香港交易及結算所有限公司及香港聯合交易所有限公司對本公告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本公告全部或任何部份內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。

Neo-Neon Holdings Limited
同方友友控股有限公司

(於開曼群島註冊成立的有限公司)

(股份代號：1868)

海外監管公告

本公告是由同方友友控股有限公司(「**本公司**」)依據香港聯合交易所有限公司證券上市規則第13.10B條作出。

以下所附是本公司按台灣證券交易所股份有限公司的規定於二零一九年四月二十五日在台灣證券交易所股份有限公司公開資訊觀測站(MOPS網站)刊發的公告。

承董事會命
同方友友控股有限公司
主席
黃俞

香港，二零一九年四月二十五日

於本公告日期，本公司執行董事為謝漢良先生及Daniel P.W. LI先生；非執行董事為黃俞先生(主席)、王良海先生及劉衛東先生；獨立非執行董事為范仁達先生、劉天民先生及李明綺女士。

同方友友控股有限公司及其子公司
(原名：真明麗控股有限公司及子公司)
民國一〇七年一月一日至十二月三十一日
及民國一〇六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)

同方友友控股有限公司及其子公司
(原名：真明麗控股有限公司及子公司)
民國一〇七年一月一日至十二月三十一日
及民國一〇六年一月一日至十二月三十一日
財務報告暨會計師複核報告
(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

EY安永
Building a better working world

安永聯合會計師事務所

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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一〇七年及一〇六年一月一日至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，並於民國一〇八年三月二十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民國一〇七年一月一日至十二月三十一日依新台幣換算之綜合財務狀況表、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。民國一〇六年一月一日至十二月三十一日依新台幣換算之合併財務報表，係由其他會計師複核。

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一〇七年一月一日至十二月三十一日之綜合財務狀況表、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一〇七年一月一日至十二月三十一日之合併資產負債表、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 1060027042 號
(90)台財證(六)第 100690 號

陳明宏 陳明宏

會計師：

林鴻光 林鴻光

中華民國一〇八年四月十八日

A member firm of Ernst & Young Global Limited

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：[illegible]公司及子公司）

[illegible]

民國一〇七年度一〇六年十二月三十一日

單位：仟元

	民國一〇七年十二月三十一日		民國一〇六年十二月三十一日	
	人民幣	新台幣	人民幣	新台幣
非流動資產：				
物業、廠房及設備	$83,450	$373,272	$130,394	$596,814
投資物業	772,965	3,457,472	14,200	64,993
預付租約付款	46,321	207,194	30,469	139,457
商譽	129,421	578,900	123,454	565,049
其他無形資產	44,483	198,973	35,404	162,044
可供出售投資	-	-	3,324	15,214
指定按公允價值計入其他全面收入的權益投資	624	2,791	-	-
預付款、其他應收款及其他資產	85,683	383,260	-	-
按公允價值計入損益的金融資產	130,989	585,914	111,166	508,807
遞延稅項資產	7,005	31,333	6,179	28,281
非流動資產總值	1,300,941	5,819,109	454,590	2,080,659
流動資產：				
存貨	198,205	886,571	177,395	811,937
應收貿易及票據款項	155,844	697,090	137,107	627,539
應收貸款	300,922	1,346,024	-	-
預付款、其他應收款項及其他資產	95,290	426,232	101,494	464,538
可供出售投資	-	-	321,079	1,469,579
預付租約付款	1,081	4,835	-	-
指定按公允價值計入其他全面收入的權益投資	600	2,684	-	-
按公允價值計入損益的金融資產	194,333	869,252	21,571	98,730
可收回稅項	2,527	11,303	-	-
已抵押按金	34,307	153,455	13,322	60,975
代客戶持有的現金	4,056	18,142	90,321	413,399
現金及現金等值物	229,819	1,027,980	435,964	1,995,407
流動資產總額	1,216,984	5,443,568	1,298,253	5,942,104
流動負債：				
應付貿易及票據款項	101,798	455,342	170,761	781,574
其他應付及應計款項	64,193	287,135	63,163	289,097
計息銀行借款	227,323	1,016,816	70,243	321,502
應付稅項	-	-	40	183
撥備	9,546	42,699	903	4,133
流動負債總額	402,860	1,801,992	305,110	1,396,489
流動資產淨額	$814,124	$3,641,576	$993,143	$4,545,615
資產總值減流動負債	$2,115,065	$9,460,685	$1,447,733	$6,626,274
非流動負債：				
政府補助	$6,725	$30,081	$7,475	$34,213
遞延稅項負債	51,540	230,538	6,459	29,563
最終控股公司貸款	350,000	1,565,550	-	-
非流動負債總額	408,265	1,826,169	13,934	63,776
資產淨值	$1,706,800	$7,634,516	$1,433,799	$6,562,498
權益：				
本公司擁有人應佔權益				
已發行股本	$185,676	$830,529	$186,912	$855,496
儲備	1,518,142	6,790,649	1,242,923	5,688,859
	1,703,818	7,621,178	1,429,835	6,544,355
非控股權益	2,982	13,338	3,964	18,143
權益總額	$1,706,800	$7,634,516	$1,433,799	$6,562,498

註一：民國一〇七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107年12月31日之匯率RMB$1=NT$4.473換算，

民國一〇六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106年12月31日之匯率RMB$1=NT$4.577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
107.1.1~107.12.31	RMB$1：NT$4.700	RMB$1：NT$4.431	RMB$1：NT$4.560
106.1.1~106.12.31	RMB$1：NT$4.688	RMB$1：NT$4.360	RMB$1：NT$4.525
105.1.1~105.12.31	RMB$1：NT$5.105	RMB$1：NT$4.591	RMB$1：NT$4.808

董事長：[illegible]　　經理人：[illegible]　　會計主管：[illegible]

同方友友控股(股)公司及子公司

(原名：真明麗控股(股)公司及子公司)

綜合損益表

民國一〇七年及一〇六年一月一日至十二月三十一日

單位：仟元

	民國一〇七年度		民國一〇六年度	
	人民幣	新台幣	人民幣	新台幣
收入	$693,698	$3,102,911	$665,724	$3,047,019
銷售成本	(489,568)	(2,189,838)	(457,634)	(2,094,591)
毛利	204,130	913,073	208,090	952,428
其他收入、收益及虧損淨額	225,603	1,009,122	142,600	652,680
金融資產減值虧損淨額	(3,268)	(14,618)	(1,368)	(6,261)
分銷及銷售開支	(111,937)	(500,694)	(90,146)	(412,598)
行政開支	(154,280)	(690,094)	(128,199)	(586,767)
財務成本	(14,874)	(66,531)	(4,658)	(21,320)
除稅前溢利	145,374	650,258	126,319	578,162
稅項支出	563	2,518	(5,838)	(26,721)
年內溢利	$145,937	$652,776	$120,481	$551,441
以下人士應佔：				
本公司擁有人	$145,792	$652,127	$120,375	$550,956
非控股權益	145	649	106	485
	$145,937	$652,776	$120,481	$551,441
母公司普通股權益特有人應佔每股盈利				
基本及攤薄(人民幣分/新台幣元)	$6.96	$0.31	$5.72	$0.26

註一：民國一〇七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107年12月31日之匯率RMB$1=NT$4.473換算。

民國一〇六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106年12月31日之匯率RMB$1=NT$4.577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
107.1.1~107.12.31	RMB$1：NT$4.700	RMB$1：NT$4.431	RMB$1：NT$4.560
106.1.1~106.12.31	RMB$1：NT$4.688	RMB$1：NT$4.360	RMB$1：NT$4.525
105.1.1~105.12.31	RMB$1：NT$5.105	RMB$1：NT$4.591	RMB$1：NT$4.808

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：[illegible]公司及子公司)

綜合全面收益表

民國一〇七年及一〇六年一月一日至十二月三十一日

單位：仟元

	民國一〇七年度		民國一〇六年度	
	人民幣	新台幣	人民幣	新台幣
年內溢利	$145,937	$652,776	$120,481	$551,441
其他全面收入/(虧損)：				
其後期間可能被重新分類至損益的其他全面收入/(虧損)				
可供出售投資：				
公允價值變動	-	-	(13,285)	(60,805)
匯兌差額：				
換算國外業務產生之匯兌差額	24,146	108,005	(57,271)	(262,129)
年內對所終止確認的國外業務做出重新分類調整	(5,004)	(22,383)	-	-
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	19,142	85,622	(70,556)	(322,934)
於往後期間不會重新分類至損益的其他全面收入：				
指定按公允價值計入其他全面收入的投資損益：				
公允價值變動	(688)	(3,077)	-	-
轉讓預付租約付款至投資物業之重估盈餘	163,207	730,025	-	-
所得稅影響	(48,962)	(219,007)	-	-
於後續期間不會重新分類至損益的其他全面收入淨額	113,557	507,941	-	-
年度其他全面收入/(虧損)，扣除稅額	132,699	593,563	(70,556)	(322,934)
年度全面收入總額	$278,636	$1,246,339	$49,925	$228,507
以下人士應有：				
本公司擁有人	$278,358	$1,245,096	$49,964	$228,686
非控制權益	278	1,243	(39)	(179)
	$278,636	$1,246,339	$49,925	$228,507

註一：民國一〇七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107年12月31日之匯率RMB$1=NT$4.473換算。

民國一〇六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106年12月31日之匯率RMB$1=NT$4.577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
107.1.1~107.12.31	RMB$1：NT$4.700	RMB$1：NT$4.431	RMB$1：NT$4.560
106.1.1~106.12.31	RMB$1：NT$4.688	RMB$1：NT$4.360	RMB$1：NT$4.525
105.1.1~105.12.31	RMB$1：NT$5.105	RMB$1：NT$4.591	RMB$1：NT$4.808

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）
合併權益變動表
民國一〇七年及一〇六年一月一日至十二月三十一日

單位：人民幣仟元

	本公司權益持有人應佔權益														
	股本	庫藏股	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	外匯儲備	可供出售投資重估/公允價值儲備	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
民國一〇六年一月一日	$171,808	$-	$2,264,017	$344	$55,238	$50,024	$6,389	$(225,574)	$-	$-	$(8,418)	$(1,104,658)	$1,209,170	$781	$1,209,951
年內溢利	-	-	-	-	-	-	-	-	-	-	-	120,375	120,375	106	120,481
年內其他全面虧損：															
可供出售投資公允價值變動，扣除稅項	-	-	-	-	-	-	-	-	(13,285)	-	-	-	(13,285)	-	(13,285)
換算國外業務產生之匯兌差額	-	-	-	-	-	-	-	(57,126)	-	-	-	-	(57,126)	(145)	(57,271)
年內全部收益總額	-	-	-	-	-	-	-	(57,126)	(13,285)	-	-	120,375	49,964	(39)	49,925
發行股份	15,670	-	166,098	-	-	-	-	-	-	-	-	-	181,768	-	181,768
回購股份	-	(11,304)	-	-	-	-	-	-	-	-	-	-	(11,304)	-	(11,304)
註銷庫存股	(566)	5,004	(5,004)	566	-	-	-	-	-	-	-	-	-	-	-
以權益結算的購股權安排	-	-	-	-	-	-	1,601	-	-	-	-	-	1,601	-	1,601
行使購股權	-	-	-	-	-	-	(682)	-	-	-	(682)	-	(1,364)	3,222	1,858
民國一〇六年十二月三十一日	$186,912	$(6,300)	$2,425,111	$910	$55,238	$50,024	$7,308	$(282,700)	$(13,285)	$-	$(9,100)	$(984,283)	$1,429,835	$3,964	$1,433,799
採納香港財務報告準則第9號的影響	-	-	-	-	-	-	-	-	11,445	-	-	(12,584)	(1,139)	-	(1,139)
民國一〇七年一月一日(經重列)	$186,912	$(6,300)	$2,425,111	$910	$55,238	$50,024	$7,308	$(282,700)	$(1,840)	$-	$(9,100)	$(996,867)	$1,428,696	$3,964	$1,432,660
年內收益	-	-	-	-	-	-	-	-	-	-	-	145,792	145,792	145	145,937
年內其他全面收益：															
換算海外業務匯兌差額	-	-	-	-	-	-	-	24,013	-	-	-	-	24,013	133	24,146
終止確認附屬公司後重新分類匯兌儲備至損益	-	-	-	-	-	-	-	(5,004)	-	-	-	-	(5,004)	-	(5,004)
按公允價值計入其他全面收入之公允價值投資變動	-	-	-	-	-	-	-	-	(688)	-	-	-	(688)	-	(688)
轉讓預付租約付款至投資物業之重估盈餘，扣除稅項	-	-	-	-	-	-	-	-	-	114,245	-	-	114,245	-	114,245
年內全部收益總額	-	-	-	-	-	-	-	19,009	(688)	114,245	-	145,792	278,358	278	278,636
購回股份	-	(3,664)	-	-	-	-	-	-	-	-	-	-	(3,664)	-	(3,664)
註銷庫存股	(1,236)	9,964	(9,964)	1,236	-	-	-	-	-	-	-	-	-	-	-
以權益法結算的購股權安排	-	-	-	-	-	-	428	-	-	-	-	-	428	-	428
沒收購股權或購股權屆滿後轉讓購股權儲備	-	-	-	-	-	-	(298)	-	-	-	-	298	-	-	-
終止確認附屬公司	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,260)	(1,260)
民國一〇七年十二月三十一日	$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

董事長：　　經理人：　　會計主管：

同方[illegible]公司及子公司
（原名：[illegible]限公司及子公司）
[illegible]
民國一〇七年度一〇六年一月一日至十二月三十一日

單位：新台幣仟元

	本公司權益持有人應佔權益														
	股本	庫藏股	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	外匯儲備	可供出售投資重估/公允價值儲備	資產重估儲備	其他儲備	累積虧損	總計	非控制性權益	權益總額
民國一〇六年一月一日	$786,365	$-	$10,362,406	$1,574	$252,824	$228,960	$29,242	$(1,032,452)	$-	$-	$(38,529)	$(5,056,020)	$5,534,370	$3,575	$5,537,945
年內溢利	-	-	-	-	-	-	-	-	-	-	-	550,956	550,956	485	551,441
年內其他全面虧損：	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
可供出售投資公允價值變動，扣除稅項	-	-	-	-	-	-	-	-	(60,805)	-	-	-	(60,805)	-	(60,805)
換算國外業務產生之匯兌差額	-	-	-	-	-	-	-	(261,465)	-	-	-	-	(261,465)	(664)	(262,129)
年內全部收益總額	-	-	-	-	-	-	-	(261,465)	(60,805)	-	-	550,956	228,686	(179)	228,507
發行股份	71,722	-	760,231	-	-	-	-	-	-	-	-	-	831,953	-	831,953
回購股份	-	(51,738)	-	-	-	-	-	-	-	-	-	-	(51,738)	-	(51,738)
註銷庫存股	(2,591)	22,903	(22,903)	2,591	-	-	-	-	-	-	-	-	-	-	-
以權益結算的購股權安排	-	-	-	-	-	-	7,328	-	-	-	-	-	7,328	-	7,328
行使購股權	-	-	-	-	-	-	(3,122)	-	-	-	(3,122)	-	(6,244)	14,747	8,503
民國一〇六年十二月三十一日	$855,496	$(28,835)	$11,099,734	$4,165	$252,824	$228,960	$33,448	$(1,293,917)	$(60,805)	$-	$(41,651)	$(4,505,064)	$6,544,355	$18,143	$6,562,498
採納香港財務報告準則第9號的影響	-	-	-	-	-	-	-	-	52,384	-	-	(57,597)	(5,213)	-	(5,213)
民國一〇七年一月一日(經重列)	$836,057	$(28,180)	$10,847,521	$4,070	$247,080	$223,757	$32,689	$(1,264,517)	$(8,230)	$-	$(40,704)	$(4,458,986)	$6,390,557	$17,731	$6,408,288
年內收益	-	-	-	-	-	-	-	-	-	-	-	652,127	652,127	649	652,776
年內其他全面收益：															
換算海外業務匯兌差額	-	-	-	-	-	-	-	107,411	-	-	-	-	107,411	594	108,005
終止確認附屬公司後重新分類匯兌儲備至損益	-	-	-	-	-	-	-	(22,383)	-	-	-	-	(22,383)	-	(22,383)
按公允價值計入其他全面收入之公允價值投資變動	-	-	-	-	-	-	-	-	(3,077)	-	-	-	(3,077)	-	(3,077)
轉讓預付租約付款至投資物業之重估盈餘，扣除稅項	-	-	-	-	-	-	-	-	-	511,018	-	-	511,018	-	511,018
年內全部收益總額	-	-	-	-	-	-	-	85,028	(3,077)	511,018	-	652,127	1,245,096	1,243	1,246,339
購回股份	-	(16,389)	-	-	-	-	-	-	-	-	-	-	(16,389)	-	(16,389)
註銷庫存股	(5,528)	44,569	(44,569)	5,528	-	-	-	-	-	-	-	-	-	-	-
以權益法結算的購股權安排	-	-	-	-	-	-	1,914	-	-	-	-	-	1,914	-	1,914
沒收購股權或購股權屆滿後轉讓購股權儲備	-	-	-	-	-	-	(1,333)	-	-	-	-	1,333	-	-	-
終止確認附屬公司	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,636)	(5,636)
民國一〇七年十二月三十一日	$830,529	$-	$10,802,952	$9,598	$247,080	$223,757	$33,270	$(1,179,489)	$(11,307)	$511,018	$(40,704)	$(3,805,526)	$7,621,178	$13,338	$7,634,516

註一：民國一〇七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107年12月31日之匯率RMB$1=NT$4.473換算。
民國一〇六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106年12月31日之匯率RMB$1=NT$4.577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
107.1.1~107.12.31	RMB$1：NT$4.700	RMB$1：NT$4.431	RMB$1：NT$4.560
106.1.1~106.12.31	RMB$1：NT$4.688	RMB$1：NT$4.360	RMB$1：NT$4.525
105.1.1~105.12.31	RMB$1：NT$5.105	RMB$1：NT$4.591	RMB$1：NT$4.808

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：[illegible]公司及子公司)

綜合現金流量表

民國一〇七年及一〇六年一月一日至十二月三十一日

單位：仟元

	民國一〇七年度		民國一〇六年度	
	人民幣	新台幣	人民幣	新台幣
經營活動現金流量：				
除稅前溢利	$145,374	$650,258	$126,319	$578,162
就以下項目作出調整：				
財務成本	14,874	66,531	4,658	21,320
銀行利息收入	(2,950)	(13,195)	(3,383)	(15,484)
就放貸業務確認的利息收入	(19,776)	(88,458)	-	-
出售/終止確認附屬公司之虧損/(收益)	3,047	13,629	(110,649)	(506,440)
折舊	19,855	88,811	19,425	88,908
土地租賃付款攤銷	1,634	7,309	804	3,680
其他無形資產攤銷	3,660	16,371	2,710	12,404
遞延發展成本攤銷	3,329	14,891	2,419	11,071
政府補助金攤銷	(750)	(3,355)	(5,509)	(25,215)
投資物業公允值變動	7,772	34,764	500	2,289
公允價值虧損/(收益)淨額：				
按公允值計入損益的金融資產	(3,874)	(17,328)	(11,614)	(53,157)
出售時轉撥自權益的可供出售投資	-	-	315	1,442
按公允值計入損益的金融資產之股息收入	(594)	(2,657)	-	-
可供出售投資股息收入	-	-	(21,058)	(96,382)
出售物業、廠房及設備項目之虧損/(收益)	43,101	192,791	(496)	(2,270)
無形資產攤銷之虧損	217	971	-	-
存貨撇減至可變現淨值	9,807	43,867	6,462	29,577
金融資產之減值虧損	3,268	14,618	1,368	6,261
基於股份以權益結算之付款	428	1,914	1,601	7,327
營運資金變動前的經營現金流量	228,422	1,021,732	13,872	63,493
存貨(增加)/減少	(30,684)	(137,250)	459	2,101
應收貿易及票據款項增加	(22,648)	(101,305)	(22,463)	(102,813)
應收貸款增加	(292,390)	(1,307,860)	-	-
預付款、其他應收款項及其他資產增加	(83,427)	(373,169)	(6,437)	(29,462)
代客戶持有的現金減少/(增加)	86,265	385,863	(90,321)	(413,399)
應付貿易及票據款項(減少)/增加	(72,983)	(326,453)	77,213	353,403
其他應付及應計款項增加/(減少)	1,861	8,324	(23,046)	(105,482)
撥備增加	8,643	38,660	-	-
經營所用現金	(176,941)	(791,458)	(50,723)	(232,159)
已收放貸業務利息收入	10,591	47,374	-	-
已付香港利得稅	-	-	(6,737)	(30,835)
已付海外稅項	(6,711)	(30,018)	(22,132)	(101,298)
經營活動所用現金流量淨額	(173,061)	(774,102)	(79,592)	(364,292)

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：[illegible]及子公司)

綜合現金流量表(續)

民國一〇七年及一〇六年一月一日至十二月三十一日

單位：仟元

	民國一〇七年度		民國一〇六年度	
	人民幣	新台幣	人民幣	新台幣
經營活動所用現金流量淨額	(173,061)	(774,102)	(79,592)	(364,292)
投資活動現金流量：				
已收銀行利息	2,950	13,195	3,383	15,484
購買物業、廠房及設備項目	(20,985)	(93,866)	(15,487)	(70,884)
購買預付租約付款項目	(29,468)	(131,810)	-	-
添購投資物業	(592,157)	(2,648,718)	-	-
出售物業、廠房及設備項目所得款	7,088	31,705	13,399	61,327
添置其他無形資產	(12,519)	(55,998)	(5,583)	(25,553)
購買按公允價值計入其他全面收益的權益投資/可供出售投資	-	-	(348,600)	(1,595,542)
購買按公允價值計入損益的金融資產	(633,023)	(2,831,512)	-	-
出售按公允價值計入損益的金融資產所得款項	763,681	3,415,945	-	-
收購一間附屬公司	-	-	40,768	186,595
按公允價值購買上市股本證券	-	-	(13,499)	(61,785)
已收可供出售投資股息	-	-	21,058	96,382
已按公允價值計入損益之股息	594	2,657	-	-
已抵押存款(增加)/減少	(20,985)	(93,866)	14,345	65,657
出售附屬公司，扣除已出售現金及現金等值物	-	-	249,718	1,142,959
投資活動所用現金淨額	(534,824)	(2,392,268)	(40,498)	(185,360)
融資活動現金流量：				
新增股東貸款	642,659	2,874,614	-	-
新增銀行貸款	222,424	994,902	174,985	800,906
償還股東往貸款	(292,659)	(1,309,064)	-	-
償還銀行貸款	(70,243)	(314,197)	(210,633)	(964,067)
已付利息	(14,874)	(66,531)	(4,658)	(21,320)
購回股份付款	(3,664)	(16,389)	(11,304)	(51,738)
融資活動所得/(所用)現金淨額	483,643	2,163,335	(51,610)	(236,219)
現金及現金等值物減少淨額	(224,242)	(1,003,035)	(171,700)	(785,871)
於年初的現金及現金等值物	435,964	1,950,067	649,306	2,971,873
外幣匯率變動的影響	18,097	80,948	(41,642)	(190,595)
於年末的現金及現金等值物	$229,819	$1,027,980	$435,964	$1,995,407

註一：民國一〇七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107年12月31日之匯率RMB$1=NT$4.473換算。

民國一〇六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106年12月31日之匯率RMB$1=NT$4.577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
107.1.1~107.12.31	RMB$1：NT$4.700	RMB$1：NT$4.431	RMB$1：NT$4.560
106.1.1~106.12.31	RMB$1：NT$4.688	RMB$1：NT$4.360	RMB$1：NT$4.525
105.1.1~105.12.31	RMB$1：NT$5.105	RMB$1：NT$4.591	RMB$1：NT$4.808

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[illegible]公司及子公司
（原名[illegible]公司及子公司）
[illegible]
依中華民國所採用之會計準則重編
民國一〇七年及一〇六年十二月三十一日

單位：新台幣仟元

	民國一〇七年十二月三十一日				民國一〇六年十二月三十一日			
	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	%
資產								
流動資產：								
現金及約當現金	$1,027,980	$-	$1,027,980	10	$1,995,407	$-	$1,995,407	25
透過損益按公允價值衡量之金融資產-流動	871,936	-	871,936	8	98,730	-	98,730	1
備供出售金融資產	-	-	-	-	1,469,579	-	1,469,579	18
受限制資產－流動	153,455	-	153,455	2	60,975	-	60,975	1
應收票據淨額	19,028	-	19,028	-	46,640	-	46,640	1
應收帳款淨額	678,062	-	678,062	7	580,899	-	580,899	7
其他應收款	1,725,732	-	1,725,732	16	400,844	-	400,844	5
存　　貨	886,571	-	886,571	8	811,937	-	811,937	10
預付款項	46,524	-	46,524	1	63,694		63,694	1
其他流動資產	34,280	-	34,280	-	413,399	-	413,399	5
流動資產合計	5,443,568	-	5,443,568	52	5,942,104	-	5,942,104	74
非流動資產：								
透過損益按公允價值衡量之金融資產-非流動	588,705	-	588,705	5	508,807	-	508,807	7
備供出售金融資產-非流動	-	-	-	-	10,564	(10,564)	-	-
以成本衡量之金融資產-非流動	-	-	-	-	-	10,564	10,564	-
採用權益法之投資	-	-	-	-	4,650	-	4,650	-
不動產、廠房及設備	373,272	-	373,272	3	596,814	(12,335)	584,479	8
投資性不動產淨額	3,457,472	(762,075)	2,695,397	26	64,993	(34,236)	30,757	-
無形資產	198,973	-	198,973	2	162,044	-	162,044	2
遞延所得稅資產	31,333	-	31,333	-	28,281	-	28,281	-
商譽	578,900	-	578,900	5	565,049	-	565,049	7
長期預付租金	207,194	-	207,194	2	139,457	-	139,457	2
其他非流動資產	383,260	-	383,260	5	-	12,335	12,335	-
非流動資產合計	5,819,109	(762,075)	5,057,034	48	2,080,659	(34,236)	2,046,423	26
資產總計	$11,262,677	$(762,075)	$10,500,602	100	$8,022,763	$(34,236)	$7,988,527	100
負債及股東權益								
流動負債：								
短期借款	$1,016,816	$-	$1,016,816	10	$321,502	$-	$321,502	4
應付票據	-	-	-	-	112,910	-	112,910	1
應付帳款	437,200	-	437,200	4	255,264	-	255,264	3
合約負債	70,347	-	70,347	1	-	-	-	-
其他應付款	216,788	-	216,788	2	289,097	-	289,097	4
當期所得稅負債	-	-	-	-	183	-	183	-
負債準備	42,699	-	42,699	-	4,133	-	4,133	-
其他流動負債	18,142	-	18,142	-	413,400	-	413,400	5
流動負債合計	1,801,992	-	1,801,992	17	1,396,489	-	1,396,489	17
非流動負債								
遞延所得稅負債	230,538	(219,007)	11,531	-	29,563	-	29,563	-
其他非流動負債	1,595,631	-	1,595,631	15	34,213	-	34,213	1
非流動負債合計	1,826,169	(219,007)	1,607,162	15	63,776	-	63,776	1
負債總計	3,628,161	(219,007)	3,409,154	32	1,460,265	-	1,460,265	18
股東權益								
普通股股本	830,529		830,529	8	855,496	-	855,496	11
資本公積	-	11,314,104	11,314,104	108	-	11,622,177	11,622,177	145
儲備	6,790,649	(6,790,649)	-	-	5,688,859	(5,688,859)	-	-
累積盈虧	-	(3,875,727)	(3,875,727)	(37)	-	(4,583,996)	(4,583,996)	(57)
其他權益	-	(1,190,796)	(1,190,796)	(11)	-	(1,354,722)	(1,354,722)	(17)
庫藏股票	-	-	-	-	-	(28,836)	(28,836)	-
母公司股東權益合計	7,621,178	(543,068)	7,078,110	68	6,544,355	(34,236)	6,510,119	82
非控制權益	13,338	-	13,338	-	18,143	-	18,143	-
股東權益總計	7,634,516	(543,068)	7,091,448	68	6,562,498	(34,236)	6,528,262	82
負債與股東權益總計	$11,262,677	$(762,075)	$10,500,602	100	$8,022,763	$(34,236)	$7,988,527	100

董事長：　　經理人：　　會計主管：

同方友友控股股份有限公司及子公司

(原名：[illegible]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

民國一〇七年及一〇六年一月一日至十二月三十一日

單位：新台幣仟元

	民國一〇七年度				民國一〇六年度			
	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	$3,102,911	$(88,458)	$3,014,453	100	$3,047,019	$-	$3,047,019	100
營業成本	(2,189,838)	-	(2,189,838)	(73)	(2,094,591)	-	(2,094,591)	(69)
營業毛利	913,073	(88,458)	824,615	27	952,428	-	952,428	31
營業費用	(1,205,406)	-	(1,205,406)	(40)	(1,005,626)	(2,215)	(1,007,841)	(33)
營業損失	(292,333)	(88,458)	(380,791)	(13)	(53,198)	(2,215)	(55,413)	(2)
營業外收入及支出								
其他收入	1,109,541	88,458	1,197,999	39	164,122	-	164,122	5
其他利益及損失	(100,419)	(828)	(101,247)	(3)	488,558	1,368	489,926	16
財務成本	(66,531)	-	(66,531)	(2)	(21,320)	-	(21,320)	-
營業外收入及支出合計	942,591	87,630	1,030,221	34	631,360	1,368	632,728	21
繼續營業單位稅前淨利	650,258	(828)	649,430	21	578,162	(847)	577,315	19
所得稅費用	2,518	-	2,518	-	(26,721)	-	(26,721)	(1)
本期淨利	652,776	(828)	651,948	21	551,441	(847)	550,594	18
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	(3,077)	-	(3,077)	-	-	-	-	-
不動產重估增值	730,025	(730,025)	-	-	-	-	-	-
與不重分類之項目相關之所得稅	(219,007)	219,007	-	-	-	-	-	-
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	85,622	-	85,622	3	(262,129)	-	(262,129)	(8)
備供出售金融資產未實現評價利益	-	-	-	-	(60,805)	-	(60,805)	(2)
其他綜合損益(稅後淨額)	593,563	(511,018)	82,545	3	(322,934)	-	(322,934)	(10)
其他綜合損益總額	$1,246,339	$(511,846)	$734,493	24	$228,507	$(847)	$227,660	7
本期淨損歸屬於								
母公司業主	$652,127	$(828)	$651,299		$550,956	$(847)	$550,109	
非控制權益	649	-	649		485	-	485	
	$652,776	$(828)	$651,948		$551,441	$(847)	$550,594	
綜合損益總額屬於								
母公司業主	$1,245,096	$(511,846)	$733,250		$228,686	$(847)	$227,839	
非控制權益	1,243	-	1,243		(179)	-	(179)	
	$1,246,339	$(511,846)	$734,493		$228,507	$(847)	$227,660	
每股盈餘(新台幣元)								
基本稅後	$0.31	$-	$0.31		$0.26	$-	$0.26	
稀釋稅後	$0.31	$-	$0.31		$0.26	$-	$0.26	

董事長：　　經理人：謝漢良　　會計主管：付凱

同方友友控股有限公司及子公司
(原名：真明[illegible]限公司及子公司)
[illegible]
依中華民國[illegible]會計準則重編
民國一〇七年及一〇六年一月一日至十二月三十一日

單位：新台幣仟元

	民國一〇七年度			民國一〇六年度		
	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
營業活動之現金流量：						
本期稅前淨利	$650,258	$(828)	$649,430	$578,162	$(847)	$577,315
調整項目：						
收益費損項目：						
折舊費用	88,811	828	89,639	88,908	847	89,755
攤銷費用	38,571	4,500	43,071	27,155	-	27,155
攤銷遞延政府補助收入	(3,355)	-	(3,355)	(25,215)	-	(25,215)
預期信用減損損失數	14,618	-	14,618	6,261	-	6,261
透過損益按公允價值衡量金融資產及負債利益	(17,328)	-	(17,328)	(53,157)	-	(53,157)
利息費用	66,531	-	66,531	21,320	-	21,320
利息收入	(101,653)	-	(101,653)	(15,484)	-	(15,484)
投資性不動產按公允價值衡量之損失	34,764	(34,764)	-	2,289	-	2,289
投資性不動產減損損失	-	30,264	30,264	-	-	-
無形資產減損損失	971	-	971	-	-	-
透過損益按公允價值衡量之金融資產之股息收入	(2,657)	-	(2,657)	-	-	-
可供出售投資股息收入股利收入	-	-	-	(96,382)	-	(96,382)
股份基礎給付酬勞成本	1,914	-	1,914	7,327	-	7,327
處分不動產、廠房、設備及土地使用權損失(利益)	192,791	-	192,791	(2,270)	-	(2,270)
處分投資關聯企業損失(利益)	13,629	-	13,629	(506,440)	-	(506,440)
金融資產減損損失	-	-	-	1,442	-	1,442
存貨跌價損失	43,867	-	43,867	29,577	-	29,577
與營業活動相關之資產/負債變動數：						
應收票據減少	26,484	-	26,484	7,438	-	7,438
應收帳款增加	(127,789)	-	(127,789)	(110,251)	-	(110,251)
其他應收帳款增加	(1,696,752)	-	(1,696,752)	-	-	-
存貨(增加)減少	(137,250)	-	(137,250)	2,101	-	2,101
預付款項減少	15,723	-	15,723	32,785	-	32,785
其他流動資產減少(增加)	385,863	-	385,863	(475,646)	-	(475,646)
應付票據(減少)增加	(110,344)	-	(110,344)	12,513	-	12,513
應付帳款增加(減少)	187,736	-	187,736	(72,509)	-	(72,509)
其他應付款增加(減少)	8,324	-	8,324	(105,482)	-	(105,482)
負債準備增加	38,660	-	38,660	-	-	-
其他流動負債(減少)增加	(403,845)	-	(403,845)	413,399	-	413,399
營運產生之現金流出	(791,458)	-	(791,458)	(232,159)	-	(232,159)
收取放貸業務之利息	47,374	-	47,374	-	-	-
支付之所得稅	(30,018)	-	(30,018)	(132,133)	-	(132,133)
營業活動之淨現金流出	(774,102)	-	(774,102)	(364,292)	-	(364,292)
投資活動之現金流量：						
取得透過損益按公允價值衡量之金融資產	(2,831,512)	-	(2,831,512)	(61,785)	-	(61,785)
出售透過損益按公允價值衡量之金融資產	3,415,945	-	3,415,945	-	-	-
取得備供出售金融資產	-	-	-	(1,595,542)	-	(1,595,542)
處分子公司	-	-	-	1,142,959	-	1,142,959
取得不動產、廠房及設備	(93,866)	-	(93,866)	(70,884)	-	(70,884)
取得投資性不動產	(2,648,718)	-	(2,648,718)	-	-	-
處分不動產、廠房及設備	31,705	-	31,705	61,327	-	61,327
取得無形資產	(55,998)	-	(55,998)	(25,553)	-	(25,553)
長期預付租金增加	(131,810)	-	(131,810)	-	-	-
受限制資產(增加)減少	(93,866)	-	(93,866)	65,657	-	65,657
收取之利息	13,195	-	13,195	15,484	-	15,484
取得子公司之淨現金	-	-	-	186,595	-	186,595
收取之股利	2,657	-	2,657	96,382	-	96,382
投資活動之淨現金流出	(2,392,268)	-	(2,392,268)	(185,360)	-	(185,360)
籌資活動現金流量：						
舉借短期借款	994,902	-	994,902	800,906	-	800,906
償還短期借款	(314,197)	-	(314,197)	(964,067)	-	(964,067)
其他非流動負債增加	1,565,550	-	1,565,550	-	-	-
支付之利息	(66,531)	-	(66,531)	(21,320)	-	(21,320)
庫藏股票買回成本	(16,389)	-	(16,389)	(51,738)	-	(51,738)
籌資活動之淨現金流入(流出)	2,163,335	-	2,163,335	(236,219)	-	(236,219)
匯率變動對現金及約當現金之影響	80,948	-	80,948	(190,595)	-	(190,595)
本期現金及約當現金減少數	(1,003,035)	-	(1,003,035)	(785,871)	-	(785,871)
期初現金及約當現金餘額	1,950,067	-	1,950,067	2,971,873	-	2,971,873
期末現金及約當現金餘額	$1,027,980	$-	$1,027,980	$1,995,407	$-	$1,995,407

董事長：　　經理人：　　會計主管：

同方友友控股有限公司及其子公司
(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
民國一〇七年一月一日至十二月三十一日及
民國一〇六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一〇七年度及一〇六年度財務報告，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。

本集團民國一〇七年度及一〇六年度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，永久性大者在先，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及票據款項。	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項、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。
	因公平價值無法可靠衡量而採成本評價之股權投資，應分類為以成本衡量之金融資產-非流動	因合理公平價值估計範圍重大及各種估計法之機率無法合理評估，企業可以成本衡量該金融資產，並分類為備供出售金融資產。	已予將備供出售金融資產重分類至以成本衡量之金融資產-非流動項下。 106年12月31日:10,564仟元
	依據中華民國所採用之會計準則規定，預付設備款依其性質重分類於其他非流動資產項下。	預付設備款於106年係帳列於不動產、廠房及設備項下；於107年係帳列預付款、其他應收款項及其他資產-非流動項下。	已予將106年預付設備款自不動產、廠房及設備重分類至其他非流動資產項下。 106年12月31日:12,335仟元

	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
	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。 107年12月31日:6,790,649仟元 106年12月31日:5,688,859仟元
(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 107年度:(828)仟元 106年度:(847)仟元 保留盈餘影響數 107年12月31日:(31,222)仟元 106年12月31日:(33,389)仟元 其他權益影響數 107年12月31日:(730,025)仟元 106年12月31日:0仟元 資產影響數 107年12月31日(762,075)仟元 106年12月31日(34,236) 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 其他權益影響數 107年12月31日:219,007仟元 106年12月31日:0仟元 負債影響數 107年12月31日:(219,007)仟元 106年12月31日:0仟元

	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 107年度:無影響 106年度:無影響 保留盈餘影響數 107年12月31日:(47,749)仟元 106年12月31日:(48,862)仟元 資本公積影響數 107年12月31日:47,749仟元 106年12月31日:48,862仟元
(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 107年度:無影響 106年度:無影響 保留盈餘影響數 107年12月31日:9,598仟元 106年12月31日:4,165仟元 資本公積影響數 107年12月31日:(9,598) 仟元 106年12月31日:(4,165) 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。 利息收入依其性質予以重分類至其他收入項下。 107年度:88,458仟元 106年度:0仟元 營業費用依其性質予以重分類。 107年度:0仟元 106年度:2,215仟元

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)

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84至188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，此財務報表包括於二零一八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　貴集團於二零一八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	我們的審計如何對關鍵審計事項進行處理
應收貿易賬款及應收票據的減值撥備	
於二零一八年十二月三十一日，應收貿易賬款及應收票據為人民幣155.8百萬元(扣除減值撥備人民幣8.6百萬元後)，佔資產總值的6.2%。 評估應收貿易賬款及應收票據的預期信貸虧損(「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。 重大會計判斷及估計及應收貿易賬款及應收票據結餘披露載於綜合財務報表附註3及附註20內。	我們評估管理層減值撥備計提的程序包括： • 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的詢證函； • 我們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日數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違約概率的合理性； • 我們檢查年末後現金收取，作為年末貿易應收款項及應收票據的樣本；及 • 評估董事於綜合財務報表的相關披露之適當性。

獨立核數師報告

關鍵審計事項(續)

關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
現金產生單位「現金產生單位」的商譽減值評估	
於二零一八年十二月三十一日，有關　貴集團於二零一七年收購同方證券有限公司(「同方證券」)的商譽賬面值為人民幣120.9百萬元。同方證券於香港從事提供金融服務。 我們在審計中關注的風險是商譽減值的風險。鑑於減值評估涉及管理層的重大判斷，我們認為此範疇對我們的審計非常重要。 重大會計判斷及估計以及商譽結餘披露載於綜合財務報表附註3及附註16內。	我們評估管理層商譽減值評估的程序包括： • 委託內部估值專家評估管理層採用之方法及折現率的恰當性； • 評估獨立外部估值師的資格、能力及客觀性； • 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(例如獲批預算)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 • 評估綜合財務報表中減值評估的披露是否充分及恰當。
存貨可變現淨值	
於二零一八年十二月三十一日，　貴集團存貨賬面淨值為人民幣198.2百萬元，並已扣除減值撥備人民幣81.7百萬元。 存貨其撥備計量需要管理層作出重大判斷，釐定成本基準以及評估其可變現淨值是否低於年末存貨的賬面值。釐定因存貨過剩及陳舊撥備時亦須基於預測存貨用途而作出判斷。 相關披露載於截至二零一八年十二月三十一日止年度的綜合財務報表附註3及附註19內。	我們評估管理層計量存貨撥備的程序包括： • 已於內部專員的協助下評估存貨成本基準的相關方法並對其執行控制測試；及 • 已評估存貨過剩及陳舊撥備政策並通過將之與過往成品數據抽樣比較，考慮管理層的判斷。我們亦已通過比較重要項目後續銷售的單價與單價成本以評估可變現淨值。此外，我們亦檢查存貨賬齡及後續用途報告，以及未來生產及規模計劃，以證明撥備是否充足。

獨立核數師報告

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。

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。

獨立核數師報告

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅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。

- 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。

獨立核數師報告

核數師就審計綜合財務報表須承擔的責任(續)

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

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

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

出具本獨立核數師報告的審計項目合夥人是林慧明。

安永會計師事務所
執業會計師
香港

二零一九年三月二十日

綜合損益表

截至二零一八年十二月三十一日止年度

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
收入	5	**693,698**	665,724
銷售成本		**(489,568)**	(457,634)
毛利		**204,130**	208,090
其他收入、收益及虧損淨額	5	**225,603**	142,600
金融資產減值虧損淨額	6	**(3,268)**	(1,368)
分銷及銷售開支		**(111,937)**	(90,146)
行政開支		**(154,280)**	(128,199)
財務成本	7	**(14,874)**	(4,658)
除税前溢利	6	**145,374**	126,319
税項抵免／(支出)	10	**563**	(5,838)
年內溢利		**145,937**	120,481
以下人士應佔：			
本公司擁有人		**145,792**	120,375
非控股權益		**145**	106
		145,937	120,481
本公司普通股權益持有人應佔每股盈利			
基本及攤薄	12	**人民幣6.96分**	人民幣5.72分

綜合全面收益表

截至二零一八年十二月三十一日止年度

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
年內溢利		**145,937**	120,481
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)：			
可供出售投資：			
公允價值變動		**–**	(13,285)
匯兑差額：			
換算國外業務產生之匯兑差額		**24,146**	(57,271)
年內對所終止確認的國外業務作出重新分類調整	34	**(5,004)**	–
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		**19,142**	(70,556)
於後續期間不會重新分類至損益的其他全面收入：			
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		**(688)**	–
轉讓預付租約付款至投資物業之重估盈餘	15	**163,207**	–
所得税影響		**(48,962)**	–
		114,245	–
於後續期間不會重新分類至損益的其他全面收入淨額		**113,557**	–
年度其他全面收入／(虧損)，扣除税項		**132,699**	(70,556)
年度全面收入總額		**278,636**	49,925
以下人士應佔：			
本公司擁有人		**278,358**	49,964
非控股權益		**278**	(39)
		278,636	49,925

綜合財務狀況表

二零一八年十二月三十一日

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
非流動資產			
物業、廠房及設備	13	**83,450**	130,394
投資物業	14	**772,965**	14,200
預付租約付款	15	**46,321**	30,469
商譽	16	**129,421**	123,454
其他無形資產	17	**44,483**	35,404
可供出售投資	18	**–**	3,324
指定按公允價值計入其他全面收入的權益投資	18	**624**	–
預付款及其他資產	21	**85,683**	–
按公允價值計入損益的金融資產	23	**130,989**	111,166
遞延稅項資產	29	**7,005**	6,179
非流動資產總值		**1,300,941**	454,590
流動資產			
存貨	19	**198,205**	177,395
應收貿易賬款及應收票據	20	**155,844**	137,107
應收貸款	22	**300,922**	–
預付款、其他應收款項及其他資產	21	**95,290**	101,494
可供出售投資	18	**–**	321,079
預付租約付款	15	**1,081**	–
指定按公允價值計入其他全面收入的權益投資	18	**600**	–
按公允價值計入損益的金融資產	23	**194,333**	21,571
可收回稅項		**2,527**	–
已抵押按金	24	**34,307**	13,322
代客戶持有的現金	24	**4,056**	90,321
現金及現金等值物	24	**229,819**	435,964
流動資產總值		**1,216,984**	1,298,253
流動負債			
應付貿易賬款及應付票據	25	**101,798**	170,761
其他應付及應計款項	26	**64,193**	63,163
計息銀行借款	27	**227,323**	70,243
應付稅項		**–**	40
撥備	28	**9,546**	903
流動負債總額		**402,860**	305,110
流動資產淨值		**814,124**	993,143
資產總值減流動負債		**2,115,065**	1,447,733

綜合財務狀況表

二零一八年十二月三十一日

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
非流動負債			
政府補助		**6,725**	7,475
遞延稅項負債	29	**51,540**	6,459
最終控股公司貸款	39	**350,000**	–
非流動負債總額		**408,265**	13,934
資產淨值		**1,706,800**	1,433,799
權益			
本公司擁有人應佔權益			
已發行股本	30	**185,676**	186,912
儲備	32	**1,518,142**	1,242,923
		1,703,818	1,429,835
非控股權益		**2,982**	3,964
權益總額		**1,706,800**	1,433,799

謝漢良
董事

Daniel P. W. Li
董事

綜合權益變動表

截至二零一八年十二月三十一日止年度

	本公司擁有人應佔														
	股本 (附註30) 人民幣千元	庫存股份 人民幣千元	股份溢價 (附註32) 人民幣千元	資本贖回儲備 (附註32) 人民幣千元	特別儲備 (附註32) 人民幣千元	股份補償儲備 (附註32) 人民幣千元	購股權儲備 (附註31) 人民幣千元	匯兑波動儲備 (附註32) 人民幣千元	可供出售投資重估/公允價值儲備 (附註32) 人民幣千元	資產重估儲備 (附註32) 人民幣千元	其他儲備 (附註32) 人民幣千元	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
於二零一七年一月一日	171,808	-	2,264,017	344	55,238	50,024	6,389	(225,574)	-	-	(8,418)	(1,104,658)	1,209,170	781	1,209,951
年內溢利	-	-	-	-	-	-	-	-	-	-	-	120,375	120,375	106	120,481
年內其他全面虧損：															
可供出售投資公允價值變動，扣除稅項	-	-	-	-	-	-	-	-	(13,285)	-	-	-	(13,285)	-	(13,285)
換算國外業務產生之匯兑差額	-	-	-	-	-	-	-	(57,126)	-	-	-	-	(57,126)	(145)	(57,271)
年內全面收益總額	-	-	-	-	-	-	-	(57,126)	(13,285)	-	-	120,375	49,964	(39)	49,925
發行股份	15,670	-	166,098	-	-	-	-	-	-	-	-	-	181,768	-	181,768
購回股份	-	(11,304)	-	-	-	-	-	-	-	-	-	-	(11,304)	-	(11,304)
註銷庫存股	(566)	5,004	(5,004)	566	-	-	-	-	-	-	-	-	-	-	-
以權益結算的購股權安排	-	-	-	-	-	-	1,601	-	-	-	-	-	1,601	-	1,601
行使購股權	-	-	-	-	-	-	(682)	-	-	-	(682)	-	(1,364)	3,222	1,858
於二零一七年十二月三十一日	186,912	(6,300)*	2,425,111*	910*	55,238*	50,024*	7,308*	(282,700)*	(13,285)*	-	(9,100)*	(984,283)*	1,429,835	3,964	1,433,799
採納香港財務報告準則第9號的影響(附註2.2)	-	-	-	-	-	-	-	-	11,445	-	-	(12,584)	(1,139)	-	(1,139)
於二零一八年一月一日(經重列)	186,912	(6,300)	2,425,111	910	55,238	50,024	7,308	(282,700)	(1,840)	-	(9,100)	(996,867)	1,428,696	3,964	1,432,660
年內溢利	-	-	-	-	-	-	-	-	-	-	-	145,792	145,792	145	145,937
年內其他全面收益：															
換算海外業務匯兑差額	-	-	-	-	-	-	-	24,013	-	-	-	-	24,013	133	24,146
終止確認附屬公司後重新分類匯兑波動儲備至損益	-	-	-	-	-	-	-	(5,004)	-	-	-	-	(5,004)	-	(5,004)
按公允價值計入其他全面收入之權益工具公允價值變動	-	-	-	-	-	-	-	-	(688)	-	-	-	(688)	-	(688)
轉讓預付土地租賃付款至投資物業之重估盈餘，扣除稅項	-	-	-	-	-	-	-	-	-	114,245	-	-	114,245	-	114,245
年內全面收益總額	-	-	-	-	-	-	-	19,009	(688)	114,245	-	145,792	278,358	278	278,636
購回股份	-	(3,664)	-	-	-	-	-	-	-	-	-	-	(3,664)	-	(3,664)
註銷庫存股	(1,236)	9,964	(9,964)	1,236	-	-	-	-	-	-	-	-	-	-	-
以權益結算的購股權安排	-	-	-	-	-	-	428	-	-	-	-	-	428	-	428
沒收購股權或購股權屆滿後轉讓購股權儲備	-	-	-	-	-	-	(298)	-	-	-	-	298	-	-	-
終止確認附屬公司	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,260)	(1,260)
於二零一八年十二月三十一日	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

* 該等儲備賬包括綜合財務狀況表中的綜合儲備人民幣1,518,142,000元(二零一七年：人民幣1,242,923,000元)。

綜合現金流量表

截至二零一八年十二月三十一日止年度

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
經營活動所得現金流量			
除税前溢利		**145,374**	126,319
就以下項目作出調整：			
財務成本	7	**14,874**	4,658
銀行利息收入	5	**(2,950)**	(3,383)
就放貸業務確認的利息收入	5	**(19,776)**	–
出售／終止確認附屬公司之虧損／(收益)	5	**3,047**	(110,649)
折舊	6	**19,855**	19,425
土地租賃付款攤銷	6	**1,634**	804
其他無形資產攤銷	6	**3,660**	2,710
遞延發展成本攤銷	6	**3,329**	2,419
政府補助金攤銷		**(750)**	(5,509)
投資物業公允價值變動	5	**7,772**	500
按公允價值計入損益的金融資產之公允價值收益	5	**(3,874)**	(11,614)
出售時轉撥自權益的可供出售投資減值	5	**–**	315
按公允價值計入損益的金融資產之股息收入	5	**(594)**	–
可供出售投資股息收入	5	**–**	(21,058)
出售物業、廠房及設備項目之虧損／(收益)	5	**43,101**	(496)
無形資產撇銷之虧損	6	**217**	–
存貨撇減至可變現淨值	6	**9,807**	6,462
金融資產之減值虧損	6	**3,268**	1,368
以權益結算之購股權開支	6	**428**	1,601
		228,422	13,872
存貨(增加)／減少		**(30,684)**	459
應收貿易賬款及應收票據增加		**(22,648)**	(22,463)
應收貸款增加		**(292,390)**	–
預付款、其他應收款項及其他資產增加		**(83,427)**	(6,437)
代客戶持有的現金減少／(增加)		**86,265**	(90,321)
應付貿易賬款及應付票據(減少)／增加		**(72,983)**	77,213
其他應付及應計款項增加／(減少)		**1,861**	(23,046)
撥備增加		**8,643**	–
經營所用現金		**(176,941)**	(50,723)
已收放貸業務利息收入		**10,591**	–
已付香港利得税		**–**	(6,737)
已付海外税項		**(6,711)**	(22,132)
經營活動所用現金流量淨額		**(173,061)**	(79,592)

綜合現金流量表

截至二零一八年十二月三十一日止年度

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
投資活動所得現金流量			
已收銀行利息		**2,950**	3,383
購買物業、廠房及設備項目		**(20,985)**	(15,487)
購買預付租約付款項目		**(29,468)**	–
添置投資物業		**(592,157)**	–
出售物業、廠房及設備項目所得款項		**7,088**	13,399
添置其他無形資產		**(12,519)**	(5,583)
購買指定按公允價值計入其他全面收益的權益投資／可供出售投資		**–**	(348,600)
購買按公允價值計入損益的金融資產		**(633,023)**	–
出售按公允價值計入損益的金融資產所得款項		**763,681**	–
收購一間附屬公司		**–**	40,768
按公允價值購買上市股本證券		**–**	(13,499)
已收可供出售投資股息		**–**	21,058
已收按公允價值計入損益之金融資產的股息		**594**	–
已抵押存款(增加)／減少		**(20,985)**	14,345
出售附屬公司，扣除已出售現金及現金等值物		**–**	249,718
投資活動所用現金流量淨額		**(534,824)**	(40,498)
融資活動所得現金流量			
新增股東貸款		**642,659**	–
新增銀行貸款		**222,424**	174,985
償還股東貸款		**(292,659)**	–
償還銀行貸款		**(70,243)**	(210,633)
已付利息		**(14,874)**	(4,658)
購回股份付款		**(3,664)**	(11,304)
融資活動所得／(所用)現金淨額		**483,643**	(51,610)
現金及現金等值物減少淨額		**(224,242)**	(171,700)
於年初的現金及現金等值物		**435,964**	649,306
外幣匯率變動的影響淨額		**18,097**	(41,642)
於年末的現金及現金等值物	24	**229,819**	435,964

綜合財務報表附註

截至二零一八年十二月三十一日止年度

1. 企業及集團資料

同方友友控股有限公司(「本公司」)根據開曼群島公司法(二零一零年版)於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, 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
- 提供證券經紀服務

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／註冊資本	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」，前稱鶴山同方照明科技有限公司)	中國	300,000,000美元	–	100%	燈具產品製造及貿易
星輝國際澳門離岸商業服務有限公司	澳門	100,000澳門幣	–	100%	燈具產品貿易

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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／註冊資本	本公司應佔權益百分比 直接	本公司應佔權益百分比 間接	主要活動
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
American Lighting, Inc.	美利堅合眾國(「美國」)	7,944,505美元	–	100%	照明解決方案供應商
Tivoli, LLC.	美國	4,500,000美元	–	100%	照明解決方案供應商

* 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」)(亦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。該等財務報表按歷史成本法編製，惟投資物業、指定按公允價值計入損益的權益投資及按公允價值計入損益的金融資產按公允價值計量。該等財務報表以人民幣(「人民幣」)呈列，除非另有指明，所有數值均已約整至最接近的千位。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.1 編製基準(續)

綜合基準

綜合財務報表包括本集團截至二零一八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)計入權益之累計匯兑差額;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保留溢利(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

截至二零一八年十二月三十一日止年度

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下列新訂及經修訂香港財務報告準則。

香港財務報告準則第2號(修訂本)	*股份支付款項交易之分類及計量*
香港財務報告準則第4號(修訂本)	*應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合同*
香港財務報告準則第9號	*金融工具*
香港財務報告準則第15號	*客戶合同收入*
香港財務報告準則第15號(修訂本)	*香港財務報告準則第15號客戶合同收入之澄清*
香港會計準則第40號(修訂本)	*轉讓投資物業*
香港(國際財務報告詮釋委員會)－詮釋第22號	*外幣交易及預付(收)代價*
二零一四年至二零一六年週期之年度改進	香港財務報告準則第1號及香港會計準則第28號的修訂

除與編製本集團財務報表無關之香港財務報告準則第4號(修訂本)及*二零一四年至二零一六年週期之年度改進*外，該等新訂及經修訂香港財務報告準則之性質及影響說明如下：

(a) 香港財務報告準則第2號(修訂本)處理三個主要範疇：歸屬條件對計量以現金結算以股份支付之交易的影響；為僱員履行與以股份支付相關之稅務責任而預扣若干金額的具有淨額結算特質之以股份支付之交易的分類；及對以股份支付之交易的條款及條件作出令其分類由現金結算變為股權結算之修訂時的入賬。該等修訂澄清計量股權結算以股份支付之款項時歸屬條件的入賬方法亦適用於現金結算以股份支付之款項。該等修訂引入一個例外情況，在符合若干條件時，為僱員履行稅務責任而預扣若干金額的具有淨額結算特質之以股份支付之交易，乃整項分類為股權結算以股份支付之交易。此外，該等修訂澄清，倘現金結算以股份支付之交易的條款及條件被修訂，令其成為股權結算以股份支付之交易，則該交易自修訂日期起作為股權結算交易入賬。該等修訂預期不會對本集團之財務狀況或表現產生任何重大影響，原因為本集團並無任何以現金結算以股份支付之交易，亦無預扣稅項的具有淨額結算特質的以股份支付之交易。

(b) 香港財務報告準則第9號*金融工具*於二零一八年一月一日當日或之後開始之年度期間取代香港會計準則第39號*金融工具：確認及計量*，匯集金融工具處理的三大方面：分類及計量、減值及對沖會計。

除本集團預期採用的對沖會計外，本集團已於二零一八年一月一日在適用之權益期初結餘確認過渡調整。因此，比較資料並無重列且將繼續根據香港會計準則第39號規定呈報。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.2 會計政策及披露之變動(續)

(b) (續)

分類及計量

以下資料載列採納香港財務報告準則第9號對財務狀況表的影響，包括香港財務報告準則第9號預期信用虧損(「預期信用虧損」)取代香港會計準則第39號已產生信用損失計算的影響。

於二零一八年一月一日，香港會計準則第39號項下的賬面值與香港財務報告準則第9號項下所呈報的結餘之對賬如下：

	附註	香港會計準則第39號計量 類別	香港會計準則第39號計量 金額 *人民幣千元*	重新分類 *人民幣千元*	公允價值調整／預期信用虧損 *人民幣千元*	香港財務報告準則第9號計量 金額 *人民幣千元*	香港財務報告準則第9號計量 類別
金融資產							
指定按公允價值計入其他全面收入的權益投資		不適用	–	3,324	(1,412)	1,912	FVTOCI[1](權益)
來自：可供出售投資	(i)			3,324	–		
可供出售投資		AFS[2]	324,403	(324,403)	–	–	不適用
計入：指定按公允價值計入其他全面收入的權益投資	(i)			(3,324)	–		
計入：按公允價值計入損益的金融資產	(ii)			(321,079)	–		
應收貿易賬款及應收票據		L&R[3]	137,107	–	217	137,324	AC
計入預付款、其他應收款項及其他資產的金融資產		L&R	21,210	–	56	21,266	AC
按公允價值計入損益的金融資產		FVTPL[5]	132,737	321,079	–	453,816	FVTPL(強制性)
來自：可供出售投資	(ii)			321,079	–		
已抵押按金		L&R	13,322	–	–	13,322	AC
代客戶持有的現金		L&R	90,321	–	–	90,321	AC
現金及現金等值物		L&R	435,964	–	–	435,964	AC
總資產			1,752,843	–	(1,139)	1,751,704	

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.2 會計政策及披露之變動(續)

(b) (續)

於二零一八年一月一日，香港會計準則第39號項下的賬面值與香港財務報告準則第9號項下所呈報的結餘之對賬如下：(續)

	香港會計準則第39號計量			公允價值調整／預期信用虧損	香港財務報告準則第9號計量	
	類別	金額	重新分類		金額	類別
		人民幣千元	*人民幣千元*	*人民幣千元*	*人民幣千元*	
金融負債						
應付貿易賬款及應付票據	AC	170,761	–	–	170,761	AC
計入其他應付及應計款項的金融負債	AC	47,267	–	–	47,267	AC
計息銀行借款	AC	70,243	–	–	70,243	AC
總負債		319,044	–	–	319,044	

1 FVTOCI：按公允價值計入其他全面收入的金融資產
2 AFS：可供出售投資
3 L&R：貸款及應收款項
4 AC：按攤銷成本列賬的金融資產或金融負債
5 FVTPL：按公允價值計入損益的金融資產

附註：

(i) 本集團已選擇不可撤銷地將部分先前的可供出售權益投資指定為按公允價值計入其他全面收入的權益投資。先前根據香港會計準則第39號按成本計量的權益投資於採納香港財務報告準則第9號後按公允價值重新計量。

(ii) 本集團將其先前分類為可供出售投資的非上市投資分類為按公允價值計入損益的金融資產，是由於該等非權益投資未能通過香港財務報告準則第9號的合約現金流量特徵測試。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.2 會計政策及披露之變動(續)

(b) (續)

減值

下表將根據香港會計準則第39號的期初減值撥備總額與根據香港財務報告準則第9號的預期信用虧損撥備對賬。詳情披露於綜合財務報表附註20及21。

	於二零一七年十二月三十一日根據香港會計準則第39號的減值撥備 *人民幣千元*	重新計量 *人民幣千元*	於二零一八年一月一日根據香港財務報告準則第9號的預期信用虧損撥備 *人民幣千元*
應收貿易款項	46,312	(217)	46,095
計入預付款、其他應收款項及其他資產的金融資產	2,363	(56)	2,307
	48,675	(273)	48,402

對儲備及累計虧損的影響

過渡至香港財務報告準則第9號對儲備及累計虧損的影響如下：

	儲備及累計虧損 *人民幣千元*
根據香港財務報告準則第9號的公允價值儲備（根據香港會計準則第39號的可供出售投資重估儲備）	
根據香港會計準則第39號於二零一七年十二月三十一日的結餘	(13,285)
將金融資產自可供出售投資重新分類為按公允價值計入損益的金融資產	13,285
先前根據香港會計準則第39號按成本計量的指定	
按公允價值計入其他全面收入的權益投資重新計量	(1,412)
撥回先前根據香港會計準則第39號分類成可供出售投資的	
指定按公允價值計入其他全面收入的權益投資減值虧損	(428)
根據香港財務報告準則第9號於二零一八年一月一日的結餘	(1,840)
累計虧損	
根據香港會計準則第39號於二零一七年十二月三十一日的結餘	(984,283)
根據香港財務報告準則第9號重新確認預期信用虧損	273
重新分類可供出售投資為按公允價值計入損益的金融資產	(13,285)
撥回先前根據香港會計準則第39號分類成可供出售投資的	
指定按公允價值計入其他全面收入的權益投資減值虧損	428
根據香港財務報告準則第9號於二零一八年一月一日的結餘	(996,867)

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.2 會計政策及披露之變動(續)

(c) 香港財務報告準則第15號及其修訂本取代香港會計準則第11號*建設合約*、香港會計準則第18號*收益*及相關詮釋，且(除少數例外情況外)其適用於來自客戶合約之全部收入。香港財務報告準則第15號確立一個新五步模式，以將來自客戶合約之收入入賬。根據香港財務報告準則第15號，收入按反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取之代價金額確認。香港財務報告準則第15號的原則為就計量及確認收入提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收入總額、關於履約責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。披露資料載入綜合財務報表附註5。由於應用香港財務報告準則第15號，本集團已變更綜合財務報表附註2.4內有關收入確認的會計政策。

本集團以修訂式追溯應用法採納香港財務報告準則第15號。根據此方法，該項準則適用於初始應用日期的所有合約或僅適用於當日尚未完成的合約。本集團選擇將該項準則應用於二零一八年一月一日尚未完成的合約。

首次應用香港財務報告準則第15號之累計影響乃確認為對於二零一八年一月一日累計虧損年初結餘之調整。因此，比較資料並無重列及繼續根據香港會計準則第11號、香港會計準則第18號及相關詮釋呈報。

下文載列於二零一八年一月一日因採納香港財務報告準則第15號而對各財務報表之單行項目造成影響之金額：

	附註	**增加／(減少)** *人民幣千元*
負債		
其他應付及應計款項		
－預收款項	(i)	(11,866)
－合約負債	(i)	11,866
總負債		–

採納香港財務報告準則第15號對損益及其他全面收入或本集團的經營、投資及融資現金流量並無影響。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.2 會計政策及披露之變動(續)

(c) (續)

下表列出採納香港財務報告準則第15號導致二零一八年十二月三十一日及截至二零一八年十二月三十一日止年度各財務報表中受影響的項目之金額。香港財務報告準則第15號之採納對其他全面收入或本集團的經營、投資及融資現金流量並未造成影響。第一欄顯示根據香港財務報告準則第15號入賬的金額，而第二欄則顯示香港財務報告準則第15號若未被採納的入賬金額：

於二零一八年十二月三十一日的綜合財務狀況表：

		根據以下準則編製的金額		
	附註	**香港財務報告準則第15號** *人民幣千元*	**過往香港財務報告準則** *人民幣千元*	**增加／(減少)** *人民幣千元*
負債				
其他應付及應計款項				
－預收款項	(i)	–	15,727	(15,727)
－合約負債	(i)	15,727	–	15,727
負債總額		15,727	15,727	–

於二零一八年一月一日的調整性質及於二零一八年十二月三十一日財務狀況表重大變動的理由如下：

(i) 預收客戶代價

於採納香港財務報告準則第15號前，本集團確認計入其他應付及應計款項的預收客戶代價。根據香港財務報告準則第15號，該金額分類為合約負債並計入其他應付及應計款項。因此，於採納香港財務報告準則第15號後，本集團將有關二零一八年一月一日之預收客戶代價的人民幣11,866,000元從預收款項重新分類為於二零一八年一月一日之合約負債。

於二零一八年十二月三十一日，根據香港財務報告準則第15號，有關就銷售燈具產品之預收客戶代價的人民幣15,727,000元從預收款項重新分類為合約負債。

(d) 香港會計準則第40號修訂本澄清實體應將物業(包括在建或發展中物業)轉入或轉出投資物業的時間。該等修訂指明，物業用途只在該物業符合或不再符合投資物業之定義且有證據證明用途發生變動時才會發生變動。僅憑管理層對物業用途之意向改變不足以證明其用途有所變動。該等修訂對本集團的財務狀況或表現並無影響。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.2 會計政策及披露之變動(續)

(e) 香港(國際財務報告詮釋委員會)第22號為實體以外幣預付或預收代價及確認非貨幣性資產或負債的情況下，在採納香港會計準則第21號時應如何釐定交易日期提供指引。該詮釋釐清，就釐定於初步確認有關資產、開支或收入(或其中部分)所用的匯率時，交易日期為實體初步確認因預付或預收代價而產生的非貨幣性資產(如預付款)或非貨幣性負債(如遞延收入)之日。倘確認有關項目前存在多筆預付款或預收款，實體須就每筆預付或預收代價款釐定交易日期。該詮釋並無對本集團的財務報表造成任何影響，原因為本集團為釐定非貨幣性資產或非貨幣性負債初步確認而應用之匯率的會計政策與該詮釋所提供的指引一致。

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布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)	*業務的釋義*[2]
香港財務報告準則第9號(修訂本)	*具有負補償的提前還款特性*[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營企業之間的資產出售或注資*[4]
香港財務報告準則第16號	*租賃*[1]
香港財務報告準則第17號	*保險合約*[3]
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*[2]
香港會計準則第19號(修訂本)	*計劃修訂、縮減或清償*[1]
香港會計準則第28號(修訂本)	*於聯營公司及合營企業的長期權益*[1]
香港(國際財務報告詮釋委員會)－詮釋第23號	*所得稅處理的不確定性*[1]
二零一五年至二零一七年週期之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號(修訂本)[1]

1 於二零一九年一月一日或之後開始的年度期間生效

2 於二零二零年一月一日或之後開始的年度期間生效

3 於二零二一年一月一日或之後開始的年度期間生效

4 當未釐定強制生效日期，可供應用

預期適用於本集團的該等香港財務報告準則的進一步資料如下：

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。業務毋須包括形成產出所需的所有投入或過程。該修訂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，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。本集團預期自二零二零年一月一日起採用該等修訂。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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(修訂本)(二零一一年)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企業或合營公司之間的資產出售或注資兩者規定的不一致性作出修改。該等修訂規定,當投資者與其聯營企業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的資產時,由該交易產生的收益或虧損於該投資者的損益內確認,惟僅以不相關投資者於該聯營企業或合營公司的權益為限。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廢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)修訂本之前的強制生效日期,而新強制生效日期將於完成對聯營公司及合營企業會計處理作更廣泛覆核後釐定。然而,該等修訂本現時可提前採用。

香港財務報告準則第16號取代香港會計準則第17號*租賃*、香港(國際財務報告詮釋委員會)－詮釋第4號*釐定安排是否包括租賃*、香港(準則詮釋委員會)－詮釋第15號*經營租賃－優惠*及香港(準則詮釋委員會)－詮釋第27號*評估涉及租賃法律形式交易之內容*。該準則載列確認、計量、呈列及披露租賃之原則,並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項可選的租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期,承租人將確認於租賃期內支付租賃款項之負債(即租賃負債)及代表相關資產使用權之資產(即使用權資產)。除非使用權資產符合香港會計準則第40號內投資物業之定義或與重估模式適用的物業、廠房及設備類別相關,否則使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後增減變動會反映租賃負債利息的增加及因支付租賃款項而減少。承租人將須分別確認租賃負債之利息開支及使用權資產之折舊開支。承租人亦須於若干事件發生時重新計量租賃負債,例如由於租賃期變更或用於釐定未來租賃款項之一項指數或比率變更而引致該等款項變更。承租人通常將重新計量租賃負債之金額確認為對使用權資產之調整。香港財務報告準則第16號下之出租人會計處理與香港會計準則第17號下實質上並無重大變動。出租人將繼續利用香港會計準則第17號內之同一分類原則將所有租賃分類,並會區分經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人作出較香港會計準則第17號所規定之更多披露。承租人可選擇使用全面回溯性或經修改回溯性方法應用該標準。本集團將自二零一九年一月一日起應用香港財務報告準則第16號。本集團計劃應用香港財務報告準則第16號的過渡規定,將首次應用的累計影響確認為對於二零一九年一月一日累計虧損期初結餘的調整,以及不會重列比較數字。此外,本集團計劃將新規定應用於先前已應用香港會計準則第17號而識別為租賃的合約,並按剩餘租賃付款的現值計量租賃負債,以及使用本集團於首次應用日期的增量借貸利率貼現。使用權資產將按租賃負債金額計量,並按緊接首次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃應用準則對於租期於首次應用日期的12個月內結束的租賃合約的豁免規定。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.3 已頒佈但尚未生效的香港財務報告準則(續)

於二零一八年十二月三十一日，如附註37所披露，本集團有不可撤銷的經營租賃承擔人民幣20,714,000元。初步評估反映該等安排符合租賃的定義。應用香港財務報告第16號後，本集團將就所有租賃確認使用權資產及相應負債，除非其符合低價值或短期租賃。

香港會計準則第1號及香港會計準則第8號(修訂本)重新界定重要性。根據新定義，倘可合理預期漏報、錯報或掩蓋個別信息將可影響使用財務報表作一般目的的主要使用者基於相關財務報表作出的決定，則該信息為重要。修訂本指明，重要性取決於信息的性質或牽涉範圍。倘可合理預期信息錯報會影響主要使用者的決定，則有關錯誤為重大。本集團預期自二零二零年一月一日起採用該等修訂。該等修訂預期不會對本集團財務報表有任何重大影響。

香港會計準則第28號(修訂本)釐清香港財務報告準則第9號的範圍豁免僅包括權益法適用的於一間聯營公司或合營企業的權益，並不包括實質上組成於聯營公司或合營企業淨投資一部分的長期權益，權益法在此並不適用。因此，實體於入賬有關長期權益時採用香港財務報告準則第9號，而非香港會計準則第28號(包括香港財務報告準則第9號項下減值規定)。香港會計準則第28號其後應用於淨投資，包括長期權益，惟僅於確認一間聯營公司或合營企業的虧損以及聯營公司或合營企業的淨投資減值上。本集團預期將於二零一九年一月一日應用該等修訂。該等修訂預期不會對本集團財務報表有任何重大影響。

香港(國際財務報告詮釋委員會)－詮釋第23號提供倘稅項處理涉及影響香港會計準則第12號的應用的不確定性(通常稱之為「不確定稅務狀況」)，則第23號詮釋在該情況下的所得稅(即期及遞延)會計處理方法。該詮釋不適用於香港會計準則第12號範圍外的稅項或徵稅，尤其亦不包括與不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理(i)實體是否考慮不確定稅項進行單獨處理；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋須追溯應用(倘毋須採用事後確認，則可全面追溯應用；或追溯應用，則應用的累計效應將作為於首次應用日期的期初權益的調整，而毋須重列比較資料)。本集團預期自二零一九年一月一日起應用該詮釋。該詮釋預期不會對本集團的財務報表產生任何重大影響。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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。

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有對價按收購日的公允價值確認。分類為資產或負債的或有對價按公允價值計量，公允價值的變動於損益中確認。分類為權益的或有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逾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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

業務合併及商譽(續)

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。

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、按公允價值計入損益的權益投資及金融資產。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

截至二零一八年十二月三十一日止年度

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、金融資產及投資物業)，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(以較高者為準)減銷售成本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相應減值資產性質計入損益。

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。

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；

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

關聯方(續)

(b) (續)

(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。

物業、廠房及設備以及折舊

物業、廠房及設備(在建工程除外)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%至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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

物業、廠房及設備以及折舊(續)

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。

在建工程指興建中的樓宇，按成本減任何減值虧損入賬且不予折舊。成本包括施工期間的直接建設成本及就相關借入資金撥充資本的借款成本。在建工程於竣工及可供使用時重新分類為適當類別的物業、廠房及設備。

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物業經營租賃的租賃權益)，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，本集團則根據「物業、廠房及設備折舊」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入圍收益，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。

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於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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

無形資產(不包括商譽)(續)

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。

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

凡資產擁有權的絕大部分回報及風險仍歸出租人所有，則有關租賃列為經營租賃。倘本集團為出租人，則本集團根據經營租賃出租的資產計入非流動資產，而經營租賃下的應收租金則以直線法於租賃期內計入損益表。倘本集團為承租人，則經營租賃下的應付租金(扣除出租人提供的任何優惠)以直線法於租賃期內在損益表扣除。

經營租賃下的預付土地租賃款項初步按成本列賬，其後則以直線法於租賃期內確認。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

投資及其他金融資產(自二零一八年一月一日起基於香港財務報告準則第9號的會計政策)

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款項及應收票據外，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款項及應收票據根據下文「收入確認(自二零一八年一月一日起適用)」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。

按攤銷成本計量的金融資產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)。

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集合約現金流量、出售金融資產，或兩者兼有。

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)
倘滿足以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為支付本金及未償還的本金產生的利息。

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。

2.4 重大會計政策的概覽(續)

投資及其他金融資產(自二零一八年一月一日起基於香港財務報告準則第9號的會計政策)(續)

後續計量(續)

指定按公允價值計入其他全面收入之金融資產(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,將其股本投資不可撤回地分類為指定按公允價值計入其他全面收益的權益工具。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益入賬。指定按公允價值計入其他全面收益的權益工具不受減值評估影響。

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包括持作買賣的金融資產,於初始確認時指定按公允價值計入損益的金融資產,或強制要求按公允價值計量的金融資產。倘為於近期出售或購回而收購金融資產,則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣,惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產,不論其業務模式如何,均按公允價值計入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公允價值計入其他全面收益分類,但於初始確認時,倘能夠消除或顯著減少會計錯配,則債務工具可指定為按公允價值計入損益。

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益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及股息金額能可靠計量時亦於損益中確認為其他收入。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

投資及其他金融資產(二零一八年一月一日前基於香港會計準則第39號的會計政策)

首次確認及計量

初始確認時，金融資產按適當的形式分類為按公允價值計入損益的金融資產、貸款及應收款項及可供出售金融資產。金融資產於初始確認時按公允價值加收購金融資產產生的交易成本計量，唯按公允價值計入損益的金融資產除外。

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包括持作買賣的金融資產，於初始確認時指定按公允價值計入損益的金融資產。倘為於近期出售而收購金融資產，則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟該等衍生工具被指定為香港會計準則第39號界定的有效對沖工具則除外。

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，公允價值變動淨額於損益表列為收益及虧損淨額，而公允價值淨減少列為融資成本。該等公允價值淨變動不包括該等金融資產賺取的任何股息或利息，該等股息或利息會根據下文「收入確認(二零一八年一月一日前適用)」所述政策確認。

初始確認時指定為按公允價值計入損益的金融資產在初始確認當日指定，且必須符合香港會計準則第39號的標準。

貸款及應收款項

貸款及應收款項指附帶固定或可釐定付款金額，且在活躍市場沒有報價的非衍生金融資產。於首次計量後，這些資產其後以實際利率法按攤銷成本減任何減值準備計量。攤銷成本計及收購時的任何折讓或溢價，且包括組成實際利率一部分的費用或成本。實際利率攤銷計入損益表的其他收入。減值產生的虧損乃於損益表的損益及虧損淨額確認。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

投資及其他金融資產(二零一八年一月一日前基於香港會計準則第39號的會計政策)(續)

可供出售金融投資

可供出售金融投資乃於上市及非上市股本投資及債務證券中的非衍生金融資產。列為可供出售的權益投資既未分類為持作交易亦未指定為按公允價值計入損益的權益投資。該類別之債務證券指擬於無限期內持有並可能因流動資金需要或因市況變動而出售的金融投資。

於初步確認後，可供出售金融投資隨後按公允價值計量，未變現損益於該投資終止確認前於可供出售投資估值儲備內確認為其他全面收益，終止確認時或直至該投資釐定為減值時累計損益乃於損益表內確認為收益及虧損淨額，屆時累計損益乃從可供出售投資估值儲備重新分類為損益表中的損益。於持有可供出售金融投資期間所賺取的利息及股息分別列作利息收入及股息收入呈報，並根據下文「收入確認(二零一八年一月一日前適用)」所載的方式在損益表確認為其他收入。

倘由於(a)估計合理公允價值之差異變動範圍就該投資而言屬重大或(b)估計公允價值時未能合理評估並利用有關範圍內的各估計發生的可能性，而未能可靠地計量非上市權益投資之公允價值，則有關投資按成本減任何減值虧損入賬。

本集團會評估在短期內出售可供出售金融資產的能力及意向是否仍屬適當。在罕有的情況下，當因市場不活躍而導致該集團無法買賣該等金融資產時，在管理層有能力且有意向於可預見未來持有該等資產或持有該等資產至到期的情況下，本集團可選擇重新分類該等金融資產。

對於重新分類劃出可供出售類別之金融資產，則於重新分類日期之公允價值賬面值將為其新的攤銷成本，並且該資產之前已於權益中確認之任何盈虧將使用實際利率法按投資之剩餘年限於損益內攤銷。任何新攤銷成本與到期金額間之差額亦將使用實際利率法按該項資產之剩餘年限攤銷。倘該資產隨後釐定為減值，則權益內計入之金額將重新分類至損益表。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

終止確認金融資產(自二零一八年一月一日起基於香港財務報告準則第9號的會計政策及二零一八年一月一日前基於香港會計準則第39號的會計政策)

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。

金融資產減值(自二零一八年一月一日起基於香港財務報告準則第9號的會計政策)

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)。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

金融資產減值(自二零一八年一月一日起基於香港財務報告準則第9號的會計政策)(續)

一般方式(續)

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，本集團會考慮合理及具支持性的資料，包括過往經驗及無須花費不必要成本或努力獲取的前瞻性資料。

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，惟應收貿易款項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的金融工具及該等按相當於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之金融工具及該等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的金融資產(惟不是已購買或源頭信貸減值)及該等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

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款項及應收票據而言，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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

金融資產減值(二零一八年一月一日前基於香港會計準則第39號的會計政策)

本集團於各報告期末評估是否存在客觀證據顯示一項金融資產或一組金融資產出現減值。倘資產首次確認後發生一項或多項事件而對能可靠估計的金融資產或一組金融資產的估計未來現金流量有影響，說明已存在減值。減值跡象可包括一名借款人或一組借款人正面臨重大財務困難、拖欠或未能償還利息或本金、彼等有可能破產或進行其他財務重組，及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款金額變動或出現與違約相關的經濟狀況。

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先會按個別基準就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，評估是否存在減值。倘本集團釐定按個別基準經評估的金融資產(無論屬重大與否)並無客觀跡象顯示存在減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並進行共同減值評估。經個別評估減值的資產，其減值虧損會予以確認或繼續確認入賬，而不會納入共同減值評估之內。

已識別減值虧損金額以資產的賬面值與估計未來現金流量的現值(不包括尚未發生的未來信用損失)的差額計量。估計未來現金流量的現值按金融資產的原實際利率(即首次確認時計算採用的實際利率)貼現。

資產賬面值通過使用撥備賬扣減，虧損於損益表確認。利息收入持續按已扣減賬面值累計，利率為計量減值虧損時貼現未來現金流量所使用的貼現率。倘不可能於未來實現收回且所有抵押品已變現或轉至本集團，則貸款及應收款項連同相關撥備可撇銷。

倘後續期間於確認減值後發生的事件導致估計減值虧損增加或減少，則以往確認的減值虧損通過調整撥備賬增加或減少。倘撇賬於日後收回，則轉回的減值虧損計入損益表的其他開支及虧損。

2.4 重大會計政策的概覽(續)

金融資產減值(二零一八年一月一日前基於香港會計準則第39號的會計政策)(續)

可供出售金融投資

就可供出售金融投資而言，本集團會於各報告期末評估有否客觀證據顯示一項投資或一組投資出現減值。

當可供出售金融資產出現減值時，其成本(扣除任何本金付款和攤銷)和其現有公允價值，扣減之前於損益表內確認之任何減值虧損之差額，將自其他全面收益移除，並在損益表中確認。

倘權益投資被列作可供出售類別，則客觀證據將包括該項投資的公允價值大幅或長期跌至低於其成本。「大幅」是相對於投資之原始成本評估，而「長期」則相對於公允價值低於原始成本之期間而評估。倘出現減值證據，則累計虧損(按收購成本與現時公允價值之差額減該項投資先前在損益表內確認的任何減值虧損計量)將從其他全面收益中移除，並於損益表內確認。分類為可供出售的股本工具的減值虧損不可通過損益表撥回，而其公允價值於減值後的增加部分會直接於其他全面收益中確認。

確定是否屬「大幅」或「長期」時須作出判斷。在作出判斷時，本集團會評估(其中包括)一項投資的公允價值少於其成本的持續時間或程度。

金融負債(自二零一八年一月一日起基於香港財務報告準則第9號的會計政策及二零一八年一月一日前基於香港會計準則第39號的會計政策)

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、票據及其他款項、計息銀行貸借款及最終控股公司貸款。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

金融負債(自二零一八年一月一日起基於香港財務報告準則第9號的會計政策及二零一八年一月一日前基於香港會計準則第39號的會計政策)(續)

後續計量

金融負債的後續計量視乎其如下分類而定:

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融資成本。

終止確認金融負債(自二零一八年一月一日起基於香港財務報告準則第9號的會計政策及二零一八年一月一日前基於香港會計準則第39號的會計政策)

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。

抵銷金融工具(自二零一八年一月一日起基於香港財務報告準則第9號的會計政策及二零一八年一月一日前基於香港會計準則第39號的會計政策)

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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

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。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括庫存現金、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。

就財務狀況表而言，現金和現金等價物包括用途不受限制的庫存及存放於銀行的現金(包括定期存款)及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融資成本計入損益表。

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其他全面收益或直接在權益於損益以外確認。

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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

所得稅(續)

遞延所得稅負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 遞延所得稅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。

遞延所得稅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。遞延所得稅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所得稅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或應課稅利潤或虧損；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，遞延所得稅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。

於各報告期末審閱遞延所得稅資產的賬面值，並在不再可能有足夠應課稅利潤以動用全部或部分遞延所得稅資產時，相應扣減該賬面值。未確認的遞延所得稅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所得稅資產時予以確認。

遞延所得稅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所得稅資產與即期所得稅負債相互抵銷及遞延所得稅資產與遞延所得稅負債與由同一稅務機關對同一應課稅實體或不同的應課稅實體所徵收的所得稅有關，而該等實體有意在日後每個預計有大額遞延所得稅負債需要清償或大額遞延所得稅資產可以收回的期間內，按淨額基準清償即期所得稅負債及資產，或同時變現該資產及清償該負債，即遞延所得稅資產可與遞延所得稅負債互相抵銷。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

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(自二零一八年一月一日起適用)

來自客戶合約的收入

來自客戶合約的收益乃於商品或服務的控制權轉讓予客戶時確認，該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。

(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於服務提供時隨時間推移而確認。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有效利息法獲確認，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變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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

收入確認(二零一八年一月一日前適用)

當經濟利益可能流入本集團及收入能夠可靠地計量時，會按下列基準予以確認收入：

(a) 出售產品的收入於所有權重大風險及回報轉讓予買方時確認(前提是本集團對已出售商品並無保留一般與擁有權有關之管理權或實際控制權)；

(b) 自上市證券出售的收入於交易日期完成時確認；

(c) 自諮詢及資產管理服務的收入於服務提供時確認；

(d) 自諮詢代理服務的收入於交易完成時確認；

(e) 租金收入於租期內按時間比例確認；

(f) 利息收入，以應計基準，採用實際利息法按估計於金融工具的預計年期或於適當時按更短期間內所得未來現金收入貼現至該金融資產賬面淨值的貼現率計算；及

(g) 股息收入在股東收取股息的權利確立時確認。

合約負債(自二零一八年一月一日起適用)

合約負債指本集團因已向客戶收取代價，或代價款項已到期而須向客戶轉讓商品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付代價，則於作出付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收益。

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」)。

於二零零二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31。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

以股份為基礎的付款(續)

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。

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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

其他僱員福利(續)

退休金計劃(續)

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。

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(即於其他全面收益或損益中確認其公允價值損益的項目的匯兑差額，亦分別於其他全面收益或損益中確認)。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

2.4 重大會計政策的概覽(續)

外幣(續)

為了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。

因此而產生的匯兑差額於其他全面收益內確認並累計至匯兑波動儲備。出售海外業務時，與該項海外業務有關的其他全面收益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。

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。本集團估計使用價值時，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。商譽於二零一八年十二月三十一日的賬面值為人民幣129,421,000元(二零一七年：人民幣123,454,000元)。進一步詳情載於綜合財務報表附註16。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

3. 主要會計判斷及估計(續)

估計的不確定因素(續)

應收貿易款項和應收貸款預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易款項和應收貸款的預期信貸虧損。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(即本地生產總值)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款項和應收貸款預期信貸虧損的資料已於綜合財務報表附註20及22披露。

撇減存貨至可變現淨值

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。於各報告期末，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。於二零一八年十二月三十一日，存貨的賬面值為人民幣198,205,000 元(二零一七年：人民幣177,395,000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)；及

於二零一八年十二月三十一日，投資物業的賬面值為人民幣772,965,000元(二零一七年：人民幣14,200,000元)。詳情(包括用於公允價值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

截至二零一八年十二月三十一日止年度

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
- 證券分部包括資產管理服務、投資諮詢服務及證券買賣。

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溢利／(虧損)評估，此為經調整除税前溢利／(虧損)之計量方法。經調整除税前溢利／(虧損)按與本集團除税前溢利一致的方式計量，惟銀行利息收入、財務成本、政府補貼、投資物業公允價值變動、按公允價值計入損益的權益投資之公允價值變動以及未分配公司收益及開支不納入該計量之內。

分部資產不包括遞延税項資產、可收回税項、已抵押按金、現金及現金等值物、指定按公允價值計入其他全面收入之權益投資、按公允價值計入損益之金融資產、可供出售投資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貸款、來自最終控股公司的貸款、應付税項、遞延税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

截至二零一八年十二月三十一日止年度

4. 經營分部資料(續)

截至二零一八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	207,405	451,553	14,964	673,922
利息收入	–	–	19,776	19,776
分部間銷售	18,330	–	–	18,330
	225,735	451,553	34,740	712,028
對賬:				
撇銷分部間銷售				(18,330)
收入				693,698
分部業績	1,346	9,244	(19,126)	(8,536)
對賬:				
利息收入及未分配收益				28,439
財務成本				(14,874)
政府補貼				235,404
投資物業公允價值虧損				(7,772)
按公允價值計入損益的金融資產之公允價值收益				3,874
未分配支出				(91,161)
除税前溢利				145,374
分部資產	1,405,624	273,998	506,769	2,186,391
對賬:				
撇銷分部間應收款項				(273,401)
指定按公允價值計入其他全面收入之權益投資				1,224
按公允價值計入損益的金融資產				325,322
可收回税項				2,527
遞延税項資產				7,005
已抵押按金				34,307
現金及現金等值物				229,819
公司及其他未分配資產				4,731
總資產				2,517,925
分部負債	108,868	83,817	256,150	448,835
對賬:				
撇銷分部間應付款項				(273,400)
計息銀行借款				227,323
最終控股公司貸款				350,000
遞延税項負債				51,540
公司及其他未分配負債				6,827
負債總額				811,125

綜合財務報表附註

截至二零一八年十二月三十一日止年度

4. 經營分部資料(續)

截至二零一八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*
其他分部資料：				
金融資產減值虧損／(減值撥回)	**(588)**	**299**	**3,557**	**3,268**
計入已售存貨成本之存貨撥備	**5,453**	**4,354**	**–**	**9,807**
折舊	**16,225**	**2,211**	**1,419**	**19,855**
資本開支*	**646,675**	**7,335**	**1,119**	**655,129**

* 資本開支指物業、廠房及設備、投資物業、預付租約付款及無形資產添置。

截至二零一七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	214,787	414,520	36,417	665,724
分部間銷售	11,810	–	–	11,810
	226,597	414,520	36,417	677,534
對賬：				
撇銷分部間銷售				(11,810)
收入				665,724
分部業績	92,299	15,451	35,420	143,170
對賬：				
利息收入及未分配收益				106,445
財務成本				(4,658)
政府補貼				5,515
投資物業公允價值虧損				(500)
按公允價值計入損益的金融資產之公允價值收益				11,614
未分配支出				(135,267)
除税前溢利				126,319

綜合財務報表附註

截至二零一八年十二月三十一日止年度

4. 經營分部資料(續)

截至二零一七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	466,736	204,314	160,165	831,215
對賬：				
撇銷分部間應收款項				(1,018)
可供出售投資				324,403
按公允價值計入損益的金融資產				132,737
遞延税項資產				6,179
已抵押按金				13,322
現金及現金等值物				435,964
公司及其他未分配資產				10,041
總資產				1,752,843
分部負債	87,993	46,110	105,101	239,204
對賬：				
撇銷分部間應付款項				(1,018)
計息銀行借款				70,243
應付税項				40
遞延税項負債				6,459
公司及其他未分配負債				4,116
負債總額				319,044
其他分部資料：				
應收貿易款項減值／(減值撥回)	1,656	(288)	–	1,368
計入已售存貨成本之存貨撥備	5,411	1,051	–	6,462
折舊	15,057	2,900	1,468	19,425
資本開支*	12,121	1,601	16,916	30,638

* 資本開支指物業、廠房及設備、投資物業及無形資產添置，包括收購一間附屬公司所得資產。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

4. 經營分部資料(續)

地區資料

(a) 來自外界客戶之收入

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
北美	**540,356**	527,857
歐洲	**53,519**	41,159
中國	**25,624**	28,592
亞洲(不包括中國)	**74,174**	65,380
其他國家	**25**	2,736
	693,698	665,724

上述業務之收入資料基於客戶所處位置而定。

(b) 非流動資產

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
北美	**109,792**	47,769
歐洲	**–**	160
中國	**901,023**	236,644
亞洲(不包括中國)	**151,208**	49,348
	1,162,323	333,921

上述業務的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

截至二零一八年十二月三十一日止年度，來自美國照明分部的單一客戶的收入約為人民幣99,798,000元，佔本集團收入超過10%。

截至二零一七年十二月三十一日止年度，概無任何單一客戶收入佔本集團總收入10%或以上。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

5. 收入、其他收入、收益及虧損

收入分析如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
客戶合同收入	673,922	–
銷售照明產品	–	629,307
提供諮詢及管理服務	–	33,459
提供代理服務	–	2,958
其他收入來源		
利息收入	19,776	–
	693,698	665,724

客戶合同收入

(i) 收入資料明細

截至二零一八年十二月三十一日止年度

分部	中國照明產品 *人民幣千元*	美國照明產品 *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	207,405	451,553	–	658,958
諮詢及管理服務	–	–	11,762	11,762
代理服務	–	–	3,202	3,202
客戶合同收入總額	207,405	451,553	14,964	673,922
地域市場				
北美	88,803	451,553	–	540,356
歐洲	53,519	–	–	53,519
中國	25,624	–	–	25,624
亞洲(不包括中國)	39,434	–	14,964	54,398
其他國家	25	–	–	25
客戶合同收入總額	207,405	451,553	14,964	673,922
收入確認時間				
貨品及服務於時間點已轉移及提供	207,405	451,553	3,202	662,160
隨時間推移提供服務	–	–	11,762	11,762
客戶合同收入總額	207,405	451,553	14,964	673,922

綜合財務報表附註

截至二零一八年十二月三十一日止年度

5. 收入、其他收入、收益及虧損(續)

客戶合同收入(續)

(i) 收入分拆資料(續)

以下載列客戶合同收入與分部資料所披露金額的對賬：

截至二零一八年十二月三十一日止年度

分部	中國照明產品 *人民幣千元*	美國照明產品 *人民幣千元*	證券 *人民幣千元*	總計 *人民幣千元*
客戶合同收入				
外界客戶	**207,405**	**451,553**	**14,964**	**673,922**
分部間銷售	**18,330**	**–**	**–**	**18,330**
	225,735	**451,553**	**14,964**	**692,252**
分部間調整及抵銷	**(18,330)**	**–**	**–**	**(18,330)**
客戶合同收入總額	**207,405**	**451,553**	**14,964**	**673,922**

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)及自過往期間達成的履約責任確認的收入金額：

	二零一八年 *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	**11,866**

照明產品銷售方面，預期履約責任於1年內到期且交易價格預測不包括受限制的任何可變代價預測金額。

(ii) 履約責任

本集團履約責任資料概述如下：

照明產品銷售
履約承擔於交付照明產品時達成，一般於交付起計30至90日內付款，惟新客戶一般需提前付款。

諮詢及資產管理服務
履約承擔於提供服務時達成。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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

5. 收入、其他收入、收益及虧損(續)

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
其他收入			
銀行利息收入		**2,950**	3,383
可供出售投資之股息收入		**–**	21,058
按公允價值計入損益的金融資產之股息收入		**594**	–
政府補助*		**235,404**	5,515
租金收入總額		**5,745**	4,191
其他		**3,360**	1,711
		248,053	35,858
收益及虧損淨額			
投資物業公允價值虧損	14	**(7,772)**	(500)
出售物業、廠房及設備項目之(虧損)／收益		**(43,101)**	496
按公允價值計入損益的金融資產之公允價值收益		**3,874**	11,614
可供出售投資減值		**–**	(315)
匯兑收益／(虧損)淨額		**27,570**	(16,097)
出售／終止確認附屬公司之(虧損)／收益	34	**(3,047)**	110,649
其他		**26**	895
		(22,450)	106,742
		225,603	142,600

* 概無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

截至二零一八年十二月三十一日止年度

6. 除税前溢利

本集團之除税前溢利乃經扣除／(計入)以下各項後達致：

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
已售存貨的成本		**489,568**	457,634
折舊	13	**19,855**	19,425
研發成本：			
已攤銷遞延開支	17	**3,329**	2,419
土地租賃付款攤銷	15	**1,634**	804
其他無形資產攤銷	17	**3,660**	2,710
經營租賃的最低租賃付款		**10,051**	9,707
核數師酬金		**2,450**	2,310
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		**119,553**	77,846
股權結算購股權開支		**428**	1,601
退休計劃供款		**6,726**	3,138
		126,707	82,585
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)		**119**	69
金融資產減值虧損淨額：			
應收貿易賬款及應收票據	20	**4,140**	1,368
其他應收款項	21	**(1,525)**	–
應收貸款	22	**653**	–
		3,268	1,368
存貨撇減至可變現淨值		**9,807**	6,462
無形資產撇銷之虧損		**217**	–

綜合財務報表附註

截至二零一八年十二月三十一日止年度

7. 財務成本

財務成本分析如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
銀行貸款利息	**6,620**	4,658
中間控股公司貸款利息	**6,845**	–
最終控股公司貸款利息	**1,409**	–
	14,874	4,658

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：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
袍金	**829**	624
其他酬金：		
薪金、津貼及實物福利	**3,026**	1,320
績效花紅	**–**	–
股權結算購股權開支	**59**	151
退休計劃供款	**15**	–
	3,929	2,095

截至二零一八年十二月三十一日止年度，概無向董事授出購股權。截至二零一七年十二月三十一日止年度，若干董事就服務本集團而獲授本集團及本公司一間附屬公司購股權計劃項下的購股權，其詳情載於綜合財務報表附註31。於歸屬期內於損益確認的該等購股權的公允價值乃於授出日期釐定，本年度於財務報表確認的金額包括上述董事及主要行政人員的薪酬披露資料。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

8. 董事及主要行政人員之薪酬(續)

(a) 獨立非執行董事

年內支付予獨立非執行董事之袍金如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
范仁達先生	**205**	208
劉天民先生	**205**	208
李明綺女士	**205**	208
	615	624

年內概無其他應付獨立非執行董事之酬金(二零一七年：無)。

(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*	股權結算購股權開支 *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*
二零一八年					
執行董事及主要行政人員：					
謝漢良先生	**214**	**1,913**	**59**	**–**	**2,186**
執行董事：					
Daniel P.W. Li先生 (於二零一八年五月十六日獲委任)	**–**	**1,113**	**–**	**15**	**1,128**
非執行董事：					
黃俞先生	**–**	**–**	**–**	**–**	**–**
劉衛東先生	**–**	**–**	**–**	**–**	**–**
王良海先生	**–**	**–**	**–**	**–**	**–**
	214	**3,026**	**59**	**15**	**3,314**
二零一七年					
執行董事及主要行政人員：					
謝漢良先生	–	1,320	151	–	1,471
非執行董事：					
黃俞先生	–	–	–	–	–
劉衛東先生	–	–	–	–	–
王良海先生	–	–	–	–	–
	–	1,320	151	–	1,471

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

截至二零一八年十二月三十一日止年度

9. 五名最高薪僱員

本集團五名最高薪僱員包括兩名(二零一七年：一名)董事，其薪酬詳情載於上文附註8。年內餘下三名(二零一七年：四名)身為本公司非董事的最高薪僱員的薪酬如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
薪金、津貼及實物福利	**1,881**	2,338
與績效相關的獎金	**–**	–
股權結算購股權開支	**35**	229
退休計劃供款	**2**	7
	1,918	2,574

薪酬在以下範圍的最高薪非董事僱員數目如下：

	僱員人數	
	二零一八年	二零一七年
零至1,000,000港元	**3**	4

於年內及過往年度，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。

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%(二零一七年：16.5%)計提。本集團於美國成立的附屬公司的所得稅按24.5%(二零一七年：21.0%)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%(二零一七年：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%(二零一七年：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載司法權區適用稅率計算。

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
當期－香港		
年內支出	**–**	42
當期－其他地方		
年內支出	**3,917**	3,159
過往年度撥備不足	**299**	–
遞延稅項(附註29)	**(4,779)**	2,637
年內稅項(抵免)／支出總額	**(563)**	5,838

綜合財務報表附註

截至二零一八年十二月三十一日止年度

10. 所得稅(續)

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溢利的適用稅項開支，與按實際稅率計算的稅項開支的對賬如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
除稅前溢利	**145,374**	126,319
按不同司法權區的法定／適用稅率納稅的稅項	**36,246**	10,215
毋須課稅收入	**(65,972)**	(8,461)
不可扣稅開支	**14,494**	1,142
動用過往期間之稅項虧損	**(9,314)**	(7,825)
未確認稅項虧損	**23,684**	10,767
調整過往期間之即期稅項	**299**	–
按本集團實際稅率計算的稅項(抵免)／支出	**(563)**	5,838

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至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(即截至二零零九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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

10. 所得稅(續)

香港稅務局(「稅務局」)進行的稅務評核(續)

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。

截至二零一七年十二月三十一日，稅務局已就二零零五／二零零六至二零一一／二零一二評估年度公佈保障性利得稅評稅，總額為149,311,000港元(約相當於人民幣124,809,000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35,450,000港元(約相當於人民幣29,633,000元)，該數額於二零一七年十二月三十一日的綜合財務狀況表附註21計入預付款、其他應收款項及其他資產項下的儲稅券。於二零一八年十二月三十一日，本公司董事認為，本集團毋須支付任何香港利得稅，原因在於相關附屬公司並未在香港開展任何業務且未產生任何利潤。因此毋須就稅務評核計提額外香港利得稅撥備。

11. 股息

本公司董事會議決不就截至二零一七年及二零一八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盈利

每股基本盈利乃根據母公司普通股權持有人應佔年內溢利及年內已發行普通股的加權平均數2,095,470,343股(二零一七年：2,103,278,114股)計算。

由於尚未行使的購股權對所呈列的每股基本盈利金額並無反攤薄影響，並未對截至二零一八年及二零一七年十二月三十一日止年度所呈列的每股基本盈利金額作出攤薄調整。

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
盈利		
本公司普通股權持有人應佔溢利，用於計算每股基本盈利	**145,792**	120,375

綜合財務報表附註

截至二零一八年十二月三十一日止年度

12. 母公司普通股權持有人應佔每股盈利(續)

	二零一八年 *股份數目*	二零一七年 *股份數目*
計算每股基本盈利時使用的年內已發行普通股的加權平均數	**2,095,470,343**	2,103,278,114

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*	車輛 *人民幣千元*	模具 *人民幣千元*	總計 *人民幣千元*
二零一八年十二月三十一日							
於二零一八年一月一日：							
成本	456,924	285,445	257,706	67,584	13,087	101,856	1,182,602
累計折舊	(373,227)	(275,863)	(235,922)	(59,920)	(9,151)	(98,125)	(1,052,208)
賬面淨值	83,697	9,582	21,784	7,664	3,936	3,731	130,394
於二零一八年一月一日，							
扣除累計折舊	83,697	9,582	21,784	7,664	3,936	3,731	130,394
添置	11,673	1,120	1,025	5,002	1,928	237	20,985
出售	(42,302)	(1,597)	(3,011)	(184)	(2,042)	(1,235)	(50,371)
年內計提折舊	(5,553)	(3,068)	(3,309)	(5,478)	(1,334)	(1,113)	(19,855)
匯兑調整	1,526	168	247	280	74	2	2,297
於二零一八年十二月三十一日，							
扣除累計折舊	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：							
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

綜合財務報表附註

截至二零一八年十二月三十一日止年度

13. 物業、廠房及設備(續)

	樓宇	租賃裝修	廠房機器	傢俱、固定裝置及設備	車輛	模具	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*
二零一七年十二月三十一日							
於二零一七年一月一日：							
成本	474,132	282,483	358,477	67,971	13,957	118,753	1,315,773
累計折舊	(372,165)	(274,685)	(335,422)	(58,764)	(9,441)	(114,083)	(1,164,560)
賬面淨值	101,967	7,798	23,055	9,207	4,516	4,670	151,213
於二零一七年一月一日，							
扣除累計折舊	101,967	7,798	23,055	9,207	4,516	4,670	151,213
添置	–	5,122	2,741	6,112	111	359	14,445
出售	(9,268)	(170)	(281)	(3,056)	21	(149)	(12,903)
年內計提折舊	(6,862)	(2,988)	(3,643)	(4,290)	(499)	(1,143)	(19,425)
匯兑調整	(2,140)	(180)	(88)	(309)	(213)	(6)	(2,936)
於二零一七年十二月三十一日，							
扣除累計折舊	83,697	9,582	21,784	7,664	3,936	3,731	130,394
於二零一七年十二月三十一日：							
成本	456,924	285,445	257,706	67,584	13,087	101,856	1,182,602
累計折舊	(373,227)	(275,863)	(235,922)	(59,920)	(9,151)	(98,125)	(1,052,208)
賬面淨值	83,697	9,582	21,784	7,664	3,936	3,731	130,394

綜合財務報表附註

截至二零一八年十二月三十一日止年度

14. 投資物業

	已竣工商業物業 *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*
於二零一七年一月一日的賬面值	14,700	–	14,700
於損益確認的公允價值調整虧損淨額	(500)	–	(500)
於二零一七年十二月三十一日及二零一八年一月一日的賬面值	14,200	–	14,200
轉撥自預付租約(附註15)	–	174,380	174,380
添置	–	592,157	592,157
於損益確認的公允價值調整虧損淨額	–	(7,772)	(7,772)
於二零一八年十二月三十一日的賬面值	14,200	758,765	772,965

本集團的投資物業包括位於中國的五處(二零一七年：四處)商業物業。本集團的投資物業於二零一八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及江門市中駿房地產評估有限公司進行的重估估值為人民幣772,965,000元(二零一七年：人民幣14,200,000元)。

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37(a)。

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：

	二零一八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) *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*	總計 *人民幣千元*
經常性公允價值計量：				
商業物業	–	–	772,965	772,965

綜合財務報表附註

截至二零一八年十二月三十一日止年度

14. 投資物業(續)

公允價值層級(續)

下表說明本集團投資物業的公允價值計量層級：(續)

	二零一七年十二月三一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：				
商業物業	–	–	14,200	14,200

年內，第一級與第二級之間並無公允價值計量轉讓，第三級亦無公允價值計量轉入或轉出(二零一七年：無)。

公允價值層級第三級分類的公允價值計量對賬：

	人民幣千元
於二零一七年一月一日的賬面值	14,700
於損益確認的公允價值調整虧損淨額	(500)
於二零一七年十二月三十一日及二零一八年一月一日的賬面值	14,200
轉撥自預付租約(附註15)	174,380
添置	592,157
於損益確認的公允價值調整虧損淨額	(7,772)
於二零一八年十二月三十一日的賬面值	772,965

以下為所使用估值技術的概要及投資物業估值的主要輸入數據：

	估值技術	重大不可觀察輸入數據	範圍或加權平均	
			二零一八年	二零一七年
已竣工商業物業	直接比較法	估計市值(每平方米)	人民幣67,787元	人民幣67,787元
用作商業物業開發的土地	殘值法	當前市價(每平方米)	人民幣1,770元至人民幣3,835元	–
		建築成本(每平方米)	人民幣1,509元至人民幣1,612元	–
		開發商利潤	30%	–

綜合財務報表附註

截至二零一八年十二月三十一日止年度

14. 投資物業(續)

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)。

殘值法

估值殘值法於對估值開發地盤時廣為採納，以「猶如」完成基準確定物業市值，並適當扣減建築成本、專業費用、或然租金、市場推廣及法律成本、開發商利潤及將產生的利息付款。

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)。開發商利潤單獨大幅增加(減少)將導致投資物業公允價值大幅增加(減少)。建築成本單獨大幅增加(減少)將導致投資物業公允價值大幅增加(減少)。

15. 預付租約付款

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
於年初的賬面值		**30,469**	31,863
添置		**29,468**	–
轉撥至投資物業後重估		**163,207**	–
轉撥至投資物業	14	**(174,380)**	–
年內確認		**(1,634)**	(804)
匯兑調整		**272**	(590)
於年末的賬面值		**47,402**	30,469
即期部分		**(1,081)**	–
非即期部分		**46,321**	30,469

綜合財務報表附註

截至二零一八年十二月三十一日止年度

16. 商譽

	人民幣千元
於二零一七年一月一日：	
成本	8,663
累計減值	–
賬面淨值	8,663
於二零一七年一月一日的成本，扣除累計減值	8,663
年內減值	–
收購一間附屬公司(附註33)	121,948
匯兑調整	(7,157)
於二零一七年十二月三十一日	123,454
於二零一七年十二月三十一日：	
成本	123,454
累計減值	–
賬面淨值	123,454
於二零一八年一月一日的成本，扣除累計減值	123,454
匯兑調整	5,967
成本及於二零一八年十二月三十一日的賬面淨值	129,421
於二零一八年十二月三十一日：	
成本	129,421
累計減值	–
賬面淨值	129,421

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；及
- 證券現金產生單位。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

16. 商譽(續)

商譽減值測試(續)

美國照明現金產生單位

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15.9%(二零一七年：11.2%)。用於推斷五年後工業產品現金流量的增長率為3%(二零一七年：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11.6%(二零一七年：25.0%)。用於推斷五年後金融服務現金流量的增長率為3%(二零一七年：2%)。

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
美國照明現金產生單位	**8,571**	8,161
證券現金產生單位	**120,850**	115,293
商譽賬面值	**129,421**	123,454

計算二零一八年及二零一七年十二月三十一日照明產品及證券現金產生單位的使用價值時使用了假設。以下説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價值。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税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。

涉及美國照明及證券行業之市場發展之關鍵假設之價值、預算毛利率、貼現率及增長率與外界資訊資源是一致的。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

17. 其他無形資產

	專利	證券牌照	軟件	遞延開發成本	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*
二零一八年十二月三十一日					
於二零一八年一月一日：					
成本	49,511	9,791	1,249	21,300	81,851
累計折舊	(41,546)	(189)	(1,180)	(3,532)	(46,447)
賬面淨值	7,965	9,602	69	17,768	35,404
於二零一八年一月一日的成本，扣除累計攤銷	7,965	9,602	69	17,768	35,404
添置	–	–	6,100	6,419	12,519
年內計提攤銷	(1,187)	(1,183)	(1,290)	(3,329)	(6,989)
出售	–	–	(217)	–	(217)
匯兑調整	3,025	431	310	–	3,766
於二零一八年十二月三十一日	9,803	8,850	4,972	20,858	44,483
於二零一八年十二月三十一日：					
成本	52,951	10,953	6,377	27,720	98,001
累計折舊	(43,148)	(2,103)	(1,405)	(6,862)	(53,518)
賬面淨值	9,803	8,850	4,972	20,858	44,483

綜合財務報表附註

截至二零一八年十二月三十一日止年度

17. 其他無形資產(續)

	專利	證券牌照	軟件	遞延開發成本	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*
二零一七年十二月三十一日					
於二零一七年一月一日：					
成本	55,775	–	1,186	16,259	73,220
累計折舊	(41,308)	–	(959)	(1,113)	(43,380)
賬面淨值	14,467	–	227	15,146	29,840
於二零一七年一月一日的成本，扣除累計攤銷	14,467	–	227	15,146	29,840
添置	–	418	124	5,041	5,583
添加一間附屬公司	–	10,610	–	–	10,610
年內計提攤銷	(1,349)	(1,061)	(300)	(2,419)	(5,129)
匯兑調整	(5,153)	(365)	18	–	(5,500)
於二零一七年十二月三十一日	7,965	9,602	69	17,768	35,404
於二零一七年十二月三十一日：					
成本	49,511	9,791	1,249	21,300	81,851
累計折舊	(41,546)	(189)	(1,180)	(3,532)	(46,447)
賬面淨值	7,965	9,602	69	17,768	35,404

綜合財務報表附註

截至二零一八年十二月三十一日止年度

18. 指定按公允價值計入其他全面收入的權益投資／可供出售投資

	附註	二零一八年 *人民幣千元*	二零一七年 *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			
按公允價值計入之非上市權益投資	(iii)	**1,224**	–
即期部分		**(600)**	–
非即期部分		**624**	–
可供出售投資			
按公允價值計入之非上市投資	(i)	**–**	321,079
按攤銷成本計入之非上市權益投資	(ii)	**–**	3,324
		–	324,403
即期部分		**–**	(321,079)
非即期部分		**–**	3,324

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。

(i) 於二零一七年六月十六日，本公司全資附屬公司同方證券與海通資產管理(香港)有限公司(「投資管理人」)訂立一項全權委託協議，據此，投資管理人同意為及代表同方證券以人民幣348,600,000元(「投資金額」)之代價認購Haitong Freedom Multi-Tranche Bond Fund(「基金」)之374,448.04股港元R1A類股份。基金將投資其全部或大部分資產(以毋須保留以應付營運開支的現金為限)於Haitong Freedom Multi-Tranche Master Bond Fund(「主基金」)股份。主基金將主要投資政府、公司或可換股債券等固定收益類證券、私募配售債券、與固定收益類工具或優先股份掛鉤的票據、其他債券基金、貨幣市場基金或現金。主基金可投資評級低於投資級別或未經任何有關機構評級的債務證券。

於二零一七年十二月三十一日，上述投資獲分類為可供出售投資，公允價值為人民幣321,079,000元，持作短期用途。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

18. 指定按公允價值計入其他全面收入的權益投資／可供出售投資(續)

(ii) 於二零一八年一月一日前，於報告期末非上市權益投資人民幣3,324,000元按成本減累計減值人民幣1,211,000元計量，原因是合理公允價值估計的範圍非常重大，以致本公司董事認為其公允價值無法可靠計量及該等投資對本集團的財務業績和財務狀況無重大影響。

(iii) 截至二零一八年十二月三十一日止年度，概無自非上市權益投資收取任何股息(二零一七年：人民幣21,058,000元)。

截至二零一七年十二月三十一日止年度，於其他全面虧損確認與本集團可供出售投資有關的總虧損人民幣13,285,000元，其中人民幣13,285,000元於截至二零一七年十二月三十一日止年度經由其他全面收入重新分類至損益表。

19. 存貨

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
原材料	**52,819**	18,421
在製品	**46,018**	35,779
製成品	**99,368**	123,195
	198,205	177,395

於二零一八年十二月三十一日，本集團賬面值為人民幣85,666,000元(二零一七年：人民幣20,057,000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27。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

20. 應收貿易賬款及應收票據

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
應收貿易款項	**160,226**	173,229
應收票據	**4,269**	10,190
減：應收貿易款項減值虧損	**(8,636)**	(46,312)
減：應收票據減值虧損	**(15)**	–
	155,844	137,107

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款項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款項結餘持有任何抵押品或其他信貸增級。應收貿易款項為不計息。

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，本集團有若干集中信貸風險，是因為應收貿易款項總額的81%及97%（二零一七年：74%及100%）為分別應收本集團最大客戶及五大客戶的款項。本集團未對其應收貿易款項結餘持有任何抵押品。應收貿易款項為不計息。

本集團的應收貿易款項包括應收本集團關聯方的款項人民幣4,612,000元（二零一七年：人民幣4,667,000元），須按與本集團主要客戶獲提供者類似的信貸條款償還。

於二零一八年十二月三十一日，本集團賬面值為人民幣49,736,000元（二零一七年：人民幣33,336,000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27。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

20. 應收貿易賬款及應收票據(續)

根據發票日期劃分的截至報告期末的應收貿易賬款及應收票據(扣除損失撥備)的賬齡分析如下：

	二零一八年			二零一七年		
	照明	證券	總計	照明	證券	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*
1個月以內	**48,934**	**6,381**	**55,315**	62,833	20,642	83,475
1至2個月	**18,370**	**276**	**18,646**	3,420	645	4,065
2至3個月	**10,859**	**185**	**11,044**	5,790	671	6,461
3至6個月	**25,330**	**217**	**25,547**	17,142	1,987	19,129
6個月以上	**27,949**	**17,343**	**45,292**	20,879	3,098	23,977
	131,442	**24,402**	**155,844**	110,064	27,043	137,107

應收貿易賬款及應收票據的虧損撥備減值變動如下：

	二零一八年			二零一七年		
	照明	證券	總計	照明	證券	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*
於年初	**46,312**	**–**	**46,312**	47,450	–	47,450
採納香港財務報告準則第9號的影響	**(803)**	**586**	**(217)**	–	–	–
於年初(經重列)	**45,509**	**586**	**46,095**	47,450	–	47,450
減值虧損(附註6)	**1,233**	**2,907**	**4,140**	1,368	–	1,368
撇減為不可收回的金額	**(41,584)**	**–**	**(41,584)**	(2,506)	–	(2,506)
於年末	**5,158**	**3,493**	**8,651**	46,312	–	46,312

綜合財務報表附註

截至二零一八年十二月三十一日止年度

20. 應收貿易賬款及應收票據(續)

截至二零一八年十二月三十一日止年度香港財務報告準則第9號項下減值

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、貨幣時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條件預測的合理及可靠資料。一般而言，應收貿易款項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

減值分析使用計量預期信貸虧損的撥備矩陣於各報告日期執行。撥備率按具類似虧損形式(例如按行業信貸基準)的各類客戶分組，基於逾期日期而定。該計算方式反映盈利加權結果，金錢的時間值及於報告日期有關過往事件的合理及可支持資料，現有狀況及未來經濟狀況的預測。

以下載列有關本集團應收貿易賬款及應收票據的信貸風險資料，採用撥備矩陣：

於二零一八年十二月三十一日

		逾期						
	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	總計
中國及美國照明分部	*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*
預期信貸虧損率	0.35%	0.35%	1.53%	3.68%	16.6%	22.2%	25.2%	
賬面總值(人民幣千元)	67,395	26,134	15,813	8,266	4,705	3,226	11,061	136,600
預期信貸虧損(人民幣千元)	234	91	241	305	781	716	2,790	5,158

		逾期						
	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	總計
證券分部	*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*
預期信貸虧損率	1.43%	1.43%	3.98%	6.19%	16.6%	22.2%	25.2%	
賬面總值(人民幣千元)	7,195	–	15	511	20,016	158	–	27,895
預期信貸虧損(人民幣千元)	103	–	1	32	3,323	34	–	3,493

綜合財務報表附註

截至二零一八年十二月三十一日止年度

20. 應收貿易賬款及應收票據(續)

截至二零一七年十二月三十一日止年度香港會計準則第39號項下減值

於二零一七年十二月三十一日，上述應收貿易款項減值撥備乃根據香港會計準則第39號已產生信貸虧損計量，其包括已集體減值應收貿易款項人民幣46,312,000元的撥備，計提撥備前的賬面值為人民幣183,419,000元。

於二零一七年十二月三十一日已減值的應收貿易款項與根據集團政策應收款項已逾期的客戶相關。

於二零一七年十二月三十一日根據香港會計準則第39號既無個別亦未集體視為減值的應收貿易款項的賬齡分析如下：

	二零一七年 *人民幣千元*
既無逾期亦未減值	113,129
逾期不足1個月	2,512
逾期1至3個月	7,537
逾期3個月至1年	5,714
1至2年	2,303
2至3年	5,912
	137,107

既無逾期亦未減值的應收款項與近期無拖欠記錄的大量多元化客戶有關。

已逾期但未減值應收款項涉及大量與本集團有良好往績記錄的獨立客戶。基於過往經驗，本公司董事認為，由於信用質量並無重大變動且結餘仍視作可悉數收回，故毋須根據香港會計準則第39號就該等結餘計提減值撥備。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

21. 預付款、其他應收款項及其他資產

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
預付款	**94,617**	13,916
按金及其他應收款項	**12,607**	21,210
可收回增值税	**47,807**	39,098
儲税券	**26,724**	29,633
	181,755	103,857
減：減值撥備	**(782)**	(2,363)
	180,973	101,494
即期部分	**(95,290)**	(101,494)
	85,683	–

其他應收款項減值虧損撥備變動如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
年初	**2,363**	2,363
採納香港財務報告準則第9號的影響	**(56)**	–
年初(經重列)	**2,307**	2,363
減值虧損(附註6)	**(1,525)**	–
年末	**782**	2,363

截至二零一八年十二月三十一日止年度根據香港財務報告準則第9號之減值

截至二零一八年十二月三十一日止年度，人民幣1,525,000元作為其他應收款項的預期信貸虧損撥備撥回扣除。撥備率基於個別信貸評級而定。該計算方式反映盈利加權結果，金錢的時間值及於報告日期有關過往事件的合理及可支持資料，現有狀況及未來經濟狀況的預測。

下文載列本集團使用撥備矩陣就其他應收款項承擔的信貸風險敞口資料：

於二零一八年十二月三十一日	
預期信貸虧損率	**6.2%**
	人民幣千元
賬面值總額	**12,607**
預期信貸虧損	**782**

截至二零一七年十二月三十一日止年度根據香港會計準則第39號之減值

於二零一七年十二月三十一日，根據香港會計準則第39號基於已產生信貸虧損計量的上述其他應收款項減值撥備中，計入集體減值其他應收款項撥備人民幣2,363,000元(撥備前賬面值為人民幣103,857,000元)。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

22. 應收貸款

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
應收貸款	**301,575**	–
減: 減值撥備	**(653)**	–
	300,922	–

應收貸款減值虧損撥備變動如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
年初	**–**	–
減值虧損(附註6)	**653**	–
年末	**653**	–

應收貸款指本集團持有放債人牌照的附屬公司同方財務有限公司借予客戶之款項。結餘按攤銷成本分類為金融資產。管理層按應收貸款的可收回程度進行持續評估。應收貸款年利率結匯8%至12%，且於一年內償還。於二零一八年十二月三十一日，本集團的應收貸款301,575,000港元(二零一七年：無)以若干物業及上市證券作抵押。本集團所持抵押品市值不可即時釐定或可合理設立及核實。

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。

截至二零一八年十二月三十一日止年度根據香港財務報告準則第9號之減值

截至二零一八年十二月三十一日止年度，確認應收貸款預期信貸虧人民幣653,000元。撥備率基於個別信貸評級而定。該計算方式反映盈利加權結果，金錢的時間值及於報告日期有關過往事件的合理及可支持資料，現有狀況及未來經濟狀況的預測。

根據到期日劃分的截至報告期末的應收貸款的賬齡分析如下:

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
一年以內	**300,922**	–

23. 按公允價值計入損益的金融資產

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
即期			
按公允價值計入之上市權益投資	(i)	**85,221**	21,571
按公允價值計入之其他非上市投資	(ii)	**109,112**	–
		194,333	21,571
非即期			
按公允價值計入之非上市投資	(iii)	**130,989**	111,166
		325,322	132,737

(i) 上述於二零一八年十二月三十一日之權益投資因持作買賣，故分類為按公允價值計入損益之金融資產。

(ii) 於二零一八年一月一日，公允價值為384,107,000港元(相等於約人民幣321,079,000元)的基金自可供出售投資(附註18)重新分類為按公允價值計入損益之金額資產，持作短期用途。

於二零一八年二月九日，投資管理人已根據全權委託協議所賦予的全權授權，為及代表同方證券贖回為數370,000,000港元(相等於約人民幣316,757,000元)之若干基金權益。

除基金外，上述非上市投資計入寶威控股有限公司已發行的各類投資基金，佳源國際控股有限公司發行的8.125厘有抵押優先票據。可換股債券及基金因合約現金流量並非單獨的本金及利息付款，故強制分類為按公允價值計入損益的金融資產。

(iii) 於二零一四年十月二十九日，本公司全資附屬公司同方科技園與華夏基金管理有限公司及中國建設銀行股份有限公司訂立海外資產管理計劃合同(「合同」)，據此，同方科技園已同意參與華夏基金管理有限公司運營的海外資產管理計劃(「該基金」)，將人民幣105,500,000元的投資額(「投資額」)存入中國建設銀行股份有限公司指定賬戶。根據該合同，投資額擬主要投資於中國石化銷售有限公司的股權及股權相關的結構性產品及適用證券法律及中國證券監督管理委員會規定許可的債券(包括可轉換債券)、基金、貨幣市場工具、衍生商品及其他金融工具。因其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

截至二零一八年十二月三十一日止年度

24. 現金及現金等值物及已抵押按金

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
現金及銀行結餘		**233,875**	526,285
定期存款		**34,307**	13,322
		268,182	539,607
減：已抵押定期存款：			
為長期銀行貸款抵押	27	**(34,307)**	(13,322)
代客戶持有的現金		**(4,056)**	(90,321)
現金及現金等值物		**229,819**	435,964

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26,052,000 元(二零一七年：人民幣197,886,000元)。人民幣不可自由兑換成其他貨幣，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兑換為其他貨幣。

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。該等銀行結餘及已抵押存款存入近期無違約記錄的高信譽銀行。

25. 應付貿易賬款及應付票據

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
應付貿易款項	**97,742**	55,771
應付票據	**–**	24,669
應付證券客戶款項	**4,056**	90,321
	101,798	170,761

綜合財務報表附註

截至二零一八年十二月三十一日止年度

25. 應付貿易賬款及應付票據(續)

根據發票日期劃分的截至報告期末的應付貿易賬款及應付票據的賬齡分析如下：

	二零一八年			二零一七年		
	應付證券客戶款項	應付貿易賬款及應付票據	總計	應付證券客戶款項	應付貿易賬款及應付票據	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*
1個月以內	**4,056**	**53,275**	**57,331**	90,321	52,475	142,796
1至2個月	**–**	**16,797**	**16,797**	–	4,933	4,933
2至3個月	**–**	**1,862**	**1,862**	–	2,963	2,963
3至6個月	**–**	**2,272**	**2,272**	–	53	53
6個月至1年	**–**	**3,469**	**3,469**	–	3,469	3,469
1年以上	**–**	**20,067**	**20,067**	–	16,547	16,547
	4,056	**97,742**	**101,798**	90,321	80,440	170,761

應付貿易款項為不計息且一般於90天內結算。

26. 其他應付及應計款項

	附註	二零一八年	二零一七年
		人民幣千元	*人民幣千元*
其他應付款項	(a)	**48,466**	51,297
預收款項		**–**	11,866
合約負債	(b)	**15,727**	–
		64,193	63,163

附註：

(a) 其他應計款項不計息，平均期限為三個月。

(b) 於二零一八年十二月三十一日及二零一八年一月一日的合約負債詳情如下：

	二零一八年十二月三十一日	二零一八年一月一日
	人民幣千元	*人民幣千元*
預收客戶短期墊款		
出售貨品	**15,727**	11,866
合約負債總額	**15,727**	11,866

合約負債包括已收客戶交付照明產品的短期墊款。二零一八年合約負債增加乃主要由於就年末未完成合同收取客戶短期墊款增加。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

27. 計息銀行借款

	二零一八年十二月三十一日			二零一七年十二月三十一日		
	實際利率%	到期	人民幣千元	實際利率%	到期	人民幣千元
銀行貸款－無抵押	3.45 – 4.75	二零一九年	156,975	–	–	–
銀行貸款－有抵押	3.50	二零一九年	10,295	–	–	–
銀行貸款－有抵押	倫敦銀行同業拆息	二零一九年	60,053	倫敦銀行同業拆息	二零一八年	70,243
			227,323			70,243

上述銀行借款的到期情況如下：

	二零一八年	二零一七年
	人民幣千元	*人民幣千元*
分析為：		
銀行貸款：		
於一年內或要求時	227,323	70,243

附註：

(a) 除銀行借款人民幣60,053,000元(二零一七年：人民幣70,243,000 元)按倫敦銀行同業拆息以美元列賬外，上文所載所有銀行借款均以人民幣計值，按固定利率計息。

(b) 本集團的銀行借款由以下各項抵押品擔保：

(i) 本集團合共人民幣85,666,000元(二零一七年：人民幣20,057,000元)(附註19)的若干存貨；

(ii) 本集團合共人民幣49,736,000元(二零一七年：人民幣33,336,000元)(附註20)的若干應收貿易款項；及

(iii) 於二零一八年十二月三十一日的定期存款人民幣34,307,000元(二零一七年：人民幣13,322,000元)(附註24)。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

28. 撥備

	人民幣千元
於二零一八年一月一日	903
額外撥備	8,643
於二零一八年十二月三十一日	9,546

截至二零一八年十二月三十一日止年度，本公司附屬公司同方科技園收到中國人民法院發出的通知，乃因與本集團訂立租賃協議的承租人發起，要求就提前終止租賃協議導致的損失進行補償。本公司董事認為，可能會流出經濟資源，因而已於截至二零一八年十二月三十一日止年度的綜合財務報表內就索償作出撥備人民幣8,384,000元。

該索償有待法律仲裁，且預期於二零一九年底落實。於報告期末，已對撥備進行重估，增加至人民幣9,546,000元。

29. 遞延稅項

	有關未分配盈利的台灣預扣稅	無形資產公允價值調整	超過相關折舊之折舊撥備	投資物業公允價值調整	存貨撥備	其他	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*
於二零一七年一月一日	(2,950)	(662)	4,754	–	913	2,058	4,113
收購一間附屬公司	–	(1,751)	–	–	–	–	(1,751)
年內計入／(扣除自)損益表的遞延稅項（附註10）	–	576	(2,377)	–	22	(858)	(2,637)
匯兑差額	193	138	(205)	–	(54)	(77)	(5)
於二零一七年十二月三十一日及二零一八年一月一日	(2,757)	(1,699)	2,172	–	881	1,123	(280)
年內計入／(扣除自)損益表的遞延稅項(附註10)	–	321	(237)	2,331	1,385	979	4,779
計入其他全面收益表的遞延稅項	–	–	–	(48,962)	–	–	(48,962)
匯兑差額	(133)	(202)	103	–	79	81	(72)
於二零一八年十二月三十一日	(2,890)	(1,580)	2,038	(46,631)	2,345	2,183	(44,535)

綜合財務報表附註

截至二零一八年十二月三十一日止年度

29. 遞延税項(續)

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

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
遞延税項資產	**7,005**	6,179
遞延税項負債	**(51,540)**	(6,459)
	(44,535)	(280)

本集團於香港產生税項虧損人民幣270,480,000元(二零一七年：人民幣215,251,000元)，可無限期承前結轉，以抵銷產生虧損之公司之未來應課税溢利。本集團於中國產生税項虧損人民幣275,342,000元(二零一七年：人民幣273,662,000元)，其將於一至五年屆滿，可用作抵銷未來應課税溢利。

尚未就有關税項虧損確認遞延税項資產，原因是有關虧損於一間持續虧損的附屬公司產生，而出現應課税溢利可抵銷虧損的可能性不大。

根據中國企業所得税法，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%預扣税。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税務條約，則可能享有較低的預扣税率。就本集團而言，適用税率為5%。於二零一八年及二零一七年十二月三十一日，因附屬公司並無用作可預見未來進行分派的該等盈利，故並無就預扣税未確認遞延税項。

於二零一八年十二月三十一日，並無就本集團於美國成立的附屬公司應付的未滙出盈利人民幣63,189,000元(二零一七年：人民幣53,691,000元)所產生的預扣税確認遞延税項。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。

根據台灣企業所得税法，就未分派盈利徵收5%的預扣税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%的預扣税。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税後果。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

30. 股本

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
法定：		
5,000,000,000股(二零一七年：5,000,000,000股)每股面值人民幣0.10元(二零一七年：人民幣0.10元)的普通股	**500,000**	500,000
已發行及繳足：		
2,094,505,417股(二零一七年：2,109,163,417股)每股面值人民幣0.10元(二零一七年：人民幣0.10元)的普通股	**185,676**	186,912

本公司股本變動情況概述如下：

	附註	已發行股份數目	股本 *人民幣千元*
於二零一七年一月一日		1,938,319,694	171,808
於二零一七年一月二十日發行股份	(a)	177,227,723	15,670
註銷股份	(b)	(6,384,000)	(566)
於二零一七年十二月三十一日及二零一八年一月一日		2,109,163,417	186,912
註銷股份	(b)	(14,658,000)	(1,236)
於二零一八年十二月三十一日		2,094,505,417	185,676

附註：

(a) 根據二零一七年一月二十日通過的普通決議案，本公司已發行177,227,723股普通股作為收購同方證券的代價。

(b) 本公司於聯交所回購5,714,000股(二零一七年：15,328,000股)股份，總代價為人民幣3,664,000元(二零一七年：人民幣11,304,000元)，並以保留溢利悉數支付。14,658,000股(二零一七年：6,384,000股)回購股份於年內被註銷。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

31. 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：

	二零一八年		二零一七年	
	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**	**22,300**	1.31	23,600
年內沒收	**1.31**	**(1,100)**	1.31	(1,300)
於十二月三十一日	**1.31**	**21,200**	1.31	22,300

綜合財務報表附註

截至二零一八年十二月三十一日止年度

31. 購股權計劃(續)

本公司購股權計劃(續)

截至二零一八年十二月三十一日止年度，概無確認任何購股權(二零一七年：人民幣1,100,000元)。

於報告期末未行使購股權的行使價及行使期如下：

二零一八年

購股權數目 *千份*	行使價* *每股港元*	行使期
10,600	**1.31**	**二零一六年五月十五日至 二零二零年五月十四日**
10,600	**1.31**	**二零一七年五月十五日至 二零二零年五月十四日**
21,200		

二零一七年

購股權數目 *千份*	行使價* *每股港元*	行使期
11,150	1.31	二零一六年五月十五日至 二零二零年五月十四日
11,150	1.31	二零一七年五月十五日至 二零二零年五月十四日
22,300		

* 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。

截至二零一八年及二零一七年十二月三十一日止年度概無授出購股權。

於報告期末，本公司有21,200,000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21,200,000股額外的本公司普通股及額外股本人民幣27,772,000元(未計發行開支)。

於該等財務報表的批准日期，本公司有21,200,000份根據該計劃尚未行使的購股權，佔本公司於該日已發行股份約1.0%。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

31. 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.(「ALI」，本公司之間接全資附屬公司)為ALI、本公司及ALI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，ALI向本公司、ALI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ALI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ALI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ALI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) ALI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ALI股份的平均收市價，及(iii) ALI股份之面值。

年內根據ALI計劃尚未行使的購股權如下：

	二零一八年		二零一七年	
	加權平均行使價 *每股美元*	購股權數目	加權平均行使價 *每股美元*	購股權數目
於一月一日	**369**	**2,725**	330	2,231
年內授出	**–**	**–**	405	1,401
年內沒收	**368**	**(290)**	330	(54)
年內行使	**–**	**–**	330	(853)
於十二月三十一日	**369**	**2,435**	369	2,725

截至二零一八年十二月三十一日止年度並無任何購股權被行使。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

31. 購股權計劃(續)

本公司一間附屬公司的購股權計劃(續)

截至二零一七年十二月三十一日止年度，年內於行使已行使購股權當日的加權平均股價為每股330美元。於報告期末尚未行使購股權的行使價及行使期如下：

二零一八年

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		

二零一七年

購股權數目	行使價* *每股美元*	行使期
397	330	二零一六年六月三十日至二零二五年六月三十日
398	330	二零一七年六月三十日至二零二五年六月三十日
530	330	二零一八年六月三十日至二零二五年六月三十日
420	405	二零一八年四月二十七日至二零二七年四月二十七日
420	405	二零一九年四月二十七日至二零二七年四月二十四日
560	405	二零二零年四月二十七日至二零二七年四月二十七日
2,725		

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。

截至二零一八年十二月三十一日止年度概無授出購股權。已授出購股權於截至二零一八年十二月三十一日止年度的公允價值為每份人民幣1,441元(二零一七年：每份人民幣1,028元)，其中本集團確認截至二零一八年十二月三十一日止年度的購股權開支人民幣428,000 元(二零一七年：人民幣501,000元)。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

32. 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) 購股權儲備指根據附註31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) 匯兑儲備指換算海外經營業務的財務報表時所產生的所有匯兑差額。該儲備根據載於附註2.4的會計政策買賣。

(g) 公允價值儲備包括指定按公允價值計入其他全面收入之權益投資公允價值的累計變動淨額，根據自二零一八年一月一日起適用的香港財務報告準則第9號，其將不會於後續期間再轉撥至損益，而可供出售投資儲備指根據自二零一八年一月一日起適用的香港會計準則第39號，或會於後續期間重新分類至損益，且根據附註2.4的會計政策處理的儲備。

(h) 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賠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。

本集團於報告期間的儲備及變動金額在財務報表第88頁的綜合權益變動表呈列。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

33. 業務合併

於二零一七年一月二十日，本集團從獨立第三方收購同方證券的全部權益。同方證券從事提供資產管理、投資諮詢服務及證券交易。收購事項的購買代價為177,227,723股已發行新普通股，普通股的公允價值為205,584,000港元（相當於約人民幣181,768,000元），基於本公司於二零一七年一月二十日的上市股價每股1.16港元得出。截至二零一七年十二月三十一日，截至收購日期同方證券的可識別資產及負債之公允價值如下：

	附註	**收購時確認的公允價值** *人民幣千元*
物業、廠房及設備		3,016
無形資產		10,610
現金及銀行結餘		40,768
其他流動資產		28,734
應付貿易及其他款項		(21,557)
遞延税項負債		(1,751)
按公允價值入賬的可識別資產淨值總額		59,820
收購時的商譽	16	121,948
由已發行新普通股支付		181,768

於收購日期的其他流動資產公允價值為人民幣28,734,000元。其他流動資產的合約總額為人民幣28,734,000元。

未單獨確認的客戶名單計入上文確認的商譽人民幣121,948,000元。由於名單須遵守保密協議，不可分開，因此不符合根據香港會計準則第38號無形資產確認為無形資產的標準。預計所確認的商譽將毋須扣減所得税。

有關收購附屬公司的現金流量分析如下：

	人民幣千元
現金代價	–
已購入現金及銀行結餘	40,768
計入投資活動所得現金流量的現金及現金等價物的流入淨額	40,768

綜合財務報表附註

截至二零一八年十二月三十一日止年度

33. 業務合併(續)

自收購事項起，同方證券於截至二零一七年十二月三十一日止年度為本集團貢獻收入人民幣36,417,000元，為綜合利潤帶來人民幣35,420,000元。倘合併於年初發生，本集團於年內的持續經營業務收入分別為人民幣666,370,000元及人民幣119,148,000元。

34. 出售／終止確認附屬公司

於二零一六年十月三十一日，本集團與本集團同系附屬公司同方科技園有限公司(「同方科技園」)訂立三份股權轉讓協議，以總代價人民幣251,668,000元出售本集團於三間附屬公司的全部股權，該等附屬公司即為揚州同方半導體有限公司、上海翠能光電科技有限公司及天津真明麗光電有限公司(統稱「出售組別」)。

於二零一六年十二月三十一日，出售組別達到可即時出售狀態。上述交易已於二零一七年二月完成且產生收益人民幣110,649,000元，主要是由於出售組別擁有的土地所有權增值所致，並已計入中國照明分部。管理層認為，出售組別不構成獨立的主要業務線，且因此不符合已終止經營業務的條件。

截至二零一八年十二月三十一日止年度，本集團註銷四間海外附屬公司，即Shenzhen Mingli Video Technology Development Co., Ltd、Neo-Neon Investment UK Ltd.、Evergreen Illumination B.V.及Neo-Neon-Eurpoe Gmbh。該等註銷已於年內完成。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

34. 出售／終止確認附屬公司(續)

本集團處置的淨資產／(負債)詳情及其財務影響概述如下：

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
處置的淨資產：			
物業、廠房及設備		**182**	66,129
無形資產		**18**	5,750
其他流動資產		**9,943**	136,835
其他流動負債		**(831)**	(67.695)
非控股權益		**(1,261)**	–
		8,051	141,019
匯兑波動儲備		**(5,004)**	–
		(3,047)	141,019
出售附屬公司的收益	5	**–**	110,649
終止確認附屬公司的虧損		**(3,047)**	–
		–	251,668
以下列方式支付：			
現金		**–**	251,668
現金代價		**–**	251,668
已出售現金及銀行結餘		**–**	(1,950)
出售附屬公司的現金及現金等價物流入淨額		**–**	249,718

綜合財務報表附註

截至二零一八年十二月三十一日止年度

35. 綜合現金流量表附註

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*	總計 *人民幣千元*
於二零一七年一月一日	110,967	–	110,967
融資現金流量變動	(35,648)	–	(35,648)
外匯變動	(5,076)	–	(5,076)
於二零一七年十二月三十一日及二零一八年一月一日	70,243	–	70,243
融資現金流量變動	152,181	350,000	502,181
外匯變動	4,899	–	4,899
於二零一八年十二月三十一日	227,323	350,000	577,323

36. 資產抵押

本集團為本集團銀行貸款抵押的資產詳情載於財務報表附註27。

37. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排將其部份投資物業(綜合財務報表附註14)出租，商定之租期介乎一年至十一年。租賃條款通常亦要求租戶支付保證金，並根據當時市況作出定期租金調整。

於二零一八年十二月三十一日，本集團根據與租戶之不可撤銷經營租約可收取的日後最低租金總額的到期日如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
於一年內	**9,061**	4,964
第二至第五年(包括首尾兩年)	**21,349**	20,833
五年後	**13,885**	28,420
	44,295	54,217

37. 經營租賃安排(續)

(b) 作為承租人

本集團根據經營租賃安排租用若干辦公物業，租期介乎一年至五年。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃所須支付的日後最低租金總額的到期日如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
於一年內	**14,322**	7,536
第二至第五年(包括首尾兩年)	**6,392**	6,842
	20,714	14,378

38. 承擔

除上文附註37所詳述的經營租賃承擔外，本集團於報告期末之資本承擔如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
已訂約但未撥備：		
物業、廠房及設備	**4,414**	4,569

綜合財務報表附註

截至二零一八年十二月三十一日止年度

39. 關聯方交易

(a) 年內，本集團與關聯方進行以下交易：

	附註	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
出售附屬公司	(i)	–	251,668
向控股股東及其附屬公司出售貨品	(ii)	–	2,487
已付一間中間控股公司之利息	(iii)	**(6,845)**	–
已付最終控股公司之利息	(iv)	**(1,409)**	–

附註：

(i) 於二零一六年十月三十一日，本集團與本集團同系附屬公司同方科技園有限公司訂立三份股權轉讓協議，出售本集團於三間附屬公司的全部股權，該等附屬公司即為揚州同方半導體有限公司、上海翠能光電科技有限公司及天津真明麗光電有限公司，代價為人民幣251,668,000元，由協議雙方相互協定。

(ii) 向控股股東及其附屬公司銷售貨物乃根據協議雙方相互協定的條款及條件進行。

(iii) 來自中間控股公司Resuccess Investment Ltd.的貸款無抵押，按年利率6.0%計息，且已於二零一八年償還。

(iv) 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%計息，且應於二零二零年償還。

(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

於二零一八年十二月三十一日，來自同方股份有限公司的貸款為數人民幣350,000,000元(二零一七年：無)乃無抵押、按年利率4.95%計息及須於二零二零年償還。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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：

二零一八年

金融資產

	按公允價值計入損益的金融資產	按公允價值計入其他全面收入的權益投資	按攤銷成本計量的金融資產	總計
	人民幣千元	*人民幣千元*	*人民幣千元*	*人民幣千元*
應收貿易及其他款項	–	–	155,844	155,844
應收貸款	–	–	300,922	300,922
計入預付款、其他應收款項及其他資產的金融資產	–	–	12,607	12,607
指定按公允價值計入其他全面收入的權益投資	–	1,224	–	1,224
按公允價值計入損益的金融資產	325,322	–	–	325,322
已抵押按金	–	–	34,307	34,307
代客戶持有的現金	–	–	4,056	4,056
現金及現金等值物	–	–	229,819	229,819
	325,322	1,224	737,555	1,064,101

金融負債

	按攤銷成本計量的金融負債
	人民幣千元
應付貿易賬款及應付票據	101,798
計入其他應付及應計款項的金融負債	48,466
計息銀行借款	227,323
最終控股公司貸款	350,000
	727,587

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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)

二零一七年

金融資產

	按公允價值計入損益的金融資產 *人民幣千元*	可供出售投資 *人民幣千元*	貸款及應收款 *人民幣千元*	總計 *人民幣千元*
應收貿易及其他款項	–	–	137,107	137,107
計入預付款、其他應收款項及其他資產的金融資產	–	–	21,210	21,210
可供出售投資	–	324,403	–	324,403
按公允價值計入損益的金融資產	132,737	–	–	132,737
已抵押按金	–	–	13,322	13,322
代客戶持有的現金	–	–	90,321	90,321
現金及現金等值物	–	–	435,964	435,964
	132,737	324,403	697,924	1,155,064

金融負債

	按攤銷成本計量的金融負債 *人民幣千元*
應付貿易賬款及應付票據	170,761
計入其他應付及應計款項的金融負債	51,297
計息銀行借款	70,243
	292,301

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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	
	二零一八年	二零一七年	二零一八年	二零一七年
	人民幣千元	*人民幣千元*	*人民幣千元*	*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	**1,224**	–	**1,224**	–
可供出售投資	**–**	321,079	**–**	321,079
按公允價值計入損益的金融資產	**325,322**	132,737	**325,322**	132,737
	326,546	453,816	**326,546**	453,816
金融負債				
計息銀行借款	**227,323**	70,243	**230,534**	71,627
最終控股公司貸款	**350,000**	–	**384,650**	–
	577,323	70,243	**615,184**	71,627

管理層已評估現金及現金等值物、應收貿易賬款及應收票據、應付貿易賬款及應付票據、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，主要由於該等投資期內到期，惟最終控股公司貸款應於二零二零年償還。

本集團由財務經理領導的財務部負責制定金融工具公允價值計量的政策及程序。財務經理直接向執行董事及審核委員會匯報。於各報告日期，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。估值由財務總監審核並批准。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：

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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可觀察市場價格或利率不支持的假設採用市場估值技術估計。估值要求本公司董事根據行業規模、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利息、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(於其他全面收入列賬)屬合理且為報告期末的最適當值。

可換股債券的公允價值使用估值技術按現值計算方法計量。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，於截至二零一八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截至二零一八年十二月三十一日止年度的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。

以下為於二零一八年及二零一七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 (二零一七年：非上市投資)	估值倍數	同業EV/EBITDA倍數	二零一八年：13.7 (二零一七年：12.6)	倍數增加／減少1% (二零一七年：1%)將令公允價值增加／減少人民幣1,530,000元(二零一七年：人民幣1,367,000元)
可換股債券 (二零一七年：無)	Hull-White模式	折讓率	二零一八年：13.3% (二零一七年：無)	5%(二零一七年：無)折讓率上升／下降會導致公允價值減少／增加人民幣252,000元 (二零一七年：無)

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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：

於二零一八年十二月三十一日

	公允價值計量使用			
	活躍市場報價（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*
指定按公允價值計入其他全面收入的權益投資	**–**	**–**	**1,224**	**1,224**
按公允價值計入損益的金融資產	**85,221**	**35,408**	**204,693**	**325,322**
	85,821	**35,408**	**205,917**	**326,546**

於二零一七年十二月三十一日

	公允價值計量使用			
	活躍市場報價（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*
可供出售投資	–	321,079	–	321,079
按公允價值計入損益的金融資產	21,571	–	111,166	132,737
	21,571	321,079	111,166	453,816

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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)

第三級內的公允價值計量變動如下：

	二零一八年 *人民幣千元*	二零一七年 *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	**111,166**	108,152
於損益表計入其他收入的已確認收益總額	**35,747**	3,014
添置	**68,643**	
出售	**(10,980)**	–
匯兑調整	**117**	–
於十二月三十一日	**204,693**	111,166

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
指定按公允價值計入其他全面收入之權益投資／可供出售投資－非上市：		
於一月一日	**3,324**	3,639
採納香港財務報告準則第9號的影響	**(1,412)**	–
於一月一日(經重列)	**1,912**	3,639
於損益表確認的虧損總額	**–**	(315)
於全面收益表確認的虧損總額	**(688)**	–
於十二月三十一日	**1,224**	3,324

於二零一八年十二月三十一日及二零一七年十二月三十一日，本集團並無任何按公允價值記錄的金融負債。於二零一八年十二月三十一日，本集團並非按公允價值計量但公允價值於計息銀行借款披露的金融負債及按公允價值計量的最終控股公司貸款分別為人民幣230,534,000元(二零一七年：人民幣71,627,000元)及人民幣384,650,000元(二零一七年：零)。所披露的金融負債的公允價值根據所有可直接或間接觀察並對列賬之公允價值具重大影響之輸入數據(第二級)，以估值技術計量。

年內，第一級與第二級之間並無公允價值計量轉讓，第三級亦無公允價值計量轉入或轉出(二零一七年：無)。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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、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、應付貿易賬款及應付票據及其他應付款項。

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、股價風險及市場風險。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。

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條款於綜合財務報表附註27披露。本集團其他金融資金及負債無重大利率風險。計息銀行借款、最終控股公司貸款、現金及銀行結餘及短期存款按成本列賬，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，本集團除税前溢利(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)及本集團權益兑人民幣匯率的合理可能變動的敏感度。

	基點增加／(減少)	除税前溢利增加／(減少) *人民幣千元*	權益增加／(減少)* *人民幣千元*
二零一八年			
人民幣	**100**	**(3,440)**	**(3,440)**
人民幣	**(100)**	**3,440**	**3,440**
美元	**100**	**289**	**289**
美元	**(100)**	**(289)**	**(289)**
二零一七年			
人民幣	100	1,979	1,979
人民幣	(100)	(1,979)	(1,979)
美元	100	103	103
美元	(100)	(103)	(103)

* 不包括保留溢利

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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26%(二零一七年：53%)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26%(二零一七年：53%)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，本集團除税前溢利(由於貨幣資產及負債公允價值變動)對人民幣兑美元及港元匯率合理可能變動的敏感度。

	匯率增加／(減少) %	除税前溢利增加／(減少) *人民幣千元*
二零一八年		
倘人民幣兑美元貶值	**5**	**3,282**
倘人民幣兑美元升值	**(5)**	**(3,282)**
倘人民幣兑港元貶值	**5**	**15,798**
倘人民幣兑港元升值	**(5)**	**(15,798)**
二零一七年		
倘人民幣兑美元貶值	5	9,402
倘人民幣兑美元升值	(5)	(9,402)
倘人民幣兑港元貶值	5	4,542
倘人民幣兑港元升值	(5)	(4,542)

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。

42. 金融風險管理目標與政策(續)

信貸風險(續)

截至二零一八年十二月三十一日之最高風險及年末分階段分類

下表根據本集團的信貸政策，列示信貸質素及最高信貸風險敞口，除非毋須過大成本或努力便可獲得其他資料，否則下表主要以逾期資料及截至二零一八年十二月三十一日之年末分階段分類為基礎。呈列數字為金融資產的賬面總值。

	12個月預期信貸虧損	全期預期信貸虧損			
	第1階段	第2階段	第2階段	簡化法	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*
應收貿易賬款及應收票據*	4,269	–	–	160,226	164,495
計入預付款、其他應收款項及其他資產的金融資產					
－正常**	12,607	–	–	–	12,607
代證券客戶持有的現金					
－未逾期	4,056	–	–	–	4,056
已抵押按金					
－尚未逾期	34,307	–	–	–	34,307
現金及現金等值物					
－尚未逾期	229,819	–	–	–	229,819
應收貸款					
－信貸評級A+至BBB	254,119	47,456	–	–	301,575
	539,177	47,456	–	160,226	746,859

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

** 計入預付款項、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」。

截至二零一七年十二月三十一日之最高風險

本集團其他金融資產的信貸風險(包括現金與現金等值物、已抵押定期存款及其他應收款項)主要源於對手方違約，最高程度相等於該等工具的賬面值。

由於本集團僅與認可及信譽超著的第三方交易，故無須抵押品。信貸風險之聚集由按地理位置及行業類型劃分的客戶／對手方管理。本集團應收貿易款項的客戶群廣泛分佈在不同地區及行業，故本集團概無重大信貸集中風險。

與本集團承受信貸風險而產生的應收貿易款項的進一步定量數據於綜合財務報表附註20披露。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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。

根據合約未貼現款項，本集團於報告期末之金融負債的還款期如下：

二零一八年

	按要求	1年內	1至5年內	5年後	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*
應付貿易賬款及應付票據	**48,523**	**53,275**	**–**	**–**	**101,798**
其他應付及應計款項	**48,466**	**–**	**–**	**–**	**48,466**
計息銀行借款	**–**	**230,534**	**–**	**–**	**230,534**
最終控股公司貸款	**–**	**–**	**384,650**	**–**	**384,650**
	96,989	**283,809**	**384,650**	**–**	**765,448**

二零一七年

	按要求	1年內	1至5年內	5年後	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*
應付貿易賬款及應付票據	118,286	52,475	–	–	170,761
其他應付及應計款項	51,297	–	–	–	51,297
計息銀行借款	–	71,627	–	–	71,627
	169,583	124,102	–	–	293,685

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。於二零一八年十二月三十一日，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。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

42. 金融風險管理目標與政策(續)

股價風險(續)

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：

	二零一八年十二月三十一日	二零一八年最高點／最低點	二零一七年十二月三十一日	二零一七年最高點／最低點
香港－恒生指數	25,846	33,484/24,451	29,919	30,200/21,844

下表列示權益投資公允價值每變動10%，而所有其他變量保持不變，且不計及對稅務的影響，基於報告期末彼等的賬面值的敏感度。

	權益投資賬面值 *人民幣千元*	除稅前溢利增加 *人民幣千元*	權益增加 *人民幣千元*
二零一八年			
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	85,221	852	–
二零一七年			
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	21,571	216	–

綜合財務報表附註

截至二零一八年十二月三十一日止年度

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。截至二零一八年及二零一七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以及最終控股公司貸款。報告期末的資產負債比率如下：

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
債務總額	**577,323**	70,243
權益總額	**1,706,800**	1,433,799
資產負債比率	**33.8%**	4.9%

43. 報告期後事項

於二零一九年一月一日，本公司之間接全資附屬公司American Lighting與Lighten Up Holdings, Inc(「Lighten Up」)訂立股東權益購買協議，American Lighting同意以總代價約12,000,000美元從Lighten Up購買Novelty Lights, LLC(「Novelty Lights」)的全部股東權益，惟可根據上述購買協議調整。於二零一九年一月一日首次交割結束後，本公司間接持有Novelty Lights的80%權益，而Novelty Lights成為本公司的間接非全資附屬公司。第二次交割完成後，Novelty Lights將成為本公司的間接全資附屬公司。詳情請參閱本公司日期為二零一九年一月一日的公告。

綜合財務報表附註

截至二零一八年十二月三十一日止年度

44. 比較數額

按綜合財務報表附註2.2所詳述，因本年度內採納新訂香港財務報告準則，財務報表內若干項目及結餘的會計處理及呈列已經修訂，以遵守新規定。因此，若干比較數額經已重新分類，以符合本年度的呈列及會計處理。

45. 本公司財務狀況表

	二零一八年 *人民幣千元*	二零一七年 *人民幣千元*
非流動資產		
物業、廠房及設備	**1,229**	–
於附屬公司權益	**1,484,992**	1,430,445
非流動資產總值	**1,486,221**	1,430,445
流動資產		
現金及現金等值物	**609**	5,293
流動負債		
其他應付及應計款項	**6,830**	5,591
流動負債淨值	**(6,221)**	(298)
資產總值減流動負債	**1,480,000**	1,430,147
權益		
已發行股本	**185,676**	186,912
儲備(附註)	**1,294,324**	1,243,235
權益總額	**1,480,000**	1,430,147

謝漢良先生
董事

Daniel P.W. Li先生
董事

綜合財務報表附註

截至二零一八年十二月三十一日止年度

45. 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	匯兑波動儲備	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*
於二零一七年一月一日的結餘	–	2,264,017	344	55,238	50,024	5,361	(501,565)	(8,220)	(832,781)	1,032,418
年內全面收入總額	–	–	–	–	–	–	60,817	–	(6,104)	54,713
發行股份	–	166,098	–	–	–	–	–	–	–	166,098
購回股份	(11,304)	–	–	–	–	–	–	–	–	(11,304)
註銷庫存股	5,004	(5,004)	566	–	–	–	–	–	–	566
以權益結算購股權安排	–	–	–	–	–	744	–	–	–	744
於二零一七年十二月三十一日及二零一八年一月一日	(6,300)	2,425,111	910	55,238	50,024	6,105	(440,748)	(8,220)	(838,885)	1,243,235
年內全面收入總額	–	–	–	–	–	–	68,037	–	(14,520)	53,517
購回股份	(3,664)	–	–	–	–	–	–	–	–	(3,664)
註銷庫存股	9,964	(9,964)	1,236	–	–	–	–	–	–	1,236
於二零一八年十二月三十一日	–	2,415,147	2,146	55,238	50,024	6,105	(372,711)	(8,220)	(853,405)	1,294,324

46. 批准財務報表

董事會於二零一九年三月二十日批准授權刊發財務報表。

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 84 to 188, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018, 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
Impairment allowance of trade and bills receivables As at 31 December 2018, trade and bills receivables amounted to RMB155.8 million after providing for impairment of RMB8.6 million, representing 6.2% of total assets. Significant management judgement and estimation were required in assessing the expected credit losses ("ECL") for the trade and bills receivables. In developing the ECL methodology, the Group is required to consider reasonable and supportable information including the 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 balance of trade and bills receivables are included in notes 3 and 20 to the consolidated financial statements.	In evaluating management's provision 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 receivables on a sample basis; • Reviewed management's ECL calculation model and tested the underlying information including ageing information generated by the Group's financial reporting system, probability of default date and loss given default published by rating agencies as the forward-looking factors with reference to the related publicly available information; • Evaluated on the sample basis the reasonableness of probability of default assigned to individual debtors given the information available to the Group over the credibility of these debtors such as their repayment history; • Checked to the post year-end cash receipts for a sample of year-end trade and bills receivables balances; and • Evaluated the appropriateness of the related disclosures made by the directors 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 2018, the Group had goodwill at a carrying amount of RMB120.9 million relating to the acquisition of Tongfang Securities Limited ("Tongfang Securities") in 2017. Tongfang Securities is engaged in the provision of financial services in Hong Kong. The risk that we focused on in our audit is the risk of impairment of goodwill. Given the high level of management judgement in the impairment assessment, we considered this area to be important to our audit. 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 methodology adopted by management and the discount rate applied; • Evaluated the independent external valuer's competence, capabilities and objectivities; • 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 evidence, such as approved budgets and actual data, to assess the accuracy and reliability; and • Assessed whether the disclosures of impairment assessment in the consolidated financial statements are sufficient and appropriate.
Net realisable value of inventories	
As at 31 December 2018, the net carrying amount of the Group's inventories amounted to RMB198.2 million, which was netted of impairment provision of RMB81.7 million. The measurement of inventories provision required significant management judgement in determining an appropriate costing basis and assessing if their net realisable value was lower than the carrying amount of the inventories at the year end. There were also judgements required in determining inventory excess and obsolescence provisions as these were based on forecast inventory usage. Relevant disclosures are included in notes 3 and 19 to the consolidated financial statements for the year ended 31 December 2018.	In evaluating management's measurement of inventories provision, our procedures included: • Evaluated the methodology and performed test of controls over the costing basis of inventories with the assistance from our internal specialists; and • Assessed the inventory excess and obsolescence provision policy and considered management's judgement by comparing it to the historical data of finished goods on a sample basis. We also assessed the net realisable values by comparing the unit prices of subsequent sales with the unit costs for significant items. In addition, we examined the ageing and subsequent usage report of the inventories and future production and scale plan to verify if the provision is sufficient.

INDEPENDENT AUDITOR'S REPORT

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.

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.

INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lam, Wai Ming, Ada.

Ernst & Young
Certified Public Accountants
Hong Kong

20 March 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2018

	Notes	2018 RMB'000	2017 RMB'000
REVENUE	5	693,698	665,724
Cost of sales		(489,568)	(457,634)
Gross profit		204,130	208,090
Other income, gains and losses, net	5	225,603	142,600
Impairment losses on financial assets, net	6	(3,268)	(1,368)
Selling and distribution expenses		(111,937)	(90,146)
Administrative expenses		(154,280)	(128,199)
Finance costs	7	(14,874)	(4,658)
PROFIT BEFORE TAX	6	145,374	126,319
Income tax credit/(expense)	10	563	(5,838)
PROFIT FOR THE YEAR		145,937	120,481
Attributable to:			
Owners of the parent		145,792	120,375
Non-controlling interests		145	106
		145,937	120,481
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	12	RMB6.96 cents	RMB5.72 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2018

	Notes	2018 RMB'000	2017 RMB'000
PROFIT FOR THE YEAR		145,937	120,481
OTHER COMPREHENSIVE INCOME/(LOSS):			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Change in fair value		–	(13,285)
Exchange differences:			
Exchange differences on translation of foreign operations		24,146	(57,271)
Reclassification adjustment for derecognition of foreign operations during the year	34	(5,004)	–
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		19,142	(70,556)
Other comprehensive 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		(688)	–
Surplus on revaluation upon transfer of prepaid land lease payments to investment properties	15	163,207	–
Income tax effect		(48,962)	–
		114,245	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		113,557	–
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		132,699	(70,556)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		278,636	49,925
Attributable to:			
Owners of the parent		278,358	49,964
Non-controlling interests		278	(39)
		278,636	49,925

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2018

	Notes	2018 RMB'000	2017 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	83,450	130,394
Investment properties	14	772,965	14,200
Prepaid land lease payments	15	46,321	30,469
Goodwill	16	129,421	123,454
Other intangible assets	17	44,483	35,404
Available-for-sale investments	18	–	3,324
Equity investments designated at fair value through other comprehensive income	18	624	–
Prepayments and other assets	21	85,683	–
Financial assets at fair value through profit or loss	23	130,989	111,166
Deferred tax assets	29	7,005	6,179
Total non-current assets		1,300,941	454,590
CURRENT ASSETS			
Inventories	19	198,205	177,395
Trade and bills receivables	20	155,844	137,107
Loan receivables	22	300,922	–
Prepayments, other receivables and other assets	21	95,290	101,494
Available-for-sale investments	18	–	321,079
Prepaid lease payments	15	1,081	–
Equity investments designated at fair value through other comprehensive income	18	600	–
Financial assets at fair value through profit or loss	23	194,333	21,571
Tax recoverable		2,527	–
Pledged deposits	24	34,307	13,322
Cash held on behalf of clients	24	4,056	90,321
Cash and cash equivalents	24	229,819	435,964
Total current assets		1,216,984	1,298,253
CURRENT LIABILITIES			
Trade and bills payables	25	101,798	170,761
Other payables and accruals	26	64,193	63,163
Interest-bearing bank borrowings	27	227,323	70,243
Tax payable		–	40
Provision	28	9,546	903
Total current liabilities		402,860	305,110
NET CURRENT ASSETS		814,124	993,143
TOTAL ASSETS LESS CURRENT LIABILITIES		2,115,065	1,447,733

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2018

	Notes	2018 *RMB'000*	2017 *RMB'000*
NON-CURRENT LIABILITIES			
Government grants		6,725	7,475
Deferred tax liabilities	29	51,540	6,459
Loan from the ultimate holding company	39	350,000	–
Total non-current liabilities		408,265	13,934
Net assets		1,706,800	1,433,799
EQUITY			
Equity attributable to owners of the parent			
Issued capital	30	185,676	186,912
Reserves	32	1,518,142	1,242,923
		1,703,818	1,429,835
Non-controlling interests		2,982	3,964
Total equity		1,706,800	1,433,799

Seah Han Leong
Director

Daniel P. W. Li
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Attributable to owners of the parent														
	Share capital (note 30) RMB'000	Treasury shares RMB'000	Share premium (note 32) RMB'000	Capital redemption reserve (note 32) RMB'000	Special reserve (note 32) RMB'000	Share compensation reserve (note 32) RMB'000	Share option reserve (note 31) RMB'000	Exchange fluctuation reserve (note 32) RMB'000	Available for-sale investments revaluation/ fair value reserve (note 32) RMB'000	Asset revaluation reserve (note 32) RMB'000	Other reserve (note 32) RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2017	171,808	–	2,264,017	344	55,238	50,024	6,389	(225,574)	–	–	(8,418)	(1,104,658)	1,209,170	781	1,209,951
Profit for the year	–	–	–	–	–	–	–	–	–	–	–	120,375	120,375	106	120,481
Other comprehensive loss for the year:															
Changes in fair value of available-for-sale investments, net of tax	–	–	–	–	–	–	–	–	(13,285)	–	–	–	(13,285)	–	(13,285)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(57,126)	–	–	–	–	(57,126)	(145)	(57,271)
Total comprehensive income for the year	–	–	–	–	–	–	–	(57,126)	(13,285)	–	–	120,375	49,964	(39)	49,925
Issue of shares	15,670	–	166,098	–	–	–	–	–	–	–	–	–	181,768	–	181,768
Share repurchase	–	(11,304)	–	–	–	–	–	–	–	–	–	–	(11,304)	–	(11,304)
Cancellation of treasury shares	(566)	5,004	(5,004)	566	–	–	–	–	–	–	–	–	–	–	–
Equity-settled share option arrangements	–	–	–	–	–	–	1,601	–	–	–	–	–	1,601	–	1,601
Exercise of share options	–	–	–	–	–	–	(682)	–	–	–	(682)	–	(1,364)	3,222	1,858
At 31 December 2017	186,912	(6,300)*	2,425,111*	910*	55,238*	50,024*	7,308*	(282,700)*	(13,285)*	–	(9,100)*	(984,283)*	1,429,835	3,964	1,433,799
Effect of adoption of HKFRS 9 (note 2.2)	–	–	–	–	–	–	–	–	11,445	–	–	(12,584)	(1,139)	–	(1,139)
At 1 January 2018 (restated)	186,912	(6,300)	2,425,111	910	55,238	50,024	7,308	(282,700)	(1,840)	–	(9,100)	(996,867)	1,428,696	3,964	1,432,660
Profit for the year	–	–	–	–	–	–	–	–	–	–	–	145,792	145,792	145	145,937
Other comprehensive income for the year:															
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	24,013	–	–	–	–	24,013	133	24,146
Reclassification of exchange fluctuation reserve to profit or loss upon derecognition of subsidiaries	–	–	–	–	–	–	–	(5,004)	–	–	–	–	(5,004)	–	(5,004)
Changes in fair value of equity investments at fair value through other comprehensive income	–	–	–	–	–	–	–	–	(688)	–	–	–	(688)	–	(688)
Surplus on revaluation upon transfer of prepaid land lease payments to investment properties, net of tax	–	–	–	–	–	–	–	–	–	114,245	–	–	114,245	–	114,245
Total comprehensive income for the year	–	–	–	–	–	–	–	19,009	(688)	114,245	–	145,792	278,358	278	278,636
Share repurchase	–	(3,664)	–	–	–	–	–	–	–	–	–	–	(3,664)	–	(3,664)
Cancellation of treasury shares	(1,236)	9,964	(9,964)	1,236	–	–	–	–	–	–	–	–	–	–	–
Equity-settled share option arrangements	–	–	–	–	–	–	428	–	–	–	–	–	428	–	428
Transfer of share option reserve upon the forfeiture or expiry of share options	–	–	–	–	–	–	(298)	–	–	–	–	298	–	–	–
Derecognition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,260)	(1,260)
At 31 December 2018	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

* These reserve accounts comprise the consolidated reserves of RMB1,518,142,000 (2017: RMB1,242,923,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	Notes	2018 RMB'000	2017 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		145,374	126,319
Adjustments for:			
Finance costs	7	14,874	4,658
Bank interest income	5	(2,950)	(3,383)
Interest income recognised for money lending business	5	(19,776)	–
Loss/(gain) on disposal/derecognition of subsidiaries	5	3,047	(110,649)
Depreciation	6	19,855	19,425
Amortisation of land lease payments	6	1,634	804
Amortisation of other intangible assets	6	3,660	2,710
Amortisation of deferred development costs	6	3,329	2,419
Amortisation of government grants		(750)	(5,509)
Changes in fair value of investments properties	5	7,772	500
Fair value gains of financial assets at fair value through profit or loss	5	(3,874)	(11,614)
Impairment of available-for-sale investments transfer from equity on disposal	5	–	315
Dividend income from financial assets at fair value through profit or loss	5	(594)	–
Dividend income available-for-sale investments	5	–	(21,058)
Loss/(gain) on disposal of items of property, plant and equipment	5	43,101	(496)
Loss on written-off of intangible assets	6	217	–
Write-down of inventories to net realisable value	6	9,807	6,462
Impairment losses on financial assets	6	3,268	1,368
Equity-settled share option expenses	6	428	1,601
		228,422	13,872
(Increase)/decrease in inventories		(30,684)	459
Increase in trade and bills receivables		(22,648)	(22,463)
Increase in loan receivables		(292,390)	–
Increase in prepayments, other receivables and other assets		(83,427)	(6,437)
Decrease/(increase) in cash held on behalf of clients		86,265	(90,321)
(Decrease)/increase in trade and bills payables		(72,983)	77,213
Increase/(decrease) in other payables and accruals		1,861	(23,046)
Increase in provision		8,643	–
Cash generated used in operations		(176,941)	(50,723)
Interest income received from money lending business		10,591	–
Hong Kong profits tax paid		–	(6,737)
Overseas taxes paid		(6,711)	(22,132)
Net cash flows used in operating activities		(173,061)	(79,592)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	Note	2018 RMB'000	2017 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank interest received		2,950	3,383
Purchase of items of property, plant and equipment		(20,985)	(15,487)
Purchase of items of prepaid land lease payments		(29,468)	–
Additions to an investment property		(592,157)	–
Proceeds from disposal of items of property, plant and equipment		7,088	13,399
Additions to other intangible assets		(12,519)	(5,583)
Purchase of equity investments designated at fair value through other comprehensive income/available-for-sale investments		–	(348,600)
Purchase of financial assets at fair value through profit or loss		(633,023)	–
Proceeds from disposal of financial assets at fair value through profit or loss		763,681	–
Acquisition of a subsidiary		–	40,768
Purchase of listed equity securities at fair value		–	(13,499)
Dividend received from available-for-sale investments		–	21,058
Dividend received from financial assets at fair value through profit or loss		594	–
(Increase)/decrease in pledged deposits		(20,985)	14,345
Disposal of subsidiaries, net of cash and cash equivalents disposed of		–	249,718
Net cash flows used in investing activities		(534,824)	(40,498)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans from shareholders		642,659	–
New bank loans		222,424	174,985
Repayment of loans from shareholders		(292,659)	–
Repayment of bank loans		(70,243)	(210,633)
Interest paid		(14,874)	(4,658)
Payment for repurchase of shares		(3,664)	(11,304)
Net cash flows from/(used in) financing activities		483,643	(51,610)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(224,242)	(171,700)
Cash and cash equivalents at the beginning of year		435,964	649,306
Effect of foreign exchange rate changes, net		18,097	(41,642)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	24	229,819	435,964

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

1. CORPORATE AND GROUP INFORMATION

Neo-Neon Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, 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") was engaged in the following principal activities:

- manufacture and trading of lighting products
- provision of lighting solution
- provision of asset management services
- provision of investment advisory services
- provision of securities brokerage 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 ("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") (former known as Heshan Tongfang Lighting Technology Limited)*	PRC	US$300,000,000	–	100%	Manufacture and sale of lighting products
Star Bright International (Macao Commercial Offshore) Ltd.	Macau	MOP100,000	–	100%	Trading of lighting products

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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
American Lighting, Inc.	United States of America ("USA")	US$7,944,505	–	100%	Lighting solution provider
Tivoli, LLC	USA	US$4,500,000	–	100%	Lighting solution provider

* Registered as a wholly-foreign-owned enterprise under the law of 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 and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2018. 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 retained profits, 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

Year ended 31 December 2018

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Except for the amendments to HKFRS 4 and *Annual Improvements 2014-2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs, are described below:

(a) Amendments to HKFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The amendments have had no impact on the financial position or performance of the Group as the Group does not have any cash-settled share-based payment transactions and has no share-based payment transactions with net settlement features for withholding tax.

(b) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) (continued)

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs").

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 January 2018 is as follows:

	Notes	HKAS 39 measurement		Re-classification	Fair value adjustments/ ECLs	HKFRS 9 measurement	
		Category	Amount			Amount	Category
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	
Financial assets							
Equity investments designated at fair value through other comprehensive income		N/A	–	3,324	(1,412)	1,912	FVTOCI[1] (equity)
From: Available-for-sale investments	(i)			3,324	–		
Available-for-sale investments		AFS[2]	324,403	(324,403)	–	–	N/A
To: Equity investments designated at fair value through other comprehensive income	(i)			(3,324)	–		
To: Financial assets at fair value through profit or loss	(ii)			(321,079)	–		
Trade and bills receivables		L&R[3]	137,107	–	217	137,324	AC[4]
Financial assets included in prepayments, other receivables and other assets		L&R	21,210	–	56	21,266	AC
Financial assets at fair value through profit or loss		FVTPL[5]	132,737	321,079	–	453,816	FVTPL (mandatory)
From: Available-for-sale investments	(ii)			321,079	–		
Pledged deposits		L&R	13,322	–	–	13,322	AC
Cash held on behalf of clients		L&R	90,321	–	–	90,321	AC
Cash and cash equivalents		L&R	435,964	–	–	435,964	AC
Total assets			1,752,843	–	(1,139)	1,751,704	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) (continued)

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 January 2018 is as follows: (continued)

	HKAS 39 measurement		Re-classification	Fair value adjustments/ ECLs	HKFRS 9 measurement	
	Category	Amount			Amount	Category
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	
Financial liabilities						
Trade and bills payables	AC	170,761	–	–	170,761	AC
Financial liabilities included in other payables and accruals	AC	47,267	–	–	47,267	AC
Interest-bearing bank borrowings	AC	70,243	–	–	70,243	AC
Total liabilities		319,044	–	–	319,044	

1 FVTOCI: Financial assets at fair value through other comprehensive income
2 AFS: Available-for-sale investments
3 L&R: Loans and receivables
4 AC: Financial assets or financial liabilities at amortised cost
5 FVTPL: Financial assets at fair value through profit or loss

Notes:

(i) The Group has elected the option to irrevocably designate certain of its previous available-for-sale equity investments as equity investments designated at fair value through other comprehensive income. Equity investments previously measured at cost under HKAS 39 remeasured at fair value upon adoption of HKFRS 9.

(ii) The Group has classified its unlisted investments previously classified as available-for-sale investments as financial assets measured at fair value through profit or loss as these non-equity investments did not pass the contractual cash flow characteristics test in HKFRS 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) (continued)

Impairment

The following table reconciles the aggregate opening impairment allowances under HKAS 39 to the ECL allowances under HKFRS 9. Further details are disclosed in notes 20 and 21 to the consolidated financial statements.

	Impairment allowances under HKAS 39 at 31 December 2017 *RMB'000*	Re-measurement *RMB'000*	ECL allowances under HKFRS 9 at 1 January 2018 *RMB'000*
Trade receivables	46,312	(217)	46,095
Financial assets included in prepayments, other receivables and other assets	2,363	(56)	2,307
	48,675	(273)	48,402

Impact on reserves and accumulated loss

The impact of transition to HKFRS 9 on reserves and accumulated loss is as follows:

	Reserves and accumulated loss *RMB'000*
Fair value reserve under HKFRS 9 (available-for-sale investments revaluation reserve under HKAS 39)	
Balance as at 31 December 2017 under HKAS 39	(13,285)
Reclassification of financial assets from available-for-sale investments to financial assets at fair value through profit or loss	13,285
Remeasurement of equity investments designated at fair value through other comprehensive income previously measured at cost under HKAS 39	(1,412)
Reversal of impairment losses under HKAS 39 for equity investments designated at fair value through other comprehensive income previously classified as available-for-sale investments	(428)
Balance as at 1 January 2018 under HKFRS 9	(1,840)
Accumulated loss	
Balance as at 31 December 2017 under HKAS 39	(984,283)
Recognition of expected credit losses under HKFRS 9	273
Reclassification of available-for-sale investments to financial assets at fair value through profit or loss	(13,285)
Reversal of impairment losses under HKAS 39 for equity investments designated at fair value through other comprehensive income previously classified as available-for-sale investments	428
Balance as at 1 January 2018 under HKFRS 9	(996,867)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in note 5 to the consolidated financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the consolidated financial statements.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

The cumulative effect of the initial application of HKFRS 15 was recognised as an adjustment to the opening balance of accumulated loss as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 11, HKAS 18 and related interpretations.

Set out below are the amounts by which each financial statement line item was affected as at 1 January 2018 as a result of the adoption of HKFRS 15:

	Note	**Increase/ (decrease)** *RMB'000*
Liabilities		
Other payables and accruals		
– Receipts in advance	(i)	(11,866)
– Contract liabilities	(i)	11,866
Total liabilities		–

The adoption of HKFRS 15 has had no impact on profit or loss and other comprehensive income or on the Group's operating, investing and financing cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) (continued)

Set out below are the amounts by which each financial statement line item was affected as at 31 December 2018 and for the year ended 31 December 2018 as a result of the adoption of HKFRS 15. The adoption of HKFRS 15 has had no impact on other comprehensive income or on the Group's operating, investing and financing cash flows. The first column shows the amounts recorded under HKFRS 15 and the second column shows what the amounts would have been had HKFRS 15 not been adopted:

Consolidated statement of financial position as at 31 December 2018:

		Amounts prepared under		
	Note	**HKFRS 15** *RMB'000*	**Previous HKFRS** *RMB'000*	**Increase/ (decrease)** *RMB'000*
Liabilities				
Other payables and accruals				
– Receipts in advance	(i)	–	15,727	(15,727)
– Contract liabilities	(i)	15,727	–	15,727
Total liabilities		15,727	15,727	–

The nature of the adjustments as at 1 January 2018 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 are described below:

(i) Consideration received from customers in advance

Before the adoption of HKFRS 15, the Group recognised consideration received from customers in receipts in advance included in other payables and accruals. Under HKFRS 15, the amount is classified as contract liabilities which is also included in other payables and accruals. Therefore, upon adoption of HKFRS 15, the Group reclassified RMB11,866,000 from receipts in advance to contract liabilities as at 1 January 2018 in relation to the consideration received from customers in advance as at 1 January 2018.

As at 31 December 2018, under HKFRS 15, RMB15,727,000 was reclassified from receipts in advance to contract liabilities in relation to the consideration received from customers in advance for the sale of lighting products.

(d) Amendments to HKAS 40 clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments have had no impact on the financial position or performance of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(e) HK(IFRIC)-Int 22 provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has had no impact on the Group's financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.

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	*Definition of a Business*[2]
Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 16	*Leases*[1]
HKFRS 17	*Insurance Contracts*[3]
Amendments to HKAS 1 and HKAS 8	*Definition of Material*[2]
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*[1]
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*[1]
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*[1]
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2020
3 Effective for annual periods beginning on or after 1 January 2021
4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below:

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 expects to adopt the amendments prospectively from 1 January 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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.

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of accumulated losses at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB20,714,000 as disclosed in note 37. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

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. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019. The amendments are not expected to have any significant impact on Group's financial statements.

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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.

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

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

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.

Fair value measurement

The Group measures its investment properties, equity investments 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

Year ended 31 December 2018

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, financial assets and investment properties), 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.

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;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (continued)

(b) (continued)

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

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

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

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property 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” 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (continued)

Securities licenses

Purchased securities licenses 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.

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

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

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

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 (applicable from 1 January 2018)" 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.

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.

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)
The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

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.

Financial assets at FVTPL
Financial assets at FVTPLs include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at FVTPL, loans and receivables, and available-for-sale financial investments. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at FVTPL.

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 this classification as follows:

Financial assets at FVTPL
Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as at FVTPL. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value presented as gains and losses, net in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition (applicable before 1 January 2018)” below.

Financial assets designated upon initial recognition as at FVTPL are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in gains and losses, net.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at FVTPL. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investments revaluation reserve until the investments are derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in gains and losses, net, or until the investments are determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investments revaluation reserve to the statement of profit or loss in gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investments or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investments using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

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.

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

General approach (continued)

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investments and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

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, bills and other payables, interest-bearing bank borrowings and a loan from the ultimate holding company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement

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

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 (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

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.

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to 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 (applicable from 1 January 2018)

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.

(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 provision of advisory and asset management services is recognised over time as the services are rendered. Fees for asset management services are calculated based on a fixed percentage of the value of asset managed and deducted from the customer's account balance on a regular basis as mutually agreed.

(c) *Provision of agency services*
Revenue from provision of agency services, is recognised at the point in time when the transactions have been complete.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (applicable before 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) from the sale of listed securities is completed on the trade date;

(c) from advisory and asset management services, when services are rendered;

(d) from consultancy agency services, when the transactions have been complete;

(e) rental income, on a time proportion basis over the lease terms;

(f) interest income, 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; and

(g) Dividend income, when the shareholders' right to receive payment has been established.

Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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 31 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other employee benefits (continued)

Pension schemes (continued)

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 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.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

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

The functional currencies of 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.

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 of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 was RMB129,421,000 (2017: RMB123,454,000). Further details are given in note 16 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Provision for expected credit losses on trade and loan receivables

The Group uses a provision matrix to calculate ECLs for trade and loan 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 products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and loan receivables is disclosed in note 20 and 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 each of the reporting periods.

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 2018 was RMB198,205,000 (2017: RMB177,395,000).

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 2018 was RMB772,965,000 (2017: RMB14,200,000). 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

Year ended 31 December 2018

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 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 provision of lighting solutions 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 before tax except that bank interest income, finance costs, government grants, changes in fair value of investment properties, changes in fair value of equity investments at FVTPL, as well as unallocated corporate gains and expenses are excluded from this measurement.

Segment assets exclude deferred tax assets, tax recoverable, pledged deposits, cash and cash equivalents, equity investments designated at FVTOCI, financial assets at FVTPL, available-for-sale investments 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

Year ended 31 December 2018

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2018

	PRC lighting *RMB'000*	USA lighting *RMB'000*	Securities *RMB'000*	Total *RMB'000*
Segment revenue (Note 5):				
Sales to external customers	207,405	451,553	14,964	673,922
Interest revenue	–	–	19,776	19,776
Intersegment sales	18,330	–	–	18,330
	225,735	451,553	34,740	712,028
Reconciliation:				
Elimination of intersegment sales				(18,330)
Revenue				693,698
Segment results	1,346	9,244	(19,126)	(8,536)
Reconciliation:				
Interest income and unallocated gains				28,439
Finance costs				(14,874)
Government grants				235,404
Fair value losses on investment properties				(7,772)
Fair value gains on financial assets at FVTPL				3,874
Unallocated expenses				(91,161)
Profit before tax				145,374
Segment assets	1,405,624	273,998	506,769	2,186,391
Reconciliation:				
Elimination of intersegment receivables				(273,401)
Equity investments designated at FVTOCI				1,224
Financial assets at FVTPL				325,322
Tax recoverable				2,527
Deferred tax assets				7,005
Pledged deposits				34,307
Cash and cash equivalents				229,819
Corporate and other unallocated assets				4,731
Total assets				2,517,925
Segment liabilities	108,868	83,817	256,150	448,835
Reconciliation:				
Elimination of intersegment payables				(273,400)
Interest-bearing bank loans				227,323
Loan from the ultimate holding company				350,000
Deferred tax liabilities				51,540
Corporate and other unallocated liabilities				6,827
Total liabilities				811,125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2018 (continued)

	PRC lighting *RMB'000*	USA lighting *RMB'000*	Securities *RMB'000*	Total *RMB'000*
Other segment information:				
Impairment losses/(reversal of impairment) on financial assets	(588)	299	3,557	3,268
Provision for inventories included in cost of inventories sold	5,453	4,354	–	9,807
Depreciation	16,225	2,211	1,419	19,855
Capital expenditure*	646,675	7,335	1,119	655,129

* Capital expenditure represents additions to property, plant and equipment, investment properties, prepaid land lease payments and intangible assets.

Year ended 31 December 2017

	PRC lighting *RMB'000*	USA lighting *RMB'000*	Securities *RMB'000*	Total *RMB'000*
Segment revenue (Note 5):				
Sales to external customers	214,787	414,520	36,417	665,724
Intersegment sales	11,810	–	–	11,810
	226,597	414,520	36,417	677,534
Reconciliation:				
Elimination of intersegment sales				(11,810)
Revenue				665,724
Segment results	92,299	15,451	35,420	143,170
Reconciliation:				
Interest income and unallocated gains				106,445
Finance costs				(4,658)
Government grants				5,515
Fair value losses on investment properties				(500)
Fair value gains on financial assets at FVTPL				11,614
Unallocated expenses				(135,267)
Profit before tax				126,319

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2017 (continued)

	PRC lighting *RMB'000*	USA lighting *RMB'000*	Securities *RMB'000*	Total *RMB'000*
Segment assets	466,736	204,314	160,165	831,215
Reconciliation:				
Elimination of intersegment receivables				(1,018)
Available-for-sale investments				324,403
Financial assets at FVTPL				132,737
Deferred tax assets				6,179
Pledged deposits				13,322
Cash and cash equivalents				435,964
Corporate and other unallocated assets				10,041
Total assets				1,752,843
Segment liabilities	87,993	46,110	105,101	239,204
Reconciliation:				
Elimination of intersegment payables				(1,018)
Interest-bearing bank borrowings				70,243
Tax payable				40
Deferred tax liabilities				6,459
Corporate and other unallocated liabilities				4,116
Total liabilities				319,044
Other segment information:				
Impairment/(reversal of impairment) of trade receivables	1,656	(288)	–	1,368
Provision for inventories included in cost of inventories sold	5,411	1,051	–	6,462
Depreciation	15,057	2,900	1,468	19,425
Capital expenditure*	12,121	1,601	16,916	30,638

* Capital expenditure represents additions to property, plant and equipment, investment properties and intangible assets including assets from the acquisition of a subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	2018 RMB'000	2017 RMB'000
North America	540,356	527,857
Europe	53,519	41,159
PRC	25,624	28,592
Asia (excluding PRC)	74,174	65,380
Other countries	25	2,736
	693,698	665,724

The revenue information of operations above is based on the locations of the customers.

(b) Non-current assets

	2018 RMB'000	2017 RMB'000
North America	109,792	47,769
Europe	–	160
PRC	901,023	236,644
Asia (excluding PRC)	151,208	49,348
	1,162,323	333,921

The non-current asset information of operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

During the year ended 31 December 2018, revenue generated from one single customer from USA lighting segment amounting to approximately RMB99,798,000 accounted for over 10% of the Group's revenue.

During the year ended 31 December 2017, no revenue from any single customer accounted for 10% or more of the total revenue of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

5. REVENUE, OTHER INCOME, GAINS AND LOSSES

An analysis of revenue is as follows:

	2018 *RMB'000*	2017 *RMB'000*
Revenue from contracts with customers	673,922	–
Sale of lighting products	–	629,307
Provision of advisory and management services	–	33,459
Provision of agency services	–	2,958
Revenue from other sources		
Interest revenue	19,776	–
	693,698	665,724

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2018

Segments	PRC lighting *RMB'000*	USA lighting *RMB'000*	Securities *RMB'000*	Total *RMB'000*
Type of goods or services				
Sale of lighting products	207,405	451,553	–	658,958
Advisory and management services	–	–	11,762	11,762
Agency services	–	–	3,202	3,202
Total revenue from contracts with customers	207,405	451,553	14,964	673,922
Geographic markets				
North America	88,803	451,553	–	540,356
Europe	53,519	–	–	53,519
PRC	25,624	–	–	25,624
Asia (excluding PRC)	39,434	–	14,964	54,398
Other countries	25	–	–	25
Total revenue from contracts with customers	207,405	451,553	14,964	673,922
Timing of revenue recognition				
Goods transferred and services rendered at a point in time	207,405	451,553	3,202	662,160
Services rendered over time	–	–	11,762	11,762
Total revenue from contracts with customers	207,405	451,553	14,964	673,922

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

5. REVENUE, OTHER INCOME, GAINS AND LOSSES (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 December 2018

Segments	PRC lighting *RMB'000*	USA lighting *RMB'000*	Securities *RMB'000*	Total *RMB'000*
Revenue from contracts with customers				
External customers	207,405	451,553	14,964	673,922
Intersegment sales	18,330	–	–	18,330
	225,735	451,553	14,964	692,252
Intersegment adjustments and eliminations	(18,330)	–	–	(18,330)
Total revenue from contracts with customers	207,405	451,553	14,964	673,922

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 and recognised from performance obligations satisfied in previous periods:

	2018 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	
Sale of lighting products	11,866

For sale of lighting products, the performance obligations is expected due within 1 year and an estimate of the transaction price would not be included any estimated amounts of variable consideration that are constrained.

(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 90 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 based on the monthly basis.

Agency services
The performance obligation is satisfied upon the transactions are completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

5. REVENUE, OTHER INCOME, GAINS AND LOSSES (CONTINUED)

	Notes	2018 RMB'000	2017 RMB'000
Other income			
Bank interest income		2,950	3,383
Dividend income from available-for-sale investments		–	21,058
Dividend income from financial assets at FVTPL		594	–
Government grants*		235,404	5,515
Gross rental income		5,745	4,191
Others		3,360	1,711
		248,053	35,858
Gains and losses, net			
Fair value losses on investments properties	14	(7,772)	(500)
(Loss)/gain on disposal of items of property, plant and equipment		(43,101)	496
Fair value gains of financial assets at FVTPL		3,874	11,614
Impairment of available-for-sale investments		–	(315)
Foreign exchange gains/(losses), net		27,570	(16,097)
(Loss)/gain on disposal/derecognition of subsidiaries	34	(3,047)	110,649
Others		26	895
		(22,450)	106,742
		225,603	142,600

* There are no unfulfilled conditions or contingencies relating to these grants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2018 RMB'000	2017 RMB'000
Cost of inventories sold		489,568	457,634
Depreciation	13	19,855	19,425
Research and development costs:			
Deferred expenditure amortised	17	3,329	2,419
Amortisation of land lease payments	15	1,634	804
Amortisation of other intangible assets	17	3,660	2,710
Minimum lease payments under operating leases		10,051	9,707
Auditor's remuneration		2,450	2,310
Employee benefit expense (including directors' and chief executive's remuneration (note 8))			
Wages and salaries		119,553	77,846
Equity-settled share option expenses		428	1,601
Pension scheme contributions		6,726	3,138
		126,707	82,585
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		119	69
Impairment losses on financial assets, net:			
Trade and bills receivables	20	4,140	1,368
Other receivables	21	(1,525)	–
Loan receivables	22	653	–
		3,268	1,368
Write-down of inventories to net realisable value		9,807	6,462
Loss on written off of intangible assets		217	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2018 RMB'000	2017 RMB'000
Interest on bank loans	6,620	4,658
Interest on a loan from an intermediate holding company	6,845	–
Interest on a loan from the ultimate holding company	1,409	–
	14,874	4,658

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:

	2018 RMB'000	2017 RMB'000
Fees	829	624
Other emoluments:		
Salaries, allowances and benefits in kind	3,026	1,320
Performance related bonuses	–	–
Equity-settled share option expense	59	151
Pension scheme contributions	15	–
	3,929	2,095

No director was granted share options during the year ended 31 December 2018. During the year ended 31 December 2017, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company and a subsidiary of the Company, further details of which are set out in note 31 to the consolidated financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

8. DIRECTORS AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2018 *RMB'000*	2017 *RMB'000*
Mr. Fan Ren Da, Anthony	205	208
Mr. Liu Tian Min	205	208
Ms. Li Ming Qi	205	208
	615	624

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

(b) Executive directors and chief executive

	Fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Equity-settled share option expenses *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
2018					
Executive director and the chief executive:					
Mr. Seah Han Leong	214	1,913	59	–	2,186
Executive director:					
Mr. Daniel P.W. Li (appointed on 16 May 2018)	–	1,113	–	15	1,128
Non-executive directors:					
Mr. Huang Yu	–	–	–	–	–
Mr. Liu Wei Dong	–	–	–	–	–
Mr. Wang Liang Hai	–	–	–	–	–
	214	3,026	59	15	3,314
2017					
Executive director and the chief executive:					
Mr. Seah Han Leong	–	1,320	151	–	1,471
Non-executive directors:					
Mr. Huang Yu	–	–	–	–	–
Mr. Liu Wei Dong	–	–	–	–	–
Mr. Wang Liang Hai	–	–	–	–	–
	–	1,320	151	–	1,471

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

Year ended 31 December 2018

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group included two (2017: one) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2017: four) highest paid employees who are non-director of the Company are as follows:

	2018 RMB'000	2017 RMB'000
Salaries, allowances and benefits in kind	1,881	2,338
Performance related bonuses	–	–
Equity-settled share option expenses	35	229
Pension scheme contributions	2	7
	1,918	2,574

The number of non-director highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2018	2017
Nil to HK$1,000,000	3	4

During the year and in prior years, no share options were granted to a non-director and non-chief executive highest paid employee in respect of their services to the Group.

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 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 24.5% (2017: 21.0%). For the Group's subsidiary established in Vietnam, income tax is calculated at the rate of 20.0% (2017: 20.0%). Tax on profits assessable in PRC has been calculated at the applicable PRC corporate income tax ("CIT") rate of 25% (2017: 25.0%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2018 RMB'000	2017 RMB'000
Current – Hong Kong		
Charge for the year	–	42
Current – Elsewhere		
Charge for the year	3,917	3,159
Underprovision in prior years	299	–
Deferred tax (note 29)	(4,779)	2,637
Total tax (credit)/charge for the year	(563)	5,838

10. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	2018 *RMB'000*	2017 *RMB'000*
Profit before tax	**145,374**	126,319
Tax at the statutory/applicable rates of different jurisdictions	**36,246**	10,215
Income not subject to tax	**(65,972)**	(8,461)
Expenses not deductible for tax	**14,494**	1,142
Tax losses utilised from previous periods	**(9,314)**	(7,825)
Tax losses not recognised	**23,684**	10,767
Adjustment in respect of current tax of previous periods	**299**	–
Tax (credit)/charge at the Group's effective rate	**(563)**	5,838

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

10. INCOME TAX (CONTINUED)

Tax audit conducted by the Inland Revenue Department ("IRD") in Hong Kong (Continued)

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.

As at 31 December 2017, the IRD had issued protective profits tax assessments in an aggregate amount of HK$149,311,000 (approximately equivalent to RMB124,809,000) for the years of assessment from 2005/06 to 2011/12. 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$35,450,000 (approximately equivalent to RMB29,633,000), which has been recorded as tax reserve certificates, under prepayments, other receivables and other assets in note 21 to the consolidated statement of financial position as at 31 December 2017. As at 31 December 2018, 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.

11. DIVIDENDS

The directors of the Company did not recommend the payment of a dividend for the years ended 31 December 2017 and 2018.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,095,470,343 (2017: 2,103,278,114) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2018 and 2017 in respect of a dilution as the impact of the share option outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

	2018 *RMB'000*	2017 *RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**145,792**	120,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

	2018 *Number of shares*	2017 *Number of shares*
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**2,095,470,343**	2,103,278,114

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 2018							
At 1 January 2018:							
Cost	456,924	285,445	257,706	67,584	13,087	101,856	1,182,602
Accumulated depreciation	(373,227)	(275,863)	(235,922)	(59,920)	(9,151)	(98,125)	(1,052,208)
Net carrying amount	83,697	9,582	21,784	7,664	3,936	3,731	130,394
At 1 January 2018, net of accumulated depreciation	83,697	9,582	21,784	7,664	3,936	3,731	130,394
Additions	11,673	1,120	1,025	5,002	1,928	237	20,985
Disposals	(42,302)	(1,597)	(3,011)	(184)	(2,042)	(1,235)	(50,371)
Depreciation provided during the year	(5,553)	(3,068)	(3,309)	(5,478)	(1,334)	(1,113)	(19,855)
Exchange realignment	1,526	168	247	280	74	2	2,297
At 31 December 2018, net of accumulated depreciation	49,041	6,205	16,736	7,284	2,562	1,622	83,450
At 31 December 2018:							
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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 2017							
At 1 January 2017:							
Cost	474,132	282,483	358,477	67,971	13,957	118,753	1,315,773
Accumulated depreciation	(372,165)	(274,685)	(335,422)	(58,764)	(9,441)	(114,083)	(1,164,560)
Net carrying amount	101,967	7,798	23,055	9,207	4,516	4,670	151,213
At 1 January 2017, net of accumulated depreciation	101,967	7,798	23,055	9,207	4,516	4,670	151,213
Additions	–	5,122	2,741	6,112	111	359	14,445
Disposals	(9,268)	(170)	(281)	(3,056)	21	(149)	(12,903)
Depreciation provided during the year	(6,862)	(2,988)	(3,643)	(4,290)	(499)	(1,143)	(19,425)
Exchange realignment	(2,140)	(180)	(88)	(309)	(213)	(6)	(2,936)
At 31 December 2017, net of accumulated depreciation	83,697	9,582	21,784	7,664	3,936	3,731	130,394
At 31 December 2017:							
Cost	456,924	285,445	257,706	67,584	13,087	101,856	1,182,602
Accumulated depreciation	(373,227)	(275,863)	(235,922)	(59,920)	(9,151)	(98,125)	(1,052,208)
Net carrying amount	83,697	9,582	21,784	7,664	3,936	3,731	130,394

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

14. INVESTMENT PROPERTIES

	Completed commercial properties *RMB'000*	Land for development of commercial properties *RMB'000*	Total *RMB'000*
Carrying amount at 1 January 2017	14,700	–	14,700
Net loss from a fair value adjustment recognised in profit or loss	(500)	–	(500)
Carrying amount at 31 December 2017 and 1 January 2018	14,200	–	14,200
Transfer from prepaid land lease (note 15)	–	174,380	174,380
Additions	–	592,157	592,157
Net loss from a fair value adjustment recognised in profit or loss	–	(7,772)	(7,772)
Carrying amount at 31 December 2018	14,200	758,765	772,965

The Group's investment properties consist of five (2017: four) commercial properties in the PRC. The Group's investment properties were revalued on 31 December 2018 based on valuations performed by Roma Appraisals Limited and Jiangmen Zhangjun Land Real Estate Appraisal Co. Ltd., independent professionally qualified valuers, at RMB772,965,000 (2017: RMB14,200,000).

The investment properties, except for the land for development of commercial properties, are leased to third parties under operating leases, further summary details of which are included in note 37(a) to the consolidated financial statements.

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 2018 using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Recurring fair value measurement for:				
Commercial properties	–	–	772,965	772,965

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

14. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (continued)

The following table illustrates the fair value measurement hierarchy of the Group's investment properties: (continued)

	Fair value measurement as at 31 December 2017 using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Recurring fair value measurement for:				
Commercial properties	–	–	14,200	14,200

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 (2017: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	RMB'000
Carrying amount at 1 January 2017	14,700
Net loss from a fair value adjustment recognised in profit or loss	(500)
Carrying amount at 31 December 2017 and 1 January 2018	14,200
Transfer from prepaid land lease (note 15)	174,380
Additions	592,157
Net loss from a fair value adjustment recognised in profit or loss	(7,772)
Carrying amount at 31 December 2018	772,965

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 2018	2017
Completed commercial properties	Direct comparison approach	Prevailing market price (per sq.m.)	**RMB67,787**	RMB67,787
Land for development of commercial properties	Residual approach	Prevailing market price (per sq.m.)	**RMB1,770 to RMB3,835**	–
		Construction cost (per sq.m.)	**RMB1,509 to RMB1,612**	–
		Developer's profit	**30%**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

14. INVESTMENT PROPERTIES (CONTINUED)

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.

Residual approach

Residual method of valuation which is commonly used in valuing development sites by establishing the market value of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees, contingency, marketing and legal cost, developer's profits and interest payments to be incurred.

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. A significant increase (decrease) in the developer's profit in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the construction costs in isolation would result in a significant decrease (increase) in the fair value of the investment properties.

15. PREPAID LAND LEASE PAYMENTS

	Note	2018 *RMB'000*	2017 *RMB'000*
Carrying amount at beginning of the year		**30,469**	31,863
Addition		**29,468**	–
Revaluation upon transfer to investment properties		**163,207**	–
Transfer to investment properties	14	**(174,380)**	–
Recognised during the year		**(1,634)**	(804)
Exchange realignment		**272**	(590)
Carrying amount at end of the year		**47,402**	30,469
Current portion		**(1,081)**	–
Non-current portion		**46,321**	30,469

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

16. GOODWILL

	RMB'000
At 1 January 2017:	
Cost	8,663
Accumulated impairment	–
Net Carrying amount	8,663
Cost at 1 January 2017, net of accumulated impairment	8,663
Impairment during the year	–
Acquisition of a subsidiary (note 33)	121,948
Exchange realignment	(7,157)
At 31 December 2017	123,454
At 31 December 2017:	
Cost	123,454
Accumulated impairment	–
Net carrying amount	123,454
Cost at 1 January 2018, net of accumulated impairment	123,454
Exchange realignment	5,967
Cost and net carrying amount at 31 December 2018	129,421
At 31 December 2018:	
Cost	129,421
Accumulated impairment	–
Net carrying amount	129,421

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; and
- Securities cash-generating unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

16. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

USA lighting cash-generating unit

The recoverable amount of the 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 15.9% (2017: 11.2%). The growth rate used to extrapolate the cash flows of the industrial products unit beyond the five-year period is 3% (2017: 3%)

Securities cash-generating unit

The recoverable amount of the Securities 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 11.6% (2017: 25.0%). The growth rate used to extrapolate the cash flows of the financial services beyond the five-year period is 3% (2017: 2%)

	2018 *RMB'000*	2017 *RMB'000*
USA lighting cash-generating unit	**8,571**	8,161
Securities cash-generating unit	**120,850**	115,293
Carrying amount of goodwill	**129,421**	123,454

Assumptions were used in the value in use calculation of the lighting products and securities cash-generating units for 31 December 2018 and 2017. 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 rate are consistent with external information sources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

17. OTHER INTANGIBLE ASSETS

	Patent *RMB'000*	Securities licences *RMB'000*	Software *RMB'000*	Deferred development cost *RMB'000*	Total *RMB'000*
31 December 2018					
At 1 January 2018:					
Cost	49,511	9,791	1,249	21,300	81,851
Accumulated depreciation	(41,546)	(189)	(1,180)	(3,532)	(46,447)
Net carrying amount	7,965	9,602	69	17,768	35,404
Cost at 1 January 2018, net of accumulated amortisation	7,965	9,602	69	17,768	35,404
Additions	–	–	6,100	6,419	12,519
Amortisation provided during the year	(1,187)	(1,183)	(1,290)	(3,329)	(6,989)
Disposal	–	–	(217)	–	(217)
Exchange realignment	3,025	431	310	–	3,766
At 31 December 2018	9,803	8,850	4,972	20,858	44,483
At 31 December 2018:					
Cost	52,951	10,953	6,377	27,720	98,001
Accumulated depreciation	(43,148)	(2,103)	(1,405)	(6,862)	(53,518)
Net carrying amount	9,803	8,850	4,972	20,858	44,483

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Year ended 31 December 2018

17. OTHER INTANGIBLE ASSETS (CONTINUED)

	Patent *RMB'000*	Securities licences *RMB'000*	Software *RMB'000*	Deferred development cost *RMB'000*	Total *RMB'000*
31 December 2017					
At 1 January 2017:					
Cost	55,775	–	1,186	16,259	73,220
Accumulated depreciation	(41,308)	–	(959)	(1,113)	(43,380)
Net carrying amount	14,467	–	227	15,146	29,840
Cost at 1 January 2017, net of accumulated amortisation	14,467	–	227	15,146	29,840
Additions	–	418	124	5,041	5,583
Addition of a subsidiary	–	10,610	–	–	10,610
Amortisation provided during the year	(1,349)	(1,061)	(300)	(2,419)	(5,129)
Exchange realignment	(5,153)	(365)	18	–	(5,500)
At 31 December 2017	7,965	9,602	69	17,768	35,404
At 31 December 2017:					
Cost	49,511	9,791	1,249	21,300	81,851
Accumulated depreciation	(41,546)	(189)	(1,180)	(3,532)	(46,447)
Net carrying amount	7,965	9,602	69	17,768	35,404

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

18. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENTS

	Notes	2018 *RMB'000*	2017 *RMB'000*
Equity investments designated at FVTOCI			
Unlisted equity investments, at fair value	(iii)	1,224	–
Current portion		(600)	–
Non-current portion		624	–
Available-for-sale investments			
Unlisted investments, at fair value	(i)	–	321,079
Unlisted equity investments, at amortised cost	(ii)	–	3,324
		–	324,403
Current portion		–	(321,079)
Non-current portion		–	3,324

The above equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.

(i) On 16 June 2017, Tongfang Securities, a wholly-owned subsidiary of the Company, entered into a discretionary client agreement with Hai Tong Asset Management (HK) Limited ("Investment Manager"), pursuant to which the Investment Manager has agreed to subscribe for 374,448.04 HK$ Class R1A Shares in the Haitong Freedom Multi-Tranche Bond Fund (the "Fund") for and on behalf of Tongfang Securities at the consideration of RMB348,600,000 (the "Investment Amount"). The Fund will invest all or substantially all of its assets, to the extent not retained in cash to meet operating expenses, in the shares of the Haitong Freedom Multi-Tranche Master Bond Fund (the "Master Fund"). The Master Fund will primarily invest in fixed income securities such as government, corporate or convertible bonds, private placement debts, notes linked to fixed income instruments or preferred shares, other bond funds, money market funds or cash. The Master Fund may invest in debt securities that are rated below investment grade or which are unrated by any relevant agency.

At 31 December 2017, the above investments were classified as available-for-sale with a fair value of RMB321,079,000 that is held for short-term purposes.

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Year ended 31 December 2018

18. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

(ii) Before 1 January 2018, unlisted equity investments of RMB3,324,000 were measured at cost less accumulated impairment of RMB1,211,000 at the end of the reporting period because the range of reasonable fair value estimates was so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably and these investments do not have a material effect on the Group's financial results and financial position.

(iii) During the year ended 31 December 2018, no (2017: RMB21,058,000) dividend was received from the unlisted equity investments.

During the year ended 31 December 2017, the gross loss in respect of the Group's available-for-sale investments recognised in other comprehensive loss amounted to RMB13,285,000, of which RMB13,285,000 was reclassified from other comprehensive income to the statement of profit or loss for the year ended 31 December 2017.

19. INVENTORIES

	2018 *RMB'000*	2017 *RMB'000*
Raw materials	**52,819**	18,421
Work in progress	**46,018**	35,779
Finished goods	**99,368**	123,195
	198,205	177,395

At 31 December 2018, the Group's inventories with a carrying amount of RMB85,666,000 (2017: RMB20,057,000) were pledged as security for the Group's bank loans, as further detailed in note 27 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

20. TRADE AND BILLS RECEIVABLES

	2018 RMB'000	2017 RMB'000
Trade receivables	160,226	173,229
Bills receivables	4,269	10,190
Less: Impairment loss on trade receivables	(8,636)	(46,312)
Less: Impairment loss on bills receivables	(15)	–
	155,844	137,107

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 81% and 97% (2017: 74% and 100%) 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 RMB4,612,000 (2017: RMB4,667,000) which are repayable on credit terms similar to those offered to the major customers of the Group.

At 31 December 2018, the Group's receivables with a carrying amount of RMB49,736,000 (2017: RMB33,336,000) were pledged as security for the Group's bank loans, as further detailed in note 27 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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:

	2018			2017		
	Lighting	**Securities**	**Total**	Lighting	Securities	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 month	**48,934**	**6,381**	**55,315**	62,833	20,642	83,475
1 to 2 months	**18,370**	**276**	**18,646**	3,420	645	4,065
2 to 3 months	**10,859**	**185**	**11,044**	5,790	671	6,461
3 to 6 months	**25,330**	**217**	**25,547**	17,142	1,987	19,129
Over 6 months	**27,949**	**17,343**	**45,292**	20,879	3,098	23,977
	131,442	**24,402**	**155,844**	110,064	27,043	137,107

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2018			2017		
	Lighting	**Securities**	**Total**	Lighting	Securities	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year	**46,312**	**–**	**46,312**	47,450	–	47,450
Effect of adoption of HKFRS 9	**(803)**	**586**	**(217)**	–	–	–
At beginning of the year (restated)	**45,509**	**586**	**46,095**	47,450	–	47,450
Impairment losses (note 6)	**1,233**	**2,907**	**4,140**	1,368	–	1,368
Amount written off as uncollectable	**(41,584)**	**–**	**(41,584)**	(2,506)	–	(2,506)
At end of the year	**5,158**	**3,493**	**8,651**	46,312	–	46,312

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

Impairment under HKFRS 9 for the year ended 31 December 2018

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.

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 2018

		Past due					
PRC and USA Lighting segments	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	Total
Expected credit loss rate	0.35%	0.35%	1.53%	3.68%	16.6%	22.2%	25.2%	
Gross carrying amount (RMB'000)	67,395	26,134	15,813	8,266	4,705	3,226	11,061	136,600
Expected credit losses (RMB'000)	234	91	241	305	781	716	2,790	5,158

		Past due					
Securities segment	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	Total
Expected credit loss rate	1.43%	1.43%	3.98%	6.19%	16.6%	22.2%	25.2%	
Gross carrying amount (RMB'000)	7,195	–	15	511	20,016	158	–	27,895
Expected credit losses (RMB'000)	103	–	1	32	3,323	34	–	3,493

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

Impairment under HKAS 39 for the year ended 31 December 2017

Included in the above provision for impairment of trade receivables, which was measured based on incurred credit losses under HKAS 39, as at 31 December 2017 was a provision for collectively impaired trade receivables of RMB46,312,000 with a carrying amount before provision of RMB183,419,000.

The impaired trade receivables as at 31 December 2017 related to customers that were according to group policy which the receivables were past due.

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

	2017 *RMB'000*
Neither past due nor impaired	113,129
Less than 1 month past due	2,512
1 to 3 months past due	7,537
3 months to 1 year past due	5,714
1 year to 2 years	2,303
2 years to 3 years	5,912
	137,107

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2018 *RMB'000*	2017 *RMB'000*
Prepayments	**94,617**	13,916
Deposits and other receivables	**12,607**	21,210
Value added tax recoverable	**47,807**	39,098
Tax reserve certificates	**26,724**	29,633
	181,755	103,857
Less: Impairment allowance	**(782)**	(2,363)
	180,973	101,494
Current portion	**(95,290)**	(101,494)
	85,683	–

The movements in the loss allowance for impairment of other receivables are as follows:

	2018 *RMB'000*	2017 *RMB'000*
At beginning of the year	**2,363**	2,363
Effect of adoption of HKFRS 9	**(56)**	–
At beginning of the year (restated)	**2,307**	2,363
Impairment losses (note 6)	**(1,525)**	–
At end of year	**782**	2,363

Impairment under HKFRS 9 for the year ended 31 December 2018

During the year ended 31 December 2018, RMB1,525,000 was debited as a reversal of allowance for expected credit losses on other receivables. The provision rates are based on individual 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.

Set out below is the information about the credit risk exposure on the Group's other receivables using a provision matrix:

As at 31 December 2018	
Expected credit loss rate	**6.2%**
	RMB'000
Gross carrying amount	**12,607**
Expected credit losses	**782**

Impairment under HKAS 39 for the year ended 31 December 2017

Included in the above provision for impairment of other receivables, which was measured based on incurred credit losses under HKAS 39, as at 31 December 2017 was a provision for collectively impaired other receivables of RMB2,363,000 with a carrying amount before provision of RMB103,857,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

22. LOAN RECEIVABLES

	2018 RMB'000	2017 RMB'000
Loan receivables	301,575	–
Less: Impairment allowance	(653)	–
	300,922	–

The movement in the loss allowance for impairment of loan receivables is as follows:

	2018 RMB'000	2017 RMB'000
At beginning of the year	–	–
Impairment losses (note 6)	653	–
At end of year	653	–

Loan receivables represented the money lent to customers by Tongfang Finance Limited, a subsidiary of the Group which is holding Money Lender Licensees. The balance are classified as financial assets at amortised cost. Management performs continuous assessment on the recoverability of loan receivables. The loan receivables bear interest rate ranged from 8% p.a. to 12% p.a. and repayable within one year. As at 31 December 2018, the Group's loan receivables amounted to HK$301,575,000 (2017: Nil) were secured by certain properties and listed securities. The market values of the collateral held by the Group are not readily determinable or can be reasonably established and verified.

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.

Impairment under HKFRS 9 for the year ended 31 December 2018

During the year ended 31 December 2018, RMB653,000 was recognised for expected credit losses on loan receivables. The provision rates are based on individual 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.

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:

	2018 RMB'000	2017 RMB'000
Within 1 year	300,922	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2018 RMB'000	2017 RMB'000
Current			
Listed equity investments, at fair value	(i)	85,221	21,571
Other unlisted investments, at fair value	(ii)	109,112	–
		194,333	21,571
Non-current			
Unlisted investment, at fair value	(iii)	130,989	111,166
		325,322	132,737

(i) The above equity investments at 31 December 2018 were classified as financial assets at FVTPL as they were held for trading.

(ii) At 1 January 2018, the Fund was reclassified as financial assets at FVTPL from available-for-sale (note 18) with a fair value of HK$384,107,000 (equivalent to approximately RMB321,079,000) that are held for short-term purposes.

On 9 February 2018, the Investment Manager has redeemed certain interest in the Fund in the amount of HK$370,000,000 (equivalent to approximately RMB316,757,000), for and on behalf of Tongfang Securities pursuant to its discretionary authority under the discretionary client agreement.

Except for the Fund, the above unlisted investments included various investing funds issued by Burwill Holdings Limited and 8.125% Senior Secured Notes issued by Jiayuan International Group Limited. The convertible bond and the funds were mandatorily classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

(iii) On 29 October 2014, Tongfang Science Park, a wholly-owned subsidiary of the Company, entered into an overseas asset management plan contract (the "Contract") with China Asset Management Co., Ltd. and China Construction Bank Corporation, pursuant to which Tongfang Science Park has agreed to participate in the overseas asset management plan operated by China Asset Management Co., Ltd. (the "Fund") by depositing the investment amount of RMB105,500,000 (the "Investment Amount") in a designated account maintained with China Construction Bank Corporation. Pursuant to the Contract, the Investment Amount is proposed to be invested principally in equity interest and equity-linked structured products of Sinopec Marketing Co., Ltd. and bonds (including convertible bonds), funds, money market instruments, derivatives commodities and other financial instruments as permitted by the applicable securities laws and the requirements of the China Securities Regulatory Commission. It was mandatorily classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Notes	2018 RMB'000	2017 RMB'000
Cash and bank balances		233,875	526,285
Time deposits		34,307	13,322
		268,182	539,607
Less: Pledged time deposits:			
Pledged for long term bank loans	27	(34,307)	(13,322)
Cash held on behalf of clients		(4,056)	(90,321)
Cash and cash equivalents		229,819	435,964

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB26,052,000 (2017: RMB197,886,000). 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 are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

25. TRADE AND BILLS PAYABLES

	2018 RMB'000	2017 RMB'000
Trade payables	97,742	55,771
Bills payables	–	24,669
Accounts payables to securities clients	4,056	90,321
	101,798	170,761

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

25. TRADE AND BILLS PAYABLES (CONTINUED)

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2018			2017		
	Accounts payables to securities clients *RMB'000*	Trade and bills payables *RMB'000*	Total *RMB'000*	Accounts payables to securities clients *RMB'000*	Trade and bills payables *RMB'000*	Total *RMB'000*
Within 1 month	4,056	53,275	57,331	90,321	52,475	142,796
1 to 2 months	–	16,797	16,797	–	4,933	4,933
2 to 3 months	–	1,862	1,862	–	2,963	2,963
3 to 6 months	–	2,272	2,272	–	53	53
6 months to 1 year	–	3,469	3,469	–	3,469	3,469
Over 1 year	–	20,067	20,067	–	16,547	16,547
	4,056	97,742	101,798	90,321	80,440	170,761

The trade payables are non-interest-bearing and are normally settled within terms of 90 days.

26. OTHER PAYABLES AND ACCRUALS

	Notes	2018 *RMB'000*	2017 *RMB'000*
Other payables	(a)	48,466	51,297
Receipts in advance		–	11,866
Contract liabilities	(b)	15,727	–
		64,193	63,163

Notes:

(a) Other payables are non-interest-bearing and have an average term of three months.

(b) Details of contract liabilities as at 31 December 2018 and 1 January 2018 are as follows:

	31 December 2018 *RMB'000*	1 January 2018 *RMB'000*
Short-term advances received from customers		
Sale of goods	15,727	11,866
Total contract liabilities	15,727	11,866

Contract liabilities include short-term advances received from customers to deliver lighting products. The increase in contract liabilities in 2018 was mainly due to the increase in short-term advances received from customers in relation to uncompleted contracts at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

27. INTEREST-BEARING BANK BORROWINGS

	31 December 2018			31 December 2017		
	Effective interest rate %	Maturity	RMB'000	Effective interest rate %	Maturity	RMB'000
Bank loans – unsecured	3.45 – 4.75	2019	156,975	–	–	–
Bank loan – secured	3.50	2019	10,295	–	–	–
Bank loans – secured	LIBOR	2019	60,053	LIBOR	2018	70,243
			227,323			70,243

The maturity of the above bank borrowings is as follows:

	2018 *RMB'000*	2017 *RMB'000*
Analysed into:		
Bank loans:		
Within one year or on demand	227,323	70,243

Notes:

(a) Except for the bank borrowings of RMB60,053,000 (2017: RMB70,243,000) which are denominated in USD at LIBOR, all bank borrowings as set out above are denominated in RMB and bear interest at fixed interest rates.

(b) The Group's bank borrowings are secured by:

(i) charges over certain of the Group's inventories totalling RMB85,666,000 (2017: RMB20,057,000) (note 19);

(ii) charges over certain of the Group's trade receivables totalling RMB49,736,000 (2017: RMB33,336,000) (note 20); and

(iii) a time deposit of RMB34,307,000 (2017: RMB13,322,000) as at 31 December 2018 (note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

28. PROVISION

	RMB'000
At 1 January 2018	903
Additional provision	8,643
At 31 December 2018	9,546

During the year ended 31 December 2018, Tongfang Science Park, a subsidiary of the Company, has received a notice served by the People's Court in PRC, which was initiated by a lessee who entered into rental agreement with the Group, to demand remedies for the loss arised from early termination of rental agreement. In the opinion of the directors of the Company, the possibility of an outflow of economic resources is possible and a provision of RMB8,384,000 was made for the claim in the consolidated financial statements for the year ended 31 December 2018.

The claim is subject to legal arbitration and is expected to be finalised in late 2019. At the end of the reporting period, the provision was reassessed and as a result thereof, it has been increased to RMB9,546,000.

29. 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 investments properties** *RMB'000*	**Inventory provision** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
At 1 January 2017	(2,950)	(662)	4,754	–	913	2,058	4,113
Acquisition of a subsidiary	–	(1,751)	–	–	–	–	(1,751)
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	–	576	(2,377)	–	22	(858)	(2,637)
Exchange differences	193	138	(205)	–	(54)	(77)	(5)
At 31 December 2017 and at 1 January 2018	(2,757)	(1,699)	2,172	–	881	1,123	(280)
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	–	321	(237)	2,331	1,385	979	4,779
Deferred tax charged to the statement of other comprehensive income	–	–	–	(48,962)	–	–	(48,962)
Exchange differences	(133)	(202)	103	–	79	81	(72)
At 31 December 2018	(2,890)	(1,580)	2,038	(46,631)	2,345	2,183	(44,535)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

29. 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:

	2018 *RMB'000*	2017 *RMB'000*
Deferred tax assets	**7,005**	6,179
Deferred tax liabilities	**(51,540)**	(6,459)
	(44,535)	(280)

The Group has tax losses arising in Hong Kong of RMB270,480,000 (2017: RMB215,251,000) 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 PRC of RMB275,342,000 (2017: RMB273,662,000) 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 a subsidiary 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 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 PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. As 31 December 2018 and 2017, 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 2018, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of RMB63,189,000 (2017: RMB53,691,000) 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 earnings 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

30. SHARE CAPITAL

	2018 RMB'000	2017 RMB'000
Authorised:		
5,000,000,000 (2017: 5,000,000,000) ordinary shares of RMB0.10 (2017: RMB0.10) each	500,000	500,000
Issued and fully paid:		
2,094,505,417 (2017: 2,109,163,417) ordinary shares of RMB0.10 (2017: RMB0.10) each	185,676	186,912

A summary of movements in the Company's share capital is as follows:

	Notes	Number of shares in issue	Share capital RMB'000
At 1 January 2017		1,938,319,694	171,808
Issuance of shares on 20 January 2017	(a)	177,227,723	15,670
Shares cancelled	(b)	(6,384,000)	(566)
At 31 December 2017 and 1 January 2018		2,109,163,417	186,912
Shares cancelled	(b)	(14,658,000)	(1,236)
At 31 December 2018		2,094,505,417	185,676

Notes:

(a) Pursuant to an ordinary resolution passed on 20 January 2017, 177,227,723 ordinary shares were issued as a consideration for the acquisition of Tongfang Securities.

(b) The Company purchased 5,714,000 (2017: 15,328,000) of its shares on the Stock Exchange of a total consideration of RMB3,664,000 (2017: RMB11,304,000) which was paid wholly out of retained profits. The purchased shares of 14,658,000 (2017: 6,384,000) were cancelled during the year.

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31. 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:

	2018		2017	
	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	22,300	1.31	23,600
Forfeited during the year	1.31	(1,100)	1.31	(1,300)
At 31 December	1.31	21,200	1.31	22,300

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Year ended 31 December 2018

31. SHARE OPTION SCHEME (CONTINUED)

Share option scheme of the Company (continued)

No share options was recognised during the year ended 31 December 2018 (2017: RMB1,100,000).

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2018

Number of options *'000*	Exercise price* *HK$ per share*	Exercise period
10,600	1.31	15-05-2016 to 14-05-2020
10,600	1.31	15-05-2017 to 14-05-2020
21,200		

2017

Number of options *'000*	Exercise price* *HK$ per share*	Exercise period
11,150	1.31	15-05-2016 to 14-05-2020
11,150	1.31	15-05-2017 to 14-05-2020
22,300		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

No share option was granted during the years ended 31 December 2018 and 2017.

At the end of the reporting period, the Company had 21,200,000 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 21,200,000 additional ordinary shares of the Company and additional share capital of RMB27,772,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 21,200,000 share options outstanding under the Scheme, which represented approximately 1.0% of the Company's shares in issue as at that date.

31. SHARE OPTION SCHEME (CONTINUED)

Share option scheme of a subsidiary of the Company

During the year ended 31 December 2015, American Lighting, Inc. ("ALI"), an indirect wholly-owned subsidiary of the Company, has adopted a share option scheme for eligible employees of ALI, the Company and Tivoli, LLC ("Tivoli"), the wholly-owned subsidiary of ALI. On 30 June 2015, 2,869 share options were granted to certain employees and directors of the Company, ALI, and Tivoli. The closing price immediately before the date on which the options were granted was US$330 per share. Under the scheme of ALI, 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 ALI.

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 ALI. 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 ALI's shares on the date of grant, (ii) the average closing price of ALI's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the ALI's share.

The following share options were outstanding under the Scheme during the year:

	2018		2017	
	Weighted average exercise price *US$ per share*	Number of options	Weighted average exercise price *US$ per share*	Number of options
At 1 January	369	2,725	330	2,231
Granted during the year	–	–	405	1,401
Forfeited during the year	368	(290)	330	(54)
Exercised during the year	–	–	330	(853)
At 31 December	369	2,435	369	2,725

No share option was exercised during the year ended 31 December 2018.

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Year ended 31 December 2018

31. SHARE OPTION SCHEME (CONTINUED)

Share option scheme of a subsidiary of the Company (continued)

During the year ended 31 December 2017, the weighted average share price at the date of exercise for share options exercised during the year was US$330 per share. The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2018

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		

2017

Number of options	Exercise price* *US$ per share*	Exercise period
397	330	30-06-2016 to 30-06-2025
398	330	30-06-2017 to 30-06-2025
530	330	30-06-2018 to 30-06-2025
420	405	27-04-2018 to 27-04-2027
420	405	27-04-2019 to 24-04-2027
560	405	27-04-2020 to 27-04-2027
2,725		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

No share option was granted during the year ended 31 December 2018. The fair value of the share options granted during the year ended 31 December 2018 was RMB1,441 (2017: RMB1,028) each, of which the Group recognised a share option expense of RMB428,000 (2017: RMB501,000) during the year ended 31 December 2018.

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Year ended 31 December 2018

32. 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' certain senior management by the Company's shareholders and the consideration paid by the senior management in obtaining the Shares in 2004.

(e) Share options 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 31.

(f) Translation 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.

(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 period under HKFRS 9 applicable from 1 January 2018, while the available-for-sale investments reserve represents reserve which may be reclassified to profit or loss in subsequent period under HKAS39 applicable before 1 January 2018 is dealt with in accordance with the accounting policies in note 2.4.

(h) 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 subsidiary's equity as measured in the Group's consolidated financial statements.

The amounts of the Group's reserves and the movements therein for the reporting period are presented in the consolidated statement of changes in equity on page 88 of the financial statements.

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Year ended 31 December 2018

33. BUSINESS COMBINATION

On 20 January 2017, the Group acquired a 100% interest in Tongfang Securities from an independent third parties. Tongfang Securities are engaged in provision of asset management, investment advisory services and securities trading. The purchase consideration for the acquisition was in the form of 177,227,723 new ordinary shares issued, and the fair value of the ordinary shares was HK$205,584,000 (equivalent to approximately RMB181,768,000) which was based on the listed share price of the Company on 20 January 2017 of HK$1.16 per share. For the year ended 31 December 2017, the fair values of the identifiable assets and liabilities of Tongfang Securities as at the date of acquisition were as follows:

	Note	**Fair value recognised on acquisition** *RMB'000*
Property, plant and equipment		3,016
Intangible assets		10,610
Cash and bank balances		40,768
Other current assets		28,734
Trade and other payables		(21,557)
Deferred tax liabilities		(1,751)
Total identifiable net assets at fair value		59,820
Goodwill on acquisition	16	121,948
Satisfied by new ordinary shares issued		181,768

The fair values of other current assets as at the date of acquisition amounted to RMB28,734,000. The gross contractual amount of other current assets was RMB28,734,000.

Included in the goodwill of RMB121,948,000 recognised above is a customer list, which is not recognised separately. Because the list is subject to a confidentiality agreement, it is not separable and therefore it does not meet the criteria for recognition as an intangible asset under HKAS 38 Intangible Assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	–
Cash and bank balances acquired	40,768
Net inflow of cash and cash equivalents included in cash flows from investing activities	40,768

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

33. BUSINESS COMBINATION (CONTINUED)

Since the acquisition, Tongfang Securities contributed RMB36,417,000 to the Group's revenue and RMB35,420,000 to the consolidated profit for the year ended 31 December 2017. Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the profit of the Group for the year would have been RMB666,370,000 and RMB119,148,000, respectively.

34. DISPOSAL/DERECOGNITION OF SUBSIDIARIES

On 31 October 2016, the Group had entered into three equity transfer agreements with a fellow subsidiary of the Group, Tongfang Science and Technology Park Co., Ltd. ("Tongfang Technology Park"), to dispose all its 100% equity interest in three subsidiaries, namely Yangzhou Tongfang Semiconductors Co. Ltd., Shanghai Cuineng Photoelectricity Science and Technology Co., Ltd. and Tianjin Zhenmingli Photoelectricity Co., Ltd. (collectively the "Disposal Group") at a consideration of RMB251,668,000.

On 31 December 2016, the Disposal Group had available for immediate sale in its present condition. The above transactions had been completed in February 2017, resulting in a gain of RMB110,649,000 which has mainly due to the appreciation of the land use rights owned by the Disposal Group and had been recorded in the PRC lighting segment. Management are of the view that the Disposal Group do not constitute a separate major line of business, and accordingly do not meet the criteria of discontinued operations.

During the year ended 31 December 2018, the Group deregistered four oversea subsidiaries, namely Shenzhen Mingli Video Technology Development Co., Ltd., Neo-Neon Investment UK Ltd., Evergreen Illumination B.V., and Neo-Neon-Europe Gmbh. These deregistration were completed during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

34. DISPOSAL/DERECOGNITION OF SUBSIDIARIES (CONTINUED)

Details of the net assets/(liabilities) of the Group disposed of and their financial impacts are summarised below:

	Note	2018 *RMB'000*	2017 *RMB'000*
Net assets disposed of:			
Property, plant and equipment		**182**	66,129
Intangible assets		**18**	5,750
Other current assets		**9,943**	136,835
Other current liabilities		**(831)**	(67.695)
Non-controlling interests		**(1,261)**	–
		8,051	141,019
Exchange fluctuation reserve		**(5,004)**	–
		(3,047)	141,019
Gain on disposal of subsidiaries	5	**–**	110,649
Loss on derecognition of subsidiaries		**(3,047)**	–
		–	251,668
Satisfied by:			
Cash		**–**	251,668
Cash consideration		**–**	251,668
Cash and bank balances disposed of		**–**	(1,950)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries		**–**	249,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

35. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising in financing activities

	Bank loans *RMB'000*	Loan from the ultimate holding company *RMB'000*	Total *RMB'000*
As at 1 January 2017	110,967	–	110,967
Changes from financing cash flows	(35,648)	–	(35,648)
Foreign exchange movement	(5,076)	–	(5,076)
As at 31 December 2017 and 1 January 2018	70,243	–	70,243
Changes from financing cash flows	152,181	350,000	502,181
Foreign exchange movement	4,899	–	4,899
As at 31 December 2018	227,323	350,000	577,323

36. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans are included in note 27 of the financial statements.

37. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 14 to the consolidated financial statements) under operating lease arrangements with leases negotiated for terms ranging from one to eleven years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2018 *RMB'000*	2017 *RMB'000*
Within one year	9,061	4,964
In the second to fifth years, inclusive	21,349	20,833
After five years	13,885	28,420
	44,295	54,217

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37. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2018 *RMB'000*	2017 *RMB'000*
Within one year	**14,322**	7,536
In the second to fifth years, inclusive	**6,392**	6,842
	20,714	14,378

38. COMMITMENTS

In addition to the operating lease commitments detailed in note 37 above, the Group had the following capital commitments at the end of the reporting period:

	2018 *RMB'000*	2017 *RMB'000*
Contracted, but not provided for:		
Property, plant and equipment	**4,414**	4,569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

39. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the year:

	Notes	2018 *RMB'000*	2017 *RMB'000*
Disposal of subsidiaries	(i)	–	251,668
Sales of goods to a controlling shareholder and its subsidiaries	(ii)	–	2,487
Interest paid to an intermediate holding company	(iii)	(6,845)	–
Interest paid to the ultimate holding company	(iv)	(1,409)	–

Notes:

(i) On 31 October 2016, the Group entered into three equity transfer agreements with a fellow subsidiary of the Group, Tongfang Science and Technology Park Co., Ltd. to dispose all its 100% equity interests in three subsidiaries, namely Yangzhou Tongfang Semiconductors Co. Ltd, Shanghai Cuineng Photoelectricity Science and Technology Co., Ltd. and Tianjin Zhenmingli Photoelectricity Co., Ltd. for a consideration of RMB251,668,000 which was mutually agreed by both parties.

(ii) The sale of goods to a controlling shareholder and its subsidiaries were conducted in accordance with the terms and conditions mutually agreed by both parties.

(iii) The loan from Resuccess Investment Ltd., an intermediate holding company, was unsecured and interest-bearing at 6.0% per annum and was repaid in 2018.

(iv) The loan from Tsinghua Tongfang Co., Ltd., the ultimate holding company, was unsecured and interest-bearing at 4.95% per annum and repayable in 2020.

(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 2018, the loan from Tsinghua Tongfang Co., Ltd. with an amount of RMB350,000,000 (2017: Nil) is unsecured, interest-bearing at 4.95% per annum and repayable in 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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:

2018

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	–	–	155,844	155,844
Loan receivables	–	–	300,922	300,922
Financial assets included in prepayments, other receivables and other assets	–	–	12,607	12,607
Equity investments designated at FVTOCI	–	1,224	–	1,224
Financial assets at FVTPL	325,322	–	–	325,322
Pledged deposits	–	–	34,307	34,307
Cash held on behalf of clients	–	–	4,056	4,056
Cash and cash equivalents	–	–	229,819	229,819
	325,322	1,224	737,555	1,064,101

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*
Trade and bills payables	101,798
Financial liabilities included in other payables and accruals	48,466
Interest-bearing bank borrowings	227,323
Loan from the ultimate holding company	350,000
	727,587

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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)

2017

Financial assets

	Financial assets at FVTPL *RMB'000*	Available-for-sale investments *RMB'000*	Loans and receivables *RMB'000*	Total *RMB'000*
Trade and bills receivables	–	–	137,107	137,107
Financial assets included in prepayments, other receivables and other assets	–	–	21,210	21,210
Available-for-sale investments	–	324,403	–	324,403
Financial assets at FVTPL	132,737	–	–	132,737
Pledged deposits	–	–	13,322	13,322
Cash held on behalf of clients	–	–	90,321	90,321
Cash and cash equivalents	–	–	435,964	435,964
	132,737	324,403	697,924	1,155,064

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*
Trade and bills payables	170,761
Financial liabilities included in other payables and accruals	51,297
Interest-bearing bank borrowings	70,243
	292,301

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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	
	2018	2017	**2018**	2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial assets				
Equity investments designated at FVTOCI	**1,224**	–	**1,224**	–
Available-for-sale investments	**–**	321,079	**–**	321,079
Financial assets at FVTPL	**325,322**	132,737	**325,322**	132,737
	326,546	453,816	**326,546**	453,816
Financial liabilities				
Interest-bearing bank borrowings	**227,323**	70,243	**230,534**	71,627
Loan from the ultimate holding company	**350,000**	–	**384,650**	–
	577,323	70,243	**615,184**	71,627

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, trade and bills 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 a loan from the ultimate holding company which is repayable in 2020.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the executive directors and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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:

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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 of the Company to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as enterprise value to earnings before interest, 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 other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The fair value of convertible bond are measured using valuation techniques by present value calculations. 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 year ended 31 December 2018 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.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2018 and 2017:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted investments (2017: Unlisted investments)	Valuation multiples	EV/EBITDA multiple of peers	2018: 13.7 (2017: 12.6)	1% (2017: 1%) increase/ decrease in the multiple would result in increase/ decrease in fair value by RMB1,530,000 (2017: RMB1,367,000)
Convertible bond (2017: Nil)	Hull-White model	Discount rate	2018: 13.3% (2017: Nil)	5% (2017: Nil) increase/ decrease in the discount rate would result in decrease/increase in fair value by RMB252,000 (2017: Nil)

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Year ended 31 December 2018

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 2018

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Equity investments designated at FVTOCI	–	–	1,224	1,224
Financial assets at FVTPL	85,221	35,408	204,693	325,322
	85,821	35,408	205,917	326,546

As at 31 December 2017

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Available-for-sale investments	–	321,079	–	321,079
Financial assets at FVTPL	21,571	–	111,166	132,737
	21,571	321,079	111,166	453,816

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Year ended 31 December 2018

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	2018 *RMB'000*	2017 *RMB'000*
Financial assets at FVTPL – unlisted:		
At 1 January	**111,166**	108,152
Total gains recognised in the statement of profit or loss included in other income	**35,747**	3,014
Additions	**68,643**	
Disposals	**(10,980)**	–
Exchange realignment	**117**	–
At 31 December	**204,693**	111,166

	2018 *RMB'000*	2017 *RMB'000*
Equity investments designated at FVTOCI/available-for-sale investments – unlisted:		
At 1 January	**3,324**	3,639
Effect of adoption of HKFRS 9	**(1,412)**	–
At 1 January (restated)	**1,912**	3,639
Total losses recognised in the statement of profit or loss	**–**	(315)
Total losses recognised in the statement of comprehensive income	**(688)**	–
At 31 December	**1,224**	3,324

The Group did not have any financial liabilities measured at fair value as at 31 December 2018 and 31 December 2017. As at 31 December 2018, 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 RMB230,534,000 (2017: RMB71,627,000) and RMB384,650,000 (2017: Nil), respectively. The fair values of these financial liabilities disclosed were measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly (Level 2).

During the year, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2017: Nil).

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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, 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 and bills 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, equity price risk and market risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group'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 27 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, cash and bank balances, and short-term deposits 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 profit before tax (through the impact on interest-bearing 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 profit before tax *RMB'000*	Increase/ (decrease) in equity* *RMB'000*
2018			
RMB	**100**	**(3,440)**	**(3,440)**
RMB	**(100)**	**3,440**	**3,440**
US$	**100**	**289**	**289**
US$	**(100)**	**(289)**	**(289)**
2017			
RMB	100	1,979	1,979
RMB	(100)	(1,979)	(1,979)
US$	100	103	103
US$	(100)	(103)	(103)

* Excluding retained profits

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Year ended 31 December 2018

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 26% (2017: 53%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, while approximately 26% (2017: 53%) 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 rate against US$ and HK$, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in profit before tax *RMB'000*
2018		
If RMB weakens against US$	**5**	**3,282**
If RMB strengthens against US$	**(5)**	**(3,282)**
If RMB weakens against HK$	**5**	**15,798**
If RMB strengthens against HK$	**(5)**	**(15,798)**
2017		
If RMB weakens against US$	5	9,402
If RMB strengthens against US$	(5)	(9,402)
If RMB weakens against HK$	5	4,542
If RMB strengthens against HK$	(5)	(4,542)

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.

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Maximum exposure and year-end staging as at 31 December 2018

The table 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 2018. The amounts presented are gross carrying amounts for financial assets.

	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*	4,269	–	–	160,226	164,495
Financial assets included in prepayments, deposits, other receivables and other assets					
– Normal**	12,607	–	–	–	12,607
Cash held on behalf of securities clients					
– Not yet past due	4,056	–	–	–	4,056
Pledged deposits					
– Not yet past due	34,307	–	–	–	34,307
Cash and cash equivalents					
– Not yet past due	229,819	–	–	–	229,819
Loan receivables					
– Credit rating of A+ to BBB	254,119	47,456	–	–	301,575
	539,177	47,456	–	160,226	746,859

* 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".

Maximum exposure as at 31 December 2017

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged time deposits, and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 20 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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:

2018

	On demand *RMB'000*	No later than 1 year *RMB'000*	1 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Trade and bills payables	48,523	53,275	–	–	101,798
Other payables and accruals	48,466	–	–	–	48,466
Interest-bearing bank borrowings	–	230,534	–	–	230,534
Loan from the ultimate holding company	–	–	384,650	–	384,650
	96,989	283,809	384,650	–	765,448

2017

	On demand *RMB'000*	No later than 1 year *RMB'000*	1 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Trade and bills payables	118,286	52,475	–	–	170,761
Other payables and accruals	51,297	–	–	–	51,297
Interest-bearing bank borrowings	–	71,627	–	–	71,627
	169,583	124,102	–	–	293,685

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 2018. The Group's listed investments are listed on the Stock Exchanges and are valued at quoted market prices at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Equity price risk (continued)

The market equity index for the following stock exchanges, 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 2018	High/low 2018	31 December 2017	High/low 2017
Hong Kong – Hang Seng Index	25,846	33,484/24,451	29,919	30,200/21,844

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.

	Carrying amount of equity investments *RMB'000*	Increase in profit before tax *RMB'000*	Increase in equity *RMB'000*
2018			
Investments listed in:			
Hong Kong – Financial assets at FVTPL	85,221	852	–
2017			
Investments listed in:			
Hong Kong – Financial assets at FVTPL	21,571	216	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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 2018 and 2017.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. Total debt represents interest-bearing bank borrowings and a loan from the ultimate holding company. The gearing ratios as at the end of the reporting periods were as follows:

	2018 *RMB'000*	2017 *RMB'000*
Total debt	**577,323**	70,243
Total equity	**1,706,800**	1,433,799
Gearing ratio	**33.8%**	4.9%

43. EVENTS AFTER THE REPORTING PERIOD

On 1 January 2019, the American Lighting, an indirect wholly-owned subsidiary of the Company, entered into a membership interest purchase agreement with Lighten Up Holdings, Inc. ("Lighten Up"), pursuant to which American Lighting has agreed to purchase 100% membership interest of Novelty Lights, LLC ("Novelty Lights") from Lighten Up for an aggregate consideration of approximately US$12,000,000, subject to adjustment under the said purchase agreement. After the initial closing on 1 January 2019, the Company indirectly holds 80% of the membership interests in Novelty Lights and Novelty Lights became an indirectly non-wholly owned subsidiary of the Company. Upon completion of the second closing, Novelty Lights will become an indirectly wholly owned subsidiary of the Company. For details, please refer to the Company's announcement dated 1 January 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

44. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the consolidated financial statements, due to the adoption of the new HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified to conform with the current year's presentation and accounting treatment.

45. STATEMENT OF THE FINANCIAL POSITION OF THE COMPANY

	2018 *RMB'000*	2017 *RMB'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**1,229**	–
Interests in subsidiaries	**1,484,992**	1,430,445
Total non-current assets	**1,486,221**	1,430,445
CURRENT ASSETS		
Cash and cash equivalents	**609**	5,293
CURRENT LIABILITIES		
Other payables and accruals	**6,830**	5,591
NET CURRENT LIABILITIES	**(6,221)**	(298)
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,480,000**	1,430,147
EQUITY		
Issued capital	**185,676**	186,912
Reserves (Note)	**1,294,324**	1,243,235
Total equity	**1,480,000**	1,430,147

Mr. Seah Han Leong
Director

Mr. Daniel P.W. Li
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

45. 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*
Balance at 1 January 2017	–	2,264,017	344	55,238	50,024	5,361	(501,565)	(8,220)	(832,781)	1,032,418
Total comprehensive income for the year	–	–	–	–	–	–	60,817	–	(6,104)	54,713
Issue of shares	–	166,098	–	–	–	–	–	–	–	166,098
Share repurchase	(11,304)	–	–	–	–	–	–	–	–	(11,304)
Cancellation of treasury shares	5,004	(5,004)	566	–	–	–	–	–	–	566
Equity-settled share option arrangements	–	–	–	–	–	744	–	–	–	744
At 31 December 2017 and 1 January 2018	(6,300)	2,425,111	910	55,238	50,024	6,105	(440,748)	(8,220)	(838,885)	1,243,235
Total comprehensive income for the year	–	–	–	–	–	–	68,037	–	(14,520)	53,517
Share repurchase	(3,664)	–	–	–	–	–	–	–	–	(3,664)
Cancellation of treasury shares	9,964	(9,964)	1,236	–	–	–	–	–	–	1,236
At 31 December 2018	–	2,415,147	2,146	55,238	50,024	6,105	(372,711)	(8,220)	(853,405)	1,294,324

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 20 March 2019.