

CONFIDENCE INTELLIGENCE HOLDINGS LIMITED

信懋智能控股有限公司

(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 : 1967)



ANNUAL REPORT
年報 2019

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CORPORATE INFORMATION

公司資料

Executive Directors

Mr. Li Hao (*Chairman and Chief Executive Officer*)
Mr. Zhang Bizhong
Mr. Xu Shizhen

Non-executive Director

Mr. Yuan Shuntang

Independent Non-executive Directors

Mr. Chen Zhong
Mr. Wong Chun Sek Edmund
Mr. Wu Tai Cheung

Audit Committee

Mr. Wong Chun Sek Edmund (*Chairman*)
Mr. Chen Zhong
Mr. Wu Tai Cheung

Nomination Committee

Mr. Chen Zhong (*Chairman*)
Mr. Wong Chun Sek Edmund
Mr. Wu Tai Cheung

Remuneration Committee

Mr. Wu Tai Cheung (*Chairman*)
Mr. Chen Zhong
Mr. Wong Chun Sek Edmund

Authorised Representatives

Mr. Li Hao
Ms. Jian Xuegen

Company Secretary

Ms. Jian Xuegen

執行董事

李浩先生 (*主席兼行政總裁*)
張必鍾先生
許世真先生

非執行董事

袁順唐先生

獨立非執行董事

陳忠先生
黃俊碩先生
胡大祥先生

審核委員會

黃俊碩先生 (*主席*)
陳忠先生
胡大祥先生

提名委員會

陳忠先生 (*主席*)
黃俊碩先生
胡大祥先生

薪酬委員會

胡大祥先生 (*主席*)
陳忠先生
黃俊碩先生

授權代表

李浩先生
簡雪艮女士

公司秘書

簡雪艮女士

CORPORATE INFORMATION

公司資料

Registered Office in the Cayman Islands

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

Headquarters and Principal Place of Business in the People's Republic of China (the "PRC")

No. 7 Building
New Development Zone
Baishixia
Fuyong Street
Bao'an District
Shenzhen

Principal Place of Business in Hong Kong

Room A, 12/F
Granville House
41C Granville Road
Tsim Sha Tsui
Kowloon
Hong Kong

Principal Banks

Bank of China Limited
DBS Bank Limited
Bank of China (Hong Kong) Limited

Cayman Islands Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

於開曼群島之註冊辦公室

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

總辦事處及中華人民共和國 (「中國」) 主要營業地點

深圳
寶安區
福永街道
白石廈
新開發區
第七棟

香港主要營業地點

香港
九龍
尖沙咀
加連威老道41C號
嘉威大廈
12樓A室

主要往來銀行

中國銀行股份有限公司
星展銀行有限公司
中國銀行(香港)有限公司

開曼群島股份過戶登記總處

Ocorian Trust (Cayman) Limited
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

CORPORATE INFORMATION

公司資料

Hong Kong Branch Share Registrar and Transfer Office

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

Stock Name

CONFIDENCE IN

Compliance Adviser

Dakin Capital Limited
Suites 4505-06, 45/F
Tower 1, Lippo Centre
89 Queensway
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

Stock Code

1967

Corporate Website Address

www.szxinken.com

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 54 樓

股票名稱

信懋智能

合規顧問

德健融資有限公司
香港
金鐘道 89 號
力寶中心一座
45 樓 4505-06 室

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師
香港
中環
太子大廈 22 樓

股份代號

1967

公司網站

www.szxinken.com

CHAIRMAN'S STATEMENT

主席報告

On behalf of the board (the “Board”) of directors (the “Directors”) of Confidence Intelligence Holdings Limited (the “Company”) and together with its subsidiaries, the “Group”), I am pleased to present to the shareholders of the Company the first annual report and audited consolidated financial statements of the Group for the year ended 31 December 2019 (the “Reporting Period”).

Business Review

The Group is an EMS provider offering comprehensive assembling and production services of Printed Circuit Board Assembly (the “PCBAs”) in the PRC that integrate research and design, selection and procurement of raw materials, assembling of PCBAs, quality control, testing, logistics and aftersales services. The Company's shares (the “Shares”) have been successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 18 October 2019 (the “Listing Date”), which is a significant milestone in the Company's history and strategic development. The successful listing of the Shares and the net proceeds from the public offer and placing of our Shares (the “Share Offer”) has strengthened the Group's capital position, allowing the Group to progressively execute the business plans as disclosed in the section headed “Future plans and use of proceeds” of the prospectus of the Company dated 28 September 2019 (the “Prospectus”).

During the Reporting Period, the Group recorded growth in both turnover and gross profit. The revenue of the Group increased by approximately RMB48.4 million from RMB236.2 million for the year ended 31 December 2018 to RMB284.6 million for the Reporting Period, which was attributed to the increased sales orders from the new customer for the PCBAs for telecommunication devices and the increase demand of IOT products.

本人謹代表信懇智能控股有限公司（「本公司」，連同其附屬公司統稱「本集團」）董事（「董事」）會（「董事會」）欣然向本公司股東提呈本集團截至二零一九年十二月三十一日止年度（「報告期間」）的首份年報及經審核綜合財務報表。

業務回顧

本集團為在中國提供全面印製電路板組裝（「PCBA」）裝配及生產服務的EMS供應商，業務範圍包括研究及設計、挑選及採購原材料、裝配PCBA、質量控制、測試、物流及售後服務。本公司的股份（「股份」）於二零一九年十月十八日（「上市日期」）在香港聯合交易所有限公司（「聯交所」）主板成功上市，為本公司歷史及戰略發展中的重要里程碑。股份成功上市、公開發售及配售股份（「股份發售」）所得款項淨額改善了本集團的資金狀況，使本集團能夠逐步執行本公司於二零一九年九月二十八日刊發的招股章程（「招股章程」）「未來計劃及所得款項用途」一節所披露的業務計劃。

報告期間，本集團營業額及毛利均有所增長。本集團的收益由截至二零一八年十二月三十一日止年度的人民幣236.2百萬元增加約人民幣48.4百萬元至報告期間的人民幣284.6百萬元，是由於來自用於電訊裝置的PCBA的新客戶銷售訂單增加及物聯網產品需求增加。

CHAIRMAN'S STATEMENT

主席報告

Prospects

In 2020, the outbreak of the novel coronavirus (COVID-19) (the "Novel Coronavirus Outbreak") has brought about additional uncertainties in the Group's operating environment in China. Since the Novel Coronavirus Outbreak at the beginning of the year, the Group has taken a proactive approach and adopted various anti-epidemic measures to protect the safety and health of employees as top priority. At the same time, the postponed resumption of production and related epidemic control have adversely affected the Group's business. It is expected that there will be late delivery of products in the first half year of 2020. The Group is taking proactive measures and making active responses in an effort to minimise the losses caused by the epidemic. The Group will also actively diversify or expand our customer base and product base to broaden the sources of revenue and diversify business risk. Also, the Group will continue to invest in our development of in-house capabilities and keep ourselves abreast of the development of latest technology advancement in our industries to secure more business opportunities. We will continue to strive a balance among the interests of shareholders, employees and customers, and pursue long-term and sustainable development for the Group.

Gratitude

On behalf of the Company, I would like to express my sincere gratitude to the management team and our staff for their tenacious efforts and outstanding contributions to the development of the Group. I would also like to extend my heartfelt thanks to our shareholders, investors, customers and business partners for their continuous trust and support to the Group.

By order of the Board

Li Hao

Chairman & Executive Director

Hong Kong
26 March 2020

前景

二零二零年，新型冠狀病毒(COVID-19)疫情爆發(「新型冠狀病毒疫情」)令本集團在中國的經營環境面臨更多不確定因素。自年初新型冠狀病毒疫情爆發以來，本集團已主動採取多種抗疫措施，優先保障僱員的安全及健康。同時，延遲恢復生產及相關疫情控制對本集團業務有不利影響。預期二零二零年上半年將延遲交付產品。本集團正主動採取措施積極應對，盡力減少疫情導致的虧損。本集團亦將積極豐富或擴充客戶群及產品組合，以拓寬收益來源及分散業務風險。此外，本集團將持續投資開發內部能力，以緊貼行業最新技術發展，從而獲得更多商機。我們將繼續致力平衡股東、僱員及客戶之間的利益，為本集團謀求長期可持續發展。

致謝

本人謹代表本公司向管理團隊及員工為本集團發展所作的不懈努力及突出貢獻致以誠摯謝意。本集團承蒙各位股東、投資者、客戶及業務夥伴一直以來的信任及支持，本人謹此表示由衷感謝。

承董事會命

主席兼執行董事

李浩

香港
二零二零年三月二十六日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Operating Results

Revenue by Customers' Geographical Location

The Group's revenue by customers' geographical location, which is determined by the location of customers, is as follows:

		Revenue for the year ended 31 December 截至十二月三十一日 止年度的收益	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
The PRC	中國	284,266	234,888
The United States of America	美國	322	1,322
Total	總計	284,588	236,210

Revenue by Product Type

Based on the usage of the electronic products which incorporated with our PCBAs, our PCBAs can be broadly applied to electronic end products for three principal industries, namely, telecommunication devices, Industrial-use devices and IoT products. The table below summarises the amount of revenue generated and as a percentage of total revenue from each product category for the Reporting Period and for the year ended 31 December 2018 respectively:

		Revenue for the year ended 31 December 截至十二月三十一日 止年度的收益			% of total revenue for the year ended 31 December 截至十二月三十一日 止年度佔總收益百分比		
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Change 變動 %	2019 二零一九年	2018 二零一八年	Change 變動
PCBAs for	用於以下產品的PCBA						
Telecommunication devices	電訊裝置	159,691	127,203	25.5	56.1	53.9	2.2
Industrial-use devices	工業用途裝置	34,338	30,581	12.3	12.1	12.9	(0.8)
IoT products	物聯網產品	89,062	75,183	18.5	31.3	31.8	(0.5)
Others (Note)	其他(附註)	1,497	3,243	(53.8)	0.5	1.4	(0.9)
Total	總計	284,588	236,210	20.5	100	100.0	-

Note: Others mainly include (i) PCBAs for automotive related devices; and (ii) the revenue generated from the sale of auxiliary and other materials.

經營業績

按客戶地理位置劃分的收益

本集團按客戶地理位置(基於客戶位置釐定)劃分的收益如下:

		Revenue for the year ended 31 December 截至十二月三十一日 止年度的收益	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
The PRC	中國	284,266	234,888
The United States of America	美國	322	1,322
Total	總計	284,588	236,210

按產品類型劃分的收益

基於使用嵌載我們PCBA的電子產品，我們的PCBA可廣泛應用於三大主要行業的電子終端產品，即電訊裝置、工業用途裝置及物聯網產品。下表概述於報告期間及截至二零一八年十二月三十一日止年度各類產品產生的收益金額及佔總收益百分比：

		Revenue for the year ended 31 December 截至十二月三十一日 止年度的收益			% of total revenue for the year ended 31 December 截至十二月三十一日 止年度佔總收益百分比		
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Change 變動 %	2019 二零一九年	2018 二零一八年	Change 變動
PCBAs for	用於以下產品的PCBA						
Telecommunication devices	電訊裝置	159,691	127,203	25.5	56.1	53.9	2.2
Industrial-use devices	工業用途裝置	34,338	30,581	12.3	12.1	12.9	(0.8)
IoT products	物聯網產品	89,062	75,183	18.5	31.3	31.8	(0.5)
Others (Note)	其他(附註)	1,497	3,243	(53.8)	0.5	1.4	(0.9)
Total	總計	284,588	236,210	20.5	100	100.0	-

附註：其他主要包括(i)用於汽車相關裝置的PCBA；及(ii)銷售輔助及其他材料產生的收益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Our revenue generated from sales of PCBAs for telecommunication devices increased by approximately 25.5% from approximately RMB127.2 million for the year ended 31 December 2018 to approximately RMB159.7 million for the Reporting Period, primarily due to that we have successfully introduced one major customer for telecommunicate devices PCBAs during the Reporting Period.

Our revenue generated from sales of PCBAs for Industrial-use devices increased by approximately 12.3% from approximately RMB30.6 million for the year ended 31 December 2018 to approximately RMB34.3 million for the Reporting Period, primarily due to that our Group began to manufacture PCBAs for solar panels for industrial-use since late 2018 and the revenue of PCBAs for solar panels increased in the Reporting Period.

Our Group recorded an increase in revenue derived from sales of PCBAs for IoT products from approximately RMB75.2 million for the year ended 31 December 2018 to approximately RMB89.1 million for the Reporting Period, which was mainly attributable to the increasing demand of IoT products.

Gross Profit and Gross Profit Margin

Gross profit of the Group for the Reporting Period was approximately RMB94.0 million, representing an increase of approximately RMB19.8 million or 26.6% as compared with approximately RMB74.3 million for the year ended 31 December 2018. Overall gross profit margin increased from 31.4% for the year ended 31 December 2018 to 33.0% for the Reporting Period.

我們銷售用於電訊裝置的PCBA產生的收益由截至二零一八年十二月三十一日止年度的約人民幣127.2百萬元增加約25.5%至報告期間的約人民幣159.7百萬元，主要是由於報告期間我們已成功為用於電訊裝置的PCBA引入一位主要客戶。

我們銷售用於工業用途裝置的PCBA產生的收益由截至二零一八年十二月三十一日止年度的約人民幣30.6百萬元增加約12.3%至報告期間的約人民幣34.3百萬元，主要是由於本集團自二零一八年年末開始生產用於工業用途太陽能板的PCBA，且於報告期內用於太陽能板的PCBA收益增加。

本集團銷售用於物聯網產品的PCBA錄得收益由截至二零一八年十二月三十一日止年度的約人民幣75.2百萬元增加至報告期間的約人民幣89.1百萬元，主要是由於物聯網產品需求增加。

毛利及毛利率

本集團於報告期間的毛利約為人民幣94.0百萬元，較截至二零一八年十二月三十一日止年度的約人民幣74.3百萬元增加約人民幣19.8百萬元或約26.6%。整體毛利率由截至二零一八年十二月三十一日止年度的31.4%增加至報告期間的33.0%。

		Gross profit for the year ended 31 December 截至十二月三十一日止 年度的毛利			Gross profit margin for the year ended 31 December 截至十二月三十一日止 年度的毛利率		
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Change 變動 (%)	2019 二零一九年 (%)	2018 二零一八年 (%)	Change 變動 (%)
PCBAs for	用於以下產品的PCBA						
Telecommunication devices	電訊裝置	55,394	42,110	31.5	34.7	33.1	1.6
Industrial-use devices	工業用途裝置	10,615	8,842	20.1	30.9	28.9	2.0
IoT products	物聯網產品	27,631	22,745	21.5	31.0	30.3	0.7
Others	其他	388	567	(31.6)	25.9	17.5	8.4
Total	總計	94,028	74,264	26.6	33.0	31.4	1.6

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PCBAs

The gross profit for PCBAs for telecommunication devices increased by approximately 31.5% to approximately RMB55.4 million for the Reporting Period (2018: approximately RMB42.1million). The gross profit margin increased to approximately 34.7% for the Reporting Period (2018: approximately 33.1%), which primarily resulted from (i) the increased sales orders from a new customer; and (ii) additional automated testing lines implemented in late 2018 to improve the production efficiency.

The gross profit for PCBAs for Industrial-use devices increased by approximately 20.1% to approximately RMB10.6 million for the Reporting Period (2018: approximately RMB8.8 million). The gross profit margin increased to approximately 30.9% for the Reporting Period (2018: approximately 28.9%), which was mainly due to change in product mix as our Group began to manufacture PCBAs for solar panels since late 2018 as evidenced by the revenue derived from sales of PCBAs for solar panels which had a higher gross profit margin.

The gross profit for PCBAs for IoT products increased by approximately 21.5% to approximately RMB27.6 million for the Reporting Period (2018: approximately RMB22.7 million). The gross profit margin increased to approximately 31.0% for the Reporting Period (2018: approximately 30.3%), which primarily resulted from: (i) the increased sales orders from existing customers; (ii) additional automated testing lines implemented in late 2018 to improve the production efficiency; and (iii) a more competitive price was offered to new customers to secure more business opportunities.

Other Income

Other income of the Group for the Reporting Period of approximately RMB3.7 million (2018: approximately RMB1.8 million) mainly represented government grants and rental income of equipment.

PCBA

用於電訊裝置的PCBA的毛利增加約31.5%至報告期間的約人民幣55.4百萬元(二零一八年：約人民幣42.1百萬元)。毛利率於報告期間增至約34.7%(二零一八年：約33.1%)，主要是由於(i)來自一位新客戶的銷售訂單增加；及(ii)二零一八年末投用新增自動化測試線以改善生產效率。

用於工業用途裝置的PCBA的毛利增加約20.1%至報告期間的約人民幣10.6百萬元(二零一八年：約人民幣8.8百萬元)。毛利率於報告期間增至約30.9%(二零一八年：約28.9%)，主要是由於本集團於二零一八年年末開始生產用於太陽能板的PCBA導致產品組合出現變動，而用於太陽能板的PCBA的毛利率較高，故錄得銷售收益。

用於物聯網產品的PCBA的毛利增加約21.5%至報告期間的約人民幣27.6百萬元(二零一八年：約人民幣22.7百萬元)。毛利率於報告期間增至約31.0%(二零一八年：約30.3%)，主要是由於(i)來自現有客戶的銷售訂單增加；(ii)二零一八年年末投用新增自動化測試線以改善生產效率；及(iii)向新客戶提供更具競爭力的定價以爭取更多商機。

其他收入

本集團於報告期間的其他收入約為人民幣3.7百萬元(二零一八年：約人民幣1.8百萬元)，主要指政府補助及設備租金收入。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Selling and Distribution Expenses

Selling and distribution expenses mainly comprised (i) relevant employee benefit expenses; (ii) transportation costs; (iii) depreciation; (iv) legal and professional fee; and (v) entertainment expenses and other expenses. For the Reporting Period, selling and distribution expenses amounted to approximately RMB2.8 million (2018: approximately RMB1.9 million), representing an increase of approximately 49.2% as compared to the year ended 31 December 2018. Selling and distribution expense ratio remained stable at approximately 1.0% and 0.8% against revenue for the Reporting Period and the year ended 31 December 2018, respectively.

Administrative Expenses

Administrative expenses mainly represented (i) employment benefit expenses, (ii) depreciation, (iii) listing expenses and professional fee, (iv) rental expenses, (v) travelling expenses, (vi) utilities, (vii) telecommunication and office expenses and other expenses. For the Reporting Period, administrative expenses amounted to approximately RMB56.2 million (2018: approximately RMB24.9 million), representing an increase of approximately 125.6% as compared to the year ended 31 December 2018. The increase was mainly due to listing expenses and professional fees incurred for the Listing of the Company in October 2019.

Net Impairment Losses on Financial Assets

Net impairment losses on financial assets mainly represented the provision of impairment of trade receivables. For the Reporting Period, impairment of approximately RMB1.0 million (2018: Nil) were made against the trade receivables for a customer who was in financial difficulties.

Finance Costs, Net

Our finance costs mainly comprised interest expenses on bank and other borrowings and leases, while our finance income mainly represented interest income on our cash and cash equivalents. For the Reporting Period, the net finance costs of the Group were approximately RMB1.2 million (2018: approximately RMB2.2 million). The decrease in net finance costs was mainly due to the decreased borrowing balances from approximately RMB18.8 million as at 31 December 2018 to approximately RMB8.2 million as at 31 December 2019 as a result of the repayment during the Reporting Period.

銷售及分銷開支

銷售及分銷開支主要包括(i)相關僱員福利開支；(ii)運輸成本；(iii)折舊；(iv)法律及專業費用；及(v)娛樂開支及其他開支。報告期間的銷售及分銷開支約為人民幣2.8百萬元（二零一八年：約人民幣1.9百萬元），較截至二零一八年十二月三十一日止年度增加約49.2%。報告期間及截至二零一八年十二月三十一日止年度，銷售及分銷開支與收益的比率分別維持穩定於約1.0%及0.8%。

行政開支

行政開支主要包括(i)僱傭福利開支、(ii)折舊、(iii)上市開支及專業費用、(iv)租金開支、(v)差旅開支、(vi)公用事業費、(vii)電訊及辦公室開支以及其他開支。報告期間的行政開支約為人民幣56.2百萬元（二零一八年：約人民幣24.9百萬元），較截至二零一八年十二月三十一日止年度增加約125.6%，主要原因是本公司於二零一九年十月上市而產生的上市開支及專業費用。

金融資產減值損失淨額

金融資產減值損失淨額主要為貿易應收款項的減值撥備。報告期內，來自有財務困難的客戶的貿易應收款項減值約人民幣1.0百萬元（二零一八年：無）。

融資成本淨額

我們的融資成本主要包括銀行及其他借款及租賃的利息開支，而我們的融資收入主要指我們的現金及現金等價物的利息收入。本集團於報告期間的融資成本淨額約為人民幣1.2百萬元（二零一八年：約人民幣2.2百萬元）。融資成本淨額減少，主要是由於在報告期內還款，使借款結餘由二零一八年十二月三十一日的約人民幣18.8百萬元減少至二零一九年十二月三十一日的約人民幣8.2百萬元。

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Income Tax Expense

Income tax expense increased by approximately 19.8% from approximately RMB6.4 million for the year ended 31 December 2018 to approximately RMB7.7 million for the year ended 31 December 2019, primarily due to the increase in profit before income tax of the Group's major subsidiary, Shenzhen Confidence by approximately 22.7%. Shenzhen Confidence, our Group's subsidiary in the PRC, has qualified for new/high-tech technology enterprises status and is therefore subject to a preferential income tax rate of 15%. Our effective tax rate, which is calculated based on income tax expenses divided by profit before income tax, was approximately 21.7% for the reporting period (2018: approximately 13.6%). The increase in the effective tax rate mainly resulted from the increased non-tax deductible listing expenses and professional fees incurred during the Reporting Period.

Profit attributable to equity holders of the Company

As a result of the facts discussed above, profit attributable to equity holders of the Company decreased by approximately 32.1% from approximately RMB40.8 million for the year ended 31 December 2018 to approximately RMB27.7 million for the Reporting Period.

Liquidity and Capital Resources

Net Current Assets

The Group had net current assets of approximately RMB173.4 million as at 31 December 2019 (2018: approximately RMB63.3 million). The current ratio of the Group increased from approximately 2.2 as at 31 December 2018 to 3.9 as at 31 December 2019.

Borrowing and the Pledge of Assets

The bank and other borrowings of the Group amounted to approximately RMB8.2 million as at 31 December 2019 (2018: approximately RMB18.8 million). As at 31 December 2019, the borrowings were secured by properties, plant and equipment and guarantee from the Company. As at 31 December 2018, the borrowings were secured by properties, plant and equipment and personal guarantee from Mr. Li Hao, Mr. Yuan Shuntang and Mr. Xu Shizhen.

所得稅開支

所得稅開支由截至二零一八年十二月三十一日止年度的約人民幣6.4百萬元增加約19.8%至截至二零一九年十二月三十一日止年度的約人民幣7.7百萬元，主要是由於本集團主要附屬公司深圳信懋的除所得稅前溢利增加約22.7%。本集團在中國的附屬公司深圳信懋合資格獲頒高新技術企業地位，因此享有優惠所得稅率15%。我們於報告期間的實際稅率（按所得稅開支除以除所得稅前溢利計算）約為21.7%（二零一八年：約13.6%）。實際稅率上升，主要是由於報告期內產生的不可扣稅上市開支及專業費用增加。

本公司權益持有人應佔溢利

由於上述原因，本公司權益持有人應佔溢利由截至二零一八年十二月三十一日止年度的約人民幣40.8百萬元減少約32.1%至報告期間的約人民幣27.7百萬元。

流動資金及資本資源

流動資產淨值

於二零一九年十二月三十一日，本集團的流動資產淨值約為人民幣173.4百萬元（二零一八年：約人民幣63.3百萬元）。本集團的流動比率由二零一八年十二月三十一日的約2.2增加至二零一九年十二月三十一日的3.9。

借款及資產抵押

於二零一九年十二月三十一日，本集團的銀行及其他借款約為人民幣8.2百萬元（二零一八年：約人民幣18.8百萬元）。於二零一九年十二月三十一日，借款以物業、廠房及設備與本公司擔保作為抵押。於二零一八年十二月三十一日，借款以物業、廠房及設備與李浩先生、袁順唐先生及許世真先生的個人擔保作為抵押。

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Gearing Ratio

Our gearing ratio, which is calculated by total borrowings divided by total equity, was approximately 2.9% and 12.7% as at 31 December 2019 and 31 December 2018, respectively. During the Reporting Period, our bank and other borrowings decreased by approximately RMB10.6 million. The gearing remained low due to our low level of bank and other borrowings as well as the increase in our equity contributed by our profitable operations.

Capital Structure

The Shares were listed on the Stock Exchange on 18 October 2019. There has been no change in the capital structure of the Company since then. As at 31 December 2019, the number of issued shares of the Company was 250,000,000 ordinary shares of HK\$0.01 each.

Foreign Exchange Exposure and Exchange Rate Risk

The Group's assets, liabilities and transactions are mainly denominated in Renminbi ("RMB") and Hong Kong dollar ("HK\$"), and there are no significant assets and liabilities denominated in other currencies. Management considers that the Group is not exposed to any significant foreign exchange risk for the years ended 31 December 2018 and 2019 as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the respective functional currencies of the Group's entities.

Capital Expenditure

For the Reporting Period, the Group had capital expenditure of approximately RMB38.0 million (2018: approximately RMB30.9 million). The capital expenditure was mainly related to the additions of office equipment, plant and equipment.

資產負債比率

於二零一九年十二月三十一日及二零一八年十二月三十一日，資產負債比率（按總借貸除以總權益計算）分別約為2.9%及12.7%。報告期間，銀行及其他借款減少約人民幣10.6百萬元。由於我們的銀行及其他借款水平較低以及我們的盈利營運對所佔權益的增加，資產負債比率維持在低水平。

資本架構

股份於二零一九年十月十八日在聯交所上市。此後本公司的資本架構並無變動。於二零一九年十二月三十一日，本公司已發行股份數目為250,000,000股每股0.01港元的普通股。

外匯風險及匯率風險

本集團的資產、負債及交易主要以人民幣（「人民幣」）及港元（「港元」）計值，而以其他貨幣計值的資產及負債並不重大。管理層認為本集團於截至二零一八年及二零一九年十二月三十一日止年度預計不會面臨任何重大的外匯風險，乃由於本集團之重大資產及負債並未以本集團實體各自功能貨幣之外的貨幣計值。

資本開支

報告期間，本集團的資本開支約為人民幣38.0百萬元（二零一八年：約人民幣30.9百萬元）。資本開支主要與添置辦公室設備、廠房及設備有關。

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Dividend

The Board does not recommend payment of final dividend for the year ended 31 December 2019 (2018: nil).

Employees, Emoluments Policy and Training

The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, bonuses and the Group's contribution to mandatory provident funds or state-managed retirement benefits scheme. Other benefits include share options to be granted under the Share Option Schemes. The Group provides comprehensive training and development opportunities to its employees on a regular basis. The trainings are arranged according to needs to employees, which are identified annually by individual departments

As at 31 December 2019, the Group had 826 employees with a total remuneration of approximately RMB72.8 million during the Reporting Period (2018: approximately RMB59.4 million). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices.

股息

董事會不建議派付截至二零一九年十二月三十一日止年度的末期股息(二零一八年：無)。

僱員薪酬政策及培訓

本集團薪酬組合的主要組成部分包括基本薪資及(倘適用)其他津貼、花紅以及本集團向強制性公積金或國家管理的退休福利計劃作出的供款。其他福利包括根據購股權計劃授出的購股權。本集團定期為其僱員提供全面的培訓及發展機會。本集團按僱員需求安排培訓，僱員需求每年由各部門確定。

於二零一九年十二月三十一日，本集團有826名僱員，報告期間的總薪酬約為人民幣72.8百萬元(二零一八年：約人民幣59.4百萬元)。僱員薪金乃參考個人表現、工作經驗、資歷及當前行業慣例釐定。

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Use of Proceeds

Our business objectives and planned use of proceeds as stated in the Prospectus were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus. The actual use of proceeds was based on the actual market development. The net proceeds from the Share Offer received by the Company, after deducting related underwriting fees and estimated expenses payable by the Company in connection with the Share Offer were approximately HK\$91.9 million. During the period from the Listing Date, being the date on which dealings in the Shares first commenced in the Stock Exchange, to 31 December 2019, the net proceeds from the Share Offer had been applied as follows:

所得款項用途

招股章程所述業務目標及所得款項擬定用途乃以本集團在編製招股章程時對未來市況作出的最佳估計為基礎。所得款項實際用途須視乎市場實際發展而定。本公司收取的股份發售所得款項淨額經扣除相關包銷費及本公司就股份發售應付的估計費用後約為91.9百萬港元。於上市日期(即股份開始在聯交所買賣之日)至二零一九年十二月三十一日期間，股份發售的所得款項淨額已應用如下：

Business objectives as stated in the Prospectus	Actual net proceeds	Amount utilised up to 31 December 2019	Remaining balance as at 31 December 2019	Expected timeline for the unutilised net proceeds to be utilised		
				For the year ending 31 December 2020	For the year ending 31 December 2021	
招股章程所述業務目標	實際所得款項淨額	截至二零一九年十二月三十一日已動用款項	截至二零一九年十二月三十一日的餘款	二零二零年十二月三十一日止年度	二零二一年十二月三十一日止年度	
	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	
Enhance our production capacity and efficiency	提升產能及效率	49.9	21.2	28.7	9.1	19.6
Enhance the level of automation in our quality control and packaging system	提高質量控制及包裝系統的自動化水平	7.6	7.5	0.1	0.1	-
Strengthen our product design and enhancement capabilities in respect of our PCBAs applicable to telecommunication devices and IoT devices	提升我們適用於電訊裝置及物聯網裝置的相關PCBA的產品設計及增強能力	5.9	-	5.9	2.6	3.3
Further strengthen our research and development capabilities	進一步加強我們的研發能力	3.1	0.7	2.4	1.4	1.0
Strengthen our product testing capabilities for IoT products by setting up a cloud-based simulation platform	通過建立基於雲的模擬平台，增強我們對物聯網產品的產品測試能力	2.1	-	2.1	1.2	0.9
Upgrade our MES system and enhance our capabilities in information technology	升級我們的MES及加強我們的信息技術能力	3.1	0.3	2.8	1.4	1.4
Upgrade our existing intelligent warehouse	升級我們現有的智能倉庫	2.5	0.2	2.3	1.1	1.2
Repayment of bank loan and other borrowings	償還銀行貸款及其他借款	8.6	2.0	6.6	6.6	-
Working capital	營運資金	9.1	2.0	7.1	4.1	3.0
		91.9	33.9	58.0	27.6	30.4

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The expected timeline for utilising the unutilised net proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions. The unutilised net proceeds have been placed with licensed banks in Hong Kong and PRC as interest-bearing deposits in accordance with the intention of the Board as disclosed in the Prospectus.

Capital Commitment

As at 31 December 2019, the Group's capital commitment amounted to approximately RMB2.2 million (2018: approximately RMB1.1 million). The capital commitment was mainly related to the acquisition of machinery and equipment to expand our production capacity and enhance our production efficiency.

Material Acquisitions, Disposals of Subsidiaries, Associates and Joint Ventures and Significant Investment

During the Reporting Period, there were no material acquisition, disposal of subsidiaries, associates and joint ventures or significant investment by the Group.

Contingent Liabilities

The Group did not have any material contingent liabilities as of 31 December 2019 (2018: Nil).

Event after Reporting Period

Since the Novel Coronavirus Outbreak, a number of provinces and municipalities in the PRC have taken emergency public health measures and various actions to prevent the spread of the Novel Coronavirus Outbreak, including imposing restriction on resumption date of production after the Chinese New Year Holiday.

The operation of the Group's production plant in Shenzhen (the "Shenzhen Production Plant") has been suspended after the statutory holidays for Chinese New Year as part of the Chinese government's countermeasures in containing the Novel Coronavirus Outbreak.

動用尚未動用的所得款項淨額的預期時間表乃以本集團對未來市況作出的最佳估計為基礎。該預期時間表將根據當前及未來市況而變動。尚未動用的所得款項淨額已按照招股章程所披露的董事會意向存入香港及中國持牌銀行作為計息存款。

資本承擔

於二零一九年十二月三十一日，本集團的資本承擔約為人民幣2.2百萬元（二零一八年：約人民幣1.1百萬元）。資本承擔主要關乎收購機器及設備以擴充我們的產能及提升我們的生產效率。

重大收購、出售附屬公司、聯營公司及合營企業及重大投資

報告期間，本集團概無進行重大收購、出售附屬公司、聯營公司及合營企業或重大投資。

或然負債

於二零一九年十二月三十一日，本集團並無任何重大或然負債（二零一八年：無）。

報告期後事項

隨著新型冠狀病毒疫情爆發，中國多個省市均已採取緊急公共衛生措施和多項行動以防止新型冠狀病毒疫情蔓延，包括限制農曆新年假期後恢復生產日期。

為配合中國政府抑制新型冠狀病毒疫情的措施，本集團的深圳生產廠房（「深圳生產廠房」）在中國農曆新年法定假期後一直停工。

MANAGEMENT DISCUSSION AND ANALYSIS

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After inspection being done at the Shenzhen Production Plant, the Group received an official notice on 19 February 2020 approving the resumption of limited production of the Shenzhen Production Plant. As such, the Shenzhen Production Plant resumed its operation and production started on 20 February 2020.

However, due to the suspension or limited service of transportation facilities in certain areas, certain workers in the affected provinces and municipalities are unable to return to the Shenzhen Production Plant as planned, which is expected to result in temporary drop in production capacity of the Shenzhen Production Plant shortly after the resumption of operation of the Shenzhen Production Plant. The Novel Coronavirus Outbreak has also adversely affected the supply chain logistics and the Group has experienced delay in the supply of raw materials from its suppliers. It is expected that the Shenzhen Production Plant will experience delay in reaching its original production schedule and there will be late delivery of products in the first half of 2020.

Under such special circumstances, the Group is currently working closely with its suppliers to speed up the delivery of raw materials, and is liaising with its customers to adjust the delivery schedule, so as to minimize any negative economic impact on the Group, its suppliers and its customers.

The suspension and the temporarily lower than original production level are likely to have a negative impact on the Group's future financial results. The Group will continue to assess the impact of Novel Coronavirus Outbreak on the financial performance and closely monitor the development of the Novel Coronavirus Outbreak and the exposure to the risks and uncertainties in this connection. The Company will take appropriate measures as necessary.

經檢查深圳生產廠房後，本集團於二零二零年二月十九日接獲正式通知，批准深圳生產廠房恢復有限度生產。因此，深圳生產廠房已於二零二零年二月二十日恢復營運及生產。

然而，由於若干地區的交通設施暫停或僅提供有限度服務，受影響省市的部分工人未能按計劃返回深圳生產廠房，故此預期於復工後的短時間內，深圳生產廠房的產能暫時有所下降。新型冠狀病毒疫情亦對供應鏈物流造成不利影響，使本集團自供應商取得原料供應方面出現延誤。預期深圳生產廠房的原定生產計劃將會有所延遲，使二零二零年上半年的產品延遲交付。

在此特殊的情況下，本集團目前與供應商緊密合作，加快原料的交付，並聯絡客戶調整交貨期，盡力減低對本集團、供應商及客戶的任何負面經濟影響。

停工及生產量較原定生產量暫時減少可能對本集團的未來財務業績有負面影響。本集團將繼續評估新型冠狀病毒疫情對財務表現的影響，並密切關注新型冠狀病毒疫情的發展及因而面臨的風險與不明朗因素。本公司必要時將採取適當措施。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

Executive Directors

Mr. Li Hao (李浩) (“Mr. Li”), aged 48, is an executive Director, chairman of the Board and chief executive officer of our Group and the cousin of Mr. Xu shizhen. Mr. Li joined our Group in March 2000 and has over 20 years of experience in the electronic engineering and manufacturing industry. He is primarily responsible for the overall strategic planning and business development and overseeing the daily operation of our Group.

Mr. Li obtained his diploma in industrial electrical automation from Wuhan University of Science and Technology (formerly known as Wuhan Institute of Metallurgy) in July 1993. He further completed a top-up degree in electronic and information technology from University of Electronic Science and Technology of China in January 2019 through online studies. From July 1993 to March 1996, Mr. Li worked as a sales manager in Shenzhen International Business Data Co., Ltd.* (深圳國際商業數據有限公司). From April 1996 to July 1998, Mr. Li Hao worked as a sales manager in Shenzhen Tefa Songli Electronic Industry Co., Ltd.* (深圳特發松立電子實業有限公司), an electronic products manufacturer. He then worked in Shenzhen Bolinshijia Modern Households Co., Ltd.* (深圳市柏林世家現代家居用品有限公司) (formerly known as Shenzhen Xinwei Industry Co., Ltd.* (深圳市信維實業有限公司)), a household products trader, as a deputy general manager from August 1998 to February 2000. He has been the director and general manager of Shenzhen Confidence and Xinzhi (Shenzhen) Electronic co., Ltd.* (信智(深圳)電子有限公司) (the “Xinzhi Shenzhen”) since March 2000 and March 2019, respectively. He also been the director of Confidence Intelligence, Inc, New Trive Limited and New Trive (HK) Limited (新銳志(香港)有限公司) since April 2017, January 2019 and January 2019, respectively.

* For identification purpose only

執行董事

李浩先生(「李先生」)，48歲，為本集團執行董事、董事會主席及行政總裁，許世真先生的表兄。李先生於二零零零年三月加入本集團，擁有電子工程及製造行業逾20年的經驗。彼主要負責整體策略規劃、業務發展並監督本集團的日常營運。

李先生於一九九三年七月獲得武漢科技大學(前稱武漢冶金科技大學)工業電氣自動化文憑。彼其後於二零一九年一月通過在線學習修畢中國電子科技大學電子與資訊科技專業銜接學位。李先生自一九九三年七月至一九九六年三月擔任深圳國際商業數據有限公司銷售經理，並自一九九六年四月至一九九八年七月擔任深圳特發松立電子實業有限公司(一間電子產品製造商)銷售經理。彼其後自一九九八年八月至二零零零年二月出任深圳市柏林世家現代家居用品有限公司(前稱深圳市信維實業有限公司，為一間家居產品貿易商)副總經理。自二零零零年三月及二零一九年三月起，彼分別一直擔任深圳信懋及信智(深圳)電子有限公司(「信智深圳」)董事及總經理。自二零一七年四月、二零一九年一月及二零一九年一月起，彼分別一直擔任Confidence Intelligence, Inc、New Trive Limited及新銳志(香港)有限公司董事。

* 僅供識別

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

Mr. Zhang Bizhong (張必鍾) (“Mr. Zhang”), aged 54, is an executive Director of our Company. Mr. Zhang joined our Group in February 2002 and has over 25 years of experience in the electronic engineering and manufacturing industry. He is primarily responsible for overseeing sales and operations of our Group.

Mr. Zhang obtained his diploma in physics from Zhejiang Normal University in July 1988. From February 1990 to August 1992, Mr. Zhang worked as a production engineer in Lianguang Electronics and Plastics (Shenzhen) Co., Ltd* (聯光電子塑膠(深圳)有限公司), an electronic products manufacturer. He then joined Shenzhen Dinghan Electronics Technology Co., Ltd.* (深圳鼎漢電子技術有限公司), an electronic technology service provider, as a production manager from September 1992 to October 1995. He then worked in Shenzhen Bao'an Tongbang Electronics Co., Ltd.* (深圳市寶安桐邦電子有限公司), a PCBA manufacturer, as a factory head from November 1995 to February 2002. He has been the deputy general manager of Shenzhen Confidence since February 2002 and has been appointed as a director since December 2015.

Mr. Xu Shizhen (許世真) (“Mr. Xu”), aged 46, is an executive Director and the chief financial officer of our Company and the cousin of Mr. Li. Mr. Xu joined our Group in March 2000 and is primarily responsible for the overall financial, accounting, administration and secretarial affairs of our Group.

Mr. Xu obtained his diploma in finance and accounting from Wuhan University of Technology (formerly known as Wuhan Automotive Polytechnic University) in July 1996. From September 1996 to December 1998, Mr. Xu worked as a sales manager in Shenzhen Tefa Songli Electronic Industry Co., Ltd* (深圳市特發松立電子實業有限公司), an electronic products manufacturer. He then joined Shenzhen Suzhu Co., Ltd.* (深圳市塑住有限公司) as a purchasing manager from January 1999 to January 2000. He has been the chief financial officer of Shenzhen Confidence since March 2000 and has been appointed as a director, financial controller and secretary of the board since December 2015. He also been the supervisor of Xinzhi Shenzhen since March 2019.

* For identification purpose only

張必鍾先生(「張先生」)，54歲，為本公司執行董事。張先生於二零零二年二月加入本集團，擁有電子工程及製造行業逾25年的經驗。彼主要負責監督本集團銷售及營運。

張先生於一九八八年七月獲得浙江師範大學物理學文憑。張先生自一九九零年二月至一九九二年八月擔任聯光電子塑膠(深圳)有限公司(一間電子產品製造商)產品工程師。彼其後自一九九二年九月至一九九五年十月加入深圳鼎漢電子技術有限公司(一間電子技術服務提供商)，擔任產品經理。彼其後於一九九五年十一月至二零零二年二月擔任深圳市寶安桐邦電子有限公司(一間PCBA製造商)廠長。自二零零二年二月起，彼一直為深圳信懇副總經理，並自二零一五年十二月起獲委任為董事。

許世真先生(「許先生」)，46歲，為本公司執行董事及財務總監，李先生的表弟。許先生於二零零零年三月加入本集團，主要負責本集團整體財務、會計、行政及秘書事宜。

於一九九六年七月，許先生獲得武漢理工大學(前稱武漢汽車工業大學)金融會計文憑。許先生自一九九六年九月至一九九八年十二月擔任深圳市特發松立電子實業有限公司(一間電子產品製造商)銷售經理。彼其後於一九九九年一月至二零零零年一月加盟深圳市塑住有限公司擔任採購經理。自二零零零年三月起，彼一直擔任深圳信懇的財務主管，並自二零一五年十二月起獲委任為董事、財務總監及董事會秘書。彼亦自二零一九年三月起一直擔任信智深圳監事。

* 僅供識別

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

Non-executive Director

Mr. Yuan Shuntang (袁順唐) (“Mr. Yuan”), aged 47, is a non-executive Director of our Group. He is primarily responsible for providing strategic advice to the business development of our Group. Mr. Yuan obtained his diploma in industrial electrical automation from Wuhan University of Science and Technology (formerly known as Wuhan Institute of Metallurgy) in July 1993. Mr. Yuan worked as a sales engineer in Shenzhen Tianyuan Finance Electronics Co., Ltd* (深圳天元金融電子有限公司), an electronic products wholesaler, from September 1993 to June 1995 and joined Yantian International Container Terminals Limited* (鹽田國際集裝箱碼頭有限公司), a logistic company, as an operation manager from August 1995 to October 2002. He then worked in Shenzhen Haoyang Logistics Co., Ltd.* (深圳市浩洋貨運有限公司), a logistics company, as a sales manager from November 2002 to August 2005. Since September 2005, Mr. Yuan served as the general manager of Shenzhen Highway Sender International Transport Co., Ltd.* (深圳市海威順達國際貨運代理有限公司), a logistics agency, where he was responsible for strategic planning and overseeing the overall operation management of the company.

Independent non-executive Directors

Mr. Chen Zhong (陳忠) (“Mr. Chen”), aged 55, was appointed as an independent non-executive Director of our Group on 20 September 2019. He is the chairman of the Nomination Committee, a member of the Audit Committee and the Remuneration Committee of our Group. He is responsible for providing independent advice to the Board. Mr. Chen obtained his Bachelor’s degree in Radio Physics from Xiamen University in July 1985. He further obtained a Master’s degree in Science and a Doctorate degree in Science from Xiamen University in August 1988 and February 1993 respectively. Mr. Chen is a professor and lecturer of the Faculty of Electronic Science in Xiamen University. From April 1993 to July 1995, Mr. Chen worked as a postdoctoral researcher in the Fujian Institute of Research on the Structure of the Chinese Academy of Science. He then joined Xiamen University in August 1995 as an assistant professor of the Faculty of Chemistry and was promoted to a professor in December 2000. From December 2003 to September 2017, Mr. Chen served as the associate dean of the College of Physical Science and Technology of Xiamen University. He became the associate dean of the College of Electronic Science and Technology of Xiamen University since October 2017.

* For identification purpose only

非執行董事

袁順唐先生 (「袁先生」)，47歲，為本集團的非執行董事。彼主要負責就本集團業務發展提供策略建議。袁先生於一九九三年七月獲得武漢科技大學(前稱武漢冶金科技大學)工業電氣自動化文憑。自一九九三年九月至一九九五年六月，袁先生擔任深圳天元金融電子有限公司(一間電子產品批發商)銷售工程師，並自一九九五年八月至二零零二年十月加入鹽田國際集裝箱碼頭有限公司(一間物流公司)擔任營運經理。彼其後自二零零二年十一月至二零零五年八月擔任深圳市浩洋貨運有限公司(一間物流公司)銷售經理。自二零零五年九月起，袁先生擔任深圳市海威順達國際貨運代理有限公司(一間物流代理)總經理，並負責策略規劃及監督該公司的整體營運管理。

獨立非執行董事

陳忠先生 (「陳先生」)，55歲，於二零一九年九月二十日獲委任為本集團獨立非執行董事。彼為本集團提名委員會主席、審核委員會及薪酬委員會成員。彼負責向董事會提供獨立意見。陳先生於一九八五年七月獲得廈門大學無線電物理學士學位。彼於一九八八年八月及一九九三年二月分別進一步獲得廈門大學理學碩士學位及理學博士學位。陳先生為廈門大學電子科學系教授及導師。自一九九三年四月至一九九五年七月，陳先生擔任中國科學院福建物質結構研究所博士後研究員。彼其後於一九九五年八月擔任廈門大學化學系助理教授，並於二零零零年十二月晉升為教授。自二零零三年十二月至二零一七年九月，陳先生擔任廈門大學物理科學與技術學院副院長。自二零一七年十月起，彼成為廈門大學電子科學與技術學院副院長。

* 僅供識別

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

Mr. Wong Chun Sek Edmund (黃俊碩) (“Mr. Wong”), aged 35, was appointed as an independent non-executive Director of our Group on 20 September 2019. He is the chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee of our Group. He is responsible for providing independent advice to the Board. Mr. Wong obtained his Bachelor’s degree in Accountancy from Hong Kong Baptist University in November 2007, Master of Science in Applied Accounting and Finance from Hong Kong Baptist University in November 2013, and Master of Business Administration from The Open University of Hong Kong in October 2016 and Master of Corporate Governance from The Open University of Hong Kong in August 2017. Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants of the United Kingdom, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administration. Mr. Wong has more than 10 years of experience in accounting, taxation and auditing. He joined Deloitte Touche Tohmatsu as an audit associate in September 2007 and left as an audit senior in November 2011. Mr. Wong joined Patrick Wong C.P.A. Limited as an audit manager in February 2012 and has been its practicing director since March 2013. Mr. Wong is currently the independent non-executive director of InvesTech Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1087) which is principally engaged in the provision of network system integration.

Mr. Wu Tai Cheung (胡大祥) (“Mr. Wu”), aged 62, was appointed as an independent non-executive Director of our Group on 20 September 2019. He is the chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of our Group. He is responsible for providing independent advice to the Board.

Mr. Wu obtained his Bachelor’s degree in Arts in Accountancy from the University of Bolton (formerly known as the Bolton Institute of Higher Education) in October 2002 and his Master’s degree in Business Administration from the University of Newcastle, Australia in December 2004. He has also been holding the following memberships, namely (i) member of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) since October 2003; (ii) associate of the Taxation Institute of Hong Kong since November 2003; (iii) fellow of the Association of Chartered Certified Accountants since December 2007 (member of the same association since December 2002); (iv) associate of the Hong Kong Institute of Chartered Secretaries since October 2008; and (v) associate of the Institute of Chartered Secretaries and Administrators since October 2008.

黃俊碩先生(「黃先生」)，35歲，於二零一九年九月二十日獲委任為本集團獨立非執行董事。彼為本集團審核委員會主席、薪酬委員會及提名委員會成員。彼負責向董事會提供獨立意見。黃先生於二零零七年十一月獲得香港浸會大學會計學學士學位，於二零一三年十一月獲得香港浸會大學應用會計與金融理學碩士學位，於二零一六年十月獲得香港公開大學工商管理碩士學位，並於二零一七年八月獲得香港公開大學企業管治碩士學位。黃先生為香港會計師公會、英格蘭及威爾斯特許會計師公會及英國特許公認會計師公會、香港特許秘書公會及英國特許秘書及行政人員公會會員。黃先生擁有逾10年會計、稅務及審核經驗。彼於二零零七年九月加入德勤•關黃陳方會計師行，任審計員一職，於二零一一年十一月離任時任高級審計師一職。黃先生於二零一二年二月加入黃龍德會計師事務所有限公司，任審計經理一職，並自二零一三年三月起擔任執業董事。黃先生目前為威訊控股有限公司獨立非執行董事，該公司於聯交所主板上市(股份代號：1087)並主要從事提供網絡系統集成。

胡大祥先生(「胡先生」)，62歲，於二零一九年九月二十日獲委任為本集團獨立非執行董事。彼為本集團薪酬委員會主席、審核委員會及提名委員會成員。彼負責向董事會提供獨立意見。

胡先生於二零零二年十月獲博爾頓大學(前稱博爾頓高等教育學院)會計學學士學位，並於二零零四年十二月獲澳洲紐卡索大學工商管理碩士學位。彼亦持有以下會員資格，即(i)自二零零三年十月起成為香港會計師公會(前稱香港會計師學會)會員；(ii)自二零零三年十一月成為香港稅務學會會員；(iii)自二零零七年十二月起成為英國特許公認會計師公會資深會員(自二零零二年十二月起為該公會會員)；(iv)自二零零八年十月起成為香港特許秘書公會會員；及(v)自二零零八年十月起成為英國特許秘書及行政人員協會會員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

Mr. Wu has over 35 years of experience in accounting and corporate finance. He worked in Peat, Marwick, Mitchell & Co. (which was later merged into KPMG) since October 1977 and left as an assistant manager in May 1985. During June 1985 to around July 1987, Mr. Wu worked as an accounting manager in Falcon Insurance Company (Hong Kong) Limited (formerly known as Ka Wah AMEV Insurance Limited). After that, he joined Asian Properties Limited as a financial controller and left as the finance director in September 1998, during which he was responsible for the control of the overall management reporting and cashflow projection and compliance of statutory requirements. Since August 1998, he has served as a director in Croydon Management Services Limited which was principally engaged in the provision of accounting and corporate services. Since 2002, Mr. Wu has held various positions in companies listed on the Main Board of the Stock Exchange. He served as a financial controller and company secretary in Zhongda International Holdings Ltd. (then stock code: 909) from April 2002 to March 2004 and a financial controller and company secretary in Zhejiang Shibao Company Limited (stock code: 1057) from April 2005 to September 2006. During the period from September 2007 to March 2010, Mr. Wu worked as the company secretary of Pacific Textiles Holdings Limited (stock code: 1382), which he joined in October 2006 as the financial manager. Mr. Wu was a chief financial officer and company secretary in China First Capital Group Limited (formerly known as China Vehicle Components Technology Holdings Limited) (stock code: 1269) from October 2011 to February 2012. He was the company secretary of Shenyang Public Utility Holdings Company Limited (stock code: 747) from May 2013 to March 2014 and acted as the joint company secretary from March 2014 to July 2018. He was the chief financial officer and company secretary of Yee Hop Holdings Limited (stock code: 1662) from June 2015 to November 2019. Mr. Wu served as an independent non-executive director of New Provenance Everlasting Holdings Limited (formerly known as BEP International Holdings Limited) (stock code: 2326) from January 2006 to October 2007 and Munsun Capital Group Limited (formerly known as China Precious Metal Resource Holdings Company Limited) (stock code: 1194) from October 2016 to February 2019. Mr. Wu has been the independent non-executive director of Yun Lee Marine Group Holdings Limited since March 2019 (stock code: 2682).

胡先生在會計及企業融資方面擁有逾35年經驗。彼自一九七七年十月起任職於Peat, Marwick, Mitchell & Co. (後併入畢馬威)，於一九八五年五月離職前擔任助理經理。於一九八五年六月至一九八七年七月前後，胡先生任職於富勤保險(香港)有限公司(前稱為嘉華安美保險有限公司)，擔任會計經理。其後，彼加入高信置業有限公司擔任財務長，於一九九八年九月離職時擔任財務總監，任職期間負責管控整體管理層報告及現金流量預測以及法定要求的合規情況。自一九九八年八月起，彼擔任Croydon Management Services Limited的董事，該公司主要從事提供會計及企業服務。自二零零二年，胡先生於多間在聯交所主板上市的公司擔任多個職位。彼自二零零二年四月至二零零四年三月於中大國際控股有限公司(當時股份代號：909)擔任財務總監及公司秘書，自二零零五年四月至二零零六年九月於浙江世寶股份有限公司(股份代號：1057)擔任財務總監及公司秘書。胡先生於二零零六年十月加入互太紡織控股有限公司(股份代號：1382)擔任財務經理，於二零零七年九月至二零一零年三月期間，擔任該公司的公司秘書。胡先生自二零一一年十月至二零一二年二月於中國首控集團有限公司(前稱中國車輛零部件科技控股有限公司)(股份代號：1269)擔任財務總監及公司秘書。彼自二零一三年五月至二零一四年三月於瀋陽公用發展股份有限公司(股份代號：747)擔任公司秘書，並自二零一四年三月至二零一八年七月擔任聯席公司秘書。彼自二零一五年六月至二零一九年十一月擔任義合控股有限公司(股份代號：1662)財務總監及公司秘書。胡先生自二零零六年一月至二零零七年十月擔任新源萬恒控股有限公司(前稱百靈達國際控股有限公司)(股份代號：2326)獨立非執行董事，自二零一六年十月至二零一九年二月擔任麥盛資本集團有限公司(前稱中國貴金屬資源控股有限公司)(股份代號：1194)獨立非執行董事。胡先生自二零一九年三月起擔任潤利海事集團控股有限公司(股份代號：2682)獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

Company Secretary

Ms. Jian Xuegen (簡雪艮) (“Ms. Jian”), aged 34, was appointed as the company secretary of our Group on 21 February 2019. Since February 2019, Ms. Jian has joined Wisdom Professional Limited, a professional services provider specialising in corporate and investor services, with her position as a consultant and is responsible for providing professional corporate secretarial services to companies listed on the Stock Exchange.

Ms. Jian obtained her Bachelor's degree in Accounting from the South China University of Technology in July 2008. She has been a member of the Hong Kong Institute of Certified Public Accountants since January 2019. She has also been a member of the Chinese Institute of Certified Public Accountants since December 2010.

Ms. Jian joined Ernst & Young Hua Ming LLP Guangzhou Branch in November 2008 and left with her last position as manager in the assurance department in December 2016. Since December 2016, she has worked as financial controller in the group of Eternity Technology Holdings Limited, a company listed on the Stock Exchange (stock code: 1725), and also the company secretary of Eternity Technology Holdings Limited since January 2020. Since February 2019, she has been the company secretary of Sprocomm Intelligence Limited, a company listed on the Stock Exchange in November 2019 (stock code: 1401). Since January 2020, Ms. Jian is also the director of Shenzhen Shan source Electric Co., Ltd.* (深圳山源電器股份有限公司), which principally involved in manufacture and sales of electronic radiators, PTC heaters, and electronic metal hardware.

* For identification purpose only

公司秘書

簡雪艮女士 (「簡女士」)，34歲，於二零一九年二月二十一日獲委任為本集團公司秘書。自二零一九年二月起，簡女士加入滙智稅務及會計有限公司(一間專門從事企業及投資者服務的專業服務提供商)，擔任其顧問，並負責向聯交所上市公司提供專業公司秘書服務。

簡女士於二零零八年七月取得華南理工大學會計學士學位。彼於二零一九年一月成為香港會計師公會會員。彼亦於二零一零年十二月成為中國註冊會計師協會會員。

簡女士於二零零八年十一月加入Ernst & Young Hua Ming LLP廣州分行，彼於二零一六年十二月離職，最後職位為審計部經理。彼自二零一六年十二月於聯交所上市公司恒達科技控股有限公司(股份代號：1725)所屬集團擔任財務總監，並自二零二零年一月起擔任該公司的公司秘書。自二零一九年二月起，彼亦擔任Sprocomm Intelligence Limited(一間於二零一九年十一月在聯交所上市的公司)(股份代號：1401)的公司秘書。自二零二零年一月起，簡女士亦為深圳山源電器股份有限公司(主要從事製造和銷售電子散熱器、PTC發熱器及電子五金)的董事。

* 僅供識別

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

Senior Management

Mr. Yang Zougao (楊奏高) (“Mr. Yang”), aged 43, is the general manager of production of our Group and is responsible for overseeing productions and quality control of our Group. He has over 20 years of experience in the electronic engineering and manufacturing industry.

Mr. Yang obtained his diploma in electrical engineering from Hunan Industry Polytechnic in July 1998. Prior to joining our Group, Mr. Yang worked as a technician in Dongguan Jinzheng Digital Technology Co., Ltd.* (東莞市金正數碼科技有限公司) from February 1998 to August 2000. He worked in Dongguan Jinzhong Electronics Co., Ltd.* (東莞市金眾電子有限公司) as an equipment officer from August 2000 to December 2000. He then worked as a production line engineer in BBK Educational Electronics Co., Ltd.* (步步高教育電子有限公司), a company principally engaged in the sales and supply of electronic products, from January 2001 to July 2001. In August 2001, he joined Shenzhen Confidence as the general manager of production and became a director since December 2015.

Mr. Chen Qin (陳勤), aged 36, is the general manager of marketing and product affairs of our Group and is responsible for overseeing sales and operations, business development and project management of our Group. He has over 10 years of experience in the electronic engineering and manufacturing industry.

Mr. Chen Qin obtained his degree in telecommunication engineering from Guilin University of Electronic Technology in July 2006. He further obtained a master's degree in software engineering from University of Electronic Science and Technology of China in December 2012. Prior to joining our Group, Mr. Chen Qin worked as a senior engineer and project manager in Shenzhen Jiuzhou Electric Co., Ltd.* (深圳市九州電器有限公司) from July 2006 to July 2009. He then worked as a head of production line in Jiuzhou Jena Co., Ltd., a digital video network provider located in the U.S., from August 2009 to May 2013 where he was responsible for expanding the market and managing the production lines of the company in Northern U.S.. He returned to Shenzhen Jiuzhou Electric Co., Ltd.* (深圳市九州電器有限公司) and served as the head of technical support department from June 2013 to September 2014. In March 2015, he joined Shenzhen Confidence as the general manager of marketing and product affairs and was promoted as a director in December 2015.

* For identification purpose only

高級管理層

楊奏高先生 (「楊先生」)，43歲，為本集團的製造事業部總經理，負責監督本集團的生產及質量管控。彼於電子工程及製造行業擁有逾20年經驗。

楊先生於一九九八年七月取得湖南工業職業技術學院電氣工程文憑。於加入本集團前，楊先生於一九九八年二月至二零零零年八月在東莞市金正數碼科技有限公司擔任技工。彼於二零零零年八月至二零零零年十二月在東莞市金眾電子有限公司擔任設備人員。彼於二零零一年一月至二零零一年七月在步步高教育電子有限公司(一間主要從事銷售及供應電子產品的公司)擔任生產線工程師。彼於二零零一年八月加入深圳信懇擔任製造事業部總經理並於二零一五年十二月成為董事。

陳勤先生，36歲，為本集團市場營銷及產品事業部總經理及負責監督本集團之銷售及營運、業務發展及項目管理。彼於电气工程及製造業擁有逾10年的經驗。

陳勤先生於二零零六年七月取得桂林電子科技大學通信工程文憑。彼於二零一二年十二月進一步取得電子科技大學軟件工程碩士學位。於加入本集團前，陳勤先生於二零零六年七月至二零零九年七月在深圳市九州電器有限公司擔任高級工程師及項目經理。彼於二零零九年八月至二零一三年五月在Jiuzhou Jena Co., Ltd. (一間位於美國的數字視頻網絡提供商)擔任生產線主管，負責拓展市場及管理美國北部公司的生產線。彼於二零一三年六月至二零一四年九月回到深圳市九州電器有限公司並擔任技術支持部門主管。彼於二零一五年三月加入深圳信懇擔任市場營銷及產品事業部總經理並於二零一五年十二月晉升為董事。

* 僅供識別

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate Governance Practices

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the trust of shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance codes to meet the legal and commercial standards by focusing on areas such as internal control, adequate disclosure and accountability to all shareholders.

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) during the Reporting Period except the following deviation:

CG Code provision A.2.1 stipulates that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. Mr. Li is the chairman of the Board and the chief executive officer of our Group, which was deviated from the CG Code. However, having considered the nature and extent of our Group’s operations, Mr. Li’s extensive experience in the industry, familiarity with the operations of our Group since its business operation, that all major decisions are made in consultation with members of our Board and relevant Board committees, and that there are three independent non-executive Directors on our Board offering independent perspectives, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between our Board and the management of our Company and that it is in the best interest of our Group to have Mr. Li taking up both roles. As such, the roles of the chairman and chief executive officer of our Group are not being separated pursuant to the requirement under code provision A.2.1 of the CG Code. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

企業管治常規

本公司認同達致高度企業管治標準，以提高企業表現、透明度及責任乃具有價值並十分重要，因其能贏取股東及公眾的信任。董事會致力專注於內部監控、充足披露以及對全體股東負責等範疇，以依循企業管治原則並採納穩健的企業管治守則以符合法律及商業水平。

於報告期間，本公司已採納及遵守聯交所證券上市規則（「上市規則」）附錄14所載之企業管治守則（「企業管治守則」）載列的守則條文，惟下述偏離者除外：

企業管治守則條文第A.2.1條規定，董事會主席與行政總裁的角色應予區分，不應由同一人兼任。李先生為本集團董事會主席兼行政總裁，偏離企業管治守則。然而，考慮到本集團業務的性質及規模、李先生的豐富行業經驗及對本集團營運以來業務的熟悉，以及所有主要決策均會諮詢董事會及相關董事會成員，且董事會設有三名獨立非執行董事提供獨立見解，故董事會認為有足夠保障措施確保董事會與本公司管理層之間權力平衡，且李先生兼任兩職符合本集團的最佳利益。因此，並無根據企業管治守則條文第A.2.1條的規定區分本集團主席與行政總裁的角色。董事會亦將繼續檢討及監察本公司常規，確保本公司遵守企業管治守則及維持高水準的企業管治常規。

CORPORATE GOVERNANCE REPORT

企業管治報告

Model Code for Securities Transactions of Directors of Listed Issuers (the “Model Code”)

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors’ securities transactions. All Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code from the Listing Date up to the date of this report.

Corporate Governance Duties

The Board is responsible for performing the corporate governance duties as set out in code provision D.3.1 of the CG Code. During the Reporting Period, the Board had reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of the corporate governance policy of the Group.

Chairman and Chief Executive Officer

CG Code provisions A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not segregate the roles of chairman and chief executive officer and Mr. Li currently holds both of the chairman and chief executive officer positions, as explained in the paragraph headed “Corporate Governance Practices” above in the Corporate Governance Report.

Independent Non-Executive Directors

The independent non-executive Directors are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance and business. Their skills, expertise and number in the Board ensure that strong independent views and judgement are brought in the Board’s deliberations and that such views and judgement carry weight in the Board’s decision-making process. Their presence and participation also enable the Board to maintain high standards of compliance in financial and other mandatory reporting requirements and provide adequate checks and balances to safeguard the interests of shareholders of the Company and the Company.

The Company annually assesses the independence of each independent non-executive Director during their terms of appointment. From the Listing Date up to 31 December 2019, the Company received from each of the independent non-executive Directors a written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent.

上市發行人董事進行證券交易的標準守則(「標準守則」)

本公司已採納上市規則附錄10所載的標準守則，作為其董事進行證券交易的行為守則。經本公司作出具體查詢後，全體董事確認彼等於上市日期起至本報告日期一直遵守標準守則所載規定標準。

企業管治職責

董事會負責履行企業管治守則的守則條文第D.3.1條所載企業管治職責。於報告期間，董事會已審閱及討論本集團的企業管治政策，並信納本集團企業管治政策的有效性。

主席及行政總裁

企業管治守則條文第A.2.1條訂明，主席與行政總裁的角色應予區分，不應由同一人兼任。本公司並無區分主席與行政總裁的角色，且如企業管治報告上文「企業管治常規」一段所解釋，李先生目前擔任主席與行政總裁職務。

獨立非執行董事

獨立非執行董事均為在會計、金融及商業領域中具備廣泛專業知識及經驗的技巧嫺熟專業人士。彼等之技能、專業知識及於董事會的人數確保為董事會審議帶來有力之獨立觀點及判斷，且有關觀點及判斷在董事會的決策過程中具有影響力。彼等的出席及參與亦使董事會能維持嚴格遵守財務及其他強制報告規定，並提供足夠權力制衡，保障本公司股東及本公司的利益。

本公司每年於各獨立非執行董事的任期內對其獨立性作出評估。自上市日期至二零一九年十二月三十一日，本公司已根據上市規則第3.13條從各獨立非執行董事接獲有關其獨立性之書面確認。本公司認為，全體獨立非執行董事均為獨立人士。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board

The Board currently comprises three executive Directors, namely Mr. Li Hao (chairman and chief executive officer), Mr. Zhang Bizhong and Mr. Xu Shizhen; one non-executive Director, namely Mr. Yuan Shuntang; and three independent non-executive Directors, namely Mr. Wong Chun Sek Edmund, Mr. Chen Zhong and Mr. Wu Tai Cheung. The number of independent non-executive Directors represents more than one third of the Board. The biographical details of and relationships among the members of the Board are disclosed under the section headed “Biographical Details of Directors and Senior Management” on pages 17 to 23 of this annual report.

The Directors believe that the composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business development of the Group and for effective leadership as all the Executive Directors possess extensive experience in management and professional knowledge in business, while the three independent non-executive Directors possess professional knowledge and broad experience in finance and business. The Directors are of the opinion that the present structure of the Board can ensure the independence and objectivity of the Board and provide a system of checks and balances to safeguard the interests of the shareholders of the Company and the Company.

The Directors acknowledge their responsibilities for preparing the financial statements of the Company 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 financial statements is set out in the Independent Auditor’s Report on page 90 to 99. The Board is responsible for leadership and control of the Company and oversees the Group’s business, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board shall take decisions objectively in the interests of the Company.

In addition, the Board has also delegated various responsibilities to the Board committees. Board meetings are structured so as to encourage open discussion, frank debate and active participation by Directors in meetings. The Company provides the Board with information and explanations that are necessary to enable Directors to make an informed assessment of the financial and other information put before the Board.

董事會

董事會現由三名執行董事（即李浩先生（主席兼行政總裁）、張必鍾先生及許世真先生）；一名非執行董事（即袁順唐先生）；及三名獨立非執行董事（即黃俊碩先生、陳忠先生及胡大祥先生）組成。獨立非執行董事的人數佔董事會超過三分之一。董事會成員的履歷詳情及關係於本年報第17至23頁「董事及高級管理層的履歷詳情」一節披露。

董事相信，由於全體執行董事於業務管理及專業知識上均具備豐富經驗，而三名獨立非執行董事則具備金融及商業方面的專業知識及廣泛經驗，故董事會的組成反映本集團業務發展所需及有效領導所適用的技能及經驗之間的必要平衡。董事認為，董事會的目前架構能確保董事會的獨立性及客觀性，為保障本公司股東及本公司利益提供制衡體系。

董事知悉彼等負責編製本公司截至二零一九年十二月三十一日止年度之財務報表。董事並不知悉有關可能對本公司的持續經營能力造成重大質疑的事件或情況有任何重大不確定性。本公司獨立核數師就其對財務報表之申報責任的聲明載於第90至99頁的獨立核數師報告。董事會負責領導及監控本公司，監督本集團業務、策略決定及表現，並共同負責指導及監督本公司事務以推動其成功運作。董事會董事須作出符合本公司利益的客觀決定。

此外，董事會亦授權董事委員會履行多項職責。董事會會議以有助鼓勵董事在會議上公開討論、坦誠辯論及積極參與的形式舉行。本公司向董事會提供所需資料及解釋，使董事可就向董事會提呈的財務及其他資料作出知情評估。

CORPORATE GOVERNANCE REPORT

企業管治報告

Appointment, Re-Election and Removal of Directors

All Directors are appointed for a specific term. Each of the Directors of the Company is under a service contract or a letter of appointment with the Company for a period of one to three years commencing from the Listing Date.

According to the articles of association of the Company (the “Articles”), at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then 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. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Pursuant to the Articles, Mr. Li, Mr. Zhang, Mr. Xu, Mr. Yuan, Mr. Wong, Mr. Wu and Mr. Chen will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting (“AGM”).

董事之委任、重選及罷免

所有董事均按特定任期獲委任。本公司各董事均與本公司訂有服務合約或委任函，由上市日期起計為期一年至三年。

根據本公司組織章程細則（「細則」），在每屆股東週年大會上，當時三分之一董事（若人數並非三的倍數，則須為最接近但不少於三分之一的人數）將輪值告退，惟各董事須於股東週年大會至少每三年告退一次。輪值告退的董事包括有意退任且不參加膺選連任的任何董事。任何其他須告退的董事為自上次獲選連任或聘任後任期最長的董事，但若數名人士於同日出任董事或上次於同日獲選連任董事，則以抽籤決定須告退的董事（除非彼等另行協定）。

董事會有權隨時或不時委任任何人士為董事，以填補董事會臨時空缺或增加現有董事會人數，惟須受股東於股東大會上可能釐定的任何董事人數上限（如有）所規限。任何就此獲委任以填補臨時空缺的董事任期僅至其獲委任後的本公司首屆股東大會為止，屆時須於有關大會上重選連任。任何就此獲委任以增加現有董事會人數的董事任期僅至其獲委任後的本公司首屆股東週年大會為止，並符合資格於有關大會上重選連任。於釐定將於股東週年大會上輪值退任的董事人選或董事數目時，任何就此獲董事會委任的董事不得計算在內。

根據細則，李先生、張先生、許先生、袁先生、黃先生、胡先生及陳先生將於應屆股東週年大會（「股東週年大會」）上退任，並合資格且願意重選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board Diversity Policy

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of a diverse Board with a balance of skills, experience and diversity of perspectives to enhance the quality of its performance. All Board appointments will be considered against selection criteria.

The Company seeks to achieve the diversity of the Board through the consideration of a number of factors in the Board members' selection process, including but not limited to gender, age, cultural and educational background of the Board, professional qualifications, skills, knowledge, industry experience, ethnicity and length of service. All Board appointments will be based on meritocracy and contribution that the selected candidate will bring to the Board, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee will review the board diversity policy, as appropriate, to ensure the effectiveness of the board diversity policy and discusses any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

The Company has also taken, and will continue to take steps to promote gender diversity at all levels of the Company, including but not limited to the Board and senior management levels. While we recognise that gender diversity at the Board level can be improved given its current composition of all-male Directors, the Company will continue to apply the principle of appointments based on merits with reference to the board diversity policy as a whole.

Proceedings of Board Meetings and Board Committee Meetings

The Board may meet for the dispatch of business, adjourn and otherwise regulate its meeting and proceedings as it thinks fit and may determine the quorum necessary for the transaction of business. An AGM and an extraordinary general meeting called for the passing of a special resolution shall be called by at least 21 days' notice in writing, and a meeting of the Company other than an AGM or an extraordinary general meeting for the passing of a special resolution shall be called by at least 14 days' notice in writing. A meeting of the Board or any committee of the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting.

董事會成員多元化政策

董事會已採納董事會成員多元化政策，當中載列實現董事會成員多元化之方針。本公司認同及秉持董事會成員應具備提升其履行職責質量的技能、經驗及多元化觀點。所有董事會委任均將根據甄選標準進行。

本公司透過考慮董事會成員甄選過程中的多種因素，尋求實現董事會成員多元化，包括但不限於性別、年齡、董事會文化及教育背景、專業資格、技能、知識、行業經驗、道德及服務任期。董事會所有委任均以用人唯才為原則及基於選定候選人將對董事會帶來的貢獻，並以客觀標準考慮人選，同時會充分顧及董事會成員多元化的裨益。

提名委員會將於適當時檢討董事會成員多元化政策以確保董事會成員多元化政策的效益，並商討可能需要之任何修訂及向董事會推薦任何有關修訂以供考慮及批准。

本公司亦採取並將繼續採取措施，促進本公司各級別的性別多元化，包括但不限於董事會及高級管理層。由於董事會現時均由男性成員組成，故我們認為可提升董事會層級的性別多元化，整體而言，本公司將繼續採用基於優點與參考董事會多元化政策互相結合的委聘原則。

董事會會議及董事委員會會議的議事程序

董事會可按其認為合適的方式召開會議處理事務、延會及以其他方式規管其會議及議事程序，並可釐定處理事務所需的法定人數。就通過特別決議案而召開的股東週年大會及股東特別大會須至少提前21日發出書面通知，而就通過特別決議案召開的本公司任何會議（股東週年大會或股東特別大會除外）則須至少提前14日發出書面通知。董事會或董事會轄下任何委員會可透過電話、電子或其他通訊設備（必須讓全體與會人士互相聆聽）舉行會議。

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When a Director and the enterprise(s) involved in a proposal of a Board meeting have connected relations, such Director shall not exercise his/her voting rights on such proposal, nor shall he/she exercise any voting rights on behalf of other Directors.

倘董事與董事會會議建議所涉及的企業有關連關係，則該董事不得對相關建議行使表決權，亦不得代表其他董事行使任何表決權。

Set out below are details of the attendance record of each Director at the Board, committee and general meetings of the Company from the Listing Date and up to the date of this report:

以下載列各董事出席自上市日期起至本報告日期所舉行的本公司董事會會議、委員會會議及股東大會的詳細紀錄：

Name of Directors	董事姓名	Attendance/Number of Meetings Held				
		Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	General Meeting 股東大會
Executive Directors						
Mr. Li Hao	李浩先生	2/2*	-	-	-	-
Mr. Zhang Bizhong	張必鍾先生	2/2	-	-	-	-
Mr. Xu Shizhen	許世真先生	2/2	-	-	-	-
Non-executive Director						
Mr. Yuan Shuntang	袁順唐先生	2/2	-	-	-	-
Independent Non-Executive Directors						
Mr. Chen Zhong	陳忠先生	2/2	2/2	1/1*	1/1	-
Mr. Wong Chun Sek Edmund	黃俊碩先生	2/2	2/2*	1/1	1/1	-
Mr. Wu Tai Cheung	胡大祥先生	2/2	2/2	1/1	1/1*	-

* representing chairman of the board or the committees

* 指董事會或委員會主席

The Board has established three committees, namely, the audit committee (“Audit Committee”), the remuneration committee (“Remuneration Committee”) and the nomination committee (“Nomination Committee”), for overseeing aspects of the Company’s affairs. All committees have been established with defined written terms of reference, which were posted on the Stock Exchange (www.hkex.com.hk) and the Company website (www.szinken.com). All committees should report to the Board on their decisions or recommendations made.

董事會已成立三個委員會，即審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」），以監察本公司事務的各個方面。所有委員會均設有特定書面職權範圍，分別刊載於聯交所網站（www.hkex.com.hk）及本公司網站（www.szinken.com）。所有委員會須向董事會匯報其作出的決定或推薦意見。

All committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expense.

所有委員會均獲提供充足資源以履行其職責，並可於適當情況下提出合理要求以尋求獨立專業意見，費用由本公司支付。

CORPORATE GOVERNANCE REPORT

企業管治報告

Audit Committee

The Audit Committee was established on 20 September 2019 with terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and related materials and provide advice in respect of the financial reporting process, and to oversee the risk management and internal control systems of the Group. The Audit Committee comprises three members, all being independent non-executive Directors, namely, Mr. Wong Chun Sek Edmund (Chairman), Mr. Chen Zhong and Mr. Wu Tai Cheung. The Group's accounting principles and policies, financial statements and related materials for the year had been reviewed by the Audit Committee.

During the year ended 31 December 2019 and up to the date of this report, the Audit Committee has held two meetings for discussion on the audit and financial reporting related matters. At the meetings, the Audit Committee had reviewed the audit plans, final results and the Group's internal controls for the year ended 31 December 2019. Full minutes of the Audit Committee meetings are kept by the company secretary. Draft and final versions of the minutes of the Audit Committee meetings are circulated to all members of the Audit Committee for comments and approval and all decisions of the Audit Committee are reported to the Board subject to applicable restriction.

The terms of reference of the Audit Committee are available on the website of the Company and of the Stock Exchange.

The external auditor was invited to attend the Audit Committee meetings to discuss with the Audit Committee members on the audit and financial reporting related matters. The Chairman of the Audit Committee provided the Board with a briefing on the significant issues after each Audit Committee meeting.

The Group's final results for the Reporting Period had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee had also reviewed this annual report, and confirmed that this annual report is completed and accurate, and has complied with the Listing Rules. There is no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditors.

審核委員會

審核委員會於二零一九年九月二十日成立，其職權範圍符合企業管治守則的規定，旨在就外聘核數師的委任及罷免向董事會提供推薦意見、審閱財務報表及相關材料、就財務申報過程提供意見及監察本集團的風險管理及內部監控系統。審核委員會由三名成員組成，全為獨立非執行董事，即黃俊碩先生(主席)、陳忠先生及胡大祥先生。本集團於年內的會計原則及政策、財務報表及相關材料已由審核委員會審閱。

截至二零一九年十二月三十一日止年度及直至本報告日期，審核委員會曾舉行兩次會議，以討論審計及財務申報相關事宜。審核委員會已於會議上審閱截至二零一九年十二月三十一日止年度之審核計劃、全年業績及本集團之內部監控。審核委員會的完整會議紀錄由公司秘書保管。全體審核委員會成員均獲發審核委員會的會議紀錄初稿及定稿傳閱，以便提供意見及批准。除非受到適用限制，否則審核委員會之所有決定均須向董事會匯報。

審核委員會的職權範圍可於本公司及聯交所網站查閱。

外聘核數師獲邀出席審核委員會會議，與審核委員會成員討論審計及財務申報相關事宜。審核委員會主席於每次審核委員會會議後向董事會提供重大問題簡報。

本集團於報告期間的全年業績於提交董事會批准前已由審核委員會審閱。審核委員會亦已審閱本年報，並確認本年報為完整及準確，並已遵守上市規則。董事與審核委員會於挑選及委任外聘核數師方面並無意見分歧。

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Remuneration Committee

The Remuneration Committee was established on 20 September 2019 with terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board on the overall remuneration policy and structure relating to the Directors and senior management of the Group, to review and evaluate their performance in order to make recommendations on the remuneration package of each of the Directors and senior management of the Company. The Remuneration Committee comprises three members, all being independent non-executive Directors, namely, Mr. Wu Tai Cheung (Chairman), Mr. Chen Zhong and Mr. Wong Chun Sek Edmund.

During the year ended 31 December 2019 and up to the date of this report, the Remuneration Committee has held one meeting. Full minutes of the Remuneration Committee meetings are kept by the company secretary. At the meeting, the Remuneration Committee had reviewed and made recommendation to the Board on the remuneration policies of the Directors and the senior management as well as the remuneration packages for the year ended 2019 and the year ending 2020 and the performance of the Directors. Draft and final versions of the minutes of the Remuneration Committee meetings are circulated to all members of the Remuneration Committee for comments and approval and all decisions of the Remuneration Committee are reported to the Board subject to applicable restriction. The terms of reference of the Remuneration Committee are available on the website of the Company and of the Stock Exchange.

Remuneration of Directors and Senior Management

The Group has paid and accrued the amounts of approximately RMB691,000, RMB596,000, RMB687,000, RMB22,000, RMB22,000, RMB22,000 and RMB22,000 to Mr. Li, Mr. Zhang, Mr. Xu, Mr. Yuan, Mr. Wong, Mr. Wu and Mr. Chen, respectively, as Directors' remuneration, for the year ended 31 December 2019.

Directors' remuneration is determined based on a variety of factors such as market conditions and responsibilities assumed by each Director. As at 31 December 2019, there was no arrangement in which the Directors waived their remuneration.

薪酬委員會

薪酬委員會於二零一九年九月二十日成立，其職權範圍符合企業管治守則的規定，旨在就與本集團董事及高級管理層相關的整體薪酬政策及架構向董事會提供推薦意見、審閱及評估其表現以就本公司各董事及高級管理層的薪酬組合提供推薦意見。薪酬委員會由三名成員組成，全為獨立非執行董事，即胡大祥先生(主席)、陳忠先生及黃俊碩先生。

截至二零一九年十二月三十一日止年度及直至本報告日期，薪酬委員會曾舉行一次會議。薪酬委員會的完整會議紀錄由公司秘書保管。薪酬委員會已於會議上審閱董事及高級管理層之薪酬政策以及截至二零一九年及二零二零年止年度之薪酬待遇與董事表現，並向董事會提供推薦建議。全體薪酬委員會成員均獲發薪酬委員會的會議紀錄初稿及定稿傳閱，以便提供意見及批准。除非受到適用限制，否則薪酬委員會之所有決定均須向董事會匯報。薪酬委員會的職權範圍可於本公司及聯交所網站查閱。

董事及高級管理層薪酬

截至二零一九年十二月三十一日止年度，本集團向李先生、張先生、許先生、袁先生、黃先生、胡先生及陳先生支付及應計作董事薪酬的款項分別約為人民幣691,000元、人民幣596,000元、人民幣687,000元、人民幣22,000元、人民幣22,000元、人民幣22,000元及人民幣22,000元。

董事薪酬乃按市況及各董事所承擔責任等多項因素釐定。於二零一九年十二月三十一日，概無董事放棄彼等薪酬的安排。

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Senior management's remuneration payment of the Group for the year ended 31 December 2019 falls within the following bands:

截至二零一九年十二月三十一日止年度，本集團支付高級管理層的薪酬介乎以下範圍：

	2019 二零一九年	2018 二零一八年
Nil to RMB1,000,000	2	2
零至人民幣 1,000,000 元		

Nomination Committee

The Board would follow a set of formal, considered and transparent procedures for the appointment of new directors to the Board. The appointment of a new director has been a collective decision of the Board, taking into consideration the candidate's qualification, expertise, experience, integrity and commitment to his/her responsibilities within the Group. In addition, all candidates to be selected and appointed as a director must be able to meet the standards set out in Rules 3.08 and 3.09 of the Listing Rules.

The Nomination Committee was established on 20 September 2019 with terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board on the appointment of Directors and the management of the Board succession. The Nomination Committee consists of three members, all being independent non-executive Directors, namely Mr. Chen Zhong (Chairman), Mr. Wong Chun Sek Edmund and Mr. Wu Tai Cheung.

During the year ended 31 December 2019 and up to the date of this report, the Nomination Committee has held one meeting. At the meeting, the Nomination Committee had reviewed the structure, size and composition of the Board, assessing the independence of independence non-executive Directors, reviewed the board diversity policy and other matters of the Company. Full minutes of the Nomination Committee meetings are kept by the company secretary. Draft and final versions of the minutes of the Nomination Committee meetings are circulated to all members of the Nomination Committee for comments and approval and all decisions of the Nomination Committee are reported to the Board subject to applicable restriction. The terms of reference of the Nomination Committee are available on the website of the Company and of the Stock Exchange.

提名委員會

董事會委任新董事時一直奉行正式、審慎及具透明度的程序。委任新董事須由董事會集體決定，當中考慮候選人的資歷、專業知識、經驗、誠信及對本集團職責的承擔。此外，全體將獲遴選及委任為董事的候選人必須符合上市規則第3.08及3.09條所載標準。

提名委員會於二零一九年九月二十日成立，其職權範圍符合企業管治守則的規定，旨在就董事委任及董事會繼任管理向董事會提供推薦意見。提名委員會由三名成員組成，全為獨立非執行董事，即陳忠先生（主席）、黃俊碩先生及胡大祥先生。

截至二零一九年十二月三十一日止年度及直至本報告日期，提名委員會曾舉行一次會議。於會議上，提名委員會已檢討董事會的架構、規模及組成、評估獨立非執行董事的獨立性、檢討董事會多元化政策及本公司其他事宜。提名委員會的完整會議紀錄由公司秘書保管。全體提名委員會成員均獲發提名委員會的會議紀錄初稿及定稿傳閱，以便提供意見及批准。除非受到適用限制，否則提名委員會之所有決定均須向董事會匯報。提名委員會的職權範圍可於本公司及聯交所網站查閱。

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Nomination Policy

The Company has adopted a Nomination Policy for the Nomination Committee to consider and make recommendations to shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies.

Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- | | |
|--|---|
| (1) reputation for integrity; | (1) 誠信聲譽； |
| (2) accomplishment and experience in the business in which the Group is engaged in; | (2) 在本集團所從事業務方面的成就及經驗； |
| (3) commitment in respect of available time and relevant interest; | (3) 可投入時間及相關利益的承諾； |
| (4) diversity in all its aspects, including but not limited to race, gender, age (18 years or above), cultural and educational background and length of service; | (4) 各方面的多元化，包括但不限於種族、性別、年齡（18歲或以上）、文化及教育背景以及服務年期； |
| (5) qualifications which include professional qualifications, skills, knowledge and industry experience that are relevant to the Company's business and corporate strategy; | (5) 資質，包括與本公司業務及公司策略相關的專業資格、技能、知識及行業經驗； |
| (6) the number of existing directorships and other commitments that may demand the attention of the candidate; | (6) 現有董事人數及可能需要候選人垂注的其他承諾； |
| (7) requirement for the Board to have Independent Non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in Rules 3.08, 3.09 and 3.13 of the Listing Rules; | (7) 上市規則關於董事會須擁有獨立非執行董事的規定，以及根據上市規則第3.08、3.09及3.13條所載的獨立性指引有關候選人是否視為獨立人士； |
| (8) Board Diversity Policy of the Company and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and | (8) 本公司的董事會成員多元化政策以及提名委員會為實現董事會成員多元化而採取的任何可計量目標；及 |
| (9) such other perspectives appropriate to the Company's business. | (9) 對本公司業務而言屬適當的其他方面。 |

提名政策

本公司已為提名委員會採納一項提名政策，以考慮於股東大會上選舉董事或委任董事以填補臨時空缺並向股東提出推薦建議。

甄選標準

提名委員會在評估建議候選人是否合適時會參考下列因素：

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Director Nomination Procedure

Subject to the provisions in the Articles of Association of the Company and the Listing Rules, if the Board recognises the need for an additional Director or a member of senior management, the following procedure will be followed:

- (1) The Nomination Committee and/or Board will identify potential candidates based on the criteria as set out in the selection criteria, possibly with assistance from external agencies and/or advisors;
- (2) The Nomination Committee and/or the Company Secretary of the Company will then provide the Board with the biographical details and details of the relationship between the candidate and the Company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by the Listing Rules, the Companies Law of the Cayman Islands and other regulatory requirements for any candidate for appointment to the Board;
- (3) The Nomination Committee would then make recommendation to the Board on the proposed candidate(s) and the terms and conditions of the appointment;
- (4) The Nomination Committee should ensure that the proposed candidate(s) will enhance the diversity of the Board, being particularly mindful of gender balance;
- (5) In the case of the appointment of an Independent Non-executive Director, the Nomination Committee and/or the Board should obtain all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors set out in Rules 3.08, 3.09 and 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time; and
- (6) The Board will then deliberate and decide on the appointment based upon the recommendation of the Nomination Committee.

The Nomination Committee will monitor the implementation of the Nomination Policy and report to the Board annually.

董事提名程序

在本公司組織章程細則及上市規則條文的規限下，若董事會認為需要新增董事或高級管理層成員，應遵循以下程序：

- (1) 提名委員會及／或董事會將根據甄選標準所載標準物色潛在候選人（可能請求外部代理機構及／或顧問協助進行）；
- (2) 提名委員會及／或本公司公司秘書隨後將向董事會提供有關候選人的履歷詳情以及該候選人與本公司及／或董事之間的關係詳情、所任董事職位、技能及經驗、需投入大量時間的其他職位以及上市規則、開曼群島公司法及其他監管要求規定須就任何候選人獲選進入董事會而披露的任何其他詳情；
- (3) 提名委員會隨後將就建議候選人以及委任條款及條件向董事會作出推薦建議；
- (4) 提名委員會應確保，建議候選人將會提高董事會成員多元化，尤其要關注性別平衡；
- (5) 就委任獨立非執行董事而言，提名委員會及／或董事會應取得與建議董事有關的所有資料，以令董事會可依照上市規則第3.08、3.09及3.13條（以聯交所可能不時作出的任何修訂為準）所載因素充分評估該董事的獨立性；及
- (6) 董事會隨後將基於提名委員會的推薦建議進行商討並決定是否委任。

提名委員會將監察提名政策的實施並每年向董事會報告。

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Corporate Governance Function

The Board does not have a Corporate Governance Committee. The functions that would be carried out by a Corporate Governance Committee are performed by the Board as a whole and are as follows:

1. to develop and review the Company's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of directors and senior management;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
5. to review the Company's compliance with the CG code and disclosure in the Corporate Governance Report.

The corporate governance policy is formulated with an emphasis on the Board's quality, effective internal control, stringent disclosure practices and transparency and accountability to all shareholders of the Company. The Board strives to comply with the code provisions and reviews its corporate governance policy regularly in order to maintain high standards of business ethics and corporate governance, and to ensure the full compliance of the Group's operations with applicable laws and regulations.

企業管治職能

董事會並無成立企業管治委員會。由企業管治委員會履行的職能將由董事會整體履行並列示如下：

1. 制訂及檢討本公司的企業管治政策及常規；
2. 檢討及監察董事及高級管理層的培訓及持續專業發展；
3. 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
4. 制訂、檢討及監察適用於僱員及董事的行為守則及合規手冊(如有)；及
5. 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

企業管治政策的制定重點在於董事會質素、有效內部監控、嚴格披露慣例，以及對本公司全體股東的透明度及問責性。董事會致力遵守守則條文，並定期檢討其企業管治政策以維持高水平商業操守及企業管治，確保本集團營運全面符合適用法律及法規。

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Continuous Professional Development

Pursuant to the CG Code provision A.6.5, all Directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the Directors. During the year ended 31 December 2019, the Company had arranged to provide trainings to all the Directors.

For the year ended 31 December 2019, the Directors participated in the following continuous professional development:

持續專業發展

根據企業管治守則條文第A.6.5條，全體董事應參與持續專業發展項目以發展及更新彼等之知識及技能，確保彼等對董事會作出明智及相關之貢獻。本公司須負責安排及資助培訓，並適當強調董事之角色、職能及職責。截至二零一九年十二月三十一日止年度，本公司已安排向全體董事提供培訓。

截至二零一九年十二月三十一日止年度，董事參與下列持續專業發展：

Name of Directors	董事姓名	Training on corporate governance, director's duties, environment, social and governance, and/or regulatory update 有關企業管治、董事職責、環境、社會及管治及／或法規更新的培訓
Executive Directors	執行董事	
Mr. Li Hao	李浩先生	✓
Mr. Zhang Bizhong	張必鍾先生	✓
Mr. Xu Shizhen	許世真先生	✓
Non-executive Director	非執行董事	
Mr. Yuan Shuntang	袁順唐先生	✓
Independent Non-Executive Directors	獨立非執行董事	
Mr. Chen Zhong	陳忠先生	✓
Mr. Wong Chun Sek Edmund	黃俊碩先生	✓
Mr. Wu Tai Cheung	胡大祥先生	✓

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External Auditor's Remuneration

The Company engaged PricewaterhouseCoopers, as its external auditor for the year ended 31 December 2019. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor. During the year ended 31 December 2019, the fee payable to PricewaterhouseCoopers, in respect of its audit services provided to the Company was approximately RMB1.1 million.

Internal Control

The Company does not have an internal audit department and is currently of the view that there is no immediate need to set up an internal audit department within the Group in light of the size, nature and complexity of the Group's business and structure. The Board is responsible for maintaining an adequate internal control system to safeguard the investments of the shareholders and Group's assets and reviewing the effectiveness of such through Audit Committee on an annual basis. The Audit Committee oversees the internal control system of the Group, reports to the Board on any material issues and makes recommendations. An annual review of the effectiveness of the system of internal controls of the Group will be conducted.

During the Reporting Period, the Company also engaged an independent internal control adviser to carry out review on the internal control system and risk management system of the Group. The review involves all material monitoring aspects, including but not limited to finance, operation, compliance and risk management. The adviser has conducted analysis and independent assessment on the adequacy and the effectiveness of the internal control system and risk management of the Group, and has submitted the findings and recommendations to the Audit Committee and the Board. The Board is of the view that the internal control measures in place are adequate and effective to safeguard the interest of shareholders and the Group's assets.

Delegation by the Board

In general, the Board oversees the Company's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls operating and financial performance and sets appropriate policies for risk management in pursuit of the Group's strategic objectives. The Board delegates the implementation of strategies and day-to-day operation of the Group to the management.

外聘核數師酬金

本公司已委聘羅兵咸永道會計師事務所為截至二零一九年十二月三十一日止年度的外聘核數師。董事會與審核委員會概無就外聘核數師的遴選、委任、辭任或罷免出現任何意見分歧。截至二零一九年十二月三十一日止年度，就羅兵咸永道會計師事務所向本公司提供的審計服務的應付費用約為人民幣1.1百萬元。

內部監控

本公司並無內部審核部門，且目前認為，鑒於本集團業務及架構的規模、性質及複雜程度，並無迫切需要在本集團建立內部審核部門。董事會負責維持充分的內部監控系統，以保障股東投資及本集團資產，並負責通過審核委員會每年檢討其有效性。審核委員會監督本集團的內部監控系統，就任何重大事宜向董事會作出報告並提供推薦建議。將對本集團內部監控系統的有效性進行年度審查。

於報告期間，本公司亦聘請獨立內部監控顧問審查本集團的內部監控系統及風險管理系統。審查工作涉及所有重大監察方面，包括但不限於財務、營運、合規及風險管理。該顧問已對本集團內部監控系統及風險管理的充分性及有效性進行分析及獨立評估，並已向審核委員會及董事會提交結果及推薦建議。董事會認為，已落實的內部監控措施屬充分及有效，可保障股東權益及本集團資產。

董事會授權

一般而言，董事會監督本公司的策略發展，並釐定本集團的目標、策略及政策。董事會亦監察及控制營運及財務表現，並因應本集團的策略目標設定適當風險管理政策。董事會授權管理層執行本集團的策略及日常營運工作。

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Company Secretary

Ms. Jian has been appointed as the company secretary of the Company since 21 February 2019 and is responsible for overseeing all the company secretarial matters of the Group. In the opinion of the Board, Ms. Jian possesses the necessary qualification and experience, and is capable of performing the functions of the company secretary. During the year ended 31 December 2019, Ms. Jian confirmed that she has taken no less than 15 hours of relevant professional training. The Company will provide fund for Ms. Jian to take no less than 15 hours of appropriate professional training in each financial year as required under Rule 3.29 of the Listing Rules.

Shareholders' Rights

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An AGM of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an AGM, shall be called an extraordinary general meeting.

Shareholders to Convene an Extraordinary General Meeting

Pursuant to article 64 of the Articles, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and 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.

公司秘書

自二零一九年二月二十一日起，簡女士已獲委任為本公司之公司秘書，並負責監察本集團之一切公司秘書事宜。董事會認為，簡女士具備必要資歷及經驗，並具有履行公司秘書職務的能力。截至二零一九年十二月三十一日止年度，簡女士確認其已參與不少於15小時的相關專業培訓。根據上市規則第3.29條的規定，本公司將於各財政年度為簡女士提供資金，以供其參與不少於15小時的適當專業培訓。

股東權利

本公司的股東大會為股東與董事會提供溝通機會。本公司每年舉行股東週年大會，地點由董事會釐定。股東週年大會以外的各股東大會均稱為股東特別大會。

股東召開股東特別大會

根據細則第64條，本公司任何一名或以上股東（於遞呈要求當日持有有權於股東大會上投票的本公司繳足股本不少於十分之一者）應隨時有權以書面方式向董事會或本公司秘書遞呈要求的方式，述明要求董事會召開股東特別大會以處理要求內訂明的任何事項。該大會須於該項要求遞呈後兩個月內舉行。倘於有關遞呈後21日內，董事會未有召開該大會，則遞呈要求人士可以相同方式召開大會，而本公司須向遞呈要求人士償付所有由遞呈要求人士因董事會未能召開大會而產生的合理開支。

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Putting Enquiries by Shareholders to the Board

Shareholders may send written enquiries to the Company for the attention of the company secretary at the Company's principal place of business in Hong Kong.

Procedures for Putting Forward Proposals by Shareholders at Shareholders' Meetings

Shareholders of the Company are requested to follow article 72 of the Articles for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Proceedings at general meeting".

Pursuant to article 113 of the Articles, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by that person (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office of the Company provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven days and that (if then notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgement of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

The procedures for shareholders of the Company to propose a person for election as a Director is posted on the website of the Company. Shareholders or the Company may refer to the above procedures for putting forward any other proposals at general meetings.

股東向董事會提問

股東可透過本公司的香港主要營業地點向本公司發出書面查詢，並註明收件人為公司秘書。

股東於股東大會提呈議案的程序

本公司股東向股東特別大會提呈決議案時須遵守細則第72條。規定及程序載於上文「股東大會議事程序」一段。

根據細則第113條，除退任董事外，任何人士如未獲董事推薦參選，均無資格在任何股東大會上獲選出任董事，除非本公司總辦事處或登記處已收到一份由妥為符合資格出席大會並於會上投票的股東（不包括擬獲提議推薦的人士）簽署的通知，其內表明彼擬提議推薦該人士參選董事之職，以及一份由該獲提議推薦人士所簽署表示候選意願的通知，惟作出有關通知的最短期間須至少為七日（如該通知是在為該選舉委任的股東大會通告發出後提交），且提交有關通知的期間須於寄發指定進行選舉的股東大會通知的翌日開始，並在不遲於有關股東大會日期前七日完結。

本公司股東提名某一人士參選董事的程序刊載於本公司網站。股東或本公司可參閱上述於股東大會提呈任何其他議案的程序。

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Investors Relations

The Company believes that effective communication with the investors is essential for enhancing investors' knowledge and understanding of the Company. Information of the Company is disseminated to the shareholders in the following manner:

- Delivery of annual and interim results and reports to all shareholders;
- Publication of announcements on the annual and interim results on the website of the Company and Stock Exchange, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and
- The general meeting of the Company is also an effective communication channel between the Board and shareholders.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principle place of business in Hong Kong.

Dividend Policy

The Company has adopted a Dividend Policy that aims to provide the guidelines for the Board to determine whether dividends are to be declared and paid to the Shareholders and the level of dividend to be paid. Under the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among others,

- (1) the Group's actual and expected financial performance;
- (2) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- (3) retained earnings and distributable reserves of the Company and each of the members of the Group;

投資者關係

本公司認為，與投資者保持有效的溝通對於增強投資者對本公司的認識及了解至關重要。本公司透過下列方式向股東傳達資料：

- 向全體股東送呈年度及中期業績及報告；
- 根據上市規則的持續披露責任，於本公司及聯交所網站刊登年度及中期業績公告，以及刊發其他公告及股東通函；及
- 本公司股東大會亦為董事會與股東的有效溝通橋樑。

本公司持續促進投資者關係，加強與現有股東及潛在投資者的溝通，同時歡迎各位投資者、利益相關者及公眾的建議。如對董事會或本公司有任何詢問，可郵寄至本公司於香港的主要營業地點。

股息政策

本公司已採納一項股息政策，旨在為董事會確定是否向股東宣派及派付股息以及將予派付的股息水平提供指引。根據股息政策，在決定是否建議派付股息及確定股息金額時，董事會應考慮(其中包括)以下各項：

- (1) 本集團的實際及預期財務表現；
- (2) 本集團的預期營運資金需求、資本支出需求及未來擴充計劃；
- (3) 本公司以及本集團各成員公司的保留盈利及可供分派儲備；

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| (4) the Group's liquidity position; | (4) 本集團的流動資金狀況； |
| (5) interest of shareholder; | (5) 股東利益； |
| (6) taxation consideration; | (6) 稅收考量； |
| (7) potential effect on creditworthiness; | (7) 對信譽的潛在影響； |
| (8) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and | (8) 整體經濟狀況以及可能影響本集團業務或財務表現及狀況的其他內部或外部因素；及 |
| (9) any other factors that the Board deems appropriate. | (9) 董事會認為適當的任何其他因素。 |

The declaration and payment of dividends by the Company shall remain to be determined at the sole discretion of the Board and is also subject to any restrictions under the Companies Law of the Cayman Islands, the Listing Rules, the laws of Hong Kong and the Company's Memorandum and Articles of Association and any other applicable laws and regulations. The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Constitutional Documents

On 20 September 2019, the Company has adopted an amended and restated memorandum and articles of association which had been uploaded to the websites of the Company and the Stock Exchange. Save as disclosed above, there had been no significant changes in the constitutional documents of the Company during the year ended 31 December 2019.

本公司是否宣派及派付股息應由董事會全權酌情釐定，亦須遵守開曼群島公司法、上市規則、香港法例及本公司組織章程大綱及細則以及任何其他適用法律及法規的任何限制。本公司並無任何預定股息分派比率。本公司過往的股息分派紀錄不應被用作確定本公司日後可能宣派或派付的股息水平的參考或依據。

本公司將持續檢討股息政策並保留按唯一及絕對酌情權隨時更新、修訂及／或修改股息政策的權利，而股息政策無論如何均不構成本公司作出的關於將會以任何特定金額支付股息的具有法律約束力的承諾，且／或無論如何不為本公司施加於任何時間或不時宣派股息的義務。

組織章程文件

於二零一九年九月二十日，本公司已採納經修訂及重述之組織章程大綱及細則，並已上傳至本公司及聯交所網站。除上文所披露者外，本公司的組織章程文件於截至二零一九年十二月三十一日止年度概無任何重大變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Scope and Reporting Period

The Board is pleased to present its first Environmental, Social and Governance (“ESG”) report, which highlights its ESG performance from 1 January 2019 to 31 December 2019 (the “Reporting Period”).

This ESG report was prepared with reference to the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as described in Appendix 27 of the Listing Rules and Guidance set out by the Stock Exchange.

The Group is engaged in provision of electronic manufacturing service and over 90% of its revenue derived from the PRC market. The scope of this ESG report covers the Group’s business in the PRC, where the Group’s principal operations and manufacturing plant are located (the “Factory”), and its major revenue is derived. The Group’s operations outside the PRC are not included in the scope as they do not have significant environmental and social impacts.

Stakeholder Engagement

The Group fully understands that balancing the expectations and needs of different stakeholders is the focus of corporate sustainable development. Through listening to the interests of our stakeholders, we understand the sustainable development risks and opportunities confronting the Group from different aspects, and develop corresponding policies and implement various environmental, social and governance measures. The Group maintains an open and transparent dialogue with its stakeholders through various channels including meetings, trade exhibitions, surveys, seminars and workshops and reflect their opinions in the report. The data and information in this ESG report are sourced from the relevant documents, reports, statistical data, management and operation information collected by the Group. The Board has reviewed the contents of this ESG report.

範圍及報告期間

董事會欣然提呈其首份環境、社會及管治（「環境、社會及管治」）報告，當中主要介紹二零一九年一月一日至二零一九年十二月三十一日（「報告期間」）的環境、社會及管治表現。

本環境、社會及管治報告乃參照聯交所上市規則與指引附錄二十七環境、社會及管治報告指引（「環境、社會及管治報告指引」）而編製。

本集團從事提供電子製造服務，而90%以上的收益來自中國市場。本環境、社會及管治報告的範圍涵蓋本集團的中國業務，而中國為本集團主要業務及製造廠房（「工廠」）所在地及主要收益來源地。由於本集團在中國以外的業務營運並無重大環境及社會影響，故未計入報告範圍。

利益相關者參與

本集團深諳平衡不同利益相關者的期望和需求是企業可持續發展的重點。透過傾聽利益相關者的訴求，我們從不同方面了解本集團所面對的可持續發展風險及機遇，並制定相應政策及實施多種環境、社會及管治措施。本集團通過多種渠道（包括會議、貿易展覽、調查、研討會及專題討論會）維持與利益相關者的公開及透明談話，並在本報告中反映彼等的意見。本環境、社會及管治報告內的數據及資料源自本集團所收集的相關文件、報告、統計數據、管理及營運資料。董事會已審閱本環境、社會及管治報告的內容。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The following table summarises the main expectations and concerns of the key stakeholders identified by the Group, and the corresponding management responses.

下表概述本集團所識別的主要利益相關者的主要期望和所關注的議題以及相應的管理層回應。

Stakeholders 利益相關者	Communication Channel 溝通渠道	Management responses/Key Concerns 管理層回應／主要議題
Governments and regulatory bodies 政府及監管機構	<ul style="list-style-type: none"> Compliance with laws and regulations 遵守法律法規 Corresponding government policies 相應政府政策 	<ul style="list-style-type: none"> Tax compliance 稅務合規 Regulatory compliance 監管合規 Business ethics 商業操守
Shareholders 股東	<ul style="list-style-type: none"> Financial results 財務業績 Corporate report and announcement 企業報告及公告 General meeting 股東大會 	<ul style="list-style-type: none"> Financial performance 財務表現 Corporate governance 企業管治 Risk management and internal control 風險管理及內部監控
Employees 僱員	<ul style="list-style-type: none"> Career development platform 職業發展平台 Salary and benefits 薪金與福利 Safe working environment 安全工作環境 	<ul style="list-style-type: none"> Promotion mechanism 晉升機制 Competitive salary and employee benefits 有競爭力的薪金及僱員福利 To provide trainings for employees and strengthen their safety awareness 為僱員提供培訓及提升安全意識
Customers 客戶	<ul style="list-style-type: none"> Customer compliant mechanism 客戶投訴機制 Customer rights and interests protection 客戶權益保護 	<ul style="list-style-type: none"> Product liability 產品責任 Customer privacy protection 客戶隱私保護
Suppliers 供應商	<ul style="list-style-type: none"> Integrity cooperation 真誠合作 Business ethics and credibility 商業操守及信譽 	<ul style="list-style-type: none"> To build a responsible supply chain 建立負責任的供應鏈 To perform the contract according to law 依法履行合約
Community and the public 社區與公眾	<ul style="list-style-type: none"> Environmental protection 環境保護 Public donation 公益捐贈 	<ul style="list-style-type: none"> Community investment 社區投入

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

MATERIALITY ASSESSMENT

With reference to the scopes as required under the ESG Reporting Guide and taking into consideration of the Group's business operations, the Group identified the following environmental, social and operating issues that are material and relevant to the Group's business operations during the year ended 31 December 2019. If the Group does not implement effective strategies to monitor and solve these issues, these issues may affect the Group's financial condition or operating performance. Further, the Group made a materiality assessment on these environmental, social and operating issues by conducting interviews with its stakeholders.

重要性評估

經參考環境、社會及管治報告指引所規定的範圍，以及經考慮本集團業務營運後，截至二零一九年十二月三十一日止年度，本集團已識別以下與本集團業務營運相關的重大環境、社會及營運問題。倘本集團未實施有效策略監控及解決相關問題，則相關問題可能會影響本集團的財務狀況或經營業績。此外，本集團透過與利益相關者進行訪談對相關環境、社會及營運問題進行重要性評估。

Environmental issues 環境問題	Social issues 社會問題	Operating issues 營運問題
1. Greenhouse gas emissions	8. Local community engagement	15. Economic value generated
2. Energy consumption	9. Community investment	16. Corporate governance
3. Water consumption	10. Occupational health and safety	17. Anti-corruption
4. Waste	11. Labour standards in supply chain	18. Supply chain management
5. Saving energy measures	12. Training and development	19. Customer satisfaction
6. Use of raw materials and packaging materials	13. Employee welfare	20. Customer privacy
7. Compliance with laws and regulations relating to environmental protection	14. Inclusion and equal opportunities	
1. 溫室氣體排放	8. 當地社區參與	15. 所產生經濟價值
2. 能源消耗	9. 社區投資	16. 企業管治
3. 耗水	10. 職業健康與安全	17. 反貪污
4. 廢棄物	11. 供應鏈勞工標準	18. 供應鏈管理
5. 節能措施	12. 培訓及發展	19. 客戶滿意度
6. 使用原材料及包裝物料	13. 僱員福利	20. 客戶私隱
7. 遵守環境保護相關法律法規	14. 共融及平等機會	

The Group prioritised the above-mentioned environmental, social and operating issues in terms of their importance to the Group's stakeholders and business operations.

本集團已優先考慮上述環境、社會及營運問題對本集團利益相關者及業務運營的重要性。

Importance to the Group's stakeholders and business operations

對本集團利益相關者及業務運營的重要性

ESG risks

環境、社會及管治風險

High	高	1, 2, 3, 4, 5, 6, 7, 14, 15, 16, 17, 18, 19, 20
Medium	中	10, 11, 12, 13
Low	低	8, 9

Based on the results of the Group's materiality assessment, the Group would formulate and implement appropriate strategies to monitor and solve the identified issues and to achieve sustainable business development.

根據本集團的重要性評估結果，本集團將制定及實施適當策略以監測及解決已發現的問題並實現可持續業務發展。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A. Environment

The Group acknowledges its responsibility to protect the environment and it has implemented policies to reduce emissions and improve the efficiency in the use of resources. In addition, we regularly hold training activities to raise employees' awareness of environmental protection. The contents of training include environmental pollution and management conditions of the company, environmental policies and guidelines, environmental laws and regulations and other requirements, the company's environmental factors and management systems, and energy conservation and emission reduction.

The Group's operations are subject to certain environmental requirements pursuant to the laws in the PRC, such as the Environmental Protection Law of the PRC (中華人民共和國環境保護法), the Law of the PRC on Environmental Impact Assessment (中華人民共和國環境影響評價法), the Law of the PRC on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法), the Law of the PRC on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法), the Law of the PRC on the Prevention and Control of Pollution From Environmental Noise (中華人民共和國環境噪聲污染防治法) and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法).

These laws and regulations govern a broad range of environmental matters, including air pollution, noise emissions and water and waste discharge. The Group's business operations in the PRC should comply with laws and regulations concerning the environment protection.

During the year ended 31 December 2019, the Group did not record any non-compliance with applicable environmental requirements that resulted in prosecution, penalty, administrative fine or sanction being imposed against the Group.

A. 環境

本集團深知保護環境的責任，並落實政策以便在使用資源過程中減排提效。此外，我們定期舉辦培訓活動，以提高僱員的環保意識。培訓內容包括公司環境污染及管理現狀、環境政策及方針、環保法律法規及其他要求、公司的各項環境因素及管理制度以及節能減排舉措。

本集團的業務營運須遵守中國法律的若干環保規定，例如《中華人民共和國環境保護法》、《中華人民共和國環境影響評價法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國環境噪聲污染防治法》及《中華人民共和國固體廢物污染環境防治法》。

該等法律及法規監管各類環境事項，包括空氣污染、噪聲污染以及排水及排廢。本集團在中國的業務營運應遵守環保相關法律及法規。

截至二零一九年十二月三十一日止年度，本集團並無發生任何因不遵守適用環保規定而遭受控訴、處罰、行政罰款或制裁的情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A.1 Emissions

In order to comply with the applicable environmental protection laws, the Group has implemented environmental protection policies, reducing air and water pollution, paper consumption, and electricity consumption. During the year ended 31 December 2019, sources of the Group's emissions mainly included consumption of petrol and electricity consumption.

(i) Air pollutant emissions

During the year ended 31 December 2019, air pollutant emissions were mainly related to petrol consumption for the use of the Group's self-owned vehicles, which contributed to the emission of 252.36 kg of nitrogen oxides (NOx), 0.34 kg of sulphur oxides (SOx) and 24.20 kg of respiratory suspended particles (PM).

(ii) Greenhouse gas emissions

A.1 排放

為遵守適用環保法律，本集團已實施環保政策以減少空氣及水污染、紙張消耗以及耗電量。截至二零一九年十二月三十一日止年度，本集團排放物的來源主要包括汽油消耗及電力消耗。

(i) 空氣污染物排放

截至二零一九年十二月三十一日止年度，空氣污染物的排放源主要與使用本集團自有汽車所消耗的汽油有關，導致排放氮氧化物(NOx)252.36千克、硫化物(SOx)0.34千克及可吸入懸浮顆粒(PM)24.20千克。

(ii) 溫室氣體排放

Scope of greenhouse gas emissions	溫室氣體排放範圍	Emission (in tCO ₂ e) 排放量 (噸二氧化碳當量)
Scope 1 Direct emission	範圍1直接排放	
Combustion of petrol for mobile vehicles	機動車汽油消耗	53.5
Scope 2 Indirect emission	範圍2間接排放	
Purchased electricity	購買電力	454.8
Total	總計	508.3

Notes:

- 1) Emission factors were made by reference to Appendix 27 of the Main Board Listing Rules and their referred documentation as set out by the Stock Exchange, unless stated otherwise.

附註：

- 1) 除非另有指明，否則排放系數為參考聯交所主板上市規則附錄二十七及其參考文件而作出。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

During the year ended 31 December 2019, the Group's activities contributed to 508.3 tonnes (0.01 tCO₂/m²) of carbon dioxide equivalent (carbon dioxide, methane, nitrous oxide and hydrofluorocarbons) emission. Details of the Group's measures to reduce the consumption of resources and the related emissions are set out below. As a result of these measures, the employees' awareness of reducing the consumption of resources and the related emissions has been increased.

Petrol consumption

During the year ended 31 December 2019, the Group's motor vehicles travelled approximately 129,909 km, which consumed 23,177 litres of petrol and contributed to 53.5 tonnes of carbon dioxide equivalent emissions. To reduce the emissions arising from petrol consumption, the Group encourages its employees to use public transport when they attend business activities. For business activities that take place within walking distance, the Group encourages its employees to walk or cycle to the destination.

Electricity consumption

During the year ended 31 December 2019, the Group consumed 565,151 kWh of electricity (684 kWh per employee) in connection with its daily business operations, which contributed to 454.8 tonnes of carbon dioxide equivalent emissions. To reduce the emissions arising from electricity consumption, the Group encourages its employees to switch off the lights and other electricity appliances when they leave the office and production premises.

截至二零一九年十二月三十一日止年度，本集團的活動產生排放物（二氧化碳、甲烷、一氧化二氮及氫氟碳化物）508.3噸（0.01噸二氧化碳當量／平方米）二氧化碳當量。本集團為減少資源消耗及相關排放而採取的措施詳情載列如下。由於該等措施的實施，僱員減少資源消耗及相關排放量的意識有所提高。

汽油消耗

截至二零一九年十二月三十一日止年度，本集團的機動車行駛約129,909公里，消耗23,177升汽油並產生排放物53.5噸二氧化碳當量。為減少汽油消耗產生的排放物，本集團鼓勵僱員選乘公共交通參加業務活動。對於步行範圍內的業務活動而言，本集團鼓勵僱員步行或騎車前往目的地。

電力消耗

截至二零一九年十二月三十一日止年度，本集團的日常業務營運消耗電力565,151千瓦時（每名僱員684千瓦時），產生排放物454.8噸二氧化碳當量。為減少用電產生的排放物，本集團鼓勵僱員在離開辦公室及生產場所時關閉電燈及其他用電設備。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

(iii) Hazardous waste

During the year ended 31 December 2019, the Group generated nil hazardous waste. The Group has engaged a qualified waste collector to control the generation of hazardous waste. The Group will strive to maintain generation of hazardous waste through upgrading technologies whenever possible.

(iv) Non-hazardous waste

During the year ended 31 December 2019, the Group generated a total of 10.2 tonnes of non-hazardous waste (0.01 tonnes per employee). The major non-hazardous waste generated by the Group were packaging materials, metal scraps, paper waste, and sawdust, will be collected and weighed before being recycled or sold to recycling company. The Group regularly reminds its employees to use resources efficiently and try to avoid the generation of waste. As a result, the employees' awareness of waste management has been increased.

(v) Water consumption

During the year ended 31 December 2019, the Group consumed 42,838 m³ of water (51.9 m³ per employee) in connection with its daily business operations. To reduce the emissions arising from water usage, the Group encourages its employees to conserve water and remember to turn off the water tap after use. As a result, the employees has increased their awareness to consume water usage. During the year ended 31 December 2019, the Group did not encounter any problems in sourcing water that is fit for purpose. Further, the Group did not consume a significant amount of water that was disproportional to the scale of its business operations.

(iii) 有害廢棄物

截至二零一九年十二月三十一日止年度，本集團並無產生有害廢棄物。本集團已聘請合資格垃圾清潔工控制危險廢物的產生。本集團將通過盡可能升級技術來控制有害廢物的產生。

(iv) 無害廢棄物

截至二零一九年十二月三十一日止年度，本集團共產生10.2噸無害廢棄物（每名僱員0.01噸）。本集團所產生的主要無害廢棄物為包裝材料、金屬廢料、廢紙及木屑，將會在收集及稱重後回收或出售予回收公司。本集團定期提醒僱員有效利用資源，儘量避免產生廢棄物。因此，僱員對廢棄物管理的意識有所提高。

(v) 水消耗

截至二零一九年十二月三十一日止年度，本集團的日常業務營運用水42,838立方米（每名僱員51.9立方米）。為減少用水產生的排放物，本集團鼓勵僱員節約用水及於使用後謹記關閉水龍頭。因此，僱員用水意識有所提高。截至二零一九年十二月三十一日止年度，本集團在採購適用水源方面並無任何問題。此外，本集團所消耗的水量與其業務規模相稱。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A.2 Use of resources

In order to reduce use of resources in our daily operations, the Factory maintains its operations in accordance with the guidelines set forth under the “Environment Management Policy and Objectives” and “Administrative Measures for Energy Consumption”. In addition, the “2017 Working Plan for Energy Conservation and Emission Reduction” was formulated and publicity and education activities were carried out for the purposes of enhancing the awareness of energy conservation and emission reduction among our employees. At the same time, the Factory streamlined energy-saving and emission reduction measures and strived to reduce energy consumption and costs. To improve work efficiency, the Factory established an energy saving and emission reduction working group to monitor the use of resources in the Factory and implemented the policies of appropriate incentives and penalties.

During the year ended 31 December 2019, the Group’s business activities did not cause significant adverse impact on the environment and natural resources. The Group’s total consumption of electricity, water and packaging materials during the year ended 31 December 2019 together with the relevant conservation measures adopted by the Group are detailed in the section headed “A.1 Emissions” above.

A.2 資源使用

為減少日常業務營運的資源使用，工廠按照「環境管理政策和目標」及「能源消耗管理辦法」所載指引營運。此外，制定《二零一七年節能減排工作計劃》，開展宣傳教育活動，提高僱員的節能減排意識。同時，工廠簡化節能減排措施，努力降低能耗和成本。為提高工作效率，工廠成立節能減排工作組，負責監督工廠的資源使用情況，並實施適當的獎懲政策。

截至二零一九年十二月三十一日止年度，本集團的業務活動並無導致對環境及自然資源有重大不利影響。本集團於截至二零一九年十二月三十一日止年度的電、水及包裝材料消耗總量，連同本集團所採取的相關節約措施，均已於上文「A.1 排放」一節詳述。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

To further improve the use of resources, the Group takes the following actions on an ongoing basis:

為進一步改善資源使用，本集團會持續採取以下行動：

Item 項目	Measures 措施
Electricity saving 節電	<ol style="list-style-type: none"> 1) Minimize use of air conditioners by maintaining a minimum air conditioning temperature of 26°C in the office area 通過辦公室區域保持最低空調溫度26度以最大程度減少空調使用 2) Reduce the lighting time by turning off all lighting equipment before leaving office 離開辦公室前關閉所有照明設備，以減少照明時間 3) Turn off the power of all devices before leaving office to reduce the standby time of such devices 離開辦公室前關閉所有設備的電源，以減少該等設備的待機時間
Water saving 節水	<ol style="list-style-type: none"> 1) Turn off the faucet immediately after washing hands 洗手後立即關閉水龍頭 2) Improve daily maintenance of water and heating pipelines to prevent leakage of water 改善供水和供熱管道的日常維護，以防止漏水 3) Use recycled water for the spray-work painting booth located within the Factory 工廠內的噴漆房使用再生水
Vehicle management 汽車管理	<ol style="list-style-type: none"> 1) Turn off air-conditioning and engine of vehicles when parked for a long period to reduce oil consumption 長時間停車時關閉車輛的空調和發動機以減少油耗 2) Formulate maintenance plans and regularly inspect vehicles 制定維修計劃並定期檢查車輛
Office supplies management 辦公用品管理	<ol style="list-style-type: none"> 1) Use recycled paper 使用回收紙張 2) Use double-sided paper 採用雙面打印 3) Promote paperless office by using electronic communications to reduce paper 通過電子通信減少紙張使用量，促進無紙化辦公 4) Encourage personal use of drinking cups for less use of disposable cups 鼓勵使用個人水杯，減少一次性水杯的使用 5) Improve the purchase and distribution policies of office supplies by prioritizing use of energy-saving and environmental products 通過優先使用節能環保產品改善辦公用品的購買及分配政策

As a result, the Group's employees are more aware of the importance of using resources efficiently.

因此，本集團僱員更了解有效利用資源的重要性。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B. Social

1. Employment and labour practices

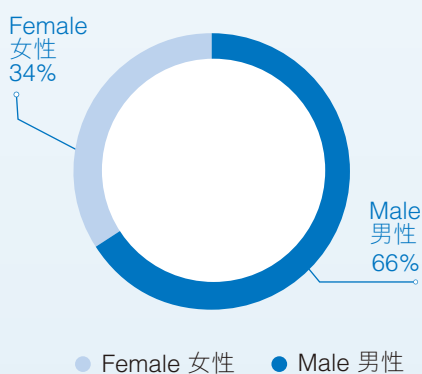
(i) Employment

Total employees and turnover

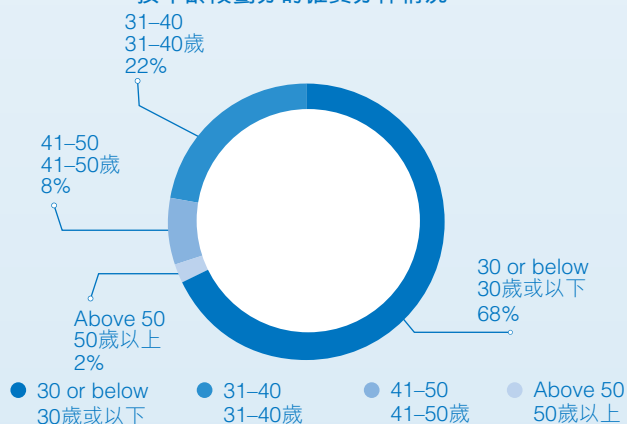
The Group had a total number of 826 full-time employees as at 31 December 2019. During the year ended 31 December 2019, the Group closely monitored the number of employees that were required to run its business operations.

Set forth below are the distribution of the Group's employees as at 31 December 2019 by gender and age group:

Distribution of employees by gender
按性別劃分的僱員分佈情況



Distribution of employees by age group
按年齡段劃分的僱員分佈情況



B. 社會

1. 僱傭及勞工常規

(i) 僱傭

僱員總數及流失率

於二零一九年十二月三十一日，本集團合共有826名全職僱員。截至二零一九年十二月三十一日止年度，本集團密切監察營運業務所需的僱員人數。

本集團僱員於二零一九年十二月三十一日按性別及年齡段劃分的分佈情況載列如下：

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According to the “Anti-Discrimination Policy” of the Factory, the expertise of job applicants will determine their employment status. The remuneration, bonus, allowances and other forms of subsidies payable by the Factory to our employees are subject to their work performance, expertise, and competence, regardless of their sex, race, religious beliefs, age, disability, sexual orientation, nationality, political views, social status, social and racial backgrounds, and other factors. The “Anti-Discrimination Policy” also protects the rights and interests of female employees, under which, marriage or pregnancy discrimination is not permitted for employment of women, and therefore no pregnancy test shall be performed on any female job applicant. The Factory shall make proper arrangements to prevent the well-being of pregnant women from being affected by work. In case that the management or external service providers are in violation of the “Anti-Discrimination Policy”, they shall be subject to penalties. Our employees may lodge complaints with our administrative department via a complaint hotline or the suggestion box, and the administrative department will conduct a regular review each week, launch investigation, and address any violation if identified. During the Reporting Period, the Group did not identify any complaint case from our employees.

根據工廠的「禁止歧視政策」，應聘者的專長決定其僱傭狀況。工廠支付予僱員的薪酬、花紅、津貼及其他形式的補助均取決於僱員的工作表現、技能及能力，而不論性別、種族、宗教信仰、年齡、殘疾、性取向、國籍、政治觀點、社會地位、社會和種族背景等其他因素。「禁止歧視政策」亦保護女性僱員權益，規定不得禁止或阻止僱用已婚或懷孕女性，不得對應聘者進行孕檢。工廠應為孕婦作合理安排，避免安排孕婦從事影響健康的工作。若管理人員或外部服務人員違反「禁止歧視政策」，需接受處分。僱員亦可透過投訴熱線或意見箱向行政部申訴，行政部每週定期檢閱，展開調查並在發現任何違規情況時處理。於報告期間，本集團並無任何僱員申訴案例。

Year 年份	2019 二零一九年	2018 二零一八年
Employee turnover rate 僱員流失率	115%	125%

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During the Reporting Period, the Group understood that the turnover rate remained high. In the future, we will step up the implementation of measures to lower the employee turnover rate, including reviewing the remuneration packages within the industry, improving the respective treatment and talent development mechanism, and providing more training and assisting our employees in preparing their career plan. In addition, we will commit ourselves to improving the management mechanism of the Group, while cultivating the teamwork culture.

During the Reporting Period, the Group did not identify any non-compliance case related to employment.

Employee benefits and welfare

The Group enters into employment contracts with its employees and the employment contract terms were stipulated under the principles of fairness, voluntarism, mutual consent, integrity and credibility. The remuneration package offered to employees includes salary, bonuses and other subsidies. In general, the remuneration package is based on each employee's qualifications, position, seniority and work performance. The Group carries out an annual review system to assess the performance of its employees, which forms the basis of decisions with respect to salary raises, bonuses and promotions.

During the year ended 31 December 2019, the Group maintains social insurance for its employees pursuant to the applicable PRC laws and regulations by making contributions to the mandatory social insurance and housing provident funds which provide basic retirement, medical, work-related injury, maternity and unemployment benefits.

本集團了解報告期間的流失率依然較高，未來將加強實行降低僱員流失率的措施，包括檢視行業的薪資待遇、提高相應待遇及完善人才培養機制及提供更多培訓及幫助僱員制定職業生涯規劃。此外，我們將致力於改善本集團管理機制，培育團隊精神。

於報告期間，本集團並無發現任何與僱傭相關的違規個案。

僱員待遇及福利

本集團與僱員訂立僱傭合約，僱傭合約的條款乃按公平、自願、雙方同意、誠信及信譽的原則訂定。向僱員提供的薪酬待遇包括薪資、花紅和其他補貼。一般而言，薪酬待遇乃基於每位僱員的資質、職位、資歷及工作表現而釐定。本集團實施年檢制度，評估僱員的表現，評估結果為加薪、花紅及晉升決策的依據。

截至二零一九年十二月三十一日止年度，本集團根據適用中國法律及法規向強制性社保及住房公積金供款，以為僱員投購社保，提供基本的退休、醫療、工傷、生育及失業福利。

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During the year ended 31 December 2019, the Group complies with the Labour Law of the PRC and did not experience any significant disputes with its employees or any disruption to business operations due to labour disputes. In addition, the Group did not experience any difficulties in the recruitment and retention of experienced core staff or skilled personnel.

Labour standards

Given that protection of human rights represents fundamental conditions for sustainability, the Group is committed to safeguarding human rights and adopts the zero-tolerance approach towards child labour or forced labour. In compliance with the relevant national laws and regulations governing child labour, the Factory formulates the “Ban on Employment of Child Labour and Minors”, according to which, the Factory will carry out stringent inspection over the backgrounds and identification documents of the job applicants during recruitment to ensure that they meet the statutory age for employment and prevent use of child labour. The Factory also sets up internal whistle-blowing channels and remedial measures with respect to use of child labour. In case that any case related to use of child labour is identified, the Factory will immediately settle the due remuneration and contact their guardians before escorting them back their home. All expenses and travel costs will be covered by the Factory.

截至二零一九年十二月三十一日止年度，本集團遵守中華人民共和國勞動法，並無與僱員產生任何重大糾紛，亦無因勞動糾紛而產生任何業務營運中斷。此外，本集團在招聘及挽留有經驗核心僱員或熟練人員方面並無遇到任何困難。

勞工標準

鑑於人權保障是可持續發展的基本條件，本集團致力維護人權，對於使用童工或強制勞工採取零容忍的態度。工廠遵守國家禁止聘用童工的相關法律法規，並制訂「禁止聘用童工及使用未成年工規定」。工廠在招聘過程會嚴格審查應聘者的背景及身份證明文件，確保符合法定工作年齡要求，避免誤聘童工。工廠亦設置內部舉報渠道和誤聘童工補救措施。若發現任何誤聘童工個案，工廠會立即清算工資，聯絡監護人，並陪同將其護送回家。所有費用及路費均由工廠支付。

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As forced labour is in violation with the basic human rights and international conventions on labour, the Factory has formulated the “Prohibition of Forced Labour” policy, pursuant to which, the Factory makes clear its stance to all employees that unfair restriction of the employment relationship between our employees and the Factory in any form will not be imposed and that no remuneration, payment in kind or identification documents will be withheld. The legislations safeguard the rights and freedom of any employee to terminate a labour contract. In case of any suspected case related to forced labour, any employee may report to the Factory via the complaint hotline or the suggestion box so that the Factory may timely resolve such issues.

To enhance the understanding of the labour standards among our employees, the Factory incorporated control of juvenile workers, identification of child labor and remedial measures, and elimination of forced labour into our human resources and expertise training. During the Reporting Period, the Group did not identify any non-compliance case related to child labour or forced labour.

Equal opportunity

The Group provides equal opportunities for employees in respect of recruitment, job advancement, training and development, etc. Employees are not discriminated against or deprived of such opportunities on the basis of race, nationality, religion, physical condition, disability, gender, pregnancy, sexual orientation, political status, age and any other discrimination prohibited by applicable law. Employees shall not act in discriminatory manner or they can be subject to disciplinary actions.

強迫勞動違反基本人權及國際勞工公約。工廠制定「禁止強制勞動」政策，向所有僱員表明工廠的立場，決不會以任何方式不公平地限制僱員與工廠的僱傭關係，絕不容許任何如克扣工資、實物或身分證明文件等行為。法例保障僱員解除勞動合約的權利和自由，若遇上任何懷疑強制勞動個案，僱員可透過投訴熱線或意見箱向工廠舉報，讓工廠及時處理該等事宜。

為加強僱員對勞工準則的認識，工廠於人力資源技能培訓中加入有關未成年工的管控、童工的識別與補救措施以及杜絕強迫勞工等內容。報告期間，本集團並無發現任何關於童工或強制勞工的違規個案。

平等機會

本集團在招聘、晉升、培訓及發展等方面為僱員提供平等機會。僱員不會因種族、國籍、宗教、身體條件、殘疾、性別、妊娠、性取向、政治面貌、年齡及適用法律禁止的任何其他歧視而就該等機會遭受歧視或被剝奪該等機會。僱員不得歧視他人，否則可能會受到紀律處分。

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(ii) Employee relations

The Directors consider that it is important to maintain good relationship with employees. The Group maintains regular communications with its employees by arranging gatherings, celebration activities and trainings. Through these activities, the Group would collect feedback from its employees on job satisfactions and their expectations on the Group and would implement appropriate strategies to improve the work environment and its relationship with the employees.

(iii) Employee health and safety

The Group places emphasis on occupational health and work safety. It provides a safe working environment and training sessions for its employees to ensure that they can work safely. It has also implemented a system of recording and handling accidents. Further, the Group also has dedicated personnel responsible for administering the internal worker safety policies, providing relevant training and education, and conducting regular inspections. During the year ended 31 December 2019, the Group had not experienced any material safety accidents or been penalised for any non-compliance relating to work safety laws and regulations.

(ii) 僱員關係

董事認為，與僱員維持良好關係十分重要。本集團通過安排聚會、慶祝活動及培訓定期與僱員溝通。藉助該等活動，本集團可聽取僱員在工作滿意度及對本集團的期望方面收集反饋意見，並實施適當策略改善工作環境及與僱員的關係。

(iii) 僱員健康與安全

本集團注重職業健康及工作安全，為僱員提供安全的工作環境和培訓課程，確保彼等可安全工作，亦實施記錄及處理事故系統。此外，本集團亦擁有專職人員負責管理內部僱員安全政策，提供相關的培訓和教育，並進行定期檢查。截至二零一九年十二月三十一日止年度，本集團並無發生任何重大安全事故，亦無因不遵守工作安全法律及法規而受到處罰。

Occupational health and safety data for the year ended 31 December 2019

截至二零一九年十二月三十一日止年度的職業健康與安全數據

Work related fatality	工傷死亡率	-
Work injury cases >3 days	三天以上的工傷事故	-
Work injury cases <=3 days	三天及以內的工傷事故	-
Lost days due to work injury	工傷停工天數	-

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(iv) Development and training

The Group's various types of employee training not only help employees improve their skills sets and operational efficiency, but also provide an opportunity for their personal development. According to the "Human Resources Management Procedure" for the Factory, the administrative department shall formulate training programs, under which, each employee is required to receive position-related training, including in-house and external training. Training effectiveness will be assessed by written or oral tests, hand-on operations, spot check and other measures. Employees whose specific work has significant impacts on the environmental and occupational safety and health will be assessed by the administrative department for their qualifications, and the assessment scope will cover their academic background, competence, training, and/or qualifications. Such employees, only if determined as eligible, will be permitted to take up the position.

During the Reporting Period, the Factory focused on training related to production safety, hygienic practices and personal health, medical treatment and first aid, and environmental protection. During the Reporting Period, the Factory arranged more employee training, as a result of which, training hours per employee increased by approximately two hours as compared to that last year. In the future, the Factory will improve its training programs and the percentage of employee training.

Year 年份	2019 二零一九年	2018 二零一八年
Average training hours per employee	12	10
僱員平均培訓時數		

(iv) 發展及培訓

本集團安排各類型僱員培訓，不僅提升工作技能及營運效率，亦為僱員的個人發展提供機會。根據工廠的「人力資源管理程序」，行政部須制定培訓計劃，每位僱員需接受與工作有關的培訓，包括內部和外部培訓。培訓效果會以筆試、口試、實際操作、抽查及其他方式進行評估。從事對環境及職業安全健康有重大影響的特定工作僱員由行政部安排資格評估，評估範圍涵蓋學歷、能力、培訓及／或資歷，僱員評估合格後方可上崗。

工廠於報告期間的培訓重點為安全生產、衛生習慣和個人健康、醫療急救及環境保護等方面。報告期間，工廠亦安排更多僱員培訓，每位僱員的培訓時數較去年增加約2小時。工廠未來將完善培訓計劃，增加僱員培訓的百分比。

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Training Focuses During the Reporting Period

報告期間的培訓重點

Trainees 培訓對象	Training Program Description 培訓內容
Entry-level employees 新進員工	<p>Various systems related to working hours, remuneration calculation, and remuneration package and fringe benefits 工作時間、工資計算方法、薪酬待遇及附加福利制度</p> <p>Employee Manual, and factory-wide rules and regulations 員工手冊、廠規廠紀</p> <p>Occupational health and safety, and environmental awareness 職業健康安全、環保意識</p> <p>Knowledge related to fire safety and counter-terrorism 消防安全、反恐安全知識</p> <p>Hygienic practices and personal health, and medical treatment and first aid 衛生習慣和個人健康及醫療急救</p> <p>Pre-employment skills, on-the-job operations, product quality control 崗前技能、崗位操作、產品質量控制</p>
All-level employees 全體員工	<p>Workplace hygienic practices and personal health and safety 工作場所衛生和個人健康安全</p> <p>Fire safety knowledge and emergency escape drills 消防安全知識及逃生應急演練</p> <p>Counter-terrorism knowledge 反恐安全知識</p> <p>Medical treatment and first aid 醫療急救</p>
First-line managers 基層管理員工	<p>ISO 9001 certification knowledge and product quality control ISO 9001 知識及產品質量控制</p> <p>Know-how on quality control 品控知識</p> <p>On-site management practices and 5S management system 現場管理務實及5S管理體系</p>
Employees who have access to chemicals and warehousing staff 使用化學品的員工及倉管員	<p>Standards for Safe Access to Chemicals and Personal Protective Equipment 化學品、個人保護設備安全使用操作規範</p>
Employees who have access dangerous equipment 使用危險設備的員工	<p>Safe Use of Dangerous Equipment 危險設備安全使用</p>
Security personnel and emergency staff 保安員及應急員	<p>Emergency Know-how for Firefighters and Emergency Staff 消防應急安全員應急知識</p>
Manufacturing department 製造部	<p>On-site management practices and 5S management system 現場管理務實及5S管理體系</p>

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2. Operating practices

(i) Supply chain management

The Group values its collaboration with suppliers, and believes that an established partnership with suppliers can help the Group continuously optimize its operation process and improve its operation quality. The major materials as purchased by the Factory include wood, steel, electronic components and packaging materials. Production of relevant materials will involve matters that affect the environment, such as emissions of wastewater and waste, while use of chemicals will also affect the health and safety of our employees. To improve and control the environment and social risks of our suppliers, the Factory has formulated the “Supplier Social Responsibility Management Measures”, which provides guidelines as to the review and management of the performance of our suppliers, as well as requiring the suppliers to comply with the requirements under the “Business Social Compliance Initiative” (hereinafter referred to as the “BSCI”).

2. 經營常規

(i) 供應鏈管理

本集團重視與供應商的合作，且深信與供應商建立合作夥伴關係有助於本集團不斷優化營運流程及改善營運品質。工廠採購的主要材料為木材、鋼材、電子配件及包裝材料。相關材料的生產過程均涉及廢水和廢棄物排放等影響環境的事項，而化學品的使用亦會影響僱員的健康及安全。為完善管控供應商的環境及社會風險，工廠制定「供應商社會責任管理辦法」，為審查和管理供應商的表現提供指引，並要求供應商符合「商業社會合規倡議」（以下簡稱「BSCI」）的要求。

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The BSCI comprises a set of universally accepted management tools and factory audit standards designed for corporate social responsibility. Suppliers shall be required to comply with the code of conduct under the BSCI, which includes:

- Freedom of association and right of collective bargaining agreement;
- Anti-discrimination;
- Fair remuneration policy;
- Lawful labour hours;
- Occupational health and safety;
- Prohibition of child labour;
- Protection of minor workers;
- Lawful labour employment contracts;
- Prohibition of forced labour;
- Environmental protection;
- Business ethics practices.

The Factory requires that the human resources and administrative department shall perform factory audit over suppliers under the BSCI and submit a results report on their social responsibility. Subject to the rating standards of the BSCI, where any supplier is found using child labour or practicing forced labour, such supplier will immediately be rated as “unacceptable”. The Factory will request such “unacceptable” supplier to make rectifications, during which, all outstanding production orders will be suspended. Meanwhile, any supplier is required to enter into the “Social Responsibility Undertaking”, whereby undertaking to comply with and fulfil the social responsibility requirements.

BSCI是一套國際通用的企業社會責任管理工具和驗廠標準。供應商需符合BSCI的行為守則，當中包括：

- 結社自由與集體談判權；
- 反歧視；
- 公平薪資政策；
- 合法勞動工時；
- 職業健康與安全；
- 禁止僱用童工；
- 保護未成年工人；
- 合法勞工僱傭合約；
- 禁止強迫勞動；
- 環保；
- 商業道德常規。

工廠規定人事行政部須對供應商安排BSCI社會責任驗廠，並提出驗廠結果報告。根據BSCI的評級標準，倘發現任何供應商僱用童工或強制勞工，則該供應商立即被評為「拒絕接受」。工廠要求被評為「拒絕接受」的供應商進行整改，期間所有未生產訂單須暫停。同時，任何供應商須簽訂「社會責任承諾書」，承諾遵守及履行社會責任要求。

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How the BSCI factory audit rating is implemented: the BSCI factory audit certification standard no longer adopts the point-based rating system but a five-letter (namely, A, B, C, D, and E) rating system.

- (1) For any factory is rated as A (outstanding), its compliance rate ranges from 86% to 100%;
- (2) For any factory is rated as B (good), its compliance rate ranges from 75% to 85%;
- (3) For any factory is rated as C (acceptable), its compliance rate ranges from 51% to 70%;
- (4) For any factory is rated as D (insufficient), its compliance rate ranges from 30% to 50%;
- (5) For any factory is rated as E (unacceptable), its compliance rate ranges from 0% to 29%.

(ii) Product responsibility

Attaching great importance to product quality and safety, the Group continues to monitor quality and implement safety standards. The Group strictly monitors the entire production process from receipt of materials, production to product shipment.

BSCI 驗廠評級實施方式：BSCI 驗廠認證評判標準不再使用打分制，而是採用A、B、C、D、E五個等級進行評判。

- (1) 獲得A等級(優秀)的工廠，合規率在86%至100%之間；
- (2) 獲得B等級(良好)的工廠，合規率在75%至85%之間；
- (3) 獲得C等級(可接受)的工廠，合規率在51%至70%之間；
- (4) 獲得D等級(不足)的工廠，合規率在30%至50%之間；
- (5) 獲得E等級(拒絕接受)的工廠，合規率在0%至29%之間。

(ii) 產品責任

本集團重視產品質量及安全，持續監控質量和實施安全標準。本集團嚴格監控整個生產過程，包括進料、生產直至產品出廠。

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Materials required by the Factory for production purposes include wood, accessories, steel, etc., 95% of which are raw materials that have received the ISO 9001 quality management system certification. To manage materials, the Factory has formulated the “Materials Inspection Instruction” to regulate the quality inspection standards for materials so as to ensure that no non-compliant materials will enter the production processes. According to purchase contracts, the inspectors will verify whether the orders, subject matters, specifications, quality compliance, and others as set forth in purchase contracts are consistent. If identified as compliant, such materials may be warehoused. Any material identified as non-compliant is required to be separated with a label, which will not be warehoused or used for production processes.

Upon completion of products, the manufacturing department is required to carry out inspection work in accordance with the “PQC Operation Instruction” and “Inspection and Test Management Procedures”. The inspection scope shall cover parts pending production, semi-finished products, finished products not yet stored and production samples.

工廠生產所需的材料包括木材、配件、鋼材等，其中95%的原材料獲得ISO 9001質量管理體系認證。為管理材料，工廠制定「進料檢驗作業指導書」規範材料品質檢驗標準，保證無不合格材料進入生產工序。根據採購合同，檢驗員會核對訂單、採購合同書所標項目、規格、品質要求等是否一致，確認檢驗合格方可入庫。檢驗後的不合格品須隔離並貼上標籤，不得入庫或用於生產工序。

產品製成後，製造部須根據「PQC作業指導書」及「檢驗和實驗管理程序」進行檢驗。產品的檢驗範圍包括未投入生產的零部件、半成品、尚未入庫的成品及生產樣品。

Preparation Before Inspection 檢驗前的準備工作

Ensure documents and inspection instruments related to products are all in place
確保產品相關文件及檢驗工具齊備

Arrange inspection orders based on the production processes, delivery schedule, and production progress
按工序、交付時間表及生產進度安排檢驗次序

In-progress Inspection 檢驗工作的進行

Verify whether products are consistent with those set forth in orders
核對產品是否與訂單內容一致

Check items required for inspection under the standards
核對標準所規定的必檢項目

Use proper equipment to conduct various inspections
使用適當儀器進行各種檢驗

Treatment upon Inspection 檢驗後的處理

Separate and isolate compliant products and non-compliant products
將合格品和不合格品分開及隔離

Box finished products and complete the warehousing procedures with labels and QC marks attached
裝箱成品，完成入庫程序，並張貼標籤和QC標記

Prepare quality inspection reports and arrange disposal of non-compliant products
編寫質量檢驗報告和安排處理不合格品

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The Factory emphasizes the disposal of non-compliant products, in which case, products identified as non-compliant will be disposed in accordance with the “Non-compliant Product Control Procedures”. The Factory has also developed the “Product Recall Procedures”. In case of any product sold to the market but identified as having safety hazards, the Factory will recall and deal with the same according to the established procedures, ensuring product quality and public safety. During the Reporting Period, the Group did not identify any case related to product recall.

The Factory has prepared the “Procedures to Use, Manage, and Control Product Certification Labels”, under which, all certified products must be attached with the certification labels prior to their shipments. Use of compulsory certification marks shall be in compliance with the requirements under the Management Measures on Compulsory Product Certification Mark. Use of compulsory certification marks is not permitted for uncertified products, non-compliant products, and certified products that are modified without certification by any certification body, none of which therefore is permitted for shipment.

The Group places a high value on smooth communications channels with our customers to fulfil customer demands. Our complaint channel enables our customers to submit complaints and suggestions regarding service or commodity quality. According to our “Customer Complaint Handling Procedures”, upon receiving customer complaints, our sales department will e-mail the relevant complaints to the quality control department, while the quality control manager will review such customer complaints before appointing our quality engineers to launch investigation into the said customer complaints. The quality engineers will analyze the causes

工廠重視不合格品的處置，檢驗不合格的產品按照「不合格品控制程序」處置。工廠亦制定「產品召回程序」，一旦出現任何安全隱患的產品流入市場，工廠會按既定程序召回及處理，確保產品質量及公眾安全。報告期間，本集團並無發現任何產品召回個案。

工廠編製「認證產品標誌使用管理控制程序」，所有獲認證產品須在出廠前加上認證標誌。強制性認證標誌的使用須遵守強制性產品認證標誌管理辦法的規定。未獲認證產品、不合格品和獲認證產品變更後未經任何認證機構確認前均不得使用強制性認證標誌，更不允許出廠。

本集團重視與客戶建立順暢的溝通渠道，滿足客戶需求。我們設有投訴渠道，使客戶提交關於服務或商品質量的投訴及意見。根據「客戶投訴處理程序」，銷售部收到客戶投訴後，會將有關投訴內容等以郵件方式發送至品管部，品管經理審閱客戶投訴內容後，指定品質工程師就客戶投訴內容展開調

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and determine which department shall be held accountable before the follow-up procedures take place. The sales department will respond to the customers in connection with the merits of the complaint and corrective actions to be taken or precautions to be implemented. In addition, customer satisfaction in settlement results will be surveyed until the relevant complaint is fully resolved. During the Reporting Period, the Group did not identify any customer complaint.

As part of good corporate governance maintained by the Group, security of customer data is also the key to cultivating a long standing trusted relationship with our customers. To avert information risk, effectively secure information, and enhance the responsiveness of processing information, the Factory has formulated the “Corporate Information Management Measures”, pursuant to which, in-house information regarding our operations will be managed under various security levels. In addition, publication guidelines and directories for confidential information will be established to ensure information is published and communicated in a correct and controllable manner.

In connection with advertising, the Group has appointed legal advisors to provide legal opinions and perform their duty of oversight. In case that any advertisement is found false or exaggerating, we will immediately cease to circulate such false advertisement and eliminate the negative effects by issuing a clarification announcement accordingly. In the future, the Group will establish advertisement management policies to enhance our management of product responsibility.

During the Reporting Period, the Group did not identify any non-compliance case related to product responsibility.

查，分析原因並界定責任歸屬部門進行後續處理。銷售部會對投訴原因及採取的糾正或預防措施回覆客戶，另外再調查客戶對處理的滿意程度，直至投訴完全解決。報告期間，本集團未發現任何客戶投訴。

保障客戶資料的安全是本集團維持良好的企業管治，以及與客戶建立長遠互信關係的關鍵。為規避信息風險、有效保障信息安全，同時加快信息處理反應能力，工廠制定「公司信息管理辦法」，對內部經營信息進行安全分級管理，並建立機密信息發佈指引與路徑，確保信息以正確可控的方式發放與傳遞。

廣告方面，本集團指定法律顧問提供法律意見及履行監督職責，如發現廣告存在失實或誇大情形，我們會立即停止發佈該失實廣告，並相應發佈澄清公告，消除負面影響。本集團未來將訂立廣告管理政策，完善產品責任方面的管理。

報告期間，本集團並無發現與產品責任相關的違規個案。

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Intellectual Property Rights and Information Security

The Group registered various trademarks for the Group itself and its products in the PRC, Germany and Hong Kong to foster its corporate image. The Group relies on the relevant laws and regulations to protect its brand names, trademarks and other intellectual property rights.

During the year ended 31 December 2019, the Group was not aware of any material infringement (i) by the Group of any intellectual property rights owned by any third parties; or (ii) by any third party of any intellectual property rights owned by the Group. Further, there were no pending or threatened material claims made against the Group, nor had there been any material claims made by the Group against third parties, with respect to the infringement of intellectual property rights owned by the Group.

(iii) Anti-corruption

Anti-corruption is already one of the basic principles for the international community to define corporate social responsibility. The Chinese government has been playing an active role in carrying out anti-corruption campaigns in recent years. The Group adopts a zero-tolerance policy on acts of corruption in any form, including bribery and extortion, fraud and money laundering, by undertaking that it conducts its business in an honest, ethical and good faith manner. The “Anti-corruption and Anti-bribery Control Procedures” of the Group clearly stipulates that our employees are prohibited from providing special treatments and seeking any form of benefits from our customers, suppliers or any business associates. The Factory encourages our employees and external stakeholders to report corruption incidents, in which case, whistle-blowers will be properly rewarded with their identities kept confidential, and they will be provided with personal protection and job security.

知識產權及信息安全

本集團在中國、德國及香港為本集團及產品註冊各類商標，樹立企業形象。本集團依賴相關法律及法規保護其品牌名稱、商標及其他知識產權。

截至二零一九年十二月三十一日止年度，據本集團所知，(i)本集團並無嚴重侵犯任何第三方所擁有任何知識產權的行為；或(ii)並無任何第三方嚴重侵犯本集團所擁有任何知識產權的行為。此外，本集團並無任何未決或可能遭提起的重大索賠，本集團亦無因本集團所擁有知識產權遭侵犯而向第三方提起的任何重大索賠。

(iii) 反貪污

反貪污已經是國際社會界定企業社會責任的基本原則之一，中國政府近年來亦積極推行反貪污工作。本集團對任何形式的貪污行為採取零容忍政策，包括賄賂、勒索、欺詐及洗黑錢，承諾以誠實、合乎道德及恪守誠信的態度經營業務。本集團的「反腐敗反賄賂控制程序」列明，禁止僱員向客戶、供應商或任何業務往來人士提供特殊待遇及索取任何利益。工廠鼓勵僱員及外部利益相關者舉報貪污事件，對舉報者給予適當獎勵，並確保舉報者身份保密，為其提供人身保護及職位保障。

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The Factory has specified the code of conduct for our employees in its “Business Ethics and Integrity Control Procedures” to demonstrate the Group’s determination against employees seeking personal gains by abusing their powers or by taking advantage of their positions. All employees at the Factory shall be required to enter into the “Employee Undertaking”, and our employee training also emphasizes the business integrity policy and anti-corruption contents. Any employee in violation of the business ethics and integrity control procedures will be subject to corporate penalties. To enhance cooperation with suppliers on integrity, the Factory and our suppliers have entered into the “Business Integrity Cooperation Agreement” to clarify the rules to prevent either side from committing bribery, as well as establishing whistle-blowing procedures for corruptive actions.

During the Reporting Period, the Group did not identify any non-compliance case or lawsuit related to corruption.

3. Community investment

The Group acknowledges corporate social responsibility and allocates resources to satisfy the needs of the community. During the year ended 31 December 2019, the Group focused on environmental protection as well as cultural and sport promotion. The Group encouraged its employees to participate charitable events. Going forward, the Group will continue to focus on community needs and increase its investment in community.

工廠在「商業道德和誠信規範控制程序」中列明僱員行為規範，堅決反對以權謀私或利用職務之便謀取私利的行為。工廠全員均須簽訂「僱員承諾書」，並於僱員培訓中強調工廠的商業廉潔政策及反貪污的內容，任何違反商業道德和誠信規範控制程序的僱員將受公司處分。為加強與供應商的誠信合作，工廠與供應商簽署「商業廉潔合作協議」，明確防止雙方行賄的準則及訂立舉報貪污行為的程序。

報告期間，本集團並無發現任何與貪污相關的違規案例或訴訟案件。

3. 社區投資

本集團深知自身的企業社會責任，並分配資源滿足社區需求。截至二零一九年十二月三十一日止年度，本集團專注於環保以及文化及體育推廣。本集團鼓勵僱員參與公益活動。日後，本集團將繼續專注於社區需求並加大社區投資。

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The ESG Reporting Guide Content Index of the Stock Exchange of Hong Kong Limited

香港聯合交易所有限公司環境、社會及管治報告指引內容索引

Subject areas, aspects, general disclosures and KPIs 主要範疇、層面、一般披露及關鍵績效指標	Description 描述	Relevant section in the ESG report/Declaration 環境、社會及管治報告相關章節／聲明
Aspect A1: Emissions		
A1 層面：排放		
General Disclosure 一般披露	Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢物的產生等的： (a) the policies; and 政策；及 (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 nonhazardous waste. 遵守對發行人有重大影響的相關法律及法規的資料。	A. ENVIRONMENT 環境
KPI A1.1 ("comply or explain") 關鍵績效指標 A1.1 〔遵守或解釋〕	The types of emissions and respective emissions data. 排放種類及相關排放數據。	A.1 Emissions 排放
KPI A1.2 ("comply or explain") 關鍵績效指標 A1.2 〔遵守或解釋〕	Greenhouse gas emissions in total (in tonnes) and intensity. 溫室氣體總排放量（以噸計算）及密度。	A.1 Emissions – (ii) Greenhouse gas emissions 排放 – (ii) 溫室氣體排放
KPI A1.3 ("comply or explain") 關鍵績效指標 A1.3 〔遵守或解釋〕	Total hazardous waste produced (in tonnes) and intensity. 所產生有害廢物總量（以噸計算）及密度。	A.1 Emissions – (iii) Hazardous waste (Not applicable – Explained) 排放 – (iii) 有害廢棄物（不適用 – 說明）

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Aspect A1: Emissions		
A1 層面：排放		
KPI A1.4 ("comply or explain") 關鍵績效指標 A1.4 〔遵守或解釋〕	Total non-hazardous waste produced (in tonnes) and intensity. 所產生無害廢物總量(以噸計算)及密度。	A.1 Emissions – (iii) Non-hazardous waste 排放 – (iii) 無害廢棄物
KPI A1.5 ("comply or explain") 關鍵績效指標 A1.5 〔遵守或解釋〕	Description of reduction initiatives and results achieved. 描述減排措施及所得成果。	A.1 Emissions 排放
KPI A1.6 ("comply or explain") 關鍵績效指標 A1.6 〔遵守或解釋〕	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢物的方法、減排的措施及所得成果。	A.1 Emissions – (iii) Hazardous waste 排放 – (iii) 有害廢棄物 A.1 Emissions – (iii) Non-hazardous waste 排放 – (iii) 無害廢棄物
Aspect A2: Use of Resources		
A2 層面：資源使用		
General Disclosure 一般披露	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。	A.2 Use of resources 資源使用
KPI A2.1 ("comply or explain") 關鍵績效指標 A2.1 〔遵守或解釋〕	Direct and/or indirect energy consumption by type in total and intensity. 按類型劃分的直接及／或間接能源總耗量及密度。	A.1 Emissions 排放
KPI A2.2 ("comply or explain") 關鍵績效指標 A2.2 〔遵守或解釋〕	Water consumption in total and intensity 總耗水量及密度。	A.1 Emissions – (v) Water consumption 排放 – (v) 水消耗

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Aspect A2: Use of Resources		
A2 層面：資源使用		
KPI A2.3 ("comply or explain") 關鍵績效指標 A2.3 (「遵守或解釋」)	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	A.1 Emissions 排放
KPI A2.4 ("comply or explain") 關鍵績效指標 A2.4 (「遵守或解釋」)	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有否任何問題，以及提升用水效益計劃及所得成果。	A.1 Emissions – (v) Water consumption 排放 – (v) 水消耗
KPI A2.5 ("comply or explain") 關鍵績效指標 A2.5 (「遵守或解釋」)	Total packaging material used for finished products (in tonnes) and with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及每生產單位用量。	Our activities do not create packaging material in significant quantities 我們的業務活動不會產生大量的包裝材料
Aspect A3: The Environment and Natural Resources		
A3 層面：環境及自然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及自然資源造成重大影響的政策。	A.2 Use of resources 資源使用
KPI A3.1 ("comply or explain") 關鍵績效指標 A3.1 (「遵守或解釋」)	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及自然資源的重大影響及管理有關影響所採取的行動。	A.2 Use of resources 資源使用

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Aspect B1: Employment		
B1 層面：僱傭		
General Disclosure 一般披露	Information on: 有關薪酬及解僱、招聘及晉升、工時、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 遵守對發行人有重大影響的相關法律及法規的資料。	1. Employment and labour practices 僱傭及勞工常規
KPI B1.1 (Recommended Disclosure) 關鍵績效指標 B1.1 (建議披露)	Total workforce by and gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員總數。	1. Employment and labour practices – (i) Employment – Total employees and turnover 僱傭及勞工常規 – (i) 僱傭 – 僱員總數及流失率
KPI B1.2 (Recommended Disclosure) 關鍵績效指標 B1.2 (建議披露)	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失率。	1. Employment and labour practices – (i) Employment – Total employees and turnover 僱傭及勞工常規 – (i) 僱傭 – 僱員總數及流失率

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Subject areas, aspects, general disclosures and KPIs 主要範疇、層面、一般披露及關鍵績效指標	Description 描述	Relevant section in the ESG report/Declaration 環境、社會及管治報告相關章節／聲明
Aspect B2: Health and Safety		
B2層面：健康與安全		
General Disclosure 一般披露	Information on: 有關提供安全工作環境及保障僱員避免職業危害的： (a) the policies; and 政策；及 (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. 遵守對發行人有重大影響的相關法律及法規的資料。	1. Employment and labour practices – (iii) Employee health and safety 僱傭及勞工常規 – (iii) 僱員健康與安全
KPI B2.1 (Recommended Disclosure) 關鍵績效指標 B2.1 (建議披露)	Number and rate of work-related fatalities. 工傷死亡人數及比率。	1. Employment and labour practices – (iii) Employee health and safety 僱傭及勞工常規 – (iii) 僱員健康與安全
Aspect B3: Development and Training		
B3層面：發展及培訓		
General Disclosure 一般披露	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。	1. Employment and labour practices – (iv) Development and training 僱傭及勞工常規 – (iv) 發展及培訓

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject areas, aspects, general disclosures and KPIs 主要範疇、層面、一般披露及關鍵績效指標	Description 描述	Relevant section in the ESG report/Declaration 環境、社會及管治報告相關章節／聲明
Aspect B4: Labour Standards		
B4 層面：勞工標準		
General Disclosure 一般披露	Information on: 有關防止童工或強制勞工的： (a) the policies; and 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. 遵守對發行人有重大影響的相關法律及法規的資料。	1. Employment and labour practices – (i) Employment 僱傭及勞工常規 – (i) 僱傭
KPI B4.1 (Recommended Disclosure) 關鍵績效指標 B4.1 (建議披露)	Description of measures to review employment practices to avoid child and forced labour. 描述檢討僱傭慣例的措施以避免童工及強制勞工。	1. Employment and labour practices – (i) Employment 僱傭及勞工常規 – (i) 僱傭
Aspect B5: Supply Chain Management		
B5 層面：供應鏈管理		
General Disclosure 一般披露	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。	2. Operating practices – (i) Supply chain management 經營常規 – (i) 供應鏈管理
KPI B5.1 (Recommended Disclosure) 關鍵績效指標 B5.1 (建議披露)	Geographical locations of major suppliers. 主要供應商地理位置。	2. Operating practices – (i) Supply chain management 經營常規 – (i) 供應鏈管理
KPI B5.2 (Recommended Disclosure) 關鍵績效指標 B5.2 (建議披露)	Description of practices relating to engaging suppliers. 描述有關聘用供應商的慣例。	2. Operating practices – (i) Supply chain management 經營常規 – (i) 供應鏈管理

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject areas, aspects, general disclosures and KPIs 主要範疇、層面、一般披露及關鍵績效指標	Description 描述	Relevant section in the ESG report/Declaration 環境、社會及管治報告相關章節／聲明
Aspect B6: Product Responsibility		
B6 層面：產品責任		
General Disclosure 一般披露	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： (a) the policies; and 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. 遵守對發行人有重大影響的相關法律及法規的資料。	2. Operating practices – (ii) Product responsibility 經營常規 – (ii) 產品責任
KPI B6.1 (Recommended Disclosure) 關鍵績效指標 B6.1 (建議披露)	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	2. Operating practices – (ii) Product responsibility 經營常規 – (ii) 產品責任
KPI B6.2 (Recommended Disclosure) 關鍵績效指標 B6.2 (建議披露)	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。	2. Operating practices – (ii) Product responsibility 經營常規 – (ii) 產品責任
KPI B6.3 (Recommended Disclosure) 關鍵績效指標 B6.3 (建議披露)	Description of practices relating to observing and protecting intellectual property rights. 描述與遵守和保護知識產權有關的常規。	2. Operating practices – (ii) Product responsibility 經營常規 – (ii) 產品責任
KPI B6.4 (Recommended Disclosure) 關鍵績效指標 B6.4 (建議披露)	Description of quality assurance process and recall procedures. 描述質保過程及產品回收程序。	2. Operating practices – (ii) Product responsibility 經營常規 – (ii) 產品責任

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject areas, aspects, general disclosures and KPIs 主要範疇、層面、一般披露及關鍵績效指標	Description 描述	Relevant section in the ESG report/Declaration 環境、社會及管治報告相關章節／聲明
Aspect B7: Anti-corruption		
B7 層面：反貪污		
General Disclosure 一般披露	Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 遵守對發行人有重大影響的相關法律及法規的資料。	2. Operating practices – (iii) Anti-corruption 經營常規 – (iii) 反貪污
KPI B7.1 (Recommended Disclosure) 關鍵績效指標 B7.1 (建議披露)	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. 於報告期間對發行人或僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	2. Operating practices – (iii) Anti-corruption 經營常規 – (iii) 反貪污
Aspect B8: Community Investment		
B8 層面：社區投資		
General Disclosure 一般披露	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. 有關社區參與以了解發行人所在社區需求並確保業務活動顧及社區利益的政策。	3. Community investment 社區投資
KPI B8.1 (Recommended Disclosure) 關鍵績效指標 B8.1 (建議披露)	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 關注貢獻領域(如教育、環境問題、勞動力需求、健康、文化、體育)。	3. Community investment 社區投資

REPORT OF DIRECTORS

董事會報告

The Directors are pleased to present to the Shareholders the first annual report and the audited consolidated financial statements for the year ended 31 December 2019.

Principal Activities

The Group is principally engaged in the business of offering comprehensive assembling and production services of PCBA in the PRC integrating research and design, selection and procurement of raw materials, assembling of PCBAs, quality control, testing, logistics and aftersales services. Details of the principal activities of the Company and its subsidiaries are set out in note 1 and note 31 to the consolidated financial statements.

Business Review

The business review of the Group for the year is set out in the sections of Chairman's Statement, Management Discussion and Analysis, Environmental, Social and Governance Report and the paragraphs below. The Group complies with the requirements under the Hong Kong Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the "SFO") for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance and ordinances relating to occupational safety for the interest of employees of the Group. No important event affecting the Group has occurred since the end of the year.

Key Risk Factors

The following lists out the key risks and uncertainties facing the Group.

Concentration of customers

The Group has a concentration of customers and any decrease or loss of business from these major customers could adversely and substantially affect our operations and financial conditions.

Fluctuations in the price of raw materials

Fluctuations in the price of raw materials may affect our cost of sales and adversely affect our business operations and profitability.

董事欣然向股東提呈截至二零一九年十二月三十一日止年度的首份年報及經審核綜合財務報表。

主要業務

本集團主要於中國從事提供集合研發、設計、原材料選擇及採購、PCBA裝配、質量控制、測試、物流及售後服務的全面PCBA裝配及生產服務。本公司及其附屬公司的主要業務詳情載於綜合財務報表附註1及附註31。

業務回顧

本集團本年度的業務回顧載於主席報告、管理層討論及分析、環境、社會及管治報告以及下文數段。本集團遵守香港公司條例、上市規則及證券及期貨條例（「證券及期貨條例」）有關披露資料及企業管治的規定。本集團亦遵守僱傭條例及職業安全相關條例的規定，以保障本集團僱員的權益。自本年度末起概無發生對本集團有影響的重要事件。

主要風險因素

下文列載本集團面臨的主要風險及不確定因素。

客戶集中

本集團的客戶集中，來自該等主要客戶的任何業務減少或流失可對我們的經營及財務狀況造成不利及重大影響。

原材料價格波動

原材料價格波動或會影響我們的銷售成本，進而對我們的業務經營及盈利能力產生不利影響。

REPORT OF DIRECTORS

董事會報告

Fail to anticipate and respond to technology changes

If our Group does not quickly respond to the rapidly changing and rigorous needs of our customers or enhance the scope of our existing EMS that can respond to advanced technology changes or our customers' needs, our competitive position, profitability and business prospects may be adversely affected.

Trade protection measures and trade disputes between the United States and the PRC

The uncertainties on the trade restriction policies resulting from the trade disputes between the United States and the PRC may cause difficulties for our customers to project their purchasing plans and may cause them to reduce their orders from our Group.

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analyse on customer feedback. The Group also keep ourselves abreast of the development of latest technology advancement in the industries.

Results and Dividends

The results of the Group for the year ended 31 December 2019 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 100 to 103.

The Board does not recommend payment of final dividend for the year ended 31 December 2019 (2018: nil).

Property, Plant and Equipment

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

無法預計並應對技術革新

倘本集團無法迅速應對客戶瞬息萬變及嚴格的要求，或針對先進的技術革新或客戶需求擴大我們現有EMS的範圍，則我們的競爭力、盈利能力及業務前景或會受到不利影響。

貿易保護措施及中美貿易糾紛

中美貿易糾紛導致貿易限制政策的不確定性可能導致我們的客戶難以預測彼等的採購計劃，並可能導致彼等減少向本集團下訂單。

本集團透過不同途徑及渠道評估所有客戶的見解及意見，包括利用商業情報了解客戶趨勢及需要，並定期分析客戶反饋。本集團亦跟進了解行業的最新技術發展情況。

業績及股息

本集團截至二零一九年十二月三十一日止年度的業績以及本公司及本集團於該日的事務狀況載於第100至103頁的財務報表。

董事會不建議派付截至二零一九年十二月三十一日止年度的末期股息(二零一八年：零)。

物業、廠房及設備

本集團於年內的物業、廠房及設備變動詳情載於綜合財務報表附註13。

REPORT OF DIRECTORS

董事會報告

Share Capital

Details of the movements in share capital of the Company during the year are set out in note 21 to the consolidated financial statements.

Closure of the Register of Members

For the purposes of determining the shareholders' eligibility to attend and vote at the forthcoming annual general meeting to be held on 29 May 2020 (Friday), the register of members of the Company will be closed from 26 May 2020 (Tuesday) to 29 May 2020 (Friday), both days inclusive. The latest time to lodge transfer documents for registration will be at 4:30 p.m. on 25 May 2020 (Monday). During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Monday, 25 May 2020.

Pre-Emptive Rights

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

Purchase, Redemption or Sale of Listed Securities of the Company

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

股本

本公司於年內的股本變動詳情載於綜合財務報表附註21。

暫停辦理股份過戶登記手續

為確定股東符合資格出席本公司將於二零二零年五月二十九日(星期五)舉行的應屆股東週年大會並於會上表決,本公司將於二零二零年五月二十六日(星期二)至二零二零年五月二十九日(星期五)(包括首尾兩日)期間暫停辦理股份過戶登記手續。遞交過戶文件以辦理登記的最遲時間為二零二零年五月二十五日(星期一)下午四時三十分。於上述暫停辦理期間不得進行股份轉讓。為符合資格出席應屆股東週年大會並於會上表決,所有過戶文件連同有關股票及過戶表格必須於二零二零年五月二十五日(星期一)下午四時三十分前送達本公司的香港股份過戶登記分處卓佳證券登記有限公司,地址為香港皇后大道東183號合和中心54樓。

優先購買權

本公司組織章程細則或開曼群島法律概無有關優先購買權的條文,致使本公司有責任按比例向現有股東提呈發售新股份。

購買、贖回或出售本公司上市證券

除上文所披露者外,報告期間本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

REPORT OF DIRECTORS

董事會報告

Reserves

Details of the movements in the reserves of the Company and the Group during the year are set out in the note 34 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

Management Contracts

Save as disclosed in this report, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the year.

Major Suppliers and Customers

During the Reporting Period, sales to single largest customer of the Group and the five largest customers of the Group in aggregate accounted for approximately 36.6% and 81.5% (2018: approximately 53.8% and 90.2% of the total revenue of the year, respectively). During the Reporting Period, purchases from the single largest supplier of the Group and the five largest suppliers of the Group in aggregate accounted for approximately 11.2% and 33.9% (2018: approximately 6.9% and 46.9%) of the total purchases of the year, respectively. None of the Directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

儲備

本公司及本集團於年內的儲備變動詳情分別載於綜合財務報表附註34及綜合權益變動表。

管理合約

除本報告所披露者外，本公司於年內並無訂立或存在有關管理及經營本公司或其附屬公司全部或任何重大部分業務的合約。

主要供應商及客戶

於報告期間，向本集團單一最大客戶及本集團五大客戶的銷售額合共分別佔年內總收益約36.6%及81.5%（二零一八年：約53.8%及90.2%）。於報告期間，來自本集團單一最大供應商及本集團五大供應商的採購額合共分別佔年內總採購額約11.2%及33.9%（二零一八年：約6.9%及46.9%）。概無本公司董事、任何彼等的緊密聯繫人或任何股東（就董事所知擁有本公司已發行股本5%以上者）擁有本集團五大客戶或供應商的任何實益權益。

REPORT OF DIRECTORS

董事會報告

Directors

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

Executive Directors

Mr. Li Hao (*Chairman and Chief Executive Officer*)
(appointed on 8 March 2019)

Mr. Zhang Bizhong (appointed on 8 March 2019)

Mr. Xu Shizhen (appointed on 8 March 2019)

Non-executive Director

Mr. Yuan Shuntang (appointed on 8 March 2019)

Independent Non-executive Directors

Mr. Wong Chun Sek Edmund (appointed on 20 September 2019)

Mr. Chen Zhong (appointed on 20 September 2019)

Mr. Wu Tai Cheung (appointed on 20 September 2019)

Mr. Li, Mr. Zhang, Mr. Xu, Mr. Yuan, Mr. Wong, Mr. Wu and Mr. Chen, will retire in accordance with article 108(a) of the Articles at the Company's forthcoming AGM and being eligible, offer themselves for re-election.

Every Director shall retire from office once every three years and for this purpose, at each AGM one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third but not less than one-third shall retire from office by rotation. The Directors to retire in every year will be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. Subject to the Articles, a retiring Director shall be eligible for re-election at the meeting at which he or she retires. For avoidance of doubt, each Director shall retire at least once every three years.

Directors' and Senior Management's Biographies

Biographical details of the Directors of the Company and the senior management of the Group are set out on pages 17 to 23 of this annual report.

董事

本公司於年內及直至本報告日期的董事為：

執行董事

李浩先生 (*主席兼行政總裁*)

(於二零一九年三月八日獲委任)

張必鍾先生 (於二零一九年三月八日獲委任)

許世真先生 (於二零一九年三月八日獲委任)

非執行董事

袁順唐先生 (於二零一九年三月八日獲委任)

獨立非執行董事

黃俊碩先生 (於二零一九年九月二十日獲委任)

陳忠先生 (於二零一九年九月二十日獲委任)

胡大祥先生 (於二零一九年九月二十日獲委任)

根據細則第108(a)條，李先生、張先生、許先生、袁先生、黃先生、胡先生及陳先生將於本公司應屆股東週年大會上退任，並合資格且願意重選連任。

各董事須每三年退任一次，就此而言，於每次股東週年大會上，當時三分之一（如人數並非三名或三的倍數，則以最接近但不少於三分之一的人數為準）的董事須輪席退任。每年退任的董事應為自彼等上次獲委任起計任期最長者，惟倘不同人士於同日成為董事，則以抽籤決定退任人選（除非彼等另有協定）。根據細則，退任董事將符合資格於彼退任的大會上重選連任。謹此說明，各董事須至少每三年退任一次。

董事及高級管理層履歷

本公司董事及本集團高級管理層的履歷詳情載於本年報第17至23頁。

REPORT OF DIRECTORS

董事會報告

Directors' Service Contracts

Each of the executive Directors and the non-executive Director has entered into a service agreement with the Company for an initial term of two to three years commencing from the Listing Date and will continue thereafter. All the service agreements may be terminated by either party by giving to the other party not less than three months' prior notice in writing.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term one year commencing from the Listing Date. All the appointment may be terminated by either party by giving to the order party not less than 3 months prior notice in writing.

Apart from the foregoing, no Directors proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment or compensation, other than statutory compensation.

Indemnity of Directors

The Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year.

Directors' Interests In Transactions, Arrangements or Contracts

Save as disclosed in this report, no transaction, arrangement or contract of significance to which the company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the company or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in Contracts

There was no contract of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a director of the Company ("Director" or "Directors") had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

董事服務合約

各執行董事及非執行董事已與本公司訂立服務協議，自上市日期起計初步為期兩至三年，並將於其後繼續生效。服務協議均可由其中一方向另一方發出不少於三個月的事先書面通知終止。

各獨立非執行董事已與本公司簽訂委任函，自上市日期起計初步為期一年。委任均可由其中一方向另一方發出不少於三個月的事先書面通知終止。

除上述者外，概無於股東週年大會上建議重選的董事與本公司訂立不可由本公司於一年內終止而毋須支付款項或賠償（法定賠償除外）的服務合約。

董事彌償

本公司已購買合適的董事及高級職員責任保險，且該等以董事為受益人的獲准許彌償條文現已生效並於整個年度一直有效。

董事於交易、安排或合約的權益

除本報告所披露者外，本公司或其任何控股公司、附屬公司或同系附屬公司概無訂立於年末或年內任何時間仍然續存而本公司董事或其關連實體於其中直接或間接擁有重大權益的任何重大交易、安排或合約。

董事於合約的權益

本公司、其控股公司、附屬公司或同系附屬公司概無訂立於報告期末或報告期間任何時間仍然續存而本公司董事（「董事」）於其中直接或間接擁有重大權益的重大合約。

REPORT OF DIRECTORS 董事會報告

Directors' and Chief Executive's Interests and Short Positions In Shares, Underlying Shares And Debentures

As at 31 December 2019, interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for are as follows:

(i) Interests in our Company

Name of Director 董事姓名	Nature of interest 權益性質	Number of Shares ⁽¹⁾ 股份數目 ⁽¹⁾	Percentage of shareholding (%) 持股百分比 (%)
Mr. Li 李先生	Interest in a controlled corporation ⁽²⁾ 於受控法團的權益 ⁽²⁾	99,881,250 (L)	39.95
Mr. Yuan 袁先生	Interest in a controlled corporation ⁽³⁾ 於受控法團的權益 ⁽³⁾	46,950,000 (L)	18.78
Mr. Zhang 張先生	Interest in a controlled corporation ⁽⁴⁾ 於受控法團的權益 ⁽⁴⁾	27,543,750 (L)	11.02

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) These Shares are held by Skyflying Limited (the "Skyflying"). Skyflying is wholly owned by Mr. Li. Mr. Li is also the sole director of Skyflying. Therefore, Mr. Li is deemed or taken to be interested in the Shares held by Skyflying under the SFO.
- (3) These Shares are held by Central Wealth Limited (the "Central Wealth"). Central Wealth is wholly owned by Mr. Yuan. Mr. Yuan is also the sole director of Central Wealth. Therefore, Mr. Yuan is deemed or taken to be interested in the Shares held by Central Wealth under the SFO.
- (4) These Shares are held by Realtime Limited (the "Realtime"). Realtime is wholly owned by Mr. Zhang. Mr. Zhang is also the sole director of Realtime. Therefore, Mr. Zhang is deemed or taken to be interested in the Shares held by Realtime under the SFO.

董事及最高行政人員於股份、相關股份及債權證的權益及淡倉

於二零一九年十二月三十一日，本公司董事及最高行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中擁有已根據證券及期貨條例第XV部第7及8分部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有關條文被視為或視作擁有的權益及淡倉）或已記入本公司根據證券及期貨條例第352條存置的登記冊或已根據標準守則另行知會本公司及聯交所的權益或淡倉如下：

(i) 於本公司的權益

附註：

- (1) 字母「L」代表該人士於股份的好倉。
- (2) 該等股份由Skyflying Limited（「Skyflying」）持有。Skyflying由李先生全資擁有。李先生亦為Skyflying的唯一董事。因此，根據證券及期貨條例，李先生被視為或當作擁有Skyflying所持股份的權益。
- (3) 該等股份由Central Wealth Limited（「Central Wealth」）持有。Central Wealth由袁先生全資擁有。袁先生亦為Central Wealth的唯一董事。因此，根據證券及期貨條例，袁先生被視為或當作擁有Central Wealth所持股份的權益。
- (4) 該等股份由Realtime Limited（「Realtime」）持有。Realtime由張先生全資擁有。張先生亦為Realtime的唯一董事。因此，根據證券及期貨條例，張先生被視為或當作擁有Realtime所持股份的權益。

REPORT OF DIRECTORS 董事會報告

(ii) Interests in the ordinary shares of associated corporation

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Nature of interests 權益性質	Number of shares ⁽¹⁾ 股份數目 ⁽¹⁾	Percentage of shareholding (%) 持股百分比 (%)
Mr. Li 李先生	Skyflying	Beneficial owner 實益擁有人	1(L)	100
Mr. Yuan 袁先生	Central Wealth	Beneficial owner 實益擁有人	1(L)	100
Mr. Zhang 張先生	Realtime	Beneficial owner 實益擁有人	1(L)	100

Note:

(1) The letter "L" denotes the person's long position in the shares of the relevant associated corporation.

(ii) 於相聯法團的普通股的權益

附註：

(1) 字母「L」代表該人士於相關相聯法團股份的好倉。

Save as disclosed above, none of the Directors or chief executive of the Company and/or any of their respective associates had registered any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations as at the date of this report, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

Directors' Rights to Acquire Shares or Debenture

Saved as disclosed in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures", at no time from the Listing Date to the date of this report was the Group a party to any arrangements to enable the Directors to acquire by means of acquisition of shares in, or debt securities, and including debentures, of the Group or any other body corporate.

除上文所披露者外，於本報告日期，概無本公司董事或最高行政人員及／或任何彼等各自的聯繫人於本公司或任何相聯法團的任何股份、相關股份及債權證中擁有記入本公司根據證券及期貨條例第352條須存置的登記冊或已根據證券及期貨條例第XV部或標準守則另行知會本公司及聯交所的任何權益或淡倉。

董事收購股份或債權證的權利

除「董事及最高行政人員於股份、相關股份及債權證的權益及淡倉」一節所披露者外，本集團於上市日期直至本報告日期止任何時間內概無訂立任何安排，致使董事可藉收購本集團或任何其他法人團體的股份或債務證券（包括債權證）獲益。

REPORT OF DIRECTORS

董事會報告

Substantial Shareholders' and Others' Interests and Short Positions in Shares and Underlying Shares

So far as the Directors are aware, as at the date of this report, the following corporations/persons (other than our Directors and chief executives of the Company) had interests of 5% or more in the issued Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept by the Company under section 336 of the SFO:

主要股東及其他人士於股份及相關股份的權益及淡倉

據董事所知，於本報告日期，以下法團／人士（本公司董事及最高行政人員除外）於已發行股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司及聯交所披露或記入本公司根據證券及期貨條例第336條須存置的登記冊內的5%或以上權益：

Name of Shareholder	Nature of interest	Number of Shares held/ interested ⁽¹⁾ 持有／擁有權益 的股份數目 ⁽¹⁾	Percentage (%)
股東姓名	權益性質		百分比(%)
Skyflying	Beneficial owner 實益擁有人	99,881,250 ordinary Shares 99,881,250股普通股	39.95
Central Wealth	Beneficial owner 實益擁有人	46,950,000 ordinary Shares 46,950,000股普通股	18.78
Ms. Zhang Juan 張娟女士	Interest of spouse 配偶權益	46,950,000 ordinary Shares 46,950,000股普通股	18.78
Realtime	Beneficial owner 實益擁有人	27,543,750 ordinary Shares 27,543,750股普通股	11.02
Ms. Chen Juan 陳娟女士	Interest of spouse 配偶權益	27,543,750 ordinary Shares 27,543,750股普通股	11.02
Regan International Growth Fund SPC	Beneficial owner 實益擁有人	24,214,000 ordinary Shares 24,214,000股普通股	9.69

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company, other than the Directors and chief executive of the Company, as at the date of this report which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上文所披露者外，於本報告日期，概無本公司董事及最高行政人員以外的人士知會本公司，其已發行股本中有任何其他須根據證券及期貨條例第XV部第2及3分部的條文向本公司披露的相關權益或淡倉或記入本公司根據證券及期貨條例第336條須存置的登記冊的相關權益或淡倉。

REPORT OF DIRECTORS

董事會報告

Arrangement for Directors to Purchase Shares or Debentures

Saved as disclosed in the section “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures” above and in the section “Share Option Scheme” below, at no time during the year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares in, or debt securities (including debentures) of the Company or any other body corporate.

Directors’ Interest in a Competing Business

None of the Directors or any of their respective associates has engaged in or has any interest in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group during the Reporting Period and up to the date of this report.

Mr. Li and Skyflying (together the “Controlling Shareholders”), had entered into a non-competition deed dated 20 September 2019 (the “Non-competition Deed”) in favour of the Company (for itself and on behalf of all members of the Group), pursuant to which, each of the Controlling Shareholders would not, and would procure his/its associates not to (other than through the Group or in respect of each covenant (together with his/its associates), as a holder of not more than 5% of the issued shares or stock of any class or debentures of any company listed on any recognized stock exchange) directly or indirectly carry on, engage or otherwise be interested (in each case whether as shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which may be in competition with the business carried on by the Group from time to time, except where the Company’s approval is obtained.

董事購買股份或債權證的安排

除上文「董事及最高行政人員於股份、相關股份及債權證的權益及淡倉」一節及下文「購股權計劃」一節所披露者外，於年內，本公司任何董事或彼等各自的配偶或未成年子女概無獲授權利可藉購入本公司股份或債權證獲益，亦無行使該等權利，本公司、其控股公司或任何附屬公司亦無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法團的股份或債務證券（包括債權證）獲益。

董事於競爭性業務的權益

於報告期間及直至本報告日期，董事或任何彼等各自的聯繫人概無從事任何與本集團業務競爭或可能競爭的業務或擁有該等業務的任何權益，亦無與本集團有任何其他利益衝突。

李先生及Skyflying（統稱「控股股東」）於二零一九年九月二十日以本公司（為其本身及代表本集團所有成員公司）為受益人訂立不競爭契據（「不競爭契據」），據此，各控股股東不會亦將促使其聯繫人不會（除非通過本集團或就每位契據承諾人（連同其聯繫人）而言，持有不超過於任何認可證券交易所上市的任何公司已發行股份或任何類別股份或債權證的5%）直接或間接開展、從事任何可能與本集團不時開展的業務競爭的業務或以其他方式於當中擁有相關權益（無論是否作為股東、合夥人、代理或其他方式，亦不論是否為了利益、獎勵或其他原因），惟獲得本公司批准者除外。

REPORT OF DIRECTORS

董事會報告

In order to ensure the Controlling Shareholders have complied with the Deed of Non-competition, each of the Controlling Shareholders has provided to the Company a written confirmation (i) in respect of his/its compliance with the Non-competition Deed for the Reporting Period ; (ii) no personal interests were ever declared by any Controlling Shareholders who are also Directors at the Directors' meetings ; and (iii) stating that they have not entered into any business which may be in competition with the business carried on by the Group from time to time. As there was no change in terms of the undertaking since the Company's listing on the Stock Exchange, the independent non-executive Directors of the Company are of the view that the Controlling Shareholders have complied with the Non-competition Deed and no matters are required to bring to the attention of the public.

Share Option Scheme

A share option scheme was conditionally adopted on 20 September 2019 (the "Share Option Scheme"), which became effective on the Listing Date. The Share Option Scheme is a share incentive scheme and is established to recognise and motivate the contributions that the eligible participants had or may have made to the Group.

The Board may, at its absolute discretion, grant options to any employee (full-time or part-time), consultant or adviser of our Group, Directors, shareholder of our Group, or any supplier, customer, business partner or service provider of our Group (together, the "Eligible Participants" or each "Eligible Participant").

Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (i.e. 25,000,000 shares) unless approved by the shareholders of the Company. The 10% limited may be renewed by the shareholders of the Company in general meeting from time to time provided always that the 10% limited so renewed must not exceed 10% of the shares in issue at the date of approval of such renewal by the shareholders of the Company.

為確保控股股東遵守不競爭契據，各控股股東已向本公司書面確認：(i)其於報告期間遵守不競爭契據；(ii)同時擔任董事的控股股東不曾於董事會議上聲明任何個人利益；及(iii)彼等並無從事任何可能與本集團不時開展的業務競爭的業務。由於自本公司於聯交所上市以來承諾條款並無變動，本公司獨立非執行董事認為控股股東已遵守不競爭契據且並無事項須公眾垂注。

購股權計劃

購股權計劃於二零一九年九月二十日獲有條件採納（「購股權計劃」），於上市日期生效。購股權計劃為一項股份獎勵計劃，旨在認可及激勵曾或可能曾對本集團作出貢獻的合資格參與者。

董事會可全權酌情決定向任何僱員（不論全職或兼職）、本集團顧問或諮詢人、董事、本集團股東或本集團任何供應商、客戶、業務夥伴或服務供應商（統稱「合資格參與者」）授出購股權。

根據購股權計劃的條款及條件，除非經本公司股東批准，否則可根據購股權計劃及任何其他計劃授出的購股權所涉及的最高股份數目，合共不得超過於上市日期已發行股份的10%（即25,000,000股股份）。本公司股東可不時於股東大會上更新10%限額，惟更新後的10%限額始終不得超過本公司股東批准該項更新當日已發行股份的10%。

REPORT OF DIRECTORS

董事會報告

No option shall be granted to any Eligible Participants which, if exercised in full would result in the total number of the shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Participant under the Share Option Scheme (including exercised, cancelled, and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 10% in aggregate of the shares in issue as at the date of such grant.

Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption.

No share option has been granted under the Share Option Scheme up to the date of this report.

Related Party Transactions

Details of material related party transactions entered into by the Group during the Reporting Period are set out in note 32 to the consolidated financial statements. For the year ended 31 December 2019, none of these related party transactions are connected transaction which are subject to the disclosure requirements of Chapter 14A of the Listing Rules in respect of such transactions.

Connected Transactions

During the year ended 31 December 2019, there were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

Future Prospect and Development

With reference to the Prospects section of the Chairman's Statement, the Group will continue to diversify or expand our customer base and keep pace with the latest technologies to deliver PCBAs that can be applied to our customers' innovative electronic products and provide engineering solutions to our customers. We will continue to strive a balance among the interests of shareholders, employees and customers, and pursue long-term and sustainable development for the Group.

倘全面行使購股權會導致於截至有關授出日期(包括當日)止任何十二個月期間根據購股權計劃向有關合資格參與者已授出或將授出的購股權(包括已行使、已註銷及尚未行使的購股權)獲行使時已發行及將發行的股份總數超出有關授出日期已發行股份總數的10%，則不得向任何合資格參與者授出購股權。

購股權計劃於採納日期起計十年期間內有效及生效，惟可由本公司經股東大會或由董事提早終止。

截至本報告日期，概無根據購股權計劃授出任何購股權。

關聯方交易

本集團於報告期內訂立的重大關聯方交易詳情載列於綜合財務報表附註32。於截至二零一九年十二月三十一日止年度，概無該等關聯方交易為就該等交易須遵守上市規則第14A章的披露規定的關連交易。

關連交易

截至二零一九年十二月三十一日止年度，本公司概無進行上市規則第14A章所指須遵守上市規則的任何申報、公告或獨立股東批准規定的關連交易或持續關連交易。

未來前景及發展

經參考主席報告中的前景一節，本集團將持續豐富或擴大客戶基礎，緊貼最新技術，為客戶交付可應用於其創新電子產品的PCBA及向客戶提供工程解決方案。我們將繼續致力維持股東、僱員及客戶利益之間的平衡，追求本集團的長遠可持續發展。

REPORT OF DIRECTORS

董事會報告

Purchase, Sale or Redemption of Listed Securities

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

Audit Committee

The Company established the Audit Committee on 20 September 2019 with terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules for the purpose of to making recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and related materials and provide advice in respect of the financial reporting process, and to oversee the internal control procedures of our Group. The Audit Committee now comprises three members, all being independent non-executive Directors, namely, Mr. Wong Chun Sek Edmund (Chairman), Mr. Chen Zhong and Mr. Wu Tai Cheung.

The Audit Committee had reviewed the audited annual results of the Group for the year ended 31 December 2019.

Auditor

PricewaterhouseCoopers, the auditor of the Company, will retire at the conclusion of the forthcoming AGM of the Company and be eligible to offer themselves for re-appointment. A resolution will be submitted to the AGM to be held on 29 May 2020 to seek Shareholders' approval on the appointment of PricewaterhouseCoopers as the Company's auditor until the conclusion of the next AGM and to authorize the Board to fix their remuneration.

購買、出售或贖回上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

審核委員會

本公司於二零一九年九月二十日成立審核委員會，其職權範圍符合上市規則附錄14所載企業管治守則的規定，旨在就外聘核數師的委任及罷免向董事會提供推薦意見、審閱財務報表及相關材料、就財務申報過程提供意見及監察本集團的內部監控程序。審核委員會目前由三名成員組成，全為獨立非執行董事，即黃俊碩先生(主席)、陳忠先生及胡大祥先生。

審核委員會已審閱本集團截至二零一九年十二月三十一日止年度經審核年度業績。

核數師

本公司核數師羅兵咸永道會計師事務所將於本公司應屆股東週年大會結束後退任並有資格主動申請重新受聘。於二零二零年五月二十九日舉行的股東週年大會將提呈決議案，以尋求股東批准委任羅兵咸永道會計師事務所為本公司核數師，直至下屆股東週年大會結束，並授權董事會釐定其薪酬。

REPORT OF DIRECTORS

董事會報告

Remuneration Committee

The Company established the Remuneration Committee on 20 September 2019 with terms of reference in compliance with the Code for the purpose of making recommendations to the Board on the overall remuneration policy and structure relating to the Directors and senior management of our Group, to review and evaluate their performance in order to make recommendations on the remuneration package of each of the Directors and senior management personnel as well as other employee benefit arrangements. The Remuneration Committee comprises three independent non-executive Directors, namely, Mr. Wu Tai Cheung (Chairman), Mr. Chen Zhong and Mr. Wong Chun Sek Edmund.

Nomination Committee

The Company established the Nomination Committee on 20 September 2019 with terms of reference in compliance with the Code for the purpose of making recommendations to the Board on the appointment of Directors and the management of the Board succession. The Nomination Committee comprises three independent non-executive Directors, namely Mr. Chen Zhong (Chairman), Mr. Wong Chun Sek Edmund and Mr. Wu Tai Cheung.

Corporate Governance Practices

Details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

Interest of Compliance Adviser

In accordance with Rule 3A.19 of the Listing Rules, the Company has appointed Dakin Capital Limited to be the compliance adviser. Dakin Capital Limited, being the sponsor of the Company in relation to the Listing, has declared its independence pursuant to Rule 3A.07 of the Listing Rules. Save as provided for in relation to the Share Offer and/or disclosed in the Prospectus, neither Dakin Capital Limited nor any of its associates and none of the directors or employees of Dakin Capital Limited who have been involved in providing advice to the Company as the sponsor, has or may, as a result of the Share Offer, have any interest in any securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities).

薪酬委員會

本公司於二零一九年九月二十日成立薪酬委員會，其職權範圍符合守則的規定，旨在就與本集團董事及高級管理層相關的整體薪酬政策及架構向董事會提供推薦意見、檢討及評估各董事及高級管理人員的表現以就彼等的薪酬組合以及其他僱員福利安排提供推薦意見。薪酬委員會由三名獨立非執行董事組成，即胡大祥先生(主席)、陳忠先生及黃俊碩先生。

提名委員會

本公司於二零一九年九月二十日成立提名委員會，其職權範圍符合守則的規定，旨在就董事委任及董事會繼任管理向董事會提供推薦意見。提名委員會由三名獨立非執行董事組成，即陳忠先生(主席)、黃俊碩先生及胡大祥先生。

企業管治常規

本公司企業管治常規詳情載於本年報「企業管治報告」一節。

合規顧問權益

根據上市規則第3A.19條，本公司已委聘德健融資有限公司作為合規顧問。作為本公司上市保薦人的德健融資有限公司已根據上市規則第3A.07條聲明其獨立性。除就股份發售規定及／或招股章程所披露者外，德健融資有限公司或其任何聯繫人士以及參與向本公司提供意見的德健融資有限公司任何董事或僱員(作為保薦人)概無因或可能因股份發售而於本公司或本集團任何其他公司的任何證券擁有權益(包括認購該等證券的購股權或權利)。

REPORT OF DIRECTORS

董事會報告

Sufficiency of Public Float

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, the Company had maintained sufficient public float of not less than 25% of its total issued shares as required under the Listing Rules from Listing Date up to the date of this report.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. All Directors of the Company have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code from the Listing Date up to the date of the report.

By order of the Board

Li Hao

Chairman & Executive Director

Hong Kong

26 March 2020

足夠公眾持股量

根據公開所得資料以及就董事所深知、盡悉及確信，自上市日期起至本報告日期止，本公司一直維持上市規則所規定的足夠公眾持股量，即不少於已發行股份總數的25%。

上市發行人董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載的標準守則，作為其董事進行證券交易的行為守則。經本公司作出具體查詢後，本公司全體董事確認彼等自上市日期起至本報告日期一直遵守標準守則所載規定標準。

承董事會命

主席兼執行董事

李浩

香港

二零二零年三月二十六日

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

To the Shareholders of Confidence Intelligence Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Confidence Intelligence Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 100 to 187, which comprise:

- the consolidated balance sheet as at 31 December 2019;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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獨立核數師報告



羅兵咸永道

致信懇智能控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

信懇智能控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第100至187頁的綜合財務報表，包括：

- 於二零一九年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

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INDEPENDENT AUDITOR'S REPORT

Key Audit Matters

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

Key audit matter identified in our audit is revenue recognition for the provision of manufacturing services.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition for the provision of manufacturing services</p> <p>Refer to Notes 2.19 and 5 to the consolidated financial statements.</p> <p>During the year ended 31 December 2019, revenue from the provision of manufacturing services of approximately RMB284,588,000 was recognised in the Group's consolidated income statement.</p> <p>Revenue from the provision of manufacturing services is recognised over the period of the contract using the input method with reference to the total actual costs incurred and the total estimated costs on completion for the services.</p> <p>We focused on this area due to the magnitude of revenue transactions occurred. Hence significant audit resources were allocated to audit this area.</p>	<p>Our audit procedures performed on revenue recognition for the provision of manufacturing services included:</p> <ul style="list-style-type: none">• We understood, evaluated and tested the key controls in respect of revenue recognition for the provision of manufacturing services;• We assessed, on a sample basis, management's identification of performance obligations based on contractual agreements with customers and other customary business practices, if any;• We reviewed, on a sample basis, the sales contracts with customers and identified the terms and conditions relating to the timing of transfer of controls of services, to assess the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards;• We checked, on a sample basis, the transaction price of the revenue recognised during the year from the provision of manufacturing services to underlying sales invoices and sales contracts;• We tested, on a sample basis, the actual costs incurred for the provision of manufacturing services during the year by checking to underlying supporting documents in relation to direct material costs, direct labour costs and overhead costs incurred;• We compared, on a sample basis, the estimated costs of selected sales contracts to the actual costs of similar sales contracts completed and enquired management about any significant variances identified; and• We recalculated, on a sample basis, revenue recognised from the provision of manufacturing services during the year based on transaction prices, the total actual costs incurred and the total estimated costs on completion. <p>Based upon the above procedures performed, we considered that the recognition of revenue from the provision of manufacturing services was supported by available evidence.</p>

獨立核數師報告

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項為提供製造服務的收益確認。

關鍵審計事項

我們的審計如何處理關鍵審計事項

確認提供製造服務收益

我們就確認提供製造服務收益所進行的審計程序包括：

請參閱綜合財務報表附註2.19及附註5。

截至二零一九年十二月三十一日止年度，貴集團綜合收益表已確認提供製造服務收益約人民幣284,588,000元。

提供製造服務收益於合約期間使用成本投入法，參考實際產生的總成本和預計完成服務會產生的總成本確認。

我們著重此方面的原因在於所產生的收益交易金額龐大。因此，已就此方面分配主要審計資源。

- 我們了解、評估並測試有關確認提供製造服務收益的關鍵控制；
- 我們以抽樣方式評估管理層基於客戶合約協議及其他商業慣例(如有)識別履約義務的情況；
- 我們以抽樣方式審閱與客戶的銷售合約，並識別有關轉讓服務控制權之時間的條款及條件及參考現行會計準則規定，以評估貴集團的收益確認政策；
- 我們以抽樣方式將年內確認提供製造服務的收益交易價格與相關銷售發票及銷售合約進行核查；
- 我們透過核查直接材料成本、產生的直接勞工成本及間接成本的相關證明文件，以抽樣方式檢查年內提供製造服務所產生的實際成本；
- 我們以抽樣方式將選擇的銷售合約估計成本與已完成的類似銷售合約產生的實際成本進行比較，並就發現的任何顯著差異向管理層質詢；及
- 我們基於交易價格、產生的實際總成本及估計完成所需的總成本，以抽樣方式重新計算年內就提供製造服務所確認的收益。

基於上述所進程序，我們認為提供製造服務的收益確認獲現有憑據支持。

INDEPENDENT AUDITOR'S REPORT

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

獨立核數師報告

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

獨立核數師報告

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cheng Lap Yam.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 March 2020

獨立核數師報告

核數師就審計綜合財務報表承擔的責任(續)

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

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係及其他事項，以及在適用的情況下，相關的防範措施。

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

出具本獨立核數師報告的審計項目合夥人是鄭立欽。

羅兵咸永道會計師事務所

執業會計師

香港，二零二零年三月二十六日

CONSOLIDATED INCOME STATEMENT

綜合收益表

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

		Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
Revenue	收益	5	284,588	236,210
Cost of sales	銷售成本	6	(190,560)	(161,946)
Gross profit	毛利		94,028	74,264
Other income	其他收入	7	3,683	1,846
Other (losses)/gains, net	其他(虧損)/收益淨額	8	(1,058)	148
Selling and distribution expenses	銷售及分銷開支	6	(2,789)	(1,869)
Administrative expenses	行政開支	6	(56,237)	(24,933)
Net impairment losses on financial assets	金融資產減值虧損淨額	6	(995)	—
Operating profit	經營溢利		36,632	49,456
Finance income	融資收入	10	364	232
Finance costs	融資成本	10	(1,601)	(2,459)
Finance costs, net	融資成本淨額		(1,237)	(2,227)
Profit before income tax	除所得稅前溢利		35,395	47,229
Income tax expense	所得稅開支	11	(7,685)	(6,415)
Profit for the year attributable to equity holders of the Company	本公司權益持有人應佔年內溢利		27,710	40,814
Earnings per share attributable to equity holders of the Company	本公司權益持有人應佔每股盈利			
Basic and diluted (RMB cents)	基本及攤薄(人民幣分)	12	13.93	23.41

The above consolidated income statement should be read in conjunction with the accompanying notes. 上述綜合收益表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

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

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit for the year	年內溢利	27,710	40,814
Other comprehensive income:	其他全面收益：		
<i>Item that will not be reclassified to profit or loss</i>	<i>不會重新分類至損益的項目</i>		
Currency translation differences	貨幣換算差額	(940)	-
<i>Item that may be reclassified to profit or loss</i>	<i>其後可能重新分類至損益的項目</i>		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	12	91
Total comprehensive income for the year attributable to equity holders of the Company	本公司權益持有人應佔年內全面收益總額	26,782	40,905

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes. 上述綜合全面收益表應與隨附附註一併閱讀。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	120,262	102,858
Investment in an associate	於一間聯營公司之投資	14	–	–
Prepayments and deposits	預付款項及按金	16	1,168	2,814
Deferred tax assets	遞延稅項資產	22	725	68
			122,155	105,740
Current assets	流動資產			
Inventories	存貨	17	24,239	30,553
Contract assets	合同資產	19	38,545	31,671
Trade and bills receivables	貿易應收款項及應收票據	19	26,610	27,214
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	16	3,733	11,309
Cash and cash equivalents	現金及現金等價物	18	139,172	14,979
			232,299	115,726
Total assets	資產總值		354,454	221,466
Equity	權益			
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益			
Share capital	股本	21	2,250	–
Share premium	股份溢價	21	98,676	–
Retained earnings	保留盈利		49,217	26,631
Reserves	儲備		128,530	121,514
Total equity	權益總額		278,673	148,145

CONSOLIDATED BALANCE SHEET 綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Liabilities	負債			
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他借款	25	1,600	8,204
Lease liabilities	租賃負債	20	4,783	7,280
Deferred government grants	遞延政府補助	26	10,519	5,456
			16,902	20,940
Current liabilities	流動負債			
Trade payables	貿易應付款項	23	16,192	10,130
Other payables and accruals	其他應付款項及應計款項	24	25,161	18,806
Lease liabilities	租賃負債	20	3,848	2,883
Contract liabilities	合同負債	24	462	6,539
Current income tax liabilities	即期所得稅負債		3,707	2,386
Deferred government grants	遞延政府補助	26	2,905	1,040
Bank and other borrowings	銀行及其他借款	25	6,604	10,597
			58,879	52,381
Total liabilities	負債總額		75,781	73,321
Total equity and liabilities	權益及負債總額		354,454	221,466

The consolidated financial statements on pages 100 to 187 were approved by the Board of Director on 26 March 2020 and were signed on its behalf.

第100至187頁的綜合財務報表由董事會於二零二零年三月二十六日批准並由其代為簽署。

Li Hao
李浩
Director
董事

Xu Shizhen
許世真
Director
董事

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

上述綜合資產負債表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔							
		Share-based 以股份形式							
		Share capital	Share premium	Other reserve	payment reserve	Statutory reserve	Exchange reserve	Retained earnings	Total equity
		股本	股份溢價	其他儲備	付款儲備	法定儲備	外匯儲備	保留盈利	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note a) (附註 a)							
Balance at 1 January 2019	於二零一九年一月一日的結餘	-	-	108,415	752	12,285	62	26,631	148,145
Profit for the year	年內溢利	-	-	-	-	-	-	27,710	27,710
Other comprehensive losses	其他全面虧損	-	-	-	-	-	(928)	-	(928)
Total comprehensive income	全面收益總額	-	-	-	-	-	(928)	27,710	26,782
Transactions with owners	與擁有人的交易								
Issue of shares upon the listing (Note 21)	上市時發行股份 (附註21)	563	111,938	-	-	-	-	-	112,501
Share issuance costs (Note 21)	發行股份成本 (附註21)	-	(11,575)	-	-	-	-	-	(11,575)
Capitalisation issue (Note 21)	資本化發行 (附註21)	1,687	(1,687)	-	-	-	-	-	-
Capital injection from a pre-IPO investor (Note 1.2 (d))	來自一名首次公開發售前投資者的注資 (附註1.2(d))	-	-	8,820	-	-	-	-	8,820
Effect of reorganisation in respect of the acquisition Shenzhen Confidence Intelligence Electronic Co., Ltd ("Shenzhen Confidence") (Note 1.2(i))	就收購深圳信懋智能電子有限公司(「深圳信懋」)進行的重組的影響 (附註1.2(i))	-	-	(6,000)	-	-	-	-	(6,000)
Appropriation (Note b)	撥款 (附註b)	-	-	-	-	5,124	-	(5,124)	-
Total transactions with owners	與擁有人的交易總額	2,250	98,676	2,820	-	5,124	-	(5,124)	103,746
Balance at 31 December 2019	於二零一九年十二月三十一日的結餘	2,250	98,676	111,235	752	17,409	(866)	49,217	278,673

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔							Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Other reserve 其他儲備	Share-based payment reserve 以股份形式 付款儲備	Statutory reserve 法定儲備	Exchange reserve 外匯儲備	Retained earnings 保留盈利	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (Note a) (附註a)	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2018	於二零一八年一月一日的結餘	-	-	50,383	752	8,111	(29)	57,383	116,600
Profit for the year	年內溢利	-	-	-	-	-	-	40,814	40,814
Other comprehensive income	其他全面收益	-	-	-	-	-	91	-	91
Total comprehensive income	全面收益總額	-	-	-	-	-	91	40,814	40,905
Transactions with owners	與擁有人的交易								
Issuance of bonus shares by Shenzhen Confidence (Note c)	深圳信譽發行紅股(附註c)	-	-	58,032	-	-	-	(58,032)	-
Dividend paid (Note 27)	已付股息(附註27)	-	-	-	-	-	-	(9,360)	(9,360)
Appropriation (Note b)	撥款(附註b)	-	-	-	-	4,174	-	(4,174)	-
Total transactions with owners	與擁有人的交易總額	-	-	58,032	-	4,174	-	(71,566)	(9,360)
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	-	-	108,415	752	12,285	62	26,631	148,145

Notes:

附註：

(a) Other reserve represents the combined share capital and capital reserve of the companies comprising the Group, after elimination of inter-company transactions and balances as at 31 December 2019 and 2018 in relation to the reorganisation.

(a) 其他儲備指本集團旗下各公司就重組對銷集團內公司間於二零一九年及二零一八年十二月三十一日之交易及結餘後的合併股本及資本儲備。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

Notes: (Continued)

附註：(續)

(b) The People's Republic of China ("the PRC") laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the profit after income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate an amount of not less than 10% of statutory profits after income tax to statutory surplus reserves, prior to distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's operations, or to increase the capital of the company. In addition, a company may make further contribution to the discretionary surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.

(b) 中華人民共和國(「中國」)法律及法規規定，中國註冊公司於向權益持有人作出溢利分派前，須就其各自法定財務報表所呈報的所得稅後溢利(抵銷過往年度的累計虧損後)轉撥的若干法定儲備計提撥備。所有法定儲備均就特定目的而設立。中國公司於分派其當前年度的稅後溢利前，須轉撥不少於所得稅後法定溢利10%的金額至法定盈餘儲備。當法定盈餘儲備的總額超出註冊資本的50%時，公司可停止轉撥。法定盈餘儲備將僅用於彌補公司虧損、擴充公司營運或增加公司資本。此外，公司可根據董事會決議案，進一步轉撥其稅後溢利至酌情盈餘儲備。

(c) Shenzhen Confidence issued 58,032,000 bonus shares on the basis of 12.4 bonus shares for every 10 then existing shares to the then existing shareholders of that subsidiary of the Company as at 28 September 2018.

(c) 於二零一八年九月二十八日，深圳信懋按每持有10股當時現有股份獲發12.4股紅股股份的基準向本公司該間附屬公司的當時現有股東發行58,032,000股紅股股份。

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash flows from operating activities			
經營活動現金流量			
Cash generated from operations	28(a)	69,704	24,802
Income tax paid		(7,021)	(4,932)
Interest received		364	232
Net cash generated from operating activities		63,047	20,102
Cash flows from investing activities			
投資活動現金流量			
Purchase of property, plant and equipment		(35,880)	(30,572)
Proceeds from disposal of property, plant and equipment	28(b)	–	2,696
Receipt of government grants for purchase of equipment	26	9,416	7,150
Net cash used in investing activities		(26,464)	(20,726)
Cash flows from financing activities			
融資活動現金流量			
Capital injection from a pre-IPO investor	1.2(d)	8,820	–
Gross proceeds from issuance of ordinary shares upon listings	21	112,501	–
Consideration paid for the acquisition of a subsidiary in respect of reorganisation	1.2(i)	(6,000)	–
Proceeds from bank and other borrowings	28(c)	–	20,405
Repayments of bank and other borrowings	28(c)	(10,597)	(24,928)
Payment of interests on bank and other borrowings	28(c)	(1,108)	(1,893)
Change in pledged bank deposits		–	1,314
Dividend paid by Shenzhen Confidence	27	–	(9,360)
Payment of principal element of lease liabilities	20(c)	(3,047)	(3,294)
Payment of interest element of lease liabilities	20(c)	(493)	(566)
Payment of listing expenses	21	(11,575)	–
Net cash generated from/(used in) financing activities		88,501	(18,322)
Net increase/(decrease) in cash and cash equivalents		125,084	(18,946)
Cash and cash equivalents at beginning of the year		14,979	33,837
Currency translation differences		(891)	88
Cash and cash equivalents at end of the year	18	139,172	14,979

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes. 上述綜合現金流量表應與隨附附註一併閱讀。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 General information and reorganisation

1.1 General information

Confidence Intelligence Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 7 December 2018 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 address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in the provision of electronic manufacturing service (the “Listing Business”). The ultimate holding company of the Company is Skyflying Company Limited (“Skyflying Company”), a company incorporated in the British Virgin Islands (“BVI”). The ultimate controlling party of the Group is Mr. Li Hao (“Mr. Li”).

The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Listing”) on 18 October 2019.

These consolidated financial statements are presented in unit of Renminbi (“RMB”) and all values are rounded to the nearest thousand (“RMB’000”), unless otherwise stated.

1 一般資料及重組

1.1 一般資料

信懋智能控股有限公司（「本公司」）於二零一八年十二月七日根據開曼群島法例第22章公司法（一九六一年第3號法例，經綜合及修訂）於開曼群島註冊成立為獲豁免有限責任公司。其註冊辦事處地址為Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands。

本公司為一家投資控股公司。本公司及其附屬公司（統稱「本集團」）主要從事提供電子製造服務（「上市業務」）。本公司的最終控股公司為於英屬處女群島（「英屬處女群島」）註冊成立的公司Skyflying Company Limited（「Skyflying Company」）。本集團的最終控股人士為李浩先生（「李先生」）。

本公司股份於二零一九年十月十八日在香港聯合交易所有限公司主板上市（「上市」）。

除另有說明外，該等綜合財務報表以人民幣（「人民幣」）呈列，所有數值均約整至最接近千位（「人民幣千元」）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 General information and reorganisation (Continued)

1.2 Reorganisation

In preparing for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Group underwent the reorganisation (the "Reorganisation") which mainly involved the following steps:

- (a) On 7 December 2018, the Company was incorporated in the Cayman Islands. 5,728 shares, 2,692 shares and 1,580 shares of the Company were allotted and issued at par to Skyflying Company, Central Wealth Limited ("Central Wealth") and Realtime Limited ("Realtime") held by Mr. Li, Mr. Yuan Shuntang ("Mr. Yuan") and Mr. Zhang Bizhong ("Mr. Zhang") respectively on the same date.
- (b) On 24 December 2018, Mr. Li acquired, approximately in aggregate, 2.28% equity interest of Shenzhen Confidence from certain minority shareholders of Shenzhen Confidence at total cash consideration of RMB6,264,500.
- (c) On 29 December 2018, Mr. Li and Mr. Zhang acquired approximately 1.51% and 6.18% equity interest of Shenzhen Confidence from Xin Ju Ding Fu Equity Investment Funds (Shenzhen) Enterprise (Limited Partnership)* (信聚鼎富股權投資基金(深圳)企業(有限合伙)) ("Xin Ju Ding Fu"), a limited partnership controlled by Mr. Li at cash consideration of RMB1,765,100 and RMB7,248,100 respectively. On the same date, Mr. Li further acquired approximately 6.74% equity interest of Shenzhen Confidence from certain minority shareholders of Shenzhen Confidence at total cash consideration of RMB7,886,600.
- (d) On 29 December 2018, Million Way Limited ("Million Way"), a pre-IPO investor held by Mr. Yuen Hoi Po ("Mr. Yuen"), subscribed for 7% of equity interest of Shenzhen Confidence at RMB8,819,400. The considerations were fully settled on 11 February 2019.

* For identification purposes only

1 一般資料及重組(續)

1.2 重組

為籌備本公司股份於香港聯合交易所有限公司主板上市，本集團已進行重組（「重組」），當中主要涉及以下步驟：

- (a) 於二零一八年十二月七日，本公司於開曼群島註冊成立。於同日，本公司按面值配發及發行5,728股、2,692股及1,580股股份予Skyflying Company、Central Wealth Limited（「Central Wealth」）及Realtime Limited（「Realtime」），而該等公司分別由李先生、袁順唐先生（「袁先生」）及張必鍾先生（「張先生」）持有。
- (b) 於二零一八年十二月二十四日，李先生自深圳信懇若干少數股東收購深圳信懇合共約2.28%股權，現金代價總額為人民幣6,264,500元。
- (c) 於二零一八年十二月二十九日，李先生及張先生分別以現金代價人民幣1,765,100元及人民幣7,248,100元從信聚鼎富股權投資基金(深圳)企業(有限合伙)（「信聚鼎富」，一間由李先生控制的有限合夥企業）收購深圳信懇約1.51%及6.18%股權。於同日，李先生進一步自深圳信懇若干少數股東收購深圳信懇約6.74%股權，現金代價總額為人民幣7,886,600元。
- (d) 於二零一八年十二月二十九日，首次公開發售前投資者茂譽有限公司（「茂譽」，由袁海波先生（「袁海波先生」）持有）以代價人民幣8,819,400元認購深圳信懇7%股權。有關代價已於二零一九年二月十一日悉數結清。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 General information and reorganisation (Continued)

1.2 Reorganisation (Continued)

- (e) On 2 January 2019, New Trive Limited (“New Trive (BVI)”) was incorporated in the BVI and held by the Company.
- (f) On 7 January 2019, New Trive (HK) Limited (“New Trive (HK)”) was incorporated in Hong Kong and held by New Trive (BVI).
- (g) On 8 March 2019, Xinzhi (Shenzhen) Electronic Co., Ltd.* (信智(深圳)電子有限公司) (“Xinzhi (Shenzhen)”) was incorporated in the PRC and held by New Trive (HK).
- (h) On 14 February 2019, the Company allotted and issued 753 shares for cash consideration of RMB7 to Bright Shine Investment Holdings Limited (“Bright Shine”), which is controlled by Mr. Yuen.
- (i) On 12 March 2019, Xinzhi (Shenzhen) acquired the entire equity interest in Shenzhen Confidence from Mr. Li, Mr. Yuan, Mr. Zhang and Million Way, at total consideration of RMB6,000,000.

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Listing Business has been conducted through Shenzhen Confidence and its subsidiaries. Pursuant to the Reorganisation, the Listing Business is transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate controlling party of the Listing Business remains the same. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of Shenzhen Confidence and its subsidiaries, with the assets and liabilities of the Group recognised and measured at the carrying amounts of the Listing Business under the financial statements of Shenzhen Confidence and its subsidiaries for all periods presented.

* For identification purposes only

1 一般資料及重組(續)

1.2 重組(續)

- (e) 於二零一九年一月二日，New Trive Limited (「New Trive (BVI)」) 於英屬處女群島註冊成立並由本公司持有。
- (f) 於二零一九年一月七日，新銳志(香港)有限公司(「新銳志(香港)」)於香港註冊成立並由New Trive (BVI)持有。
- (g) 於二零一九年三月八日，信智(深圳)電子有限公司(「信智(深圳)」)於中國註冊成立並由新銳志(香港)持有。
- (h) 於二零一九年二月十四日，本公司向澤信投資控股有限公司(「澤信」，由袁海波先生控制)配發及發行753股股份，現金代價為人民幣7元。
- (i) 於二零一九年三月十二日，信智(深圳)自李先生、袁先生、張先生及茂譽收購深圳信懇的全部股權，總代價為人民幣6,000,000元。

1.3 呈列基準

緊接重組前後，上市業務乃透過深圳信懇及其附屬公司進行。根據重組，上市業務轉移至本公司並由本公司持有。本公司在重組之前未涉及任何其他業務，且不符合業務定義。重組僅是上市業務的重組，而有關業務的管理並無變動，上市業務的最終控制方保持不變。因此，重組產生的本集團被視為深圳信懇及其附屬公司的延續，本集團的資產及負債根據深圳信懇及其附屬公司所有呈列期間的財務報表按上市業務的賬面值確認及計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

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

2 主要會計政策概要

本附註提供編製該等綜合財務報表時採用的主要會計政策清單。除非另有說明，否則於所呈列的所有年度一直貫徹採用該等政策。

2.1 編製基準

本集團綜合財務報表已按照香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）及香港公司條例第622章的披露規定編製。綜合財務報表已根據歷史成本法編製。

編製符合香港財務報告準則的綜合財務報表需要使用若干關鍵會計估計，亦需管理層在應用本集團會計政策的過程中作出判斷。涉及較多判斷或複雜程度較高的範疇或假設及估計對綜合財務報表屬重大的範疇已於附註4披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards and interpretation adopted by the Group

The Group has adopted the following new and amended standards and interpretation for the first time for their annual reporting period commencing 1 January 2019:

- Prepayment Features with Negative Compensation – Amendments to HKFRS 9
- Long-term Interests in Associates and Joint Ventures – Amendments to HKAS 28
- Annual Improvements 2015–2017 cycle
- Plan Amendment, Curtailment or Settlement – Amendments to HKAS 19
- Interpretation 23 Uncertainty over Income Tax Treatments

2 主要會計政策概要(續)

2.1 編製基準(續)

(a) 本集團採納的新訂及經修訂準則及詮釋

本集團已於二零一九年一月一日開始的年度報告期間首次採納以下新訂及經修訂準則及詮釋：

- 提早還款特性及負補償－香港財務報告準則第9號(修訂本)
- 聯營公司及合營企業之長期權益－香港會計準則第28號(修訂本)
- 二零一五年至二零一七年週期的年度改進
- 計劃調整、削減或結算－香港會計準則第19號(修訂本)
- 詮釋第23號所得稅處理的不確定性

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards issued but not yet adopted by the Group

The following new and amended standards have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after 於下列日期或之後開始的會計期間生效
Amendments to HKFRS 3 香港財務報告準則第3號(修訂本)	Definition of a Business 業務的定義	1 January 2020 二零二零年一月一日
Amendments to HKFRS 9, HKAS 39 and HKFRS 7 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	Interest Rate Benchmark Reform 利率基準改革	1 January 2020 二零二零年一月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號(修訂本)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營企業之間的資產出售或投入	To be determined 待定
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合約	1 January 2021 二零二一年一月一日
Amendments to HKAS 1 香港會計準則第1號(修訂本)	Classification of Liabilities as Current or Non-Current 流動或非流動負債分類	1 January 2022 二零二二年一月一日
Amendments to HKAS 1 and HKAS 8 香港會計準則第1號及香港會計準則第8號(修訂本)	Definition of Material 重大的定義	1 January 2020 二零二零年一月一日
Conceptual Framework for Financial Reporting 2018 財務報告概念框架二零一八	Revised Conceptual Framework for Financial Reporting 經修訂財務報告概念框架	1 January 2020 二零二零年一月一日

These new and amended standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

預計該等新訂及經修訂準則不會對實體於目前或未來報告期間及可見未來的交易有重大影響。

2 主要會計政策概要(續)

2.1 編製基準(續)

(b) 已發佈但本集團尚未採納的新訂及經修訂準則

截至二零一九年十二月三十一日的報告期間，下列新訂及經修訂準則已頒佈但非強制採納，本集團亦未提前採納。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

2 主要會計政策概要(續)

2.2 附屬公司

2.2.1 綜合入賬

附屬公司為本集團擁有控制權的實體(包括架構實體)。當本集團透過參與該實體的活動而獲得或有權享有可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移至本集團當日起綜合入賬，並自控制權終止當日起終止綜合入賬。

(a) 業務合併

本集團採用收購法將業務合併入賬。收購附屬公司的轉讓代價為本集團已轉讓資產、所產生負債及發行的股本權益的公平值。所轉讓代價包括因或然代價安排而產生任何資產或負債的公平值。於業務合併中收購的可識別資產以及承擔的負債及或然負債初步按其於收購日期的公平值計量。本集團根據個別收購基準，按公平值或按非控股權益應佔被收購方可識別淨資產的確認金額的比例，確認於被收購方的任何非控股權益。

收購相關成本於產生時支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combination (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries now comprising the Group have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(a) 業務合併(續)

倘業務合併分階段進行，收購方先前於被收購方持有的股權於收購日期的賬面值重新計量為收購日期的公平值；有關重新計量所產生的任何收益或虧損於損益中確認。

本集團將予轉讓的任何或然代價按收購日期的公平值確認。被視為一項資產或負債的或然代價的公平值後續變動，按照香港財務報告準則第9號於損益中確認。分類為權益的或然代價毋須重新計量，而其後續結算於權益入賬。

所轉讓代價、於被收購方的任何非控股權益金額及任何先前於被收購方的股權於收購日期的公平值超過所收購可識別淨資產公平值的差額，乃入賬列作商譽。倘轉讓的代價、已確認非控股權益及先前持有的權益總額低於所收購附屬公司淨資產的公平值(於議價收購的情況下)，則該差額會直接於損益中確認。

公司間交易、結餘及集團公司之間交易的未變現收益均予以對銷。未變現虧損亦會對銷。現時組成本集團的附屬公司的會計政策已作出必要的變動以確保與本集團採用的政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

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

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

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(b) *控制權並無變動的附屬公司擁有權益變動*

不會導致失去控制權的非控股權益交易入賬列作權益交易，即與附屬公司擁有人以其作為擁有人身份進行的交易。任何已付代價的公平值與相關應佔所收購附屬公司淨資產賬面值的差額計入權益。向非控股權益進行出售的收益或虧損亦計入權益。

(c) *出售附屬公司*

倘本集團不再擁有控制權，其於該實體的任何保留權益按其失去控制權當日的公平值重新計量，而賬面值變動則於損益內確認。就隨後入賬列作聯營公司或金融資產的保留權益而言，此公平值即初步賬面值。此外，先前於其他全面收益內確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這可能意味著先前在其他全面收益內確認的金額重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for by the Company at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

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

2.3 Associates

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

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.2 獨立財務報表

於附屬公司的投資由本公司按成本扣除減值入賬。成本包括直接應佔投資成本。附屬公司的業績由本公司按已收股息及應收股息入賬。

當收到於附屬公司的投資的股息時，倘股息超過附屬公司在宣派股息期間的全面收益總額，或倘於獨立財務報表的投資賬面值超過被投資公司淨資產(包括商譽)於歷史財務資料的賬面值時，則須對有關投資進行減值測試。

2.3 聯營公司

聯營公司是指本集團具有重大影響力但無控制權的實體，通常但不一定附帶有20%至50%投票權的股權。於聯營公司的投資採用權益會計法入賬。根據權益法，投資初步按成本確認，而賬面值會增加或減少，以確認投資者於收購日期後應佔被投資方的損益及其他全面收益。本集團於一間聯營公司的投資包括收購時識別的商譽(扣除任何累計減值虧損)。於收購一間聯營公司之擁有權權益後，聯營公司成本與本集團應佔聯營公司可識別資產及負債公平值淨值之間的任何差額將作為商譽入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.3 Associates (Continued)

The Group's share of its associate's post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

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

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in an associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. A full gain or loss is recognised when a transaction involves a business whereas a partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are held by a subsidiary. Accounting policies of an associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要(續)

2.3 聯營公司(續)

本集團應佔其聯營公司收購後損益於損益內確認，其應佔收購後其他全面收益的變動於其他全面收益內確認。收購後的累計變動將根據投資的賬面值進行調整。當本集團應佔一間聯營公司的虧損等於或超過其於聯營公司的權益(包括任何其他無抵押長期應收款項)時，本集團不會確認進一步虧損，除非已產生法定或推定責任或已代表聯營公司付款。

本集團於各報告日期釐定是否有任何客觀證據顯示於一間聯營公司的投資已減值。倘出現減值跡象，本集團按聯營公司的可收回金額與其賬面值之間的差額計算減值金額，並將該金額於損益內確認為「於一間聯營公司之投資之減值虧損」。

本集團與其聯營公司之間交易的未變現收益均按本集團於一間聯營公司的權益予以對銷。未變現虧損亦會對銷，除非交易提供所轉讓資產的減值證據。當交易涉及一項業務時確認全部收益或虧損，而當交易涉及不構成一項業務的資產時確認部分收益或虧損，即使該等資產由附屬公司持有。聯營公司的會計政策已作出必要變動以確保與本集團採用的政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.3 Associates (Continued)

Gains or losses on dilution of equity interest in an associate are recognised in the profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2.4 Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the directors who make strategic decisions.

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in RMB, which is the Company’s functional and the Group’s presentation currency.

2 主要會計政策概要(續)

2.3 聯營公司(續)

聯營公司股本權益攤薄所產生的收益或虧損於損益內確認。倘減少聯營公司的擁有權權益但保留重大影響力，則僅應佔先前於其他全面收益內確認的金額比例重新分類至損益(如適用)。

2.4 分部報告

經營分部的報告形式與向主要營運決策者(「主要營運決策者」)提供的內部報告形式一致。主要營運決策者負責分配資源及評估經營分部表現，其已被確定為作出策略決策的董事。

2.5 外幣換算

2.5.1 功能及呈列貨幣

本集團各實體財務報表所列的項目均採用該實體經營所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以本公司的功能貨幣及本集團的呈列貨幣人民幣呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.5 Foreign currency translation (Continued)

2.5.2 Transactions and balances

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

All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within "Other (losses)/gains, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the consolidated income statement as part of the fair value gain or loss and translation differences on non-monetary assets such as equities held at fair value through other comprehensive income are recognised in other comprehensive income.

2 主要會計政策概要(續)

2.5 外幣換算(續)

2.5.2 交易及結餘

外幣交易按交易當日現行匯率換算為功能貨幣。結算有關交易及按年末匯率換算以外幣計值的貨幣資產及負債所產生的外匯損益一般於綜合收益表內確認。

所有其他外匯收益及虧損一概按淨額基準於綜合收益表內的「其他(虧損)/收益淨額」內呈列。

以外幣公平值計量的非貨幣項目採用釐定公平值當日的匯率換算。以公平值入賬的資產及負債的匯兌差額列報為公平值收益或虧損的一部分。例如，非貨幣資產及負債(如按公平值計入損益的權益)的匯兌差額在綜合收益表中確認為公平值收益或虧損的一部分，而非貨幣資產(如按公平值計入其他全面收益的權益)的匯兌差額在其他全面收益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.5 Foreign currency translation (Continued)

2.5.3 Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are taken to other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the consolidated income statement, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2 主要會計政策概要(續)

2.5 外幣換算(續)

2.5.3 集團公司

功能貨幣與呈列貨幣不同的所有集團實體(當中不涉及嚴重通脹經濟體系貨幣)的業績及財務狀況按以下方法換算為呈列貨幣：

- 每份呈列的資產負債表內的資產及負債按該資產負債表當日的收市匯率換算；
- 每份收益表及全面收益表內的收支按平均匯率換算(除非此平均匯率並非交易日期現行匯率的累計影響的合理約數，在此情況下，收支項目按交易日期的匯率換算)；及
- 所有由此產生的匯兌差額於其他全面收益確認。

整合賬目時，換算任何於海外業務的投資淨額而產生的匯兌差額計入其他全面收益。當出售海外業務或償還構成該投資淨額部分的任何借貸時，相關的匯兌差額於綜合收益表重新歸類為出售收益或虧損的一部分。

因收購海外業務而產生的商譽及公平值調整，均視作有關海外實體的資產及負債，並按收市匯率換算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.6 Property, plant and equipment

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

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

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

Furniture and fixtures	5 years
Office equipment	3 to 5 years
Plant and machinery	3 to 10 years
Motor vehicles	3 to 5 years
Leasehold improvements	Shorter of estimated useful lives or remaining lease terms

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal are determined by comparing proceeds with carrying amount and are recognised in the consolidated income statement.

2 主要會計政策概要(續)

2.6 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊列賬。歷史成本包括收購該等項目直接應佔的開支。

僅當與資產有關的未來經濟利益可能流入本集團，而該項目的成本能夠可靠地計量時，方會將該項目其後產生的成本計入該項資產的賬面值或確認為獨立資產(如適當)。已替換部分的賬面值會終止確認。所有其他維修及保養乃於其產生的財政期間自綜合收益表扣除。

物業、廠房及設備的折舊按以下估計可使用年期以直線法分攤其成本並扣除其剩餘價值計算：

傢俬及裝置	5年
辦公室設備	3至5年
廠房及機器	3至10年
汽車	3至5年
租賃物業裝修	估計可使用年期或餘下租期的較短者

資產的剩餘價值及可使用年期均於各報告期末進行檢討，並作出適當的調整。倘資產的賬面值高於其估計可收回金額，則即時將資產賬面值撇減至其可收回金額。

出售收益或虧損乃透過比較所得款項與賬面值釐定，並於綜合收益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.6 Property, plant and equipment (Continued)

Right-of-use assets included the rights to use certain property, plant and equipment under leases which are measured at cost. The initial costs of right-of-use assets include the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date,
- any initial direct costs, and
- restoration costs.

If the lease transfers ownership of the underlying assets to the Group by the end of the lease term or if the cost of the right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date of the lease to the end of the useful life of the underlying assets. Otherwise, right-of-use assets are depreciated over the shorter of the assets' useful lives and their lease terms on a straight-line basis.

2.7 Financial assets

2.7.1 Classification

The Group classifies its financial assets as assets to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

2 主要會計政策概要(續)

2.6 物業、廠房及設備(續)

使用權資產包括根據租賃使用若干物業、廠房及設備的權利(按成本計量)。使用權資產的初始成本包括：

- 租賃負債初始計量的款項，
- 於生效日期或之前作出的任何租賃付款，
- 任何初始直接成本，及
- 修復成本。

倘租賃於租期結束時將相關資產之所有權轉讓給本集團或使用權資產的成本反映本集團將行使購買選擇權，本集團自租賃開始日起至相關資產可使用年期結束止對使用權資產進行折舊。否則，使用權資產按資產可使用年期與租賃期的較短者以直線法進行折舊。

2.7 金融資產

2.7.1 分類

本集團將其金融資產分類為按攤銷成本計量的資產。

分類視乎實體管理金融資產的業務模式及現金流量合約條款而定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.7 Financial assets (Continued)

2.7.2 Recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated income statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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. The Group classifies its debt instruments to be measured at 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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated income statement and presented in 'Other (losses)/gains, net' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

2.7.3 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and reward of ownership.

2 主要會計政策概要(續)

2.7 金融資產(續)

2.7.2 確認及計量

於初步確認時，本集團按公平值加(倘金融資產並非按公平值計入損益)收購金融資產直接應佔的交易成本計量金融資產。按公平值計入損益的金融資產交易成本於綜合收益表支銷。

釐定現金流量是否僅為本金及利息付款時，附有嵌入式衍生工具的金融資產獲整體考慮。

債務工具

債務工具的隨後計量視乎本集團管理資產的業務模式及資產現金流量特點而定。本集團將其債務工具分類為按攤銷成本計量。

持作收取合約現金流量，而現金流量僅為本金及利息付款的資產按攤銷成本計量。該等金融資產的利息收入以實際利率法列入融資收入。終止確認產生的任何收益或虧損直接於綜合收益表內確認，並連同外匯損益於「其他(虧損)/收益淨額」呈列。減值虧損於綜合收益表內作為單獨項目呈列。

2.7.3 終止確認

當從投資收取現金流量的權利屆滿或已被轉讓，而本集團已轉讓所有權的絕大部分風險及回報時，終止確認金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 Impairment of financial assets

The Group's financial assets measured at amortised cost are subject to HKFRS 9's expected credit loss model. The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1.3 sets out the details on how the Group determines whether there has been a significant increase in credit risk.

For contract assets, trade and bills receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition. The provision matrix is determined based on historical observed default rates over the expected life of the contract assets, trade and bills receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For other receivables, the Group measures the impairment as either 12-month expected credit losses or life-time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of the other receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2 主要會計政策概要(續)

2.8 抵銷金融工具

當有可合法強制執行權利抵銷已確認金額，並有意按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並在綜合資產負債表呈報其淨額。

2.9 金融資產減值

本集團按攤銷成本計量的金融資產受香港財務報告準則第9號的預期信貸虧損模式規限。本集團以前瞻性基準評估與其按攤銷成本計量的資產相關的預期信貸虧損。採用的減值方式視乎信貸風險是否大幅增加而定。附註3.1.3呈列本集團如何釐定是否有重大信貸風險增加詳情。

就合同資產、貿易應收款項及應收票據而言，本集團採用香港財務報告準則第9號准許的簡化方式，該方式要求自初始確認起確認預期存續期虧損。撥備矩陣根據有類似信貸風險特徵的合同資產、貿易應收款項及應收票據於預期年期內的過往觀察所得違約率釐定，並按未來估計調整。於各報告日期更新過往觀察所得違約率及分析未來估計變動。

就其他應收款項而言，視乎信貸風險自初步確認後有否大幅上升，本集團計量減值為12個月預期信貸虧損或存續期預期信貸虧損。倘其他應收款項的信貸風險自初步確認後大幅上升，則減值按存續期預期信貸虧損計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.10 Trade, bills and other receivables

Trade and bills receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade, bills and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade, bills and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

2.13 Share capital

Ordinary shares are classified as equity.

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

2 主要會計政策概要(續)

2.10 貿易應收款項、應收票據及其他應收款項

貿易應收款項及應收票據乃於日常業務過程中向客戶提供服務而應收的款項。倘貿易應收款項、應收票據及其他應收款項預期將在一年或以內收回(若更長則在業務正常經營週期內)，則歸類為流動資產，否則呈列為非流動資產。

貿易應收款項、應收票據及其他應收款項初步按公平值確認，其後以實際利率法按攤銷成本計量，並扣減減值撥備。

2.11 存貨

存貨按成本與可變現淨值較低者列賬。成本乃採用加權平均法釐定。可變現淨值為日常業務過程中的估計售價減估計完成成本及估計作出銷售所需的成本。

2.12 現金及現金等價物

就於綜合現金流量表呈列而言，現金及現金等價物包括手頭現金以及原定到期日為三個月或以內的銀行通知存款。

2.13 股本

普通股分類為權益。

發行新股份或購股權直接應佔的新增成本於權益中列作所得款項的減項(扣除稅項)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.14 Trade, bills and other payables

Trade and bills payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade, bills and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade, bills and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in interest expense over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

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

2 主要會計政策概要(續)

2.14 貿易應付款項、應付票據及其他應付款項

貿易應付款項及應付票據指就於一般業務過程中自供應商購得貨品或服務付款的責任。倘款項於一年或以內(若更長則在業務正常經營週期內)到期,則貿易應付款項、應付票據及其他應付款項分類為流動負債。否則,貿易應付款項、應付票據及其他應付款項呈列為非流動負債。

貿易應付款項、應付票據及其他應付款項初步按公平值確認,其後以實際利率法按攤銷成本計量。

2.15 借貸

借貸最初按公平值(扣除已產生交易成本)確認。借貸其後按攤銷成本列賬;所得款項(扣除交易成本)與贖回價值的任何差額,於借貸期採用實際利率法於利息開支確認。

除非本集團有權無條件延遲償還負債至結算日後至少十二個月,否則借貸分類為流動負債。

所有借貸成本在產生期間於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.16 Provisions

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

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

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

2.17 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

2.17.1 Current income tax

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

2 主要會計政策概要(續)

2.16 撥備

當本集團因過往事件須承擔當前法定或推定責任，而履行責任可能需要有資源流出，且能夠可靠地估計有關金額，則會確認撥備。日後經營虧損不會確認撥備。

倘出現多項類似責任，履行責任需要資源流出的可能性乃經整體考慮責任類別後釐定。即使同類責任中就任何一項流出資源的可能性可能偏低，仍會確認撥備。

撥備採用除稅前利率按照履行有關責任預期所需支出的現值計量，有關利率反映當時市場對貨幣的時間價值及該責任特有風險的評估。因時間推移而增加的撥備確認為融資成本。

2.17 即期及遞延所得稅

期內所得稅開支或抵免為按當期應課稅收入以各司法權區的適用所得稅稅率計算的應付稅項，並就由於暫時性差異及未抵扣稅務虧損而導致的遞延稅項資產及負債作出調整。

2.17.1 即期所得稅

即期所得稅支出乃根據本公司的附屬公司及聯營公司營運及產生應課稅收入的國家於報告期末已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務規例受詮釋所規限的情況定期評估報稅表的狀況，並在適當情況下根據預期須向稅務機關支付的金額設定撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.17 Current and deferred income tax (Continued)

2.17.2 Deferred income tax

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 主要會計政策概要(續)

2.17 即期及遞延所得稅(續)

2.17.2 遞延所得稅

遞延所得稅利用負債法按資產及負債的稅基與資產及負債在綜合財務報表的賬面值之間產生的暫時性差額全數撥備。然而，倘遞延稅項負債來自對商譽的初步確認，則不會確認遞延稅項負債。倘遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅溢利或虧損，則亦不會將遞延所得稅列賬。遞延所得稅採用於報告期末或之前已頒佈或實質上已頒佈，並在有關的遞延稅項資產變現或遞延稅項負債結算時預期將會適用的稅率(及法例)而釐定。

遞延稅項資產僅於可能有未來應課稅金額可使用暫時性差額及虧損抵銷時確認。

倘本集團有能力控制撥回暫時性差額的時間及該等差額很可能不會於可見將來撥回，則不會就海外業務投資的賬面值及稅基之間的暫時性差額確認遞延稅項負債及資產。

倘有可依法強制執行權利將即期稅項資產與負債相互抵銷而遞延稅項結餘涉及同一稅務機關，則遞延稅項資產及負債相互抵銷。倘有關實體有可依法強制執行權利抵銷及有意按淨值基準結算，或有意同時變現資產及結算負債，則即期稅項資產及負債相互抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.18 Employee benefits

2.18.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

2.18.2 Other long-term employee benefit obligations

The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.18.3 Defined contribution plans

The Group pays contributions to state-managed pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.18.4 Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 主要會計政策概要(續)

2.18 僱員福利

2.18.1 短期責任

預計將於僱員提供相關服務的期末後十二個月全部清償的工資、薪金(包括非金錢利益)及累計病假負債就截至報告期間末僱員提供的服務確認並按清償負債時預計將支付的金額計量。相關負債於綜合資產負債表中按即期僱員福利責任呈列。

2.18.2 其他長期僱員福利責任

倘實體沒有無條件權利延遲償還至於報告期間後最少十二個月，而不論預期何時會實際償還，責任會於綜合資產負債表呈列為流動負債。

2.18.3 界定供款計劃

本集團向由國家管理的退休金保險計劃支付強制、合約或自願性供款。本集團在支付供款後即無進一步付款責任。供款於到期時確認為僱員福利開支。倘若有現金退款或未來供款額出現下調，預付供款確認為資產。

2.18.4 花紅計劃

本集團按照計及本集團股東應佔溢利並作出若干調整後的公式確認花紅負債及開支。本集團於有合約責任或過往慣例已產生推定責任時確認撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amount for the service rendered in the ordinary course of the Group's activity.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customers and the payment by the customers exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheet as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer. Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers the promised services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer the promised services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2 主要會計政策概要(續)

2.19 收益確認

收益按已收或應收代價的公平值計量，即於本集團一般業務過程中就提供服務已收及應收的款項。

本集團預計將不會有任何轉讓承諾服務予客戶與客戶付款之間期限超過一年的合約。因此，本集團並未就資金的時間價值調整任何交易價格。

當合約任何一方已履約，本集團視乎本集團履約與客戶付款的關係於綜合資產負債表呈列合約為合同資產或合同負債。

合同資產指本集團已向客戶轉讓服務而收取代價的權利。為取得合約產生的增量成本(如可收回)將資本化並呈列為資產，並於隨後確認有關收益時攤銷。

倘於本集團轉讓承諾服務予客戶前，客戶支付代價或本集團有無條件取得代價的權利，本集團於收取付款或應收款項入賬時(以較早者為準)呈列合約為合同負債。合同負債指本集團已收取客戶相關代價(或到期的代價)而應向客戶轉讓承諾服務的責任。

應收款項於本集團對代價擁有無條件權利時入賬。倘僅須待時間流逝便可收取代價，收取代價的權利即為無條件。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.19 Revenue recognition (Continued)

2.19.1 Electronic manufacturing services

Revenue is recognised when specific criteria have been met for the Group's activity as described below:

Rendering of electronic manufacturing service ("EMS") is recognised when or as the control of the services is transferred to the customer.

Depending on the terms of the contract and the laws that apply to the contract, control of the services may transfer over time or at a point in time. Control of the services is transferred over time if the Group's performance:

- (i) provides all of the benefits received and consumed simultaneously by the customer; or
- (ii) creates and enhances an asset that the customer controls as the Group performs; or
- (iii) 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.

If control of the 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 asset.

Revenue from EMS contracts are recognised over time using the input method with reference to the costs incurred for the service.

2 主要會計政策概要(續)

2.19 收益確認(續)

2.19.1 電子製造服務

收益於滿足下文所載本集團活動的特定標準時確認：

提供電子製造服務(「EMS」)於服務控制權轉移予客戶時確認。

根據合約條款及適用於合約之法律，服務控制權可能隨時間或於某時間點轉移。倘本集團履約符合以下條件，服務控制權隨時間轉移：

- (i) 客戶同時取得並消耗本集團履約所提供的利益；或
- (ii) 本集團履約時創造及改良客戶控制的資產；或
- (iii) 並未創造一項可被本集團用於其他替代用途的資產，並且本集團有就迄今為止已完成的履約部分獲得客戶付款的可執行權利。

倘服務控制權隨時間轉移，則收益乃按完全履行履約義務之進度於合約期間確認。否則，收益於客戶取得資產控制權時確認。

電子製造服務合約收益經參考服務產生之成本隨時間使用投入法確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.20 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.21 Leases

The Group leases various properties and plant and machinery. Rental contracts are typically made for fixed periods of one to five years. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as right-of-use assets (included in properties, plant and equipment) and the corresponding liabilities at the date of which the respective leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 主要會計政策概要(續)

2.20 利息收入

利息收入乃根據時間比例基準按實際利率法確認。

2.21 租賃

本集團租賃多項物業及廠房以及機器。租賃合約通常按一至五年的固定期限擬定。租賃條款乃個別協商，並包含各種條款及條件。租賃協議並無規定任何契諾，惟租賃資產不得用作借款的擔保品。

租賃被確認為使用權資產(包括在物業、廠房及設備內)，及於相應租賃資產可供本集團使用的日期的相應負債。每筆租賃款項均在負債和融資成本之間分配。融資成本在租賃期內計入損益，以便在每段期間的剩餘負債結餘中產生固定的定期利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.21 Leases (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the entity's incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months. Low-value assets comprise machinery with value below RMB5,000.

2 主要會計政策概要(續)

2.21 租賃(續)

租賃產生的資產和負債最初以現值進行計量。租賃負債包括以下租賃付款的淨現值：

- 固定支付(包括實質固定支付)，減任何應收的租賃獎勵；
- 基於指數或比率的可變租賃付款；
- 剩餘價值擔保下的承租人的預期支付款項；
- 購買選擇權的行使價格(倘承租人合理地確定將行使該權利)；及
- 支付終止租賃的罰款(倘租賃期限反映承租人行使該權)。

租賃付款使用租賃內隱含利率貼現，倘該利率可釐定，則使用增量借款利率。

與短期租賃及低價值資產租賃的相關付款以直線法於損益確認為開支。短期租賃是指租賃期少於12個月的租賃。低價值資產包括價值低於人民幣5,000元之機器。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of significant accounting policies (Continued)

2.22 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the years in which the dividend are approved by the Company's shareholders or directors, where appropriate.

2.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of equipment are included in current liabilities and non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

2.24 Contingent liabilities

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

A contingent liability is not recognised but is disclosed in the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2 主要會計政策概要(續)

2.22 股息分派

向股東分派的股息在本公司股東或董事(如適用)批准有關股息的年度內確認為負債。

2.23 政府補助

當能夠合理地保證將可收取政府補助，而本集團將會符合所有附帶條件時，政府補助會按其公平值確認。

與成本有關的政府補助遞延入賬，並按該等補助與其擬補償的成本配合所需期間在綜合收益表內確認。

與購買設備有關的政府補助列入流動負債及非流動負債作為遞延收入，並按有關資產的預計使用年期以直線法計入損益內。

2.24 或然負債

或然負債乃因過往事項可能產生的責任，而其存在與否僅能透過發生或未有發生一宗或多宗本集團不能完全控制的不明朗未來事項確定。或然負債亦可為因不大可能須流出經濟資源或未能可靠計量有關責任金額而不予確認的過往事項所產生的現時責任。

或然負債不予確認，惟須在綜合財務報表中披露。當流出資源的可能性有變，致使可能流出資源，則或然負債將被確認為撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1 Market risk

3.1.1 Foreign exchange risk

The Group operates mainly in the PRC with most of the transactions settled in RMB. Management considers that the Group is not exposed to any significant foreign exchange risk for the years ended 31 December 2019 and 2018 as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the respective functional currencies of the Group's entities.

During the years ended 31 December 2019 and 2018, the Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

3.1.2 Interest rate risk

The Group's interest rate risk is mainly attributable to its cash at banks and bank and other borrowings with floating interest rates. Details of the Group's cash at banks and bank and other borrowings have been disclosed in Notes 18 and 25 to the consolidated financial statements respectively.

Other than cash at banks and bank and other borrowings, the Group does not have significant interest-bearing assets or liabilities.

As at 31 December 2019 and 2018, if interest rates on cash at banks and bank and other borrowings had been 100 basis points higher/lower with all variables held constant, profit before income tax for the years then ended would have been approximately RMB1,310,000 higher/lower and approximately RMB38,000 lower/higher, mainly as a result of higher/lower of interest income on the cash at banks netted with higher/lower interest expenses on the bank and other borrowings respectively.

3 財務風險管理

本集團業務承受多種財務風險：市場風險（包括外匯風險及利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃重點關注金融市場的不可預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

3.1 市場風險

3.1.1 外匯風險

本集團主要於中國營運，大多數交易以人民幣結算。管理層認為本集團於截至二零一九年及二零一八年十二月三十一日止年度不會面臨任何重大的外匯風險，乃由於本集團之重大金融資產或負債並未以本集團實體各自功能貨幣之外的貨幣計值。

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無訂立任何衍生工具對沖其外匯風險。

3.1.2 利率風險

本集團的利率風險主要來自其以浮動利率計息的銀行現金以及銀行及其他借款。本集團銀行現金以及銀行及其他借款的詳情分別於綜合財務報表附註18及25披露。

除銀行現金以及銀行及其他借款外，本集團並無重大計息資產或負債。

於二零一九年及二零一八年十二月三十一日，倘銀行現金以及銀行及其他借款的利率增加／減少100個基點而所有其他變量保持不變，截至有關日期止年度的除所得稅前溢利會分別增加／減少約人民幣1,310,000元及減少／增加約人民幣38,000元，主要分別由於銀行現金的利息收入增加／減少（經扣除銀行及其他借款的利息開支增加／減少）所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial risk management (Continued)

3.1 Market risk (Continued)

3.1.3 Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents, contract assets, trade and bills receivables, other receivables and deposits. The carrying amounts of each financial asset represent the Group's maximum exposure to credit risk in relation to financial assets.

(a) Risk management

The Group has policies in place to ensure that credit terms are made to customers with an appropriate credit history and the Group's performs periodic credit evaluations of its customers.

The Group's cash and cash equivalents were deposited with high quality financial institutions. Therefore, the Group does not expect any significant losses arising from non-performance by these counterparties.

For the years ended 31 December 2019 and 2018, 82% and 90% of the Group's revenue was derived from its top five customers respectively. As at 31 December 2019 and 2018, 75% and 78% of the total trade and bills receivables were due from the Group's top five customers respectively.

The credit risk on cash and cash equivalents are limited because deposits are in banks with sound credit ratings and management does not expect any loss from non-performance by these counterparties.

3 財務風險管理(續)

3.1 市場風險(續)

3.1.3 信貸風險

本集團的信貸風險主要來自現金及現金等價物、合同資產、貿易應收款項及應收票據、其他應收款項及按金。各金融資產的賬面值指本集團就金融資產所面臨的最大信貸風險。

(a) 風險管理

本集團已制定政策確保信貸期乃向具有良好信用紀錄的客戶授出，本集團對其客戶進行定期信貸評估。

本集團的現金及現金等價物已存入優質財務機構。因此，本集團預期不會因該等對手方不履行責任而招致任何重大虧損。

截至二零一九年及二零一八年十二月三十一日止年度，本集團的82%及90%收益乃分別來自五大客戶。於二零一九年及二零一八年十二月三十一日，貿易應收款項及應收票據總額中分別有75%及78%乃應收自本集團五大客戶。

現金及現金等價物的信貸風險有限，原因是該等存款存放於信貸評級甚佳的銀行，故管理層預期不會因該等對手方違約而產生任何虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial risk management (Continued)

3.1 Market risk (Continued)

3.1.3 Credit risk (Continued)

(b) Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss models:

- contract assets, trade and bills receivables
- other financial assets carried at amortised cost

Contract assets, trade and bills receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets, trade and bills receivables.

To measure the expected credit losses, contract assets, trade and bills receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

3 財務風險管理(續)

3.1 市場風險(續)

3.1.3 信貸風險(續)

(b) 金融資產減值

本集團有兩類金融資產乃按預期信貸虧損模式計算：

- 合同資產、貿易應收款項及應收票據
- 按攤銷成本列賬的其他金融資產

合同資產、貿易應收款項及應收票據

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，對所有合同資產、貿易應收款項及應收票據採用整個存續期的預期虧損撥備。

為計量預期信貸虧損，已根據共同信貸風險特徵及逾期日數將合同資產、貿易應收款項及應收票據分組。合同資產與未開票服務相關，且與同類合約的貿易應收款項有大致相同的風險特徵。因此，本集團認為貿易應收款項的預期虧損率與合同資產的虧損率相若屬合理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial risk management (Continued)

3.1 Market risk (Continued)

3.1.3 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Measurement of expected credit loss on individual basis

Contract assets, trade and bills receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a prepayment plan with the Group, and a failure to make contractual payments. During the year ended 31 December 2019, certain customers who did not share the same credit risk characteristics as the rest of the debtors were in delinquency of payments and their respective trade receivable balances amounting to approximately RMB995,000 (2018: Nil) were therefore fully impaired.

The following table presents the balances of gross carrying amounts and the loss allowance in respect of individually assessed trade receivables as at 31 December 2019 and 31 December 2018:

		1-30 days	31-60 days	61-120 days	121-365 days	Over 365 days	Total
		Current	past due	past due	past due	past due	
		即期	逾期1至30日	逾期31至60日	逾期61至120日	逾期121至365日	逾期365日以上
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2019	於二零一九年十二月三十一日						
Gross carrying amount - Trade receivables	賬面總值 - 貿易應收款項	-	-	-	-	995	995
Expected loss rate	預期虧損率	-	-	-	-	100%	100%
Loss allowance	虧損撥備	-	-	-	-	(995)	(995)
At 31 December 2018	於二零一八年十二月三十一日						
Gross carrying amount - Trade receivables	賬面總值 - 貿易應收款項	-	-	-	-	-	-
Expected loss rate	預期虧損率	-	-	-	-	-	-
Loss allowance	虧損撥備	-	-	-	-	-	-

3 財務風險管理 (續)

3.1 市場風險 (續)

3.1.3 信貸風險 (續)

(b) 金融資產減值 (續)

按個別基準計量預期信貸虧損

已知無法償還的合同資產、貿易應收款項及應收票據乃進行個別評估以提撥減值撥備，並於合理預期無法收回時撇銷。合理預期無法收回的指標包括（其中包括）債務人未能對本集團作出還款計劃，以及未能支付合約款項。截至二零一九年十二月三十一日止年度，與餘下債務人並無共同信貸風險特徵的若干客戶拖欠付款，因此彼等約人民幣995,000元（二零一八年：無）的貿易應收款項結餘已悉數減值。

下表呈列於二零一九年十二月三十一日及二零一八年十二月三十一日個別評估的貿易應收款項的賬面總值及虧損撥備結餘：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial risk management (Continued)

3.1 Market risk (Continued)

3.1.3 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Measurement of expected credit loss on collective basis

Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying the expected credit loss rates to the respective gross carrying amounts of the receivables.

The expected credit loss rates are estimated on the basis of historical default rates, adjusted to reflect the effects of existing market conditions as well as forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivable.

Based on the Group's assessment, expected credit loss rate of these contract assets, trade and bills receivables is close to zero. Therefore, the loss allowance provision for these balances was not material and no provision was recognised.

Impairment losses on contract assets, trade and bills receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 財務風險管理 (續)

3.1 市場風險 (續)

3.1.3 信貸風險 (續)

(b) 金融資產減值 (續)

按組合基準計量預期信貸虧損

經計及客戶性質、其地理位置及其賬齡類別，本集團亦通過按共同信貸風險特徵對剩餘應收款項分組及組合評估收回的可能性估計預期信貸虧損，並將預期信貸虧損率應用至各應收款項賬面總值。

預期信貸虧損率乃根據過往違約率估計，並作出調整以反映目前市況及影響客戶結算應收款項能力的宏觀經濟因素的前瞻性資料。

根據本集團的評估，該等合同資產、貿易應收款項及應收票據的預期信貸虧損率接近於零。因此，該等結餘的虧損撥備並不重大，故並無確認計提。

合同資產、貿易應收款項及應收票據減值虧損乃以經營溢利內減值虧損淨額列賬。其後收回過往撇銷款項乃抵銷相同項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial risk management (Continued)

3.1 Market risk (Continued)

3.1.3 Credit risk (Continued)

(b) *Impairment of financial assets* (Continued)

Other financial assets carried at amortised cost

The Group's other financial assets carried at amortised cost include deposit and other receivables in the consolidated balance sheet. The impairment loss of other financial assets carried at amortised cost is measured based on the 12-month expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

As at 31 December 2019 and 2018, management considered the credit risk of deposits and other receivables to be low as counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. The Group has assessed that the expected credit losses for these deposits and other receivables were immaterial under 12-month expected losses method. Therefore, the loss allowance provision for these balances was close to zero and no provision was recognised.

3 財務風險管理(續)

3.1 市場風險(續)

3.1.3 信貸風險(續)

(b) *金融資產減值*(續)

按攤銷成本列賬的其他金融資產

本集團按攤銷成本列賬的其他金融資產包括綜合資產負債表的按金及其他應收款項。按攤銷成本列賬的其他金融資產的減值虧損乃按12個月的預期信貸虧損計量。12個月的預期信貸虧損為報告日期後12個月內可能發生的與金融工具相關的違約事件所導致的存續期之預期信貸虧損的一部分。然而，倘信貸風險自產生後出現顯著增長，該撥備將以存續期之預期信貸虧損為基準。

於二零一九年及二零一八年十二月三十一日，由於交易對手近期履行合約現金流量責任的能力較強，管理層認為按金及其他應收款項的信貸風險較低。本集團已評估該等按金及其他應收款項根據12個月預期信貸虧損方法計算的預期信貸虧損並不重大。因此，該等結餘的虧損撥備近乎於零，並無確認撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial risk management (Continued)

3.1 Market risk (Continued)

3.1.4 Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the shorter and longer term.

As at 31 December 2019 and 2018, the Group held cash and cash equivalents amounting to approximately RMB139,172,000 and RMB14,979,000 respectively, that are expected to be readily available to generate cash inflows for managing liquidity risk.

The Group maintains liquidity by a number of sources including orderly realisation of receivables that the Group considers appropriate and long term financing including long-term borrowings and lease liabilities are also considered by the Group in its capital structuring. The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest bearing borrowings which enable the Group to continue its business for the foreseeable future.

As at 31 December 2019 and 2018, the Group has no undrawn banking facilities, and the Group's total drawn banking facilities amounted to approximately RMB5,073,000 and RMB11,507,000 respectively.

The table below analyses the non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

3 財務風險管理(續)

3.1 市場風險(續)

3.1.4 流動資金風險

本集團的政策為定期監察現時及預期的流動資金需求，以確保維持足夠的現金儲備以應付其短期及長期流動資金需求。

於二零一九年及二零一八年十二月三十一日，本集團持有的現金及現金等價物分別約為人民幣139,172,000元及人民幣14,979,000元，預期可產生現金流入以管理流動資金風險。

本集團透過多種來源維持流動資金，包括有序變現本集團認為適當的應收款項及長期融資（包括長期借貸），而本集團在其資本建構過程中亦會考慮租賃負債。本集團旨在透過維持充足的銀行結餘、已承諾可用信貸額及計息借貸來維持資金的靈活性，以便本集團於可見將來繼續其業務營運。

於二零一九年及二零一八年十二月三十一日，本集團並無未提取的銀行融資，已提取的銀行融資總額分別約為人民幣5,073,000元及人民幣11,507,000元。

下表列示本集團非衍生金融負債按照相關到期組別，根據由資產負債表日至合約到期日的剩餘期間進行分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial risk management (Continued)

3.1 Market risk (Continued)

3.1.4 Liquidity risk (Continued)

The amounts disclosed in the table were the contractual undiscounted cash flows and the earliest date the Group can be required to pay.

3 財務風險管理(續)

3.1 市場風險(續)

3.1.4 流動資金風險(續)

表內披露的金額為合約未貼現現金流量及本集團須按要求支付的最早日期。

		Less than 1 year 少於1年 RMB'000 人民幣千元	Between 1 and 2 years 1至2年 RMB'000 人民幣千元	Between 2 and 5 years 2至5年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019	於二零一九年 十二月三十一日				
Trade payables	貿易應付款項	16,192	-	-	16,192
Other payables and accruals	其他應付款項及 應計費用	11,538	-	-	11,538
Bank and other borrowings	銀行及其他借款				
– principal portion	– 本金部分	6,604	1,600	-	8,204
– interest portion	– 利息部分	404	34	-	438
Lease liabilities	租賃負債				
– principal portion	– 本金部分	3,848	3,882	901	8,631
– interest portion	– 利息部分	370	152	20	542
		38,956	5,668	921	45,545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial risk management (Continued)

3.1 Market risk (Continued)

3.1.4 Liquidity risk (Continued)

		Less than 1 year 少於1年 RMB'000 人民幣千元	Between 1 and 2 years 1至2年 RMB'000 人民幣千元	Between 2 and 5 years 2至5年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2018	於二零一八年 十二月三十一日				
Trade payables	貿易應付款項	10,130	-	-	10,130
Other payables and accruals	其他應付款項及 應計費用	5,428	-	-	5,428
Bank and other borrowings	銀行及其他借款				
- principal portion	- 本金部分	10,597	6,604	1,600	18,801
- interest portion	- 利息部分	1,120	404	34	1,558
Lease liabilities	租賃負債				
- principal portion	- 本金部分	2,883	3,265	4,015	10,163
- interest portion	- 利息部分	426	279	133	838
		30,584	10,552	5,782	46,918

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders or sell assets to reduce debt.

3 財務風險管理 (續)

3.1 市場風險 (續)

3.1.4 流動資金風險 (續)

3.2 資本管理

本集團管理資本的目標是保障本集團按持續經營基準繼續營運的能力，以為股東帶來回報，同時兼顧其他利益相關者的利益，並維持最佳的資本架構以減低資金成本。

為維持或調整資本架構，本集團或會調整向股東派付的股息金額，向股東退回資本或出售資產以減低債務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial risk management (Continued)

3.2 Capital management (Continued)

The Group monitors capital on the basis of the total debt to total capital ratio. Total debt and total capital represent total borrowings and total equity, as shown in the consolidated balance sheet. The total debt to total capital ratios at 31 December 2019 and 2018 were as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Total borrowings (bank and other borrowings and lease liabilities)	總借款(銀行及其他借款以及租賃負債)	16,835	28,964
Total equity	總權益	278,673	148,145
Total debt to total capital ratio	總負債對總資本比率	6%	20%

The decrease in total debt to total capital ratio from 20% as at 31 December 2018 to 6% as at 31 December 2019 was mainly due to the increase in total equity as a result of current year's profit and the share offering upon listing as well as the decrease in total borrowings as a result of repayments of borrowings.

3.3 Fair value estimation

The carrying values of the Group's financial assets and liabilities include deposits, trade and other receivables, contract assets, cash and cash equivalents, trade and other payables, bank and other borrowings and lease liabilities approximate their fair values due to their short maturities.

3 財務風險管理(續)

3.2 資本管理(續)

本集團按照總負債對總資本比率監控資本。總負債及總資本分別指綜合資產負債表所列示的總借貸及總權益。於二零一九年及二零一八年十二月三十一日的總負債對總資本比率如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Total borrowings (bank and other borrowings and lease liabilities)	總借款(銀行及其他借款以及租賃負債)	16,835	28,964
Total equity	總權益	278,673	148,145
Total debt to total capital ratio	總負債對總資本比率	6%	20%

總負債對總資本比率由二零一八年十二月三十一日的20%減少至二零一九年十二月三十一日的6%，乃主要由於總權益因本年度溢利及上市後發行股份和總債務因償還借款而減少而增加。

3.3 公平值估計

本集團的金融資產及負債(包括按金、貿易及其他應收款項、合同資產、現金及現金等價物、貿易及其他應付款項、銀行及其他借款及租賃負債)的賬面值因其到期日較短而與其公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

4.1 Net realisable value of inventories

The Group's inventories comprise solely raw materials of which management primarily intends to utilise for EMS contracts. These raw materials are stated at the lower of cost and net realisable value.

The Group utilises these raw materials for the assembling and production of printed circuit board assembly ("PCBA"), their net realisable value is the estimated service contract price less estimated costs to completion and selling expenses. The estimates are based on the current market condition and the historical experience of provision of services using raw materials of similar nature. Write-downs of inventories are recognised where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the period in which such estimate has been changed. Management reassesses these estimates at end of each reporting period.

4 關鍵會計估計及假設

估計及判斷乃根據過往經驗及其他因素（包括在相關情況下認為屬合理的未來事件預期）持續評估。

本集團對未來作出估計及假設。根據定義，就此產生的會計估計很少會與有關實際結果相符。具重大風險導致須於下一個財政年度對資產及負債賬面值作出重大調整的估計及假設論述如下。

4.1 存貨的可變現淨值

本集團存貨僅包括管理層主要擬用於EMS合約的原材料。該等原材料按成本與可變現淨值兩者之較低者列賬。

本集團將該等原材料用於裝配及生產印製電路板組裝（「PCBA」），則其可變現淨值為估計服務合約價格減去估計完工成本及銷售開支。有關估計乃基於現時的市場條件及使用相若性質原材料提供服務的歷史經驗作出。一旦事件發生或情況改變顯示結餘可能未能變現將被確認為存貨撇減。識別撇減需要運用判斷及估計。當預期之金額與原定估計有差異時，則該差異將會影響有關估計變動期間的存貨賬面值及存貨撇減。管理層會於各報告期末重新評估該等估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 Critical accounting estimates and assumptions (Continued)

4.2 Income taxes

The Group is subject to income taxes mainly in Hong Kong and the PRC. Significant judgement is required in determining provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the periods in which such determination are made.

Deferred tax assets relating to certain temporary differences are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax expense in the periods in which such estimate is changed.

4.3 Impairment of receivables and contract assets

The Group makes provision for impairment of receivables and contract assets based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical default rates, existing market conditions as well as forward-looking estimates at the end of each reporting period. The identification of impairment of receivables and contract assets requires the use of judgment and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and contract assets and loss for the impairment of receivables and contract assets recognised in the periods in which such estimates have been changed.

4 關鍵會計估計及假設(續)

4.2 所得稅

本集團主要在香港及中國繳納所得稅。在釐定所得稅撥備時須作出重大判斷。在日常業務過程中，多項交易及計算方式的最終稅項釐定並不明確。倘該等事宜的最終稅務結果與最初入賬的金額不同，該等差額將會影響作出有關釐定期間的所得稅及遞延所得稅撥備。

由於管理層認為可能有未來應課稅溢利用作抵銷暫時性差額，故確認有關若干暫時性差額的遞延稅項資產。倘預期與原本估計存在差異，該等差額將會影響有關估計變動期間的遞延稅項資產及稅項開支確認。

4.3 應收款項及合同資產減值

本集團根據有關違約風險及預期虧損率的假設計提應收款項及合同資產減值撥備。本集團於作出該等假設計時動用判斷，並根據本集團於各報告期末的過往違約率、現行市況及前瞻性估計，挑選用於減值計算的輸入資料。識別應收款項及合同資產減值須運用判斷及估計。倘預期與原本估計存在差異，該等差額將會影響於有關估計變動的期間確認的應收款項及合同資產賬面值以及應收款項及合同資產減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 Revenue and segment information

The Company is an investment holding company and the Group is principally engaged in the electronic manufacturing services (“EMS”).

The CODM has been identified as the directors of the Company. The directors review the Group’s internal reporting in order to assess performance and allocate resources. The directors have determined the operating segment based on these reports.

The directors consider the Group’s operation from a business perspective and determine that the Group has one reportable operating segment being the EMS.

The directors assess the performance of the operating segment based on a measure of revenue and gross profit.

During the years ended 31 December 2019 and 2018, all of the Group’s revenues are from contracts with customers and are recognised over time. Please refer to Note 2.19 for details of the accounting policies on revenue recognition.

(a) Segment revenue by customers’ geographical location

The Group is domiciled in the PRC. The Group’s revenue by geographical location, which is determined by the location of customers, is as follows:

		2019 二零一九年 RMB’000 人民幣千元	2018 二零一八年 RMB’000 人民幣千元
The PRC	中國	284,266	234,888
The United States of America (the “USA”)	美利堅合眾國(「美國」)	322	1,322
		284,588	236,210

5 收益及分部資料

本公司為一家投資控股公司，本集團主要從事電子製造服務(「EMS」)。

主要營運決策者已確定為本公司董事。董事審閱本集團的內部報告以評估表現及分配資源。董事已根據該等報告決定經營分部。

董事從商業角度考慮本集團的營運，並決定本集團擁有一個可呈報經營分部(即EMS)。

董事按照收益及毛利的計量評估經營分部的表現。

截至二零一九年及二零一八年十二月三十一日止年度，本集團的所有收益來自與客戶訂立的合約，並隨時間予以確認。有關收益確認的會計政策詳情，請參閱附註2.19。

(a) 按客戶地理位置劃分的分部收益

本集團在中國註冊成立。本集團按地理位置(基於客戶位置釐定)劃分的收益如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 Revenue and segment information (Continued)

(b) Details of contract liabilities

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract liabilities (Note 24)	合同負債(附註24)	462	6,539

Notes:

- (i) Contract liabilities represent advanced payments received from the customers for services that have not been transferred to the customers. The contract liabilities fluctuated during the years ended 31 December 2019 and 2018 due to fluctuation in sales with advanced payments.
- (ii) During the years ended 31 December 2019 and 2018, all brought-forward contract liabilities at the beginning of the financial year were fully recognised as revenue.

(c) Unsatisfied performance obligations

As at 31 December 2019 and 2018, all performance obligations not yet satisfied by the Group were from contracts with original expected duration of less than one year. Therefore, as permitted by the relevant practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations were not disclosed.

(d) Non-current assets by geographical location

All of the Group's non-current assets other than deferred tax assets were located in the PRC.

5 收益及分部資料(續)

(b) 合同負債詳情

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract liabilities (Note 24)	合同負債(附註24)	462	6,539

附註：

- (i) 合同負債指就尚未轉予客戶的服務從客戶收取的預收款項。由於附有預收款項的銷售波動，截至二零一九年及二零一八年十二月三十一日止年度的合同負債有所波動。
- (ii) 截至二零一九年及二零一八年十二月三十一日止年度，所有於財政年度初未結清的合同負債已悉數確認為收益。

(c) 尚未履行之履約義務

於二零一九年及二零一八年十二月三十一日，本集團所有尚未履行之履約義務均來源於原預期持續時間少於一年的合約。因此，誠如香港財務報告準則第15號相關實際權宜之計所准許，並未披露分配予該等尚未履行之履約義務的交易價。

(d) 按地理位置劃分的非流動資產

本集團除遞延稅項資產外的所有非流動資產均位於中國。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 Expenses by nature

Expenses included in cost of sales, selling and distribution expenses, administrative expenses and net impairment losses on financial assets are analysed as follows:

6 按性質劃分的開支

計入銷售成本、銷售及分銷開支、行政開支以及金融資產減值虧損淨額的開支分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of raw materials and consumables used	使用原材料及消耗品成本	75,826	71,514
Subcontracting charges	分包費用	7,300	1,872
Employee benefit expenses and manpower service expenses, including directors' emoluments (Notes 9 and 33)	僱員福利開支及人力資源服務開支，包括董事酬金（附註9及33）	79,487	63,084
Rental expenses of short-term leases in respect of:	以下各項的短期租賃租金開支：		
– machineries (Note 20(c))	– 機器（附註20(c)）	22,662	19,180
– offices, warehouses, production plant and staff quarters (Note 20(c))	– 辦公室、貨倉、生產廠房及員工宿舍（附註20(c)）	806	400
Utilities	水電費	4,361	3,580
Depreciation (Note 13)	折舊（附註13）	19,944	17,313
Auditor's remuneration	核數師酬金		
– Audit services (excluding listing expenses)	– 審計服務（不包括上市開支）	1,231	200
– Non-audit services	– 非審計服務	–	–
Listing expenses	上市開支	18,063	531
Professional fees	專業費用	8,439	2,300
Provision for inventories (Note 17)	存貨撥備（附註17）	1,811	1,000
Provision for trade receivables (Note 19)	貿易應收款項撥備（附註19）	995	–
Other tax and surcharges	其他稅項及附加費	2,186	2,207
Transportation	交通運輸	697	435
Travelling expenses	差旅費	1,115	935
Others	其他	5,658	4,197
Total cost of sales, selling and distribution expenses, administrative expenses and net impairment losses on financial assets	銷售成本、銷售及分銷開支、行政開支以及金融資產減值虧損淨額總額	250,581	188,748

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

7 Other income

7 其他收入

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Government grants	政府補助	3,496	1,630
Equipment rental income	設備租金收入	187	216
		3,683	1,846

8 Other (losses)/gains, net

8 其他(虧損)/收益淨額

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	(608)	(49)
Exchange differences	匯兌差額	(450)	197
		(1,058)	148

9 Employee benefit expenses and manpower service expenses, including directors' emoluments

9 僱員福利開支及人力資源服務開支(包括董事酬金)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Wages and salaries	工資及薪金	66,381	56,907
Pension costs – defined contribution plans (Note a)	退休金成本—界定供款計劃(附註a)	4,474	1,289
Other staff welfares	其他員工福利	1,958	1,205
Total employee benefit expenses (including directors' remunerations)	僱員福利開支總額(包括董事薪酬)	72,813	59,401
Manpower service expenses (Note b)	人力資源服務開支(附註b)	6,674	3,683
		79,487	63,084

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 Employee benefit expenses and manpower service expenses, including directors' emoluments (Continued)

Notes:

- (a) Pensions costs – defined contribution plans
The PRC
- As stipulated under the relevant rules and regulations in the PRC, the subsidiary operating in the PRC contributes to state-sponsored retirement plans for its employees. For the years ended 31 December 2019 and 2018, depending on the provinces of the employees' registered residences and their current region of work, the subsidiary contributed certain percentages of the basic salaries of its employees and had no further obligations for the actual payment of pensions or postretirement benefits beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.
- (b) Manpower service expenses
- During the years ended 31 December 2019 and 2018, the Group entered into certain manpower service arrangements with several external manpower service organisations in the PRC. Under these arrangements, certain of the Group's manpower requirements were fulfilled by these organisations at agreed service fees whereas the human resources provided were directly employed by the relevant service organisations. The individuals providing services to the Group did not have any employment relationship with the Group.
- (c) Five highest paid individuals
- The five individuals whose emoluments were the highest in the Group include three directors for the years ended 31 December 2019 and 2018, whose emoluments are reflected in the analysis presented in Note 33(a). The emoluments payable to the remaining two individuals for the years ended 31 December 2019 and 2018 are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Wages and salaries	工資及薪金	1,139	1,301
Pension costs – defined contribution plans	退休金成本—界定供款計劃	33	32
		1,172	1,333

The emoluments fell within the following bands:

Emolument band	酬金範圍	Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
HK\$500,001 – HK\$1,000,000	500,001 港元至 1,000,000 港元	2	2
		2	2

During the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

9 僱員福利開支及人力資源服務開支(包括董事酬金)(續)

附註：

- (a) 退休金成本—界定供款計劃
中國
- 按照中國相關規則及法規規定，於中國營運的附屬公司須為其僱員向國家資助的退休計劃作出供款。截至二零一九年及二零一八年十二月三十一日止年度，視乎僱員的登記戶籍省份及其目前工作地區，附屬公司須作出其僱員基本薪金若干百分比的供款，且並無進一步責任就該等供款外的退休金或退休後福利作出實際支付。該等國家資助的退休計劃負責應付退休僱員的全部退休金責任。
- (b) 人力資源服務開支
- 截至二零一九年及二零一八年十二月三十一日止年度，本集團與數家中國外部人力資源服務機構訂立若干人力資源服務安排。根據有關安排，該等機構按協定服務價格滿足了本集團若干人手需求，而所提供的人力資源由相關服務機構直接聘請。該等向本集團提供服務的人士並無與本集團擁有任何僱傭關係。
- (c) 五名最高薪酬人士
- 截至二零一九年及二零一八年十二月三十一日止年度，本集團五名最高薪酬人士包括三名董事，其酬金反映在附註33(a)呈列的分析中。截至二零一九年及二零一八年十二月三十一日止年度，應付餘下兩名人士的酬金如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Wages and salaries	1,139	1,301
Pension costs – defined contribution plans	33	32
	1,172	1,333

酬金範圍如下：

Emolument band	酬金範圍	Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
HK\$500,001 – HK\$1,000,000	500,001 港元至 1,000,000 港元	2	2
		2	2

截至二零一九年及二零一八年十二月三十一日止年度，本集團概無向任何董事或五名最高薪酬人士發放任何酬金作為加盟或在加盟本集團時的獎勵或作為離職補償。

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10 Finance costs, net

10 融資成本淨額

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Finance income	融資收入		
Interest income on cash at banks	銀行現金的利息收入	364	232
Finance costs	融資成本		
Interest expenses on	於下列各項的利息開支		
– Bank and other borrowings	– 銀行及其他借款	(1,108)	(1,893)
– Leases (Note 20(b))	– 租賃(附註20(b))	(493)	(566)
		(1,601)	(2,459)
Finance costs, net	融資成本淨額	(1,237)	(2,227)

11 Income tax expense

During the years ended 31 December 2019 and 2018, Shenzhen Confidence, the Group's subsidiary in the PRC, has qualified for high and new technology enterprises status and is therefore subject to a preferential income tax rate of 15%.

During the years ended 31 December 2019 and 2018, no provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group had no assessable profit in Hong Kong.

During the years ended 31 December 2019 and 2018, no provision for U.S. Federal or State Income Tax has been made in the consolidated financial statements as the Group had no assessable profit in U.S. Federal or State.

11 所得稅開支

截至二零一九年及二零一八年十二月三十一日止年度，本集團在中國的附屬公司深圳信懋合資格獲頒高新技術企業地位，因此享有優惠所得稅率15%。

截至二零一九年及二零一八年十二月三十一日止年度，由於本集團並無香港應課稅溢利，故並無於綜合財務報表作出香港利得稅撥備。

截至二零一九年及二零一八年十二月三十一日止年度，由於本集團並無美國聯邦政府或州應課稅溢利，故並無於綜合財務報表作出美國聯邦政府或州所得稅撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 Income tax expense (Continued)

11 所得稅開支(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– PRC Corporate income tax (“CIT”)	– 中國企業所得稅 (「企業所得稅」)	8,363	7,131
– Over-provision in prior year	– 過往年度超額撥備	(21)	–
		8,342	7,131
Deferred income tax (Note 22)	遞延所得稅(附註22)	(657)	(716)
Income tax expense	所得稅開支	7,685	6,415

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	35,395	47,229
Tax calculated at tax rates applicable to profits of the respective subsidiaries	按各附屬公司溢利適用的稅率計算的稅項	5,277	7,059
Tax effect of:	稅務影響：		
Income not taxable	免稅收入	(24)	–
Expenses not deductible for tax purpose	不可扣稅開支	4,084	425
Over-provision in prior year	過往年度超額撥備	(21)	–
Super deductions from research and development expenditure (Note)	研發開支加計扣除(附註)	(1,631)	(1,069)
Income tax expense	所得稅開支	7,685	6,415

The changes in the weighted average applicable tax rates were mainly due to the changes in the proportion of the taxable profits under Hong Kong profits tax and CIT which were subject to different applicable tax rates.

加權平均適用稅率出現變動，主要是由於香港利得稅及企業所得稅(適用稅率各不相同)項下應課稅溢利比例有變所致。

The increase in effective tax rate for the year ended 31 December 2019 was mainly attributable to the listing expenses incurred that were not deductible for tax purpose.

實際稅率於截至二零一九年十二月三十一日止年度上升主要是由於所產生的上市開支為不可扣稅所致。

Note: According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, enterprises engaging in research and development activities are entitled to claim 150% to 175% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year.

附註：根據中國國家稅務總局的相關法律及法規，從事研發活動的企業在釐定年度應課稅溢利時，可申請所產生研發開支的150%至175%作為可扣除開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 Earnings per share

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2019 and 2018. The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the capitalisation issue which took place on 20 September 2019 as set out in Note 21.

12 每股盈利

每股基本盈利按本公司權益持有人應佔溢利除以截至二零一九年及二零一八年十二月三十一日止年度的已發行普通股加權平均數計算。用作該目的的普通股加權平均數已就附註21所載與二零一九年九月二十日資本化發行有關之股份發行的影響作出追溯調整。

		2019 二零一九年	2018 二零一八年
Profit for the year attributable to equity holders of the Company (RMB'000)	本公司權益持有人應佔年內溢利(人民幣千元)	27,710	40,814
Weighted average number of ordinary shares in issue (thousands of shares)	已發行普通股加權平均數(千股)	198,868	174,370
Basic and diluted earnings per share (RMB cents)	每股基本及攤薄盈利(人民幣分)	13.93	23.41

There were no differences between the basic and diluted earnings per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2019 and 2018.

由於截至二零一九年及二零一八年十二月三十一日止年度並無潛在攤薄普通股，故每股基本及攤薄盈利並無差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 Property, plant and equipment

13 物業、廠房及設備

		Right-of-use assets 使用權資產 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日							
Cost	成本	18,792	530	1,041	129,962	1,714	1,816	153,855
Accumulated depreciation	累計折舊	(2,998)	(68)	(251)	(57,872)	(373)	(303)	(61,865)
Net book amount	賬面淨值	15,794	462	790	72,090	1,341	1,513	91,990
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度							
Opening net book amount	期初賬面淨值	15,794	462	790	72,090	1,341	1,513	91,990
Additions	添置	-	235	179	29,780	-	732	30,926
Depreciation	折舊	(3,392)	(154)	(287)	(12,618)	(337)	(525)	(17,313)
Disposals	出售	-	-	-	(2,745)	-	-	(2,745)
Closing net book amount	期末賬面淨值	12,402	543	682	86,507	1,004	1,720	102,858
At 31 December 2018	於二零一八年十二月三十一日							
Cost	成本	18,792	765	1,220	136,204	1,714	2,548	161,243
Accumulated depreciation	累計折舊	(6,390)	(222)	(538)	(49,697)	(710)	(828)	(58,385)
Net book amount	賬面淨值	12,402	543	682	86,507	1,004	1,720	102,858
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度							
Opening net book amount	期初賬面淨值	12,402	543	682	86,507	1,004	1,720	102,858
Additions	添置	1,515	260	1,555	34,626	-	-	37,956
Depreciation	折舊	(3,610)	(217)	(493)	(14,727)	(338)	(559)	(19,944)
Disposals	出售	-	-	-	(608)	-	-	(608)
Transfer (Note)	轉讓(附註)	(2,510)	-	-	2,510	-	-	-
Closing net book amount	期末賬面淨值	7,797	586	1,744	108,308	666	1,161	120,262
At 31 December 2019	於二零一九年十二月三十一日							
Cost	成本	16,637	1,025	2,775	173,566	1,714	2,548	198,265
Accumulated depreciation	累計折舊	(8,840)	(439)	(1,031)	(65,258)	(1,048)	(1,387)	(78,003)
Net book amount	賬面淨值	7,797	586	1,744	108,308	666	1,161	120,262

Note: The Group has exercised the purchase options and transferred certain assets from right-of-use assets to plant and machinery at the end of the lease terms.

附註：本集團於租期結束時行使購買選擇權而將若干資產由使用權資產轉移至廠房及機器。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 Property, plant and equipment (Continued)

During the years ended 31 December 2019 and 2018, depreciation expenses of approximately RMB3,812,000 and RMB3,473,000 have been charged in administrative expenses; approximately RMB108,000 and RMB206,000 have been charged in selling and distribution expenses and approximately RMB16,024,000 and RMB13,634,000 have been charged in cost of sales.

14 Investment in an associate

13 物業、廠房及設備(續)

截至二零一九年及二零一八年十二月三十一日止年度，折舊開支約人民幣3,812,000元及人民幣3,473,000元已計入行政開支，約人民幣108,000元及人民幣206,000元已計入銷售及分銷開支，及約人民幣16,024,000元及人民幣13,634,000元已計入銷售成本。

14 於一間聯營公司之投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unlisted entity (Note a)	未上市實體(附註a)	-	-

Notes:

(a) Particulars of the associate as at 31 December 2019 and 2018 are as follows:

Name 名稱	Place of incorporation 註冊地點	% of ownership interest 擁有權權益比例	Principal activity 主要業務
Renxiao Technology (Shenzhen) Company Limited* ("Renxiao")	The PRC	8%	Production, research and development and sales of intelligent hardware and cloud platform products
人曉科技(深圳)有限公司(「人曉」)	中國	8%	生產、研發及銷售智能硬件及雲平台產品

Renxiao is a private company and there is no quoted market price available for its shares.

During the year ended 31 December 2016, the Group acquired 8% equity interest in Renxiao at a consideration of RMB1,000,000.

Management has assessed the level of influence that the Group exercises on Renxiao during the years ended 31 December 2019 and 2018, and determined that it has significant influence thereon through a board representation and other arrangements made. Consequently, this investment has been classified as an investment in an associate.

Management assessed that the investment costs of Renxiao would not be recoverable and recognised full impairment for the balance.

* For identification purposes only

附註：

(a) 聯營公司於二零一九年及二零一八年十二月三十一日之詳情如下：

人曉為私人公司，其股份並無市場報價。

截至二零一六年十二月三十一日止年度，本集團按代價人民幣1,000,000元收購人曉8%股權。

截至二零一九年及二零一八年十二月三十一日止年度，管理層已評估本集團對人曉行使的影響程度，並認為，透過董事會派駐代表及作出其他安排而對此具有重大影響。因此，該投資已分類為於一間聯營公司之投資。

管理層評估於人曉的投資成本將無法收回，並確認結餘全面減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 Investment in an associate (Continued)

Notes: (Continued)

- (b) Set out below is the summarised financial information of Renxiao extracted from its financial statements for the years ended 31 December 2019 and 2018 which are accounted for using the equity method:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Summarised income statements			
	摘要收益報表		
Administrative expenses	行政開支	(4)	(39)
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	(4)	(39)
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Summarised balance sheets			
	摘要資產負債表		
Current assets	流動資產	479	482
Non-current assets	非流動資產	-	1
Shareholder's equity	股東權益	479	483

14 於一間聯營公司之投資(續)

附註：(續)

- (b) 下文載列人曉使用權益法入賬之摘要財務資料(乃摘錄自其截至二零一九年及二零一八年十二月三十一日止年度之財務報表)：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

15 Financial instruments by category

15 按類別劃分的金融工具

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets	金融資產		
<i>Financial assets at amortised cost</i>	<i>按攤銷成本之金融資產</i>		
Trade and bills receivables (Note 19)	貿易應收款項及應收票據 (附註19)	26,610	27,214
Deposits and other receivables (Note 16)	按金及其他應收款項 (附註16)	2,478	1,958
Cash and cash equivalents (Note 18)	現金及現金等價物(附註18)	139,172	14,979
		168,260	44,151
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial liabilities	金融負債		
<i>Financial liabilities at amortised cost</i>	<i>按攤銷成本之金融負債</i>		
Trade payables (Note 23)	貿易應付款項(附註23)	16,192	10,130
Other payables and accruals (Note 24)	其他應付款項及應計費用 (附註24)	11,538	5,428
Bank and other borrowings (Note 25)	銀行及其他借款(附註25)	8,204	18,801
Lease liabilities (Note 20)	租賃負債(附註20)	8,631	10,163
		44,565	44,522

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 Prepayments, deposits and other receivables

16 預付款項、按金及其他應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current portion	即期部分		
Prepayments to suppliers	預付供應商款項	2,010	11,261
Rental and other deposits (Note a)	租金及其他按金(附註a)	1,718	48
Other receivables (Note a)	其他應收款項(附註a)	5	-
		3,733	11,309
Non-current portion	非即期部分		
Prepayments of acquisition of property, plant and equipment	購買物業、廠房及設備之預付款項	413	904
Rental deposits	租賃按金	755	1,910
		1,168	2,814

The carrying amounts of the Group's prepayments, deposits and other receivables were denominated in the following currencies:

本集團預付款項、按金及其他應收款項的賬面值以下列貨幣計值：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
RMB	人民幣	4,646	14,123
HK\$	港元	255	-
		4,901	14,123

Note:

附註：

- (a) As at 31 December 2019 and 2018, the carrying amounts of deposits and other receivables approximated their fair values. These balances were unsecured and interest free.

- (a) 於二零一九年及二零一八年十二月三十一日，按金及其他應收款項的賬面值與其公平值相若。該等結餘為無抵押及免息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 Inventories

17 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw materials	原材料	24,239	30,553

The cost of inventories recognised as expense and included in "cost of sales" during the years ended 31 December 2019 and 2018 amounted to approximately RMB76,554,000 and RMB70,906,000 respectively, which included provision for inventories amounted to approximately RMB1,811,000 during the year ended 31 December 2019 and approximately RMB1,000,000 during the year ended 31 December 2018.

截至二零一九年及二零一八年十二月三十一日止年度，金額分別約為人民幣76,554,000元及人民幣70,906,000元的存貨成本確認為開支並計入「銷售成本」，其包括截至二零一九年十二月三十一日止年度約人民幣1,811,000元及截至二零一八年十二月三十一日止年度約人民幣1,000,000元之存貨撥備。

18 Cash and cash equivalents

18 現金及現金等價物

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash at banks	銀行現金	139,154	14,952
Cash on hand	手頭現金	18	27
Cash and cash equivalents	現金及現金等價物	139,172	14,979
Maximum exposure to credit risk	最高信貸風險	139,154	14,952

The carrying amounts of the Group's cash and cash equivalents were denominated in the following currencies:

本集團現金及現金等價物的賬面值以下列貨幣計值：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
RMB	人民幣	60,595	9,904
USD	美元	3,110	3,746
HK\$	港元	75,467	1,329
		139,172	14,979

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 Cash and cash equivalents (Continued)

Cash at banks earned interest at floating rates based on daily bank deposits rate. As at 31 December 2019 and 2018, the carrying amounts of cash and cash equivalents approximated their fair values.

As at 31 December 2019 and 2018, cash and cash equivalents of the Group amounting to approximately RMB72,395,000 and RMB11,991,000, respectively, were deposited with the banks in the PRC where the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the Government of the PRC.

18 現金及現金等價物(續)

銀行現金根據每日銀行存款利率按浮息賺取利息。於二零一九年及二零一八年十二月三十一日，現金及現金等價物及的賬面值與其公平值相若。

於二零一九年及二零一八年十二月三十一日，本集團的現金及現金等價物分別約為人民幣72,395,000元及人民幣11,991,000元，存於中國境內的銀行，而將資金匯出中國受中國政府頒佈的外匯管理規則及法規規管。

19 Contract assets, trade and bills receivables

19 合同資產、貿易應收款項及應收票據

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract assets	合同資產	38,545	31,671
Trade receivables	貿易應收款項	27,605	26,034
Bills receivables	應收票據	-	1,180
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	(995)	-
Trade and bills receivables, net	貿易應收款項及應收票據淨額	26,610	27,214
		65,155	58,885

Contract assets represent the Group's rights to consideration for work completed but unbilled for its services. The contract assets are transferred to trade receivables when the rights become unconditional which generally takes one to three months. The balances of contract assets as at 31 December 2019 represented the amount of services that were completed but unbilled before the year-end.

合同資產指本集團就其已完成但未開票的服務收取代價的權利。合同資產於權利成為無條件時（一般需時一至三個月）轉撥至貿易應收款項。二零一九年十二月三十一日之合同資產結餘指於年末之前已完成但未開票的服務金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 Contract assets, trade and bills receivables (Continued)

As at 31 December 2019 and 2018, the carrying amounts of contract assets, trade and bills receivables approximated their fair values.

The Group's sales were generally on credit terms primarily from 30 to 90 days.

As at 31 December 2019 and 2018, the aging analysis of trade and bills receivables, net of impairment, based on invoice date, was as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
1 to 3 months	1至3個月	25,679	25,415
Over 3 months	超過3個月	931	1,799
		26,610	27,214

As at 31 December 2019 and 2018, trade receivables of approximately RMB13,863,000 and RMB6,958,000, were past due respectively.

During the year ended 31 December 2019, trade receivables amounting to approximately RMB995,000 were fully impaired in respect of certain debtors who were in delinquency of payments.

19 合同資產、貿易應收款項及應收票據(續)

於二零一九年及二零一八年十二月三十一日，合同資產、貿易應收款項及應收票據的賬面值與其公平值相若。

本集團銷售的信貸期一般主要介乎30至90日。

於二零一九年及二零一八年十二月三十一日，貿易應收款項及應收票據(已扣除減值)按發票日期的賬齡分析如下：

於二零一九年及二零一八年十二月三十一日，分別約人民幣13,863,000元及人民幣6,958,000元的貿易應收款項已逾期。

截至二零一九年十二月三十一日止年度，若干拖欠付款之債務人的貿易應收款項已悉數減值，金額約為人民幣995,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 Contract assets, trade and bills receivables (Continued)

Movements of the provision on individual basis were as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At beginning of the year	年初	-	-
Provision for impairment of trade receivable on individual basis	按個別基準計提的貿易應收款項減值撥備	995	-
At end of the year	年末	995	-

The carrying amounts of the Group's contract assets, trade and bills receivables were denominated in the following currencies:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
RMB	人民幣	64,893	58,885
USD	美元	262	-
		65,155	58,885

The maximum exposure to credit risk as at 31 December 2019 and 2018 was the carrying value of the receivables and contract assets mentioned above. The Group did not hold any collateral as security.

19 合同資產、貿易應收款項及應收票據(續)

按個別基準計提的撥備變動如下：

本集團合同資產、貿易應收款項及應收票據的賬面值以下列貨幣計值：

於二零一九年及二零一八年十二月三十一日的最高信貸風險為上文所述應收款項及合同資產的賬面值。本集團並無持有任何抵押品作為抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 Leases

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Right-of-use assets*	使用權資產*		
Properties	物業	7,006	9,433
Plant and machinery	廠房及機器	791	2,969
		7,797	12,402

* The balances were included in Note 13 "Property, plant and equipment".

20 租賃

(a) 於綜合資產負債表確認的金額

綜合資產負債表內有關租賃的金額如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Lease liabilities	租賃負債		
Non-current portion	非即期部分	4,783	7,280
Current portion	即期部分	3,848	2,883
		8,631	10,163

* 結餘已計入附註13「物業、廠房及設備」內。

Additions to the right-of-use assets amounted to approximately RMB1,515,000 and Nil during the years ended 31 December 2019 and 2018 respectively.

As at 31 December 2019 and 2018, the carrying amounts of the Group's lease liabilities were denominated in RMB.

截至二零一九年及二零一八年十二月三十一日止年度，使用權資產添置金額分別約為人民幣1,515,000元及零。

於二零一九年及二零一八年十二月三十一日，本集團租賃負債之賬面值以人民幣計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 Leases (Continued)

(b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Depreciation charge of right-of use assets			
Properties	物業	3,208	3,117
Plant and machinery	廠房及機器	402	275
		3,610	3,392
Finance costs on leases (Note 10)		493	566

20 租賃(續)

(b) 於綜合收益表確認的金額

綜合收益表內有關租賃的金額如下：

(c) Amounts recognised in the consolidated statement of cash flows

During the years ended 31 December 2019 and 2018, the total cash outflows for leases were analysed as below:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash flows from operating activities			
Payments for short-term leases in respect of:			
– machineries* (Note 6)	– 機器*(附註6)	22,662	19,180
– offices, warehouses, production plant and staff quarters* (Note 6)	– 辦公室、倉庫、生產工廠以及員工宿舍*(附註6)	806	400
Cash flows from financing activities			
Payment of interest element of lease liabilities (Note 10)	支付租賃負債之利息部分(附註10)	493	566
Payment of principal element of lease liabilities	支付租賃負債之本金部分	3,047	3,294
		27,008	23,440

(c) 於綜合現金流量表確認的金額

截至二零一九年及二零一八年十二月三十一日止年度，租賃之現金流出總額分析如下：

* Payments for short-term leases were not shown separately, but included in the line of "profit before income tax" in respect of the net cash generated from operations which were presented in Note 28(a) using the indirect method.

* 短期租賃付款不會單獨呈列，惟使用間接法計入附註28(a)所呈列有關經營產生現金淨額的「除所得稅前溢利」一欄。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 Share capital and share premium

21 股本及股份溢價

		Number of shares 股份數目	Nominal value 面值 HK\$ 港元	
Share capital	股本			
Authorised:	法定：			
At 7 December 2018 (date of incorporation) and 31 December 2018 and 1 January 2019	於二零一八年十二月七日 (註冊成立日期)及 二零一八年十二月三十一日及 二零一九年一月一日	39,000,000	390,000	
Increase in authorised shares (Note a)	增加法定股份(附註a)	99,961,000,000	999,610,000	
Ordinary shares of HK\$0.01 each as at 31 December 2019	於二零一九年十二月三十一日 每股面值0.01港元的普通股	100,000,000,000	1,000,000,000	
		Number of shares 股份數目	Nominal value 面值 HK\$ 港元	Share premium 股份溢價 HK\$ 港元
Issued and fully paid:	已發行及繳足：			
At 7 December 2018 (date of incorporation) (Note 1.2 (a))	於二零一八年十二月七日 (註冊成立日期) (附註1.2(a))	10,000	100	-
At 31 December 2018 and 1 January 2019	於二零一八年十二月 三十一日及二零一九年 一月一日	10,000	100	-
Issue of ordinary shares on 14 February 2019 (Note 1.2(h))	於二零一九年二月十四日 發行普通股(附註1.2(h))	753	8	-
Capitalisation issue (Note b)	資本化發行(附註b)	187,489,247	1,874,892	(1,874,892)
Issuances of Shares upon the Listing (Note c)	於上市後發行股份 (附註c)	62,500,000	625,000	124,375,000
Share issuance costs (Note c)	股份發行成本(附註c)	-	-	(12,859,946)
At 31 December 2019	於二零一九年十二月 三十一日	250,000,000	2,500,000	109,640,162

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 Share capital and share premium (Continued)

Notes:

- (a) On 20 September 2019, the authorised share capital of the Company was increased to HK\$1,000,000,000 comprising 100,000,000,000 shares of HK\$0.01 each.
- (b) Pursuant to the written resolutions passed by the shareholders on 20 September 2019, conditional upon the share premium account of the Company being credited as a result of the issuance of shares by the Company for listing, 187,489,247 shares were allotted and issued to the shareholders of the Company whose names appear on the register of members of the Company as at 20 September 2019 in proportion to their then existing shareholdings in the Company through the capitalisation of HK\$1,874,892 (approximately RMB1,687,000) standing to the credit of the share premium account of the Company.
- (c) On 18 October 2019, pursuant to the initial public offering of the Company's shares, the Company issued a total of 62,500,000 shares at a price of HK\$2.00 per share for a total proceeds (before related fees and expenses) of HK\$125,000,000 (approximately RMB112,501,000). Total share issuance costs amounting to HK\$12,859,946 (approximately RMB11,575,000) were accounted for as a deduction from share premium.

21 股本及股份溢價(續)

附註：

- (a) 於二零一九年九月二十日，本公司法定股本增至1,000,000,000港元，由100,000,000,000股每股面值0.01港元的股份組成。
- (b) 根據股東於二零一九年九月二十日通過的書面決議案，待本公司股份溢價賬因本公司為上市而發行股份有所進賬後，透過將本公司股份溢價賬的進賬額1,874,892港元（約人民幣1,687,000元）撥充資本，向於二零一九年九月二十日名列本公司股東名冊的股東，按彼等當時於本公司的現有股權比例配發及發行187,489,247股股份。
- (c) 於二零一九年十月十八日，根據本公司股份首次公開發售，本公司按每股2.00港元的價格總共發行62,500,000股股份以獲取所得款項總額125,000,000港元（約人民幣112,501,000元）（扣除相關費用及開支前）。總股份發行成本12,859,946港元（約人民幣11,575,000元）入賬列為股份溢價扣除項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 Deferred income tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to the same tax authority.

The analysis of deferred tax assets/(liabilities) is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deferred tax assets to be recovered after more than 12 months	將於超過12個月後收回的遞延稅項資產	1,577	156
Deferred tax assets to be recovered within 12 months	將於12個月內收回的遞延稅項資產	1,257	1,376
		2,834	1,532
Deferred tax liabilities to be recovered after more than 12 months	將於超過12個月後收回的遞延稅項負債	(161)	(34)
Deferred tax liabilities to be recovered within 12 months	將於12個月內收回的遞延稅項負債	(1,948)	(1,430)
		(2,109)	(1,464)
Deferred income tax assets, net	遞延所得稅資產淨值	725	68

The gross movement on the deferred tax assets/(liabilities) is as follows:

22 遞延所得稅

遞延稅項資產及負債在有可合法強制執行的權利將即期稅項資產與即期稅項負債互相抵銷，且遞延稅項資產及負債由同一稅務機關徵收時方可互相抵銷。

遞延稅項資產／（負債）的分析如下：

遞延稅項資產／（負債）的整體變動如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At the beginning of year	年初	68	(648)
Credited to the consolidated income statement (Note 11)	於綜合收益表計入（附註11）	657	716
At the end of year	年末	725	68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 Deferred income tax (Continued)

The movement in deferred tax (liabilities)/assets during the years ended 31 December 2019 and 2018, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets/(liabilities)		Rights-of-use assets		Decelerated/ (accelerated)	Government		Total
		Contracts assets	and lease liabilities	tax depreciation	grants	Others	
遞延稅項資產/(負債)		合同資產	租賃負債	稅務折舊	政府補助	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	(768)	(176)	55	-	241	(648)
(Charged)/credited to the consolidated income statement	於綜合收益表(扣除)/計入	(358)	66	(283)	974	317	716
At 31 December 2018	於二零一八年十二月三十一日	(1,126)	(110)	(228)	974	558	68
(Charged)/credited to the consolidated income statement	於綜合收益表(扣除)/計入	(683)	28	10	1,039	263	657
At 31 December 2019	於二零一九年十二月三十一日	(1,809)	(82)	(218)	2,013	821	725

The Group had undistributed earnings of approximately RMB73,693,000 as at 31 December 2019 (2018: RMB27,582,000), which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions of dividends from the PRC subsidiary and is not expected to distribute these profits in the foreseeable future.

22 遞延所得稅(續)

遞延稅項(負債)/資產於截至二零一九年及二零一八年十二月三十一日止年度的變動(未經計及對銷相同稅務司法權區結餘)如下:

本集團於二零一九年十二月三十一日的未分配盈利約為人民幣73,693,000元(二零一八年:人民幣27,582,000元),如將該款項作為股息派發,則須向收款方徵收稅項。儘管存在應課稅暫時性差額,但由於母公司能控制該中國附屬公司分派股息的時間,且預期於可見將來不會分配該等溢利,故並無確認遞延稅項負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 Trade payables

As at 31 December 2019 and 2018, the aging analysis of trade payables, based on invoice date, was as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 month	1個月內	13,446	8,318
1 to 2 months	1至2個月	1,366	1,552
2 to 3 months	2至3個月	669	257
Over 3 months	3個月以上	711	3
		16,192	10,130

The carrying amounts of the Group's trade payables were denominated in the following currencies:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
RMB	人民幣	14,851	10,130
USD	美元	1,341	-
		16,192	10,130

As at 31 December 2019 and 2018, the carrying amounts of trade payables approximated their fair values.

23 貿易應付款項

於二零一九年及二零一八年十二月三十一日，貿易應付款項按發票日期的賬齡分析如下：

本集團貿易應付款項的賬面值以下列貨幣計值：

於二零一九年及二零一八年十二月三十一日，貿易應付款項賬面值與其公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 Contract liabilities, other payables and accruals

24 合同負債、其他應付款項及應計費用

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Payable for operating expenses	與經營開支有關的應付款項	3,892	3,215
Payable for acquisition of property, plant and equipment	有關收購物業、廠房及設備之應付款項	54	124
Other tax payables	其他應付稅項	6,007	6,970
Other payables	其他應付款項	811	118
Accruals	應計費用	14,397	8,379
Contract liabilities (Note 5(b))	合同負債(附註5(b))	462	6,539
		25,623	25,345

As at 31 December 2019 and 2018, the carrying amounts of other payables, accruals and contract liabilities approximated their fair values.

於二零一九年及二零一八年十二月三十一日，其他應付款項、應計費用及合同負債的賬面值與其公平值相若。

The carrying amounts of the Group's contract liabilities, other payables and accruals were denominated in the following currencies:

本集團合同負債、其他應付款項及應計費用的賬面值以下列貨幣計值：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
RMB	人民幣	23,292	25,232
USD	美元	147	113
HK\$	港元	2,184	-
		25,623	25,345

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 Bank and other borrowings

25 銀行及其他借款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current portion			
	非即期部分		
Bank borrowings – secured	銀行借款－有抵押	1,600	5,073
Other borrowings – secured	其他借款－有抵押	–	3,131
		1,600	8,204
Current portion			
	即期部分		
Bank borrowings – secured	銀行借款－有抵押	3,473	6,434
Other borrowings – secured	其他借款－有抵押	3,131	4,163
		6,604	10,597
Total bank and other borrowings	銀行及其他借款總額	8,204	18,801

As at 31 December 2019 and 2018, the weighted average interest rate per annum of the Group's bank and other borrowings was 11.45% and 9.19% respectively.

於二零一九年及二零一八年十二月三十一日，本集團銀行及其他借款的加權平均年利率分別為11.45%及9.19%。

As at 31 December 2019 and 2018, the carrying amounts of the bank and other borrowings approximated their fair values.

於二零一九年及二零一八年十二月三十一日，銀行及其他借款的賬面值與其公平值相若。

As at 31 December 2019, the above bank and other borrowings were secured by property, plant and equipment with carrying amounts of RMB21,837,000 and a corporate guarantee provided by the Company.

於二零一九年十二月三十一日，上述銀行及其他借款以賬面值為人民幣21,837,000元的物業、廠房及設備，及由本公司提供的公司擔保作抵押。

As at 31 December 2018, the above bank and other borrowings were secured by property, plant and equipment with carrying amounts of RMB25,027,000 and personal guarantee from Mr. Li, Mr. Yuan, and Xu Shizhen ("Mr. Xu").

於二零一八年十二月三十一日，上述銀行及其他借款以賬面值為人民幣25,027,000元之物業、廠房及設備，及由李先生、袁先生及許世真（「許先生」）提供的個人擔保作抵押。

The personal guarantee provided by Mr. Li, Mr. Yuan and Mr. Zhang has been replaced by corporate guarantee provided by the Company upon Listing during the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度，李先生、袁先生及張先生提供之個人擔保已於上市後由本公司提供的公司擔保替代。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 Bank and other borrowings (Continued)

As at 31 December 2019 and 2018, the Group's bank and other borrowings were repayable according to repayment schedule as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year or on demand	一年內或按要求	6,604	10,597
Between 1 and 2 years	一至兩年	1,600	6,604
Between 2 and 5 years	兩至五年	-	1,600
		8,204	18,801

The carrying amounts of the Group's bank and other borrowings were denominated in RMB.

25 銀行及其他借款(續)

於二零一九年及二零一八年十二月三十一日，本集團的銀行及其他借款須按還款計劃於以下時間內償還：

本集團的銀行及其他借款的賬面值以人民幣計值。

26 Deferred government grants

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	6,496	-
Received during the year	年內已收取	9,416	7,150
Released to the consolidated income statement	撥入綜合收益表	(2,488)	(654)
At end of year	年末	13,424	6,496
Non-current portion	非即期部分	10,519	5,456
Current portion	即期部分	2,905	1,040
		13,424	6,496

During the years ended 31 December 2019 and 2018, government grants have been received for the purchase of certain equipment. There are no unfulfilled conditions or contingencies attached to these grants.

26 遞延政府補助

於截至二零一九年及二零一八年十二月三十一日止年度，就購買若干設備收取政府補助。概無有關該等補貼的未達成條件或或然項目。

27 Dividend

Dividends during the years ended 31 December 2019 and 2018 represented dividends declared and paid by the companies now comprising the Group to the then equity holders of the companies, after elimination of intra-group dividends. No dividends had been paid by the Company during the years ended 31 December 2019 and 2018.

27 股息

截至二零一九年及二零一八年十二月三十一日止年度的股息指本集團現時旗下的公司向該等公司當時權益持有人宣派及派付的股息，其中已對銷集團內公司間派付的股息。本公司於截至二零一九年及二零一八年十二月三十一日止年度並無派付股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

28 Notes to the consolidated statement of cash flows

28 綜合現金流量表附註

(a) Cash generated from operations

(a) 經營產生的現金

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	35,395	47,229
Adjustments for:	就以下各項作出調整：		
Finance income	融資收入	(364)	(232)
Finance cost	融資開支	1,601	2,459
Depreciation	折舊	19,944	17,313
Provision for inventories	存貨撥備	1,811	1,000
Provision for trade receivables	貿易應收款項撥備	995	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	608	49
Government grants	政府補助	(2,488)	(654)
		57,502	67,164
Changes in working capital:	營運資金變動：		
- Contract assets, trade and bills receivables	- 合同資產、貿易應收款項及應收票據	(7,262)	(19,996)
- Prepayments, deposits and other receivables	- 預付款項、按金及其他應收款項	8,736	(1,777)
- Inventories	- 存貨	4,503	(24,645)
- Trade payables	- 貿易應付款項	6,062	756
- Contract liabilities, other payables and accruals	- 合同負債、其他應付款項及應計費用	163	3,300
Net cash generated from operations	經營產生的現金淨額	69,704	24,802

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprised:

(b) 於綜合現金流量表中，出售物業、廠房及設備之所得款項包括：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net book amount disposed	出售的賬面淨值	608	2,745
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(608)	(49)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	-	2,696

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 Notes to the consolidated statement of cash flows (Continued)

(c) The reconciliations of liabilities arising from financing activities were as follows:

28 綜合現金流量表附註(續)

(c) 融資活動產生的負債對賬如下：

		Bank and other borrowings 銀行及 其他借款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2018	於二零一八年一月一日	23,324	13,457	36,781
Cash flows	現金流量			
– Proceeds from bank and other borrowings	– 銀行及其他借款所得款項	20,405	–	20,405
– Repayments of bank and other borrowings	– 償還銀行及其他借款	(24,928)	–	(24,928)
– Payment of principal element of lease liabilities	– 支付租賃負債的本金部分	–	(3,294)	(3,294)
– Interest paid	– 已付利息	(1,893)	(566)	(2,459)
Other non-cash movement	其他非現金變動			
– Interest expenses	– 利息開支	1,893	566	2,459
As at 31 December 2018	於二零一八年十二月三十一日	18,801	10,163	28,964
As at 1 January 2019	於二零一九年一月一日	18,801	10,163	28,964
Cash flows	現金流量			
– Repayments of bank and other borrowings	– 償還銀行及其他借款	(10,597)	–	(10,597)
– Payment of principal element of lease liabilities	– 支付租賃負債的本金部分	–	(3,047)	(3,047)
– Interest paid	– 已付利息	(1,108)	(493)	(1,601)
Other non-cash movements	其他非現金變動			
– Addition of lease liabilities	– 租賃負債增加	–	1,515	1,515
– Interest expenses	– 利息開支	1,108	493	1,601
As at 31 December 2019	於二零一九年十二月三十一日	8,204	8,631	16,835

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 Commitments

Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contracted but not provided for:	已訂約但尚未撥備：		
Property, plant and equipment	物業、廠房及設備	2,215	1,109

29 承擔

資本承擔

於年末已訂約但未產生的資本開支如下：

30 Assets pledged as securities

The carrying amounts of assets pledged as securities for current bank and other borrowings are:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current portion	非流動部分		
<i>Charge at floating rate</i>	<i>按浮動利率收款</i>		
Property, plant and equipment (Note 25)	物業、廠房及設備(附註25)	21,837	25,027
Total non-current assets pledged as securities for bank and other borrowings	已抵押作為銀行及其他借款抵押品的非流動資產總額	21,837	25,027
Total assets pledged as securities	已抵押作抵押品的資產總額	21,837	25,027

30 已抵押作為抵押品的資產

即期銀行及其他借款的已抵押作為抵押品的資產的賬面值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 Subsidiaries

The Group's principal subsidiaries at 31 December 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The countries of incorporation or registration are also their principal place of business.

31 附屬公司

本集團於二零一九年十二月三十一日的主要附屬公司載列如下。除另有指明外，該等公司的股本僅由本集團直接持有的普通股組成，且所持有的擁有權權益等同本集團持有的投票權。註冊成立或註冊所在國家亦為該等公司的主要營業地點。

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Principal activities and place of operation 主要活動及 經營地點	Issued and paid up capital/ registered capital 已發行及繳足 股本/註冊資本	Effective interest held by the Group 本集團持有的實際權益	
				2019 二零一九年	2018 二零一八年
<i>Direct Interests:</i> 直接權益：					
New Trive Limited	BVI; 2 January 2019	Investment holding in BVI	1 United States dollar ("USD")	100%	N/A
New Trive Limited	英屬處女群島； 二零一九年 一月二日	於英屬處女群島 從事投資控股	1美元 (「美元」)	100%	不適用
<i>Indirect Interests:</i> 間接權益：					
New Trive (HK) Limited	Hong Kong; 7 January 2019	Investment holding in Hong Kong	10,000 Hong Kong dollar ("HK\$")	100%	N/A
新銳志(香港)有限公司	香港； 二零一九年 一月七日	於香港從事投資 控股	10,000港元 (「港元」)	100%	不適用
Xinzhi (Shenzhen) Electronic Co., Ltd.*	The PRC; 8 March 2019	Investment holding in the PRC	RMB100,000	100%	N/A
信智(深圳)電子有限公司	中國； 二零一九年 三月八日	於中國從事投資 控股	人民幣 100,000元	100%	不適用

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 Subsidiaries (Continued)

31 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ registration 註冊成立/ 註冊地點及日期	Principal activities and place of operation 主要活動及 經營地點	Issued and paid up capital/ registered capital 已發行及繳足 股本/註冊資本	Effective interest held by the Group 本集團持有的實際權益	
				2019 二零一九年	2018 二零一八年
<i>Indirect Interests: (Continued)</i> 間接權益：(續)					
Shenzhen Confidence Intelligence Electronic Co., Ltd.*	The PRC; 23 March 2000	Electronic manufacturing services in the PRC	RMB115,238,710	100%	100%
深圳信懇智能電子有限公司	中國： 二零零零年 三月二十三日	於中國從事電子 製造服務	人民幣 115,238,710元	100%	100%
Confidence Intelligence (Hongkong) Limited	Hong Kong; 6 April 2017	Investment holding in Hong Kong	HK\$3,000,000	100%	100%
信懇智能(香港)有限公司	香港： 二零一七年 四月六日	於香港從事投資 控股	3,000,000港元	100%	100%
Confidence Intelligence, Inc.	The USA; 17 April 2017	Dormant	US\$10,000	100%	100%
Confidence Intelligence, Inc.	美國： 二零一七年 四月十七日	暫無業務	10,000美元	100%	100%

* For identification purpose only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 Related party transactions

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

The ultimate holding company and controlling shareholder are disclosed in Note 1.1.

Major related parties that had transactions with the Group during the years ended 31 December 2019 and 2018 were as follows:

32 關聯方交易

關聯方為有能力控制、共同控制或對於被投資對象持有權力的其他方行使重大影響力的一方；透過參與被投資對象的活動而獲得或有權享有可變回報；以及對被投資對象使用權力的能力，以影響投資者回報的金額。假如各方受到共同控制或聯合控制，亦被視為關聯方。關聯方可以是個人或其他實體。

最終控股公司及控股股東於附註 1.1 披露。

截至二零一九年及二零一八年十二月三十一日止年度，與本集團存在交易的主要關聯方如下：

Related parties 關聯方	Relationship with the Company 與本公司的關係	
	2019 二零一九年	2018 二零一八年
Li Hao 李浩	Director and shareholder 董事兼股東	Director and shareholder 董事兼股東
Yuan Shuntang 袁順唐	Director and shareholder 董事兼股東	Director and shareholder 董事兼股東
Xu Shizhen 許世真	Director (Note) 董事(附註)	Director and shareholder 董事兼股東

Note: During the year ended 31 December 2019, Mr. Li acquired the entire equity interest of Shenzhen Confidence from Mr. Xu pursuant to the Reorganisation as set out in Note 1.2.

附註：於截至二零一九年十二月三十一日止年度，根據附註 1.2 所載的重組，李先生向許先生收購深圳信懋的全部股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 Related party transactions (Continued)

(a) Transactions with related parties

Save as disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties during the years ended 31 December 2019 and 2018, at terms mutually agreed by both parties:

(i) Release of personal guarantees provided by Mr. Li, Mr. Yuan and Mr. Xu

During the year ended 31 December 2018, the bank and other borrowings were secured by personal guarantees from Mr. Li, Mr. Yuan and Mr. Xu as set out in Note 25. These personal guarantees were released and replaced by the corporate guarantee provided by the Company upon the Listing during the year ended 31 December 2019.

(b) Key management compensation

Compensation paid or payable to key management for employee services is shown below:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Wages and salaries	工資及薪金	3,073	3,409
Pension costs – defined contribution plan	退休金成本—界定供款計劃	73	74
		3,146	3,483

32 關聯方交易 (續)

(a) 與關聯方的交易

除綜合財務報表另有披露者外，截至二零一九年及二零一八年十二月三十一日止年度，以下交易乃與關聯方按雙方互相協定的條款進行：

(i) 解除李先生、袁先生及許先生提供的個人擔保

截至二零一八年十二月三十一日止年度，銀行及其他借款以李先生、袁先生及許先生提供的個人擔保作抵押（載於附註25）。截至二零一九年十二月三十一日止年度，該等個人擔保於上市後解除並由本公司提供的公司擔保取代。

(b) 主要管理層薪酬

就僱員服務已付或應付主要管理層的薪酬列示如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 Benefits and interests of directors

(a) Directors' emoluments

The remuneration of each director is set out below:

Name of Director	Fees	Salary	Discretionary bonus	Allowances and benefits in kind	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	酌情花紅	津貼及實物利益	僱主對退休金計劃的供款	總計
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度					
Executive directors:	執行董事：					
- Li Hao	22	655	-	-	14	691
- Zhang Bizhong	22	561	-	-	13	596
- Xu Shizhen	22	512	140	-	13	687
Non-executive director:	非執行董事：					
- Yuan Shuntang	22	-	-	-	-	22
Independent non-executive directors:	獨立非執行董事：					
- Wong Chun Sek Edmund	22	-	-	-	-	22
- Wu Tai Cheung	22	-	-	-	-	22
- Chen Zhong	22	-	-	-	-	22
	154	1,728	140	-	40	2,062
For the year ended 31 December 2018	截至二零一八年十二月三十一日止年度					
Executive directors:	執行董事：					
- Li Hao	-	695	-	-	14	709
- Zhang Bizhong	-	604	-	-	14	618
- Xu Shizhen	-	479	330	-	14	823
Non-executive director:	非執行董事：					
- Yuan Shuntang	-	-	-	-	-	-
	-	1,778	330	-	42	2,150

33 董事的利益及權益

(a) 董事酬金

每名董事的薪酬載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 Benefits and interests of directors

(Continued)

(a) Directors' emoluments (Continued)

Mr. Li, Mr. Zhang and Mr. Xu were appointed as executive directors of the Company on 7 December 2018. They were also directors of certain subsidiaries of the Company and/or employees of the Group during the year ended 31 December 2018 and the Group paid emoluments to them in their capacity as the directors of these subsidiaries and/or employees of the Group before their appointment as executive directors of the Company.

Mr. Yuan was appointed as non-executive directors of the Company on 7 December 2018. During the year ended 31 December 2018, the non-executive directors have not yet been appointed and received nil directors' remuneration in the capacity of directors.

Mr. Wong Chun Sek Edmund, Mr. Wu Tai Cheung and Mr. Chen Zhong were appointed as independent non-executive directors of the Company on 20 September 2019.

During the years ended 31 December 2019 and 2018, none of the directors of the Company (i) received or paid any remuneration in respect of accepting office; (ii) received or paid emoluments in respect of services in connection with the management of the affairs of the Company or its subsidiaries undertaking; or (iii) waived or has agreed to waive any emolument.

33 董事的利益及權益(續)

(a) 董事酬金(續)

李先生、張先生及許先生於二零一八年十二月七日獲委任為本公司執行董事。截至二零一八年十二月三十一日止年度，彼等亦為本公司若干附屬公司董事及／或本集團僱員，而本集團於彼等獲委任為本公司執行董事前，就彼等擔任該等附屬公司的董事及／或本集團的僱員之身份支付酬金。

袁先生於二零一八年十二月七日獲委任為本公司非執行董事。截至二零一八年十二月三十一日止年度，非執行董事並未獲委任，亦無就董事身份收取任何董事薪酬。

黃俊碩先生、胡大祥先生及陳忠先生於二零一九年九月二十日獲委任為本公司獨立非執行董事。

截至二零一九年及二零一八年十二月三十一日止年度，概無本公司董事(i)就接納職位收取或獲付任何薪酬；(ii)就本公司事務或其附屬公司業務的管理服務收取或獲付酬金；或(iii)放棄或已同意放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 Benefits and interests of directors

(Continued)

(b) Directors' retirement benefits and termination benefits

During the years ended 31 December 2019 and 2018, no emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable.

(c) Consideration provided to third parties for making available directors' services

During the years ended 31 December 2019 and 2018, no consideration was provided to third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the years ended 31 December 2019 and 2018, there were no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors.

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed elsewhere in the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

33 董事的利益及權益(續)

(b) 董事退休福利及終止福利

截至二零一九年及二零一八年十二月三十一日止年度，並無有關終止董事服務的酬金、退休福利、付款或福利向董事直接或間接支付或作出；亦無任何應付款項。

(c) 就獲提供董事服務而向第三方提供代價

截至二零一九年及二零一八年十二月三十一日止年度，概無就獲提供董事服務而向第三方提供代價。

(d) 有關以董事、由有關董事控制的法團及與其有關連的實體為受益人的貸款、準貸款及其他交易的資料

截至二零一九年及二零一八年十二月三十一日止年度，並無有關以董事、由有關董事控制的法團及與其有關連的實體為受益人的貸款、準貸款及其他交易安排。

(e) 董事於交易、安排或合約中的重大權益

除綜合財務報表另有披露者外，本公司概無訂立本公司董事於當中直接或間接擁有重大權益而於年末或年內任何時間存續且與本集團業務有關的重大交易、安排及合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

34 Balance sheet and reserve movement of the Company 34 本公司資產負債表及儲備變動

Balance sheet of the Company as at
31 December 2019

本公司於二零一九年十二月
三十一日的資產負債表

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
ASSETS	資產			
Non-current asset	非流動資產			
Interests in subsidiaries	於附屬公司的權益		155,404	—
Total non-current assets	非流動資產總值		155,404	—
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		203	—
Due from a subsidiary	應收附屬公司款項		36,279	—
Cash and cash equivalents	現金及現金等價物		65,391	—
Total current assets	流動資產總值		101,873	—
Total assets	資產總值		257,277	—
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司權益擁有人應佔權益			
Share capital	股本		2,250	—
Share premium	股份溢價		98,676	—
Capital reserve	資本儲備	a	155,404	—
Exchange reserve	外匯儲備	a	(940)	—
Accumulated losses	累計虧損	a	(22,468)	—
Total equity	權益總額		232,922	—
LIABILITIES	負債			
Current liabilities	流動負債			
Accruals	應計款項		2,184	—
Amounts due to subsidiaries	應付附屬公司款項		22,171	—
Total liabilities	負債總額		24,355	—
Total equity and liabilities	權益及負債總額		257,277	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 Balance sheet and reserve movement of the Company (Continued)

Balance sheet of the Company as at 31 December 2019 (Continued)

The balance sheet of the Company was approved by the Board of Directors on 26 March 2020 and was signed on its behalf.

Li Hao
李浩
Director
董事

34 本公司資產負債表及儲備變動 (續)

本公司於二零一九年十二月三十一日的資產負債表 (續)

本公司資產負債表已於二零二零年三月二十六日獲董事會批准並由以下人士代為簽署。

Xu Shizhen
許世真
Director
董事

(a) Reserve movement of the Company

(a) 本公司的儲備變動

		Exchange Reserve 外匯儲備	Capital reserve (Note) 資本儲備 (附註)	Accumulated losses 累計虧損	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 7 December 2018 (Date of incorporation), 31 December 2018 and 1 January 2019	於二零一八年十二月七日 (註冊成立日期)、 二零一八年十二月三十一日 及二零一九年一月一日	-	-	-	-
Loss for the year	年內虧損	-	-	(22,468)	(22,468)
Currency transaction differences	貨幣換算差額	(940)	-	-	(940)
Total comprehensive losses	全面虧損總額	(940)	-	(22,468)	(23,408)
Transaction with owners Contribution surplus (Note)	與擁有人的交易 繳入盈餘(附註)	-	155,404	-	155,404
Total transactions with owners	與擁有人的交易總額	-	155,404	-	155,404
At 31 December 2019	於二零一九年十二月三十一日	(940)	155,404	(22,468)	131,996

Note: The capital reserve of the Company represents the aggregated net asset values of the subsidiaries acquired by the Company pursuant to the Reorganisation as set out in Note 1.2.

附註：本公司的資本儲備為根據附註1.2所載的重組本公司收購的附屬公司的總資產淨值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 Events occurring after the reporting period

Since the outbreak of the novel coronavirus (COVID-19) (the “Novel Coronavirus Outbreak”), a number of provinces and municipalities in the PRC have taken emergency public health measures and various actions to prevent the spread of the Novel Coronavirus Outbreak, including imposing restriction on resumption date of production after the Chinese New Year Holiday.

The operation of the Group’s production plant in Shenzhen (the “Shenzhen Production Plant”) has been suspended after the statutory holidays for Chinese New Year as part of the Chinese government’s countermeasures in containing the Novel Coronavirus Outbreak.

After inspection being done at the Shenzhen Production Plant by the relevant government authority, the Group received an official notice from the relevant government authority on 19 February 2020 approving the resumption of operation of the Shenzhen Production Plant. As such, the Shenzhen Production Plant has gradually resumed its operation starting from 20 February 2020 onwards.

However, due to the suspension or limited service of transportation facilities in certain areas, certain workers in the affected provinces and municipalities were unable to return to the Shenzhen Production Plant as planned, which has resulted in temporarily drop in production of the Shenzhen Production Plant. The Novel Coronavirus Outbreak has also adversely affected the supply chain logistics and the Group has experienced delay in the supply of raw materials from its suppliers. It is expected that the Shenzhen Production Plant will experience delay in resuming to original production schedule and there will be late delivery of products in the first half of 2020, which may have an adverse impact on the Group’s operation and financial performance.

Under such special circumstances, the Group is currently working closely with its suppliers to speed up the delivery of raw materials, and is liaising with its customers to adjust the delivery schedule to minimise any negative economic impact on the Group, its suppliers and its customers.

The suspension and temporarily lower than original production level are likely to have a negative impact on the Group’s future financial results. The Group will continue to assess the impact of the Novel Coronavirus Outbreak on the Group’s financial performance, and closely monitor the development of the Novel Coronavirus Outbreak and the Group’s exposure to the risks and uncertainties in this connection.

35 報告期後事項

自新型冠狀病毒(COVID-19)疫情爆發(「新型冠狀病毒疫情」)以來，中國多個省市均已採取緊急公共衛生措施和多項行動以防止新型冠狀病毒疫情蔓延，包括限制農曆新年假期後恢復生產日期。

為配合中國政府抑制新型冠狀病毒疫情的措施，本集團的深圳生產廠房(「深圳生產廠房」)在中國農曆新年法定假期後一直停工。

經有關政府當局檢查深圳生產廠房後，本集團於二零二零年二月十九日接獲有關政府當局的正式通知，批准深圳生產廠房恢復營運。因此，深圳生產廠房自二零二零年二月二十日起逐步恢復營運。

然而，由於若干地區的交通設施暫停或僅提供有限度服務，受影響省市的部分工人未能按計劃返回深圳生產廠房，故此深圳生產廠房的產能暫時有所下降。新型冠狀病毒疫情亦對供應鏈物流造成不利影響，使本集團自供應商取得原料供應方面出現延誤。預期深圳生產廠房的原定生產計劃將會有所延遲，使二零二零年上半年的產品延遲交付，可能對本集團營運及財務表現有不利影響。

在此特殊的情況下，本集團目前與供應商緊密合作，加快原料的交付，並聯絡客戶調整交貨期，盡力減低對本集團、供應商及客戶的任何負面經濟影響。

生產暫停及生產量較原定生產量暫時減少可能對本集團未來的財務業績有負面影響。本集團將繼續評估新型冠狀病毒疫情對本集團財務表現的影響，並密切關注新型冠狀病毒疫情的發展及本集團因而面臨的風險與不明朗因素。

FINANCIAL SUMMARY

財務概要

Results

業績

		Year ended 31 December 截至十二月三十一日止年度			
		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
Revenue	收益	284,588	236,210	208,634	174,140
Cost of sales	銷售成本	(190,560)	(161,946)	(144,773)	(111,527)
Gross profit	毛利	94,028	74,264	63,861	62,613
Profit before income tax	除所得稅前溢利	35,395	47,229	36,940	41,025
Profit for the year attributable to equity holders of the Company	本公司權益擁有人應佔年內溢利	27,710	40,814	32,011	35,362

Assets and Liabilities

資產及負債

		As at 31 December 於十二月三十一日			
		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
Non-current assets	非流動資產	122,155	105,740	94,834	80,896
Current assets	流動資產	232,299	115,726	91,851	57,509
Total assets	資產總值	354,454	221,466	186,685	138,405
Total equity	權益總額	278,673	148,145	116,600	89,446
Non-current liabilities	非流動負債	16,902	20,940	12,775	17,120
Current liabilities	流動負債	58,879	52,381	57,310	31,839
Total liabilities	負債總額	75,781	73,321	70,085	48,959
Total equity and liabilities	權益及負債總額	354,454	221,466	186,685	138,405

Notes:

- (a) The financial figures for the year ended/as at 31 December 2019 were extracted from the consolidated financial statements in this annual report.
- (b) The financial figures for each of the three years ended 31 December 2018/as at the respective year-end were extracted from the Prospectus.

附註：

- (a) 截至二零一九年十二月三十一日止年度／於二零一九年十二月三十一日的財務數據乃摘錄自本年報的綜合財務報表。
- (b) 截至二零一八年十二月三十一日止三年度各年／各年末的財務數據乃摘錄自招股章程。

The summary above does not form part of the audited consolidated financial statements.

上述概要並非經審核綜合財務報表一部分。

The background features a light blue gradient with a complex pattern of white and light blue lines, arrows, and dots, suggesting a digital or technological theme. The lines form a network-like structure, with several arrows pointing in various directions, primarily towards the top right. There are also circular patterns and clusters of dots scattered throughout the design.

CONFIDENCE INTELLIGENCE HOLDINGS LIMITED
信 懇 智 能 控 股 有 限 公 司