期國際財務報告準則之年度改進 – 國際財務報告準則第3號之修訂，業務合併

根據年度改進程序頒佈之修訂對目前尚不清晰之準則作出輕微且非緊急之變動。其中包括國際財務報告準則第3號之修訂，其闡明當於業務的一名聯合經營者取得聯合經營的控制權時，則該業務合併已初步達成，故此先前持有之股權應重新計量為其收購日期之公允價值。

2015年至2017年週期國際財務報告準則之年度改進 – 國際財務報告準則第11號之修訂，合營安排

根據年度改進程序頒佈之修訂對目前尚不清晰之準則作出輕微且非緊急之變動。其中包括國際財務報告準則第11號之修訂，其闡明於參與(但並非擁有共同控制權)為一項業務的聯合經營的一方隨後取得聯合經營之共同控制權時，先前持有之股權不得重新計量至其收購日期之公允價值。

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合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(a) Adoption of new/revised IFRSs – effective 1 January 2019 (continued)

Annual Improvements to IFRSs 2015-2017 Cycle – Amendments to IAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Annual Improvements to IFRSs 2015-2017 Cycle – Amendments to IAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

2.2 採納國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則 – 於2019年1月1日生效 (續)

2015年至2017年週期國際財務報告準則之年度改進 – 國際會計準則第12號之修訂，所得稅

根據年度改進程序頒佈之修訂對目前尚不清晰之準則作出輕微且非緊急之變動。其中包括國際會計準則第12號之修訂，其闡明股息之所有所得稅後果與產生可分派利潤之交易採取一致的方式於損益、其他全面收入或直接於權益內確認。

2015年至2017年週期國際財務報告準則之年度改進 – 國際會計準則第23號之修訂，借款成本

根據年度改進程序頒佈之修訂對目前尚不清晰之準則作出輕微且非緊急之變動。其中包括國際會計準則第23號之修訂，其闡明為取得合資格資產而專門作出之借貸，於相關合資格資產可用於其擬定用途或進行銷售時仍未償還，則該借貸將成為該實體一般所借資金的一部分並因此計入一般資產池內。

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合併財務報表附註

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2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective

The following new/revised IFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

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

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則

本集團並無提前採納下列已頒佈但尚未生效且與本集團之財務報表可能相關之新訂／經修訂國際財務報告準則。

國際財務報告準則第3號之修訂	業務之定義 ¹
國際會計準則第1號及國際會計準則第8號之修訂	重要性定義 ¹
國際會計準則第1號之修訂	負債分類為即期或非即期 ²
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	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號之修訂	投資者與其聯營公司或合營公司間之資產出售或注資 ³

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合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

- 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 The amendments were originally intended to be effective for periods beginning on or after 1 January 2018. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

Amendments to IFRS 3 – Definition of a Business

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a “substantive process”.

Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of “outputs” and a “business” to focus on returns from selling goods and services to customers, rather than on cost reductions.

An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

- 1 2020年1月1日或之後開始之年度期間生效
- 2 2022年1月1日或之後開始之年度期間生效
- 3 該等修訂最初旨在於2018年1月1日或之後開始之期間生效。生效日期已經被推遲／撤銷。繼續允許提早應用有關修訂。

國際財務報告準則第3號之修訂 – 業務之定義

該等修訂澄清業務必須包括至少一項投入及一個實質性過程，而兩者對創造產出之能力有重大貢獻，並對「實質性過程」之定義提供廣泛指引。

此外，該等修訂取消市場參與者是否有能力取代任何缺失之投入或過程及持續產出之評估，同時收窄「產出」及「業務」之定義範圍，重點關注向客戶銷售商品及服務所得之回報而非降低成本。

該等修訂亦加入選擇性之集中度測試，允許簡化所收購之一組活動及資產是否並非業務之評估。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(b) **New/revised IFRSs that have been issued but are not yet effective (continued)**

Amendments to IAS 1 and IAS 8 – Definition of Material

The amendments clarify the definition and explanation of “material”, aligning the definition across all IFRS Standards and the Conceptual Framework, and incorporating supporting requirements in IAS 1 into the definition.

Amendments to IAS 1 – Classification of Liabilities of Current or Non-current

The amendments affect requirements in IAS 1 for the presentation of liabilities. Specifically, they clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (續)

國際會計準則第1號及國際會計準則第8號之修訂 – 重要性定義

該等修訂澄清「重大」之定義及解釋，與所有國際財務報告準則及概念框架之定義相同，且將國際會計準則第1號之支持性規定納入定義。

國際會計準則第1號之修訂 – 負債分類為即期或非即期

該等修訂影響國際會計準則第1號之負債呈列的規定。具體而言，是否將負債明確分類為即期或非即期，視乎存在於呈報期結算日的權利。分類不受報告日期後的實體預期值及事件所影響。

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合併財務報表附註

31 December 2019 2019年12月31日

2.2 Adoption of IFRSs (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group has already commenced an assessment of the impact of adopting the above amendments to existing standards to the Group. The Group has so far concluded that the application of these new pronouncements will have no material impact on the Group's financial statements.

2.2 採納國際財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂／經修訂國際財務報告準則 (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 – 利率基準改革

該等修訂修正若干特定對沖會計規定以減輕利率基準改革帶來的不確定因素之潛在影響。此外，該等修訂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。

國際財務報告準則第10號及國際會計準則第28號之修訂 – 投資者與其聯營公司或合營公司間之資產出售或注資

該等修訂澄清實體向其聯營公司或合營公司出售或注入資產時應確認之收益或虧損程度。當交易涉及業務時，收益或虧損則予以悉數確認，相反，當交易涉及不構成業務之資產時，收益或虧損僅在無關投資者在合營公司或聯營公司中之權益範圍內確認。

本集團已就採納上述修訂對本集團現有準則之影響展開評估。本集團迄今認為應用該等新公佈事項將不會對本集團財務報表造成重大影響。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies

Subsidiaries

A subsidiary is an entity (including a structured 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
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are stated at cost less any impairment losses.

2.3 主要會計政策概要

附屬公司

附屬公司指受本公司直接或間接控制的實體(包括結構性實體)。倘本集團透過參與被投資方業務而享有或有權取得被投資方的可變回報，且有能力行使在被投資方的權力影響有關回報，則本集團擁有該實體的控制權(即賦予本集團指導被投資方相關活動的現時能力)。

倘本公司直接或間接擁有的被投資方投票權或類似權利不及大半，則評估本公司對被投資方是否擁有權力時，本集團會考慮所有相關事實及情況，包括：

- (a) 與該被投資方其他投票權擁有人的合約安排；
- (b) 根據其他合約安排所享有的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的業績按已收及應收股息為限計入本公司損益表。本公司對附屬公司的投資根據國際財務報告準則第5號*非流動資產持有待售及終止營運*並無歸類為持有待售，乃按成本減任何減值損失列賬。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

2.3 主要會計政策概要 (續)

於聯營公司及合營公司的投資

聯營公司是本集團擁有一般不低於20%投票權的長期權益，並可對其行使重大影響力的實體。重大影響力乃有權參與被投資方之財務及經營政策決定而非控制或共同控制該等政策。

合營公司為一項合營安排，據此，擁有該安排的共同控制權的各方均有權享有該項安排的資產淨值。共同控制權指訂約協定共享安排控制權，僅在相關活動決策須經共享控制權的各方一致同意的情況下存在。

於釐定重大影響力時的考慮因素類似於釐定對附屬公司的控制權必要的考慮因素。

本集團於聯營公司及合營公司的投資按照權益會計法，以本集團應佔淨資產減去任何減值損失，計入合併財務狀況表中。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Investments in associates and joint ventures (continued)

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Business combinations and goodwill

Business combinations 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 主要會計政策概要 (續)

於聯營公司及合營公司的投資 (續)

本集團應佔聯營公司及合營公司收購後業績和其他全面收入應分別計入合併損益表及合併其他全面收入。此外，倘直接於聯營公司或合營公司的權益確認一項變動，則本集團會視乎情況於合併權益變動表確認應佔任何變動。本集團與其聯營公司或合營公司之間交易的未變現損益按本集團於聯營公司或合營公司的投資撇除，但如未變現損失可證明已轉讓資產出現減值則除外。因收購聯營公司或合營公司而產生的商譽乃作為本集團於聯營公司或合營公司投資的一部份列賬。

企業合併及商譽

企業合併乃採用收購法入賬。轉讓之對價乃以收購日期的公允價值計算，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團自被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各企業合併中，本集團選擇是否以公允價值或被收購方可辨認資產淨值的應佔比例，計算於被收購方屬現時擁有人權益並賦予擁有人權利於清盤時按比例分佔實體的資產淨值的非控制性權益。非控制性權益的所有其他部份乃按公允價值計量。收購相關成本於產生時列為開支。

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2.3 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 that is a financial instrument measured at fair value with changes in fair value either 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 consideration transferred, the amount recognised for non-controlling interests and 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.

2.3 主要會計政策概要 (續)

企業合併及商譽 (續)

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件對認為適合分類及指定的金融資產及承擔的金融負債進行評估，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘企業合併分階段進行，先前持有的股權於按其於收購日期的公允價值重新計量及任何由此產生的收益或虧損於損益賬確認。

由收購方將予轉讓之任何或有代價須於收購日按公允價值確認。或有代價分類為一項資產或負債，並屬於一項金融工具，則按公允價值計量而公允價值變動於損益表中確認。或有代價分類為權益，則毋須重新計量，且其後結算在權益中入賬。

商譽起初按成本計量，即已轉讓總對價、已確認非控制性權益及本集團先前由持有的被收購方股權的公允價值總額，超逾與所收購可辨認資產淨值及所承擔負債的差額。如總對價及其他項目低於所收購資產淨值的公允價值，於重新評估後其差額將於損益內確認為議價收購收益。

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2.3 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 (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or 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.

2.3 主要會計政策概要 (續)

企業合併及商譽 (續)

於初始確認後，商譽按成本減任何累計減值損失計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於12月31日進行商譽之年度減值測試。為進行減值測試，因企業合併而購入的商譽自購入之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產出單位或現金產出單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產出單位（或現金產出單位組別）的可收回金額釐定。當現金產出單位（或現金產出單位組別）的可收回金額低於賬面金額時，減值損失便予以確認。已就商譽確認的減值損失不得於未來期間撥回。

倘商譽已獲分配至現金產出單位（或現金產出單位組別）的部份而該單位的部份業務已處置，則在釐定處置的收益或虧損時，與所處置業務相關的商譽會計入該業務的賬面值。在該情況下處置的商譽，乃根據所處置業務的相對價值及現金產出單位的保留份額進行計量。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Fair value measurement

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.

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.

2.3 主要會計政策概要 (續)

公允價值計量

公允價值指於計量日市場參與者之間的有序交易中，就出售資產所收取之價格或轉讓負債所支付之價格。計量公允價值時假設出售資產或轉讓負債之交易於資產或負債的主要市場或（在未有主要市場的情況下）最有利市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者基於最佳經濟利益行事，資產或負債的公允價值使用市場參與者為資產或負債定價所用假設計量。

非金融資產之公允價值計量會計及市場參與者將資產用於最高增值及最佳用途或售予會將資產用於最高增值及最佳用途之另一名市場參與者而創造經濟利益的能力。

本集團針對不同情況使用不同估值方法，確保有足夠數據計量公允價值，並盡量利用相關可觀察數據，減少使用不可觀察數據。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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 consolidated 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.

2.3 主要會計政策概要 (續)

公允價值計量 (續)

公允價值於合併財務報表計量或披露之所有資產及負債，均基於對計量公允價值整體而言屬重要之最低層輸入數據按下述公允價值層級分類：

- 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 – 按估值方法計算（計量公允價值的重要最低層輸入數據可直接或間接觀察）
- 第三層 – 按估值方法計算（計量公允價值的重要最低層輸入數據不可觀察）

對於按經常性基準於合併財務報表確認之資產及負債，本集團於各呈報期結算日重新評估分類（基於對計量公允價值整體而言屬重大之最低層輸入數據），確定有否在不同層級之間轉移。

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合併財務報表附註

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2.3 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, assets held for sale, 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, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued 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 the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.3 主要會計政策概要(續)

非金融資產減值

如有跡象顯示資產出現減值，或須對資產進行年度減值測試（存貨、持有待售資產、遞延稅項資產及金融資產除外），則會估計該項資產的可收回金額。資產的可收回金額為資產或現金產出單位的使用價值或其公允價值減處置成本的較高者，並就個別資產釐定，惟該項資產並無產生大部份獨立於其他資產或其他組別資產的現金流入則除外，於此情況下，就該項資產所屬的現金產出單位釐定可收回金額。

減值損失僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計未來現金流量以反映當時市場對貨幣時間價值及該項資產的特有風險的估計的稅前折現率折減至現值。減值損失於產生期間自損益表扣除，但如該資產按重估金額列賬，則減值損失會根據該重估資產的有關會計政策列賬。

於各報告年度末，均會評估是否有跡象顯示過往已確認的減值損失不再存在或可能減少。如出現該跡象，則會估計可收回金額。過往確認的資產（商譽除外）減值損失僅於用於釐定該項資產的可收回金額所採用的估計出現變化時撥回，但有關金額不得超逾假設過往年度並無就該項資產確認減值損失而應有的賬面值（已扣除任何折舊／攤銷）。撥回減值損失於產生期間計入損益表，但如該資產按重估金額列賬，則減值損失撥回會根據該重估資產的有關會計政策列賬。

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合併財務報表附註

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2.3 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 the parent of the Company;

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;

2.3 主要會計政策概要 (續)

關聯方

倘一方符合下列條件，則視為與本集團有關聯：

- (a) 該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) 為本集團或本公司母公司的主要管理人員的其中一名成員；

或

- (b) 該方為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合資公司（或另一實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團屬同一第三方之合營公司；

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Related parties *(continued)*

- (b) the party is an entity where any of the following conditions applies *(continued)*:
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (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 party, provides key management personnel services to the Group or the Company's parent.

2.3 主要會計政策概要 (續)

關聯方 (續)

- (b) 該方為符合下列任何條件的實體 (續) :
 - (iv) 一間實體為第三方之合營公司而另一實體為該第三方實體之聯營公司；
 - (v) 該實體為本集團或與本集團有關的任何實體的僱員而設的離職後福利計劃的受益人；
 - (vi) 該實體受(a)內所識別人士控制或共同控制；
 - (vii) (a)(i)內所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員；及
 - (viii) 有關實體，或作為集團任何成員的一方，向本集團或本公司母公司提供主要的管理人員服務。

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2.3 Summary of Significant Accounting Policies (continued)

Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets held for sale". 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 the statement of 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 at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.3 主要會計政策概要 (續)

關聯方 (續)

該名人士的近親為可能被預期於與實體進行交易時影響該名人士或受該名人士影響的該等家族成員並包括：

- (i) 該名人士的子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或家庭夥伴的家屬。

物業、廠房及設備

除在建工程外，物業、廠房及設備以成本減累計折舊和任何減值損失列賬。倘一項物業、廠房及設備歸類為持有待售資產或屬持有待售的處置群組之一部份，則不作折舊處理並根據國際財務報告準則第5號入賬，進一步詳情載於「非流動資產持有待售」之會計政策。物業、廠房及設備之成本包括其購買價及任何使資產達到可使用狀態和地點作擬定用途之直接應佔成本。

物業、廠房及設備投入運作後產生之開支，例如維修和保養開支，一般於產生期間自損益表扣除。於符合確認條件之情況下，重大檢修之開支於資產賬面值中資本化為一項重置。倘物業、廠房及設備之重要部份須分階段更換，則本集團將該等部份確認為具有特定使用年期之個別資產並相應計提折舊。

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2.3 Summary of Significant Accounting Policies (continued)

Property, plant and equipment (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 over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	18 to 40 years
Leasehold improvements	2 to 5 years
Plant and machinery	3 to 10 years
Furniture and fixtures	1 to 7 years
Motor vehicles	4 to 8 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 the statement of 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 is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed 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.

2.3 主要會計政策概要(續)

物業、廠房及設備(續)

折舊按下列估計可使用年限對物業、廠房及設備各項目扣除剩餘價值後，以直線法撇銷其成本計算。所使用之主要年率如下：

樓宇	18至40年
裝修費	2至5年
廠房及機械	3至10年
傢俱及裝置	1至7年
機動車輛	4至8年

如物業、廠房及設備之某項目部份具有不同可使用年期，則該項目之成本按合理基準分配在各部份中，而每一部份個別計算折舊。剩餘價值、可使用年期及折舊方法最少須於各財政年度結算日進行檢查，並在適當情況下作出調整。

如初始確認之物業、廠房及設備包括任何重要部份已處置或預期不會因使用或處置有關資產而產生任何未來經濟利益，則該項目會終止確認。因處置或報廢而產生之任何損益（按有關資產之出售所得賬款淨額與賬面值之間之差額計算），於該資產終止確認之年度計入損益表內。

在建工程按成本減任何減值損失列賬，且不予折舊。成本包括直接建造成本及建造期間之有關借入資金之資本化借貸成本。於完成及可供使用時，在建工程重新分類至適當之物業、廠房及設備類別下。

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2.3 Summary of Significant Accounting Policies (continued)

Prepaid land lease payments (accounting policies applied until 31 December 2018)

Prepaid land lease payments represent prepayments for acquiring rights to use land in the People's Republic of China (the "PRC") for 46 to 50 years. Land use rights granted are recognised initially at acquisition cost. Land use rights of the Group are held for its own use. They are stated at cost, less accumulated amortisation and any impairment losses. Amortisation is charged to the statement of profit or loss on the straight-line basis over the period of the land use rights.

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 on the straight-line basis 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.

Intangible assets with indefinite useful lives are tested for impairment at least annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.3 主要會計政策概要 (續)

預付土地租金 (於2018年12月31日前應用的會計政策)

預付土地租金指在中華人民共和國(「中國」)獲得46至50年土地使用權之預付款。獲批授之土地使用權初步按獲得成本確認。本集團之土地使用權持作自用，按成本減去累積攤銷及任何減值損失列賬。攤銷按直線法在土地使用權之期限內在損益表列銷。

無形資產 (商譽除外)

獨立收購之無形資產初始確認時按成本計算。於企業合併中購入之無形資產之成本為收購當日之公允價值。無形資產之可使用年期可分為有限或無限。年期有限之無形資產其後於可使用經濟年期內按直線法攤銷。並當有跡象顯示無形資產可能減值時，管理層將評估其減值金額。可使用年期有限之無形資產之攤銷期間及方法，最少會於每個財政年度末檢查。

可使用年期無限之無形資產至少每年按個別或按視作現金產出單位進行減值測試。該無形資產不予攤銷。可使用年期無限之無形資產之可使用年期每年進行檢查，以確定是否仍然可以支援年期無限之評估。如不支援，將按未來適用法將可使用年期評估由無限改為有限之變化記錄入賬。

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2.3 Summary of Significant Accounting Policies *(continued)*

Intangible assets (other than goodwill) *(continued)*

Trademarks

Certain trademarks are accounted for as intangible assets with indefinite useful lives and are not amortised. They are stated at cost less any impairment losses.

Certain trademarks with definite useful lives are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of five years.

Computer software

Computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives ranging from five to ten years.

Customer relationships

Contractual customer relationships are stated at cost and are amortised on the straight-line basis over their estimated useful lives ranging from six months to twenty years.

2.3 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

商標

若干商標入賬記作可使用年期無限之無形資產，且不予攤銷，按成本減去任何減值虧損列賬。

具有限可使用年期的若干商標乃按成本減任何減值虧損列賬，並以直線法在其估計可使用年期(五年)攤銷。

電腦軟件

電腦軟件按成本減去任何減值損失列賬，並按直線法在其估計可使用年期(五至十年)攤銷。

客戶關係

合同客戶關係按成本列賬，並按直線法在其估計可使用年期(六個月至二十年)攤銷。

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2.3 Summary of Significant Accounting Policies (continued)

Intangible assets (other than goodwill) (continued)

Research and development costs

All research costs are charged to the statement of 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.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding ten years, commencing from the date when the products are put into commercial production.

Patents

The patents were granted for a period of five to ten years by the relevant government agency in different jurisdiction in different jurisdiction with the option of renewal at the end of this period. Patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of five to ten years.

2.3 主要會計政策概要 (續)

無形資產(商譽除外)(續)

研發費用

所有研究費用都在發生時在損益表列銷。

開發新產品之項目所產生之支出僅在本集團可以證實以下情況時予以資本化和遞延，使無形資產完成並可使用或銷售在技術上可行：有完成之意向且有能力使用或出售資產；資產如何產生未來經濟效益；具備完成項目之資源；及能夠可靠地計量開發期間之支出。不符合上述標準之產品開發支出在發生時記作費用。

遞延開發費用乃按費用減任何減值虧損列賬以及按直線基準在有關產品不超出十年商業壽命(由產品投入商業生產之日期起計)之期間予以攤銷。

專利權

專利權由不同的司法管轄區的相關政府機關授予，有效期五至十年，並可選擇自本期間結束後更新。專利權按成本減去任何減值損失列賬，並按直線法在其估計可使用年期(五至十年)攤銷。

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2.3 Summary of Significant Accounting Policies *(continued)*

Leases (accounting policies applied from 1 January 2019)

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise leases which are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term of 12 months or less. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use assets

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

2.3 主要會計政策概要 (續)

租賃 (自2019年1月1日起應用的會計政策)

所有租賃 (不論為經營租賃或融資租賃) 須於財務狀況表資本化為使用權資產及租賃負債, 惟為實體提供會計政策選擇, 可選擇不將短期租賃之租賃進行資本化。本集團已選擇不就於開始日期租賃期為12個月或以下之租賃確認使用權資產及租賃負債。與該等租賃相關之租賃付款已於租賃期內按直線法開支。

使用權資產

使用權資產應按成本確認並將包括: (i) 初步計量租賃負債之金額 (見下文有關租賃負債入賬之會計政策); (ii) 於開始日期或之前作出之任何租賃付款減已收取之任何租賃獎勵; (iii) 承租人產生之任何初步直接成本; 及(iv) 承租人將相關資產拆除及移除至租賃條款及條件規定之狀況將產生之估計成本, 除非該等成本乃為生產存貨而產生則除外。本集團採用成本模式計量使用權資產。根據成本模式, 本集團按成本減任何累計折舊及任何減值虧損計量使用權資產, 並就租賃負債之任何重新計量作出調整。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Leases (accounting policies applied from 1 January 2019) (continued)

Right-of-use assets (continued)

The Group has leased a number of land and buildings under tenancy agreements which are held for own use. Right-of-use assets of the Group are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	41 to 47 years
Buildings	1 to 28 years

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

2.3 主要會計政策概要 (續)

租賃 (自2019年1月1日起應用的會計政策) (續)

使用權資產 (續)

本集團已根據租賃協議租賃若干自用土地及樓宇。本集團的使用權資產按資產的租賃期及估計可使用年期 (以較短者為準)，按直線法計提折舊如下：

租賃土地	41至47年
樓宇	1至28年

租賃負債

租賃負債應按並非於租賃開始日期支付之租賃付款之現值確認。倘該利率可輕易釐定，租賃付款將採用租賃隱含之利率貼現。倘該利率無法輕易釐定，本集團將使用本集團之增量借款利率。

下列並非於租賃開始日期支付之租賃期內就相關使用權資產支付之賬款被視為租賃付款：(i) 固定付款減任何應收租賃獎勵；(ii) 初步按開始日期之指數或利率計量之浮動租賃付款 (取決於指數或利率)；(iii) 承租人根據剩餘價值擔保預期應付之賬款；(iv) 倘承租人合理確定行使購買選擇權，該選擇權之行使價及(v) 倘租賃期反映承租人行使選擇權終止租賃，終止租賃之罰款付款。

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2.3 Summary of Significant Accounting Policies (continued)

Leases (accounting policies applied from 1 January 2019) (continued)

Lease liability (continued)

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Accounting as a lessor

The Group has leased out its plants and offices to a few tenants. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

2.3 主要會計政策概要(續)

租賃(自2019年1月1日起應用的會計政策)(續)

租賃負債(續)

於開始日期後，本集團將按以下項目計量租賃負債：(i)增加賬面值以反映租賃負債之利息；(ii)減少賬面值以反映作出之租賃付款；及(iii)重新計量賬面值以反映任何重估或租賃修改，如指數或利率變動導致未來租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產之評估變動。

短期租賃

本集團將短期租賃確認豁免應用於其短期租賃。短期租賃的租賃付款於租期內按直線法確認為開支。

作為出租人的會計處理

本集團已出租其廠房及辦公室予若干租戶。經營租賃所得租金收入於相關租期內以直線法在損益表中確認。協商和安排經營租賃時發生的初始直接費用，計入租賃資產的賬面值，並於租期內以直線法確認為開支。

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2.3 Summary of Significant Accounting Policies *(continued)*

Leases (accounting policies applied until 31 December 2018)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. The Group had no financial leases during the prior year.

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 the statement of 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 the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

2.3 主要會計政策概要 (續)

租賃 (於2018年12月31日前應用的會計政策)

將資產所有權 (法定業權除外) 之大部份報酬與風險轉讓至本集團之租賃列為融資租賃。本集團於上一年度並無融資租賃。

凡資產擁有權之絕大部份報酬及風險仍歸出租人所有之租賃，均列作經營租賃。如本集團是出租人，則本集團根據經營租賃出租之資產均計入非流動資產，而經營租賃之應收租金則以直線法在租賃期內計入損益表。如本集團是承租人，則經營租賃之應付租金 (扣除得自出租人之任何激勵) 以直線法在租賃期內自損益表扣除。

經營租賃項下之預付土地租賃付款最初按成本列賬，其後以直線法於租賃期內確認。

當租金未能在土地及樓宇項目之間可靠劃分，則租金全數入賬為土地及樓宇成本，作為物業、廠房及設備項下之融資租賃。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Financial Instruments

(i) *Financial assets*

Classification

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Recognition and measurement

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 market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2.3 主要會計政策概要 (續)

金融工具

(i) 金融資產

分類

金融資產(並無重大融資部分的貿易應收賬款除外)初步按公允價值計量,對於不按公允價值計入損益(「按公允價值計入損益」)的項目,則再加上與其收購或發行直接相關的交易成本計量。並無重大融資部分的貿易應收賬款初步按交易價格計量。

確認及計量

所有一般買賣之金融資產概於交易日(即本集團承諾購買或出售該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

附有嵌入式衍生工具之金融資產於釐定現金流量是否純粹指支付的本金及利息時會整體考慮。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

(i) Financial assets (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

2.3 主要會計政策概要 (續)

金融工具 (續)

(i) 金融資產 (續)

債務工具

債務工具的後續計量取決於本集團管理該資產的業務模式以及該資產的現金流量特徵。本集團將債務工具分類時有以下三種計量類別：

攤銷成本：持作收回合約現金流量的資產，倘該等現金流量僅指支付的本金及利息，則按攤銷成本計量。按攤銷成本計量的金融資產其後採用實際利率法計量。利息收入、匯兌收益及損失及減值於損益中確認。終止確認時的任何收益均於損益中確認。

按公允價值計入其他全面收入：持作收回合約現金流量及持作出售該等金融資產的資產，倘該等資產現金流量僅指支付的本金及利息，則按公允價值計入其他全面收入計量。按公允價值計入其他全面收入的債務投資其後按公允價值計量。使用實際利率法計算的利息收入、匯兌收益及虧損以及減值於損益中確認。其他淨收益及虧損於其他全面收入確認。終止確認時，其他全面收入中累計的收益及虧損將重新分類至損益。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

(i) Financial assets (continued)

Debt instruments (continued)

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

2.3 主要會計政策概要 (續)

金融工具 (續)

(i) 金融資產 (續)

債務工具 (續)

按公允價值計入損益：按公允價值計入損益之金融資產包括交易性金融資產、初始確認時指定為按公允價值計入損益之金融資產或被強制要求以公允價值計量的金融資產。倘金融資產乃收購作於短期內出售或購回，則歸類為交易性金融資產。除非被指定為有效對沖工具，否則衍生工具（包括單獨的嵌入式衍生工具）亦被分類為持作交易的衍生工具。就現金流量並非純粹支付本金及利息之金融資產而言，不論其業務模式如何，均按公允價值計入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公允價值計入其他全面收入分類，但於初始確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公允價值計入損益。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies *(continued)*

Financial Instruments *(continued)*

(i) *Financial assets (continued)*

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) *Impairment loss on financial assets*

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables, financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2.3 主要會計政策概要 (續)

金融工具 (續)

(i) 金融資產 (續)

權益工具

於初始確認並非持作交易的權益投資時，本集團可不可撤銷地選擇在其他全面收入中呈列投資公允價值的後續變動。該等選擇將逐案進行。按公允價值計入其他全面收入的股本投資按公允價值計量。股息收入在損益中確認，除非股息收入明確是指部分投資成本的回收。其他淨收益及虧損於其他全面收入確認，並不會重新分類為損益。所有其他權益工具分類為按公允價值計入損益，其中公允價值、股息及利息收入的變動於損益中確認。

(ii) 金融資產減值虧損

本集團就貿易應收賬款、按攤銷成本計量的金融資產以及按公允價值計入其他全面收入之債務投資確認預期信貸虧損（「預期信貸虧損」）的虧損撥備。預期信貸虧損基於以下其中一個基礎進行計量：(1) 12個月預期信貸虧損：此等為報告日期後12個月內可能發生的違約事件引致的預期信貸虧損；及(2) 存續期預期信貸虧損：此等為金融工具的預計期限內可能發生的所有違約事件而引致的預期信貸虧損。估計預期信貸虧損時所考慮的最長期限是本集團面臨信用風險的最長合約期。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies *(continued)*

Financial Instruments *(continued)*

(ii) Impairment loss on financial assets *(continued)*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group's debt investments at FVOCI are considered to have low credit risk since the counterparties are of high credit rating.

2.3 主要會計政策概要 (續)

金融工具 (續)

(ii) 金融資產減值虧損 (續)

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損乃基於根據合約應付予本集團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。該差額其後按資產原有實際利率相近的差額貼現。

本集團已選擇採用國際財務報告準則第9號簡化法計量貿易應收賬款的虧損撥備，並已根據存續期預期信貸虧損計算預期信貸虧損。本集團已依據本集團的過往信貸虧損經驗建立撥備矩陣，並就債務人及經濟環境的特定前瞻性因素作出調整。

就其他債務金融資產而言，預期信貸虧損以12個月的預期信貸虧損基準計量。然而，自發起以來信用風險顯著增加時，撥備將以存續期預期信貸虧損為基準。

當釐定金融資產之信用風險是否自初步確認後大幅增加，並於估計預期信貸虧損時，本集團考慮到相關及無須付出過多成本或努力即可獲得之合理及可靠資料。此包括根據本集團之過往經驗及已知信貸評估得出定量及定性之資料分析，並包括前瞻性資料。

由於交易對手的信貸評級較高，本集團按公允價值計入其他全面收入之債券投資被視為信用風險較低。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at FVTPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

2.3 主要會計政策概要 (續)

金融工具 (續)

(iii) 金融負債

本集團視乎負債產生之目的而分類其金融負債。按公允價值計入損益的金融負債初步按公允價值計量，以攤銷成本列賬的金融負債初步按公允價值計量（扣除所產生的直接應佔成本）。

按公允價值計入損益之金融負債

按公允價值計入損益之金融負債包括交易性金融負債及於初始確認時指定為按公允價值計入損益之金融負債。

倘金融負債乃收購作於短期內出售，則會分類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟倘指定為有效對沖工具則作別論。持作買賣負債的收益或虧損均在損益內確認。

倘合約包含一項或多項嵌入式衍生工具，則整份混合合約可指定為按公允價值計入損益之金融負債，惟嵌入式衍生工具對現金流量並無重大影響或明確禁止將嵌入式衍生工具單獨入賬除外。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies *(continued)*

Financial Instruments *(continued)*

(iii) Financial liabilities (continued)

Financial liabilities at FVTPL (continued)

Financial liabilities may be designated upon initial recognition as at FVTPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the profit or loss. The net fair value gain or loss recognised in the profit or loss does not include any interest charged on these financial liabilities.

2.3 主要會計政策概要 (續)

金融工具 (續)

(iii) 金融負債 (續)

按公允價值計入損益之金融負債 (續)

倘符合以下條件，則金融負債於初始確認時可被指定為按公允價值計入損益：(i)該指定可抵銷或顯著減低用不同基準計量負債或確認收益或虧損所產生之不一致處理；(ii)該負債為一組根據具存檔風險管理策略按公允價值基準管理及評估表現之金融負債之一部分；或(iii)該金融負債包含須獨立入賬之嵌入式衍生工具。

於初始確認後，按公允價值計入損益之金融負債按公允價值計量，而其公允價值之變動則在發生期間於損益中確認，惟本集團本身之信用風險所產生之收益及虧損則於其他全面收入中呈列，且其後不會重新分類至損益。已於損益內確認之公允價值收益或虧損淨額不包括任何就此等金融負債扣除之利息。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

(iii) Financial liabilities (continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and bills payables, other payables and borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.3 主要會計政策概要 (續)

金融工具 (續)

(iii) 金融負債 (續)

以攤銷成本列賬的金融負債

以攤銷成本列賬的金融負債(包括貿易及票據應付賬款、其他應付賬款及借款)隨後採用實際利率法按攤銷成本計量。相關利息開支於損益內確認。

當負債終止確認時,以及在攤銷過程中,收益或虧損於損益內確認。

(iv) 實際利率法

實際利率法是計算金融資產或金融負債的攤銷成本以及在相關期間利息收入或利息開支分配的方法。實際利率是整個金融資產或負債的預計期限(或在適當情況下較短期間)內準確貼現所估算未來現金收入或付款的利率。

(v) 權益工具

本公司發行的權益工具按已收所得賬款扣除直接發行成本入賬。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies *(continued)*

Financial Instruments *(continued)*

(vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at FVTPL is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contact at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the accounting policy set out above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of IFRS 15.

2.3 主要會計政策概要 (續)

金融工具 (續)

(vi) 財務擔保合約

財務擔保合約即要求發行人作出特定付款以償還持有人因指定債務人未能根據債務工具的原定或修訂條款在到期時作出付款而招致損失的合約。由本集團發行但未指定為按公允價值計入損益的財務擔保合約初始按公允價值減直接歸屬於發行財務擔保合約的交易成本確認。初始確認後，本集團按以下較高者計量財務擔保合約：(i) 虧損撥備金額，即根據上述會計政策原則計量的預期信貸虧損撥備；及(ii) 初步確認的金額減去(如適用)根據國際財務報告準則第15號原則確認的累計攤銷。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

2.3 主要會計政策概要 (續)

金融工具 (續)

(vii) 終止確認

當有關金融資產的未來現金流量的合約權利屆滿或金融資產已轉讓而該轉讓符合國際財務報告準則第9號的終止確認準則時，本集團終止確認金融資產。

當相關合約註明的義務解除、取消或屆滿時終止確認金融負債。

倘本集團由於重新協商金融負債之條款而向債權人發行其本身之權益工具以結付全部或部份金融負債，則所發行之權益工具為已付代價，並於消除該金融負債或其部份之日期按其公允價值初步確認及計量。倘已發行之權益工具之公允價值不能可靠地計量，則權益工具以反映已消除金融負債之公允價值計量。已消除金融負債或其部份之賬面值與已付代價之間的差額於本年損益中確認。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. If the conversion option is classified as an equity instrument, the remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

If the conversion option of convertible bonds exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in the statement of profit or loss.

2.3 主要會計政策概要 (續)

可換股債券

可換股債券中顯示負債特徵的部份，在扣除交易成本後在財務狀況表中確認為負債。發行可換股債券時，採用同等非可換股債券的市值，釐定負債部份的公允價值，該數額按攤銷成本基準持續列為長期負債，直至換股或贖回被註銷為止。倘若轉換期權被歸類為權益工具，則所得賬款餘款分配至已確認的換股期權，扣除交易成本後計入股東權益。於其後年度，換股期權的賬面值不會重新計量。交易成本乃根據初始確認該等工具時，所得賬款於負債及權益成份的分配分攤至可換股債券的負債及權益成份。

倘可換股債券的換股期權顯示嵌入式衍生工具的特徵，則與其負債部份分開入賬。於初始確認時，可換股債券的衍生工具部份按公允價值計量，並列為衍生財務工具部份。若所得賬款超出初始確認為衍生工具部份的金額，則超出金額確認為負債部份。交易成本乃根據初始確認該等工具時，所得賬款於負債及衍生工具部份的分配分攤至可換股債券的負債及衍生工具部份。有關負債部份的交易成本部份初始確認為負債部份。有關衍生工具部份則即時在損益表內確認。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

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, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

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

2.3 主要會計政策概要 (續)

庫存股份

本公司或本集團重新購入並持有的自有權益工具(庫存股份)直接按成本於權益確認。本集團購買、售出、發行或註銷自有權益工具時並不會於損益表中確認任何損益。

存貨

存貨按成本及可變現淨值兩者中之較低者入賬。成本基於加權平均成本法確定，對於在製品和產成品而言，其成本由直接材料、直接人工和適當比例之間接費用組成。可變現淨值乃按估計售價減去直到完成及出售時產生之任何估計成本計算。

現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及購入後通常於三個月內到期，可隨時轉換為已知金額現金之短期高度流通但價值改變風險不大之投資，減按要求償還且組成本集團現金管理之不可或缺部份之銀行透支。

就合併財務狀況表而言，現金及現金等價物包括並無限制使用的手頭現金及銀行存款，包括定期存款，以及性質類似現金之資產。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 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 the consolidated statement of profit or loss.

Provisions for product warranties granted by the Group on certain products 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.

Deferred income 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.

2.3 主要會計政策概要 (續)

撥備

如因過往事項而產生現時責任(法定或推定)，且將來極可能需要流出資源以解除有關責任時，則確認撥備，惟責任所涉及之金額必須能可靠地估計。

如折現影響重大，則就撥備而確認之金額為預期清償債務所需之未來開支於報告年度末之現值。因時間流逝而引致之折現現值之增加計入合併損益表內之財務費用。

本集團就若干產品之產品保修而計提之撥備，乃按銷量及過往維修及退貨水平之經驗，並於適當情況下貼現至其現值為基準確認。

所得稅

所得稅包括即期及遞延稅項。與損益外確認之項目有關之所得稅在損益外確認，即在其他全面收入中確認或直接在權益中確認。

即期稅項資產及負債按預期可自稅務機關收回或支付予稅務機關之金額計量，並以報告年度末已制定或已實質上制定的稅率(及稅法)為基準(已考慮本集團業務所在國現行詮釋及慣例)。

遞延所得稅乃採用負債法就報告年度末資產及負債之稅基與其用作財務呈報之賬面值之間各項暫時差額作出撥備。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Income tax (continued)

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

- when the deferred income 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, associates and a joint venture, 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 income tax assets are recognised for all deductible temporary differences, 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, and 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
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, 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.

2.3 主要會計政策概要 (續)

所得稅 (續)

就所有應課稅暫時差額確認遞延所得稅負債，惟以下各項除外：

- 在交易時不影響會計利潤或應課稅利潤或虧損之非企業合併交易中，初始確認資產或負債時產生之遞延所得稅負債；及
- 就於附屬公司、聯營公司及一間合營公司之投資相關之應課稅暫時差額而言，則為撥回暫時差額之時間可以控制，並且暫時差額於可見將來可能不會被撥回。

遞延所得稅資產根據所有可抵扣暫時差額、結轉未動用稅項抵免及任何未動用稅項虧損確認，直至再無可能有應課稅利潤可用作抵銷可扣除暫時差額以及可利用結轉未動用稅項抵免及未動用稅項虧損為止，惟以下各項除外：

- 在交易時不影響會計利潤或應課稅利潤或虧損之非企業合併交易中，初始確認資產或負債時產生與可扣除暫時差額有關之遞延稅項資產；及
- 就於附屬公司、聯營公司及一間合營公司的投資的相關可扣除暫時差額而言，遞延稅項資產僅可在暫時差額將於可見將來撥回，並且應課稅利潤將可用以抵銷暫時差額的情況下確認。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Income tax *(continued)*

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 a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.3 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產的賬面值於各報告年度末審閱，並於不再有足夠應課稅利潤可供所有或部份遞延稅項資產動用時減少。未確認的遞延稅項資產於各報告年度末重新評估，並於可能有足夠應課稅利潤可供所有或部份遞延稅項資產收回的情況下予以確認。

遞延稅項資產及負債按預期適用於變現資產或清償負債期間的稅率計量，並以報告年度末已制定或已實質上制定的稅率（及稅法）為基準。

倘存在法律上可強制執行的權利，可將即期稅項資產與即期稅項負債抵銷，且遞延稅項有關同一課稅實體及同一稅務機關，則遞延稅項資產與遞延稅項負債相抵銷。

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合併財務報表附註

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2.3 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 the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

2.3 主要會計政策概要 (續)

政府補助

倘能合理保證能收取補助及已符合所有附帶的條件，則政府補助按其公允價值確認。倘補助涉及開支項目，則會在按擬用以彌償已列支成本的期間系統地確認為收入。

倘補助涉及資產，則其公允價值將計入遞延收入賬，並在有關資產的預計可使用年期內每年以等額分期撥入損益表或自資產之賬面值扣除，並以已扣減折舊費用方式計入損益表。

當本集團收取非貨幣資產補助時，補助按非貨幣資產的公允價值計量，並在相關資產預計可使用年期內每年以等額分期撥入損益表。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Revenue recognition 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, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2.3 主要會計政策概要 (續)

來自客戶合約之收入確認

來自客戶合約之收入於貨品或服務的控制權轉移至客戶時確認，其金額反映本集團預期就交換該等貨品或服務有權獲得的代價，不包括代表第三方收取的金額。收入不包括增值稅或其他銷售稅，並已扣減任何貿易折扣。

視乎合約條款及適用於合約的法律，貨品或服務的控制權可在一段時間或於某個時間點進行轉移。倘本集團在履約過程中符合下列條件，貨品或服務之控制權可在一段時間轉移：

- 提供客戶收到且同時消耗之所有利益；
- 本集團履約時創造或提升客戶所控制之資產；或
- 並無創造對本集團而言有其他用途之資產，而本集團有強制執行權利收取至今已完成履約部分的賬款。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Revenue recognition from contracts with customers *(continued)*

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

When the contract contains a financing component which provides the customer 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 amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment 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.

2.3 主要會計政策概要 (續)

來自客戶合約之收入確認 (續)

倘貨品或服務之控制權可在一段時間轉移，則收入乃於整個合約期間經參考完成履約責任之進度確認。否則，收入於客戶獲得貨品或服務控制權之某一時間點確認。

當合約包含融資部分，就貨品或服務轉移予客戶而為客戶提供重大融資利益超過一年時，收入按應收金額的現值計量，使用合約開始時在本集團與客戶之間訂立的獨立融資交易中反映的貼現率貼現。倘合約包含為本集團提供重大融資利益的融資部分時，根據該合約確認的收入包括根據實際利率法計算的合約負債所附加的利息開支。對於付款與轉移所承諾貨品或服務之間的期限為一年或不足一年的合約，交易價格不會根據國際財務報告準則第15號應用可行權宜方式就重大融資部分的影響進行調整。

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合併財務報表附註

31 December 2019 2019年12月31日

2.3 Summary of Significant Accounting Policies *(continued)*

Revenue recognition from contracts with customers *(continued)*

Sale of goods

Revenue from the sale of goods is recognised at a point of time when the control of the goods have been transferred to the buyer. The credit periods generally range from 30 to 180 days for major customers. New customers are normally required to pay in advance. The advances received is recognised as contract liabilities. The Group also offers volume rebates and cash discount to major customers for early repayment. Both volume rebates and cash discount are estimated using most-likely amount method and recorded as a reduction of revenue as sales are recognised with the corresponding amount recorded as refund liabilities. The rebates were estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on the rebates increase the amount of revenue that will be deferred.

For sales commission paid to agents and salesmen, the Group is required to capitalise these sales commission as costs of obtaining contracts when they are incremental and are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the sales commission can be expensed when incurred.

During the years ended 31 December 2018 and 2019, such sales commission was expensed when incurred as the expected amortisation period was one year or less.

2.3 主要會計政策概要 (續)

來自客戶合約之收入確認 (續)

銷售貨品

銷售貨品的收入於貨品的控制權已轉移至買方時確認。主要客戶的信用期限一般介於30天至180天不等。新客戶通常需要預先付款。所收墊款確認為合約負債。本集團亦向提前還款的主要客戶給予大額回扣及現金折扣。大額回扣及現金折扣均採用最可能金額法估計，並於確認銷售時將相應金額作為退款負債以收入減少入賬。回扣於合約開始時估計並受到約束，直至隨後解決相關不確定性。就回扣應用約束增加了將被遞延之收入金額。

對於付予代理及銷售人員的銷售佣金，本集團須將該等銷售佣金資本化為取得合約的成本（當其為增量並預期將予以收回），除非預期攤銷期與首次確認資產日期相隔一年或不足一年，在此情況下，銷售佣金可於產生時計入費用。

截至2018年及2019年12月31日止年度，該等銷售佣金於產生時列為開支，因預期的攤銷期為一年或以下。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Revenue recognition from contracts with customers (continued)

Sales through e-commerce platforms

Revenue from the sales through e-commerce platforms is recognised at a point of time when the control of goods have been transferred to the customers. For platforms being as agent for end customers, payments are remitted to Group upon customer's confirmation on delivery of the goods. For platforms being the customer and take title of the goods, credit period of 60 days is offered to them. The Group also offers sale rebate to the platforms being the customer which is estimated using most-likely amount method and recorded as a reduction of revenue as sale is recognised with the corresponding amount recorded as refund liabilities. The rebates were estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on the rebates increase the amount of revenue that will be deferred.

Customers, either the end customer or the platforms themselves, are entitled to unconditional right to return the goods to the Group for a refund for a period of 1 week. This gives rise to right-of-return assets and refund liabilities.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.3 主要會計政策概要 (續)

來自客戶合約之收入確認 (續)

透過電子商務平台銷售

透過電子商務平台銷售的收入於貨品的控制權已轉移至客戶時確認。對於作為終端客戶代理的平台，付款將於客戶確認交付貨品時匯入本集團。對於作為客戶並擁有貨品所有權的平台，向彼等提供60天的信用期限。本集團亦向作為客戶的平台給予銷售回扣，回扣採用最可能金額法估計，並於確認銷售時將相應金額作為退款負債以收入減少入賬。回扣於合約開始時估計並受到約束，直至隨後解決相關不確定性。就回扣應用約束增加了將被遞延之收入金額。

客戶(終端客戶或平台本身)擁有無條件將貨品退回本集團並於1週獲得退款的權利。這會產生退貨權資產及退款負債。

退款負債

退款負債為退還部份或全部已收(或應收)客戶代價的義務，並按本集團最終預期須退還客戶的金額計量。本集團於各報告年度末更新其退款負債估計(及相應的交易價格變動)。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Revenue recognition from contracts with customers *(continued)*

Sales through e-commerce platforms (continued)

Right-of-return assets

A right-of-return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned goods.

Engineering income

Engineering income is recognised according to stage of completion of individual contract at the end of the reporting period. The stage of completion is determined using percentage of completion method by reference to value of work completed to date. Payments are made by the customers according to milestones reached.

Royalty income

Royalties are recognised when the subsequent sales or usage occurs in accordance with the relevant agreement.

Logistic income

Logistic income is recognised over time when services are rendered. No credit period is granted.

2.3 主要會計政策概要 (續)

來自客戶合約之收入確認 (續)

透過電子商務平台銷售 (續)

退貨權資產

退貨權資產指本集團收回客戶預期退回的貨品的權利。資產按將予退回的貨品之前的賬面值減去收回貨品的預期成本(包括退回貨品價值的任何可能減幅)計量。本集團就所記錄資產的預期退貨水平的任何修訂以及退回貨品價值的任何額外減幅更新有關計量。

工程收入

工程收入於報告年度末乃根據個別合約的完成階段確認。完成階段經參考迄今已完成工程價值，採用完成百分比方法釐定。客戶根據工程進度作出付款。

使用費收入

使用費根據有關協議於後續出售或使用時確認。

物流收入

物流收入於提供服務時隨時間確認。本集團並無授予信用期限。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Other employee benefits

Defined contribution plan for employees

Pursuant to the relevant PRC laws and regulations, the employees of the Group's subsidiaries operating in the PRC are required to participate in a central pension scheme operated by the local municipal government. The Group's subsidiaries operating in the PRC are required to contribute a certain percentage of the salaries of their employees to the central pension scheme. The only obligation of the Group with respect to the central pension scheme is to pay the ongoing required contributions. Contributions are charged to the statement of profit or loss when they become payable in accordance with the rules of the central pension scheme.

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the Scheme.

The Group also participates in defined contribution retirement scheme organised by the relevant local government authorities in the United States and Japan. Certain employees of the Group eligible for participating in the retirement schemes are entitled to retirement benefits from the scheme. The Group is required to make contributions to the retirement scheme up to the time of the retirement of the eligible employees, excluding those employee who resign before retirement, at a percentage that is specified by the local government authorities.

2.3 主要會計政策概要 (續)

其他僱員福利

僱員的界定供款計劃

根據中國相關的法律及法規，本集團於中國經營的附屬公司的僱員均須參與地方市政府運作的中央退休金計劃。本集團於中國經營的附屬公司須按其僱員薪金的若干百分比向中央退休金計劃供款。本集團對中央退休金計劃的唯一義務乃支付現在所需的供款。供款乃於根據中央退休金計劃的規定須予支付時在損益表扣除。

本集團根據強制性公積金計劃條例為所有香港合資格僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃的資產與本集團的資產分開於受獨立受託人控制的基金中持有。根據強積金計劃規則，僱主及其僱員各自須按規則訂明的百分比向計劃作出供款。本集團對強積金計劃的唯一責任是根據計劃作出所需供款。

本集團亦參與由美國及日本有關當地政府機構組織的定額供款退休計劃。本集團符合參與退休計劃的若干僱員享有計劃的退休福利。本集團須於截至合資格僱員退休之時對退休計劃作出供款（不包括於退休前辭任的僱員）供款百分比由當地政府機構訂明。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

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.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- (a) where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (b) receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

2.3 主要會計政策概要 (續)

借款成本

直接歸屬於收購、建造或生產合資格資產（即需要經過相當長時間才能用於其擬定用途或進行銷售的資產）的借款成本，經資本化後計入該等資產的成本。當該等資產基本可用於其擬定用途或進行銷售後，借款成本停止資本化。專項借款作臨時投資所賺取的投資收入，在該借款撥作合資格資產的開支之前，從資本化借款成本中扣除。所有其他借款成本於其產生期間確認為開支。借款成本由利息及實體就借款資金所產生的其他成本所組成。

銷售稅

收入、費用及資產按扣除銷售稅後的淨額確認，以下情況除外：

- (a) 因購買資產或服務產生的銷售稅若不可從稅務機關收回，則銷售稅確認為資產採購成本或開支項目的一部份（如適用）；及
- (b) 已包含銷售稅金額列賬的應收賬款和應付賬款。

銷售稅可從稅務機關收回淨額或應付稅務機關淨額將計入合併財務狀況表應收賬款或應付賬款部份。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies (continued)

Dividends

Final or special dividends proposed by the directors are classified as a separate allocation of share premium/retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

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.

Foreign currencies

The consolidated financial statements are presented in RMB, which is different from the Company's functional currency of United States Dollar ("US\$"). Each entity in the Group determines its own functional currency and items included in the 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. All differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

2.3 主要會計政策概要 (續)

股息

董事建議宣派的末期或特別股息於財務狀況表內權益部份單獨列為股份溢價／留存利潤分配，直至股東大會上獲得股東批准。當該等股息已獲股東批准及已宣派，則其被確認為負債。

由於本公司組織章程大綱及章程細則授予董事權力宣派中期股息，中期股息同時獲提呈及宣派。因此，中期股息於提呈及宣派時即確認為負債。

外幣

合併財務報表以人民幣呈列，此有別於本公司的功能貨幣美元（「美元」）。本集團每一個實體決定其功能貨幣，而該等實體呈列於財務報表中之項目以該等功能貨幣計算。本集團內各實體記錄的外幣交易首先按交易日期適用的各個相關功能貨幣匯率入賬。於報告年度末以外幣為單位的貨幣資產與負債按該日適用的功能貨幣匯率換算。結算或換算貨幣項目產生的所有差額於損益表內確認。

Notes to Consolidated Financial Statements

合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Foreign currencies *(continued)*

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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).

The functional currencies of the Company and certain subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

2.3 主要會計政策概要 (續)

外幣 (續)

貨幣項目的結算或換算差額於損益表中確認，惟指定為本集團在海外業務淨投資的對沖的一部分之貨幣項目除外。後者於其他全面收入中確認，直至淨投資被出售為止，屆時累計金額將重新分類至損益表。該等貨幣項目的匯兌差額應佔的稅項開支及抵免，亦在其他全面收入中入賬。

根據歷史成本計算的外幣非貨幣項目按首次交易日期的匯率換算。根據公允價值計算的外幣非貨幣項目按計算公允價值當日的匯率換算。換算按公允價值計量的非貨幣項目而產生的收益或虧損，按確認該項目的公允價值變動的收益或虧損一致的方法處理（即其他全面收入或損益已確認的項目的公允價值收益或虧損，其匯兌差額亦分別於其他全面收入或損益確認）。

本公司及若干附屬公司之功能貨幣並非人民幣。於報告年度末，該等實體之資產及負債按報告年度末之匯率折算為本公司之呈報貨幣，該等實體之損益表按本年之加權平均匯率折算為人民幣。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Foreign currencies *(continued)*

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, a separate component of equity. On disposal of a subsidiary with a functional currency other than RMB, the component of other comprehensive income relating to that particular subsidiary is recognised in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of the Company and certain subsidiaries, whose functional currencies are not RMB, are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the Company and certain subsidiaries, whose functional currencies are not RMB, which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2.3 主要會計政策概要 (續)

外幣 (續)

所產生的匯兌差額在其他全面收入中予以確認並於權益的獨立部分外幣換算儲備中累計。於出售功能貨幣為非人民幣的附屬公司時，就此特定附屬公司在其他全面收入中的部分將於合併損益表內確認。

任何由於兼併海外業務產生的商譽及任何對兼併海外業務帶來的資產及負債的賬面價值的公允價值調整，被當作海外業務的資產及負債處理，並在會計期末做相應換算。

就合併現金流量表而言，本公司及若干附屬公司的功能貨幣並非人民幣，故現金流量按現金流量日期適用的匯率換算為人民幣。本公司及若干附屬公司的功能貨幣並非人民幣，在本年內產生的經常性現金流量會按該年度的加權平均匯率換算為人民幣。

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合併財務報表附註

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2.3 Summary of Significant Accounting Policies *(continued)*

Discontinued operations

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

Additional disclosures are provided in Note 12. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

2.3 主要會計政策概要 (續)

非持續經營業務

倘出售組別為某一實體已被出售之組成部份或被分類為持作待售，且其：

- 代表一項獨立的主要業務或一個主要經營地區
- 是一項單一協調計劃的一部份，而有關計劃旨在出售一項獨立的主要業務或一個主要經營地區；或
- 只為了再出售所收購的附屬公司，則出售組別符合非持續經營業務的資格

非持續經營業務不包括持續經營業務之業績及於合併損益表中列作單一金額，作為非持續經營業務的除稅後損益。

更多披露詳見附註12。除另有說明外，合併財務報表所有其他附註包括持續經營業務金額。

Notes to Consolidated Financial Statements

合併財務報表附註

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3. Significant Accounting Judgements and Estimates

The preparation of the Group's 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.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Corporate income taxes

Significant management judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

Determining the lease term of contracts with extension options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

3. 主要會計判斷及估計

本集團財務報表的編製要求管理層作出可能影響收入、支出、資產及負債等報告金額、與之相關的披露及或有負債披露的判斷、估計及假設。該等假設及估計的不確定性可能導致須於未來對受影響的資產或負債的賬面值作出重大調整的結果。

判斷

在應用本集團會計政策過程中，管理層已作出以下對合併財務報表中所確認的金額有最重大影響的判斷：

企業所得稅

管理層於釐定所得稅撥備時須就若干交易的日後稅務處理方式作出重大判斷。本集團會審慎評估交易的稅務影響，並相應地作出稅項撥備。有關該等交易的稅務處理方式會定期重新考慮以計及稅務法例的所有變動。

釐定有續期選擇權合約的租期 – 本集團作為承租人

本集團將租期釐定為不可撤銷租賃期限，而如果能合理確定將行使延長租賃的選擇權，租期還應包括該選擇權所涵蓋的任何期間。

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合併財務報表附註

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3. Significant Accounting Judgements and Estimates *(continued)*

Judgement *(continued)*

Determining the lease term of contracts with extension options – Group as lessee (continued)

The Group has the option, under some of its leases to lease the assets for additional terms of one to ten years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to extend. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of certain buildings due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., one to three years) and there will be a significant negative effect on production if a replacement is not readily available.

3. 主要會計判斷及估計 (續)

判斷 (續)

釐定有續期選擇權合約的租期 – 本集團作為承租人 (續)

本集團根據其部份租賃可選擇按額外一至十年的期限租賃有關資產。本集團於評估行使續期選擇權是否合理確定時運用判斷。換言之，其考慮所有會對行使重續構成經濟激勵的相關因素。於開始日期後，本集團於有影響其行使（或不行使）重續選擇權能力的可控範圍內重大事件或情況變動（如業務策略的變更）時，會重新評估租期。

本集團將重續期間計作若干樓宇租賃的一部份租期，此乃由於該等資產對本集團的經營而言具有重要性。該等租賃擁有短期不可撤銷期間（即一至三年），且倘不易可用替代者，會對生產構成重大負面影響。

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合併財務報表附註

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3. Significant Accounting Judgements and 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.

Fair value measurement

Certain assets and liabilities included in the Group's financial statements require measurement at, and disclosure of, fair value. Further details of fair value measurement are disclosed in Note 44.

Useful lives of other intangible assets

The Group determines the estimated useful lives for its intangible assets based on their best estimate on the expected future cash flows from the assets. The useful lives of the Group's certain trademarks were estimated to be indefinite. Intangible assets with indefinite useful lives are tested for impairment at least annually or at other times when such an indication exists. Further details are set out in Note 19.

3. 主要會計判斷及估計 (續)

估計的不確定性

於報告年度末會對日後及其他估計不確定性的主要來源作出的有很大機會導致下一財政年度的資產及負債的賬面值須作出重大調整的主要假設載述如下。

公允價值計量

本集團財務報表中列示的若干資產及負債要求按公允價值計量及披露。公允價值計量的進一步詳情載於附註44。

其他無形資產的可使用年期

本集團基於彼等對來自資產的預期未來現金流量的最佳估計，釐定其無形資產的估計可使用年期。估計本集團若干商標擁有無限可使用年期。擁有無限可使用年期的無形資產至少每年或在有跡象顯示減值的其他時間進行減值測試。進一步詳情載於附註19。

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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets other than goodwill with finite useful lives

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (iii) the appropriate key assumption to be applied in preparing cash flow projections including whether these cash flow projections are discounted using appropriate rates. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test significantly.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences 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. Further details are set out in Note 23.

3. 主要會計判斷及估計 (續)

估計的不確定性 (續)

可使用年期有限之非金融資產 (商譽除外) 減值

於釐定資產有否出現減值或過往導致資產減值的情況不再存在時，本集團須作出判斷，特別是評估：(i)有否出現可能影響資產價值的事件或影響資產價值的該等事件已不存在；(ii)資產賬面值能否獲得日後現金流量現值淨額支援，而日後現金流量按資產的持續使用或終止確認估計；及(iii)編製現金流量預測所採用的合適主要假設包括該等現金流量預測是否以合適比率折現。倘管理層所選用以決定減值水平的假設（包括現金流量預測所用折現率或增長率假設）有變，或對減值測試所用現值淨額構成重大影響。

遞延稅項資產

所有可扣除暫時差額，如有可能出現應課稅利潤，可用作抵銷該等可扣除暫時差額，均確認為遞延稅項資產。釐定可確認的遞延稅項資產金額時，管理層須根據未來應課稅利潤的可能時間及水平以及未來稅務規劃策略作出重大判斷。進一步詳情載於附註23。

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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Recognition of a deferred tax liability for withholding taxes

The PRC New Corporate Income Tax Law, which became effective on 1 January 2008, states that the distribution of dividends by a foreign-invested enterprise established in Mainland China to its foreign investors, from its earnings after 31 December 2007, shall be subject to withholding corporate income taxes at a rate of 10%. The Group carefully evaluates the necessity of dividend distribution of its PRC subsidiaries out of profits earned after 31 December 2007 and makes decisions on such dividend distribution based on the senior management's judgement. Details are set out in Note 23.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in Note 2.3. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets and the expected period of benefits. Further details are set out in Note 19.

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 or fair value less cost of disposal of the cash-generating units to which the goodwill is allocated. Estimating the value in use or fair value less cost of disposal 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. Further details are set out in Note 18.

3. 主要會計判斷及估計 (續)

估計的不確定性 (續)

確認預扣稅的遞延稅項負債

於2008年1月1日生效的中國新企業所得稅法規定，於2007年12月31日後，於中國內地成立的外資企業由其收益向其境外投資者分派股息須繳納10%的預扣企業所得稅。本集團會審慎評估於2007年12月31日後由其中國附屬公司賺取的利潤分派股息的必要性，並基於高級管理層的判斷作出該等分派股息的決定。詳情載於附註23。

開發成本

開發成本乃根據附註2.3所載研發成本的會計政策予以資本化。釐定資本化金額時，管理層須對有關資產的預期未來現金的產生及預期產生利益年期作出假設。進一步詳情載於附註19。

商譽減值

本集團至少每年釐定商譽有否出現減值。這需要估計獲分配商譽的現金產出單位的使用價值或公允價值減處置成本。在估計使用價值或公允價值減處置成本時，本集團須估計預期現金產出單位未來產生的現金流量，以及選擇合適的折現率以計算該等現金流量的現值。進一步詳情載於附註18。

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合併財務報表附註

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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Impairment provision for trade and other receivables

The impairment of trade and other receivables are based on estimation about risk of default and ECL rate in accordance with accounting policy stated in Note 2.3. The Group estimates the above broadly based on the available customers' historical data, existing market condition including forward-looking estimates at the end of the reporting period.

Provision for loss on financial guarantee contracts

The Group exposed to the risk of losses arising from legal proceedings as further detailed in Note 37. Due to potential outcomes and uncertainties around the legal proceedings, significant management judgement on determining if the provision amount, if any, to be recorded in the consolidated financial statements was required.

Estimation the incremental borrowing rate for lease liabilities

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. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

3. 主要會計判斷及估計 (續)

估計的不確定性 (續)

貿易及其他應收賬款減值撥備

貿易及其他應收賬款之減值乃根據附註2.3所述會計政策有關違約風險及預期信貸虧損率的估計得出。本集團大致上根據所得客戶的歷史數據、現行市況(包括前瞻估計)於報告年度末作出估計。

財務擔保合約虧損撥備

本集團面臨法律訴訟所引起的損失風險，進一步詳情載於附註37。由於法律訴訟中潛在的結果及不確定性，管理層需要對釐定合併財務報表中記錄的撥備金額(如有)作出重大判斷。

租賃負債的增量借款利率估算

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，而以類似抵押品於類似期間借入所需資金應支付的利率。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的附屬公司而言)或當須對利率進行調整以反映租賃之條款及條件時，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。

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4. Operating Segment Information

For management purposes, the Group is organised into business units based on the products and markets and has four reportable operating segments as follows:

- (a) NVC brand lighting products – domestic market segment ((discontinued during the year (Notes 12 and 51(a)) and the relevant information for the year ended 31 December 2018 are re-presented accordingly)
- (b) NVC brand lighting products – international market segment
- (c) Non-NVC brand lighting products – domestic market segment
- (d) Non-NVC brand lighting product – international market segment

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on a measure of gross profit.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Since total assets, liabilities and capital expenditures for each reportable segment are not regularly provided to the chief operating decision maker, the directors are of the opinion that the disclosure of such amounts is not necessary.

4. 經營分部資料

就管理而言，本集團根據產品及市場劃分業務單元並設有以下四個報告經營分部：

- (a) 雷士品牌照明產品 – 國內市場分部 ((本年的非持續經營 (附註12及51(a)) 及截至2018年12月31日止年度的相關信息作出相應重列)
- (b) 雷士品牌照明產品 – 國際市場分部
- (c) 非雷士品牌照明產品 – 國內市場分部
- (d) 非雷士品牌照明產品 – 國際市場分部

為制定資源分配決策及評估業績，管理層將分別監控本集團經營分部的業績。分部業績按照毛利評估。

分部間的銷售及轉讓以在當時現行市場價格基礎上向第三方作出的銷售價格為參照進行交易。

由於各報告分部的總資產、負債及資本支出並不經常提供予主要經營決策人，董事認為該等金額的披露並非必要。

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4. Operating Segment Information (continued)

4. 經營分部資料 (續)

		2019 2019年					
		Continuing operations 持續經營業務			Discontinued operations 非持續經營業務		Consolidated 合併
		International NVC brand 國際 雷士品牌 RMB' 000 千人民幣	Domestic non-NVC brand 國內 非雷士品牌 RMB' 000 千人民幣	International non-NVC brand 國際 非雷士品牌 RMB' 000 千人民幣	Total 合計 RMB' 000 千人民幣	Domestic NVC brand 國內 雷士品牌 RMB' 000 千人民幣	
Segment revenue:	分部收入：						
Sales to external customers	銷往外部分客戶	196,329	307,143	1,719,138	2,222,610	3,335,389	5,557,999
Segment gross profit	分部毛利	50,336	61,374	421,651	533,361	1,286,503	1,819,864
<i>Reconciliation</i>	<i>調節項目</i>						
Interest income	利息收入						30,810
Impairment of other receivables	其他應收賬款減值						(671,433)
Impairment of goodwill	商譽減值						(173,216)
Provision for losses on financial guarantee contracts	財務擔保合約虧損撥備						(7,147)
Unallocated income and gains	未分配收入及收益						158,507
Corporate and other unallocated expenses ^a	企業及其他未分配開支 ^a						(1,467,374)
Loss on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的損失						(11,438)
Fair value change of held-for-trading investment	持作買賣投資之公允價值變動						(4,684)
Gain on disposal of financial assets at FVOCI	處置按公允價值計入其他全面收入的金融資產的收益						4,648
Gain on disposal of subsidiaries	處置附屬公司收益						4,749,970
Finance costs	財務費用						(28,112)
Share of results of associates	應佔聯營公司業績						(21,371)
Share of results of a joint venture	應佔一家合營公司業績						(20,734)
Profit before income tax from continuing and discontinued operations	持續經營業務及非持續經營業務所得稅前利潤						4,358,290

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4. Operating Segment Information (continued)

4. 經營分部資料 (續)

		2019 2019年					
		Continuing operations 持續經營業務			Discontinued operations 非持續經營業務		Consolidated 合併
		International NVC brand 國際 雷士品牌 RMB' 000 千人民幣	Domestic non-NVC brand 國內 非雷士品牌 RMB' 000 千人民幣	International non-NVC brand 國際 非雷士品牌 RMB' 000 千人民幣	Total 合計 RMB' 000 千人民幣	Domestic NVC brand 國內 雷士品牌 RMB' 000 千人民幣	
Other segment information:	其他分部資料:						
Impairment of trade receivables and other receivables, net	貿易應收賬款及其他應收賬款的減值，淨值	22	1,511	13,974	15,507	157,659	173,166
Unallocated impairment of trade receivables and other receivables, net	未分配貿易應收賬款及其他應收賬款的減值，淨值						555,037
Total impairment of trade receivables and other receivables, net	貿易應收賬款及其他應收賬款的減值合計，淨值						728,203
Impairment of property, plant and equipment, net	物業、廠房及設備的減值，淨值	-	-	12,435	12,435	4,347	16,782
Impairment of goodwill	商譽減值	-	-	173,216	173,216	-	173,216
Write-down of inventories	撇減存貨	12,858	188	10,481	23,527	5,947	29,474
Depreciation and amortisation	折舊及攤銷	2,309	23,544	60,996	86,849	80,186	167,035
Unallocated depreciation and amortisation associated with head office and corporate assets	與總辦事處及企業資產有關的未分配折舊及攤銷						590
Total depreciation and amortisation	折舊及攤銷合計						167,625
Capital expenditure*	資本支出*	4,986	25,638	97,743	128,367	116,493	244,860

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4. Operating Segment Information (continued)

4. 經營分部資料 (續)

		2018 (Re-presented) 2018年(經重列)					
		Continuing operations			Discontinued operations		
		持續經營業務			非持續經營業務		
		International	Domestic	International	Total	Domestic	Consolidated
		NVC	non-NVC	non-NVC		NVC	
		brand	brand	brand		brand	
		國際	國內	國際	合計	國內	合併
		雷士品牌	非雷士品牌	非雷士品牌	雷士品牌	雷士品牌	雷士品牌
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Segment revenue:	分部收入：						
Sales to external customers	銷往外埠客戶	185,150	409,023	1,090,526	1,684,699	3,220,149	4,904,848
Segment gross profit	分部毛利	45,636	97,087	189,237	331,960	1,146,328	1,478,288
<i>Reconciliation</i>	<i>調節項目</i>						
Interest income	利息收入						14,287
Fair value change of the derivative component of convertible bonds	可換股債券衍生工具部份的公允價值變動						82,903
Fair value change of derivative financial liabilities	衍生金融負債公允價值變動						(10,689)
Fair value gain on deemed disposal of an associate	被視作處置一家聯營公司的公允價值收益						85,958
Loss on modification of terms of convertible bonds	修訂可換股債券之條款產生之虧損						(78,387)
Impairment of other receivables	其他應收賬款減值						(319,880)
Provision for losses on financial guarantee contracts	財務擔保合約虧損撥備						(151,519)
Unallocated income and gains	未分配收入及收益						70,390
Corporate and other unallocated expenses [†]	企業及其他未分配開支 [†]						(971,551)
Loss on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的損失						(2,229)
Fair value change of held-for-trading investment	持作買賣投資之公允價值變動						(44,596)
Finance costs	財務費用						(59,895)
Share of results of associates	應佔聯營公司業績						5,259
Share of results of a joint venture	應佔一家合營公司業績						(35,200)
Profit before income tax from continuing and discontinued operations	持續經營業務及非持續經營業務所得稅前利潤						63,139

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4. Operating Segment Information (continued)

4. 經營分部資料 (續)

	2018 (Re-presented) 2018年(經重列)					
	Continuing operations 持續經營業務			Discontinued operations 非持續經營業務		Consolidated 合併
	International NVC brand 國際 雷士品牌 RMB' 000 千人民幣	Domestic non-NVC brand 國內 非雷士品牌 RMB' 000 千人民幣	International non-NVC brand 國際 非雷士品牌 RMB' 000 千人民幣	Total 合計 RMB' 000 千人民幣	Domestic NVC brand 國內 雷士品牌 RMB' 000 千人民幣	
Other segment information:	其他分部資料:					
Impairment/(reversal of impairment) of trade receivables and other receivables, net	3,196	(28)	(162)	3,006	22,571	25,577
Unallocated impairment of trade receivables and other receivables, net						320,740
Total impairment of trade receivables and other receivables, net						346,317
Impairment of property, plant and equipment, net	-	-	-	-	1,538	1,538
Write-down/(reversal of write-down) of inventories	4,780	(2,043)	(620)	2,117	3,719	5,836
Depreciation and amortisation	2,263	19,970	15,092	37,325	61,924	99,249
Unallocated depreciation and amortisation associated with head office and corporate assets						569
Total depreciation and amortisation						99,818
Capital expenditure*	1,212	6,232	826,291	833,735	800,129	1,633,864

* Capital expenditure consists of additions to property, plant and equipment, other intangible assets and goodwill.

* 資本支出包括添置物業、廠房及設備、其他無形資產及商譽。

Corporate and other unallocated expenses consist of unallocated depreciation, amortisation and staff costs, freight expenses and impairment loss of trade receivables.

企業及其他未分配開支包括未分配折舊、攤銷及員工成本、運費及貿易應收賬款減值損失。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

4. Operating Segment Information (continued)

Timing of revenue recognition:

For the year ended 31 December 2019, the Group's revenue from continuing and discontinued operations is recognised at a point in time save for the engineering income of RMB26,035,000 (2018: RMB34,064,000) in Domestic NVC brand segment which is recognised over time.

Geographical information

(a) Revenue from external customers

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
The PRC	中國	3,642,532	3,629,172
Other countries	其他國家	1,915,467	1,275,676
		5,557,999	4,904,848

The revenue information above is based on the locations of the customers.

(b) Non-current assets

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
The PRC	中國	1,605,125	2,275,430
Other countries	其他國家	631,454	788,362
		2,236,579	3,063,792

The non-current assets information above is based on the locations of the assets and excludes deferred tax assets and financial assets.

4. 經營分部資料 (續)

收入確認時間：

於截至2019年12月31日止年度，除了國內雷士品牌分部中的人民幣26,035,000元（2018年：人民幣34,064,000元）的工程收入於一段時間內確認外，本集團的持續經營業務及非持續經營業務收入均於某個時間點確認。

地區資料

(a) 外部客戶的收入

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
The PRC	中國	3,642,532	3,629,172
Other countries	其他國家	1,915,467	1,275,676
		5,557,999	4,904,848

上述收入資料乃按客戶所在地劃分。

(b) 非流動資產

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
The PRC	中國	1,605,125	2,275,430
Other countries	其他國家	631,454	788,362
		2,236,579	3,063,792

上述非流動資產的資料乃按資產所在地劃分，並不包括遞延稅項資產及金融資產。

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合併財務報表附註

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4. Operating Segment Information (continued)

Information about major customers

Revenue from major customer who has individually contributed to 10% or more of the total revenue of the Group is disclosed as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Customer A	客戶A	592,161	N/A 不適用

The customer contributed less than 10% of the Group's revenue for the year ended 31 December 2018 and is included in the international non-NVC brand segment.

4. 經營分部資料 (續)

有關主要客戶的資料

來自佔本集團總收入10%或以上的個別主要客戶的收入披露如下：

於截至2018年12月31日止年度，該客戶貢獻的收入佔本集團收入不足10%並計入國際非雷士品牌分部。

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合併財務報表附註

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5. Revenue, Other Income and Gains

An analysis of revenue, other income and gains is as follows:

5. 收入、其他收入及收益

收入、其他收入及收益的分析如下：

		Notes 附註	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
Continuing operations	持續經營業務			
<u>Revenue from contracts with customers</u>	<u>來自客戶合約之收入</u>			
Sales of goods	貨物銷售	(a)	2,222,610	1,684,699
Other income	其他收入			
Government grants	政府補助	(b)	18,941	19,028
Bank interest income	銀行利息收入		5,414	5,649
Other interest income	其他利息收入		699	6
Surcharge from suppliers	來自供應商的附加費	(c)	10,474	19
Rental income	租金收入		1,687	734
Fair value change of the derivative component of convertible bonds	可換股債券衍生工具部份的公允價值變動	47	–	82,903
Gain on disposal of financial assets at FVOCI	處置按公允價值計入其他全面收入的金融資產的收益	22	4,648	–
Others, net	其他，淨值		2,761	1,801
			44,624	110,140
<u>Gains</u>	<u>收益</u>			
Gain on sale of scrap materials	銷售廢料的收益		349	254
Exchange gains, net	匯兌收益淨額		31,648	13,855
			31,997	14,109
			76,621	124,249

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

5. Revenue, Other Income and Gains (continued)

Notes:

- (a) The Group has applied the practical expedient under IFRS 15 so that transaction price allocated to unsatisfied performance obligations under contracts for sales of goods are not disclosed as such contracts have an original expected duration of one year or less.
- (b) Various government grants have been received by the Group's PRC subsidiaries as tax subsidies and incentives for research and development activities and the expansion of production capacity of energy-saving lamps. Government grants for which expenditure has not been undertaken and those associated with assets are recognised as deferred income in the consolidated statement of financial position (Note 33).
- (c) Various one-off surcharges from suppliers have been received by the Group's subsidiaries for late delivery and logistic expenses.

5. 收入、其他收入及收益 (續)

附註：

- (a) 本集團已應用國際財務報告準則第15號可行權宜方法，以致分配至貨品銷售合約未履約責任的交易價未予披露，因該等合約的原預期期限為一年或以下。
- (b) 本集團中國附屬公司已收取各種政府補助作為就研發活動及擴大節能燈產能而發放的稅項補助及激勵。尚未用作開支的政府補助及與資產相關的政府補助已於合併財務狀況表確認為遞延收入（附註33）。
- (c) 本集團的附屬公司已收到來自供應商的多種一次性附加費，用於延遲交貨及物流費用。

Notes to Consolidated Financial Statements

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6. Other Expenses, Net

6. 其他費用，淨額

		Notes 附註	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
Continuing operations	持續經營業務			
Provision for losses on financial guarantee contracts in respect of:	財務擔保合約虧損撥備：	37(b)		
– Guarantee Agreement 1*	– 擔保協議1*		3,230	61,830
– Guarantee Agreement 2*	– 擔保協議2*		2,949	60,700
– Guarantee Agreement 3*	– 擔保協議3*		968	28,989
			7,147	151,519
Impairment of goodwill	商譽減值	18	173,216	–
Loss on modification of terms of convertible bonds	修訂可換股債券之條款產生之虧損	47	–	78,387
Loss on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的損失		9,548	165
Fair value change of held-for-trading investments	持作買賣投資之公允價值變動		4,684	44,596
Others	其他		3,673	2,919
			198,268	277,586

* These are defined in Note 37.

* 定義見附註37。

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7. Loss Before Income Tax

Continuing operations

This is arrived at after charging:

7. 稅前虧損

持續經營業務

為經扣除下列項目所得：

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣 (Re-presented) (經重列)
Cost of inventories sold	已售存貨成本	1,665,722	1,350,622
Auditor's remuneration	核數師薪酬	12,600	8,880
Depreciation	折舊		
– Owned property, plant and equipment	– 擁有的物業、 廠房及設備	35,087	26,933
– Right-of-use-assets	– 使用權資產	9,797	–
Amortisation of prepaid land lease payments	預付土地租金攤銷	–	443
Amortisation of computer software and patents*	電腦軟件及專利權攤銷*	328	373
Amortisation of trademarks and customer relationships*	商標及客戶關係攤銷*	30,793	4,813
Impairment of property, plant and equipment, net	物業、廠房及設備的減值，淨額	12,435	–
Impairment of goodwill	商譽減值	173,216	–
Impairment of trade receivables, net	貿易應收賬款減值，淨額	14,756	3,166
Impairment of other receivables, net	其他應收賬款減值，淨額	555,788	320,580
Write-down of inventories	撇減存貨	23,527	2,117
Research and development costs:	研發成本：		
Deferred expenditure amortised*	已攤銷的遞延開支*	11,434	5,332
Current year expenditure	本年開支	32,692	39,217
		44,126	44,549

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7. Loss Before Income Tax (continued)

7. 稅前虧損 (續)

Continuing operations (continued)

持續經營業務 (續)

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
Total minimum lease payments for leases previously classified as operating leases under IAS 17**	先前根據國際會計準則第17號分類為經營租賃的最低租賃付款總額**	-	15,294
Short-term leases expenses**	短期租賃開支**	12,602	-
Employee benefit expenses (including directors' and chief executive's remuneration (Note 9)):	僱員福利開支 (包含董事及最高行政人員薪酬(附註9)):		
Wages and salaries	工資和薪金	283,752	230,015
Pension scheme contributions (defined contribution scheme)	退休金計劃供款 (界定供款計劃)	27,003	28,254
Other welfare expenses	其他福利開支	8,181	6,303
		318,936	264,572

* The amortisation of computer software and patents and the amortisation of deferred development costs and trademarks and customer relationships for the year are included in "Cost of sales" and "Administrative expenses" respectively in the consolidated statement of profit or loss.

* 本年電腦軟件及專利權攤銷以及遞延開發成本及商標及客戶關係攤銷分別計入合併損益表「銷售成本」及「管理費用」。

** The Group has initially applied IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. The depreciated carrying amount of the finance lease assets which were previously included in property, plant and equipment is also identified as a right-of-use asset. After initial recognition of right-of-use assets at 1 January 2019, the Group as lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information has not been restated. See Note 2.2(a).

** 本集團已採用經修訂追溯方式首次應用國際財務報告準則第16號，首次應用日期為2019年1月1日，先前計入物業、廠房及設備的融資租賃資產折舊的賬面值亦確認為使用權資產。於2019年1月1日初始確認使用權資產後，本集團(作為承租人)須確認使用權資產的折舊，而非先前以直線法確認租期內經營租賃產生的租金開支的政策。根據該方法，比較資料不予重述。參閱附註2.2(a)。

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8. Finance Costs

An analysis of finance costs is as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
Continuing operations	持續經營業務		
Interest on bank loans	銀行貸款利息	2,100	11,096
Interest on lease liabilities	租賃負債利息	3,057	–
Interest on convertible bonds (Note 47)	可換股債券利息(附註47)	–	24,730
		5,157	35,826

9. Directors' and Chief Executive's Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules and disclosure requirements of section 383 of the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G), is as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Fees	袍金	4,031	3,973
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	14,374	6,731
Performance-related bonuses*	業績獎金*	10,987	8,172
Pension scheme contributions	退休金計劃供款	127	155
		25,488	15,058
		29,519	19,031

* Certain executive directors of the Company are entitled to bonus payments which are based on the profit for the year of the Group and their individual performance.

8. 財務費用

財務費用分析如下：

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣 (Re-presented) (經重列)
Continuing operations	持續經營業務		
Interest on bank loans	銀行貸款利息	2,100	11,096
Interest on lease liabilities	租賃負債利息	3,057	–
Interest on convertible bonds (Note 47)	可換股債券利息(附註47)	–	24,730
		5,157	35,826

9. 董事及最高行政人員薪酬

根據上市規則及香港公司條例(第622章)第383條的披露規定以及公司(披露董事利益資料)規例(第622G章)披露的本年董事及最高行政人員薪酬如下：

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Fees	袍金	4,031	3,973
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	14,374	6,731
Performance-related bonuses*	業績獎金*	10,987	8,172
Pension scheme contributions	退休金計劃供款	127	155
		25,488	15,058
		29,519	19,031

* 本公司若干執行董事有權獲得根據本集團本年的利潤及其個別表現的獎金。

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9. 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 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Mr. WEI Hongxiong	魏宏雄先生	440	423
Mr. WANG Xuexian	王學先先生	440	423
Mr. LEE Kong Wai, Conway	李港衛先生	440	423
Mr. SU Ling	蘇嶺先生	440	423
		1,760	1,692

There were no other emoluments payable to the independent non-executive directors during the year (2018: RMBNil).

9. 董事及最高行政人員薪酬(續)

(a) 獨立非執行董事

本年付予獨立非執行董事的袍金如下：

本年，並無其他應付獨立非執行董事的薪酬(2018年：人民幣零元)。

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9. Directors' and Chief Executive's Remuneration (continued)

9. 董事及最高行政人員薪酬 (續)

(b) Executive directors, non-executive directors and the chief executive

(b) 執行董事、非執行董事及最高行政人員

		2019 2019年				
		Salaries, allowances and benefits	Performance- related bonuses	Pension scheme contributions	Total	
		Fees in kind				
		袍金 及實物利益	業績獎金	退休金 計劃供款	合計	
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	
Executive directors:	執行董事：					
Mr. WANG Donglei	王冬雷先生	440	4,004	993	–	5,437
Ms. CHAN Kim Yung, Eva ¹	陳劍瑢女士 ¹	440	6,680	7,515	47	14,682
Mr. WANG Dongming	王冬明先生	–	1,496	477	31	2,004
Mr. XIAO Yu	肖宇先生	440	1,311	1,760	19	3,530
Mr. WANG Keven Dun	王頓先生	440	883	242	30	1,595
		1,760	14,374	10,987	127	27,248
Non-executive directors:	非執行董事：					
Mr. LI Huating ³	李華亭先生 ³	71	–	–	–	71
Mr. YE Yong ⁵	叶勇先生 ⁵	440	–	–	–	440
		511	–	–	–	511
		2,271	14,374	10,987	127	27,759

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9. Directors' and Chief Executive's Remuneration (continued)

(b) Executive directors, non-executive directors and the chief executive (continued)

9. 董事及最高行政人員薪酬 (續)

(b) 執行董事、非執行董事及最高行政人員 (續)

		2018 2018年				
		Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Pension scheme contributions	Total
		袍金	薪金、津貼及實物利益	業績獎金	退休金計劃供款	合計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
Executive directors:	執行董事：					
Mr. WANG Donglei	王冬雷先生	423	3,004	4,500	-	7,927
Ms. CHAN Kim Yung, Eva ¹	陳劍瑢女士 ¹	43	480	4	9	536
Mr. WANG Dongming	王冬明先生	-	1,446	1,360	34	2,840
Mr. XIAO Yu	肖宇先生	423	989	1,508	78	2,998
Mr. WANG Keven Dun	王頓先生	423	812	800	34	2,069
		1,312	6,731	8,172	155	16,370
Non-executive directors:	非執行董事：					
Mr. LI Wei ²	李偉先生 ²	409	-	-	-	409
Mr. LI Huating ³	李華亭先生 ³	423	-	-	-	423
Ms. YANG Jianwen ⁴	楊建文女士 ⁴	94	-	-	-	94
Mr. YE Yong ⁵	叶勇先生 ⁵	43	-	-	-	43
		969	-	-	-	969
		2,281	6,731	8,172	155	17,339

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合併財務報表附註

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9. Directors' and Chief Executive's Remuneration (continued)

(b) Executive directors, non-executive directors and the chief executive (continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

- ¹ Ms. CHAN Kim Yung, Eva was appointed as executive director on 25 November 2018.
- ² Mr. LI Wei resigned as non-executive director on 20 December 2018.
- ³ Mr. LI Huating resigned as non-executive director on 28 February 2019.
- ⁴ Ms. YANG Jianwen resigned as non-executive director on 22 March 2018.
- ⁵ Mr. YE Yong was appointed as non-executive director on 25 November 2018.

9. 董事及最高行政人員薪酬 (續)

(b) 執行董事、非執行董事及最高行政人員 (續)

本年，董事或最高行政人員並無訂立放棄或同意放棄任何薪酬的安排。

- ¹ 陳劍瑢女士於2018年11月25日獲委任為執行董事。
- ² 李偉先生於2018年12月20日辭任非執行董事。
- ³ 李華亭先生於2019年2月28日辭任非執行董事。
- ⁴ 楊建文女士於2018年3月22日辭任非執行董事。
- ⁵ 叶勇先生於2018年11月25日獲委任為非執行董事。

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31 December 2019 2019年12月31日

10. 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 9 above. Details of the remuneration for the year of the remaining two (2018: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	4,512	4,527
Performance-related bonuses	業績獎金	7,064	5,370
Pension scheme contributions	退休金計劃供款	95	110
		11,671	10,007

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2019 2019年	2018 2018年
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	–	1
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	1	–
HK\$7,500,001 to HK\$8,000,000	7,500,001港元至8,000,000港元	–	1
HK\$8,000,001 to HK\$8,500,000	8,000,001港元至8,500,000港元	1	–
		2	2

10. 五位最高薪酬僱員

本年，五位最高薪酬僱員包括三位董事（2018年：三位董事），其薪酬詳情載於上述附註9。既不是董事亦不是本公司最高行政人員的餘下兩位（2018年：兩位）最高薪酬僱員的薪酬詳情如下：

其薪酬介於以下範圍內的非董事及非最高行政人員的最高薪酬僱員的人數如下：

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11. Income Tax

The Group is subject to income tax on an individual legal entity basis on profits arising in or derived from the tax jurisdictions in which most of the companies within the Group are domiciled and operate. No provision for United Kingdom (“UK”) corporation income tax, the United States (the “US”) income tax and Japan corporate tax has been made as the Group had no assessable profits arising in the UK, the US and Japan during the reporting period.

11. 所得稅

本集團內的絕大部份公司須根據所處地及經營地的稅務司法管轄區產生或賺取的利潤，按獨立法人實體基準繳納所得稅。由於本集團於報告期間並無在英國（「英國」）、美國（「美國」）及日本產生任何應課稅利潤，因此並無就英國企業所得稅、美國所得稅及日本企業所得稅計提撥備。

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
Current – the PRC	即期 – 中國		
– Charge for the year	– 年內支出	179,233	292,004
– Over-provision in prior years	– 以前年度超提	(12,623)	(1,719)
Current – Hong Kong	即期 – 香港		
– Charge for the year	– 年內支出	598,276	12,171
– Over-provision in prior years	– 以前年度超提	(11,547)	–
Deferred (<i>Note 23</i>)	遞延 (<i>附註23</i>)	(98,221)	63,019
Income tax for the year	年內所得稅	655,118	365,475
Represented by:	即：		
– Continuing operations	– 持續經營業務	81,794	231,599
– Discontinued operations	– 非持續經營業務	573,324	133,876
		655,118	365,475

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11. Income Tax (continued)

The income tax for the year can be reconciled to the profit/(loss) before income tax in the consolidated statement of profit or loss as follows:

11. 所得稅 (續)

本年所得稅與合併損益表載列之稅前利潤／(虧損)對賬如下：

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Profit/(loss) before income tax	稅前利潤／(虧損)		
– Continuing operations	– 持續經營業務	(5,469)	(471,731)
– Discontinued operations	– 非持續經營業務	4,363,759	534,870
		4,358,290	63,139
Notional tax on profit before income tax, calculated at the rates applicable in the tax jurisdictions concerned	按有關稅項司法管轄區之適用稅率計算之稅前利潤之名義稅項	689,283	49,748
Income not subject to tax	毋須課稅收入	(808,216)	(35,394)
Expenses not deductible for tax	不可扣稅支出	103,648	90,284
Over-provision in prior years	以前年度超提	(24,170)	(1,719)
Utilisation of tax losses previously not recognised	動用先前未確認的稅項虧損	(185)	(4,017)
Tax losses not recognised	未確認的稅項虧損	19,513	1,747
Effect of deductible temporary differences which have not been recognised as deferred tax assets	未確認為遞延所得稅資產的可抵扣暫時性差異的影響	137,167	50,186
Withholding tax on dividends received from the Group's PRC subsidiaries during the year	本年收取本集團中國附屬公司股息時繳納預扣稅	151,850	66,188
Withholding tax on capital gain on disposal of subsidiaries	處置附屬公司的資本收益預扣稅	439,228	–
Effect of withholding tax at 10% on the distributable profit of the Group's PRC subsidiaries	10%的預扣稅對本集團中國附屬公司可分派利潤的影響	(74,000)	74,000
Income tax arising from reorganisation	因重組產生的所得稅	21,000	74,452
Income tax	所得稅	655,118	365,475

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11. Income Tax (continued)

The Company's subsidiaries operated in the PRC and Hong Kong are subject to enterprise income tax ("EIT") and Hong Kong profits tax at the statutory tax rate of 25% and 16.5% respectively.

Chongqing NVC Lighting Co., Ltd. ("Chongqing NVC") and NVC Lighting (China) Co., Ltd. (the "Subsidiary"), two then subsidiaries located in the west of the PRC, were recognised as western development enterprises by the local tax authority and are entitled to the preferential tax rate of 15% until 2020 according to a local tax policy on western development issued in 2011. The two subsidiaries were disposed of by the Group during the year.

Shanghai Arcata Electronics Co., Ltd. ("Shanghai Arcata"), ETi Solid State Lighting (Zhuhai) Limited ("Zhuhai SSL") and Zhejiang Jiangshan Sunny Electron Co., Ltd. ("Sunny") was recognised as high-tech enterprise by the PRC tax authority and entitled a preferential tax rate of 15% during the year (2018: Shanghai Arcata, Zhuhai SSL and Sunny).

11. 所得稅 (續)

本公司在中國及香港營運的附屬公司分別按25%及16.5%的法定稅率繳納企業所得稅(「企業所得稅」)及香港利得稅。

重慶雷士照明有限公司(「重慶雷士」)及雷士照明(中國)有限公司(「該附屬公司」)為當時的兩家位於中國西部的附屬公司，獲當地稅務機關確認為西部開發企業，按照2011年就西部發展頒佈的一項地方稅務政策，直至2020年享有15%的優惠稅率。本集團已於年內出售兩家附屬公司。

上海阿卡得電子有限公司(「上海阿卡得」)、怡迅(珠海)光電科技有限公司(「珠海怡迅」)及浙江江山三友電子有限公司(「三友」)被中國稅務機關確認為高新技術企業，且於年內享有15%的優惠稅率(2018年：上海阿卡得、珠海怡迅及三友)。

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12. Discontinued Operations

On 10 August 2019, the Group entered into a sale and purchase agreement to dispose of 100% equity interest in Huizhou NVC Lighting Technology Co. Ltd., Blue Light (HK) Trading Co., Limited and Zhuhai Yaohui Technology Co. Ltd. (the “Target Companies”) and their subsidiaries (collectively referred to as the “Target Group”). The disposal was effected to enhance the business optimization strategy. The disposal was completed on 12 December 2019 (the “Closing”), the date on which the control of the Target Group passed to the acquirer. The revenue, results and net assets of the Target Group were as follows:

12. 非持續經營業務

於2019年8月10日，本集團訂立一份買賣協議，以出售惠州雷士光電科技有限公司、香港蔚藍芯光貿易有限公司及珠海耀輝科技有限公司（「目標公司」）及其附屬公司（統稱「目標集團」）100%的股權。出售事項乃為加強業務優化策略而進行。出售事項已於2019年12月12日完成交割（「交割」），且目標集團的控制權於該日轉移至收購方。目標集團的收入、業績及淨資產如下：

		1 January 2019 to 12 December 2019 2019年1月1日至 2019年12月12日 RMB' 000 千人民幣	Year ended 31 December 2018 截至2018年 12月31日止年度 RMB' 000 千人民幣 (Re-presented) (經重列)
Revenue (Note (a))	收入(附註(a))	3,335,389	3,220,149
Expenses	開支	(2,960,327)	(2,685,279)
Profit before income tax	稅前利潤	375,062	534,870
Income tax	所得稅	(135,096)	(133,876)
		239,966	400,994
Gain on disposal of the Target Group (Note 51)	出售目標集團收益 (附註51)	3,988,697	-
Income tax arising from the disposal	出售產生的所得稅	(438,228)	-
Profit for the year from discontinued operations	非持續經營業務 之本年利潤	3,790,435	400,994
Operating cash flows	營運現金流量	680,289	491,348
Investing cash flows	投資現金流量	(194,997)	(428,830)
Financing cash flows	融資現金流量	(894,685)	614,326
Total cash flows	現金流量合計	(409,393)	676,844

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12. Discontinued Operations (continued)

The carrying amounts of the assets and liabilities of the Target Group at the date of disposal are disclosed in Note 51.

A gain of RMB3,988,697,000 arose on the disposal of the Target Group, being the fair value of the consideration received less the carrying amount of the subsidiaries' net assets and attributable goodwill, details are set out in Note 51.

For the purpose of presenting discontinued operations, the comparative consolidated statement of profit or loss and the related notes have been re-presented as if the operations discontinued during the year had been discontinued at the beginning of the comparative period.

Note:

(a)

		1 January 2019 to 12 December 2019 2019年1月1日至 2019年12月12日 RMB' 000 千人民幣	Year ended 31 December 2018 截至2018年 12月31日止年度 RMB' 000 千人民幣
<u>Revenue from contracts with customers</u>	<u>來自客戶合約之收入</u>		
Sales of goods	貨物銷售	3,309,354	3,186,085
Engineering income	工程收入	26,035	34,064
		3,335,389	3,220,149

The Group has applied the practical expedient under IFRS 15 so that transaction price allocated to unsatisfied performance obligations under contracts for sales of goods and engineering income are not disclosed as such contracts have an original expected duration of one year or less.

12. 非持續經營業務 (續)

目標集團於出售日期的資產及負債的賬面值已在附註51披露。

出售目標集團所產生的收益為人民幣3,988,697千元，即已收代價之公允價值減附屬公司淨資產及應佔商譽的賬面值，詳情載於附註51。

就呈列非持續經營業務而言，比較合併損益表及相關附註已予以重列，猶如於本年內非持續經營業務已於比較期初終止經營。

附註：

(a)

本集團已應用國際財務報告準則第15號可行權宜方法，以致分配至貨品銷售合約及工程收入未履約責任的交易價未予披露，因該等合約原預期限為一年或以下。

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13. Dividend

13. 股息

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Special dividends	特別股息		
– Declared: HK90 cents per ordinary share (2018: Nil)	– 已宣派：每股普通股90港仙（2018年：無）	3,368,205	–
– Proposed: Nil (2018: HK5 cent per ordinary share)	– 建議宣派：無（2018年：每股普通股5港仙）	–	185,367
		3,368,205	185,367

The declared special dividend for the year ended 31 December 2019 and the proposed special dividend for the year ended 31 December 2018 was approved by the Company's shareholders at the extraordinary general meeting held during the current year.

No final dividend has been proposed for the years ended 31 December 2019 and 2018.

截至2019年12月31日止年度已宣派的特別股息及截至2018年12月31日止年度建議宣派的特別股息已於本年內舉行的股東特別大會上獲得本公司股東的批准。

截至2019年及2018年12月31日止年度建議不宣派末期股息。

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14. Earnings/(Loss) Per Share Attributable to Owners of the Parent

Continuing and discontinued operations

The calculations of basic and diluted earnings/(loss) per share are based on:

14. 母公司擁有人應佔每股盈利／(虧損)

持續經營業務和非持續經營業務

基本及攤薄每股盈利／(虧損)的計算是基於以下數據：

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣 (Re-presented) (經重列)
<u>Earnings/(loss):</u>	<u>盈利／(虧損)：</u>		
Profit/(loss) attributable to owners of the parent	母公司擁有人應佔利潤／(虧損)	3,674,982	(327,592)
Less:	減：		
Profit for the year from discontinued operations	非持續經營業務之本年利潤	(3,776,506)	(389,653)
Loss for the purposes of basic and diluted loss per share from continuing operations	用於計算持續經營業務之基本及攤薄每股虧損的虧損	(101,524)	(717,245)

Number of shares

股份數目

		2019 2019年 '000 千股	2018 2018年 '000 千股
<u>Shares</u>	<u>股份</u>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings/(loss) per share calculation	用於計算基本及攤薄每股盈利／(虧損)的於年內發行的普通股加權平均數	4,227,288	3,832,650

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14. Earnings/(Loss) Per Share Attributable to Owners of the Parent *(continued)*

Continuing and discontinued operations *(continued)*

No adjustment is made to the basic loss per share for the year ended 31 December 2018 as the potential dilutive ordinary shares have an anti-dilutive effect on the basic loss per share amount presented. There is no potential dilutive ordinary shares during the year ended 31 December 2019.

Discontinued operations

Basic and diluted earnings per share for the discontinued operations is RMB89.33 cents per share (2018: RMB10.16 cents per share), based on the profit for the year from the discontinued operations of RMB3,776,506,000 (2018: RMB389,653,000) and the denominators detailed above for the both basic and diluted earnings/(loss) per share.

14. 母公司擁有人應佔每股盈利／(虧損) *(續)*

持續經營業務和非持續經營業務 *(續)*

由於潛在攤薄普通股對所呈列基本每股虧損金額具反攤薄影響，故並無對所呈列之截至2018年12月31日止年度基本每股虧損金額作出調整。截至2019年12月31日止年度並無具潛在攤薄影響的普通股。

非持續經營業務

非持續經營業務之基本及攤薄每股盈利為每股人民幣89.33分(2018年：每股人民幣10.16分)，其乃基於非持續經營業務之本年利潤為人民幣3,776,506千元(2018年：人民幣389,653千元)及上述基本及攤薄每股盈利／(虧損)所詳述之分母。

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15. Property, Plant and Equipment

15. 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
		樓宇	裝修費	廠房及機械	家具及裝置	機動車輛	在建工程	合計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
31 December 2019	2019年12月31日							
Cost:	成本：							
At 1 January 2019	於2019年1月1日	455,177	64,365	689,419	54,649	34,802	18,319	1,316,731
Acquisition of subsidiaries	收購附屬公司	-	18	149	269	71	-	507
Additions	添置	-	4,596	70,063	6,369	2,066	28,348	111,442
Transfers	轉撥	2,151	860	17,753	-	-	(20,764)	-
Disposals	處置	(243)	(25)	(45,632)	(2,108)	(2,466)	-	(50,474)
Disposal of subsidiaries (Note 51)	處置附屬公司 (附註51)	(232,088)	(46,800)	(420,289)	(39,390)	(22,615)	(24,619)	(785,801)
Exchange realignment	外匯調整	2,592	208	181	414	90	-	3,485
At 31 December 2019	於2019年12月31日	227,589	23,222	311,644	20,203	11,948	1,284	595,890
Accumulated depreciation:	累計折舊：							
At 1 January 2019	於2019年1月1日	(110,947)	(54,290)	(427,173)	(37,877)	(19,212)	-	(649,499)
Charge for the year	年內支出	(12,534)	(10,466)	(59,580)	(6,179)	(3,643)	-	(92,402)
Disposals	處置	71	17	32,983	1,488	1,889	-	36,448
Disposal of subsidiaries (Note 51)	處置附屬公司 (附註51)	77,333	48,188	283,201	28,414	12,871	-	450,007
Exchange realignment	外匯調整	(291)	(167)	(14)	(43)	(56)	-	(571)
At 31 December 2019	於2019年12月31日	(46,368)	(16,718)	(170,583)	(14,197)	(8,151)	-	(256,017)
Impairment:	減值：							
At 1 January 2019	於2019年1月1日	-	-	(12,772)	(884)	-	-	(13,656)
Charge for the year	年內支出	-	-	(19,465)	(173)	(2)	-	(19,640)
Reversal	撥回	-	-	2,847	10	1	-	2,858
Disposal of subsidiaries (Note 51)	處置附屬公司 (附註51)	-	-	9,924	875	(1)	-	10,798
At 31 December 2019	於2019年12月31日	-	-	(19,466)	(172)	(2)	-	(19,640)
Net carrying amount:	淨賬面值：							
At 31 December 2019	於2019年12月31日	181,221	6,504	121,595	5,834	3,795	1,284	320,233

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15. Property, Plant and Equipment (continued) 15. 物業、廠房及設備(續)

		Buildings	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
		樓宇	裝修費	廠房及機械	家具及裝置	機動車輛	在建工程	合計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
31 December 2018	2018年12月31日							
Cost:	成本:							
At 1 January 2018	於2018年1月1日	455,637	50,565	624,684	46,881	30,081	16,632	1,224,480
Acquisition of subsidiaries (Note 48)	收購附屬公司 (附註48)	-	5,220	29,591	3,916	3,835	-	42,562
Additions	添置	103	3,467	48,585	6,771	6,678	23,044	88,648
Transfers	轉撥	-	5,424	15,933	-	-	(21,357)	-
Disposals	處置	-	-	(29,335)	(2,757)	(6,040)	-	(38,132)
Exchange realignment	外匯調整	(563)	(311)	(39)	(162)	248	-	(827)
At 31 December 2018	於2018年12月31日	455,177	64,365	689,419	54,649	34,802	18,319	1,316,731
Accumulated depreciation:	累計折舊:							
At 1 January 2018	於2018年1月1日	(97,890)	(49,557)	(390,422)	(34,449)	(19,191)	-	(591,509)
Charge for the year	年內支出	(13,117)	(5,037)	(59,468)	(5,314)	(3,438)	-	(86,374)
Disposals	處置	-	-	22,689	1,760	3,540	-	27,989
Exchange realignment	外匯調整	60	304	28	126	(123)	-	395
At 31 December 2018	於2018年12月31日	(110,947)	(54,290)	(427,173)	(37,877)	(19,212)	-	(649,499)
Impairment:	減值:							
At 1 January 2018	於2018年1月1日	-	-	(12,572)	(874)	(28)	-	(13,474)
Charge for the year	年內支出	-	-	(2,238)	(124)	(1)	-	(2,363)
Reversal	撥回	-	-	756	66	3	-	825
Disposals	處置	-	-	1,282	48	26	-	1,356
At 31 December 2018	於2018年12月31日	-	-	(12,772)	(884)	-	-	(13,656)
Net carrying amount:	淨賬面值:							
At 31 December 2018	於2018年12月31日	344,230	10,075	249,474	15,888	15,590	18,319	653,576

As at 31 December 2019, certain buildings included in property, plant and equipment with aggregate carrying amount of RMB120,002,000 (2018: RMB257,642,000) were pledged for the Group's bank loan facilities.

於2019年12月31日，若干計入物業、廠房及設備的賬面值合計人民幣120,002千元(2018年：人民幣257,642千元)的樓宇作為本集團之銀行貸款融資的抵押。

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16. Prepaid Land Lease Payments

16. 預付土地租金

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Carrying amount at 1 January as originally presented	於1月1日原先呈列賬面值	45,676	46,995
Initial application of IFRS 16 (Note 2.2)	初步應用國際財務報告準則第16號(附註2.2)	(45,676)	-
Carrying amount at 1 January as restated	於1月1日經重列賬面值	-	46,995
Charged to profit or loss	自損益表扣除	-	(1,319)
Carrying amount at 31 December	於12月31日的賬面值	-	45,676
Current portion included in prepayments, deposits and other receivables	計入預付款、保證金及其他應收賬款的流動部份	-	(876)
Non-current portion	非流動部份	-	44,800

As at 31 December 2018, land use rights with aggregate carrying amounts of RMB45,676,000 were pledged for the Group's bank loan facilities.

於2018年12月31日，賬面值合計人民幣45,676千元的土地使用權作為本集團之銀行貸款融資的抵押。

Notes to Consolidated Financial Statements

合併財務報表附註

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17. Leases

(i) Group as a lessee

The Group has lease contracts for various items of land and buildings used in its operations. Leases of land generally have lease terms between 41 and 47 years, while buildings generally have lease terms between 1 and 28 years. Lump sum payments were made upfront to acquire the interests in leasehold land. There are several lease contracts of buildings that include extension options, which are further discussed below.

The Group also has certain leases of buildings with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

		Land 土地 RMB' 000 千人民幣	Buildings 樓宇 RMB' 000 千人民幣	Total 合計 RMB' 000 千人民幣
As at 1 January 2019 (Note 2.2(a))	於2019年1月1日 (附註2.2(a))	45,676	27,811	73,487
Additions	添置	16,154	235,258	251,412
Business combination	業務合併	-	592	592
Modification of lease term	修訂租賃期	-	(15,132)	(15,132)
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	(26,577)	(27,248)	(53,825)
Depreciation expense	折舊開支	(1,275)	(29,541)	(30,816)
Exchange realignment	外匯調整	-	754	754
As at 31 December 2019	於2019年12月31日	33,978	192,494	226,472

17. 租賃

(i) 本集團作為承租人

本集團擁有用於營運的多個土地及樓宇項目的租賃合約。土地的租賃期通常介乎41至47年，而樓宇的租賃期通常介乎1至28年。已提前作出一次性付款以收購租賃土地權益。多個樓宇租賃合約包括續租選擇權，有關的進一步討論載於下文。

本集團亦擁有租賃期12個月或以下的若干樓宇的租賃。本集團對該等租賃應用「短期租賃」確認豁免。

下文載列本年內已獲確認的使用權資產的賬面值及變動：

Notes to Consolidated Financial Statements

合併財務報表附註

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17. Leases (continued)

(i) Group as a lessee (continued)

During the year, non-current prepayments of approximately RMB145 million in respect of a lump sum payment for usage of certain buildings for 20 years for free were transferred to right-of-use assets upon completion of the construction of the buildings.

As at 31 December 2019, right-of-use assets related to leasehold land with aggregate carrying amounts of RMB17,852,000 (2018: RMBNil) were pledged for an associate's bank loan facilities.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

17. 租賃(續)

(i) 本集團作為承租人(續)

年內，與免費使用若干樓宇20年作出一次性付款有關的非流動預付款約人民幣145,000千元已於該等樓宇建設完成後轉撥至使用權資產。

於2019年12月31日，賬面值合計人民幣17,852千元(2018年：人民幣零元)的與租賃土地有關的使用權資產作為本集團一家聯營公司之銀行貸款融資的抵押。

下文載列本年內租賃負債的賬面值及變動：

		RMB' 000 千人民幣
As at 1 January 2019 (Note 2.2(a))	於2019年1月1日(附註2.2(a))	27,708
Additions	添置	81,761
Business combination	業務合併	601
Modification of lease term	修訂租賃期	(15,242)
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	(27,960)
Interest expense	利息開支	5,897
Payments	付款	(23,854)
Exchange realignment	外匯調整	780
As at 31 December 2019	於2019年12月31日	49,691
Current	流動	6,674
Non-current	非流動	43,017
		49,691

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

17. Leases (continued)

(i) Group as a lessee (continued)

Future lease payments are due as follows:

	Minimum lease payments 最低租賃付款 31 December 2019 2019年 12月31日 RMB' 000 千人民幣	Interest 利息 31 December 2019 2019年 12月31日 RMB' 000 千人民幣	Present value 現值 31 December 2019 2019年 12月31日 RMB' 000 千人民幣
Not later than one year 不遲於一年	9,933	3,259	6,674
Later than one year and not later than two years 遲於一年但不遲於兩年	8,689	2,796	5,893
Later than two years and not later than five years 遲於兩年但不遲於五年	26,782	5,778	21,004
Later than five years 遲於五年	22,594	6,474	16,120
	67,998	18,307	49,691

17. 租賃 (續)

(i) 本集團作為承租人 (續)

未來租賃付款到期情況如下：

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

17. Leases (continued)

(i) Group as a lessee (continued)

The following are the amounts recognised in profit or loss:

		2019 2019年 RMB' 000 千人民幣
Continuing and discontinued operations:	持續經營業務和非持續經營業務：	
Expense relating to short-term leases (included in cost of sales, administrative expenses and selling and distribution costs)	有關短期租賃的開支 (計入銷售成本、管理費用及銷售及分銷費用)	33,918
Continuing operations:	持續經營業務：	
Aggregate undiscounted commitments for short-term leases	短期租賃的未貼現承諾合計	388

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (see Note 3). These extension options have been included in lease terms for calculations of right-of-use assets and lease liabilities above.

17. 租賃(續)

(i) 本集團作為承租人(續)

於損益中確認的金額如下：

本集團擁有多項包括續租選擇權的租賃合約。該等選擇權由管理層協商，以靈活管理租賃資產組合及符合本集團業務需要。管理層就釐定該等續租選擇權是否合理確定將予行使作出重大判斷(請參閱附註3)。該等續租選擇權已計入租賃期，以計算上述使用權資產及租賃負債。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

17. Leases (continued)

(i) Group as a lessee (continued)

As at 31 December 2018, the Group leases certain of its office properties and warehouses under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years. There are no restrictions placed on the Group by entering into these leases.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating lease falling due as follows:

17. 租賃 (續)

(i) 本集團作為承租人 (續)

於2018年12月31日，本集團根據經營租賃安排租賃若干辦公物業及倉庫，協商物業租賃期限為1至5年。訂立該等租約並無使本集團受到特別限制。

於2018年12月31日，根據不可撤銷經營租賃，本集團未來最低應付租金總額如下：

		2018 2018年 RMB'000 千人民幣
Within one year	1年內	12,557
In the second to fifth years, inclusive	第2至5年(包括首尾兩年)	24,637
		<hr/>
		37,194

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

17. Leases (continued)

(ii) Group as lessor

The Group leases its plant and offices under operating lease arrangements, with leases negotiated for terms ranging from one to three years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2019, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

17. 租賃(續)

(ii) 本集團作為出租人

本集團根據經營租賃安排租賃其廠房及辦公樓，協定租賃期限為1至3年。租賃條款一般要求承租人支付押金及根據當時市場情況週期性調整租金。

於2019年12月31日，根據與承租人訂立的不可撤銷經營租賃，本集團未來最低應收租金總額如下：

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Within one year	1年內	45	3,217
In the second year	第2年	—	1,598
In the third year	第3年	—	562
		45	5,377

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

18. Goodwill

18. 商譽

		RMB' 000 千人民幣
Cost	成本	
At 1 January 2018	於2018年1月1日	231,287
Acquired through business combinations (Note 48)	因業務合併獲得 (附註48)	1,106,215
		<hr/>
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	1,337,502
Business combination	業務合併	4,939
Disposal of subsidiaries (Note 51)	處置附屬公司 (附註51)	(745,131)
		<hr/>
At 31 December 2019	於2019年12月31日	597,310
		<hr/>
Accumulated impairment:	累計減值：	
At 1 January 2018, 31 December 2018 and 1 January 2019	於2018年1月1日、2018年12月31日及2019年1月1日	(210,126)
Impairment losses recognised	已確認減值虧損	(173,216)
		<hr/>
At 31 December 2019	於2019年12月31日	(383,342)
		<hr/>
Net carrying amount:	淨賬面值：	
At 31 December 2019	於2019年12月31日	213,968
		<hr/>
At 31 December 2018	於2018年12月31日	1,127,376
		<hr/>

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

18. Goodwill (continued)

Impairment testing of goodwill

As at 31 December 2019

Except for the insignificant goodwill acquired from the business combination of NVC Lighting & Electrical Technology Singapore Pte. Ltd., goodwill acquired through business combinations has been allocated to the following cash-generating units for impairment testing:

The US market cash-generating unit in Elec-Tech Solid State Lighting (HK) Limited ("HKSSL") and its subsidiaries (collectively the "HKSSL Group")

The recoverable amount of the US market cash-generating unit has been determined based on a fair value less costs of disposal calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The post-tax discount rate applied to the cash flow projections is 15.39%. The growth rate used to extrapolate the cash flows of the US market unit beyond the five-year period is 2% which was the same as the long term average growth rate of the industry.

During the year, due to slower growth in the US market, the carrying amount of the US market cash-generating unit operating in the international non-NVC brand segment fell below its recoverable amount of RMB1,177,937,000 by RMB173,216,000 and therefore an impairment loss in the same amount was recognised in profit or loss. The fair value less costs of disposal is a level 3 fair value measurement.

18. 商譽(續)

商譽的減值測試

於2019年12月31日

除自新加坡雷士照明電氣技術有限公司企業合併獲得的金額不重大的商譽外，因企業合併而獲得的商譽已分配予以下現金產出單位以進行減值測試：

怡達(香港)光電科技有限公司(「香港怡達」)及其附屬公司(統稱「香港怡達集團」)的美國市場現金產出單位

美國市場現金產出單位的可回收金額按公允價值減處置成本依據高級管理層批准的按五年期財務預算作出的現金流預測計算釐定。適用於現金流量預測的稅後貼現率是15.39%。用於推斷美國市場現金產出單位五年期間之後的現金流量的增長率是2%，與行業長期平均增長率相同。

年內，由於美國市場增長放緩，國際非雷士品牌分部中運營的美國市場現金產出單位的賬面值較其可回收金額人民幣1,177,937千元下降人民幣173,216千元，因此於損益內確認該相同金額的減值虧損。公允價值減處置成本乃屬第三層公允價值計量。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

18. Goodwill (continued)

Impairment testing of goodwill (continued)

As at 31 December 2019 (continued)

Lighting electronic products cash-generating unit in Shanghai Arcata

The recoverable amount of the lighting electronic products cash-generating unit 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 discount rate applied to the cash flow projections is 14.70%. The growth rate used to extrapolate the cash flows of the lighting electronic products unit beyond the five-year period is 2% which was the same as the long term average growth rate of the lighting industry.

As at 31 December 2019, the value in use of the cash-generating unit exceeded its carrying amount, and hence the goodwill allocated to this cash-generating unit was not regarded as impaired.

18. 商譽 (續)

商譽的減值測試 (續)

於2019年12月31日 (續)

上海阿卡得照明電器產品現金產出單位

照明電器產品現金產出單位的可回收金額乃依據高級管理層批准的按五年期財務預算作出的現金流量預測的使用價值的計算釐定。適用於現金流量預測的貼現率是14.70%。用於推斷照明電器產品現金產出單位五年期間之後的現金流量的增長率是2%，與照明行業的長期平均增長率相同。

於2019年12月31日，現金產出單位的使用價值超過其賬面值，因此分配予此現金產出單位的商譽被視為未發生減值。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

18. Goodwill (continued)

Impairment testing of goodwill (continued)

As at 31 December 2018

Except for the insignificant goodwill acquired from the business combination of Huizhou Huixin Hardware Co., Ltd., goodwill acquired through business combinations has been allocated to the following cash-generating units for impairment testing:

Online platform sales cash-generating unit in Blue Light (HK) Trading Co., Limited ("Blue Light") and its subsidiaries (collectively the "Blue Light Group")

The recoverable amount of the online platform sales cash-generating unit was 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 discount rate applied to the cash flow projections was 18.60%. The growth rate used to extrapolate the cash flows of the online platform sales unit beyond the five-year period was 3% which was the same as the long term average growth rate of the industry.

As at 31 December 2018, the value in use of the cash-generating unit exceeded its carrying amount, and hence the goodwill allocated to this cash-generating unit was not regarded as impaired.

The US market cash-generating unit in the HKSSL Group

The recoverable amount of the US market cash-generating unit was 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 discount rate applied to the cash flow projections was 16.57%. The growth rate used to extrapolate the cash flows of the US market unit beyond the five-year period was 2% which was the same as the long term average growth rate of the industry.

As at 31 December 2018, the value in use of the cash-generating unit exceeded its carrying amount, and hence the goodwill allocated to this cash-generating unit was not regarded as impaired.

18. 商譽 (續)

商譽的減值測試 (續)

於2018年12月31日

除自惠州市匯鑫五金製品有限公司企業合併獲得的金額不重大的商譽外，因企業合併而獲得的商譽已分配予以下現金產出單位以進行減值測試：

香港蔚藍芯光貿易有限公司 (「蔚藍芯光」) 及其附屬公司 (統稱「蔚藍芯光集團」) 的在線平台銷售現金產出單位

在線平台銷售現金產出單位的可回收金額乃依據高級管理層批准的按五年期財務預算作出的現金流預測的使用價值的計算釐定。適用於現金流量預測的貼現率是18.60%。用於推斷在線平台銷售現金產出單位五年期間之後的現金流量的增長率是3%，與行業長期平均增長率相同。

於2018年12月31日，現金產出單位的使用價值超過其賬面值，因此分配予此現金產出單位的商譽被視為未發生減值。

香港怡達集團的美國市場現金產出單位

美國市場現金產出單位的可回收金額乃依據高級管理層批准的按五年期財務預算作出的現金流預測的使用價值的計算釐定。適用於現金流量預測的貼現率是16.57%。用於推斷美國市場現金產出單位五年期間之後的現金流量的增長率是2%，與行業長期平均增長率相同。

於2018年12月31日，現金產出單位的使用價值超過其賬面值，因此分配予此現金產出單位的商譽被視為未發生減值。

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合併財務報表附註

31 December 2019 2019年12月31日

18. Goodwill (continued)

Impairment testing of goodwill (continued)

As at 31 December 2018 (continued)

Lighting electronic products cash-generating unit in Shanghai Arcata

The recoverable amount of the lighting electronic products cash-generating unit was 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 discount rate applied to the cash flow projections was 17.21%. The growth rate used to extrapolate the cash flows of the lighting electronic products unit beyond the five-year period was 2% which was the same as the long term average growth rate of the lighting industry.

As at 31 December 2018, the value in use of the cash-generating unit exceeded its carrying amount, and hence the goodwill allocated to this cash-generating unit was not regarded as impaired.

Spot luminaries products cash-generating unit in Chongqing NVC

The recoverable amount of the spot luminaries products cash-generating unit was 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 discount rate applied to the cash flow projections was 17.35%. The growth rate used to extrapolate the cash flows of the spot luminaries products unit beyond the five-year period was zero as the spot luminaries products cash-generating unit has reached its full production capacity.

As at 31 December 2018, the value in use of the cash-generating unit exceeded its carrying amount, and hence the goodwill allocated to this cash-generating unit was not regarded as impaired.

18. 商譽 (續)

商譽的減值測試 (續)

於2018年12月31日 (續)

上海阿卡得照明電器產品現金產出單位

照明電器產品現金產出單位的可回收金額乃依據高級管理層批准的按五年期財務預算作出的現金流量預測的使用價值的計算釐定。適用於現金流量預測的貼現率是17.21%。用於推斷照明電器產品現金產出單位五年期間之後的現金流量的增長率是2%，與照明行業的長期平均增長率相同。

於2018年12月31日，現金產出單位的使用價值超過其賬面值，因此分配予此現金產出單位的商譽被視為未發生減值。

重慶雷士筒燈產品現金產出單位

筒燈產品現金產出單位的可回收金額乃依據高級管理層批准的按五年期財務預算作出的現金流量預測的使用價值的計算釐定。適用於現金流量預測的貼現率是17.35%。用於推斷筒燈產品現金產出單位五年期間之後的現金流量的增長率是零，原因是筒燈產品現金產出單位已達全面產能。

於2018年12月31日，現金產出單位的使用價值超過其賬面值，因此分配予此現金產出單位的商譽被視為未發生減值。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

18. Goodwill (continued)

Impairment testing of goodwill (continued)

As at 31 December 2018 (continued)

Decorative fluorescent luminaries products cash-generating unit in Chongqing NVC

The recoverable amount of the decorative fluorescent luminaries products cash-generating unit was 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 discount rate applied to the cash flow projections was 17.24%. The growth rate used to extrapolate the cash flows of the decorative fluorescent luminaries products unit beyond the five-year period was zero as the decorative fluorescent luminaries products unit has reached its full production capacity.

As at 31 December 2018, the value in use of the cash-generating unit exceeded its carrying amount, and hence the goodwill allocated to this cash-generating unit was not regarded as impaired.

18. 商譽(續)

商譽的減值測試(續)

於2018年12月31日(續)

重慶雷士的燈盤支架產品現金產出單位

燈盤支架產品現金產出單位的可回收金額乃依據高級管理層批准的按五年期財務預算作出的現金流預測的使用價值的計算釐定。適用於現金流量預測的貼現率是17.24%。用於推斷燈盤支架產品現金產出單位五年期間之後的現金流量的增長率是零，原因是燈盤支架產品現金產出單位已達其全面產能。

於2018年12月31日，現金產出單位的使用價值超過其賬面值，因此分配予此現金產出單位的商譽被視為未發生減值。

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18. Goodwill (continued)

Impairment testing of goodwill (continued)

The carrying amounts of goodwill allocated to the cash-generating units are as follows:

		2019 2019年						
		Online platform sales 在線平台銷售	The US market 美國市場	Lighting electronic products 照明電器產品	Spot luminaries products 筒燈產品	Decorative fluorescent luminaries products 燈盤支架產品	Others 其他	Total 合計
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
Carrying amount of goodwill	商譽的賬面值	-	204,017	7,369	-	-	2,582	213,968
		2018 2018年						
		Online platform sales 在線平台銷售	The US market 美國市場	Lighting electronic products 照明電器產品	Spot luminaries products 筒燈產品	Decorative fluorescent luminaries products 燈盤支架產品	Others 其他	Total 合計
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
Carrying amount of goodwill	商譽的賬面值	728,982	377,233	7,369	10,999	2,133	660	1,127,376

18. 商譽 (續)

商譽的減值測試 (續)

分配予現金產出單位的商譽的賬面值如下：

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31 December 2019 2019年12月31日

18. Goodwill (continued)

Impairment testing of goodwill (continued)

Assumptions were used in the value-in-use or fair value less costs of disposal calculation of each cash-generating unit for 31 December 2018 and 2019. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

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.

Discount rates – The discount rates used are before tax for value-in-use calculations and after tax for fair value less costs of disposal calculation and reflect specific risks relating to the relevant units.

Raw materials price inflation – The basis used to determine the value assigned to raw materials price inflation is the forecast prices indices during the budget year for the countries from where raw materials are sourced.

The values assigned to the key assumptions on market development of respective cash-generating units, discount rates and raw materials price inflation are consistent with external information sources.

18. 商譽(續)

商譽的減值測試(續)

計算2018年及2019年12月31日各現金產出單位的使用價值或公允價值減處置成本時採用假設。管理層進行商譽減值測試時預測現金流量所用的各重要假設如下：

預測毛利率 – 釐定分配給預測毛利率的價值的依據是緊接著預測年度之前一個年度取得的平均毛利率，因預期效率的提高及預期市場的開發而提高。

貼現率 – 使用價值計算及公允價值減處置成本計算所用的貼現率分別是稅前及稅後貼現率，並反映有關單位的具體風險。

原材料價格上漲 – 釐定分配給原材料價格上漲的價值的依據是原材料來源國預算年度的預測價格指數。

對各現金產出單位的市場發展賦予重要假設的價值、貼現率及原材料價格上漲與外部資料來源相一致。

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19. Other Intangible Assets

19. 其他無形資產

		Trademarks ¹ (indefinite useful lives) 商標 (無限可使用 年期)	Trademarks (definite useful lives) 商標 (有限可使用 年期)	Computer software 電腦軟件	Customer relationships 客戶關係	Deferred development costs 遞延開發成本	Patents 專利權	Total 合計
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
31 December 2019	2019年12月31日							
Cost:	成本：							
At 1 January 2019	於2019年1月1日	270,000	80,159	24,652	327,095	72,231	91,487	865,624
Additions	添置	-	-	5,284	-	11,657	4,739	21,680
Disposal	處置	-	-	(341)	-	(411)	-	(752)
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	(270,000)	-	(26,260)	(2,400)	-	-	(298,660)
Assignment of right to use trademark from the Target Group (Note 51)	目標集團出讓 商標使用權(附註51)	17,600	-	-	-	-	-	17,600
Exchange realignment	外匯調整	-	-	(18)	-	-	391	373
At 31 December 2019	於2019年12月31日	17,600	80,159	3,317	324,695	83,477	96,617	605,865
Accumulated amortisation:	累計攤銷：							
At 1 January 2019	於2019年1月1日	-	(2,769)	(11,553)	(34,714)	(34,226)	(65,248)	(148,510)
Charge for the year	年內支出	-	(15,935)	(2,180)	(14,858)	(11,434)	-	(44,407)
Disposal	處置	-	-	75	-	-	-	75
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	-	-	11,188	2,400	-	-	13,588
Exchange realignment	外匯調整	-	-	15	-	-	-	15
At 31 December 2019	於2019年12月31日	-	(18,704)	(2,455)	(47,172)	(45,660)	(65,248)	(179,239)
Impairment:	減值：							
At 1 January 2019	於2019年1月1日	-	-	(1,447)	(4,657)	(5,999)	(26,154)	(38,257)
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	-	-	1,447	-	-	-	1,447
Exchange realignment	外匯調整	-	-	-	-	-	(391)	(391)
At 31 December 2019	於2019年12月31日	-	-	-	(4,657)	(5,999)	(26,545)	(37,201)
Net carrying amount:	淨賬面值：							
At 31 December 2019	於2019年12月31日	17,600	61,455	862	272,866	31,818	4,824	389,425

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31 December 2019 2019年12月31日

19. Other Intangible Assets (continued)

19. 其他無形資產(續)

		Trademarks* (indefinite useful lives) 商標* (無限可使用 年期) RMB' 000 千人民幣	Trademarks (definite useful lives) 商標 (有限可使用 年期) RMB' 000 千人民幣	Computer software 電腦軟件 RMB' 000 千人民幣	Customer relationships 客戶關係 RMB' 000 千人民幣	Deferred development costs 遞延開發成本 RMB' 000 千人民幣	Patents 專利權 RMB' 000 千人民幣	Total 合計 RMB' 000 千人民幣
31 December 2018	2018年12月31日							
Cost:	成本:							
At 1 January 2018	於2018年1月1日	270,000	-	19,302	37,327	51,243	90,681	468,553
Acquisition of subsidiaries (Note 48)	收購附屬公司(附註48)	-	80,159	2,279	289,768	18,991	-	391,197
Additions	添置	-	-	3,245	-	1,997	-	5,242
Disposal	處置	-	-	(82)	-	-	-	(82)
Exchange realignment	外匯調整	-	-	(92)	-	-	806	714
At 31 December 2018	於2018年12月31日	270,000	80,159	24,652	327,095	72,231	91,487	865,624
Accumulated amortisation:	累計攤銷:							
At 1 January 2018	於2018年1月1日	-	-	(9,715)	(32,670)	(28,894)	(65,248)	(136,527)
Charge for the year	年內支出	-	(2,769)	(1,980)	(2,044)	(5,332)	-	(12,125)
Disposal	處置	-	-	82	-	-	-	82
Exchange realignment	外匯調整	-	-	60	-	-	-	60
At 31 December 2018	於2018年12月31日	-	(2,769)	(11,553)	(34,714)	(34,226)	(65,248)	(148,510)
Impairment:	減值:							
At 1 January 2018	於2018年1月1日	-	-	(1,447)	(4,657)	(5,999)	(25,348)	(37,451)
Exchange realignment	外匯調整	-	-	-	-	-	(806)	(806)
At 31 December 2018	於2018年12月31日	-	-	(1,447)	(4,657)	(5,999)	(26,154)	(38,257)
Net carrying amount:	淨賬面值:							
At 31 December 2018	於2018年12月31日	270,000	77,390	11,652	287,724	32,006	85	678,857

* The useful lives of trademarks are estimated by senior management to be indefinite as the trademarks are renewable at insignificant cost at the option of the Group. No impairment provision was recorded as at 31 December 2019 (2018: RMBNil).

* 高級管理層估計商標使用年期為無限，因為本集團有權重續商標使用年期，且相關費用甚微。於2019年12月31日並無錄得減值撥備(2018年：人民幣零元)。

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19. Other Intangible Assets (continued)

Impairment testing of intangible assets with indefinite useful lives

As at 31 December 2019

Trademarks with indefinite useful lives were not allocated to any cash-generating unit for impairment testing as the balance is insignificant.

As at 31 December 2018

Trademarks with indefinite useful lives were allocated to the following cash-generating unit for impairment testing:

Lighting products cash-generating unit in Huizhou NVC Lighting Technology Co., Ltd. ("Huizhou NVC") and Chongqing NVC

The recoverable amount of the lighting products cash-generating unit was 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. Management adopted a growth rate of 10% and royalty rate of 3% by reference to past experience and external sources of information. The discount rate applied to the cash flow projections was 18.10%. The growth rate used to extrapolate the cash flows of the lighting products unit beyond the five-year period was 2% which was the same as the long term average growth rate of the lighting industry.

As at 31 December 2018, the value in use of the cash-generating unit exceeded its carrying amount, and hence the trademarks allocated to this cash-generating unit were not regarded as impaired.

19. 其他無形資產 (續)

無限使用年期無形資產的減值測試

於2019年12月31日

無限使用年期商標未分配到任何現金產出單位進行減值測試，因為該等結餘並不重大。

於2018年12月31日

無限使用年期商標已經分配到下列現金產出單位進行減值測試：

惠州雷士光電科技有限公司 (「惠州雷士」) 及重慶雷士照明產品現金產出單位

照明產品現金產出單位的可回收金額乃根據高級管理層批准的按五年期財務預算作出的現金流量預測的使用價值的計算釐定。管理層參照過往經驗和外部資料來源，採用10%的增長率及3%的專利費率。適用於現金流量預測的貼現率是18.10%。用於推斷照明產品現金產出單位五年期間之後的現金流量的增長率是2%，與照明行業的長期平均增長率相同。

於2018年12月31日，現金產出單位的使用價值超過其賬面值，因此分配到該現金產出單位的商標被視為未發生減值。

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31 December 2019 2019年12月31日

19. Other Intangible Assets (continued)

Impairment testing of intangible assets with indefinite useful lives (continued)

As at 31 December 2018 (continued)

Lighting products cash-generating unit in Huizhou NVC Lighting Technology Co., Ltd. ("Huizhou NVC") and Chongqing NVC (continued)

Assumptions were used in the value-in-use calculation of the lighting products cash-generating unit for 31 December 2018. The following describes each key assumption on which management based its cash flow projections to undertake the above impairment testing:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins was the average gross margin achieved in the year immediately before the budget year, increased for expected efficiency improvement, and expected market development.

Discount rate – The discount rate used was before tax and reflects specific risks relating to the relevant unit.

Growth rate – Rate was based on published industrial research.

19. 其他無形資產 (續)

無限使用年期無形資產的減值測試 (續)

於2018年12月31日 (續)

惠州雷士光電科技有限公司 (「惠州雷士」) 及重慶雷士照明產品現金產出單位 (續)

計算2018年12月31日照明產品現金產出單位的使用價值時採用假設。管理層進行上述減值測試時預測現金流量所用的各重要假設如下：

預測毛利率 – 釐定分配給預測毛利率的價值的依據是緊接著預測年度之前一個年度取得的平均毛利率，因預期效率的提高及預期市場的開發而提高。

貼現率 – 所用的貼現率是稅前貼現率，並反映有關單位的具體風險。

增長率 – 增長率基於已公佈的行業研究。

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31 December 2019 2019年12月31日

20. Investments in Associates

20. 於聯營公司投資

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Share of net assets	應佔淨資產	203,707	43,536
Goodwill	商譽	599,411	850
		803,118	44,386

Particulars of the major associates as at 31 December 2019 are as follows:

於2019年12月31日主要聯營公司的詳情如下：

Name 名稱	Place of establishment/ registration and business 成立地點/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔 所有者權益百分比		Principal activities 主營業務
		2019 2019年	2018 2018年	
Brilliant Lights International Holding Pte. Ltd. ("Holdco") (Note (a))	Singapore	30		– Investment holding
Brilliant Lights International Holding Pte. Ltd. (「控股公司」)(附註(a))	新加坡			投資控股
Brilliant Lights Investment Pte. Ltd. (the "Purchaser") (Note (a))	Singapore	30		– Investment holding
Brilliant Lights Investment Pte. Ltd. (「買方」)(附註(a))	新加坡			投資控股
Huizhou NVC* (Note (a))	PRC/ Mainland China	30	100	Manufacture and sale of lamps, luminaries, lamp transformers, lighting electronic products and other appliances
惠州雷士*(附註(a))	中國/ 中國內地			製造及銷售光源、燈具、燈用鎮流器、照明電器及其他電器

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合併財務報表附註

31 December 2019 2019年12月31日

20. Investments in Associates (continued)

20. 於聯營公司投資 (續)

Name 名稱	Place of establishment/ registration and business 成立地點/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔 所有者權益百分比		Principal activities 主營業務
		2019 2019年	2018 2018年	
Chongqing NVC# (Note (a)) 重慶雷士# (附註 (a))	PRC/ Mainland China 中國/ 中國內地	30	100	Manufacture and sale of lamps, luminaries and other lighting electronic appliances 製造及銷售光源、燈具及其他照明電器
Zhongshan NVC Decorative Lighting Technology Co., Ltd.# (Note (a)) 中山雷士燈飾科技有限公司# (附註 (a))	PRC/ Mainland China 中國/ 中國內地	30	100	Trading of lamps, luminaries and LED lighting products 買賣光源、燈具及LED照明產品
Huizhou NVC Kitchenware Co. Ltd.# (Note (a)) 惠州雷士櫥衛電器 有限責任公司# (附註 (a))	PRC/ Mainland China 中國/ 中國內地	15.3	51	Manufacture and sales of lamps, luminaries, lamp transformers, lighting electronic products and other appliances 製造及銷售光源、燈具、燈用鎮流器、照明電器及其他電器
Zhuhai Yaohui Technology Co., Ltd.# (Note (a)) 珠海耀輝科技有限公司# (附註 (a))	PRC/ Mainland China 中國/ 中國內地	30	100	Software development and application 軟件開發及應用

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20. Investments in Associates (continued)

20. 於聯營公司投資 (續)

Name 名稱	Place of establishment/ registration and business 成立地點/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔 所有者權益百分比		Principal activities 主營業務
		2019 2019年	2018 2018年	
Zhuhai NVC Technology Co, Ltd.# (Note (a))	PRC/ Mainland China	30	100	Manufacture and sales of lamps, luminaries, lamp transformers, lighting electronic products and other appliances
珠海雷士科技有限公司# (附註(a))	中國/ 中國內地			製造及銷售光源、燈具、燈用鎮流器、照明電器及其他電器
Huizhou NVC Trade Development Company Limited# (Note (a))	PRC/ Mainland China	30	100	Manufacture and sales of lamps, luminaries, lamp transformers, lighting electronics products and other appliances
惠州雷士貿易發展有限公司# (附註(a))	中國/ 中國內地			製造及銷售光源、燈具、燈用鎮流器、照明電器及其他電器
Huizhou NVC Lighting Engineering Company Limited# (Note (a))	PRC/ Mainland China	30	100	Research, development, manufacture and sale of lamps, luminaries and lighting electronic products and other appliances
惠州雷士照明工程有限公司# (附註(a))	中國/ 中國內地			研發、製造及銷售光源、燈具及照明電器及其他電器

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20. Investments in Associates (continued)

20. 於聯營公司投資 (續)

Name 名稱	Place of establishment/ registration and business 成立地點/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔 所有者權益百分比		Principal activities 主營業務
		2019 2019年	2018 2018年	
Huizhou NVC Fire Lighting Co., Ltd.# (Note (a))	PRC/ Mainland China	21	70	Research, development, manufacture and sales of emergency light and LED lighting products
惠州雷士消防照明標識 有限公司# (附註(a))	中國/ 中國內地			研發、製造及 銷售消防應急燈 及LED照明產品
Zhuhai NVC Logistics Co., Ltd.# (Note (a))	PRC/ Mainland China	30	100	Transportation of lamps, luminaries, lamp transformers, lighting electronics products and other appliances
珠海市雷士物流有限公司# (附註(a))	中國/ 中國內地			運輸光源、燈具、 燈用鎮流器、 照明電器及其他電器
Blue Light (Note (a))	Hong Kong	30	100	Sale and distribution of lighting products through e-commerce platforms and distribution channels
蔚藍芯光 (附註(a))	香港			透過電子商貿平台及 分銷渠道銷售 及分銷照明產品

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31 December 2019 2019年12月31日

20. Investments in Associates (continued)

20. 於聯營公司投資 (續)

Name 名稱	Place of establishment/ registration and business 成立地點/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔 所有者權益百分比		Principal activities 主營業務
		2019 2019年	2018 2018年	
Wuhu NVC Lighting E-commerce Limited# ("Wuhu Electronic") (Notes (a) and (d))	PRC/ Mainland China	30	100	Sale and distribution of lighting products through e-commerce platforms and distribution channels
蕪湖雷士照明電子商務有限公司# ("蕪湖電商") (附註(a)及(d))	中國/ 中國內地			透過電子商貿平台及分銷渠道銷售及分銷照明產品
Wuhu Aokong E-commerce Company Limited# (Note (a))	PRC/ Mainland China	30	100	Sale and distribution of lighting products through e-commerce platforms and distribution channels
蕪湖奧空電子商務有限公司# (附註(a))	中國/ 中國內地			透過電子商貿平台及分銷渠道銷售及分銷照明產品
NVC&OLLE Lighting (Wuhu) Company Limited# ("OLLE") (Note (c))	PRC/ Mainland China	10	10	Trading of lamps, luminaries, other lighting products, low voltage electrical appliances and fire equipment products and accessories as well as research and development of LED lighting products
蕪湖雷士歐樂照明貿易有限公司#("歐樂") (附註(c))	中國/ 中國內地			買賣光源、燈具、其他照明產品、低壓電器及消防器材產品及配件，以及研究及開發LED照明產品

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20. Investments in Associates (continued)

20. 於聯營公司投資 (續)

Name 名稱	Place of establishment/ registration and business 成立地點/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔 所有者權益百分比		Principal activities 主營業務
		2019 2019年	2018 2018年	
Tongheng NVC Lighting Technology (Shanghai) Co., Ltd.# ("Tongheng") (Note (b))	PRC/ Mainland China	—	20	Trading of lamps, luminaries and other lighting products and installation services of lighting construction project
同恒雷士光電科技(上海)有限公司#(「同恒」) (附註(b))	中國/ 中國內地			買賣光源、燈具及其他照明產品，及照明施工項目安裝服務
Huizhou Thorled-opto Co., Ltd.# ("Huizhou Thor") (Note (b))	PRC/ Mainland China	—	49	Research and development, production and sale of light-emitting diode, emission receiver tube, digital tube packaging series products
惠州雷通光電器件有限公司# (「惠州雷通」) (附註(b))	中國/ 中國內地			研發、生產和銷售發光二極管、發射接收管、數碼管封裝系列產品

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20. Investments in Associates (continued)

20. 於聯營公司投資 (續)

Name 名稱	Place of establishment/ registration and business 成立地點/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔 所有者權益百分比		Principal activities 主營業務
		2019 2019年	2018 2018年	
Mianyang Leici Electronic Technology Co., Ltd.# ("Mianyang Leici") (Note (b))	PRC/ Mainland China	—	35	Research and development, production and sale of magnetic electronic components, lighting electronics and photoelectric components
綿陽雷磁電子科技有限公司 ("綿陽雷磁")# (附註(b))	中國/ 中國內地			研發、生產和銷售電磁元件、照明電子及光電元件

The above table lists out the associates of the Group which, in the opinion of the directors, principally affect the share of results of associates for the year or constitute a substantial portion of the Group's investments in associates. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

上表列出董事認為主要影響應佔聯營公司年度業績或構成本集團於聯營公司投資一大部分之本集團聯營公司。董事認為列出其他聯營公司詳情，會令名單篇幅變得冗長。

* The company is a wholly-foreign-owned enterprise in the PRC.

* 該公司是在中國的外商獨資企業。

These companies are limited liability company in the PRC.

該等公司是在中國的有限責任公司。

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20. Investments in Associates (continued)

Notes:

- (a) As detailed in Note 51(a), the Group disposed of 100% equity interest in the Target Group to Purchaser at cash consideration of RMB4,640,833,000 and share consideration being 30% issued share capital of Holdco, a company indirectly owns 100% of the share capital of the Purchaser (the "Disposal"). The Disposal was completed on 12 December 2019. As a result of the Disposal, the Group effectively holds 30% of Holdco and the Target Group ("Holdco Group"). The fair value of the share consideration, identifiable assets and liabilities of Holdco Group attributable to the Group and goodwill, as at the Closing, are set out below:

Fair value of 30% equity interest in Holdco	控股公司的30%股權的公允價值	812,221
Share of fair value of net identifiable liabilities of Holdco Group attributable to the Group	分佔本集團應佔控股公司集團的可識別負債淨額的公允價值	(212,810)
Goodwill	商譽	599,411

- (b) As at 31 December 2018, the Group held 49%, 35% and 20% equity interest in Huizhou Thor, Mianyang Leici and Tongheng respectively. The companies ceased to be the associates of the Group upon the Closing of the Disposal.
- (c) In the opinion of the directors, OLLE is regarded as associate of the Group mainly because the Group appoints director in the board of directors of the investee company and has material transactions with the investee company which indicates the Group's significant influence on the investee company.
- (d) As at 1 January 2018, the Group held 10% equity interest in Wuhu Electronic. During the year ended 31 December 2018, the Group acquired the remaining equity interest in Wuhu Electronic through the acquisition of the Blue Light Group, and accordingly Wuhu Electronic became a subsidiary of the Group. Details of the acquisition are set out in Note 48.

20. 於聯營公司投資 (續)

附註：

- (a) 如附註51(a)所詳述，本集團以現金代價人民幣4,640,833千元及控股公司（一間間接擁有買方全部股本的公司）已發行股本30%的股份代價向買方出售目標集團的全部股權（「出售事項」）。出售事項已於2019年12月12日完成。由於出售事項，本集團實際持有控股公司及目標集團（「控股公司集團」）30%的股權。於交割日，本集團應佔控股公司集團之股份代價、可識別資產及負債的公允價值以及商譽載列如下：

RMB' 000
千人民幣

- (b) 於2018年12月31日，本集團分別持有惠州雷通的49%股權，綿陽雷磁的35%股權及同恒的20%股權。出售事項交割後，該等公司不再為本集團的聯營公司。
- (c) 董事認為，歐樂被視為本集團的聯營公司，主要因為本集團在該被投資公司的董事會中任命董事並與該等被投資公司有重大交易，表示本集團對該被投資公司有重大影響。
- (d) 於2018年1月1日，本集團持有蕪湖電商的10%股權。截至2018年12月31日止年度，本集團透過收購蔚藍芯光集團收購蕪湖電商餘下的股權，蕪湖電商因此成為本集團的附屬公司。收購詳情載於附註48。

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合併財務報表附註

31 December 2019 2019年12月31日

20. Investments in Associates (continued)

The following table illustrates the summarised financial information in respect of material associates reconciled to the carrying amounts in the consolidated financial statements:

31 December 2019 2019年12月31日		Holdco 控股公司 RMB' 000 千人民幣	Huizhou Thor 惠州雷通 RMB' 000 千人民幣	Mianyang Leici 綿陽雷磁 RMB' 000 千人民幣
Current assets	流動資產	4,094,452	-	-
Non-current assets, excluding goodwill	非流動資產(不包括商譽)	4,023,240	-	-
Goodwill on acquisition of the associate	收購聯營公司商譽	599,411	-	-
Current liabilities	流動負債	(3,666,460)	-	-
Non-current liabilities	非流動負債	(3,779,549)	-	-
Net assets	淨資產	1,271,094	-	-
Less: non-controlling interests ("NCI") in the associate's subsidiaries	減：於聯營公司之 附屬公司的非控制性 權益(「非控制性權益」)	(10,032)	-	-
Net assets excluding NCI	淨資產，不包括非控制性權益	1,261,062	-	-
Net assets, excluding goodwill and NCI	淨資產，不包括商譽 及非控制性權益	661,651	-	-
Proportion of the Group's ownership	本集團所有權百分比	30%	-	-
Group's share of net assets of the associates, excluding goodwill and NCI	本集團應佔聯營公司淨資產， 不包括商譽及非控制性權益	198,495	-	-
Goodwill on acquisition of the associate	收購聯營公司商譽	599,411	-	-
Carrying amount of the investment	投資賬面值	797,906	-	-

20. 於聯營公司投資(續)

下表列示主要聯營公司於合併財務報表賬面值調節的財務資料概要：

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31 December 2019 2019年12月31日

20. Investments in Associates (continued)

20. 於聯營公司投資 (續)

31 December 2018 2018年12月31日		Huizhou Thor 惠州雷通 RMB' 000 千人民幣	Mianyang Leici 綿陽雷磁 RMB' 000 千人民幣	Wuhu Electronic 蕪湖電商 RMB' 000 千人民幣
Current assets	流動資產	85,853	30,182	–
Non-current assets, excluding goodwill	非流動資產 (不包括商譽)	25,376	1,199	–
Goodwill on acquisition of the associate	收購聯營公司商譽	850	–	–
Current liabilities	流動負債	(45,254)	(19,052)	–
Non-current liabilities	非流動負債	–	–	–
Net assets	淨資產	66,825	12,329	–
Net assets, excluding goodwill	淨資產，不包括商譽	65,975	12,329	–
Proportion of the Group's ownership	本集團所有權百分比	49%	35%	–
Group's share of net assets of the associates, excluding goodwill	本集團應佔聯營公司 淨資產，不包括商譽	32,328	4,315	–
Goodwill on acquisition of the associate	收購聯營公司商譽	850	–	–
Carrying amount of the investments	投資賬面值	33,178	4,315	–

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20. Investments in Associates (continued)

20. 於聯營公司投資 (續)

2019 2019年		Holdco ¹ 控股公司 ¹ RMB' 000 千人民幣	Huizhou Thor ² 惠州雷通 ² RMB' 000 千人民幣	Mianyang Leici ² 綿陽雷磁 ² RMB' 000 千人民幣
Revenue	收入	288,096	25,000	20,987
Loss for the period from continuing operations	持續經營業務之期內虧損	(59,435)	–	–
Loss for the period from continuing operations excluding NCI in an associate's subsidiaries	持續經營業務之期內虧損，不包括於聯營公司之附屬公司的非控制性權益	(61,154)	–	–
Post-tax loss from discontinued operations	非持續經營業務之稅後虧損	–	(4,957)	(1,626)
Total comprehensive income for the period	期內全面收入合計	(45,997)	(4,957)	(1,626)
Total comprehensive income for the period excluding NCI in an associate's subsidiaries	期內全面收入合計，不包括於聯營公司之附屬公司的非控制性權益	(47,716)	(4,957)	(1,626)
2018 2018年		Huizhou Thor 惠州雷通 RMB' 000 千人民幣	Mianyang Leici 綿陽雷磁 RMB' 000 千人民幣	Wuhu Electronic ³ 蕪湖電商 ³ RMB' 000 千人民幣
Revenue	收入	84,713	32,239	642,740
Profit for the year from continuing operations	持續經營業務之本年利潤	–	–	–
Post-tax profit or loss from discontinued operations	非持續經營業務之稅後利潤或虧損	934	63	50,353
Total comprehensive income for the year	本年全面收入合計	934	63	50,353

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合併財務報表附註

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20. Investments in Associates (continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
Share of the associates' profit/(loss) for the year from continuing operations	應佔持續經營業務之聯營公司本年利潤／(虧損)	389	(523)
Share of post-tax (loss)/profit from discontinued operations	應佔非持續經營業務之稅後(虧損)／利潤	(416)	267
Share of the associates' total comprehensive income	應佔聯營公司全面收入合計	(416)	267
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司的投資的合計賬面值	5,212	6,893

- ¹ The information represents revenue, profit and total comprehensive income of the Holdco Group from the Closing to 31 December 2019.
- ² The information represents revenue, loss and total comprehensive income of these associates from 1 January 2019 to the Closing.
- ³ The information represents revenue, profit and total comprehensive income of Wuhu Electronic from 1 January 2018 to the date it ceased to be the Group's associate.

20. 於聯營公司投資(續)

下表描述本集團的聯營公司(個別而言並非重大)的合計財務資料:

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
Share of the associates' profit/(loss) for the year from continuing operations	應佔持續經營業務之聯營公司本年利潤／(虧損)	389	(523)
Share of post-tax (loss)/profit from discontinued operations	應佔非持續經營業務之稅後(虧損)／利潤	(416)	267
Share of the associates' total comprehensive income	應佔聯營公司全面收入合計	(416)	267
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司的投資的合計賬面值	5,212	6,893

- ¹ 該資料指自交割起至2019年12月31日止，控股公司集團的收入、利潤及全面收入合計。
- ² 該資料指自2019年1月1日起至交割止，該等聯營公司的收入、虧損及全面收入合計。
- ³ 該資料指自2018年1月1日起至蕪湖電商不再為本集團的聯營公司止，蕪湖電商的收入、利潤及全面收入合計。

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21. Investment in a Joint Venture

21. 於一家合營公司投資

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Share of net assets	應佔淨資產	-	64,800

At 31 December 2018, the Group had a joint venture, Kaiyuan Zhuque II (Shenzhen) Equity Investment Partnership (the "JV"), a limited partnership established pursuant to the partnership agreement under the law of the PRC. The primary activity of the JV is investment in lighting industry and energy-saving products, which is in line with the Group's strategy to expand the lighting division.

The profit or loss of the JV shall be shared among the Group and the joint venture partner pro rata to their respective capital contributions in the JV.

Pursuant to the partnership agreement of the JV, the Group would contribute RMB500,000,000 in cash and the joint venture partner would contribute RMB100,000,000 in cash, representing 83.33% and 16.67% of the total investment amount in the JV respectively, which are required to be contributed to the JV on or before 17 March 2046. The JV was disposed of by the Group during the year ended 31 December 2019 (Note 51).

於2018年12月31日，本集團擁有一間合營公司，開元朱雀二期（深圳）股權投資合夥企業（「合營公司」），為一間根據合夥協議及中國法律成立的有限合夥企業。合營公司的主要業務為照明行業與節能產品投資，符合本集團擬拓展照明業務的策略。

合營公司的損益乃根據本集團及合營公司合夥人根據其各自於合營公司的出資額按比例分攤。

根據合營公司合夥協議，本集團將出資現金人民幣500,000千元，及合營公司合夥人將出資現金人民幣100,000千元，分別佔合營公司投資總額的83.33%及16.67%，須於2046年3月17日或之前注資於合營公司。本集團已於截至2019年12月31日止年度出售該合營公司（附註51）。

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21. Investment in a Joint Venture (continued)

Summarised financial information of the JV, adjusted for any differences in accounting policies, is presented below:

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
As at 31 December	於12月31日		
Current assets and net assets	流動資產及淨資產	-	64,800
Post-tax loss from discontinued operations	非持續經營業務之稅後虧損	20,734	35,200
Total comprehensive income for the period/year	期內／本年全面收入合計	20,734	35,200

21. 於一家合營公司投資 (續)

合營公司的財務資料(已就會計政策的任何差異作出調整)概述如下:

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22. Long Term Investments

22. 長期投資

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Financial assets at FVOCI	按公允價值計入		
	其他全面收入之金融資產		
Listed equity investments, at fair value	上市股本投資， 以公允價值列賬	28,000	28,000
Unlisted equity investments, at fair value	非上市股本投資， 以公允價值列賬	-	2,100
Listed debt investments, at fair value	上市債券投資， 以公允價值列賬	-	205,896
		28,000	235,996

During the year, the gross gain in respect of the Group's long term investments recognised in other comprehensive income amounted to RMB14,565,000 (2018: gross gain of RMB8,000,000).

During the year, the Group disposed of its entire listed debt investments and recorded a realised gain of RMB4,648,000 (2018: RMBNil).

年內，本集團於其他全面收入確認的長期投資的總收益為人民幣14,565千元（2018年：總收益人民幣8,000千元）。

年內，本集團出售其所有上市債券投資，並錄得變現收益人民幣4,648千元（2018年：人民幣零元）。

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23. Deferred Tax

The movements in deferred tax assets and liabilities are as follows:

Deferred tax assets

At 1 January 2019	於2019年1月1日		
Disposal of subsidiaries (Note 51)	處置附屬公司 (附註51)		
Deferred tax credited to profit or loss during the year	年內計入損益表的遞延稅項		
Exchange realignment	外匯調整		
At 31 December 2019	於2019年12月31日		

23. 遞延稅項

遞延稅項資產及負債變動如下：

遞延稅項資產

	2019 2019年		
	Deductible temporary differences arising from impairment of financial assets and inventories, government grants and tax loss		Total
Fair value adjustments arising from business combinations	金融資產及存貨減值，政府補助及稅項虧損		
企業合併引致之公允價值調整	引致之可扣稅暫時差額		合計
RMB' 000	RMB' 000		RMB' 000
千人民幣	千人民幣		千人民幣
219	71,810		72,029
(219)	(66,426)		(66,645)
–	18,484		18,484
–	5		5
–	23,873		23,873

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23. Deferred Tax (continued)

Deferred tax assets (continued)

		2018 2018年		
		Fair value adjustments arising from business combinations	Deductible temporary differences arising from impairment of financial assets and inventories, government grants and tax loss	Total
		企業合併 引致之 公允價值調整 RMB' 000 千人民幣	金融資產及 存貨減值， 政府補助及 稅項虧損 引致之可扣稅 暫時差額 RMB' 000 千人民幣	合計 RMB' 000 千人民幣
At 1 January 2018	於2018年1月1日	219	52,039	52,258
Effect on adoption of IFRS 9	採納國際財務 報告準則第9號的影響	–	6,471	6,471
At 1 January 2018, as restated	於2018年1月1日 (經重列)	219	58,510	58,729
Acquisition of subsidiaries (Note 48)	收購附屬公司 (附註48)	–	6,284	6,284
Deferred tax credited to profit or loss during the year	年內計入損益表 的遞延稅項	–	7,021	7,021
Exchange realignment	外匯調整	–	(5)	(5)
At 31 December 2018	於2018年12月31日	219	71,810	72,029

23. 遞延稅項 (續)

遞延稅項資產 (續)

		2018 2018年		
		Fair value adjustments arising from business combinations	Deductible temporary differences arising from impairment of financial assets and inventories, government grants and tax loss	Total
		企業合併 引致之 公允價值調整 RMB' 000 千人民幣	金融資產及 存貨減值， 政府補助及 稅項虧損 引致之可扣稅 暫時差額 RMB' 000 千人民幣	合計 RMB' 000 千人民幣

At 1 January 2018	於2018年1月1日	219	52,039	52,258
Effect on adoption of IFRS 9	採納國際財務 報告準則第9號的影響	–	6,471	6,471
At 1 January 2018, as restated	於2018年1月1日 (經重列)	219	58,510	58,729
Acquisition of subsidiaries (Note 48)	收購附屬公司 (附註48)	–	6,284	6,284
Deferred tax credited to profit or loss during the year	年內計入損益表 的遞延稅項	–	7,021	7,021
Exchange realignment	外匯調整	–	(5)	(5)
At 31 December 2018	於2018年12月31日	219	71,810	72,029

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23. Deferred Tax (continued)

Deferred tax assets (continued)

The Group has accumulated tax losses of RMB45,245,000 as at 31 December 2019 (2018: RMB19,656,000) that are available indefinitely for offsetting against future taxable profits of the respective group companies in which the losses arose. In addition, the Group has accumulated tax losses of RMB3,544,000 (2018: RMB34,036,000) and RMB37,594,000 (2018: RMB3,239,000) as at 31 December 2019, which will expire in one to five years and in one to ten years for offsetting against taxable future profits, respectively.

Deferred tax asset in respect of accumulated tax losses of RMB1,097,000 (2018: RMB1,079,000) has been recognised in the consolidated financial statements. No deferred tax asset has been recognised in respect of the remaining tax losses of RMB85,286,000 (2018: RMB55,852,000) arising from the subsidiaries as it is not considered probable that taxable profits will be available in the foreseeable future against which the accumulated tax losses can be utilised.

23. 遞延稅項 (續)

遞延稅項資產 (續)

於2019年12月31日，本集團的累計稅項虧損人民幣45,245千元（2018年：人民幣19,656千元），可無限期抵銷產生虧損之相關集團公司的未來應課稅利潤。此外，於2019年12月31日，本集團的累計稅項虧損人民幣3,544千元（2018年：人民幣34,036千元）及人民幣37,594千元（2018年：人民幣3,239千元），可分別於1至5年內及於1至10年內抵銷未來應課稅利潤。

有關累計稅項虧損的遞延稅項資產人民幣1,097千元（2018年：人民幣1,079千元）已於合併財務報表確認。由於本集團認為於可預見未來該等可動用的累計稅項虧損不可用應課稅利潤抵銷，故尚未就該等附屬公司產生的餘下稅項虧損人民幣85,286千元（2018年：人民幣55,852千元）確認遞延稅項資產。

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合併財務報表附註

31 December 2019 2019年12月31日

23. Deferred Tax (continued)

Deferred tax liabilities

At 1 January 2019	於2019年1月1日	132,708	1,500	14,077	74,000	222,285
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	(71,888)	(3,169)	-	-	(75,057)
Deferred tax credited to profit or loss during the year	年內計入損益表的遞延稅項	(5,269)	-	(468)	(74,000)	(79,737)
Deferred tax debited to reserves	扣自儲備的遞延稅項	-	3,169	-	-	3,169
Effect of change in tax rate credited to reserves	計入儲備的稅率變動產生的影響	-	(600)	-	-	(600)
At 31 December 2019	於2019年12月31日	55,551	900	13,609	-	70,060

23. 遞延稅項(續)

遞延稅項負債

		2019 2019年				
Fair value adjustments arising from business combinations	Fair value change of financial assets at FVOCI	Taxable temporary differences arising from relocation	Unremitted profits of the PRC subsidiaries	Total		
企業合併引致之公允價值調整	按公允價值計入其他全面收入之金融資產的公允價值變動	搬遷引致之應課稅暫時差額	中國附屬公司的未匯出利潤	合計		
RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣		
At 1 January 2019	於2019年1月1日	132,708	1,500	14,077	74,000	222,285
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	(71,888)	(3,169)	-	-	(75,057)
Deferred tax credited to profit or loss during the year	年內計入損益表的遞延稅項	(5,269)	-	(468)	(74,000)	(79,737)
Deferred tax debited to reserves	扣自儲備的遞延稅項	-	3,169	-	-	3,169
Effect of change in tax rate credited to reserves	計入儲備的稅率變動產生的影響	-	(600)	-	-	(600)
At 31 December 2019	於2019年12月31日	55,551	900	13,609	-	70,060

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31 December 2019 2019年12月31日

23. Deferred Tax (continued)

Deferred tax liabilities (continued)

		2018 2018年				
		Fair value adjustments arising from business combinations	Fair value change of financial assets at FVOCI 按公允價值 計入其他全面 收入之金融 資產的公允 價值變動	Taxable temporary differences arising from relocation 搬遷引致之 應課稅 暫時差額	Unremitted profits of the PRC subsidiaries 中國 附屬公司的 未匯出利潤	Total
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
At 1 January 2018	於2018年1月1日	72,664	-	14,544	-	87,208
Acquisition of subsidiaries (Note 48)	收購附屬公司 (附註48)	63,537	-	-	-	63,537
Deferred tax (credited)/ debited to profit or loss during the year	年內(計入)/ 扣自損益表的 遞延稅項	(3,493)	-	(467)	74,000	70,040
Deferred tax debited to reserves	扣自儲備的遞延稅項	-	1,500	-	-	1,500
At 31 December 2018	於2018年12月31日	132,708	1,500	14,077	74,000	222,285

23. 遞延稅項 (續)

遞延稅項負債 (續)

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合併財務報表附註

31 December 2019 2019年12月31日

23. Deferred Tax (continued)

Deferred tax liabilities (continued)

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10% for the unremitted profits of PRC subsidiaries. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

As at 31 December 2019, the Group has recognised deferred tax liabilities of RMBNil (2018: RMB74,000,000) in respect of temporary differences relating to the unremitted profits of subsidiaries amounting to RMBNil (2018: RMB740,000,000), that would be probable on the distribution of these retained profits. The Group has not recognised the remaining deferred tax liabilities of RMB45,569,000 (2018: RMB88,324,000) in respect of the temporary differences of RMB455,692,000 (2018: RMB883,242,000) as the Company controls the dividend policy of these subsidiaries and it is probable that these remaining unremitted profits will not be distributed in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

23. 遞延稅項 (續)

遞延稅項負債 (續)

根據《中國企業所得稅法》，政府對在中國成立的外商投資企業向外商投資者宣派的股息徵收10%的預扣稅。該規定自2008年1月1日起生效及適用於2007年12月31日之後所得盈利。倘中國與外商投資者的司法權區訂立了稅務條約，則適用較低的預扣稅率。就本集團而言，中國附屬公司的未匯出利潤的適用稅率是10%。因此，本集團有義務預扣該等在中國成立的附屬公司分派2008年1月1日之後所得盈利的股息稅項。

於2019年12月31日，本集團已確認有關附屬公司未匯出利潤人民幣零元（2018年：人民幣740,000千元）的暫時差額之遞延稅項負債人民幣零元（2018年：人民幣74,000千元），該稅額可能在分派該等留存利潤時產生。本集團尚未確認人民幣455,692千元（2018年：人民幣883,242千元）的暫時差額之餘下遞延稅項負債人民幣45,569千元（2018年：人民幣88,324千元），由於本公司控制該等附屬公司的股息政策及該等餘下未匯出利潤在可以預見的未來不會分派。

本公司向其股東支付股息並不附帶任何所得稅影響。

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24. Inventories

24. 存貨

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Raw materials	原材料	87,495	131,001
Work in progress	半成品	29,750	16,803
Finished goods	成品	268,173	535,720
Total	合計	385,418	683,524

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25. Trade and Bills Receivables

25. 貿易及票據應收賬款

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Trade receivables	貿易應收賬款	608,742	1,286,103
Impairment	減值	(17,029)	(220,648)
Trade receivables, net	貿易應收賬款淨額	591,713	1,065,455
Bills receivables	票據應收賬款	14,877	438,721
		606,590	1,504,176

Trade receivables of the Group represented proceeds receivable mainly from sale of goods. The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit periods generally range from 30 to 180 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balance.

本集團的貿易應收賬款主要指來自貨物銷售的應收所得賬款。本集團與其客戶之間主要通過信用交易，但新客戶一般需要提前支付。主要客戶的信用期限一般介於30天至180天不等。每位客戶均設置最高信用限額。本集團尋求對其未結清應收賬款維持嚴格監控，並已建立一個信用監控部門以將信用風險降至最低。高級管理人員定期覆核逾期結餘。鑒於上述情況及本集團貿易應收賬款與大量分散客戶有關，信用風險的集中度並不高。本集團並無就其貿易應收賬款結餘持有任何抵押品或採取其他信用增級。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

25. Trade and Bills Receivables (continued)

At 31 December 2018, the Group factored certain bills receivables (the “Discounted Bills”) with a carrying amount of RMB349,564,000 to banks with recourse (the “Factoring Arrangement”). In the opinion of the directors, the Group had retained the substantial risks and rewards, which included default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and recognised the corresponding amount received from the banks under the Factoring Arrangement as secured borrowings which amounted to RMB348,855,000 as at 31 December 2018. Subsequent to the Factoring Arrangement, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the Discounted Bills to any other third parties.

The Group did not factor bills receivables at 31 December 2019.

25. 貿易及票據應收賬款 (續)

於2018年12月31日，本集團已向銀行讓售賬面值為人民幣349,564千元的若干附追索權之票據應收賬款（「已貼現票據」）（「保理安排」）。董事認為，本集團保留絕大部份風險及回報，包括有關該等已貼現票據的違約風險，故其繼續確認已貼現票據的全數賬面值，並於2018年12月31日確認保理安排項下應收銀行相應金額人民幣348,855千元為抵押借款。於保理安排後，本集團並無保留任何有關使用已貼現票據（包括向任何其他第三方銷售、轉讓或質押已貼現票據）的權利。

本集團於2019年12月31日並未讓售票據應收賬款。

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合併財務報表附註

31 December 2019 2019年12月31日

25. Trade and Bills Receivables (continued)

An aged analysis of trade receivables as at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Within 3 months	3個月內	428,519	841,395
4 to 6 months	4至6個月	118,196	153,070
7 to 12 months	7至12個月	20,337	47,741
1 to 2 years	1年至2年	23,213	14,040
Over 2 years	2年以上	1,448	9,209
		591,713	1,065,455

The movements in loss allowance for impairment of trade receivables are as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	220,648	168,459
Effect of adoption of IFRS 9	採納國際財務報告準則 第9號的影響	-	25,882
At 1 January (restated)	於1月1日(經重列)	220,648	194,341
Impairment losses, net	減值虧損淨額	56,770	26,437
Disposal of subsidiaries	處置附屬公司	(260,161)	-
Amount written off as uncollectible	按不可回收賬款撤銷的金額	(254)	-
Exchange realignment	外匯調整	26	(130)
At 31 December	於12月31日	17,029	220,648

Details on the Group's credit policy and credit risk arising from trade and bills receivables are set out in Note 45(a).

25. 貿易及票據應收賬款(續)

下表載列於報告年度末貿易應收賬款的賬齡分析，基於交易日期和扣除虧損撥備後：

貿易應收賬款減值虧損撥備的變動如下：

有關本集團信貸政策以及貿易及票據應收賬款所產生之信用風險的詳情載於附註45(a)。

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合併財務報表附註

31 December 2019 2019年12月31日

25. Trade and Bills Receivables (continued)

Included in the Group's trade receivables are amounts due from related parties of RMB83,622,000 (2018: RMB67,568,000) which are repayable on similar credit terms to those offered to the major customers of the Group.

The movements in loss allowance for impairment of trade receivables from related parties are as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	5,471	-
Impairment losses, net	減值虧損淨額	50,181	5,471
Disposal of subsidiaries	處置附屬公司	(40,826)	-
At 31 December	於12月31日	14,826	5,471

As at 31 December 2019, bills receivables of RMB2,020,000 (2018: RMBNil) is due from related parties.

As at 31 December 2019, certain trade receivables of NVC Lighting Limited ("UKNVC") with carrying amounts of RMB21,110,000 (2018: RMB3,467,000) were pledged to secure the bank borrowings of UKNVC as further set out in Note 32.

The maturity of the bills receivables of the Group as at 31 December 2018 and 2019 is within 6 months.

As at 31 December 2018 and 2019, the fair value of trade and bills receivables approximate to their carrying amounts largely due to their short-term maturity.

25. 貿易及票據應收賬款 (續)

應收關聯方賬款人民幣83,622千元(2018年:人民幣67,568千元)計入本集團貿易應收賬款,該等賬款的還款信貸條件與提供給本集團主要客戶的條件相若。

應收關聯方貿易賬款減值虧損撥備變動如下:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	5,471	-
Impairment losses, net	減值虧損淨額	50,181	5,471
Disposal of subsidiaries	處置附屬公司	(40,826)	-
At 31 December	於12月31日	14,826	5,471

於2019年12月31日,應收關聯方的票據應收賬款為人民幣2,020千元(2018年:人民幣零元)。

於2019年12月31日,NVC Lighting Limited(「英國雷士」)賬面值為人民幣21,110千元(2018年:人民幣3,467千元)的若干貿易應收賬款已質押作為英國雷士銀行借款的抵押,進一步詳情載於附註32。

本集團於2018年及2019年12月31日的票據應收賬款乃於6個月內到期。

於2018年及2019年12月31日,貿易及票據應收賬款的公允價值與其賬面價值相若,這主要是其短期性質使然。

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31 December 2019 2019年12月31日

26. Prepayments, Deposits and Other Receivables

26. 預付款、保證金及其他應收賬款

			2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
		Notes 附註		
Non-current assets:	非流動資產：			
Prepayments for purchase of property, plant and equipment	購買物業、廠房及設備預付款		283,363	449,997
Current assets:	流動資產：			
Prepayments	預付款	(a)	24,834	82,553
Impairment	減值	(a)	-	(33,625)
			24,834	48,928
Deposits and other receivables	保證金及其他應收賬款	(b)	1,122,684	908,981
Impairment	減值	(b)	(667,706)	(608,596)
			454,978	300,385
Loan receivable	應收貸款	(c)	-	12,000
			479,812	361,313

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合併財務報表附註

31 December 2019 2019年12月31日

26. Prepayments, Deposits and Other Receivables (continued)

Notes:

(a) Prepayments

The breakdown of prepayments is as follows:

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
Prepaid land lease payments – current portion	預付土地租金 – 流動部份	–	876
Prepayments to third parties suppliers	給予第三方供應商的預付款	24,834	81,667
Prepayment to a subsidiary of the entity with significant influence over the Group	給予對本集團擁有重大影響力的一家實體的附屬公司之預付款	–	10
		24,834	82,553
Impairment	減值	–	(33,625)
Prepayments, net	預付款淨額	24,834	48,928

The impairment as at 31 December 2018 mainly included those related to an amount due from an entity over which a close family member of Mr. WU Changjiang, a former director and former chief executive officer of the Company, had significant influence.

The movements in provision for impairment of prepayments are as follows:

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
At 1 January	於1月1日	33,625	33,625
Disposal of subsidiaries	處置附屬公司	(33,625)	–
At 31 December	於12月31日	–	33,625

26. 預付款、保證金及其他應收賬款 (續)

附註：

(a) 預付款

預付款明細如下：

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
Prepaid land lease payments – current portion	預付土地租金 – 流動部份	–	876
Prepayments to third parties suppliers	給予第三方供應商的預付款	24,834	81,667
Prepayment to a subsidiary of the entity with significant influence over the Group	給予對本集團擁有重大影響力的一家實體的附屬公司之預付款	–	10
		24,834	82,553
Impairment	減值	–	(33,625)
Prepayments, net	預付款淨額	24,834	48,928

於2018年12月31日，減值主要包括與來自一家實體的應收賬款（本公司前董事兼前首席執行官吳長江先生的一名近親屬對該實體擁有重大影響力）有關的賬款。

預付款減值撥備的變動如下：

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
At 1 January	於1月1日	33,625	33,625
Disposal of subsidiaries	處置附屬公司	(33,625)	–
At 31 December	於12月31日	–	33,625

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合併財務報表附註

31 December 2019 2019年12月31日

26. Prepayments, Deposits and Other Receivables (continued)

Notes: (continued)

(b) Deposits and other receivables

The breakdown of deposits and other receivables is as follows:

	Notes 附註	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣	
Other receivables due from a company	應收一家公司其他 應收賬款	37(a), (i)	–	550,924
Withdrawn amount recoverable	可收回被提取賬款	37(b)(ii), (i)	–	55,396
Contingent consideration receivable	應收或有代價	51(iv)	46,066	–
Deposits and other receivables from third parties	來自第三方的保證金及 其他應收賬款	(ii)	654,031	240,130
Amounts due from related parties	應收關聯方賬款	(iii)	422,587	62,531
			1,122,684	908,981
Impairment (2018: mainly including impairment of RMB606,320,000 (Notes 37(a) and 37(b)(ii)))	減值(2018年: 主要包括 人民幣606,320千元的 減值(附註37(a)及 37(b)(ii)))		(667,706)	(608,596)
Deposits and other receivables, net	保證金及其他應收賬款淨額		454,978	300,385

26. 預付款、保證金及其他應收賬款(續)

附註:(續)

(b) 保證金及其他應收賬款

保證金及其他應收賬款的明細如下:

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

26. Prepayments, Deposits and Other Receivables (continued)

Notes: (continued)

(b) Deposits and other receivables (continued)

The movements in provision for impairment of other receivables are as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	608,596	287,660
Impairment of other receivables due from a company and withdrawn amount recoverable (Note 37(a) and 37(b)(ii))	應收一家公司其他應收賬款及可收回被提取賬款減值(附註37(a)及37(b)(ii))	-	320,960
Other impairment losses, net	其他減值虧損淨額	671,433	-
Reversal of impairment loss previously recognised	撥回以前確認的減值虧損	-	(1,080)
Impairment losses written off	撇銷的減值虧損	(313)	-
Disposal of subsidiaries	處置附屬公司	(612,093)	-
Exchange realignment	外匯調整	83	1,056
At 31 December	於12月31日	667,706	608,596

- (i) These balances were related to the Subsidiary which was disposed of during the year, further details of which are set out in Note 51(b).
- (ii) The deposits and other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment.

26. 預付款、保證金及其他應收賬款(續)

附註：(續)

(b) 保證金及其他應收賬款(續)

其他應收賬款減值撥備的變動如下：

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	608,596	287,660
Impairment of other receivables due from a company and withdrawn amount recoverable (Note 37(a) and 37(b)(ii))	應收一家公司其他應收賬款及可收回被提取賬款減值(附註37(a)及37(b)(ii))	-	320,960
Other impairment losses, net	其他減值虧損淨額	671,433	-
Reversal of impairment loss previously recognised	撥回以前確認的減值虧損	-	(1,080)
Impairment losses written off	撇銷的減值虧損	(313)	-
Disposal of subsidiaries	處置附屬公司	(612,093)	-
Exchange realignment	外匯調整	83	1,056
At 31 December	於12月31日	667,706	608,596

- (i) 該等結餘與年內處置的該附屬公司有關，進一步詳情載於附註51(b)。
- (ii) 保證金及其他應收賬款均為無抵押、免息及無固定還款期。

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合併財務報表附註

31 December 2019 2019年12月31日

26. Prepayments, Deposits and Other Receivables (continued)

Notes: (continued)

(b) Deposits and other receivables (continued)

(iii) The amounts due from related parties consist of the following:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
An entity with significant influence over the Group	對本集團擁有重大影響力的 一家實體	6,862	2,943
Subsidiaries of the entity with significant influence over the Group	對本集團擁有重大影響力的 一家實體的附屬公司	12,138	7,282
Associates of the Group	本集團的聯營公司	403,587	48,397
An entity controlled by a director of the Company	本公司董事控制的 一家實體	-	29
Key management personnel	主要管理人員	-	3,880
		422,587	62,531

The movements in provision for impairment of other receivables from related parties are as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	335	-
Impairment losses/(reversal of impairment losses), net	減值虧損/(沖回減值虧損) 淨額	57,887	(100)
Exchange realignment	外匯調整	2	435
		58,224	335

As at 31 December 2018 and 2019, the fair value of deposits and other receivables approximate to their carrying amount largely due to their short-term maturity.

26. 預付款、保證金及其他應收賬款(續)

附註：(續)

(b) 保證金及其他應收賬款(續)

(iii) 應收關聯方賬款包括以下各項：

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
An entity with significant influence over the Group	對本集團擁有重大影響力的 一家實體	6,862	2,943
Subsidiaries of the entity with significant influence over the Group	對本集團擁有重大影響力的 一家實體的附屬公司	12,138	7,282
Associates of the Group	本集團的聯營公司	403,587	48,397
An entity controlled by a director of the Company	本公司董事控制的 一家實體	-	29
Key management personnel	主要管理人員	-	3,880
		422,587	62,531

其他應收關聯方賬款減值撥備變動如下：

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	335	-
Impairment losses/(reversal of impairment losses), net	減值虧損/(沖回減值虧損) 淨額	57,887	(100)
Exchange realignment	外匯調整	2	435
		58,224	335

於2018年及2019年12月31日，保證金及其他應收賬款的公允價值與其賬面價值相若，這主要是其短期性質使然。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

26. Prepayments, Deposits and Other Receivables (continued)

Notes: (continued)

(c) Loan receivable

The breakdown of loan receivable is as follows:

	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Due from third party 應收第三方	-	12,000

The loan receivable was unsecured and interest-bearing at 4% per annum.

26. 預付款、保證金及其他應收賬款 (續)

附註：(續)

(c) 應收貸款

應收貸款明細如下：

	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Due from third party 應收第三方	-	12,000

應收貸款為無抵押及按年利率4%計息。

27. Other current assets

The balances mainly represented PRC value-added tax recoverable as at 31 December 2018 and 2019.

27. 其他流動資產

該等結餘主要指於2018年及2019年12月31日的可獲退稅中國增值稅。

28. Held-for-trading investments

Equity securities listed in the PRC, 於中國上市的股本證券，
at fair value 按公允價值列賬

The fair value of the listed equity securities was determined based on the quoted market prices in an active market. Further details were set out in Note 44.

28. 持作買賣投資

	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Equity securities listed in the PRC, 於中國上市的股本證券， at fair value 按公允價值列賬	39,506	44,190

上市股本證券的公允價值按於活躍市場的市場報價釐定。進一步詳情載於附註44。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

29. Restricted Bank Balances and Short-term Deposits and Cash and Cash Equivalents

29. 受限制的銀行結餘及短期存款以及現金及現金等價物

		Notes	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
		附註		
<u>Cash and bank balances</u>	現金及銀行結餘		1,551,520	912,998
Time deposits	定期存款			
Non-pledged time deposits	無質押定期存款		-	64,000
Pledged time deposits:	就下列各項的有質押定期存款：			
- for letter of guarantee (“L/G”) and borrowing facilities	- 銀行保函 (「銀行保函」) 及貸款融資	(i)	56,300	612,792
- for assets preservation	- 資產保全	(ii)	-	710
			1,607,820	1,590,500
Less:	減：			
Pledged time deposits	有質押定期存款		(56,300)	(613,502)
Non-pledged time deposits with original maturity over three months when acquired	於認購時原到期日超過三個月的無質押定期存款		-	(64,000)
			(56,300)	(677,502)
Cash and cash equivalents	現金及現金等價物		1,551,520	912,998

Notes:

- (i) In accordance with several letters of guarantee and borrowing facility agreements, the deposits were pledged for issuing L/G and borrowing facilities.
- (ii) The amount represented the deposits pledged for the Group's applications of assets preservation in certain PRC legal proceedings.

附註：

- (i) 根據數封銀行保函及貸款融資協議，存款已質押以發出銀行保函及作為貸款融資。
- (ii) 該金額指為在本集團的中國法律訴訟中申請資產保全而已質押的存款。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

29. Restricted Bank Balances and Short-term Deposits and Cash and Cash Equivalents (continued)

At the end of the reporting period, the restricted bank balances and short-term deposits and cash and cash equivalents of the Group denominated in RMB amounted to RMB291,701,000 (2018: RMB1,340,155,000). 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. Time deposits are made for varying periods of between three and twelve months depending on the immediate cash requirements of the Group, and earned interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

As at 31 December 2018 and 2019, the fair values of cash and bank balances and time deposits approximate to their carrying amounts largely due to their short-term maturity.

29. 受限制的銀行結餘及短期存款以及現金及現金等價物 (續)

於報告年度末，本集團以人民幣計值的受限制的銀行結餘及短期存款以及現金及現金等價物為人民幣291,701千元(2018年：人民幣1,340,155千元)。人民幣不可自由轉換為其他貨幣。然而，根據中國內地的《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進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款基於每日銀行存款利率按浮動利率計息。定期存款的期限根據本集團的直接現金需求介於3至12個月不等，並按各自的短期定期存款利率計息。銀行結餘及定期存款都存入近期無違約記錄的可靠銀行。

於2018年及2019年12月31日，現金及銀行結餘以及定期存款的公允價值與其賬面價值相若，這主要是其短期性質使然。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

30. Trade and Bills Payables

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Trade and bills payables to third parties	應付第三方貿易及票據賬款	455,401	1,340,224
Trade and bills payables to related parties	應付關聯方貿易及票據賬款	75,517	45,074
		530,918	1,385,298

Trade and bills payables to related parties include the following:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Subsidiaries of the entity with significant influence over the Group	對本集團擁有重大影響力的實體的附屬公司	44,542	44,706
Associates of the Group	本集團的聯營公司	30,642	-
Entity with significant influence over the Group	對本集團擁有重大影響力的實體	333	368
		75,517	45,074

Trade payables are non-interest-bearing and are normally settled on terms of 30 to 180 days (2018: 30 to 60 days).

Trade payables to related parties are payable on similar credit terms to those granted by major suppliers of the Group.

Bills payables are normally settled within 6 months.

30. 貿易及票據應付賬款

應付關聯關聯方貿易及票據賬款包括下列各項：

貿易應付賬款為免息且通常按30至180天(2018年：30至60天)的期限結算。

應付關聯方的貿易賬款還款信貸條款與本集團之主要供應商授予的條款相若。

票據應付賬款通常於6個月內結算。

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合併財務報表附註

31 December 2019 2019年12月31日

30. Trade and Bills Payables (continued)

An aged analysis of trade and bills payables as at the end of the reporting period, based on the transaction date, is as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Within 3 months	3個月內	502,524	1,322,961
4 to 6 months	4至6個月	17,999	34,811
7 to 12 months	7至12個月	7,721	14,653
1 to 2 years	1年至2年	844	8,357
Over 2 years	2年以上	1,830	4,516
		530,918	1,385,298

As at 31 December 2018 and 2019, the fair value of trade and bills payables approximated to their carrying amounts which are largely due to the short-term maturity.

31. Other Payables and Accruals

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Other payables to third parties, advances from customers and accruals (Notes (a) and (b))	其他應付第三方賬款、客戶墊款及應計費用(附註(a)及(b))	224,173	1,101,623
Contract liabilities (Note (c))	合約負債(附註(c))	32,059	88,278
Refund liabilities	退款負債	372	130,415
Dividend payable	應付股息	16,908	3,236
Amounts due to related parties	應付關聯方賬款	532,764	920
		806,276	1,324,472

Amounts due to related parties are unsecured, interest-free and repayable on demand.

30. 貿易及票據應付賬款(續)

下表載列於報告年度末基於交易日期的貿易及票據應付賬款賬齡分析：

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Within 3 months	3個月內	502,524	1,322,961
4 to 6 months	4至6個月	17,999	34,811
7 to 12 months	7至12個月	7,721	14,653
1 to 2 years	1年至2年	844	8,357
Over 2 years	2年以上	1,830	4,516
		530,918	1,385,298

於2018年及2019年12月31日，貿易及票據應付賬款的公允價值與其賬面價值相若，這主要是其短期性質使然。

31. 其他應付賬款及應計費用

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Other payables to third parties, advances from customers and accruals (Notes (a) and (b))	其他應付第三方賬款、客戶墊款及應計費用(附註(a)及(b))	224,173	1,101,623
Contract liabilities (Note (c))	合約負債(附註(c))	32,059	88,278
Refund liabilities	退款負債	372	130,415
Dividend payable	應付股息	16,908	3,236
Amounts due to related parties	應付關聯方賬款	532,764	920
		806,276	1,324,472

應付關聯方賬款為無抵押、免息及按要求即付。

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合併財務報表附註

31 December 2019 2019年12月31日

31. Other Payables and Accruals (continued)

The amounts due to related parties are as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Associates of the Group	本集團的聯營公司	524,317	-
Entity with significant influence over the Group	對本集團具有重大影響力的實體	6,910	-
Subsidiaries of the entity with significant influence over the Group	對本集團具有重大影響力的實體的附屬公司	1,526	-
Entities controlled by Mr. WU Jiannong, a director and substantial shareholder of Zhejiang NVC (defined in Note 41)	浙江雷士的董事及主要股東吳建農先生控制的實體(定義見附註41)	11	920
		532,764	920

Notes:

- (a) As at 31 December 2018, included in the balance was a provision for losses arising from financial guarantee contracts of RMB151,519,000 in relation to the lawsuits in which the Subsidiary is a defendant, further details of which are set out in Note 37(b). During the year, the Subsidiary was disposed of by the Group (Note 51(b)).
- (b) As at 31 December 2018, the balance included a contingent consideration payable of RMB1,633,000 arising from the acquisition of the Blue Light Group. Movements of the contingent consideration payable during the year are set out in Note 44(b).

31. 貿易及票據應付賬款 (續)

應付關聯方賬款如下：

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Associates of the Group	本集團的聯營公司	524,317	-
Entity with significant influence over the Group	對本集團具有重大影響力的實體	6,910	-
Subsidiaries of the entity with significant influence over the Group	對本集團具有重大影響力的實體的附屬公司	1,526	-
Entities controlled by Mr. WU Jiannong, a director and substantial shareholder of Zhejiang NVC (defined in Note 41)	浙江雷士的董事及主要股東吳建農先生控制的實體(定義見附註41)	11	920
		532,764	920

附註：

- (a) 於2018年12月31日，結餘包括人民幣151,519千元財務擔保合約產生之虧損撥備，與該附屬公司為被告的訴訟有關，進一步詳情載於附註37(b)。年內，該附屬公司已被本集團出售(附註51(b))。
- (b) 於2018年12月31日，結餘包括因收購蔚藍芯光集團而產生的應付或有代價為人民幣1,633千元。年內應付或有代價之變動載於附註44(b)。

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合併財務報表附註

31 December 2019 2019年12月31日

31. Other Payables and Accruals (continued)

Notes: (continued)

- (c) The contract liabilities primarily relate to the advances received from customers for sale of goods, for which revenue is recognised when control of goods is transferred. Typical payment terms which impact on the amount of contract liabilities are set out in Note 2.3. Changes in the contract liabilities balances during the year are as follows:

		2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
As at 1 January	於1月1日	88,278	36,111
Acquisition of subsidiaries	收購附屬公司	-	667
Disposal of subsidiaries	處置附屬公司	(40,442)	-
Cash received	收到的現金	47,031	98,652
Recognised as revenue	確認為收入	(66,631)	(46,857)
Exchange realignment	外匯調整	3,823	(295)
As at 31 December	於12月31日	32,059	88,278

The contract liabilities were expected to be recognised as revenue in the next 12 months. As permitted under IFRS 15, the transaction price allocated to the unsatisfied contract which has an original expected duration of one year or less is not disclosed.

As at 31 December 2018 and 2019, the fair value of most of other payables and accruals approximated to their carrying amounts which is largely due to the short-term maturity.

31. 貿易及票據應付賬款 (續)

附註：(續)

- (c) 合約負債主要與向客戶銷售貨物所收取的墊款有關，其收入於貨物控制權轉移時確認。影響合約負債金額之一般付款條款載列於附註2.3。年內合約負債結餘的變動如下：

合約負債預計將於未來12個月內確認為收入。根據國際財務報告準則第15號所規定，並未披露分配至該等原預計年期為一年或以下之未履行合約的交易價。

於2018年及2019年12月31日，大部份其他應付賬款及應計費用的公允價值與其賬面值相若，主要是其短期性質使然。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

32. Interest-Bearing Loans and Borrowings

32. 計息貸款及借款

	2019			2018		
	2019年			2018年		
	Contractual interest rate (%) 合約利率(%)	Maturity 到期期限	RMB' 000 千人民幣	Contractual interest rate (%) 合約利率(%)	Maturity 到期期限	RMB' 000 千人民幣
Current						
流動						
Bank loans – secured ¹ 銀行貸款 – 有抵押 ¹	Base*+1.90% 基本利率*+1.90%	On demand ² 按要求即付 ²	21,110	Base*+1.90% 基本利率*+1.90%	On demand ² 按要求即付 ²	3,467
				3.30% 3.30%	On demand 按要求即付	411,815
				PRC BDI#+0.91% PRC BDI#+0.91%	On demand 按要求即付	50,000
				3.80% – 6.00% 3.80% – 6.00%	On demand 按要求即付	268,635
				3.20% – 4.70% 3.20% – 4.70%	2019 2019年	330,220
Bank loans – unsecured 銀行貸款 – 無抵押	4.00% per month 每月4.00%	On demand 按要求即付	807	4.00% per month 每月4.00%	On demand 按要求即付	787
Total			21,917			1,064,924
合計			21,917			1,064,924

¹ The secured bank loans represented facilities secured by the pledge of certain trade and bills receivables (Note 25), time deposits (Note 29), certain right-of-use assets in relation to land use rights (Note 17) and buildings (Note 15). As at 31 December 2018, the secured bank loans were also secured by corporate guarantees executed by certain subsidiaries of the Group.

² The loan is repayable upon the collection of the factored trade receivables.

* “Base” refers to the Bank of England base rate.

“PRC BDI” refers to the PRC Benchmark deposit interest rate.

As at 31 December 2018 and 2019, the fair value of interest-bearing loans and borrowings approximates to their carrying amount largely due to the short-term maturities.

¹ 有抵押銀行貸款指以若干貿易及票據應收賬款(附註25)、定期存款(附註29)、與土地使用權有關的若干使用權資產(附註17)及樓宇(附註15)作抵押之融資。於2018年12月31日,有抵押銀行貸款亦以本集團若干附屬公司簽立的公司擔保作抵押。

² 於收回已讓售的貿易應收賬款後,該筆貸款即須償還。

* 「基本利率」指英格蘭銀行的基本利率。

「PRC BDI」指中國基準存款利率。

於2018年及2019年12月31日,計息貸款及借款的公允價值與其賬面價值相若,主要是其短期性質使然。

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33. Government Grants

33. 政府補助

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	10,750	14,124
Received during the year	年內已收金額	74,223	22,203
Released to profit or loss	撥至損益表	(73,977)	(25,577)
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	(8,150)	-
At 31 December	於12月31日	2,846	10,750
Portion classified as current liabilities	分類為流動負債的部份	(1,009)	(1,612)
Non-current portion	非流動部份	1,837	9,138

Various government subsidies have been granted to the Group's PRC subsidiaries as compensation for technology research and development and as financial support for the establishment of energy-saving lamp and LED products production lines.

The government grants are credited to profit or loss over the estimated useful lives of the associated production lines.

There are no unfulfilled conditions or contingencies attached to these government grants.

本集團的中國附屬公司得到了各種政府補助，用作科技研發補償及作為建立節能燈及LED產品生產線的財政支持。

該等政府補助均按相關生產線的估計可使用年期計入損益內。

該等政府補助並無附有任何尚未實現的條件或者或有事項。

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34. Share Capital

34. 股本

		2019 2019年			2018 2018年		
		Number of shares '000 股份數目 千股	US\$ 美元	RMB equivalent 折合人民幣	Number of shares '000 股份數目 千股	US\$ 美元	RMB equivalent 折合人民幣
Ordinary shares of US\$0.0000001 each Authorised: As at 1 January and 31 December	每股0.0000001美元的 普通股 法定： 於1月1日及 12月31日	500,000,000	50,000	341,385	500,000,000	50,000	341,385
Issued and fully paid As at 1 January	已發行及繳足股款 於1月1日	4,231,156	423	3,074	3,581,805	358	2,630
Cancellation of repurchased shares (Note)	註銷購回股份(附註)	(3,875)	-	-	-	-	-
Conversion of convertible bonds (Note 47)	轉換可換股債券 (附註47)	-	-	-	649,351	65	444
As at 31 December	於12月31日	4,227,281	423	3,074	4,231,156	423	3,074

Note:

Treasury shares:

附註：

庫存股份：

		2019 2019年			2018 2018年		
		Number of shares '000 股份數目 千股	US\$ 美元	RMB equivalent 折合人民幣	Number of shares '000 股份數目 千股	US\$ 美元	RMB equivalent 折合人民幣
As at 1 January	於1月1日	2,961	199,692	1,371,000	-	-	-
Purchases of own shares	購買自身股份	914	57,853	392,000	2,961	199,692	1,371,000
Cancellation of repurchased shares	註銷購回股份	(3,875)	(257,545)	(1,763,000)	-	-	-
As at 31 December	於12月31日	-	-	-	2,961	199,692	1,371,000

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34. Share Capital (continued)

During the years, the Group repurchased its own shares on the Stock Exchange as follow:

		2019 2019年			
Month/year		Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
		購回 股份數目 '000	每股股份 所支付之 最高價格 HK\$	每股股份 所支付之 最低價格 HK\$	所支付之 價格總額 RMB'000
月份 / 年度		千股	港元	港元	千人民幣
January 2019	2019年1月	914	0.50	0.50	392
		2018 2018年			
Month/year		Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
		購回 股份數目 '000	每股股份 所支付之 最高價格 HK\$	每股股份 所支付之 最低價格 HK\$	所支付之 價格總額 RMB'000
月份 / 年度		千股	港元	港元	千人民幣
October 2018	2018年10月	621	0.51	0.50	288
November 2018	2018年11月	1,258	0.55	0.50	582
December 2018	2018年12月	1,082	0.55	0.53	501
		2,961			1,371

The 3,875,000 repurchased shares were cancelled during the year ended 31 December 2019. The issued share capital of the Company was reduced by the nominal value of these shares. Pursuant to section 37(4) of the Companies Law of the Cayman Islands, an amount equivalent to the par value of the shares cancelled of RMB3 was transferred from share premium to the capital redemption reserves. The premium paid on the purchase of the shares of RMB1,763,000 was charged to share premium.

34. 股本 (續)

年內，本集團於聯交所購回的自有股份如下：

3,875,000股購回股份已於截至2019年12月31日止年度被註銷。本公司已發行股本已削減該等股本之面值。根據開曼群島公司法第37(4)條，註銷股份的面值人民幣3元等同金額已從股本溢價轉撥至股份贖回儲備。購買股份支付的溢價人民幣1,763千元乃計入股份溢價。

Notes to Consolidated Financial Statements

合併財務報表附註

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35. Other Comprehensive Income

Tax effect relating to each component of other comprehensive income

35. 其他全面收入

其他全面收入各部份的相關稅務影響

		2019 2019年			2018 2018年		
		Before-tax amount 稅前金額 RMB' 000 千人民幣	Tax expense 稅項開支 RMB' 000 千人民幣	Net-of-tax amount 稅後金額 RMB' 000 千人民幣	Before-tax amount 稅前金額 RMB' 000 千人民幣	Tax expense 稅項開支 RMB' 000 千人民幣	Net-of-tax amount 稅後金額 RMB' 000 千人民幣
Items that may be reclassified subsequently to profit or loss:	其後重新分類至損益表的項目：						
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	(100,383)	-	(100,383)	(10,596)	-	(10,596)
Share of other comprehensive income of associates	應佔聯營公司的其他全面收入	4,037	-	4,037	-	-	-
Reclassification relating to disposal of subsidiaries (Note 51)	有關處置附屬公司之重新分類(附註51)	(4,699)	-	(4,699)	-	-	-
		(101,045)	-	(101,045)	(10,596)	-	(10,596)
Items that will not be reclassified to profit or loss:	其後不得重新分類至損益表的項目：						
Fair value change on financial assets at FVOCI – equity investments	按公允價值計入其他全面收入的金融資產的公允價值變動－股本投資	14,565	(2,569)	11,996	8,000	(1,500)	6,500
Share of other comprehensive income of associates	應佔聯營公司的其他全面收入	(6)	-	(6)	-	-	-
		(86,486)	(2,569)	(89,055)	(2,596)	(1,500)	(4,096)

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合併財務報表附註

31 December 2019 2019年12月31日

36. Reserves

Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

Share premium

The share premium account included the premium arising from the subscription of new ordinary shares and the difference between the proportionate share of the carrying amount of the acquirees' net assets and the consideration paid for the additional interests.

Other reserve

Other reserve represented the accumulated fair value gain/loss on long term investments held during the year.

Shareholders' contribution

Shareholders' contribution represented the economic benefits contributed by shareholders in previous years.

36. 儲備

本集團

本集團於本年及過往年度的儲備金額及有關變動於合併權益變動報表中呈列。

股份溢價

股份溢價賬包括認購新普通股產生的溢價，及按比例應佔承購方資產淨值的賬面值，與就額外權益已付代價之間的差額。

其他儲備

其他儲備為年內持有長期投資的累計公允價值變動損益。

股東出資

股東出資為之前年度股東出資的經濟利益。

Notes to Consolidated Financial Statements

合併財務報表附註

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36. Reserves (continued)

Statutory reserve

In accordance with the Company Law of the PRC, each of the subsidiaries of the Company that was registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses), determined in accordance with the prevailing PRC accounting standards, to the statutory reserve until the balance of the reserve funds reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory reserve is not less than 25% of the registered capital.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations outside the PRC. The reserve is dealt with in accordance with the accounting policies set out in Note 2.3.

Treasury shares

Own equity instruments which are reacquired and held by the Company (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

36. 儲備 (續)

法定公積金

根據中國公司法，本公司於中國註冊的各附屬公司須就根據現行中國會計準則釐定的年度法定稅後利潤(扣除任何過往年度虧損)劃撥10%至法定公積金，直至儲備金結餘達到該實體註冊資本的50%為止。該等法定公積金可用於抵銷過往年度虧損或增加資本，惟法定公積金的餘下結餘不少於註冊資本的25%。

外幣換算儲備

外幣換算儲備包括所有因換算中國境外海外業務財務報表的外匯差額。有關儲備按照附註2.3所載的會計政策處理。

庫存股份

本公司重新購入並持有的自有權益工具(庫存股份)直接按成本於權益確認。本公司購買、售出、發行或註銷自有權益工具時並不會於損益表中確認任何損益。

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合併財務報表附註

31 December 2019 2019年12月31日

36. Reserves (continued)

36. 儲備 (續)

Company

本公司

		Treasury shares	Share premium	Retained profits	Foreign currency translation reserve	Proposed dividend	Total
		庫存股份	股份溢價	留存利潤	外幣換算 儲備	建議宣派 股息	合計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
1 January 2018	2018年1月1日	-	1,336,737	336,240	(179,118)	29,940	1,523,799
Profit for the year	本年利潤	-	-	519,841	-	-	519,841
Other comprehensive income for the year	本年其他全面收入	-	-	-	18,212	-	18,212
Conversion of convertible bonds	轉換可換股債券	-	450,492	-	-	-	450,492
Shares repurchased	購回股份	(1,371)	-	-	-	-	(1,371)
Dividend paid	已付股息	-	-	-	-	(29,940)	(29,940)
Transfer between reserves	儲備轉撥	-	(22,689)	22,689	-	-	-
Proposed special dividend	建議宣派特別股息	-	(185,367)	-	-	185,367	-
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	(1,371)	1,579,173	878,770	(160,906)	185,367	2,481,033
Profit for the year	本年利潤	-	-	4,426,570	-	-	4,426,570
Other comprehensive income for the year	本年其他全面收入	-	-	-	(35,346)	-	(35,346)
Shares repurchased	購回股份	(392)	-	-	-	-	(392)
Cancellation of repurchased shares	註銷購回股份	1,763	(1,763)	-	-	-	-
Transfer upon disposal of subsidiaries	處置附屬公司後轉撥	-	786,487	(786,487)	-	-	-
Acquisition of additional interests in subsidiaries	收購附屬公司額外權益	-	1,259	(1,259)	-	-	-
Dividend paid	已付股息	-	-	(3,368,205)	-	(185,367)	(3,553,572)
At 31 December 2019	於2019年12月31日	-	2,365,156	1,149,389	(196,252)	-	3,318,293

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合併財務報表附註

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37. Litigations

(a) The Group as a plaintiff

The Subsidiary entered into several pledge and guarantee agreements in 2013 and 2014 (the “Pledge and Guarantee Agreements”) with certain banks in the PRC, providing guarantees to the banks for their loan facilities granted to certain borrowers. Counter guarantees were provided by one of the borrowers of the bank loans, namely Chongqing Wu Ji Real Estate Development Co., Ltd. (“Wu Ji”), to the Group. During 2014, aggregate pledged time deposits of RMB550,924,000 of the Subsidiary had been withdrawn by the banks due to default of the bank loans under the guarantees of the Subsidiary.

37. 訴訟

(a) 本集團為原告

該附屬公司於2013年及2014年在中國與若干銀行訂立數項質押及擔保協議（「質押及擔保協議」），為銀行向若干借款人授予貸款融資提供擔保。一位銀行貸款的借款人重慶無極房地產開發有限公司（「無極」）向本集團提供了反擔保。於2014年，由於由該附屬公司擔保的銀行貸款未能償還，銀行已提取該附屬公司質押定期存款合共人民幣550,924千元。

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合併財務報表附註

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37. Litigations (continued)

(a) The Group as a plaintiff (continued)

The Group initiated a series of legal proceedings against Mr. WU Changjiang, a former director and former chief executive officer of the Company, Ms. WU Lian (spouse of Mr. WU Changjiang), Mr. WU Xianming, Ms. CHEN Min, Chongqing Lei Li Jie Industrial Development Co., Ltd., Wu Ji, Chongqing Jiang Te Surface Treatment Co., Ltd. and Chongqing Hua Biao Lighting Manufacturing Co., Ltd., in the Intermediate People's Court of Huizhou for damages. In addition, as indicated in 8 letters of counter guarantee issued by Wu Ji with dates in 2013 and 2014, Wu Ji provided counter guarantees to the Group to reimburse any losses for provision of guarantees on the bank loans borrowed by certain PRC companies under the Pledge and Guarantee Agreements. An aggregate amount of RMB550,924,000 was recognised as other receivables due from a company since 2014 and as at 31 December 2018. The directors were of the opinion that an amount of RMB265,564,000 (the "Recoverable Amount") was recoverable since 2014 and as at 31 December 2017, and accordingly a provision for the irrecoverable amount of RMB285,360,000 had been charged to profit or loss of the Group since 2014 and up to 31 December 2017. However, as at 31 December 2018, the directors assessed the amount that

37. 訴訟(續)

(a) 本集團為原告(續)

本集團就有關損害向惠州市中級人民法院對本公司前董事兼前首席執行官吳長江先生、吳戀女士(吳長江先生的配偶)、吳憲明先生、陳敏女士、重慶雷立捷實業發展有限公司、無極、重慶江特表面處理有限公司及重慶華標燈具製造有限公司提出一連串的法律訴訟。此外，無極出具的落款時間為2013年及2014年的8封反擔保函顯示，無極向本集團提供反擔保以補償其就若干中國公司根據質押及擔保協議所借銀行貸款提供擔保而產生的任何損失。自2014年起並於2018年12月31日確認合共人民幣550,924千元的金額為其他應收一家公司賬款。董事認為自2014年起並於2017年12月31日可收回金額為人民幣265,564千元(「可收回金額」)，並就不可收回金額人民幣

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

37. Litigations (continued)

(a) The Group as a plaintiff (continued)

the Group would recover from Wu Ji under the Pledge and Guarantee Agreements taking into consideration all information available, including the latest legal opinion obtained and additional claims from other creditors against Wu Ji as noted from a court announcement issued in December 2018 which became effective no later than February 2019. Based on the latest estimated value of Wu Ji's assets, the priority of other creditors over Wu Ji's assets, and the amounts of their claims, the directors considered that the Group would not be able to recover the Recoverable Amount even if the Subsidiary succeeds in the legal actions, and therefore full provision for the Recoverable Amount of RMB265,564,000 has been recognised as at 31 December 2018 and disposal date of the Subsidiary.

Details of other receivables due from a company and the related impairment loss are set out in Note 26(b).

37. 訴訟 (續)

(a) 本集團為原告 (續)

285,360千元計提撥備及計入本集團自2014年起至截至2017年12月31日止的損益表內。然而，於2018年12月31日，董事根據質押及擔保協議及考慮所有可得資料（包括最近獲得的法律意見以及於2018年12月頒佈的一項法院公告（不遲於2019年2月生效）所提及之其他債權人對無極的額外索償）評估本集團將自無極收回的款額。根據無極資產的最新估值、其他債權人對無極資產的優先權及其索償金額，董事認為，即使該附屬公司勝訴，本集團仍無法收回可收回金額，因此，可收回金額的全數撥備人民幣265,564千元已於2018年12月31日及該附屬公司的出售日期確認。

其他應收一家公司賬款及相關減值損失詳情載於附註26(b)。

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37. Litigations (continued)

(b) The Group as a defendant

- (i) The Subsidiary also entered into guarantee agreements with another PRC bank in 2013 (the “Guarantee Agreement 1”) and a PRC finance company in 2014 (the “Guarantee Agreement 2”) respectively, providing guarantees to the PRC bank and the PRC finance company for their loan facilities granted to their borrowers. Ms. WU Lian is the borrower of the loan in relation to the Guarantee Agreement 2.

The outstanding loans of RMB35,497,000 and RMB34,000,000 in relation to the Guarantee Agreements 1 and 2 were in default in 2015 and 2014 respectively. The PRC bank and the PRC finance company took legal actions against the respective borrowers and the guarantors (including Wu Ji and the Subsidiary as guarantors) to recover the loan balances and interests.

37. 訴訟(續)

(b) 本集團作為被告人

- (i) 該附屬公司亦於2013年與另一家中國銀行(「擔保協議1」)及於2014年與一家中國財務公司(「擔保協議2」)分別訂立擔保協議，向該中國銀行及中國財務公司就彼等授予借款人的貸款融資提供擔保。吳戀女士為擔保協議2項下貸款的借款人。

按照擔保協議1及擔保協議2，分別仍有貸款人民幣35,497千元及人民幣34,000千元於2015年及2014年未獲償還。該家中國銀行及財務公司已採取法律行動，向相關借款人及擔保人(包括作為擔保人的無極及該附屬公司)追索貸款結餘及利息。

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37. Litigations (continued)

(b) The Group as a defendant (continued)

(i) (continued)

For the Guarantee Agreement 1, according to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary was adjudicated to be jointly liable for the payment to the PRC bank of the outstanding loan, plus interest and costs. The Subsidiary filed application of retrial of the PRC court judgements and the commencement thereof was accepted by the PRC court in January 2018, but the application was subsequently rejected according to the court judgement received by the Subsidiary in May 2018.

For the Guarantee Agreement 2, according to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary was adjudicated to be jointly liable for the payment to the PRC finance company of the outstanding loan, plus interest and costs.

37. 訴訟 (續)

(b) 本集團作為被告人 (續)

(i) (續)

就擔保協議1而言，根據於2016年的首次法院判決及2017年的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付的未償還貸款另加利息及成本承擔共同責任。該附屬公司已就中國法院判決申請重審，且中國法院已於2018年1月受理相關法律訴訟，惟其後於2018年5月根據該附屬公司收到的法院判決被駁回。

就擔保協議2而言，根據於2016年的首次法院判決及2017年的最終法院判決，該附屬公司被裁定須就向該家中國財務公司支付的未償還貸款另加利息及開支承擔共同責任。

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合併財務報表附註

31 December 2019 2019年12月31日

37. Litigations (continued)

(b) The Group as a defendant (continued)

(i) (continued)

As of 31 December 2017, the Subsidiary was in the process of applying for protests of the PRC court judgements in relation to Guarantee Agreements 1 and 2. Accordingly, the Group was of the view that the legal proceedings in relation to Guarantee Agreements 1 and 2 were still in progress notwithstanding the respective final court judgements and the rejection of the application of retrial in relation to Guarantee Agreement 1.

As of 31 December 2017, the directors, with reference to legal opinions obtained and other factors, considered that the likelihood of the Group sustaining losses from the guarantees was remote. In particular, it was considered that the loans had sufficient underlying securities including Wu Ji's guarantees and the Subsidiary is only one of the guarantors for the loans and it was considered not probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and no provision was considered necessary.

37. 訴訟 (續)

(b) 本集團作為被告人 (續)

(i) (續)

截至2017年12月31日，該附屬公司正就與擔保協議1及擔保協議2有關中國法院判決申請抗訴。因此，本集團認為，儘管已作出相關最終法院判決且與擔保協議1有關的重審申請遭駁回，但與擔保協議1及擔保協議2有關的法律訴訟仍在進行中。

截至2017年12月31日，經參考取得的法律意見及其他因素，董事認為本集團須承擔該等擔保損失的可能性輕微，尤其是據悉該貸款具有足夠的相關擔保(包括無極的擔保)，而該附屬公司亦僅為該貸款的其中一名擔保人，並認為並無可能需要包含經濟利益的資源流出以償付該等責任。因此，董事認為不需要作出相關撥備。

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合併財務報表附註

31 December 2019 2019年12月31日

37. Litigations (continued)

(b) The Group as a defendant (continued)

(i) (continued)

The Group had another litigation (i.e. Guarantee Agreement 3 as defined and further detailed in Note 37(b)(ii) below) with circumstances similar to those of Guarantee Agreement 1 and Guarantee Agreement 2. As of 31 December 2018, the directors assessed whether to recognise any provision for losses arising from Guarantee Agreement 1 and Guarantee Agreement 2 with reference to all available information including the Group's experience in Guarantee Agreement 3 and latest legal opinion and considered that it was probable that the Group's application for protest of the PRC court judgements would not be successful and the Subsidiary would

37. 訴訟 (續)

(b) 本集團作為被告人 (續)

(i) (續)

本集團另一起訴訟 (即擔保協議3，定義及進一步詳情載於下文附註37(b)(ii))，其情況類似於擔保協議1及擔保協議2。截至2018年12月31日，董事已參考包括本集團於擔保協議3中的經驗及最新法律意見在內的所有可用資料評估是否確認任何因擔保協議1及擔保協議2而產生的虧損撥備，並認為有可能本集團就中國法院判決的申請抗訴將不會成功，而該附屬公司將被裁定

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合併財務報表附註

31 December 2019 2019年12月31日

37. Litigations (continued)

(b) The Group as a defendant (continued)

(i) (continued)

be adjudicated to be jointly liable for the payment to the PRC bank and PRC finance company for their losses. Accordingly full provisions for outstanding loans in relation to the Guarantee Agreements 1 and 2 plus interest and costs, totalling approximately RMB61,830,000 and RMB60,700,000 respectively (Note 31(a)) were recognised as at 31 December 2018. During the year ended 31 December 2019, the interest expenses in relation to Guarantee Agreements 1 and 2 amounting to RMB3,230,000 and RMB2,949,000 respectively were recognised as further provision for losses (Note 6) up to the disposal date of the Subsidiary.

37. 訴訟 (續)

(b) 本集團作為被告人 (續)

(i) (續)

須就向該家中國銀行及中國財務公司支付的虧損承擔共同責任。因此，有關擔保協議1及2的未償還貸款的全數撥備另加利息及成本(分別合共為約人民幣61,830千元及約人民幣60,700千元，見附註31(a))，於2018年12月31日確認。截至2019年12月31日止年度內，有關擔保協議1及擔保協議2的利息開支人民幣3,230千元及人民幣2,949千元分別於該附屬公司的出售日期確認為進一步虧損撥備(附註6)。

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合併財務報表附註

31 December 2019 2019年12月31日

37. Litigations (continued)

(b) The Group as a defendant (continued)

- (ii) In addition to the above agreements, the Subsidiary entered into a guarantee agreement (the “Guarantee Agreement 3”) with a PRC bank in 2014, providing guarantee to the bank for a loan facility granted to its borrower. In addition, the bank loan was secured by the pledge of a piece of land owned by Wu Ji.

The bank loan was in default in 2014 and the bank took legal actions against the borrower and the guarantors (including the Subsidiary) to recover the bank loan balance and interest. A court order was issued to freeze assets of the guarantors (including the Subsidiary) in the amount of RMB62,000,000. As a result of the court order, bank balance of the Subsidiary in the amount of RMB55,396,000 had been frozen by the bank in 2014. According to the first court judgement in 2016 and the final court judgement in 2017, the Subsidiary was adjudicated to be jointly liable for the payment to the PRC bank of RMB60,000,000, plus interest and costs. In February 2017, the frozen bank balance of the Subsidiary was withdrawn by the court for the purpose of settlement of the claim by the PRC bank. Accordingly since 2017 and up to 31 December 2018, the withdrawn amount of RMB55,396,000 was included in “Prepayments, deposits and other receivables” in the consolidated statement of financial position as set out

37. 訴訟 (續)

(b) 本集團作為被告人 (續)

- (ii) 除上述協議外，該附屬公司亦於2014年與一家中國銀行訂立擔保協議（「擔保協議3」），向該中國銀行就其授予借款人的貸款融資提供擔保。此外，該銀行貸款由無極擁有的一塊土地作質押擔保。

該銀行貸款未能於2014年償還，且該銀行已對借款人及擔保人（包括該附屬公司）採取法律行動追討銀行貸款結餘及利息。一項法院判令已發出以凍結擔保人（包括該附屬公司）金額為人民幣62,000千元的資產。鑒於法院判令，該附屬公司金額為人民幣55,396千元的銀行結餘已於2014被該銀行凍結。根據於2016年的首次法院判決及於2017年的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付人民幣60,000千元賬款另加利息及成本承擔共同

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合併財務報表附註

31 December 2019 2019年12月31日

37. Litigations (continued)

(b) The Group as a defendant (continued)

(ii) (continued)

in Note 26(b). During 2017, the Subsidiary filed an application of retrial of the PRC court judgements in relation to Guarantee Agreement 3 which was rejected by the PRC court. During 2017, the Subsidiary filed an application of protest of the PRC court judgements and the commencement thereof was accepted by the PRC court in March 2018. The related outcome of the protest according to the official legal documents received by the Subsidiary was pending as of the date of approval of the consolidated financial statements for the year ended 31 December 2017. Accordingly, the Group was of the view that the legal proceeding was still in progress notwithstanding the final court judgement and the rejection of the application of retrial.

37. 訴訟 (續)

(b) 本集團作為被告人 (續)

(ii) (續)

責任。於2017年2月，該附屬公司被凍結銀行結餘被法院提取以支付該家中國銀行的索償。因此自2017年起並直至2018年12月31日，被提取的金額人民幣55,396千元已納入附註26(b)所載之合併財務狀況表內「預付款、保證金及其他應收賬款」一項。於2017年，該附屬公司已就與擔保協議3有關的中國法院判決申請重審，惟被中國法院駁回。於2017年，該附屬公司另行對中國法院判決提出抗訴，且中國法院已於2018年3月受理相關法律訴訟。根據該附屬公司收到的正式法律文件，抗訴相關的結果於截至2017年12月31日止年度之合併財務報表獲批准之日期尚未公佈。因此，本集團認為儘管已作出最終法院判決及重審申請遭駁回，相關法律訴訟現仍在進行中。

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合併財務報表附註

31 December 2019 2019年12月31日

37. Litigations (continued)

(b) The Group as a defendant (continued)

(ii) (continued)

As of 31 December 2017, the directors, with reference to legal opinion obtained and other factors, considered that the likelihood of the Group sustaining losses from the guarantee was remote. In particular, it was considered that the bank loan had sufficient underlying securities including a piece of land pledged by Wu Ji and the Subsidiary is only one of the guarantors for the bank loan. The directors believed that the withdrawn amount would be fully recovered upon the conclusion of the protest of the PRC court judgements and no provision on the frozen and subsequently withdrawn amount was considered necessary as at 31 December 2017. In addition, the directors were of the opinion that no provision on any shortfall between the amount to be ultimately settled by the Group under the Guarantee Agreement 3 and the Subsidiary's withdrawn amount was considered necessary as at 31 December 2017.

37. 訴訟 (續)

(b) 本集團作為被告人 (續)

(ii) (續)

截至2017年12月31日，經參考取得的法律意見及其他因素，董事認為本集團須承擔該項擔保損失的可能性輕微。尤其是據悉該銀行貸款具有足夠的相關擔保，包括一塊由無極質押的土地，而該附屬公司僅為該銀行貸款的其中一名擔保人。董事認為當中國法院判決抗訴完結時，被提取的金額將可悉數收回，且於2017年12月31日無需對被凍結及其後被提取的金額計提撥備。此外，董事認為，於2017年12月31日，無需就本集團根據擔保協議3最終作出的付款金額與該附屬公司被提取的金額之間的差額計提撥備。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

37. Litigations (continued)

(b) The Group as a defendant (continued)

(ii) (continued)

As of 31 December 2018, the directors assessed whether the Group would be held liable for the PRC bank's loss under Guarantee Agreement 3 and as a result, whether the Group would incur loss. The directors' assessment was made with reference to all available information and the latest circumstances including the fact that it has been a significant lapse of time since the Subsidiary filed its protest with the PRC court but no positive reply has been received. The legal opinion obtained considered the likelihood of the protest being successful was significantly lowered and became remote. Based on the assessment, the directors considered that it was probable for the Group to be held liable for the PRC bank's loss under Guarantee Agreement 3. The withdrawn amount recoverable of RMB55,396,000 was

37. 訴訟 (續)

(b) 本集團作為被告人 (續)

(ii) (續)

截至2018年12月31日，董事評估本集團是否會根據擔保協議3承擔該中國銀行的虧損，及本集團是否會因此產生虧損。董事的評估乃參考所有可用資料及最新情況作出，包括該附屬公司向中國法院提出抗訴長期未收到正面回覆這一事實。獲取的法律意見認為抗訴成功的可能性微乎其微。通過是次評估，董事認為本集團可能會據擔保協議3承擔該中國銀行的虧損。因此，可收回被提取賬款人民幣55,396千元已確定

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31 December 2019 2019年12月31日

37. Litigations (continued)

(b) The Group as a defendant (continued)

(ii) (continued)

therefore determined to be irrecoverable. The directors also estimated there was a shortfall of RMB4,604,000 between the Group's liability under Guarantee Agreement 3 and the withdrawn amount. Accordingly full provisions for (i) impairment of the withdrawn amount recoverable of RMB55,396,000 (Note 26(b)); and (ii) the further loss under Guarantee Agreement 3 being the shortfall of RMB4,604,000 between the outstanding principal under Guarantee Agreement 3 and the withdrawn amount, plus interest and costs, totalling approximately RMB28,989,000 (Note 31(a)) were recognised as at 31 December 2018. During the year ended 31 December 2019, the interest expenses in relation to Guarantee Agreement 3 amounting to RMB968,000 was recognised as further provision for losses (Note 6) up to the disposal date of the Subsidiary.

37. 訴訟 (續)

(b) 本集團作為被告人 (續)

(ii) (續)

為不可收回。董事亦估計，本集團於擔保協議3項下的負債與被提取金額之間的差額為人民幣4,604千元。因此，(i)人民幣55,396千元(附註26(b))之可收回被提取賬款減值；及(ii)根據擔保協議3的進一步損失為擔保協議3項下未償還本金與被提取金額之間的差額人民幣4,604千元的全數撥備另加利息及開支，合共約人民幣28,989千元(附註31(a))，於2018年12月31日確認。截至2019年12月31日止年度內，有關擔保協議3的利息開支人民幣968千元於該附屬公司的出售日期確認為進一步虧損撥備(附註6)。

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合併財務報表附註

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38. Pledge of Assets

Save for those disclosed elsewhere in these consolidated financial statements, at the end of the reporting period, certain assets of the Group were pledged as follows:

38. 抵押資產

除合併財務報表另行披露者外，於報告期末，本集團已質押的若干資產如下：

		<i>Notes</i> <i>附註</i>	2019 2019年 RMB'000 千人民幣	2018 2018年 RMB'000 千人民幣
Property, plant and equipment	物業、廠房及設備	15	120,002	257,642
Prepaid land lease payments	預付土地租金	16	–	45,676
Right-of-use assets	使用權資產	17	17,852	–
Trade and bills receivables	貿易及票據應收賬款	25	21,110	353,031
Pledged time deposits	有抵押定期存款	29	56,300	613,502
			215,264	1,269,851

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合併財務報表附註

31 December 2019 2019年12月31日

39. Commitments

The Group had the following capital commitments at the end of the reporting period:

39. 承諾

本集團於報告年度末有以下資本承諾：

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Contracted, but not provided for:	已訂約，但尚未計提：		
Property, plant and equipment	物業、廠房及設備	76,475	83,899
Investment in a joint venture	於一間合營公司的投資	-	400,000
Acquisition of interest in investments	收購投資的權益	500	1,100
Investments in associates	投資於聯營公司	15,000	29,260
		91,975	514,259

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合併財務報表附註

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40. Holding Company Statement of Financial Position

40. 控股公司財務狀況表

		Notes 附註	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備		1,883	2,441
Investments in subsidiaries	於附屬公司的投資		1,282,217	2,414,511
Investment in an associate	於聯營公司投資		812,221	-
Long term investment	長期投資		-	205,896
Total non-current assets	非流動資產合計		2,096,321	2,622,848
CURRENT ASSETS	流動資產			
Due from subsidiaries	應收附屬公司賬款		1,093,601	1,496,606
Trade receivables	貿易應收賬款		87	-
Prepayments and other receivables	預付款及其他應收賬款		328,108	638
Cash and cash equivalents	現金及現金等價物		628,985	65,255
Total current assets	流動資產合計		2,050,781	1,562,499
CURRENT LIABILITIES	流動負債			
Due to subsidiaries	應付附屬公司賬款		308,807	968,038
Trade payables	貿易應付賬款		-	830
Other payables and accruals	其他應付賬款及應計費用		48,537	323,628
Income tax payable	應繳所得稅		471,462	-
Interest-bearing loans and borrowings	計息貸款及借款		-	411,815
Total current liabilities	流動負債合計		828,806	1,704,311
Net current assets/(liabilities)	淨流動資產/(負債)		1,221,975	(141,812)
Net assets	淨資產		3,318,296	2,481,036
EQUITY	權益			
Share capital	股本	34	3	3
Reserves	儲備	36	3,318,293	2,481,033
Total equity	總權益		3,318,296	2,481,036

WANG Donglei 王冬雷
Director 董事

CHAN Kim Yung, Eva 陳劍瑛
Director 董事

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合併財務報表附註

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41. Investments in Subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

41. 於附屬公司的投資

本公司主要附屬公司的詳情如下：

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股本/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Zhejiang NVC Lamps Co., Ltd.** ("Zhejiang NVC")	PRC/ Mainland China	RMB20,000,000	-	51	Manufacture and sale of lamps and related products
浙江雷士燈具有限公司** (「浙江雷士」)	中國／中國內地	人民幣20,000,000元			製造及銷售光源及相關產品
Zhejiang Jiangshan Sunny Electron Co., Ltd.**	PRC/ Mainland China	RMB10,000,000	-	100	Manufacture and sale of light tubes for energy-saving lamps and related products
浙江江山三友電子有限公司**	中國／中國內地	人民幣10,000,000元			製造及銷售節能燈燈管及相關產品
Jiangshan Phoebus Lighting Electron Co., Ltd.*	PRC/ Mainland China	US\$7,000,000	-	100	Manufacture and sale of light tubes for energy-saving lamps and related products
江山菲普斯照明有限公司*	中國／中國內地	7,000,000美元			製造及銷售節能燈燈管及相關產品
Shanghai Arcata*	PRC/Mainland China	US\$10,000,000	-	100	Manufacture and sale of lamp transformers and other lighting electronic products
上海阿卡得*	中國／中國內地	10,000,000美元			製造及銷售燈用鎮流器及其他照明電器
World Through Investments Limited	BVI/ Mainland China	US\$50,000	100	-	Investment holding
世通投資有限公司	英屬維爾京群島/ 中國內地	50,000美元			投資控股

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31 December 2019 2019年12月31日

41. Investments in Subsidiaries (continued)

41. 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股本/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
NVC Lighting Limited	England and Wales/ the UK	GBP5,000,000	100	–	Trading of lamps, luminaries and other lighting products
NVC Lighting Limited	英格蘭及威爾士/ 英國	5,000,000英鎊			買賣光源、燈具及其他 照明產品
NVC Lighting International Limited (Formerly known as Hong Kong TYU Technology Co., Limited)	Hong Kong/ Mainland China	HK\$200,000	100	–	Trading of lamps, luminaries and other lighting products
雷士照明國際有限公司 (前稱香港天羽科技有限公司)	香港/中國內地	200,000港元			買賣光源、燈具及其他 照明產品
NVC International Development Limited (Formerly known as Hong Kong NVC Lighting Limited)	Hong Kong/ Mainland China	HK\$1	–	100	Investment holding
香港怡迅國際發展有限公司 (前稱香港雷士照明有限公司)	香港/中國內地	1港元			投資控股
NVC Lighting (Brazil) Commercial Import and Export Co., Ltd. ("NVC Brazil")	Brazil	R\$7,000,000	–	51	Trading of lamps, luminaries and other lighting products
巴西雷士照明貿易進出口有限公司 (「巴西雷士」)	巴西	7,000,000里拉			買賣光源、燈具及其他 照明產品
LED Holdings Limited	Hong Kong/ Mainland China	HK\$100,000	–	100	Investment holding, R&D on LED semiconductor technology and related applications.
耀能控股有限公司	香港/中國內地	100,000港元			投資控股，研究及開發 LED半導體技術及相 關應用

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合併財務報表附註

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41. Investments in Subsidiaries (continued)

41. 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股本/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Zhuhai NVC Youpin Industrial Co., Ltd.**	PRC/ Mainland China	RMB10,000,000	–	90	Research, development and sale of luminaries and solar modules 研發及銷售燈具及太陽能組件
珠海雷士優品實業有限公司**	中國/中國內地	人民幣10,000,000元			
Arcata (Yangzhou) Electronics Co., Ltd.**	PRC/ Mainland China	RMB5,000,000	–	100	Manufacture, processing, sales and technical consultation of electronic components and digital audio and video codec equipment 製造、加工、銷售及提供電子元器件、數字音視頻編解碼器的技術諮詢
阿卡得(揚州)電子有限公司**	中國/中國內地	人民幣5,000,000元			

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合併財務報表附註

31 December 2019 2019年12月31日

41. Investments in Subsidiaries (continued)

41. 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股本/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Shenzhen Leiyun Optoelectronics Technology Co., Ltd.**	PRC/ Mainland China	RMB10,000,000	-	100	Installation of intelligent control systems, lighting systems, intelligent lighting products, lamps, smart door locks. Research, development, manufacture and sales of parts, low- voltage electrical appliances, anti- theft alarms, fire emergency equipment, lightning protection equipment products
深圳雷雲光電科技有限公司**	中國／中國內地	人民幣10,000,000元			安裝智能控制系統、照 明系統、智能照明產 品、光源及智能門 鎖。研發、製造及銷 售配件、低壓電器、 防盜報警器、消防應 急設備及防雷設備產 品
HKSSL	Hong Kong	USD15,000,000	100	-	Trading of lighting products and investment holding
香港怡達	香港	15,000,000美元			買賣照明產品及投資控 股

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41. Investments in Subsidiaries (continued)

41. 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股本/ 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
ETI Solid State Lighting Inc.	The United States	USD25,000	-	100	Trading LED lighting products and LED fixtures
ETI Solid State Lighting Inc.	美國	25,000美元			買賣LED照明產品及LED外殼
ETI Solid State Lighting (Wuhu) Ltd.*	PRC/ Mainland China	USD15,000,000	-	100	Research, development, manufacturing and trading of LED lighting products
怡迅(蕪湖)光電科技有限公司*	中國/中國內地	15,000,000美元			研發、製造及買賣LED照明產品
ETI Solid State Lighting (Zhuhai) Limited**	PRC/ Mainland China	RMB130,000,000	-	100	Research, development, manufacturing and trading of LED lighting products
怡迅(珠海)光電科技有限公司**	中國/中國內地	人民幣 130,000,000元			研發、製造及買賣LED照明產品
NVC Lighting Japan K.K.	Japan	JPY300,010,000	-	100	Manufacturing and trading of LED lighting products
NVC Lighting Japan K.K.	日本	300,010,000日元			製造及買賣LED照明產品
Yidong (Zhuhai) Technology Co., Ltd.**	PRC/ Mainland China	RMB1,000,000	-	100	Trading LED lighting products
怡東(珠海)科技有限公司**	中國/ 中國內地	人民幣 1,000,000元			買賣LED照明產品

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合併財務報表附註

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41. Investments in Subsidiaries (continued)

41. 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股本/ 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
NVC Technologies Canada Ltd.	Canada	–	–	100	Investment holding
NVC Technologies Canada Ltd.	加拿大	–			投資控股
NVC Global Solutions Limited 雷士國際(香港)有限公司	Hong Kong 香港	HKD100,000 100,000港元	100	–	Investment holding 投資控股
Yixun (Huizhou) Lighting Technology Co., Ltd.*	PRC/ Mainland China	RMB5,000,0000	–	100	Research, development, sale and distribution of lighting products
怡迅(惠州)光電科技有限公司*	中國/中國內地	人民幣 5,000,0000元			研發、銷售及分銷照明 產品
Shenzhen Bao Cheng E-Commerce Co., Ltd.**	PRC/ Mainland China	RMB1,000,000	–	100	Sale and distribution of lighting products through e-commerce platforms and distribution channels
Shenzhen Bao Cheng E-Commerce Co., Ltd.**	中國/中國內地	人民幣1,000,000元			透過電子商貿平台及分 銷渠道銷售及分銷照 明產品
NVC Lighting & Electrical Technology Singapore Pte. Ltd.	Singapore	SGD100	–	100	Sale and distribution of lighting products, management consultancy services
新加坡雷士照明電氣技術 有限公司	新加坡	100新幣			銷售及分銷照明產品， 管理諮詢服務
Crawford Global Limited Crawford Global Limited	Hong Kong 香港	HKD10,000 10,000港元	100	–	Investment holding 投資控股

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41. Investments in Subsidiaries (continued)

41. 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立地點/ 註冊及營運地點	Issued ordinary/ registered share capital 已發行普通股本/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
NVC Vietnam Technology and Lighting Company Limited	Vietnam	USD8,000 (approximately VND186,400,000,00)	-	100	Manufacture of electric lighting equipment 製造電子照明設備
NVC Vietnam Technology and Lighting Company Limited	越南	8,000美元 (約186,400,000,00 越南盾)			
NVC International Investment (BVI) Limited	British/ Virgin Islands	USD10,000	100	-	Investment holding 投資控股
NVC International Investment (BVI) Limited	英屬/維爾京群島	10,000美元			
Bengbu Leiting Electronic Business Co., Ltd.**	PRC/ Mainland China	RMB1,000,000	-	100	Sale and distribution of lighting products through e-commerce platforms and distribution channels 透過電子商貿平台及分銷渠道銷售及分銷照明產品
蚌埠雷霆電子商務有限公司**	中國/中國內地	人民幣1,000,000元			

* These companies were wholly-foreign-owned companies in the PRC.

* 該等公司是在中國的外商獨資公司。

** These companies were limited liability companies in the PRC.

** 該等公司是在中國的有限責任公司。

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31 December 2019 2019年12月31日

41. Investments in Subsidiaries (continued)

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

		2019 2019年	2018 2018年
Percentage of equity interest held by non-controlling interests:	非控制性權益持有的股權百分比：		
Zhejiang NVC	浙江雷士	49%	49%
NVC Brazil	巴西雷士	49%	49%
		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Comprehensive income for the year allocated to non-controlling interests:	分配至非控制性權益的 本年全面收入：		
Zhejiang NVC	浙江雷士	14,831	15,746
NVC Brazil	巴西雷士	(381)	(1,082)
Others	其他	13,929	11,341
		28,379	26,005
Capital contribution from non-controlling interests:	非控股權益出資：		
Others	其他	—	900
Dividend paid to non-controlling interests:	支付予非控制性權益的 股息：		
Zhejiang NVC	浙江雷士	34,300	—
Others	其他	18,054	9,800
		52,354	9,800

41. 於附屬公司的投資 (續)

本集團附屬公司擁有重大非控制性權益的詳情如下：

Notes to Consolidated Financial Statements

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31 December 2019 2019年12月31日

41. Investments in Subsidiaries (continued)

Details of the Group's subsidiaries that have material non-controlling interests are set out below: (continued)

41. 於附屬公司的投資(續)

本集團附屬公司擁有重大非控制性權益的的詳情如下：(續)

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Accumulated balances of non-controlling interests at the reporting dates:	於報告日期非控制性權益的累計結餘：		
Zhejiang NVC	浙江雷士	82,857	102,326
NVC Brazil	巴西雷士	(8,485)	(8,104)
Others	其他	-	14,598
		74,372	108,820

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41. Investments in Subsidiaries (continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company elimination:

2019 2019年		Zhejiang NVC 浙江雷士 RMB'000 千人民幣	NVC Brazil 巴西雷士 RMB'000 千人民幣
Revenue	收入	644,726	1,679
Total expenses	費用合計	(614,460)	(2,842)
Profit/(loss) for the year	本年利潤／(虧損)	30,266	(1,163)
Total comprehensive income for the year	本年全面收入合計	30,266	(777)
Current assets	流動資產	326,053	9,280
Non-current assets	非流動資產	67,951	58
Current liabilities	流動負債	(224,873)	(26,481)
Non-current liabilities	非流動負債	(36)	–
Net cash flows generated from/ (used in) operating activities	經營活動產生／(所用) 現金流量淨額	51,439	(53)
Net cash flows used in investing activities	投資活動所用現金 流量淨額	(19,783)	–
Net cash flows (used in)/generated from financing activities	融資活動(所用)／產生 現金流量淨額	(70,072)	11
Net decrease in cash and cash equivalents	現金及現金等價物 減少淨額	(38,416)	(42)

41. 於附屬公司的投資 (續)

下表列載上述附屬公司的財務資料概要。披露的金額乃在公司間抵銷之前：

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合併財務報表附註

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41. Investments in Subsidiaries (continued)

41. 於附屬公司的投資(續)

2018 2018年		Zhejiang NVC 浙江雷士 RMB' 000 千人民幣	NVC Brazil 巴西雷士 RMB' 000 千人民幣
Revenue	收入	706,935	5,731
Total expenses	費用合計	(674,800)	(9,468)
Profit/(loss) for the year	本年利潤/(虧損)	32,135	(3,737)
Total comprehensive income for the year	本年全面收入合計	32,135	(2,209)
Current assets	流動資產	366,205	9,959
Non-current assets	非流動資產	52,831	221
Current liabilities	流動負債	(210,207)	(26,546)
Net cash flows generated from operating activities	經營活動產生現金流量淨額	7,652	669
Net cash flows used in investing activities	投資活動所用現金流量淨額	(20,124)	-
Net cash flows used in financing activities	融資活動所用現金流量淨額	-	(638)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(12,472)	31

Notes to Consolidated Financial Statements

合併財務報表附註

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42. Related Party Transactions

- (a) None of the shareholders is the controlling entity of the Company.
- (b) In addition to the information detailed elsewhere in the consolidated financial statements, major related parties with which the Group had transactions during the current year and the prior year are listed below:

Entity with significant influence over the Group

Elec-Tech International Co., Ltd.

Subsidiaries of the entity with significant influence over the Group

Wuhu Retop Electronics Co., Ltd.

Elec-Tech Lighting Engineering Co., Ltd.

Elec-tech Optoelectronic Technology (Wuhu) Co., Ltd.

Zhuhai East Ying Cheng Precision Die-casting Co., Ltd.

Elec-Tech HK Limited

Elec-Tech Photoelectric Technology (Dalian) Co., Ltd.

Wuhu 3E Lighting Co., Ltd.

Elec-Tech International (H.K.) Company Limited

42. 關聯方交易

- (a) 概無股東為本公司控股實體。
- (b) 除合併財務報表其他地方詳載的資料外，本年及上一年度與本集團進行交易的主要關聯方載列如下：

對本集團具有重大影響力的實體

安徽德豪潤達電氣股份有限公司(前稱廣東德豪潤達電氣股份有限公司)

對本集團具有重大影響力的實體的附屬公司

蕪湖銳拓電子有限公司

廣東德豪潤達照明系統工程有限公司

蕪湖德豪潤達光電科技有限公司

珠海市東部穎承精密壓鑄有限公司

德豪潤達香港有限公司

大連德豪光電科技有限公司

蕪湖三頤照明有限公司

德豪潤達國際(香港)有限公司

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

42. Related Party Transactions (continued)

(b) (continued)
Subsidiaries of the entity with significant influence over the Group (continued)

Appliance Co. of America (Zhuhai) Co., Ltd.
Guangdong Elec-Tech Retop LED Display Co., Ltd.

Guangdong Elec-Tech Lighting Electrical Co., Ltd.

Bengbu NVC Lighting Technology Co., Limited

Vesta (Zhongshan) Co., Ltd.¹

Elec-Tech Zhuhai Co., Ltd.

Bengbu Songxin Technology Co., Limited

Yangzhou Dehaorunda Photoelectricity Co., Ltd

Huizhou Thor²

Associates of the Group

OLLE
Holdco and its subsidiaries

42. 關聯方交易 (續)

(b) (續)
對本集團具有重大影響力的實體的附屬公司 (續)

北美電器(珠海)有限公司
廣東德豪銳拓顯示技術有限公司

廣東德豪潤達照明電氣有限公司

蚌埠雷士照明科技有限公司

威斯達電照(中山)製造有限公司¹

珠海德豪潤達電氣有限公司

蚌埠崧欣電子科技有限公司

揚州德豪潤達光電有限公司

惠州雷通²

本集團的聯營公司

歐樂
控股公司及其附屬公司

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

42. Related Party Transactions (continued)

(b) (continued)

Entities controlled by Mr. WU Jiannong, a director and substantial shareholder of Zhejiang NVC

Jiangshan World Bright Crystal Co., Ltd.

Quzhou Aushite Illumination Co., Ltd.

Zhejiang Tonking New Energy Group Co., Ltd.

An entity controlled by Mr. WANG Dongming, a director of the Company

NVC Lighting & Electrical Technology Singapore Pte. Ltd.³

Key management personnel of the Company

Zhang Peng

An entity controlled by Ms. GAO Xia, the spouse of Mr. YE Yong, a director of the Company

Sichuan NVC Lighting Equipment Co., Ltd.

¹ During the year, the entity ceased to be a related party of the Group as it ceased to be a subsidiary of Elec-Tech International Co., Ltd.

² The entity was an associate of the Group. During the year, the entity ceased to be an associate of the Group after the Disposal but continued to be a related party of the Group as it was a 51%-owned subsidiary of Elec-Tech International Co., Ltd.

³ During the year, the entity ceased to be a related party of the Group as it has become a subsidiary of the Group.

42. 關聯方交易 (續)

(b) (續)

浙江雷士的董事及主要股東吳建農先生控制的實體

江山世明水晶玻璃有限公司

衢州奧仕特照明有限公司

浙江同景新能源集團有限公司

一家由本公司董事王冬明先生控制的實體

新加坡雷士照明電氣技術有限公司³

本公司的主要管理人員

張鵬

一家由本公司董事叶勇先生之配偶高霞女士控制的實體

四川雷士照明器材運營有限公司

¹ 年內，由於該實體不再為安徽德豪潤達電氣股份有限公司的附屬公司，其不再為本集團的關聯方。

² 該實體曾為本集團的聯營公司。年內，該實體於處置事項後不再為本集團的聯營公司，但由於其為安徽德豪潤達電氣股份有限公司擁有51%股權的附屬公司，因此繼續成為本集團的關聯方。

³ 年內，由於該實體已成為本集團一家附屬公司，其不再為本集團的關聯方。

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合併財務報表附註

31 December 2019 2019年12月31日

42. Related Party Transactions (continued)

- (c) In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

42. 關聯方交易 (續)

- (c) 除合併財務報表其他地方詳載的交易外，本集團年內有以下關聯方交易：

			2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
		Notes 附註		
Entity with significant influence over the Group:	對本集團具有重大影響力的實體：			
Purchase of finished goods	購買成品	(i)	5,169	21,073
Sales of finished goods	銷售成品	(i)	-	3
Service fee income	服務費收入	(i)	-	531
Consultancy fee	諮詢費	(i)	-	2,495
Purchase of raw materials	購買原材料	(i)	31	-
Logistic income	物流收入	(i)	1,538	-
Subsidiaries of the entity with significant influence over the Group:	對本集團具有重大影響力的實體的附屬公司：			
Purchase of raw materials and finished goods	購買原材料及成品	(i)	156,328	104,346
Sales of raw materials and finished goods	銷售原材料及成品	(i)	8,625	46,609
Logistic income	物流收入	(i)	3,716	598
Rental income	租金收入	(i)	488	81
Other expenses	其他費用	(i)	418	-
Trademark licence income	商標許可費收入	(ii)	9,167	-
Lease payment/rental expenses	租賃賬款／租金費用	(i)	923	325
Associates of the Group	本集團的聯營公司			
Purchases of raw materials and finished goods	購買原材料和成品	(i)	11,042	27,791
Sales of raw materials and finished goods	銷售原材料和成品	(i)	319	78,555
Logistic income	物流收入	(i)	-	134
Trademark licence income	商標許可費收入	(ii)	-	1,539
Rental income	租金收入	(i)	-	1,143

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合併財務報表附註

31 December 2019 2019年12月31日

42. Related Party Transactions (continued)

(c) (continued)

		Notes 附註	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Entities controlled by Mr. WU Jiannong, a director and substantial shareholder of Zhejiang NVC:	浙江雷士的董事及 主要股東吳建農先生 控制的實體：			
Purchases of raw materials and finished goods	購買原材料及成品	(i)	-	1,215
An entity controlled by Mr. WANG Dongming, a director of the Company	一家由本公司董事王冬明 先生控制的實體			
Consultancy fee	諮詢費	(i)	5,344	3,112
Sales of finished goods	銷售成品	(i)	262	1,308
Key management personnel of the Company	本公司主要管理人員			
Acquisition of a subsidiary	收購一家附屬公司	(i)	-	45,000
An entity controlled by Ms. GAO Xia, the spouse of Mr. YE Yong, a director of the Company	一家由本公司董事叶勇先生 之配偶高霞女士控制的實體			
Sales of raw materials and finished goods	銷售原材料和成品	(i)	18,002	-

42. 關聯方交易 (續)

(c) (續)

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42. Related Party Transactions (continued)

(c) (continued)

Notes:

- (i) The transactions were made at prices mutually agreed by both parties.
- (ii) Trademark licence income arose from licensing the "NVC" brand to the related parties, and was charged at 3% to 5% of their annual sales. The royalty rate was mutually agreed by both parties.

(d) Outstanding balances with related parties:

The detailed terms regarding the outstanding balances with related parties as at 31 December 2019 and 2018 are set out in Notes 25, 26, 30 and 31.

(e) Compensation of key management personnel of the Group:

Short-term employee benefits 短期僱員福利

42. 關聯方交易 (續)

(c) (續)

附註：

- (i) 交易乃根據雙方協定的價格進行。
- (ii) 授權關聯方使用「雷士」品牌所產生的商標許可費收入乃按關聯方全年銷售額的3%至5%計提。收費率乃由雙方協定。

(d) 關聯方的未清償結餘：

有關於2019年及2018年12月31日與關聯方的未清償結餘詳情載於附註25、26、30及31。

(e) 本集團主要管理人員薪酬：

	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Short-term employee benefits 短期僱員福利	45,634	40,198

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43. Financial Instruments by Category

The carrying amounts of each category of financial instruments as at the end of the reporting period are as follows:

Financial assets

Financial assets of the Group are categorised as below:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Financial assets at FVTPL		按公允價值計入損益之金融資產	
Held-for-trading investments	持做買賣投資	39,506	44,190
Contingent consideration receivable (Note 51(iv))	應收或有代價(附註51(iv))	46,066	-
		85,572	44,190
Financial assets at amortised cost		以攤銷成本列賬之金融資產	
Trade receivables	貿易應收賬款	591,713	1,065,455
Financial assets included in prepayments, deposits and other receivables	納入預付款、保證金及其他應收賬款的金融資產	408,912	312,385
Restricted bank balance and short-term deposits	受限制的銀行結餘及短期存款	56,300	677,502
Cash and cash equivalents	現金及現金等價物	1,551,520	912,998
		2,608,445	2,968,340
Total	合計		
Financial assets at FVOCI		按公允價值計入其他全面收入之金融資產	
Bills receivables	票據應收賬款	14,877	438,721
Unlisted and listed equity investments	非上市及上市股本投資	28,000	30,100
Listed debt investments	上市的債券投資	-	205,896
		42,877	674,717
Total	合計		

43. 按類別劃分的金融工具

於報告年度末，各類金融工具的賬面值如下：

金融資產

本集團金融資產的分類如下：

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43. Financial Instruments by Category (continued)

Financial liabilities

Financial liabilities of the Group are categorised as below:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Financial liabilities at amortised cost	以攤銷成本列賬之金融負債		
Trade and bills payables	貿易及票據應付賬款	530,918	1,385,298
Financial liabilities included in other payables and accruals	納入其他應付賬款及應計費用的金融負債	768,906	1,104,146
Interest-bearing loans and borrowings	計息貸款及借款	21,917	1,064,924
Lease liabilities	租賃負債	49,691	-
Total	合計	1,371,432	3,554,368
Financial liabilities at FVTPL	以公允價值計入損益之金融負債		
Derivative financial liabilities	衍生金融負債	-	10,689
Contingent consideration payable (Note 48)	應付或有代價(附註48)	-	1,633
Total	合計	-	12,322

43. 按類別劃分的金融工具 (續)

金融負債

本集團金融負債分類如下：

44. Fair Value of Financial Instruments

(a) Financial instruments not measured at fair value

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, lease liabilities and interest-bearing loans and borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

44. 金融工具之公允價值

(a) 並非按公允價值計量之金融工具

管理層評估現金及現金等價物、貿易應收賬款、貿易及票據應付賬款、納入預付款、保證金及其他應收賬款的金融資產、納入其他應付賬款及應計費用的金融負債、租賃負債及計息貸款及借款的公允價值與其賬面值相若，乃主要由於該等金融工具均於短期內到期所致。

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44. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value

The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the relationship between key observable inputs and fair value are set out below.

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

44. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具

具標準條款及條件及於活躍流動市場買賣的金融資產與負債的公允價值乃參考市場報價釐定。

用於釐定第二級及第三級財務工具的公允價值計量的估值技術及顯著不可觀察輸入以及關鍵可觀察輸入和公允價值之間的關係載列如下。

下表按公允價值等級分析按公允價值列賬的金融工具：

第一級：相同資產或負債於活躍市場的報價（未經調整）；

第二級：除第一級包括的報價外，該資產或負債直接（即例如價格）或間接（即源自價格）可觀察的其他輸入；及

第三級：並非根據可觀察市場數據的資產或負債的輸入（不可觀察輸入）。

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44. Fair Value of Financial Instruments (continued)

44. 金融工具之公允價值 (續)

(b) Financial instruments measured at fair value (continued)

(b) 按公允價值計量之金融工具(續)

		2019 2019年			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 合計
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
Financial assets:	金融資產：				
Held-for-trading investments	持做買賣投資				
Financial assets at FVTPL	按公允價值計入 損益之金融資產				
Listed equity investment	上市股本投資	39,506	-	-	39,506
Contingent consideration receivable	應收或有代價	-	-	46,066	46,066
Long term investments	長期投資				
Financial assets at FVOCI	按公允價值計入其他 全面收入之 金融資產				
Bills receivables	票據應收賬款	-	14,877	-	14,877
Listed equity investments	上市股本投資	28,000	-	-	28,000

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44. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

		2018 2018年			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	合計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000
		千人民幣	千人民幣	千人民幣	千人民幣
Financial assets:	金融資產：				
Held-for-trading investments	持做買賣投資				
Financial assets at FVTPL	按公允價值計入 損益之金融資產				
Listed equity investment	上市股本投資	44,190	-	-	44,190
Long term investments	長期投資				
Financial assets at FVOCI	按公允價值計入其他 全面收入之 金融資產				
Bills receivables	票據應收賬款	-	438,721	-	438,721
Listed equity investments	上市股本投資	28,000	-	-	28,000
Unlisted equity investments	非上市股本投資	-	-	2,100	2,100
Listed debt investments	上市債券投資	205,896	-	-	205,896
Financial liabilities:	金融負債：				
Financial liabilities at FVTPL	按公允價值計入 損益之金融負債				
Derivative financial liabilities	衍生金融負債				
- forward exchange contracts	- 遠期外匯合約	-	10,689	-	10,689
Contingent consideration payable	應付或有代價	-	-	1,633	1,633

There were no transfers between levels during the years ended 31 December 2019 and 2018.

44. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具(續)

截至2019年及2018年12月31日止年度，各層級之間並無轉移。

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44. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

Unlisted equity investments

非上市股本投資

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	2,100	2,000
Addition	添置	500	100
Fair value change	公允價值變動	14,565	-
Derecognition	終止確認	(100)	-
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	(17,065)	-
At 31 December	於12月31日	-	2,100

Contingent consideration receivable

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	-	-
Disposal of subsidiaries (Note 51(iv))	處置附屬公司(附註51(iv))	46,066	-
At 31 December	於12月31日	46,066	-

44. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具(續)

基於重要不可觀察輸入值(第三級)按公允價值列賬的金融工具之對賬如下:

Financial assets at FVOCI

按公允價值計入其他全面收入之金融資產

	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	2,100	2,000
Addition	500	100
Fair value change	14,565	-
Derecognition	(100)	-
Disposal of subsidiaries (Note 51)	(17,065)	-
At 31 December	-	2,100

應收或有代價

	2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	-	-
Disposal of subsidiaries (Note 51(iv))	46,066	-
At 31 December	46,066	-

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44. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

Contingent consideration payable

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
At 1 January	於1月1日	1,633	-
Business acquisition	業務收購	-	1,633
Transfer to financial liability at amortised cost	轉撥至按攤餘成本計量的金融負債	(1,633)	-
At 31 December	於12月31日	-	1,633

Details of the reconciliation for convertible bonds – derivate component at fair value during the year ended 31 December 2018 are set out in Note 47.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance manager analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

44. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具(續)

應付或有代價

截至2018年12月31日止年度，有關按公允價值列賬的可換股債券－衍生工具部份的對賬詳情載於附註47。

財務部經理所領導之本集團企業財務團隊負責釐定金融工具公允價值計量的政策及程序。財務部經理直接向首席財務官及審核委員會報告。於各報告日期，財務經理分析金融工具公允價值變動及釐定應用於估值之主要輸入數據。首席財務官審閱及批准估值。一年兩次與審核委員會討論估值程序及結果，以用於中期及年度財務報告。

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44. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

The fair values of the financial assets and liabilities are included at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Information about level 1 fair value measurements

The fair values of the listed equity and debts investments are determined based on quoted market price of the investment at the end of the year.

Information about level 2 fair value measurements

Fair value of bills receivables was measured based on recent transaction prices at the end of the year.

Fair value of forward exchange contracts were measured based on the forward exchange rate at the end of the year.

Information about level 3 fair value measurements

Fair values of the unlisted equity investments at the Closing and at 31 December 2018 have been estimated using a discounted cash flows model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unlisted equity investments.

44. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具(續)

金融資產及負債的公允價值乃各自願人士之間進行當前交易時買賣金融工具之價格，而該等交易並非在被迫或清盤下進行。

有關第一級公允價值計量的資料

上市股本及債券投資的公允價值乃根據年末投資的市場報價釐定。

有關第二級公允價值計量的資料

票據應收賬款的公允價值乃根據年末最近期交易價格釐定。

遠期外匯合約的公允價值乃根據年末遠期匯率釐定。

有關第三級公允價值計量的資料

於交割日及2018年12月31日，非上市股本投資的公允價值乃使用貼現現金流量模式估計。評估需要管理層須就模式輸入值作出一定假設，包括預測現金流量、折現率、信用風險及波幅。範圍內不同估計的可能性可被合理地估計，且用於管理層對該等非上市股本投資的公允價值估計。

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44. Fair Value of Financial Instruments (continued)

(b) Financial instruments measured at fair value (continued)

Financial instruments measured at fair value

Significant unobservable inputs

- Weighted average cost of capital	- 加權平均資本成本
- Revenue growth rate	- 收入增長率
- Long term perpetual growth rate	- 長期永久增長率

The fair value of contingent consideration receivable is estimated based on the carrying value of the investment in a joint venture, detail of which are set out in Note 51(iv).

The fair value of contingent consideration payable is estimated based on estimated profit after income tax of the Blue Light Group, details of which are set out in Note 48.

There were no changes in valuation techniques during the year.

44. 金融工具之公允價值 (續)

(b) 按公允價值計量之金融工具(續)

按公允價值計量之金融工具

重要不可觀察輸入值

12 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
17.8% – 24.5%	24.3%
2% – 15%	10% – 25%
2% – 3%	3%

應收或有代價的公允價值乃根據於合營公司的投資之賬面值估算，詳情載於附註51(iv)。

應付或有代價的公允價值乃根據蔚藍芯光集團的估計稅後利潤估算，詳情載於附註48。

年內估值技術並無變動。

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45. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing loans and borrowings, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, deposits and other receivables, trade and bills payables, other payables, long term investments, held-for-trading investments and derivative financial liabilities which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, commodity price risk, foreign currency risk, liquidity risk and equity price risk. The directors meet periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group adopts conservative strategies in its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes.

The Group does not hold or issue material derivative financial instruments for trading purposes. The directors review and agree policies for managing each of these risks and they are summarised below:

(a) Credit risk

The major concentration of credit risk arises from the Group's exposure to a substantial number of trade and bills receivables, deposits and other receivables from debtors. The Group has policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and has strict control over credit limits of trade receivables.

45. 財務風險管理目標及政策

本集團的主要金融工具包括計息貸款及借款、現金及短期存款。該等金融工具旨在為本集團的營運籌集資金。本集團有各種由其經營業務直接產生的其他金融資產及負債，例如貿易及票據應收賬款、保證金及其他應收賬款以及貿易及票據應付賬款、其他應付賬款、長期投資、持作買賣投資及衍生金融負債。

本集團金融工具的主要風險為信用風險、物價風險、外匯風險、流動資金風險及股權價格風險。董事定期開會分析並制訂措施以管理本集團對該等風險的敞口。一般而言，本集團在風險管理上引入保守策略。由於本集團對該等風險的敞口保持在最低水準，故本集團並未使用任何衍生工具及其他工具進行對沖。

本集團並無持有或發行重大的衍生金融工具用於交易。董事會複核及協商管理上述每種風險的政策，並概述如下：

(a) 信用風險

信用風險主要集中在本集團對債務人的大量貿易及票據應收賬款，保證金及其他應收賬款。本集團已經制訂政策以確保產品銷售予客戶時具有適當的信用額度，並嚴格控制貿易應收賬款的信用限額。

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45. Financial Risk Management Objectives and Policies *(continued)*

(a) Credit risk *(continued)*

The Group has entered into a number of one-year insurance contracts with China Export & Credit Insurance Corporation, which covered up to 75% to 90% of any uncollectible amount derived respectively from the overseas sales. The contracts were renewed in June and November every year, and subject to a maximum compensation amount of US\$48,000,000 for overseas sales in the current year. The Group purchased such insurance in order to minimise the exposure to credit risk as the Group expands its business. The insurance contracts were renewed in 2019. The insurance contracts with maximum compensation amount of US\$30,000,000 and US\$18,000,000 were extended to 30 June 2020 and 30 November 2020 respectively.

Cash and short-term deposits are mainly deposited with registered banks in Mainland China and Hong Kong. The Group has policies to limit its credit exposure to any financial institution. The directors consider the credit risk on listed equity and debt investments classified as financial assets at FVOCI and bills receivables is low since the issuers or the banks which guarantee payments of bills receivables are of high credit rating.

The carrying amounts of trade and bills receivables, deposits and other receivables and cash and short-term deposits included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets which carry significant exposure to credit risk.

45. 財務風險管理目標及政策 *(續)*

(a) 信用風險 *(續)*

本集團與中國出口信用保險公司訂立了多份為期一年的保險合同，分別承保海外銷售不可回收金額的75%至90%，該等合同於每年6月及11月續訂。有關本年海外銷售的最高賠償金額為48,000,000美元。由於本集團的業務不斷擴大，本集團購買該類保險以將信用風險降至最低。保險合同於2019年續訂，最高賠償金額為30,000,000美元及18,000,000美元的保險合同的屆滿日期分別延長至2020年6月30日及2020年11月30日。

現金及短期存款主要存於中國大陸及香港的註冊銀行。本集團制訂了限制其對任何金融機構信用風險的政策。由於發行人或擔保票據應收賬款支付的銀行具有較高的信用評級，董事認為分類為按公允價值計入其他全面收入之金融資產及票據應收賬款的上市股本及債務投資的信用風險較低。

納入合併財務狀況表的貿易及票據應收賬款、保證金及其他應收賬款以及現金及短期存款的賬面值為本集團就其承受重大信用風險的金融資產所承受的最大信用風險。

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies *(continued)*

(a) Credit risk *(continued)*

(i) Trade receivables

An impairment analysis is performed for trade receivables at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and coverage by credit insurance). 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.

45. 財務風險管理目標及政策 *(續)*

(a) 信用風險 *(續)*

(i) 貿易應收賬款

本集團於各報告日期利用撥備矩陣就貿易應收賬款進行減值分析，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部組別（即按地區、客戶類別及信貸保險涵蓋範圍）的逾期日數釐定。該計算方法反映概率加權結果、貨幣時間值以及於報告日期可得有關過往事件、當前條件及未來經濟條件預測的合理及具理據支持資料。

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk (continued)

(i) Trade receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2019 and 2018:

31 December 2019

		Expected loss rate	Gross carrying amount	Loss allowance
		預期虧損率	總賬面值	虧損撥備
		%	RMB' 000	RMB' 000
		%	千人民幣	千人民幣
Current	即期	0.14	409,719	593
Less than 2 months past due	逾期不足2個月	0.19	64,984	123
2 to 6 months past due	逾期2至6個月	0.19	68,793	131
7 to 12 months past due	逾期7至12個月	4.35	40,195	1,750
Over 1 year past due	逾期超過1年	57.61	25,051	14,432
			608,742	17,029

45. 財務風險管理目標及政策 (續)

(a) 信用風險 (續)

(i) 貿易應收賬款 (續)

下表列示於2019年及2018年12月31日，本集團貿易應收賬款的信用風險及預期信貸虧損的相關資料：

2019年12月31日

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk (continued)

(i) Trade receivables (continued)

31 December 2018

		Expected loss rate 預期虧損率 %	Gross carrying amount 總賬面值 RMB' 000 千人民幣	Loss allowance 虧損撥備 RMB' 000 千人民幣
Current	即期	0.13	842,066	1,096
Less than 2 months past due	逾期不足2個月	1.09	125,619	1,372
2 to 6 months past due	逾期2至6個月	2.73	53,046	1,446
7 to 12 months past due	逾期7至12個月	5.39	21,692	1,169
Over 1 year past due	逾期超過1年	88.46	243,680	215,565
			1,286,103	220,648

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in the loss allowance account in respect of trade receivables from contracts with customers during the year are set out in Note 25.

45. 財務風險管理目標及政策 (續)

(a) 信用風險 (續)

(i) 貿易應收賬款 (續)

2018年12月31日

預期虧損率按過往三年的實際虧損經驗計算。此等比率為反映期內(往績數據已在期間收集)經濟狀況與目前狀況之差異以及本集團對應收賬款預期存續期的經濟狀況之意見，而加以調整。

本年來自客戶合約之貿易應收賬款的虧損撥備賬變動載於附註25。

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk (continued)

(i) Trade receivables (continued)

During the year ended 31 December 2019, decrease in the gross carrying amount of trade receivables in the band of past due over 1 year of RMB218,629,000 (2018: increase of RMB27,892,000) resulted in an decrease in loss allowance of RMB201,133,000 (2018: increase of RMB26,189,000). Loss allowance decreased by RMB260,161,000 due to the Disposal (Note 51).

(ii) Other receivables

Other receivables comprised other receivables and loan receivable. Management makes periodic collective assessments as well as individual assessment on the recoverability of the receivables based on historical settlement records, past experience and time value of money. ECL model for other receivables and loan receivable is summarised below:

45. 財務風險管理目標及政策 (續)

(a) 信用風險 (續)

(i) 貿易應收賬款 (續)

截至2019年12月31日止年度，逾期超過1年的貿易應收賬款總賬面值減少人民幣218,629,000元（2018年：增加人民幣27,892,000元）導致虧損撥備減少人民幣201,133,000元（2018年：增加人民幣26,189,000元）。虧損撥備減少人民幣260,161,000元，乃由於處置事項所致（附註51）。

(ii) 其他應收賬款

其他應收賬款包括其他應收賬款及應收貸款。管理層根據歷史結算記錄、過往經驗及貨幣的時間價值就應收賬款的可收回性定期作出共同及個別評估。其他應收賬款及應收貸款的預期信貸虧損模型概述如下：

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies *(continued)*

(a) Credit risk *(continued)*

(ii) Other receivables *(continued)*

Receivables that are not credit-impaired on initial recognition are classified in “Stage 1” and have their credit risk continuously monitored by the Group. The ECL is measured on a 12-month basis.

- If a significant increase in credit risk (as defined in Note 2.3) since initial recognition is identified, the receivable is moved to “Stage 2” but it not yet deemed to be credit-impaired. The ECL is measured on lifetime basis.
- If the receivable is credit-impaired, it is then moved to “Stage 3”. The ECL is measured on lifetime basis.

45. 財務風險管理目標及政策 *(續)*

(a) 信用風險 *(續)*

(ii) 其他應收賬款 *(續)*

於初始確認時信貸並無受損的應收賬款分類為「第一階段」，本集團持續監控其信用風險。預期信貸虧損以12個月計量。

- 倘初始確認後發現信用風險（定義見附註2.3）大幅增加，應收賬款轉移至「第二階段」，惟尚不視為信貸受損。預期信貸虧損以整個存續期計量。
- 倘應收賬款信貸受損，應收賬款轉移至「第三階段」。預期信貸虧損以整個存續期計量。

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies *(continued)*

(a) Credit risk *(continued)*

(ii) Other receivables *(continued)*

- At Stages 1 and 2, interest income is calculated on the gross carrying amount (without deducting the loss allowance). If a receivable subsequently becomes credit-impaired (Stage 3), the Group is required to calculate the interest income by applying the effective interest method in subsequent reporting periods to the amortised cost of the receivable (the gross carrying amount net of loss allowance) rather than the gross carrying amount. The impairment of other receivables and loan receivable was provided based on the “three-stage” model by referring to the changes in credit quality since initial recognition.

45. 財務風險管理目標及政策 (續)

(a) 信用風險 (續)

(ii) 其他應收賬款 (續)

- 第一階段及第二階段的利息收入按總賬面值（並無扣除虧損撥備）計量。倘應收賬款其後出現信貸受損（第三階段），本集團於後續報告期採用實際利息法按應收賬款的攤餘成本（總賬面值扣除虧損撥備），而非總賬面值，計量利息收入。本集團參考初始確認後信貸質素變動根據「三階段」模型計提其他應收賬款及應收貸款減值。

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk (continued)

(ii) Other receivables (continued)

As at 31 December 2019, other receivables mainly included other receivables from third parties and related parties as detailed in Note 26(b).

The gross carrying amount of other receivables and loan receivable by stage are as follows:

45. 財務風險管理目標及政策 (續)

(a) 信用風險 (續)

(ii) 其他應收賬款 (續)

於2019年12月31日，其他應收賬款主要包括應收第三方及關聯方其他賬款，詳情載於附註26(b)。

按階段劃分的其他應收賬款及應收貸款的賬面總值如下：

		12-month ECLs 12個月 預期信貸虧損	Lifetime ECLs 存續期預期信貸虧損		
		Stage 1 第一階段	Stage 2 第二階段	Stage 3 第三階段	Total 合計
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
As 31 December 2019	於2019年12月31日				
Other receivables	其他應收賬款	409,999	-	666,619	1,076,618
As 31 December 2018	於2018年12月31日				
Other receivables	其他應收賬款	224,220	76,500	608,261	908,981
Loan receivable	應收貸款	12,000	-	-	12,000

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk (continued)

(ii) Other receivables (continued)

Expected loss rate adopted on the receivables classified in Stage 3 ranged from 99% to 100% (2018: 100%) while the expected loss rate adopted on other receivables and loan receivable classified in Stage 1 ranged from 0.5% to 4.35% (2018: Stage 1: 0.5% to 4.35%; Stage 2: 1%). No provision was made against the gross amount of loan receivable as the amount was immaterial.

The movements in provision for impairment of other receivables are as follows:

		12-month ECLs 12個月預期 信貸虧損 RMB' 000 千人民幣	Lifetime ECLs 存續期預期 信貸虧損 RMB' 000 千人民幣	Total 合計 RMB' 000 千人民幣
At 1 January 2018	於2018年1月1日	-	287,660	287,660
Impairment losses (reversed)/recognised	(已撥回)/ 已確認減值虧損	(322)	320,202	319,880
Exchange realignment	外匯調整	657	399	1,056
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	335	608,261	608,596
Impairment losses recognised	已確認減值虧損	750	670,683	671,433
Impairment losses written off	已撇銷減值虧損	-	(313)	(313)
Disposal of subsidiaries	處置附屬公司	-	(612,093)	(612,093)
Exchange realignment	外匯調整	3	80	83
At 31 December 2019	於2019年12月31日	1,088	666,618	667,706

45. 財務風險管理目標及政策 (續)

(a) 信用風險 (續)

(ii) 其他應收賬款 (續)

分類為第三階段的應收賬款的預期虧損率介乎99%至100% (2018年: 100%)，而分類為第一階段的其他應收賬款及應收貸款的預期虧損率為0.5%至4.35% (2018年: 第一階段: 0.5%至4.35%; 第二階段: 1%)。概無就應收貸款總額作出撥備，因其金額微不足道。

其他應收賬款減值撥備變動如下：

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies *(continued)*

(a) Credit risk *(continued)*

(ii) Other receivables *(continued)*

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Notes 25 and 26 respectively.

(b) Commodity price risk

The Group is exposed to fluctuations in the prices of raw materials which are influenced by global changes as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group historically has not entered into any commodity derivative instruments to hedge the potential commodity price changes. The Group has, however, increased its inventories of certain key raw materials to ensure adequate supplies.

(c) Foreign currency risk

The Group has transactional currency exposure. This exposure mainly arises from sales by an operating unit in a currency other than the unit's functional currency. The Group's entities sell their products to overseas customers. These sales are predominately conducted in US\$. As a result, the Group is exposed to fluctuations in the exchange rate between US\$ and RMB. As at 31 December 2019, the Group did not purchase forward exchange contracts to mitigate the foreign currency risk.

45. 財務風險管理目標及政策 *(續)*

(a) 信用風險 *(續)*

(ii) 其他應收賬款 *(續)*

有關本集團貿易應收賬款及其他應收賬款的信用風險的進一步定量披露分別載於附註25及26。

(b) 物價風險

本集團的原材料價格會隨著全球性和區域性供求狀況的變化而波動。原料價格波動可能對本集團的財務表現造成不利影響。本集團過往並未簽訂任何商品衍生工具以對沖潛在的物價變動。然而，本集團已通過增加若干主要原材料的存貨以確保充足供應。

(c) 外匯風險

本集團存在交易貨幣風險。該風險主要來自經營單位以其功能貨幣以外的其他貨幣計值的銷售。本集團的實體會向海外客戶銷售產品，該等銷售主要以美元計值。因此，本集團面臨美元與人民幣匯率波動的風險。於2019年12月31日，本集團並無購買遠期外匯合約以降低外匯風險。

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies (continued)

(c) Foreign currency risk (continued)

The following table demonstrates the sensitivity as at the end of the reporting period to a reasonably possible change in the US\$ exchange rate, with all other variables held constant, of the Group's profit or loss before income tax (due to changes in the fair value of monetary assets and liabilities).

2019

		Increase/ (decrease) in foreign currency exchange rate 外幣匯率 增加/(減少) %	Increase/ (decrease) in profit before income tax 稅前利潤 增加/(減少) RMB' 000 千人民幣
If RMB weakens against US\$	倘人民幣兌美元貶值	5	33,617
If RMB strengthens against US\$	倘人民幣兌美元升值	(5)	(33,617)

2018

		Increase/ (decrease) in foreign currency exchange rate 外幣匯率 增加/(減少) %	Increase/ (decrease) in profit before income tax 稅前利潤 增加/(減少) RMB' 000 千人民幣
If RMB weakens against US\$	倘人民幣兌美元貶值	5	10,971
If RMB strengthens against US\$	倘人民幣兌美元升值	(5)	(10,971)

45. 財務風險管理目標及政策 (續)

(c) 外匯風險 (續)

下表列示在假設所有其他變量保持不變的情況下，本集團稅前利潤或虧損於報告年度末對美元匯率可能合理變動的敏感度(因貨幣資產及負債的公允價值變動所致)。

2019年

		Increase/ (decrease) in foreign currency exchange rate 外幣匯率 增加/(減少) %	Increase/ (decrease) in profit before income tax 稅前利潤 增加/(減少) RMB' 000 千人民幣
If RMB weakens against US\$	倘人民幣兌美元貶值	5	33,617
If RMB strengthens against US\$	倘人民幣兌美元升值	(5)	(33,617)

2018年

		Increase/ (decrease) in foreign currency exchange rate 外幣匯率 增加/(減少) %	Increase/ (decrease) in profit before income tax 稅前利潤 增加/(減少) RMB' 000 千人民幣
If RMB weakens against US\$	倘人民幣兌美元貶值	5	10,971
If RMB strengthens against US\$	倘人民幣兌美元升值	(5)	(10,971)

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies (continued)

(d) Liquidity risk

The Group monitors its risk to a shortage of funds by considering the maturity of its financial instruments, financial assets and liabilities and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other interest-bearing borrowings. The directors have reviewed the Group's working capital and capital expenditure requirements and determined that the Group does not have any significant liquidity risk.

The maturity profile of the Group's financial liabilities, other than lease liabilities (Note 17), based on the contractual undiscounted payments is as follows:

31 December 2019

		On demand Carrying amount 賬面值 RMB' 000 千人民幣	or within one year 按要求即付或 於一年以內 RMB' 000 千人民幣	Total undiscounted cash flows 未貼現 現金流量合計 RMB' 000 千人民幣
Non-derivatives:	非衍生工具：			
Trade and bills payables	貿易及票據應付賬款	530,918	530,918	530,918
Financial liabilities included in other payables and accruals	納入其他應付賬款及 應計費用的金融負債	768,906	768,906	768,906
Interest-bearing loans and borrowings	計息貸款及借款	21,917	21,917	21,917
Total	合計	1,321,741	1,321,741	1,321,741

45. 財務風險管理目標及政策 (續)

(d) 流動資金風險

本集團通過考慮其金融工具、金融資產及負債的到期日以及預計經營活動所得現金流量監控其資金短缺的風險。本集團的目標是通過使用銀行貸款及其他計息借款，保持資金供應的連續性和靈活性。董事已核查本集團的營運資金及資本支出需求，並確定本集團並無任何重大流動資金風險。

根據已訂約但未折現付款，本集團的金融負債(除租賃負債(附註17)外)到期情況如下：

2019年12月31日

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合併財務報表附註

31 December 2019 2019年12月31日

45. Financial Risk Management Objectives and Policies (continued)

(d) Liquidity risk (continued)

31 December 2018

		On demand Carrying amount	or within one year 按 要求即付或 於一年以內	Total undiscounted cash flows 未貼現現金 流量合計
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
Non-derivatives:	非衍生工具：			
Trade and bills payables	貿易及票據應付賬款	1,385,298	1,385,298	1,385,298
Financial liabilities included in other payables and accruals	納入其他應付賬款及應計 費用的金融負債	1,104,146	1,104,146	1,104,146
Interest-bearing loans and borrowings	計息貸款及借款	1,064,924	1,082,034	1,082,034
Contingent consideration payable	應付或有代價	1,633	1,633	1,633
Total	合計	3,556,001	3,573,111	3,573,111
Derivatives:	衍生工具：			
Derivative financial liabilities*	衍生金融負債*	10,689	10,689	10,689

* Derivative financial liabilities are expected to be settled in net basis.

45. 財務風險管理目標及政策 (續)

(d) 流動資金風險 (續)

2018年12月31日

	On demand Carrying amount	or within one year 按 要求即付或 於一年以內	Total undiscounted cash flows 未貼現現金 流量合計
	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣

Non-derivatives:	非衍生工具：			
Trade and bills payables	貿易及票據應付賬款	1,385,298	1,385,298	1,385,298
Financial liabilities included in other payables and accruals	納入其他應付賬款及應計 費用的金融負債	1,104,146	1,104,146	1,104,146
Interest-bearing loans and borrowings	計息貸款及借款	1,064,924	1,082,034	1,082,034
Contingent consideration payable	應付或有代價	1,633	1,633	1,633
Total	合計	3,556,001	3,573,111	3,573,111
Derivatives:	衍生工具：			
Derivative financial liabilities*	衍生金融負債*	10,689	10,689	10,689

* 衍生金融負債預期以淨額結算。

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45. Financial Risk Management Objectives and Policies *(continued)*

(e) Equity price risk

The Group is exposed to equity price changes arising from equity instruments classified as trading securities and financial assets at FVOCI. Other than unquoted securities held for strategic purposes, all of these investments are listed.

The Group's listed investments are listed on Shenzhen Stock Exchange. Decisions to buy and sell trading securities are based on daily monitoring of the performance of individual securities compared to other industry indicators, as well as the Group's liquidity needs. Listed investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group.

All of the Group's unquoted investments are held for long term strategic purposes. Their performance is assessed at least bi-annually against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long term strategic plans.

45. 財務風險管理目標及政策 *(續)*

(e) 股權價格風險

本集團須承受分類為交易證券及按公允價值計入其他全面收入之金融資產之股本工具所產生之股權價格變動風險。除持作策略用途之非上市證券外，所有投資均為上市證券投資。

本集團的上市投資在深圳證券交易所上市。決定購入及出售交易證券之基礎為每日監察個別證券及其他行業指標之相對表現，以及本集團對流動資金之需求。作為可供出售投資組合持有之上市投資乃按長期增長潛力挑選，並定期監察其表現是否符合預期。投資組合乃根據本集團所設定之限制按行業分佈情況作多元化投資。

本集團所有非上市投資乃持作長期策略用途。本集團會根據可獲得的有限資料，按照近似上市實體之表現對非上市證券投資之表現進行至少每年兩次之評估，此外還要評估非上市證券投資是否符合本集團長期策略計劃。

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45. Financial Risk Management Objectives and Policies (continued)

(e) Equity price risk (continued)

Sensitivity analysis

The sensitivity analysis on equity price risk includes the Group's financial instruments, which fair value or future cash flows will fluctuate because of changes in their corresponding or underlying asset's equity price. If the prices of the respective listed equity instruments had been 5% higher/lower, profit (2018: loss) for the year would increase/decrease (2018: decrease/increase) by RMB1,975,000 (2018: RMB2,210,000) and other component of equity would increase/decrease by RMB1,400,000 (2018: RMB1,400,000).

46. Capital Management

The primary objective of the Group's capital management is to maintain the Group's stability and growth. The Group regularly reviews and manages its capital structure and makes adjustments to it, taking into consideration changes in economic conditions, future capital requirements of the Group, current and projected profitability and operating cash flows, projected capital expenditure and projected strategic investment opportunities.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity attributable to owners of the parent. Net debt includes interest-bearing loans and borrowings less cash and short-term deposits. The Group's policy is to maintain a gearing ratio at a reasonable level.

45. 財務風險管理目標及政策 (續)

(e) 股權價格風險 (續)

敏感度分析

股權價格風險之敏感度分析包括本集團之金融工具，其公允價值或未來現金流量將會因其相應或相關資產之股權價格變動而波動。倘各上市股本工具之價格上升／下跌5%，本年利潤（2018年：虧損）將增加／減少（2018年：減少／增加）人民幣1,975,000元（2018年：人民幣2,210,000元），而其他股本部份則將增加／減少人民幣1,400,000元（2018年：人民幣1,400,000元）。

46. 資本管理

本集團資本管理的主要目的是保持本集團的穩定和增長。本集團定期檢討並管理其資本結構，並經考慮經濟狀況的變動、本集團未來資本需求、現行及預計盈利能力和經營現金流量、預計資本支出及預計戰略投資機會後對其作出調整。

本集團使用資本負債比率監控資本。資本負債比率是淨債務除以母公司擁有人應佔總權益。淨債務包括計息貸款及借款減去現金及短期存款。本集團的政策是將資本負債比率保持在合理水準。

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46. Capital Management (continued)

The gearing ratios as at the end of the reporting periods were as follows:

		2019 2019年 RMB' 000 千人民幣	2018 2018年 RMB' 000 千人民幣
Interest-bearing loans and borrowings	計息貸款及借款	21,917	1,064,924
Total debt	債務合計	21,917	1,064,924
Less: cash and cash equivalents and short-term deposits	減：現金及現金等價物及短期存款	(1,607,820)	(1,590,500)
Net debt	淨債務	N/A 不適用	N/A 不適用
Total equity attributable to owners of the parent	母公司擁有人應佔總權益	3,319,729	3,286,696
Gearing ratio	資本負債比率	N/A 不適用	N/A 不適用

46. 資本管理 (續)

於報告期末的資本負債比率如下：

47. Convertible Bonds

On 20 May 2016, the Company and an independent third party entered into a subscription agreement (the "Subscription Agreement") in relation to the issue of convertible bonds denominated in HK\$ in an aggregate principal amount of HK\$500,000,000 (the "Convertible Bonds"). The Convertible Bonds were issued on 7 June 2016.

Pursuant to the Subscription Agreement, the Convertible Bonds are convertible into fully paid ordinary shares:

47. 可換股債券

於2016年5月20日，本公司與一名獨立第三方就發行以港元計值的本金額合共500,000,000港元的可換股債券（「可換股債券」）訂立認購協議（「認購協議」）。可換股債券已於2016年6月7日發行。

根據認購協議，可換股債券可轉換為已繳足普通股：

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47. Convertible Bonds (continued)

- (a) on or after the issue date (i.e. 7 June 2016) and up to and excluding the close of business on the second anniversary of the issue date (the “First Maturity Date”), i.e. June 2018, at an initial conversion price of HK\$0.925 per share (subject to anti-dilutive adjustments); and
- (b) with extension up to and excluding the close of business on the fourth anniversary of the issue date if agreed by the Company and the bondholder in writing at least 30 days prior to the First Maturity Date (the “Second Maturity Date”).

The Convertible Bonds bear interest at the rate of 7.8% per annum on the principal amount of the bonds outstanding. The interest will be payable by the Company semi-annually in arrears. The outstanding amount of the Convertible Bonds will be redeemed on maturity (the date falling on the First Maturity Date or the Second Maturity Date, where applicable) at a value equal to the aggregate of (1) its principal amount outstanding; and (2) the interest accrued.

The Convertible Bonds that contain both liability and conversion option components were classified separately into their respective items on initial recognition. The embedded derivative of conversion option is therefore accounted for as a derivative. The fair values of the derivative component are determined based on the valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent firm of professionally qualified valuers, using the binomial option pricing model. Changes in fair value of that component between the measurement dates are recognised in profit or loss. The fair value of the liability component is measured as the present value of the expected payments and principal repayment at maturity on initial recognition and is carried as a liability on the amortised cost basis until extinguished on conversion or redemption.

47. 可換股債券 (續)

- (a) 於發行日(即2016年6月7日)或之後起直至發行日第二個週年當日營業時間結束(不包括該日)(「首個到期日」)(即2018年6月)止期間按初始換股價每股0.925港元(須經反攤薄調整);及
- (b) 倘本公司及債券持有人於首個到期日前最少30日以書面方式同意延期直至發行日第四個週年當日營業時間結束(不包括該日)(「第二個到期日」)。

可換股債券按尚未贖回債券本金額以年利率7.8%計息。本公司將於每半年期後支付利息。可換股債券未行使金額將於到期時(首個到期日或第二個到期日當日(倘適用))按(1)其尚未贖回本金額;及(2)應計利息之和贖回。

包含負債及換股權部份的可換股債券於初步確認時分開歸類為獨立項目。換股權的嵌入式衍生工具因此入賬列作衍生工具。衍生工具部份的公允價值乃根據一家獨立專業合資格評估師仲量聯行企業評估及諮詢有限公司以二項式期權定價模式進行的估值釐定。該部份於計量日期間的公允價值變動確認為損益。負債部份的公允價值於初步確認時按預期付款及本金還款於到期時的現值計量，並按攤餘成本計入負債，直至被轉換或被贖回為止。

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47. Convertible Bonds (continued)

On 4 May 2018, pursuant to an amendment deed approved by the bondholder, the Company and the bondholder agreed to amend the terms of the Convertible Bonds as follows:

- (a) The conversion price, which was originally HK\$0.925 per share is amended to HK\$0.77 per share (subject to anti-dilutive adjustments); and
- (b) The maturity date of the Convertible Bonds is extended to 7 June 2020.

Save as disclosed above, all the other terms and conditions of the Convertible Bonds shall remain unchanged. The amendments have been approved by the shareholders of the Company at the extraordinary general meeting on 15 June 2018.

Consequently, a loss arising from the modification of the terms of RMB78,387,000, being the difference between the carrying amount and fair value of the components of the Convertible Bonds on the date of modification, has been recognised in profit or loss during the year ended 31 December 2018.

In August 2018, the Convertible Bonds were converted in full at the conversion price of HK\$0.77 per share (the "Conversion"). Accordingly, 649,350,649 shares were allotted to the bondholder pursuant to the terms and conditions of the Convertible Bonds. The liability and derivative components of the Convertible Bonds have been derecognised upon the Conversion resulting in amounts of RMB444 and RMB450,492,000 credited to share capital and share premium respectively.

47. 可換股債券 (續)

於2018年5月4日，根據經債券持有人批准之修訂契據，本公司與債券持有人同意修訂可換股債券之以下條款：

- (a) 換股價原定為每股0.925港元，將修訂為每股0.77港元（須經反攤薄調整）；及
- (b) 可換股債券之到期日延長至2020年6月7日。

除上文所披露者外，可換股債券之所有其他條款及條件將保持不變。該等修訂於2018年6月15日的股東特別大會上獲本公司股東批准。

因此，因修訂條款而產生之虧損人民幣78,387,000元，即可換股債券於修訂當日的賬面值與部分的公允價值之間的差額，於截至2018年12月31日止年度內確認為損益。

於2018年8月，可換股債券按每股0.77港元的轉換價（「轉換」）悉數轉換。據此，根據可換股債券的條款及條件，向債券持有人配發649,350,649股股份。可換股債券的負債及衍生工具部份於轉換時終止確認，導致分別計入人民幣444元及人民幣450,492,000元作為股本及股份溢價。

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47. Convertible Bonds (continued)

The movements of the liability component and derivative component of the Convertible Bonds during the year ended 31 December 2018 are as follows:

		Liability component	Derivative component	Total
		負債部份	衍生工具部份	合計
		RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣
At 1 January 2018	於2018年1月1日	421,229	11,933	433,162
Effective interest expense recognised to profit or loss	於損益表確認的實際利息開支	24,730	–	24,730
Interest paid	已付利息	(21,061)	–	(21,061)
Loss on modification of terms	修訂條款產生之虧損	(19,891)	98,278	78,387
Fair value change	公允價值變動	–	(82,903)	(82,903)
Conversion	轉股	(419,672)	(30,820)	(450,492)
Exchange realignment	外匯調整	14,665	3,512	18,177
At 31 December 2018	於2018年12月31日	–	–	–

The major inputs for the valuation of the fair value of the derivative component of the Convertible Bonds as at conversion date and modification date are shown as follows:

		At conversion date	At modification date
		於轉換日	於修改日
Share price	股價	HK\$0.630 0.630港元	HK\$0.790 0.790港元
Conversion price	換股價	HK\$0.770 0.770港元	HK\$0.770 0.770港元
Risk-free rate	無風險利率	1.706%	1.837%
Volatility	波幅	38.81%	39.39%

47. 可換股債券 (續)

於截至2018年12月31日止年度，可換股債券的負債部份及衍生工具部份的變動如下：

於轉換日及修改日可換股債券衍生工具部份公允價值估值的主要輸入數據列示如下：

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48. Acquisition of Subsidiaries

During the year ended 31 December 2018, the Group acquired the entire equity interests in the Blue Light Group and the HKSSL Group from independent vendors and a key management personnel of the Group. The acquisitions were made with the aims to expand the Group's existing scale of operations. The principal activities of Blue Light Group and HKSSL Group are set out in Notes 20 and 41 respectively.

48. 收購附屬公司

截至2018年12月31日止年度，本集團自獨立賣方及本集團一名主要管理人員收購蔚藍芯光集團及香港怡達集團全部股權。相關收購旨在擴大本集團的現有經營規模。蔚藍芯光集團及香港怡達集團之主要業務載於附註20及41。

Name of entities	實體名稱	Dates of acquisitions	收購日期
Blue Light Group	蔚藍芯光集團	July 2018	2018年7月
HKSSL Group	香港怡達集團	November 2018	2018年11月

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48. Acquisition of Subsidiaries (continued)

Fair value of identifiable assets and liabilities as at the respective dates of the acquisitions:

48. 收購附屬公司 (續)

於各收購日期的可識別資產及負債的公允價值：

		Blue Light Group 蔚藍芯光集團 RMB' 000 千人民幣	HKSSL Group 香港怡達集團 RMB' 000 千人民幣	Total 合計 RMB' 000 千人民幣
Property, plant and equipment	物業、廠房及設備	8,318	34,244	42,562
Other intangible assets	其他無形資產	2,279	388,918	391,197
Deferred tax assets	遞延稅項資產	-	6,284	6,284
Non-current prepayments	非流動預付款	-	8,832	8,832
Inventories	存貨	86,640	142,922	229,562
Trade and bills receivables	貿易及票據應收賬款	157,578	125,809	283,387
Prepayments, deposits and other receivables	預付款、保證金及其他應收賬款	319,738	30,930	350,668
Other current assets	其他流動資產	-	11,965	11,965
Restricted bank balances and short-term deposits	受限制的銀行結餘及短期存款	-	73,867	73,867
Cash and cash equivalents	現金及現金等價物	32,591	82,291	114,882
Trade and bills payables	貿易及票據應付賬款	(245,403)	(254,755)	(500,158)
Other payables and accruals	其他應付賬款及應計費用	(131,001)	(52,894)	(183,895)
Interest-bearing loans and borrowings	計息貸款及借款	(1,560)	-	(1,560)
Income tax recoverable/(payable)	預付/(應繳)所得稅	2,459	(24,609)	(22,150)
Deferred tax liabilities	遞延稅項負債	(2,500)	(61,037)	(63,537)
		229,139	512,767	741,906
Less: NCI in subsidiaries of Wuhu Electronic	減：於蕪湖電商附屬公司之非控制性 權益	(5,849)	-	(5,849)
Net identifiable assets (net of NCI)	可識別資產淨額(扣除非控制性權益)	223,290	512,767	736,057
Cash consideration	現金代價	853,290	890,000	1,743,290
Add:	加：			
Fair value of previously held equity interest in Wuhu Electronic	先前持有的蕪湖電商股權的公允價值	97,349	-	97,349
Contingent consideration in relation to the profit guarantee	與利潤保證有關的或有代價	1,633	-	1,633
Less: fair values of the identifiable assets and liabilities (net of NCI)	減：可識別資產及負債的公允價值 (扣除非控制性權益)	(223,290)	(512,767)	(736,057)
Goodwill	商譽	728,982	377,233	1,106,215

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48. Acquisition of Subsidiaries (continued)

An analysis of the cash flows in respect of the acquisitions are set out as follows:

		2018 2018年 RMB'000 千人民幣
Cash consideration	現金代價	(1,743,290)
Included in other receivables	計入其他應收賬款	(6,710)
Included in other payables	計入其他應付賬款	368,290
Bank balances and cash acquired	已收購銀行結餘及現金	114,882
Net cash outflows of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得 現金流量之現金及 現金等價物流出淨額	<u>(1,266,828)</u>

The fair value of trade and other receivables as at the dates of acquisitions amounted to RMB424,072,000. The gross contractual amount of trade and other receivables was RMB424,910,000 of which trade receivables of RMB3,000 and other receivables of RMB835,000 were expected to be uncollectible.

Since the acquisition dates, the Blue Light Group and the HKSSL Group have contributed, in aggregate, RMB777,425,000 and RMB93,259,000 to Group's revenue and profit respectively. If the acquisitions had occurred on 1 January 2018, the Group's revenue and loss would have been RMB6,144,344,000 and RMB185,161,000 respectively. This pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed on 1 January 2018, nor is it intended to be a projection of future performance.

48. 收購附屬公司 (續)

有關收購之現金流量分析如下：

貿易及其他應收賬款於收購日期的公允價值為人民幣424,072,000元。貿易及其他應收賬款的合約總額為人民幣424,910,000元，其中人民幣3,000元的貿易應收賬款及人民幣835,000元的其他應收賬款預期無法收回。

自收購日期起，蔚藍芯光集團及香港怡達集團合共對本集團之收益及利潤分別貢獻人民幣777,425,000元及人民幣93,259,000元。假設收購事項於2018年1月1日發生，本集團的收益及虧損分別為人民幣6,144,344,000元及人民幣185,161,000元。此備考資料僅作說明用途，並不一定能顯示在收購事項於2018年1月1日已完成的情況下本集團實際會取得的收益及經營業績，亦不擬作為日後表現的預測。

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48. Acquisition of Subsidiaries (continued)

Pursuant to the share purchase agreements of the Blue Light Group, the Group conditionally agreed to purchase and the vendor conditionally agreed to sell equity interest of the Blue Light Group at a cash consideration of RMB853,290,000 (being the initial cash consideration of RMB860,000,000 minus the compensation payable by the vendor arising from the shortfall of guaranteed audited net assets of the Blue Light Group as at 31 December 2017 of RMB6,710,000 included in other receivables) and a performance-based contingent consideration which is calculated by applying multipliers on the difference between the audited profit after income tax of the Blue Light Group for the year ended 31 December 2018 and the minimum guaranteed profit of RMB140 million.

As at the acquisition date of the Blue Light Group, the fair value of the contingent consideration was estimated to be RMB1,633,000 which will be due for settlement by the Group in 2019.

The fair value of the contingent consideration payable was estimated based on budgeted profit after tax of the Blue Light Group for the year ended 31 December 2018 at the acquisition date. The contingent consideration payable remained unchanged as at 31 December 2018.

The acquisition-related costs of RMB12,674,000 have been expensed and are included in administrative expenses.

48. 收購附屬公司 (續)

根據蔚藍芯光集團之購股協議，本集團有條件同意購入而賣方有條件同意出售蔚藍芯光集團之股權，現金代價為人民幣853,290,000元（即初步現金代價人民幣860,000,000元減賣方因蔚藍芯光集團於2017年12月31日擔保經審核淨資產不足而應付之補償金人民幣6,710,000元（計入其他應收賬款）），及按表現釐定的或有代價，即對蔚藍芯光集團截至2018年12月31日止年度經審核除所得稅後利潤與最低保證利潤人民幣140,000,000元之間的差額乘以倍數計算得出。

於蔚藍芯光集團收購日期，或有代價公允價值估計為人民幣1,633,000元，將由本集團於2019年結算。

應付或有代價公允價值乃根據蔚藍芯光集團於收購日截至2018年12月31日止年度之除預算稅後利潤估計。應付或有代價於2018年12月31日維持不變。

收購相關成本人民幣12,674,000元已列作支銷，並計入管理費用。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

49. Acquisition of Additional Interests in Subsidiaries

During the year ended 31 December 2018, the Group acquired additional 49.99% equity interest in Huizhou Shangyi E-commerce Co., Ltd (“Shangyi Electronic”) and its wholly-owned subsidiary (collectively the “Shangyi Electronic Group”), which increased the Group’s interest in both subsidiaries from 50.01% to 100% for an aggregate consideration of RMB25,000,000. The difference of approximately RMB22,689,000 between the proportionate share of the carrying amount of net assets of Shangyi Electronic Group and the consideration paid for the additional interests has been debited to share premium.

49. 收購附屬公司額外股權

截至2018年12月31日止年度，本集團額外收購惠州市尚億電子商務有限公司（「尚億電商」）及其全資附屬公司（統稱為「尚億電商集團」）的49.99%股權，本集團於兩間附屬公司的權益由50.01%增加至100%，總代價為人民幣25,000,000元。按比例應佔尚億電商集團資產淨值之賬面值與額外權益已付代價之間的差額約為人民幣22,689,000元，已於股份溢價中扣除。

2018
2018年
RMB'000
千人民幣

Consideration paid for additional equity interest in Shangyi Electronic	尚億電商額外權益已付代價	25,000
Carrying amount of NCI acquired	被收購的非控制性權益賬面值	(2,311)
Debited to share premium account	於股份溢價賬扣除	22,689

Notes to Consolidated Financial Statements

合併財務報表附註

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50. Note to the Consolidated Statement of Cash Flows

(a) Reconciliation of financial liabilities arising from financing activities

50. 合併現金流量表之附註

(a) 融資活動產生之金融負債對賬

		Bank loans and other borrowings (Note 32)	Convertible bond – Liabilities component (Note 47)	Lease liabilities (Note 17)
		銀行貸款及 其他借款 (附註32)	可換股債券 – 負債部份 (附註47)	租賃負債 (附註17)
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
At 1 January 2018	於2018年1月1日	24,940	421,229	-
Changes from cash flows:	現金流量變動：			
Proceeds from new bank loans	新增銀行貸款的所得賬款	1,060,670	-	-
Repayment of bank loans	償還銀行貸款	(22,246)	-	-
Interest paid	已付利息	(35,165)	(21,061)	-
Total changes from financing cash flows:	融資現金流量之變動總額：	1,003,259	(21,061)	-
Exchange adjustments:	匯兌調整：	-	14,665	-
Other changes:	其他變動：			
Loss arising from modification of terms of the convertible bonds	修訂可換股債券之條款產生之虧損	-	(19,891)	-
Increase arising from acquisition of subsidiaries	因收購附屬公司而增加	1,560	-	-
Conversion of convertible bonds	轉換可換股債券	-	(419,672)	-
Interest expenses	利息開支	35,165	24,730	-
Total other changes	其他變動總額	36,725	(414,833)	-
At 31 December 2018 and 1 January 2019 as originally presented	於2018年12月31日及2019年 1月1日原先呈列	1,064,924	-	-
Initial application of IFRS 16	初步應用國際財務報告準則第16號	-	-	27,708

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

50. Note to the Consolidated Statement of Cash Flows (continued)

(a) Reconciliation of financial liabilities arising from financing activities (continued)

		Bank loans and other borrowings (Note 32)	Convertible bond - Liabilities component (Note 47)	Lease liabilities (Note 17)
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
Restated balance at 1 January 2019	於2019年1月1日的重列結餘	1,064,924	-	27,708
Changes from cash flows:	現金流量變動：			
Repayment of bank loans	償還銀行貸款	(816,258)	-	-
Interest paid	已付利息	(22,215)	-	-
Lease payments	租賃付款	-	-	(23,854)
Total changes from financing cash flows:	融資現金流量之變動總額：	(838,473)	-	(23,854)
Exchange adjustments:	匯兌調整：	2,695	-	780
Other changes:	其他變動：			
Increase arising from business combination	因業務合併而增加	-	-	601
Additions	添置	-	-	81,761
Interest expenses	利息開支	22,215	-	5,897
Modification of lease term	修訂租賃條款	-	-	(15,242)
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	(229,444)	-	(27,960)
Total other changes	其他變動總額	(207,229)	-	45,057
At 31 December 2019	於2019年12月31日	21,917	-	49,691

50. 合併現金流量表之附註 (續)

(a) 融資活動產生之金融負債對賬 (續)

		Bank loans and other borrowings (Note 32)	Convertible bond - Liabilities component (Note 47)	Lease liabilities (Note 17)
		RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
Restated balance at 1 January 2019	於2019年1月1日的重列結餘	1,064,924	-	27,708
Changes from cash flows:	現金流量變動：			
Repayment of bank loans	償還銀行貸款	(816,258)	-	-
Interest paid	已付利息	(22,215)	-	-
Lease payments	租賃付款	-	-	(23,854)
Total changes from financing cash flows:	融資現金流量之變動總額：	(838,473)	-	(23,854)
Exchange adjustments:	匯兌調整：	2,695	-	780
Other changes:	其他變動：			
Increase arising from business combination	因業務合併而增加	-	-	601
Additions	添置	-	-	81,761
Interest expenses	利息開支	22,215	-	5,897
Modification of lease term	修訂租賃條款	-	-	(15,242)
Disposal of subsidiaries (Note 51)	處置附屬公司(附註51)	(229,444)	-	(27,960)
Total other changes	其他變動總額	(207,229)	-	45,057
At 31 December 2019	於2019年12月31日	21,917	-	49,691

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

50. Note to the Consolidated Statement of Cash Flows (continued)

(b) Significant non-cash transactions

Save as disclosed in Notes 17 and 51, the Group had no significant non-cash transactions during the year.

51. Disposal of Subsidiaries

(a) The Disposal

On 12 December 2019, pursuant to the share purchase agreement dated 10 August 2019 (the “SPA”) entered into between the Company, LED Holdings Limited (a subsidiary of the Company), Holdco, the Purchaser and Lighting Holding II Pte. Ltd. (“Lighting Holdings II”) (a company which owns 100% of share capital of Holdco), the Group disposed of 100% equity interest in the Target Companies to the Purchaser (an independent third party) at cash consideration of approximately RMB4,611,308,000 (the “Cash Consideration”), subject to certain possible adjustments and Holdco will issue new ordinary shares in Holdco to the Company representing 30% of the total issue capital of Holdco (the “Share Consideration”). After the Closing, the Company and Lighting Holdings II indirectly hold 30% and 70% equity interests in the Target Group respectively.

Further details are set out in the Company’s Circular dated 30 October 2019.

50. 合併現金流量表之附註 (續)

(b) 重大非現金交易

除附註17及51所披露者外，本集團於本年概無重大非現金交易。

51. 處置附屬公司

(a) 處置事項

於2019年12月12日，本公司、耀能控股有限公司（本公司之附屬公司）、控股公司、買方及 Lighting Holding II Pte. Ltd.（「Lighting Holdings II」）（一家擁有控股公司全部股本的公司）訂立日期為2019年8月10日的購股協議（「購股協議」），據此本集團以現金代價約人民幣4,611,308,000元（「現金代價」）向買方（獨立第三方）處置目標公司的全部股權，根據若干可能調整及控股公司將向本公司發行控股公司之新普通股，佔控股公司發行資本總額的30%（「股份代價」）。交割完成後，本公司及Lighting Holdings II分別間接持有目標集團30%及70%的股權。

更多詳情載於本公司日期為2019年10月30日之通函。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

51. Disposal of Subsidiaries (continued)

(b) Disposal of the Subsidiary

During 2019, the Group disposed of its entire interest in the Subsidiary to an independent third party at a consideration of RMB100,000, resulting in a gain on disposal of RMB761,273,000 recognised in profit or loss.

The net assets/(liabilities) of the Target Group and the Subsidiary at the date of disposal were as follows:

51. 處置附屬公司 (續)

(b) 處置附屬公司

於2019年，本集團以代價人民幣100,000元向一名獨立第三方處置其於該附屬公司的全部權益，並因此於損益表中確認人民幣761,273千元的處置收益。

目標集團及該附屬公司於出售日期的淨資產／(淨負債)如下：

			The Target Group 目標集團	The Subsidiary 該附屬公司	Total 合計
		Notes 附註	RMB' 000 千人民幣	RMB' 000 千人民幣	RMB' 000 千人民幣
Property, plant and equipment	物業、廠房及設備	15	324,996	-	324,996
Right-of-use assets	使用權資產	17	53,825	-	53,825
Goodwill	商譽	18	745,131	-	745,131
Other intangible assets	其他無形資產	19	283,625	-	283,625
Investments in associates	於聯營公司投資		35,149	-	35,149
Investment in a joint venture	於一家合營公司投資		46,066	-	46,066
Long term investments	長期投資		17,065	-	17,065
Deferred tax assets	遞延稅項資產	23	66,645	-	66,645
Non-current prepayments	非流動預付款		23,847	-	23,847
Inventories	存貨		320,275	-	320,275
Trade and bills receivables	貿易及票據應收賬款		1,071,344	-	1,071,344
Prepayments, deposits and other receivables	預付款、保證金及其他應收賬款		720,192	5,039	725,231
Income tax recoverable	預付所得稅		975	45	1,020
Other current assets	其他流動資產		14,569	-	14,569
Cash and cash equivalents	現金及現金等價物		654,904	99	655,003
Trade and bills payables	貿易及票據應付賬款		(1,299,340)	(1,565)	(1,300,905)
Other payables and accruals	其他應付賬款及應計費用		(1,084,357)	(764,791)	(1,849,148)
Interest-bearing loans and borrowings	計息貸款及借款		(229,444)	-	(229,444)
Lease liabilities	租賃負債	17	(27,960)	-	(27,960)
Government grants	政府補助	33	(8,150)	-	(8,150)
Income tax payable	應繳所得稅		(113,264)	-	(113,264)
Deferred tax liabilities	遞延稅項負債	23	(75,057)	-	(75,057)
			1,541,036	(761,173)	779,863

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

51. Disposal of Subsidiaries (continued)

51. 處置附屬公司 (續)

		The Target Group 目標集團 RMB' 000 千人民幣	The Subsidiary 該附屬公司 RMB' 000 千人民幣	Total 合計 RMB' 000 千人民幣
Less:	減：			
- Non-controlling interest of the Target Group	- 目標集團之非控制性權益	(8,314)	-	(8,314)
- Realisation of foreign currency translation reserve attributable to the Target Group	- 目標集團應佔外幣 換算儲備變現	(4,699)	-	(4,699)
		1,528,023	(761,173)	766,850
Gain on disposal of the Subsidiary included in continuing operations	包含在持續經營業務中的 處置該附屬公司之收益	-	761,273	761,273
Gain on disposal of subsidiaries included in the discontinued operations (Note 12)	包含在非持續經營業務中的 處置附屬公司之收益 (附註12)	3,988,697	-	3,988,697
Total consideration	總代價	5,516,720	100	5,516,820

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

51. Disposal of Subsidiaries (continued)

51. 處置附屬公司 (續)

		The Target Group 目標集團 RMB' 000 千人民幣	The Subsidiary 該附屬公司 RMB' 000 千人民幣	Total 合計 RMB' 000 千人民幣
Satisfied by:	以下列方式支付：			
Cash	現金	-	100	100
Adjusted Cash Consideration (Note (i))	經調整現金代價 (附註(i))	4,640,833	-	4,640,833
Share Consideration (Note (ii))	股份代價 (附註(ii))	812,221	-	812,221
Fair value of right to use the trademarks assigned by the Target Group (Note (iii))	目標集團所轉讓商標之使用權 公允價值 (附註(iii))	17,600	-	17,600
Contingent consideration receivable (Note (iv))	應收或有代價 (附註(iv))	46,066	-	46,066
		5,516,720	100	5,516,820
Net cash inflow arising on disposal:	處置事項產生的現金淨流入：			
Cash consideration	現金代價	4,640,833	100	4,640,933
Cash and cash equivalents disposed of	已出售之現金及現金等價物	(654,904)	(99)	(655,003)
Other receivables	其他應收賬款	-	(100)	(100)
		3,985,929	(99)	3,985,830

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

51. Disposal of Subsidiaries (continued)

Notes:

- (i) Pursuant to the SPA, the Cash Consideration is subject to certain possible adjustments which are set out below:

		RMB' 000 千人民幣
Cash Consideration	現金代價	4,611,308
Excess Borrowing Amount (Note 2)	超出借款金額 (附註2)	29,525
Adjusted Cash Consideration	經調整現金代價	4,640,833

Notes:

- 1) Pursuant to the SPA, if, between 31 December 2018 and the Closing, any leakage of value from the Target Group (other than those permitted in the SPA) occurs, the Cash Consideration will be reduced on a dollar-for-dollar basis to compensate the Purchaser for the value which has been leaked to the Group excluding the Target Group (the "Remaining Group"). Leakage is defined in detail in the SPA but captures any payments, payments in kind, or other transfers of economic value from the Target Group to the Remaining Group, other than those permitted under the SPA. The director considers the leakage was insignificant at the Closing.
- 2) The Purchaser financed the payment of Cash Consideration partially by borrowings. As at Closing, if Holdco, indirectly through the Purchaser, borrows an amount, after minus (i) cash of the Purchaser and (ii) financing costs, in excess of RMB2,400,000,000 (the "Excess Borrowing Amount"), the Cash Consideration shall be increased by an amount equal to 30% of the Excess Borrowing Amount. Upon the Closing, the adjustment to the Cash Consideration regarding the Excess Borrowing Amount was approximately RMB29,525,000. Accordingly additional Cash Consideration of RMB29,525,000 has been received from the Purchaser during the year.

51. 處置附屬公司 (續)

附註：

- (i) 根據購股協議，現金代價可能經以下調整：

	RMB' 000 千人民幣
Cash Consideration	4,611,308
Excess Borrowing Amount (Note 2)	29,525
Adjusted Cash Consideration	4,640,833

附註：

- 1) 根據購股協議，倘於2018年12月31日至交割日期間，目標公司發生任何價值「洩漏」(購股協議准許者除外)，現金代價將按等額基準調減以就已洩漏予本集團(目標集團除外，「保留集團」)的價值補償買方。洩漏已於購股協議詳細界定，惟已包括目標集團向保留集團作出的任何付款、實物付款或其他經濟價值轉移，除購股協議准許者外，董事認為，於交割日洩漏金額為不重大。
- 2) 買方以借款支付部分現金代價。截至交割日，倘控股公司間接通過買方借入的金額款經扣除(i)買方現金及(ii)融資成本後，超出人民幣2,400,000,000元(「超出借款金額」)，則現金代價按超出借款金額30%等額增加。於交割日，有關超出借款金額的現金代價調整約為人民幣29,525,000元。因此，本年已自買方收取額外現金代價人民幣29,525,000元。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

51. Disposal of Subsidiaries (continued)

Notes: (continued)

(i) (continued)

- 3) If the Target Group's Net Adjusted Cash Amount falls below RMB300 million at any time between the Closing and the date one month after the Closing (the "One-month Period"), Lighting Holdings II shall have a right of additional equity injection to rectify such net cash shortfall if Lighting Holdings II exercises the right, Lighting Holdings II and the Company will be obliged to inject 70% and 30% of the shortfall respectively into Holdco in the form of additional equity. Lighting Holdings II shall provide written notice on exercising such right prior to 5 business days after the expiry of the One-month Period (ie. 17 January 2020). The Group has not received the written notice from Lighting Holdings II before 17 January 2020 in respect of this matter. As a result, no adjustment was made to the Cash Consideration amount.

51. 處置附屬公司 (續)

附註：(續)

(i) (續)

- 3) 於交割日至交割日後滿一個月(「一個月期間」)之日期間的任何時間，倘目標集團的淨調整後現金金額低於人民幣300,000,000元，Lighting Holdings II有權為糾正有關淨現金差額進行額外股權注資，而倘Lighting Holdings II行使權利，Lighting Holdings II與本公司將有義務以認股權形式向控股公司分別注資差額的70%及30%。Lighting Holdings II須於一個月期間屆滿後5個工作日之前(即2020年1月17日)發出行使該權利的書面通知。本集團於2020年1月17日前並無自Lighting Holdings II接獲有關該事項的書面通知。因此，並無就現金代價金額作出調整。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

51. Disposal of Subsidiaries (continued)

Notes: (continued)

- (ii) The Share Consideration representing the 30% equity interest in Holdco which is classified as “investments in associates” upon the Disposal and measured at fair value upon the Closing. Further details are set out in Note 20. The fair value of the Share Consideration was determined with reference to a valuation performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent firm of professionally qualified valuers (“JLL”).
- (iii) The fair value of right to use the trademarks assigned by the Target Group to the Remaining Group was determined with reference to a valuation performed by JLL.
- (iv) Pursuant to the SPA, the Company will receive proceeds from realisation of assets and liabilities of a joint venture of a subsidiary within the Target Group within five years after the Closing with a cap at RMB85,000,000. The related procedures have not been carried out as at 31 December 2019. The directors of the Company estimated that the realisation proceeds were close to the carrying amount of the investment in the joint venture at the Closing and are expected to be received within 12 months following the Closing. The amount of contingent consideration receivable remained unchanged as at 31 December 2019.

51. 處置附屬公司 (續)

附註：(續)

- (ii) 處置後股份代價佔控股公司股權的30% (分類為「於聯營公司投資」)，於交割日後按公允價值計量。更多詳情載於附註20。股份代價的公允價值乃經參考合資格獨立專業估值公司仲量聯行企業評估及諮詢有限公司(「仲量聯行」)的估值釐定。
- (iii) 目標集團轉讓予保留集團的商標的使用權公允價值乃經參考仲量聯行的估值釐定。
- (iv) 根據購股協議，本公司將於交割日後五年內，收取目標集團內一家附屬公司之合營公司的資產及負債變現所得賬款，上限為人民幣85,000,000元。截至2019年12月31日，尚未執行相關程序。本公司董事估計變現所得賬款接近於對合營公司之投資於交割日的賬面值，該等賬款預期可於交割日後12個月內收回。於2019年12月31日，應收或有代價的金額保持不變。

Notes to Consolidated Financial Statements

合併財務報表附註

31 December 2019 2019年12月31日

52. Events after the Reporting Period

Since the beginning of 2020, the outbreak of the Novel Coronavirus (“COVID-19”) has spread throughout the world and has impacted the global economic and business environment. Up to the date of this report, COVID-19 has not resulted in material impact to the Group. Pending the development and spread of COVID-19 subsequent to the date of this report, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of this report. The Group will continue to monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Group.

53. Approval of the Consolidated Financial Statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 23 April 2020.

52. 報告期後事項

新型冠狀病毒(「COVID-19」)自2020年初開始在世界範圍內傳播，已對全球經濟及商業環境造成影響。截至本報告日期，COVID-19尚未對本集團造成重大影響。視乎COVID-19於本報告日期後的發展及傳播形勢，本集團的經濟狀況將進一步變動，進而可能影響本集團的財務業績，而受影響的程度於本報告日期尚無法估計。本集團將持續監察COVID-19的發展情況，積極應對其對本集團財務狀況及經營業績造成的影響。

53. 批准合併財務報表

合併財務報表已於2020年4月23日經董事會批准及授權發行。

Definitions

釋義

In this annual report, unless the context otherwise requires, the following words and expressions shall have the following meanings.

在本年報中，除文意另有所指外，下列詞彙及用語具有以下涵義。

“Board” 「董事會」	the board of Directors of the Company. 本公司董事會。
“BRL” 「巴西雷亞爾」	The Brazilian real, the lawful currency of Brazil. 巴西雷亞爾，巴西法定貨幣。
“En Wei Xi” 「恩緯西」	Chongqing En Wei Xi Industrial Development Co., Ltd.* (重慶恩緯西實業發展有限公司), a limited liability company incorporated in the PRC and is owned as to 40% by Mr. WU Xianming, Mr. WU Changjiang’s father-in-law. 重慶恩緯西實業發展有限公司，一家在中國成立之有限責任公司，吳長江先生的岳父吳憲明先生持有該公司40%的股權。
“Chongqing NVC” 「重慶雷士」	Chongqing NVC Lighting Co., Ltd.* (重慶雷士照明有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 1 December 2006 and our former direct wholly-owned subsidiary. 重慶雷士照明有限公司，一家於2006年12月1日在中國註冊成立的外商獨資有限責任公司，曾是我們的直接全資附屬公司。
“CG Code” 「企業管治守則」	the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. 《上市規則》附錄十四之《企業管治守則》及《企業管治報告》。
“Company” or “our Company” 「本公司」	NVC International Holdings Limited (雷士國際控股有限公司) (formerly known as NVC Lighting Holding Limited (雷士照明控股有限公司)), a company incorporated in the British Virgin Islands on 2 March 2006 and subsequently redomiciled to the Cayman Islands on 30 March 2010 as an exempted company with limited liability under the laws of the Cayman Islands. The shares of the Company are listed on the main board of the Stock Exchange. 雷士國際控股有限公司(前稱雷士照明控股有限公司)，一家於2006年3月2日在英屬維爾京群島註冊成立，隨後於2010年3月30日將註冊地遷至開曼群島之公司，並根據開曼群島法例註冊為一家獲豁免有限公司，其股份於聯交所主板上市。
“Corresponding Period” 「同期」	means the year ended 31 December 2018 or the year ended 31 December 2019 (as the context may require). 是指截至2018年12月31日止年度或截至2019年12月31日止年度(視乎文義而定)。

Definitions

釋義

“Director(s)” 「董事」	the director(s) of the Company. 本公司董事。
“Energy-saving lighting products” 「節能照明產品」	CALI (the China Association of Lighting Industry) defines energy-saving lighting products in China as typically consisting of compact fluorescent lamps, fluorescent lamps and supporting lighting fixtures, LED lamps, HID lamps and electronic ballasts. CALI’s standard is based on the “Interim Measures on Funding Management of Fiscal Subsidies for Promotion of High-Efficiency Products” as well as the SA (the Standardisation Administration of the PRC) standards, which is in line with the CQC (the China Quality Certification Centre) List. 中國照明電器協會界定，中國節能照明產品通常包括緊湊型螢光光源、螢光光源及支撐燈具外殼、LED光源、HID光源及電子鎮流器。中國照明電器協會的標準以《高效照明產品推廣財政補貼資金管理暫行辦法》和國家標準化管理委員會的標準為基礎，與中國品質認證中心清單一致。
“ETIC” 「德豪潤達」	Elec-Tech International Co., Ltd.* (安徽德豪潤達電氣股份有限公司), (formerly known as Elec-Tech International Co., Ltd.*(廣東德豪潤達電氣股份有限公司)) a PRC incorporated company of which the shares are currently listed on the Shenzhen Stock Exchange. It is a substantial shareholder of the Company. 安徽德豪潤達電氣股份有限公司(原名為廣東德豪潤達電氣股份有限公司)，一家在中國註冊成立的公司，其股份目前在深圳證券交易所上市，是本公司的一個主要股東。
“GBP” 「英鎊」	Great Britain Sterling Pound, the lawful currency of the United Kingdom. 英鎊，英國法定貨幣。
“Group” 「本集團」	the Company and its subsidiaries. 本公司及其附屬公司。
“Guarantee Agreement 1” 「擔保協議1」	A guarantee agreement entered into between a PRC bank and NVC China in 2013 in which NVC China provided guarantees to the PRC bank for its loan facilities granted to its borrowers of RMB35,497,000. 一家中國銀行與雷士中國於2013年訂立擔保協議，其中雷士中國為該中國銀行向其借款人授予貸款融資人民幣35,497千元提供擔保。
“Guarantee Agreement 2” 「擔保協議2」	A guarantee agreement entered into between a PRC finance company and NVC China in 2014 in which NVC China provided guarantees to the PRC finance company for its loan facilities granted to its borrowers of RMB34,000,000. 一家中國財務公司與雷士中國於2014年訂立擔保協議，其中雷士中國為該家中國財務公司向其借款人授予貸款融資人民幣34,000千元提供擔保。

Definitions

釋義

“Guarantee Agreement 3” 「擔保協議3」	A guarantee agreement entered into between a PRC bank and NVC China in 2014 in which NVC China provided guarantees to the PRC bank for its loan facilities granted to its borrower of RMB62,000,000. 一家中國銀行與雷士中國於2014年訂立擔保協議，其中雷士中國為該中國銀行向其借款人授予貸款融資人民幣62,000千元提供擔保。
“Guarantee Agreement” or “Purported Guarantee Agreement” 「擔保協議」或「所謂擔保協議」	a guarantee agreement entered into by Mr. WU Changjiang purportedly on behalf of NVC China with the Chongqing branch of a PRC bank on 7 March 2014. 由吳長江先生於2014年3月7日所謂代表雷士中國與一家中國銀行重慶分行訂立的擔保協議。
“HID” 「HID」	high intensity discharge. 高強度放電。
“HK\$” or “Hong Kong dollars” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong. 港元，香港法定貨幣。
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of People’s Republic of China. 中華人民共和國特別行政區。
“Huizhou NVC” 「惠州雷士」	Huizhou NVC Lighting Technology Co., Ltd.* (惠州雷士光電科技有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 29 April 2006 and our former direct wholly-owned subsidiary, 30% equity interest of which is indirectly owned by us after the Very Substantial Disposal. 惠州雷士光電科技有限公司，一家於2006年4月29日在中國註冊成立的外商獨資有限責任公司，曾是我們的直接全資附屬公司，非常重大的出售事項後我們間接持有其30%股權。
“Jiang Te” 「江特」	Chongqing Jiang Te Surface Processing Co., Ltd.* (重慶江特表面處理有限公司), a limited liability company incorporated in the PRC and owned as to 51% by En Wei Xi from May 2009 to September 2014. 重慶江特表面處理有限公司，一家在中國註冊成立的有限責任公司，於2009年5月至2014年9月期間恩緯西持有其51%股權。

“LED” 「LED」	Light-Emitting Diode. 發光二極管。
“Lei Li Jie” 「雷立捷」	Chongqing Lei Li Jie Industrial Development Co., Ltd.* (重慶雷立捷實業發展有限公司), a limited liability company incorporated in the PRC which may potentially be associated with Mr. WU Changjiang. 重慶雷立捷實業發展有限公司，一家在中國註冊成立並且可能與吳長江先生有關連的有限公司。
“Listing Date” 「上市日」	20 May 2010. 2010年5月20日。
“Listing Rules” 「《上市規則》」	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. 《香港聯合交易所有限公司證券上市規則》。
“Mainland China” or “PRC” 「中國」	the People’s Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires, references in this annual report to “China” and the “PRC” do not apply to Taiwan, the Macau Special Administrative Region and Hong Kong. 中華人民共和國，但僅就本年報及地理參考而言，除文意另有所指外，本年報中凡提述「中國」之處均不包括台灣、澳門特別行政區及香港。
“Mianyang Leici” 「綿陽雷磁」	Mianyang Leici Electronic Technology Co., Ltd.* (綿陽雷磁電子科技有 限公司), a limited liability company incorporated in the PRC, 35% of its equity interest being held by Huizhou NVC and its remaining equity interest being held by China Electronics Technology Group Corporation No. 9 Academy* (中國電子科技集團第九研究所) (as to 36%), Mr. WEN Jiatao (文家濤先生) (as to 15%) and Mr. ZHAO Qiyi (趙七一先生) (as to 14%). 綿陽雷磁電子科技有 限公司，一家在中國註冊成立的有限責任公司，由惠 州雷士持有其35%股權，其餘下股權分別由中國電子科技集團第九研究所 (36%)、文家濤先生(15%)和趙七一先生(14%)持有。

Definitions

釋義

“Model Code” 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. 《上市規則》附錄十之《上市發行人董事進行證券交易的標準守則》。
“NVC Brazil” 「巴西雷士」	NVC Lighting (Brazil) Commercial Import and Export Co., Ltd., a limited liability company incorporated in Brazil, a 51% equity interest of which is held by Hong Kong TYU Technology Co., Ltd., our wholly-owned subsidiary, and the remaining 49% equity interest of which is held by NVC Brazil Technology Co., Ltd. 巴西雷士照明貿易進出口有限公司，一家在巴西註冊成立的有限責任公司，其中我們的全資附屬公司香港天羽科技有限公司持有51%的股權，餘下的49%股權由巴西雷士照明技術有限公司持有。
“NVC China” 「雷士中國」	NVC Lighting (China) Co., Ltd.* (雷士照明(中國)有限公司) (formerly known as NVC Lighting (Chongqing) Co., Ltd* (重慶雷士實業有限公司)), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 7 November 2011 and our former indirect wholly-owned subsidiary, 100% equity interest of which was disposed to an independent third party during the Reporting Period. 雷士照明(中國)有限公司(原名為重慶雷士實業有限公司)，一家於2011年11月7日在中國註冊成立的外商獨資有限責任公司，是我們的前間接全資附屬公司，其100%的股權已於報告年度內出售予獨立第三方。
“ODM” 「ODM」	original design manufacturing, a type of manufacturing under which the manufacturer is responsible for the design and production of the products and the products are marketed and sold under the customer’s brand name. 原設計製造，根據此種製造，製造商負責產品的設計和生產，而產品則以客戶品牌營銷和銷售。
“Pledge and Guarantee Agreements” or “Purported Pledge and Guarantee Agreements” 「質押及擔保協議」或 「所謂質押及擔保協議」	certain pledge and guarantee agreements entered into by Mr. WU Changjiang, on behalf of NVC China or purportedly on behalf of NVC China, without the Board’s knowledge, to secure bank loans of other companies. 由吳長江先生代表雷士中國或所謂代表雷士中國在董事不知情的情況下訂立的若干質押及擔保協議以擔保其他公司的銀行貸款。

“Quzhou Aushite” 「衢州奧仕特」	Quzhou Aushite Illumination Co., Ltd.* (衢州奧仕特照明有限公司), a limited liability company incorporated in the PRC, 39% equity interest of which is owned by Mr. WU Jiannong and 51% equity interest of which is owned by Zhejiang Tonking New Energy Group Co., Ltd.* (浙江同景新能源集團有限公司). 衢州奧仕特照明有限公司，一家在中國成立的有限責任公司，吳建農先生持有其39%股權、浙江同景新能源集團有限公司持有其51%股權。
“Relevant Purported Pledge and Guarantee Agreements” 「相關所謂質押及擔保協議」	certain pledge and guarantee agreements entered into by Mr. WU Changjiang purportedly on behalf of NVC China relating to bank loans borrowed by En Wei Xi, Lei Li Jie, Wu Ji and Jiang Te in 2013 and 2014. 由吳長江先生在2013年及2014年所謂代表雷士中國就恩緯西、雷立捷、無極和江特舉借的銀行貸款訂立的若干質押及擔保協議。
“Reporting Period” 「報告年度」	the year ended 31 December 2019. 截至2019年12月31日止年度。
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC. 人民幣，中國法定貨幣。
“SFO” 「《證券及期貨條例》」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). 《證券及期貨條例》(香港法例第571章)。
“Shanghai Arcata” 「上海阿卡得」	Shanghai Arcata Electronics Co., Ltd.* (上海阿卡得電子有限公司), a limited liability company incorporated in the PRC on 22 September 2005 and our indirect wholly-owned subsidiary. 上海阿卡得電子有限公司，一家於2005年9月22日在中國註冊成立的有限責任公司，是我們的間接全資附屬公司。
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited. 香港聯合交易所有限公司。
“UK NVC” 「英國雷士」	NVC Lighting Limited (formerly known as NVC (Manufacturing) Limited), a private company incorporated in England and Wales on 31 May 2007, and our direct wholly-owned subsidiary. NVC Lighting Limited (原名為NVC (Manufacturing) Limited)，一家於2007年5月31日在英格蘭及威爾士註冊成立的私人公司，是我們的直接全資附屬公司。

Definitions

釋義

“U.S.A.” or “U.S.” [美國]	the United States of America, its territories, its possessions and all areas subject to its jurisdiction. 美利堅合眾國，其領土、屬地及其管轄的所有地區。
“US\$”, “USD” or “US Dollar” [美元]	United States dollars, the lawful currency of the United States. 美元，美國法定貨幣。
“we”, “us” or “our” [我們]	the Company or the Group (as the context may require). 本公司或本集團（視乎文義而定）。
“World Bright” [世明]	Jiangshan World Bright Crystal Co., Ltd.* (江山世明水晶玻璃有限公司), a limited liability company incorporated in the PRC, 100% equity interest of which is owned by Quzhou Aushite. 江山世明水晶玻璃有限公司，一家在中國成立的有限責任公司，衢州奧仕特持有該公司100%的股權。
“Wu Ji” [無極]	Chongqing Wu Ji Real Estate Development Co., Ltd.* (重慶無極房地產開發有限公司), a limited liability company incorporated in the PRC which may potentially be associated with Mr. WU. 重慶無極房地產開發有限公司，一家在中國註冊成立並且可能與吳先生相關聯的有限公司。
“Zhejiang NVC” [浙江雷士]	Zhejiang NVC Lamps Co., Ltd.* (浙江雷士燈具有限公司), a limited liability company incorporated in the PRC on 28 September 2007, a 51% equity interest of which is held by Huizhou NVC and the remaining 49% equity interest of which is held by Zhejiang Tonking New Energy Group Co., Ltd.* (浙江同景新能源集團有限公司). 浙江雷士燈具有限公司，一家於2007年9月28日在中國註冊成立的有限責任公司，惠州雷士持有其51%股權，餘下的49%股權由浙江同景新能源集團有限公司持有。
“Convertible Bonds” [可換股債券]	the convertible bonds denominated in Hong Kong dollar in an aggregate principal amount of HK\$500,000,000 issued on 7 June 2016 by the Company. 本公司於2016年6月7日發行之本金額合共500,000,000港元以港元計值的可換股債券。

* denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purposes only



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