

同方友友控股~~有限公司~~及子公司
(原名：真明麗控~~股有限公司~~及子公司)
民國一〇九年一月一日至十二月三十一日
及民國一〇八年一月一日至十二月三十一日
合併財務報表暨會計師複核報告
(上市之台灣存託憑證用外國公司財務報告)

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附 件 一

本國會計師複核報告

會計師複核報告

同方友友控股有限公司 公鑒：

同方友友控股有限公司及其子公司民國一〇九年及一〇八年十二月三十一日之合併財務報表，業經外國其他會計師查核完竣，並於民國一一〇年三月二十五日出具無保留意見之查核報告(詳附件四)。隨附同方友友控股有限公司及其子公司依新台幣換算之民國一〇九年及一〇八年十二月三十一日綜合財務狀況表與民國一〇九年及一〇八年一月一日至十二月三十一日綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表暨其相關資訊(附件二)，業經本會計師依照「第二上市(櫃)公司財務報告複核要點」，採行必要之複核程序予以複核竣事。由於本會計師並未依照一般公認審計準則查核，故無法對上開財務報告之整體是否允當表達表示意見。

依本會計師之複核結果，第一段所述同方友友控股有限公司及其子公司民國一〇九年及一〇八年十二月三十一日之綜合財務狀況表與民國一〇九年及一〇八年一月一日至十二月三十一日之綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表暨其相關資訊，並未發現有違反「第二上市(櫃)公司財務報告複核要點」規定而需作重大修正、調整或再補充揭露之情事。

如附件三所示，同方友友控股有限公司及其子公司之主要合併財務報表格式係依香港一般公認會計原則及相關法令規定編製，以致與中華民國部分規定不同，是以，同方友友控股有限公司及其子公司業已依中華民國金融監督管理委員會認可之國際財務報導準則、國際會計準則、解釋及解釋公告及相關法令予以重編其民國一〇九年及一〇八年十二月三十一日之合併資產負債表與民國一〇九年及一〇八年一月一日至十二月三十一日之合併綜合損益表及合併現金流量表。

安永聯合會計師事務所

主管機關核准辦理公開發行公司財務報告

查核簽證文號：金管證審字第 1080326041 號

金管證審字第 1060027042 號

黃宇廷

黃宇廷



會計師：

陳明宏

陳明宏



中華民國一一〇年四月二十九日

附 件 二

按新台幣換算之主要財務報表

同方友友控股有限公司及子公司
(原名：真明麗控股有限公司及子公司)

綜合財務狀況表

民國一〇九年十二月三十一日及一〇八年十二月三十一日

單位：仟元

	民國一〇九年十二月三十一日		民國一〇八年十二月三十一日	
	人民幣	新台幣	人民幣	新台幣
非流動資產：				
物業、廠房及設備	\$48,130	\$210,906	\$82,405	\$356,154
投資物業	74,441	326,201	873,891	3,776,957
使用權資產	33,238	145,649	24,597	106,308
商譽	187,181	820,227	220,978	955,067
其他無形資產	35,691	156,398	44,064	190,445
指定按公允價值計入其他全面收入的權益投資	-	-	404	1,746
預付款及其他資產	1,364	5,977	5,096	22,025
按公允價值計入損益的金融資產	134,299	588,498	113,458	490,365
遞延稅項資產	11,980	52,496	4,127	17,837
非流動資產總值	526,324	2,306,352	1,369,020	5,916,904
流動資產：				
存貨	160,170	701,865	156,684	677,188
應收貿易款項及應收票據	128,138	561,501	97,409	421,002
應收貸款	159,579	699,275	302,648	1,308,045
預付款、其他應收款項及其他資產	810,670	3,552,356	119,555	516,717
按公允價值計入損益的金融資產	43,253	189,534	156,097	674,651
代客戶持有的現金	2,646	11,595	4,322	18,680
現金及現金等值物	408,485	1,789,981	256,938	1,110,486
	1,712,941	7,506,107	1,093,653	4,726,769
分類為持作出售的非流動資產	-	-	32,076	138,632
流動資產總值	1,712,941	7,506,107	1,125,729	4,865,401
流動負債：				
應付貿易款項	90,784	397,815	71,484	308,954
其他應付及應計款項	58,970	258,406	60,008	259,355
計息銀行借款	80,518	352,830	141,135	609,985
租賃負債	7,586	33,242	9,957	43,034
應付稅項	20,528	89,954	9,232	39,901
撥備	6,259	27,427	12,316	53,230
應付或然代價	23,516	103,047	27,800	120,152
流動負債總額	288,161	1,262,721	331,932	1,434,611
流動資產淨額	\$1,424,780	\$6,243,386	\$793,797	\$3,430,790
資產總值減流動負債	\$1,951,104	\$8,549,738	\$2,162,817	\$9,347,694
非流動負債：				
政府補助	\$383	\$1,678	\$2,250	\$9,725
租賃負債	13,242	58,026	905	3,911
計息銀行借款	10,596	46,432	-	-
遞延稅項負債	10,987	48,145	74,277	321,025
最終控股公司貸款	254,619	1,115,741	353,706	1,528,717
非流動負債總額	289,827	1,270,022	431,138	1,863,378
資產淨值	\$1,661,277	\$7,279,716	\$1,731,679	\$7,484,316
權益：				
本公司擁有人應佔權益				
已發行股本	\$185,676	\$813,632	\$185,676	\$802,492
儲備	1,470,242	6,442,601	1,541,781	6,663,577
	1,655,918	7,256,233	1,727,457	7,466,069
非控股權益	5,359	23,483	4,222	18,247
權益總額	\$1,661,277	\$7,279,716	\$1,731,679	\$7,484,316

註一：民國一〇九年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國109年12月31日之匯率RMB\$1=NT\$4.382換算。

民國一〇八年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國108年12月31日之匯率RMB\$1=NT\$4.322換算。

註二：最近三年度人民幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
109.1.1~109.12.31	RMB\$1 : NT\$4.396	RMB\$1 : NT\$4.186	RMB\$1 : NT\$4.287
108.1.1~108.12.31	RMB\$1 : NT\$4.614	RMB\$1 : NT\$4.309	RMB\$1 : NT\$4.476
107.1.1~107.12.31	RMB\$1 : NT\$4.700	RMB\$1 : NT\$4.431	RMB\$1 : NT\$4.560

董事長：



經理人：



會計主管：



同方友友控股有限公司及子公司
(原名：真明麗控股有限公司及子公司)

綜合損益表

民國一〇九年及一〇八年一月一日至十二月三十一日

單位：仟元

	一〇九年度		一〇八年度	
	人民幣	新台幣	人民幣	新台幣
收入				
銷售成本	\$876,738	\$3,841,866	\$841,349	\$3,636,310
毛利	(594,592)	(2,605,502)	(557,591)	(2,409,908)
其他收入、收益及虧損淨額	282,146	1,236,364	283,758	1,226,402
金融資產減值虧損淨額	23,422	102,635	87,140	376,619
分銷及銷售開支	(24,123)	(105,707)	(259)	(1,119)
行政開支	(168,875)	(740,010)	(161,396)	(697,554)
財務成本	(154,121)	(675,358)	(172,979)	(747,615)
除稅前(虧損)/溢利	(25,264)	(110,707)	(29,335)	(126,786)
稅項抵免/(支出)	(66,815)	(292,783)	6,929	29,947
年內虧損	39,377	172,550	(29,458)	(127,317)
	<u>\$ (27,438)</u>	<u>\$ (120,233)</u>	<u>\$ (22,529)</u>	<u>\$ (97,370)</u>
以下人士應佔：				
母公司擁有人				
非控股權益	\$ (28,228)	\$ (123,695)	\$ (22,897)	\$ (98,961)
	790	3,462	368	1,591
	<u>\$ (27,438)</u>	<u>\$ (120,233)</u>	<u>\$ (22,529)</u>	<u>\$ (97,370)</u>
母公司普通股權益持有人應佔每股虧損 基本及攤薄(人民幣分/新台幣元)	<u>\$ (1.35)</u>	<u>\$ (0.06)</u>	<u>\$ (1.09)</u>	<u>\$ (0.05)</u>

註一：民國一〇九年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國109年12月31日之匯率RMB\$1=NT\$4.382換算。

民國一〇八年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國108年12月31日之匯率RMB\$1=NT\$4.322換算。

註二：最近三年度人民幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
109.1.1~109.12.31	RMB\$1 : NT\$4.396	RMB\$1 : NT\$4.186	RMB\$1 : NT\$4.287
108.1.1~108.12.31	RMB\$1 : NT\$4.614	RMB\$1 : NT\$4.309	RMB\$1 : NT\$4.476
107.1.1~107.12.31	RMB\$1 : NT\$4.700	RMB\$1 : NT\$4.431	RMB\$1 : NT\$4.560

董事長：



經理人：



會計主管：



同方友友控股有限公司及子公司
(原名：真明麗控股有限公司及子公司)

綜合全面收益表

民國一〇九年及一〇八年一月一日至十二月三十一日

單位：仟元

	一〇九年度		一〇八年度	
	人民幣	新台幣	人民幣	新台幣
其他全面收入/(虧損)：				
於後續期間可能被重新分類至損益的其他全面收入/(虧損)：				
匯兌差額：				
換算國外業務產生之匯兌差額	45,809	200,735	(15,437)	(66,718)
於後續期間可能被重新分類至損益的其他全面收入/(虧損)淨額	45,809	200,735	(15,437)	(66,718)
於後續期間不會重新分類至損益的其他全面(虧損)/收入：				
指定按公允價值計入其他全面收入的權益投資：				
公允價值變動	(404)	(1,770)	(220)	(951)
轉撥使用權資產至投資物業之重估盈餘	352	1,542	3,622	15,654
所得稅影響	(88)	(386)	(724)	(3,129)
轉撥物業、廠房及設備至投資物業之重估盈餘	264	1,156	2,898	12,525
所得稅影響	2,820	12,357	32,447	140,236
	(705)	(3,089)	(6,489)	(28,046)
匯兌差額	2,115	9,268	25,958	112,190
本公司換算產生之匯兌差額	(90,922)	(398,420)	33,032	142,764
於後續期間不會重新分類至損益的其他全面(虧損)/收入淨額	(88,947)	(389,766)	61,668	266,528
年度其他全面(虧損)/收入，扣除稅項	(43,138)	(189,031)	46,231	199,810
年度全面(虧損)/收入總額	<u>\$ (70,576)</u>	<u>\$ (309,264)</u>	<u>\$ 23,702</u>	<u>\$ 102,440</u>
以下人士應佔：				
母公司擁有人	\$ (71,713)	\$ (314,246)	\$ 23,213	\$ 100,327
非控股權益	1,137	4,982	489	2,113
	<u>\$ (70,576)</u>	<u>\$ (309,264)</u>	<u>\$ 23,702</u>	<u>\$ 102,440</u>

註一：民國一〇九年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國109年12月31日之匯率RMB\$1=NT\$4.382換算。

民國一〇八年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國108年12月31日之匯率RMB\$1=NT\$4.322換算。

註二：最近三年度人民幣對新台幣最高、最低及平均匯率如下：

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108.1.1~108.12.31	RMB\$1 : NT\$4.614	RMB\$1 : NT\$4.309	RMB\$1 : NT\$4.476
107.1.1~107.12.31	RMB\$1 : NT\$4.700	RMB\$1 : NT\$4.431	RMB\$1 : NT\$4.560

董事長：

高志

經理人：

高志

會計主管：

付凱

同力光電股份有限公司及子公司
(原名：廣明光電股份有限公司及子公司)

民國一〇九年及一〇八年一月一日至六月三十日

本公司權益持有人應佔

單位：人民幣仟元

股本	庫存股份	股份溢價	資本贖回儲備	特別儲備	股份補償儲備	購股權儲備	匯兌波動儲備	允償儲備	資產重估儲備	其他儲備	累計虧損	總計	非控股權益	權益總額
\$185,676	\$-	\$2,415,147	\$2,146	\$55,238	\$50,024	\$7,438	\$263,691	\$(2,528)	\$114,245	\$(9,100)	\$(850,777)	1,703,818	\$2,982	1,706,800
-	-	-	-	-	-	-	-	-	-	-	(22,897)	(22,897)	368	(22,529)
-	-	-	-	-	-	-	(15,558)	-	-	-	-	(15,558)	121	(15,437)
-	-	-	-	-	-	-	33,032	(220)	-	-	-	33,032	-	33,032
-	-	-	-	-	-	-	-	-	-	-	-	(220)	-	(220)
-	-	-	-	-	-	-	-	-	2,898	-	-	2,898	-	2,898
-	-	-	-	-	-	-	-	-	25,958	-	-	25,958	-	25,958
-	(19)	-	-	-	-	-	17,474	(220)	28,856	-	(22,897)	23,213	489	23,702
-	-	-	-	-	-	445	-	-	-	-	-	(19)	-	(19)
-	-	-	-	-	-	(1,509)	-	-	-	-	-	445	-	445
-	-	-	-	-	-	-	-	-	-	-	1,509	-	-	-
\$185,676	\$(19)	\$2,415,147	\$2,146	\$55,238	\$50,024	\$6,374	\$(246,217)	\$(2,748)	\$143,101	\$(9,100)	\$(872,165)	\$1,727,457	\$4,222	\$1,731,679
\$185,676	\$(19)	\$2,415,147	\$2,146	\$55,238	\$50,024	\$6,374	\$(246,217)	\$(2,748)	\$143,101	\$(9,100)	\$(872,165)	\$1,727,457	\$4,222	\$1,731,679
-	-	-	-	-	-	-	-	-	-	-	(28,228)	(28,228)	790	(27,438)
-	-	-	-	-	-	-	45,462	-	-	-	-	45,462	347	45,809
-	-	-	-	-	-	-	(90,922)	-	-	-	-	(90,922)	-	(90,922)
-	-	-	-	-	-	-	-	(404)	-	-	-	(404)	-	(404)
-	-	-	-	-	-	-	-	-	264	-	-	264	-	264
-	-	-	-	-	-	-	-	-	2,115	-	-	2,115	-	2,115
-	-	-	-	-	-	-	(45,460)	(404)	2,379	-	(28,228)	(71,713)	1,137	(70,576)
-	-	-	-	-	-	174	-	-	-	-	-	174	-	174
-	-	-	-	-	-	(4,298)	-	-	-	-	4,298	-	-	-
-	-	-	-	-	-	-	-	2,733	-	-	(2,733)	-	-	-
-	-	-	-	-	-	-	-	-	(114,245)	-	114,245	-	-	-
\$185,676	\$(19)	\$2,415,147	\$2,146	\$55,238	\$50,024	\$2,250	\$(291,677)	\$(419)	\$31,235	\$(9,100)	\$(784,583)	\$1,655,918	\$5,359	\$1,661,277

按公允價值

計入其他全

面收入的金

融資產的公

允償儲備

匯兌波動儲備

購股權儲備

股份補償儲備

特別儲備

資本贖回儲備

庫存股份

股本

權益總額

非控股權益

總計

其他儲備

累計虧損

資產重估儲備

匯兌波動儲備

購股權儲備

股份補償儲備

特別儲備

資本贖回儲備

庫存股份

股本

權益總額

非控股權益

總計

其他儲備

累計虧損

資產重估儲備

匯兌波動儲備

購股權儲備

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非控股權益

總計

其他儲備

累計虧損

民國一〇八年一月一日
年內溢利/(虧損)
年內其他全面收入/(虧損):
換算國外業務產生之匯兌差額
本公司換算產生之匯兌差額
按公允價值計入其他全面收入
的權益投資公允價值變動
轉撥使用權資產至投資物業之
重估盈餘,扣除稅項
轉撥物業、廠房及設備至投資
物業之重估盈餘,扣除稅項
年內全面收益/(虧損)總額
購回股份
以權益結算的購股權安排
沒收購股權或購股權屆滿後轉撥
購股權儲備
收購附屬公司
民國一〇八年十二月三十一日

民國一〇九年一月一日
年內溢利/(虧損)
年內其他全面收入/(虧損):
換算國外業務產生之匯兌差額
本公司換算產生之匯兌差額
按公允價值計入其他全面收入
的權益投資公允價值變動
轉撥使用權資產至投資物業之
重估盈餘,扣除稅項
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沒收購股權或購股權屆滿後轉撥
購股權儲備
出售按公允價值計入其他全面收入的
權益投資後轉撥公允價值儲備
出售投資物業後轉撥資產重估儲備
民國一〇九年十二月三十一日

董事長:

高志

經理人:

付凱

會計主管:

民國一〇九年及一〇八年十二月三十一日

單位：新台幣千元

股本	庫存股份	股份溢價	資本贖回儲備	特別儲備	股份補償儲備	購股權儲備	匯兌波動儲備	允償價值	資產重估儲備	其他儲備	累計虧損	總計	非控股權益	權益總額
\$802,492	\$-	\$10,438,264	\$9,275	\$238,739	\$216,204	\$32,147	\$(1,139,673)	\$(10,926)	\$493,767	\$(39,330)	\$(3,677,058)	\$7,363,901	\$12,889	\$7,376,790
-	-	-	-	-	-	-	-	-	-	-	(98,961)	(98,961)	1,591	(97,370)
-	-	-	-	-	-	-	(67,240)	-	-	-	-	(67,240)	522	(66,718)
-	-	-	-	-	-	-	142,764	-	-	-	-	142,764	-	142,764
-	-	-	-	-	-	-	-	(951)	-	-	-	(951)	-	(951)
-	-	-	-	-	-	-	-	-	12,525	-	-	12,525	-	12,525
-	-	-	-	-	-	-	-	-	112,190	-	-	112,190	-	112,190
-	(82)	-	-	-	-	-	75,524	(951)	124,715	-	(98,961)	100,327	2,113	102,440
-	-	-	-	-	-	1,923	-	-	-	-	-	(82)	-	(82)
-	-	-	-	-	-	(6,522)	-	-	-	-	-	1,923	-	1,923
\$802,492	\$(82)	\$10,438,264	\$9,275	\$238,739	\$216,204	\$27,548	\$(1,064,149)	\$(11,877)	\$618,482	\$(39,330)	\$(3,769,497)	\$7,466,069	\$3,245	\$7,484,316
\$813,632	\$(83)	\$10,583,174	\$9,404	\$242,053	\$219,205	\$27,931	\$(1,078,923)	\$(12,042)	\$627,069	\$(39,876)	\$(3,821,826)	\$7,569,718	\$18,501	\$7,588,219
-	-	-	-	-	-	-	-	-	-	-	(123,695)	(123,695)	3,462	(120,233)
-	-	-	-	-	-	-	199,215	-	-	-	-	199,215	1,520	200,735
-	-	-	-	-	-	-	(398,420)	-	-	-	-	(398,420)	-	(398,420)
-	-	-	-	-	-	-	-	(1,770)	-	-	-	(1,770)	-	(1,770)
-	-	-	-	-	-	-	-	-	1,156	-	-	1,156	-	1,156
-	-	-	-	-	-	-	-	-	9,268	-	-	9,268	-	9,268
-	-	-	-	-	-	761	(199,205)	(1,770)	10,424	-	(123,695)	(314,246)	4,982	(309,264)
-	-	-	-	-	-	-	-	-	-	-	-	761	-	761
-	-	-	-	-	-	(18,834)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	11,976	-	-	-	-	-	-
\$813,632	\$(83)	\$10,583,174	\$9,404	\$242,053	\$219,205	\$9,858	\$(1,278,128)	\$(1,836)	\$(500,622)	\$(39,876)	500,622	\$7,256,233	\$23,483	\$7,279,716

民國一〇八年一月一日
年內溢利/(虧損)
年內其他全面收入/(虧損)：
換算國外業務產生之匯兌差額
本公司換算產生之匯兌差額
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重估盈餘，扣除稅項
轉撥物業、廠房及設備至投資
物業之重估盈餘，扣除稅項
年內全面收益/(虧損)總額
購回股份
以權益結算的購股權安排
沒收購股權或購股權屆滿後轉撥
購股權儲備
收購附屬公司

民國一〇八年十二月三十一日

民國一〇九年一月一日
年內溢利/(虧損)
年內其他全面收入/(虧損)：
換算國外業務產生之匯兌差額
本公司換算產生之匯兌差額
按公允價值計入其他全面收入
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年內全面收益/(虧損)總額
以權益結算的購股權安排
沒收購股權或購股權屆滿後轉撥
購股權儲備
出售按公允價值計入其他全面收入
的權益投資後轉撥公允價值儲備
出售投資物業後轉撥資產重估儲備
民國一〇九年十二月三十一日

註一：民國一〇九年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國109年12月31日之匯率RMB\$1=NT\$4.382換算。

註二：最近三年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國108年12月31日之匯率RMB\$1=NT\$4.322換算。

年度	最高	最低	平均
109.1.1~109.12.31	RMB\$1 : NT\$4.396	RMB\$1 : NT\$4.186	RMB\$1 : NT\$4.287
108.1.1~108.12.31	RMB\$1 : NT\$4.614	RMB\$1 : NT\$4.309	RMB\$1 : NT\$4.476
107.1.1~107.12.31	RMB\$1 : NT\$4.700	RMB\$1 : NT\$4.431	RMB\$1 : NT\$4.560

董事長：

經理人：

會計主管：

付凱

同方友友控股有限公司及子公司
(原名：真明麗控股有限公司及子公司)
綜合現金流量表
民國一〇九年及一〇八年一月一日起至十二月三十一日

單位：仟元

	民國一〇九年度		民國一〇八年度	
	人民幣	新台幣	人民幣	新台幣
經營活動所得現金流量：				
除稅前(虧損)/溢利	\$ (66,815)	\$ (292,783)	\$ 6,929	\$ 29,947
就以下項目作出調整：				
財務成本	25,264	110,707	29,335	126,786
銀行利息收入	(1,777)	(7,787)	(1,522)	(6,578)
其他利息收入	(1,683)	(7,375)	(1,674)	(7,235)
就放貸業務確認的利息收入	(19,298)	(84,564)	(25,887)	(111,884)
出售附屬公司之收益	(10,090)	(44,214)	-	-
物業、廠房及設備折舊	15,142	66,352	14,362	62,073
使用權資產折舊	15,148	66,379	16,394	70,855
其他無形資產攤銷	3,481	15,254	3,564	15,404
遞延發展成本攤銷	6,742	29,543	4,833	20,888
政府補助攤銷	(4,651)	(20,381)	(4,543)	(19,635)
投資物業公允價值變動淨額	41,165	180,385	(60,021)	(259,411)
應付或然代價公允價值變動	(2,486)	(10,894)	(23)	(99)
按公允價值計入損益的金融資產之 公允價值(收益)/虧損	(43,643)	(191,244)	15,431	66,693
按公允價值計入損益的金融資產之 股息收入	(10,179)	(44,604)	(9,054)	(39,131)
出售物業、廠房及設備項目之(收益)/虧損	252	1,104	(5,179)	(22,384)
出售分類為持作出售的非流動資產之收益	(9,825)	(43,053)	-	-
存貨撇減至可變現淨值	32,069	140,526	22,736	98,265
金融資產之減值虧損	24,123	105,707	259	1,119
商譽之減值虧損	21,736	95,247	-	-
物業、廠房及設備之減值虧損	4,838	21,200	-	-
以權益結算的購股權開支	174	763	445	1,923
存貨(增加)/減少	19,687	86,268	6,385	27,596
應收貿易款項及應收票據(增加)/減少	(35,555)	(155,802)	34,068	147,242
應收貸款減少	(40,720)	(178,435)	39,370	170,157
預付款、其他應收款項及其他資產減少/(增加)	116,497	510,490	6,319	27,311
代客戶持有的現金減少/(增加)	16,632	72,881	(5,735)	(24,787)
應付貿易款項增加/(減少)	1,676	7,344	(266)	(1,150)
其他應付及應計款項增加/(減少)	19,300	84,573	(36,484)	(157,684)
撥備(減少)/增加	3,646	15,977	(6,814)	(29,450)
	(6,057)	(26,542)	2,770	11,972
經營所得現金	95,106	416,754	39,613	171,207
已收放貸業務利息收入	31,436	137,753	18,075	78,120
已付利息	(857)	(3,755)	(1,137)	(4,914)
香港利得稅(已付)/退稅	(495)	(2,169)	3,807	16,454
已付海外稅項	(11,097)	(48,627)	(3,461)	(14,958)
經營活動所得現金流量淨額	114,093	499,956	56,897	245,909

董事長：

高志

經理人：

高志

會計主管：

付凱

同方友友控股有限公司及子公司
(原名：真明麗控股有限公司及子公司)
綜合現金流量表(續)
民國一〇九年及一〇八年一月一日至十二月三十一日

單位：仟元

	民國一〇九年度		民國一〇八年度	
	人民幣	新台幣	人民幣	新台幣
投資活動所得現金流量				
已收銀行利息	1,777	7,787	1,522	6,578
已收其他利息	1,683	7,375	1,674	7,235
購買物業、廠房及設備項目	(14,542)	(63,723)	(7,760)	(33,539)
出售物業、廠房及設備項目所得款項	1,216	5,329	6,362	27,497
添置其他無形資產	(7,368)	(32,287)	(6,939)	(29,990)
購買按公允價值計入損益的金融資產	-	-	(8,306)	(35,899)
出售按公允價值計入損益的金融資產所得款項	83,089	364,096	60,063	259,592
出售按公允價值計入其他全面收入的金融資產所得款項	-	-	600	2,593
出售分類為持作出售的非流動資產所得款項	41,901	183,610	-	-
收購一間附屬公司	-	-	5,600	24,203
出售附屬公司	117,868	516,498	-	-
已收按公允價值計入損益的金融資產的股息	10,179	44,604	390	1,686
已抵押存款減少	-	-	34,307	148,275
投資活動所得現金流量淨額	235,803	1,033,289	87,513	378,231
融資活動所得現金流量				
新增銀行貸款	78,829	345,429	80,876	349,546
償還銀行貸款	(124,945)	(547,509)	(168,879)	(729,895)
租賃付款本金部分	(15,281)	(66,961)	(15,291)	(66,088)
已付利息	(13,494)	(59,131)	(24,492)	(105,854)
償還最終控股公司貸款	(110,000)	(482,020)	-	-
購回股份付款	-	-	(19)	(82)
融資活動所用現金淨額	(184,891)	(810,192)	(127,805)	(552,373)
現金及現金等值物增加淨額	165,005	723,053	16,605	71,767
於年初的現金及現金等值物	256,938	1,125,902	229,819	993,278
外幣匯率變動的影響淨額	(13,458)	(58,974)	10,514	45,441
於年末的現金及現金等值物	\$408,485	\$1,789,981	\$256,938	\$1,110,486

註一：民國一〇九年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國109年12月31日之匯率RMB\$1=NT\$4.382換算。

民國一〇八年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國108年12月31日之匯率RMB\$1=NT\$4.322換算。

註二：最近三年度人民幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
109.1.1~109.12.31	RMB\$1 : NT\$4.396	RMB\$1 : NT\$4.186	RMB\$1 : NT\$4.287
108.1.1~108.12.31	RMB\$1 : NT\$4.614	RMB\$1 : NT\$4.309	RMB\$1 : NT\$4.476
107.1.1~107.12.31	RMB\$1 : NT\$4.700	RMB\$1 : NT\$4.431	RMB\$1 : NT\$4.560

董事長：



經理人：



會計主管：



附 件 三

依金管會認可之 IFRSs 重編後之主要財務報表
及財務報表重編說明

同方友友控股有限公司及子公司
(原名：真明麗控股有限公司及子公司)

合併資產負債表

依中華民國所採用之會計準則重編

民國一〇九年十二月三十一日及一〇八年十二月三十一日

民國一〇九年十二月三十一日		民國一〇八年十二月三十一日	
依香港一般公認會計原則編製金額	調節金額 增(減)	依中華民國所採用之會計準則編製金額	%
現金及約當現金	\$-	\$1,789,981	18
透過損益按公允價值衡量之金融資產-流動	-	189,534	2
應收票據淨額	-	2,743	-
應收帳款淨額	-	558,758	6
其他應收款	-	4,191,768	43
存貨	-	701,865	7
預付款項	-	59,863	1
待出售非流動資產淨額	-	-	-
其他流動資產	-	11,595	-
流動資產合計	-	7,506,107	77
非流動資產	-	4,865,401	-
透過損益按公允價值衡量之金融資產-非流動	-	588,498	6
不動產、廠房及設備	-	210,906	2
使用權資產	-	145,649	1
投資性不動產淨額	(34,997)	291,204	3
無形資產	-	156,398	2
遞延所得稅資產	-	52,496	1
商譽	-	820,227	8
其他非流動資產	-	5,977	-
非流動資產合計	(34,997)	2,271,355	23
資產總計	\$ (34,997)	\$9,777,462	100
		\$10,782,305	
		\$ (1,228,220)	
		\$9,554,085	100

董事長：

經理人：

會計主管：

付凱

同方友友控股有限公司及子公司
(原名：真明麗控股有限公司及子公司)

合併資產負債表

依中華民國所採用之會計準則重編

民國一〇九年十二月三十一日及一〇八年十二月三十一日

	民國一〇九年十二月三十一日				民國一〇八年十二月三十一日			
	依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國所採用之會計準則編製金額	%	依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國所採用之會計準則編製金額	%
負債及股東權益								
流動負債								
短期借款	\$352,830	\$-	\$352,830	4	\$609,985	\$-	\$609,985	6
應付帳款	397,815	-	397,815	4	308,954	-	308,954	3
合約負債	21,906	-	21,906	-	45,420	-	45,420	1
其他應付款	339,547	-	339,547	4	334,087	-	334,087	4
本期所得稅負債	89,954	-	89,954	1	39,901	-	39,901	-
負債準備	27,427	-	27,427	-	53,230	-	53,230	1
租賃負債-流動	33,242	-	33,242	-	43,034	-	43,034	-
其他流動負債	-	-	-	-	-	-	-	-
流動負債合計	1,262,721	-	1,262,721	13	1,434,611	-	1,434,611	15
非流動負債								
長期借款	46,432		46,432	-	-	-	-	-
遞延所得稅負債	48,145	41,143	89,288	1	321,025	(299,554)	21,471	-
租賃負債-非流動	58,026	-	58,026	1	3,911	-	3,911	-
其他非流動負債	1,117,419	-	1,117,419	11	1,538,442	-	1,538,442	16
非流動負債合計	1,270,022	41,143	1,311,165	13	1,863,378	(299,554)	1,563,824	16
負債總計	2,532,743	41,143	2,573,886	26	3,297,989	(299,554)	2,998,435	31
股東權益								
普通股股本	813,632	-	813,632	9	802,492	-	802,492	9
資本公積	-	11,061,192	11,061,192	113	-	10,927,563	10,927,563	114
儲備	6,442,601	(6,442,601)	-	-	6,663,577	(6,663,577)	-	-
累積盈餘	-	(3,541,131)	(3,541,131)	(36)	-	(4,116,544)	(4,116,544)	(43)
其他權益	-	(1,153,517)	(1,153,517)	(12)	-	(1,076,026)	(1,076,026)	(11)
庫藏股票	-	(83)	(83)	-	-	(82)	(82)	-
母公司股東權益合計	7,256,233	(76,140)	7,180,093	74	7,466,069	(928,666)	6,537,403	69
非控制權益	23,483	-	23,483	-	18,247	-	18,247	-
股東權益總計	7,279,716	(76,140)	7,203,576	74	7,484,316	(928,666)	6,555,650	69
負債與股東權益總計	\$9,812,459	\$(34,997)	\$9,777,462	100	\$10,782,305	\$(1,228,220)	\$9,554,085	100

董事長：

經理人：

會計主管：

柯樹

高志

付凱

同方友友控股有限公司及子公司
(原名：真明麗控股有限公司及子公司)

合併綜合損益表

依中華民國所採用之會計準則重編

民國一〇九年及一〇八年一月一日至十二月三十一日

單位：新台幣仟元

	民國一〇九年度				民國一〇八年度			
	依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國所採用之會計準則編製金額	%	依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國所採用之會計準則編製金額	%
營業收入	\$3,841,866	\$-	\$3,841,866	100	\$3,636,310	\$-	\$3,636,310	100
營業成本	(2,605,502)	-	(2,605,502)	(68)	(2,409,908)	-	(2,409,908)	(66)
營業毛利	1,236,364	-	1,236,364	32	1,226,402	-	1,226,402	34
營業費用	(1,521,075)	(61,084)	(1,582,159)	(41)	(1,446,288)	(70,791)	(1,517,079)	(42)
營業損失	(284,711)	(61,084)	(345,795)	(9)	(219,886)	(70,791)	(290,677)	(8)
營業外收入及支出								
其他收入	185,464	-	185,464	5	138,611	-	138,611	4
其他利益及損失	(82,829)	247,014	164,185	4	238,008	(264,109)	(26,101)	(1)
財務成本	(110,707)	-	(110,707)	(3)	(126,786)	-	(126,786)	(3)
營業外收入及支出合計	(8,072)	247,014	238,942	7	249,833	(264,109)	(14,276)	-
繼續營業單位稅前淨損	(292,783)	185,930	(106,853)	(2)	29,947	(334,900)	(304,953)	(8)
所得稅費用	172,550	(43,106)	129,444	3	(127,317)	66,844	(60,473)	(2)
本期淨損	(120,233)	142,824	22,591	1	(97,370)	(268,056)	(365,426)	(10)
其他綜合損益								
不重分類至損益之項目								
透過其他綜合損益按公允價值衡量之權益工具投資未實現評價損失	(1,770)	-	(1,770)	-	(951)	-	(951)	-
投資性不動產重估增值	13,899	(13,899)	-	-	155,890	(155,890)	-	-
與不重分類之項目相關之所得稅	(3,475)	3,475	-	-	(31,175)	31,175	-	-
後續可能重分類至損益之項目								
國外營運機構財務報表換算之兌換差額	(197,685)	-	(197,685)	(5)	76,046	-	76,046	2
其他綜合損益(稅後淨額)	(189,031)	(10,424)	(199,455)	(5)	199,810	(124,715)	75,095	2
其他綜合損益總額	\$(309,264)	\$132,400	\$(176,864)	(5)	\$102,440	\$(392,771)	\$(290,331)	(8)
本期淨損歸屬於								
母公司業主	\$(123,695)	\$142,824	\$19,129		\$(98,961)	\$(268,056)	\$(367,017)	
非控制權益	3,462	-	3,462		1,591	-	1,591	
	\$(120,233)	\$142,824	\$22,591		\$(97,370)	\$(268,056)	\$(365,426)	
綜合損益總額屬於								
母公司業主	\$(314,246)	\$132,400	\$(181,846)		\$100,327	\$(392,771)	\$(292,444)	
非控制權益	4,982	-	4,982		2,113	-	2,113	
	\$(309,264)	\$132,400	\$(176,864)		\$102,440	\$(392,771)	\$(290,331)	
每股(虧損)盈餘(新台幣元)								
基本稅後	\$ (0.06)	\$0.07	\$0.01		\$ (0.05)	\$ (0.13)	\$ (0.18)	
稀釋稅後	\$ (0.06)	\$0.07	\$0.01		\$ (0.05)	\$ (0.13)	\$ (0.18)	

董事長：

高志

經理人：

高志

會計主管：

付凱

同方友友控股有限公司及子公司
(原名：真明麗控股有限公司及子公司)

合併現金流量表

依中華民國所採用之會計準則重編
民國一〇九年及一〇八年一月一日至十二月三十一日

單位：新台幣仟元

	民國一〇九年度		民國一〇八年度	
	依香港一般公認會計原則編製金額	依中華民國所採用之會計準則編製金額	依香港一般公認會計原則編製金額	依中華民國所採用之會計準則編製金額
營業活動之現金流量：				
本期稅前淨損				
調整項目：				
收益費損項目：				
折舊費用				
攤銷費用				
攤銷遞延政府補助收入				
預期信用減損損失				
透過損益按公允價值衡量金融資產及負債(利益)損失				
利息費用				
利息收入				
透過損益按公允價值衡量之金融資產之股利收入				
投資性不動產公允價值調整損失/(利益)				
投資性不動產減損損失				
不動產、廠房及設備減損損失				
商譽減損損失				
處分待出售非流動資產利益				
股份基礎給付酬勞成本				
處分不動產、廠房及設備損失(利益)				
處分投資關聯企業利益				
存貨跌價損失				
與營業活動相關之資產/負債變動數：				
應收票據減少				
應收帳款(增加)減少				
其他應收帳款減少				
存貨(增加)減少				
預付款項減少(增加)				
其他流動資產減少(增加)				
應付帳款增加(減少)				
合約負債減少				
其他應付款增加(減少)				
負債準備(減少)增加				
其他流動負債增加				
營運產生之現金流入				
收取之利息				
支付之利息				
(支付)退還之所得稅				
營業活動之淨現金流入				
投資活動之現金流量：				
處分透過其他綜合損益按公允價值衡量之金融資產				
取得透過損益按公允價值衡量之金融資產				
處分透過損益按公允價值衡量之金融資產				
處分子公司				
取得不動產、廠房及設備				
處分不動產、廠房及設備				
處分待出售非流動資產				
取得無形資產				
受限制資產減少				
收取之利息				
因合併產生之現金流入				
收取之股利				
投資活動之淨現金流入				
籌資活動現金流量：				
舉借短期借款				
償還短期借款				
租賃本金償還				
其他非流動負債減少				
支付之利息				
庫藏股票買回成本				
籌資活動之淨現金流出				
匯率變動對現金及約當現金之影響				
本期現金及約當現金增加數				
期初現金及約當現金餘額				
期末現金及約當現金餘額				

董事長：



經理人：



會計主管：



同方友友控股有限公司及子公司
(原名：真明麗控股有限公司及子公司)

合併財務報表重編說明

民國一〇九年一月一日至十二月三十一日及
民國一〇八年一月一日至十二月三十一日

一、合併財務報表重編原則

同方友友控股有限公司及其子公司(以下簡稱本集團)如附件四所列之民國一〇九年一月一日至十二月三十一日及一〇八年一月一日至十二月三十一日財務報告，係包括同方友友控股有限公司(以下簡稱本公司)及其子公司之合併財務資訊。

本集團民國一〇九年一月一日至十二月三十一日及一〇八年一月一日至十二月三十一日依香港法令及香港財務報告準則(以下簡稱香港一般公認會計原則)編製之合併資產負債表、合併綜合損益表及合併現金流量表，因與證券發行人財務報告編製準則暨金融監督管理委員會認可之國際財務報導準則、國際會計準則、國際財務報告解釋及解釋公告編製財務報告(以下簡稱中華民國所採用之會計準則)規定部份不符，爰依中華民國行政院金融監督管理委員會民國一〇一年十二月十三日金管證審字第1010056540號令「第二上市(櫃)公司財務報告複核要點」規定，就上述合併資產負債表、合併綜合損益表及合併現金流量表依中華民國規定格式予以重編。

二、中華民國所採用之會計準則與香港一般公認會計原則之重大差異彙總說明

中華民國所採用之會計準則與香港一般公認會計原則之主要差異，茲彙總說明如下：

	中華民國所採用之 會計準則	香港一般公認 會計原則	對重編合併 財務報表之影響
(一)合併資產負債表	一般之分類方式，資產係以流動性大小排列，流動性大者在前，流動性小者在後。負債則按到期日的遠近排列，近者在先，遠者在後。股東權益按永久性大小排列，永久性大者在前，小者在後。	一般之分類方式，資產係以非流動性資產在前，流動資產在後。負債及股東權益，係以負債在前，股本及各項準備在後，負債以流動負債在前，非流動負債在後。	已依中華民國所採用之會計準則規定予以表達揭露。
	應收票據及應收帳款，依金額重大性予以單獨表達。	應收票據及應收帳款合併表達為應收貿易帳款及應收票據。	已依中華民國所採用之會計準則規定分別予以分拆表達。
	預付款項及其他應收款-流動，依金額重大性予以單獨表達。	預付款-流動及其他應收款-流動合併表達為預付款、其他應收款項及其他資產-流動。	已依中華民國所採用之會計準則規定分別予以分拆表達。
	應依各交易產生之性質區分為資本公積、累積虧損及其他權益。	皆列入儲備項下表達。	已予將儲備重分類至資本公積、累積盈虧及其他權益。 109年12月31日：6,442,601仟元 108年12月31日：6,663,577仟元

	中華民國所採用之 會計準則	香港一般公認 會計原則	對重編合併 財務報表之影響
(二)投資性 不動產之 衡量基礎	投資性不動產之衡量可選擇採用成本模式或公允價值模式。惟若採用公允價值模式，僅得採收益法評價。	符合規定的不動產需分類為投資性不動產，並得以採公平價值執行重評價，可採用貼現現金流量法或假設發展法評價。	已予以調整 損益影響數 109年度: 185,930 仟元 108年度: (334,900) 仟元 保留盈餘影響數 109年12月31日: (207,028) 仟元 108年12月31日: (32,049) 仟元 其他綜合損益影響數 109年度: (13,899) 仟元 108年度: (155,890) 仟元 其他權益影響數 109年12月31日: 無影響 108年12月31日: (705,381) 仟元 資產影響數 109年12月31日: (34,997) 仟元 108年12月31日: (1,228,220) 仟元
	以成本認列並計提折舊的方式計算財稅的課稅基礎差異，並計算其遞延所得稅效果。	以公平價值執行重評價的方式計算財稅的課稅基礎差異，並計算其遞延所得稅效果。	已予以調整 損益影響數 109年度: (43,106) 仟元 108年度: 66,844 仟元 保留盈餘影響數 109年12月31日: (1,512) 仟元 108年12月31日: (10,079) 仟元 其他綜合損益影響數 109年度: 3,475 仟元 108年度: 31,175 仟元 其他權益影響數 109年12月31日: 無影響 108年12月31日: 211,614 仟元 負債影響數 109年12月31日: 41,143 仟元 108年12月31日: (299,554) 仟元

	中華民國所採用之 會計準則	香港一般公認 會計原則	對重編合併 財務報表之影響
(三)未 按 持 股 比 例 認 購 或 取 得 採 用 權 益 法 之 被 投 資 公 司 增 發 之 股 份	未依持股比例參與關聯 企業增資而產生之股權 比例異動，應計算所享 有關聯企業可辨認資產 及負債之淨公允價值與 投資成本之差額並調整 「資本公積」及「採用 權益法之投資」。另帳上 因採用權益法之投資所 產生之資本公積餘額不 足時，其差額應借記 「保留盈餘」。	投資公司非依原持股比 例取得被投資公司增發 股份致其持股比例減少 或稀釋之推定處分，所產 生之相關股權淨值增減 者，可認列於當年度損益 下。	已予以調整 損益影響數 109年度：無影響 108年度：無影響 保留盈餘影響數 109年12月31日：(46,778) 仟元 108年12月31日：(46,138) 仟元 資本公積影響數 109年12月31日：46,778 仟元 108年12月31日：46,138 仟元
(四)普 通 股 買 回 及 註 銷	合併公司本身權益工具 之購買、出售發行或註 銷，均不得於損益表中 認列利益或損失。惟所 支付或收取對價應直接 認列於權益。依中華民 國所採用之會計準則規 定，合併公司註銷庫藏 股票時依股權比例調整 資本公積-股票發行溢 價。庫藏股票之帳面價 值如低於面值與股票發 行溢價之合計數時，其 差額應調整同種類庫藏 股票交易所產生之資本 公積。	普通股買賣及註銷，係屬 投入資本之變動，交易價 差應直接反應於股東權 益項下，不得認列於損益 表中。	已予以調整 損益影響數 109年度：無影響 108年度：無影響 保留盈餘影響數 109年12月31日：9,404 仟元 108年12月31日：9,275 仟元 資本公積影響數 109年12月31日：(9,404) 仟元 108年12月31日：(9,275) 仟元

	中華民國所採用之 會計準則	香港一般公認 會計原則	對重編合併 財務報表之影響
(五)合併綜合損益表	應區分營業收入、營業成本、營業費用、營業外收入、營業外費用、非常損益及所得稅費用，分別予以列示，但營業成本及營業費用不能分辨列示者，得合併之。	應區分營業收入、投資關聯企業損益、投資聯合控制個體利益、財務成本、所得稅費用、本年度淨利。並列名歸屬予本公司權益持有人及非控制權益之本年度淨利。 於綜合損益中，應分別表達可重分類至損益及不可重分類之其他綜合損益項目。	已依中華民國財務報表規定予表達揭露。

附 件 四

外國會計師之核閱報告暨

財務報表及相關附註或附表(中譯本及原文)



(於開曼群島注册成立之有限公司)

股份代號：1868.HK; 911868.TDR

2020 年度報告

<http://www.neo-neon.com>

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公司資料

董事會

執行董事

高志先生(主席)
劉智綱先生(於二零二零年十一月二日獲委任)
Daniel P.W. Li先生(於二零二零年九月三十日辭任)

非執行董事

周海英先生
謝漢良先生(於二零二零年一月九日獲調任)
黃俞先生(於二零二零年一月九日辭任)
王良海先生(於二零二零年一月九日辭任)
劉衛東先生(於二零二零年一月九日辭任)

獨立非執行董事

范仁達先生
劉天民先生
李明綺女士

審核委員會

李明綺女士(主席)
范仁達先生
劉天民先生

薪酬委員會

劉天民先生(主席)
高志先生
范仁達先生
李明綺女士

提名委員會

高志先生(主席)
范仁達先生
劉天民先生
李明綺女士

風險管理及合規委員會

范仁達先生(主席)
高志先生
謝漢良先生
劉智綱先生
周海英先生
劉天民先生
李明綺女士

法定代表

高志先生
周曉東先生

公司秘書

周曉東先生

香港股份過戶登記處分處

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

核數師

安永會計師事務所
註冊會計師
註冊公共利益實體核數師
香港中環
添美道1號
中信大廈22樓

公司資料

律師(香港法律)

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

主要往來銀行

中國建設銀行廣東省分行鶴山市支行
中國光大銀行江門分行
廣東鶴山農村商業銀行股份有限公司

註冊辦事處

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

香港主要營業地點

香港灣仔
告士打道138號
聯合鹿島大廈
15樓

主要股份過戶登記處

Suntera (Cayman) Limited
Suite 3204, Unit 2A,
Block 3, Building D,
P.O. Box 1586
Gardenia Court,
Camana Bay
Grand Cayman KY1-1100
Cayman Islands

公司網址

www.neo-neon.com

股份代號

1868

主席報告書

尊敬的各位股東：

本人很榮幸代表董事會及管理層，向各位股東提呈同方友友控股有限公司及其附屬公司（以下簡稱本集團）截至二零二零年十二月三十一日止的年度發展狀況及運營業績報告。

業務回顧

二零二零年，新冠疫情於世界各地全面爆發，給全球經濟以及本集團帶來了諸多不利因素。回顧過去一年，本集團的主要市場—北美照明行業，其營收及利潤均出現明顯的下滑。面對艱難的環境，本集團作出了迅速反應，制定了嚴格的疫情防治執行方案，增加了銷售渠道，逆流而上，創造了收入及利潤雙增長。有此佳績，美國附屬公司員工功不可沒，面對疫情，上下一心，堅守崗位，扛著巨大的壓力超額完成任務。目前，美國照明分部已建立了一套高效的供應鏈，形成以大型零售市場、傳統燈飾、電器產品分銷商、商用聖誕燈飾、燈光設計、電商平台等多渠道、多形態的服務性公司。

為減少新冠疫情的影響，本集團積極落實各種應急措施，包括提供口罩、實施在家辦公安排及使用網絡會議系統。通過不懈的努力，本集團得以在困難的環境中實現增長。

本集團無意開展物業開發的業務。因此，於報告期內，本集團已出售兩間擁有土地使用權的附屬公司。未來，本集團將投入更多資源重點發展照明分部以及與本集團創新驅

動發展策略相匹配、享有可觀市場前景及具有核心競爭力的產業。同方證券則將繼續積累及運用其金融服務的經驗及專業知識，為客戶提供優質金融服務。

展望未來

當前國內外經濟形勢存在多方面不穩定性因素。面對貿易摩擦、全球疫情尚未受控、國際金融市場動蕩及地緣政治緊張局勢等不利因素，全球經濟前景仍然充滿挑戰。本集團2021年的工作重心將放在聚焦核心業務、完善優化產業佈局及架構上。本集團將繼續處置非核心資產及業務，並尋找符合創新驅動戰略、市場前景良好、具有核心競爭力的產業。於出售兩間擁有土地使用權的附屬公司後，本集團的財務狀況更為強勁，相信在股東中核集團的支持下，將有更好的發展。

致謝

本人謹此代表本集團向所有股東、客戶、及合作夥伴給本集團的大力支持表示衷心感謝！向各董事會成員及所有員工給本集團作出的貢獻致以誠摯的敬意！

主席

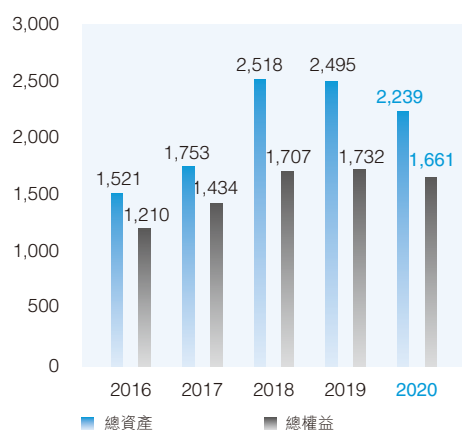
高志

財務摘要

以百萬人民幣呈列	截至十二月三十一日年度				
	二零一六年	二零一七年	二零一八年	二零一九年	二零二零年
營業額	611	666	694	841	877
毛利／(虧)	189	208	204	284	282
本公司擁有人應佔溢利／(虧損)	12	120	146	(23)	(28)
總資產	1,521	1,753	2,518	2,495	2,239
總權益	1,210	1,434	1,707	1,732	1,661
毛利／(虧)率	30.8%	31.3%	29.4%	33.7%	32.2%
純利／(虧)率	0.02	18.1%	21.0%	(2.7%)	(3.1%)
每股盈利／(虧損)－基本(人民幣分)	0.6	5.7	7.0	(1.1)	(1.3)

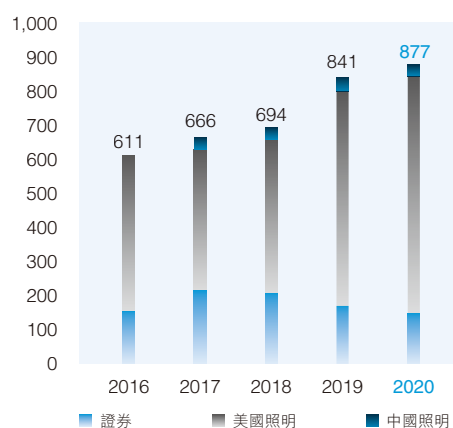
總資產／總權益

百萬人民幣



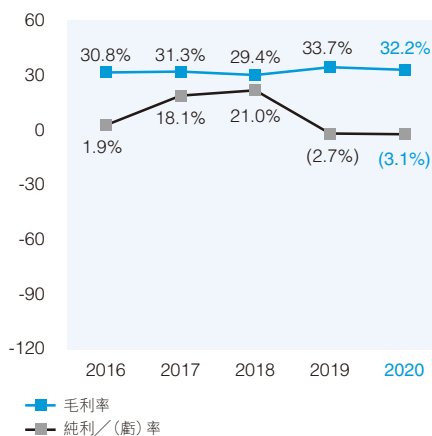
營業額

百萬人民幣



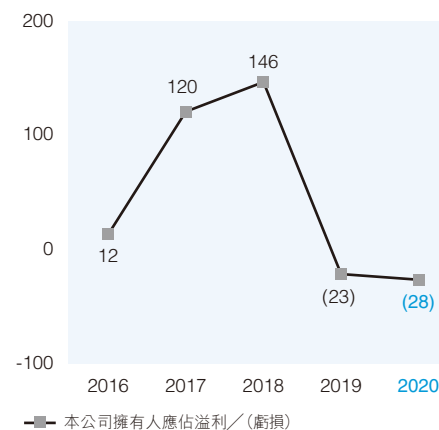
毛利率及純利／(虧)率

%



本公司擁有人應佔溢利／(虧損)

百萬人民幣



董事及高級管理層履歷

執行董事

高志先生

高志先生，57歲，獲委任為本公司執行董事、總裁兼首席執行官，自二零二零年一月九日起生效。彼主要負責本集團所有業務(金融業務除外)。於二零二零年三月二十六日，彼獲委任為董事會主席。高先生於一九八四年畢業於清華大學，獲得工學學士學位，並於二零零六年獲得工商管理碩士學位。彼現任同方股份副總裁，並自一九九七年起擔任該公司多個職位，包括助理總裁、運營中心及企管部總經理、銷售中心及應用信息系統本部副總經理。在此之前，彼於一九八九年九月至一九九七年七月任北京清華人工環境工程公司生產部經理，於一九八四年八月至一九八九年九月為太原機械學院教師。

劉智綱先生

劉智綱先生，42歲，獲委任為執行董事，自二零二零年十一月二日起生效。彼為國際會計師公會之會員，被雲南省人力資源和社會保障廳認定為高級經濟師。彼持有南開大學工商企業管理專科文憑，及擁有豐富的金融機構管理經驗。由二零零七年三月至二零二零年六月，彼於交通銀行任職，其最後擔任之職位為交通銀行天津分行西南村支行行長。

董事及高級管理層履歷

非執行董事

謝漢良先生

謝漢良先生，57歲，於二零一四年八月二十五日獲委任為執行董事及於二零二零年一月九日獲調任為非執行董事，並辭任集團總裁。彼亦為同方泰德國際科技有限公司(「同方泰德」)的創辦人。彼於二零零五年五月二十五日獲委任為同方泰德之董事並於二零一一年四月十二日獲調任為同方泰德之執行董事。謝先生於二零一八年二月七日因彼個人的其他事務承擔辭任同方泰德之執行董事。同方泰德為於香港聯合交易所有限公司(「聯交所」)主板上市的公司(股份代號：1206)。謝先生於二零零三年獲得法國INSEAD Fontainebleau的INSEAD-T.A.C.管理發展課程證書並於一九八四年獲得新加坡理工院(Singapore Polytechnic)電子及通訊工程系技術員文憑。於創立同方泰德之前，謝先生於一九九零年加入Honeywell Southeast Asia，擔任其於不同國家的多個銷售管理職位。於一九九四年，謝先生調任Honeywell China Inc.，離職前的職位為該公司大中華市場的銷售經理。謝先生亦於一九九八年至二零零五年擔任TAC Controls Asia Pte Ltd的董事總經理。謝先生為TAC Controls Asia Pte Ltd亞太區管理團隊的主管人員。彼獲得Honeywell Asia Pacific Inc.授予的Winners Club Award及Honeywell Inc.授予的President's Club Award等多個獎項。於二零一二年四月十八日，謝先生獲新加坡董事協會認可為普通會員。

周海英先生

周海英先生，51歲，於二零二零年一月九日獲委任為非執行董事。周先生畢業於江西財經學院，獲得學士學位。周先生在財務管理方面擁有豐富經驗。於二零一八年一月至二零二零年二月二十四日，彼曾任同方股份財務總監，於二零二零年四月，獲委任為同方股份運營管理主管及其運營管理部總經理。在此之前，彼於二零零三年五月至二零一八年一月任職於清華控股有限公司，並擔任包括財務部高級經理及副部長、資產財務管理部部長及總經理、總裁助理等職位。彼亦為中國醫療網絡有限公司(一家於聯交所主板上市的公司，股份代號：383)的執行董事。

董事及高級管理層履歷

獨立非執行董事

范仁達先生

范仁達先生，60歲，於二零零七年八月獲委任為本公司獨立非執行董事。現為東源資本有限公司之主席兼董事總經理。彼亦為同方泰德國際科技有限公司(股份代號：1206)、利民實業有限公司(股份代號：229)、上海實業城市開發集團有限公司(股份代號：563)、中國地利集團(前稱人和商業控股有限公司)(股份代號：1387)、天福(開曼)控股有限公司(股份代號：6868)、中信資源控股有限公司(股份代號：1205)、國開國際投資有限公司(股份代號：1062)、香港資源控股有限公司(股份代號：2882)、同方友友控股有限公司(股份代號：1868)及中芯國際集成電路製造有限公司(股份代號：981)之獨立非執行董事。范先生於二零一三年三月至二零一七年六月期間為勒泰集團有限公司(前稱勒泰商業地產有限公司)(股份代號：112)、於二零一一年九月至二零一七年八月期間為國電科技環保集團股份有限公司(股份代號：1296)及於二零一四年九月至二零一八年六月期間為中國廣核新能源控股有限公司(股份代號：1811)之獨立非執行董事，所有上述公司均於聯交所主板上市。范先生在美國取得工商管理碩士學位。

劉天民先生

劉天民先生，59歲，於二零一四年八月二十五日獲委任為獨立非執行董事。彼亦為軟銀中國創業投資有限公司主管合夥人、同方泰德國際科技有限公司(股份代號：1206)的非執行董事及台灣蠟品股份有限公司(股份代號：1742)的獨立董事。劉先生於二零零三年至二零零九年間擔任同方股份副總裁兼數字電視系統本部總經理。同方泰德國際科技有限公司於聯交所主板上市，而台灣蠟品股份有限公司於台灣證交所上市。

李明綺女士

李明綺女士，53歲，於二零一四年八月二十五日獲委任為獨立非執行董事。彼畢業於上海復旦大學，獲經濟學學士，其後獲頒南衛理公會大學經濟學碩士學位及德克薩斯大學達拉斯分校管理和行政科學理學碩士學位。

自二零一一年三月至二零一四年十一月，彼曾任中燃偉業國際控股有限公司(於美利堅合眾國(「美國」)OTCBB上市，股份代號：SGAS)的獨立董事會董事。於畢業後，李女士曾擔任羅兵咸永道會計師事務所及JP Morgan Chase的高級分析員以及BHF Capital及Transamerica Business Capital的投資組合經理。近期，彼於Morgan Stanley New York擔任副總裁，以及於康涅狄格州格林威治的水星資本管理擔任對沖基金主管。

董事及高級管理層履歷

高級管理層

高志先生履歷見本節上文「執行董事」一段。

Li P. W. Daniel博士履歷見本節上文「執行董事」一段。

劉智綱先生履歷見本節上文「執行董事」一段。

付凱先生

付凱先生，46歲，現擔任本公司首席財務官兼總會計師。付先生獲得會計學士學位。彼亦為註冊稅務師及經認可會計師。自二零零四年起，歷任同方吉兆科技有限公司財務部成本經理、財務經理；同方股份數字電視產業本部財務部財務經理；同方股份財務部總經理助理、副總經理。

張震寰先生

張震寰先生，67歲，畢業於美國德州理工大學，獲工商管理博士學位。彼為本公司總裁助理，主要負責本公司美國業務，現任本公司非全資附屬公司American Lighting, Inc.（「American Lighting」）首席執行官(CEO)及Tivoli, LLC（「Tivoli」）代理首席執行官。一九九九年至二零零四年負責擴大本公司在美國業務，二零零四年至二零零六年任Tivoli首席執行官，二零零六年至二零零九年曾任本公司市場行銷總監、執行董事兼首席執行官。

徐惠來先生

徐惠來先生，49歲，法學學士，畢業於中國青年政治學院。彼為本公司總裁助理。

自二零零零年起，歷任同方威視技術股份有限公司人力資源部副部長、同方股份人力資源部總經理助理、同方光電科技有限公司人力資源總監、同方股份半導體與照明產業本部人力資源總監。

董事及高級管理層履歷

周曉東先生

周曉東先生，49歲，於會計及內部監控方面擁有逾23年經驗。彼目前為聯交所上市公司長城一帶一路控股有限公司(股份代號：524)及國能集團國際資產控股有限公司(股份代號：918)的獨立非執行董事。此前，周先生於二零一四年十二月至二零一八年九月擔任聯交所上市公司高鵬礦業控股有限公司(股份代號：2212)的獨立非執行董事，並於二零一三年十月至二零一五年三月擔任聯交所上市公司國家聯合資源控股有限公司(前稱中國戶外媒體集團有限公司)(股份代號：254)的獨立非執行董事。周先生於一九九五年十一月獲香港科技大學頒發工商管理學士(金融學)學位，並於二零零一年十二月獲澳洲悉尼大學頒發國際商務碩士學位。周先生自一九九九年一月起為香港會計師公會(前稱香港會計師學會)會員。周先生自二零零零年四月起亦成為英國特許會計師公會會員，並於二零零五年四月獲認許為其資深會員。

鄭建文先生

鄭建文先生，53歲，於一九九一年七月畢業於滬江高中，彼現擔任本公司總裁助理及本公司附屬公司台灣奇創實業有限公司總經理，主要負責本公司裝飾燈事業部及台灣奇創實業有限公司的日常管理工作。彼於一九八六年入職前真明麗集團，擔任生產及研發部門多個重要職位，亦曾擔任台灣照明同業公會顧問。

翟健翼先生

翟健翼先生，54歲，為一名建築工程師，彼於一九九零年七月畢業於黑龍江省建築職工大學。彼為本公司總裁助理，彼亦為廣東同方科技園有限公司總經理，主要負責科技園項目。自二零零一年起，歷任北京同方房地產開發有限公司工程師、計劃發展部副總經理；北京同方星城置業有限公司計劃發展部總經理；無錫同方科技園有限公司工程部總經理；同方股份有限公司基地建設部專案經理；南通同方科技園有限公司工程部經理兼任同方電腦有限公司無錫基地二期專案管理部經理。

麥澤鴻先生

麥澤鴻先生，59歲，於一九八六年七月畢業於蘇塞克斯大學經濟專業，其後於一九九三年三月獲得華威大學工商管理研究生文憑，是香港證券及期貨事務監察委員會第1類、第4類及第9類受規管活動的持牌負責人員。麥先生擁有投資及資產管理行業逾二十年的豐富經驗。在加入同方證券之前，於二零零六年至二零一五年期間，他曾先後擔任國信證券(香港)資產管理有限公司基金管理主管、農銀國際資產管理有限公司董事總經理、華南資產管理有限公司資產管理主管、國泰君安資產管理(亞洲)有限公司執行董事和首席投資官。

管理層討論及分析

財務回顧

截至二零二零年十二月三十一日止年度的總收入約為人民幣876.7百萬元，較截至二零一九年十二月三十一日止年度約人民幣841.3百萬元增長約4.2%。有關進一步詳情，請參閱下文。

照明分部

截至二零二零年十二月三十一日止年度，照明分部(照明產品的研發、製造、分銷及提供解決方案)應佔收入約為人民幣843.5百萬元，較截至二零一九年十二月三十一日止年度約人民幣798.2百萬元增長約人民幣45.3百萬元，是由於美國照明分部收入增長約人民幣67.6百萬元。截至二零二零年十二月三十一日止年度，美國照明分部繼續擴展銷售渠道並取得不錯的成績。

證券分部

截至二零二零年十二月三十一日止年度，證券分部應佔收入約為人民幣33.2百萬元，較截至二零一九年十二月三十一日止年度約人民幣43.1百萬元減少約人民幣9.9百萬元，原因為利息收入減少約人民幣6.6百萬元以及代理、諮詢及管理服務的收入減少約人民幣3.3百萬元。該減少主要是由於我們實施更加嚴格的風險管理措施導致投資組合減少。

銷售成本

截至二零二零年十二月三十一日止年度，銷售成本約為人民幣594.6百萬元，較截至二零一九年十二月三十一日止年度約人民幣557.6百萬元增加約人民幣37.0百萬元，主要由於材料成本增加。

毛利及毛利率

截至二零二零年十二月三十一日止年度，本集團錄得毛利約人民幣282.1百萬元，較截至二零一九年十二月三十一日止年度約人民幣283.8百萬元減少約人民幣1.7百萬元。

照明分部

截至二零二零年十二月三十一日止年度，本集團照明分部錄得毛利約人民幣248.9百萬元，較截至二零一九年十二月三十一日止年度約人民幣240.7百萬元增長約人民幣8.2百萬元或3.4%，主要由於美國照明分部毛利增加。

證券分部

截至二零二零年十二月三十一日止年度，本集團錄得證券分部之毛利約人民幣33.2百萬元，較截至二零一九年十二月三十一日止年度約人民幣43.1百萬元減少約人民幣9.9百萬元。該減少的原因與收入減少的原因相同。

管理層討論及分析

其他收入、收益及虧損淨額

截至二零二零年十二月三十一日止年度，本集團錄得其他收益淨額約人民幣23.4百萬元，較截至二零一九年十二月三十一日止年度約人民幣87.1百萬元減少約人民幣63.7百萬元，主要是由於投資物業公允價值虧損約人民幣41.2百萬元及商譽減值虧損約人民幣21.7百萬元。

商譽減值虧損

截至二零二零年十二月三十一日止年度，就商譽確認的減值虧損金額為約人民幣21.7百萬元，主要由於證券現金產生單位的商譽減值虧損所致(二零一九年：無)。

經營開支

銷售及分銷開支主要包括照明分部的員工成本、宣傳及廣告、運輸及交通、代理及海關費用以及租金及差餉。

截至二零二零年十二月三十一日止年度，本集團的銷售及分銷開支約為人民幣168.9百萬元，較截至二零一九年十二月三十一日止年度約人民幣161.4百萬元增加約人民幣7.5百萬元，主要由於為拓展美國照明分部的銷售渠道令銷售開支增加。

行政開支主要包括證券分部的員工成本、董事酬金、折舊開支及專業及法律費用。截至二零二零年十二月三十一日止年度的行政開支約為人民幣154.1百萬元，較截至二零一九年十二月三十一日止年度約人民幣173.0百萬元減少約人民幣18.9百萬元，主要由於本集團裁員使員工成本減少所致。

財務成本

截至二零二零年十二月三十一日止年度的財務成本約為人民幣25.3百萬元，較截至二零一九年十二月三十一日止年度約人民幣29.3百萬元減少約人民幣4.1百萬元，主要由於計息銀行借款減少約人民幣50.0百萬元。

稅項

截至二零二零年十二月三十一日止年度，本集團的稅項抵免約人民幣39.4百萬元(二零一九年：稅項開支約人民幣29.5百萬元)，主要包括年內即期稅項開支約人民幣23.0百萬元及遞延稅項抵免約人民幣62.4百萬元。

母公司擁有人應佔溢利

截至二零二零年十二月三十一日止年度，本集團錄得母公司擁有人應佔虧損約人民幣28.2百萬元，較截至二零一九年十二月三十一日止年度的虧損約人民幣22.9百萬元增加約人民幣5.3百萬元。虧損增加主要是由於商譽減值虧損所致。

管理層討論及分析

淨虧損

截至二零二零年十二月三十一日止年度，本集團錄得淨虧損約人民幣27.4百萬元，而截至二零一九年十二月三十一日止年度錄得淨虧損約人民幣22.5百萬元。

財務資源及流動資金及資產負債比率

本集團的財務狀況保持穩定。於二零二零年十二月三十一日，本集團擁有銀行結餘約人民幣408.5百萬元及短期銀行貸款約人民幣80.5百萬元。於二零二零年十二月三十一日，本集團資產負債比率（指本集團債務總額與權益總額的比率）為22.1%（二零一九年十二月三十一日：29.2%）。有關減少主要是因銀行貸款減少約人民幣50.5百萬元所致。

資產及負債

於二零二零年十二月三十一日，本集團錄得總資產約人民幣2,239.3百萬元（二零一九年十二月三十一日：約人民幣2,494.7百萬元）及總負債約人民幣578.0百萬元（二零一九年十二月三十一日：約人民幣763.1百萬元）。

於二零二零年十二月三十一日，本集團之流動資產及非流動資產分別約為人民幣1,712.9百萬元（二零一九年十二月三十一日：約人民幣1,125.7百萬元）及約人民幣526.3百萬元（二零一九年十二月三十一日：約人民幣1,369.0百萬元）。流動資產增加主要是由於出售本公司兩間附屬公司的應收款項導致預付款、其他應收款項及其他資產增加約人民幣691.1百萬元。非流動資產減少主要是由於出售上述兩間擁有土地使用權的附屬公司而導致投資物業減少約人民幣799.5百萬元。

於二零二零年十二月三十一日，本集團之流動負債及長期負債分別約為人民幣288.2百萬元（二零一九年十二月三十一日：人民幣331.9百萬元）及約人民幣289.8百萬元（二零一九年十二月三十一日：人民幣431.1百萬元）。流動負債減少主要是由於計息銀行借款減少約人民幣60.6百萬元所致。長期負債減少主要是由於償還最終控股公司貸款約人民幣110百萬元。

於二零二零年十二月三十一日，本集團有應付或然代價約人民幣23.5百萬元，產生自American Lighting, Inc收購Novelty Lights, LLC的剩餘20%股權，預期將於不遲於二零一九年一月一日（北美山地標準時間）起計第三個週年日後的兩個營業日完成，惟須已達成若干條件方可作實。有關詳情請參閱本公司日期為二零一九年一月一日的公告。應付或然代價的公允價值乃採用收入法基於Novelty Lights, LLC的息稅折舊及攤銷前利潤相關的概率加權平均派息而估計。

管理層討論及分析

外匯風險

本公司多間附屬公司有銷售及採購是以相關實體之功能貨幣以外的貨幣定值，因此本集團承受外幣風險。本集團現在並無訂立外幣對沖政策以消除貨幣風險。然而，管理層會密切監察相關外幣風險，並將會在有需要時，考慮對沖重大的外幣風險。

資產抵押

於二零二零年十二月三十一日，本集團抵押合共約人民幣7.4百萬元(二零一九年十二月三十一日：人民幣8.1百萬元)的若干物業、廠房及設備、賬面總值約人民幣142.0百萬元(二零一九年十二月三十一日：人民幣118.8百萬元)的若干應收貿易款項及存貨，以及本集團賬面總值約人民幣8.1百萬元(二零一九年十二月三十一日：人民幣8.3百萬元)及賬面總值約人民幣28.1百萬元(二零一九年十二月三十一日：人民幣28.1百萬元)的若干持作出售的非流動資產，為本集團獲授之銀行信貸融資提供擔保。

資本承擔

於二零二零年十二月三十一日，本集團並無就收購物業、廠房及設備之已訂約但未於財務報表撥備的資本開支(二零一九年十二月三十一日：約人民幣9.9百萬元)。

或然負債

於截至二零二零年十二月三十一日止年度，若干附屬公司在其日常業務過程中捲入各種法律索償事件。董事認為，該等索償並無對本集團的業績及財務狀況構成重大影響。

資本架構

於二零二零年十二月三十一日，本公司已發行股本約為人民幣185,675,677元(相等於約209,450,542港元)(二零一九年十二月三十一日：約人民幣185,675,677元(相等於約209,450,542港元))，分為2,094,505,417股每股0.10港元的普通股。

管理層討論及分析

重大收購、出售及重大投資

於二零二零年十月二十九日，廣東同方科技園有限公司(本公司間接全資附屬公司，作為賣方)與中核興業控股有限公司(獨立第三方，作為買方)(其中包括)就出售本公司的兩間附屬公司訂立股權轉讓協議。根據股權轉讓協議，賣方同意出售且買方同意購買本公司兩間全資附屬公司江門市同鶴光源科技有限公司及江門市同欣光源科技有限公司(統稱為「目標公司」)的全部股權，代價為人民幣392,961,124.51元。有關出售事項的詳情，請參閱本公司日期為二零二零年十月三十日的公告及日期為二零二零年十一月二十日的股東通函。本公司有意向股東更新，出售事項已於二零二零年十二月二十九日完成，完成後目標公司不再為本公司的附屬公司。於本年報日期，代價總額已收訖。

於二零二零年十二月一日，本公司全資附屬公司同方財務有限公司根據日期為二零一八年四月二十五日的認購協議贖回其於Mount Everest Fund中的部分投資。該被贖回投資的本金為4,000,000美元，而贖回已收取的金額約為12,012,402.03美元。本公司自贖回確認估計收益8,012,402.03美元。有關贖回的詳情，請參閱本公司日期為二零二零年十二月一日的公告。

除本年報所披露者外，本公司於回顧年度內並無持有其他重大投資，亦無進行對有關附屬公司、聯營公司及合營企業的任何重大收購或出售。

末期股息

董事會議決不就截至二零二零年十二月三十一日止年度派付任何股息(二零一九年十二月三十一日：無)。

業務回顧

於回顧年度，自二零二零年年初以來全球爆發的新冠疫情已給全球商業環境以及本集團帶來了諸多不確定因素。為盡可能減少新冠疫情的影響，本公司已落實各種應急措施，包括但不限於提供口罩、實施在家辦公安排及使用網絡會議系統。通過不懈的努力，本集團使收入輕微增長。未來，本集團將繼續落實新冠疫情的防控措施，並致力繼續提升收入。

受疫情、嚴峻經濟環境、匯率波動等影響，二零二零年整個北美照明行業的營收、利潤都在下滑。美國照明分部下三家附屬公司制定了嚴格的疫情防治執行方案，創造收入、利潤雙增長。這來之不易的成果，主要歸功於美國附屬公司員工上下一心，頂著疫情，在困難時期堅守崗位，扛著巨大的壓力超額完成任務。美國照明分部建立了一套高效的供應鏈，形成了以大型零售市場、傳統燈飾、電器產品分銷商、商用聖誕燈飾、燈光設計、電商平台等多渠道、多形態的服務性公司。

管理層討論及分析

如上文所披露，本集團已出售兩間擁有土地使用權的附屬公司，原因是本集團無意在其日常業務之外尋求開發住宅物業。未來，本公司將投入更多資源重點發展照明分部以及與本集團創新驅動發展策略相匹配、享有可觀市場前景及具有核心競爭力的產業。

同方證券致力於積累及運用其為本集團以及國內外客戶提供金融服務的經驗及專業知識。

銷售及分銷

照明分部

於報告期，本集團努力進行分銷及市場推廣，培養新的銷售渠道，並推廣新品牌的照明產品。本集團積極部署在全球增長最快的市場上建立品牌及銷售渠道，並在節能技術及解決方案方面向客戶提供更佳銷售服務。

證券分部

同方證券有限公司為獲准進行第1類(證券交易)、第4類(就證券提供意見)、第6類(就機構融資提供意見)及第9類(提供資產管理)受規管活動的持牌法團，預期力圖進一步開拓其金融服務業務。

研究與開發(「研發」)

本集團的研發工作重點為產品設計、新產品開發及提升生產效益，以減低整體生產成本。

僱員及薪酬

於二零二零年十二月三十一日，本集團的僱員總數約為800名(二零一九年十二月三十一日：1,100名)。僱員的基本薪酬乃根據行業薪酬慣例、僱員的經驗及其表現而釐定。僱員的薪酬現維持在一個具競爭力的水準，並參考相關人力市場及經濟情況，按年進行檢討。董事的酬金乃根據一系列包括市場狀況及每位董事的職責等因素而釐定。除法例規定的基本薪酬及法定福利外，本集團根據本集團的業績及僱員的個人表現提供酌情花紅。

董事會報告書

董事會欣然提呈截至二零二零年十二月三十一日止年度的年報及經審核財務報表。

主要業務

本公司為一家投資控股公司。本公司主要附屬公司的主要業務載於綜合財務報表附註1。

業務回顧

本集團截至二零二零年十二月三十一日止年度的業務回顧載於本年報「管理層討論及分析」一節。

未來發展

有關本集團業務的未來發展載於本年報「管理層討論及分析」及「主席報告書」兩節。

附屬公司

有關本集團於二零二零年十二月三十一日的主要附屬公司詳情，載於綜合財務報表附註1。

股息政策

本公司必須根據相關法律、規則、法規及受限於本公司組織章程細則（「組織章程細則」）項下制定股息派發、形式、頻率及金額。根據適用法律、規則、法規及組織章程細則，釐定是否擬派股息時，董事會將計及（其中包括）本公司的財務業績、可分派利潤金額、流動資金及資本需求，現金流量、稅項及未來業務計劃。

業績及股息

本集團截至二零二零年十二月三十一日止年度的業績及本集團於該日的財務狀況載於本年報第76至187頁。董事會議決不就截至二零二零年十二月三十一日止年度派付任何股息（二零一九年：無）。

財務概要

本集團於過往五個財政年度的業績以及資產、負債及非控股權益概要（摘錄自己刊發經審核財務報表）載於本年報第189頁。該概要不属于經審核財務報表的一部分。

董事會報告書

股東週年大會

本公司將於二零二一年六月二十五日(星期五)於香港舉行股東週年大會(「股東週年大會」)。股東週年大會通告將於適當時間刊發並寄發予本公司股東。

暫停辦理股份過戶登記手續

為確定出席於二零二一年六月二十五日(星期五)舉行的股東週年大會並於會上投票資格權利，本公司將於二零二一年六月二十二日(星期二)至二零二一年六月二十五日(星期五)(包括首尾兩日)期間暫停辦理股份過戶登記手續。為符合資格出席股東週年大會及於會上投票，股東須於二零二一年六月二十一日(星期一)下午四時三十分前將所有股份過戶文件，連同相關股票及轉讓表格送達本公司之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。出席股東週年大會資格的記錄日期為二零二一年六月二十五日(星期五)。

物業、廠房及設備

有關本集團本年度物業、廠房及設備的變動詳情，載於綜合財務報表附註13。年內，本集團投資物業的變動載於綜合財務報表附註14。

股本

有關年內本公司股本變動的詳情載於綜合財務報表附註31。

儲備

有關本集團儲備變動的詳情載於財務報表之綜合權益變動表內。於二零二零年十二月三十一日，可供分派予本公司權益股東之儲備總額為人民幣1,553百萬元。

優先購股權

本公司的組織章程細則或開曼群島法律均無有關優先購股權的條文，規定本公司須按比例向現有股東發售新股。

董事會報告書

董事

本公司截至本報告日期的董事如下：

執行董事

高志先生
劉智綱先生

非執行董事

謝漢良先生
周海英先生

獨立非執行董事

范仁達先生
劉天民先生
李明綺女士

董事及高級管理層履歷

董事及高級管理層的最新資料載列於本報告第6至10頁。

董事的重大合約利益

於期末及回顧年內任何時間，概不存在與本集團的業務有關、本公司或任何附屬公司或同系附屬公司為其中一方且本公司董事直接或間接於其中擁有重大利益的重大合約。

董事購買股份或債券的權利

於回顧年內，本公司或其任何附屬公司概無訂立任何旨在使本公司董事可以通過收購於本公司或任何其他實體公司的股份或債券而取得利益的安排，惟根據下文所披露之二零零六年購股權計劃、二零一六年購股權計劃、附屬公司股份獎勵計劃及股份獎勵計劃除外。

董事於競爭業務中的權益

截至二零二零年十二月三十一日止年度內任何時間及直至本年報日期，概無董事於本集團業務以外現在或以前直接或間接與本集團業務構成競爭或可能構成競爭的任何業務中擁有權益。

董事會報告書

董事及主要行政人員所擁有股份、相關股份及債券之權益及淡倉

於二零二零年十二月三十一日，董事及主要行政人員於本公司及本公司相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文其被當作或被視作擁有的權益及淡倉），或根據證券及期貨條例第352條須記入該條所述的登記冊，或根據上市規則所載上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉如下：

於相聯法團股份及相關股份的好倉：

American Lighting

姓名	身份	於二零二零年	佔於二零二零年
		十二月三十一日的 普通股數目	十二月三十一日 已發行股本 總數的百分比
謝漢良先生 ⁽¹⁾	實益擁有人	363	0.99%

附註：

- (1) 謝漢良先生被視為擁有於二零一五年六月三十日根據附屬公司股份獎勵計劃獲授的購股權獲行使時或會向其發行的363股American Lighting普通股的權益。

除上述者外，於二零二零年十二月三十一日，概無董事及主要行政人員於本公司或其任何相聯法團的股份、相關股份及債券中，擁有根據證券及期貨條例第352條記入該條所述登記冊的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的權益及淡倉。

本公司、其控股公司或其任何附屬公司於任何時間概無訂立任何安排，致使本公司董事及主要行政人員（包括彼等的配偶及18歲以下的子女）持有本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券的任何權益或淡倉。

主要股東於股份及相關股份的權益及淡倉

於二零二零年十二月三十一日，就董事所知，下列人士（董事及行政人員除外）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須予披露的權益或淡倉，或直接或間接擁有附有權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值10%或以上的權益。

名稱	身份	於二零二零年 十二月三十一日 的普通股數目	佔於二零二零年 十二月三十一日 已發行股本 總數的百分比
同方節能控股 ⁽¹⁾	實益擁有人	1,348,360,690	64.4%
Resuccess ⁽¹⁾⁽²⁾	受控制法團權益、實益擁有人	1,357,442,690	64.8%
同方股份 ⁽¹⁾⁽²⁾	受控制法團權益	1,357,442,690	64.8%

附註：

- (1) Resuccess Investments Limited（「Resuccess」）持有同方節能控股全部已發行股本及同方股份持有Resuccess全部已發行股本，因此Resuccess及同方股份各自被視為於同方節能控股所持有全部1,348,360,690股股份中擁有權益。
- (2) Resuccess直接持有本公司股份9,082,000股。同方股份持有Resuccess全部已發行股本，因此同方股份被視為擁有Resuccess所持有的所有股份權益。

除上文所述者外，於二零二零年十二月三十一日，本公司未獲知會於本公司的股份及相關股份中有任何權益及淡倉已被記錄於根據證券及期貨條例第336條須存置的登記冊內。

董事會報告書

關連交易

於截至二零二零年十二月三十一日止年度並無存在或由本集團訂立任何非豁免關連交易或持續關連交易。

關聯方交易

截至二零二零年十二月三十一日止年度，有關本集團關聯方交易的詳情，載於財務報表附註39。該等關聯方交易概不構成上市規則第14A章所界定並須予披露之關連交易或持續關連交易。

股權相關協議

除「購股權計劃」一節所披露外，於二零二零年十二月三十一日結束時及截至該日止年度，本公司並無訂立(i)任何將會或可能會致使本公司發行股份之協議；或(ii)任何需本公司訂立(i)所指協議之協議。

購股權計劃

二零零六年購股權計劃

本公司根據於二零零六年十一月二十日通過的股東決議案採納二零零六年購股權計劃，主要目的乃給予董事及合資格僱員鼓勵。

二零零六年購股權計劃已告終止，概無購股權可根據二零零六年購股權計劃進一步授出。於二零零六年購股權計劃項下的所有未行使購股權均已於二零二零年五月十四日失效。

董事會報告書

截至二零二零年十二月三十一日止年度，二零零六年購股權計劃下的購股權詳情載於下表。

參與者類別	授出日期 ⁽¹⁾	每股行使價 (港元)	於二零二零年	年內授出	年內行使	年內沒收／失效	於二零二零年
			一月一日 尚未行使				十二月三十一日 尚未行使
董事							
謝漢良先生	二零一五年五月十五日	1.31	1,500,000	—	—	(1,500,000)	—
王良海先生	二零一五年五月十五日	1.31	1,500,000	—	—	(1,500,000)	—
劉衛東先生	二零一五年五月十五日	1.31	1,000,000	—	—	(1,000,000)	—
范仁達先生	二零一五年五月十五日	1.31	600,000	—	—	(600,000)	—
劉天民先生	二零一五年五月十五日	1.31	600,000	—	—	(600,000)	—
李明綺女士	二零一五年五月十五日	1.31	600,000	—	—	(600,000)	—
僱員	二零一五年五月十五日	1.31	9,800,000	—	—	(9,800,000)	—
總計：	—	—	15,600,000	—	—	(15,600,000)	—

二零一六年購股權計劃

本公司已自二零一六年五月十三日採納二零一六年購股權計劃，以激勵合資格人士日後對本集團作出的貢獻及／或就彼等過去的貢獻給予獎勵，以吸引及挽留對本集團的表現、增長或成功而言屬重要及／或其貢獻有利或將有利於本集團的表現、增長或成功的合資格人士或與彼等維持持續的關係，此外，就行政人員(定義見二零一六年購股權計劃)而言，讓本集團得以吸引及挽留經驗豐富且具備才能的人士及／或就彼等過去的貢獻給予獎勵。

合資格人士包括下列人士：(a)行政人員、任何全職或兼職僱員，或現時調派到本集團任何成員公司或合資格實體(定義見二零一六年購股權計劃)全職或兼職工作的人士；(b)本集團任何成員公司或合資格實體的董事或候任董事(包括獨立非執行董事)；(c)本集團任何成員公司的直接或間接股東；(d)本集團任何成員公司或合資格實體的產品或服務供應商；(e)本集團任何成員公司或合資格實體的客戶、顧問、業務或合營夥伴、特許經營商、承包商、代理或代表；(f)向本集團任何成員公司或合資格實體提供設計、研究、開發或其他支援或提供任何顧問、諮詢、專業或其他服務的人士或實體；及(g)上述任何人士的聯繫人。

董事會報告書

根據二零一六年購股權計劃授出的所有購股權獲行使時可予發行的股份上限數目為193,931,969股，即佔採納日期已發行股份總數約10%，及佔本年度報告日期本公司已發行股本9.26%。

於截至最近授出日期之任何12個月期間，不得向二零一六年購股權計劃之任何參與者授出購股權，致使因行使已授出及將授予該人士之購股權而發行及將予發行之股份總數超過本公司不時已發行股本1%。

購股權可根據二零一六年購股權計劃之條款於董事會釐定的期間內隨時行使，惟不得超過授出日期起計十年。所授出之購股權於其可獲行使前並無最短持有期。二零一六年購股權計劃參與者如接納所授出的購股權，須於提呈日期起計28日或之前向本公司支付1.0港元。購股權的行使價由董事會全權酌情釐定，惟行使價不得低於以下最高者：

- (a) 股份面值；
- (b) 股份於提呈日期於聯交所每日報價表的收市價；及
- (c) 緊接提呈日期前五個營業日，股份於聯交所每日報價表的平均收市價。

二零一六年購股權計劃自採納日期起計十年期間生效及有效，其後將不會再授出或提呈購股權。

自二零一六年購股權計劃採納以來，概無授出任何購股權。

附屬公司股份獎勵計劃

於二零一五年四月二日，本公司經股東批准後採納附屬公司股份獎勵計劃，旨在透過為對於American Lighting作出(或預期作出)重大貢獻的人士提供擁有股權的機會，從而讓該等人士與本公司股東擁有相同利益，以提升American Lighting吸引、挽留及激勵該等人士的能力，以促進American Lighting現有及未來股東的利益。附屬公司股份獎勵計劃自採納起計有效期為十年。合資格人士包括American Lighting或其任何母公司或附屬公司的僱員、顧問及董事。

董事會報告書

根據附屬公司股份獎勵計劃可作出的獎勵涉及最多3,632股普通股股份(全部均可但無需作為獎勵購股權授出，惟須受《一九八六年國內收入法》下任何限制所限)，相等於附屬公司股份獎勵計劃獲股東採納及批准當日及於本年報日期的已發行及發行在外普通股股份的10%，並可根據該計劃條款予以調整。倘任何獎勵到期或失效，或並未全面行使而已終止、交回或註銷，或已遭全部或部份沒收(包括因本公司以原發行價或較低價格購回有關獎勵涉及的普通股股份)，則在任何情況下以任何方式導致有關獎勵涉及的任何普通股股份未有發行或由本公司以上述方式購回，則有關獎勵涉及的未使用普通股將重新用作授出附屬公司股份獎勵計劃項下的獎勵。

於直至授出日期(包括該日)連續十二(12)個月期間，因行使各服務提供者(定義見附屬公司股份獎勵計劃)獲授及將獲授的購股權(包括已行使及尚未行使購股權)而發行及將予發行的普通股股份總數，不得超過授出日期當日已發行普通股股份的1%。本公司可增授購股權至超出所列上限，惟須根據上市規則於股東大會上獲股東批准，屆時有關服務提供者及其密切聯繫人(或倘服務提供者為關連人士，服務提供者的聯繫人)須放棄投票。

管理人(定義見附屬公司股份獎勵計劃)須確定每份購股權的行使價及列明適用獎勵協議下的行使價。行使價不得低於購股權行使價的100%，即表示截至任何日期行使購股權時應付的普通股每股價格，乃按以下方式確定：(i)倘普通股於任何認可證券交易所上市(包括但不限於全國證券交易所，定義見證券交易法)，則購股權行使價為(A)授出購股權當日該普通股於該交易所所報的收市賣價，或(倘於該日並無成交)緊接該日前錄得成交的首個市場交易日；及(B)授出購股權日期前五個營業日該普通股於該交易所所報平均收市賣價，或(倘於該日並無成交)緊接該日前錄得成交的首個市場交易日(《華爾街日報》或American Lighting董事會認為可靠的其他消息來源所報告按照前文(A)及(B)項確定的價格)兩者的較高者；(ii)倘普通股並非於交易所上市，而是於全國市場系統或其他報價系統報價，則購股權行使價為授出購股權日期該普通股的最後賣價，或(倘該日並無成交)緊接該日前報告賣價日期的最後賣價(《華爾街日報》或American Lighting董事會認為可靠的其他消息來源所報告者)；或(iii)倘並無普通股的認可市場，則購股權行使價將由American Lighting董事會全權酌情決定。

不論前述任何相反規定，倘授出購股權為：(a)於American Lighting議決尋求上市當日或之後作出；或(b)於緊接American Lighting提交上市申請當日前六個月期間作出，而American Lighting於發售及出售普通股之時上市，則購股權行使價須為(a)因上市而將予發行的普通股股份發售價；及(b)適用獎勵協議的行使價的較高者。

董事會報告書

於截至二零二零年十二月三十一日止年度根據附屬公司股份獎勵計劃授出的購股權詳情如下：

參與者類別	授出日期 ⁽¹⁾	每股行使價 (美元)	於二零二零年 一月一日	年內授出	年內行使	年內沒收／失效	於二零二零年 十二月三十一日
			尚未行使				尚未行使
董事							
謝漢良先生	二零一五年六月三十日	330	363	—	—	—	363
僱員	二零一五年六月三十日	330	2,072	—	—	—	2,072

- (1) 所授出的購股權行使期為10年，並按以下方式歸屬：(i)所涉及股份總數百分之三十(30%)的購股權將於二零一五年六月三十日(「歸屬開始日期」)起計滿一周年歸屬及可行使；(ii)所涉及股份總數額外百分之三十(30%)的購股權將於歸屬開始日期起計滿兩周年歸屬及可行使；及(iii)所涉及股份總數的餘下百分之四十(40%)的購股權將於歸屬開始日期起計滿三周年歸屬(購股權因而悉數歸屬)，惟在各情況下的前提是，承授人於上述各歸屬日期仍繼續向本公司、American Lighting或Tivoli, LLC(「Tivoli」)(視情況而定)提供服務，並由American Lighting董事會全權酌情地確定已滿足由董事會所指定並由承授人同意的表現指標(如有)。

除上文所披露外，於本年度概無附屬公司股份獎勵計劃項下的購股權獲授出、行使、失效或註銷。

有關附屬公司股份獎勵計劃的進一步詳情，載於綜合財務報表附註32。

董事會報告書

股份獎勵計劃

於二零一八年四月十三日，本公司批准採納股份獎勵計劃，其為本公司一項長期激勵計劃，以令選定參與者權益透過擁有股份直接與股東一致。授權管理計劃的人士選定的(i)本集團任何成員公司或本公司控股公司或附屬公司或本公司控股公司附屬公司(「合資格實體」)的董事或候任董事；(ii)本集團任何成員公司的經理，或其他擔當行政、管理、監督或類似職位的其他僱員；及(iii)全職或兼職僱員，或現時調派到本集團任何成員公司或合資格實體全職或兼職工作的人士將有權作為選定參與者參與。

股份獎勵計劃將於以下較早日期終止：(i)採納日期(即二零一八年四月十三日)起第10週年到期時；(ii)本公司任何控制權變動之日期；或(iii)按計劃規則由董事會釐定／議決終止股份獎勵計劃之日期。任何終止須不影響任何選定參與者之現有權利。計劃不構成按上市規則第17章所指之購股權計劃或與購股權計劃類似之安排。

股份獎勵計劃的詳情載於本公司日期為二零一八年四月十三日的公告內。於回顧年度內，概無股份根據股份獎勵計劃授出。

買賣或贖回本公司之上市證券

截至二零二零年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回任何本公司的上市證券。

管理合約

於截至二零二零年十二月三十一日止年度，概無訂立或存在任何與本公司整體或任何重大部分業務有關的管理及行政工作合約。

與控股股東的合約

截至二零二零年十二月三十一日止年度，本公司或其任何附屬公司並無與控股股東訂立任何重大合約。

董事會報告書

董事於重大交易、安排或合約的權益

於回顧財政年度完結時或於回顧財政年度內任何時間，除財務報表附註39「關聯方交易」所披露者外，概無存在本公司或其任何附屬公司為其中訂約方而本公司董事或與董事有關連的實體直接或間接擁有重大權益的關於本集團業務的重大交易、安排或合約。

所得款項用途

本公司於緊接本報告日期前的過往十二個月內概無進行任何股本集資。

主要供貨商及客戶

於截至二零二零年十二月三十一日止年度，本集團最大供貨商佔本集團採購額28.7%，而首五大供貨商佔本集團總採購額39.5%。本集團最大客戶及首五大客戶分別佔本集團總收入17.8%及41.9%。

概無本公司之董事、彼等之聯繫人士或據董事所知擁有本公司股本5%以上之任何股東於本集團首五大供貨商及客戶擁有任何權益。

企業管治

有關企業管治的詳情，載於本年報第31至44頁「企業管治報告」一節。

薪酬政策

每位員工的薪酬待遇按個別情況釐定，以吸引及挽留最具才能的員工。薪酬待遇可由以下四大項目中一部份或全部組成，亦可能有所增減：

I. 基本薪金

基本薪金及工資是按個別職位的職能及責任而釐定。擔任該職務的人士實際可得的基本薪金或工資，則按個別受聘人士的經驗及能力而定。

基本薪金及工資會定期參考現行市場水平及有關行業的競爭對手同類職位作出檢討。僱員的實際薪金及工資則每年檢討，並可按生活費用及本公司的財務表現不時調整。

薪金及工資屬基本薪酬，並非按個別僱員或公司表現而作出的獎賞。薪酬計劃中另有其他獎勵項目。

董事會報告書

II. 獎勵性花紅

獎勵性花紅與個別僱員及公司表現掛鉤。每年公司會訂出利潤及其他公司表現方面的目標，在達標的年度方會支付獎勵性花紅。

每名僱員所得的獎勵性花紅會按其職位及年度內個人表現而定。

III. 二零一六年購股權計劃、附屬公司購股權計劃及股份獎勵計劃

本公司分別於二零一六年五月十三日、二零一六年四月二日及二零一八年四月十三日採納二零一六年購股權計劃、附屬公司股份獎勵計劃及股份獎勵計劃。有關詳情，請參閱本節「二零一六年購股權計劃」、「附屬公司股份獎勵計劃」及「股份獎勵計劃」各段。

IV. 其他福利

除上述三大項目外，本集團亦會參考有關司法權區的現行行業慣例向僱員提供慣常及／或強制性福利，例如退休金計劃、醫療福利、保險及有薪假期。

核數師

安永會計師事務所將退任並合資格應選續聘。於本公司應屆股東週年大會上將就其續聘為本公司核數師提呈一項決議案。

足夠公眾持股量

上市規則第8.08(1)(a)條規定，任何時候發行人已發行股本總額至少25%須由公眾持有。根據本公司取得之公開信息及就董事於本報告日期所知，本公司於截至二零二零年十二月三十一日止年度期間及截至本報告日期止後續期間一直維持上市規則所規定不少於本公司已發行股份25%的指定公眾持股量。

銀行貸款

有關本公司及本集團於二零二零年十二月三十一日的銀行貸款詳情，載於綜合財務報表附註28。

主要風險及不明朗因素

多項因素可能影響本集團業績及業務營運，其中某些因素在LED照明行業中屬固有因素，而另外一些則屬外來因素。有關詳情，請參閱「管理層討論及分析」一節。

董事會報告書

與僱員、供貨商及客戶的關係

有關與僱員、客戶及供貨商的關係詳情，請參閱本節「薪酬政策」及「主要供貨商及客戶」各段。

環保政策

本集團專門提供節能及環保產品。本集團努力在符合相關環境規例及規則下營運。於截至二零二零年十二月三十一日止年度及截至本報告日期，本集團並無違反任何相關環境規例及規則而導致本集團的發展、表現及業務受到重大影響。

遵守法律法規

本集團業務主要透過本公司在中國內地的附屬公司進行，而本公司本身在聯交所上市。本集團的成立及相關營運須遵守中國內地的相關法律法規（包括環保法、標準化法、產品質量法、產品安全法及強制產品認證的行政法規）及香港法律。於截至二零二零年十二月三十一日止年度及截至本報告日期，本集團已在各重大方面遵守中國內地及香港的所有相關法律法規。

此外，本集團委聘外部法律顧問，並於出現任何問題時向彼等尋求法律意見。

允許彌償保證條文

組織章程細則第167(1)條列明，本公司當時的董事、秘書及其他主管人員及每名核數師以及當時就本公司任何事務行事的清盤人或受託人（如有）以及每名該等人士及每名其繼承人、遺囑執行人及遺產管理人均可從本公司的資產及利潤獲得彌償，該等人士或任何該等人士、該等人士的任何繼承人、遺囑執行人或遺產管理人就各自的職務或信託執行其職責或假定職責時因所作出、發生的作為或不作為而招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，可獲確保免就此受任何損害。任何該等人士均無須就其他人士的行為、收入、疏忽或過失而負責，亦無須為符合規定以致參與任何收入或為本公司向其寄存或存入任何款項或財產作保管用途的任何銀行或其他人士或為本公司賴以投放或投資任何款項的抵押不充份或不足或為該等人士執行各自的職務或信託時發生的任何其他損失、不幸事故或損害而負責，惟本彌償保證不延伸至任何與任何上述人士之欺詐或不誠實有關的事宜。

代表董事會

高志

主席

二零二一年三月二十五日

企業管治報告

企業管治守則

本公司承諾建立良好的企業管治常規及程序，冀能成為透明開放及對股東負責的企業。

除本報告下文「主席及行政總裁」一段所披露的偏離情況外，於截至二零二零年十二月三十一日止年度全年，本公司已遵守上市規則附錄十四企業管治守則（「企業管治守則」）的守則條文，並（如適用）採用其中所載的建議最佳常規。

董事會

董事會被授予本公司營運的整體管理。

董事會全面負責管理本集團所有重要事項，包括制定及批准所有政策、本集團的整體策略發展、監管及控制本集團的營運及財務表現、內部監控及風險管理系統以及監管高級管理層表現。董事須就本公司的利益作出客觀決定。

董事會行使的職權包括：

- 制定本集團長遠策略；
- 批准主要收購、出售及資本投資；
- 檢討營運及財務表現；
- 批准財務業績及公佈；
- 檢討內部監控成效；
- 審批重大借貸；
- 決定股息政策；
- 根據一般授權發行或購回本公司證券；
- 批准委任董事會及高級管理層；及
- 決定本集團的薪酬政策。

企業管治報告

為協助達成其職務及責任，董事會已成立四個屬下委員會，即審核委員會、薪酬委員會、提名委員會及風險管理及合規委員會（前稱「監控及合規委員會」）。

本公司日常管理、行政及運作授權本公司首席執行官及高級管理層負責。所授權的職能及工作任務會定期進行檢討。

董事會組成

董事會現由七位董事組成，包括兩位執行董事：高志先生（董事會主席）及劉智綱先生，兩位非執行董事：謝漢良先生及周海英先生，及三位獨立非執行董事：范仁達先生、劉天民先生及李明綺女士。全體董事已就本集團事務付出充足時間及心力。各執行董事均符合資格勝任其職位，並有足夠經驗擔任其職務，有效履行職責。有關董事的履歷詳情載於本年報「董事及高級管理層」一節。

據本公司深知，董事會成員之間概無任何其他財務、業務或親屬關係。

本公司已遵守上市規則第3.10(1)條，委任至少三位獨立非執行董事。本公司已委任三位獨立非執行董事，佔董事會人數超過三分之一，符合上市規則第3.10A條之規定。

主席及行政總裁

董事會主席為黃俞先生（已於二零二零年一月九日辭任）。本公司行政總裁為謝漢良先生（已於二零二零年一月九日辭任）。高志先生於二零二零年一月九日獲委任為本公司行政總裁，並於二零二零年三月二十六日獲委任為董事會主席。

根據企業管治守則之守則條文第A2.1條，應分開主席及行政總裁的角色，不應由同一人擔任。本公司並無分開設立主席及行政總裁，由高志先生同時擔任該兩個職位。董事會認為，由於非執行董事及獨立非執行董事佔董事會大多數（七名董事中的五名為非執行董事及獨立非執行董事），故此架構並不會損害董事會與本公司管理層之間的權力及權限平衡。董事會相信，將主席及行政總裁的角色歸屬於同一人，有助於執行本公司的業務策略及提升營運效率。董事會將不時檢討現行架構，並於董事會認為適當時作出必要安排。

企業管治報告

獨立非執行董事

獨立非執行董事於董事會內擔當重要角色，於董事會會議上提供獨立判斷並詳查本集團的表現，其意見對董事會決定舉足輕重。尤其是，彼等就本集團的策略、表現及控制等問題提供公正意見。全體獨立非執行董事擁有廣泛的學術、專業及行業專長以及管理經驗，並向董事會提供專業意見。獨立非執行董事會就本集團的業務策略、業績及管理提供獨立意見，致使股東的全部利益可獲考慮，並保障本公司及其股東的利益。

董事會有三名獨立非執行董事，其中李明綺女士(其中一名獨立非執行董事)擁有適合專業會計資格或財務管理專業知識，符合上市規則第3.10(2)條所載規定。

本公司已接獲現任各獨立非執行董事按照上市規則第3.13條發出的年度獨立性確認書。根據該等確認書的內容，本公司認為，全體獨立非執行董事均為獨立人士，且彼等符合上市規則第3.13條所載有關獨立性的特定指引。

董事會多元化政策

本公司已於二零一三年四月一日採納董事會多元化政策(可能不時修訂)。本公司確認及受惠於董事會成員多元化帶來的裨益。儘管董事會的所有委任將繼續根據功績基準作出，本公司將確保董事會在技能、經驗方面及多項見解方面維持均衡，對本公司業務需要而言實屬恰當。本公司將按多項準則遴選候選人，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他方面)、技能以及知識。

董事證券交易

本公司亦已採納上市規則附錄十所載的標準守則為董事進行證券交易的操守指引。本公司已向全體董事作出特別查詢後確認，彼等截至二零二零年十二月三十一日止年度已遵守有關董事進行證券交易的標準守則所載規定標準。

企業管治報告

董事培訓及支持

全體董事須不時瞭解其共同職責。新委任董事將收到關於本集團營運、業務、管治政策及身為上市公司董事的法定監管義務與職責的完整資料。

董事已獲告知企業管治守則守則條文第A.6.5條有關持續專業發展的規定。根據本公司保存的紀錄，為符合企業管治守則有關持續專業發展的新規定，於截至二零二零年十二月三十一日止年度，現任董事所接受以其身為上市公司董事的角色、職能及職責為重點內容的培訓如下：

董事姓名	企業管治／法律、規則及法規的更新		會計／財務／管理或其他專業技能	
	閱讀資料	出席研討會／簡介會	閱讀資料	出席研討會／簡介會
執行董事				
高志先生(於二零二零年一月九日獲委任)	✓	✓	✓	✓
劉智綱先生(於二零二零年十一月二日獲委任)	✓	✓	✓	✓
Daniel P.W. Li先生(於二零二零年九月三十日辭任)	✓	✓	✓	✓
非執行董事				
周海英先生(於二零二零年一月九日獲委任)	✓	✓	✓	✓
謝漢良先生(於二零二零年一月九日獲調任為非執行董事)	✓	✓	✓	✓
黃俞先生(於二零二零年一月九日辭任)	✓	✓	✓	✓
王良海先生(於二零二零年一月九日辭任)	✓	✓	✓	✓
劉衛東先生(於二零二零年一月九日辭任)	✓	✓	✓	✓
獨立非執行董事				
范仁達先生	✓	✓	✓	✓
劉天民先生	✓	✓	✓	✓
李明綺女士	✓	✓	✓	✓

企業管治報告

董事及高級職員的保險

本公司已就可能對其董事及高級職員的潛在法律訴訟安排相關保險。

會議

全體董事均定期獲得有關管治及監管事宜的更新信息。董事可按照既定程序，尋求獨立專業意見以協助履行其責任，有關費用由本公司支付。

董事會於截至二零二零年十二月三十一日止整個年度內定期舉行會議，以檢討本集團之整體策略及監督本集團之營運及財務表現。主席主要負責本集團之策略，並負責有效領導及管理董事會，確保董事會及時顧及所有重點議題。就董事會所有定期會議，全體董事均獲發最少十四天通知，如彼等認為合適或有需要，董事可將討論事項納入有關議程。董事會定期會議的議程及附連之董事會文件在開會前一段合理時間內派發予所有董事。董事須披露彼等於董事會會議上供董事會考慮之任何建議書或交易中所享有之直接或間接權益(如有)並適時放棄投票。所有董事會會議記錄草稿會在合理時間內交董事傳閱，讓董事在確定會議記錄前提出意見。董事會及董事委員會的會議記錄由公司秘書保存。全體董事均有權查閱董事會的文件及有關資料，並會及時獲提供充份資料，使董事會可就提呈會議的事項作出知情決定。

截至二零二零年十二月三十一日止年度，各董事於董事會會議及股東大會的個人出席記錄載列如下：

董事姓名	出席次數／ 董事會會議次數	出席次數／ 股東大會次數
執行董事		
高志先生(於二零二零年一月九日獲委任)	12/13	1/1
劉智綱先生(於二零二零年十一月二日獲委任)	1/13	0/1
Daniel P.W. Li先生(於二零二零年九月三十日辭任)	11/13	1/1
非執行董事		
周海英先生(於二零二零年一月九日獲委任)	11/13	1/1
謝漢良先生(於二零二零年一月九日獲調任為非執行董事)	11/13	1/1
黃俞先生(於二零二零年一月九日辭任)	0/13	0/1
王良海先生(於二零二零年一月九日辭任)	0/13	0/1
劉衛東先生(於二零二零年一月九日辭任)	0/13	0/1
獨立非執行董事		
范仁達先生	13/13	1/1
劉天民先生	10/13	0/1
李明綺女士	13/13	1/1

企業管治報告

委任、重選及罷免董事

高志先生為本公司執行董事，與本公司訂立服務合約，指定任期由二零二零年一月九日起計為期三年，之後將自動續期，直至其中一方向另一方發出不少於三個月的書面通知終止為止，而通知於固定任期屆滿前不會失效。

本公司執行董事劉智綱先生已與本公司訂立服務合約，指定任期自二零二零年十一月二日起為期三年，其後自動續期直至任何一方向另一方發出不少於三個月書面通知終止為止，而通知於固定任期屆滿前不會失效。

謝漢良先生已與本公司訂立服務合約(「原服務合約」)，指定任期自二零一四年八月二十五日起為期三年，其後自動續期。於二零二零年一月九日，謝漢良先生由執行董事獲委任為非執行董事，並與本公司訂立一項新服務合約，指定任期自二零二零年一月九日起為期三年，其後自動續期直至任何一方向另一方發出不少於三個月書面通知終止為止。因此，原服務合約已經雙方同意而終止。

周海英先生為本公司非執行董事，與本公司訂立服務合約，指定任期由二零二零年一月九日起為期三年，之後將自動續期，直至其中一方向另一方發出不少於三個月的書面通知終止為止。

本公司各獨立非執行董事均與本公司訂立服務合約，指定任期由二零一四年八月二十五日起計為期三年，直至其中一方向另一方發出不少於兩個月的書面通知終止為止，而通知於固定任期屆滿前不會失效。

於截至二零二零年十二月三十一日止年度，概無董事放棄彼等的服務酬金。

根據組織章程細則，上述服務合約受限於至少每三年一次的董事輪值告退及於股東週年大會上重選。

組織章程細則第86(3)條規定，任何獲董事會委任以填補董事會臨時空缺的董事將任職至其獲委任後的首屆本公司股東大會為止，並在大會上接受重選，而任何由董事會委任以增加現有董事會人數的董事僅可任職至本公司下一屆股東週年大會為止，屆時將合資格膺選連任。

劉智綱先生於二零二零年十一月二日獲董事會委任為執行董事。根據組織章程細則第86(3)條，劉智綱先生須於應屆股東週年大會上輪席告退並合資格連任。劉先生願意於應屆股東週年大會應選連任。

企業管治報告

根據組織章程細則第87(1)條，董事會當中三分之一成員須於本公司每屆股東週年大會上輪席告退。根據組織章程細則第87(2)條，退任董事合乎資格膺選連任。

根據組織章程細則第87(1)條及第87(2)條，謝漢良先生將於應屆股東週年大會上退任且不會膺選連任，而劉天民先生須於股東週年大會上輪席告退，且符合資格並願意於股東週年大會上膺選連任。

董事委員會

董事會已成立(i)審核委員會；(ii)薪酬委員會；(iii)提名委員會；及(iv)風險管理及合規委員會(前稱「監控及合規委員會」)，並已界定職權範圍。解釋其相關角色及獲董事會授權的董事委員會職權範圍載於本公司網站<http://www.neo-neon.com>及聯交所網站www.hkexnews.hk。董事委員會可於作出合理要求時獲提供足夠資源履行其職責，及可在適當情況下尋求獨立專業意見及其他援助，費用概由本公司支付。

審核委員會

本公司已成立審核委員會，並以書面訂明其職權範圍。審核委員會目前由三名成員組成(即全體獨立非執行董事范仁達先生、劉天民先生及李明綺女士)。李明綺女士為審核委員會主席。審核委員會的主要職責為就外部核數師的委任及罷免向董事會提供推薦建議、審閱財務報表及就財務申報提供重要意見，以及監督本公司的內部監控及風險管理系統。審核委員會的組成及書面職權範圍符合企業管治守則。

本集團截至二零二零年六月三十日止六個月的未經審核中期業績及截至二零二零年十二月三十一日止年度的經審核年度業績已分別由審核委員會審閱，審核委員會認為相關財務報表已遵照適用會計準則及規定編製及已作出充分披露。審核委員會亦已審閱本集團採納的會計原則及常規，以及外部核數師的挑選及委任。另外，審核委員會已審閱本集團截至二零二零年十二月三十一日止年度的風險管理及內部監控系統。

企業管治報告

截至二零二零年十二月三十一日止年度，審核委員會已舉行3次會議。各審核委員會成員於審核委員會會議的個別出席記錄載列如下：

董事姓名	出席次數／ 委員會會議次數
李明綺女士	3/3
范仁達先生	3/3
劉天民先生	3/3

薪酬委員會

本公司已成立薪酬委員會，並以書面訂明其職權範圍。薪酬委員會目前由四名成員組成(即執行董事高志先生，三位獨立非執行董事范仁達先生、劉天民先生及李明綺女士)。劉天民先生為薪酬委員會主席。薪酬委員會的主要職責為就本集團董事及高級管理層的整體薪酬政策及結構向董事會提供意見，並確保並無董事或其任何聯繫人士參與釐定其薪酬。此外，薪酬委員會亦負責根據獲委派的職責，釐定各執行董事及高級管理層的薪酬方案(包括實物利益、退休金權利及補償款項(包括就離職或獲委任應付的任何酬金))。薪酬委員會的組成及書面職權範圍符合企業管治守則。

截至二零二零年十二月三十一日止年度，薪酬委員會檢討本集團的薪酬政策及董事及高級管理層於二零二零年的薪酬方案。

截至二零二零年十二月三十一日止年度，薪酬委員會已舉行2次會議。各薪酬委員會成員於薪酬委員會會議的個別出席記錄載列如下：

董事姓名	出席次數／ 委員會會議次數
劉天民先生	2/2
高志先生(於二零二零年一月九日獲委任)	2/2
黃俞先生(於二零二零年一月九日辭任)	0/2
范仁達先生	2/2
李明綺女士	2/2

企業管治報告

提名委員會

本公司已成立提名委員會，並以書面訂明其職權範圍。提名委員會目前由四名成員組成(即執行董事高志先生，三位獨立非執行董事范仁達先生、劉天民先生及李明綺女士)。高志先生為提名委員會主席。提名委員會的主要職責為定期檢討董事會的架構、人數及成員組合，並在考慮提名人的獨立性及資格後向董事會推薦合適的董事候選人，以確保所有提名公平透明。物色合適董事人選及向董事會作出有關推薦建議時，提名委員會亦須考慮候選人各方面的條件，包括但不限於其教育背景、專業經驗、相關行業經驗及過往董事職務。提名委員會的組成及書面職權範圍符合企業管治守則。

截至二零二零年十二月三十一日止年度，提名委員會主要履行了以下責任：

- 向董事會推薦提名劉智綱先生為執行董事；
- 檢討獨立非執行董事提交的年度獨立性確認函並評估彼等的獨立性；及
- 已檢討截至二零二零年十二月三十一日止年度董事會的架構、人數及成員組合。

截至二零二零年十二月三十一日止年度，提名委員會已舉行2次會議。各提名委員會成員於提名委員會會議的個別出席記錄載列如下：

董事姓名	出席次數／ 委員會會議次數
高志先生(於二零二零年一月九日獲委任)	2/2
黃俞先生(於二零二零年一月九日辭任)	0/2
劉天民先生	2/2
范仁達先生	2/2
李明綺女士	2/2

風險管理及合規委員會

本公司已成立風險管理及合規委員會(前稱「監控及合規委員會」)，並以書面訂明其職權範圍。合規委員會目前由七名成員組成(即本公司所有董事)。范仁達先生為風險管理及合規委員會主席。風險管理及合規委員會的主要職責為監察本公司的風險管理系統及本公司現在或未來業務的合規性，就遵守適用的法律和法規，包括上市規則的事宜進行審查並提出建議。

企業管治報告

截至二零二零年十二月三十一日止年度，風險管理及合規委員會就任何涉嫌欺詐及違規行為、內部管控失責或涉嫌違反法律、法規和規章定期向董事會報告。風險管理及合規委員會獲董事會授權向本公司管理層尋求相關資訊以實現其工作目標、職責和責任，而所有的員工都要配合其要求。

截至二零二零年十二月三十一日止年度，風險管理及合規委員會已舉行1次會議。

董事姓名	出席次數／ 委員會會議次數
高志先生(於二零二零年一月九日獲委任)	1/1
劉智綱先生(於二零二零年十一月二日獲委任)	0/1
Daniel P.W. Li先生(於二零二零年九月三十日辭任)	1/1
謝漢良先生	1/1
黃俞先生(於二零二零年一月九日辭任)	0/1
王良海先生(於二零二零年一月九日辭任)	0/1
劉衛東先生(於二零二零年一月九日辭任)	0/1
范仁達先生	1/1
劉天民先生	1/1
李明綺女士	1/1

企業管治職能

本公司的企業管治職能由董事會執行，包括：(a)制定及檢討本公司的企業管治政策及常規；(b)檢討及監察本集團董事及高級管理人員的培訓及持續專業發展；(c)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；(d)制定、檢討及監察本集團僱員及董事的操守準則及合規手冊(如有)；及(e)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。

截至二零二零年十二月三十一日止年度，董事會已檢討對守則條文及企業管治守則下的建議最佳常規的遵守情況，並就任何偏離情況作出深思熟慮的解釋。

公司秘書

本公司秘書為周曉東先生，於二零二零年五月十一日獲委任。周先生知悉上市規則第3.29條的規定。周先生已向本公司告悉彼已就企業管治及會計事項等方面接受超過15小時培訓。本公司認為公司秘書的培訓符合上市規則第3.29條的規定。

企業管治報告

財務申報

董事會在首席財務官及財務部的支援下，負責編製本公司及本集團各財政年度的財務報表，以真實公平反映本公司及其附屬公司於該年度的財務狀況、業績及現金流量。董事會並不知悉有任何有關事項或狀況的重大不明朗因素可能使本集團持續經營的能力受到重大質疑。

本公司的外聘核數師安永會計師事務所有關財務報表的責任載於本年度報告「獨立核數師報告」一節。

核數師酬金

董事會審核委員會負責就委聘、續聘及罷免法定外部核數師、批准外部核數師的薪酬及任期以及有關外部核數師辭職或遭開除的任何問題向董事會作出推薦建議。本公司委聘安永會計師事務所為外部核數師。截至二零二零年十二月三十一日止年度，已付／應付予安永會計師事務所的費用詳情如下。

	人民幣千元
審核服務	3,000
非審核服務(附註)	780
總計	3,780

附註：非審核服務涵蓋審閱未經審核中期財務資料、業績公告的商定程序及主要交易。

內部監控及風險管理

董事會確認其整體責任為持續維持本公司充足的內部監控及風險管理系統及檢討其效率。董事會致力落實有效及良好的內部監控及風險管理系統，保障股東利益及本公司資產。此外，審核委員會亦有責任審閱及評估本集團的風險管理及內部監控系統。

本集團的內部監控及風險管理系統具備明確的管理架構及其相關權限、完善政策及程序，在制定時已考慮到其業務性質及組織架構，以達成效率及有效的營運、確保財務報告的可靠性及遵守適用的法律法規、識別及管理潛在風險，並保障本集團資產。系統的目的在於管理而非排除失誤風險，以達成業務目標，並僅合理而非絕對保證不會出現重大虛假陳述或損失。

企業管治報告

於二零二零年，本公司採納以下政策及程序，並採取以下措施，以改善本集團風險管理及內部監控系統。

為了進一步改善本公司現有有關(其中包括)業務營運、財務及合規的風險管理及內部監控系統建置，於二零二零年，本公司採取若干措施識別、評估、管理與達成本公司營運目標有關的重大風險。例如，本集團高級管理層審閱並評估內部監控及風險管理過程、定期監察任何風險因素，並向董事會報告任何發現以及處理該等變動及經識別的風險所採取的措施。在本公司高級管理層的協助之下，董事會亦定期與本集團高級管理層、供應商業務代表以及客戶進行調查及現場訪談，以檢查並監察與本集團業務營運及財務管理有關的潛在風險。

同時，在專業核數師的協助之下，審核委員會監督本公司財務及經濟活動的收入與開支，以進一步強化風險管理的功能，並確保有效落實風險管理及內部監控系統以及本公司的標準化營運與健全發展。

結合本公司實際情況及各類適用的法律及法規，並配合本公司管理層制定的解決方案，以應對風險、系統化地組織業務營運，並監察與降低潛在風險。本公司亦制訂並推行若干內部政策，要求本集團所有僱員遵守該等內部風險管理及內部監控標準，共同打造一個風險管控及標準化營運的管治環境。此外，本公司亦已制定適用於若干營運單位的政策及程序，分工清晰，以確保風險管理及內部監控的成效。本公司日常營運委託各別部門，其對本身部門的行為及績效負責，並須嚴格遵守董事會及審核委員會制定的政策。此項程序於二零二零年全年實施並需持續予以改善。

根據企業管治守則C.2.1，董事會及管理層進行了其半年度及年度審閱內部監控及風險管理。審核委員會會議為審核委員會成員及本公司的管理層及內部審計經理直接溝通的機會。本公司以年度審核委員會會議作為其主席和審核委員會所有成員將盡力參加的一個重要事件。外聘核數師亦獲邀出席本公司的審核委員會會議，並可協助董事處理有關外聘核數師就審核行為和核數師報告的編製與內容所提出的查詢。董事亦已檢討內部核數部門的需要，彼等認為聘用專業人士為本集團進行內部核數工作，更具成本效益。現時本集團已設立內部核數部門，並且每年檢討內部監控及風險管理系統。

本公司亦已提供本公司董事及高級管理層內部信息培訓課程，確保所有可能對本公司股價產生重大影響的相關事實及情況立即得到評估，並確保本集團任何一位或以上的高級管理人員知悉的重大信息立即得到確認、評估及適時上報至董事會以釐定是否需要披露。

企業管治報告

於二零二零年，董事會在審核委員會的協助下已進行兩次本公司風險管理及內部監控系統的審閱，並認為本公司風險管理及內部監控系統為充足且有效落實。該審閱涵蓋所有重大監控、財務、合規及營運監控以及風險管理機制。

董事會在審核委員會的協助下，亦已審閱本公司資源的充足度、員工的資歷及經驗、培訓課程及會計相關預算、內部審核及財務報告職能，並對上述事項感到滿意。

與投資者及股東的關係

本公司在與股東及投資界溝通時，一直盡量保持高透明度。本公司定期為機構投資者及分析家舉行簡報會及會議。本公司致力按照有關監管規定，維持公開及有效的投資者溝通政策，並及時向投資者提供最新的業務資料。

為確保與投資者及分析家保持有效、清晰及準確之溝通，所有企業通訊均由本公司財務總監安排及處理。

本公司財務數據及所有與股東的公司通訊已載於本公司網站<http://www.neo-neon.com>，並會適時定期更新。

董事會及管理層須確保股東權利，且全體股東均獲公平公正對待。

本公司已適時宣佈其中期及年度業績，宣佈時間早於上市規則規定的時間。於股東大會，將就每個重大個別事項提呈個別決議案，包括重選個別董事。

股東週年大會將為董事會與本公司之股東提供直接溝通機會。本公司視股東週年大會為重要事項，主席及全體董事均盡可能出席。外聘核數師亦獲邀請出席本公司的股東週年大會，並可協助董事應付股東就核數行為及核數師報告的編製及內容所提出的查詢。所有股東收取附有詳細議程的通知和及時之通知函。根據上市規則，董事會將於應屆股東週年大會主持投票表決。本公司的業績將於會上宣佈，並適時於聯交所網站及本公司網站作出公佈。

企業管治報告

股東權利

股東召開股東特別大會及於股東大會提出提案的過程

於遞呈要求日期持有不少於本公司繳足股本(賦有於本公司股東大會上投票權)十分之一的股東於任何時候有權透過向本公司董事會或秘書發出書面要求(「要求」)，要求董事會召開股東特別大會，以處理有關要求中指明的事項；要求須遞呈於香港主要營業地點(香港灣仔告士打道138號聯合鹿島大廈15樓)，且有關大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有進行召開股東特別大會，則遞呈要求人可自發以同樣方式作出此舉，而遞呈要求人因董事會未有召開大會而產生的所有合理開支應由本公司向遞呈要求人作出償付。

向董事會提出查詢的程序

股東可透過周曉東先生或高志先生向董事會作出查詢，從而會轉交有關查詢予董事會處理。聯絡詳情如下：

地址： 香港灣仔告士打道138號聯合鹿島大廈15樓
電郵地址： investors@neo-neon.com
電話： (852) 2786 2133
傳真號碼： (852) 2786 2479

親屬及密切個人關係

董事會認為任用行政人員及員工，必須以其才能、有關經驗及技能為首要條件。本集團的策略是根據人選的資歷、經驗、技能及往績，透過內部提升或在公開市場招聘，選出最適當的合資格人選擔任個別職位。並無任何僱員是因為與任何董事有親屬或密切個人關係而受聘。

憲章文件

於截至二零二零年十二月三十一日止年度，本公司的憲章文件並無任何變動。

環境、社會及管治報告

關於本報告

報告編製基礎

同方友友控股有限公司(以下簡稱「同方友友」、「本公司」、或「我們」)一直致力以負責任及可持續的方式營運。為展現我們於履行環境、社會及管治責任所做出的努力，我們將透過此環境、社會及管治報告闡述與我們業務相關的環境及社會影響，以及我們為管理有關影響所做出的回應。

本報告依循香港聯合交易所有限公司(「聯交所」)上市規則附錄二十七《環境、社會及管治報告指引》(「ESG指引」)編製，披露內容符合ESG指引之「不遵守就解釋」要求。報告所披露的內容及數據均引用本公司之內部記錄及文件。

報告期限及範圍

本報告為同方友友於2020年1月1日至2020年12月31日(「2020年度」或「本年度」)的環境、社會及可持續發展之政策、表現以及相關的關鍵績效指標。報告範圍涵蓋本公司的主要業務，即照明業務以及於2020年底出售的科技園下屬子公司業務。由於證券業務的收入佔比以及ESG影響並不重大，有關ESG數據並未於此報告進行披露，我們將根據業務變化持續審視我們的報告範圍。

環境、社會及管治報告

ESG管理

ESG管治架構

我們致力於持續改善公司社會責任表現以履行企業應有的社會責任，並將社會責任管理視為日常運作管理的一個重要組成部分。為落實社會責任管理工作，我們依據國家勞動法規和SA8000國際標準建立了完整的社會責任管理體系。

同方友友的社會責任管理體系由高層主管領導，我們任命高管為社會責任管理者代表，協同各個職能部門，積極引導公司履行社會責任，並將這一要求延伸到供應鏈管理當中。我們制定了《SA8000社會責任管理手冊》(「管理手冊」)以明確公司社會責任管理體系組織架構及行為準則，並結合本公司的發展方向以及戰略適時對管理手冊進行更新，以完善公司之環境及社會管理。

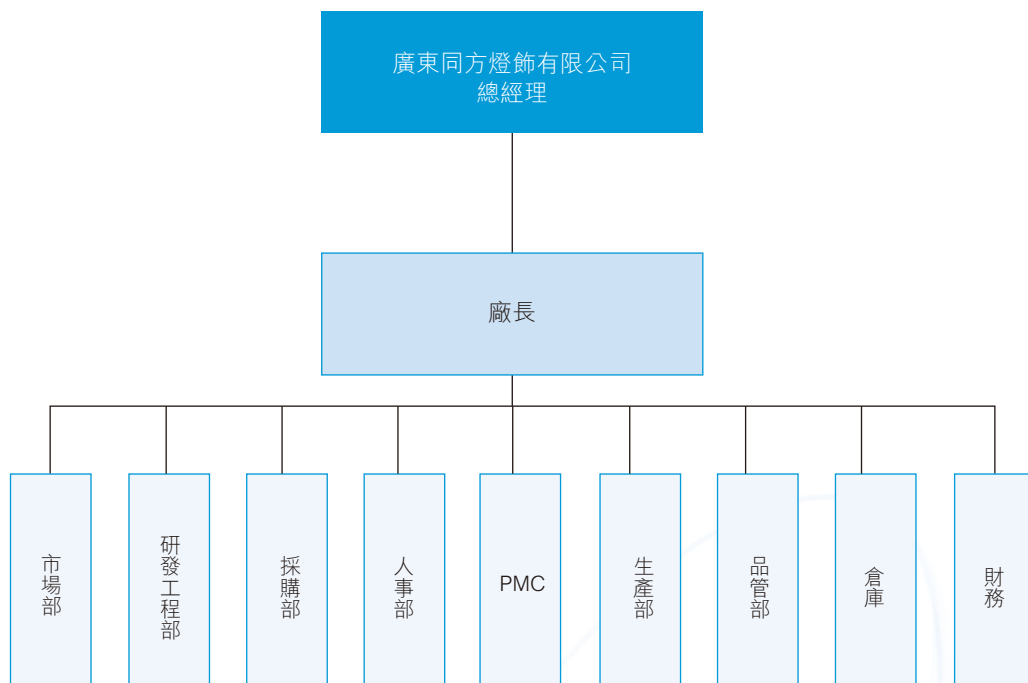


圖1-1公司社會責任管理體系組織架構圖

環境、社會及管治報告

利益相關方參與

在邁向可持續發展的過程中，我們十分重視各利益相關方對公司在環境、社會及公司管治方面的意見。透過不同渠道，我們與眾多利益相關方保持溝通，及時獲取他們的意見並響應其需求，共同構建相互支持、互利友好的合作共贏關係，進而不斷提升本公司於環境及社會領域的履責能力。我們的主要利益相關方包括政府、股東與投資者、客戶、員工、合作夥伴、和營運地點所屬的社區。通過有效的溝通平台，我們致力向各利益相關方提供公司社會責任工作的進展並獲取他們的反饋。

利益相關方	關注重點	溝通方式
政府	合規經營 依法納稅 創造就業	政企座談會 工作報告與調研
股東及投資者	穩健經營 公開透明 嚴控風險	股東大會 公司公告 投資者調研 公司官網
供貨商／分包商	公平採購 合作共贏	工作會議 公開招標 行業研討
客戶	產品質量 隱私保護	服務熱線 公司官網
員工	權益保障 培訓發展 健康安全	電子郵箱 調查問卷 績效評估
社區	小區發展 公益慈善	小區活動 信息公示

環境、社會及管治報告

重要性評估

我們定期檢視現行重要性評估結果，以期更真實的反映利益相關方所關注的環境及社會議題，令報告更符合公司的營運實況。在往年重要性分析結果的基礎上，我們透過對標可持續發展報告準則以及公司的業務發展審視ESG議題的優先次序。其具體流程如下：

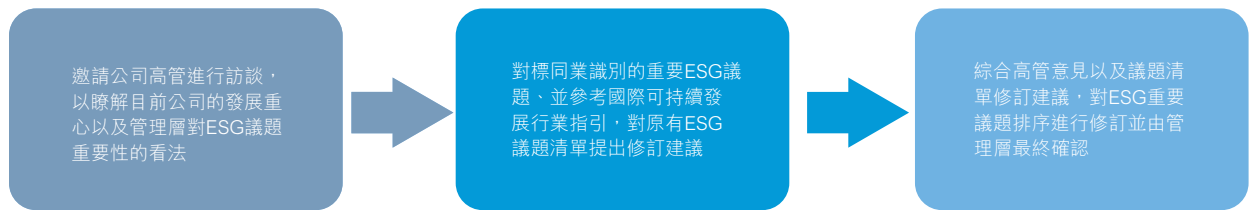


圖2同方友友控股重大ESG議題檢討流程

年內主營燈飾業務並未有重大變更，故往年度的ESG議題重要性矩陣依然適用。

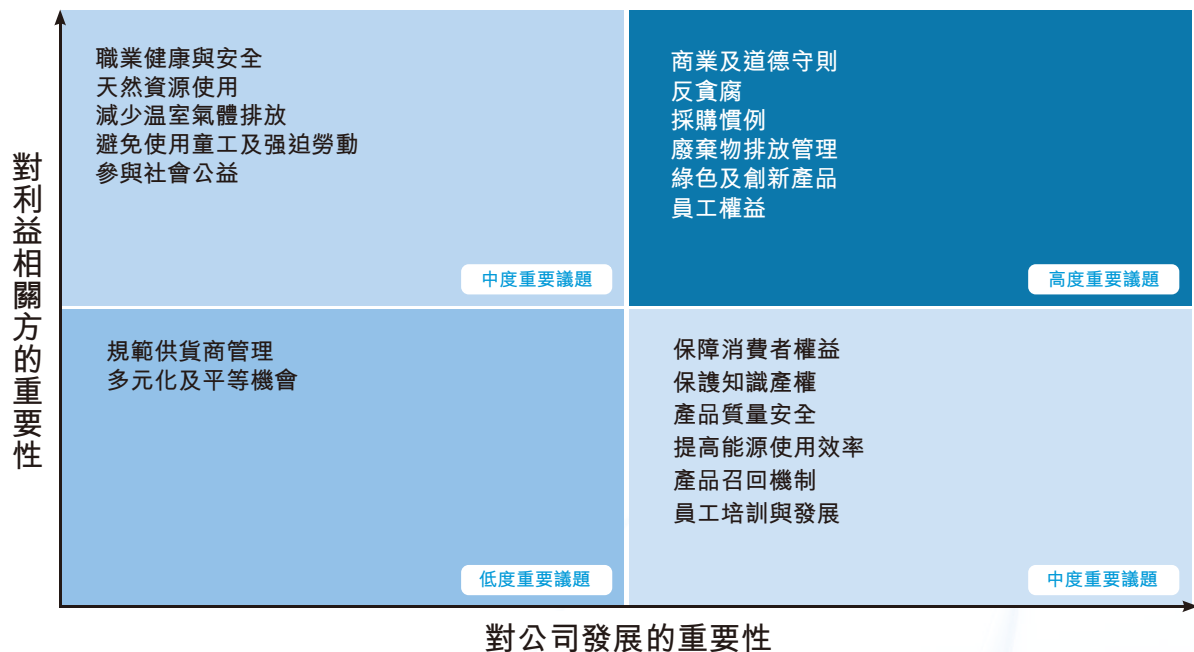


圖3 同方友友控股ESG議題重要性矩陣

環境、社會及管治報告

產品責任

產品質量安全及召回機制

對燈飾產品而言，產品安全性為重要的因素之一。公司通過了ISO9001質量管理體系認證，並設有負責產品安全、質量及合規監察的團隊。透過嚴謹的質量保證程序，包括原輔材料的質量控制、生產過程的質量監控及出廠產品的檢測及可靠性測試，確保產品符合所有適用有關安全及質量的規定。

為嚴控質量底線，我們制定了《生產計劃程序》、《生產和服務提供過程控制程序》及《產品防護控制程序》等管理制度，從專業和客戶雙重視角嚴控產品交付質量。

公司已建立健全的產品召回制度，包括行《產品危害和風險管理程序》、《不合格品控制文件》及《不符合、糾正措施和預防措施程序》等管理控制文件，對於規定功能不達標或有害物質不達目標產品，客戶可於質保期將有問題的產品退回工廠進行維修。

2020年內，並無發生已售產品因安全和健康理由而需要回收的情況。

綠色及創新產品

有害物質管控

我們的出口市場如歐盟對燈飾等電子設備有非常嚴格的環境及安全要求，故此我們根據歐盟制定的《關於限制在電子電器設備中使用某些有害成分的指令》(RoHS, Restriction of Hazardous Substances)，以及客戶要求等，制定了有害物質管理程序，對生產過程中使用的化學品等有害物質進行風險評估，確保產品符合法規和客戶對有害物質管理的要求。

產品節能

面對社會日益旺盛的節能減排需求，我們將節能目標列為產品設計的重要方針，致力於研發更先進、更節能及更環保的產品，以滿足客戶節能的要求。

環境、社會及管治報告

營運慣例

作為全球主要燈飾製造商之一，同方友友一直將質量視為最優先考慮的因素。通過包括市場部、研發工程部、採購部、生產部、以至品管部等不同部門的努力，我們嚴格把控從原材料採購到售後服務的每個環節，確保每一款產品的質量及安全。

我們也與供貨商密切合作，完善產品質量管理並不斷提升供應鏈的可持續性。為確保整個價值鏈的高效營運，我們堅守「誠信、廉潔、守法」的基本原則，反對任何貪腐行為。

倡廉善治

同方友友嚴格遵守《中華人民共和國反不正當競爭法》、《關於禁止商業賄賂行為的暫行規定》及其他反腐敗的相關法規。為了防止賄賂、勒索、欺詐及洗黑錢等違法行為，我們制定並實施《反舞弊管理制度》及《反腐倡廉誠信政策》，以規範化的方式從源頭上封堵不廉潔行為。

我們反對任何形式的腐敗，並通過《反腐倡廉誠信政策》公開聲明公司的反腐倡廉原則。根據政策，我們鼓勵各級員工、供貨商、客戶等各方透過既定的舉報程序及時向公司反映可疑情況。我們同時於《反舞弊管理制度》中向員工清晰定義了舞弊的概念和形式，明確了反舞弊的責任歸屬，並設立了相應的預防和控制措施。為加強員工的反貪腐意識，我們向員工發放反貪腐學習材料並要求員工仔細學習以加強員工識別可疑行為的能力。

2020年，並未有關於同方友友或其僱員貪污行為的法律案件，亦未有違反相關法律法規的情況。

環境、社會及管治報告

採購慣例及供應商管理

作為代理及生產燈飾為主營業務的企業，我們的業務有賴於與供應鏈內的供應商的緊密合作。為此，我們於SA8000社會責任管理體系的框架下制定並實施《採購控制程序》和《供貨商評審程序》，以規範採購流程並保障供貨商的原材料及產品質量。依據《採購控制程序》，我們對採購過程進行有效控制，確保所採購的產品符合規定要求。採購總部負責管理整個採購操作系統，其中包括人事管理與督導、採購系統維護以及相關數據的匯總。各部門及分廠開發新物料或新供貨商時由採購總部協助，並由其引導進行對供貨商的評估與確定。

評選及審核供應商的機制乃按照《供貨商評審程序》進行，由採購部協同質量部、工程部等相關部門核准新供應商。在評審時，供貨商需填寫供方質量系統問卷、有害物質控制系統問卷、環境和職業健康安全問卷、強制性產品認證工廠質量保證能力要求問卷以及社會責任問卷之質量要求問卷，以對其資質進行審查。此外供應商需提供「年度質量保證書」、HSF產品承諾書以及HSF產品檢測報告，以確保供貨商於產品質量管理以及環境及健康安全能力方面符合相關法規及標準的要求。

為鼓勵供貨商持續提高環境及社會責任表現，我們制定了《對相關方環境及OHS行為施加影響管理程序》，並按照程序的指引對各原料及服務供應商提出必要的環境和職業健康安全要求。我們同時通過設備部和採購部組織對相關方的評估，環境安全相關教育訓練及考核，並針對相關方提供的服務類型，由不同部門負責對其進行影響。對需重點施加影響的相關方，設備部和採購部組織有關部門不定期地對相關方的環境和OHS進行跟踪檢查，並要求不符合我們要求的相關方進行整改。

年內我們共有供貨商471家，其中46%位於廣東省內，15%位於其他省分，39%為國外供貨商。

環境、社會及管治報告

保護知識產權

知識產權是同方友友最具價值的資產之一，在加強創新研發的同時，同方友友也注重保護我們的技術創新成果及商標、專利、著作權等品牌無形資產。為此，本公司制定了《知識產權管理辦法》，以指導知識產權管理工作並鼓勵員工積極提供創新意見。

公司知識產權統一由標準專利科申請註冊，並進行到期續展、數據變更修正、打擊侵權行為等方面的維護。透過規範化的知識產權管理制度，我們已建立明確的產權歸屬、註冊、管理和維護以及對知識產權發明的獎勵程序。每半年，質量部及標準組協同其他相關部門按《法律法規收集與評價程序》對包括知識產權的法律法規遵循情況進行評價，以持續提升公司在知識產權保護方面的管理水平。

客戶服務及權益保障

我們十分重視客戶的服務體驗和滿意程度，並為此制定了《顧客滿意度測量程序》和《顧客有關的過程控制程序》以不斷提高服務質量，確保用戶的意見得到及時答覆和妥善處理。

依據公司制定的《顧客滿意度測量程序》，市場部在接獲顧客投訴後需參照《顧客有關的過程控制程序》進行溝通並保留記錄，並由質量部跟進確認產品質量及顧客退貨申請。生產部會協助進行客戶投訴分析及覆核，並協同制定改善和預防措施。根據程序要求，公司應在24小時內對客戶意見進行反饋，在5個工作日內書面回覆有效的改進行動。

2020年，同方友友接獲關於產品及服務的諮詢和投訴數目為14起，較2019年減少4起。

同方友友亦十分重視客戶信息及隱私的保護，並於本公司的所有系統均已經安裝了防毒及防惡意軟件程序以防範因網路攻擊而導致的資料泄漏。由於我們在業務期間需處理接觸客戶信息，我們參照《中華人民共和國網絡安全法》制定了《關於計算機、網絡、郵箱使用準則》，規範員工在接觸客戶信息時在電子系統的操作使用。同時，公司依據《顧客財產控制程序》，對顧客提供個人信息進行驗證、貯存和維護，保障顧客個人信息及隱私安全。

2020年，公司未發生造成客戶隱私或個人信息泄露的情況。

環境、社會及管治報告

人員管理

我們深知，同方友友長久以來的成功與僱員的貢獻密不可分。為此我們致力於為員工提供廣闊的職業發展空間與豐富的發展資源，尊重員工權益並不斷完善員工薪酬福利保障，為員工創造安心、愉悅的工作環境。

員工福利及權益

本公司認為，人才是企業得以穩健發展的基石。我們公司依據《中華人民共和國勞動法》、《中華人民共和國社會保障法》以及SA8000體系制定工資報酬和福利標準，在《管理手冊》中提出了「遵守法律、按勞分配、同工同酬、逐步提高、依法提供社會保險」的薪資分配原則。

本公司一直秉持公平、公正、透明的薪酬績效，持續檢視員工薪酬競爭力水平。我們以優厚的薪酬福利、以人為本的管理哲學、公平及全面的評核及晉升制度吸引及保留人才。《員工手冊》中規定了公司將在每年度基於員工工作表現及業績決定對其薪酬進行調整，保證公司工資報酬和福利至少達到當地法規和SA8000標準的要求。我們積極為員工創造晉升和發展機會，按照《員工手冊》中員工晉升、考核、獎懲管理的相關規定，對員工能力和素質進行月度、季度、及年度評估考核，晉升或降調員工到合適職務，並按對應職級等標準進行薪資調整。此外，公司就員工薪酬專門制定了《薪資管理制度》，確保公司在工資分配、支付等各個環節依法合規。

我們已制定了完善的福利體系，為員工提供全勤獎金、崗位津貼，並按照《加班管理控制程序》支付加班費。此外我們持續提升員工的工作和休息環境，不斷改善宿舍、飯堂及休息娛樂設施的條件，並定期組織員工參與康樂活動，以增強員工凝聚力和歸屬感。

為保障員工權益，我們在《員工手冊》中就人員的招聘與僱傭、員工行為規範、勞動合同解除等各個僱傭環節提供清晰指引，並確保員工熟知自身的權力及義務。我們提倡多元化及平等機會，反對任何形式的歧視。在招聘及升遷過程中，應聘者的能力及崗位合適度為主要考慮因素，並不會受其種族、性別、年齡、婚姻狀況等因素影響。對於可能出現的歧視行為，公司建立了申訴和投訴機制，對於歧視行為，可以直接向工人代表、主管以至總經理投訴。在接到相關投訴時，我們將委派涉事僱員以外的人員進行調查，並採取糾正行為。

環境、社會及管治報告

截至2020年12月31日，本公司共有員工832人，較去年減少23.3%。員工構成及流失率情況如下表所示：

分類		2020年人數	流失率
按性別	男性僱員	350	34%
	女性僱員	482	22%
按年齡	30歲以下	106	7%
	31-50歲	621	20%
	51歲以上	105	101%
按僱傭類型	全職僱員	832	26%
	契約／非正式僱員	0	不適用
按地區	華南	164	54%
	華東	28	10%
	華北	7	27%
	華中	111	64%
	海外	522	0%
整體流失率			26%

本年度，本公司未獲悉任何有關騷擾（包括性騷擾）、體罰、虐待、不適當的懲罰措施的員工投訴，亦沒有發生因薪酬支付方面的糾紛。

職業健康與安全

本公司致力為員工提供安全舒適的工作環境，嚴格遵守《中華人民共和國安全生產法》並參照OHSAS18001和SA8000標準制定安全健康政策和程序，保障員工的安全以及身心健康。

安全生產

我們致力確保生產過程中的安全，並於《管理手冊》列明每年度零重大工傷事故及100%上崗員工安全生產培訓合格率的目標。

根據公司的《OHS運行控制程序》，職業健康安全風險因素有關的管理由工業委員會協同工程部、設備部、測試中心及各相關部門執行。依據《危險源辨識、風險評價和風險控制策劃程序》，工業安全委員會與生產中心和質量中心負責組織危險源辨識、風險評價和風險控制策劃的工作。發現高危險源時，我們會將有關情況列入公司重大危險源，並立即對其進行改善。對於暫時無法改善危險源，我們採取相應的安全措施，配置相應的勞保用品，並對其作業人員進行相關培訓及制定相應的作業指導。

環境、社會及管治報告

為確保安全生產，我們為員工進行安全生產課程，並要求所有從事鍋爐、壓力容器、電梯、電氣、起重、焊接、車輛駕駛、易燃易爆等特殊工種的人員進行專業安全技術培訓。有關人員需經由國家主管部門嚴格考核，並在取得合格操作證或相關執照後才能准獨立操作相關器具。此外，我們亦按照《應急準備和響應控制程序》對火災、自然災害等潛在危險編製應急預案，保證緊急事故狀態下做出快速的反應。

本年度，本公司僅發生一起工作相關的受傷事故，是一名員工在下班途中發生交通事故，造成111天工作天數損失。公司已按照相關規定，向社保局做了工傷認定。

年內並未發生獲悉任何有關職業健康安全重大違規事件。

職業健康

員工是我們業務的基石，我們致力保障他們的工作安全。為此，我們專注監察我們的職業健康與安全表現。根據《中華人民共和國職業病防治法》，我們在《管理手冊》中明確以「為員工提供安全舒適的工作及生活環境」為指導方針，參照OHSAS18001和SA8000標準制定了基於《OHS運行控制程序》的管理體系，保障員工身心健康並以零職業病發病率為目標。

基於職業健康安全方針，工業安全委員會負責組織各部門設置職業健康安全控制點，檢查各生產環境運行情況，並為相關崗位員工提供勞保用品。對其中可能造成重大事故的作業點，我們會組織有關部門對控制點進行明顯標識，並對有關職業健康風險進行監控。

我們為員工提供完善的健康檢查機制，要求特種作業人員、接觸有毒有害物質的作業人員接受定期健康檢查，檢查中如發現不良健康現象時應進行工作調離，當發現職業病時，應按職業病管理條例的要求及時上報政府行政主管部門，並對患者進行專項治療，直至康復或穩定。

為確保職業健康管理工作貫徹落實，工業安全委員會會按《OHS績效測量和監視控制程序》的要求定期檢查各部門的安全衛生與健康運行控制情況。每三個月質量部們會對各部門的運行控制情況進行全面監督檢查，並將檢查結果記錄在《運行控制監控表》中。當出現不符合情況時，部門需依照《不符合、補救、糾正和預防措施控制程序》進行處理。

環境、社會及管治報告

案例：

2020年初，突如其來的新冠疫情為公司各項工作的開展帶來了極大挑戰，「推動復工復產」是其中的一項重要任務。在此特殊時期，維護員工健康權益，關愛員工身心健康尤為重要。我們為相關員工安排職業健康體檢、配發消毒物資、醫用口罩等，盡最大努力保證工作場所的安全衛生，讓員工處於放心安心的辦公環境中。

員工培訓與發展

本公司視員工為重要的資產，不斷推動員工持續學習和發展。我們在《員工手冊》中設置了培訓章節，並制定了《人力資源及培訓程序文件》，建立了符合本公司戰略規劃與滿足業務運營的培訓管理規範、體系和機制。

每年度，教育訓練中心參照人力資源部編製的《崗位說明書》制定《年度培訓計劃》，針對不同部門的職能為在職人員提供生產、品質、行政、工程技術、以及特殊工種的相關理論和实操培訓。培訓結束後由各部門主管通過理論考核、操作考核、業績評定和觀察等方法，對培訓效果進行追蹤評估。為不斷提升培訓內容質量，我們會與年度完結時向各部門徵求培訓意見和建議，以檢討本年度培訓計劃並編製下一年度的培訓計劃。

在新冠肺炎疫情影響下，2020年同方友友共計21名員工參加培訓，總時長達到336小時。培訓內容涵蓋金融、上市公司披露、稅務管理能力、新企業會計準則及計量知識培訓等範疇。以下為按性別劃分之員工受訓比率及平均受訓時數：

員工分類	受訓人數	受訓比率	受訓員工	
			總受訓時數 (小時)	平均受訓時數 (小時)
男性僱員	4	19%	64	16
女性僱員	17	81%	272	16

環境、社會及管治報告

避免使用童工及強迫勞動

本公司十分重視勞工權益，嚴格遵守《中華人民共和國勞動法》《中華人民共和國勞動合同法》及《中華人民共和國社會保障法》等相關法律法例，以及相關國際勞工標準，絕不容忍任何僱傭童工和勞動剝削事件。因此，我們一直確保員工的年齡適合工作，並根據法律規定管理工作時間。員工必須擁有所需法律許可，才能在我們的設施內工作，我們亦會確保供應鏈內採用及遵守相同規定。

在SA8000社會責任管理標準體系的指導下，我們制定了《童工拯救程序》、《勞工和商業性道德風險評估程序》、《非強迫性工作程序》等管理制度，持續提升僱傭合規管理。同時，我們在《管理手冊》明確制定了零童工及準時向所有員工發放工資的目標。

我們針對童工、少年勞工及強迫勞工制定嚴格的政策。我們在中國的設施絕不僱用16歲以下人士。依據《人力資源部政策與程序》，求職人員在填寫《員工求職申請表》，需提交身份證明文件以核驗身份證件及確認年齡。對於可能出現的違規僱傭情況，公司專門設置了《童工拯救程序》，一旦發現童工僱員，人力資源部員工關係組將立刻停止崗位並結算工資，並由安排公司護送其返回至原居所。程序亦要求公司徹底調查有關違規，亦杜絕同類事件再次發生。

為避免出現強制勞工的情況，公司基於SA8000標準的指引設置了《勞工和商業性道德風險評估程序》。人力資源部和生產部對僱傭童工、強制勞工等違規風險進行充分評估，保障各個用工環節不發生強迫性勞動。同時我們制定了《非強迫性工作程序》，規定「禁止任何形式的強迫勞動，保障工人人身自由」，如發生違規情況，公司將立即徹查違規原因，並予以員工補償。

本年度，本公司未發生任何有關僱傭童工或強制勞工的重大違規事件，並達成零童工及按時支薪的年度管理目標。

環境、社會及管治報告

環境責任

可持續發展是我們業務營運不可或缺的一部分。我們積極管理燃料和水資源的消耗，並在整個營運過程中監控我們的溫室氣體排放和廢棄物的產生。作為全球最大的燈飾製造商之一，我們的目標是透過負責任的採購方式、對材料的創新應用、長遠產品規劃、製造、研究及開發，致力將環境影響減至最低。

公司嚴格遵守《中華人民共和國環境保護法》、《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》及其他相關法規。

為積極管理本集團的環境績效，本集團的環境管理系統參照ISO14001環境管理體系的要求，同時推行了多項有關環境的政策及程序，如《污水廢氣排放及噪聲控制管理程序》、《資源能源節約控制程序》等。我們積極設定環境管理目的及目標，確保營運符合當地法律及法規的同時，又能符合客戶的殷切期望。

本年度，我們的業務運營並沒有對附近空氣、土地、水源及生態環境產生任何重大的污染及破壞；本集團亦未獲悉任何有關環境保護的重大違規事件。

除非另有說明，本章節中的數據涵蓋集團位於廣東鶴山負責燈飾製造的廠房和美國照明分部。由於四捨五入關係，在本章節的個別數字相加起來可能不等於其總計。

資源使用

節能降耗

有鑒於全球迫切需要減少溫室氣體排放、減緩並適應氣候變化帶來的影響，同方友友一直致力於從廠房生產方面提高效率，通過減少能源消耗，以減少溫室氣體排放。本公司的《環境運行控制程序》以至《資源能源節約控制程序》清楚訂明節能目標及管理方案。我們亦致力尋求改善空間，訂立「年內減少耗電量8%」的目標。

同方友友的能源管理措施：

- 開展節能宣傳教育，讓管理者與員工意識到節約用電是一種集體行為
- 持續監察辦公室、廠區及生活區等設施的用電量
- 建議監測和實施節約用電措施和改善流程作業方式
- 每月總結耗電量用和分析措施果效

環境、社會及管治報告

在2020年，我們的總耗電量為4,942,593千瓦時，較上年度減少10.2%，主要原因為鶴山廠房生活區在年內拆除和辦公室人員減少。我們會持續檢討所有設施的能源績效，並尋求機會降低能源消耗量。

	耗電設施	單位	2020年	2019年
總量	中國照明分部	辦公室	351,854	750,868
		生活區	22,070	182,505
		廠區	3,962,415	3,996,877
		小計	4,336,339	4,930,250
	美國照明分部	辦公室	525,690	501,033
		廠區	80,564	75,286
		小計	606,254	576,319
	總計	千瓦時	4,942,593	5,506,569
密度	總計	兆瓦時／ 十億元收入	5,637.5	6,544.9

包裝材料使用

為保障交付產品的質量及外觀，本集團產品在運輸時需以不同種類的包裝材料保護貨物，主要包括紙箱、膠袋和珍珠棉。我們對包裝材料的用量有嚴格控制，研發部在產品設計過程中會將包裝材料的物耗納入考慮，在保證質量的前提下，盡量削減其用量，以減少不必要浪費。對於無可避免的包裝廢物，我們施行以下回收利用措施：

- 對可直接回收利用的廢棄物，如廢紙箱、廢金屬等，由採購總部定期通知制定的回收單位前來回收，不可回收的則交由當地環衛所作無害化處理。

2020年度本集團所消耗的包裝物料總量為144.3噸，與上年度比較減少了1.4%。我們繼續積極尋找對環境負責的包裝及包裝物料。

	包裝材料種類	單位	2020年	2019年
總量	中國照明分部	紙箱	93.9	96.9
		膠袋	2.7	3.0
		珍珠棉	0.006	0.1
		小計	96.6	100.0
	美國照明分部	紙箱	46.1	40.6
		膠袋	1.6	1.7
		小計	47.7	42.3
	總計	噸	144.3	142.3
密度	總計	噸／ 十億元收入	164.6	169.1

環境、社會及管治報告

廢棄物排放管理

廢物管理

本集團專注減少物料消耗和營運過程中產生的廢物。我們在環境管理系統的其中一個關鍵目標乃減少廢棄物。我們會根據當地法律和法規採取各自的方法處理有害及一般廢棄物，為加強對廢棄物處置進行更有效的管理和控制，本集團的《環境運行控制程序》，清楚列明對於不同種類的廢棄物的處置辦法，當無法避免產生廢物時，我們會確保進行回收或遵循負責任的處置程序，減少廢棄物對環境造成的影響。

有害廢物

根據本集團的《危險廢物管理規程》，各部門必須按規定地點分類放置廢棄物，由採購總部統一安排分類處置，並會委託具有資格的合資格單位按規範處理處置有害廢物。同時，我們繼續加強對有害廢棄物的分類收集和處置，並在年內訂立了「危險廢棄物100%合規合法處理」的目標。為止，我們對相關人員進行培訓，加強固廢100%分類收集管理；嚴格實施《廢棄物控制程序》和《危險化學品控制程序》，確保危險處理符合法規要求；以及對危險廢棄物建立貯存區域，集中存放。

在2020年度，我們產生了906.8公斤的有害廢棄物。有害廢棄物主要包括廢機油、廢機油抹布以及硒鼓。無害廢棄物主要為生活垃圾。

一般廢物

本集團的一般廢物主要生活垃圾，主要來自食堂的廚餘以及各部門產生的生活垃圾。為改善廢物管理程序和持續加強報告的完整性，生活垃圾數據的涵蓋範圍新增了集團的美國照明分部，期內共生產了11,310公斤的生活垃圾。各部門產生的生活垃圾，由專職清潔工每日收集至生活垃圾桶內，再由當地環衛所定時拉至當地垃圾中轉站作無害化處理。

為了從源頭減少廚餘產生，我們加強採購管理，避免購入過量食材造成浪費。另外，為減少辦公室產生的一般廢物，我們設置了回收廢紙等可回收廢物的設施及場所，並建議員工以可重複使用的產品替代一次性物資，提倡節約意識，並鼓勵回收。

環境、社會及管治報告

溫室氣體排放

為應對全球氣候變化，中國在2020年9月對外作出了2030年碳排放達峰目標及2060年碳中和目標。企業應對氣候變化工作和綠色發展水平將真正成為企業的核心競爭力，影響企業未來的發展。

本集團向全球超過45個國家的公司供應產品，以及在4個國家的供應商採購原材料，一旦因極端天氣而使運輸及物流網絡中斷，將嚴重影響到我們的日常業務。因此我們必須未雨綢繆，為這個可預見的挑戰制定靈活而高效的應變措施，做好充分的準備。

本集團業務運營中排放的溫室氣體主要來自辦公室能源消耗、運輸及生產工序。就可提供數據的業務單位，現報告範圍1、2的溫室氣體排放量如下：範圍1的排放來自天然氣和燃油消耗，範圍2間接來自外購電力。我們繼續努力擴大有關溫室氣體(GHG)排放的資料披露。

同方友友2020年的溫室氣體排放總量為2,820.35公噸二氧化碳當量，較上年度減少了約11.2%。然而，我們相信仍然有潛在的減排空間，未來會繼續加大力度，落實減碳政策。

	溫室氣體 ¹	單位	2020年	2019年
總量	範圍一 ²	噸二氧化碳當量	106.0	169.5
	範圍二 ³		2,714.3	3,006.2
	總計		2,820.3	3,175.7
密度	範圍一	噸二氧化碳當量／十億元收入	120.9	201.5
	範圍二		3,096.0	3,573.1
	總計		3,216.9	3,774.5

¹ 溫室氣體排放根據機電工程署及環境保護署發佈的《香港建築物的溫室氣體排放及減除的核算和報告指引》(2010年版)所計算

² 今年範圍一溫室氣體的數據範圍已擴大至用於叉車和商用貨車的柴油消耗。

³ 範疇二的外購電力排放因子參考中華人民共和國發改委《2012年中國區域電網平均二氧化碳排放因子》和美國國家環境保護局最新發佈的排放因子。

環境、社會及管治報告

廢氣排放

本集團的主要廢氣排放源頭為生產工序中產生的少量注塑、焊接等無機粉塵廢氣以及商用車輛的尾氣排放。我們定期保養廢氣處理設施和定期監測，以確保粉塵廢氣達標排放。

雖然本集團的汽車的尾氣排放總量不大，但本集團深明汽車廢氣是導致空氣污染問題的主因之一，而減低汽車廢氣排放量，正是改善空氣質素的有效方法。近年，我們逐步淘汰廢氣排放量較高及低燃油效能的汽車，現時本公司的所有汽車每年均會進行尾氣排放等年度檢測，檢測結果達標才投入運行。本年度的排放量如下：

排放物	單位	2020年總量 ⁴
二氧化氮	克	6,859
二氧化硫	克	139
懸浮粒子	克	505

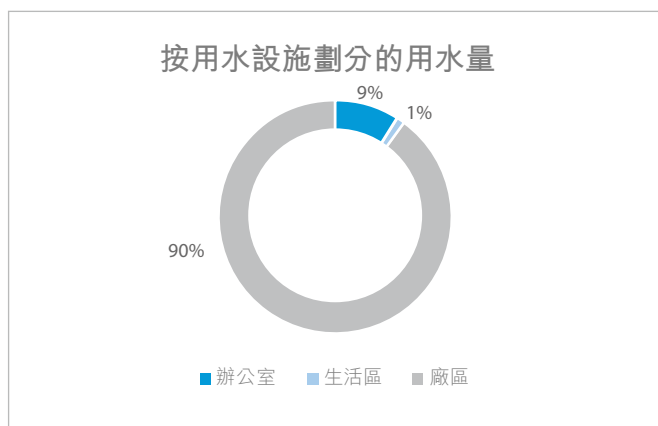
水資源管理

我們的營運並不耗用大量用水及我們的主要業務都不在水資源緊張的地區。儘管如此，本集團對水資源管理採取負責任的態度，尋求最大限度地提高效率及減少浪費。因此我們在制定《資源能源節約控制程序》，也考慮了節約用水的元素，並在年內訂立了「減少用水量10%」的目標。為此，我們加強宣傳，讓管理者與作業人員瞭解節約用水的需求，包括鼓勵使用可重複使用的水樽代替一次性使用的水樽，並不斷尋求改善現有設施的水資源管理。

⁴ 包括中國照明分部和美國照明分部的商務用車。

環境、社會及管治報告

在2020年度，我們的用水量為101,418立方米，較去年減少37.3%，用水量減少的主要原因為生活區建築物在年內已拆除。我們用水的主要用途是為衛生目的，其餘用於生產過程。



我們設施產生的廢水主要來自員工的衛生用途。本年度共產生了合共50,250立方米的生活廢水。這些廢水會經三級預處理後，在確保符合標準後排進市政管網。

為確保污水達標排放及減少對環境的污染，本集團的廠區設有廢水處理系統，並會定期保養及維修廢水處理設施。每季度一次由鶴山市環境保護監測站對本公司污水排放的各項指標進行監測。如出現不符合時，經整改後，增加監測次數以證明績效。

環境、社會及管治報告

社區投資

同方友友創立至今，始終將回報社會視為義不容辭的責任和義務，我們積極聘請當地勞工，識別當地社區的需要，如在小區扶貧、支持教育、環保公益和公共健康等領域開展相關活動，幫助小區改善和促進教育、基礎設施、公共衛生等事業，福澤當地。2020年度，公司全年捐贈6萬元人民幣。

案例：支持鶴山市疫情防控

2020年年初爆發的新冠疫情為全球帶來嚴重的影響，為支援鶴山市抗擊新冠疫情，廣東同方科技園有限公司於2020年2月向鶴山市慈善會捐贈5萬元，以支持鶴山市的疫情防控工作。

案例：重陽節敬老活動

2020年10月，廣東同方科技園有限公司參與了共和鐵崗居委會舉辦的重陽節敬老活動，並捐贈1萬元向以表示對社區內長者的關懷及敬意。

環境、社會及管治報告

香港聯交所《ESG報告指引》內容索引

範疇		章節／備註
A環境		
層面A1 排放物	一般披露 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	環境責任
關鍵績效指標A1.1	排放物種類及相關排放數據。	廢棄物排放管理
關鍵績效指標A1.2	溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	廢棄物排放管理
關鍵績效指標A1.3	所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	廢棄物排放管理
關鍵績效指標A1.4	所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	廢棄物排放管理
關鍵績效指標A1.5	描述減低排放量的措施及所得成果。	廢棄物排放管理
關鍵績效指標A1.6	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	廢棄物排放管理

環境、社會及管治報告

範疇		章節／備註
層面A2 資源使用	一般披露 有效使用資源(包括能源、水及其他原材料)的政策。	資源使用
關鍵績效指標A2.1	按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千瓦時計算)及密度(如以每產量單位、每項設施計算)。	資源使用
關鍵績效指標A2.2	總耗水量及密度(如以每產量單位、每項設施計算)。	廢棄物排放管理
關鍵績效指標A2.3	描述能源使用效益計劃及所得成果。	資源使用
關鍵績效指標A2.4	描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	廢棄物排放管理
關鍵績效指標A2.5	製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	資源使用
層面A3 環境及天然資源	一般披露 減低發行人對環境及天然資源造成重大影響的政策。	綠色及創新產品
關鍵績效指標A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	綠色及創新產品

環境、社會及管治報告

範疇		章節／備註
B 社會		
僱傭及勞工常規		
層面B1 僱傭	一般披露 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	人員管理
關鍵績效指標B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	員工福利及權益
關鍵績效指標B1.2	按性別、年齡組別及地區劃分的僱員流失比率。	員工福利及權益
層面B2 健康與安全	一般披露 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	職業健康與安全
關鍵績效指標B2.1	因工作關係而死亡的人數及比率。	在本財政年度內，本集團沒有發生任何因工作關係而死亡的事故。
關鍵績效指標B2.2	因工傷損失工作日數。	職業健康與安全
關鍵績效指標B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	職業健康與安全

環境、社會及管治報告

範疇		章節／備註
層面B3 發展與培訓	一般披露 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。	員工培訓與發展
關鍵績效指標B3.1	按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。	員工培訓與發展
關鍵績效指標B3.2	按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	員工培訓與發展
層面B4 勞工準則	一般披露 有關防止童工或強制勞工及對發行人有重大影響的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	避免使用童工及強迫勞動
關鍵績效指標B4.1	描述檢討招聘慣例的措施以避免童工及強制勞工。	避免使用童工及強迫勞動
關鍵績效指標B4.2	描述在發現違規情況時消除有關情況所採取的步驟。	避免使用童工及強迫勞動
營運慣例		
層面B5 供應鏈管理	一般披露 管理供應鏈的環境及社會風險的政策。	營運慣例
關鍵績效指標B5.1	按地區劃分的供應商數目。	採購慣例及供應商管理
關鍵績效指標B5.2	描述有關聘用供貨商的慣例，向其執行有關慣例的供貨商數目、以及有關慣例的執行及監察方法。	採購慣例及供應商管理

環境、社會及管治報告

範疇		章節／備註
層面B6 產品責任	一般披露 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及對發行人有重大影響的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	產品責任
關鍵績效指標B6.1	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。	產品質量安全及召回機制
關鍵績效指標B6.2	接獲關於產品及服務的投訴數目及應對方法。	客戶服務及權益保障
關鍵績效指標B6.3	描述與維護及保障知識產權有關的慣例。	保護知識產權
關鍵績效指標B6.4	描述質量檢定過程及產品回收程序。	產品質量安全及召回機制
關鍵績效指標B6.5	描述消費者資料保障及私隱政策，以及相關執行及監察方法。	客戶服務及權益保障
層面B7 反貪污	一般披露 有關防止賄賂、勒索、欺詐及洗黑錢及對發行人有重大影響的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	倡廉善治
關鍵績效指標B7.1	於彙報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	倡廉善治
關鍵績效指標B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	倡廉善治

環境、社會及管治報告

範疇		章節／備註
社區		
層面B8 社區投資	一般披露 有關以社區參與來瞭解發行人營運所在社區需要和確保其業務活動 會考慮社區利益的政策。	社區投資
關鍵績效指標B8.1	專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	社區投資
關鍵績效指標B8.2	在專注範疇所動用資源(如金錢或時間)。	社區投資

獨立核數師報告



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致同方友友控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第76至187頁的同方友友控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零二零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「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」)真實而中肯地反映了貴集團於二零二零年十二月三十一日的綜合財務狀況及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》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告核數師就審計綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒佈的《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。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

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

獨立核數師報告

關鍵審計事項(續)

關鍵審計事項

應收貿易賬款及應收票據以及應收貸款的減值撥備

於二零二零年十二月三十一日，應收貿易賬款及應收票據為人民幣128.1百萬元，而應收貸款為人民幣159.6百萬元，佔資產總值的12.8%。

評估應收貿易賬款及應收票據以及應收貸款的預期信貸虧損(「預期信貸虧損」)需要管理層作出重大判斷及估計。制定預期信貸虧損的方法時，貴集團須考慮結餘賬齡、是否存在糾紛、最近的過往付款模式等合理及有理據資料，以釐定公平估計。調整虧損率時亦須就預測經濟情況作出重大判斷。

有關應收貿易賬款及應收票據以及應收貸款結餘的重大會計判斷及估計以及披露載於綜合財務報表附註3、附註20及附註22內。

我們的審計如何對關鍵審計事項進行處理

我們評估管理層減值撥備估計的程序包括：

- 我們抽樣測試 貴集團應收貿易賬款及應收票據結餘的賬齡分析的準確性並抽樣獲取應收貿易賬款及應收票據以及應收貸款的詢證函；
- 獲取對應收貿易賬款及應收票據以及應收貸款審批、記錄及監控的控制措施的了解，並評估該等控制措施；
- 委託我們的內部估值專家審閱管理層的預期信貸虧損計算模型並測試 貴集團財務報告系統產生的賬齡資料、評級機構發佈的違約概率及違約損失率以及參考相關公開可得資料的前瞻性因素等相關資料；
- 鑑於 貴集團可獲得有關該等債務人的信貸質素之資料(例如還款紀錄)，抽樣檢查分派予各債務人的虧損率的合理性；及
- 評估綜合財務報表的相關披露之充分性。

獨立核數師報告

關鍵審計事項(續)

關鍵審計事項

現金產生單位(「現金產生單位」)的商譽減值評估

於二零二零年十二月三十一日，貴集團的商譽賬面值為人民幣187.2百萬元。貴集團管理層在獨立外部估值師的協助下釐定商譽被分配至的各現金產生單位的可回收金額。

商譽的減值評估對我們的審計而言非常重要，原因如下：(i) 於二零二零年十二月三十一日的賬面值的重要性；及(ii)釐定商譽被分配至的各現金產生單位的可回收金額需要管理層作出重大判斷及估計。

有關商譽結餘的重大會計判斷及估計以及披露載於綜合財務報表附註3及附註16內。

我們的審計如何對關鍵審計事項進行處理

我們評估管理層商譽減值評估的程序包括：

- 委託我們的內部估值專家評估管理層採用之方法及折現率的恰當性；
- 評估外部估值師的客觀性、勝任能力及獨立性；
- 根據我們對貴集團業務及行業趨勢的了解及通過與獨立數據比較以審閱關鍵假設；
- 以恰當證據(如歷史或市場可用資料)測試多個現金流量預測所應用之輸入數據，以評估準確性及可靠性；及
- 評估綜合財務報表的相關披露之充分性。

載入年報的其他資訊

貴公司董事需對其他資訊負責。其他資訊包括刊載於年報內的資訊，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資訊，我們亦不對該等其他資訊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資訊，在此過程中，考慮其他資訊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，如果我們認為其他資訊存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

獨立核數師報告

董事就綜合財務報表須承擔的責任

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

審核委員會協助貴公司董事履行監督貴集團的財務報告過程的責任。

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。我們僅對全體股東作出報告，除此以外，本報告並無其他用途。我們不會就核數師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匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的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。

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)

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

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、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和其他事項，以及在適用的情況下，為減少威脅而採取的措施或應用的防範措施。

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梁志傑先生。

安永會計師事務所

執業會計師

香港

二零二一年三月二十五日

綜合損益表

截至二零二零年十二月三十一日止年度

	附註	二零二零年 人民幣千元	二零一九年 人民幣千元
收入	5	876,738	841,349
銷售成本		(594,592)	(557,591)
毛利		282,146	283,758
其他收入、收益及虧損淨額	5	23,422	87,140
金融資產減值虧損淨額	6	(24,123)	(259)
銷售及分銷開支		(168,875)	(161,396)
行政開支		(154,121)	(172,979)
財務成本	7	(25,264)	(29,335)
除稅前(虧損)/溢利	6	(66,815)	6,929
稅項抵免/(支出)	10	39,377	(29,458)
年內虧損		(27,438)	(22,529)
以下人士應佔：			
母公司擁有人		(28,228)	(22,897)
非控股權益		790	368
		(27,438)	(22,529)
母公司普通股權益持有人應佔每股虧損 基本及攤薄	12	人民幣(1.35)分	人民幣(1.09)分

綜合全面收益表

截至二零二零年十二月三十一日止年度

	二零二零年 人民幣千元	二零一九年 人民幣千元
年內虧損	(27,438)	(22,529)
其他全面收入／(虧損)：		
於後續期間可能被重新分類至損益的其他全面收入／(虧損)：		
匯兌差額：		
換算國外業務產生之匯兌差額	45,809	(15,437)
於後續期間可能被重新分類至損益的其他全面收入／(虧損)淨額	45,809	(15,437)
於後續期間不會重新分類至損益的其他全面(虧損)／收入：		
指定按公允價值計入其他全面收入的權益投資：		
公允價值變動	(404)	(220)
轉撥使用權資產至投資物業之重估盈餘	352	3,622
所得稅影響	(88)	(724)
	264	2,898
轉撥物業、廠房及設備至投資物業之重估盈餘	2,820	32,447
所得稅影響	(705)	(6,489)
	2,115	25,958
匯兌差額：		
本公司換算產生之匯兌差額	(90,922)	33,032
於後續期間不會重新分類至損益的其他全面(虧損)／收入淨額	(88,947)	61,668
年度其他全面(虧損)／收入，扣除稅項	(43,138)	46,231
年度全面(虧損)／收入總額	(70,576)	23,702
以下人士應佔：		
母公司擁有人	(71,713)	23,213
非控股權益	1,137	489
	(70,576)	23,702

綜合財務狀況表

於二零二零年十二月三十一日

	附註	二零二零年 人民幣千元	二零一九年 人民幣千元
非流動資產			
物業、廠房及設備	13	48,130	82,405
投資物業	14	74,441	873,891
使用權資產	15(a)	33,238	24,597
商譽	16	187,181	220,978
其他無形資產	17	35,691	44,064
指定按公允價值計入其他全面收入的權益投資	18	–	404
預付款及其他資產	21	1,364	5,096
按公允價值計入損益的金融資產	23	134,299	113,458
遞延稅項資產	30	11,980	4,127
非流動資產總值		526,324	1,369,020
流動資產			
存貨	19	160,170	156,684
應收貿易款項及應收票據	20	128,138	97,409
應收貸款	22	159,579	302,648
預付款、其他應收款項及其他資產	21	810,670	119,555
按公允價值計入損益的金融資產	23	43,253	156,097
代客戶持有的現金	24	2,646	4,322
現金及現金等值物	24	408,485	256,938
分類為持作出售的非流動資產	25	1,712,941	1,093,653
		–	32,076
流動資產總值		1,712,941	1,125,729
流動負債			
應付貿易款項	26	90,784	71,484
其他應付及應計款項	27	58,970	60,008
計息銀行借款	28	80,518	141,135
租賃負債	15(b)	7,586	9,957
應付稅項		20,528	9,232
撥備	29	6,259	12,316
應付或然代價	34	23,516	27,800
流動負債總額		288,161	331,932
流動資產淨值		1,424,780	793,797
資產總值減流動負債		1,951,104	2,162,817

綜合財務狀況表

於二零二零年十二月三十一日

	附註	二零二零年 人民幣千元	二零一九年 人民幣千元
非流動負債			
政府補助		383	2,250
租賃負債	15(b)	13,242	905
計息銀行借款	28	10,596	—
遞延稅項負債	30	10,987	74,277
最終控股公司貸款	39(c)	254,619	353,706
非流動負債總額		289,827	431,138
資產淨值		1,661,277	1,731,679
權益			
本公司擁有人應佔權益			
已發行股本	31	185,676	185,676
儲備	33	1,470,242	1,541,781
		1,655,918	1,727,457
非控股權益		5,359	4,222
權益總額		1,661,277	1,731,679

高志
董事

劉智綱
董事

綜合權益變動表

截至二零二零年十二月三十一日止年度

	母公司擁有人應佔														非控股權益 人民幣千元	權益總額 人民幣千元
	股本 人民幣千元 (附註31)	庫存股份 人民幣千元	股份溢價 人民幣千元 (附註33)	資本贖回儲備 人民幣千元 (附註33)	特別儲備 人民幣千元 (附註33)	股份補償儲備 人民幣千元 (附註33)	購股權儲備 人民幣千元 (附註32)	匯兌波動儲備 人民幣千元 (附註33)	按公允價值計入 其他全面收入的 金融資產的			其他儲備 人民幣千元 (附註33)	累計虧損 人民幣千元	總計 人民幣千元		
									公允價值儲備 人民幣千元 (附註33)	資產重估儲備 人民幣千元 (附註33)	資產重估儲備 人民幣千元 (附註33)					
於二零二零年一月一日	185,676	(19)	2,415,147	2,146	55,238	50,024	6,374	(246,217)	(2,748)	143,101	(9,100)	(872,165)	1,727,457	4,222	1,731,679	
年內溢利/(虧損)	-	-	-	-	-	-	-	-	-	-	-	(28,228)	(28,228)	790	(27,438)	
年內其他全面收入/(虧損)：																
換算國外業務產生之匯兌差額	-	-	-	-	-	-	-	45,462	-	-	-	-	45,462	347	45,809	
本公司換算產生之匯兌差額	-	-	-	-	-	-	-	(90,922)	-	-	-	-	(90,922)	-	(90,922)	
按公允價值計入其他全面收入的																
權益投資公允價值變動	-	-	-	-	-	-	-	-	(404)	-	-	-	(404)	-	(404)	
轉撥使用權資產至投資物業之重估盈餘，																
扣除稅項	-	-	-	-	-	-	-	-	-	264	-	-	264	-	264	
轉撥物業、廠房及設備至投資物業之																
重估盈餘，扣除稅項	-	-	-	-	-	-	-	-	-	2,115	-	-	2,115	-	2,115	
年內全面收益/(虧損)總額	-	-	-	-	-	-	-	(45,460)	(404)	2,379	-	(28,228)	(71,713)	1,137	(70,576)	
以權益結算的購股權安排	-	-	-	-	-	-	174	-	-	-	-	-	174	-	174	
沒收購股權或購股權屆滿後轉撥購股權儲備	-	-	-	-	-	-	(4,298)	-	-	-	-	4,298	-	-	-	
出售按公允價值計入其他全面收入的權益投資後																
轉撥公允價值儲備	-	-	-	-	-	-	-	-	2,733	-	-	(2,733)	-	-	-	
出售投資物業後轉撥資產重估儲備	-	-	-	-	-	-	-	-	-	(114,245)	-	114,245	-	-	-	
於二零二零年十二月三十一日	185,676	(19)*	2,415,147*	2,146*	55,238*	50,024*	2,250*	(291,677)*	(419)*	31,235*	(9,100)*	(784,583)*	1,655,918	5,359	1,661,277	

綜合權益變動表

截至二零二零年十二月三十一日止年度

	母公司擁有人應佔														
	股本 人民幣千元 (附註31)	庫存股份 人民幣千元	股份溢價 人民幣千元 (附註33)	資本贖回儲備 人民幣千元 (附註33)	特別儲備 人民幣千元 (附註33)	股份補償儲備 人民幣千元 (附註33)	購股權儲備 人民幣千元 (附註32)	匯兌波動儲備 人民幣千元 (附註33)	按公允價值計入 其他全面收入的 金融資產的 公允價值儲備 人民幣千元 (附註33)	資產重估儲備 人民幣千元 (附註33)	其他儲備 人民幣千元 (附註33)	累計虧損 人民幣千元	總計 人民幣千元	非控股權益 人民幣千元	權益總額 人民幣千元
於二零一九年一月一日	185,676	-	2,415,147	2,146	55,238	50,024	7,438	(263,691)	(2,528)	114,245	(9,100)	(850,777)	1,703,818	2,982	1,706,800
年內溢利／(虧損)	-	-	-	-	-	-	-	-	-	-	-	(22,897)	(22,897)	368	(22,529)
年內其他全面收入／(虧損)：															
換算國外業務產生之匯兌差額	-	-	-	-	-	-	-	(15,558)	-	-	-	-	(15,558)	121	(15,437)
本公司換算產生之匯兌差額	-	-	-	-	-	-	-	33,032	-	-	-	-	33,032	-	33,032
按公允價值計入其他全面收入的權益投資															
公允價值變動	-	-	-	-	-	-	-	-	(220)	-	-	-	(220)	-	(220)
轉撥使用權資產至投資物業之重估															
溢餘，扣除稅項	-	-	-	-	-	-	-	-	-	2,898	-	-	2,898	-	2,898
轉撥物業、廠房及設備至投資物業之															
重估溢餘，扣除稅項	-	-	-	-	-	-	-	-	-	25,958	-	-	25,958	-	25,958
年內全面收益／(虧損)總額	-	-	-	-	-	-	-	17,474	(220)	28,856	-	(22,897)	23,213	489	23,702
購回股份	-	(19)	-	-	-	-	-	-	-	-	-	-	(19)	-	(19)
以權益結算的購股權安排	-	-	-	-	-	-	445	-	-	-	-	-	445	-	445
沒收購股權或購股權屆滿後轉撥購股權儲備	-	-	-	-	-	-	(1,509)	-	-	-	-	1,509	-	-	-
收購附屬公司(附註34)	-	-	-	-	-	-	-	-	-	-	-	-	-	751	751
於二零一九年十二月三十一日	185,676	(19)*	2,415,147*	2,146*	55,238*	50,024*	6,374*	(246,217)*	(2,748)*	143,101*	(9,100)*	(872,165)*	1,727,457	4,222	1,731,679

* 該等儲備賬包括綜合財務狀況表中的綜合儲備人民幣1,470,242,000元(二零一九年：人民幣1,541,781,000元)。

綜合現金流量表

截至二零二零年十二月三十一日止年度

	附註	二零二零年 人民幣千元	二零一九年 人民幣千元
經營活動所得現金流量			
除稅前(虧損)/溢利		(66,815)	6,929
就以下項目作出調整：			
財務成本	7	25,264	29,335
銀行利息收入	5	(1,777)	(1,522)
其他利息收入	5	(1,683)	(1,674)
就放貸業務確認的利息收入	5	(19,298)	(25,887)
出售附屬公司之收益	5	(10,090)	—
物業、廠房及設備折舊	6	15,142	14,362
使用權資產折舊	6	15,148	16,394
其他無形資產攤銷	6	3,481	3,564
遞延發展成本攤銷	6	6,742	4,833
政府補助	5	(4,651)	(4,543)
投資物業公允價值變動	5	41,165	(60,021)
應付或然代價公允價值變動	5	(2,486)	(23)
按公允價值計入損益的金融資產之公允價值(收益)/虧損淨額	5	(43,643)	15,431
按公允價值計入損益的金融資產之股息收入	5	(10,179)	(9,054)
出售物業、廠房及設備項目之虧損/(收益)淨額	5	252	(5,179)
出售分類為持作出售的非流動資產之收益	5	(9,825)	—
存貨撇減至可變現淨值	6	32,069	22,736
金融資產之減值虧損	6	24,123	259
商譽之減值虧損	5	21,736	—
物業、廠房及設備之減值虧損	5	4,838	—
以權益結算的購股權開支	6	174	445
		19,687	6,385
存貨(增加)/減少		(35,555)	34,068
應收貿易款項及應收票據(增加)/減少		(40,720)	39,370
應收貸款減少		116,497	6,319
預付款、其他應收款項及其他資產減少/(增加)		16,632	(5,735)
代客戶持有的現金減少/(增加)		1,676	(266)
應付貿易賬款增加/(減少)		19,300	(36,484)
其他應付及應計款項增加/(減少)		3,646	(6,814)
撥備(減少)/增加		(6,057)	2,770
經營所得現金		95,106	39,613
已收放貸業務利息收入		31,436	18,075
已付利息		(857)	(1,137)
香港利得稅(已付)/退稅		(495)	3,807
已付海外稅項		(11,097)	(3,461)
經營活動所得現金流量淨額		114,093	56,897

綜合現金流量表

截至二零二零年十二月三十一日止年度

	附註	二零二零年 人民幣千元	二零一九年 人民幣千元
投資活動所得現金流量			
已收銀行利息		1,777	1,522
已收其他利息		1,683	1,674
購買物業、廠房及設備項目		(14,542)	(7,760)
出售物業、廠房及設備項目所得款項		1,216	6,362
添置其他無形資產		(7,368)	(6,939)
購買按公允價值計入損益的金融資產		–	(8,306)
出售按公允價值計入損益的金融資產所得款項		83,089	60,063
出售按公允價值計入其他全面收入的金融資產所得款項		–	600
出售分類為持作出售的非流動資產所得款項		41,901	–
收購一間附屬公司	34	–	5,600
出售附屬公司	35	117,868	–
已收按公允價值計入損益的金融資產的股息		10,179	390
已抵押存款減少		–	34,307
投資活動所得現金流量淨額		235,803	87,513
融資活動所得現金流量			
新增銀行貸款		78,829	80,876
償還銀行貸款		(124,945)	(168,879)
租賃付款本金部分	36(c)	(15,281)	(15,291)
已付利息		(13,494)	(24,492)
償還最終控股公司貸款		(110,000)	–
購回股份付款		–	(19)
融資活動所用現金流量淨額		(184,891)	(127,805)
現金及現金等值物增加淨額			
於年初的現金及現金等值物		256,938	229,819
外幣匯率變動的影響淨額		(13,458)	10,514
於年末的現金及現金等值物	24	408,485	256,938

綜合財務報表附註

二零二零年十二月三十一日

1. 企業及集團資料

同方友友控股有限公司(「本公司」)於開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, 本公司總部及主要營業地點位於香港灣仔告士打道138號聯合鹿島大廈15樓。

年內，本公司及其附屬公司(統稱「本集團」)從事以下主要活動：

- 燈具產品製造及貿易
- 提供照明解決方案
- 提供資產管理服務
- 提供投資諮詢服務
- 提供證券交易服務

本公司董事認為，本公司控股公司及最終控股公司為清華同方節能控股有限公司及同方股份有限公司，該兩間公司分別於開曼群島及中華人民共和國(「中國」)註冊成立。

有關附屬公司的資料

本公司主要附屬公司詳情如下：

名稱	註冊成立／ 登記及業務地點	已發行普通／ 註冊股本	本公司應佔權益百分比		主要活動
			直接	間接	
廣東同方科技園有限公司* (「同方科技園」)	中國	300,000,000美元	—	100%	燈具產品製造及銷售
廣東同方燈飾有限公司*	中國	30,000,000美元	—	100%	燈具產品製造及銷售
香港星輝照明有限公司	香港	150,000,000港元	—	100%	燈具產品貿易

綜合財務報表附註

二零二零年十二月三十一日

1. 企業及集團資料(續)

有關附屬公司的資料(續)

本公司主要附屬公司詳情如下：(續)

名稱	註冊成立／ 登記及業務地點	已發行普通／ 註冊股本	本公司應佔權益百分比		主要活動
			直接	間接	
同方證券有限公司(「同方證券」)	香港	450,000,000港元	—	100%	資產管理服務、投資諮詢服務及證券交易
同方財務有限公司	香港	10,000,000港元	—	100%	借貸
American Lighting, Inc.	美利堅合眾國 (「美國」)	7,944,505美元	—	97.7%	照明解決方案供應商
Tivoli, LLC	美國	4,500,000美元	—	97.7%	照明解決方案供應商
Novelty Lights, LLC	美國	零	—	97.7%	燈具產品貿易
Neo-Neon (Vietnam) Development Company Limited	越南	28,000,000美元	—	100%	照明產品製造及銷售

* 根據中國法律登記為外商獨資企業

上表列示本公司董事認為主要影響本年度業績或佔據本集團淨資產重大部分的本公司附屬公司。本公司董事認為提供其他附屬公司詳情會導致行文過於冗長。

2.1 編製基準

本財務報表乃根據香港會計師公會(「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」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例的披露規定編製。本財務報表按歷史成本慣例編製，惟投資物業、指定按公允價值計入其他全面收入的權益投資、按公允價值計入損益的金融資產及應付或然代價按公允價值計量。分類為持作出售的非流動資產按其賬面值與公允價值減出售成本兩者之中的較低者入賬。本財務報表以人民幣(「人民幣」)呈列且除非另有指明，所有金額約整至最接近的千元。

綜合財務報表附註

二零二零年十二月三十一日

2.1 編製基準(續)

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱為「本集團」)截至二零二零年十二月三十一日止年度之財務報表。附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象的權力(即本集團獲賦予現有能力以主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

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

- (a) 與投資對象的其他投票權持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司之財務報表使用與本公司一致之會計政策按同一報告期間編製。附屬公司之業績由本集團取得控制權當日起計入綜合賬目，並持續計入綜合賬目至該控制權終止當日為止。

損益及其他全面收入之各個組成部份歸屬於本集團母公司之擁有人及非控股權益，即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間之交易的集團內部公司間資產及負債、權益、收入、開支及現金流量會於綜合賬目時全數抵銷。

倘事實及情況顯示上文所述三項控制因素之一項或多項出現變化，本集團會重新評估其是否控制投資對象。於一間附屬公司之擁有權權益變動，惟並無失去控制權，則以權益交易入賬。

倘本集團失去附屬公司之控制權，則會終止確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)計入權益之累計匯兌差額；並確認(i)已收取代價之公允價值；(ii)任何保留投資之公允價值；及(iii)所產生並於損益確認之任何盈餘或虧絀。先前已於其他全面收入確認之本集團應佔組成部份乃重新分類至損益或累計虧損(如適用)，基準與本集團直接出售相關資產或負債所需使用之基準相同。

綜合財務報表附註

二零二零年十二月三十一日

2.2 會計政策及披露之變動

本集團已就本年度之財務報表首次採納二零一八年財務報告的概念框架及下列經修訂香港財務報告準則。

香港財務報告準則第3號(修訂本)	業務的釋義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革
香港財務報告準則第16號(修訂本)	新冠疫情相關租金減免(提早採納)
香港會計準則第1號及香港會計準則第8號(修訂本)	重要性的釋義

二零一八年財務報告的概念框架及經修訂香港財務報告準則之性質及影響說明如下：

- (a) 二零一八年財務報告的概念框架(「概念框架」)就財務報告及準則制定提供了一整套概念，為財務報告編製者制定一致的會計政策提供指引，並協助所有人理解及解讀準則。概念框架包括有關計量和報告財務表現的新章節、有關資產及負債終止確認的新指引，以及更新了有關資產及負債定義及確認的標準。該框架亦闡明了管理、審慎及計量不確定性在財務報告中的作用。概念框架並非一項準則，其中包含的任何概念均不會凌駕於任何準則中的概念或要求之上。概念框架對本集團的財務狀況及表現並無產生任何重大影響。
- (b) 香港財務報告準則第3號(修訂本)澄清業務的定義，並提供額外指引。該修訂本訂明可視為業務的一組整合活動和資產，必須至少包括一項投入和一項重要過程，而兩者必須對形成收益的能力有重大貢獻。業務毋須包括形成收益所需的所有投入或過程。該修訂本取消了評估市場參與者是否有能力收購業務並能持續獲得收益的規定，轉為重點關注所取得的投入和重要過程共同對形成收益的能力有否重大貢獻。該修訂亦已收窄收益的定義範圍，重點關注為客戶提供的商品或服務、投資收益或日常活動產生的其他收入。此外，該修訂本亦提供有關評估所取得過程是否重大的指引，並新增公允價值集中度測試選項，允許對所取得的一組活動和資產是否不屬於業務進行簡化評估。本集團已就二零二零年一月一日當日或之後發生的交易或其他事項按未來適用基準應用該等修訂。該修訂本對本集團的財務狀況及表現並無任何影響。
- (c) 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)旨在解決在以替代無風險利率(「無風險利率」)取代現有利率基準前的期間內影響財務報告的事宜。該等修訂提供可在引入替代無風險利率前的不確定期限內繼續進行對沖會計處理的暫時性補救措施。此外，該等修訂規定公司須向投資者提供有關直接受該等不確定因素影響的對沖關係的額外資料。由於本集團並無任何利率對沖關係，故該等修訂並無對本集團財務狀況及表現造成任何影響。

綜合財務報表附註

二零二零年十二月三十一日

2.2 會計政策及披露之變動(續)

- (d) 香港財務報告準則第16號(修訂本)為承租人提供了可行權宜方法，使其可選擇不就因新冠疫情而直接產生的租金減免應用租賃修改的會計處理。該可行權宜方法僅適用於因新冠疫情而直接產生且滿足以下各項的租金減免：(i)租賃付款變動導致租賃的經修訂代價與緊接變動前的租賃代價基本相同或低於該代價；(ii)租賃付款的減少僅影響原定於二零二一年六月三十日或之前到期的付款；及(iii)租賃的其他條款及條件並無實質性變動。該修訂本於二零二零年六月一日或以後開始的年度期間生效，可允許提早應用，並應按追溯基準應用。由於本集團並無任何租金減免，故該等修訂並無對本集團財務狀況及表現造成任何影響。
- (e) 香港會計準則第1號及香港會計準則第8號提供了新的重要性定義。新定義訂明，若可合理預計漏報、錯報或掩蓋某信息將影響通用目的財務報表的主要使用者基於該等財務報表作出的決策，則該信息具有重要性。該等修訂澄清，重要性將取決於信息的性質或規模，或兩者兼而有之。該等修訂並無對本集團的財務狀況及表現造成任何重大影響。

2.3 已頒佈但尚未生效的香港財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第3號(修訂本)	引用概念框架 ²
香港財務報告準則第9號、香港會計準則第39號、 香港財務報告準則第7號、香港財務報告準則 第4號及香港財務報告準則第16號(修訂本)	利率基準改革—第二階段 ¹
香港財務報告準則第10號及香港會計準則 第28號(二零一一年)(修訂本)	投資者與其聯營公司或合資企業之間的資產出售或注資 ⁴
香港財務報告準則第17號	保險合約 ³
香港財務報告準則第17號(修訂本)	保險合約 ^{3, 6}
香港會計準則第1號(修訂本)	負債分類為流動或非流動 ^{3, 5}
香港會計準則第16號(修訂本)	物業、廠房及設備：達致擬定用途前的所得款項 ²
香港會計準則第37號(修訂本)	虧損合約—履行合約的成本 ²
香港財務報告準則二零一八年至 二零二零年的年度改進	對香港財務報告準則第1號、香港財務報告準則第9號、 香港財務報告準則第16號之說明性示例及香港會計準則 第41號的修訂 ²

¹ 於二零二一年一月一日或之後開始的年度期間生效

² 於二零二二年一月一日或之後開始的年度期間生效

³ 於二零二三年一月一日或之後開始的年度期間生效

⁴ 尚未釐定強制生效日期，惟可供採納

⁵ 因香港會計準則第1號(修訂本)所致，香港詮釋第5號財務報表的呈報—借款人對載有按要求償還條款的定期貸款的分類已於二零二零年十月經修訂，以使相應措詞保持一致而結論不變

⁶ 因二零二零年十月頒佈的香港財務報告準則第17號(修訂本)所致，香港財務報告準則第4號已作修訂以延長暫時豁免，該豁免允許保險公司就於二零二三年一月一日之前開始的年度期間應用香港會計準則第39號，而非香港財務報告準則第9號

綜合財務報表附註

二零二零年十二月三十一日

2.3 已頒佈但尚未生效的香港財務報告準則(續)

預期適用於本集團之香港財務報告準則之進一步資料說明如下。

香港財務報告準則第3號之修訂旨在以二零一八年六月頒佈的引用財務報告概念框架取代引用先前財務報表編製及呈列框架，而毋須大幅度改變其規定。該等修訂亦就香港財務報告準則第3號就實體引用概念框架以釐定構成資產或負債之內容之確認原則增設一項例外情況。該例外情況規定，對於可能屬於香港會計準則第37號或香港(國際財務報告詮釋委員會)－詮釋第21號範圍內的負債及或然負債而言，倘該等負債屬單獨產生而非於企業合併中產生，則應用香港財務報告準則第3號的實體應分別參考香港會計準則第37號或香港(國際財務報告詮釋委員會)－詮釋第21號，而非概念框架。此外，該等修訂澄清或然資產於收購日期不符合確認條件。本集團預計自二零二二年一月一日起按未來適用基準採納該等修訂。由於該等修訂按未來適用基準適用於收購日期為首次應用日期或之後的業務合併，因此本集團於過渡日期將不會受該等修訂的影響。

當現有利率基準被可替代無風險利率替代方案替代時，香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂解決先前影響財務報告之修訂未處理的問題。第二階段之修訂提供對於釐定金融資產及負債之合約現金流量之基準之變動進行會計處理時無需調整賬面值而更新實際利率的可行權宜方法，前提為該變動為利率基準改革之直接後果且釐定合約現金流量的新基準於經濟上等同於緊接變動前的先前基準。此外，該等修訂允許利率基準改革所規定對沖指定及對沖文件進行更改，而不會中斷對沖關係。過渡期間可能產生的任何損益均通過香港財務報告準則第9號的正常規定進行處理，以衡量及確認對沖無效性。倘無風險利率被指定為風險組成部分時，該等修訂亦暫時減輕了實體必須滿足可單獨識別的要求的風險。倘實體合理地預期無風險利率風險組成部分於未來24個月內將變得可單獨識別，則該減免允許實體於指定對沖後假定已滿足可單獨識別之規定。此外，該等修訂亦規定實體須披露額外資料，以使財務報表的使用者能夠了解利率基準改革對實體的金融工具及風險管理策略的影響。該等修訂於二零二一年一月一日或之後開始的年度期間生效，並應追溯應用，但實體毋須重述比較資料。

本集團於二零二零年十二月三十一日持有根據倫敦銀行同業拆息(「倫敦銀行同業拆息」)以美元計值的若干計息銀行借款。倘該等借貸的利率於未來期間由無風險利率取代，本集團將於滿足「經濟上等同」標準時採用此實際權宜方法修改有關借貸，並預計不會因採用該等變動修訂而產生重大損益修改。

綜合財務報表附註

二零二零年十二月三十一日

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營公司之間資產出售或注資兩者規定之不一致情況。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務之資產時，由該交易產生之收益或虧損於該投資者之損益內確認，惟僅以不相關投資者於該聯營公司或合營公司之權益為限。該等修訂將按未來適用基準應用。香港會計師公會已於二零一六年一月剔除香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂的以往強制生效日期，而新的強制生效日期將於對聯營公司及合營公司的會計處理完成更廣泛的檢討後釐定。然而，該等修訂現時可供採納。

香港會計準則第1號的修訂澄清將負債分類為流動或非流動的規定。該等修訂指明，倘實體延遲償還負債的權利受限於實體符合特定條件，則倘該實體符合當日之條件，其有權於報告期末延遲償還負債。負債的分類不受該實體行使其延遲償還負債權利的可能性的影響。該等修訂亦澄清被視為償還負債的情況。該等修訂於二零二三年一月一日或之後開始的年度期間生效，並應追溯應用。允許提早應用。該等修訂預期不會對本集團的財務報表造成任何重大影響。

香港會計準則第16號的修訂禁止實體從物業、機器及設備的成本中扣除資產達到管理層預定的可使用狀態(包括位置與條件)過程中產生的全部出售所得款項。實體必須將該等資產的出售所得款項計入當期損益。該等修訂於二零二二年一月一日或之後開始的年度期間生效，並僅追溯應用實體於首次採用該等修訂的財務報表所呈列的最早期間的期初或之後可供使用的物業、機器及設備項目。允許提早應用。該等修訂預期不會對本集團的財務報表造成任何重大影響。

香港會計準則第37號的修訂澄清，就根據香港會計準則第37號評估合約是否屬虧損性而言，履行合約的成本包括與合約直接相關的成本。與合約直接相關的成本包括履行該合約的增量成本(例如直接勞工及材料)及與履行合約直接相關的其他成本分配(例如分配履行合約所用物業、機器及設備項目的折舊開支以及合約管理及監管成本)。一般及行政成本與合約並無直接關連，除非根據合約明確向對手方收取費用，否則不包括在內。該等修訂於二零二二年一月一日或之後開始的年度期間生效，並適用於實體於其首次應用修訂的年度報告期初尚未履行其所有責任的合約。允許提早應用。初步應用該等修訂的任何累積影響將確認為首次應用日期的期初權益的調整，而毋須重列比較資料。該等修訂預期不會對本集團的財務報表造成任何重大影響。

綜合財務報表附註

二零二零年十二月三十一日

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則二零一八年至二零二零年的年度改進載列對香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號之說明性示例及香港會計準則第41號的修訂。預計適用於本集團的該等修訂本詳情如下：

- 香港財務報告準則第9號金融工具：澄清於實體評估是否新訂或經修改金融負債的條款與原金融負債的條款存在實質差異時所包含的費用。該等費用僅包括借款人與貸款人之間已支付或收取的費用，包括借款人或貸款人代表其他方支付或收取的費用。實體將有關修訂本應用於實體首次應用有關修訂本的年度報告期開始或之後修改或交換的金融負債。該等修訂本自二零二二年一月一日或之後開始的年度期間生效。允許提早應用。預期該等修訂本不會對本集團的財務報表產生任何重大影響。
- 香港財務報告準則第16號租賃：刪除香港財務報告準則第16號之說明性示例13中有關租賃物業裝修的出租人付款說明。此舉消除於採用香港財務報告準則第16號有關租賃優惠措施處理方面的潛在困惑。

2.4 重大會計政策的概覽

業務合併及商譽

業務合併採用購買法列賬。轉讓對價按收購日的公允價值計量，即本集團所轉讓資產、本集團承擔之所收購公司前擁有人負債與本集團為換取所購公司控股權而發行的股本權益於收購日的公允價值的總和。就各項業務合併而言，本集團選擇是否按公允價值或佔所收購公司的可識別資產淨值的比例計量於收購公司的非控股權益(為現有所有權權益及授權其所有人在清盤情況下按比例分佔資產淨值)。非控股權益的所有其他組成部分按公允價值計量。收購相關成本於產生時入賬。

當所收購一組業務及資產包括能夠共同對創造產出的能力作出重大貢獻的一項投入及一項實質性過程，則本集團確定其收購了一項業務。

當本集團收購業務時，會根據約定條款、收購日的經濟環境及有關條件來評估承擔的金融資產及負債，並進行適當的分類及列示。其包括區分被收購方所訂立的主合約中的嵌入式衍生工具。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

業務合併及商譽(續)

倘業務合併為分階段實現，在合併日前享有的權益應按收購日的公允價值重新計量，且任何產生的損益於損益中確認。

收購方將予轉讓的任何或然對價按收購日的公允價值確認。分類為資產或負債的或然對價按公允價值計量，公允價值的變動於損益中確認。分類為權益的或然對價並不重新計量且隨後結算於權益內列賬。

商譽起初按成本計量，即已轉讓對價、就非控股權益確認金額及本集團任何之前於被收購方持有股權的公允價值超過所收購可識別資產淨值及所承擔負債的差額。如該對價和其他項目的總和低於所收購資產淨值的公允價值，其差額(經重估後)將於損益確認為議價收購收益。

初步確認後，商譽按成本減任何累積減值虧損計量。商譽每年進行一次減值測試或倘出現任何事件或情況轉變顯示賬面值可能減值，則須進行更頻密的測試。本集團每年於十二月三十一日進行其商譽減值測試。為進行商譽減值測試，業務合併中所收購的商譽應當於收購日分攤至本集團預計能自業務合併的協同效應中收益的各現金產生單位或現金產生單位組，而不論本集團的其他資產或負債是否分攤至該等單位或單位組別。

減值乃透過評估與商譽有關現金產生單位(現金產生單位組)的可收回金額而釐定。倘現金產生單位(現金產生單位組)的可收回金額低於賬面值，則確認減值虧損。就商譽確認的減值虧損不會於其後的期間撥回。

當商譽分攤至現金產生單位(或現金產生單位組)且該單位內的部分營運被出售，則在確認出售損益時，出售營運相關的商譽也被包括在營運賬面值中。在此情況下出售的商譽乃根據所出售的營運及所保留的現金產生單位部分的相關價值而計量。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

公允價值計量

本集團於各報告期末按公允價值計量其投資物業、指定按公允價值計入其他全面收入的權益投資、按公允價值計入損益的金融資產。公允價值乃在市場參與者於計量日期進行的有序交易中出售資產所收取或轉移負債所支付的價格。公允價值計量乃基於假設出售資產或轉移負債的交易於資產或負債的主要市場或於未有主要市場的情況下，則於資產或負債的最有利市場進行。主要或最有利市場必須是本集團可以進入的市場。資產或負債的公允價值乃基於市場參與者為資產或負債定價所用的假設計量(假設市場參與者依照彼等的最佳經濟利益行事)。

非金融資產的公允價值計量考慮到市場參考市場參與者可從使用該資產得到的最高及最佳效用，或將該資產售予另一可從使用該資產得到最高及最佳效用的市場參與者所產生的經濟效益。

本集團使用適用於不同情況的估值方法，而其有足夠資料計量公允價值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有以公允價值計量或在財務報表中披露的資產和負債均按如下公允價值等級分類，由對公允價值計量具有重要意義的輸入值所屬的最低層次決定：

第一級－ 根據已識別資產或負債於活躍市場中所報未調整價格

第二級－ 根據對公允價值計量有重大影響、可直接或間接觀察的最低輸入數據的估值方法

第三級－ 根據對公允價值計量有重大影響、不可觀察的最低輸入數據的估值方法

對於在財務報表以持續基準確認的資產及負債，本集團於各報告期末根據對於公允價值計量整體有重大影響的最低輸入數據通過重估分類以確定架構各級之間是否出現轉移。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

非金融資產減值

如有跡象顯示存在減值，或如需就資產進行年度減值檢測(不包括存貨、遞延稅項資產、金融資產、投資物業及分類為持作出售的非流動資產)，便會估計資產的可收回金額。資產的可收回金額為資產或現金產生單位的使用價值或公允價值減銷售成本(以較高者為準)並就個別資產而釐定，除非有關資產並不產生現金流入，且在頗大程度上獨立於其他資產或資產組別，則會就該資產所屬現金產生單位釐定可收回金額。

減值虧損僅於資產賬面值超過其可收回金額時予以確認。於評估使用價值時，估計未來現金流量按可反映現時市場對貨幣時間價值及資產特定風險的評估的稅前折現率折現至其現值。減值虧損於其產生的期間按照與減值資產性質一致的開支類別計入損益表。

於每個報告期結束時，會評估是否有跡象顯示先前確認的減值虧損不再存在或可能已減少。如有任何上述跡象，便會估計可收回金額。先前就資產(商譽除外)確認的減值虧損，僅於用以釐定該資產的可收回金額的估計有變時予以撥回，但撥回金額不得高於假設過往年度並無就資產確認減值虧損而應有釐定的賬面值(扣除任何折舊／攤銷)。撥回的減值虧損於其產生期間計入損益表。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

關聯方

在下列情況下，有關方將被視為本集團的關聯方：

(a) 有關方為下述人士或下述人士關係親切的家庭成員，且

- (i) 對本集團有控制權或共同控制權；
- (ii) 對本集團有重大影響力；或
- (iii) 為本集團或其母公司的重要管理層成員；

或

(b) 如該實體滿足以下任何一項條件，則被視為關聯方：

- (i) 該實體與本集團屬同一集團成員公司；
- (ii) 該實體為另一實體的聯營公司或合營公司(或為另一實體的母公司、附屬公司或同系附屬公司的聯營公司或合營公司)；
- (iii) 該實體與本集團為同一第三方的合營公司；
- (iv) 一實體為第三方的合營公司，另一實體為該第三方的聯營公司；
- (v) 該實體為就本集團僱員或任何為本集團關聯方的實體的僱員而設立的退休後福利計劃；
- (vi) 該實體受上述(a)項中提述的人士控制或共同控制；
- (vii) 該實體為受上文(a)(i)項中提述的任何人士有重大影響力的實體或為該實體(或該實體的母公司)的重要管理層成員；及
- (viii) 實體，或其構成一部份的本集團任何成員公司向本集團及本集團母公司提供主要管理人員服務。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

物業、廠房及設備以及折舊

物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。倘物業、廠房及設備項目被分類為持作出售或為分類為持作出售之出售組別之部分，則不計提減值並根據香港財務報告準則第5號入賬。物業、廠房及設備項目成本包括其購買價及使資產處於擬定用途的運作狀況及地點而產生的任何直接成本。

物業、廠房及設備項目投入運作後產生的支出(例如維修及保養)一般於其產生期間自損益表扣除。如符合確認條件，則大檢開支資本化計入資產的賬面值作為重置項目。如物業、廠房及設備的主要部分須分階段重置，則本集團將該等部分確認為個別資產，並訂出具體的可使用年期及據此計提折舊。

折舊以直線法計算，按每項物業、廠房及設備項目的估計使用年期撇銷其成本至其剩餘價值。就此而言，所使用的主要年率如下：

樓宇	5%
租賃裝修	20%
廠房及機器	10%
傢具、裝置及設備	15%-20%
車輛	20%
模具	20%

如物業、廠房及設備項目的部分有不同的可使用年期，則該項目的成本須在各部分之間合理分攤，而各部分須單獨計算折舊。至少於各財政年度結算日會檢討剩餘價值、可使用年期及折舊方法，並在適當情況下作出調整。

物業、廠房及設備項目(包括最初確認的任何主要部分)於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認資產的年度在損益表確認的任何出售或報廢收益或虧損，為有關資產的銷售所得款項淨額與賬面值的差額。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

投資物業

投資物業指為賺取租金收入及／或資本增值目的而持有的土地及樓宇權益(包括符合投資物業定義的按使用權資產持有的租賃物業)，但不包括用作生產或供應貨品或提供服務或行政管理用途；或於日常業務過程中出售的土地及樓宇權益。這些物業初步按成本(包括交易成本)計量。首次確認後，投資物業按反映報告期末市場狀況的公允價值列賬。

投資物業公允價值變動產生的損益，會於產生年度在損益表入賬。

報廢或出售投資物業產生的任何損益，會於報廢或出售的年度在損益表確認。

如本集團的自用物業成為投資物業，則就自用物業而言，本集團根據「物業、廠房及設備以及折舊」所述的政策將該物業入賬，及／或就按使用權資產持有的物業而言，根據「使用權資產」所述的政策將該物業入賬，直至更改用途之日為止，而該日物業賬面值與公允價值的任何差額如為收益，則以資產重估儲備之變動入賬，如為虧損，則計入損益賬。出售已轉讓資產時，就過往估值變現的資產重估儲備相關部分作為儲備變動轉撥至累計虧損。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

分類為持作出售的非流動資產

倘非流動資產的賬面值將主要通過銷售交易而非持續使用而收回，則將其分類為持作出售。為實現該情況，資產須在現有狀況下可供即時出售，惟僅須受銷售該等資產的常規性及習慣性條款制約，且銷售須極有可能進行。

分類為持作出售的非流動資產(投資物業及金融資產除外)按其賬面值與公允價值減銷售成本兩者中的較低者計量。分類為持作出售的使用權資產不計提減值。

無形資產(不包括商譽)

獨立購入的無形資產於首次確認時按成本計量。於業務合併中購入的無形資產的成本為收購日期的公允價值。無形資產的可使用年期評估為有限或無限。年期有限的無形資產其後於可使用經濟期內攤銷，並於有跡象顯示無形資產可能出現減值時進行減值評估。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度結算日檢討一次。

專利

已購入專利按成本減任何減值虧損列賬，並以直線法於10年的估計使用年期內攤銷。

證券許可

已購入證券許可按成本減任何減值虧損列賬，並以直線法於10年的估計使用年期內攤銷。

軟件

已購入的軟件按成本減去任何減值虧損列賬，並以直線法按其估計可使用年期1至5年內攤銷。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

無形資產(不包括商譽)(續)

研發成本

所有研究成本於其產生時於損益表中扣除。

開發新產品項目中產生的開支僅當本集團可證明以下各項時方可予以資本化及遞延：完成無形資產以使其能夠使用或銷售在技術上具有可行性、擬完成該無形資產且能夠使用或出售、無形資產產生未來經濟利益的方式、有足夠的資源完成該等項目及有能力可靠計量開發階段的開支。不符合該等標準的產品開發開支於產生時計入損益。

遞延開發成本按成本減任何減值虧損列賬，並以直線法在相關產品投入商業生產之日起不超過5年的使用年限內攤銷。

租賃

本集團於合約開始時評估合約是否為或包含租賃。若合約附帶控制可識別資產於一段時間的使用以換取代價的權利，則合約為或包含租賃。

本集團作為承租人

本集團就所有租賃應用單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團會確認租賃負債以作出租賃付款及代表使用相關資產權利的使用權資產。

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用的日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債的任何重新計量調整。使用權資產的成本包括於開始日期或之前已確認的租賃負債、已產生的初始直接成本及已支付租賃付款，減已收取的任何租賃優惠。使用權資產按直線法於租賃期或資產估計可使用年期(以較短者為準)內折舊如下：

租賃土地	50年
辦公室及倉庫	1至5年

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

租賃(續)

本集團作為承租人(續)

(a) 使用權資產(續)

倘租賃資產的所有權於租賃期末轉移予本集團或成本反映可行使購買選擇權，則使用資產的估計可使用年期計算折舊。

當使用權資產滿足投資物業的定義時，則計入投資物業。相應的使用權資產根據本集團的「投資物業」政策初步按成本計量，後續按公允價值計量。

(b) 租賃負債

租賃負債於租賃開始日期按於租賃期內支付的租賃付款的現值確認。租賃付款包括固定付款(包括實際固定付款)，減任何應收租賃優惠、取決於指數或費率的可變租賃付款及預期根據剩餘價值擔保支付的款項。租賃付款亦包括本集團合理確定可行使的購買權行使價以及租賃期反映本集團可行使租賃終止權時終止租賃而支付的罰款。並非取決於指數或費率的可變租賃付款於導致付款的事件或狀況發生的期間內確認為開支。

計算租賃付款的現值時，由於租賃隱含的利率無法輕易釐定，本集團於租賃開始日期使用增量借款利率。於開始日期後，租賃負債金額增加及減少，分別反映利息的累計及所支付的租賃付款。此外，倘租賃出現修訂、租賃期變動、租賃付款變動(如因指數或費率變動導致未來租賃付款變動)或購買相關資產的選擇權評估變動，租賃負債的賬面值將會重新計量。

(c) 短期租賃及低價值資產租賃

本集團對辦公室及倉庫的短期租賃(即租賃期為開始日期起12個月或以內且不含有購買選擇權的租賃)應用短期租賃確認豁免。其亦就被認為屬低價值的租賃應用低價值資產租賃確認豁免。

短期租賃及低價值資產租賃的租賃付款按直線法於租賃期內確認為開支。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

租賃(續)

本集團作為出租人

本集團作為出租人時，於租賃開始(或出現租賃修改)時將各項租賃分類為經營租賃或融資租賃。

當本集團並未轉移資產所有權的絕大部分風險及回報時，則有關租賃分類為經營租賃。當合約包含租賃及非租賃部分，則本集團按各部分的相對獨立售價將代價分配至各部分。租金收入按直線法於租賃期內入賬，並按其經營性質於損益表內入賬為收入。於磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面值，並於租賃期內按相同基準確認為租金收入。

當租賃將相關資產所有權附帶的絕大部分風險及回報轉移予承租人時，則有關租賃入賬作為融資租賃。

投資及其他金融資產

首次確認及計量

金融資產於初步確認時分類為按攤銷成本計量、按公允價值計入其他全面收入(「按公允價值計入其他全面收入」)及按公允價值計入損益(「按公允價值計入損益」)。

於初始確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用可行權宜方法並無調整重大融資成分影響的應收貿易賬款及應收票據外，本集團按公允價值加上(倘金融資產並非按公允價值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的應收貿易賬款及應收票據根據下文「收入確認」所載的政策按香港財務報告準則第15號釐定的交易價格計量。

若一項金融資產分類為按攤銷成本或按公允價值計入其他全面收入計量，則其產生的現金流量應純粹為支付本金及未償還的本金產生的利息(「純粹為支付本金及利息」)。若金融資產產生的現金流量並非為純粹為支付本金及利息，則無論其業務模式，均分類為按公允價值計入損益計量。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

投資及其他金融資產(續)

首次確認及計量(續)

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售金融資產，或兩者兼有。分類為按攤銷成本計量的金融資產的業務模式為以收取合約現金流量為目的而持有金融資產，而分類為按公允價值計入其他全面收入的金融資產的業務模式為同時以收取合約現金流量及出售為目的。並非以上述業務模式而持有的金融資產則分類為按公允價值計入損益計量。

循正常途徑買入及出售的金融資產於交易日(即本集團承諾買入或出售資產之日)確認。循正常途徑買入或出售，乃指須於法規或市場慣例一般設定的期間內交付資產的金融資產買入或出售。

後續計量

金融資產的後續計量視乎其如下分類而定：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產後續使用實際利率法計量，並可能受減值影響。當資產終止確認、變更或減值時，收益及虧損於損益表中確認。

指定按公允價值計入其他全面收入的金融資產(權益投資)

於初步確認時，本集團可選擇於權益投資符合香港會計準則第32號金融工具：呈報項下的股本定義且並非持作買賣時，將其權益投資不可撤回地分類為指定按公允價值計入其他全面收入的權益工具。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被重新計入損益。當確立支付權，該股息相關的經濟利益很可能流入本集團及股息金額能可靠計量時於損益中確認為其他收入，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收入入賬。指定按公允價值計入其他全面收入的權益工具不受減值評估影響。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

投資及其他金融資產(續)

後續計量(續)

按公允價值計入損益的金融資產

按公允價值計入損益的金融資產按公允價值於財務狀況表列賬，而公允價值變動淨額於損益表中確認。

該類別包括本集團並無不可撤銷地選擇按公允價值計入其他全面收入進行分類的衍生工具及權益投資。分類為按公允價值計入損益的金融資產之權益投資的股息在支付權確立、該股息相關的經濟利益很可能流入本集團且股息金額能可靠計量時亦於損益中確認為其他收入。

終止確認金融資產

金融資產(或，如適用，一項金融資產的一部分或一組同類金融資產的一部分)在下列情況下將從根本上終止確認(即從本集團的綜合財務狀況表中移除)：

- 自資產收取現金流量的權利已屆滿；或
- 本集團已轉讓其自資產收取現金流量的權利，或已根據一項「過手」安排承擔責任，在無重大延誤的情況下，將所收取的現金流量金額全數付予第三方；及(a)本集團已轉讓資產的絕大部分風險及回報；或(b)本集團並無轉讓或保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

當本集團已轉讓其自一項資產收取現金流量的權利或已訂立一項過手安排時，本集團評估其是否保留資產所有權的風險與回報及保留程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產的控制權，本集團將以本集團持續參與程度為限繼續確認所轉讓資產。於該情況下，本集團亦確認一項關連負債。轉讓資產及關連負債乃以反映集團保留權利及責任的基準計量。

以經轉讓資產擔保方式的持續參與按資產原始金額與本集團可能被要求償還的代價的最高金額之間的較低者計量。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

金融資產減值

本集團對並非按公允價值計入損益的所有債務工具確認預期信貸虧損(「預期信貸虧損」)的撥備。預期信貸虧損乃基於根據合約應收的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押物的現金流量或組成合約條款的其他信貸提升措施的現金流量。

一般方式

預期信貸虧損分兩個階段確認。對於自首次確認概無重大增加的信貸風險，預期信貸虧損乃是為於未來12個月內可能來自違約事件的預期信貸虧損(12個月預期信貸虧損)而提計。對於該等自首次確認後顯著增加的信貸風險，必須為預期於剩餘年期產生的信貸虧損作出虧損撥備，無須考慮違約事件發生的時間(全期預期信貸虧損)。

於各報告日期，本集團評估信貸風險自初始確認以來是否顯著上升。於評估時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團會考慮無須花費不必要成本或努力獲取的合理及具支持性的資料，包括過往經驗及前瞻性資料。

本集團認為，當合約繳款逾期超過90天，該金融資產屬違約。然而，於若干情況，當內部或外來資料顯示本集團不大可能於考慮本集團所持的任何信貸提升措施前全數收到尚未償還合約款項時，本集團亦可能認為一項金融資產已屬違約。當概無合理預期可回收合約現金流量時，一項金融資產即被撇銷。

按攤銷成本計量的金融資產應以一般方法減值及根據以下預期信貸虧損的計量階段分類，惟應收貿易賬款須應用以下詳述之簡化方法除外。

第一階段－自初始確認以來信貸風險未有顯著上升且按相當於12個月預期信貸虧損之金額計量虧損減值的金融工具

第二階段－自初始確認以來信貸風險顯著上升惟不屬於未作信貸減值的金融資產且按相等於全期預期信貸虧損之金額計量虧損減值的金融工具

第三階段－於報告日期已作信貸減值(惟不是已購買或源頭信貸減值)且按相等於全期預期信貸虧損之金額計量虧損減值的金融資產

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

金融資產減值(續)

簡化方法

就並無重大融資成分或本集團應用可行權宜方法未調整重大融資成分影響的應收貿易賬款及應收票據而言，本集團於計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並無追溯信貸風險變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

金融負債

首次確認及計量

首次確認時，金融負債適當分類為貸款及借款及應付款項。

所有金融負債初步按公允價值確認，而如屬貸款及借款及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括應付貿易及其他款項、計息銀行借款、租賃負債及最終控股公司貸款。

後續計量

金融負債的後續計量視乎其如下分類而定：

按攤銷成本計量的金融負債(貸款及借款)

首次確認後，計息貸款及借款其後以實際利率法按攤銷成本計量，倘貼現影響不大，則按成本列賬。收益及虧損於負債終止確認時透過實際利率攤銷程式於損益表內確認。

計算攤銷成本時已計及任何收購折讓或溢價，以及實際利率所包含的費用或成本。實際利率攤銷計入損益表的財務成本。

終止確認金融負債

當負債項下責任已解除、取消或期滿，即會終止確認金融負債。

如一項現有金融負債被來自同一貸款方而大部分條款不同的另一項金融負債所取代，或現有負債的條款被大幅修改，則該項置換或修改視作終止確認原有負債及確認新負債處理，而兩者的賬面值差額於損益表確認。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

抵銷金融工具

金融資產及金融負債當有現時可執行的法律權利以抵銷已確認金額及有意按淨額基準結付或同時變現資產及結付負債時抵銷，並於財務狀況表內呈報淨額。

庫存股份

本公司或本集團重新收購及持有的自身權益工具(庫存股份)按成本直接於權益確認。概無於損益表確認購買、出售、發行或註銷本集團自身股權工具的收益或虧損。

存貨

存貨乃按成本及可變現淨值兩者之較低者列賬。成本以加權平均法釐定，若為在製品及製成品，則包括直接材料、直接人工及適當部分的經常開支。可變現淨值按估計售價減預期完成及出售所產生任何估計成本計算。

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括庫存現金、活期存款及可隨時轉換為已知數額現金、價值變動風險極微及一般自購入後不久便於三個月內到期的短期高流動性投資，但扣減須按通知償還及構成本集團現金管理不可分割部分的銀行透支。

就綜合財務狀況表而言，現金及現金等值物包括庫存及存放於銀行的現金(包括定期存款)及用途不受限制的與現金性質相似的資產。

撥備

如因過往事件導致現有債務(法定或推定)及日後可能需要有資金流出以償還債務，則確認撥備，但必須能可靠估計有關債務金額。

如貼現的影響重大，則確認的撥備金額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的貼現現值增加列作財務成本計入損益表。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

撥備(續)

對於銷售照明產品，本集團就保修期內出現的故障進行一般性維修計提保修撥備。本集團提供的該等保證型保修撥備，乃基於銷量及維修及退貨水平的過往經驗並貼現至現值(如適用)確認。

所得稅

所得稅包括即期及遞延所得稅。與已於損益以外確認項目相關的所得稅於損益外(即於其他全面收入或直接在權益)確認。

即期所得稅資產及負債，乃經考慮本集團經營所在國家現行的詮釋及慣例後，根據於報告期末時已實施或實際上已實施的稅率(及稅法)，按預期自稅務當局退回或付予稅務當局的金額計算。

遞延所得稅採用負債法就於報告期末資產及負債的稅基與兩者用作財務報告的賬面值之間的所有暫時差額計提準備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 遞延稅項負債乃因在一項並非業務合併的交易中首次確認商譽或資產或負債而產生，且於交易時並不影響會計利潤或應課稅利潤或虧損；及
- 就與於附屬公司及聯營公司的投資有關的應課稅暫時差額而言，暫時差額的撥回時間為可控制，且該等暫時差額於可見將來可能不會撥回。

遞延稅項資產乃就所有可扣稅暫時差額、未動用稅項抵免及任何未動用稅項虧損的結轉而確認。遞延稅項資產以將有應課稅利潤以動用可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損的結轉以作對銷為限確認，惟下列情況除外：

- 與可扣稅暫時差額有關的遞延稅項資產乃因在一項並非業務合併的交易中首次確認資產或負債而產生，且於交易時並不影響會計利潤亦不影響應課稅利潤或虧損；及
- 就與於附屬公司、聯營公司及合營公司的投資有關的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回以及將有應課稅利潤以動用暫時差額以作對銷的情況下，方予確認。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

所得稅(續)

於各報告期末審閱遞延稅項資產的賬面值，並在不再可能有足夠應課稅利潤以動用全部或部分遞延稅項資產時，相應扣減該賬面值。未確認的遞延稅項資產會於各報告期末重新評估，並在可能有足夠應課稅利潤以收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃按預期適用於變現資產或清還負債期間的稅率，根據於報告期末已實施或實際上已實施的稅率(及稅法)計算。

當且僅當本集團擁有法定行使權可將即期稅項資產與即期稅項負債相互抵銷及遞延稅項資產與遞延稅項負債與由同一稅務機關對同一應課稅實體或有意在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準清償即期稅項負債及資產，或同時變現該資產及清償該負債的不同應課稅實體所徵收的所得稅有關，即遞延稅項資產可與遞延稅項負債互相抵銷。

政府補助

政府補助於可合理地確定將會收取補助及將符合所有附帶條件時按公允價值確認。如補助涉及開支項目，則會於成本支銷的期間內系統性地對應其擬補助的成本確認為收入。

倘補助與資產有關，則其公允價值計入遞延收入，並在有關資產的預期可使用年期內以每年等額分期撥至損益表或自有關資產賬面值扣除並以減少折舊支出的方法撥至損益。

收入確認

客戶合約收入

客戶合約收入乃於商品或服務的控制權轉讓予客戶時確認，所確認的金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

收入確認(續)

客戶合約收入(續)

(a) 出售照明產品

出售照明產品的收入於資產的控制權轉移予客戶(一般於交付照明產品)時確認。

(b) 提供諮詢及資產管理服務

提供諮詢及資產管理服務所得收入按月於計劃期間內確認，因為客戶同時接受及消耗本集團所提供的利益。資產管理服務費用基於所管理資產價值的固定百分比計算，並按相互協定的定期基準自客戶賬戶結餘扣除。

(c) 提供代理服務

提供代理服務所得收入於交易完成的時間點確認。

其他收入來源

利息收益按實際基準以實際利息法獲確認，透過應用於金融工具的預期期限或較短期間(如適用)其已估算未來現金流量的利率準確貼現至金融資產的賬面值。

其他收入

租金收入於租期內按時間比例確認。

股息收入於股東收取付款的權利建立時確認。

合約資產

合約資產指就轉移至客戶的商品或服務換取代價的權利。若本集團於客戶支付代價之前或付款到期之前向客戶轉移商品或服務，則就已賺取的無條件代價確認合約資產。合約資產須進行減值評估，有關詳情載於金融資產減值的會計政策內。

合約負債

當本集團於轉移相關商品或服務之前自客戶收到付款或付款到期(以較早者為準)，則確認合約負債。當本集團根據合約履約(即相關商品或服務的控制權轉移至客戶)時，合約負債確認為收入。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

以股份為基礎的付款

本公司實施購股權計劃，以為本集團業務作出貢獻之合資格參與者提供激勵及獎勵。本集團僱員(包括董事)透過以股份為基礎的付款之形式取得薪酬，據此僱員提供服務作為權益工具之對價(「以權益結算的交易」)。

於二零二零年十一月七日後授出之僱員之以權益結算的交易成本乃參考交易授出當日之公允價值計量。公允價值由外部估值師採用二項式模型確定，有關詳情載於綜合財務報表附註32。

以權益結算的交易成本，連同權益相應增加部分，在績效及／或服務條件獲達成之期間內於僱員福利開支確認。在歸屬日之前每個報告期末對於以權益結算的交易所確認之累計費用，乃反映歸屬期屆滿之程度及本集團對於最終歸屬之權益工具數量之最佳估計。期內損益賬扣除或計入之金額乃代表該期期初及期末所確認累計開支之變動。

釐定獎勵獲授當日之公允價值時，並不計及服務及非市場績效條件，惟在有可能符合條件之情況下，則評估為本集團對最終將會歸屬之股本工具數目最佳估計之一部分。市場績效條件反映於獎勵獲授當日之公允價值。獎勵之任何其他附帶條件(但不帶有服務要求)視作非賦予條件。非賦予條件反映於獎勵之公允價值，除非同時具服務及／或績效條件，否則獎勵即時支銷。

因非市場績效及／或服務條件未能達成而最終無賦予之獎勵並不確認為支出。凡獎勵包含市場或非賦予條件，無論市場條件或非賦予條件獲履行與否，而所有其他績效及／或服務條件均獲履行，則交易仍被視為一項賦予。

當權益結算獎勵條款作出修訂，若均符合初始獎勵條款，則至少按照條款未有修訂之情況確認開支。此外，倘任何修訂會導致以股份為基礎的付款之交易之總公允價值增加，或於修訂當日計算時對僱員有利，便會確認開支。

倘權益結算獎勵被取消，則視作已於取消日期歸屬處理，而該獎勵之任何尚未確認開支則會立即確認。這包括任何未達成在本集團或僱員控制範圍內之非歸屬條件之獎勵。然而，如有新的獎勵取代已取消的獎勵，並於授予當日被指定為替代獎勵，則已取消及新的獎勵被視為對初始獎勵的修訂(如前段所述)。

尚未行使購股權之攤薄作用會於每股溢利計算中反映為額外股份攤薄。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

其他僱員福利

退休金計劃

本集團根據《強制性公積金計劃條例》為其合資格參與界定供款強制性公積金退休福利計劃(「強積金計劃」)的僱員管理一項強積金計劃。根據強積金計劃規則，須按僱員基本薪金的某個百分比作出供款，並於供款成為應付時自損益表扣除。強積金計劃的資產與本集團資產分開並由獨立管理基金持有。本集團所作出的僱主供款於向強積金計劃作出供款時全數歸屬予僱員。

本集團在中國內地營運的附屬公司的僱員須參加由地方市政府管理的中央退休金計劃。附屬公司須按其工資成本的10%至20%向中央退休金計劃供款。根據中央退休金計劃規則，有關供款於應付時自損益表扣除。

本集團向美國合資格僱員提供機會參與符合國內稅務法第401(k)條條款之界定供款退休福利計劃(「401(k)計劃」)。401(k)計劃由獨立受託人管理。401(k)計劃為一項選擇性福利，401(k)計劃就退休福利計劃的唯一責任為須符合該計劃項下的指引。本集團提供配發供款，最多達僱員之合資格供款的4%，而若干僱員的上限為每年6,000美元。僱主配送供款於收取時歸屬或須遵照特定歸屬期限。

借款成本

收購、建造或生產合資格資產(即需要較長時間準備作擬定用途或銷售的資產)直接應計的借款成本均撥充為有關資產成本的一部分。當資產大致可作其擬定用途或銷售時，該等借款成本不再撥充資本。特定借款用作合資格資產前作為的暫時投資所賺取的投資收入從已資本化的借款成本中扣除。所有其他借款成本於產生期間支銷。借款成本包括利息及實體因借入資金而產生的其他成本。

股息

末期股息乃於股東於股東大會上批准時確認為負債。建議末期股息披露於財務報表附註。

由於本公司的組織章程大綱及細則授予董事宣派中期股息的權利，故本公司同時建議及宣派中期股息。因此，中期股息在建議及宣派時立即確認為負債。

綜合財務報表附註

二零二零年十二月三十一日

2.4 重大會計政策的概覽(續)

外幣

該等財務報表以人民幣呈列。本集團內各實體自行釐定其各自的功能貨幣，而各實體的財務報表項目乃以該功能貨幣計量。本公司的功能貨幣為港元(「港元」)。本集團旗下實體記賬的外幣交易初步按該等實體各自於交易日通行的功能貨幣匯率入賬。以外幣計值的貨幣資產及負債，按有關功能貨幣於報告期末的適用功能貨幣匯率換算。因結算或換算貨幣項目而產生的差額於損益表確認。

以外幣按歷史成本計量的非貨幣項目，採用初始交易日期的匯率換算。以外幣按公允價值計量的非貨幣項目，採用計量公允價值當日的匯率換算。因換算按公允價值計量的非貨幣項目而產生的損益，亦按該項目公允價值變動的損益確認(即於其他全面收入或損益中確認其公允價值損益的項目的匯兌差額，亦分別於其他全面收入或損益中確認)。

為確定涉及預付代價及終止非貨幣資產或非貨幣負債的相關資產、開支或收入於初始確認時的匯率，初始交易日期為本集團初始確認因支付或收到預付代價而產生的非貨幣性資產或負債的日期。倘於確認相關項目之前有多個付款或收據，則應以這種方式確定每筆預付代價付款或收據的交易日期。

本公司及若干海外附屬公司的功能貨幣均為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末通行的匯率換算為人民幣，其損益表則按年內的加權平均匯率換算為人民幣。

因此而產生的匯兌差額於其他全面收入內確認並累計至匯兌波動儲備。出售海外業務時，與該項海外業務有關的其他全面收入部份會在損益表確認。

因收購海外業務而產生的任何商譽和收購時所產生的資產及負債賬面值的任何公允價值調整，均視為海外業務的資產及負債，並按收市匯率換算。

就綜合現金流量表而言，海外附屬公司的現金流量按現金流量日期的適用匯率換算為人民幣。海外附屬公司於整個年度產生的經常性現金流量則按年內的加權平均匯率換算為人民幣。

綜合財務報表附註

二零二零年十二月三十一日

3. 主要會計判斷及估計

編製本集團財務報表時，管理層須作出判斷、估計及假設，而此等判斷、估計及假設將影響收入、開支、資產及負債的呈報金額及相關披露以及或然負債的披露。該等假設及估計的不確定因素可能導致須於日後對資產或負債的賬面值作出重大調整。

估計的不確定因素

下文所討論者為於報告期末有關未來的主要假設及其他主要估計的不確定因素，其涉及導致下個財政年度對資產及負債賬面值作出重大調整的重大風險。

商譽減值

本集團至少每年確定商譽是否減值。這需要估計獲分配商譽的現金產生單位的使用價值與公允價值減出售成本。本集團估計使用價值與公允價值減出售成本時，須估計現金產生單位的預計未來現金流量，並選用適合的貼現率計算該等現金流量的現值。商譽於二零二零年十二月三十一日的賬面值為人民幣187,181,000元(二零一九年：人民幣220,978,000元)。進一步詳情載於綜合財務報表附註16。

應收貿易賬款的預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易賬款的預期信貸虧損。撥備率乃基於具有類似虧損模式(如行業及個人的信貸評級)的不同客戶分部組合逾期日數釐定。

撥備矩陣初步基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損經驗。舉例而言，倘預測經濟環境(即國內生產總值)預期將於未來一年惡化，導致製造分部違約事件增加，則會調整過往違約率。於各報告日期，過往觀察所得違約率將予更新，並會分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟環境及預期信貸虧損之間的關連性進行的評估屬重大估計。預期信貸虧損金額對情況變化及預測經濟環境相當敏感。本集團過往信貸虧損經驗及預測經濟環境亦未必能代表客戶日後的實際違約情況。有關本集團應收貿易賬款預期信貸虧損的資料已於綜合財務報表附註20披露。

綜合財務報表附註

二零二零年十二月三十一日

3. 主要會計判斷及估計(續)

估計的不確定因素(續)

應收貸款的預期信貸虧損撥備

根據香港財務報告準則第9號計量預期信貸虧損需要作出判斷，尤其是在確定預期信貸虧損時估計未來現金流量的金額及時間以及抵押物價值，以及評估信貸風險是否顯著增加。該等估計受多種因素影響，如違約風險、違約損失率及抵押物收回，該等因素的變化可能導致不同程度的撥備。

本集團計算應收貸款的預期信貸虧損時乃基於對違約風險及違約損失率的假設。本集團根據各報告期末債務人或市場上可比公司的信用風險、當前市場條件以及前瞻性估計(如國內生產總值及市場波動)，在作出假設及選擇減值計算輸入數值時運用判斷。本集團的政策是在發生實際損失定期審查其模型，並在必要時進行調整。有關本集團應收貸款預期信貸虧損以及計算減值所用關鍵假設及輸入數據的進一步詳情已於綜合財務報表附註22披露。

存貨撇減至可變現淨值

管理層檢討本集團的存貨狀況，並將識別為不再適合銷售或使用的陳舊及滯銷存貨項目之賬面值撇減至其各自之可變現淨值。於報告期末，本集團主要根據最近期發票價格及目前市況估計該等存貨的可變現淨值。

識別陳舊及滯銷存貨項目需使用判斷及估計。倘預期值有別於原有估計，該差額將對存貨賬面值及於作出該等估計期間確認之存貨的撇減造成影響。於二零二零年十二月三十一日，存貨的賬面值為人民幣160,170,000元(二零一九年：人民幣156,684,000元)。

投資物業公允價值估計

倘缺乏同類物業於活躍市場之現有價格，則本集團會考慮從多個途徑收集資料，包括：

- (a) 不同性質、狀況或地點之物業於活躍市場之現有價格(經調整以反映各項差異)；及
- (b) 活躍程度稍遜之市場所提供同類物業之近期價格(經調整以反映自按該等價格進行交易當日以來經濟狀況之任何變動)。

於二零二零年十二月三十一日，投資物業的賬面值為人民幣74,441,000元(二零一九年：人民幣873,891,000元)。進一步詳情(包括公允價值計量所用的主要假設及敏感度分析)載於綜合財務報表附註14。

綜合財務報表附註

二零二零年十二月三十一日

4. 經營分部資料

就管理用途而言，本集團按其產品及服務劃分經營單位，有如下三個可呈報經營分部：

- 中國照明分部包括於中國研發、製造燈具產品及於中國和海外分銷燈具產品；
- 美國照明分部包括於美國提供照明解決方案及買賣照明產品；及
- 證券分部包括資產管理服務、投資諮詢服務及證券交易。

管理層單獨監督本集團經營分部之業績，以就資源分配及業績評估作出決策。分部業績基於可呈報分部溢利／（虧損）評估，此為經調整除稅前溢利／（虧損）之計量方法。經調整除稅前溢利／（虧損）按與本集團除稅前溢利／（虧損）一致的方式計量，惟銀行利息收入、非租賃相關的財務成本、政府補助以及未分配公司收入及收益及開支不納入該計量之內。

分部資產不包括遞延稅項資產、現金及現金等值物以及其他未分配總辦事處及公司資產，是因為該等資產按組別管理。

分部負債不包括計息銀行借款、最終控股公司貸款、應付稅項、遞延稅項負債以及其他未分配總辦事處及公司負債，是因為該等負債按組別管理。

分部間銷售及轉讓乃參考對第三方按當前市價之銷售所使用的售價進行交易。

綜合財務報表附註

二零二零年十二月三十一日

4. 經營分部資料(續)

截至二零二零年十二月三十一日止年度

	中國照明 人民幣千元	美國照明 人民幣千元	證券 人民幣千元	總計 人民幣千元
分部收入(附註5)：				
對外界客戶之銷售額	147,886	695,609	13,945	857,440
利息收入	—	—	19,298	19,298
分部間銷售	13,391	—	—	13,391
	161,277	695,609	33,243	890,129
對賬：				
撤銷分部間銷售				(13,391)
收入				876,738
分部業績	(39,982)	37,063	(23,728)	(26,647)
對賬：				
利息收入及未分配收入及收益				3,600
財務成本(租賃負債的利息除外)				(24,407)
政府補助				4,651
未分配支出				(24,012)
除稅前虧損				(66,815)
分部資產	1,185,780	319,812	392,967	1,898,559
對賬：				
撤銷分部間應收款項				(81,008)
遞延稅項資產				11,980
現金及現金等值物				408,485
公司及其他未分配資產				1,249
總資產				2,239,265
分部負債	28,170	154,423	94,425	277,018
對賬：				
撤銷分部間應付款項				(81,008)
計息銀行借款				91,114
最終控股公司貸款				254,619
應付稅項				20,528
遞延稅項負債				10,987
公司及其他未分配負債				4,730
負債總額				577,988

綜合財務報表附註

二零二零年十二月三十一日

4. 經營分部資料(續)

截至二零二零年十二月三十一日止年度(續)

	中國照明 人民幣千元	美國照明 人民幣千元	證券 人民幣千元	未分配 人民幣千元	總計 人民幣千元
其他分部資料：					
金融資產減值虧損	10,023	1,560	12,540	—	24,123
計入已售存貨成本之存貨撥備	18,001	14,068	—	—	32,069
折舊及攤銷	21,385	11,808	6,129	1,191	40,513
資本開支*	18,046	3,379	485	—	21,910

* 資本開支包括物業、廠房及設備及無形資產添置。

截至二零一九年十二月三十一日止年度

	中國照明 人民幣千元	美國照明 人民幣千元	證券 人民幣千元	總計 人民幣千元
分部收入(附註5)：				
對外界客戶之銷售額	170,165	628,049	17,248	815,462
利息收入	—	—	25,887	25,887
分部間銷售	10,228	—	—	10,228
	180,393	628,049	43,135	851,577
對賬：				
撤銷分部間銷售				(10,228)
收入				841,349
分部業績	16,686	30,334	(555)	46,465
對賬：				
利息收入及未分配收入及收益				6,185
財務成本(租賃負債的利息除外)				(28,198)
政府補助				4,543
未分配支出				(22,066)
除稅前溢利				6,929

綜合財務報表附註

二零二零年十二月三十一日

4. 經營分部資料(續)

截至二零一九年十二月三十一日止年度(續)

	中國照明 人民幣千元	美國照明 人民幣千元	證券 人民幣千元	總計 人民幣千元
分部資產	1,563,363	266,677	627,415	2,457,455
對賬：				
撤銷分部間應收款項				(227,811)
遞延稅項資產				4,127
現金及現金等值物				256,938
公司及其他未分配資產				4,040
總資產				2,494,749
分部負債	63,886	102,985	240,258	407,129
對賬：				
撤銷分部間應付款項				(227,811)
計息銀行借款				141,135
最終控股公司貸款				353,706
應付稅項				9,232
遞延稅項負債				74,277
公司及其他未分配負債				5,402
負債總額				763,070

	中國照明 人民幣千元	美國照明 人民幣千元	證券 人民幣千元	未分配 人民幣千元	總計 人民幣千元
其他分部資料：					
金融資產減值虧損／(減值撥回)	2,630	1,286	(3,657)	—	259
計入已售存貨成本之存貨撥備	14,383	8,353	—	—	22,736
折舊及攤銷	16,918	14,190	7,017	1,028	39,153
資本開支*	10,475	3,382	842	—	14,699

* 資本開支包括物業、廠房及設備及無形資產添置。

綜合財務報表附註

二零二零年十二月三十一日

4. 經營分部資料(續)

地區資料

(a) 來自外界客戶之收入

	二零二零年 人民幣千元	二零一九年 人民幣千元
北美	792,111	710,486
歐洲	29,324	42,862
中國	1,917	8,097
亞洲(不包括中國)	53,386	79,904
	876,738	841,349

上述收入資料基於客戶所處位置而定。

(b) 非流動資產

	二零二零年 人民幣千元	二零一九年 人民幣千元
北美	116,985	123,362
中國	149,058	943,585
亞洲(不包括中國)	114,002	184,084
	380,045	1,251,031

上述非流動資產資料基於資產所在位置而定，且不包括金融工具及遞延稅項資產。

有關主要客戶之資料

截至二零二零年十二月三十一日止年度，來自美國照明分部的客戶A及客戶B的收入分別約為人民幣156,016,000元(二零一九年：人民幣98,021,000元)及人民幣87,636,000元(二零一九年：人民幣114,941,000元)，佔本集團收入超過10%。

綜合財務報表附註

二零二零年十二月三十一日

5. 收入、其他收入、收益及虧損淨額

收入分析如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
客戶合約收入	857,440	815,462
其他來源的收入		
利息收入	19,298	25,887
	876,738	841,349

客戶合約收入

(i) 收入資料明細

截至二零二零年十二月三十一日止年度

分部	中國照明 人民幣千元	美國照明 人民幣千元	證券 人民幣千元	總計 人民幣千元
產品或服務類型				
銷售照明產品	147,886	695,609	–	843,495
諮詢及管理服務	–	–	7,122	7,122
代理服務	–	–	6,823	6,823
客戶合約收入總額	147,886	695,609	13,945	857,440
地域市場				
北美	96,502	695,609	–	792,111
歐洲	29,324	–	–	29,324
中國	1,917	–	–	1,917
亞洲(不包括中國)	20,143	–	13,945	34,088
客戶合約收入總額	147,886	695,609	13,945	857,440
收入確認時間				
於時間點轉移貨品及提供服務	147,886	695,609	6,823	850,318
隨時間推移提供服務	–	–	7,122	7,122
客戶合約收入總額	147,886	695,609	13,945	857,440

綜合財務報表附註

二零二零年十二月三十一日

5. 收入、其他收入、收益及虧損淨額(續)

客戶合約收入(續)

(i) 收入資料明細(續)

截至二零一九年十二月三十一日止年度

分部	中國照明 人民幣千元	美國照明 人民幣千元	證券 人民幣千元	總計 人民幣千元
產品或服務類型				
銷售照明產品	170,165	628,049	–	798,214
諮詢及管理服務	–	–	14,526	14,526
代理服務	–	–	2,722	2,722
客戶合約收入總額	170,165	628,049	17,248	815,462
地域市場				
北美	82,437	628,049	–	710,486
歐洲	42,862	–	–	42,862
中國	8,097	–	–	8,097
亞洲(不包括中國)	36,769	–	17,248	54,017
客戶合約收入總額	170,165	628,049	17,248	815,462
收入確認時間				
於時間點轉移貨品及提供服務	170,165	628,049	2,722	800,936
隨時間推移提供服務	–	–	14,526	14,526
客戶合約收入總額	170,165	628,049	17,248	815,462

綜合財務報表附註

二零二零年十二月三十一日

5. 收入、其他收入、收益及虧損淨額(續)

客戶合約收入(續)

(i) 收入資料明細(續)

下表列示現有報告期間確認的收入金額(計入報告期初合約負債)：

	二零二零年 人民幣千元	二零一九年 人民幣千元
於報告期初計入合約負債之已確認收入： 銷售照明產品	10,509	15,727

(ii) 履約責任

本集團履約責任資料概述如下：

銷售照明產品

履約責任於交付照明產品時達成，一般於交付起計30至180日內付款，惟新客戶一般需提前付款。

諮詢及資產管理服務

履約責任於提供服務時達成。諮詢及資產管理服務合同為期一年或以內或按月收費。

代理服務

履約責任於交易完成時達成。

作為可行權宜方法，分配至餘下履約責任(未履行或部分未履行)的交易價格未於綜合財務報表附註內披露，因為所有餘下履約責任預期將於一年內確認為收入。

綜合財務報表附註

二零二零年十二月三十一日

5. 收入、其他收入、收益及虧損淨額(續)

	附註	二零二零年 人民幣千元	二零一九年 人民幣千元
其他收入			
銀行利息收入		1,777	1,522
其他利息收入		1,683	1,674
按公允價值計入損益的金融資產之股息收入		10,179	9,054
政府補助*		4,651	4,543
投資物業經營租賃的租金收入總額：			
租賃付款，包括固定付款		6,644	9,600
其他		17,390	5,678
		42,324	32,071
收益及虧損淨額			
投資物業公允價值(虧損)/收益淨額	14	(41,165)	60,021
出售物業、廠房及設備項目之(虧損)/收益淨額		(252)	5,179
出售分類為持作出售的非流動資產之收益		9,825	—
按公允價值計入損益的金融資產之公允價值收益/(虧損)淨額		43,643	(15,431)
商譽減值虧損	16	(21,736)	—
物業、廠房及設備減值虧損	13	(4,838)	—
外匯差額淨額		(17,040)	5,353
出售附屬公司之收益	35	10,090	—
應付或然代價之公允價值變動	34	2,486	23
其他		85	(76)
		(18,902)	55,069
		23,422	87,140

* 概無與該等補助有關的未達成條件或或有事項。

綜合財務報表附註

二零二零年十二月三十一日

6. 除稅前(虧損)/溢利

本集團之除稅前(虧損)/溢利乃經扣除/(計入)以下各項後達致：

	附註	二零二零年 人民幣千元	二零一九年 人民幣千元
已售存貨的成本		562,523	534,855
物業、廠房及設備折舊	13	15,142	14,362
使用權資產折舊	15(a)	15,148	16,394
研發成本：			
已攤銷遞延開支*	17	6,742	4,833
其他無形資產攤銷*	17	3,481	3,564
計量租賃負債時未計入的租賃付款	15(c)	341	258
核數師酬金		3,000	2,650
僱員福利開支(包括董事及主要行政人員之薪酬(附註8))			
工資及薪金		157,694	168,990
以權益結算的購股權開支		174	445
退休金計劃供款 [^]		10,560	13,656
		168,428	183,091
來自賺取租金的投資物業的直接經營開支 (包括維修及維護)		164	123
金融資產減值虧損淨額：			
應收貿易賬款及應收票據	20	9,991	747
其他應收款項	21	13,972	(302)
應收貸款	22	160	(186)
		24,123	259
存貨撇減至可變現淨值**		32,069	22,736

* 年內遞延開發成本及其他無形資產的攤銷計入綜合損益表「行政開支」內。

** 計入「銷售成本」。

[^] 於二零二零年十二月三十一日，本集團並無已沒收供款可供調減其於日後年度的退休金計劃供款(二零一九年：無)。

綜合財務報表附註

二零二零年十二月三十一日

7. 財務成本

財務成本分析如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
銀行貸款利息	6,854	10,585
最終控股公司貸款利息	17,553	17,613
租賃負債利息	857	1,137
	25,264	29,335

8. 董事及主要行政人員之薪酬

年內，董事及主要行政人員之薪酬根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)節以及公司(披露董事利益資料)規則第二部分披露如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
袍金	1,555	1,284
其他酬金：		
薪金、津貼及實物福利	1,129	2,038
表現相關花紅	174	—
退休金計劃供款	16	15
	2,874	3,337

截至二零二零年及二零一九年十二月三十一日止年度，概無向董事授出任何購股權。

(a) 獨立非執行董事

年內支付予獨立非執行董事之袍金如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
范仁達先生	347	354
劉天民先生	347	354
李明綺女士	347	354
	1,041	1,062

年內概無其他應付獨立非執行董事之酬金(二零一九年：無)。

綜合財務報表附註

二零二零年十二月三十一日

8. 董事及主要行政人員之薪酬(續)

(b) 執行董事及主要行政人員

	袍金 人民幣千元	薪金、津貼及 實物福利 人民幣千元	以權益結算的 購股權開支 人民幣千元	退休計劃供款 人民幣千元	薪酬總額 人民幣千元
二零二零年					
執行董事及主要行政人員：					
高志先生(於二零二零年一月九日獲委任)	-	-	-	-	-
執行董事：					
Daniel P.W. Li先生 (於二零二零年九月三十日辭任)	-	1,129	174	16	1,319
劉智綱先生 (於二零二零年十一月二日獲委任)	-	-	-	-	-
非執行董事：					
謝漢良先生(於二零二零年一月九日 獲調任為非執行董事)	514	-	-	-	514
周海英先生(於二零二零年一月九日 獲委任)	-	-	-	-	-
黃俞先生(於二零二零年一月九日辭任)	-	-	-	-	-
劉衛東先生(於二零二零年一月九日辭任)	-	-	-	-	-
王良海先生(於二零二零年一月九日辭任)	-	-	-	-	-
	514	1,129	174	16	1,833
二零一九年					
執行董事及主要行政人員：					
謝漢良先生	222	886	-	-	1,108
執行董事：					
Daniel P.W. Li先生	-	1,152	-	15	1,167
非執行董事：					
黃俞先生	-	-	-	-	-
劉衛東先生	-	-	-	-	-
王良海先生	-	-	-	-	-
	222	2,038	-	15	2,275

年內概無董事或主要行政人員放棄或同意放棄任何薪酬的安排。

綜合財務報表附註

二零二零年十二月三十一日

9. 五名最高薪僱員

年內，本集團五名最高薪僱員並不包含任何董事(二零一九年：無)。年內五名(二零一九年：五名)身為並非本公司董事的最高薪僱員的薪酬如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
薪金、津貼及實物福利	9,370	10,013
表現相關花紅	642	—
以權益結算的購股權開支	117	436
退休金計劃供款	472	526
	10,601	10,975

薪酬在以下範圍的最高薪非董事僱員人數如下：

	僱員人數	
	二零二零年	二零一九年
2,000,001港元至2,500,000港元	3	3
2,500,001港元至3,000,000港元	2	2
	5	5

於截至二零二零年及二零一九年十二月三十一日止年度，最高薪非董事及非主要行政人員僱員概無就其服務本集團而獲授任何購股權。若干最高薪非董事及非主要行政人員僱員於過往年度因向本集團提供服務而根據本公司一間附屬公司的購股權計劃獲授購股權，進一步詳情載於綜合財務報表附註32。

綜合財務報表附註

二零二零年十二月三十一日

10. 所得稅

香港利得稅按年內在香港產生之估計應課稅溢利的16.5%(二零一九年：16.5%)計提。本集團於美國成立的附屬公司的所得稅按24.7%(二零一九年：24.7%)的稅率計算。本集團於越南成立的附屬公司的所得稅按20.0%(二零一九年：20.0%)的稅率計算。於中國產生應課稅溢利的稅項按適用中國企業所得稅(「企業所得稅」)稅率25%(二零一九年：25.0%)計算。於其他地方產生應課稅溢利的稅項按本集團經營所在司法權區適用稅率計算。

	二零二零年 人民幣千元	二零一九年 人民幣千元
當期－香港		
年內支出	2,540	358
過往年度(超額撥備)/撥備不足	(39)	234
當期－其他地方		
年內支出	20,523	9,835
過往年度撥備不足	—	1,132
遞延稅項(附註30)	(62,401)	17,899
年內稅項(抵免)/支出總額	(39,377)	29,458

使用其大多數附屬公司所在司法權區的法定稅率計算的除稅前(虧損)/溢利的適用稅項開支，與按實際稅率計算的稅項(抵免)/開支的對賬如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
除稅前(虧損)/溢利	(66,815)	6,929
按不同司法權區的法定/適用稅率納稅的稅項	(14,164)	1,643
毋須課稅收入	(2,191)	(1,764)
不可扣稅開支	16,173	17,353
動用過往期間之稅項虧損	(43,508)	(7,627)
未確認稅項虧損	4,352	18,487
調整過往期間之即期稅項	(39)	1,366
按本集團實際稅率計算的稅項(抵免)/支出	(39,377)	29,458

綜合財務報表附註

二零二零年十二月三十一日

10. 所得稅(續)

香港稅務局(「稅務局」)進行的稅務評核

稅務局對本集團自二零零五／二零零六評估年度進行稅務評核。於二零一二年三月二十六日，稅務局公佈本公司若干附屬公司於二零零五／二零零六評估年度(即截至二零零五年十二月三十一日止財政年度)之保障性利得稅評稅總額為5,250,000港元(約相當於人民幣4,388,000元)。本集團就該保障性評稅額向稅務局提呈反對。

於二零一三年三月八日，稅務局另行公佈本公司若干附屬公司於二零零六／二零零七評估年度(即截至二零零六年十二月三十一日止財政年度)之保障性利得稅評稅總額為5,425,000港元(約相當於人民幣4,535,000元)。本集團就該保障性評稅額向稅務局提呈反對。

於二零一四年三月十四日，稅務局另行公佈本公司若干附屬公司於二零零七／二零零八評估年度(即截至二零零七年十二月三十一日止財政年度)之估計利得稅評稅總額為28,425,000港元(約相當於人民幣23,760,000元)。本集團就該估計評稅額向稅務局提呈反對。

於二零一五年一月九日及二零一五年三月二十七日，稅務局另行公佈本公司若干附屬公司於二零零八／二零零九評估年度(即截至二零零八年十二月三十一日止財政年度)之保障性利得稅評稅總額為35,838,000港元(約相當於人民幣29,957,000元)。本集團就該保障性評稅額向稅務局提呈反對。

於二零一五年十二月三十一日，稅務局另行公佈本公司若干附屬公司於二零零九／二零一零評估年度(即截至二零一零年十二月三十一日止財政年度)之保障性利得稅評稅總額為24,288,000港元(約相當於人民幣20,302,000元)。本集團就該保障性評稅額向稅務局提呈反對。

於二零一六年十二月二十九日，稅務局另行公佈本公司若干附屬公司於二零一零／二零一一評估年度(即截至二零一一年三月三十一日止財政年度)之保障性利得稅評稅總額為47,305,500港元(約相當於人民幣39,543,000元)。本集團就該保障性評稅額向稅務局提呈反對。

於二零一七年十二月二十八日，稅務局另行公佈本公司若干附屬公司於二零一一／二零一二評估年度(即截至二零一二年三月三十一日止財政年度)之保障性利得稅評稅總額為2,779,500港元(約相當於人民幣2,323,000元)。本集團就該保障性評稅額向稅務局提呈反對。

於二零一九年一月三十日，稅務局另行公佈本公司若干附屬公司於二零一二／二零一三評估年度(即截至二零一三年三月三十一日止財政年度)之保障性利得稅評稅總額為6,229,000港元(約相當於人民幣5,519,000元)。本集團就該保障性評稅額向稅務局提呈反對。

綜合財務報表附註

二零二零年十二月三十一日

10. 所得稅(續)

香港稅務局(「稅務局」)進行的稅務評核(續)

於二零二零年三月十二日，稅務局另行公佈本公司若干附屬公司於二零一三／二零一四評估年度(即截至二零一四年三月三十一日止財政年度)之保障性利得稅評稅總額為834,000港元(約相當於人民幣702,000元)。本集團就該保障性評稅額向稅務局提呈反對。

於二零二一年一月八日，稅務局另行公佈本公司若干附屬公司於二零一四／二零一五評估年度(即截至二零一四年十二月三十一日止財政期間)之保障性利得稅評稅總額為678,000港元(約相當於人民幣571,000元)。本集團就該保障性評稅額向稅務局提呈反對。

截至二零二零年十二月三十一日，稅務局已就二零零五／二零零六至二零一三／二零一四評估年度公佈保障性利得稅評稅，總額為156,374,000港元(約相當於人民幣131,029,000元)。本集團就該等保障性評稅額提呈反對，而稅務局同意緩繳該等評估年度所徵收之稅款，條件是本集團須購買儲稅券合共30,500,000港元(約相當於人民幣25,670,000元)(二零一九年：30,500,000港元(約相當於人民幣27,321,000元))，該數額於綜合財務報表附註21計入「預付款、其他應收款項及其他資產」項下的儲稅券。本公司董事認為，由於相關附屬公司並無於香港開展任何業務或賺取任何溢利，故本集團並無應付香港利得稅。因此，無需就稅務評核計提額外的香港利得稅撥備。

綜合財務報表附註

二零二零年十二月三十一日

11. 股息

本公司董事不建議就截至二零二零年及二零一九年十二月三十一日止年度派付任何股息。

12. 母公司普通股權持有人應佔每股虧損

每股基本虧損的計算乃根據母公司普通股權持有人應佔年內虧損及年內已發行普通股的加權平均數2,094,465,417股(二零一九年：2,094,493,362股)計算。

截至二零二零年及二零一九年十二月三十一日止年度，由於本公司附屬公司尚未行使購股權的行使價高於年內本公司附屬公司股份的平均市價，因此，計算每股攤薄虧損時並未假設該等購股權獲行使。

由於本公司尚未行使的購股權對所呈列的每股基本虧損金額具有反攤薄影響，並未對截至二零一九年十二月三十一日止年度所呈列的每股基本虧損金額作出攤薄調整。

	二零二零年 人民幣千元	二零一九年 人民幣千元
計算每股基本虧損時使用的母公司普通股權 持有人應佔虧損	(28,228)	(22,897)

	二零二零年 股份數目	二零一九年 股份數目
計算每股基本虧損時使用的年內已發行普通股的加權平均數	2,094,465,417	2,094,493,362

綜合財務報表附註

二零二零年十二月三十一日

13. 物業、廠房及設備

	樓宇 人民幣千元	租賃裝修 人民幣千元	廠房及 機器 人民幣千元	傢俱、 固定裝置 及設備 人民幣千元	汽車 人民幣千元	模具 人民幣千元	總計 人民幣千元
於二零二零年十二月三十一日							
於二零二零年一月一日：							
成本	142,005	75,384	112,407	33,681	11,801	4,193	379,471
累計折舊	(94,606)	(60,930)	(101,266)	(27,817)	(9,233)	(3,214)	(297,066)
賬面淨值	47,399	14,454	11,141	5,864	2,568	979	82,405
於二零一九年十二月三十一日及 二零二零年一月一日，扣除累計折舊	47,399	14,454	11,141	5,864	2,568	979	82,405
添置	-	10,304	544	2,737	451	506	14,542
出售	(586)	(330)	(435)	(105)	(12)	-	(1,468)
年內計提折舊	(3,138)	(5,111)	(1,825)	(3,311)	(966)	(791)	(15,142)
轉撥至投資物業時重新估值	2,820	-	-	-	-	-	2,820
減值虧損(附註a)	(4,838)	-	-	-	-	-	(4,838)
轉撥至投資物業(附註14)	(28,238)	-	-	-	-	-	(28,238)
匯兌調整	(992)	(357)	(234)	(244)	(120)	(4)	(1,951)
於二零二零年十二月三十一日， 扣除累計折舊	12,427	18,960	9,191	4,941	1,921	690	48,130
於二零二零年十二月三十一日：							
成本	79,714	51,750	107,167	32,951	10,562	4,573	286,717
累計折舊	(67,287)	(32,790)	(97,976)	(28,010)	(8,641)	(3,883)	(238,587)
賬面淨值	12,427	18,960	9,191	4,941	1,921	690	48,130

綜合財務報表附註

二零二零年十二月三十一日

13. 物業、廠房及設備(續)

	樓宇 人民幣千元	租賃裝修 人民幣千元	廠房及 機器 人民幣千元	傢俱、 固定裝置 及設備 人民幣千元	汽車 人民幣千元	模具 人民幣千元	總計 人民幣千元
於二零一九年十二月三十一日							
於二零一九年一月一日：							
成本	141,636	72,886	166,780	45,348	13,164	62,780	502,594
累計折舊	(92,595)	(66,681)	(150,044)	(38,064)	(10,602)	(61,158)	(419,144)
賬面淨值	49,041	6,205	16,736	7,284	2,562	1,622	83,450
於二零一八年十二月三十一日及 二零一九年一月一日，扣除累計折舊							
添置	-	2,685	708	2,223	1,916	228	7,760
收購一家附屬公司	-	128	-	215	-	-	343
出售	(27)	(38)	(60)	(150)	(908)	-	(1,183)
年內計提折舊	(2,340)	(4,062)	(2,335)	(3,714)	(1,038)	(873)	(14,362)
轉撥至投資物業時重新估值	-	-	32,447	-	-	-	32,447
轉撥至投資物業(附註14)	-	-	(36,226)	-	-	-	(36,226)
轉撥至分類為持作出售的非流動資產	-	-	(241)	-	-	-	(241)
轉撥自存貨	-	9,453	-	-	-	-	9,453
匯兌調整	725	83	112	6	36	2	964
於二零一九年十二月三十一日， 扣除累計折舊	47,399	14,454	11,141	5,864	2,568	979	82,405
於二零一九年十二月三十一日：							
成本	142,005	75,384	112,407	33,681	11,801	4,193	379,471
累計折舊	(94,606)	(60,930)	(101,266)	(27,817)	(9,233)	(3,214)	(297,066)
賬面淨值	47,399	14,454	11,141	5,864	2,568	979	82,405

於二零二零年十二月三十一日，本集團賬面值為人民幣7,435,000元(二零一九年：人民幣8,127,000元)的物業、廠房及設備已抵押作為本集團銀行貸款的擔保，進一步詳情載於綜合財務報表附註28(b)。

附註：

- (a) 減值虧損指獨立專業合資格估值師羅馬國際評估有限公司使用直接比較法基於公允價值減出售成本重估若干商業物業產生的公允價值虧損。於二零二零年，由於本集團改變了對若干商業物業的用途，本公司董事認為，該等商業物業已轉撥至投資物業。

綜合財務報表附註

二零二零年十二月三十一日

14. 投資物業

	商業物業 人民幣千元	工業物業 人民幣千元	用作商業 物業開發 的土地 人民幣千元	總計 人民幣千元
於二零一九年一月一日的賬面值	14,200	–	758,765	772,965
轉撥自使用權資產(附註15(a))	–	4,305	–	4,305
轉撥自物業、廠房及設備(附註13)	–	36,226	–	36,226
於損益確認的公允價值調整(虧損)/收益淨額	(1,500)	(1,722)	63,243	60,021
匯兌調整	–	374	–	374
於二零一九年十二月三十一日及 二零二零年一月一日的賬面值	12,700	39,183	822,008	873,891
轉撥自使用權資產(附註15(a))	–	810	–	810
轉撥自物業、廠房及設備(附註13)	25,418	2,820	–	28,238
於損益確認的公允價值調整虧損淨額	(1,100)	(3,016)	(37,049)	(41,165)
出售附屬公司(附註35)	–	–	(784,959)	(784,959)
匯兌調整	–	(2,374)	–	(2,374)
於二零二零年十二月三十一日的賬面值	37,018	37,423	–	74,441

本集團的投資物業包括位於中國及迪拜的十九處(二零一九年：八處)商業物業、位於越南及中國的十一處(二零一九年：十處)工業物業，而並無位於中國的用作商業物業開發的土地(二零一九年：五幅)。本公司董事根據各處物業的性質、特點及風險將本集團的物業確認為不同類別的資產。本集團的投資物業於二零二零年十二月三十一日基於獨立專業合資格估值師羅馬國際評估有限公司的估值進行重估。

該等投資物業(用作商業物業開發的土地除外)乃根據經營租賃出租予第三方，其進一步概要詳情載於綜合財務報表附註15。

綜合財務報表附註

二零二零年十二月三十一日

14. 投資物業(續)

公允價值層級

下表說明本集團投資物業的公允價值計量層級：

	於二零二零年十二月三十一日的 公允價值計量採用			
	活躍市場 的報價 (第一級)	重大可觀察 輸入數據 (第二級)	重大不可觀察 輸入數據 (第三級)	總計
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
經常性公允價值計量： 投資物業	-	-	74,441	74,441

	於二零一九年十二月三十一日的 公允價值計量採用			
	活躍市場 的報價 (第一級)	重大可觀察 輸入數據 (第二級)	重大不可觀察 輸入數據 (第三級)	總計
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
經常性公允價值計量： 投資物業	-	-	873,891	873,891

年內，第一級與第二級之間並無公允價值計量轉撥，第三級亦無公允價值計量轉入或轉出(二零一九年：無)。

綜合財務報表附註

二零二零年十二月三十一日

14. 投資物業(續)

公允價值層級(續)

公允價值層級第三級分類的公允價值計量對賬：

	商業物業 人民幣千元	工業物業 人民幣千元	用作商業 物業開發 的土地 人民幣千元	總計 人民幣千元
於二零一九年一月一日的賬面值	14,200	—	758,765	772,965
轉撥自使用權資產(附註15(a))	—	4,305	—	4,305
轉撥自物業、廠房及設備(附註13)	—	36,226	—	36,226
於損益確認的公允價值調整(虧損)/收益淨額	(1,500)	(1,722)	63,243	60,021
匯兌調整	—	374	—	374
於二零一九年十二月三十一日及 二零二零年一月一日的賬面值	12,700	39,183	822,008	873,891
轉撥自使用權資產(附註15(a))	—	810	—	810
轉撥自物業、廠房及設備(附註13)	25,418	2,820	—	28,238
於損益確認的公允價值調整虧損淨額	(1,100)	(3,016)	(37,049)	(41,165)
出售附屬公司(附註35)	—	—	(784,959)	(784,959)
匯兌調整	—	(2,374)	—	(2,374)
於二零二零年十二月三十一日的賬面值	37,018	37,423	—	74,441

綜合財務報表附註

二零二零年十二月三十一日

14. 投資物業(續)

公允價值層級(續)

以下為投資物業估值使用的估值技術及主要輸入數據概要：

估值技術		重大不可觀察輸入數據	範圍或加權平均值	
			二零二零年	二零一九年
商業物業	直接比較法	當前市價(每平方米)	人民幣29,662元至 人民幣55,502元	人民幣61,000元
工業物業	折舊重置成本法	建築成本(每平方米)	人民幣1,097元至 人民幣1,500元	人民幣1,171元
用作商業物業開發的土地	直接比較法及 基準地價修正法	當前市價(每平方米)	不適用	人民幣2,927元至 人民幣3,904元

直接比較法

投資物業的公允價值通常使用直接比較法計算。

該估值經參考現有物業市況下類似物業的近期交易採納直接比較法達致。當前市價單獨大幅增加(減少)將導致投資物業公允價值大幅增加(減少)。

折舊重置成本法

折舊重置成本法乃根據同區內類似物業現時的建築成本考慮評值物業在新情況下的重造或重置成本，然後扣除據觀察狀況或老化現況(不論因物質、功能或經濟理由而引起)所證明的應計折舊額。建築成本單獨大幅增加(減少)將導致已竣工投資物業公允價值大幅增加(減少)。

基準地價修正法

基準地價修正法用於分析地價的影響因素，使用修正系數修正具有相同土地用途及相同土地類別的已公佈基準地價，從而估計地價。已公佈基準地價單獨大幅上升(下降)將導致投資物業公允價值大幅增加(減少)。

綜合財務報表附註

二零二零年十二月三十一日

15. 租賃

本集團作為承租人

本集團就營運中使用的多項物業訂有租賃合約。本集團會支付一次性付款以自擁有人取得租賃土地，租期為49至50年，此後在土地租期內將無需作出持續付款。辦公室及倉庫的租期一般介乎2至5年。一般而言，本集團不得於本集團之外分派及轉租租賃資產。概無租賃合約擁有續期及終止選擇權。

(a) 使用權資產

本集團使用權資產的賬面值及年內變動如下：

	租賃土地 人民幣千元	辦公室及倉庫 人民幣千元	總計 人民幣千元
於二零一九年一月一日	47,402	17,821	65,223
因收購一家附屬公司而獲得	—	7,960	7,960
折舊開支	(1,073)	(15,321)	(16,394)
轉撥至投資物業時重新估值	3,622	—	3,622
轉撥至投資物業(附註14)	(4,305)	—	(4,305)
轉撥至分類為持作出售的非流動資產	(31,796)	—	(31,796)
匯兌調整	126	161	287
於二零一九年十二月三十一日及 二零二零年一月一日	13,976	10,621	24,597
添置	—	26,369	26,369
折舊開支	(384)	(14,764)	(15,148)
轉撥至投資物業時重新估值	352	—	352
轉撥至投資物業(附註14)	(810)	—	(810)
匯兌調整	(237)	(1,885)	(2,122)
於二零二零年十二月三十一日	12,897	20,341	33,238

於二零二零年十二月三十一日，本集團賬面值為人民幣8,135,000元(二零一九年：人民幣8,348,000元)已抵押作為本集團銀行貸款的擔保，進一步詳情載於綜合財務報表附註28(b)。

綜合財務報表附註

二零二零年十二月三十一日

15. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債的賬面值及年內變動如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
於一月一日的賬面值	10,862	17,821
因收購一家附屬公司而新增	—	7,960
新訂租賃	26,369	—
年內確認應計利息	857	1,137
付款	(16,138)	(16,428)
匯兌調整	(1,122)	372
於十二月三十一日的賬面值	20,828	10,862
分析為：		
即期部分	7,586	9,957
非即期部分	13,242	905
	20,828	10,862

租賃負債的到期日分析披露於綜合財務報表附註42。

(c) 於損益內確認的租賃相關款項如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
租賃負債利息	857	1,137
使用權資產折舊開支	15,148	16,394
與短期租賃有關的開支(計入行政開支)	341	258
於損益內確認的總額	16,346	17,789

(d) 租賃的現金流出總額披露於綜合財務報表附註36(c)。

綜合財務報表附註

二零二零年十二月三十一日

15. 租賃(續)

本集團作為出租人

本集團根據經營租賃安排出租其投資物業(附註14)，包括位於中國及迪拜的十四處商業物業及位於越南及中國的八處工業物業。租戶一般須根據租賃條款支付押金。本集團於年內確認的租金收入為人民幣6,644,000元(二零一九年：人民幣9,600,000元)，其詳情載於綜合財務報表附註5。

於二零二零年十二月三十一日，本集團根據與租戶訂立的不可撤銷經營租賃於未來期間應收的未折現付款如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
一年內	6,082	3,473
一年後但兩年內	5,817	2,667
兩年後但三年內	5,904	2,899
三年後但四年內	5,900	3,107
四年後但五年內	405	3,107
五年後	1,489	45
	25,597	15,298

綜合財務報表附註

二零二零年十二月三十一日

16. 商譽

	人民幣千元
於二零一九年一月一日：	
成本	129,421
累計減值	—
賬面淨值	129,421
於二零一九年一月一日的成本，扣除累計減值	129,421
收購一家附屬公司	87,278
匯兌調整	4,279
於二零一九年十二月三十一日的成本及賬面淨值	220,978
於二零一九年十二月三十一日及二零二零年一月一日：	
成本	220,978
累計減值	—
賬面淨值	220,978
於二零二零年一月一日的成本，扣除累計減值	220,978
年內減值(附註a)	(21,736)
匯兌調整	(12,061)
於二零二零年十二月三十一日的成本及賬面淨值	187,181
於二零二零年十二月三十一日：	
成本	207,208
累計減值	(20,027)
賬面淨值	187,181

綜合財務報表附註

二零二零年十二月三十一日

16. 商譽(續)

商譽減值測試

透過業務合併購入的商譽獲分配至以下現金產生單位進行減值測試：

- 美國照明現金產生單位(就Tivoli, LLC而言)；
- 美國照明現金產生單位(就Novelty Lights, LLC而言)；及
- 證券現金產生單位。

美國照明現金產生單位(就Tivoli, LLC而言)

該美國照明現金產生單位的可收回金額乃按照現金產生單位之使用價值計算釐定，使用價值計算乃根據高級管理層批准之五年期財政預算作出之現金流量預測得出。現金流量預測所用的貼現率為14.4%(二零一九年：14.5%)。用於推斷五年後工業產品現金流量的增長率為2.0%(二零一九年：2.3%)。

美國照明現金產生單位(就Novelty Lights, LLC而言)

該美國照明現金產生單位的可收回金額乃按照現金產生單位之使用價值計算釐定，使用價值計算乃根據高級管理層批准之五年期財政預算作出之現金流量預測得出。現金流量預測所用的貼現率為14.6%(二零一九年：14.3%)。用於推斷五年後工業產品現金流量的增長率為2.0%(二零一九年：2.3%)。

證券現金產生單位

證券現金產生單位的可收回金額乃按照現金產生單位之公允價值減出售成本釐定，公允價值減出售成本乃根據高級管理層批准之五年期財政預算作出之現金流量預測得出。現金流量預測所用的貼現率為13.9%(二零一九年：14.8%)。用於推斷五年後金融服務現金流量的增長率為2.0%(二零一九年：3.0%)。

附註：

- (a) 在中期審閱中，由於資本市場的波動對本集團證券現金產生單位的經營表現造成不利影響，管理層重新評估了本集團證券現金產生單位的前景和未來表現，並釐定該現金產生單位的估計可收回金額為約人民幣494.0百萬元，低於其賬面值。因此，截至二零二零年六月三十日止六個月於損益中計入人民幣21.7百萬元的減值。

本集團於二零二零年十二月三十一日進一步進行年度減值測試。由於證券現金產生單位的估計可收回金額高於其賬面值，本公司董事認為於二零二零年十二月三十一日無需計提進一步減值。因此，年內於綜合損益表中確認減值虧損人民幣21.7百萬元(附註5)。

綜合財務報表附註

二零二零年十二月三十一日

16. 商譽(續)

商譽減值測試(續)

證券現金產生單位(續)

本公司董事認為，貼現率增加1%將導致證券現金產生單位的賬面值超過其可收回金額約人民幣6.5百萬元。

分配至各現金產生單位的商譽的賬面值如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
美國照明現金產生單位(就Tivoli, LLC而言)	8,149	8,712
美國照明現金產生單位(就Novelty Lights, LLC而言)	82,976	88,715
證券現金產生單位	96,056	123,551
商譽賬面值	187,181	220,978

計算二零二零年及二零一九年十二月三十一日美國照明及證券現金產生單位的現金流量預測時使用了假設。以下說明管理層為進行商譽減值測試，在確定現金流量預測時作出的所有關鍵假設：

預算毛利率—以預算年度前一年所得的平均毛利率為基礎，來釐定預算毛利率的賦值。預算毛利率按預期的效率改進及預期的市場發展而增加。

貼現率—所使用的貼現率為除稅後之數值並反映與相關單位相關的特定風險。

增長率—增長率參考相關單位的增長率，經調整相關業務及市場發展以及經濟狀況後釐定。

對美國照明及證券行業之市場發展之關鍵假設、預算毛利率、貼現率及增長率的賦值與外界資訊資源是一致的。

綜合財務報表附註

二零二零年十二月三十一日

17. 其他無形資產

	專利 人民幣千元	證券牌照 人民幣千元	軟件 人民幣千元	遞延 開發成本 人民幣千元	總計 人民幣千元
二零二零年十二月三十一日					
於二零二零年一月一日：					
成本	53,541	11,197	6,796	34,339	105,873
累計攤銷	(44,179)	(3,225)	(2,710)	(11,695)	(61,809)
賬面淨值	9,362	7,972	4,086	22,644	44,064
於二零二零年一月一日的成本，扣除累計攤銷	9,362	7,972	4,086	22,644	44,064
添置	–	–	1,002	6,366	7,368
年內計提攤銷	(1,196)	(1,042)	(1,243)	(6,742)	(10,223)
匯兌調整	(1,152)	(449)	(607)	(3,310)	(5,518)
於二零二零年十二月三十一日	7,014	6,481	3,238	18,958	35,691
於二零二零年十二月三十一日：					
成本	50,366	10,521	7,088	37,394	105,369
累計攤銷	(43,352)	(4,040)	(3,850)	(18,436)	(69,678)
賬面淨值	7,014	6,481	3,238	18,958	35,691

綜合財務報表附註

二零二零年十二月三十一日

17. 其他無形資產(續)

	專利 人民幣千元	證券牌照 人民幣千元	軟件 人民幣千元	遞延開發成本 人民幣千元	總計 人民幣千元
二零一九年十二月三十一日					
於二零一九年一月一日：					
成本	52,951	10,953	6,377	27,720	98,001
累計攤銷	(43,148)	(2,103)	(1,405)	(6,862)	(53,518)
賬面淨值	9,803	8,850	4,972	20,858	44,483
於二零一九年一月一日的成本，扣除累計攤銷	9,803	8,850	4,972	20,858	44,483
添置	–	–	320	6,619	6,939
年內計提攤銷	(1,226)	(1,063)	(1,275)	(4,833)	(8,397)
匯兌調整	785	185	69	–	1,039
於二零一九年十二月三十一日	9,362	7,972	4,086	22,644	44,064
於二零一九年十二月三十一日：					
成本	53,541	11,197	6,796	34,339	105,873
累計攤銷	(44,179)	(3,225)	(2,710)	(11,695)	(61,809)
賬面淨值	9,362	7,972	4,086	22,644	44,064

綜合財務報表附註

二零二零年十二月三十一日

18. 指定按公允價值計入其他全面收入的權益投資

	二零二零年 人民幣千元	二零一九年 人民幣千元
指定按公允價值計入其他全面收入的權益投資		
按公允價值計量的非上市權益投資	—	404

本集團認為上述權益投資具有戰略性質，故該等投資不可撤回地指定按公允價值計入其他全面收入。

於截至二零二零年及二零一九年十二月三十一日止年度，並無就非上市權益投資收到任何股息。其中一項投資已於二零二零年出售。

19. 存貨

	二零二零年 人民幣千元	二零一九年 人民幣千元
原材料	26,078	41,216
在製品	23,459	34,849
製成品	110,633	80,619
	160,170	156,684

於二零二零年十二月三十一日，本集團賬面值為人民幣80,998,000元(二零一九年：人民幣65,134,000元)的存貨已抵押作為本集團銀行貸款的擔保，進一步詳情載於綜合財務報表附註28(b)。

綜合財務報表附註

二零二零年十二月三十一日

20. 應收貿易賬款及應收票據

	二零二零年 人民幣千元	二零一九年 人民幣千元
應收貿易賬款	133,921	100,742
應收票據	642	968
減：應收貿易賬款減值虧損	(6,409)	(4,281)
減：應收票據減值虧損	(16)	(20)
	128,138	97,409

本集團與客戶的交易條款主要為信貸，惟新客戶除外，彼等通常須提前付款。信貸期通常為一個月，主要客戶延長至六個月。

中國及美國照明分部

各客戶有最高信貸額度。本集團致力嚴格控制其未償還應收款項，並建立信貸控制部以將信貸風險降至最低。逾期結餘由高級管理層定期審閱。鑒於上述及本集團應收貿易賬款與大量多元化客戶有關，本集團並不存在重大信貸風險集中情況。本集團未對其應收貿易賬款結餘持有任何抵押品或其他信貸增級。應收貿易賬款為不計息。

證券分部

各客戶有最高信貸額度。本集團致力嚴格控制其未償還應收款項，並建立信貸控制部以將信貸風險降至最低。逾期結餘由高級管理層定期審閱。於報告期末，由於應收貿易賬款總額中分別有70%及88%（二零一九年：53%及78%）為應收本集團最大客戶及五大客戶款項，因此本集團面臨一定的集中信貸風險。本集團未對其應收貿易賬款結餘持有抵押品。應收貿易賬款為不計息。

本集團的應收貿易賬款包括應收本集團關聯方的款項人民幣4,613,000元（二零一九年：人民幣4,549,000元），須按與本集團主要客戶獲提供者類似的信貸條款償還。

於二零二零年十二月三十一日，本集團賬面值為人民幣60,962,000元（二零一九年：人民幣53,659,000元）的應收款項已抵押作為本集團銀行貸款的擔保，進一步詳情載於綜合財務報表附註28(b)。

綜合財務報表附註

二零二零年十二月三十一日

20. 應收貿易款項及應收票據(續)

根據發票日期劃分的於報告期末的應收貿易賬款及應收票據(扣除虧損撥備)的賬齡分析如下：

	二零二零年			二零一九年		
	照明 人民幣千元	證券 人民幣千元	總計 人民幣千元	照明 人民幣千元	證券 人民幣千元	總計 人民幣千元
1個月以內	59,023	4,763	63,786	42,509	5,825	48,334
1至2個月	22,699	431	23,130	21,502	38	21,540
2至3個月	4,698	97	4,795	10,751	288	11,039
3至6個月	24,832	2,082	26,914	6,356	47	6,403
6個月以上	8,246	1,267	9,513	9,522	571	10,093
	119,498	8,640	128,138	90,640	6,769	97,409

應收貿易賬款及應收票據的減值虧損撥備變動如下：

	二零二零年			二零一九年		
	照明 人民幣千元	證券 人民幣千元	總計 人民幣千元	照明 人民幣千元	證券 人民幣千元	總計 人民幣千元
於年初	4,280	21	4,301	5,158	3,493	8,651
減值虧損／(撥回減值)						
淨額(附註6)	5,927	4,064	9,991	3,574	(2,827)	747
撇減為不可收回的金額	(3,929)	(3,938)	(7,867)	(4,452)	(645)	(5,097)
於年末	6,278	147	6,425	4,280	21	4,301

中國及美國照明分部

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶組別的逾期日數釐定(即行業信貸基準)。該計算反映或然率加權結果、貨幣的時間價值及於報告日期可得的有關過往事項、當前狀況及未來經濟狀況預測的合理及可靠資料。一般而言，應收貿易賬款如逾期超過一年及毋須受限於強制執行活動則予以撇銷。

證券分部

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶組別的逾期日數釐定(即行業信貸基準)。該計算反映或然率加權結果、貨幣的時間價值及於報告日期可得的有關過往事項、當前狀況及未來經濟狀況預測的合理及可靠資料。

綜合財務報表附註

二零二零年十二月三十一日

20. 應收貿易款項及應收票據(續)

以下載列基於撥備矩陣作出的有關本集團應收貿易賬款及應收票據信貸風險的資料：

於二零二零年十二月三十一日

中國及美國照明分部	逾期							總計
	即期	少於1個月	1至3個月	3個月至1年	1至2年	2至3年	3年以上	
預期信貸虧損率	2.55%	2.95%	7.85%	10.84%	14.83%	23.50%	26.95%	
賬面總額(人民幣千元)	90,260	14,462	8,661	2,235	832	154	9,172	125,776
預期信貸虧損(人民幣千元)	2,298	427	680	242	123	36	2,472	6,278

證券分部	逾期							總計
	即期	少於1個月	1至3個月	3個月至1年	1至2年	2至3年	3年以上	
預期信貸虧損率	1.28%	1.28%	2.01%	2.12%	2.99%	不適用	不適用	
賬面總額(人民幣千元)	4,680	144	546	3,230	187	-	-	8,787
預期信貸虧損(人民幣千元)	60	2	11	68	6	-	-	147

於二零一九年十二月三十一日

中國及美國照明分部	逾期							總計
	即期	少於1個月	1至3個月	3個月至1年	1至2年	2至3年	3年以上	
預期信貸虧損率	2.11%	2.11%	5.64%	7.38%	9.56%	13.05%	15.72%	
賬面總額(人民幣千元)	52,897	13,168	7,812	9,325	835	1,334	9,549	94,920
預期信貸虧損(人民幣千元)	1,118	278	441	688	80	174	1,501	4,280

證券分部	逾期							總計
	即期	少於1個月	1至3個月	3個月至1年	1至2年	2至3年	3年以上	
預期信貸虧損率	0.26%	0.26%	0.43%	0.72%	1.15%	不適用	不適用	
賬面總額(人民幣千元)	5,896	-	273	533	88	-	-	6,790
預期信貸虧損(人民幣千元)	15	-	1	4	1	-	-	21

綜合財務報表附註

二零二零年十二月三十一日

21. 預付款、其他應收款項及其他資產

	二零二零年 人民幣千元	二零一九年 人民幣千元
預付款	13,661	19,784
處置附屬公司的應收款項	676,129	–
按金及其他應收款項	87,570	38,236
可收回增值稅	17,508	39,790
儲稅券	25,670	27,321
	820,538	125,131
減：減值撥備	(8,504)	(480)
	812,034	124,651
即期部分	(810,670)	(119,555)
非即期部分	1,364	5,096

其他應收款項減值虧損撥備變動如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
於年初	480	782
減值虧損／(撥回減值虧損)淨額(附註6)	13,972	(302)
撇減為不可收回的金額	(5,948)	–
於年末	8,504	480

於截至二零二零年十二月三十一日止年度，因其他應收款項的預期信貸虧損撥備而產生減值人民幣13,972,000元（二零一九年：因撥回撥備而貸記人民幣302,000元）。撥備率基於已公佈之信貸評級而定。該計算反映或然率加權結果、貨幣的時間價值及於報告日期可得的有關過往事項、當前狀況及未來經濟狀況預測的合理及可靠資料。

按金及其他應收款項主要指租金按金及給予供應商的按金。會於各報告日期通過考慮具有已公佈信貸評級的可資比較公司的違約概率而進行減值分析(如適用)。於二零二零年十二月三十一日，所應用的違約概率介乎0.02%至40%（二零一九年：0.15%至100%），而致損率估計介乎59%至69%（二零一九年：61%至100%）。虧損率已調整，以反映當前狀況及預測未來經濟狀況(如適用)。

綜合財務報表附註

二零二零年十二月三十一日

22. 應收貸款

	二零二零年 人民幣千元	二零一九年 人民幣千元
應收貸款	160,206	303,115
減：減值撥備	(627)	(467)
	159,579	302,648

應收貸款減值虧損撥備變動如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
於年初	467	653
減值虧損／(撥回減值虧損)淨額(附註6)	160	(186)
於年末	627	467

於二零二零年十二月三十一日，應收貸款指主要從事借貸業務的本公司附屬公司同方財務有限公司借予一名客戶(二零一九年：兩名客戶)之款項。應收貸款按年利率8%(二零一九年：介乎8%至13%)計息，並已逾期(二零一九年：須於一年內償還)。應收貸款人民幣160,206,000元(二零一九年：人民幣303,115,000元)以借款人的若干物業、其他投資、上市證券及私募股權以及個人擔保作抵押。結餘分類為按攤銷成本計量的金融資產。管理層會持續評估應收貸款的可收回性。

管理層通過調查借款人的背景資料、借款人質押股份的公司的財務分析及對已抵押物業的物業調查，進行信貸風險評估。

本集團會於各報告日期考慮預期信貸虧損進行減值分析，而預期信貸虧損乃參考借款人或可比公司的違約風險後應用違約概率法予以估計。就以物業第二質押及／或股份質押為抵押的應收貸款而言，管理層於預期信貸虧損分析中亦會考慮減輕該等抵押物價值的影響。於二零二零年十二月三十一日，董事認為，應收貸款所應用的違約概率為100%(二零一九年：0.56%至9.12%)，而在扣除任何未償還第一按揭貸款結餘後，應收貸款由二零二零年十二月三十一日公允價值總額約人民幣263.4百萬元(二零一九年：人民幣463.6百萬元)的抵押物全面覆蓋。

綜合財務報表附註

二零二零年十二月三十一日

22. 應收貸款(續)

根據到期日劃分的於報告期末的應收貸款(扣除虧損撥備)的賬齡分析如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
一年以內或按要求	159,579	302,648

23. 按公允價值計入損益的金融資產

	附註	二零二零年 人民幣千元	二零一九年 人民幣千元
按公允價值計量的上市權益投資	(i)	40,451	60,589
按公允價值計量的其他非上市投資	(ii)	137,101	208,966
		177,552	269,555
按公允價值計量的非即期非上市投資		(134,299)	(113,458)
即期部分		43,253	156,097

附註：

- (i) 上述權益投資因持作買賣而分類為按公允價值計入損益的金融資產。
- (ii) 於二零一九年十二月三十一日，上述非上市投資包括寶威控股有限公司(「寶威」)發行的本金總額為9,000,000美元(約人民幣62,786,000元)的7厘可贖回固定收益可轉換債券(「可轉換債券」)，於報告期末的賬面值為人民幣52,377,000元。於二零一九年十二月三十一日，本集團已與獨立第三方訂立轉讓協議，以9,227,000美元的代價出售可轉換債券。有關出售已於二零二零年三月完成。

於二零二零年及二零一九年十二月三十一日，除可轉換債券外，計入非上市股權及基金的其余非上市投資因合約現金流量並非僅為支付本金及利息，故強制分類為按公允價值計入損益的金融資產。

綜合財務報表附註

二零二零年十二月三十一日

24. 現金及現金等值物

	二零二零年 人民幣千元	二零一九年 人民幣千元
現金及銀行結餘	411,131	261,260
減：代客戶持有的現金	(2,646)	(4,322)
現金及現金等值物	408,485	256,938

於報告期末，本集團以人民幣計值的現金及銀行結餘為人民幣23,921,000元（二零一九年：人民幣42,138,000元）。人民幣不可自由兌換成其他貨幣，但根據中國內地的中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過授權從事外匯業務的銀行將人民幣兌換為其他貨幣。

銀行的現金按每日銀行存款利率以浮動利率計息。短期定期存款的存款期為1天至3個月不等，依本集團即時現金需求而定，並按各自短期定期存款利率賺取利息。該等銀行結餘存入近期無違約記錄的高信譽銀行。

25. 分類為持作出售的非流動資產

於二零一九年十一月四日，在與鶴山工業城管理委員會訂立合約以計劃以人民幣31,207,000元的代價向鶴山市土地儲備中心出售租賃土地後，一幅位於中國且賬面值為人民幣28,054,000元的租賃土地被分類為持作出售的非流動資產。該交易已於二零二零年一月二十日完成。

於二零一九年八月三十日，在與太平省人民委員會訂立合約以計劃按36,968,375,000越南盾（相當於人民幣10,694,000元）的代價向自然資源及環境部出售租賃土地及樓宇後，另一幅位於越南且總賬面值為13,235,509,000越南盾（相當於人民幣3,983,000元）的租賃土地及其上所建的一幢樓宇被分類為持作出售的非流動資產。該交易已於二零二零年一月二日完成。

於二零一九年十二月三十一日分類為持作出售的非流動資產如下：

	人民幣千元
物業、廠房及設備	243
使用權資產	31,833
	32,076

於二零一九年十二月三十一日，本集團賬面值為人民幣28,054,000元的分類為持作出售的非流動資產已抵押作為本集團銀行貸款的擔保，進一步詳情載於綜合財務報表附註28(b)。

綜合財務報表附註

二零二零年十二月三十一日

26. 應付貿易賬款

	二零二零年 人民幣千元	二零一九年 人民幣千元
應付貿易賬款	88,138	67,162
應付證券客戶款項	2,646	4,322
	90,784	71,484

根據發票日期劃分的於報告期末的應付貿易款項的賬齡分析如下：

	二零二零年			二零一九年		
	應付證券 客戶款項 人民幣千元	應付貿易 賬款 人民幣千元	總計 人民幣千元	應付證券 客戶款項 人民幣千元	應付貿易 賬款 人民幣千元	總計 人民幣千元
1個月以內	2,646	68,832	71,478	4,322	37,774	42,096
1至2個月	—	9,347	9,347	—	6,177	6,177
2至3個月	—	3,014	3,014	—	2,442	2,442
3至6個月	—	5,144	5,144	—	68	68
6個月至1年	—	162	162	—	600	600
1年以上	—	1,639	1,639	—	20,101	20,101
	2,646	88,138	90,784	4,322	67,162	71,484

應付貿易賬款為不計息且一般於90天內結算。

綜合財務報表附註

二零二零年十二月三十一日

27. 其他應付及應計款項

	附註	二零二零年 人民幣千元	二零一九年 人民幣千元
雜項應付款項及應計款項	(a)	53,971	49,499
合約負債	(b)	4,999	10,509
		58,970	60,008

附註：

(a) 雜項應付款項不計息，平均期限為三個月。

(b) 合約負債的詳情如下：

	二零二零年 十二月三十一日 人民幣千元	二零一九年 十二月三十一日 人民幣千元	二零一九年 一月一日 人民幣千元
收取客戶短期墊款			
出售貨品	4,999	10,509	15,727

合約負債包括已收客戶交付照明產品的短期墊款。二零二零年合約負債減少乃主要由於就年末未完成合約收取客戶短期墊款減少。

28. 計息銀行借款

	二零二零年			二零一九年		
	實際利率%	到期日	人民幣千元	實際利率%	到期日	人民幣千元
即期						
銀行貸款－無抵押	—	—	—	4.4	二零二零年	20,000
銀行貸款－有抵押	5.0	二零二一年	43,000	3.6–5.0	二零二零年	63,000
銀行貸款－有抵押	LIBOR	二零二一年	37,518	LIBOR	二零二零年	58,135
			80,518			141,135
非即期						
銀行貸款－有抵押	0.3	二零二二年	10,596	—	—	—
			91,114			141,135

綜合財務報表附註

二零二零年十二月三十一日

28. 計息銀行借款(續)

上述銀行借款的到期情況如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
分析為：		
於一年內或要求時	80,518	141,135
於一至兩年	10,596	—
	91,114	141,135

附註：

- (a) 除銀行借款人民幣43,000,000元(二零一九年：人民幣30,295,000元)以人民幣計值並按固定利率計息外，上述所有銀行借款均以美元計值，按倫敦銀行同業拆息或固定利率計息。
- (b) 本集團的銀行借款由本集團如下若干資產的抵押作擔保：

	二零二零年 人民幣千元	二零一九年 人民幣千元
存貨(附註19)	80,998	65,134
應收貿易賬款(附註20)	60,962	53,659
物業、廠房及設備(附註13)	7,435	8,127
使用權資產(附註15(a))	8,135	8,348
分類為持作出售的非流動資產(附註25)	—	28,054

- (c) 於二零一九年十二月三十一日，最終控股公司已為本集團高達人民幣20,000,000元的若干銀行借款提供擔保。於二零二零年十二月三十一日，最終控股公司概無提供擔保。

綜合財務報表附註

二零二零年十二月三十一日

29. 撥備

	二零二零年 人民幣千元	二零一九年 人民幣千元
於一月一日	12,316	9,546
新增撥備	6,142	2,770
年內已動用金額	(12,056)	—
匯兌調整	(143)	—
於十二月三十一日	6,259	12,316

於過往年度，本集團收到中國人民法院發出的若干通知，該等通知由獨立貿易方發起，要求就提前終止租賃協議及終止存貨轉讓協議(如相關)導致的損失進行賠償。本公司董事認為，由於大多數法律訴訟的法院判決已最終確定，因此本集團於截至二零二零年十二月三十一日止年度已動用相關撥備以結算未償還的賠償。

30. 遞延稅項

	有關未 分配盈利 的台灣 預扣稅 人民幣千元	無形資產 公允價值 調整 人民幣千元	超過 相關 折舊之 折舊撥備 人民幣千元	投資物業 公允價值 調整 人民幣千元	存貨撥備 人民幣千元	其他 人民幣千元	總計 人民幣千元
於二零一九年一月一日	(2,890)	(1,580)	2,038	(46,631)	2,345	2,183	(44,535)
年內計入/(扣除自)損益表的							
遞延稅項(附註10)	—	178	(6,510)	(15,468)	2,012	1,889	(17,899)
扣除自其他全面收益表的遞延稅項	—	—	—	(7,213)	—	—	(7,213)
收購一家附屬公司(附註34)	—	—	—	—	(357)	—	(357)
匯兌調整	(65)	(94)	(19)	(66)	52	46	(146)
於二零一九年十二月三十一日及							
於二零二零年一月一日	(2,955)	(1,496)	(4,491)	(69,378)	4,052	4,118	(70,150)
年內計入/(扣除自)損益表的遞延稅項							
(附註10)	—	167	(1,702)	53,371	653	9,912	62,401
扣除自其他全面收益表的遞延稅項	—	—	—	(793)	—	—	(793)
出售附屬公司(附註35)	—	—	—	9,671	—	—	9,671
匯兌調整	179	250	(379)	418	6	(610)	(136)
於二零二零年十二月三十一日	(2,776)	(1,079)	(6,572)	(6,711)	4,711	13,420	993

綜合財務報表附註

二零二零年十二月三十一日

30. 遞延稅項(續)

就呈列綜合財務狀況表而言，由於遞延稅項資產及負債涉及不同稅務機關，因此並無互相抵銷。供財務報告之用的遞延稅項結餘分析如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
遞延稅項資產	11,980	4,127
遞延稅項負債	(10,987)	(74,277)
	993	(70,150)

本集團於香港產生稅項虧損人民幣219,025,000元(二零一九年：人民幣234,625,000元)，可無限期承前結轉，以抵銷產生虧損之公司之未來應課稅溢利。本集團於中國產生稅項虧損人民幣88,269,000元(二零一九年：人民幣295,709,000元)，其將於一至五年屆滿，可用作抵銷未來應課稅溢利。

尚未就有關稅項虧損確認遞延稅項資產，原因是有關虧損於持續虧損的附屬公司產生，而出現應課稅溢利可抵銷稅項虧損的可能性不大。

根據中國企業所得稅法，於中國成立的外商投資企業向海外投資者所宣派的股息須繳納10%預扣稅。有關規定於二零零八年一月一日起生效，並適用於二零零七年十二月三十一日之後的盈利。倘中國與海外投資者的司法權區訂立稅務條約，則可能享有較低的預扣稅率。就本集團而言，適用稅率為5%。於二零二零年及二零一九年十二月三十一日，因附屬公司並無用作預見未來進行分派的該等盈利，故並無就預扣稅未確認遞延稅項。

於二零二零年十二月三十一日，並無就本集團於美國成立的附屬公司應付預扣稅的未匯出盈利人民幣132,104,000元(二零一九年：人民幣129,987,000元)所產生的預扣稅確認遞延稅項。本公司董事認為，本集團之資金將保存於美國，以擴展本集團之營運，因此，其附屬公司將不大可能於可預見未來分派有關盈利。

根據台灣企業所得稅法，就未分派盈利徵收5%的預扣稅及就向非居民收取自於台灣成立的外資企業的股息徵收21%的預扣稅。該規定自二零一八年一月一日起生效。

附屬公司向其股東派付股息並無附帶所得稅後果。

綜合財務報表附註

二零二零年十二月三十一日

31. 股本

	二零二零年 千港元	二零一九年 千港元
法定：		
5,000,000,000股每股面值0.10港元的普通股	500,000	500,000

	二零二零年 人民幣千元	二零一九年 人民幣千元
已發行及繳足：		
2,094,505,417股每股面值0.10港元的普通股	185,676	185,676

本公司股本變動情況概述如下：

	已發行股份 數目	股本 人民幣千元
於二零一九年一月一日、二零一九年十二月三十一日、 二零二零年一月一日及二零二零年十二月三十一日	2,094,505,417	185,676

附註：截至二零一九年十二月三十一日止年度，本公司於香港聯合交易所有限公司(「聯交所」)回購40,000股股份，總代價為人民幣19,000元，並以儲備悉數支付。本公司於本年度並無購買任何股份。年內回購股份概無被註銷(二零一九年：無)。

綜合財務報表附註

二零二零年十二月三十一日

32. 購股權計劃

本公司購股權計劃

本公司的購股權計劃(「該計劃」)乃根據於二零零六年十一月二十日通過的股東書面決議案獲得採納，主要目的在獎勵及嘉許董事及合資格僱員的寶貴貢獻。該計劃於二零零六年十二月十五日開始生效，而根據該計劃發出的購股權將於授出購股權之日起不遲於十年內屆滿。根據該計劃，本公司董事會可向合資格僱員(包括本公司及其附屬公司的董事)授出購股權，供彼等認購本公司股份。此外，本公司可不時向外界的第三方授出購股權，藉著向彼等提供擁有本集團權益的機會，以結清給予本公司的貨物或服務，以及酬謝對本集團長遠成功的貢獻。

未經本公司股東事先批准，根據該計劃可授出的購股權股份總數不得超過有關授出時間已發行股份的10%。該計劃項下全部已授出未行使並尚待行使的購股權而可予發行的股份數目上限，不得合共超過不時已發行股份的20%。倘超過該上限，則不得根據該計劃及本公司任何其他購股權計劃授出購股權。未經本公司董事事先批准，於任何一年內，因行使已授予或可授予任何人士的購股權而已發行及可予發行之股份總數，不得超過於任何時間的本公司已發行股份數目的1%。授予主要股東或獨立非執行董事而超過本公司已發行股份0.1%或總值超過5,000,000港元的購股權，須先得到本公司股東批准方可作實。

購股權可根據該計劃列明的條款行使。行使價由本公司董事釐定，且不得低於下列各項之較高者：(i)授出當日本公司股份的收市價；(ii)於緊接授出日期前五個營業日股份的平均收市價；及(iii)本公司股份的面值。

年內根據該計劃尚未行使的購股權如下：

	二零二零年		二零一九年	
	加權平均 行使價 每股港元	購股權數目 千份	加權平均 行使價 每股港元	購股權數目 千份
於一月一日	1.31	15,600	1.31	21,200
年內沒收	1.31	(15,600)	1.31	(5,600)
於十二月三十一日		—	1.31	15,600

綜合財務報表附註

二零二零年十二月三十一日

32. 購股權計劃(續)

本公司購股權計劃(續)

截至二零二零年十二月三十一日止年度並無任何購股權被授出或行使(二零一九年：無)。

於二零一九年十二月三十一日未行使購股權的行使價及行使期如下：

購股權數目 千份	行使價* 每股港元	行使期
7,800	1.31	二零一六年五月十五日至二零二零年五月十四日
7,800	1.31	二零一七年五月十五日至二零二零年五月十四日
15,600		

* 若本公司股本因供股或發行紅股或其他類似事項而出現變動，購股權行使價可予調整。

於二零一九年十二月三十一日，本公司有15,600,000份根據該計劃尚未行使的購股權。尚未行使的購股權獲悉數行使後，將根據本公司現有資本架構導致發行15,600,000股額外的本公司普通股及額外股本人民幣1,560,000元及股份溢價人民幣18,876,000元(未計發行開支)。

於該等財務報表的批准日期，本公司並無根據該計劃尚未行使的購股權。

綜合財務報表附註

二零二零年十二月三十一日

32. 購股權計劃(續)

本公司一間附屬公司的購股權計劃

於截至二零一五年十二月三十一日止年度，American Lighting, Inc. (「American Lighting」，本公司之間接非全資附屬公司) 為 American Lighting、本公司及 American Lighting 的全資附屬公司 Tivoli, LLC (「Tivoli」) 的合資格僱員採納購股權計劃。於二零一五年六月三十日，American Lighting 向本公司、American Lighting 及 Tivoli 之若干僱員及董事授出 2,869 份購股權。於緊接授出購股權日期前的收市價為每股 330 美元。根據 American Lighting 的計劃，本公司董事會可向合資格僱員 (包括本公司及其附屬公司的董事) 授出購股權，以認購 American Lighting 股份。

於二零一七年四月二十七日，1,401 份購股權已授予本公司若干僱員及董事。於緊接授出購股權日期前的收市價為每股 405 美元。

購股權可根據 American Lighting 的計劃列明的條款行使。行使價由本公司董事釐定，且將不得低於下列各項之較高者：(i) American Lighting 股份於授出日期之收市價，(ii) 於緊接授出日期前五個營業日 American Lighting 股份的平均收市價，及 (iii) American Lighting 股份之面值。

年內根據該計劃尚未行使的購股權如下：

	二零二零年		二零一九年	
	加權平均 行使價 每股美元	購股權數目 千份	加權平均 行使價 每股美元	購股權數目 千份
於一月一日及十二月三十一日	369	2,435	369	2,435

截至二零二零年十二月三十一日止年度並無任何購股權被授出或行使 (二零一九年：無)。

綜合財務報表附註

二零二零年十二月三十一日

32. 購股權計劃(續)

本公司一間附屬公司的購股權計劃(續)

於報告期末尚未行使購股權的行使價及行使期如下：

二零二零年及二零一九年

購股權數目	行使價 每股美元	行使期
354	330	二零一六年六月三十日至二零二五年六月三十日
355	330	二零一七年六月三十日至二零二五年六月三十日
471	330	二零一八年六月三十日至二零二五年六月三十日
376	405	二零一八年四月二十七日至二零二七年四月二十七日
376	405	二零一九年四月二十七日至二零二七年四月二十四日
503	405	二零二零年四月二十七日至二零二七年四月二十七日
2,435		

已授出購股權於過往年度的加權平均公允價值為每份人民幣851元，其中本集團於截至二零二零年十二月三十一日止年度確認歸屬期內的購股權開支人民幣174,000元(二零一九年：人民幣445,000元)。

綜合財務報表附註

二零二零年十二月三十一日

33. 儲備

本集團儲備性質如下文所述：

- (a) 本公司股份溢價賬的應用受開曼群島公司法(經修訂)管轄。根據組織章程文件及開曼群島公司法(經修訂)，股份溢價可作為股息分派，條件為本公司可於緊隨建議股息支付後於日常業務過程中支付到期債務。
- (b) 資本贖回儲備包括本公司已發行股本透過註銷股份而被削弱的金額。
- (c) 特別儲備指本公司及本集團的前控股公司Neo-Neon Holdings (BVI) Limited(「NNH」)發行的股份的面值，與根據一九九六年進行的集團重組及就本公司股份於二零零六年上市之準備工作而進行之集團重組所收購的附屬公司的股本及股份溢價總值，兩者之間的差額。
- (d) 股份補償儲備指本公司股東轉讓予本集團若干高級管理層的若干NNH股份(「股份」)的公允價值與高級管理層就於二零零四年獲取股份所支付的代價的差額。
- (e) 購股權儲備指根據綜合財務報表附註32為以股份為基礎付款採納的會計政策授予本集團董事及僱員購股權的公允價值。
- (f) 匯兌波動儲備指換算海外經營業務的財務報表時所產生的所有匯兌差額。該儲備根據載於綜合財務報表附註2.4的會計政策處理。
- (g) 公允價值儲備包括指定按公允價值計入其他全面收入的權益投資公允價值的累計變動淨額，其將不會於後續期間再轉撥至損益。
- (h) 資產重估儲備由自用物業改變用途而轉至按公允價值入賬的投資物業所產生。
- (i) 其他儲備指：(i)收購於本公司附屬公司額外權益的已付代價及已收購權益金額之間的差額；及(ii)行使購股權收到的現金加上來自確認補償費用而計入權益的金額，以及按於附屬公司權益之權益比例計量(如同於本集團綜合財務報表所計量)的非控股權益，兩者之間的差額。

本集團於本年度及過往年度的儲備及變動金額在本年報第80至81頁的綜合權益變動表呈列。

綜合財務報表附註

二零二零年十二月三十一日

34. 業務合併

於二零一九年一月一日，本集團通過一間非全資附屬公司American Lighting自一間獨立第三方（「賣方」）收購Novelty Lights, LLC（「Novelty」）的80%股權。收購Novelty旨在為本集團的照明產品在電子商務平台上探索新的銷售渠道。根據相關買賣協議，本集團於完成日期初步收購Novelty的80%股權。收購代價為13,400,000美元。

此外，於未來兩個年度每滿一週年時，本集團可選擇購買而賣方可選擇出售Novelty餘下20%股權（「買入及賣出期權」）。若於未來兩個年度買入及賣出期權未獲行使，則本集團必須於滿第三個週年時購買Novelty餘下20%股權。由此認為，買入及賣出期權已賦予本集團現時擁有Novelty餘下20%股權的所有權權益，故被視為於收購完成日期（即二零一九年一月一日）已收購100%股權。因此，已於同日確認應付或然代價。

Novelty可識別資產及負債於收購日期的公允價值如下：

	附註	於收購時確認 的公允價值 人民幣千元
物業、廠房及設備	13	343
使用權資產	15(a)	7,960
現金及銀行結餘		15,140
應收貿易賬款		1,682
存貨		24,736
其他應收款項		69
應付貿易賬款		(6,170)
租賃負債	15(b)	(7,960)
其他應付及應計款項		(2,652)
遞延稅項負債	30	(357)
按公允價值入賬的可識別資產淨值總額		32,791
非控股權益		(751)
		32,040
收購時的商譽		87,278
		119,318
以下列支付：		
現金（13,400,000美元）		91,968
應付或然代價		27,350
		119,318

綜合財務報表附註

二零二零年十二月三十一日

34. 業務合併(續)

於收購日期的應收貿易賬款及其他應收款項的公允價值分別為人民幣1,682,000元及人民幣69,000元。所有應收貿易賬款及其他應收款項預期均可收回。

本公司董事認為，收購Novelty乃為於美國北部擴充照明產品分銷網絡，因收購而產生的商譽主要代表本集團擴充計劃帶來的預期增值及潛在協同效益。

有關收購該間附屬公司的現金流量分析如下：

	人民幣千元
現金代價	(91,968)
上年度已付按金	82,428
所得現金及銀行結餘	15,140
計入投資活動所得現金流量的現金及現金等值物流入淨額	5,600

自收購以來，Novelty於截至二零一九年十二月三十一日止年度分別為本集團的收益及綜合溢利貢獻人民幣121,917,000元及人民幣11,500,000元。

作為買賣協議的一部分，應付或然代價取決於收購後Novelty的除財務成本、稅項、折舊及攤銷前預測盈利(「預測EBITDA」)金額。已確認的初始金額為人民幣27,350,000元，乃使用折現現金流量模型釐定，屬於第三級公允價值計量。

年內，第一級與第二級之間並無公允價值計量轉撥，第三級亦無公允價值計量轉入或轉出(二零一九年：無)。

綜合財務報表附註

二零二零年十二月三十一日

34. 業務合併(續)

公允價值層級第三級分類的公允價值計量對賬：

	二零二零年 人民幣千元	二零一九年 人民幣千元
於一月一日的賬面值	27,800	27,350
公允價值變動	(2,486)	(23)
匯兌調整	(1,798)	473
於十二月三十一日的賬面值	23,516	27,800

應付或然代價公允價值計量所用的重大不可觀察估值輸入數據如下：

	於二零二零年 十二月三十一日	於二零一九年 十二月三十一日	於收購日期
加權平均預測EBITDA	2,490,000美元至 4,563,000美元	2,490,000美元至 4,684,000美元	3,480,000美元至 4,626,000美元
折現率	10.9%	6.5%	6.8%

Novelty的預測EBITDA增加(減少)會導致應付或然代價公允價值增加(減少)。

綜合財務報表附註

二零二零年十二月三十一日

35. 出售附屬公司

於二零二零年十二月二十九日，本集團向獨立第三方中核興業控股有限公司出售於間接全資附屬公司江門市同鶴光源科技有限公司及江門市同欣光源科技有限公司的全部股權，代價為約人民幣392,961,000元，已於後續收訖。

	人民幣千元
已出售資產淨值：	
投資物業	784,959
現金及現金等值物	20
其他應收款項	10,519
其他應付款項	(402,956)
遞延稅項負債	(9,671)
	382,871
出售附屬公司之收益(附註5)	10,090
	392,961
按以下方式償付：	
現金	392,961

就出售附屬公司的現金及現金等值物流入淨額的分析如下：

	人民幣千元
現金代價	392,961
已出售現金及現金等值物	(20)
於年末應收代價	(275,073)
出售附屬公司的現金及現金等值物流入淨額	117,868

綜合財務報表附註

二零二零年十二月三十一日

36. 綜合現金流量表附註

(a) 主要非現金交易

- (i) 年內，本集團的使用權資產及租賃負債因辦公室及倉庫租賃安排而分別產生非現金增加人民幣26,369,000元(二零一九年：無)及人民幣26,369,000元(二零一九年：無)。
- (ii) 年內，因出售可轉換債券，本集團將按公允價值計入損益的金融資產轉入預付款、其他應收款項及其他資產而產生非現金轉撥人民幣50,794,000元。
- (iii) 截至二零一九年十二月三十一日止年度，本集團按公允價值計入損益的金融資產因股息收入再投資而產生非現金增加人民幣8,664,000元。

(b) 融資活動產生的負債變動

	銀行貸款 人民幣千元	最終控股 公司貸款 人民幣千元	租賃負債 人民幣千元
於二零一九年一月一日	227,323	350,000	17,821
融資現金流量變動	(88,003)	—	(15,291)
因收購一間附屬公司而新增	—	—	7,960
利息開支	10,585	17,613	1,137
已付利息	(10,585)	(13,907)	(1,137)
外匯變動	1,815	—	372
於二零一九年十二月三十一日及 二零二零年一月一日	141,135	353,706	10,862
融資現金流量變動	(46,116)	(110,000)	(15,281)
新訂租賃	—	—	26,369
利息開支	6,854	17,553	857
已付利息	(6,854)	(6,640)	(857)
外匯變動	(3,905)	—	(1,122)
於二零二零年十二月三十一日	91,114	254,619	20,828

綜合財務報表附註

二零二零年十二月三十一日

36. 綜合現金流量表附註(續)

(c) 租賃現金流出總額

計入現金流量表的租賃現金流出總額如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
經營活動內	857	1,395
融資活動內	15,281	15,291
	16,138	16,686

37. 資產抵押

本集團為本集團銀行貸款抵押的資產詳情載於綜合財務報表附註28(b)。

38. 承擔

本集團於報告期末擁有以下資本承擔：

	二零二零年 人民幣千元	二零一九年 人民幣千元
已訂約但未撥備：		
物業、廠房及設備	—	9,921

綜合財務報表附註

二零二零年十二月三十一日

39. 關聯方交易

(a) 年內，本集團與關聯方進行以下交易：

	二零二零年 人民幣千元	二零一九年 人民幣千元
已付最終控股公司利息	17,553	17,613

附註：來自最終控股公司同方股份有限公司的貸款無抵押，按年利率4.95%(二零一九年：4.95%)計息，且應於二零二二年償還。

(b) 本集團主要管理人員薪酬

本公司董事指本集團主要管理人員，彼等的薪酬載於綜合財務報表附註8。

(c) 最終控股公司貸款

於二零二零年十二月三十一日，來自同方股份有限公司的貸款為數人民幣254,619,000元(二零一九年：人民幣353,706,000元)乃無抵押、按年利率4.95%計息及應於二零二二年償還。

綜合財務報表附註

二零二零年十二月三十一日

40. 按類別分類的金融工具

於報告期末，各類金融工具的賬面值如下：

二零二零年

金融資產

	按公允價值 計入損益的 金融資產 人民幣千元	按攤銷成本 計量的 金融資產 人民幣千元	總計 人民幣千元
應收貿易賬款及應收票據	–	128,138	128,138
應收貸款	–	159,579	159,579
計入預付款、其他應收款項及其他資產的金融資產	–	755,195	755,195
按公允價值計入損益的金融資產	177,552	–	177,552
代客戶持有的現金	–	2,646	2,646
現金及現金等值物	–	408,485	408,485
	177,552	1,454,043	1,631,595

金融負債

	按公允價值 計入損益的 金融負債 人民幣千元	按攤銷成本 計量的 金融負債 人民幣千元	總計 人民幣千元
應付貿易賬款	–	90,784	90,784
計入其他應付及應計款項的金融負債	–	53,971	53,971
計息銀行借款	–	91,114	91,114
最終控股公司貸款	–	254,619	254,619
租賃負債	–	20,828	20,828
應付或然代價	23,516	–	23,516
	23,516	511,316	534,832

綜合財務報表附註

二零二零年十二月三十一日

40. 按類別分類的金融工具(續)

於報告期末，各類金融工具的賬面值如下：(續)

二零一九年

金融資產

	按公允價值 計入損益 的金融資產 人民幣千元	按公允價值 計入其他 全面收入的 權益投資 人民幣千元	按攤銷成本 計量的 金融資產 人民幣千元	總計 人民幣千元
應收貿易款項及應收票據	—	—	97,409	97,409
應收貸款	—	—	302,648	302,648
計入預付款、其他應收款項及其他資產 的金融資產	—	—	37,756	37,756
指定按公允價值計入其他全面收入的權益投資	—	404	—	404
按公允價值計入損益的金融資產	269,555	—	—	269,555
代客戶持有的現金	—	—	4,322	4,322
現金及現金等值物	—	—	256,938	256,938
	269,555	404	699,073	969,032

金融負債

	按公允價值 計入損益的 金融負債 人民幣千元	按攤銷成本 計量的 金融負債 人民幣千元	總計 人民幣千元
應付貿易賬款	—	71,484	71,484
計入其他應付及應計款項的金融負債	—	49,499	49,499
計息銀行借款	—	141,135	141,135
最終控股公司貸款	—	353,706	353,706
租賃負債	—	10,862	10,862
應付或然代價	27,800	—	27,800
	27,800	626,686	654,486

綜合財務報表附註

二零二零年十二月三十一日

41. 金融工具的公允價值及公允價值層級

本集團金融工具(賬面值與公允價值合理相若者除外)的賬面值及公允價值如下：

	賬面值		公允價值	
	二零二零年 人民幣千元	二零一九年 人民幣千元	二零二零年 人民幣千元	二零一九年 人民幣千元
金融資產				
指定按公允價值計入其他全面收入的權益投資	—	404	—	404
按公允價值計入損益的金融資產	177,552	269,555	177,552	269,555
	177,552	269,959	177,552	269,959
金融負債				
計息銀行借款	91,114	141,135	91,456	144,676
最終控股公司貸款	254,619	353,706	255,108	384,840
應付或然代價	23,516	27,800	23,516	27,800
	369,249	522,641	370,080	557,316

管理層已評估現金及現金等值物、代客戶持有的現金、應收貿易賬款及應收票據、應收貸款、應付貿易賬款、計入預付款、其他應收款項及其他資產的金融資產、計入其他應付及應計款項的金融負債的公允價值與其賬面值相若，主要由於該等工具於短期內到期，惟銀行貸款及最終控股公司貸款應於二零二二年償還。

本集團的管理層負責制定金融工具公允價值計量的政策及程序。管理層直接向執行董事及審核委員會匯報。於各報告日期，各分部財務部門分析金融工具價值的變動情況，並釐定估值所用的主要輸入數據。估值由管理層審核並批准。估值程序及結果由審核委員會每年進行兩次討論，以作中期及年度財務申報。

金融資產及負債的公允價值以自願交易方(強迫或清盤出售者除外)當前交易中該工具的可交易金額入賬。估計公允價值時採用以下方法及假設：

計息銀行借款及最終控股公司貸款非即期部分的公允價值乃使用當前可獲得的具有類似條款、信貸風險及剩餘到期期限的工具的利率對預期未來現金流量進行貼現而計算得出。

綜合財務報表附註

二零二零年十二月三十一日

41. 金融工具的公允價值及公允價值層級(續)

上市權益工具的公允價值按所報市價計算。分類為按公允價值計入損益的金融資產之非上市投資的公允價值基於並無可觀察市場價格或利率作支持的假設採用市場估值技術估計。估值要求董事根據行業規模、槓桿及策略確認可比公眾公司(同業)並計算適當價格倍數，例如所識別各可比公司的企業價值與除財務成本、稅項、折舊及攤銷前盈利(「EBITDA」)倍數。以可比公司的企業價值除以盈利計算倍數，然後根據公司特定事實及情況，考慮非流動性及可比公司之間的規模差異等因素對交易倍數進行貼現。貼現倍數適用於非上市權益投資的相應盈利指標，以計量公允價值。本公司董事認為，估值技術產生的估計公允價值(於綜合財務狀況表列賬)及公允價值的有關變動(於綜合損益表列賬)屬合理且為報告期末的最適當值。

就餘下按公允價值計入損益的金融資產而言，其公允價值自投資的每股資產淨值或最近成交價得出。本公司董事認為，於截至二零二零年及二零一九年十二月三十一日止年度的綜合財務狀況表入賬估計公允價值而於綜合損益表確認公允價值淨變動屬合理，截至報告期末為最合適的價值。

按攤銷成本列賬的其他金融資產及金融負債的公允價值與其賬面值相若。

以下為於二零二零年及二零一九年十二月三十一日對金融工具估值之重大不可觀察輸入數據概要連同定量敏感度分析：

	估值技術	重大不可觀察輸入數據	幅度	公允價值對輸入數據之敏感度
非上市投資	估值倍數	同業EV/EBITDA	二零二零年：13.6 (二零一九年：13.7)	倍數增加／減少3.7%(二零一九年：3.6%)將令公允價值增加／減少人民幣13,115,000元(二零一九年：人民幣10,507,000元)

綜合財務報表附註

二零二零年十二月三十一日

41. 金融工具的公允價值及公允價值層級(續)

公允價值層級

下表說明本集團金融工具的公允價值層級：

按公允價值計量的資產：

於二零二零年十二月三十一日

	公允價值計量使用			總計 人民幣千元
	活躍 市場報價 (第一級) 人民幣千元	重大 可觀察 輸入數據 (第二級) 人民幣千元	重大 不可觀察 輸入數據 (第三級) 人民幣千元	
按公允價值計入損益的金融資產	40,450	2,803	134,299	177,552

於二零一九年十二月三十一日

	公允價值計量使用			總計 人民幣千元
	活躍 市場報價 (第一級) 人民幣千元	重大 可觀察 輸入數據 (第二級) 人民幣千元	重大 不可觀察 輸入數據 (第三級) 人民幣千元	
指定按公允價值計入其他全面收入的權益投資	—	—	404	404
按公允價值計入損益的金融資產	60,589	43,130	165,836	269,555
	60,589	43,130	166,240	269,959

綜合財務報表附註

二零二零年十二月三十一日

41. 金融工具的公允價值及公允價值層級(續)

公允價值層級(續)

按公允價值計量的資產：(續)

年內第三級內的公允價值計量變動如下：

	二零二零年 人民幣千元	二零一九年 人民幣千元
按公允價值計入損益的金融資產－非上市：		
於一月一日	165,836	204,693
於損益表計入其他收入、收益及虧損淨額的已確認收益／(虧損)總額	20,841	(28,969)
出售	—	(10,399)
重新分類	(50,794)	—
匯兌調整	(1,584)	511
於十二月三十一日	134,299	165,836

	二零二零年 人民幣千元	二零一九年 人民幣千元
指定按公允價值計入其他全面收入的權益投資：		
於一月一日	404	1,224
出售	—	(600)
於其他全面收益表確認的虧損總額	(404)	(220)
於十二月三十一日	—	404

綜合財務報表附註

二零二零年十二月三十一日

41. 金融工具的公允價值及公允價值層級(續)

公允價值層級(續)

按公允價值計量的負債：

於二零二零年十二月三十一日

	公允價值計量使用			總計 人民幣千元
	活躍 市場報價 (第一級) 人民幣千元	重大 可觀察 輸入數據 (第二級) 人民幣千元	重大 不可觀察 輸入數據 (第三級) 人民幣千元	
應付或然代價	-	-	23,516	23,516

於二零二零年十二月三十一日，本集團並非按公允價值計量但公允價值已披露的金融負債包括計息銀行借款及最終控股公司貸款，公允價值分別為人民幣91,456,000元(二零一九年：人民幣144,676,000元)及人民幣255,108,000元(二零一九年：人民幣384,840,000元)。除最終控股公司貸款分類為第三級外，其他計息銀行借款分類為第二級。

年內，金融資產及金融負債的公允價值計量並無於第一級與第二級之間轉移，亦無轉入或轉出第三級(二零一九年：無)。

42. 金融風險管理目標與政策

本集團的主要金融工具包括計息銀行借款、最終控股公司貸款、應收貸款、現金及現金等值物及短期存款。該等金融工具的主要用途為籌集融資以供本集團經營業務。本集團有多種其他金融資產和負債，如按公允價值計入損益的金融資產、指定按公允價值計入其他全面收入的權益投資、應收貿易賬款及應收票據、其他應收款項、應付貿易賬款及其他應付款項。

本集團的金融工具所產生的主要風險為利率風險、外幣風險、信貸風險、流動資金風險及股價風險。董事會負責檢討和協定各此等風險的管理政策，有關風險概述如下。

綜合財務報表附註

二零二零年十二月三十一日

42. 金融風險管理目標與政策(續)

利率風險

本集團承受的市場利率變動風險主要與本集團按浮動利率計息的現金及銀行結餘以及債務責任有關。

計息銀行借款的利率及償還期限於綜合財務報表附註28披露。本集團其他金融資產及負債無重大利率風險。計息銀行借款、最終控股公司貸款以及現金及銀行結餘按成本列賬，不會定期重估。按浮動利率計息的利息收支於產生時計入或自損益扣除。

下表說明在所有其他變數維持不變的情況下，本集團除稅前(虧損)/溢利(透過對計息銀行借款、最終控股公司貸款以及現金及現金等值物造成的影響)及本集團權益對利率的合理可能變動的敏感度。

	基點 增加/(減少)	除稅前虧損 增加/(減少) 人民幣千元	權益* 增加/(減少) 人民幣千元
於二零二零年十二月三十一日			
人民幣	100	2,416	—
人民幣	(100)	(2,416)	—
美元	100	(2,025)	—
美元	(100)	2,025	—

	基點 增加/(減少)	除稅前溢利 增加/(減少) 人民幣千元	權益* 增加/(減少) 人民幣千元
於二零一九年十二月三十一日			
人民幣	100	(3,909)	—
人民幣	(100)	3,909	—
美元	100	1,052	—
美元	(100)	(1,052)	—

* 不包括累計虧損

綜合財務報表附註

二零二零年十二月三十一日

42. 金融風險管理目標與政策(續)

外幣風險

本集團承受交易性貨幣風險。該等風險來自經營單位以其功能貨幣以外的貨幣進行買賣。本集團銷售額約18%(二零一九年：20%)以經營單位進行銷售之功能貨幣以外的貨幣計值，而成本約18%(二零一九年：20%)以單位的功能貨幣計值。本集團的政策是於確切履行承擔時方訂立遠期合約。

下表說明報告期末在所有其他變數維持不變的情況下，本集團除稅前(虧損)/溢利(由於貨幣資產及負債公允價值變動)對人民幣兌美元及港元匯率合理可能變動的敏感度。

	匯率 增加/(減少) %	除稅前虧損 增加/(減少) 人民幣千元
於二零二零年十二月三十一日		
倘人民幣兌美元貶值	5	(9,579)
倘人民幣兌美元升值	(5)	9,579
倘人民幣兌港元貶值	5	(17,345)
倘人民幣兌港元升值	(5)	17,345

	匯率 增加/(減少) %	除稅前溢利 增加/(減少) 人民幣千元
於二零一九年十二月三十一日		
倘人民幣兌美元貶值	5	9,536
倘人民幣兌美元升值	(5)	(9,536)
倘人民幣兌港元貶值	5	12,774
倘人民幣兌港元升值	(5)	(12,774)

信貸風險

本集團僅與認可及信譽超著之第三方進行買賣。本集團之政策為所有有意以信貸期進行買賣之客戶，須接受信貸審核程序。此外，應收款項結餘持續受監管，以盡量減少本集團承受之壞賬風險。

綜合財務報表附註

二零二零年十二月三十一日

42. 金融風險管理目標與政策(續)

信貸風險(續)

最高風險及年末分階段分類

下表根據本集團的信貸政策(主要依據逾期資料，除非存在毋須過大成本或努力便可獲得的其他資料)列示於十二月三十一日的信貸質素及最高信貸風險敞口以及年末分階段分類。呈列數字為金融資產的賬面總值。

於二零二零年十二月三十一日

	12個月預期 信貸虧損	全期預期信貸虧損			總計
	第1階段 人民幣千元	第2階段 人民幣千元	第3階段 人民幣千元	簡化法 人民幣千元	
應收貿易賬款及應收票據*	642	—	—	133,921	134,563
計入預付款、其他應收款項及 其他資產的金融資產					
— 正常**	685,737	77,962	—	—	763,699
代證券客戶持有的現金					
— 未逾期	2,646	—	—	—	2,646
現金及現金等值物					
— 未逾期	408,485	—	—	—	408,485
應收貸款					
— 逾期三個月以上	—	—	160,206	—	160,206
	1,097,510	77,962	160,206	133,921	1,469,599

綜合財務報表附註

二零二零年十二月三十一日

42. 金融風險管理目標與政策(續)

信貸風險(續)

最高風險及年末分階段分類(續)

於二零一九年十二月三十一日

	12個月預期 信貸虧損	全期預期信貸虧損			總計 人民幣千元
	第1階段 人民幣千元	第2階段 人民幣千元	第3階段 人民幣千元	簡化法 人民幣千元	
應收貿易賬款及應收票據*	968	—	—	100,742	101,710
計入預付款、其他應收款項及 其他資產的金融資產					
— 正常**	35,086	—	—	—	35,086
— 呆賬**	—	3,280	229	—	3,509
代證券客戶持有的現金					
— 未逾期	4,322	—	—	—	4,322
現金及現金等值物					
— 未逾期	256,938	—	—	—	256,938
應收貸款					
— 未逾期	230,871	—	—	—	230,871
— 逾期少於一個月	—	72,244	—	—	72,244
	528,185	75,524	229	100,742	704,680

* 就本集團採用簡化減值法的應收貿易賬款而言，根據撥備矩陣而估計的資料於綜合財務報表附註20披露。

** 計入預付款、其他應收款項及其他資產的金融資產的信貸質素在尚未逾期且並無資料顯示金融資產的信貸風險自初步確認以來大幅增加時被視為「正常」。否則金融資產的信貸質素被視為「呆賬」。

綜合財務報表附註

二零二零年十二月三十一日

42. 金融風險管理目標與政策(續)

流動資金風險

本集團的目標是透過使用長期銀行貸款及經營估計現金流量維持資金的連續性與靈活性之間的平衡。

根據合約未貼現付款，本集團於報告期末之金融負債的還款期如下：

二零二零年十二月三十一日

	按要求 人民幣千元	1年內 人民幣千元	1至5年 人民幣千元	總計 人民幣千元
應付貿易賬款	2,646	88,138	–	90,784
其他應付及應計款項	53,971	–	–	53,971
計息銀行借款	–	80,966	11,017	91,983
最終控股公司貸款	–	–	267,395	267,395
租賃負債	–	8,299	14,139	22,438
應付或然代價	23,516	–	–	23,516
	80,133	177,403	292,551	550,087

二零一九年十二月三十一日

	按要求 人民幣千元	1年內 人民幣千元	1至5年 人民幣千元	總計 人民幣千元
應付貿易賬款	4,323	67,161	–	71,484
其他應付及應計款項	49,499	–	–	49,499
計息銀行借款	–	144,676	–	144,676
最終控股公司貸款	–	–	384,840	384,840
租賃負債	–	11,282	909	12,191
應付或然代價	27,800	–	–	27,800
	81,622	223,119	385,749	690,490

綜合財務報表附註

二零二零年十二月三十一日

42. 金融風險管理目標與政策(續)

股價風險

股價風險指股本指數水平及個別證券價值變動而導致的股本證券公允價值下跌的風險。於二零二零年十二月三十一日，本集團面臨由個別計入按公允價值計入損益的金融資產之權益投資(附註23)引致的股價風險。本集團的上市投資於聯交所上市，並於報告期末按所報市價計值。

年內至報告期末最近期交易日營業時間結束時下列證券交易所的市場股指及各自於年內的最高點及最低點如下：

	二零二零年 十二月三十一日	二零二零年 最高點／最低點	二零一九年 十二月三十一日	二零一九年 最高點／最低點
香港－恆生指數	27,231	29,056/21,696	28,190	30,157/25,064

下表列示權益投資公允價值每變動10%(基於報告期末的賬面值)，而所有其他變量保持不變，且計及對稅務的影響時，本集團除稅前(虧損)/溢利及權益的敏感度。

	權益投資 賬面值 人民幣千元	除稅前虧損 增加／(減少) 人民幣千元	權益* 增加／(減少) 人民幣千元
於二零二零年十二月三十一日 於下列地點上市之投資： 香港－按公允價值計入損益的金融資產	40,451	(4,045)/4,045	—

	權益投資 賬面值 人民幣千元	除稅前溢利 增加／(減少) 人民幣千元	權益* 增加／(減少) 人民幣千元
於二零一九年十二月三十一日 於下列地點上市之投資： 香港－按公允價值計入損益的金融資產	60,589	6,059/(6,059)	—

* 不包括累計虧損

綜合財務報表附註

二零二零年十二月三十一日

42. 金融風險管理目標與政策(續)

資本管理

本集團資本管理之主要目的為確保本集團能持續經營，維持穩健資本比率以支持其業務，並盡量為股東創造更高價值。

本集團管理其資本結構，並應經濟狀況變化及有關資產的風險特徵作出調整。為維持或調整資本結構，本集團可能調整向股東派付之股息、退回股東資金或發行新股份。本集團毋須遵守任何外界的資本規定。截至二零二零年及二零一九年十二月三十一日止年度，資本管理的目標、政策及程序概無改變。

本集團使用資產負債比率(即債務總額除以權益總額)監控資本。債務總額包括計息銀行借款、最終控股公司貸款及租賃負債。報告期末的資產負債比率如下：

	二零二零年 十二月三十一日 人民幣千元	二零一九年 十二月三十一日 人民幣千元
債務總額	366,561	505,703
權益總額	1,661,277	1,731,679
資產負債比率	22.1%	29.2%

綜合財務報表附註

二零二零年十二月三十一日

43. 比較數額

若干比較數額已予以重新分類及重新呈列，以與本年度的呈列相符。

44. 本公司財務狀況表

	二零二零年 人民幣千元	二零一九年 人民幣千元
非流動資產		
物業、廠房及設備	585	936
於附屬公司的投資	1,408,748	1,507,484
非流動資產總值	1,409,333	1,508,420
流動資產		
預付款、其他應收款項及其他資產	3	3
現金及現金等值物	2,920	3,872
流動資產總值	2,923	3,875
流動負債		
其他應付及應計款項	3,463	2,996
流動(負債)/資產淨值	(540)	879
資產淨值	1,408,793	1,509,299
權益		
已發行股本	185,676	185,676
儲備(附註)	1,223,117	1,323,623
權益總額	1,408,793	1,509,299

綜合財務報表附註

二零二零年十二月三十一日

44. 本公司財務狀況表(續)

附註：

本公司儲備概要如下：

	庫存股	股份溢價	資本贖回儲備	特別儲備	股份補償儲備	購股權儲備	匯兌波動儲備	其他儲備	累計虧損	總計
	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	人民幣千元	人民幣千元
於二零一九年一月一日	-	2,415,147	2,146	55,238	50,024	4,298	(370,904)	(8,220)	(853,405)	1,294,324
年內全面收入／(虧損)總額	-	-	-	-	-	-	33,032	-	(3,714)	29,318
購回股份	(19)	-	-	-	-	-	-	-	-	(19)
於二零一九年十二月三十一日及 二零二零年一月一日	(19)	2,415,147	2,146	55,238	50,024	4,298	(337,872)	(8,220)	(857,119)	1,323,623
年內全面虧損總額	-	-	-	-	-	-	(90,922)	-	(9,584)	(100,506)
沒收購股權或購股權 屆滿後轉撥購股權儲備	-	-	-	-	-	(4,298)	-	-	4,298	-
於二零二零年十二月三十一日	(19)	2,415,147	2,146	55,238	50,024	-	(428,794)	(8,220)	(862,405)	1,223,117

45. 批准財務報表

財務報表已由董事會於二零二一年三月二十五日批准並授權刊發。

主要物業一覽表

物業詳情

投資物業

於二零二零年十二月三十一日

地點	用途	租期	本集團 應佔權益
中國廣東省 廣州市天河區 天河路228號正佳廣場 B1樓A93b、B20h、B37、B113b、 D38、E123a、E125及E127	商業	中期租賃	100%
Unit 2301-2311, The Regal Tower, Business Bay, Dubai	商業	長期租賃	100%
位於Gia Le Huyen, Dong Hung, Tinh Thai Binh Province, Vietnam 的十處廠房樓宇	工業	長期租賃	100%
位於中國廣東省 鶴山市共和鎮 的工業綜合體	工業	長期租賃	100%

五年財務概要

以下載列本集團於過去五個財政年度之業績以及資產、負債及非控股權益概要，其摘錄自己刊發經審核財務報表，並已作重列／重新分類(如適用)。

	截至十二月三十一日止年度				
	二零二零年 人民幣千元	二零一九年 人民幣千元	二零一八年 人民幣千元	二零一七年 人民幣千元	二零一六年 人民幣千元
業績					
收入	876,738	841,349	693,698	665,724	611,243
銷售成本	(594,592)	(557,591)	(489,568)	(457,634)	(422,713)
毛利	282,146	283,758	204,130	208,090	188,530
其他收入、收益及虧損淨額	(701)	86,881	222,335	141,232	39,125
銷售及分銷開支	(168,875)	(161,396)	(111,937)	(90,146)	(97,396)
行政開支	(154,121)	(172,979)	(154,280)	(128,199)	(107,583)
財務成本	(25,264)	(29,335)	(14,874)	(4,658)	(3,873)
除稅前溢利／(虧損)	(66,815)	6,929	145,374	126,319	18,803
稅項(支出)／抵免	39,377	(29,458)	563	(5,838)	(7,061)
年內溢利／(虧損)	(27,438)	(22,529)	145,937	120,481	11,742

資產、負債及非控股權益

	於十二月三十一日				
	二零二零年 人民幣千元	二零一九年 人民幣千元	二零一八年 人民幣千元	二零一七年 人民幣千元	二零一六年 人民幣千元
資產總值	2,239,265	2,494,749	2,517,925	1,752,843	1,521,442
負債總額	(577,988)	(763,070)	(811,125)	(319,044)	(311,491)
非控股權益	(5,359)	(4,222)	(2,982)	(3,964)	(781)
	1,655,918	1,727,457	1,703,818	1,429,835	1,209,170

釋義

於本報告內，除文義另有所指外，下列詞彙具有以下涵義：

「二零零六年購股權計劃」	指	本公司於二零零六年十一月二十日根據股東決議案採納的購股權計劃
「二零一六年購股權計劃」	指	於二零一六年五月十三日舉行之股東週年大會上由股東採納的購股權計劃
「股東週年大會」	指	本公司將予召開及謹訂於二零二一年六月二十五日假座香港灣仔告士打道138號聯合鹿島大廈15樓舉行的股東週年大會，或(如文義所指)其任何續會
「American Lighting」	指	American Lighting, Inc.，一間達拉華州企業，為本公司的間接非全資附屬公司
「組織章程細則」或「細則」	指	本公司於二零零六年十一月二十日經股東書面決議案採納並經不時修訂、補充及以其他方式修改的組織章程細則
「聯繫人」	指	具上市規則賦予該詞的涵義
「董事會」	指	本公司董事會
「營業日」	指	香港及開曼群島銀行一般向公眾開放營業的日子(星期六、星期日或香港或開曼群島公眾假期除外)
「英屬處女群島」	指	英屬處女群島
「中國」	指	中華人民共和國，就本報告而言，不包括香港、澳門及台灣
「公司條例」	指	香港法例第622章公司條例(經不時修訂、補充或以其他方式修改)
「公司(清盤及雜項條例條文)條例」	指	香港法例第32章公司(清盤及雜項條文)條例(經不時修訂、補充或以其他方式修改)
「本公司」	指	同方友友控股有限公司(股份代號：1868)，一間於開曼群島註冊成立的有限責任公司，其股份於聯交所主板上市，且部份股份作為存託憑證在台灣證交所上市

釋義

「關連人士」	指	具上市規則所賦予的涵義
「控股股東」	指	具上市規則所賦予的涵義
「企業管治守則」	指	上市規則附錄十四所載的企業管治常規守則
「董事」	指	本公司董事
「本集團」	指	本公司及其附屬公司
「港元」及「港仙」	指	香港法定貨幣港元及港仙
「香港」	指	中國香港特別行政區
「獨立第三方」	指	與本公司、本公司任何董事、最高行政人員或主要股東、其附屬公司或彼等各自的任何聯繫人概無任何關連的獨立人士或公司(定義見上市規則)
「上市規則」	指	聯交所主板證券上市規則
「標準守則」	指	上市規則附錄十所載的上市公司董事進行證券交易標準守則
「人民幣」	指	中國法定貨幣人民幣
「證券及期貨條例」	指	香港法例第571章證券及期貨條例(經不時修訂及補充)
「股份」	指	本公司股本中每股面值0.1港元的股份
「股東」	指	本公司股東
「聯交所」	指	香港聯合交易所有限公司
「附屬公司」	指	具有香港法例第622章公司條例第15條賦予該詞的涵義
「附屬公司股份獎勵計劃」	指	股東於二零一五年四月二日採納的American Lighting之股份獎勵計劃
「主要股東」	指	具上市規則所賦予的涵義

釋義

「同方節能控股」	指	清華同方節能控股有限公司，本公司的主要股東
「同方股份」	指	同方股份有限公司，於中國註冊成立的股份有限公司，其股份在上海證券交易所上市及買賣(股份代碼：600100)
「同方股份集團」	指	同方股份及其附屬公司(就本報告而言，不包括本集團)
「%」	指	百分比



(incorporated in the Cayman Islands with limited liability)
Stock Code: 1868.HK; 911868.TDR

2020 ANNUAL REPORT

<http://www.neo-neon.com>

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Gao Zhi (*Chairman*)
Mr. Liu Zhigang (appointed on 2 November 2020)
Mr. Daniel P.W. Li (resigned on 30 September 2020)

Non-executive Directors

Mr. Zhou Hai Ying
Mr. Seah Han Leong (redesignated on 9 January 2020)
Mr. Huang Yu (resigned on 9 January 2020)
Mr. Wang Liang Hai (resigned on 9 January 2020)
Mr. Liu Wei Dong (resigned on 9 January 2020)

Independent non-executive Directors

Mr. Fan Ren Da Anthony
Mr. Liu Tian Min
Ms. Li Ming Qi

AUDIT COMMITTEE

Ms. Li Ming Qi (*Chairman*)
Mr. Fan Ren Da Anthony
Mr. Liu Tian Min

REMUNERATION COMMITTEE

Mr. Liu Tian Min (*Chairman*)
Mr. Gao Zhi
Mr. Fan Ren Da Anthony
Ms. Li Ming Qi

NOMINATION COMMITTEE

Mr. Gao Zhi (*Chairman*)
Mr. Fan Ren Da Anthony
Mr. Liu Tian Min
Ms. Li Ming Qi

RISK MANAGEMENT AND REGULATORY COMPLIANCE COMMITTEE

Mr. Fan Ren Da Anthony (*Chairman*)
Mr. Gao Zhi
Mr. Seah Han Leong
Mr. Liu Zhigang
Mr. Zhou Hai Ying
Mr. Liu Tian Min
Ms. Li Ming Qi

AUTHORISED REPRESENTATIVES

Mr. Gao Zhi
Mr. Chow Hiu Tung

COMPANY SECRETARY

Mr. Chow Hiu Tung

HONG KONG BRANCH SHARE REGISTRAR

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

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

CORPORATE INFORMATION

LAWYER AS TO HONG KONG LAWS

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

PRINCIPAL BANKS

China Construction Bank Guangdong Branch
Heshan Sub-branch
China Everbright Bank Jiangmen Branch
Guangdong Heshan Rural Commercial Bank Company
Limited

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

15th Floor
Allied Kajima Building
138 Gloucester Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR

Suntera (Cayman) Limited
Suite 3204, Unit 2A,
Block 3, Building D.
P.O. Box 1586
Gardenia Court,
Camana Bay
Grand Cayman KY1-1100
Cayman Islands

COMPANY WEBSITE ADDRESS

www.neo-neon.com

STOCK CODE

1868

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") and the management, I am pleased to present the report on the development status and operating results of Neo-Neon Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2020.

BUSINESS REVIEW

In 2020, the novel coronavirus ("COVID-19") spread all over the world, bringing various adverse factors to the global economy and the Group. Looking back on the past year, our major market, the North American lighting industry, recorded a significant decline in both revenue and profit. In the face of the difficult environment, the Group reacted prompt, formulated stringent implementation measures for COVID-19 prevention and control, and expanded sales channels against the adverse trend, thereby achieving a growth in both revenue and profit. Such outstanding results were attributable to the employees of the USA subsidiaries, who worked together and held on to their posts in face of COVID-19, and completed their assignments better than planned under overwhelming pressure. At present, the USA lighting segment has established an efficient supply chain, and developed the companies thereunder into service-oriented companies with multiple channels and business forms including large retail market, traditional lighting and electrical product distributors, commercial Christmas lighting, lighting design and e-commerce platforms.

In order to mitigate the impact of the COVID-19, the Group has proactively put in place various contingency measures including providing facial masks, implementing working from home arrangement and using online meeting system. Via continuing efforts, the Group managed to achieve a growth amid the difficult environment.

The Group has no intention to carry out property development business. Therefore, during the reporting period, the Group disposed of two subsidiaries that hold land use rights. In the future, the Group will focus further resources on the lighting segment, and the industries that

are in line with the innovation-driven development strategy of the Group, enjoy great market prospects and have core competitiveness. Tongfang Securities will continue to accumulate and make use of its experience and expertise in financial services to provide customers with high-quality financial services.

FUTURE PROSPECT

Domestic and international economy is currently exposed to various uncertainties in many aspects. Faced with various unfavorable factors such as trade frictions, global pandemic not yet under control, international financial market turmoil and geopolitical tensions, the global economy is and will be facing various challenges in the future. In 2021, the Group will focus on core business and the improvement and optimization of the industrial layout and structure. The Group will continue to dispose of non-core assets and businesses, and seek for the industries that are in line with the innovation-driven development strategy, enjoy great market prospects and have core competitiveness. The disposal of the two subsidiaries that hold land use rights has enabled the financial position of the Group to become stronger, which, together with the support of the shareholder, China National Nuclear Corporation, is believed to contribute to the better development of the Group.

ACKNOWLEDGEMENT

I would like to take this opportunity to acknowledge the continuous support from all of our shareholders, clients and business partners. On behalf of the Group, I hereby express my heartfelt gratitude to the members of the Board and all our employees for their contributions to the Group.

Gao Zhi

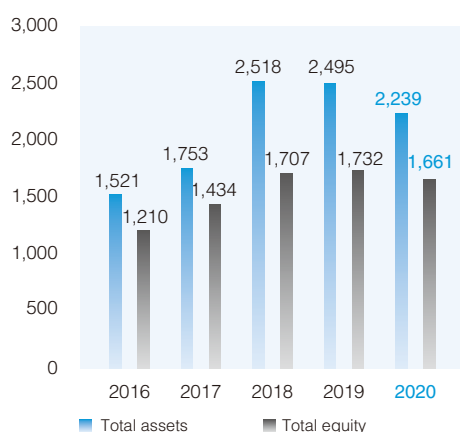
Chairman

FINANCIAL HIGHLIGHTS

Expressed in RMB million	Year ended 31 December				
	2016	2017	2018	2019	2020
Turnover	611	666	694	841	877
Gross profit/(loss)	189	208	204	284	282
Profit/(loss) attributable to owners of the Company	12	120	146	(23)	(28)
Total assets	1,521	1,753	2,518	2,495	2,239
Total equity	1,210	1,434	1,707	1,732	1,661
Gross profit/(loss) margin	30.8%	31.3%	29.4%	33.7%	32.2%
Net profit/(loss) margin	0.02	18.1%	21.0%	(2.7%)	(3.1%)
Earnings/(loss) per share-basic (RMB cents)	0.6	5.7	7.0	(1.1)	(1.3)

Total assets/Total equity

RMB M



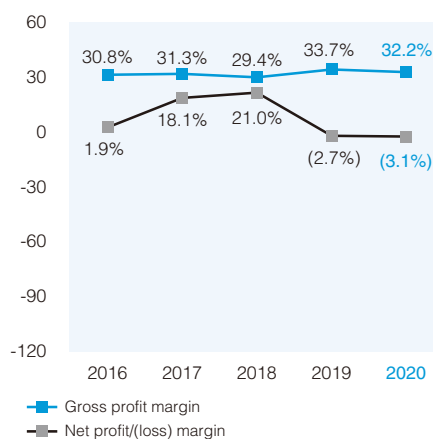
Turnover

RMB M



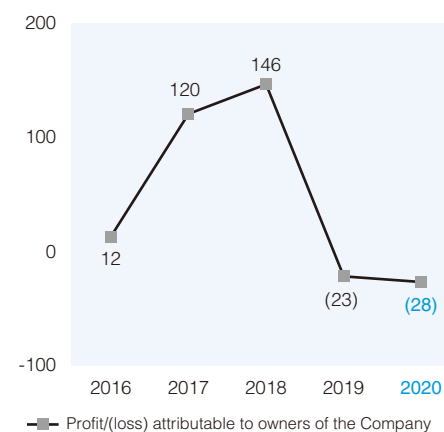
Gross and net profit/(loss) margin

%



Profit/(loss) attributable to owners of the Company

RMB M



DIRECTORS AND SENIOR MANAGEMENT PROFILES

EXECUTIVE DIRECTORS

Mr. Gao Zhi (高志)

Mr. Gao Zhi (高志), aged 57, was appointed as an executive Director, the president and chief executive officer of the Company with effect from 9 January 2020, and he is responsible for all the businesses (except the financial business) of the Group. On 26 March 2020, he was appointed as the chairman of the Board. Mr. Gao graduated from Tsinghua University of China with a bachelor degree in engineering in 1984 and a master degree in business administration in 2006. He is currently the deputy president of Tsinghua Tongfang and has held various positions with the company since 1997 including assistant president, general manager of the operation center and the department of business administration, deputy general manager of sales center and applied information system headquarter. Prior to that, he was a manager at the production department of TsingHua TongFang Artificial Environment Co., Ltd * (北京清華人工環境工程公司) from September 1989 to July 1997, and a teacher with Taiyuan Engineering College* (太原機械學院) from August 1984 to September 1989.

Mr. Liu Zhigang (劉智綱)

Mr. Liu Zhigang (劉智綱), aged 42, was appointed as an executive Director with effect from 2 November 2020, and he is an associate member of Association of International Accountants and is recognised as a senior economist by the Department of Human Resources and Social Security of Yunnan Province. He holds a diploma in business administration from Nankai University and has extensive experience in financial institution management. From March 2007 to June 2020, he worked for Bank of Communications and his last held position was the Xinan Cun sub-branch manager of Bank of Communications Tianjin Branch.

DIRECTORS AND SENIOR MANAGEMENT PROFILES

NON-EXECUTIVE DIRECTORS

Mr. Seah Han Leong (謝漢良)

Mr. Seah Han Leong (謝漢良), aged 57, was appointed as an executive Director on 25 August 2014 and redesignated to a non-executive Director and resigned as the president of the Group on 9 January 2020. He is also a founder of Technovator International Limited ("Technovator"). He was appointed as a director of Technovator on 25 May 2005 and was re-designated as an executive director of Technovator on 12 April 2011. Mr. Seah ceased to be an executive director of Technovator on 7 February 2018 due to his other business commitment. Technovator is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 1206). Mr. Seah received a certificate for attending the INSEAD-T.A.C. Management Development Programme from INSEAD Fontainebleau, France in 2003 and Technician Diploma in Electronics and Communication Engineering from Singapore Polytechnic in 1984. Prior to founding Technovator, Mr. Seah joined Honeywell Southeast Asia in 1990 and worked in various sales management positions covering different countries. In 1994, he was transferred to Honeywell China Inc. and his last position with Honeywell was the sales manager covering the Greater China market. He was also the managing director of TAC Controls Asia Pte Ltd from 1998 to 2005. Mr. Seah was recognized as the key personnel of the Asia Pacific management team of TAC Controls Asia Pte Ltd. He received various awards including Winners Club Award by Honeywell Asia Pacific Inc. and President's Club Award by Honeywell Inc. Mr. Seah was admitted as ordinary member of the Singapore Institute of Directors on 18 April 2012.

Mr. Zhou Hai Ying (周海英)

Mr. Zhou Hai Ying (周海英), aged 51, was appointed as a non-executive Director on 9 January 2020. Mr. Zhou graduated from Jiangxi University of Finance and Economics* (江西財經學院) with a bachelor degree. He has extensive experience in financial management. He had been the financial controller of Tsinghua Tongfang from January 2018 to 24 February 2020 and was appointed as the director of operation management of Tsinghua Tongfang and general manager of its operation management department in April 2020. Prior to that, he was with Tsinghua Holdings Co., Ltd.* (清華控股有限公司) between May 2003 and January 2018 and held various positions including senior manager and deputy head of the finance department, head and general manager of asset and finance management department, and the assistant to the president. He is also an executive director of China Medical & HealthCare Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 383).

DIRECTORS AND SENIOR MANAGEMENT PROFILES

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fan, Ren Da Anthony (范仁達)

Mr. FAN Ren Da, Anthony (范仁達), aged 60, was appointed as an independent non-executive director of the Company in August 2007. Mr. Fan is the chairman and managing director of AsiaLink Capital Limited and also an independent non-executive director of Technovator International Limited (stock code: 1206), Raymond Industrial Limited (stock code: 229), Shanghai Industrial Urban Development Group Limited (stock code: 563), China Dili Group (formerly known as Renhe Commercial Holdings Company Limited) (stock code: 1387), Tenfu (Cayman) Holdings Company Limited (stock code: 6868), Citic Resources Holdings Limited (stock code: 1205), China Development Bank International Investment Limited (stock code: 1062), Hong Kong Resources Holdings Company Limited (stock code: 2882), Neo-Neon Holdings Limited (stock code: 1868) and Semiconductor Manufacturing International Corporation (stock code: 981). Mr. Fan was an independent non-executive director of Lerthai Group Limited (formerly known as LT Commercial Real Estate Limited, stock code: 112) from March 2013 to June 2017, Guodian Technology & Environment Group Corporation Limited (stock code: 1296) from September 2011 to August 2017 and of CGN New Energy Holdings Co., Ltd. (stock code: 1811) from September 2014 to June 2018. All of the said companies are listed on the Main Board of the Stock Exchange. Mr. Fan holds a master's degree in business administration from the U.S.A..

Mr. Liu Tian Min (劉天民)

Mr. Liu Tian Min (劉天民), aged 59, was appointed as an independent non-executive Director on 25 August 2014. He is the managing partner of SB China Venture Capital Limited, non-executive director of Technovator International Limited (stock code: 1206) and the independent director of Taiwan Wax Company, Ltd. (stock code: 1742). Mr. Liu served as vice president of Tsinghua Tongfang and the general manager of digital TV system group from 2003 to 2009. Technovator International Limited is listed on the Main Board of Stock Exchange, and Taiwan Wax Company, Ltd. is listed on Taiwan Stock Exchange.

Ms. Li Ming Qi (李明綺)

Ms. Li Ming Qi (李明綺), aged 53, was appointed as an independent non-executive Director on 25 August 2014. She graduated from Fudan University in Shanghai. She received a Bachelor of Economics and later obtained a Master of Economics from the Southern Methodist University and a Master of Science in Management and Administrative Sciences from the University of Texas in Dallas.

From March 2011 to November 2014, she served as the independent board director of Sino Gas International Holdings, Inc., which is listed on the Over-The-Counter Bulletin Board in the United States of America ("USA") (stock code: SGAS). After graduation, Ms. Li served as a senior associate of PricewaterhouseCoopers and JP Morgan Chase, and as portfolio manager of BHF Capital and Transamerica Business Capital. More recently, she serviced as a Vice President in Morgan Stanley New York and as a hedge fund controller of Mercury Capital Management in Greenwich Connecticut.

DIRECTORS AND SENIOR MANAGEMENT PROFILES

SENIOR MANAGEMENT

Mr. Gao Zhi (高志). Please refer to the details set out above under the paragraph headed “Executive Directors” in this section.

Dr. Li P. W. Daniel. Please refer to the details set out above under the paragraph headed “Executive Directors” in this section.

Mr. Liu Zhigang (劉智綱). Please refer to the details set out above under the paragraph headed “Executive Directors” in this section.

Mr. Fu Kai (付凱)

Mr. Fu Kai (付凱), aged 46, is the chief financial officer and chief accountant of the Company. Mr. Fu was awarded a bachelor degree in Accountancy. He is also a Certified Tax Agent and a recognised accountant. He has served as the cost manager and financial manager of the financial department of Tongfang Gigamega Tech Co., Ltd* (同方吉兆科技有限公司), the financial manager of financial department of digital TV system group of Tsinghua Tongfang, as well as the assistant general manager and deputy general manager of the financial department of Tsinghua Tongfang since 2004.

Mr. Jang Jann Huan (張震寰)

Mr. Jang Jann Huan (張震寰), aged 67, graduated from the Texas Tech University, where he obtained a Doctor of Philosophy degree in Business Administration. He is the assistant president of the Company, mainly responsible for the Company’s business in the USA. He is also currently the chief executive officer (CEO) and the acting CEO of American Lighting, Inc. (“American Lighting”) and Tivoli, LLC (“Tivoli”), both of which are the non-wholly owned subsidiary of the Company, respectively. From 1999 to 2004, Mr. Jang was responsible for expanding our business in the USA. From 2004 to 2006, he was the CEO of Tivoli. From 2006 to 2009, he served as the director of the marketing department, the executive Director and the CEO of the Company.

Mr. Xu Hui Lai (徐惠來)

Mr. Xu Hui Lai (徐惠來), aged 49, was awarded a bachelor degree in Laws from the China Youth University for Political Sciences (中國青年政治學院). He is the assistant president of the Company.

Since 2000, he has served as the deputy head of human resources department of Nuctech Company Limited, the assistant general manager of human resources department of Tsinghua Tongfang, the director of human resources department of 同方光電科技有限公司 and the director of human resource of semiconductor lighting group of Tsinghua Tongfang.

DIRECTORS AND SENIOR MANAGEMENT PROFILES

Mr. Chow Hiu Tung (周曉東)

Mr. Chow Hiu Tung (周曉東), aged 49, has over 23 years of experience in accounting and internal control. He is currently the independent non-executive director of Great Wall Belt & Road Holdings Limited (stock code: 524) and State Energy Group International Assets Holdings Limited (stock code: 918), both listed on the Stock Exchange. Prior to that, Mr. Chow had been an independent non-executive director of Future Bright Mining Holdings Limited, a company listed on the Stock Exchange (stock code: 2212), from December 2014 to September 2018, and an independent non-executive director of National United Resources Holdings Limited (formerly known as China Outdoor Media Group Limited), a company listed on the Stock Exchange (stock code: 254), from October 2013 to March 2015. Mr. Chow obtained his bachelor's degree in business administration in finance from Hong Kong University of Science and Technology in November 1995 and obtained his master's degree in international business in December 2001 from the University of Sydney, Australia. Mr. Chow has been a member of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) since January 1999. Mr. Chow has also been a member of the Association of Chartered Certified Accountants since April 2000 and was admitted as its fellow member in April 2005.

Mr. Cheng Chien Wen (鄭建文)

Mr. Cheng Chien Wen (鄭建文), aged 53, graduated from Hujiang High School in July 1991. He is the assistant president of the Company and the general manager of Creation Lighting Co. Ltd. (Taiwan), a subsidiary of the Company, mainly responsible for the decorative lights business division of the Company and the daily management of Creation Lighting Co. Ltd. (Taiwan). He joined the former Neo-Neon Group (真明麗集團) in 1986 and had held several important positions in the manufacturing and research and development department. He served as a consultant in Taiwan Lighting Fixture Export Association.

Mr. Zhai Jian Yi (翟健翼)

Mr. Zhai Jian Yi (翟健翼), aged 54, is a construction engineer, and he graduated from Heilongjiang Province Construction Workers' University in July 1990. He is the assistant president of the Company and the general manager of Guangdong Tongfang Science Park Company Limited* (廣東同方科技園有限公司), mainly responsible for science and technology zone projects. He had served as an engineer and the deputy general manager of the planning and development department of Beijing Tongfang Property Development Co. Ltd., the general manager of the planning and development department of Beijing Tongfang Star City Properties Co. Ltd., the general manager of the engineering department of Wuxi Tongfang Science Park Co. Ltd., the project manager of the production base construction department of Tsinghua Tongfang, the manager of the engineering department of Nantong Tongfang Science Park Co. Ltd. and the manager of the Wuxi base phase II project management department of Tongfang Computer Co. Ltd. since 2001.

Mr. Mak Chak Hung (麥澤鴻)

Mr. Mak Chak Hung (麥澤鴻), aged 59, graduated in economics from the University of Sussex in July 1986, and was awarded the Postgraduate Diploma in Business Administration from the University of Warwick in March 1993. He is licensed as a responsible officer with Hong Kong Securities and Futures Commission to conduct Type 1, 4 and 9 regulated activities. Mr. Mak has over two decades of extensive experience in investment and asset management industry. Before joining Tongfang Securities, he was the head of Fund Management at Guosen Securities (Hong Kong) Asset Management Ltd, the managing director at ABC International Asset Management Ltd, the head of Asset Management at South China Asset Management Co. Ltd, the executive director and chief investment officer at Guotai Junan (Asia) Asset Management Ltd during the years from 2006 to 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The total revenue for the year ended 31 December 2020 was approximately RMB876.7 million, representing an increase of approximately 4.2% as compared to approximately RMB841.3 million for the year ended 31 December 2019. For further details, please see below.

Lighting Segment

The revenue attributable to the lighting segment (research and development, manufacturing, distribution and providing solutions of lighting products) for the year ended 31 December 2020 was approximately RMB843.5 million, which represents an increase of approximately RMB45.3 million as compared to approximately RMB798.2 million for the year ended 31 December 2019, due to the increased revenue of approximately RMB67.6 million from the USA lighting segment. During the year ended 31 December 2020, the USA lighting segment continued expanding sales channels and achieved good results.

Securities Segment

During the year ended 31 December 2020, the revenue attributable to the securities segment was approximately RMB33.2 million, representing a decrease of approximately RMB9.9 million over approximately RMB43.1 million for the year ended 31 December 2019 due to the decreased interest revenue of approximately RMB6.6 million and the decreased revenue from agency, advisory and management services of approximately RMB3.3 million. Such decrease was primarily attributable to our implementation of stricter risk management measures that led to reduction of investment portfolio.

Cost of sales

For the year ended 31 December 2020, the cost of sales was approximately RMB594.6 million, representing an increase of approximately RMB37.0 million over approximately RMB557.6 million for the year ended 31 December 2019 primarily due to the increase of material costs.

Gross profit and gross profit margin

For the year ended 31 December 2020, the Group recorded a gross profit of approximately RMB282.1 million, representing an decrease of approximately RMB1.7 million over the gross profit of approximately RMB283.8 million for the year ended 31 December 2019.

Lighting Segment

For the year ended 31 December 2020, the Group recorded a gross profit of approximately RMB248.9 million for the lighting segment, representing an increase of approximately RMB8.2 million or 3.4% over approximately RMB240.7 million for the year ended 31 December 2019 primarily due to the increase in gross profit for USA lighting segment.

Securities Segment

For the year ended 31 December 2020, the Group recorded a gross profit of approximately RMB33.2 million for the securities segment, representing a decrease of approximately RMB9.9 million over approximately RMB43.1 million for the year ended 31 December 2019. The reason for such decrease is same as the reason for revenue decrease.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income, gains and losses, net

For the year ended 31 December 2020, the Group recorded other gains, net of approximately RMB23.4 million, representing a decrease of approximately RMB63.7 million over approximately RMB87.1 million for the year ended 31 December 2019, mainly due to fair value losses on investments properties of approximately RMB41.2 million and impairment loss on goodwill of approximately RMB21.7 million in 2020.

Impairment loss of goodwill

For the year ended 31 December 2020, the amount of impairment loss recognised in respect of goodwill was approximately RMB21.7 million mainly due to the impairment loss of goodwill from securities cash-generating unit (2019: Nil).

Operating expenses

The selling and distribution expenses mainly comprised of staff costs for the lighting segment, promotion and advertising, freight and transportation, agency and custom costs, and rent and rates.

For the year ended 31 December 2020, the selling and distribution expenses of the Group were approximately RMB168.9 million, representing an increase of approximately RMB7.5 million over approximately RMB161.4 million for the year ended 31 December 2019, mainly attributable to the increase in selling expenses for expanding the sales channels of the USA lighting segment.

The administrative expenses mainly comprised of staff costs for the securities segment, directors remuneration, depreciation charge and professional and legal fees. The administrative expenses for the year ended 31 December 2020 were approximately RMB154.1 million, representing a decrease of approximately RMB18.9 million over approximately RMB173.0 million for the year ended 31 December 2019, mainly due to the decrease in staff costs due to downsizing of the Group.

Finance costs

The finance costs for the year ended 31 December 2020 were approximately RMB25.3 million, representing a decrease of approximately RMB4.1 million over approximately RMB29.3 million for the year ended 31 December 2019, mainly due to the decrease of interest-bearing bank borrowings of approximately RMB50.0 million.

Taxation

For the year ended 31 December 2020, the Group's tax credit of approximately RMB39.4 million (2019: tax expense of approximately RMB29.5 million) mainly included current tax charge for the year of approximately RMB23.0 million and deferred tax credit of approximately RMB62.4 million.

Profit attributable to owners of the parent

For year ended 31 December 2020, the Group recorded a loss attributable to owners of the parent of approximately RMB28.2 million, representing an increase of approximately RMB5.3 million over approximately a loss of RMB22.9 million for the year ended 31 December 2019. Such increase in loss was mainly due to impairment loss of goodwill.

MANAGEMENT DISCUSSION AND ANALYSIS

Net Loss

For year ended 31 December 2020, the Group recorded a net loss of approximately RMB27.4 million, as compared to a net loss of approximately RMB22.5 million for the year ended 31 December 2019.

Financial Resources and Liquidity and Gearing Ratio

The Group maintained a stable financial position. As at 31 December 2020, the Group had bank balances of approximately RMB408.5 million and short-term bank loans of approximately RMB80.5 million. The gearing ratio representing the ratio of total debt to total equity of the Group was 22.1% as at 31 December 2020 (31 December 2019: 29.2%). Such decrease was mainly caused by the decrease in bank loans by approximately RMB50.5 million.

Assets and liabilities

As at 31 December 2020, the Group recorded the total assets of approximately RMB2,239.3 million (31 December 2019: approximately RMB2,494.7 million) and total liabilities of approximately RMB578.0 million (31 December 2019: approximately RMB763.1 million).

As at 31 December 2020, the Group's current assets and non-current assets were approximately RMB1,712.9 million (31 December 2019: approximately RMB1,125.7 million) and approximately RMB526.3 million (31 December 2019: approximately RMB1,369.0 million), respectively. The increase in current assets was mainly attributable to the increase in prepayments, other receivables and other assets of approximately RMB691.1 million resulting from receivables from disposal of two subsidiaries of the Company. The decrease in non-current assets was mainly attributable to the decrease in investment properties of approximately RMB799.5 million resulting from the aforesaid disposal of two subsidiaries which have land use rights of parcels of land.

As at 31 December 2020, the Group's current liabilities and long-term liabilities were approximately RMB288.2 million (31 December 2019: RMB331.9 million) and approximately RMB289.8 million (31 December 2019: RMB431.1 million), respectively. The decrease in current liabilities was mainly attributable to the decrease in interest-bearing bank borrowings of approximately RMB60.6 million. The decrease in long-term liabilities was mainly attributable to the repayment in loan from the ultimate holding company of approximately RMB110 million.

As at 31 December 2020, the Group had a contingent consideration payable of approximately RMB23.5 million, arising from the acquisition of the remaining 20% membership interests of Novelty Lights, LLC by American Lighting, Inc, which is expected to complete no later than two business days after the third anniversary of 1 January 2019 (MST) subject to certain conditions having been satisfied. For details, please refer to the Company's announcement dated 1 January 2019. The fair value of the contingent consideration payable was estimated by applying income approach and the probability-weighted average of payouts associated with the earnings before interest, taxes, depreciation, and amortisation of Novelty Lights, LLC.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Currency Risk

Several subsidiaries of the Company have sales and purchases denominated in currencies other than the functional currency of respective entities, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy to eliminate the currency exposures. However, the management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposures should the need arise.

Charges on Assets

As at 31 December 2020, the Group pledged certain of its property, plant and equipment totaling approximately RMB7.4 million (31 December 2019: RMB8.1 million), certain of its trade receivables and inventories with an aggregate carrying value of approximately RMB142.0 million (31 December 2019: RMB118.8 million), and also certain of the Group's right-of-use assets with an aggregate carrying value of approximately RMB8.1 million (31 December 2019: RMB8.3 million and certain of its non-current assets held for sale with an aggregate carrying value of approximately RMB28.1 million) to secure bank credit facilities granted to the Group.

Capital Commitments

As at 31 December 2020, the Group had no capital expenditure contracted for but not provided in the financial statements in respect of the acquisition of property, plant and equipment (31 December 2019: approximately RMB9.9 million).

Contingent Liabilities

During the year ended 31 December 2020, certain subsidiaries are parties to various legal claims in their ordinary course of business. In the opinion of the Directors, these claims would not have a significant impact on the Group's results and financial position.

Capital Structure

As at 31 December 2020, the issued share capital of the Company was approximately RMB185,675,677 (equivalent to approximately HK\$209,450,542) (31 December 2019: approximately RMB185,675,677 (equivalent to approximately HK\$209,450,542), divided into 2,094,505,417 ordinary shares of HK\$0.10 each.

MANAGEMENT DISCUSSION AND ANALYSIS

Material Acquisition, Disposal and Significant Investment

On 29 October 2020, Guangdong Tongfang Science Park Company Limited* (廣東同方科技園有限公司), an indirect wholly-owned subsidiary of the Company, as the vendor, and Zhonghe Real Estate Development Company* (中核興業控股有限公司), an independent third party, as the purchaser, among others, entered into the Equity Interest Transfer Agreement in relation to disposal of two subsidiaries of the Company. Pursuant to the Equity Interest Transfer Agreement, the vendor agreed to sell and the purchaser agreed to purchase the entire equity interests in two wholly-owned subsidiaries of the Company Jiangmen Tonghe Guangyuan Technology Limited* (江門市同鶴光源科技有限公司) and Jiangmen Tongxin Guangyuan Technology Limited* (江門市同欣光源科技有限公司) (collectively, "Target Companies"), at the consideration of RMB392,961,124.51. Please refer to the Company's announcement dated 30 October 2020 and the shareholders' circular dated 20 November 2020 for details of the disposal. The Company wishes to update the Shareholders that the disposal completed on 29 December 2020, upon which the Target Companies ceased to be subsidiaries of the Company. As at the date of this annual report, the total amount of the consideration has been received.

On 1 December 2020, Tongfang Finance Limited, a wholly-owned subsidiary of the Company, redeemed part of its investment in the Mount Everest Fund pursuant to the subscription agreement dated 25 April 2018. The principal amount of such investment being redeemed was US\$4,000,000 and the amount received for the redemption was approximately US\$12,012,402.03. The Company recognized an estimated gain of US\$8,012,402.03 from the redemption. Please refer to the Company's announcement dated 1 December 2020 for details of the redemption.

Save for those disclosed in this annual report, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year under review.

FINAL DIVIDEND

The Board resolved not to declare any dividend for the year ended 31 December 2020 (31 December 2019: Nil).

BUSINESS REVIEW

During the year under review, the outbreak of COVID-19 globally since early 2020 has brought some uncertainties to the global business environment as well as to the Group. In order to minimize the impact of the COVID-19, The Company has put in place various contingency measures including but not limited to providing facial masks, implementing working from home arrangement and using online meeting system. Via continuing efforts, the Group increased its revenue slightly. In the future, the Group will continue to implement measures for COVID-19 pandemic prevention and control and strive to continue to increase its revenue.

Affected by the COVID-19, challenging economic environment and exchange rate fluctuations, the revenue and profits of the lighting industry in North America in general had been declining in 2020. The three subsidiaries under the USA lighting segment had formulated stringent implementation plans for COVID-19 prevention and control, and they managed to record growth in both revenue and profit. This hard-earned achievement is mainly attributable to the united efforts of the employees of the USA subsidiaries to hold on to their posts in the difficult times of the COVID-19, and complete their assignments better than planned under overwhelming pressure. The USA lighting segment has established an efficient supply chain, and developed the companies thereunder into service-oriented companies with multiple channels and business forms including large retail market, traditional lighting and electrical product distributors, commercial Christmas lighting, lighting design and e-commerce platforms.

MANAGEMENT DISCUSSION AND ANALYSIS

As disclosed above, the Group disposed two subsidiaries, which hold the land use rights, as the Group does not intend to pursue the development of the residential properties itself beyond its ordinary course of businesses. In the future, the Company will focus further resources on the lighting segment, and the industries that are in line with the innovation-driven development strategy of the Group, enjoy great market prospects and have core competitiveness.

Tongfang Securities has dedicated in accumulating and applying its experience and expertise to the financial services it provides to the Group as well as clients from home and abroad.

Sales and Distribution

Lighting Segment

During the reporting period, the Group took efforts in distribution and marketing, cultivating the new sales channels and promoting the new brand of lighting products. The Group proactively made deployment in branding establishment and sales channel in the world's fastest growing markets and brought to its customers better sales services in energy-saving technologies and solutions.

Securities Segment

Tongfang Securities Limited is a licensed corporation to carry on Type 1 (Dealing in Securities), Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities and expects to further develop its financial service business.

Research and Development ("R&D")

The Group's R&D efforts were driven towards product design, new product development and production efficiency improvement in order to reduce the overall production cost.

Employees and Remuneration

As at 31 December 2020, the Group's total number of employees was approximately 800 (31 December 2019: 1,100). The basic remunerations of the employees are determined with reference to the industry remuneration benchmark, the employees' experience and their performance. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. Directors' remuneration is determined based on a variety of factors such as market conditions and responsibilities assumed by each Director. Apart from the basic remuneration and statutory benefits required by laws, the Group provides discretionary bonus based upon the Group's results and the individual performance of the staff.

DIRECTORS' REPORT

The Directors are pleased to present their annual report and the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries are set out in note 1 to the consolidated financial statements.

BUSINESS REVIEW

A business review of the Group for the year ended 31 December 2020 has been set out in the section headed "Management Discussion and Analysis" of this annual report.

FUTURE DEVELOPMENT

An indication of the future development in the Group's business is shown on has been set out in the sections headed "Management Discussion and Analysis" and "Chairman's Statement" of this annual report.

SUBSIDIARIES

Details of the principal subsidiaries of the Group as of 31 December 2020 are set out in note 1 to the consolidated financial statements.

DIVIDEND POLICY

The declaration, form, frequency and amount of any dividend payout of the Company must be in accordance with relevant laws, rules and regulations and subject to the articles of association of the Company (the "Articles of Association"). Subject to compliance with applicable laws, rules, regulations and the Articles of Association, in deciding whether to propose any dividend payout, the Board will take into account, among other things, the financial results, the amount of distributable profits, the liquidity and capital requirements, the cash flow, taxation, and the future business plans of the Company.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2020 and the Group's financial position at that date are set out on pages 76 to 187 of this annual report. The Board resolved not to declare any dividend for the year ended 31 December 2020 (2019: Nil).

FINANCIAL SUMMARY

A summary of the results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on page 189 of this annual report. Such summary does not form part of the audited financial statements.

DIRECTORS' REPORT

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held in Hong Kong on Friday, 25 June 2021. Notice of the AGM will be issued and disseminated to shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM of the Company to be held on Friday, 25 June 2021, the register of members of the Company will be closed from Tuesday, 22 June 2021 to Friday, 25 June 2021, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrars in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 21 June 2021. The record date for the entitlement to attend the AGM will be on Friday, 25 June 2021.

PROPERTY, PLANT AND EQUIPMENT

Movements during the year in the Group's property, plant and equipment are set out in note 13 to the consolidated financial statements. Movements during the year in the Group's investment properties are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

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

RESERVES

Details of movements in reserves of the Group are set out in consolidated statement of changes in equity of the financial statement. At 31 December 2020, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB1,553 million.

PRE-EMPTIVE RIGHTS

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

DIRECTORS' REPORT

DIRECTORS

The Directors of the Company up to the date of this report are:

Executive Director

Mr. Gao Zhi
Mr. Liu Zhigang

Non-executive Directors

Mr. Seah Han Leong
Mr. Zhou Hai Ying

Independent Non-executive Directors

Mr. Fan Ren Da, Anthony
Mr. Liu Tian Min
Ms. Li Ming Qi

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

The updated information of the Directors and senior management is set out on page 6 to page 10 of this report.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

There was no contract of significance in relation to the Group's business to which the Company or any of subsidiaries and fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the year under review.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year under review was the Company or any of its subsidiaries a party to any arrangement whose objectives are to enable a Director of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than under the 2006 Share Option Scheme, the 2016 Share Option Scheme, the Subsidiary Share Incentive Plan and the Share Award Scheme, as disclosed below.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business, apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time for the year ended 31 December 2020 and up to the date hereof.

DIRECTORS' REPORT

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

As at 31 December 2020, the interests or short positions of the Directors and the chief executives in the Shares, underlying Shares and debentures of the Company and its associated corporations of the Company, within the meaning of Part XV of the SFO which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules (the "Model Code"), will be as follows:

Long Positions in the Shares and underlying Shares of the associated corporation:

American Lighting

Name	Capacity	Number of Ordinary Shares as at 31 December 2020	Percentage of total issued share capital as at 31 December 2020
Mr. Seah Han Leong ⁽¹⁾	Beneficial owner	363	0.99%

Note:

- (1) Mr. Seah Han Leong is deemed to be interested in 363 common stocks of American Lighting which may be issued to him upon the exercise of the share options granted to him under the Subsidiary Share Incentive Plan on 30 June 2015.

Save as mentioned above, as at 31 December 2020, none of the Directors and the chief executives had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations which had been entered in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Directors and the chief executive of the Company (including their spouse and children under 18 years of age) to hold any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

DIRECTORS' REPORT

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

As at 31 December 2020, so far as the Directors are aware, the following persons (other than the Directors and the executive officers) have interests or short positions in the Shares or underlying Shares which are required to be disclosed to the provisions of Divisions 2 and 3 of Part XV of the SFO or, are directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Name	Capacity	Number of Ordinary Shares as at 31 December 2020	Percentage of total issued share capital as at 31 December 2020
THTF ES ⁽¹⁾	Beneficial owner	1,348,360,690	64.4%
Resuccess ⁽¹⁾⁽²⁾	Interest of controlled corporation, beneficial owner	1,357,442,690	64.8%
Tsinghua Tongfang ⁽¹⁾⁽²⁾	Interest of controlled corporation	1,357,442,690	64.8%

Notes:

- (1) Resuccess Investments Limited ("Resuccess") holds the entire issued share capital of THTF ES and Tsinghua Tongfang holds the entire issued share capital of Resuccess, therefore, each of Resuccess and Tsinghua Tongfang is deemed to be interested in all 1,348,360,690 Shares held by THTF ES.
- (2) Resuccess directly holds 9,082,000 Shares in the Company. Tsinghua Tongfang holds the entire issued share capital of Resuccess, therefore, Tsinghua Tongfang is deemed to be interested in all Shares held by Resuccess.

Save as mentioned above, as at 31 December 2020, the Company had not been notified of any interests and short positions in the Shares and underlying Shares of the Company which had been entered in the register required to be kept under Section 336 of the SFO.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS

There were no non-exempt connected transactions or continuing connected transactions subsisted or have been entered into by the Group for the year ended 31 December 2020.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group for the year ended 31 December 2020 are set out in note 39 to the financial statements. None of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules that is required to be disclosed.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Share Option Scheme", as at the end of and during the year ended 31 December 2020, the Company did not enter into (i) any agreement that will or may result in the Company issuing Shares; or (ii) any agreement requiring the Company to enter into any agreement specified in (i).

SHARE OPTION SCHEME

The 2006 Share Option Scheme

The 2006 Share Option Scheme was adopted by the Company pursuant to the Shareholders' resolutions passed on 20 November 2006 for the primary purpose of providing incentives to Directors and eligible employees.

The 2006 Share Option Scheme has been terminated and no further share options can be granted under the 2006 Share Option Scheme. All outstanding options under the 2006 Share Option Scheme lapsed on 14 May 2020.

DIRECTORS' REPORT

Details of the share options under the 2006 Share Option Scheme during the year ended 31 December 2020 are set forth as below:

Category of participants	Date of grant ⁽¹⁾	Exercise price per share (HK\$)	Outstanding at 1 January 2020	Granted during the year	Exercise during the year	Forfeited/ Lapsed during the year	Outstanding at 31 December 2020
Directors							
Mr. Seah Han Leong	15 May 2015	1.31	1,500,000	–	–	(1,500,000)	–
Mr. Wang Liang Hai	15 May 2015	1.31	1,500,000	–	–	(1,500,000)	–
Mr. Liu Wei Dong	15 May 2015	1.31	1,000,000	–	–	(1,000,000)	–
Mr. Fan, Ren Da Anthony	15 May 2015	1.31	600,000	–	–	(600,000)	–
Mr. Liu Tian Min	15 May 2015	1.31	600,000	–	–	(600,000)	–
Ms. Li Ming Qi	15 May 2015	1.31	600,000	–	–	(600,000)	–
Employees	15 May 2015	1.31	9,800,000	–	–	(9,800,000)	–
Total:	–	–	15,600,000	–	–	(15,600,000)	–

The 2016 Share Option Scheme

The Company has adopted the 2016 Share Option Scheme since on 13 May 2016 to optimize eligible persons' future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain ongoing relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executive (as defined in the 2016 Share Option Scheme), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

Eligible persons include any of the following persons: (a) an Executive, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group or of an Eligible Entity (as defined in the 2016 Share Option Scheme); (b) a director or proposed director (including an independent non-executive director) of any member of the Group or of an Eligible Entity; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group or of an Eligible Entity; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group or of an Eligible Entity; (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group or of an Eligible Entity; and (g) an associate of any of the foregoing persons.

DIRECTORS' REPORT

The maximum number of shares which may be issued upon the exercise of all the options to be granted under the 2016 Share Option Scheme was 193,931,969, representing approximately 10% of the total number of Shares in issue as at the date of the adoption and representing 9.26% of the issued share capital of the Company as at the date of this annual report.

No option may be granted to any participant of the 2016 Share Option Scheme such that the total number of shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

An option may be exercised in accordance with the terms of the 2016 Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised. Participants of the 2016 Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before the 28 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a share;
- (b) the closing price of a share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date.

The 2016 Share Option Scheme shall be valid and effective for a period of 10 years from the adoption date, after which no further options will be granted or offered.

Since the adoption of the 2016 Share Option Scheme, no share options have been granted.

Subsidiary Share Incentive Plan

On 2 April 2015, the Company adopted the Subsidiary Share Incentive Plan by Shareholders' approval in order to advance the interests of current and future stockholders of American Lighting, by enhancing American Lighting's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to American Lighting by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of the Company's stockholders. The Subsidiary Share Incentive Plan is valid for ten years after its adoption. The eligible persons include the employees, consultants, and directors of American Lighting or any parent or subsidiary of American Lighting.

DIRECTORS' REPORT

Subject to adjustment under the Subsidiary Share Incentive Plan, awards may be made under the Subsidiary Share Incentive Plan covering up to 3,632 shares of common stock (all of which may, but need not, be granted as incentive stock options, subject to any limitations under the Internal Revenue Code of 1986), which is equal to 10% of the issued and outstanding shares of Common Stock on the date when the Subsidiary Share Incentive Plan is adopted and approved by the Shareholders and as at the date of this annual report. If any award expires or lapses or is terminated, surrendered or cancelled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of common stock subject to such award being repurchased by the Company at or below the original issuance price), in any case in a manner that results in any shares of common stock covered by such award not being issued or being so reacquired by the Company, the unused Common Stock covered by such award shall again be available for the grant of awards under the Subsidiary Share Incentive Plan.

The total number of shares of common stock issued and to be issued upon the exercise of options granted and to be granted to each Service Provider (as defined in the Subsidiary Share Incentive Plan) (including both exercised and outstanding options) in any period of twelve (12) consecutive months up to and including the date of grant shall not exceed 1% of shares of common stock in issue as at the date of grant. The Company may grant further options in excess of such limit set out in subject to approval by the Shareholders in general meeting in accordance with the Listing Rules, at which the Service Provider involved and its close associates (or the Service Provider's associates if the Service Provider is a connected person) shall be required to abstain from voting.

The Administrator (as defined in the Subsidiary Share Incentive Plan) shall establish the exercise price of each Option and specify the exercise price in the applicable award agreement. The exercise price shall be not less than 100% of the Option Exercise Price, which means, as of any date, the price per share of common stock payable on the exercise of the option and determined as follows: (i) if the common stock is listed on any established stock exchange (including but not limited to) a National Securities Exchange (within the meaning of the Exchange Act); the Option Exercise Price shall be the greater of (A) the closing sales price for such common stock as quoted on such exchange on the date of grant of the option, or if no sale occurred on such date, the first market trading day immediately prior to such date during which a sale occurred; and (B) the average closing sales price for such common stock as quoted on such exchange for the five business days preceding the date of grant of option, or if no sale occurred on such date, the first market trading day immediately prior to such date during which a sale occurred, as the prices contemplated by the preceding clauses (A) and (B) are reported in The Wall Street Journal or such other source as the board of American Lighting deems reliable; (ii) if the common stock is not listed on a stock exchange but is quoted on a national market system or other quotation system, the Option Exercise Price shall be the last sales price for such common stock on the date of grant of the option, or if no sales occurred on such date, then on the date immediately prior to such date on which sales prices are reported, as reported in The Wall Street Journal or such other source as the board of American Lighting deems reliable; or (iii) in the absence of an established market for the common stock, the Option Exercise Price shall be determined by the board of American Lighting in its sole discretion.

Notwithstanding anything to the contrary herein, in the event that an award of options is made (a) on or after the date that American Lighting has resolved to seek the listing, or (b) during the six month period immediately preceding the date on which American Lighting files an application for Listing, and the Listing occurs concurrent with the offer and sale of the common stock, then the Option Exercise Price shall be the higher of (a) the offering price for the shares of common stock to be issued in connection with the listing, and (b) the exercise price in the applicable award agreement.

DIRECTORS' REPORT

Details of the share options under the Subsidiary Share Incentive Plan during the year ended 31 December 2020 are set forth as below:

Category of participants	Date of grant ⁽¹⁾	Exercise price per share (US\$)	Outstanding at 1 January 2020	Granted during the year	Exercise during the year	Forfeited/ Lapsed during the year	Outstanding at 31 December 2020
Directors							
Mr. Seah Han Leong	30 June 2015	330	363	–	–	–	363
Employees	30 June 2015	330	2,072	–	–	–	2,072

- (1) The Stock Options granted have an exercisable term of 10 years and vest as follows: (i) thirty percent (30%) of the total number of shares subject to the Stock Options vest and become exercisable on the first (1st) anniversary of 30 June 2015 (the "Vesting Commencement Date"); (ii) an additional thirty percent (30%) of the total number of shares subject to the Stock Options vest and become exercisable on the second (2nd) anniversary of the Vesting Commencement Date; and (iii) the remaining unvested forty percent (40%) of the total number of shares subject to the Stock Options vest (and, as a result, the Stock Options become fully vested) on the third (3rd) anniversary of the Vesting Commencement Date; provided in each case that the Grantee continues to provide services to the Company, American Lighting or Tivoli, LLC ("Tivoli"), as the case may be, as of each such vesting date and that the board of directors of American Lighting has determined in its sole discretion that performance criteria, if any, that has been specified by the board of directors and agreed to by the Grantee, has been satisfied.

Save as disclosed above, no share option under the Subsidiary Share Incentive Plan was granted, exercised, lapsed, or cancelled during the year.

Further details of the Subsidiary Share Incentive Plan are set out in note 32 to the consolidated financial statements.

DIRECTORS' REPORT

Share Award Scheme

On 13 April 2018, the Company approved the adoption of Share Award Scheme which is a long-term incentive plan of the Company to align the interests of selected participants directly to the Shareholders through ownership of Shares. (i) A director or a proposed director of any member of the Group or of a holding company or a subsidiary of the Company, or a subsidiary of the holding company of the Company (the "Eligible Entity"); (ii) a manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group; and (iii) full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group or of an Eligible Entity selected by the person authorized to administer the Scheme will be entitled to participate as a selected participant.

The Share Award Scheme shall terminate on the earlier of (i) upon expiry of the period of 10 years from the adoption date (i.e. 13 April 2018); (ii) on the date of any change in control of the Company; or (iii) on the date determined/resolved by the Board to terminate the Share Award Scheme pursuant to the scheme rules. Any termination of the Share Award Scheme shall not affect the subsisting rights of any selected participant. The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules.

Details of the Share Award Scheme were set out in the announcement of the Company dated 13 April 2018. No Share was granted under the Share Award Scheme during the year under review.

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

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

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2020.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders during the year ended 31 December 2020.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS, CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company, or any of its subsidiaries was a party, and in which a Director of the Company or an entity connected with a Director had a material interest in, whether directly or indirectly, subsisted at the end of the financial year under review or at any time during the financial year under review save as disclosed under the "Related Party Transactions" in note 39 to the financial statements.

USE OF PROCEEDS

The Company did not undertake any equity fund raising in the past 12 months immediately prior to the date of this report.

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2020, the largest supplier accounted for 28.7% of the Group's purchases and the five largest suppliers accounted for 39.5% of the Group's total purchases. The largest customer accounted for 17.8% of the Group's total revenue and the five largest customers accounted for 41.9% of the Group's total revenue.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has an interest in the Group's five largest suppliers and customers.

CORPORATE GOVERNANCE

Details of corporate governance are set out in the section headed "Corporate Governance Report" on pages 31 to 44 of the annual report.

COMPENSATION POLICY

The compensation package for each employee is structured in a way to attract and retain the best talents available, and will contain a combination or modification of some or all of the following four main components:

I. Basic salary

Basic salary and wage rate ranges are established for each position by evaluating the responsibilities and the duties required to be performed. The actual salary or wage rate for the person filling the position is determined based on the experience and ability of the individual selected for the position.

The basic salary and wage rate ranges are reviewed periodically with reference to the prevailing market level and similar positions of competitors in the relevant industry. The actual salaries and wage rates of employees are reviewed annually and may be adjusted from time to time based on the cost of living and financial performance of the Company.

Salaries and wages are basic compensation and not intended to reward performance, either individually or corporately. Performance is rewarded through the other components of the compensation plan.

DIRECTORS' REPORT

II. Incentive bonus

Incentive bonus is linked to individual and corporate performance. Every year, profitability and other corporate performance targets are set and incentive bonuses will only be paid for that year if the targets are achieved.

The incentive bonus for each employee is determined with reference to his/her position and his/her individual performance during the year.

III. 2016 Share Option Scheme, Subsidiary Share Option Scheme and Share Award Scheme

The Company adopted the 2016 Share Option Scheme, the Subsidiary Share Incentive Plan and the Share Award Scheme on 13 May 2016, 2 April 2016 and 13 April 2018, respectively. For further details, please refer to the paragraphs headed "2016 Share Option Scheme", "Subsidiary Share Incentive Plan" and "Share Award Scheme" hereof.

IV. Other benefits

In addition to the above three main components, the Group offers other customary and/or mandatory benefits to employees, such as retirement fund scheme, medical benefits, insurance and paid holiday, with reference to prevailing industry practices in the relevant jurisdictions.

AUDITORS

Ernst & Young will retire and, being eligible, offer themselves for reappointment. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of the total issued capital of an issuer must be held by the public at any time. Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules for the year ended 31 December 2020 and the subsequent period ended the date of this report.

BANK LOANS

Details of bank loans of the Company and the Group as at 31 December 2020 are set out in note 28 to the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, some of which are inherent to LED lighting industry and some are from external sources. For further details, please refer to the section headed "Management, Discussion and Analysis".

DIRECTORS' REPORT

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

For details of relationship with the employees, customers and suppliers, please refer to the paragraphs headed "compensation policy" and "major suppliers and customers" in this section.

ENVIRONMENTAL POLICIES

The Group is specialized in providing energy saving and environmentally-friendly products. The Group strives to operate in compliance with the relevant environmental regulations and rules. During the year ended 31 December 2020 and up to the date of this report, the Group does not have any violation of relevant environmental regulations and rules which gives rise of significant impact to the Group's development, performance and businesses.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the mainland China, while the Company itself is listed on the Stock Exchange. The Group's establishment and operations accordingly shall comply with relevant laws and regulations in the mainland China, including environment protection laws, standardization laws, product quality laws, product safety laws, regulations on administration of compulsive product certification and the laws in Hong Kong. During the year ended 31 December 2020 and up to the date of this report, the Group has complied with all the relevant laws and regulations in the mainland China and Hong Kong in all material aspects.

In addition, the Group retains outside counsels and would seek legal advice from them in case of any issues.

PERMITTED INDEMNITY PROVISION

Article 167(1) of the Articles of Association provides that the directors, secretary and other officers and every Auditor for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

On behalf of the Board

Gao Zhi

Chairman

25 March 2021

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Shareholders.

Except the deviation disclosed in the paragraph headed “Chairman and Chief Executive Officer” below in this report, throughout the year ended 31 December 2020, the Company complied with the code provisions and, where appropriate, adopted the recommended best practices as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules (“Corporate Governance Code”).

BOARD OF DIRECTORS

The overall management of the Company’s operation is vested in the Board.

The Board takes overall responsibility to oversee all major matters of the Group, including the formulation and approval of all policy matters, overall strategic development of the Group, monitoring and controlling the Group’s operation and financial performance, internal control and risk management systems, and monitoring of the performance of the senior management. The Directors have to make decisions objectively in the interests of the Company.

The Board exercises a number of authorities which include:

- Formulating the Group’s long-term strategy;
- Approving major acquisitions, disposals and capital investment;
- Reviewing operational and financial performance;
- Approving financial results and public announcements;
- Reviewing the effectiveness of internal control;
- Authorizing material borrowings;
- Deciding dividend policy;
- Any issue or repurchase of the Company’s securities under general mandate;
- Approving appointment to the Board and senior management; and
- Deciding the Group’s remuneration policy.

CORPORATE GOVERNANCE REPORT

To assist in fulfilling its duties and responsibilities, the Board established four committees, namely the audit committee, the remuneration committee, the nomination committee and the risk management and regulatory compliance committee (previously known as “regulatory compliance committee”).

The day-to-day management, administration and operation of the Company are delegated to the chief executive officer and the senior management of the Company. The delegated functions and work tasks are periodically reviewed.

Board Composition

The Board currently comprises seven Directors, consisting of two executive Directors, Mr. Gao Zhi (chairman of the Board) and Mr. Liu Zhigang, two non-executive Directors, Mr. Seah Han Leong and Mr. Zhou Hai Ying and three independent non-executive Directors, Mr. Fan Ren Da Anthony, Mr. Liu Tian Min and Ms. Li Ming Qi. All Directors have given sufficient time and attention to the affairs of the Group. Each of the executive Directors is suitably qualified for his position, and has sufficient experience to hold the position so as to carry out his duties effectively and efficiently. Biographical information of the Directors is set out in the section headed “Directors and Senior Management” of this annual report.

To the best knowledge of the Company, there is no other financial, business or family relationship among the members of the Board.

The Company has complied with Rule 3.10(1) of the Listing Rules to appoint at least three independent non-executive Directors. The Company has appointed three independent non-executive Directors representing more than one-third of the Board and is in compliance with Rule 3.10A of the Listing Rules.

Chairman and Chief Executive Officer

The chairman of the Board was Mr. Huang Yu who has resigned with effect from 9 January 2020. The chief executive officer of the Company was Mr. Seah Han Leong who has resigned with effect from 9 January 2020. Mr. Gao Zhi was appointed as the chief executive officer of the Company with effective from 9 January 2020 and the chairman of the Board with effect from 26 March 2020.

Under the code provision A2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have a separate chairman and a chief executive officer and Mr. Gao Zhi holds both positions. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company as non-executive Directors and independent non-executive Directors form the majority of the Board, with five out of seven of the Directors being non-executive directors and independent non-executive Directors. The Board believes that vesting the roles of both chairman and chief executive officer in the same person can facilitate execution of the Company’s business strategies and boost effectiveness of its operation. The Board will review the current structure from time to time and shall make necessary arrangements when the Board considers appropriate.

CORPORATE GOVERNANCE REPORT

Independent Non-Executive Directors

Independent non-executive Directors have played a significant role in the Board by bringing their independent judgment at the Board meeting and scrutinising the Group's performance. Their views carry significant weight in the Board's decision, in particular, they bring an impartial view to bear on issues of the Group's strategy, performance and control. All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advices to the Board. The independent non-executive Directors provide independent advice on the Group's business strategy, results and management so that all interests of Shareholders can be taken into account, and the interests of the Company and its Shareholders can be protected.

The Board has three independent non-executive Directors with one of them, Ms. Li Ming Qi, one of the independent non-executive Directors, possesses appropriate professional accounting qualifications or financial management expertise in accordance with Rule 3.10(2) of the Listing Rules.

The Company has received annual confirmations of independence from each of the existing independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all the independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

Board Diversity Policy

The Company adopted a board diversity policy on 1 April 2013 which may be amended from time to time. The Company recognises and embraces the benefits of diversity of Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge.

Directors' Securities Transactions

The Company has also adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code regarding directors' securities transactions for the year ended 31 December 2020.

CORPORATE GOVERNANCE REPORT

Training and Support for Directors

All Directors must keep abreast of their collective responsibilities. Any newly appointed Director would receive an induction package covering the Group's operations, businesses, governance policies and the statutory regulatory obligations and responsibilities of a director of a listed company.

The Directors have been informed of the requirement under code provision A.6.5 of the Corporate Governance Code regarding continuous professional development. According to the records maintained by the Company, the current Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the new requirement of the Corporate Governance Code on continuous professional development for the year ended 31 December 2020:

Name of Director	Corporate Governance/Updates on Laws, Rules and Regulations		Accounting/Financial/Management or Other Professional Skills	
	Read materials	Attend Seminars/ Briefings	Read materials	Attend Seminars/ Briefings
Executive Directors				
Mr. Gao Zhi (appointed on 9 January 2020)	✓	✓	✓	✓
Mr. Liu Zhigang (appointed on 2 November 2020)	✓	✓	✓	✓
Mr. Daniel P.W. Li (resigned on 30 September 2020)	✓	✓	✓	✓
Non-executive Directors				
Mr. Zhou Hai Ying (appointed on 9 January 2020)	✓	✓	✓	✓
Mr. Seah Han Leong (redesignated as non-executive Director on 9 January 2020)	✓	✓	✓	✓
Mr. Huang Yu (resigned on 9 January 2020)	✓	✓	✓	✓
Mr. Wang Liang Hai (resigned on 9 January 2020)	✓	✓	✓	✓
Mr. Liu Wei Dong (resigned on 9 January 2020)	✓	✓	✓	✓
Independent non-executive Directors				
Mr. Fan Ren Da Anthony	✓	✓	✓	✓
Mr. Liu Tian Min	✓	✓	✓	✓
Ms. Li Ming Qi	✓	✓	✓	✓

CORPORATE GOVERNANCE REPORT

Directors' and Officers' Insurance

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

Meetings

All Directors are regularly updated on governance and regulatory matters. There is an established procedure for Directors to obtain independent professional advice at the expense of the Company in furtherance of their duties.

The Board meets regularly throughout the year ended 31 December 2020 to review the overall strategy and to monitor the operation as well as the financial performance of the Group. The chairman focuses on the Group's strategy and is responsible for chairing and managing the efficient operation of the Board and ensuring that all key issues are considered by the Board in a timely manner. Notice of at least 14 days has been given to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda whenever they consider appropriate and necessary. Agenda and accompanying Board papers in respect of regular Board meetings are dispatched in full to all Directors within a reasonable time before the meeting. Directors have to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at board meetings and abstain from voting as appropriate. Draft minutes of all board meetings are circulated to Directors for comment within a reasonable time prior to confirmation. Minutes of board meetings and meetings of board committees are kept by the company secretary. All Directors have free access to board papers and related materials, and are provided with adequate information in a timely manner, enabling the Board to make informed decision on matters placed before it.

The individual attendance record of each Director at the meetings of the Board and the general meetings during the year ended 31 December 2020 is set out below:

Name of Director	Attendance/ Number of Board Meeting(s)	Attendance/ Number of General Meeting(s)
Executive Directors		
Mr. Gao Zhi (appointed on 9 January 2020)	12/13	1/1
Mr. Liu Zhigang (appointed on 2 November 2020)	1/13	0/1
Mr. Daniel P.W. Li (resigned on 30 September 2020)	11/13	1/1
Non-executive Directors		
Mr. Zhou Hai Ying (appointed on 9 January 2020)	11/13	1/1
Mr. Seah Han Leong (redesignated as non-executive Director on 9 January 2020)	11/13	1/1
Mr. Huang Yu (resigned on 9 January 2020)	0/13	0/1
Mr. Wang Liang Hai (resigned on 9 January 2020)	0/13	0/1
Mr. Liu Wei Dong (resigned on 9 January 2020)	0/13	0/1
Independent non-executive Directors		
Mr. Fan Ren Da Anthony	13/13	1/1
Mr. Liu Tian Min	10/13	0/1
Ms. Li Ming Qi	13/13	1/1

CORPORATE GOVERNANCE REPORT

Appointments, Re-election and Removal of Directors

Mr. Gao Zhi, being the executive Director of the Company, has entered into a service contract with the Company for a specific term of three years commencing from 9 January 2020 and will automatically continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

Mr. Liu Zhigang, being the executive Director of the Company, has entered into a service contract with the Company for a specific term of three years commencing from 2 November 2020 and will automatically continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

Mr. Seah Han Leong has entered into a service contract ("Original Service Contract") with the Company for a specific term of three years commencing from 25 August 2014 which automatically continued thereafter. On 9 January 2020, Mr. Seah Han Leong was redesignated from an executive Director to a non-executive Director, and has entered into a new service contract with the Company for a specific term of three years commencing from 9 January 2020, which will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other. Accordingly, the Original Service Contract has been terminated with mutual consent.

Mr. Zhou Hai Ying, being a non-executive Director of the Company, has entered into a service contract with the Company for a specific term of three years commencing from 9 January 2020, and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors of the Company has entered into a service contract with the Company for a specific term of three years commencing from 25 August 2014 and will thereafter until terminated by not less than two months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

During the year ended 31 December 2020, none of the Directors have waived their emoluments in relation to their services respectively.

The above service contracts are subject to retirement by rotation and re-election at an annual general meeting at least once every three years in accordance with the Articles of Association.

Article 86(3) of the Articles of Association provides that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Mr. Liu Zhigang was appointed by the Board as an executive Director on 2 November 2020. Pursuant to Article 86(3) of the Articles of Association, Mr. Liu Zhigang shall retire and be eligible for re-election at the forthcoming AGM. Mr. Liu has offered himself for re-election at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

According to Article 87(1) of the Articles of Association, one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company. According to Article 87(2), the retiring Director shall be eligible for re-election.

In accordance with Article 87(1) and Article 87(2) of the Articles of Association, Mr. Seah Han Leong will retire from the office and will not stand for re-election at the forthcoming AGM, and Mr. Liu Tian Min shall retire by rotation at the AGM and, being eligible, will offer himself for re-election at the AGM.

Board Committees

The Board has established (i) audit committee; (ii) remuneration committee; (iii) nomination committee and (iv) risk management and regulatory compliance committee (previously known as “regulatory compliance committee”), with defined terms of reference. The terms of reference of the board committees which explain their respective role and the authority delegated to them by the Board are available on the website of the Company at <http://www.neo-neon.com> and the website of the Stock Exchange at www.hkexnews.hk. The board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance in appropriate circumstances, at the Company’s expenses.

Audit Committee

The Company established an audit committee with written terms of reference. The audit committee currently comprises of three members, being all independent non-executive Directors, Mr. Fan Ren Da Anthony, Mr. Liu Tian Min and Ms. Li Ming Qi. Ms. Li Ming Qi is the chairman of the audit committee. The primary duties of the audit committee are to make recommendation to the Board on the appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting, and oversee the internal control and risk management systems of the Company. Their composition and written terms of reference are in line with the Corporate Governance Code.

The Group’s unaudited interim results for the six months ended 30 June 2020 and the audited annual results for the year ended 31 December 2020, respectively have been reviewed by the audit committee, which was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made. The audit committee has also reviewed the accounting principles and practices adopted by the Group, and selection and appointment of the external auditors. In addition, the audit committee reviewed the risk management and internal control systems of the Group during the year ended 31 December 2020.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2020, 3 meetings were held by the audit committee. The individual record of each member of the audit committee at the meetings of the audit committee is set out below:

Name of Director	Attendance/Number of Committee Meeting(s)
Ms. Li Ming Qi	3/3
Mr. Fan Ren Da Anthony	3/3
Mr. Liu Tian Min	3/3

Remuneration Committee

The Company established a remuneration committee on with written terms of reference. The remuneration committee currently comprises of four members, namely, Mr. Gao Zhi, an executive Director, and three independent non-executive Directors, Mr. Fan Ren Da Anthony, Mr. Liu Tian Min and Ms. Li Ming Qi. Mr. Liu Tian Min was the chairman of the remuneration committee. The primary duties of the remuneration committee are to advise the Board on the Group's overall policy and structure for the remuneration of Directors and senior management, and ensures that no Director or any of his associate is involved in deciding his/her own remuneration. In addition, the remuneration committee is also responsible for determining, with delegated responsibility, the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments which include any compensation payable for loss or termination of their office or appointment. Their composition and written terms of reference are in line with the Corporate Governance Code.

During the year ended 31 December 2020, the remuneration committee reviewed the Group's remuneration policy and the remuneration package of the Directors and senior management for the year of 2020.

During the year ended 31 December 2020, 2 meetings were held by the remuneration committee. The individual record of each member of the remuneration committee at the meeting of the remuneration committee is set out below:

Name of Director	Attendance/Number of Committee Meeting(s)
Mr. Liu Tian Min	2/2
Mr. Gao Zhi (appointed on 9 January 2020)	2/2
Mr. Huang Yu (resigned on 9 January 2020)	0/2
Mr. Fan Ren Da Anthony	2/2
Ms. Li Ming Qi	2/2

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Company established a nomination committee on with written terms of reference. The nomination committee currently comprises of four members, namely, Mr. Gao Zhi, an executive Director and three independent non-executive Directors, Mr. Fan Ren Da Anthony, Mr. Liu Tian Min and Ms. Li Ming Qi. Mr. Gao Zhi is the chairman of the nomination committee. The primary duties of the nomination committee are to review the structure, size and composition of the Board on a regular basis and to recommend to the Board the suitable candidates for directors after consideration of the nominees' independence and quality in order to ensure the fairness and transparency of all nominations. In identifying suitable director candidates and making such recommendations to the Board, the nomination committee would also take into account various aspects of a candidate, including but not limited to his/her education background, professional experience, experience with the relevant industry and past directorships. Their composition and written terms of reference are in line with the Corporate Governance Code.

During the year ended 31 December 2020, the nomination committee mainly performed the following duties:

- recommended the nomination of the executive Director Mr. Liu Zhigang to the Board;
- reviewed the annual confirmation of independence submitted by the independent non-executive Directors and assessed their independence; and
- reviewed the structure, size and composition of the Board, during the year ended 31 December 2020.

During the year ended 31 December 2020, 2 meetings were held by the nomination committee. The individual record of each member of the nomination committee at the meeting of the nomination committee is set out below:

Name of Director	Attendance/Number of Committee Meeting(s)
Mr. Gao Zhi (appointed on 9 January 2020)	2/2
Mr. Huang Yu (resigned on 9 January 2020)	0/2
Mr. Liu Tian Min	2/2
Mr. Fan Ren Da Anthony	2/2
Ms. Li Ming Qi	2/2

Risk Management and Regulatory Compliance Committee

The Company established a risk management and regulatory compliance committee (previously known as "regulatory compliance committee") on with written terms of reference. The regulatory compliance committee currently comprises of seven members, being all Directors of the Company with Mr. Fan Ren Da Anthony acting as the chairman of the risk management and regulatory compliance committee. The primary duties of the risk management and regulatory compliance committee are to monitor the risk management system of the Company and compliance of the Company's existing or future business, and review and make recommendations on the compliance of applicable laws and regulations, including matters relating to the Listing Rules.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2020, the risk management and regulatory compliance committee regularly reported to the Board on any alleged frauds and non-compliances, internal control deficiencies or alleged violation of laws, regulations and rules. The risk management and regulatory compliance committee is authorised by the Board to seek relevant information from the management of the Company to achieve its objectives, duties and responsibilities, and all employees must cooperate to meet its needs.

During the year ended 31 December 2020, 1 meeting was held by the risk management and regulatory compliance committee.

Name of Director	Attendance/Number of Committee Meeting(s)
Mr. Gao Zhi (appointed on 9 January 2020)	1/1
Mr. Liu Zhigang (appointed on 2 November 2020)	0/1
Mr. Daniel P.W. Li (resigned on 30 September 2020)	1/1
Mr. Seah Han Leong	1/1
Mr. Huang Yu (resigned on 9 January 2020)	0/1
Mr. Wang Liang Hai (resigned on 9 January 2020)	0/1
Mr. Liu Wei Dong (resigned on 9 January 2020)	0/1
Mr. Fan Ren Da Anthony	1/1
Mr. Liu Tian Min	1/1
Ms. Li Ming Qi	1/1

Corporate Governance function

The Company's corporate governance functions are carried out by the Board which include: (a) to develop and review the Company's policies and practices on corporate governance; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report.

During the year ended 31 December 2020, the Board reviewed the compliance with the code provisions and the recommended best practices under the Corporate Governance Code and give considered reasons for any deviation.

Company Secretary

The secretary of the Company is Mr. Chow Hiu Tung, who was appointed on 11 May 2020. Mr. Chow has been informed of the requirement of the Rule 3.29 of the Listing Rules. Mr. Chow has informed the Company that he took more than 15 hours of training covering corporate governance and accounting matters. The Company considers that the training of the company secretary is in compliance with the requirements under Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

FINANCIAL REPORTING

The Board, supported by the chief financial officer and the finance department, is responsible for the preparation of the financial statements of the Company and the Group for each financial year which shall give a true and fair view of the financial position, performance and cash flow of the Company and its subsidiaries for that year. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The responsibilities of Ernst & Young, the Company's external auditors, on the financial statements are set out in the section headed "Independent Auditors' Report" in this annual report.

Auditor's Remuneration

The audit committee of the Board is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the authorised external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of the external auditors. The Company engages Ernst & Young as its external auditors. Details of the fees paid/payable to Ernst & Young for the year ended 31 December 2020 are as follows.

	RMB'000
Audit services	3,000
Non-audit services (<i>note</i>)	780
Total	3,780

Note: The non-audit services cover the review of unaudited interim financial information, agreed-upon procedures of results announcement and major transaction.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board recognises its overall responsibility for maintaining adequate systems of internal control and risk management of the Company and reviewing their effectiveness on an ongoing basis. The Board is committed to implementing an effective and sound internal control and risk management to safeguard the interest of Shareholders and the Company's assets. In addition, the audit committee also has the responsibility for reviewing and assessing the Group's risk management and internal control systems.

The Group's internal control and risk management systems are featured with a defined management structure with limits of authority and well-rounded policies and procedures, and are designed, in consideration of the nature of business as well as the organisation structure, to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks, and to safeguard assets of the Group. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT

During the year of 2020, the Company has adopted the following policies and procedures and taken the following measures to improve the risk management and internal control systems of the Group.

In a bid to further improve the establishment of the existing risk management and internal control system of the Company in relation to, among others, the business operation, finance and compliance, during the year of 2020, the Company took certain measures to identify, evaluate, and manage the significant risks associated with the achievement of its operational objectives. For example, the senior management of the Group reviewed and evaluated the internal control and risk management process, monitored any risk factors on a regular basis, and reported to the Board on any findings and measures taken to address such variances and identified risks. The Board, with the assistance of the senior management of the Company, also conducted regular surveys and on-site interviews with the senior management of the Group and business representatives of the suppliers and customers to check and monitor the potential risks associated with the business operation and financial management of the Group.

Meanwhile, with the assistance of the professional auditor, the audit committee supervised the Company's revenue and expenditure for the financial and economic activities, to further strengthen the functions of risk management, to ensure the effective implementation of risk management and internal control system and the Company's standardised operation and healthy development.

With the integration of the real situation of the Company and various applicable laws and regulations, the management of the Company can act in concert with such to develop solutions towards the risks, to organise the business operation systematically, and to monitor and mitigate possible risks. The Company also formulated and distributed certain internal policies to require all staff of the Group to comply with these internal risk management and internal control standards, and together build a regulatory environment of risk control and standardised operation. In addition, the Company has also established policies and procedures with clear segregation of duties applicable to certain operating units to ensure the effectiveness of risk management and internal controls. The day-to-day operation is also entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board or the audit committee. This process was in place throughout 2020 and is subject to continuous improvement.

The Board and management held its half-year and annual review of internal control and risk management as required under C.2.1 of the Corporate Governance Code. The audit committee meetings provided an opportunity for direct communication between audit committee members and the Company's management and internal audit manager. The Company regarded the annual audit committee meeting as an important event in which the chairman and all members of audit committee would make an effort to attend. External auditors were also invited to attend the Company's audit committee meetings and were also available to assist the Directors in addressing queries from external auditors relating to the conduct of the audit and the preparation and content of their auditor report. The Directors have also reviewed the need for an internal audit function and are of the view that it would be more cost effective to recruit professionals to perform internal audit functions for the Group. Currently an in-house internal audit function was set up within the Group to review its systems of internal controls and risk management annually.

The Company has also provided inside information training courses to the Directors and senior management of the Company to ensure that all relevant facts and circumstances that may have material effect on the share price of the Company is assessed in a timely manner and that any material information which comes to the knowledge of any one or more officers of the Group be promptly identified, assessed and, if appropriate, escalated for the attention of the Board to determine whether a disclosure is required.

CORPORATE GOVERNANCE REPORT

During the year of 2020, the Board, with the assistance of the audit committee, has conducted reviews of the risk management and internal control systems of the Company for twice and considered the risk management and internal control systems of the Company are adequate and being implemented effectively. Such review covered all material controls, financial, compliance and operational controls as well as risk management mechanisms.

The Board, with the assistance of the audit committee, has also reviewed and was satisfied with the adequacy of the Company's resources, the staff's qualifications and experience, the training courses and the related budgets in accounting, internal review and financial reporting functions.

INVESTOR AND SHAREHOLDER RELATIONS

The Company endeavors to continue maintaining a high level of transparency in communicating with Shareholders and the investment community at large. Briefings and meetings with institutional investors and analysts are conducted regularly. The Company is committed to maintain an open and effective investor communication policy and to update investors on relevant information on its business on a timely manner, subject to relevant regulatory requirements.

In order to ensure effective, clear and accurate communications with the investors and analysts, all corporate communications are arranged and handled by the chief financial officer of the Company.

Financial information and all shareholder corporate communications of the Company are made available on the Company's website at <http://www.neo-neon.com> and updated regularly on a timely basis.

The Board and management shall ensure Shareholders' right and all Shareholders are treated equitably and fairly.

The Company has announced its half-year and annual results in a timely manner, which is well before the time limits set out in the Listing Rules. Separate resolutions will be proposed at the general meetings on each substantially separate issue, including the re-election of individual Directors.

The annual general meeting will provide an opportunity for direct communication between the Board and the Company's Shareholders. The Company regards the annual general meeting as an important event in which the chairman and all Directors will make an effort to attend. External auditors shall also be invited to attend the Company's annual general meeting and are also available to assist the Directors in addressing queries from Shareholders relating to the conduct of the audit and the preparation and content of their auditor report. All Shareholders are given prior notice on timely basis together with a detailed agenda. The Board, according to the Listing Rules, will conduct voting at the forthcoming AGM by poll. The results of the Company will be declared at the meeting, and announced timely on the Stock Exchange's website and the Company's website.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an extraordinary general meeting and putting forward proposals at shareholders' meeting

Shareholder(s) 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 (the "Requisition") to the Board or the company secretary to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in the Requisition. The Requisition shall be deposited at the principal place of business in Hong Kong (15th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong). The extraordinary general meeting shall be held within two (2) months after the deposit of the Requisition. If within twenty-one (21) days of deposit of the Requisition, the Board fails to proceed to convene the extraordinary general 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.

Procedures by which enquiries may be put to the Board

Shareholders may put forward enquiries to the Board through Mr. Chow Hiu Tung or Mr. Gao Zhi who will direct the enquiries to the Board for handling. The contact details are as follows:

Address: 15th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong
Email: investors@neo-neon.com
Tel No.: (852) 2786 2133
Fax No.: (852) 2786 2479

FAMILY MEMBERS AND CLOSE PERSONAL RELATIONSHIPS

The Board recognises that talents, relevant experience and skills are the most important considerations in executive officers and staff selection. It is the Group's policy that job positions are filled by suitably qualified candidates selected through internal promotions or from the open market on the merits of qualification, experience, skills and achievements. No employee is hired on account of family or close personal connection to any Board member.

CONSTITUTIONAL DOCUMENTS

There has been no change in the Company's constitutional documents during the year ended 31 December 2020.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Basis of Preparation of This Report

Neo-Neon Holdings Limited (hereinafter referred to as “Neo-Neon”, the “Company”, “We”, “Us” or “Our”) is always committed to operating in a responsible and sustainable manner. To demonstrate our efforts in fulfilling our environmental, social and governance (“ESG”) responsibilities, we will articulate the environmental and social impacts associated with our business and our response to the impacts through this ESG Report.

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) in Appendix 27 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The contents disclosed comply with the “comply or explain” requirements under the ESG Guide. The contents and information disclosed in this Report are based on the internal records and documents of the Company.

Reporting Period and Scope

This Report presents the policies, performance and relevant key performance indicators (“KPI”) of Neo-Neon in respect of environmental, social and sustainable development from 1 January 2020 to 31 December 2020 (“Year 2020” or the “Year”). The scope of this Report covers the principal businesses of the Company, namely the lighting business and the business of the science park’s subsidiary disposed of at the end of 2020. As the securities business accounts for a small proportion in terms of revenue and has minimal ESG impact, the ESG data in relation thereto is not disclosed in this Report. We will constantly review our reporting scope based on business changes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG MANAGEMENT

ESG Governance Structure

We are committed to continuously improving the Company's performance in the area of corporate social responsibility to fulfill its social responsibility, and regard social responsibility management as an important part of daily operation management. In order to implement social responsibility management, we have established a comprehensive social responsibility management system in accordance with national labour regulations and SA8000 international standards.

The social responsibility management system of Neo-Neon is led by senior executives. We appoint senior executives as representatives of social responsibility managers to coordinate with various functional departments to actively guide the Company to fulfill its social responsibilities, which has also been extended to supply chain management. We have formulated the SA8000 Social Responsibility Management Manual ("Management Manual") to clarify the Company's social responsibility management system framework and code of conduct, and will update the Management Manual in due course in line with the development direction and strategies of the Company, so as to improve the environmental and social management of the Company.

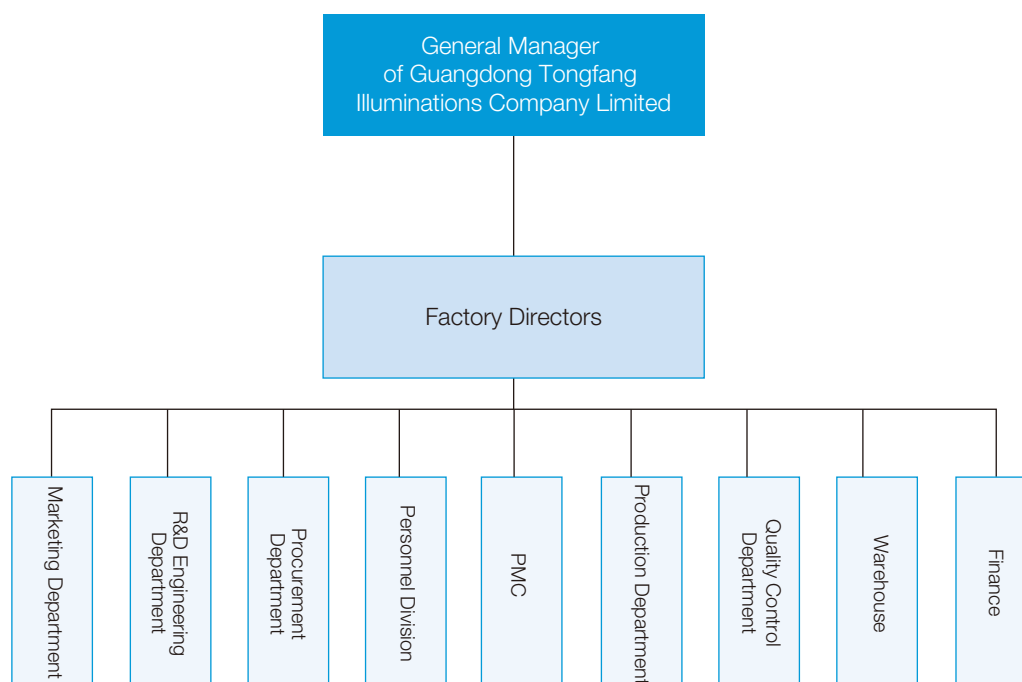


Chart 1-1 Company's Social Responsibility Management System Framework

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Engagement

In the process of striving for sustainable development, we attach great importance to the opinions of various stakeholders on the Company in the aspects of environmental, social and corporate governance. Through different channels, we maintain on-going communication with different stakeholders, seek their opinions and respond to their needs in a timely manner, and jointly build mutually supportive, mutually beneficial and friendly cooperative and win-win relationships, thereby continuously improving the Company's ability to perform its environmental and social responsibilities. Our key stakeholders include governments, shareholders and investors, customers, employees, partners and the communities in which we operate. Through an effective communication platform, we are committed to providing the stakeholders with our progress in the performance of our social responsibilities and obtaining feedback therefrom in this regard.

Stakeholders	Key Concerns	Communication Methods
Government	Compliance Pay Taxes According to Law Job Creation	Government-Enterprise Forum Work Report and Research
Shareholders and Investors	Steady Operation Open and Transparent Strict Risk Control	Shareholders General Meeting Company Announcement Investor Research Company Official Website
Suppliers/Subcontractors	Fair Procurement Win-Win Cooperation	Working Meeting Open Tender Industry Discussion
Customers	Product Quality Privacy Protection	Service Hotline Corporate Website
Employees	Rights Protection Training and Development Health and Safety	E-Mail Survey Performance Evaluation
Community	Community Development Charity	Community Activity Information Disclosure

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Materiality Assessment

We regularly review the results of the materiality assessment, in order to more truly reflect the environmental and social issues of interest to stakeholders, and keep the report in line with the Company's operating conditions. Based on the results of materiality analysis in the previous year, we reviewed the priority of ESG issues by benchmarking the sustainability reporting standards and based on the Company's business development. The specific process is as follows:



Chart 2 Review Process of Material ESG Issues of Neo-Neon

There was no major change in the principal lighting business during the Year, so the materiality matrix of ESG issues for the previous year is still applicable.



Chart 3 Materiality Matrix of ESG Issues of Neo-Neon

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PRODUCT RESPONSIBILITY

Product Quality and Safety and Recall Mechanism

For lighting products, product safety is an important factor. The Company has passed ISO9001 quality management system certification and has established a team responsible for product safety, quality and compliance supervision. Through rigorous quality assurance procedures, including quality control of raw and auxiliary materials, quality control of production process and inspection and reliability testing of products to be delivered, we ensure that the products meet all applicable safety and quality requirements.

In order to implement strict quality control, we have formulated the management systems such as Production Planning Procedures, Production and Service Provision Process Control Procedures and Product Prevention and Control Procedures to strictly control the quality of the products delivered from the dual perspectives of professionalism and customers.

The Company has established a sound product recall system, which comprises management control documents such as Product Hazard and Risk Management Procedures”, “Unqualified Product Control Program and Procedures for Non-compliance, Correction and Prevention Measures. For the products unqualified in respect of required functions or the content of hazardous materials, customers can return the products concerned to the factories for repair during the warranty period.

In 2020, there was no case where products that had been sold needed to be recalled for safety and health reasons.

Green and Innovative Products

Management and control of hazardous substances

Our export markets, such as the European Union, have extremely strict environmental and safety requirements for electronic equipment such as lighting products, therefore, we have formulated hazardous substance management procedures based on the European Union’s RoHS (Restriction of Hazardous Substances) directive and customer requirements, and conduct risk assessment on the chemicals and other hazardous substances used in the production process to ensure that products comply with regulations and customer requirements for hazardous substance management.

Energy conservation of products

In face of the growing demand for energy conservation and emission reduction in the society, we have put energy conservation as an important principle for product design, and are committed to developing more advanced, energy-efficient and environment-friendly products to meet customers’ demand for energy conservation.

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OPERATING PRACTICES

As one of the world's major lighting manufacturers, Neo-Neon always regards quality as the top priority. Through the joint efforts of different departments including the Marketing Department, R&D Engineering Department, Procurement Department, Production Department and Quality Control Department, we strictly control every part of our operations from raw material procurement to after-sales service to ensure the quality and safety of every product.

We also work closely with suppliers to optimise product quality management and continuously improve the sustainability of the supply chain. To ensure the efficient operation of the entire value chain, we adhere to the basic principles of “honesty, integrity and lawfulness” and fight against any kind of corruption.

Integrity and Sound Governance

Neo-Neon strictly abided by the Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on Banning Commercial Bribery and other regulations relating to anti-corruption. To prevent the illegal behaviors of bribery, blackmail, fraud and money laundering, we have formulated and executed the Anti-fraud Management System and the Policy for Fighting Corruption and Boosting Integrity to prevent corruptive behaviors from the source in a standardised way.

We fight against any kind of corruption, and publicly declare the Company's principles of fighting corruption and boosting integrity through the Fighting Corruption and Boosting Integrity Policy. Based on the policy, we encourage employees at all levels, suppliers, customers and other parties to report suspicious situations to the Company through established reporting procedures in a timely manner. Meanwhile, we clearly define the concept and form of fraud for the employees in the Anti-fraud Management System, clarify the responsibility of antifraud, and set up corresponding prevention and control measures. In order to strengthen the employees' anti-corruption awareness, we distribute anti-corruption learning materials to employees and require them to study carefully to strengthen their ability to identify suspicious behavior.

In 2020, there were no legal case regarding the corruption of Neo-Neon or its employees, nor there were any violation of relevant laws and regulations.

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Procurement Practices and Supplier Management

As an agent and an enterprise that produces illuminations as its main business, our business depends on the close cooperation with the suppliers in the supply chain. For this purpose, we have formulated and implemented the Procurement Control Procedures and Supplier Review Procedures under the framework of the SA8000 social responsibility management system to standardise the procurement process and ensure the quality of suppliers' raw materials and products. In accordance with the Procurement Control Procedures, we have effective control over the procurement process to ensure that the products we purchase meet the requirements. The head procurement office is responsible for managing the entire procurement operating system, including personnel management and supervision, maintenance of the procurement system, and the aggregation of related data. Each department and factory is assisted by the head procurement office in developing new materials or new suppliers, and is guided by them to evaluate and determine the suppliers.

The mechanism for selecting and reviewing suppliers is carried out in accordance with the Supplier Review Procedures, and new suppliers are subject to the approval by the Procurement Department in conjunction with the Quality Department, Engineering Department and other relevant departments. During the review, suppliers shall fill in the Supplier Quality System Questionnaire, Hazardous Substance Control System Questionnaire, Environmental and Occupational Health and Safety Questionnaire, Mandatory Product Inspection of Factory Quality Assurance Requirements Questionnaire and Quality Requirements Questionnaire of Social Responsibility Questionnaire for qualification screening. In addition, suppliers shall provide the Annual Quality Guarantee, HSF Product Commitment and HSF Product Testing Report to ensure their product quality management, environmental and health and safety management capabilities meet the requirements of relevant regulations and standards.

In order to encourage suppliers to continuously improve their performance of environmental and social responsibilities, we have formulated the Management Procedures for the Impact Imposed on the Environmental and OHS Behaviors of Related Parties, and require each raw material and service supplier to observe the necessary requirements on environmental protection and occupational health and safety according to the guidelines set forth in the procedures. Meanwhile, we organize the evaluation of related parties, education and trainings on environmental safety through the Equipment Department and Procurement Department, and different departments will impose corresponding impacts on the related parties according to the types of services they provide. For the related parties that need particular impact, the Equipment Department and Procurement Department organise relevant departments to track and inspect the environmental and OHS behaviors of such parties from time to time, and require the related parties that do not meet our requirements to make rectifications.

During the Year, we had a total of 471 suppliers, of which 46% were located in Guangdong Province, 15% were located in other provinces, and 39% were foreign suppliers.

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Protection of Intellectual Property

Intellectual property is one of the most valuable assets of Neo-Neon. While strengthening innovative research and development, Neo-Neon also attaches importance to the protection of our technological innovation achievements and brand-related intangible assets such as trademarks, patents and copyrights. For this purpose, the Company has formulated the Administrative Measures for Intellectual Property to guide the management of intellectual property and encourage employees to actively provide innovative opinions.

The Standard Patent Division applies for the unified registration, validity extension, information update and infringement prevention of the Company's intellectual properties. Through a standardised intellectual property management system, we have established specific procedures for the ownership, registration, management and maintenance of intellectual properties and the rewarding procedures for intellectual property inventions. In accordance with the Collection and Evaluation Procedures of Laws and Regulations, the Quality Department and the standards team, together with other relevant departments, make assessment on the compliance of laws and regulations that contain the provisions regarding intellectual property semiannually to continuously improve the management level of the Company in the aspect of intellectual property protection.

Customer Service and Rights Protection

We attach great importance to customers' service experience and satisfaction, and have formulated the Customer Satisfaction Measurement Procedure and the Procedure for Customer-Related Control, constantly improving the service quality and ensuring that users' opinions are timely replied and properly handled.

According to the Customer Satisfaction Measurement Procedure, the Marketing Department communicates with the customers and keep records of their complaints with reference to the Procedure for Customer-Related Control, the Quality Department will follow up and confirm the product quality and the customers' return application, and the Production Department will assist in the analysis and review of customers' complaints, and the formulation of the improvement and prevention measures. According to the requirements of the procedure, the Company shall respond to customers' comments within 24 hours, and reply in writing of effective improvement actions within 5 working days.

In 2020, Neo-Neon received 14 inquiries and complaints regarding products and services, decreased by 4 as compared to 2019.

Neo-Neon attaches great importance to the protection of customers' information and privacy, and has installed anti-virus and anti-malware programs in all the systems of the Company to prevent information leakage caused by network attack. Since we need to process and access customers' information in the course of business, we, with reference to the Cybersecurity Law of the People's Republic of China, formulated the Use of Computer, Internet and Mail Standards to regulate the staff's operation and usage of the customer information available in electronic systems. Meanwhile, the Company verified, stored and maintained the personal information provided by customers according to the Customer Property Control Procedures, so as to protect the personal information and privacy security of customers.

In 2020, there was no breach of customer privacy or leak of personal information.

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PEOPLE MANAGEMENT

We recognise that Neo-Neon's long-term success is inseparable from the employees' contributions. As such, we are committed to providing our employees with a vast space for career development and abundant development resources, respect the rights of employees, and continuously improve the remuneration and benefit protection of employees, to create a safe and pleasant working environment for employees.

Employees' Benefits and Rights

The Company believes that talents are the cornerstones for the sustainable development of a business. The Company has formulated salary, remuneration and benefit policies in accordance with the Labour Law of the People's Republic of China, the Social Security Law of the People's Republic of China and the SA8000 system, and proposed, in the Management Manual, the salary distribution principle of "comply with the laws, distribute according to work, provide equal pay for equal work, gradually improve and provide social insurance according to the laws".

The Company has always upheld a fair, just and transparent performance-based remuneration system, and continuously reviewed the competitiveness of the employees' remunerations. We attract and retain talents with favorable compensations and benefits, people-oriented management philosophy, equal and comprehensive evaluation and promotion system. The Staff Manual stipulates that the Company will adjust the salaries of the employees every year based on their performance and the results to ensure that the Company's salaries, compensations and benefits meet at least the requirements of local regulations and SA8000 standards. We actively create promotion and development opportunities for employees, and conduct monthly, quarterly, and annual assessment and evaluation of employees' capabilities and qualities in accordance with the relevant requirements on employee promotion, evaluation, and reward and punishment management in the Staff Manual to promote or downgrade employees to appropriate positions, and make salary adjustments according to the corresponding rank and other standards. In addition, the Company has specially formulated the Salary Management System for employee compensation to ensure the legal compliance of the Company in all aspects of salary distribution and payment.

We have established a comprehensive welfare system, providing employees with full-attendance bonuses and allowances, and paying overtime pay in accordance with the Overtime Management Procedures. Moreover, we continuously improve the working environment of our employees, the conditions of dormitories and canteens, and rest and recreation facilities. We regularly organise employees to participate in cultural and sports activities to strengthen staff cohesion and sense of belonging.

In order to protect employees' rights, we have provided clear guidance for each employment stage such as the recruitment and employment of employees, code of conduct of employees, termination of labour contracts in the Staff Manual, and ensure that the employees are well familiar with their rights and obligations. We advocate diversity and equal opportunities and oppose any form of discrimination. In the process of recruitment and promotion, candidates' abilities and job suitability are the main considerations, and will not be affected by their race, gender, age, marital status and other factors. For possible discriminatory behaviors, the Company has established a claim and complaint mechanism. For discriminatory behaviors, employees can directly complain to worker representatives, supervisors and general managers. When receiving a related complaint, we will appoint personnel other than the employees involved to investigate and take corrective action.

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As of 31 December 2020, the Company had a total of 832 employees, representing a decrease of 23.3% as compared to last year. The composition and turnover rate of the employees are shown in the following table:

Category		Number in 2020	Turnover Rate
By gender	Male employees	350	34%
	Female employees	482	22%
By age	Under 30	106	7%
	31-50	621	20%
	Over 51	105	101%
By employment type	Full-time employees	832	26%
	Contracted/non-official employees	0	N/A
By region	Southern China	164	54%
	Eastern China	28	10%
	Northern China	7	27%
	Central China	111	64%
	Overseas	522	0%
Overall turnover rate			26%

During the Year, the Company was not aware of any employee complaint regarding harassment (including sexual harassment), corporal punishment, abuse and inappropriate punishment measures, and there were no dispute over compensation payment.

Occupational Health and Safety

The Company is committed to providing employees with a safe and comfortable working environment, strictly abides by the Law of the People's Republic of China on Safe Production and refers to the OHSAS18001 and SA8000 standards to formulate safety and health policies and procedures to ensure the safety and the physical and mental health of employees.

Safe production

We are committed to ensuring safety in the production process, and set out in the Management Manual the goal of zero major industrial accident and 100% qualification rate of the on-job employees in safe production training each year.

According to the Company's OHS Operation Control Procedures, the management of occupational health and safety risk factors is performed by the Industrial Committee in collaboration with the Engineering Department, Equipment Department, Testing Center and various relevant departments. According to the Procedures for Hazard Identification, Risk Evaluation and Risk Control Planning, the Industrial Safety Committee and the Production Center and Quality Center are responsible for organizing hazard identification, risk evaluation and risk control planning. When a high-risk hazard is identified, we will list it as a major source of hazard for the Company and take improvement measures immediately. For the sources of hazard that temporarily cannot be improved, we will take corresponding safety precautions, allocate labour protection supplies, offer training to relevant operating personnel and work out corresponding operation instructions.

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In order to ensure safe production, we provide safe production courses for employees, and require all personnel engaged in special types of work such as boilers, pressure vessels, elevators, electric, lifting, welding, vehicle driving, flammables and explosives to participate in professional trainings on safety technologies. Such personnel need to pass the strict examinations by the competent national authority, and can only independently operate the related devices after obtaining a qualified operating certificate or related license. In addition, we also develop emergency response plans for potential dangers such as fires and natural disasters in accordance with the Emergency Preparation and Response Procedures to ensure rapid response in case of emergency.

During the Year, the Company had only one work-related injury accident, which was a traffic accident that happened to an employee on the way from work to home, resulting in a loss of 111 working days. The Company has conducted work injury certification with the Social Security Bureau in accordance with relevant regulations.

There was no major violation concerning occupational health and safety in the Year.

Occupational health

Employees are the cornerstone of our business, and we are committed to ensuring their work safety. To this end, we focus on monitoring our performance in occupational health and safety. According to the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, we have clarified in the Management Manual to take "providing employees with a safe and comfortable working and living environment" as the guideline, and established a management system based on the OHS Operation Control Procedures with reference to the standards of OHSAS18001 and SA8000 to ensure the physical and mental health of employees and to set the goal of zero occupational disease.

Based on the occupational health and safety policy, the Industrial Safety Committee is responsible for organizing various departments to set up occupational health and safety control points, checking the operation of each production environment, and providing labour protection supplies for employees in related positions. For the operation points that are prone to major accidents, we will organise the relevant departments to clearly identify the control points and monitor the related occupational health risks.

We provide employees with a comprehensive health examination mechanism, require personnel participating in specialised operations and workers exposed to toxic and hazardous substances to undergo regular health checks, and arrange for transfers if adverse health conditions are found in examinations. Employees found to have occupational diseases will be immediately reported to the government administration department as required by the Occupational Disease Management Ordinance, and the patients will receive special treatment until recovery or stability.

In order to ensure the consistent implementation of occupational health management, the Industrial Safety Committee checks the safety and health operation control of each department regularly according to the requirements of the OHS Performance Measurement and Monitoring Procedures. The Quality Department conducts a comprehensive inspection on the operation control of each department every three months, and records the inspection results in the Operation Control Monitoring Chart. In the event of non-compliance, relevant departments will follow the Procedures for Non-compliance, Correction and Prevention Measures.

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Case:

At the beginning of 2020, the unexpected COVID-19 pandemic brought great challenges to the implementation of the Company's work, and "promoting the resumption of work and production" was one of the important tasks. In this special period, it was particularly important to protect employees' health rights and care for their physical and mental health. We arranged occupational health checkup, distributed disinfection materials, medical masks, etc. for relevant employees, and tried our best to ensure the safety and hygiene of the workplace, so that employees could work in a safe and secure environment.

Employee Training and Development

The Company regards employees as important assets, and constantly promotes the continuous learning and development of the employees. We have incorporated a training chapter in the Staff Manual and formulated the Human Resource and Training Program Documentation, establishing training management regulations, system and mechanism in line with the strategic planning and business operation demand of the Company.

The Education and Training Center formulates the Annual Training Program according to the Job Descriptions prepared by the Human Resources Department every year, and provides relevant theoretical and practical trainings in respect of production, quality, administration, engineering technology and special types of work to on-job employees based on the functions of different departments. After training, all department heads will track and evaluate training results by theoretical examination, operation examination, performance appraisal and observation. In order to continuously improve the quality of training content, we will seek opinions and feedback on training from various departments at the end of each year to review the training program for the current year and formulate the training program for the next year.

Under the influence of COVID-19 pandemic, in 2020, a total of 21 employees of Neo-Neon attended training, with an aggregate of 336 training hours. The trainings covered finance, disclosures of listed companies, tax management capability, new accounting standards for enterprises and measurement-related knowledge, etc. The following are the training ratios and average training hours of the employees by gender:

Category of employees	Number of staff trained	Percentage of staff who received training	Total training hours (hour)	Average training hours of staff trained (hour)
Male employees	4	19%	64	16
Female employees	17	81%	272	16

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Avoidance of Child and Forced Labour

The Company attaches great importance to labour rights and interests, strictly abides by relevant laws and regulations, such as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and the Social Security Law of the People's Republic of China, as well as relevant international labour standards, and tolerates no incident of child labour and labour exploitation. Therefore, we always ensure that employees are age-appropriate for work and manage working hours in accordance with legal requirements. Employees must have the required legal permits to work in our facilities, and we will ensure that the same requirements are adopted and adhered to in the supply chain.

Under the guidance of the SA8000 social responsibility management standard system, we have formulated management systems such as the Child Labour Rescue Procedures, Labour and Business Ethics Risk Management Procedures and Non-obligatory Work Procedures to continuously improve employment compliance management. At the same time, we have clearly set out the goals of zero child labour and paying all employees on time in the Management Manual.

We formulate strict policies against child labour, juvenile labour and forced labour. Our facilities in China never hire anyone under the age of 16. According to the Policies and Procedures of Human Resources Department, job applicants need to submit identity documents for identity verification and age confirmation when filling out the Form of Job Application. For any possible employment-related violation, the Company has established the Child Labour Rescue Procedures, pursuant to which, if a child employee is identified, the Employee Relationship Team of the Human Resources Department would immediately terminate his or her job, settle the salary, and escort him or her back home. The procedures also require the Company to thoroughly investigate the violations and prevent such incidents from recurrence.

In order to avoid forced labour, the Company has set up the Labour and Business Ethics Risk Management Procedures based on the guidelines of the SA8000 standards. The Human Resources Department and the Production Department thoroughly evaluate the risk of illegal child labour and forced labour to ensure that no forced labour occurs in all employment links. Moreover, we have formulated the Non-obligatory Work Procedures, which "prohibits any form of forced labour, and guarantees personal freedom of our employees". In the event of any violation, the Company will immediately investigate the cause of the violation and compensate the relevant employee(s).

During the Year, the Company was not aware of any major violation concerning the employment of child labour or forced labour, and achieved the annual management goals of zero child labour and timely salary payment.

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ENVIRONMENTAL RESPONSIBILITIES

Sustainable development is an integral part of our business operations. We actively manage the consumption of fuel and water resources, and monitor our greenhouse gas emissions and waste generation throughout our operations. As one of the largest lighting manufacturers in the world, our goal is to minimise environmental impact through responsible procurement, innovative application of materials, long-term product planning, manufacturing, research and development.

The Company strictly complies with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and other relevant regulations.

To actively manage the environmental performance of the Group, the environmental management system of the Group refers to the requirements of the ISO14001 environmental management system, and various environment-related policies and procedures have been implemented at the same time, including Waste Water and Waste Gas Emission and Noise Control Management Procedures and Resource and Energy Saving Control Procedures. We actively set the purposes and goals of environmental management to meet the keen expectation of the customers while ensuring the compliance of our operations with local laws and regulations.

During the Year, our business operations did not cause any major pollution and damage to the surrounding air, land, water sources and ecological environment, and the Group was not aware of any major violation regarding environmental protection.

Unless otherwise stated, the data in this section covers the Group's lighting manufacturing plant in Heshan, Guangdong and the USA lighting segment. The numbers stated in this chapter may not add up to totals or 100% due to rounding.

Use of Resources

Energy conservation and consumption reduction

In view of the urgent needs to reduce greenhouse gas emissions worldwide and mitigate the impact of and adapt to climate changes, Neo-Neon has been committed to improving efficiency from the aspect of plant production and reducing greenhouse gas emissions by reducing energy consumption. The Environmental Operation Control Procedures and Resources and Energy Conservation Control Procedures of the Company clearly specify the goals and management plans for energy conservation. We are also committed to seeking room for improvement and set the goal of "reducing electricity consumption by 8% within the Year".

Neo-Neon's measures for energy management:

- carrying out publicity and education on energy conservation, enabling managers and employees to be aware that saving electricity is a collective behavior
- continuously monitoring power consumption of facilities such as offices, factories and living areas
- recommending monitoring and implementing electricity saving measures and improving process operation methods
- summarizing power consumption and analyzing the effect of the measures on a monthly basis

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In 2020, our total power consumption was 4,942,593 kWh, representing a decrease of 10.2% compared to last year, which was mainly due to the demolition of the living area in Heshan plant and the reduction of office staff during the Year. We will continuously review the energy performance of all facilities and seek opportunities to reduce energy consumption.

		Power consuming facilities	Unit	2020	2019
Total amount	PRC lighting segment	Office	kWh	351,854	750,868
		Living area		22,070	182,505
		Factory		3,962,415	3,996,877
		Subtotal		4,336,339	4,930,250
	USA lighting segment	Office	kWh	525,690	501,033
		Factory		80,564	75,286
		Subtotal		606,254	576,319
		Total	kWh	4,942,593	5,506,569
Intensity		Total	MWh/billion revenue	5,637.5	6,544.9

Use of packaging materials

In order to ensure the quality and appearance of the products delivered, the Group's products need to be protected with different types of packaging materials during transportation, mainly including cardboard boxes, plastic bags and EPE. We exert strict control over the amount of the packaging materials used. The R&D department will consider the consumption of packaging materials in the product design process, and, under the premise of ensuring quality, will reduce the consumption of packaging materials as much as possible to reduce unnecessary waste. For unavoidable packaging waste, we implement the following recycling measures:

- For the waste that is directly recyclable, such as waste cardboard boxes and scrap metal, the head procurement office will periodically notify the designated recycling unit for recycling, and that cannot be recycled will be disposed of by the local environmental sanitation authority in a non-hazardous manner.

In Year 2020, the total amount of packaging materials consumed by the Group was 144.3 tonnes, representing a decrease of 1.4% compared to last year. We continued to actively search for packages and packaging materials that are friendly to the environment.

		Type of packaging materials	Unit	2020	2019
Total amount	PRC lighting segment	Cardboard boxes	tonne	93.9	96.9
		Plastic bags		2.7	3.0
		Expandable polyethylene (EPE)		0.006	0.1
		Subtotal		96.6	100.0
	USA lighting segment	Cardboard boxes	tonne	46.1	40.6
		Plastic bags		1.6	1.7
		Subtotal		47.7	42.3
		Total	tonne	144.3	142.3
Intensity		Total	tonne/billion revenue	164.6	169.1

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Waste Discharge Management

Waste management

The Group focuses on reducing material consumption and waste generated during its operation. One of our key goals in the environmental management system is to reduce waste. We will adopt corresponding methods to dispose of hazardous and general waste in accordance with local laws and regulations. In order to implement more effective management and control on waste disposal, the Group's Environmental Operation Control Procedures clearly set out the methods to dispose of different types of waste. When it is unavoidable to generate waste, we will ensure to recycle the waste or follow responsible disposal procedures to reduce the impact of the waste on the environment.

Hazardous waste

According to the Group's Hazardous Waste Management Regulations, each department must place the waste in the prescribed locations, and the head procurement office will classify and arrange for disposal in a unified manner, and commission qualified units with resources to handle and dispose of the hazardous waste in accordance with the regulations. At the same time, we continued to strengthen the separate collection and disposal of hazardous waste, and set the goal of "handling hazardous waste in 100% compliance with laws and regulations" during the Year. To this end, we trained relevant personnel to strengthen 100% classification, collection and management of solid waste; strictly implemented the Waste Control Procedures and the Hazardous Chemicals Control Procedures to ensure that the treatment of hazardous waste meets legal requirements, and established storage areas for centralized storage of hazardous waste.

We generated 906.8 kg of hazardous waste in Year 2020. The hazardous waste includes waste engine oil, wipes for waste engine oil and toner cartridges, and the non-hazardous waste is mainly domestic garbage.

General waste

The general waste generated by the Group is mainly domestic waste, mainly including the kitchen waste from the canteen and the domestic waste generated by various departments. In order to improve the waste management procedures and continuously strengthen the completeness of the report, the domestic waste data covers that of the Group's USA lighting segment, which generated a total of 11,310 kg of domestic waste during the period. The domestic waste generated by various departments is collected daily by full-time cleaners into domestic garbage bins, which will then be transported by the local sanitation station at specified times to a local garbage transfer station for non-hazardous treatment.

In order to reduce the kitchen waste from the source, we strengthened procurement management to avoid waste caused by excessive purchase of food ingredients. In addition, in order to reduce the general waste generated by the office, we set up facilities and places for recycling recyclable waste such as waste paper, and suggest employees to replace disposable supplies with reusable products, promote awareness of conservation and encourage recycling.

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Greenhouse gas emission

In response to global climate change, China set a carbon emission peak goal for 2030 and a carbon neutrality goal for 2060 in September 2020. The work to deal with climate change and level of green development of an enterprise will do constitute the core competitiveness of the enterprise and affect its future development.

The Group supplies products to companies in more than 45 countries and purchases raw materials from suppliers in 4 countries. Once the transportation and logistics network is interrupted due to extreme weather, our daily business will be materially affected. Therefore, we must plan ahead, develop flexible and efficient contingency measures and get fully prepared for this foreseeable challenge.

The greenhouse gas emissions in the Group's business operations are mainly generated from energy consumption in office, transportation and production processes. For business units of which the data is available, the greenhouse gas emissions of Scope 1 and Scope 2 are reported as follows: Scope 1 emissions are from consumption of natural gas and fuels, and Scope 2 emissions are indirectly caused by purchased electricity. We continue to exert efforts to extend the disclosure of information on greenhouse gas (GHG) emissions.

In 2020, the total greenhouse gas emissions produced by Neo-Neon were 2,820.35 metric tonnes of carbon dioxide equivalent, representing a decline of approximately 11.2% as compared to last year. However, we believe that there is still room for potential emission reduction, and we will continue to increase efforts to implement carbon reduction policies in the future.

	Greenhouse gas ¹	Unit	2020	2019
Total amount	Scope 1 ²	tonne CO ₂ e	106.0	169.5
	Scope 2 ³		2,714.3	3,006.2
	Total		2,820.3	3,175.7
Intensity	Scope 1	tonne CO ₂ e/billion revenue	120.9	201.5
	Scope 2		3,096.0	3,573.1
	Total		3,216.9	3,774.5

¹ Greenhouse gas emissions are calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition) issued by the Electrical and Mechanical Services Department and the Environmental Protection Department.

² The data on greenhouse gas in Scope 1 this year has been extended to cover the diesel consumption of forklifts and commercial trucks.

³ The emission factor of purchased electricity in Scope 2 refers to the Average Carbon Dioxide Emission Factors of China Regional Power Grid in 2012 issued by the Development and Reform Commission of the People's Republic of China and the emission factor recently issued by the U.S. Environmental Protection Agency.

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Air emission

The Group's main sources of waste gas emission are a small amount of inorganic dust and exhaust generated during the production processes such as molding and welding, and the exhaust emitted by business vehicles. We regularly maintain exhaust treatment facilities and regularly monitor to ensure that dust and exhaust meet the emission standards.

Although the total amount of exhaust emitted by the Group's automobiles is not high, the Group fully understands that automobile exhaust is one of the main causes of air pollution problems, and reducing automobile exhaust emission is an effective way to improve air quality. In recent years, we have gradually phased out the vehicles with high exhaust emissions and low fuel efficiency. At present, all vehicles of the Company are subject to annual tests such as exhaust emission tests, and only those with satisfactory test results are put into operation. The emission amount for the Year is as follows:

Emissions	Unit	Total amount in 2020 ⁴
Nitrogen dioxide	g	6,859
Sulfur dioxide	g	139
Particulate Matter	g	505

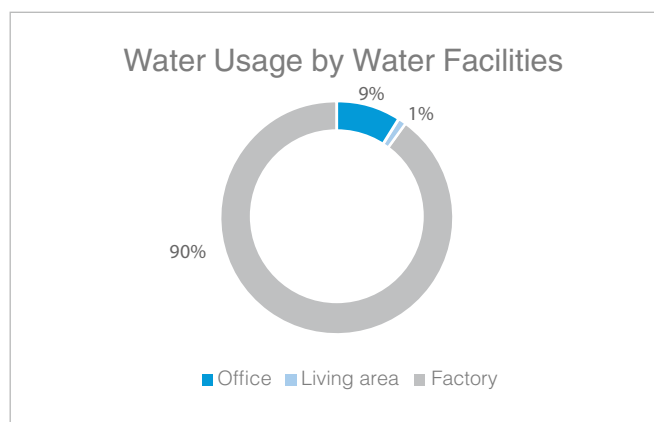
Water Management

Our operations do not involve the use of a lot of water, and our main businesses are not located in water-stressed areas. Nevertheless, the Group adopts a responsible attitude towards water resource management, seeking to maximize efficiency and reduce waste. Therefore, when formulating the Resources and Energy Conservation Control Procedures, we also took into account water conservation and set a goal of "reducing water consumption by 10%" during the Year. To this end, we strengthened publicity to enable the managers and operators to understand the needs of water conservation, including encouraging to replace disposable water bottles with reusable water bottles, and constantly seeking to improve the water resource management of existing facilities.

⁴ Including the business vehicles of the PRC lighting segment and USA lighting segment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In Year 2020, our water consumption was 101,418 cubic meters, representing a decrease of 37.3% as compared to last year. The main reason for such decrease was that the buildings in the living area were demolished during the Year. We use water mainly for sanitary purpose and the rest in the production process.



The wastewater discharged by our facilities is mainly sanitary wastewater from employees. A total of 50,250 cubic meters of domestic wastewater was generated during the Year. Such wastewater will be discharged into the municipal pipe network after three-stage pretreatment when meeting the standards.

In order to ensure up-to-standard discharge of sewage and reduction of environmental pollution, the Group has established a wastewater treatment system in its factory, and regularly maintains and repairs the wastewater treatment facilities. The Company's sewage discharge indicators are monitored by Heshan Environmental Protection Monitoring Station on a quarterly basis. In case of non-compliance, the monitoring frequency will be increased after rectification to prove the performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

COMMUNITY INVESTMENT

Since its inception, Neo-Neon has always regarded paying back to the society as an inescapable responsibility and obligation. We actively hire local workers to identify the needs of local communities, such as carrying out related activities in the areas including poverty alleviation, education support, environmental protection and public health at the community, to help the community improve and promote its education, infrastructure and public health to benefit the local people. The Company donated RMB60,000 throughout Year 2020.

Case: Support for Control and Prevention of COVID-19 Pandemic at Hengshan City

The COVID-19 outbreak since early 2020 has brought serious impact on the world. To support Heshan City in fighting the COVID-19 pandemic, Guangdong Tongfang Science Park Company Limited donated RMB50,000 to Heshan City Charity Federation in February 2020 to support Heshan City's pandemic prevention and control work.

Case: Caring-for-the-Elderly Activity at Double Ninth Festival

In October 2020, Guangdong Tongfang Science Park Company Limited participated in the Caring-for-the-Elderly activity organized by Gonghe Tiegang Neighborhood Committee at the Double Ninth Festival, and donated RMB10,000 to express its care and respect for the elderly in the community.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INDEX TO THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HONG KONG STOCK EXCHANGE

AREA		SECTION/REMARKS
A ENVIRONMENTAL		
ASPECT A1 EMISSIONS	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ENVIRONMENTAL RESPONSIBILITIES
KPI A1.1	The types of emissions and respective emissions data.	Waste Discharge Management
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Discharge Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Discharge Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Discharge Management
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Waste Discharge Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Discharge Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

AREA		SECTION/REMARKS
ASPECT A2 USE OF RESOURCES	General Disclosure	Use of Resources
	Policies on the efficient use of resources, including energy, water and other raw materials.	
	KPI A2.1	Use of Resources
	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh) and intensity (e.g. per unit of production volume, per facility).	
	KPI A2.2	Waste Discharge Management
	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
ASPECT A3 THE ENVIRONMENT AND NATURAL RESOURCES	KPI A2.3	Use of Resources
	Description of energy use efficiency initiatives and results achieved.	
	KPI A2.4	Waste Discharge Management
	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	
	KPI A2.5	Use of Resources
	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	
ASPECT A3 THE ENVIRONMENT AND NATURAL RESOURCES	General Disclosure	Green and Innovative Products
	Policies on minimising the issuer's significant impact on the environment and natural resources.	
ASPECT A3 THE ENVIRONMENT AND NATURAL RESOURCES	KPI A3.1	Green and Innovative Products
	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

AREA		SECTION/REMARKS
B SOCIAL		
EMPLOYMENT AND LABOUR PRACTICES		
ASPECT B1 EMPLOYMENT	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	PEOPLE MANAGEMENT
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employees' Benefits and Rights
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employees' Benefits and Rights
ASPECT B2 HEALTH AND SAFETY	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	During this financial year, the Group had no work-related fatalities.
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

AREA		SECTION/REMARKS
ASPECT B3 DEVELOPMENT AND TRAINING	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Training and Development
ASPECT B4 LABOUR STANDARDS	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Avoidance of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Avoidance of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Avoidance of Child and Forced Labour
OPERATING PRACTICES		
ASPECT B5 SUPPLY CHAIN MANAGEMENT	General Disclosure Policies on managing environmental and social risks of the supply chain.	OPERATING PRACTICES
KPI B5.1	Number of suppliers by geographical region.	Procurement Practices and Supplier Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Procurement Practices and Supplier Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

AREA		SECTION/REMARKS
ASPECT B6 PRODUCT RESPONSIBILITY	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	PRODUCT RESPONSIBILITY
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality and Safety and Recall Mechanism
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Service and Rights Protection
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality and Safety and Recall Mechanism
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customer Service and Rights Protection
ASPECT B7 ANTI-CORRUPTION	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Integrity and Sound Governance
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Integrity and Sound Governance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Integrity and Sound Governance

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

AREA		SECTION/REMARKS
COMMUNITY		
ASPECT B8 COMMUNITY INVESTMENT	General Disclosure 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.	COMMUNITY INVESTMENT
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	COMMUNITY INVESTMENT
KPI B8.2	Resources contributed (e.g. funds or time) to the focus area.	COMMUNITY INVESTMENT

INDEPENDENT AUDITOR'S REPORT



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To the shareholders of Neo-Neon Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Neo-Neon Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 76 to 187, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of 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 are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

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

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<i>Impairment allowance of trade and bills receivables and loan receivables</i>	
As at 31 December 2020, trade and bills receivables amounted to RMB128.1 million and loan receivables amounted to RMB159.6 million, representing 12.8% of total assets. Significant management judgement and estimation are required in assessing the expected credit losses ("ECL") for the trade and bills receivables and loan receivables. In developing the ECL methodology, the Group is required to consider reasonable and supportable information including ageing of the balance, existence of disputes and recent historical payment patterns in order to determine an unbiased estimate. Significant judgement is also required to adjust the loss rate for forecast economic conditions. The significant accounting judgements and estimates and disclosure of the balances of trade and bills receivables and loan receivables are included in notes 3, 20 and 22 to the consolidated financial statements.	In evaluating management's estimation of impairment allowance, our procedures included: • Tested on a sample basis the accuracy of the ageing information of the Group's trade and bills receivables balances and obtained confirmations for selected trade and bills receivables and loan receivables on a sample basis; • Obtained an understanding of the controls over the approval, recording and monitoring of the trade and bills receivables and loan receivables and assessed such controls; • Engaged our internal valuation expert to review management's ECL calculation model and test the underlying information including ageing information generated by the Group's financial reporting system, probability of default and loss given default published by rating agencies as well as the forward-looking factors with reference to the related publicly available information; • Evaluated on the sample basis the reasonableness of loss rate assigned to individual debtors given the information available to the Group over the credibility of these debtors such as their repayment history; and • Assessed the adequacy of disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

How our audit addressed the key audit matter

Goodwill impairment assessment on cash-generating units ("CGUs")

As at 31 December 2020, the Group had goodwill at a carrying amount of RMB187.2 million. Management of the Group determines the recoverable amounts of each of the CGUs to which the goodwill is allocated with the assistance of independent external valuer.

The impairment assessment of goodwill is significant to our audit due to (i) the significance of the carrying amount as at 31 December 2020; and (ii) the determination of the recoverable amounts of each CGUs to which the goodwill is allocated requires significant management's judgements and estimates.

The significant accounting judgements and estimates and the disclosure of the balance of goodwill are included in notes 3 and 16 to the consolidated financial statements.

In evaluating management's impairment assessment of goodwill, our procedures included:

- Engaged our internal valuation expert to evaluate the appropriateness of the methodologies adopted by management and the discount rates applied;
- Evaluated the external valuer's objectivity, competence and independence;
- Reviewed the key assumptions based on our knowledge of the Group's business and industry trend and by benchmarking against independent data;
- Tested a selection of data inputs underpinning the cash flow forecasts against appropriate supporting evidences, such as historical or market available information, to assess their accuracy and reliability; and
- Assessed the adequacy of disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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, actions taken to eliminate threats or safeguards applied.

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 Mr. Leung Chi Kit.

Ernst & Young

Certified Public Accountants
Hong Kong

25 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
REVENUE	5	876,738	841,349
Cost of sales		(594,592)	(557,591)
Gross profit		282,146	283,758
Other income, gains and losses, net	5	23,422	87,140
Impairment losses on financial assets, net	6	(24,123)	(259)
Selling and distribution expenses		(168,875)	(161,396)
Administrative expenses		(154,121)	(172,979)
Finance costs	7	(25,264)	(29,335)
(LOSS)/PROFIT BEFORE TAX	6	(66,815)	6,929
Income tax credit/(expense)	10	39,377	(29,458)
LOSS FOR THE YEAR		(27,438)	(22,529)
Attributable to:			
Owners of the parent		(28,228)	(22,897)
Non-controlling interests		790	368
		(27,438)	(22,529)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	12	RMB(1.35) cents	RMB(1.09) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 RMB'000	2019 RMB'000
LOSS FOR THE YEAR	(27,438)	(22,529)
OTHER COMPREHENSIVE INCOME/(LOSS):		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	45,809	(15,437)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	45,809	(15,437)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(404)	(220)
Surplus on revaluation upon transfer of right-of-use assets to investment properties	352	3,622
Income tax effect	(88)	(724)
	264	2,898
Surplus on revaluation upon transfer of property, plant and equipment to investment properties	2,820	32,447
Income tax effect	(705)	(6,489)
	2,115	25,958
Exchange differences:		
Exchange differences on translation of the Company	(90,922)	33,032
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	(88,947)	61,668
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	(43,138)	46,231
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	(70,576)	23,702
Attributable to:		
Owners of the parent	(71,713)	23,213
Non-controlling interests	1,137	489
	(70,576)	23,702

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	48,130	82,405
Investment properties	14	74,441	873,891
Right-of-use assets	15(a)	33,238	24,597
Goodwill	16	187,181	220,978
Other intangible assets	17	35,691	44,064
Equity investments designated at fair value through other comprehensive income	18	–	404
Prepayments and other assets	21	1,364	5,096
Financial assets at fair value through profit or loss	23	134,299	113,458
Deferred tax assets	30	11,980	4,127
Total non-current assets		526,324	1,369,020
CURRENT ASSETS			
Inventories	19	160,170	156,684
Trade and bills receivables	20	128,138	97,409
Loan receivables	22	159,579	302,648
Prepayments, other receivables and other assets	21	810,670	119,555
Financial assets at fair value through profit or loss	23	43,253	156,097
Cash held on behalf of clients	24	2,646	4,322
Cash and cash equivalents	24	408,485	256,938
		1,712,941	1,093,653
Non-current assets classified as held for sale	25	–	32,076
Total current assets		1,712,941	1,125,729
CURRENT LIABILITIES			
Trade payables	26	90,784	71,484
Other payables and accruals	27	58,970	60,008
Interest-bearing bank borrowings	28	80,518	141,135
Lease liabilities	15(b)	7,586	9,957
Tax payable		20,528	9,232
Provision	29	6,259	12,316
Contingent consideration payable	34	23,516	27,800
Total current liabilities		288,161	331,932
NET CURRENT ASSETS		1,424,780	793,797
TOTAL ASSETS LESS CURRENT LIABILITIES		1,951,104	2,162,817

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
NON-CURRENT LIABILITIES			
Government grants		383	2,250
Lease liabilities	15(b)	13,242	905
Interest-bearing bank borrowings	28	10,596	–
Deferred tax liabilities	30	10,987	74,277
Loan from the ultimate holding company	39(c)	254,619	353,706
Total non-current liabilities		289,827	431,138
Net assets		1,661,277	1,731,679
EQUITY			
Equity attributable to owners of the parent			
Issued capital	31	185,676	185,676
Reserves	33	1,470,242	1,541,781
		1,655,918	1,727,457
Non-controlling interests		5,359	4,222
Total equity		1,661,277	1,731,679

Gao Zhi

Director

Liu Zhigang

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the parent															Non-controlling interests	Total equity
	Share capital RMB '000 (note 31)	Treasury shares RMB '000	Share premium RMB '000 (note 33)	Capital redemption reserve RMB '000 (note 33)	Special reserve RMB '000 (note 33)	Share compensation reserve RMB '000 (note 33)	Share option reserve RMB '000 (note 32)	Exchange fluctuation reserve RMB '000 (note 33)	Fair value reserve of financial assets at fair value through other comprehensive income RMB '000 (note 33)	Asset revaluation reserve RMB '000 (note 33)	Other reserve RMB '000 (note 33)	Accumulated losses RMB '000	Total RMB '000				
At 1 January 2020	185,676	(19)	2,415,147	2,146	55,238	50,024	6,374	(246,217)	(2,748)	143,101	(9,100)	(872,165)	1,727,457	4,222	1,731,679		
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	(28,228)	(28,228)	790	(27,438)		
Other comprehensive income/(loss) for the year:																	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	45,462	-	-	-	-	45,462	347	45,809		
Exchange differences on translation of the Company	-	-	-	-	-	-	-	(90,922)	-	-	-	-	(90,922)	-	(90,922)		
Changes in fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(404)	-	-	-	(404)	-	(404)		
Surplus on revaluation upon transfer of right-of-use assets to investment properties, net of tax	-	-	-	-	-	-	-	-	-	264	-	-	264	-	264		
Surplus on revaluation upon transfer of property, plant and equipment to investment properties, net of tax	-	-	-	-	-	-	-	-	-	2,115	-	-	2,115	-	2,115		
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	-	(45,460)	(404)	2,379	-	(28,228)	(71,713)	1,137	(70,576)		
Equity-settled share option arrangements	-	-	-	-	-	-	174	-	-	-	-	-	174	-	174		
Transfer of share option reserve upon the forfeiture or expiry of share options	-	-	-	-	-	-	(4,298)	-	-	-	-	4,298	-	-	-		
Transfer of fair value reserve upon disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	2,733	-	-	(2,733)	-	-	-		
Transfer of asset revaluation reserve upon disposal of investment properties	-	-	-	-	-	-	-	-	-	(114,245)	-	114,245	-	-	-		
At 31 December 2020	185,676	(19)*	2,415,147*	2,146*	55,238*	50,024*	2,250*	(291,677)*	(419)*	31,235*	(9,100)*	(784,583)*	1,655,918	5,359	1,661,277		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the parent															Non-controlling interests	Total equity
	Share capital RMB'000 (note 31)	Treasury shares RMB'000	Share premium RMB'000 (note 33)	Capital redemption reserve RMB'000 (note 33)	Special reserve RMB'000 (note 33)	Share compensation reserve RMB'000 (note 33)	Share option reserve RMB'000 (note 32)	Exchange fluctuation reserve RMB'000 (note 33)	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000 (note 33)	Asset revaluation reserve RMB'000 (note 33)	Other reserve RMB'000 (note 33)	Accumulated losses RMB'000	Total RMB'000				
At 1 January 2019	185,676	-	2,415,147	2,146	55,238	50,024	7,438	(263,691)	(2,528)	114,245	(9,100)	(850,777)	1,703,818	2,982	1,706,800		
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	(22,897)	(22,897)	368	(22,529)		
Other comprehensive income/(loss) for the year:																	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(15,558)	-	-	-	-	(15,558)	121	(15,437)		
Exchange differences on translation of the Company	-	-	-	-	-	-	-	33,032	-	-	-	-	33,032	-	33,032		
Changes in fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(220)	-	-	-	(220)	-	(220)		
Surplus on revaluation upon transfer of right-of-use assets to investment properties, net of tax	-	-	-	-	-	-	-	-	-	2,898	-	-	2,898	-	2,898		
Surplus on revaluation upon transfer of property, plant and equipment to investment properties, net of tax	-	-	-	-	-	-	-	-	-	25,958	-	-	25,958	-	25,958		
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	-	17,474	(220)	28,856	-	(22,897)	23,213	489	23,702		
Share repurchase	-	(19)	-	-	-	-	-	-	-	-	-	-	(19)	-	(19)		
Equity-settled share option arrangements	-	-	-	-	-	-	445	-	-	-	-	-	445	-	445		
Transfer of share option reserve upon the forfeiture or expiry of share options	-	-	-	-	-	-	(1,509)	-	-	-	-	1,509	-	-	-		
Acquisition of a subsidiary (note 34)	-	-	-	-	-	-	-	-	-	-	-	-	-	751	751		
At 31 December 2019	185,676	(19)*	2,415,147*	2,146*	55,238*	50,024*	6,374*	(246,217)*	(2,748)*	143,101*	(9,100)*	(872,165)*	1,727,457	4,222	1,731,679		

* These reserve accounts comprise the consolidated reserves of RMB1,470,242,000 (2019: RMB1,541,781,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(66,815)	6,929
Adjustments for:			
Finance costs	7	25,264	29,335
Bank interest income	5	(1,777)	(1,522)
Other interest income	5	(1,683)	(1,674)
Interest income recognised for money lending business	5	(19,298)	(25,887)
Gain on disposal of subsidiaries	5	(10,090)	–
Depreciation of property, plant and equipment	6	15,142	14,362
Depreciation of right-of-use assets	6	15,148	16,394
Amortisation of other intangible assets	6	3,481	3,564
Amortisation of deferred development costs	6	6,742	4,833
Government grants	5	(4,651)	(4,543)
Changes in fair value of investment properties	5	41,165	(60,021)
Change in fair value of contingent consideration payable	5	(2,486)	(23)
Fair value (gains)/losses of financial assets at fair value through profit or loss, net	5	(43,643)	15,431
Dividend income from financial assets at fair value through profit or loss	5	(10,179)	(9,054)
Loss/(gain) on disposal of items of property, plant and equipment, net	5	252	(5,179)
Gains on disposal of non-current assets classified as held for sale	5	(9,825)	–
Write-down of inventories to net realisable value	6	32,069	22,736
Impairment losses on financial assets	6	24,123	259
Impairment loss on goodwill	5	21,736	–
Impairment loss on property, plant and equipment	5	4,838	–
Equity-settled share option expenses	6	174	445
		19,687	6,385
(Increase)/decrease in inventories		(35,555)	34,068
(Increase)/decrease in trade and bills receivables		(40,720)	39,370
Decrease in loan receivables		116,497	6,319
Decrease/(increase) in prepayments, other receivables and other assets		16,632	(5,735)
Decrease/(increase) in cash held on behalf of clients		1,676	(266)
Increase/(decrease) in trade payables		19,300	(36,484)
Increase/(decrease) in other payables and accruals		3,646	(6,814)
(Decrease)/increase in provision		(6,057)	2,770
Cash generated from operations		95,106	39,613
Interest income received from money lending business		31,436	18,075
Interest paid		(857)	(1,137)
Hong Kong profits tax (paid)/refunded		(495)	3,807
Overseas taxes paid		(11,097)	(3,461)
Net cash flows from operating activities		114,093	56,897

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank interest received		1,777	1,522
Other interest received		1,683	1,674
Purchase of items of property, plant and equipment		(14,542)	(7,760)
Proceeds from disposal of items of property, plant and equipment		1,216	6,362
Additions to other intangible assets		(7,368)	(6,939)
Purchase of financial assets at fair value through profit or loss		–	(8,306)
Proceeds from disposal of financial assets at fair value through profit or loss		83,089	60,063
Proceed from disposal of a financial asset at fair value through other comprehensive income		–	600
Proceeds from disposal of non-current asset classified as held for sale		41,901	–
Acquisition of a subsidiary	34	–	5,600
Disposal of subsidiaries	35	117,868	–
Dividend received from financial assets at fair value through profit or loss		10,179	390
Decrease in pledged deposits		–	34,307
Net cash flows from investing activities		235,803	87,513
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		78,829	80,876
Repayment of bank loans		(124,945)	(168,879)
Principal portion of lease payments	36(c)	(15,281)	(15,291)
Interest paid		(13,494)	(24,492)
Repayment of a loan from the ultimate holding company		(110,000)	–
Payment for repurchase of shares		–	(19)
Net cash flows used in financing activities		(184,891)	(127,805)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of year		256,938	229,819
Effect of foreign exchange rate changes, net		(13,458)	10,514
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	24	408,485	256,938

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

1. CORPORATE AND GROUP INFORMATION

Neo-Neon Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the Company’s head office and principal place of business is located at 15th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were engaged in the following principal activities:

- manufacture and trading of lighting products
- provision of lighting solutions
- provision of asset management services
- provision of investment advisory services
- provision of securities trading services

In the opinion of the directors of the Company, the holding company and the ultimate holding company of the Company is THTF Energy-Saving Holdings Limited and 同方股份有限公司 (“Tsinghua Tongfang Co., Limited”), which are incorporated in the Cayman Islands and the People’s Republic of China (“the PRC”), respectively.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Guangdong Tongfang Science Park Company Limited (“Tongfang Science Park”)*	the PRC	US\$300,000,000	–	100%	Manufacture and sale of lighting products
Guangdong Tongfang Illumination Company Limited*	the PRC	US\$30,000,000	–	100%	Manufacture and sale of lighting products
Hong Kong Star Bright Lighting Limited	Hong Kong	HK\$150,000,000	–	100%	Trading of lighting products

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Tongfang Securities Limited ("Tongfang Securities")	Hong Kong	HK\$450,000,000	–	100%	Asset management services, investment advisory services and securities trading
Tongfang Finance Limited	Hong Kong	HK\$10,000,000	–	100%	Money lending
American Lighting, Inc.	United States of America ("USA")	US\$7,944,505	–	97.7%	Lighting solution provider
Tivoli, LLC	USA	US\$4,500,000	–	97.7%	Lighting solution provider
Novelty Lights, LLC	USA	Nil	–	97.7%	Trading of lighting products
Neo-Neon (Vietnam) Development Company Limited	Vietnam	US\$28,000,000	–	100%	Manufacture and sale of lighting products

* Registered as a wholly-foreign-owned enterprise under the law of the PRC

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investments properties, equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss and contingent consideration payable which have been measured at fair value. Non-current assets classified as held for sale were stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions</i> (early adopted)
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the “Conceptual Framework”) sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.
- (b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.
- (c) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (d) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any rent concessions.
- (e) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework²</i>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2¹</i>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
HKFRS 17	<i>Insurance Contracts³</i>
Amendments to HKFRS 17	<i>Insurance Contracts^{3, 6}</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current^{3, 5}</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use²</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract²</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41 ²

¹ Effective for annual periods beginning on or after 1 January 2021

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

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

⁴ No mandatory effective date yet determined but available for adoption

⁵ As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

⁶ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

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

Amendments to HKFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information.

The Group had certain interest-bearing bank borrowings denominated in US dollars ("US\$") based on the London Interbank Offered Rate ("LIBOR") as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the "economically equivalent" criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Annual Improvements to HKFRSs 2018-2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
- HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures its investment properties, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Leasehold improvements	20%
Plant and machinery	10%
Furniture, fixtures and equipment	15% – 20%
Motor vehicles	20%
Moulds	20%

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property, plant and equipment and depreciation” for owned property and/or accounts for such property in accordance with the policy stated under “Right-of-use assets” for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is dealt with as movements in asset revaluation reserve if there is a gain, or charged to the statement of profit or loss if there is a loss. On disposal of the transferred asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuation is transferred to accumulated losses as a movement in reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable.

Non-current assets (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Right-of-use assets classified as held for sale are not depreciated.

Intangible assets (other than goodwill)

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

Patents

Purchased patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Securities licences

Purchased securities licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Software

Purchased software are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 1 to 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (continued)

Research and development costs

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

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding 5 years, commencing from the date when the products are put into commercial production.

Leases

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

Group as a lessee

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

(a) *Right-of-use assets*

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

Leasehold land	50 years
Offices and warehouses	1 to 5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Group as a lessee (continued)

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

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

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

(b) *Lease liabilities*

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Group as a lessor

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

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets designated at FVTOCI (equity investments)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at FVTPL

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

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

Derecognition of financial assets

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

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

General approach

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Simplified approach

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

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, interest-bearing bank borrowings, lease liabilities and a loan from the ultimate holding company.

Subsequent measurement

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

Financial liabilities at amortised cost (loans and borrowings)

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

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

Derecognition of financial liabilities

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Offsetting of financial instruments

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

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

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

Provisions

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions (continued)

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

Income tax

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

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

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

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

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

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

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

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

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

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) *Sale of lighting products*

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

(b) *Provision of advisory and asset management services*

Revenue from the provision of advisory and asset management services is recognised over the scheduled period on a monthly basis because the customers simultaneously received and consumes the benefits provided by the Group. Fees for asset management services are calculated based on a fixed percentage of the value of assets managed and deducted from the customer's account balance on a regular basis as mutually agreed.

(c) *Provision of agency services*

Revenue from the provision of agency services is recognised at the point in time when the transactions have been completed.

Revenue from other sources

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

Other income

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

Dividend income is recognised when the shareholders' right to receive payment has been established.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments

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

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 32 to the consolidated financial statements.

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute 10% to 20% of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group offers qualified employees in the USA the opportunity to participate in a defined contribution retirement plan qualifying under the provisions of section 401(k) of the Internal Revenue Code (the “401(k) plan”). The 401(k) plan is managed by an independent trustee. The 401(k) plan is an optional benefit, the only obligation of the 401(k) plan with respect to the retirement benefit plan is to comply with the guidelines under the plan. The Group offers a match contribution up to 4% of the employees’ eligible compensation, subject to a cap of US\$6,000 per year for certain employees. Employer matching contributions vest upon receipt or are subject to a specific vesting schedule.

Borrowing costs

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

Dividends

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

Interim dividends are simultaneously proposed and declared, because the Company’s memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is Hong Kong dollars ("HK\$"). Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

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

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

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

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

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Estimation uncertainty

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

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use and fair value less costs of disposal of the cash-generating units to which the goodwill is allocated. Estimating the value in use and fair value less costs of disposal requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2020 was RMB187,181,000 (2019: RMB220,978,000). Further details are given in note 16 to the consolidated financial statements.

Provision for expected credit losses on trade receivables

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Provision for expected credit losses on loan receivables

The measurement of expected credit losses under HKFRS 9 requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining expected credit losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, such as risks of default, loss given default and collateral recovery, changes in which can result in different levels of allowances.

The Group's expected credit loss calculations on loan receivables are based on assumptions about risks of default and loss given default. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on credit risks of the debtors or comparable companies in the market, existing market conditions as well as forward looking estimates (such as gross domestic product and market volatility) at the end of each reporting period. It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary. Further details of the Group's loan receivables and the key assumptions and inputs used for impairment calculations are given in note 22 to the consolidated financial statements.

Write-down of inventories to net realisable value

Management reviews the condition of inventories of the Group and writes down the carrying amounts of obsolete and slow-moving inventories items which are identified as no longer suitable for sale or use to their respective net realisable values. The Group estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions at the end of the reporting period.

The identification of obsolete and slow-moving inventory items requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying values of inventories and the write-down of inventories recognised in the periods in which such estimates have been made. The carrying amount of inventories at 31 December 2020 was RMB160,170,000 (2019: RMB156,684,000).

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences; and
- (b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices.

The carrying amount of investment properties at 31 December 2020 was RMB74,441,000 (2019: RMB873,891,000). Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are given in note 14 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- the PRC lighting segment consists of the research and development, manufacture of lighting products in the PRC and distribution of lighting products in the PRC and overseas;
- the USA lighting segment consists of the provision of lighting solutions and trading of lighting products in the USA; and
- the securities segment consists of asset management services, investment advisory services and securities trading.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that bank interest income, non-lease-related finance costs, government grants, as well as unallocated corporate income and gains and expenses are excluded from this measurement.

Segment assets exclude deferred tax assets, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings, a loan from the ultimate holding company, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2020

	PRC lighting RMB'000	USA lighting RMB'000	Securities RMB'000	Total RMB'000
Segment revenue (note 5):				
Sales to external customers	147,886	695,609	13,945	857,440
Interest revenue	–	–	19,298	19,298
Intersegment sales	13,391	–	–	13,391
	161,277	695,609	33,243	890,129
<i>Reconciliation:</i>				
Elimination of intersegment sales				(13,391)
Revenue				876,738
Segment results	(39,982)	37,063	(23,728)	(26,647)
<i>Reconciliation:</i>				
Interest income and unallocated income and gains				3,600
Finance costs (other than interest on lease liabilities)				(24,407)
Government grants				4,651
Unallocated expenses				(24,012)
Loss before tax				(66,815)
Segment assets	1,185,780	319,812	392,967	1,898,559
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(81,008)
Deferred tax assets				11,980
Cash and cash equivalents				408,485
Corporate and other unallocated assets				1,249
Total assets				2,239,265
Segment liabilities	28,170	154,423	94,425	277,018
<i>Reconciliation:</i>				
Elimination of intersegment payables				(81,008)
Interest-bearing bank borrowings				91,114
Loan from the ultimate holding company				254,619
Tax payable				20,528
Deferred tax liabilities				10,987
Corporate and other unallocated liabilities				4,730
Total liabilities				577,988

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2020 (continued)

	PRC lighting RMB'000	USA lighting RMB'000	Securities RMB'000	Unallocated RMB'000	Total RMB'000
Other segment information:					
Impairment losses on financial assets	10,023	1,560	12,540	–	24,123
Provision for inventories included in cost of inventories sold	18,001	14,068	–	–	32,069
Depreciation and amortisation	21,385	11,808	6,129	1,191	40,513
Capital expenditure*	18,046	3,379	485	–	21,910

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

Year ended 31 December 2019

	PRC lighting RMB'000	USA lighting RMB'000	Securities RMB'000	Total RMB'000
Segment revenue (note 5):				
Sales to external customers	170,165	628,049	17,248	815,462
Interest revenue	–	–	25,887	25,887
Intersegment sales	10,228	–	–	10,228
	180,393	628,049	43,135	851,577
<i>Reconciliation:</i>				
Elimination of intersegment sales				(10,228)
Revenue				841,349
Segment results	16,686	30,334	(555)	46,465
<i>Reconciliation:</i>				
Interest income and unallocated income and gains				6,185
Finance costs (other than interest on lease liabilities)				(28,198)
Government grants				4,543
Unallocated expenses				(22,066)
Profit before tax				6,929

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2019 (continued)

	PRC lighting RMB'000	USA lighting RMB'000	Securities RMB'000	Total RMB'000
Segment assets	1,563,363	266,677	627,415	2,457,455
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(227,811)
Deferred tax assets				4,127
Cash and cash equivalents				256,938
Corporate and other unallocated assets				4,040
Total assets				2,494,749
Segment liabilities	63,886	102,985	240,258	407,129
<i>Reconciliation:</i>				
Elimination of intersegment payables				(227,811)
Interest-bearing bank borrowings				141,135
Loan from the ultimate holding company				353,706
Tax payable				9,232
Deferred tax liabilities				74,277
Corporate and other unallocated liabilities				5,402
Total liabilities				763,070

	PRC lighting RMB'000	USA lighting RMB'000	Securities RMB'000	Unallocated RMB'000	Total RMB'000
Other segment information:					
Impairment losses/(reversal of impairment) on financial assets	2,630	1,286	(3,657)	–	259
Provision for inventories included in cost of inventories sold	14,383	8,353	–	–	22,736
Depreciation and amortisation	16,918	14,190	7,017	1,028	39,153
Capital expenditure*	10,475	3,382	842	–	14,699

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	2020 RMB'000	2019 RMB'000
North America	792,111	710,486
Europe	29,324	42,862
The PRC	1,917	8,097
Asia (excluding the PRC)	53,386	79,904
	876,738	841,349

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2020 RMB'000	2019 RMB'000
North America	116,985	123,362
The PRC	149,058	943,585
Asia (excluding the PRC)	114,002	184,084
	380,045	1,251,031

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

During the year ended 31 December 2020, revenue generated from customer A and customer B by the USA lighting segment amounting to approximately RMB156,016,000 (2019: RMB98,021,000) and RMB87,636,000 (2019: RMB114,941,000) accounted for over 10% of the Group's revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

5. REVENUE, OTHER INCOME, GAINS AND LOSSES, NET

An analysis of revenue is as follows:

	2020 RMB'000	2019 RMB'000
Revenue from contracts with customers	857,440	815,462
Revenue from other sources		
Interest revenue	19,298	25,887
	876,738	841,349

Revenue from contracts with customers

(i) Disaggregated revenue information

Year ended 31 December 2020

Segments	PRC lighting RMB'000	USA lighting RMB'000	Securities RMB'000	Total RMB'000
Types of goods or services				
Sale of lighting products	147,886	695,609	–	843,495
Advisory and management services	–	–	7,122	7,122
Agency services	–	–	6,823	6,823
Total revenue from contracts with customers	147,886	695,609	13,945	857,440
Geographic markets				
North America	96,502	695,609	–	792,111
Europe	29,324	–	–	29,324
The PRC	1,917	–	–	1,917
Asia (excluding the PRC)	20,143	–	13,945	34,088
Total revenue from contracts with customers	147,886	695,609	13,945	857,440
Timing of revenue recognition				
Goods transferred and services rendered at a point in time	147,886	695,609	6,823	850,318
Services rendered over time	–	–	7,122	7,122
Total revenue from contracts with customers	147,886	695,609	13,945	857,440

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

5. REVENUE, OTHER INCOME, GAINS AND LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

Year ended 31 December 2019

Segments	PRC lighting RMB'000	USA lighting RMB'000	Securities RMB'000	Total RMB'000
Types of goods or services				
Sale of lighting products	170,165	628,049	–	798,214
Advisory and management services	–	–	14,526	14,526
Agency services	–	–	2,722	2,722
Total revenue from contracts with customers	170,165	628,049	17,248	815,462
Geographic markets				
North America	82,437	628,049	–	710,486
Europe	42,862	–	–	42,862
The PRC	8,097	–	–	8,097
Asia (excluding the PRC)	36,769	–	17,248	54,017
Total revenue from contracts with customers	170,165	628,049	17,248	815,462
Timing of revenue recognition				
Goods transferred and services rendered at a point in time	170,165	628,049	2,722	800,936
Services rendered over time	–	–	14,526	14,526
Total revenue from contracts with customers	170,165	628,049	17,248	815,462

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

5. REVENUE, OTHER INCOME, GAINS AND LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2020 RMB'000	2019 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of lighting products	10,509	15,727

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of lighting products

The performance obligation is satisfied upon delivery of the lighting products and payment is generally due within 30 to 180 days from delivery, except for new customers, where payment in advance is normally required.

Advisory and asset management services

The performance obligation is satisfied upon the services are rendered. Advisory and asset management service contracts are for periods of one year or less, or are billed on a monthly basis.

Agency services

The performance obligation is satisfied upon the transactions are completed.

As a practical expedient, the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are not disclosed in the notes to the consolidated financial statements because all the remaining performance obligations are expected to be recognised as revenue within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

5. REVENUE, OTHER INCOME, GAINS AND LOSSES, NET (CONTINUED)

	Notes	2020 RMB'000	2019 RMB'000
Other income			
Bank interest income		1,777	1,522
Other interest income		1,683	1,674
Dividend income from financial assets at FVTPL		10,179	9,054
Government grants*		4,651	4,543
Gross rental income from investment property operating leases:			
Lease payments, including fixed payments		6,644	9,600
Others		17,390	5,678
		42,324	32,071
Gains and losses, net			
Fair value (losses)/gains on investments properties, net	14	(41,165)	60,021
(Loss)/gain on disposal of items of property, plant and equipment, net		(252)	5,179
Gains on disposal of items of non-current assets classified as held for sale		9,825	—
Fair value gains/(losses) of financial assets at FVTPL, net		43,643	(15,431)
Impairment loss on goodwill	16	(21,736)	—
Impairment loss on property, plant and equipment	13	(4,838)	—
Foreign exchange differences, net		(17,040)	5,353
Gain on disposal of subsidiaries	35	10,090	—
Change in fair value of contingent consideration payable	34	2,486	23
Others		85	(76)
		(18,902)	55,069
		23,422	87,140

* There are no unfulfilled conditions or contingencies relating to these grants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

6. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	Notes	2020 RMB'000	2019 RMB'000
Cost of inventories sold		562,523	534,855
Depreciation of property, plant and equipment	13	15,142	14,362
Depreciation of right-of-use assets	15(a)	15,148	16,394
Research and development costs:			
Deferred expenditure amortised*	17	6,742	4,833
Amortisation of other intangible assets*	17	3,481	3,564
Lease payments not included in the measurement of lease liabilities	15(c)	341	258
Auditor's remuneration		3,000	2,650
Employee benefit expense (including directors' and chief executive's remuneration (note 8))			
Wages and salaries		157,694	168,990
Equity-settled share option expenses		174	445
Pension scheme contributions^		10,560	13,656
		168,428	183,091
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		164	123
Impairment losses on financial assets, net:			
Trade and bills receivables	20	9,991	747
Other receivables	21	13,972	(302)
Loan receivables	22	160	(186)
		24,123	259
Write-down of inventories to net realisable value**		32,069	22,736

* The amortisation of deferred development costs and other intangible assets for the year is included in "Administrative expenses" in the consolidated statement of profit or loss.

** Included in "Cost of sales".

^ At 31 December 2020, the Group had no forfeited contribution available to reduce its contributions to the pension scheme in future years (2019: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2020 RMB'000	2019 RMB'000
Interest on bank loans	6,854	10,585
Interest on a loan from the ultimate holding company	17,553	17,613
Interest on lease liabilities	857	1,137
	25,264	29,335

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2020 RMB'000	2019 RMB'000
Fees	1,555	1,284
Other emoluments:		
Salaries, allowances and benefits in kind	1,129	2,038
Performance related bonuses	174	–
Pension scheme contributions	16	15
	2,874	3,337

No share option was granted to directors during the years ended 31 December 2020 and 2019.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2020 RMB'000	2019 RMB'000
Mr. Fan Ren Da, Anthony	347	354
Mr. Liu Tian Min	347	354
Ms. Li Ming Qi	347	354
	1,041	1,062

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8. DIRECTORS AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive directors and chief executive

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2020					
Executive director and the chief executive: Mr. Gao Zhi (appointed on 9/1/2020)	-	-	-	-	-
Executive directors:					
Mr. Daniel P.W. Li (resigned on 30/9/2020)	-	1,129	174	16	1,319
Mr. Liu Zhigang (appointed on 2/11/2020)	-	-	-	-	-
Non-executive directors:					
Mr. Seah Han Leong (redesignated as non-executive director on 9/1/2020)	514	-	-	-	514
Mr. Zhou Hai Ying (appointed on 9/1/2020)	-	-	-	-	-
Mr. Huang Yu (resigned on 9/1/2020)	-	-	-	-	-
Mr. Liu Wei Dong (resigned on 9/1/2020)	-	-	-	-	-
Mr. Wang Liang Hai (resigned on 9/1/2020)	-	-	-	-	-
	514	1,129	174	16	1,833
2019					
Executive director and the chief executive: Mr. Seah Han Leong	222	886	-	-	1,108
Executive director: Mr. Daniel P.W. Li	-	1,152	-	15	1,167
Non-executive directors:					
Mr. Huang Yu	-	-	-	-	-
Mr. Liu Wei Dong	-	-	-	-	-
Mr. Wang Liang Hai	-	-	-	-	-
	222	2,038	-	15	2,275

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year did not include any directors (2019: Nil). Details of the remuneration for the year of the five (2019: five) highest paid employees who are non-directors of the Company are as follows:

	2020 RMB'000	2019 RMB'000
Salaries, allowances and benefits in kind	9,370	10,013
Performance related bonuses	642	–
Equity-settled share option expenses	117	436
Pension scheme contributions	472	526
	10,601	10,975

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2020	2019
HK\$2,000,001 to HK\$2,500,000	3	3
HK\$2,500,001 to HK\$3,000,000	2	2
	5	5

No share options were granted to the non-director and non-chief executive highest paid employees in respect of their services to the Group during the years ended 31 December 2020 and 2019. Certain non-director and non-chief executive highest paid employees were granted share options in prior years, in respect of their services to the Group, under the share option scheme of a subsidiary of the Company, further details of which are set out in note 32 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. For the Group's subsidiaries established in the USA, income tax is calculated at the rate of 24.7% (2019: 24.7%). For the Group's subsidiary established in Vietnam, income tax is calculated at the rate of 20.0% (2019: 20.0%). Tax on profits assessable in the PRC has been calculated at the applicable PRC corporate income tax ("CIT") rate of 25.0% (2019: 25.0%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2020 RMB'000	2019 RMB'000
Current – Hong Kong		
Charge for the year	2,540	358
(Over)/underprovision in prior years	(39)	234
Current – Elsewhere		
Charge for the year	20,523	9,835
Underprovision in prior years	–	1,132
Deferred tax (note 30)	(62,401)	17,899
Total tax (credit)/charge for the year	(39,377)	29,458

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory rates for the jurisdictions in which the majority of its subsidiaries are domiciled to the tax (credit)/expense at the effective tax rates is as follows:

	2020 RMB'000	2019 RMB'000
(Loss)/profit before tax	(66,815)	6,929
Tax at the statutory/applicable rates of different jurisdictions	(14,164)	1,643
Income not subject to tax	(2,191)	(1,764)
Expenses not deductible for tax	16,173	17,353
Tax losses utilised from previous periods	(43,508)	(7,627)
Tax losses not recognised	4,352	18,487
Adjustments in respect of current tax of previous periods	(39)	1,366
Tax (credit)/charge at the Group's effective rate	(39,377)	29,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

10. INCOME TAX (CONTINUED)

Tax audit conducted by the Inland Revenue Department (“IRD”) in Hong Kong

IRD is conducting a tax audit to the Group for the year of assessment back from year of assessment 2005/06. On 26 March 2012, the IRD issued protective profits tax assessments in aggregate of HK\$5,250,000 (approximately equivalent to RMB4,388,000) relating to the year of assessment 2005/06, that is, for the financial year ended 31 December 2005, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 8 March 2013, the IRD additionally issued protective profits tax assessments in aggregate of HK\$5,425,000 (approximately equivalent to RMB4,535,000) relating to the year of assessment 2006/07, that is, for the financial year ended 31 December 2006, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 14 March 2014, the IRD additionally issued estimated profits tax assessments in aggregate of HK\$28,425,000 (approximately equivalent to RMB23,760,000) relating to the year of assessment 2007/08, that is, for the financial year ended 31 December 2007, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these estimated assessments.

On 9 January 2015 and 27 March 2015, the IRD additionally issued protective profits tax assessments in aggregate of HK\$35,838,000 (approximately equivalent to RMB29,957,000) relating to the year of assessment 2008/09, that is, for the financial year ended 31 December 2008, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 31 December 2015, the IRD additionally issued protective profits tax assessments in aggregate of HK\$24,288,000 (approximately equivalent to RMB20,302,000) relating to the year of assessment 2009/10, that is, for the financial year ended 31 December 2009, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 29 December 2016, the IRD additionally issued protective profits tax assessments in aggregate of HK\$47,305,500 (approximately equivalent to RMB39,543,000) relating to the year of assessment 2010/11, that is, for the financial year ended 31 March 2011, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 28 December 2017, the IRD additionally issued protective profits tax assessments in aggregate of HK\$2,779,500 (approximately equivalent to RMB2,323,000) relating to the year of assessment 2011/12, that is, for the financial year ended 31 March 2012, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 30 January 2019, the IRD additionally issued protective profits tax assessments in aggregate of HK\$6,229,000 (approximately equivalent to RMB5,519,000) relating to the year of assessment 2012/13, that is, for the financial year ended 31 March 2013, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

10. INCOME TAX (CONTINUED)

Tax audit conducted by the Inland Revenue Department (“IRD”) in Hong Kong (continued)

On 12 March 2020, the IRD additionally issued protective profits tax assessments in aggregate of HK\$834,000 (approximately equivalent to RMB702,000) relating to the year of assessment 2013/14, that is, for the financial year ended 31 March 2014, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

On 8 January 2021, the IRD additionally issued protective profits tax assessments in aggregate of HK\$678,000 (approximately equivalent to RMB571,000) relating to the year of assessment 2014/15, that is, for the financial period ended 31 December 2014, against certain subsidiaries of the Company. The Group lodged objections to the IRD against these protective assessments.

Up to 31 December 2020, the IRD had issued protective profits tax assessments in an aggregate amount of HK\$156,374,000 (approximately equivalent to RMB131,029,000) for the years of assessment from 2005/06 to 2013/14. The Group has lodged objections against these protective profits tax assessments and the IRD has agreed to hold over the tax demanded for these years of assessment on the condition that the Group purchased tax reserve certificates in an aggregate amount of HK\$30,500,000 (approximately equivalent to RMB25,670,000) (2019: HK\$30,500,000 (approximately equivalent to RMB27,321,000)), which has been recorded as tax reserve certificates under “Prepayments, other receivables and other assets” in note 21 to the consolidated financial statements. The directors of the Company are of the opinion that no Hong Kong profits tax is payable by the Group as the subsidiaries in question did not carry on any business, nor derive any profits, in Hong Kong. Accordingly, no additional provision for Hong Kong profits tax is considered necessary in respect of the tax audit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

11. DIVIDENDS

The directors of the Company did not recommend the payment of a dividend for the years ended 31 December 2020 and 2019.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,094,465,417 (2019: 2,094,493,362) in issue during the year.

The computation of diluted loss per share does not assume the exercise of a subsidiary of the Company's outstanding share options for the years ended 31 December 2020 and 2019 because the exercise price of those share options was higher than the price of a subsidiary of the Company's share during the year.

No adjustment had been made to the basic loss per share amount presented for the year ended 31 December 2019 in respect of a dilution as the impact of the share options outstanding of the Company had an anti-dilutive effect on the basic loss per share amount presented.

	2020 RMB'000	2019 RMB'000
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	(28,228)	(22,897)

	2020 Number of shares	2019 Number of shares
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	2,094,465,417	2,094,493,362

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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13. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Moulds RMB'000	Total RMB'000
31 December 2020							
At 1 January 2020:							
Cost	142,005	75,384	112,407	33,681	11,801	4,193	379,471
Accumulated depreciation	(94,606)	(60,930)	(101,266)	(27,817)	(9,233)	(3,214)	(297,066)
Net carrying amount	47,399	14,454	11,141	5,864	2,568	979	82,405
At 31 December 2019 and 1 January 2020, net of accumulated depreciation	47,399	14,454	11,141	5,864	2,568	979	82,405
Additions	–	10,304	544	2,737	451	506	14,542
Disposals	(586)	(330)	(435)	(105)	(12)	–	(1,468)
Depreciation provided during the year	(3,138)	(5,111)	(1,825)	(3,311)	(966)	(791)	(15,142)
Revaluation upon transfer to investment properties	2,820	–	–	–	–	–	2,820
Impairment loss (note a)	(4,838)	–	–	–	–	–	(4,838)
Transfer to investment properties (note 14)	(28,238)	–	–	–	–	–	(28,238)
Exchange realignment	(992)	(357)	(234)	(244)	(120)	(4)	(1,951)
At 31 December 2020, net of accumulated depreciation	12,427	18,960	9,191	4,941	1,921	690	48,130
At 31 December 2020:							
Cost	79,714	51,750	107,167	32,951	10,562	4,573	286,717
Accumulated depreciation	(67,287)	(32,790)	(97,976)	(28,010)	(8,641)	(3,883)	(238,587)
Net carrying amount	12,427	18,960	9,191	4,941	1,921	690	48,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Moulds RMB'000	Total RMB'000
31 December 2019							
At 1 January 2019:							
Cost	141,636	72,886	166,780	45,348	13,164	62,780	502,594
Accumulated depreciation	(92,595)	(66,681)	(150,044)	(38,064)	(10,602)	(61,158)	(419,144)
Net carrying amount	49,041	6,205	16,736	7,284	2,562	1,622	83,450
At 31 December 2018 and 1 January							
2019, net of accumulated depreciation	49,041	6,205	16,736	7,284	2,562	1,622	83,450
Additions	–	2,685	708	2,223	1,916	228	7,760
Acquisition of a subsidiary	–	128	–	215	–	–	343
Disposals	(27)	(38)	(60)	(150)	(908)	–	(1,183)
Depreciation provided during the year	(2,340)	(4,062)	(2,335)	(3,714)	(1,038)	(873)	(14,362)
Revaluation upon transfer to investment properties	–	–	32,447	–	–	–	32,447
Transfer to investment properties (note 14)	–	–	(36,226)	–	–	–	(36,226)
Transfer to non-current assets classified as held for sale	–	–	(241)	–	–	–	(241)
Transfer from inventories	–	9,453	–	–	–	–	9,453
Exchange realignment	725	83	112	6	36	2	964
At 31 December 2019, net of accumulated depreciation	47,399	14,454	11,141	5,864	2,568	979	82,405
At 31 December 2019:							
Cost	142,005	75,384	112,407	33,681	11,801	4,193	379,471
Accumulated depreciation	(94,606)	(60,930)	(101,266)	(27,817)	(9,233)	(3,214)	(297,066)
Net carrying amount	47,399	14,454	11,141	5,864	2,568	979	82,405

At 31 December 2020, the Group's property, plant and equipment with a carrying amount of RMB7,435,000 (2019: RMB8,127,000) were pledged as security for the Group's bank loans, as further detailed in note 28(b) to the consolidated financial statements.

Note:

- (a) Impairment loss represented fair value loss on revaluation of certain commercial properties based on fair value less costs of disposal performed by Roma Appraisals Limited, an independent professionally qualified valuer, using direct comparison approach. In 2020, as the Group has changed its usage of certain commercial properties, in the opinion of the directors of the Company, the commercial properties were transferred to investment properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14. INVESTMENT PROPERTIES

	Commercial properties <i>RMB'000</i>	Industrial properties <i>RMB'000</i>	Lands for development of commercial properties <i>RMB'000</i>	Total <i>RMB'000</i>
Carrying amount at 1 January 2019	14,200	–	758,765	772,965
Transfer from right-of-use assets (note 15(a))	–	4,305	–	4,305
Transfer from property, plant and equipment (note 13)	–	36,226	–	36,226
Net (losses)/gains from fair value adjustment recognised in profit or loss	(1,500)	(1,722)	63,243	60,021
Exchange realignment	–	374	–	374
Carrying amount at 31 December 2019 and 1 January 2020	12,700	39,183	822,008	873,891
Transfer from right-of-use assets (note 15(a))	–	810	–	810
Transfer from property, plant and equipment (note 13)	25,418	2,820	–	28,238
Net losses from fair value adjustment recognised in profit or loss	(1,100)	(3,016)	(37,049)	(41,165)
Disposal of subsidiaries (note 35)	–	–	(784,959)	(784,959)
Exchange realignment	–	(2,374)	–	(2,374)
Carrying amount at 31 December 2020	37,018	37,423	–	74,441

The Group's investment properties consist of 19 (2019: 8) commercial properties in the PRC and Dubai, 11 (2019: 10) industrial properties in Vietnam and the PRC and no (2019: 5) parcels of land for development of commercial properties in the PRC. The directors of the Company determined that the Group's investment properties consist of different classes of assets based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2020 based on valuations performed by Roma Appraisals Limited, an independent professionally qualified valuer.

The investment properties, except for the lands for development of commercial properties, are leased to third parties under operating leases, further summary details of which are included in note 15 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

14. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 December 2020 using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Recurring fair value measurement for: Investment properties	–	–	74,441	74,441

	Fair value measurement as at 31 December 2019 using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Recurring fair value measurement for: Investment properties	–	–	873,891	873,891

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2019: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties <i>RMB'000</i>	Industrial properties <i>RMB'000</i>	Land for development of commercial properties <i>RMB'000</i>	Total <i>RMB'000</i>
Carrying amount at 1 January 2019	14,200	–	758,765	772,965
Transfer from right-of-use assets (note 15(a))	–	4,305	–	4,305
Transfer from property, plant and equipment (note 13)	–	36,226	–	36,226
Net (losses)/gains from fair value adjustment recognised in profit or loss	(1,500)	(1,722)	63,243	60,021
Exchange realignment	–	374	–	374
Carrying amount at 31 December 2019 and 1 January 2020	12,700	39,183	822,008	873,891
Transfer from right-of-use assets (note 15(a))	–	810	–	810
Transfer from property, plant and equipment (note 13)	25,418	2,820	–	28,238
Net losses from fair value adjustment recognised in profit or loss	(1,100)	(3,016)	(37,049)	(41,165)
Disposal of subsidiaries (note 35)	–	–	(784,959)	(784,959)
Exchange realignment	–	(2,374)	–	(2,374)
Carrying amount at 31 December 2020	37,018	37,423	–	74,441

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

14. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (continued)

Set out below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Valuation techniques		Significant unobservable inputs	Range or weighted average	
			2020	2019
Commercial properties	Direct comparison approach	Prevailing market price (per sq.m.)	RMB29,662 to RMB55,502	RMB61,000
Industrial properties	Depreciated replacement cost approach	Construction cost (per sq.m.)	RMB1,097 to RMB1,500	RMB1,171
Lands for development of commercial properties	Direct comparison and land datum value approach	Prevailing market price (per sq.m.)	N/A	RMB2,927 to RMB3,904

Direct comparison approach

Fair value of investment properties is generally derived using the direct comparison method.

The valuation was arrived at by adopting the direct comparison approach with reference to the recent transactions of similar properties under the prevailing property market conditions. A significant increase (decrease) in the prevailing market price in isolation would result in a significant increase (decrease) in the fair value of the investment properties.

Depreciated replacement cost approach

The depreciated replacement cost approach considers the cost to reproduce or replace in new condition the property appraised in accordance with current construction costs for similar property in the locality, with allowance for accrued depreciation as evidenced by observed condition or obsolescence, whether arising from physical, functional or economic causes. A significant increase (decrease) in cost of construction would result in a significant increase (decrease) in the fair values of completed investment properties.

Land datum value approach

The land datum value method is to analyse the influencing factors of the parcel land price and use correction coefficients to correct the published benchmark land price for the same land use and same land class to estimate the land price. A significant increase (decrease) in the published benchmark land price in isolation would result in a significant increase (decrease) in the fair value of the investment properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15. LEASES

The Group as a lessee

The Group has lease contracts for various properties used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 49 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of offices and warehouses generally have lease terms between 2 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. No lease contracts have extension and termination options.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Offices and warehouses RMB'000	Total RMB'000
As at 1 January 2019	47,402	17,821	65,223
Acquisition as a result of acquisition of a subsidiary	–	7,960	7,960
Depreciation charges	(1,073)	(15,321)	(16,394)
Revaluation upon transfer to investment properties	3,622	–	3,622
Transfer to investment properties (note 14)	(4,305)	–	(4,305)
Transfer to non-current assets classified as held for sale	(31,796)	–	(31,796)
Exchange realignment	126	161	287
As at 31 December 2019 and 1 January 2020	13,976	10,621	24,597
Additions	–	26,369	26,369
Depreciation charges	(384)	(14,764)	(15,148)
Revaluation upon transfer to investment properties	352	–	352
Transfer to investment properties (note 14)	(810)	–	(810)
Exchange realignment	(237)	(1,885)	(2,122)
As at 31 December 2020	12,897	20,341	33,238

At 31 December 2020, the Group's right-of-use assets with a carrying amount of RMB8,135,000 (2019: RMB8,348,000) were pledged as security for the Group's bank loans, as further detailed in note 28(b) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

15. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2020 RMB'000	2019 RMB'000
Carrying amount at 1 January	10,862	17,821
Additions as a result of acquisition of a subsidiary	–	7,960
New leases	26,369	–
Accretion of interest recognised during the year	857	1,137
Payments	(16,138)	(16,428)
Exchange realignment	(1,122)	372
Carrying amount at 31 December	20,828	10,862
Analysed into:		
Current portion	7,586	9,957
Non-current portion	13,242	905
	20,828	10,862

The maturity analysis of lease liabilities is disclosed in note 42 to the consolidated financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2020 RMB'000	2019 RMB'000
Interest on lease liabilities	857	1,137
Depreciation charge of right-of-use assets	15,148	16,394
Expense relating to short-term leases (included in administrative expense)	341	258
Total amount recognised in profit or loss	16,346	17,789

(d) The total cash outflow for leases is disclosed in note 36(c) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15. LEASES (CONTINUED)

The Group as a lessor

The Group leases its investment properties (note 14) consisting of 14 commercial properties in the PRC and Dubai and 8 industrial properties in Vietnam and the PRC under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits. Rental income recognised by the Group during the year was RMB6,644,000 (2019: RMB9,600,000), details of which are included in note 5 to the consolidated financial statements.

At 31 December 2020, the undiscounted leases payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2020 RMB'000	2019 RMB'000
Within one year	6,082	3,473
After one year but within two years	5,817	2,667
After two years but within three years	5,904	2,899
After three years but within four years	5,900	3,107
After four years but within five years	405	3,107
After five years	1,489	45
	25,597	15,298

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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16. GOODWILL

	<i>RMB'000</i>
At 1 January 2019:	
Cost	129,421
Accumulated impairment	–
Net carrying amount	129,421
Cost at 1 January 2019, net of accumulated impairment	129,421
Acquisition of a subsidiary	87,278
Exchange realignment	4,279
Cost and net carrying amount at 31 December 2019	220,978
At 31 December 2019 and 1 January 2020:	
Cost	220,978
Accumulated impairment	–
Net carrying amount	220,978
Cost at 1 January 2020, net of accumulated impairment	220,978
Impairment during the year (note a)	(21,736)
Exchange realignment	(12,061)
Cost and net carrying amount at 31 December 2020	187,181
At 31 December 2020:	
Cost	207,208
Accumulated impairment	(20,027)
Net carrying amount	187,181

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

16. GOODWILL (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- USA lighting cash-generating unit for Tivoli, LLC;
- USA lighting cash-generating unit for Novelty Lights, LLC; and
- Securities cash-generating unit.

USA lighting cash-generating unit for Tivoli, LLC

The recoverable amount of this USA lighting cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 14.4% (2019: 14.5%). The growth rate used to extrapolate the cash flows of the industrial products unit beyond the five-year period is 2.0% (2019: 2.3%).

USA lighting cash-generating unit for Novelty Lights, LLC

The recoverable amount of this USA lighting cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 14.6% (2019: 14.3%). The growth rate used to extrapolate the cash flows of the industrial products unit beyond the five-year period is 2.0% (2019: 2.3%).

Securities cash-generating unit

The recoverable amount of the Securities cash-generating unit has been determined based on fair value less costs of disposal using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 13.9% (2019: 14.8%). The growth rate used to extrapolate the cash flows of the financial services beyond the five-year period is 2.0% (2019: 3.0%).

Note:

- (a) During the interim review, as the fluctuation of the capital market adversely affected the operating performance of the Group's securities cash-generating unit, management reassessed the outlook and future performance of the Group's securities cash-generating unit and determined the estimated recoverable amount of this cash-generating unit was approximately RMB494.0 million which was lower than its carrying amount. Accordingly, an impairment of RMB21.7 million was charged to profit or loss during the six months ended 30 June 2020.

The Group further performed its annual impairment test as at 31 December 2020. As the estimated recoverable amount of securities cash-generating unit was higher than its carrying amount, in the opinion of the directors of the Company, no further impairment was considered necessary as at 31 December 2020. As a result, an impairment loss of RMB21.7 million was recognised in the consolidated statement of profit or loss during the year (note 5).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

16. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

Securities cash-generating unit (continued)

In the opinion of the Company's directors, an increase in the discount rate by 1% would cause the carrying amount of the securities cash-generating unit to exceed its recoverable amount by approximately RMB6.5 million.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	2020 RMB'000	2019 RMB'000
USA lighting cash-generating unit for Tivoli, LLC	8,149	8,712
USA lighting cash-generating unit for Novelty Lights, LLC	82,976	88,715
Securities cash-generating unit	96,056	123,551
Carrying amount of goodwill	187,181	220,978

Assumptions were used in the cash flow projections of the USA Lighting and Securities cash-generating units for 31 December 2020 and 2019. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Growth rates – The growth rates are determined with reference to the growth rate for the relevant units, adjusted for relevant businesses and market development, and economic condition.

The values assigned to the key assumptions on market development of USA lighting and securities industries, budgeted gross margins, discount rates and growth rates are consistent with external information sources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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17. OTHER INTANGIBLE ASSETS

	Patent RMB'000	Securities licences RMB'000	Software RMB'000	Deferred development costs RMB'000	Total RMB'000
31 December 2020					
At 1 January 2020:					
Cost	53,541	11,197	6,796	34,339	105,873
Accumulated amortisation	(44,179)	(3,225)	(2,710)	(11,695)	(61,809)
Net carrying amount	9,362	7,972	4,086	22,644	44,064
Cost at 1 January 2020, net of accumulated amortisation	9,362	7,972	4,086	22,644	44,064
Additions	–	–	1,002	6,366	7,368
Amortisation provided during the year	(1,196)	(1,042)	(1,243)	(6,742)	(10,223)
Exchange realignment	(1,152)	(449)	(607)	(3,310)	(5,518)
At 31 December 2020	7,014	6,481	3,238	18,958	35,691
At 31 December 2020:					
Cost	50,366	10,521	7,088	37,394	105,369
Accumulated amortisation	(43,352)	(4,040)	(3,850)	(18,436)	(69,678)
Net carrying amount	7,014	6,481	3,238	18,958	35,691

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17. OTHER INTANGIBLE ASSETS (CONTINUED)

	Patent RMB'000	Securities licences RMB'000	Software RMB'000	Deferred development costs RMB'000	Total RMB'000
31 December 2019					
At 1 January 2019:					
Cost	52,951	10,953	6,377	27,720	98,001
Accumulated amortisation	(43,148)	(2,103)	(1,405)	(6,862)	(53,518)
Net carrying amount	9,803	8,850	4,972	20,858	44,483
Cost at 1 January 2019, net of accumulated amortisation	9,803	8,850	4,972	20,858	44,483
Additions	–	–	320	6,619	6,939
Amortisation provided during the year	(1,226)	(1,063)	(1,275)	(4,833)	(8,397)
Exchange realignment	785	185	69	–	1,039
At 31 December 2019	9,362	7,972	4,086	22,644	44,064
At 31 December 2019:					
Cost	53,541	11,197	6,796	34,339	105,873
Accumulated amortisation	(44,179)	(3,225)	(2,710)	(11,695)	(61,809)
Net carrying amount	9,362	7,972	4,086	22,644	44,064

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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18. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2020 RMB'000	2019 RMB'000
Equity investments designated at FVTOCI		
Unlisted equity investments, at fair value	–	404

The above equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.

During the years ended 31 December 2020 and 2019, no dividend was received from the unlisted equity investments. One of the investments was disposed in 2020.

19. INVENTORIES

	2020 RMB'000	2019 RMB'000
Raw materials	26,078	41,216
Work in progress	23,459	34,849
Finished goods	110,633	80,619
	160,170	156,684

At 31 December 2020, the Group's inventories with a carrying amount of RMB80,998,000 (2019: RMB65,134,000) were pledged as security for the Group's bank loans, as further detailed in note 28(b) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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20. TRADE AND BILLS RECEIVABLES

	2020 RMB'000	2019 RMB'000
Trade receivables	133,921	100,742
Bills receivables	642	968
Less: Impairment loss on trade receivables	(6,409)	(4,281)
Less: Impairment loss on bills receivables	(16)	(20)
	128,138	97,409

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to six months for major customers.

PRC and USA lighting segments

Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Securities segment

Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. At the end of the reporting period, the Group has certain concentration of credit risk as 70% and 88% (2019: 53% and 78%) of the total gross trade receivables was due from the Group's largest customer and the five largest customers, respectively. The Group does not hold collateral over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's related parties of RMB4,613,000 (2019: RMB4,549,000) which are repayable on credit terms similar to those offered to the major customers of the Group.

At 31 December 2020, the Group's receivables with a carrying amount of RMB60,962,000 (2019: RMB53,659,000) were pledged as security for the Group's bank loans, as further detailed in note 28(b) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2020			2019		
	Lighting RMB'000	Securities RMB'000	Total RMB'000	Lighting RMB'000	Securities RMB'000	Total RMB'000
Within 1 month	59,023	4,763	63,786	42,509	5,825	48,334
1 to 2 months	22,699	431	23,130	21,502	38	21,540
2 to 3 months	4,698	97	4,795	10,751	288	11,039
3 to 6 months	24,832	2,082	26,914	6,356	47	6,403
Over 6 months	8,246	1,267	9,513	9,522	571	10,093
	119,498	8,640	128,138	90,640	6,769	97,409

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2020			2019		
	Lighting RMB'000	Securities RMB'000	Total RMB'000	Lighting RMB'000	Securities RMB'000	Total RMB'000
At beginning of the year	4,280	21	4,301	5,158	3,493	8,651
Impairment losses/(reversal of impairment), net (note 6)	5,927	4,064	9,991	3,574	(2,827)	747
Amount written off as uncollectable	(3,929)	(3,938)	(7,867)	(4,452)	(645)	(5,097)
At end of the year	6,278	147	6,425	4,280	21	4,301

PRC and USA lighting segments

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by industry credit benchmark). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Securities segment

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by industry credit benchmark). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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31 December 2020

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

As at 31 December 2020

PRC and USA lighting segments	Past due							Total
	Current	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	2.55%	2.95%	7.85%	10.84%	14.83%	23.50%	26.95%	
Gross carrying amount (RMB'000)	90,260	14,462	8,661	2,235	832	154	9,172	125,776
Expected credit losses (RMB'000)	2,298	427	680	242	123	36	2,472	6,278

Securities segment	Past due							Total
	Current	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	1.28%	1.28%	2.01%	2.12%	2.99%	N/A	N/A	
Gross carrying amount (RMB'000)	4,680	144	546	3,230	187	–	–	8,787
Expected credit losses (RMB'000)	60	2	11	68	6	–	–	147

As at 31 December 2019

PRC and USA lighting segments	Past due							Total
	Current	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	2.11%	2.11%	5.64%	7.38%	9.56%	13.05%	15.72%	
Gross carrying amount (RMB'000)	52,897	13,168	7,812	9,325	835	1,334	9,549	94,920
Expected credit losses (RMB'000)	1,118	278	441	688	80	174	1,501	4,280

Securities segment	Past due							Total
	Current	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	0.26%	0.26%	0.43%	0.72%	1.15%	N/A	N/A	
Gross carrying amount (RMB'000)	5,896	–	273	533	88	–	–	6,790
Expected credit losses (RMB'000)	15	–	1	4	1	–	–	21

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21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2020 RMB'000	2019 RMB'000
Prepayments	13,661	19,784
Receivables in relation to disposal of subsidiaries	676,129	–
Deposits and other receivables	87,570	38,236
Value added tax recoverable	17,508	39,790
Tax reserve certificates	25,670	27,321
	820,538	125,131
Less: Impairment allowance	(8,504)	(480)
	812,034	124,651
Current portion	(810,670)	(119,555)
Non-current portion	1,364	5,096

The movements in the loss allowance for impairment of other receivables are as follows:

	2020 RMB'000	2019 RMB'000
At beginning of the year	480	782
Impairment losses/(reversal of impairment losses), net (note 6)	13,972	(302)
Amount written off as uncollectable	(5,948)	–
At end of year	8,504	480

During the year ended 31 December 2020, RMB13,972,000 was impaired (2019: RMB302,000 was credited as a reversal of allowance) for expected credit losses on other receivables. The provision rates are based on published credit rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Deposits and other receivables mainly represented rental deposits and deposits with suppliers. Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings. As at 31 December 2020, the probability of default applied ranged from 0.02% to 40% (2019: 0.15% to 100%) and the loss given default was estimated to be ranged from 59% to 69% (2019: 61% to 100%). The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

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22. LOAN RECEIVABLES

	2020 RMB'000	2019 RMB'000
Loan receivables	160,206	303,115
Less: Impairment allowance	(627)	(467)
	159,579	302,648

The movement in the loss allowance for impairment of loan receivables is as follows:

	2020 RMB'000	2019 RMB'000
At beginning of the year	467	653
Impairment losses/(reversal of impairment losses) (note 6)	160	(186)
At end of year	627	467

As at 31 December 2020, loan receivables represented the money lent to a customer (2019: 2 customers) by Tongfang Finance Limited, a subsidiary of the Company which is principally engaged in money lending business. The loan receivables bore interest rate at 8% p.a. (2019: ranging from 8% p.a. to 13% p.a.) and was overdue (2019: repayable within one year). The loan receivables amounted to RMB160,206,000 (2019: RMB303,115,000) were secured by certain properties, other investments, listed securities, private equities of the borrowers and personal guarantees. The balances are classified as financial assets at amortised cost. Management performs continuous assessment on the recoverability of loan receivables.

Management has performed credit risk assessment by performing background search on the borrowers, financial analysis on the companies for which the borrowers has pledged the equity shares and property search on pledged properties.

An impairment analysis is performed at each reporting date by considering the expected credit losses, which are estimated by applying the probability of default approach with reference to the risks of default of the borrowers or comparable companies. For the loan receivables which are secured by second charge on properties and/or share charges, management also takes into account the mitigating effect of the value of these collaterals in the ECL analysis. As at 31 December 2020, in the opinion of the directors, the probability of default applied of loan receivable was 100% (2019: 0.56% to 9.12%) and the loan receivables were fully covered by collaterals with an aggregate fair value of approximately RMB263.4 million (2019: RMB463.6 million) as at 31 December 2020 after deducting any outstanding first mortgage loan balances.

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22. LOAN RECEIVABLES (CONTINUED)

An ageing analysis of the loan receivables as at the end of the reporting period, based on the maturity date and net of loss allowance, is as follows:

	2020 RMB'000	2019 RMB'000
Within 1 year or on demand	159,579	302,648

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2020 RMB'000	2019 RMB'000
Listed equity investments, at fair value	(i)	40,451	60,589
Other unlisted investments, at fair value	(ii)	137,101	208,966
		177,552	269,555
Non-current unlisted investments, at fair value		(134,299)	(113,458)
Current portion		43,253	156,097

Notes:

- (i) The above equity investments were classified as financial assets at FVTPL as they were held for trading.
- (ii) As at 31 December 2019, the above unlisted investments included the 7% redeemable fixed coupon convertible bonds issued by Burwill Holdings Limited ("Burwill") in the aggregate principal amount of US\$9,000,000 (approximate RMB62,786,000) ("Convertible Bonds"), with a carrying amount of RMB52,377,000 at the end of the reporting period. On 31 December 2019, the Group has entered into a transfer agreement with an independent third party, to dispose the Convertible Bonds at a consideration of US\$9,227,000. The disposal was completed in March 2020.

Except for the Convertible Bonds, the remaining unlisted investments included unlisted equity and fund were mandatorily classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest as at 31 December 2020 and 2019.

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24. CASH AND CASH EQUIVALENTS

	2020 RMB'000	2019 RMB'000
Cash and bank balances	411,131	261,260
Less: cash held on behalf of clients	(2,646)	(4,322)
Cash and cash equivalents	408,485	256,938

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB23,921,000 (2019: RMB42,138,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits were made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earned interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

25. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 4 November 2019, a leasehold land located in the PRC with a carrying amount of RMB28,054,000 was classified as non-current asset held for sale following a contract entered with Heshan Industrial City Management Council ("鶴山工業城管理委員會") which intended to dispose the leasehold land to Heshan City Land Reserve Centre ("鶴山市土地儲備中心") at a consideration of RMB31,207,000. The transaction was completed on 20 January 2020.

On 30 August 2019, another leasehold land and building erected thereon located in Vietnam with a total carrying amount of VND13,235,509,000 (equivalent to RMB3,983,000) were classified as non-current assets held for sale following a contract entered with People's Committee of Thai Binh Province which intended to dispose the leasehold land and building to Ministry of Natural Resources and Environment at a consideration of VND36,968,375,000 (equivalent to RMB10,694,000). The transaction was completed on 2 January 2020.

The non-current assets classified as held for sale as at 31 December 2019 are as follows:

	RMB'000
Property, plant and equipment	243
Right-of-use assets	31,833
	32,076

At 31 December 2019, the Group's non-current assets classified as held for sale with a carrying amount of RMB28,054,000 were pledged as security for the Group's bank loans, as further detailed in note 28(b) to the consolidated financial statements.

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26. TRADE PAYABLES

	2020 RMB'000	2019 RMB'000
Trade payables	88,138	67,162
Accounts payables to securities clients	2,646	4,322
	90,784	71,484

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2020			2019		
	Accounts payables to securities clients RMB'000	Trade payables RMB'000	Total RMB'000	Accounts payables to securities clients RMB'000	Trade payables RMB'000	Total RMB'000
Within 1 month	2,646	68,832	71,478	4,322	37,774	42,096
1 to 2 months	–	9,347	9,347	–	6,177	6,177
2 to 3 months	–	3,014	3,014	–	2,442	2,442
3 to 6 months	–	5,144	5,144	–	68	68
6 months to 1 year	–	162	162	–	600	600
Over 1 year	–	1,639	1,639	–	20,101	20,101
	2,646	88,138	90,784	4,322	67,162	71,484

The trade payables are non-interest-bearing and are normally settled within terms of 90 days.

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27. OTHER PAYABLES AND ACCRUALS

	Notes	2020 RMB'000	2019 RMB'000
Sundry payables and accruals	(a)	53,971	49,499
Contract liabilities	(b)	4,999	10,509
		58,970	60,008

Notes:

- (a) Sundry payables are non-interest-bearing and have an average term of three months.
- (b) Details of contract liabilities are as follows:

	31 December 2020 RMB'000	31 December 2019 RMB'000	1 January 2019 RMB'000
Short-term advances received from customers			
Sale of goods	4,999	10,509	15,727

Contract liabilities include short-term advances received from customers to deliver lighting products. The decrease in contract liabilities in 2020 was mainly due to the decrease in short-term advances received from customers in relation to uncompleted contracts at the end of the year.

28. INTEREST-BEARING BANK BORROWINGS

	2020			2019		
	Effective interest rate %	Maturity	RMB'000	Effective interest rate %	Maturity	RMB'000
Current						
Bank loans – unsecured	–	–	–	4.4	2020	20,000
Bank loans – secured	5.0	2021	43,000	3.6–5.0	2020	63,000
Bank loans – secured	LIBOR	2021	37,518	LIBOR	2020	58,135
			80,518			141,135
Non-current						
Bank loans – secured	0.3	2022	10,596	–	–	–
			91,114			141,135

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28. INTEREST-BEARING BANK BORROWINGS (CONTINUED)

The maturity of the above bank borrowings is as follows:

	2020 RMB'000	2019 RMB'000
Analysed into:		
Within one year or on demand	80,518	141,135
Within one to two years	10,596	–
	91,114	141,135

Notes:

(a) Except for the bank borrowings of RMB43,000,000 (2019: RMB30,295,000) which are denominated in RMB and bear interest at fixed interest rates, all bank borrowings as set out above are denominated in US\$ either at LIBOR or at fixed interest rate.

(b) The Group's bank borrowings are secured by charges over certain assets of the Group as follows:

	2020 RMB'000	2019 RMB'000
Inventories (note 19)	80,998	65,134
Trade receivables (note 20)	60,962	53,659
Property, plant and equipment (note 13)	7,435	8,127
Right-of-use assets (note 15(a))	8,135	8,348
Non-current assets classified as held for sale (note 25)	–	28,054

(c) As at 31 December 2019, the ultimate holding company had provided guarantees to certain of the Group's bank borrowings up to RMB20,000,000. No guarantees were provided by the ultimate holding company as at 31 December 2020.

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29. PROVISION

	2020 RMB'000	2019 RMB'000
At 1 January	12,316	9,546
Additional provision	6,142	2,770
Amounts utilised during the year	(12,056)	–
Exchange realignment	(143)	–
At 31 December	6,259	12,316

During the prior years, the Group has received notices served by the People's Court in the PRC, which were initiated by independent trading parties to demand remedies for the loss arising from early termination of rental agreements and termination of transfer of inventory agreement, where relevant. In the opinion of the directors of the Company, as the court decisions have been finalised for most of the legal proceedings, the Group has utilised the related provision to settle the outstanding claims during the year ended 31 December 2020.

30. DEFERRED TAX

	Taiwan withholding tax on un- distributed earnings RMB'000	Fair value adjustments on intangible assets RMB'000	Depreciation allowance in excess of related depreciation RMB'000	Fair value adjustments on investment properties RMB'000	Inventory provision RMB'000	Others RMB'000	Total RMB'000
At 1 January 2019	(2,890)	(1,580)	2,038	(46,631)	2,345	2,183	(44,535)
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	–	178	(6,510)	(15,468)	2,012	1,889	(17,899)
Deferred tax charged to the statement of other comprehensive income	–	–	–	(7,213)	–	–	(7,213)
Acquisition of a subsidiary (note 34)	–	–	–	–	(357)	–	(357)
Exchange realignment	(65)	(94)	(19)	(66)	52	46	(146)
At 31 December 2019 and at 1 January 2020	(2,955)	(1,496)	(4,491)	(69,378)	4,052	4,118	(70,150)
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	–	167	(1,702)	53,371	653	9,912	62,401
Deferred tax charged to the statement of other comprehensive income	–	–	–	(793)	–	–	(793)
Disposal of subsidiaries (note 35)	–	–	–	9,671	–	–	9,671
Exchange realignment	179	250	(379)	418	6	(610)	(136)
At 31 December 2020	(2,776)	(1,079)	(6,572)	(6,711)	4,711	13,420	993

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30. DEFERRED TAX (CONTINUED)

Deferred tax assets and liabilities have not been offset for the purpose of presentation in the consolidated statement of financial position as they relate to different tax authorities. The following is the analysis of the deferred taxation balances for financial reporting purposes:

	2020 RMB'000	2019 RMB'000
Deferred tax assets	11,980	4,127
Deferred tax liabilities	(10,987)	(74,277)
	993	(70,150)

The Group has tax losses arising in Hong Kong of RMB219,025,000 (2019: RMB234,625,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in the PRC of RMB88,269,000 (2019: RMB295,709,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. As 31 December 2020 and 2019, no unrecognised deferred tax for the withholding taxes as there was no such earnings for its subsidiaries to distribute in the foreseeable future.

As 31 December 2020, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of RMB132,104,000 (2019: RMB129,987,000) that are subject to withholding taxes of subsidiaries of the Group established in the USA. In the opinion of directors of the Company, the Group's fund will be retained in the USA for the expansion of the Group's operation, so it is not probable that its subsidiaries will distribute such earning in the foreseeable future.

Pursuant to the Taiwan Corporate Income Tax Law, a 5% withholding tax on undistributed earnings tax rate and 21% is levied on dividends declared to a non-resident recipient from the foreign investment enterprises established in Taiwan. The requirement is effective from 1 January 2018.

There are no income tax consequences attaching to the payment of dividend by the subsidiary to its shareholders.

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31. SHARE CAPITAL

	2020 HK\$'000	2019 HK\$'000
Authorised: 5,000,000,000 ordinary shares of HK\$0.10 each	500,000	500,000

	2020 RMB'000	2019 RMB'000
Issued and fully paid: 2,094,505,417 ordinary shares of HK\$0.10 each	185,676	185,676

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	2,094,505,417	185,676

Note: During the year ended 31 December 2019, the Company purchased 40,000 of its shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") at a total consideration of RMB19,000 which was paid wholly out of reserves. The Company did not purchase any shares in the current year. No purchased shares were cancelled during the year (2019: Nil).

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32. SHARE OPTION SCHEME

Share option scheme of the Company

The Company's share option scheme (the "Scheme") was adopted pursuant to a shareholders' written resolution passed on 20 November 2006 for the primary purpose of providing incentives to and recognising significant contributions from directors and eligible employees. The Scheme became effective on 15 December 2006 and the options issued pursuant to the Scheme will expire no later than ten years from the date of grant of the option. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services to the Company and for the purpose of rewarding their contribution to the long-term success of the Group by providing the opportunity to obtain ownership interest in the Group.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at the relevant time of grant, without prior approval from the Company's shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this Scheme shall not in aggregate exceed 20% of the shares in issue from time to time. No option may be granted under this Scheme and any other share option scheme of the Company if such limit is exceeded. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share in issue or with an aggregate value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Options may be exercised in accordance with the terms stipulated in the Scheme. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the par value of the Company's share.

The following share options were outstanding under the Scheme during the year:

	2020		2019	
	Weighted average exercise price HK\$ per share	Number of options '000	Weighted average exercise price HK\$ per share	Number of options '000
At 1 January	1.31	15,600	1.31	21,200
Forfeited during the year	1.31	(15,600)	1.31	(5,600)
At 31 December		–	1.31	15,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32. SHARE OPTION SCHEME (CONTINUED)

Share option scheme of the Company (continued)

No share option was granted or exercised during the year ended 31 December 2020 (2019: Nil).

The exercise prices and exercise periods of the share options outstanding as at 31 December 2019 were as follows:

Number of options '000	Exercise price* HK\$ per share	Exercise period
7,800	1.31	15-05-16 to 14-05-20
7,800	1.31	15-05-17 to 14-05-20
15,600		

* The exercise price of the share options was subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

At 31 December 2019, the Company had 15,600,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 15,600,000 additional ordinary shares of the Company and additional share capital of RMB1,560,000 and share premium of RMB18,876,000 (before issue expenses).

At the date of approval of these financial statements, the Company had no share options outstanding under the Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32. SHARE OPTION SCHEME (CONTINUED)

Share option scheme of a subsidiary of the Company

During the year ended 31 December 2015, American Lighting, Inc. ("American Lighting"), an indirect non-wholly owned subsidiary of the Company, has adopted a share option scheme for eligible employees of American Lighting, the Company and Tivoli, LLC ("Tivoli"), the wholly-owned subsidiary of American Lighting. On 30 June 2015, 2,869 share options were granted to certain employees and directors of the Company, American Lighting, and Tivoli. The closing price immediately before the date on which the options were granted was US\$330 per share. Under the scheme of American Lighting, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in American Lighting.

On 27 April 2017, 1,401 share options were granted to certain employees and directors of the Company. The closing price immediately before the date on which the options were granted was US\$405 per share.

Options may be exercised in accordance with the terms stipulated in the scheme of American Lighting. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of American Lighting 's shares on the date of grant, (ii) the average closing price of American Lighting 's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the American Lighting 's share.

The following share options were outstanding under the Scheme during the year:

	2020		2019	
	Weighted average exercise price US\$ per share	Number of options '000	Weighted average exercise price US\$ per share	Number of options '000
At 1 January and 31 December	369	2,435	369	2,435

No share option was granted or exercised during the year ended 31 December 2020 (2019: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32. SHARE OPTION SCHEME (CONTINUED)

Share option scheme of a subsidiary of the Company (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2020 and 2019

Number of options	Exercise price US\$ per share	Exercise period
354	330	30-06-2016 to 30-06-2025
355	330	30-06-2017 to 30-06-2025
471	330	30-06-2018 to 30-06-2025
376	405	27-04-2018 to 27-04-2027
376	405	27-04-2019 to 24-04-2027
503	405	27-04-2020 to 27-04-2027
2,435		

The weighted average fair value of the share options granted in prior years was RMB851 each, of which the Group recognised share option expenses over the vesting period of RMB174,000 (2019: RMB445,000) during the year ended 31 December 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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33. RESERVES

The nature of the Group's reserves are described as below:

- (a) The application of the share premium account of the Company is governed by the Company Law (Revised) of the Cayman Islands. Under the constitutional documents and Companies Law (Revised) of the Cayman Islands, the share premium is distributable as a dividend on the condition that the Company is able to pay its debts when they fall due in the ordinary course of business immediately after the proposed dividend is paid.
- (b) Capital redemption reserve comprises the amount by which the issued share capital of the Company is diminished through the cancellation of shares.
- (c) Special reserve comprises the differences between the nominal amount of the shares issued by the Company and the Group's former holding company, Neo-Neon Holdings (BVI) Limited ("NNH"), and the aggregate amount of share capital and share premium of the subsidiaries acquired pursuant to a corporate reorganisation in 1996 and a group reorganisation in preparation for the listing of the Company's shares in 2006.
- (d) Share compensation reserve comprises the difference of fair value of certain NNH's shares (the "Shares") transferred to the Group's certain senior management by the Company's shareholders and the consideration paid by the senior management in obtaining the Shares in 2004.
- (e) Share option reserve represents the fair value of share options granted to directors and employees of the Group in accordance with the accounting policy adopted for share-based payment in note 32 to the consolidated financial statements.
- (f) Exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2.4 to the consolidated financial statements.
- (g) Fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVTOCI which will not be recycled to profit or loss in subsequent periods.
- (h) Asset revaluation reserve arises from change in use from owner-occupied properties to investment properties carried at fair value.
- (i) Other reserve comprises: (i) the difference between the consideration paid for acquiring additional interests in subsidiaries of the Company and the amount of interests acquired; and (ii) the difference between the cash received on exercise of share options plus the amount included in equity from the recognition of the compensation cost and the non-controlling interest measured at the proportionate interest in subsidiaries' equity as measured in the Group's consolidated financial statements.

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 80 and 81 of this annual report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34. BUSINESS COMBINATION

On 1 January 2019, the Group acquired 80% interest in Novelty Lights, LLC (the “Novelty”) through a non-wholly owned subsidiary, American Lighting, from an independent third party (the “Seller”). The acquisition of Novelty is to explore new sales channel for the Group’s lighting products to e-commerce platform. Pursuant to the underlying sales and purchase agreement, the Group initially acquired 80% equity interest of Novelty at the date of completion. The consideration for the acquisition was US\$13,400,000.

Moreover, the Group has an option to acquire and the Seller has an option to dispose the remaining 20% equity interest of Novelty at each of the anniversary for the coming two years (the “Call and Put Options”). If there is no exercise of the Call and Put Options during the coming two years, the Group is mandatory to acquire the remaining 20% equity interest of Novelty at the third anniversary. It is considered that the Call and Put Options have given to the Group the present ownership interest of the remaining 20% equity interest in Novelty and deemed that the 100% equity interests have been acquired at the completion date of the acquisition, i.e. 1 January 2019. Therefore, a contingent consideration payable has been recognised at the same date.

The fair values of the identifiable assets and liabilities of Novelty as at the date of acquisition were as follows:

	Notes	Fair value recognised on acquisition RMB'000
Property, plant and equipment	13	343
Right-of-use assets	15(a)	7,960
Cash and bank balances		15,140
Trade receivables		1,682
Inventories		24,736
Other receivables		69
Trade payables		(6,170)
Lease liabilities	15(b)	(7,960)
Other payables and accruals		(2,652)
Deferred tax liabilities	30	(357)
Total identifiable net assets at fair value		32,791
Non-controlling interests		(751)
		32,040
Goodwill on acquisition		87,278
		119,318
Satisfied by:		
Cash (US\$13,400,000)		91,968
Contingent consideration payable		27,350
		119,318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34. BUSINESS COMBINATION (CONTINUED)

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB1,682,000 and RMB69,000, respectively. All trade receivables and other receivables are expected to be collectible.

The directors of the Company consider the acquisition of Novelty as an effort to expand the distribution networks of lighting products in the northern region of America and the goodwill on acquisition mainly represents the expected incremental values and potential synergies for the expansion plans of the Group.

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

	<i>RMB'000</i>
Cash consideration	(91,968)
Deposit paid in prior year	82,428
Cash and bank balances acquired	15,140
Net inflow of cash and cash equivalents included in cash flows from investing activities	5,600

Since the acquisition, Novelty contributed RMB121,917,000 to the Group's revenue and RMB11,500,000 to the consolidated profit for the year ended 31 December 2019.

As part of the sales and purchase agreement, contingent consideration is payable, which is dependent on the amount of projected earnings before finance costs, tax, depreciation and amortisation ("Projected EBITDA") of Novelty subsequent to the acquisition. The initial amount recognised was RMB27,350,000 which was determined using the discounted cash flow model and is within Level 3 fair value measurement.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2019: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34. BUSINESS COMBINATION (CONTINUED)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	2020 RMB'000	2019 RMB'000
Carrying amount at 1 January	27,800	27,350
Change in fair value	(2,486)	(23)
Exchange realignment	(1,798)	473
Carrying amount at 31 December	23,516	27,800

Significant unobservable valuation inputs for the fair value measurement of contingent consideration payable are as follows:

	31 December 2020	31 December 2019	At acquisition date
Weighted average Projected EBITDA	US\$2,490,000 to US\$4,563,000	US\$2,490,000 to US\$4,684,000	US\$3,480,000 to US\$4,626,000
Discount rate	10.9%	6.5%	6.8%

The increase (decrease) in the Projected EBITDA of Novelty would result in an increase (a decrease) in the fair value of the contingent consideration payable.

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35. DISPOSAL OF SUBSIDIARIES

On 29 December 2020, the Group disposed entire equity interests in Jiangmen Tonghe Guangyuan Technology Limited and Jiangmen Tongxin Guangyuan Technology Limited, indirect wholly-owned subsidiaries, to Zhonghe Real Estate Development Company, an independent third party, at a consideration of approximately RMB392,961,000, which was subsequently fully received.

	RMB'000
Net assets disposed of:	
Investment properties	784,959
Cash and cash equivalents	20
Other receivables	10,519
Other payables	(402,956)
Deferred tax liabilities	(9,671)
	382,871
Gain on disposal of subsidiaries (note 5)	10,090
	392,961
Satisfied by:	
Cash	392,961

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	RMB'000
Cash consideration	392,961
Cash and cash equivalents disposed of	(20)
Consideration receivable as at year end	(275,073)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	117,868

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

- (i) During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB26,369,000 (2019: Nil) and RMB26,369,000 (2019: Nil), respectively, in respect of lease arrangements for offices and warehouses.
- (ii) During the year, the Group had non-cash transfer from financial assets at FVTPL to prepayments, other receivables and other assets of RMB50,794,000 in relation to the disposal of Convertible Bonds.
- (iii) During the year ended 31 December 2019, the Group had non-cash addition to financial assets at FVTPL of RMB8,664,000 in respect of re-investment of dividend income.

(b) Changes in liabilities arising in financing activities

	Bank loans <i>RMB'000</i>	Loan from the ultimate holding company <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>
As at 1 January 2019	227,323	350,000	17,821
Changes from financing cash flows	(88,003)	–	(15,291)
Addition as a result of acquisition of a subsidiary	–	–	7,960
Interest expenses	10,585	17,613	1,137
Interest paid	(10,585)	(13,907)	(1,137)
Foreign exchange movement	1,815	–	372
As at 31 December 2019 and 1 January 2020	141,135	353,706	10,862
Changes from financing cash flows	(46,116)	(110,000)	(15,281)
New leases	–	–	26,369
Interest expenses	6,854	17,553	857
Interest paid	(6,854)	(6,640)	(857)
Foreign exchange movement	(3,905)	–	(1,122)
As at 31 December 2020	91,114	254,619	20,828

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2020 RMB'000	2019 RMB'000
Within operating activities	857	1,395
Within financing activities	15,281	15,291
	16,138	16,686

37. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans are included in note 28(b) to the consolidated financial statements.

38. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2020 RMB'000	2019 RMB'000
Contracted, but not provided for: Property, plant and equipment	—	9,921

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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39. RELATED PARTY TRANSACTIONS

- (a) The Group had the following transactions with related parties during the year:

	2020 RMB'000	2019 RMB'000
Interest paid to the ultimate holding company	17,553	17,613

Note: The loan from Tsinghua Tongfang Co., Limited, the ultimate holding company, is unsecured and interest-bearing at 4.95% (2019: 4.95%) per annum and repayable in 2022.

(b) **Compensation of key management personnel of the Group**

The Company's directors represented the Group's key management personnel and their emoluments are included in note 8 to the consolidated financial statements.

(c) **Loan from the ultimate holding company**

At 31 December 2020, the loan from Tsinghua Tongfang Co., Limited with an amount of RMB254,619,000 (2019: RMB353,706,000) is unsecured, interest-bearing at 4.95% per annum and repayable in 2022.

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40. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2020

Financial assets

	Financial assets at FVTPL RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade and bills receivables	–	128,138	128,138
Loan receivables	–	159,579	159,579
Financial assets included in prepayments, other receivables and other assets	–	755,195	755,195
Financial assets at FVTPL	177,552	–	177,552
Cash held on behalf of clients	–	2,646	2,646
Cash and cash equivalents	–	408,485	408,485
	177,552	1,454,043	1,631,595

Financial liabilities

	Financial liabilities at FVTPL RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	–	90,784	90,784
Financial liabilities included in other payables and accruals	–	53,971	53,971
Interest-bearing bank borrowings	–	91,114	91,114
Loan from the ultimate holding company	–	254,619	254,619
Lease liabilities	–	20,828	20,828
Contingent consideration payable	23,516	–	23,516
	23,516	511,316	534,832

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40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2019

Financial assets

	Financial assets at FVTPL RMB'000	Equity investments at FVTOCI RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade and bills receivables	–	–	97,409	97,409
Loan receivables	–	–	302,648	302,648
Financial assets included in prepayments, other receivables and other assets	–	–	37,756	37,756
Equity investments designated at FVTOCI	–	404	–	404
Financial assets at FVTPL	269,555	–	–	269,555
Cash held on behalf of clients	–	–	4,322	4,322
Cash and cash equivalents	–	–	256,938	256,938
	269,555	404	699,073	969,032

Financial liabilities

	Financial liabilities at FVTPL RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	–	71,484	71,484
Financial liabilities included in other payables and accruals	–	49,499	49,499
Interest-bearing bank borrowings	–	141,135	141,135
Loan from the ultimate holding company	–	353,706	353,706
Lease liabilities	–	10,862	10,862
Contingent consideration payable	27,800	–	27,800
	27,800	626,686	654,486

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41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Financial assets				
Equity investments designated at FVTOCI	–	404	–	404
Financial assets at FVTPL	177,552	269,555	177,552	269,555
	177,552	269,959	177,552	269,959
Financial liabilities				
Interest-bearing bank borrowings	91,114	141,135	91,456	144,676
Loan from the ultimate holding company	254,619	353,706	255,108	384,840
Contingent consideration payable	23,516	27,800	23,516	27,800
	369,249	522,641	370,080	557,316

Management has assessed that the fair values of cash and cash equivalents, cash held on behalf of clients, trade and bills receivables, loan receivables, trade payables, financial assets included in prepayments, other receivables and other assets and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments, except for bank loans and a loan from the ultimate holding company which is repayable in 2022.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. Management reports directly to the executive directors and the audit committee. At each reporting date, the finance department of each segment analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the management. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings and loan from the ultimate holding company have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted investments, which were classified as financial assets at FVTPL, have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before finance cost, taxes, depreciation and amortisation ("EBITDA") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors of the Company believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in consolidated statement of profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For the rest of the financial assets at FVTPL, their fair values are derived from the net asset value per share of the investments or latest transaction prices. The directors of the Company believe that the estimated fair values which are recorded in the consolidated statement of financial position with net changes in fair value recognised in the statement of profit or loss in the years ended 31 December 2020 and 2019 are reasonable, and that they were the most appropriate values at the end of the reporting period.

The fair values of other financial assets and financial liabilities carried at amortised cost approximate to their carrying amounts.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2020 and 2019:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted investments	Valuation multiple	EV/EBITDA multiple of peers	2020: 13.6 (2019: 13.7)	3.7% (2019: 3.6%) increase/decrease in the multiple would result in increase/decrease in fair value by RMB13,115,000 (2019: RMB10,507,000)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2020

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at FVTPL	40,450	2,803	134,299	177,552

As at 31 December 2019

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments designated at FVTOCI	–	–	404	404
Financial assets at FVTPL	60,589	43,130	165,836	269,555
	60,589	43,130	166,240	269,959

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	2020 RMB'000	2019 RMB'000
Financial assets at FVTPL – unlisted:		
At 1 January	165,836	204,693
Total gains/(losses) recognised in the statement of profit or loss included in other income, gains and losses, net	20,841	(28,969)
Disposals	–	(10,399)
Reclassification	(50,794)	–
Exchange realignment	(1,584)	511
At 31 December	134,299	165,836
	2020 RMB'000	2019 RMB'000
Equity investments designated at FVTOCI:		
At 1 January	404	1,224
Disposals	–	(600)
Total losses recognised in the statement of other comprehensive income	(404)	(220)
At 31 December	–	404

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Liabilities measured at fair value:

As at 31 December 2020

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Contingent consideration payable	–	–	23,516	23,516

As at 31 December 2020, the Group's financial liabilities not measured at fair value but for which fair values were disclosed included interest-bearing bank borrowings and a loan from the ultimate holding company with fair values of RMB91,456,000 (2019: RMB144,676,000) and RMB255,108,000 (2019: RMB384,840,000), respectively. Except for the loan from the ultimate holding company, which was classified as level 3, the other interest-bearing bank borrowings were classified as level 2.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2019: Nil).

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, a loan from the ultimate holding company, loan receivables, cash and cash equivalents and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as financial assets at FVTPL, equity investments designated at FVTOCI, trade and bills receivables, other receivables, trade payables and other payables.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and bank balances and debt obligations with a floating interest rate.

The interest rates and terms of repayment of interest-bearing bank borrowings are disclosed in note 28 to the consolidated financial statements. Other financial assets and liabilities of the Group do not have material interest rate risk. Interest-bearing bank borrowings, a loan from the ultimate holding company and cash and bank balances are stated at cost and are not revalued on a periodic basis. Floating-rate interest income and expenses are credited or charged to the statement of profit or loss as incurred.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's (loss)/profit before tax (through the impact on interest-bearing bank borrowings, a loan from the ultimate holding company and cash and cash equivalents) and Group's equity.

	Increase/ (decrease) in basis points	Increase/ (decrease) in loss before tax RMB'000	Increase/ (decrease) in equity* RMB'000
31 December 2020			
RMB	100	2,416	—
RMB	(100)	(2,416)	—
US\$	100	(2,025)	—
US\$	(100)	2,025	—
	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
31 December 2019			
RMB	100	(3,909)	—
RMB	(100)	3,909	—
US\$	100	1,052	—
US\$	(100)	(1,052)	—

* Excluding accumulated losses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 18% (2019: 20%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, while approximately 18% (2019: 20%) of cost were denominated in the units' functional currencies. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in RMB exchange rates against US\$ and HK\$, with all other variables held constant, of the Group's (loss)/profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in loss before tax RMB'000
31 December 2020		
If RMB weakens against US\$	5	(9,579)
If RMB strengthens against US\$	(5)	9,579
If RMB weakens against HK\$	5	(17,345)
If RMB strengthens against HK\$	(5)	17,345
	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in profit before tax RMB'000
31 December 2019		
If RMB weakens against US\$	5	9,536
If RMB strengthens against US\$	(5)	(9,536)
If RMB weakens against HK\$	5	12,774
If RMB strengthens against HK\$	(5)	(12,774)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are closely monitored on an ongoing basis to minimise the Group's exposure to bad debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2020

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade and bills receivables*	642	–	–	133,921	134,563
Financial assets included in prepayments, other receivables and other assets					
– Normal**	685,737	77,962	–	–	763,699
Cash held on behalf of securities clients					
– Not yet past due	2,646	–	–	–	2,646
Cash and cash equivalents					
– Not yet past due	408,485	–	–	–	408,485
Loan receivables					
– More than 3 months past due	–	–	160,206	–	160,206
	1,097,510	77,962	160,206	133,921	1,469,599

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2019

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	968	–	–	100,742	101,710
Financial assets included in prepayments, other receivables and other assets					
– Normal**	35,086	–	–	–	35,086
– Doubtful**	–	3,280	229	–	3,509
Cash held on behalf of securities clients					
– Not yet past due	4,322	–	–	–	4,322
Cash and cash equivalents					
– Not yet past due	256,938	–	–	–	256,938
Loan receivables					
– Not yet past due	230,871	–	–	–	230,871
– Less than 1 month past due	–	72,244	–	–	72,244
	528,185	75,524	229	100,742	704,680

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the consolidated financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered as “normal” when they are not past due and there is no information indicating that the financial assets have significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered as “doubtful”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of long term bank loans and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

31 December 2020

	On demand RMB'000	No later than 1 year RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	2,646	88,138	–	90,784
Other payables and accruals	53,971	–	–	53,971
Interest-bearing bank borrowings	–	80,966	11,017	91,983
Loan from the ultimate holding company	–	–	267,395	267,395
Lease liabilities	–	8,299	14,139	22,438
Contingent consideration payable	23,516	–	–	23,516
	80,133	177,403	292,551	550,087

31 December 2019

	On demand RMB'000	No later than 1 year RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	4,323	67,161	–	71,484
Other payables and accruals	49,499	–	–	49,499
Interest-bearing bank borrowings	–	144,676	–	144,676
Loan from the ultimate holding company	–	–	384,840	384,840
Lease liabilities	–	11,282	909	12,191
Contingent consideration payable	27,800	–	–	27,800
	81,622	223,119	385,749	690,490

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at FVTPL (note 23) as at 31 December 2020. The Group's listed investments are listed on the Stock Exchange and are valued at quoted market prices at the end of the reporting period.

The market equity index for the following stock exchange, at the close of business of the nearest trading day in the year to the end of the reporting period, and its respective highest and lowest points during the year were as follows:

	31 December 2020	High/low 2020	31 December 2019	High/low 2019
Hong Kong – Hang Seng Index	27,231	29,056/21,696	28,190	30,157/25,064

The following table demonstrates the sensitivity to every 10% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period, of the Group's (loss)/profit before tax and equity.

	Carrying amount of equity investments RMB'000	Increase/ (decrease) in loss before tax RMB'000	Increase/ (decrease) in equity* RMB'000
31 December 2020 Investments listed in: Hong Kong – Financial assets at FVTPL	40,451	(4,045)/4,045	–

	Carrying amount of equity investments RMB'000	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
31 December 2019 Investments listed in: Hong Kong – Financial assets at FVTPL	60,589	6,059/(6,059)	–

* Excluding accumulated losses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 2019.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. Total debt represents interest-bearing bank borrowings, a loan from the ultimate holding company and lease liabilities. The gearing ratios as at the end of the reporting periods were as follows:

	31 December 2020 RMB'000	31 December 2019 RMB'000
Total debt	366,561	505,703
Total equity	1,661,277	1,731,679
Gearing ratio	22.1%	29.2%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

43. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and re-presented to conform to the current year's presentation.

44. STATEMENT OF THE FINANCIAL POSITION OF THE COMPANY

	2020 RMB'000	2019 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	585	936
Investments in subsidiaries	1,408,748	1,507,484
Total non-current assets	1,409,333	1,508,420
CURRENT ASSETS		
Prepayments, other receivables and other assets	3	3
Cash and cash equivalents	2,920	3,872
Total current assets	2,923	3,875
CURRENT LIABILITIES		
Other payables and accruals	3,463	2,996
NET CURRENT (LIABILITIES)/ASSETS	(540)	879
NET ASSETS	1,408,793	1,509,299
EQUITY		
Issued capital	185,676	185,676
Reserves (Note)	1,223,117	1,323,623
Total equity	1,408,793	1,509,299

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

44. STATEMENT OF THE FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Treasury shares RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Special reserve RMB'000	Share compensation reserve RMB'000	Share option reserve RMB'000	Exchange fluctuation reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2019	-	2,415,147	2,146	55,238	50,024	4,298	(370,904)	(8,220)	(853,405)	1,294,324
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	33,032	-	(3,714)	29,318
Share repurchase	(19)	-	-	-	-	-	-	-	-	(19)
At 31 December 2019 and 1 January 2020	(19)	2,415,147	2,146	55,238	50,024	4,298	(337,872)	(8,220)	(857,119)	1,323,623
Total comprehensive loss for the year	-	-	-	-	-	-	(90,922)	-	(9,584)	(100,506)
Transfer of share option reserve upon forfeiture or expiry of share options	-	-	-	-	-	(4,298)	-	-	4,298	-
At 31 December 2020	(19)	2,415,147	2,146	55,238	50,024	-	(428,794)	(8,220)	(862,405)	1,223,117

45. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2021.

SCHEDULE OF PRINCIPAL PROPERTIES

PARTICULARS OF PROPERTIES

INVESTMENT PROPERTIES

31 December 2020

Location	Use	Tenure	Attributable interest of the Group
Units A93b, B20h, B37, B113b, D38, E123a, E125 and E127 on Basement 1, Zhenjia Plaza, No. 228 Tianhe Road, Tianhe District, Guangzhou City, Guangdong Province, The PRC	Commercial	Medium term lease	100%
Unit 2301-2311, The Regal Tower, Business Bay, Dubai	Commercial	Long term lease	100%
10 factory buildings situated at Gia Le Huyen, Dong Hung, Tinh Thai Binh Province, Vietnam	Industrial	Long term lease	100%
An industrial complex located at Gonghe Town, Heshan City, Guangdong Province, The PRC	Industrial	Long term lease	100%

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statement and restated/reclassified as appropriate, is set out below.

	2020 <i>RMB'000</i>	Year ended 31 December			
		2019 <i>RMB'000</i>	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
RESULTS					
REVENUE	876,738	841,349	693,698	665,724	611,243
Cost of sales	(594,592)	(557,591)	(489,568)	(457,634)	(422,713)
Gross profit	282,146	283,758	204,130	208,090	188,530
Other income, gains and losses, net	(701)	86,881	222,335	141,232	39,125
Selling and distribution expenses	(168,875)	(161,396)	(111,937)	(90,146)	(97,396)
Administrative expenses	(154,121)	(172,979)	(154,280)	(128,199)	(107,583)
Finance costs	(25,264)	(29,335)	(14,874)	(4,658)	(3,873)
PROFIT/(LOSS) BEFORE TAX	(66,815)	6,929	145,374	126,319	18,803
Income tax (expense)/credit	39,377	(29,458)	563	(5,838)	(7,061)
PROFIT/(LOSS) FOR THE YEAR	(27,438)	(22,529)	145,937	120,481	11,742

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	2020 <i>RMB'000</i>	As at 31 December			
		2019 <i>RMB'000</i>	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
TOTAL ASSETS	2,239,265	2,494,749	2,517,925	1,752,843	1,521,442
TOTAL LIABILITIES	(577,988)	(763,070)	(811,125)	(319,044)	(311,491)
NON-CONTROLLING INTERESTS	(5,359)	(4,222)	(2,982)	(3,964)	(781)
	1,655,918	1,727,457	1,703,818	1,429,835	1,209,170

DEFINITIONS

In this report, the following expressions shall have the following meanings unless the context requires otherwise:

“2006 Share Option Scheme”	the share option scheme of the Company adopted by resolutions of the Shareholders on 20 November 2006
“2016 Share Option Scheme”	the share option scheme on 13 May 2016 adopted by the Shareholders at the Shareholders’ meeting
“AGM”	the annual general meeting of the Company to be convened and held at 15 Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong on 25 June 2021, or where the context so admits, any adjournment thereof
“American Lighting”	means American Lighting, Inc., a Delaware corporation and an indirectly non-wholly-owned subsidiary of the Company
“Articles of Association” or “Articles”	the articles of association of the Company adopted by the written resolution of the Shareholders on 20 November 2006 and as amended, supplemented and otherwise modified from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Business Day” or “business day”	a day on which banks in Hong Kong and Cayman Islands are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong or Cayman Islands
“BVI”	British Virgin Islands
“China” or “PRC”	the People’s Republic of China, excluding for the purpose of this report, Hong Kong, Macau and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“Company”	means Neo-Neon Holdings Limited (stock code: 1868), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, and part of shares of which are listed on the Taiwan Stock Exchange as depositary receipts

DEFINITIONS

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholders”	has the meaning ascribed thereto in the Listing Rules
“Corporate Governance Code”	code on corporate governance practices contained in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	individual(s) or company(ies) who is/are not connected with (within the meaning of the Listing Rules) any of the Company, Directors, chief executive or substantial shareholders of the Company, our subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Model Code”	the model code for securities transactions by directors of listed issuers as set out in Appendix 10 of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	means share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in sections 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Subsidiary Share Incentive Plan”	means American Lighting’s share incentive plan adopted by the Shareholders on 2 April 2015
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“THTF ES”	THTF Energy Saving Holdings Limited, a substantial shareholder of the Company
“Tsinghua Tongfang”	同方股份有限公司 (Tsinghua Tongfang Co., Ltd*), a joint stock limited company incorporated in the PRC, whose shares are listed and traded on the Shanghai Stock Exchange (stock code: 600100)
“Tsinghua Tongfang Group”	Tsinghua Tongfang and its subsidiaries (for the purpose of this report, excluding the Group)
“%”	per cent.