



神州數字

China Binary New Fintech Group
神州數字新金融科技集團

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8255

2018年報
ANNUAL REPORT

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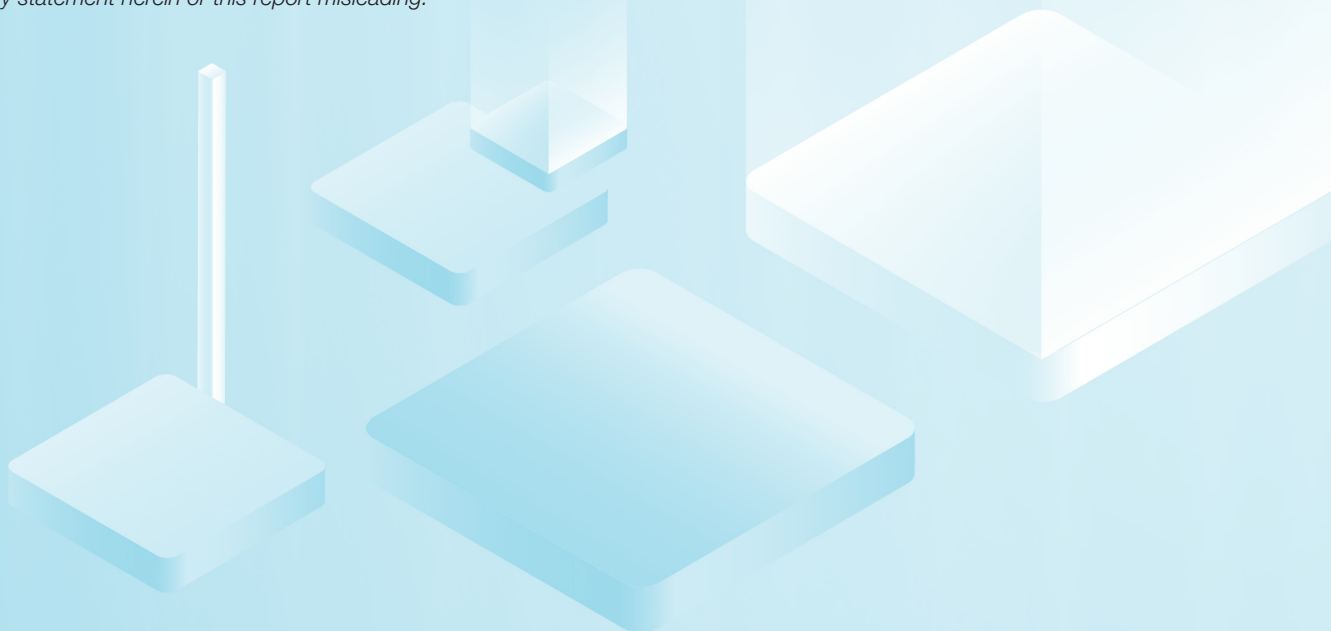
香港聯合交易所有限公司(「聯交所」)GEM之特色

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Corporate Information 公司資料

DIRECTORS

Executive Directors

Mr. Sun Jiangtao (*Chief Executive Officer*)
Mr. Tang Bin

Non-executive Directors

Mr. Wei Zhonghua (*Chairman*)
Mr. Li Jianguang
Mr. Lan Xi

Independent Non-executive Directors

Mr. Yang Haoran
Mr. Hou Dong
Mr. He Qinghua

COMPLIANCE OFFICER

Mr. Tang Bin

COMPANY SECRETARY

Ms Cheng Lucy (*an associate of The Hong Kong Institute of Chartered Secretaries*)

AUTHORISED REPRESENTATIVES

Mr. Sun Jiangtao
Mr. Tang Bin

AUDIT COMMITTEE

Mr. He Qinghua (*Chairman*)
Mr. Hou Dong
Mr. Wei Zhonghua

REMUNERATION COMMITTEE

Mr. Hou Dong (*Chairman*)
Mr. Yang Haoran
Mr. Sun Jiangtao

董事

執行董事

孫江濤先生 (*行政總裁*)
唐斌先生

非執行董事

魏中華先生 (*主席*)
李建光先生
蘭希先生

獨立非執行董事

楊浩然先生
侯東先生
何慶華先生

合規主任

唐斌先生

公司秘書

曾若詩女士 (*香港特許秘書公會會員*)

授權代表

孫江濤先生
唐斌先生

審核委員會

何慶華先生 (*主席*)
侯東先生
魏中華先生

薪酬委員會

侯東先生 (*主席*)
楊浩然先生
孫江濤先生

Corporate Information (Continued)

公司資料(續)

NOMINATION COMMITTEE

Mr. Yang Haoran (*Chairman*)
Mr. Hou Dong
Mr. Sun Jiangtao

提名委員會

楊浩然先生(主席)
侯東先生
孫江濤先生

INDEPENDENT AUDITOR

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25th Floor
Wing On Centre
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獨立核數師

香港立信德豪會計師事務所有限公司
香港
干諾道中111號
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25樓

PRINCIPAL BANKERS

Beijing Rural Commercial Bank
Bank of Jiangsu
China Minsheng Banking Corp., Ltd. (Head Office,
Operation Department)
Agricultural Bank of China, Beijing Branch

主要往來銀行

北京農商銀行
江蘇銀行
中國民生銀行股份有限公司
(總行營業部)
中國農業銀行北京分行

REGISTERED OFFICE

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總辦事處及中華人民共和國(「中國」)主要營業地點

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Corporate Information (Continued) 公司資料(續)

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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COMPLIANCE ADVISER

Lego Corporate Finance Limited
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LISTING INFORMATION

GEM of The Stock Exchange of Hong Kong Limited
Stock Code: 8255
Board Lot: 6000

COMPANY'S WEBSITE

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香港主要營業地點

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上市資料

香港聯合交易所有限公司GEM
股份代號：8255
買賣單位：6000

公司網站

www.shenzhoufu.hk

Financial Summary

財務概要

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元	2014 RMB'000 人民幣千元
Results (for the year ended 31 December)	業績 (截至12月31日止年度)					
— Revenue	— 收入	32,979	26,413	30,965	48,329	63,094
— Gross profit	— 毛利	20,335	11,323	22,440	41,502	42,712
— (Loss)/profit before income tax credit/ (expense)	— 除所得稅抵免/ (開支)前 (虧損) /溢利	(80,729)	(614)	176,726	25,304	27,400
— Total comprehensive income for the year	— 年內全面收益總額	(46,499)	5,791	189,344	18,272	20,611
Profit/(loss) for the year attributable to:	以下各項應佔年內溢利/(虧損)					
— Owners of the Company	— 本公司擁有人	(76,136)	7,041	156,054	18,986	20,757
— Non-controlling interests	— 非控股權益	(2,915)	(6,200)	(1,427)	(714)	(146)
		(79,051)	841	154,627	18,272	20,611
(Losses)/Earnings per share (RMB cents)	每股(虧損)/盈利 (人民幣分)					
— Basic	— 基本	(15.86)	1.47	32.51	3.96	4.32
Financial Position (as at 31 December)	財務狀況 (於12月31日)					
— Non-current assets	— 非流動資產	195,497	148,436	181,293	24,880	4,643
— Current assets	— 流動資產	230,382	270,828	268,769	176,480	153,720
— Current liabilities	— 流動負債	103,651	87,131	119,859	60,964	52,021
— Non-current liabilities	— 非流動負債	5,068	7,099	8,498	6,873	4,366
— Total equity	— 總權益	317,160	325,034	321,705	133,523	101,976

Chairman's Statement

主席報告

On behalf of the board of the directors of China Binary New Fintech Group (the "Company" and the "Board", respectively), I hereby present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018 (the "Year").

REVIEW

In 2018, the Group accomplished operating revenue of approximately RMB32,979,000, representing an increase of approximately RMB6,566,000 or 24.86% as compared to approximately RMB26,413,000 in 2017. In 2018, the Group's cost of revenue was approximately RMB12,644,000, representing a decrease of approximately RMB2,446,000 or 16.21% as compared to RMB15,090,000 in 2017. Gross profit amounted to approximately RMB20,335,000, representing an increase of approximately RMB9,012,000 or 79.59% as compared to approximately RMB11,323,000 in 2017.

In 2018, the Group incurred a loss of approximately RMB79,051,000, representing a decrease of approximately RMB79,892,000 as compared to the profit of approximately RMB841,000 in 2017.

OUTLOOK

In 2018, the Group officially underwent a strategic upgrade by shifting its business focus from previously the online transaction service sector to the new fintech sector. The Group also renamed as "China Binary New Fintech Group". Looking forward to 2019, with the continuous development of international exchanges and encouragement policy under the Belt and Road Initiative, there is a growing trend of enterprises and high net-worth individual investors choosing to go global. The development of international finance business represents the judgement of the Group about the growth of domestic and international finance sector in the future.

Riding on the tides of globalisation, overseas markets targeting Chinese customers have opportunities ahead to grow rapidly. CBiBank, an entity controlled by the Group, is a licensed financial savings and remittance institution in the United States. By providing a complete range of banking services to small- and medium-sized enterprises and new middle-class group abroad (the "New Business"), it will earn a leading position in the segment market and become a gateway for our new business growth. As to the Group's blockchain software technology services business, in 2019, the Group will continue to positively explore and acquire new customers so as to grasp the opportunities in the industry. Meanwhile, the Group will take active steps in the research and development of new product models and functions. In doing so, the Group will be able to offer innovative services for existing users and thereby enhance the profitability of the Group. On the other hand, the Group is putting greater efforts in applying licences abroad for insurance,

本人謹此代表神州數字新金融科技集團董事會(分別為「本公司」及「董事會」)呈報本公司連同其附屬公司(「本集團」)截至2018年12月31日止年度(「本年度」)之年度業績。

回顧

於2018年，本集團實現營業收入約人民幣32,979,000元，較2017年的約人民幣26,413,000元增加了約人民幣6,566,000元或24.86%。於2018年，本集團的收入成本約為人民幣12,644,000元，較2017的人民幣15,090,000元，減少了約人民幣2,446,000元或16.21%。毛利約為人民幣20,335,000元，較2017年的約人民幣11,323,000元增加了約人民幣9,012,000元或79.59%。

於2018年，本集團產生的虧損約為人民幣79,051,000元，較2017年的溢利約人民幣841,000元減少了約人民幣79,892,000元。

展望

2018年，本集團正式進行戰略升級，由過往的網上交易服務領域轉向新金融科技領域，集團也正是更名為「神州數字新金融科技集團」。展望2019年，隨著國際間的交流不斷發展，以及一帶一路政策鼓勵下，越來越多的企業和高淨值個人投資者選擇走出國門放眼全球，本集團發展國際金融業務源於對未來國內外金融領域趨勢的判斷。

在全球化的浪潮中，以中國客戶為焦點的海外金融市場迎來高成長機遇，本集團控股的CBiBank作為美國持牌的金融儲匯機構亦將成為新業務增長點的切入口，通過提供完整的銀行業務服務(「新業務」)，在出海中小企業和新中產人群(大眾富裕人群)的細分市場中，搶佔領先地位。有關本集團區塊鏈軟件技術服務業務，本集團將於2019年繼續積極挖掘和拓展新用戶，把握住行業機會。同時積極研發新的產品模式和功能，為已有用戶提供創新的服務，以提高集團盈利能力。另一方面，本集團也在積極探索在海外申請保險、投資、信託、支付等金融牌照，進行金融領域全牌照、全業務布局，打造金融生態圈。本集團將利用

Chairman's Statement (Continued)

主席報告(續)

investment, trust, payment and other financial business, with aims to setting up a full-licence and full-business layout in financial sector and establishing a finance ecosystem. The Group will apply the current fintech technology of its existing businesses such as, the Group's online transaction services, micro financing facility and financial guarantee services and software technology services and sales of smart hardware products to the New Business. For instance, the risk control technology and identity verification security system in the operation of MasterDAX will be applied to the New Business, to protect customer's asset of the New Business while they are using the Group's online banking services. Besides, the existing artificial intelligence (AI) identification system for anti-money laundering and compliance of MasterDAX will also be applied to the New Business to minimise human resources required and human errors. The goal of the Group is to become a low-cost high- efficiency new fintech bank.

In the long-run, the Group will collaborate with service providers of AI interaction, blockchain, VR, big data service applications and other new technology, to achieve technology penetration and create a highly credible financial services environment. The Group will team up with online banks, online insurance companies and online securities traders to provide financial services for domestic and overseas consumers and small-sized and micro companies who are in need. The Group will strive to develop a global financial community to enhance its profitability and value for the Shareholders.

APPRECIATION

On behalf of the Board and management, I would like to express gratitude to the Group's staff for their hard work during the Year. I would also like to extend my thanks to all shareholders, fellow Board members and business partners who have supported the Group.

Chief Executive Officer and Executive Director
Sun Jiangtao

22 March 2019

現時在本集團網上交易服務、小額融資中介及金融擔保服務以及軟件技術服務及智能硬件產品銷售等現有業務擁有的金融科技技術應用在新業務當中，如在營業MasterDAX中的風險控制技術及身份認證保安系統應用到新業務中，為新業務的客戶在享用本集團網絡銀行之餘得到資產保障。此外，新業務亦會應用在MasterDAX現有的防洗黑錢及合規人工智能識別系統，以降低新業務將所需的人力資源及人為錯誤。目標成為低成本高效益的新金融科技銀行。

長遠而言，本集團將通過聯接人工智能交互、區塊鏈、VR、大數據服務應用等各類新技術服務方，實現技術穿透，建立高可信金融服務環境。通過聯接網絡銀行、網絡保險和網絡券商等聯動服務，對海內外有需求的消費者和小微企業提供各類金融服務，打造一個覆蓋全球的金融共生體，以提高本集團之盈利能力及股東價值。

致謝

本人謹代表董事會及管理層感謝集團所有員工在本年度的辛勤工作。本人亦向對本集團鼎力支持的全體股東、董事會成員及業務夥伴表示衷心感謝。

行政總裁兼執行董事
孫江濤

2019年3月22日

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

The Group principally engaged in provision of (i) online transaction services; (ii) micro financing facilitating services; and (iii) software technology services and sales of smart hardware products for the Year. For detail review of each of our business, see section headed “Financial Review” below.

FINANCIAL REVIEW

Revenue

For the Year, the Group recorded a revenue of approximately RMB32,979,000, representing an increase of approximately RMB6,566,000 or 24.86% as compared to approximately RMB26,413,000 of last year. The principal change in revenue during the Year was as follows:

1. Online transaction services

During the Year, revenue from online transaction services amounted to approximately RMB4,427,000 (2017: RMB12,035,000). Due to the rapid growth of mobile payment industry in recent years, the Group’s revenue from online transaction services decreased over the past few years. To react with our current situation, our Group will on one hand control expenses, on the other hand explore other businesses to engage with our current resources.

Furthermore, according to “The overall operation of the payment system in 2017” published by the People’s Bank of China, the number of online payment and telephone payment transactions processed by banking financial institutions decreased during 2017 as compared to 2016, whereas mobile payment has increased significantly in 2017 which signifies that the popularity of the use of mobile platforms for payment are on an increasing trend and such trend adversely affect the number of users on the Shenzhoufu System.

業務回顧

於本年度，本集團主要從事提供(i)網上交易服務；(ii)小額融資中介服務；及(iii)軟件技術服務和智能硬件銷售。我們各業務的詳細回顧，見下文「財務回顧」一節。

財務回顧

收入

於本年度，本集團錄得營業收入約人民幣32,979,000元，較上年營業收入約人民幣26,413,000元增加了約人民幣6,566,000元或24.86%。於本年度收入的主要變動如下：

1. 網上交易服務

於本年度，網上交易服務的收入約為人民幣4,427,000元(2017年：人民幣12,035,000元)。由於這些年來移動支付行業的快速發展，使得我集團網上交易服務的收入逐年減少，為了應對目前的狀況，我集團一方面控制支出，另一方面利用現有資源開拓其他的業務。

此外，根據中國人民銀行發佈的「2017年支付體系運行總體情況」，於2017年由銀行金融機構進行的網上支付及電話支付交易較2016年降低，而手機支付於2017年大幅上升，其表明盛行使用手機平台支付呈上升趨勢且該種趨勢會影響神州付系統的用戶數量。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

2. Micro financing facilitating and financial guarantee services

During the Year, the Group carries on micro financing facilitating services as an intermediary service institution for lenders and borrowers through its online micro financing platform and provided financial guarantee service for the lenders through Wanlefu Software Technology Limited (“Wanlefu”) and Beijing Kuaihuika Technology Co. Ltd. (“Beijing Kuaihuika”). The micro financing facilitating services provided by the Group include (i) developing and operating an online micro financing platform to facilitate lenders to lend money to the borrowers; (ii) introducing borrowers registered on the Group’s online micro financing platform to the lenders; (iii) conducting credibility review service on the borrowers; and (iv) providing customer service and administrative services to the borrowers and lenders. The Group generated revenue of approximately RMB12,051,000 (2017: RMB13,885,000) from provision of micro financing facilitating services and approximately RMB1,007,000 (2017: RMB493,000) from provision of financial guarantee service.

On 6 September 2018, Beijing Youxiping Technology Co. Ltd. (“Beijing Youxiping”), a wholly-owned subsidiary of the Company by virtue of a series of structured contracts, and 北京梵資科技創新中心(有限合伙)(Beijing Vanguard Technology Innovation Center (Limited Partnership)) (the “Beijing Vanguard”) entered into the equity transfer agreement, pursuant to which Beijing Youxiping agreed to sell, and Beijing Vanguard agreed to acquire the 30% equity interest in Beijing Kuaihuika at the consideration of RMB300,000 (the “Disposal”). As at 30 September 2018, the Disposal has completed. For further details, please refer to the Company’s announcement published on the respective website of the Stock Exchange and the Company on 6 September 2018.

The Company remains conservative on the business of micro financing facilitating services of the Group (as an intermediary service institution for lenders and borrowers through its online micro financing platform) and will continue to monitor the new business development from time to time.

2. 小額融資中介和金融擔保服務

於本年度，本集團作為中介服務機構透過其線上小額融資平台為放貸人及借款人提供小額融資中介服務以及透過玩樂付軟件科技有限公司(「玩樂付」)及北京快惠卡技術有限公司(「北京快惠卡」)為放貸人提供金融擔保服務。本集團提供的小額融資中介服務包括(i)開發及營運線上小額融資平台，以促進放貸人向借款人放款；(ii)向放貸人介紹在本集團線上小額融資平台登記的借款人；(iii)對借款人進行資信審查服務；及(iv)向借款人及放貸人提供客戶服務及行政管理服務。本集團自提供小額融資中介服務獲得收入約為人民幣12,051,000元(2017年：人民幣13,885,000元)及自提供金融擔保服務獲得收入約為人民幣1,007,000元(2017年：人民幣493,000元)。

於2018年9月6日，北京遊戲瓶科技有限責任公司(「北京遊戲瓶」)(透過一系列結構合約為本公司全資附屬公司)與北京梵資科技創新中心(有限合伙)(「北京梵資」)訂立股權轉讓協議，據此，北京遊戲瓶同意出售，及北京梵資同意收購北京快惠卡30%股權，代價為人民幣300,000元(「出售事項」)。於2018年9月30日，出售事項已完成。有關進一步詳情，請參閱本公司於2018年9月6日分別於聯交所及本公司網站刊登的公告。

本公司於本集團小額融資中介服務業務(透過其線上小額融資平台而作為貸款人及借款人的中介服務機構)中保持保守，並將繼續不時監察新業務發展。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

3. Software technology services and sales of smart hardware products

For the Year, the Group's software technology services mainly include the provision and host of digital asset infrastructure, software solution consultancy and technical services, provision and maintenance of blockchain services to corporate or customers for blockchain technology. The Group has developed cloud blockchain exchange infrastructure namely MasterDAX and launched in April 2018, where the customers of the Group are using this platform to provide blockchain exchange services and digital asset management service to individuals.

The Group's sales of smart hardware products business mainly includes the sale of blockchain technology hardware products, which are used for cryptocurrencies mining in various devices including computers, smartphones and tablets. The Group has developed a hardware device namely "X-Key" which can utilise the idle resources from computers and smartphones (i.e. unused internet broadband and memories) to solve complex arithmetic matrix, in return for cryptocurrencies.

The revenue from software technology services and sales of smart hardware products for the Year was approximately RMB15,494,000 (2017: Nil).

Leveraging on its expertise and experience gained in developing online transaction services and its previous investments in companies principally engaging in blockchain technology, the Group has built up its R&D capabilities in exploring the applications of blockchain technology in cryptocurrencies and daily life applications in both software and hardware aspects. Further, the Group has also seek cooperation with Microsoft to utilise Microsoft's blockchain cloud platform in providing the relevant software development and maintenance service in 2018.

3. 軟件技術服務和智能硬件銷售

於本年度，本集團的軟件技術服務主要包括提供並舉辦數字資產基礎設施、軟件方案顧問及技術服務及為企業或客戶之區塊鏈技術提供及維持區塊鏈服務。本集團已開發雲區塊鏈交換基礎設施即 MasterDAX，並於2018年4月推出，本集團客戶利用該平台為個人提供區塊鏈交換服務及數字資產管理服務。

本集團的智能硬件產品銷售業務主要包括區塊鏈技術硬件產品銷售，其主要用於各種設備中(包括電腦、智能手機及平板)的加密貨幣開採。本集團已開發一種名為「X-Key」的硬件設備，其可以利用計算機及智能手機之閒置資源(即未使用的互聯網寬帶及存儲器)以解決複雜的算術矩陣，從而獲得加密貨幣。

於本年度，軟件技術服務及智能硬件產品銷售的收入約為人民幣15,494,000元(2017年：無)。

憑藉其自開發網上交易服務所得的專業知識及經驗，以及其對主要從事區塊鏈技術的公司的過往投資，本集團已構建其研發能力，內容有關探索區塊鏈技術應用於加密貨幣及於軟件及硬件方面的日常應用。此外，本集團亦尋求與微軟合作，以於2018年利用微軟區塊鏈雲平台提供相關軟件開發及維護服務。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Cost of Revenue

During the Year, the cost of revenue of the Group decreased to approximately RMB12,644,000 from RMB15,090,000 in 2017 by approximately RMB2,446,000 or 16.21%. The decrease in cost of revenue was mainly attributable to the lower business volume of the micro financing facilitating services.

Gross Profit

During the Year, the gross profit of the Group was approximately RMB20,335,000, representing an increase of approximately RMB9,012,000 or 79.59% as compared to approximately RMB11,323,000 in 2017, and the gross profit margin in 2018 increased to approximately 61.66% from approximately 42.87% in 2017.

Selling and Distribution Expenses

The selling and distribution expenses of the Group increased from approximately RMB5,084,000 in 2017 to approximately RMB5,851,000 in 2018, representing an increase of approximately RMB767,000 or 15.09%. The increase of the selling and distribution expenses was attributable to the increase in salaries of sales personnel during the Year.

Administrative Expenses

During the Year, the administrative expenses of the Group were approximately RMB55,278,000, representing an increase of approximately RMB11,433,000 or 26.08% as compared to approximately RMB43,845,000 in 2017. The increase in administrative expenses was attributable to the rise in rentals of office premises and the significant increase in intermediary fees during the Year.

Income Tax Credit

During the Year, the income tax credit of the Group was approximately RMB1,678,000 (2017: RMB1,455,000) with the effective tax rate of 2.08% (2017: 236.97%).

Loss for the Year

During the Year, the total loss of the Group was approximately RMB79,051,000, representing a decrease of approximately RMB79,892,000 as compared to profit of approximately RMB841,000 in 2017, which was mainly due to the surge in administrative expenses and the significant increase in the provision of expected credit losses of financial assets during the Year.

收入成本

於本年度，本集團的成本從2017年的約人民幣15,090,000元下降至約人民幣12,644,000元，減少約人民幣2,446,000元或16.21%。收入成本的減少主要是由小額融資中介服務業務量的降低所致。

毛利

於本年度，本集團的毛利約為人民幣20,335,000元，較2017年的約人民幣11,323,000元增加約人民幣9,012,000元或79.59%，毛利率從2017年的約42.87%上升到2018年的約61.66%。

銷售及分銷開支

本集團銷售及分銷開支從2017年的約人民幣5,084,000元上升到2018年的約人民幣5,851,000元，增加約人民幣767,000元或15.09%。銷售及分銷開支的上升是由於本年度銷售人員薪酬的增加所致。

行政開支

於本年度，本集團的行政開支約為人民幣55,278,000元，較2017年約人民幣43,845,000元增加約人民幣11,433,000元或26.08%。行政開支的上升是由於本年度辦公室租金的上升以及中介服務費的大幅增加所致。

所得稅抵免

於本年度，本集團的所得稅抵免約為人民幣1,678,000元(2017年：人民幣1,455,000元)，實際稅率為2.08%(2017年：236.97%)。

年內虧損

於本年度，本集團的虧損總額約為人民幣79,051,000元，較2017年的溢利約人民幣841,000元下降了約人民幣79,892,000元，下降的原因是本年的行政開支大幅增加及金融資產的預期信貸虧損撥備大幅增加。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Liquidity, Financial Resources and Capital Structure

As at 31 December 2018, bank and cash balances of the Group were approximately RMB108,927,000 (31 December 2017: RMB83,319,000), which were mainly denominated in Renminbi (“RMB”), United States Dollars (“USD”) and Hong Kong Dollars (“HKD”).

As at 31 December 2018, the Group did not have shareholders’ loans but had bank borrowings of RMB91,500,000 (31 December 2017: RMB61,000,000), which were secured by pledged bank deposits of USD15,200,000 (equivalent to RMB104,715,000) (31 December 2017 : USD9,950,000 (equivalent to RMB65,015,000)). All bank borrowings were denominated in RMB.

As at 31 December 2018, the Group had total non-current assets of approximately RMB195,497,000 (31 December 2017: RMB148,436,000). The Group’s long-term investment in available-for-sale financial assets was approximately RMB136,833,000 in 2017, which was transferred to financial assets at fair value through other comprehensive income in an amount of approximately RMB171,922,000 in 2018. The total current assets were approximately RMB230,382,000 (31 December 2017: RMB270,828,000). The current assets mainly included prepayments, deposits and other receivables. The total current liabilities were approximately RMB103,651,000 (31 December 2017: RMB87,131,000). As at 31 December 2018, the Group’s current ratio was 2.22 (31 December 2017: 3.11). The Group’s gearing ratio was nil as at 31 December 2018 (31 December 2017: nil).

Pledge of Assets

As at 31 December 2018, the Group pledged bank deposits of USD15,200,000 (equivalent to approximately RMB104,715,000) (31 December 2017: USD9,950,000 (equivalent to RMB65,015,000)) to secure bank borrowings. Save for the pledged bank deposits, the Group did not pledge any of its assets as securities for bank borrowings.

Foreign Exchange Risk

The principal business operated by the Group was denominated in RMB, while part of assets and liabilities may be denominated in USD or HKD. Any material fluctuation of exchange rate from the USD and HKD against RMB will impact on the financial results of the Group. The Group will continue to monitor its foreign currency exposure closely. During the Year, the Group incurred a foreign exchange gain of approximately RMB5,449,000 (2017: foreign exchange loss of RMB3,913,000) resulted from the change in exchange rate.

流動資金、財務資源及資本結構

於2018年12月31日，本集團的銀行及現金結餘約為人民幣108,927,000元(2017年12月31日：人民幣83,319,000元)，主要以人民幣(「人民幣」)、美元(「美元」)及港元(「港元」)計值。

於2018年12月31日，本集團並無股東貸款，但有以質押銀行存款15,200,000美元(相當於人民幣104,715,000元)(2017年12月31日：9,950,000美元(相當於人民幣65,015,000元))作為擔保的銀行借款人民幣91,500,000元(2017年12月31日：人民幣61,000,000元)。所有銀行借款均以人民幣計值。

於2018年12月31日，本集團擁有非流動資產的總額約為人民幣195,497,000元(2017年12月31日：人民幣148,436,000元)。本集團2017年的可供出售金融資產之長期投資從約為人民幣136,833,000元，到2018年轉變為按公平值計入其他全面收益的金融資產約為人民幣171,922,000元。流動資產的總額約為人民幣230,382,000元(2017年12月31日：人民幣270,828,000元)。流動資產主要包括預付款、按金及其他應收款項。流動負債的總額約為人民幣103,651,000元(2017年12月31日：人民幣87,131,000元)。於2018年12月31日，本集團流動比率為2.22(2017年12月31日：3.11)。於2018年12月31日，本集團資產負債比率為零(2017年12月31日：零)。

資產抵押

本集團於2018年12月31日銀行借款之已抵押銀行存款為15,200,000美元(相當於約人民幣104,715,000元)(2017年12月31日：9,950,000美元(相當於人民幣65,015,000元))。除已抵押銀行存款外，本集團概無抵押任何資產為銀行借款擔保。

匯率風險

本集團運營的主要業務以人民幣計值，部分資產及負債會以美元或港元計值。美元及港元兌人民幣的任何重大匯率波動均會對本集團財務業績造成影響。本集團將繼續密切監察其外匯風險。於本年度，由於匯率變動，本集團發生匯兌收益約人民幣5,449,000元(2017年：匯兌虧損人民幣3,913,000元)。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its customers. To manage liquidity risk, the board of directors of the Company closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Employees and Remuneration Policies

As at 31 December 2018, the Group had 59 employees (31 December 2017: 137). For the Year, the staff costs of the Group, including directors' remuneration, amounted to approximately RMB26,094,000 (2017: RMB25,137,000).

The Group believes that employees are one of its most important assets. In order to offer a competitive remuneration to employees, the Group adjusted their remuneration to closely related to their performance, education background and experience, as well as the condition of the labour market in 2018. Staff costs increased by 3.81% during the Year. The Group also positively provides training opportunities for employees to strengthen their working skills. The Group also adopted a share option scheme as an incentive to the directors of the Company and other eligible participants.

Contingent Liabilities and Guarantees

As at 31 December 2018, the Group did not have contingent liabilities arising from guarantees given to financial institutions in respect of financial guarantees provided to independent third parties (2017: RMB17,492,000). The Group did not instigate any litigation (2017: nil).

Significant Investment and Capital Commitment

As at 31 December 2018, the Group did not involve making any material investment, and had no material capital commitments and no future plans for material investments or purchase of capital assets.

Material Acquisition, Disposal of Subsidiaries, Associates and Joint Ventures

On 6 September 2018, the Group entered into the equity transfer agreement, pursuant to which Beijing Youxiping, a wholly-owned subsidiary of the Company by virtue of a series of structured contracts agreed to sell, and Beijing Vanguard agreed to acquire the 30% equity interest in Beijing Kuaihuika at the consideration of RMB300,000. Please refer to the announcement of the Company dated 6 September 2018 for further details.

庫務政策

本集團採取審慎之庫務政策。本集團不斷為其客戶之財務狀況進行信貸評估，致力減低所承擔之信貸風險。為管理流動資金風險，本公司董事會密切監察本集團之流動資金狀況，以確保本集團之資產、負債及承擔之流動資金架構能符合其資金要求。

僱員及薪酬政策

於2018年12月31日，本集團擁有59名僱員(2017年12月31日：137名)。於本年度，本集團之員工成本(包括董事酬金)達約人民幣26,094,000元(2017年：人民幣25,137,000元)。

本集團相信員工乃其最重要資產之一。於2018年，為了提供具競爭力的薪酬待遇，本集團將僱員薪酬水平調整至緊貼員工個人表現、學歷及經驗以及勞動市場狀況，本年度員工成本增加3.81%。本集團亦積極為員工提供培訓機會，以增強彼等的工作技能。本集團亦已採納一項購股權計劃，作為提供予本公司董事及其他合資格參與者的激勵。

或有負債及擔保

於2018年12月31日，本集團並無就提供予獨立第三方的金融擔保而向金融機構提供擔保所產生之或有負債(2017年：人民幣17,492,000元)。本集團並無提出任何訴訟(2017年：無)。

重大投資及出售

於2018年12月31日，本集團並無參與任何重大投資，亦無重大資本承擔且並無重大投資或購入資本資產之未來計劃。

附屬公司、聯營公司及合營企業之重大收購及出售

於2018年9月6日，本集團訂立股權轉讓協議，據此，北京遊戲瓶(透過一系列結構合約為本公司的全資附屬公司)同意出售而北京梵資同意收購北京快惠卡的30%股本權益，代價為人民幣300,000元。有關進一步詳情，請參閱本公司日期為2018年9月6日的公告。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Mandatory Unconditional Cash Offers

During the Year, the Company has undergone a change in its controlling shareholder upon completion of the share purchase agreement dated 17 January 2018 entered into between Swift Well Limited, a company incorporated in British Virgin Islands (the “BVI”) and is beneficially owned as to 95% by Mr. Wei Zhonghua (“Mr. Wei”) the chairman of the Board and a non-executive Director, and 5% by Mr. Wei Chunming, uncle of Mr. Wei, on trust for Mr. Wei which is interested in approximately 26.79% of the issued share capital of the Company (the “Vendor”) and Data King Limited, a company incorporated in BVI with limited liability, a company incorporated in BVI and is wholly owned by Mr. Sun Jiangtao (“Mr. Sun”), an executive Director (the “Purchaser”) for acquiring 101,760,000 ordinary shares of the Company, representing approximately 21.20% of the entire issued share capital of the Company (the “Share Purchase”).

The Share Purchase was completed on 17 January 2018 (the “Share Purchase Completion”). Immediately following the Share Purchase Completion, the Purchaser and parties acting in concert with it (other than the Vendor, Mr. Wei and Mr. Tang Bin) were interested in a total of 244,800,000 shares of the Company, representing approximately 51% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers, the Purchaser was required to make a mandatory unconditional cash offer for all the issued shares of the Company (other than those already owned or to be acquired by the Purchaser and parties acting in concert with it). For further details, please refer to the announcements of the Company dated 17 January 2018, 18 January 2018, 7 February 2018, 3 March 2018, 26 March 2018, 4 April 2018, 9 April 2018 and 30 April 2018, respectively, the circular of the Company dated 9 April 2018 and the composite offer and response document dated 9 April 2018 jointly issued by the Company and the Purchaser.

Change of Company Name

An extraordinary general meeting of the Company was held on 31 July 2018 in which a special resolution was passed to change the English name of the Company from “China Binary Sale Technology Limited” to “China Binary New Fintech Group” as well as the dual foreign Chinese name, which was changed from “神州數字銷售技術有限公司” to “神州數字新金融科技集團”. Both name changes became effective on 3 August 2018. Details of the change of company name were disclosed in the Company’s announcements dated 4 July 2018, 31 July 2018 and 31 August 2018 and circular dated 6 July 2018.

無條件強制性現金要約

於本年度，當本公司與Swift Well Limited（一間於英屬處女群島（「英屬處女群島」）註冊成立，由董事會主席兼非執行董事魏中華先生（「魏先生」）實益擁有95%權益及由魏先生的叔父魏春明先生以信託方式代魏先生實益擁有5%權益的公司，於本公司已發行股本中擁有約26.79%權益）（「賣方」）及Data King Limited（一間於英屬處女群島註冊成立的有限公司，由執行董事孫江濤先生（「孫先生」）全資擁有）（「買方」）訂立日期為2018年1月17日有關收購本公司101,760,000股普通股（相當於本公司全部已發行股本的約21.20%）（「股份購買事項」）的股份購買協議完成後，本公司的控股股東出現變動。

股份購買事項於2018年1月17日完成（「股份購買事項完成」）。緊隨股份購買事項完成後，買方及其一致行動人士（賣方、魏先生及唐斌先生除外）於本公司合共244,800,000股股份中擁有權益，佔本公司全部已發行股本約51%。

根據香港公司收購及合併守則規則26.1，買方須作出無條件強制性現金要約，以收購本公司所有已發行股份（買方及其一致行動人士已擁有或將予收購者除外）。有關進一步詳情，請參閱本公司日期分別為2018年1月17日、2018年1月18日、2018年2月7日、2018年3月3日、2018年3月26日、2018年4月4日、2018年4月9日及2018年4月30日的公告、本公司日期為2018年4月9日的通函，以及本公司與買方聯合刊發日期為2018年4月9日的綜合要約及回應文件。

更改公司名稱

於本公司2018年7月31日舉行的股東特別大會上，有關本公司之英文名稱由「China Binary Sale Technology Limited」更改為「China Binary New Fintech Group」及本公司之中文雙重外文名稱由「神州數字銷售技術有限公司」更改為「神州數字新金融科技集團」之特別決議案獲通過。兩項名稱變動均已於2018年8月3日生效。公司名稱變動詳情於本公司日期為2018年7月4日、2018年7月31日及2018年8月31日之公告及日期為2018年7月6日之通函內披露。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Use of Proceeds

As at 31 December 2018, the Group has not utilised any proceeds from the listing in December 2013.

Significant Events After Reporting Period

The Group did not have any material subsequent event after the Year and up to the date of the report.

所得款項用途

截至2018年12月31日，本集團尚未使用任何在2013年12月上市的募集資金。

報告期後重大事項

本集團於本年度後及截至本報告日期止並無任何期後重大事項。

Directors and Senior Management Profiles

董事及高級管理人員簡介

EXECUTIVE DIRECTORS

Mr. Sun Jiangtao, aged 41, is the chief executive officer and an executive director of the Company (the “Director”), and was appointed as an executive Director on 11 May 2011. He is also a member of each of the remuneration committee and the nomination committee of the Board (the “Nomination Committee” and the “Remuneration Committee”, respectively). Mr. Sun joined the Company and its subsidiaries (the “Group”) in October 2004. He is responsible for the overall management and business development of the Group. Mr. Sun graduated from the Beijing University of Aeronautics and Astronautics with a bachelor’s degree in Engineering. In 2012, Mr. Sun was acknowledged as “2012 Outstanding Young Entrepreneur in the Industry of China’s Electronic Information” by China Electronics Enterprises Association. In 2014, Mr. Sun was recognized as 2014 China’s Commercial Influential People (中國商業影響力人物) by the Third Session of China Finance Summit Organizing Committee (中國財經峰會組委會) and he has more than 15 years of experience in corporate management, financing, operation, product design and marketing. Mr. Sun is the sole director of Data King Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “SFO”).

Mr. Sun also serves as a director of Shenzhoufu (Beijing) Software Technology Co., Ltd., Beijing Youxiping and Beijing Tianjijilian Technology Co., Ltd., and the chairman of Beijing Wanlefu Technology Limited. All the above companies are the subsidiaries of the Company.

Mr. Tang Bin, aged 38, is an executive Director. Mr. Tang was appointed as an executive Director on 8 June 2012. He is also the compliance officer of the Company. Mr. Tang is responsible for overseeing the Group’s management of sales and marketing department and maintenance of the daily operation. Mr. Tang has accumulated over ten years of experience in the IT industry and online game business and is familiar with the operation flow of the Group. Mr. Tang graduated from the Beijing University of Aeronautics and Astronautics.

Mr. Tang also serves as an executive director of Beijing Shenzhoufu Network Technology Development Limited, a subsidiary of the Company.

NON-EXECUTIVE DIRECTORS

Mr. Wei Zhonghua, aged 41, is the chairman of the board of Directors and a non-executive Director. He joined the Group in October 2004 and was appointed as a non-executive Director on 11 May 2011. He is also a member of the audit committee of the Board (the “Audit Committee”). Mr. Wei is responsible for supervising administrative activities of the Group and giving suggestions to the formation of strategies. Mr. Wei graduated from the University of Science and Technology Beijing with a bachelor’s degree in Engineering. Mr. Wei has over 17 years of experience in the IT industry.

執行董事

孫江濤先生，41歲，本公司行政總裁兼執行董事（「董事」），於2011年5月11日獲委任為執行董事。孫先生亦為董事會薪酬委員會及提名委員會成員（分別為（「提名委員會」）及（「薪酬委員會」）。孫先生於2004年10月加入本公司及其附屬公司（「本集團」）。孫先生負責本集團的整體管理及業務發展工作。孫先生畢業於北京航空航天大學，持有工學學士學位。2012年，孫先生獲中國電子企業協會承認為「2012年中國電子信息優秀青年企業家」，2014年孫先生獲第三屆中國財經峰會組委會承認為2014年中國商業影響力人物。在公司管理、融資、營運、產品設計、產品推廣等方面擁有逾15年經驗。孫先生為本公司主要股東（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）Date King Limited之唯一董事。

孫先生同時還擔任神州付（北京）軟件技術有限公司、北京遊戲瓶及北京天機移聯有限公司的董事並擔任北京玩樂付科技有限公司董事長。所有上述公司均為本公司附屬公司。

唐斌先生，38歲，執行董事，於2012年6月8日獲委任為執行董事，彼也是本公司合規主任。唐先生負責監察本集團的銷售及市場部管理及維持日常運作。唐先生有逾10年信息技術行業及網上遊戲業務經驗，並熟悉本集團的運作流程。唐先生畢業於北京航空航天大學。

唐先生亦擔任本公司附屬公司北京神州付網絡科技發展有限公司的執行董事。

非執行董事

魏中華先生，41歲，董事會主席兼非執行董事，於2004年10月加入本集團並於2011年5月11日獲委任為非執行董事，魏先生也是董事會審核委員會成員（「審核委員會」）。魏先生負責監督本集團的行政活動及就制定策略做出建議。魏先生畢業於北京科技大學，持有工學學士學位，彼具有逾17年信息技術行業經驗。

Directors and Senior Management Profiles (Continued)

董事及高級管理人員簡介(續)

Mr. Wei is the sole director of Fantastic Voyage Holdings Limited, a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Li Jianguang, aged 54, was appointed as a non-executive Director on 9 April 2015, responsible for supervising the administrative activities of the Group and providing suggestions for policy making.

Mr. Li graduated from the department of economics of the Beijing University in 1987 and received a master's degree in Science from the Guelph University in Canada in 1994. He accumulated rich experience in investment from years of career experience. Mr. Li has served as a non-executive director of HC International, Inc. (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), stock code: 2280) since August 2006.

Mr. Lan Xi, aged 32, was appointed as a non-executive Director on 9 April 2015, responsible for supervising the administrative activities of the Group and providing suggestions for policy making. He has nine years of experience in investment bank and investment.

Mr. Lan graduated from the Beijing University in July 2008 with a bachelor's dual degree in electrical information science and technology and economics.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yang Haoran, aged 48, was appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of the Remuneration Committee on 9 April 2015. Mr. Yang has over 16 years of experience in internet industry. He graduated from the Anhui University of Science and Technology and received a bachelor's degree in Electrical Engineering in 1991 and a master's degree of computer from the University of Texas at Dallas in 1998.

Mr. Hou Dong, aged 47, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. He was appointed as an independent non-executive Director on 9 November 2013. Mr. Hou has more than 10 years of experience in management and capital investment. Mr. Hou currently is a venture partner of Tuspark Venture Capital Management (Beijing) Co., Ltd.

Mr. Hou obtained a master's degree in Engineering and a master's degree in Economics.

Mr. He Qinghua, aged 42, is an independent non-executive Director and the chairman of the Audit Committee. He was appointed as an independent non-executive Director on 9 November 2013. Mr. He worked for several famous international accounting firms with over 17 years of experience in accounting, internal control and risk management.

魏先生為本公司主要股東(定義見證券及期貨條例第XV部)Fantastic Voyage Holdings Limited之唯一董事。

李建光先生，54歲，於2015年4月9日獲委任為本集團非執行董事，負責監督本集團的行政活動及就制定策略做出建議。

李先生於1987年畢業於北京大學經濟系，並於1994年取得加拿大Guelph大學理學碩士學位，在金融業多年的從業經驗，積累了豐富的投資經驗。李先生自2006年8月開始擔任香港聯合交易所有限公司(「聯交所」)主板上市公司慧聰網有限公司(股票代碼：2280)非執行董事。

蘭希先生，32歲，於2015年4月9日獲委任為本集團非執行董事，負責監督本集團的行政活動及就制定策略做出建議。蘭先生具有九年投資銀行及投資經驗。

蘭先生於2008年7月畢業於北京大學，持有電子資訊科學與技術和經濟學雙學士學位。

獨立非執行董事

楊浩然先生，48歲，於2015年4月9日獲委任為本集團獨立非執行董事，提名委員會主席和薪酬委員會成員。楊先生具有逾16年的互聯網行業經驗。楊先生於1991年在安徽理工大學畢業，獲得電氣工程專業學士學位，並於1998年獲得德克薩斯州立大學達拉斯分校頒發的電腦碩士學位。

侯東先生，47歲，現為獨立非執行董事、薪酬委員會主席、審核委員會成員及提名委員會成員。於2013年11月9日獲委任為獨立非執行董事。侯先生具有超過10年管理及資本投資經驗，現為啟迪創業投資管理(北京)有限公司投資合伙人。

侯先生持有工學碩士學位及經濟學碩士學位。

何慶華先生，42歲，現為獨立非執行董事及審核委員會主席，於2013年11月9日獲委任為獨立非執行董事。何先生曾任職多家國際知名會計師事務所，在會計、內部控制及風險管理方面擁有逾17年經驗。

Directors and Senior Management Profiles (Continued) 董事及高級管理人員簡介(續)

Mr. He graduated from the University of International Business and Economics in the People's Republic of China (the "PRC") with a bachelor's degree in International Corporate Management in July 2000. He is a Certified Public Accountant accredited by the Ministry of Finance of the PRC.

何先生於2000年7月於中華人民共和國(「中國」)對外經濟貿易大學畢業，持有國際企業管理學士學位，為中國財政部認可的註冊會計師。

SENIOR MANAGEMENT

Mr. Tang Bin, aged 38, is the compliance officer of the Group. For details of his qualifications and experience, please refer to "Directors and Senior Management Profiles – Executive Directors".

高級管理人員

唐斌先生，38歲，本集團合規主任。有關其資格及經驗的詳情，請參閱「董事及高級管理人員簡介—執行董事」。

Report of the Directors

董事會報告

The directors of China Binary New Fintech Group (the “Company” and the “Directors”, respectively) have pleasure in presenting their annual report with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2018 (the “Year”).

GENERAL INFORMATION

The Company’s registered office and principal place of business are located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and Room 1506, 15/F., Jinhui Building, Qiyang Road, Wangjing, Chaoyang District, Beijing, the People’s Republic of China (the “PRC”), respectively.

The Company is an investment holding company. Its subsidiaries are principally engaged in providing (i) online transaction services by facilitating transactions between online game operators and online game users and mobile top-up services to mobile subscribers; (ii) micro financing facilitating services to individual borrowers and lenders; and (iii) software technology services and sales of smart hardware products.

CORPORATE REORGANISATION AND PLACING

Pursuant to a group reorganisation (the “Reorganisation”) to rationalize the structure of the Group in preparation for the listing of the Company’s ordinary shares of US\$0.001 each (the “Shares”) on GEM, the Company became the holding company of the Group. Details of the Reorganisation are as set out in “History and Development” of the prospectus issued by the Company dated 27 November 2013 (the “Prospectus”).

Following the placing of 120,000,000 Shares at a price of HK\$0.60 per Share (the “Placing”), the Company was initially listed on the GEM on 4 December 2013 (the “Listing Date”).

神州數字新金融科技集團(「本公司」)之董事(「董事」)欣然呈報本公司及其附屬公司(統稱「本集團」)截至2018年12月31日止年度(「本年度」)之年度報告及經審核綜合財務報表。

一般資料

本公司的註冊辦事處及主要營業地點分別位於P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands及中華人民共和國(「中國」)北京朝陽區望京啟陽路金輝大廈15樓1506室。

本公司為一間投資控股公司。其附屬公司主要業務為(i)透過促進網上遊戲運營商與網上遊戲用戶之間的交易來提供網上交易服務以及向手機用戶提供手機話費充值服務；(ii)為個人借方及貸方提供小額融資中介服務；及(iii)提供軟件技術服務和智能硬件產品銷售。

企業重組及配售

根據本集團為籌備本公司每股面值0.001美元普通股(「股份」)於GEM上市而優化本集團架構所進行之集團重組(「重組」)，本公司成為本集團的控股公司。有關重組詳情載列於本公司日期為2013年11月27日的招股章程(「招股章程」)「歷史及發展」章節。

繼按每股0.60港元的價格配售120,000,000股股份(「配售事項」)後，本公司於2013年12月4日(「上市日期」)首次於GEM上市。

Report of the Directors (Continued)

董事會報告(續)

STRUCTURED CONTRACT

The Group is principally engaged in, through Beijing Tianjiyilian Technology Co., Ltd. (“Beijing TJYL”) and its subsidiaries, provision of online transaction services. Pursuant to applicable PRC laws and regulations, foreign investors, unless fulfilling the qualification requirements, are prohibited from holding equity interest in an entity which conducts value-added telecommunications services. Accordingly, the Group cannot acquire equity interest in Beijing TJYL, which conducts our principal business and holds the assets and certain licenses, approvals and permits required for the operation of our principal business.

As a result of the foregoing, Beijing TJYL (and its shareholders, as the case may be) entered into certain contracts (the “Structured Contracts”) with Mr. Sun Jiangtao, Mr. Wei Chunming and Mr. Wei Zhonghua (who are the registered shareholders of Beijing TJYL and collectively the “Registered Owners”) and Shenzhoufu (Beijing) Software Technology Co., Ltd. (“Shenzhoufu Software”), a wholly-owned subsidiary of the Company on 22 June 2011, (which were subsequently amended on 30 June 2012).

The Structured Contracts comprise an Exclusive Optional Share Purchase Agreement, Shareholder Voting Right Entrustment Agreement, Share Pledge Agreement, Exclusive Intellectual Property Purchase Agreement and Exclusive Consulting and Services Agreement (as defined in the Prospectus), with Shenzhoufu Software, pursuant to which Shenzhoufu Software has full financial and operational control of Beijing TJYL. The series of Structured Contracts as a whole allow the financial performance and economic benefits of the business of Beijing TJYL to be included in the financial information of the Company as if the Company is the parent company of Beijing TJYL. Pursuant to the Structured Contracts, Beijing TJYL has an obligation to pay the consulting and technical supporting services fees to Shenzhoufu Software and Shenzhoufu Software has legal rights to retain such fees as its revenue, and the Company is able to acquire the entire profit (including the retained earnings) of Beijing TJYL under the terms of the Structured Contracts.

結構性合約

本集團主要透過北京天機移聯科技有限公司(「北京天機移聯」)及其附屬公司提供網上交易服務。根據適用的中國法律及法規，除非符合資質規定，外國投資者不得持有從事增值電信服務實體的股權。因此，本集團不能收購北京天機移聯的股權，而該公司從事我們的主營業務，並且持有運營本公司主營業務所需的資產及若干牌照、批准及許可。

由於前述原因，北京天機移聯(及其股東，視乎情況而定)與孫江濤先生、魏春明先生及魏中華先生(為北京天機移聯的登記股東，統稱「登記擁有人」)及神州付(北京)軟件技術有限公司(「神州付軟件」，本公司的全資附屬公司)於2011年6月22日訂立若干合約(「結構性合約」，其後於2012年6月30日修訂)。

與神州付軟件訂立之結構性合約包括獨家選擇性購股協議、股東表決權委託協議、股權質押協議、獨家知識產權購買協議以及獨家諮詢及服務協議(定義見招股章程)。據此，神州付軟件對北京天機移聯擁有全面財務及營運控制權。該系列結構性合約整體上使北京天機移聯業務的財務表現及經濟利益計入本公司的財務資料，猶如本公司為北京天機移聯的母公司。根據結構性合約，北京天機移聯有責任向神州付軟件支付諮詢及技術支援服務費，而神州付軟件則擁有合法權利將該等費用保留作為其收益，且本公司能夠根據結構性合約的條款獲得北京天機移聯的全部溢利(包括保留盈利)。

Report of the Directors (Continued)

董事會報告(續)

In addition, the Registered Owners granted the individual appointed by Shenzhoufu Software, to exercise their shareholders' rights, including without limitation, to declare, receive or decline the dividends or distribution. In the event that the Registered Owners receive any dividends or distribution of assets declared by Beijing TJYL, the Registered Owners are required to return the dividend or distribution of assets so received to Shenzhoufu Software within three days. Therefore, Shenzhoufu Software controls the management and board of directors of Beijing TJYL and is able to acquire the entire profit generated from Beijing TJYL under the Structured Contracts. Details of the Structured Contracts are set out in the section headed "Structured Contracts" on pages 123 to 140 of the Prospectus.

Apart from the above, save as the investment in Beijing Zhangzhong Technology Limited, there are no new arrangements pursuant to or under the Structured Contracts (the "Contractual Arrangements") entered into, renewed or reproduced between the Group and the PRC operational entity during the Year. There was no material change in the Contractual Arrangements and/or the circumstances during the Year. During the Year, none of the Structured Contracts mentioned above has been unwound as none of the restrictions that led to the adoption of structured contracts under the Contractual Arrangements has been removed.

Set out below are certain key consolidated financial information of Beijing Tianjijilian Technology Co., Ltd. and its subsidiaries as prepared in accordance with the PRC accounting standards during the two financial years ended 31 December 2018 and 2017, respectively:

此外，登記擁有人已授權神州付軟件所委託人士行使彼等的股東權利，包括但不限於宣派、收取或拒絕股息或分派。倘登記擁有人收取由北京天機移聯所宣派的任何股息或資產分派，則登記擁有人須於三日內向神州付軟件退回如此收取的股息或資產分派。因此，神州付軟件控制北京天機移聯的管理層及董事會，並能夠根據結構性合約獲取北京天機移聯所產生的全部溢利。結構性合約的詳情載列於招股章程第123至140頁「結構性合約」一節。

除上文所述者及於北京掌眾科技有限公司之投資外，年內，本集團與中國營運實體概無根據結構性合約或在結構性合約項下訂立、重續或複製任何新安排（「合約安排」）。年內，合約安排及／或有關情況並無重大變動。年內，由於致使採納合約安排項下結構性合約之限制概無被移除，故概無解除上述結構性合約。

以下載列北京天機移科技有限公司聯及其附屬公司分別於截至2018年及2017年12月31日止兩個財政年度根據中國會計準則編製之若干主要綜合財務資料：

		Year ended 31 December	
		截至12月31日止年度	
		2017	2018
		(RMB'000)	(RMB'000)
		(人民幣千元)	(人民幣千元)
Revenue	收入	26,413	26,768
Total assets	總資產	233,264	224,390

Report of the Directors (Continued)

董事會報告(續)

RISKS ASSOCIATED WITH THE CONTRACTUAL ARRANGEMENTS AND THE ACTIONS TAKEN BY THE COMPANY TO MITIGATE THE RISKS

有關合約安排之風險及本公司為緩解風險而採取之行動

Risk associated with the Contractual Arrangements 有關合約安排之風險

Mitigation actions taken by the Company 本公司採取之緩解行動

The PRC government may determine that the Contractual Arrangements are not in compliance with any existing or future applicable PRC laws or regulations

中國政府可能裁定合約安排並不符合任何現行或未來的適用中國法律或法規

Certain terms of the Contractual Arrangements may not be enforceable under the PRC laws

合約安排的若干條款未必可根據中國法律強制執行

The Directors have been closely monitoring the latest development of the existing or future applicable PRC laws or regulations (such as Draft Foreign Investment Law), and will take measures to ensure that the Company, including Shenzhoufu Software and Beijing TJYL, are under the control of PRC investors so as to comply with relevant rules and regulations in the PRC.

董事已密切監視現行或未來的適用中國法律或法規(如外國投資法草案)之最新發展，並將採取措施以確保本公司(包括神州付軟件及北京天機移聯)均受中國投資者控制，藉以遵守中國相關規則及法規。

According to the amended and restated powers of attorney, the amended and restated share pledge agreements and the amended and restated exclusive business cooperation agreements, the arbitration tribunal may decide compensation for the equity interests or property ownership of Chinese business entities or their shareholders, decide enforceable remedy or demand a bankruptcy on Chinese business entities or their shareholders for relevant business or enforceable asset transfer. Any party is entitled to request the competent court to execute the arbitration award when it comes into effect.

根據經修訂及重述的授權委託書、經修訂及重述的股權質押協議及經修訂和重述的獨家業務合作協議的規定，仲裁庭可以就中國商業實體或其股東的股權權益或物業所有權裁定賠償，就有關業務或強制性的資產轉讓裁定強制救濟或命令中國商業實體或其股東破產。仲裁裁決生效後，任何一方均有權向具有管轄權的法院申請執行仲裁裁決。

Report of the Directors (Continued)

董事會報告(續)

Risk associated with the Contractual Arrangements 有關合約安排之風險

The Group depends upon the Structured Contracts to conduct its operations in the PRC and receive payments from Beijing TJYL and its subsidiaries, which may not be as effective in providing operational control as direct ownership

本集團依賴結構性合約以於中國進行其營運及自北京天機移聯及其附屬公司收取付款，而此舉在提供營運控制權方面未必如直接擁有權般有效

The Structured Contracts may be subject to scrutiny by the PRC tax authorities and a finding that the Group owes additional taxes could substantially reduce the Group's profitability

結構性合約可能遭受中國稅局審查，而倘結果顯示本集團需繳納額外稅款，則或會大幅降低本集團的盈利能力

Mitigation actions taken by the Company 本公司採取之緩解行動

The Contractual Arrangements shall continue to enable the Group to receive the economic benefits derived by Beijing TJYL and its subsidiaries through: (i) the Group's potential right (if and when so allowed under the applicable PRC laws) to acquire the equity interests in Beijing TJYL; (ii) the business structure under which the revenue generated by Beijing TJYL and its subsidiaries is substantially retained by Shenzhoufu Software; and (iii) Shenzhoufu Software's right to control the management and operation of, as well as, in substance, all of the voting rights of Beijing TJYL. The Directors are also of the view that the current dispute resolution measures under the Contractual Arrangements are sufficient to preserve the rights of the Group under the current PRC laws. 合約安排將繼續透過以下方式使本集團能收取源自北京天機移聯及其附屬公司的經濟利益：(i)本集團收購北京天機移聯股權之潛在權利(倘及當適用中國法律容許)；(ii)神州付軟件藉以保留北京天機移聯及其附屬公司產生之大部分收益之經營架構；及(iii)神州付軟件控制北京天機移聯管理層、營運以及實質上所有投票權的權利。董事亦認為，合約安排項下的現有解決糾紛措施足以維護本集團於現行中國法律項下之權利。

Having considered (i) the tax compliance certificates issued by the relevant tax authorities; (ii) that the Group has not encountered any interference or encumbrances from any PRC tax authority or other government authorities to the Contractual Arrangements; and (iii) that neither Beijing TJYL nor Shenzhoufu Software was entitled to any tax benefit and no favorable impact on the Group's tax liabilities was created when the Contractual Arrangements were first entered into in 2008, the Directors are of the view that the Contractual Arrangements are not likely to be challenged by the PRC tax authority and other government authorities.

經考慮(i)相關稅局發出之納稅合規證明；(ii)本集團未有被任何中國稅局或其他政府機關對合約安排作出任何干預或施加任何產權負擔；及(iii)於2008年首次訂立合約安排時，北京天機移聯及神州付軟件一概並無權利享有任何稅務利益，亦無對本集團的稅項負債產生利好影響，董事認為，合約安排不大可能被中國稅局及其他政府機關質疑。

Report of the Directors (Continued)

董事會報告(續)

Risk associated with the Contractual Arrangements 有關合約安排之風險

The Group relies on the licences held by Beijing TJYL and its subsidiaries and the interruption of the Group's relationship with Beijing TJYL could adversely affect the Group's business

本集團依賴北京天機移聯及其附屬公司持有牌照，而中斷本集團與北京天機移聯之關係或會對本集團的業務造成不利影響

There may be potential conflicts of interest between the Group and the shareholders of Beijing TJYL

本集團與北京天機移聯股東之間可能存在潛在利益衝突

Mitigation actions taken by the Company 本公司採取之緩解行動

To ensure sound and effective operation of the Group after the adoption of the Contractual Arrangements, the relevant business units and operation divisions of the Group have been reporting regularly, which have been/will be no less frequent than on a monthly basis, to the senior management of the Company on the compliance and performance conditions under the Contractual Arrangements and other related matters.

為確保本集團於採納合約安排後可穩健有效地營運，本集團的相關業務單位及營運分支已／將定期(頻率將不少於每月一次)向本公司高級管理層匯報合約安排項下之合規及履行情況，以及其他相關事宜。

The Company has adopted the following measures to manage the conflict of interests arising from the competing business and to safeguard the interests of the Shareholders:

本公司已採納以下措施以管理產生自競爭性業務之利益衝突及保障股東利益：

- (a) the independent non-executive Directors have reviewed/will review, on an annual basis, the compliance with the undertaking given by Mr. Wei Zhonghua, Mr. Sun Jiangtao, Swift Well Limited and Data King Limited (the "Controlling Shareholders") under the deed of non-competition (the "Deed of Non-competition") entered into between the Company and the Controlling Shareholders on 9 November 2013 regarding certain non-competition undertakings (the "Non-competition Undertakings") given by each of the Controlling Shareholders in favour of the Company (for itself and as trustee for its subsidiaries); and
- (a) 獨立非執行董事已／將按年審閱魏中華先生、孫江濤先生、Swift Well Limited及Data King Limited(「控股股東」)遵守根據本公司與控股股東於2013年11月9日就各控股股東以本公司(為其本身及作為其附屬公司的受託人)為受益人給予之若干不競爭承諾(「不競爭承諾」)所訂立的不競爭契據(「不競爭契據」)所給予的承諾的情況；及
- (b) the Controlling Shareholders have undertaken to provide all information requested by the Company which is necessary for the annual review by the independent non-executive Directors and the enforcement of the Deed of Non-competition;
- (b) 控股股東已承諾提供所有本公司要求且對獨立非執行董事進行年度審閱及執行不競爭契據而言屬必要的資料；

For details of the risks associated with the Contractual Arrangements, please refer to the section headed "Risk factors — Risks relating to the Structured Contracts" in the Prospectus.

有關合約安排之風險詳情，請參閱招股章程「風險因素—與結構性合約有關的風險」一節。

Report of the Directors (Continued)

董事會報告(續)

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in Note 17 to the consolidated financial statements. Except for the new business activity, being the software technology services and sales of smart hardware products, there was no significant change in their activities during the Year.

SEGMENT REPORTING

The chief operating decision-maker of the Group has been identified as the executive Directors. During the Year, the Group established, among others, new business segment, resulting in a change in composition of reportable operating segments. The segments are managed separately as each business offers different services and requires different business strategies. The Group's service lines identified as reportable operating segments are as follow:

- (i) Online transaction services (including provision of information technology services and advertising services);
- (ii) Micro financing facilitating services (including provision of financing guarantee service);
- (iii) Software technology services (being design and development of tailor-made cryptocurrencies trading platform systems) and sale of smart hardware products (new segment during the current year).

The executive Directors regularly review revenue and operating results derived from the two operating segments.

No geographical information is presented as all the Group's operations are located in the PRC.

INFORMATION ABOUT MAJOR CLIENTS

There was no single customer which contributed to 10% or more revenue to the Group's revenue for the Year.

RESULTS AND DIVIDEND

The results of the Group for the Year and the state of affairs of the Group and the Company at 31 December 2018 are set out in the consolidated financial statements on pages 77 to 200.

The board of Directors (the "Board") has resolved not to recommend the payment of a final dividend in respect of the Year (2017: nil).

主要業務

本公司之主要業務為投資控股，其主要附屬公司之業務載於綜合財務報表附註17。除新業務活動(即軟件技術服務及智能硬件產品銷售)外，其業務於本年度並無重大變動。

分部報告

本集團主要經營決策人已獲確定為執行董事。於本年度，本集團設立(其中包括)新業務分部，致使可呈報經營分部組成變動。由於各業務提供不同服務及要求不同業務策略，各分部管理獨立。本集團確定為可呈報經營分部的服務項目如下：

- (i) 網上交易服務(包括提供信息技術服務及廣告及推廣服務)；
- (ii) 小額融資中介服務(包括提供融資擔保服務)；
- (iii) 軟件技術服務(即訂製加密貨幣交易平台系統設計及開發)和智能硬件產品銷售(本年度的新分部)。

執行董事定期審閱兩個經營分部所產生的收入及經營業績。

本集團的所有業務於中國經營，故概無呈列地區資料。

有關主要客戶的資料

於本年度，概無單一客戶佔本集團10%或以上收入。

業績及股息

本集團於本年度之業績及本集團及本公司於2018年12月31日之業務狀況載於第77至200頁之綜合財務報表。

董事會(「董事會」)決議不建議派發本年度之末期股息(2017年：無)。

Report of the Directors (Continued)

董事會報告(續)

In order to enhance transparency of the Company and facilitate the shareholders of the Company (the “Shareholders”) and investors to make informed investment decisions relating to the Company, the Board adopted a dividend policy of the Company (“Dividend Policy”).

According to the Dividend Policy, when determining whether to declare any dividend in the future and the amount of dividend to be declared, the Company shall consider a number of factors, including but not limited to:

- the Group’s future operations and earnings;
- capital requirements and surplus;
- general financial condition; and
- other factors which the Directors deem relevant.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The declaration, payment and amount of dividends will be subject to the Board’s discretion. The Board will review the Dividend Policy on a regular basis.

USE OF PROCEEDS FROM THE COMPANY’S PLACING

The net proceeds received by the Company from the Placing, after deducting the underwriting fees and other relevant fees and expenses, amounted to approximately HK\$48.301 million. For details of the use of proceeds, please refer to the section headed “Management Discussion and Analysis” in this annual report.

FINANCIAL SUMMARY

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

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group for the Year are set out in Note 15 to the consolidated financial statements.

INTEREST CAPITALIZATION

The Group had no interest capitalization for the Year (2017: Nil).

為提高本公司透明度及方便本公司股東(「股東」)及投資者對本公司作出知情的投資決定，董事會已採納一項本公司股息政策(「股息政策」)。

根據股息政策，當日後釐定應否宣派任何股息及所宣派的股息金額時，本公司應考慮多種因素，包括但不限於：

- 本公司未來的運作及盈利；
- 資本需要及盈餘；
- 整體財務狀況；及
- 董事認為有關的其他因素。

本公司並無任何預先釐定的股息分派比例或分派比率。股息的宣派、派付及金額將由董事會酌情決定。董事會將定期檢討股息政策。

本公司配售所得款項用途

本公司自配售收取的所得款項淨額，經扣減包銷費用及其他有關費用及開支後，約為48.301百萬港元。有關所得款項用途的詳情，請參閱本年報「管理層討論與分析」章節。

財務概要

本集團截至上五個財政年度的業績概要以及資產及負債載列於本年報第5頁。

物業、廠房及設備

本集團於本年度物業、廠房及設備變動之詳情載於綜合財務報表附註15。

利息資本化

本集團於本年度並無任何利息資本化(2017年：無)。

Report of the Directors (Continued)

董事會報告(續)

BANK BORROWINGS

As at 31 December 2018, the Group had bank borrowings of RMB91,500,000 (2017: RMB61,000,000) secured by pledged bank deposits of USD15,200,000 (equivalent to RMB104,715,000).

SHARE CAPITAL

Details of the movements in the Company's share capital during the Year are set out in Note 33 to the consolidated financial statements.

RESERVES

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

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's distributable reserve was approximately RMB141,013,000 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (2017: RMB214,491,000).

TAX RELIEF

The Company is not aware of any relief on taxation available to the shareholders of the Company (the "Shareholders") by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of or dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2018, there are no single customers accounted for 10% or more of the Group's revenue (2017: nil). Revenue from the Group's five largest customers did not account for 30% or more of the Group's total revenue (2017: did not account for 30% or more of the Group's total revenue).

銀行借款

於2018年12月31日，本集團有以抵押銀行存款15,200,000美元(相當於人民幣104,715,000元)作為擔保的銀行借款人民幣91,500,000元(2017年：人民幣61,000,000元)。

股本

本公司股本於本年度變動之詳情載於綜合財務報表附註33。

儲備

本集團及本公司儲備於本年度變動之詳情分別載於綜合權益變動表和綜合財務報表附註34。

可供分配儲備

於2018年12月31日，本公司按照開曼群島法例第22章公司法(1961年第3號法例，經綜合及修訂)持有的可供分配儲備約為人民幣141,013,000元(2017年：人民幣214,491,000元)。

稅項寬減

本公司並不知悉股東(「股東」)因持有股份而可獲得任何稅項寬減。倘股東不確定購買、持有、出售或處置股份或行使股份相關權利方面的稅務影響，彼等應諮詢專業顧問。

主要供應商及客戶

截至2018年12月31日止年度內，並無單一客戶佔本集團收入10%或以上(2017年：無)。來自本集團前五大客戶的收入並無佔本集團總收入30%或以上(2017年：並無佔本集團總收入30%或以上)。

Report of the Directors (Continued)

董事會報告(續)

During the year ended 31 December 2018, there are no single suppliers accounted for 10% or more of the Group's cost of sales (2017: nil). Cost of sales derived from the Group's five largest suppliers did not account for 30% or more of the Group's total cost of sales (2017: did not account for 30% or more of the Group's total cost of sales).

During the year ended 31 December 2018, none of the Directors, their close associates, nor any of the Shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the five largest customers and suppliers of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell such securities during the Year.

Neither the Company nor any of its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercised any rights in relation to convertible securities, options, warrants or similar rights during the Year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company (the "Articles of Association"), or laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed or may contribute to the success of the Group's operations. The Share Option Scheme was adopted by the Company on 9 November 2013, the principal terms of which are set out below:

The Board may at its discretion grant right(s) to subscribe for the Share(s) pursuant to the terms of the Share Option Scheme (the "Option") to any of the following persons (the "Eligible Participants"):

- (a) any director, employee or officer of any company in the Group who is employed by any company in the Group (whether full time or part time) (the "Employee"), consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the "Affiliate"); or

截至2018年12月31日止年度內，並無單一供應商佔本集團銷售成本10%或以上(2017年：無)。來自本集團前五大客戶的銷成成本並無佔本集團總銷售成本30%或以上(2017年：並無佔本集團總銷售成本30%或以上)。

截至2018年12月31日止年度內，概無本公司董事、彼等的緊密聯繫人或任何本公司股東(就董事所知擁有本公司已發行股本5%以上者)於本集團前五大客戶及供應商中擁有任何權益。

認購、出售或贖回本公司之上市證券

於本年度，本公司概無贖回其任何上市證券，且本公司或其附屬公司概無認購或出售有關證券。

本公司及其任何附屬公司於本年度內概無發行或授出任何可轉換證券、期權、認股權證或相似權利，亦無行使任何可轉換證券、期權、認股權證相關之權利或相似權利。

優先購股權

本公司之組織章程細則(「組織章程細則」)或開曼群島法例並無有關優先購股權之條文規定本公司須向現有股東按比例提呈發售新股份。

購股權計劃

本公司設有購股權計劃(「購股權計劃」)，以獎勵及酬謝對或會對本集團取得今日成就有貢獻之合資格參與者。本公司於2013年11月9日採納購股權計劃，其主要條款載列如下：

董事會可酌情決定根據購股權計劃的條款向下列任何人士(「合資格參與者」)授出可認購股份的權利(「購股權」)：

- (a) 由本集團任何公司聘用的本集團任何公司的任何董事、僱員或高級人員(不論全職或兼職)(「僱員」)、本集團或本集團持有權益的公司或有關公司的附屬公司(「聯屬公司」)的諮詢人、專業人員、客戶、供應商、代理、合作夥伴或顧問或承包商；或

Report of the Directors (Continued)

董事會報告(續)

SHARE OPTION SCHEME (Continued)

- (b) the trustee of any trust, the beneficiary of which or any discretionary trust, the discretionary objects of which include any Director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or
- (c) a company beneficially owned by any Director, Employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

Maximum Number of Shares

- (a) Subject to paragraphs (b) to (d) below, the maximum number of Shares which may be issued upon exercise of all Options granted under the Share Option Scheme and any other schemes must not, in aggregate, exceed 48,000,000 Shares, being 10% of the Shares in issue as at the Listing Date (the "Scheme Mandate Limit") unless approved by the Shareholders pursuant to paragraph (c) below. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) Subject to paragraphs (c) and (d) below, the Scheme Mandate Limit may be renewed by the Shareholders in general meeting from time to time provided always that the Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue as at the date of approval of such renewal by Shareholders in general meeting. Upon such renewal, all Options granted under the Share Option Scheme and any other share option schemes of the Company (including those exercised, outstanding, cancelled and lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) prior to the approval of such renewal shall not be counted for the purpose of calculating the Scheme Mandate Limit as renewed.
- (c) Subject to paragraph (d) below, the Board may seek separate Shareholders' approval in general meeting to grant Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought.

購股權計劃(續)

- (b) 任何信託或任何全權信託的受託人，而該信託的受益人或該全權信託的全權信託對象包括本集團或聯屬公司的任何董事、僱員、諮詢人、專業人員、客戶、供應商、代理、合作夥伴或顧問或承包商；或
- (c) 由本集團或聯屬公司的任何董事、僱員、諮詢人、專業人員、客戶、供應商、代理、合作夥伴、顧問或承包商實益擁有的公司。

股份數目上限

- (a) 在下文第(b)至(d)段的規限下，因根據購股權計劃及任何其他計劃已授出的全部購股權獲行使而可能發行的股份數目上限，合共不得超過48,000,000股股份，即於上市日期的已發行股份10%（「計劃授權限額」），惟已根據下文(c)段獲本公司股東批准除外。根據購股權計劃的條款失效的購股權，於釐定計劃授權限額時將不計算在內。
- (b) 在下文第(c)及(d)段的規限下，計劃授權限額可不時由股東於股東大會上更新，惟更新後的計劃授權限額，不得超過於股東大會股東批准該項更新當日的已發行股份10%。經該項更新後，於該項更新獲批准前根據購股權計劃及本公司任何其他購股權計劃授出的所有購股權（包括根據購股權計劃或本公司任何其他購股權計劃已行使、未行使、已註銷及已失效的購股權），就釐定更新後的計劃授權限額時不計算在內。
- (c) 在下文第(d)段的規限下，董事會可於股東大會上另行尋求股東批准，以授出超過計劃授權限額的購股權，惟超出計劃授權限額的購股權，只可授予尋求該項批准前本公司已特定識別的合資格參與者。

Report of the Directors (Continued)

董事會報告(續)

(d) The maximum number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes involving the issue or grant of Options or similar rights over Shares or other securities by the Company must not, in aggregate, exceed 30% of the Shares in issue from time to time. Notwithstanding anything contrary to the terms of the Share Option Scheme, no Options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in the said 30% limit being exceeded.

Maximum Entitlement of Each Eligible Participant

The total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue. Any grant of further Options above this limit shall be subject to the following requirements:

- (a) approval of the Shareholders at general meeting, with such Eligible Participant and its associates abstaining from voting;
- (b) a circular in relation to the proposal for such further grant having been sent by the Company to its Shareholders with such information from time to time as required by the GEM Listing Rules;
- (c) the number and terms of the Options to be granted to such proposed grantee shall be fixed before the Shareholders' approval mentioned in paragraph (a) above; and
- (d) for the purpose of calculating the minimum exercise price for the Shares in respect of the further Options proposed to be so granted, the date of Board meeting for proposing such grant of further Options shall be taken as the date of offer of such Options.

Where any grant of Options to a substantial shareholder (as defined in the GEM Listing Rules) of the Company or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5.0 million, such further grant of the Options shall be subject to prior approval of the Shareholders with such person and his associates abstaining from voting in favour at the general meeting.

(d) 因根據購股權計劃及任何涉及本公司發行或授出購股權或涉及股份或其他證券的類似權利的其他購股權計劃已授出及有待行使的所有未行使購股權獲行使而可能發行的股份數目上限，合共不得超過不時已發行股份的30%。即使與購股權計劃的條款意義相悖，但若根據購股權計劃或本公司任何其他購股權計劃授出購股權將超出上述的30%限額，則不得授出有關購股權。

各合資格參與者的權益上限

各合資格參與者因行使所獲授購股權(包括於任何12個月期間內已行使及未行使購股權)已獲發行及將獲發行的股份總數，不得超過本公司已發行股份的1%。進一步授出超過此限額的任何購股權時，須遵從下列規定：

- (a) 於股東大會取得本公司股東批准，惟有關合資格參與者及其聯繫人須放棄表決；
- (b) 本公司已向其股東寄發一份有關建議授出額外購股權的通函，當中載有GEM上市規則不時規定的資料；
- (c) 將授予有關建議承授人的購股權數目及條款，須於取得上文第(a)段所述的股東批准前釐定；及
- (d) 就釐定建議就此授出的額外購股權以認購股份的最低行使價而言，董事會舉行會議建議授出有關額外購股權之日，須被當作該等購股權的授出日期。

倘向本公司主要股東(定義見GEM上市規則)或獨立非執行董事或任何彼等各自之聯繫人授出任何購股權，會導致截至授出日期(包括當日)止12個月期間內向該名人士已授出及將授出的購股權(包括已行使、已註銷及尚未行使購股權)獲悉數行使時已發行及將發行予該名人士的股份：(i)合計超過授予日期已發行股份的0.1%；及(ii)基於授予日期聯交所刊發的每日報價表中股份的收市價，合計價值超過5.0百萬港元，上述授出購股權須待股東事先批准(而該人士及其聯繫人放棄於股東大會上投贊成票)後方可作實。

Report of the Directors (Continued)

董事會報告(續)

Any grant of Options to any Director, chief executive or substantial shareholder (as defined in the GEM Listing Rules) of the Company, or any of their respective associates under the Share Option Scheme is subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who or whose associate is the grantee of an Option).

Time of Exercise of Option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine, which shall not exceed 10 years from the date the Option is deemed to have been granted subject to the provisions of early termination thereof.

Basis of Determining the Exercise Price

The exercise price for any Share under the Share Option Scheme shall be a price determined by the Board and notified to the relevant Eligible Participants and shall not be less than the highest of:

- (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant Option, which must be a day on which the Stock Exchange is open for the business of dealing in securities (the "Business Day");
- (b) an amount equivalent to the average of the closing prices of a Share as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days immediately preceding the date of grant of the relevant Option; and
- (c) the nominal value of a Share on the date of grant.

Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the Listing Date.

No Options were granted since the Listing Date. Therefore, no Options were exercised or cancelled or lapsed during the Year and there were no outstanding Options under the Share Option Scheme as at 31 December 2018.

根據購股權計劃授予本公司任何董事、主要行政人員或主要股東(定義見GEM上市規則), 或任何彼等各自之聯繫人的任何購股權, 須待獨立非執行董事(不包括為購股權承授人的獨立非執行董事或其聯繫人)事先批准後, 方可作實。

行使購股權的時間

購股權可於董事會可能釐定的期間內隨時根據購股權計劃的條款行使, 行使期由購股權被視為已授出當日起計不超過10年, 惟須受其提早終止條款所限。

行使價釐定基準

根據購股權計劃認購任何股份的行使價, 須為董事會釐定並已知會有關合資格參與者的價格, 不得低於以下各項的最高者:

- (a) 有關購股權授出日期(必須為聯交所開市進行證券買賣的日子(「營業日」))聯交所日報表所報的股份收市價;
- (b) 等同緊接有關購股權授出日期前5個營業日聯交所日報表所報股份平均收市價的金額; 及
- (c) 授出日期的股份面值。

購股權計劃期限

購股權計劃將自上市日期起有十年的有效期限。

自上市日期起, 本公司概無授出購股權。因此本年度概無購股權注銷或失效, 且於2018年12月31日, 該購股權計劃項下概無尚未行使之購股權。

Report of the Directors (Continued)

董事會報告(續)

EMOLUMENT POLICY

The Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses by reference to salaries paid by comparable companies, their time commitment and the performance of the Group. The Group also reimburses them for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages of the Directors and senior management by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

The remuneration committee of the Board (the “Remuneration Committee”) reviews the remuneration and compensation packages of the Directors and senior management by reference to their responsibilities, work load, the time devoted to the Group, and performance of the Group. The Directors and senior management may also receive Options to be granted under the Share Option Scheme.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in Notes 10 and 11 to the consolidated financial statements, respectively.

DIRECTORS OF THE BOARD

The Directors during the Year and up to the date of this report are named as follows:

Executive Directors

Sun Jiangtao (*Chief Executive Officer*)^{R/N}

Tang Bin

Non-executive Directors

Wei Zhonghua (*Chairman*)^A

Li Jianguang

Lan Xi

薪酬政策

董事及高級管理人員獲發放薪金、實物利益及酌情花紅形式的報酬，而金額依據可比公司所支付的薪金、投入的時間及本集團的業績而定。本集團亦向他們償付提供服務予本集團或履行其與本集團業務相關職責時必需及合理產生的開支。本集團參照(其中包括)可比公司支付的薪金水平、董事的相關職責及本集團的表現，定期檢討及釐定董事及高級管理人員的薪酬及報酬待遇。

董事會轄下薪酬委員會(「薪酬委員會」)參照董事及高級管理人員的職責、工作量、投放於本集團的時間及本集團的業績，檢討其薪酬及報酬待遇。董事及高級管理人員亦可根據購股權計劃獲授購股權。

董事及五名最高薪人士之薪酬

本集團董事及五名最高薪人士之薪酬詳情分別載於綜合財務報表附註10和11。

董事會

於本年度內及直至本報告日期，董事之姓名如下：

執行董事

孫江濤(*行政總裁*)^{R/N}

唐斌

非執行董事

魏中華(*主席*)^A

李建光

蘭希

Report of the Directors (Continued)

董事會報告(續)

Independent Non-executive Directors (the “INEDs”)

Yang Haoran^{R/N}
Hou Dong^{A/R/N}
He Qinghua^A

A: Member of the Audit Committee
R: Member of the Remuneration Committee
N: Member of the Nomination Committee

In accordance with Articles 84(1) and (2) of the Articles of Association, Mr. Sun Jiangtao, Mr. Tang Bin and Mr. Hou Dong will retire from office by rotation and being eligible offer themselves for re-election at the forthcoming annual general meeting of the Company (the “AGM”).

DIRECTORS AND SENIOR MANAGEMENT PROFILES

Profiles of the Directors and senior management of the Group are set out on pages 16 to 18 of this annual report. Directors’ other particulars are contained elsewhere in this annual report.

DIRECTORS’ SERVICES CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company on 1 May 2015, which will continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than 30 days’ prior notice in writing. Each of the executive Directors is entitled to a discretionary bonus as determined by the Board.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The non-executive Directors and the INEDs have entered into letters of appointment with the Company for a term of two years. The non-executive Directors were not entitled to receive any director fees or other remuneration. Each non-executive Director was entitled to an annual emolument of HK\$80,000 for the Year.

獨立非執行董事(「獨立非執行董事」)

楊浩然^{R/N}
侯東^{A/R/N}
何慶華^A

A: 審核委員會成員
R: 薪酬委員會成員
N: 提名委員會成員

根據組織章程細則第84(1)及(2)條，孫江濤先生、唐斌先生及侯東先生將會輪值退任，並於本公司應屆股東週年大會(「股東週年大會」)上合資格膺選連任。

董事及高級管理人員簡介

董事及本集團高級管理人員簡介載列於本年報第16至18頁內。董事之其他詳情包含在本年報其他位置。

董事之服務合約

執行董事於2015年5月1日與本公司訂立服務協議，將於其後繼續生效，除非及直至被本公司或董事向對方發出不少於30日的事先書面通知終止為止。各執行董事可享有董事會釐定的酌情花紅。

擬於即將舉行之股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司訂立本集團於一年內在不給予補償(法定補償除外)之情況下不可終止之任何服務合約。

非執行董事及獨立非執行董事與本公司簽訂兩年期委任函。非執行董事不收取任何董事袍金或其他薪酬。於本年度，非執行董事的年度薪酬均為80,000港元。

Report of the Directors (Continued)

董事會報告(續)

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under the section headed "Continuing Connected Transactions" below, none of the Directors had a significant beneficial interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or its holdings company or any of its subsidiaries or fellow subsidiaries was a party during the Year.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors was considered to have interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interest, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

MANAGEMENT CONTRACT

No contracts (except for the executive Directors' services contracts and the Structured Contracts) concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

BUSINESS REVIEW AND PERFORMANCE

Review of our business and performance

Information about a fair review of, and an indication of likely future development in, the Group's business is set out in the "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

Compliance with laws and regulations

During the Year, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

Particulars of material events

The Board has not identified any material events affecting the Group that have occurred since the end of the Year.

董事於重大交易、安排或合約中擁有的權益

除下文「持續關連交易」一節所披露的事項外，於本年度，董事概無於任何對本集團業務屬重大之交易、安排或合約(本公司或其控股公司或其任何附屬公司或同系附屬公司為訂約一方)內直接或間接擁有重大實益權益。

董事於競爭業務之權益

於本年度及截至本報告日期，概無董事被視為於直接或間接與本集團業務有競爭或可能有競爭以及存在任何利益衝突之業務擁有權益，並須根據GEM上市規則第11.04條披露。

管理合約

於本年度概無訂立或存在任何有關本公司全部或絕大部分業務管理與行政之合約(除執行董事服務合約及結構合約外)。

業務回顧及表現

對本集團業務及表現之審閱

有關本集團業務的中肯審視以及其可能的未來發展趨向的資料載於本年報「主席報告」及「管理層討論與分析」。

遵守法律及法規

於本年度，本公司並未無知悉任何對其有重大影響之違反有關法律或法規之行為。

重大事件之詳情

自本年度末起，董事會並未發現任何對本集團造成影響之重大事件。

Report of the Directors (Continued)

董事會報告(續)

Principal risks and uncertainties

Discussion of the principal risks and uncertainties facing the Group can be found in the section headed “Risks Associated with the Contractual Arrangements and the Actions taken by the Company to Mitigate the Risks” of this report.

Environmental policies and performance

The Group is committed to nurturing its staff to care about and protect the environment. It conducts its business in a manner that balances the environment and economic needs.

The Group complies with all relevant environment regulations. It works with its partners including customers and suppliers in a concerted effort to operate in an environmentally responsible manner by making concerted efforts to be energy-efficient and to practise “Reduce, Reuse and Recycle”.

Among others, the Group has taken the following initiatives:

- uses recycle print paper and toilet paper.
- adjusts the heat supply system to low settings during the winter vacation period.

Details of the Group’s environmental policy and performance are contained in the Environmental, Social and Governance Report on pages 56 to 69 of this annual report.

Stakeholders’ engagement

We obtain and understand the views of our stakeholders regularly. This communication provides valuable feedback for our business and assists us to understand stakeholders’ needs and assess the best way to leverage our resources and expertise to contribute to future business and community development.

Across the supply chain, we have taken steps throughout the Year to ensure that we operate responsibly and in the interests of our customers, workforce, suppliers and other stakeholders.

Employees perform management, administration and human resources, operation and finance relation functions respectively. The Group determines the remuneration of its employees by reference to the market salary of their individual experience and performance. The Group will continue to improve and upgrade their management and professional skills. None of the Group’s employees is represented by any collective bargaining agreement or labour union. The Group has not experienced any significant problem with its employees or disruption to its operations due to labour dispute, nor has the Group experienced any difficulties in the recruitment and retention of experienced staff.

主要風險及不明朗因素

有關本集團所面對主要風險及不明朗因素的討論，請參閱本報告「有關合約安排之風險及本公司為緩解風險而採取之行動」一節。

環境政策及表現

本集團致力培養其員工關心及保護環境。其以平衡環境及經濟需要的方式經營業務。

本集團遵守所有相關的環境法規，並與其夥伴(包括客戶及供應商)合作，一同努力以對環境負責的方式經營，以達致能源效益並實踐「減廢、再用及循環」。

本集團已採取下列措施，其中包括：

- 使用再循環打印紙及廁紙。
- 供熱系統於寒假期間內調節為較低設置。

有關本集團環境政策及表現之詳情載於本年報第56至69頁之環境、社會及管治報告。

權益人參與

我們定期搜集及了解權益人的意見。這種溝通為我們的業務提供了寶貴的反饋意見，並有助我們了解權益人的需求，並評估最佳利用資源和專業知識的方法，以促進未來業務和社區的發展。

在整個供應鏈中，我們於整個年度已採取措施確保我們以負責任的態度經營業務，並符合我們客戶、員工、供應商和其他權益人的利益。

本集團僱員分別履行管理、行政及人力資源、營運、財務及投資者關係職能。本集團參考僱員個人經驗及表現的市場薪金來釐定其薪酬。本集團將繼續改善及提升其管理及專業技巧。本集團僱員概無任何集體談判協議或工會代表。本集團與其僱員並無重大問題或因為勞資糾紛而令到其運作受阻，本集團亦無在招聘及挽留富經驗員工問題上遇到任何困難。

Report of the Directors (Continued)

董事會報告(續)

PERMITTED INDEMNITY

Pursuant to the Articles of Association, subject to the applicable laws and regulations, all Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by or by reason of any act done, concurred in or omitted by or about the execution of their duties. Such permitted indemnity provision has been in force throughout the Year and remained in force as of the date of this report. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

NON-COMPETITION UNDERTAKINGS

As disclosed in the Prospectus, the Company entered into the Non-competition Undertakings with the Controlling Shareholders on 9 November 2013 regarding certain non-competition undertakings given by each of the Controlling Shareholders in favour of the Company (for itself and as trustee for its subsidiaries). A summary of the principal terms of the Non-Competition Undertakings is set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

During the Year, the INEDs had reviewed the compliance with the undertakings given by each of the Controlling Shareholders (including a letter of compliance with the undertakings issued by the Controlling Shareholder) and concluded with the confirmation by each of the Controlling Shareholders that neither the Controlling Shareholders nor their respective close associates (as defined in the GEM Listing Rules) had engaged in any business that competed or might compete with the business of the Group or have any other conflict of interests with the Group.

MATERIAL CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed under the section headed "Continuing Connected Transactions" below, there was no material interest, either directly, in any contract of significant (whether for the provision of services to the Company or not) to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

獲許可之彌償

根據組織章程細則，在適用法律及規例之限制下，全體董事均應於本公司之資產及溢利中獲得彌償，並就彼等或其中任何人士免受因所採取之行動或已發生或因行使其職責而造成或遺漏之行為而可能引致或承受之所有訴訟、成本、費用、虧損、損失及開支之損害。該獲許可之彌償條文於本年度內有效且截至本報告日期仍然有效。本公司已為本集團之董事及高級職員安排適當之董事及高級職員責任保險。

不競爭承諾

誠如招股章程所披露，於2013年11月9日，本公司控股股東就各控股股東以本公司之利益（為其本身或作為受託人為其附屬公司）訂立之不競爭承諾。不競爭承諾的主要條款概要載列於招股章程「與控股股東的關係」章節。

獨立非執行董事於本年度對各控股股東遵守所作承諾的情況進行了審核（包括獲該控股股東出具遵守承諾的函件），結論為各控股股東確認彼等或彼等各自緊密聯繫人（定義見GEM上市規則）概無從事與本集團業務構成競爭或可能構成競爭之業務或與本集團有任何其他利益衝突。

與控股股東之主要合約

除下文「持續關連交易」一節所披露者外，於年內，概無直接或於任何對本集團業務屬重大，而本公司或任何其附屬公司為訂約方的合約（無論是否就向本公司提供服務）的權益。

Report of the Directors (Continued)

董事會報告(續)

RELATED PARTY AND CONTINUING CONNECTED TRANSACTIONS

The related party transactions set out in Note 36(a) to the consolidated financial statements constitute continuing connected transactions exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules and the transactions were in the ordinary and usual course of business.

Shenzhoufu Software, a wholly-owned subsidiary of the Company, has entered into certain Structured Contracts with Beijing TJYL and its equity holders, namely Mr. Sun Jiangtao, an executive Director and the chief executive officer, Mr. Wei Zhonghua, the chairman of the Board and a non-executive Director and Mr. Wei Chunming. Details of the Structured Contracts are set out in the "Structured Contracts" paragraph under the section headed "Connected Transactions" on pages 262 to 265 of the Prospectus and the section headed "Structured Contract" on pages 20 to 21 of this annual report.

Pursuant to the GEM Listing Rules, Beijing TJYL is a connected person of the Company and the transactions contemplated under the Structured Contracts are continuing connected transactions of the Company.

The INEDs have reviewed the Structured Contracts and confirmed that: (1) the transactions carried out during the Year had been in accordance with the relevant provisions of the Structured Contracts and had been operated so that the revenue generated by Beijing TJYL had been substantially retained by Shenzhoufu Software; (2) no dividends or other distributions had been made by Beijing TJYL to the holders of its equity interests which were not otherwise subsequently assigned or transferred to the Group; and (3) all contracts entered into, renewed or reproduced between the Group and Beijing TJYL for the Year were in the ordinary and usual business of the Group, on normal commercial terms, fair and reasonable, or advantageous so far as the Group was concerned and in the interests of the Shareholders as a whole.

BDO Limited ("BDO"), Certified Public Accountants of Hong Kong, the Company's independent auditor (the "Independent Auditor"), was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and by reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. BDO has issued a letter to the Board containing its findings and unqualified conclusions in respect of the Group's continuing connected transactions disclosed above in accordance with Rule 20.54 of the GEM Listing Rules.

關聯方及持續關連交易

載於綜合財務報表附註36(a)的關連方交易構成豁免遵守GEM上市規則第20章項下有關申報、公佈及取得獨立股東批准規定的持續關連交易。本公司確認，其已遵守GEM上市規則第20章的披露規定，且有關交易乃於一般正常商業過程中進行。

本公司全資附屬公司神州付軟件已經與北京天機移聯及其權益持有者，即孫江濤先生(執行董事兼行政總裁)、魏中華先生(董事會主席兼非執行董事)及魏春明先生訂立若干結構性合約。結構性合約的詳情載列於招股章程第262至265頁「關連交易」一節中的「結構性合約」段落及本年報第20至21頁的「結構性合約」一節。

根據GEM上市規則，北京天機移聯為本公司之關連人士，且擬於結構性合約項下進行的交易為本公司之持續關連交易。

獨立非執行董事已審核結構性合約並確認：(1)於本年度所進行的交易符合結構性合約的相關條文且已實行，因此來自北京天機移聯的收益大部份保留於神州付軟件；(2)北京天機移聯並無向其股權持有者派付股息或作其他分派，有關股權隨後並無讓予或轉予本集團；及(3)於本年度，所有本集團與北京天機移聯訂立續簽或重新簽訂的合約乃於本集團的一般及正常業務過程中按一般商業條款訂立，屬公平合理或有利且符合整體股東利益。

香港執業會計師香港立信德豪會計師事務所有限公司(「立信德豪」)為本公司獨立核數師(「獨立核數師」)，並獲聘任根據《香港鑒證業務準則第3000號：歷史財務資料審計或審閱以外的鑒證業務》並參考香港會計師公會頒佈的「關於香港《上市規則》所述持續關連交易的核數師函件」應用指引第740條報告本集團持續關連交易。立信德豪已根據GEM上市規則第20.54條，向董事會發出一封函件，其中包括就本集團以上披露的持續關連交易的調查結果及無保留結論。

Report of the Directors (Continued)

董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name of Directors	Capacity/Nature of interests	Number of issued Shares held	Appropriate percentage of the issued Shares ^(Note 3)
董事姓名	身份/權益性質	所持已發行股份數	佔本公司已發行股份概約百分比 ^(附註3)
Mr. Sun Jiangtao 孫江濤先生	Interest of a controlled corporation ^(Note 1) 受控制法團的權益 ^(附註1)	244,800,000	51.00%
Mr. Wei Zhonghua 魏中華先生	Interest of a controlled corporation ^(Note 2) 受控制法團的權益 ^(附註2)	26,854,800	5.59%
Mr. Tang Bin 唐斌先生	Beneficial owner 實益擁有人	588,000	0.12%

Notes:

- Details of the interest in the Company held by Data King Limited are set out in the section headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" below.
- Details of the interest in the Company held by Fantastic Voyage Holdings Limited ("Fantastic Voyage") are set out in the section headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" below. In November 2018, Swift Well Limited transferred all the shares of the Company by held it to Fantastic Voyage.
- The percentage of shareholding was calculated based on the Company's total issued share capital of 480,000,000 Shares as at 31 December 2018.

Save as disclosed above, as at 31 December 2018, none of the Directors had any interests or short positions in the shares of the Company or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the GEM Listing Rules.

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於2018年12月31日，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有：(a)根據證券及期貨條例第XV部第7及第8分部規定須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉)；或(b)根據證券及期貨條例第352條須記入該條所指的登記冊；或(c)根據GEM上市規則第5.46至5.67條須知會本公司及聯交所的權益及淡倉如下：

股份之好倉

Name of Directors	Capacity/Nature of interests	Number of issued Shares held	Appropriate percentage of the issued Shares ^(Note 3)
董事姓名	身份/權益性質	所持已發行股份數	佔本公司已發行股份概約百分比 ^(附註3)
Mr. Sun Jiangtao 孫江濤先生	Interest of a controlled corporation ^(Note 1) 受控制法團的權益 ^(附註1)	244,800,000	51.00%
Mr. Wei Zhonghua 魏中華先生	Interest of a controlled corporation ^(Note 2) 受控制法團的權益 ^(附註2)	26,854,800	5.59%
Mr. Tang Bin 唐斌先生	Beneficial owner 實益擁有人	588,000	0.12%

附註：

- Data King Limited於本公司持有權益之詳情載於下文「主要股東及其他人士於股份及相關股份之權益及淡倉」一節。
- Fantastic Voyage Holdings Limited (「Fantastic Voyage」)於本公司持有權益之詳情載於下文「主要股東及其他人士於股份及相關股份之權益及淡倉」一節。於2018年11月，Swift Well Limited將其持有的本公司股份全部轉讓給Fantastic Voyage。
- 所佔之股權百分比乃基於本公司於2018年12月31日已發行股本總數為480,000,000股股份計算所得。

除上文披露者外，於2018年12月31日，概無本公司之董事於本公司或其任何相聯法團股份中擁有根據證券及期貨條例第352條須存置之登記冊內登記之股份或根據GEM上市規則須另行知會本公司之任何權益或淡倉。

Report of the Directors (Continued)

董事會報告(續)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

主要股東及其他人士於股份及相關股份之權益及淡倉

As at 31 December 2018, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than a Director or the chief executive of the Company) which/who had 5% or more interests in the Shares and the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

於2018年12月31日，就本公司董事或主要行政人員所知或所獲悉，根據證券及期貨條例第336條須存置的股份及相關股份中擁有5%或以上權益之公司或人士(本公司董事或主要行政人員除外)詳情如下：

Name of Shareholders	Capacity/Nature of the interests	Number of issued Shares held	Appropriate percentage of issued Shares ^(Note 7)
股東姓名	身份／權益性質	所持已發行股份數	佔本公司已發行股份概約百分比 ^(附註7)
DATA KING LIMITED	Beneficial owner ^(Note 1) 實益擁有人 ^(附註1)	244,800,000	51.00%
FANTASTIC VOYAGE	Beneficial owner ^(Note 2) 實益擁有人 ^(附註2)	26,854,800	5.59%
IDG-ACCEL CHINA GROWTH FUND II L.P.	Beneficial owner ^(Note 3) 實益擁有人 ^(附註3)	81,122,700	16.90%
IDG-ACCEL CHINA GROWTH FUND II ASSOCIATES L.P.	Interest of a controlled corporation ^(Note 3) 受控制法團的權益 ^(附註3)	81,122,700	16.90%
IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD.	Interest of a controlled corporation ^(Note 3) 受控制法團的權益 ^(附註3)	87,757,200	18.28%
Ho Chising	Interest of a controlled corporation ^(Note 4) 受控制法團的權益 ^(附註4)	87,757,200	18.28%
Zhou Quan 周全	Interest of a controlled corporation ^(Note 5) 受控制法團的權益 ^(附註5)	87,757,200	18.28%

Notes:

- DATA KING LIMITED is wholly owned by Mr. Sun Jiangtao, an executive Director and the chief executive officer of the Company. Under the SFO, Mr. Sun Jiangtao is deemed to be interested in all the Shares in which DATA KING LIMITED is interested.

附註：

- DATA KING LIMITED由孫江濤先生(本公司執行董事兼行政總裁)全資擁有。根據證券及期貨條例，孫江濤先生被視為於DATA KING LIMITED擁有權益的所有股份中擁有權益。

Report of the Directors (Continued)

董事會報告(續)

- FANTASTIC VOYAGE is wholly owned by Mr. Wei Zhonghua, the Chairman and a non-executive Director. Under the SFO, Mr. Wei Zhonghua is deemed to be interested in all the Shares in which FANTASTIC VOYAGE is interested.
- IDG-ACCEL CHINA GROWTH FUND II L.P. which owned 81,122,700 Shares is an exempted limited partnership registered in the Cayman Islands. Its general partner is IDG-ACCEL CHINA GROWTH FUND II ASSOCIATES L.P. while the general partner of IDG-ACCEL CHINA GROWTH FUND II ASSOCIATES L.P. is IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. which is a limited company incorporated in the Cayman Islands. Moreover, IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. is the general partner of IDG CHINA INVESTORS II L.P. which owned 6,634,500 Shares. Under the SFO, IDG-ACCEL CHINA GROWTH FUND II ASSOCIATES L.P. is deemed to be interested in all the Shares in which IDG-ACCEL CHINA GROWTH FUND II L.P. is interested, and IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. is deemed to be interested in all the Shares in which IDG-ACCEL CHINA GROWTH FUND II L.P. and IDG-ACCEL CHINA GROWTH FUND II ASSOCIATES L.P. are interested.
- Ho Chising is a controlling shareholder who is holding 50% shares of IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. and he is deemed to be interested in all the Shares in which IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. is interested.
- Zhou Quan is the other controlling shareholder who is holding 50% shares of IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. and he is deemed to be interested in all the Shares in which IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. is interested.
- The percentage of shareholding was calculated based on the Company's total issued share capital of 480,000,000 Shares as at 31 December 2018.
- FANTASTIC VOYAGE 乃由魏中華先生(本公司主席兼非執行董事)全資擁有。根據證券及期貨條例，魏中華先生被視為於FANTASTIC VOYAGE擁有權益的所有股份中擁有權益。
- IDG-ACCEL CHINA GROWTH FUND II L.P. 為於開曼群島註冊的獲豁免有限合夥公司，擁有81,122,700股股份。其普通合夥人為IDG-ACCEL CHINA GROWTH FUND II ASSOCIATES L.P.，而IDG-ACCEL CHINA GROWTH FUND II ASSOCIATES L.P.的普通合夥人為IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD.，IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. 為於開曼群島註冊成立的有限公司。此外，IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. 為IDG CHINA INVESTORS II L.P.的普通合夥人，後者擁有6,634,500股股份。根據證券及期貨條例，IDG-ACCEL CHINA GROWTH FUND II ASSOCIATES L.P. 被視為於IDG-ACCEL CHINA GROWTH FUND II L.P. 擁有權益的所有股份中擁有權益，而IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. 被視為於IDG-ACCEL CHINA GROWTH FUND II L.P. 及IDG-ACCEL CHINA GROWTH FUND II ASSOCIATES L.P. 擁有權益的所有股份中擁有權益。
- Ho Chising為持有IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. 50%權益的控股股東。彼被視為於IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. 擁有權益的全部股份中擁有權益。
- 周全為持有IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. 50%權益的另一位控股股東。彼被視為於IDG-ACCEL CHINA GROWTH FUND GP II ASSOCIATES LTD. 擁有權益的全部股份中擁有權益。
- 持股百分比乃根據本公司於2018年12月31日已發行股本總額480,000,000股股份計算得出。

Save as disclosed above, no party had informed the Company that he/she/it had interest or short positions in any issued share capital of the Company as at 31 December 2018.

除以上披露者外，於2018年12月31日概無人士知會本公司其於本公司之任何已發行股本中擁有權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

董事購買股份或債券之權利

At no time during the Year were the rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or the chief executive of the Company or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire such rights or benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

本公司於本年度任何時間概無授權本公司任何董事或主要行政人員或其各自之配偶或未滿18歲子女透過收購本公司股份或債券而獲利，而上述人士亦無行使有關權利；本公司或其附屬公司亦無訂立任何安排，致使董事透過收購本公司或任何其他法人團體之股份或債券擁有該等權利或利益。

Report of the Directors (Continued)

董事會報告(續)

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Year or subsisted at the end of the Year.

CONFIRMATION OF INDEPENDENCE

The Company has received a written confirmation of independence from each INED, namely Mr. Yang Haoran, Mr. Hou Dong and Mr. He Qinghua, pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this report, the Company still considers the INEDs to be independent.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient public float (i.e. at least 25% of the issued Shares were held by the public) as required under Rule 17.38A of the GEM Listing Rule as at the date of this report.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Lego Corporate Finance Limited, except for the compliance adviser agreement entered into between the Company and the compliance adviser and becoming effective on 19 January 2016, neither the compliance adviser nor its directors, employees or close associates had any interests in relation to the Company or any member of the Group (including interest in the securities of the Company or any member of the Group, and options or rights to subscribe for such securities) during the Year, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

EVENTS AFTER REPORTING PERIOD

The Group did not have any material subsequent event after the Year and up to the date of this report.

股權掛鈎協議

本公司於本年度並無訂立或於本年度年底並無存續任何將會或可能會導致本公司發行股份或要求本公司訂立任何將或可能令本公司發行股份之協議之股權掛鈎協議。

獨立性確認

本公司已獲各獨立非執行董事(即楊浩然先生、侯東先生及何慶華先生)根據GEM上市規則第5.09條發出有關其獨立性之書面確認書。於本報告日期,本公司認為所有獨立非執行董事均為獨立人士。

公眾持股量充足性

基於本公司可公開獲得之資料及就董事所知悉,董事確認,截至本報告日期,本公司已根據GEM上市規則第17.38A條維持充足公眾持股量(即公眾持有已發行股份至少25%)。

合規顧問的權益

根據本公司合規顧問力高企業融資有限公司所知會,除本公司及合規顧問訂立及於2016年1月19日生效的合規顧問協議,於本年度內,合規顧問或其董事、僱員或緊密聯繫人均無根據GEM上市規則第6A.32條須知會本公司的有關本公司或本集團任何成員公司(包括於本公司或本集團任何成員公司證券的權益,及購股權或認購該等證券的權利)的任何權益。

報告期後事項

本集團於本年度及截至本報告日期止並無任何重大報告期後事項。

Report of the Directors (Continued)

董事會報告(續)

CORPORATE GOVERNANCE

Particulars of the Company's principal corporate governance practices are set out in the Corporate Governance Report on pages 43 to 55 of this annual report.

The compliance officer of the Company is Mr. Tang Bin whose biographical details are set out on page 18 of this annual report. The company secretary of the Company is Ms. Cheng Lucy, an Associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee") consists of three members, namely Mr. He Qinghua and Mr. Hou Dong, both are INEDs and Mr. Wei Zhonghua, a non-executive Director. Mr. He Qinghua is the chairman of the Audit Committee. It has reviewed with management the audited consolidated financial statements of the Company for the Year.

INDEPENDENT AUDITOR

There has been no change of the Independent Auditor in the past three years.

The consolidated financial statements of the Company for the Year have been audited by BDO which will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. Having approved by the Board upon the Audit Committee's recommendation, a resolution to re-appoint BDO as the Independent Auditor and to authorise the Directors to fix its remuneration will be proposed at the forthcoming AGM.

By order of the Board

Sun Jiangtao

Chief Executive Officer and Executive Director

22 March 2019

企業管治

本公司主要企業管治常規詳情載列於本年報第43至55頁內的企業管治報告。

本公司的合規主任為唐斌先生，其履歷詳情載於本年報第18頁。本公司的公司秘書為曾若詩女士，彼為香港特許秘書公會及英國特許秘書及行政人員公會會員。

審核委員會審核

董事會審核委員會(「審核委員會」)由三名成員組成，即何慶華先生及侯東先生(該兩名人士為獨立非執行董事)以及魏中華先生(非執行董事)，何慶華先生為審核委員會主席。其已與管理層審閱本公司於本年度的經審核綜合財務報表。

獨立核數師

於過往三年，獨立核數師並無變動。

本公司本年度綜合財務報表由立信德豪審核，其即將退任，且合資格並同意於即將舉行的股東週年大會膺選連任。經審核委員會推薦，董事會批准於即將舉行的股東週年大會提呈重選立信德豪為獨立核數師並授權董事會釐定其薪酬的決議案。

承董事會命

行政總裁兼執行董事

孫江濤

2019年3月22日

Corporate Governance Report

企業管治報告

It is the belief of the board of directors of the Company (the “Directors” and the “Board”, respectively) that good corporate governance plays a vital part in maintaining the success of the Company. The Board and the senior management are dedicated to establishing and maintaining a high level of corporate governance. Various measures have been adopted to enhance the management efficiency of the Company and thus to protect the interest of the shareholders of the Company (the “Shareholders”).

During the year ended 31 December 2018 (the “Year”), the Company had applied the principles and complied with all applicable code provisions as set out in the Corporate Governance Code (the “CG Code”) and Corporate Governance Report contained in Appendix 15 to the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “GEM Listing Rules”, respectively) except the deviation as stated below:

Pursuant to code provision E.1.2 of the CG Code, the chairman of the Board (the “Chairman”) should attend the annual general meeting of the Company (the “AGM”) and should also invite the chairmen of the Board’s audit committee (the “Audit Committee”), nomination committee and remuneration committee to attend it. However, Mr. Wei Zhonghua (“Mr. Wei”), the Chairman, was unable to attend the AGM held on 17 May 2018 (the “2018 AGM”) due to other business engagements. In the absence of the Chairman, Mr. Sun Jiangtao, an executive Director and the chief executive officer of the Company, took the chair of the 2018 AGM in accordance with the articles of association of the Company to ensure an effective communication with the Shareholders.

ANNUAL GENERAL MEETING

The Company will hold the 2019 AGM in Hong Kong so as to establish a good communication channel with the Shareholders.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Required Standard of Dealings”) as its own code of conduct for dealings in the securities of the Company by the Directors.

Following a specific enquiry of all Directors made by the Company, each of them confirmed that he had complied with the Required Standard of Dealings regarding securities transactions by the Directors during the Year.

本公司董事會(分別為「董事」及「董事會」)相信，良好的企業管治乃維持本公司成功之重要元素，董事會及高級管理人員致力於建立和維持高水平的企業管治，並已採取各項措施，加強本公司的管理效率以保障本公司股東(「股東」)的權益。

於截至2018年12月31日止年度(「本年度」)內，本公司已分別應用及遵守香港聯合交易所有限公司GEM證券上市規則(分別為「聯交所」)及「GEM上市規則」附錄15所載企業管治守則(「企業管治守則」)及企業管治報告所載原則及所有適用守則條文，惟下述偏離事項除外：

根據企業管治守則第E.1.2條守則條文，董事會主席(「主席」)應出席本公司股東週年大會(「股東週年大會」)，並邀請董事會轄下的審核委員會(「審核委員會」)、提名委員會及薪酬委員會的主席出席。然而，主席魏中華先生(「魏先生」)由於需要處理其他事務，未能出席於2018年5月17日舉行的股東週年大會(「2018年股東週年大會」)。由於主席缺席，根據本公司組織章程細則規定，本公司執行董事兼行政總裁孫江濤先生擔任2018年股東週年大會主席，以確保能與股東有效溝通。

股東週年大會

本公司將在香港召開2019年股東週年大會，以便與股東建立良好溝通渠道。

董事進行之證券交易

本公司已採納GEM上市規則第5.48至5.67條所載之買賣規定標準(「交易必守標準」)作為本公司董事進行證券交易的行為守則。

隨著本公司向所有董事作出特定查詢，彼等各自確認於本年度其已就董事進行證券交易遵守交易必守標準。

Corporate Governance Report (Continued)

企業管治報告(續)

THE BOARD

During the Year, the Board comprised of two executive Directors, namely Mr. Sun Jiangtao (Chief Executive Officer) and Mr. Tang Bin, three non-executive Directors, namely Mr. Wei Zhonghua (Chairman), Mr. Li Jianguang and Mr. Lan Xi and three INEDs, namely Mr. Yang Haoran, Mr. Hou Dong and Mr. He Qinghua.

Relationship

There was no financial, business, family or other material relationship among the Directors. The biographical details of each of the Directors are set out in the section headed “Directors and Senior Management Profiles” of this annual report.

Roles

The two executive Directors are responsible for the leadership and control of the Company and overseeing the Group’s businesses, strategic decisions and performances of the Company and its subsidiaries (the “Group”) and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The three INEDs are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as providing a balance in the Board in order to effectively exercise independent judgement on the corporate actions of the Company so as to protect Shareholders’ interest and overall interest of the Group.

Throughout the Year, the Company had three INEDs and at all times met the requirement of the GEM Listing Rules that the number of INEDs must represent at least one-third of the Board members and at least one of the INEDs has appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received from each of the INEDs an annual written confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the INEDs to be independent.

董事會

於本年度內，董事會包括兩名執行董事（即孫江濤先生（行政總裁）及唐斌先生）、三名非執行董事（即魏中華先生（主席）、李建光先生及蘭希先生）以及三名獨立非執行董事（即楊浩然先生、侯東先生及何慶華先生）。

關係

董事間並無財務、業務、家庭或其他重大關係。各董事之履歷詳情載列於本年報「董事及高級管理人員簡介」一節。

角色

兩名執行董事負責領導及管控本公司以及監控本集團業務、戰略決策及本公司及其附屬公司（「本集團」）之表現，並且通過引導及監管其事務，共同負責促進本公司邁向成功。

三名獨立非執行董事負責確保董事會財務及其他強制性報告保持高水平，同時為董事會提供一種平衡以對本公司的企業行動行使有效獨立判斷，從而保護股東利益及本集團整體利益。

本年度內，本公司擁有三名獨立非執行董事且任何時間皆符合GEM上市規則之要求，即獨立非執行董事必須代表董事會成員至少三分之一且至少其中一名擁有適當專業資格或會計或相關財務管理專長。

本公司已收到各獨立非執行董事根據GEM上市規則第5.09條規定發出的年度獨立性書面確認，因此認為所有獨立非執行董事具有獨立性。

Corporate Governance Report (Continued)

企業管治報告(續)

The Board is collectively responsible for the oversight of the management of the Company's business and the Group's affairs with the objective of enhancing shareholder value through granting authority to the Audit Committee, Nomination Committee and Remuneration Committee. The Board approves and monitors the development and implementation of the Group's business policies, strategic decisions and directions. The Board is also responsible for reviewing monthly financial information as well as reviewing and approving quarterly, interim and annual results, annual budget, and other business matters and all other functions reserved to the Board under the Articles of Association. In addition, it performs the corporate governance functions. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The senior management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

The Board and its Nomination Committee, Remuneration Committee and Audit Committee are able to seek independent professional advice in appropriate circumstances at the Company's expenses in order to better discharge their supervisory duties to the Company.

In accordance with Rule A.1.8 of the CG Code, appropriate insurance cover has been arranged by the Company in order to provide protection in respect of legal action against its Directors and senior management.

Meeting

During the Year, the Board held four regular meetings each at approximately quarterly interval. In addition, special Board meetings are held when required. Formal notice for each proposed regular meeting are given at least 14 days before the day of the meeting. With regard to special Board meetings, notices are issued within a reasonable period. The meeting agenda and all the accompanying documents relating to the proposed Board meeting are sent to each Director at least three days before the day of the proposed meeting to ensure that the Directors have sufficient time to review relevant documents and prepare for the meeting. Directors can attend the Board meeting in person or through other electronic means of communication.

The company secretary of the Company (the "Company Secretary") or her delegate is responsible for keeping all Board meetings minutes. Draft minutes are normally circulated to the Directors for comments within a reasonable time after each meeting and the final version is open for the Directors' inspection. According to the GEM Listing Rules, any Directors and their close associates (as defined in the GEM Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and will not be counted in the quorum at meetings.

董事會以提升股東價值為目標，透過授權予審核委員會、提名委員會及薪酬委員會，共同監督本公司業務運營及本集團事務之管理。董事會審批及監控本集團業務政策、戰略決定及方向的制度及實施；審閱每月之財務資料；審閱及批准季度、中期及年度業績、年度預算及其他業務事項以及董事會根據組織章程細則具有的其他職能。此外，它亦履行企業管治職能。董事會可不時於其認為適當時向本集團高級管理人員授權若干職能。高級管理人員主要負責執行董事會採取及不時分派予其的業務計劃、策略及方針。

董事會及其轄下的提名委員會、薪酬委員會及審核委員會可於適當時候尋求獨立專業意見，費用由本公司承擔，以更好的履行彼等對本公司的監督職責。

根據企業管治守則第A.1.8條，本公司已為其董事及高級管理層人員購買適當保險，就針對彼等提起的法律行動為彼等提供保障。

會議

於本年度，董事會召開了四次定期會議，大約每季度召開一次。此外，在必要時會召開董事會特別會議。每次定期會議之正式通告會於會議舉行前最少14日發出。至於董事會特別會議，則會在合理期限內給予通告。會議議程及隨附之董事會會議文件會在擬定召開會議日期前至少三天全部呈交全體董事，以確保董事有充分時間審閱相關文件及為會議作出充分準備。董事可親身或通過其他電子通訊方式參加董事會會議。

在本公司公司秘書(「公司秘書」)或其受委代表負責保存所有董事會會議記錄。董事會會議記錄之初稿於每次會後在合理時間內提供所有董事傳閱並提出意見。董事可查閱最終定稿。根據GEM上市規則，任何董事及其緊密聯繫人(如GEM上市規則所界定)，倘於董事會擬商議的交易中有重大權益，則須對批准該交易的決議案放棄權票，且不計入會議的法定人數。

Corporate Governance Report (Continued)

企業管治報告(續)

Attendances of Meetings

Four Board meetings, four Audit Committee meetings, one meeting for each of the Remuneration Committee and the Nomination Committee, an AGM and an EGM were held during the Year. Attendances of these meetings by the Directors are set out below:

出席會議之情況

於本年度內共舉行4次董事會會議、4次審核委員會會議、1次薪酬委員會會議、1次提名委員會會議、1次股東週年大會及1次股東特別大會。董事出席該等會議之情況如下：

Meetings attended/Eligible to attend

已出席會議/有資格出席之會議

Name of Directors 董事姓名		Meetings attended/Eligible to attend 已出席會議/有資格出席之會議				AGM 股東週年 大會	EGM 股東特別 大會
		Board 董事會	Audit Committee 審核 委員會	Remuneration Committee 薪酬 委員會	Nomination Committee 提名 委員會		
<i>Executive Directors</i> 執行董事							
Mr. Sun Jiangtao	孫江濤先生	4/4	N/A不適用	1/1	1/1	1/1	1/1
Mr. Tang Bin	唐斌先生	4/4	N/A不適用	N/A不適用	N/A不適用	0/1	0/1
<i>Non-executive Directors</i> 非執行董事							
Mr. Wei Zhonghua	魏中華先生	4/4	4/4	N/A不適用	N/A不適用	0/1	0/1
Mr. Li Jianguang	李建光先生	4/4	N/A不適用	N/A不適用	N/A不適用	0/1	0/1
Mr. Lan Xi	蘭希先生	4/4	N/A不適用	N/A不適用	N/A不適用	0/1	0/1
<i>INEDs</i> 獨立非執行董事							
Mr. Hou Dong	侯東先生	4/4	4/4	1/1	1/1	0/1	0/1
Mr. He Qinghua	何慶華先生	4/4	4/4	N/A不適用	N/A不適用	0/1	0/1
Mr. Yang Haoran	楊浩然先生	4/4	N/A不適用	1/1	1/1	0/1	0/1

Directors' Induction and Continuing Professional Development

Each newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of the Director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements. The Company is dedicated to arrange appropriate induction for the continuous professional development for all Directors at the Company's expenses to develop, replenish and refresh their knowledge and skills.

The Company from time to time provides briefings to all Directors to develop and refresh the Directors' duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense.

During the Year, all Directors, namely Mr. Sun Jiangtao, Mr. Tang Bin, Mr. Wei Zhonghua, Mr. Li Jianguang, Mr. Lan Xi, Mr. Yang Haoran, Mr. Hou Dong and Mr. He Qinghua have participated in continuous professional development by attending conferences and internal training as regards corporate governance, laws, regulations and the GEM Listing Rules, and reading materials relevant to their duties, responsibilities and the Group's business in order to develop, refresh and update their knowledge and skills.

董事就職及持續專業發展

各新委任董事於首次獲委任後皆會接受正式、全面而切身之培訓，以確保董事對本公司業務及運作有合適理解，董事可全面認識GEM上市規則及相關監管規定下自身之職責及義務。本公司致力於就所有董事之持續專業發展安排合適的培訓並提供有關經費，以發展、補充並更新彼等知識及技能。

本公司將不時向全體董事提供簡介，以發展及更新董事之職責及責任。全體董事亦須參與有關培訓課程，費用由本公司承擔。

於年內，所有董事即孫江濤先生、唐斌先生、魏中華先生、李建光先生、蘭希先生、楊浩然先生、侯東先生及何慶華先生均已參與持續專業發展，包括出席及參加有關企業管治、法律法規、GEM上市規則的會議及內部培訓以及閱讀有關彼等職務、責任及本集團業務之材料，以發展、補充並更新其知識及技能。

Corporate Governance Report (Continued)

企業管治報告(續)

Training records for the Year have been provided by all Directors to the Company.

全體董事已向公司提供彼等於本年度的培訓記錄。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman is Mr. Wei Zhonghua, and the chief executive officer of the Company is Mr. Sun Jiangtao. The roles of the Chairman and chief executive are separated and exercised by different individuals.

主席及行政總裁

本公司主席為魏中華先生，而本公司行政總裁為孫江濤先生。主席及行政總裁角色已予區分且由不同個別人士行使。

NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors and the INEDs has entered into a letter of appointment for a term of two years.

非執行董事

非執行董事及獨立非執行董事與本公司訂立兩年期委任函。

BOARD COMMITTEES

The Board has established, with written terms of reference, three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties.

董事會委員會

董事會已成立三個董事會委員會，即審核委員會、薪酬委員會及提名委員會(皆有書面職權範圍)以監管本公司各方面的事務。董事會委員會獲提供充分資源以行使彼等職能。

The written terms of reference for each Board Committee are in line with the GEM Listing Rules and they are posted on the respective websites of the Stock Exchange and the Company.

各董事會委員會的書面職權範圍均符合GEM上市規則，且其分別公佈於聯交所及本公司網站。

Nomination Committee

The Company established the Nomination Committee on 9 November 2013 with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee are, among other things, to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, make recommendations to the Board regarding the appointment of Directors and candidates to fill vacancies on the Board; and assess the independence of INEDs. The Nomination Committee consists of three members, namely Mr. Yang Haoran, Mr. Hou Dong and Mr. Sun Jiangtao. Mr. Yang Haoran is the chairman of the Nomination Committee.

提名委員會

本公司於2013年11月9日成立提名委員會，並制定其書面職權範圍，以符合GEM企業管治守則的規定。提名委員會的主要職責為(其中包括)至少每年檢討一次董事會的架構、規模及組成(包括技能、知識及經驗)，以及就委任董事及候選人以填補董事會空缺向董事會提供建議及評核獨立非執行董事的獨立性。提名委員會由三名成員組成，即楊浩然先生、侯東先生及孫江濤先生。楊浩然先生擔任提名委員會主席。

Corporate Governance Report (Continued)

企業管治報告(續)

The Company has adopted the Nomination Policy for the appointment of Board members. The appointment will be made on a merit basis and candidates will be considered against objective criteria. The selection criteria used in assessing the suitability of a candidate include:

- the candidate's academic background and qualifications (including professional qualifications, skills and knowledge which are relevant to the Company's business and corporate strategy);
- the candidate's relevant experience in the industry;
- the candidate's character and integrity;
- the candidate's willingness and capacity to devote adequate time in discharge of a director's duties;
- whether the candidate can contribute to the Board a diversity of perspectives, including but not limited to gender, age, race, cultural and educational background, professional experience, skills, knowledge and length of service;
- (where the candidate is proposed to be appointed as an INED) whether the candidate is in compliance with the criteria of independence under the GEM Listing Rules; and
- any other factors as may be determined by the Board from time to time.

In terms of nomination procedures, any Board member may nominate or invite a candidate for appointment as a Director to be considered by the Nomination Committee. The Nomination Committee will then evaluate the personal profile of the candidate based on the selection criteria set out above, undertake due diligence in respect of such candidate and make recommendation for the Board's consideration and approval. For nomination of INED, the Nomination Committee will also assess the candidate's independence in accordance with the CG Code and the GEM Listing Rules. For re-appointment of retiring Directors, the Nomination Committee will review the candidate's overall contribution and performance (including the candidate's attendance at Board committee meetings, Board meetings and general meetings, his/her level of participation and performance on the Board), and make recommendations to the Board and shareholders for re-election at general meetings.

During the Year, a meeting was held by the Nomination Committee to review the structure, composition of the Board and the Board diversity policy; make recommendation on the re-appointment of the retiring Directors and assess the independence of INEDs. Attendance of the meeting has been disclosed on page 46 of this report.

本公司已採用一項提名政策關於董事會成員的委任。董事會成員的委任將以用人唯賢的準則，根據客觀標準考慮可擔任董事會成員的人選。用以評估候選人的甄選準則包括：

- 候選人的學歷背景及資格(包括與本公司業務及企業策略有關之專業資格、技能及知識)；
- 候選人的與行業有關之經驗；
- 候選人的品格及誠信；
- 候選人是否願意及能夠投入足夠時間以履行董事之職責；
- 候選人是否能為董事會貢獻不同方面之多樣性，包括但不限於性別、年齡、種族、文化及教育背景、專業經驗、技能、知識及服務任期；
- (若候選人被建議委任為獨立非執行董事)其是否符合GEM上市規則下相關之獨立準則；及
- 由董事會不時訂定的任何其他條件。

就提名程序而言，任何董事會成員可提名或邀請候選人擔任董事，以供提名委員會審議。提名委員會將根據上述甄選標準評估候選人的個人資料，對該候選人進行盡職調查，並提出董事會審議和批准的建議。就提名獨立非執行董事而言，提名委員會亦將根據企業管治守則及GEM上市規則評估候選人的獨立性。就重新委任退任董事而言，提名委員會將檢討候選人的整體貢獻及表現(包括候選人出席董事會委員會會議，董事會會議及股東大會，他/她的參與程度及董事會表現)，以及建議董事會及股東於股東大會上重選連任。

於本年度，提名委員會舉行一次會議，審閱董事會架構組成，檢討董事會成員多元化政策審閱退任董事的重新委任事宜及就此作出推薦建議及評核獨立非執行董事的獨立性。會議之出席情況已於本報告第46頁披露。

Corporate Governance Report (Continued)

企業管治報告(續)

Remuneration Committee

The Company established the Remuneration Committee on 9 November 2013 with written terms of reference in compliance with the CG Code. The primary duties of the Remuneration Committee are, among other things, to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group and to ensure that none of the Directors determines his own remuneration. The Remuneration Committee consists of three members, namely Mr. Hou Dong, Mr. Yang Haoran and Mr. Sun Jiangtao. Mr. Hou Dong is the chairman of the Remuneration Committee.

During the Year, a meeting was held by the Remuneration Committee to review the remuneration package of the Directors and senior management. Attendance of the meeting has been disclosed on page 46 of this report.

Details of the emoluments of the Directors and the senior management of the Company are set out in Notes 10, 11 and 36(b) to the consolidated financial statements.

Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the member of the senior management (other than the Directors) whose particulars are contained in the section headed "Directors and Senior Management Profiles" in this annual report for the Year by band is set out below:

Remuneration band	薪酬範圍	Number of individuals 人數
Less than HK\$1,000,000	少於1,000,000港元	Nil無

Audit Committee

The Company established the Audit Committee on 9 November 2013 with written terms of reference in compliance with the CG code. The terms of reference of the Audit Committee were revised on 29 December 2018 with effect from 1 January 2019. The primary duties of the Audit Committee, among other things, are:

- to make recommendations to the Board on the appointment, re-appointment and removal of external auditor;
- to review the financial statements and provide material advice in respect of financial reporting;
- to oversee internal control procedures of the Company;
- to review arrangements for employees to raise concerns about financial reporting improprieties;

薪酬委員會

本公司於2013年11月9日成立薪酬委員會，並制定其書面職權範圍，以符合企業管治守則的規定。薪酬委員會的主要職責為(其中包括)就本集團全體董事及高級管理人員整體薪酬政策及架構向董事會提供建議；及確保概無董事自行釐定薪酬。薪酬委員會由三名成員組成，即侯東先生、楊浩然先生及孫江濤先生。侯東先生擔任薪酬委員會主席。

於本年度，薪酬委員會舉行一次會議，審閱本公司董事及高級管理人員薪酬組合。會議之出席情況已於本報告第46頁披露。

董事及本公司高級管理人員薪酬之詳情載於綜合財務報表附註10、11和36(b)內。

根據企業管治守則之守則條文第B.1.5條，高級管理人員(董事除外)之年度薪酬詳情載列於本年度之年度報告「董事及高級管理人員簡介」一節內，薪酬範圍如下：

審核委員會

本公司於2013年11月9日成立審核委員會，並制定其書面職權範圍，以符合企業管治守則的規定。審核委員會之職權範圍乃於2018年12月29日修訂並於2019年1月1日起生效。審核委員會的主要職責為(其中包括)：

- 就委聘、續聘及任免外聘核數師向董事會提供建議；
- 審閱財務報表，並就財務匯報提供實質性意見；
- 監察本公司的內部控制程序；
- 就僱員提出有關財務匯報不當的事宜進行檢討安排。

Corporate Governance Report (Continued)

企業管治報告(續)

- (e) to review the financial control, risk management and internal control system of the Company;
 - (f) to discuss about the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems; and
 - (g) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings.
- (e) 檢討本公司之財務控制、風險管理及內部監控系統；
 - (f) 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的內部監控系統；及
 - (g) 應董事會的委派或主動就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究。

At present, the Audit Committee consists of three members, namely Mr. He Qinghua and Mr. Hou Dong, both being INEDs and Mr. Wei Zhonghua, a non-executive Director. Mr. He Qinghua is the chairman of the Audit Committee.

現時，本公司審核委員會由三名成員組成，即何慶華先生及侯東先生(二人均為獨立非執行董事)及魏中華先生(非執行董事)。何慶華先生擔任審核委員會主席。

The Audit Committee held four meetings during the Year. Attendance of the meetings has been disclosed on page 46 of this report.

於本年度，審核委員舉行了四次會議。會議之出席情況已於本報告第46頁披露。

The Audit Committee meetings reviewed (i) the first and third quarterly and the interim results for 2018; (ii) the annual results of the Group for the year ended 31 December 2017; (iii) the accounting principles and practice adopted by the Group; (iv) assessed the risk management and internal control systems; (v) reviewed the effectiveness of the Group's internal audit function; and (vi) recommended to the Board for considering the re-appointment of BDO Limited, certified public accountants as the Company's independent auditor (the "Independent Auditor") at the 2018 AGM.

審核委員會會議審閱(i)本集團於2018年之第一及第三季季度業績及中期業績；(ii)截至2017年12月31日止年度之全年業績；(iii)本集團採用的會計原則及常規；(iv)評估風險管理及內部控制系統；(v)審閱本集團內部審計職能的有效性；及(vi)於2018年股東週年大會向董事會推薦考慮續聘執業會計師香港立信德豪會計師事務所有限公司為本公司的獨立核數師(「獨立核數師」)。

The annual results for the Year have been reviewed by the Audit Committee before submission to the Board for approval. The members of the Audit Committee considered that the results were prepared in accordance with applicable accounting standards and the GEM Listing Rules and sufficient disclosure has been made.

本年度的全年業績於呈交董事會批准前已獲審核委員會審閱。審核委員會成員認為該等業績乃根據適用的會計準則及GEM上市規則編製，並已作出充分披露。

Corporate Governance Report (Continued)

企業管治報告(續)

Board Diversity Policy

The Board has adopted a Board diversity policy and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

Corporate Governance Functions of the Board

The Board is responsible for performing the corporate governance functions of the Company, which are set out in relevant written terms of reference. The Board, among other matters, has reviewed this corporate governance report in discharge of its corporate governance functions, ensuring compliance with the GEM Listing Rules.

INDEPENDENT AUDITOR'S REMUNERATION

The fees charged by the external auditor of the Company in respect of audit services provided to the Company and its subsidiaries for the Year amounted to HK\$890,000 (2017: HK\$560,000). The amount of non-audit service fee was nil (2017: HK\$178,000).

董事會多元化政策

董事會已採用一項董事會多元化政策且已討論所有實施該政策的所有可計量目標。

本公司確認及信奉董事會成員多元化利益。其致力於確保董事會於技巧、經驗及多樣化方面達到平衡以符合本公司業務要求。所有董事會委任將繼續基於有益於董事成員多樣化利益基礎進行。候選人選舉將基於多樣化範圍，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他)、技能及知識。最終決定將基於所選定候選人將為董事會帶來的益處及貢獻作出。

董事會企業管治功能

董事會負責實施本公司企業管治功能，其載列於相關書面職權範圍。董事會(除其他事務外)已檢討本企業管治報告以履行其企業管治功能，確保其符合GEM上市規則。

獨立核數師之酬金

本公司外聘核數師就本年度向本公司及其附屬公司提供審計服務所收取的費用為890,000港元(2017年：560,000港元)，非審計服務收費金額為零(2017年：178,000港元)。

Corporate Governance Report (Continued)

企業管治報告(續)

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility for preparing the financial statements of the Group and ensures that the financial statements have adopted the accounting principles generally accepted in Hong Kong and complied with the requirements of Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules. The Board is also responsible for the keeping of appropriate accounting records that reasonably and accurately disclose the financial position of the Group at any time.

The statement of the Independent Auditor about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has overall responsibilities for the risk management and internal control systems of the Group and for reviewing their effectiveness. The Board is also responsible for maintaining sound and effective risk management and internal control systems to safeguard the interests of the Shareholders and the assets of the Group.

The Internal Audit Department has been established to, amongst others (i) review the effectiveness of the Company's risk management and internal control systems at least once every financial year; (b) carry out annual risk assessment on each audit area; and (c) devise a yearly audit plan according to their risk ratings.

The systems include a defined management structure with limits of authority, and are designed for the Group to identify and manage the significant risks to achieve its business objectives, safeguard its assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant laws and regulations. The systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

問責與審核

董事會負責編製本集團之財務報表，並確保財務報表已採納香港通用會計準則及遵守香港會計師公會頒佈之香港財務報告準則之規定，以及香港公司條例及GEM上市規則之披露規定。董事會亦負責存置適當的會計記錄，且相關的會計記錄須於任何時候均可合理準確地披露本集團之財務狀況。

獨立核數師關於彼等對本集團財務報表所負責任之聲明載於獨立核數師報告。

風險管理及內部控制系統

董事會全面負責本集團之風險管理及內部監控系統及檢討其有效性。董事會亦負責維持可靠及有效之風險管理及內部監控系統以維護股東之權益及本集團之資產。

本公司已成立內部審核部門，以(i)至少每個財政年度檢討本公司風險管理及內部控制之有效性；(b)對每個檢討區域進行年度風險評估；及(c)根據有關風險評級制定年度審核計劃。

該系統包括確立一個完善管理層授權體系，並能有效識別並管理各項重大風險，以達到管理層實現其經營目標、保護資產免遭未經授權使用或處置，確保為內部使用提供可靠的財務信息或發布適當的會計記錄的維護，確保符合相關的法律法規。該系統的目的是提供合理的，但不是絕對的，保證對重大錯報或損失，並管理，而不是消除失敗的風險在本集團的業務系統，並在實現本集團的業務目標。

Corporate Governance Report (Continued)

企業管治報告(續)

Appropriate measures have been put in place to manage the risks. No major issue was raised for improvement.

During the Year, the Board has conducted a review of the effectiveness of the risk management and internal control systems and the Group's internal audit function through discussion with the Audit Committee on audit findings and control issue and considered them effective and adequate.

本集團已採取適當措施管理風險。沒有重大問題需要提出改善。

於本年度內，董事會已透過與審核委員會討論審核結果及控制問題，對風險管理及內部控制系統以及本集團的內部審核功能的成效進行檢討，並認為有效及充足。

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorized use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors, Company Secretary and investor relations officers are authorized to communicate with parties outside the Group.

內幕消息之披露

本集團知悉其根據香港法例第571章證券及期貨條例及GEM上市規則所應履行的責任，整體原則是凡涉及內幕消息，必須在有所決定後即時公布。處理及發布內幕消息的程序及內部監控措施如下：

- 本集團處理事務時會充分考慮GEM上市規則項下之披露規定及香港證券及期貨事務監察委員會於2012年6月頒佈的「內幕消息披露指引」；
- 本集團透過財務報告、公告及其網站等途徑，向公眾廣泛及非獨家地披露資料，以實施及披露其公平披露政策；
- 本集團已經嚴格禁止未經授權使用機密或內幕消息；及
- 本集團已就外界對本集團事務的查詢訂立及執行回應程序，據此只有執行董事、公司秘書及投資者關係專員獲授權與本集團外界人士溝通。

Corporate Governance Report (Continued)

企業管治報告(續)

COMPANY SECRETARY

Ms. Cheng Lucy (“**Ms. Cheng**”) was appointed as the Company Secretary with effect from 8 November 2018 in place of Mr. Kwok Sui Man who resigned on the same day.

Ms. Cheng has been nominated by Boardroom Corporate Services (HK) Limited (“Boardroom”) under an engagement letter made between the Company and Boardroom. The primary person at the Company with whom Ms. Cheng has been contacting is Mr. Chen Tao, the Finance Manager of the Company, in relation to corporate secretarial matters. Ms. Cheng had received no less than 15 hours of relevant professional training for the Year.

SHAREHOLDERS’ RIGHTS

Procedures for Shareholders to Convene an EGM

Shareholders are encouraged to attend all general meetings of the Company. Pursuant to Article 58 of the Articles of Association, Shareholders holding not less than 10% of the paid up capital of the Company can convene an EGM by depositing a requisition in writing to the Directors or the Company Secretary for the purpose of requiring the convening of the EGM. The written requisition shall be deposited to the Company Secretary at 31/F, 148 Electric Road, North Point, Hong Kong.

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement or enquiry (as the case may be) to the principal place of business of the Company in Hong Kong at 31/F, 148 Electric Road, North Point, Hong Kong and provide their full name, contact details and identification in order to give effect thereto. Shareholders’ information may be disclosed as required by law.

Procedures for Shareholders to Send Enquires to the Board

Shareholders are encouraged to communicate with the Company for any enquiries in relation to the Group by contacting the Group’s Investor Relations team at investor@shenzhouxing.com.cn. Upon receipt of the enquiries, the Investor Relations team will forward Shareholders’ enquiries and concerns to the Board, Board committees or management as appropriate. Alternatively, Shareholders can put forward any proposals at a Shareholders’ meeting.

公司秘書

曾若詩女士(「**曾女士**」)於2018年11月8日起獲委任為公司秘書，以代替於同日辭任的郭兆文先生。

曾女士由寶德隆企業服務(香港)有限公司(「寶德隆」)根據本公司與寶德隆訂立的委聘書提名。就有關公司秘書事宜，本公司與曾女士之間的主要聯繫人為陳濤先生，本公司財務經理。於本年度，曾女士已接受不少於15小時的有關專業培訓。

股東權利

股東召開股東特別大會的程序

本公司鼓勵股東出席本公司的所有股東大會。根據組織章程細則第58條，持有本公司繳足資本不少於10%的股東可透過向本公司董事或公司秘書提交要求召開股東特別大會的書面要求召開股東特別大會。書面要求應遞交至本公司秘書處(香港北角電氣道148號31樓)。

為免生疑問，股東須向本公司於香港的主要營業地點(地址為香港北角電氣道148號31樓)登記及發出簽妥之書面申請原件、通知或聲明或諮詢(視情況而定)，並提供全名、聯繫信息及身份證明以使其生效。股東資料可依法披露。

股東向董事會諮詢的程序

股東可透過發送電郵至 investor@shenzhouxing.com.cn 聯繫本集團的投資者關係團隊諮詢有關本集團的任何事宜。收到詢問後，投資者關係團隊將立即將股東詢問及質疑呈交董事會、董事會委員會或管理層(倘適合)。股東亦可在股東大會上提呈有關提案。

Corporate Governance Report (Continued)

企業管治報告(續)

Procedures for Shareholders to Propose a Person for Election as a Director

Subject to the statutes, the provisions of the Articles of Association and the GEM Listing Rules, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional director.

A Shareholder may propose a person (other than himself/herself) for election as a Director by lodging the following documents at the Company's principal place of business in Hong Kong at 31/F, 148 Electric Road, North Point, Hong Kong, for the attention of the Company Secretary:

1. a notice in writing of the intention to propose that person for election as a Director; and
2. a notice in writing by that person of his/her willingness to be elected as a Director, together with that person's information as required to be disclosed under rule 17.50(2) of the GEM Listing Rules.

CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published on the respective websites of the Stock Exchange and the Company its Memorandum and Articles of Association. During the Year, no amendments were made to the constitutional documents of the Company.

股東提名人選參選董事的程序

根據法則、組織章程細則及GEM上市規則之規定，本公司可不時於股東大會通過普通決議案選舉任何人士作為董事以填補董事臨時空缺或作為額外董事。

股東可通過將以下文件寄送到本公司的香港的主要營業地點香港北角電氣道148號31樓提請公司秘書關注的方式建議一名人士(其本人除外)參選董事：

1. 一項有意提名選舉該位人士為董事的書面通知；及
2. 一項該位被推選人士簽發表明其願意選舉之書面通知，連同根據GEM上市規則第17.50(2)條所要求披露之有關該名人士之資料。

章程文件

根據GEM上市規則第17.102條，本公司已分別於聯交所及本公司的網站登載其組織章程大綱及組織章程細則。於本年度，並無對本公司章程文件作出任何修改。

Environmental, Social and Governance Report

環境、社會及管治報告

SCOPE AND REPORTING PERIOD

This is the third ESG report of China Binary New Fintech Group (the “Group”), detailing its environmental, social, and governance performance. The contents and form of this report are prepared with reference to the ESG Reporting Guide as set out in Appendix 20 to the Listing Rules of The Stock Exchange of Hong Kong Limited.

The Group is a high-tech digital technology company, providing services in the People’s Republic of China (the “PRC”). The subsidiaries of the Group are principally engaged in providing (i) online transaction services by facilitating transactions between online game operators and online game users and providing mobile top-up service to mobile subscribers; (ii) micro financing facilitating services to individual borrowers and lenders; and (iii) software technology services and sales of smart hardware products.

This environmental, social and governance report (the “Report”) covers the performance of the operating office of the Group in Beijing and its major activities in the environmental and social aspects throughout the financial year from 1 January 2018 to 31 December 2018. As compared with the previous year, there were the following major changes in the operation of the Group: (i) decrease of total staff number; (ii) relocation of office of the Group (the new office remained in Beijing); and (iii) disposal of Beijing Kuaihuika Technology Co., Ltd. (“Kuaihuika”), a subsidiary of the Group, in September 2018, which is also included in this Report as its operation continued until September of the reporting year.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

During the reporting year, the Group continued to maintain close communication with its stakeholders, which has set a good foundation for addressing the existing problems and future challenges. During the reporting year, the Group continued to conduct quantitative stakeholder survey, in which stakeholders including directors, senior and middle management members, employees, etc. of the Group have completed relevant questionnaires. In the coming years, the Group will consider to add more different types of external stakeholders in its survey so as to have a more comprehensive understanding of the views of various stakeholders.

範圍及報告期間

此份報告為神州數字新金融科技集團（「本集團」）第三份環境、社會及管治報告，內容詳列本集團於環境、社會及管治等各方面之表現。報告內容及模式參考香港聯合交易所有限公司之上市規則附錄20所規定「環境、社會及管治報告指引」所披露。

本集團乃一家高科技數字技術公司，於中華人民共和國（「中國」）境內提供業務。本集團其附屬公司主要業務為：(i)透過促進網上遊戲運營商與網上遊戲用戶之間的交易來提供網上交易服務以及向手機用戶提供手機話費充值服務；(ii)為個人借方及貸方提供小額融資中介服務；及(iii)提供軟件技術服務和智能硬件產品銷售。

本環境、社會及管治報告書（「本報告」）的報告範疇涵蓋本集團北京的營運辦公室及其主要參與之業務，時段由2018年1月1日起至2018年12月31日的整個財政年度內有關環境及社會兩個範疇之整體表現。較上一報告年度相比，集團運營主要發生如下變化：(i)員工總人數降低；(ii)集團辦公室發生搬遷（新址仍在北京）；及(iii)集團的附屬公司北京快惠卡技術有限公司（「快惠卡」）在2018年9月被出售，但因其其在報告年度一直運營到9月，故仍包含在本報告範疇內。

持份者的參與及重要性

此報告年度，集團繼續與持份者保持緊密聯系，已為現在的問題和未來的挑戰進行解決和作好準備。此報告年度本集團繼續進行量化的持份者調查，包括集團董事，高級及中層管理成員，以及員工等持份者填寫了調查問卷。集團將考慮在來年的調研中加入更多不同類型的集團外部持份者以更全面的考量不同類別持份者的意見。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

This year's questionnaire covers a total of 16 environmental and social issues, and the stakeholders rated each topic according to what they care about and thought is most significant for the development of the Group. According to the results of the survey, after considering and weighing the opinions of different stakeholders, the three most significant topics are determined as anti-corruption, supplier management and air emissions. Other substantive environmental and social issues include:

- Waste
- Occupational Health and Safety
- Intellectual Property
- Customer Data Protection

The Group concluded that environmental aspects, supplier management and occupational health and safety are issues of most concern to stakeholders, which to a large extent reflects that our internal stakeholders cares more about these issues, but does not indicate the Group has any material operational risks in respect of them, as further explained in the following sections.

STAKEHOLDERS' FEEDBACK

Besides the above stakeholders, the Group also welcomes all other stakeholders' feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via mail to Room 1506, 15/F, Jinhui Building, Qiyang Road, Wangjing, Chaoyang District, Beijing, the PRC.

本年度問卷一共覆蓋了16項環境和社會議題，持份者對每一項議題按照其所關心以及認為對於集團發展具有最重大意義進行打分。根據此次調查結果，平均不同持份者的意見後，得出最為重要的三項議題分別為反貪污，供應商管理，及大氣排放物。持份者主要的關注點繼續集中在社會議題方面。除了上述三項，其他具實質性的環境及社會議題包括：

- 廢棄物
- 職業健康及安全
- 知識產權
- 客戶數據保護

本集團認為環境方面以及供應商管理和職業健康及安全作為持份者較為看重的議題，較大幅度反應了集團內部持份者對於這些提議的關心程度較高。並不代表集團在這些議題方面產生較大營運風險，在後續章節中亦有說明。

持份者意見

除上述持份者外，本集團亦歡迎各方持份者就我們的環境、社會及管治方針及表現提供意見。敬請閣下透過郵寄方式向我們提出建議或分享意見，郵寄地址為中國北京市，朝陽區，望京啟陽路金輝大廈15樓1506室。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

SUSTAINABILITY MISSION AND VISION

Mission

The Group believes technology can empower finance in building a fintech ecosystem based on technology and with a vision for the future and the target to servicing the globe, to provide financial services that are more low-carbon, convenient, accessible, diversified and secure to consumers and micro and small businesses which have such demands around the world.

Vision on Environment, Social and Governance

Online transaction is expected to be able to significantly reduce the transaction costs, transportation costs and the consumption of energy and time as compared to offline transaction, which therefore can contribute to the emission reduction of the world.

We will offer favourable working environment for our staff, so that all employees of the Group can give a full play to their potentials. Through providing transaction services to the public, we will make our own contributions to the development of economy.

As a responsible corporate citizen, we will strive to establish the culture of good governance, a fair working environment and honest corporate administration.

A. ENVIRONMENT

The Group is not directly involved in production activities, does not have related air emissions, nor does it have related water quality and land pollutions. Its major activities have an impact on the environment due to indirect emissions from energy consumption and a small amount of solid waste such as office waste paper. Indirect emissions from its major activities are generated by the use of electricity, petrol, water and paper.

The principal workplaces of the Group are general offices and its business does not generate related air, water quality and land pollution regulated by national laws and regulations. Therefore, there is no relevant policy in place. During the reporting period, the Group was not aware of any non-compliance with laws and regulations concerning air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

可持續發展使命與願景

使命

神州數字相信通過科技可以賦能金融，構建一個依托科技、立足未來、服務全球的金融科技生態鏈，為世界上更多有需求的消費者和小微企業提供更加低碳、便捷、暢通、多元、安全的新金融服務。

環境、社會及管治之願景

希望透過網上交易，能大量減少線下交易所耗費的交易成本，交通成本，能源以及時間。為地球減排作出貢獻。

為員工提供良好工作環境，令每位員工都能在集團內發揮所長。為社會提供交易服務，促進經濟發展。

作為一所負責任的企業公民，希望建立良好的管治文化，公平的工作環境，清廉的公司管理。

A. 環境

本集團不直接進行生產活動，無相關空氣排放，亦無相關水質及土地污染。主要經營活動產生的環境影響為消耗能源而產生的間接排放，以及極少量的固廢垃圾如辦公廢紙。主要活動產生的間接排放來自使用電力，汽油，水及紙張。

本集團的主要工作場所為一般辦公室，集團業務並不涉及受國家法律法規規管的相關空氣，水質及土地污染，所以並無相關政策。於報告期間，並無發現違反有關廢氣及溫室氣體排放、向水及土地排污以及有害及無害廢棄物產生的法律法規的情況。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Due to significant reduction in headcount, the Group reduced the area of its new office in Beijing. Kuaihuika was not relocated to the new location along with other businesses. As of September 2018, the Group had two offices in operation simultaneously. However, the disclosure on intensity/density with regard to environmental indicators, where applicable, was reported based on headcount, as the information collection systems of the two offices are different and it is impossible to calculate the water and electricity consumption of Kuaihuika exactly on a pro-rata basis because its utility fees are paid in combination with the property management fee of the building. In addition, it is inappropriate to analyse the environmental indicators in comparison with information of the previous reporting year due to changes in operations such as significant reduction in headcount, disposal of Kuaihuika and office relocation.

A1. Emissions

A1.1 Air Emissions

The Group's commercial vehicles consume petrol, and the combustion of petrol produces several types of air emissions, including nitrogen oxides (NO_x), sulfur oxides (SO_x) and particulate matter (PM).

Mobile fuel source 移動燃料源

Air emissions generated by Vehicle Petrol 車用汽油產生的空氣排放

	NO _x (kg)	PM(kg)	SO _x (kg)
Vehicle Petrol 車用汽油	2.26	Less than 0.01 小於0.01	0.09

Note: unless otherwise stated, the emission factors calculated in the environmental parameters of this report are based on Appendix 20 to the Listing Rules and documents referred to by the Hong Kong Exchanges and Clearing Limited.

附註：本報告中環境參數計算的排放因素乃參照上市規則附錄二十及香港交易及結算有限公司所提述的文件，另有說明除外。

A1.2 Greenhouse Gas Emissions

Greenhouse gas emissions include direct emissions from vehicle petrol within Scope 1, indirect emissions from purchased electricity within Scope 2, and indirect emissions from waste landfill, water supply and wastewater treatment within Scope 3. No estimation was made in relation to travelling of employees by plane within Scope 3 due to lack of relevant information.

A1.2 溫室氣體排放

溫室氣體的排放包括範疇一的車用汽油的直接排放，範疇二外購電力的間接排放，以及範疇三廢棄物填埋、自來水及污水處理所產生的間接排放。員工飛機差旅等由於缺少數據未進行相關的範疇三排放估算。

由於人數顯著減少，本集團在北京的新辦公室面積亦縮小。快惠卡並未隨同其他業務一起搬遷至新址。直至2018年9月，集團同時在兩處辦公地點進行辦公，但是由於兩處辦公場所的數據收集系統不同，且快惠卡由於水電費用與大廈物業管理費合交，無法具體分攤和計算水電消耗及其相應排放，故而在報告環境指標強度/密度方面，適用時，採取以人數為單位的報告方式進行密度披露。同時，由於員工驟減、快惠卡出售、及辦公場所搬遷等營運轉變，環境方面指標亦不適與之前報告年度的結果進行比較分析。

A1. 排放物

A1.1 氣體排放

集團商務用車所消耗的汽油會在燃燒時產生幾種空氣排放，包括氮氧化物(NO_x)、硫氧化物(SO_x)和呼吸懸浮顆粒(PM)。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

A total of 106.33 tonnes CO₂ equivalent greenhouse gas emissions were recorded during the reporting year, representing 1.78 tonnes of CO₂ equivalent greenhouse gas emissions per person.

本報告年度一共排放106.33噸二氧化碳當量溫室氣體。平均每人排放1.78噸二氧化碳當量的溫室氣體。

Scope of Greenhouse Gas Emission	Emission Sources	Emission (in tonnes of CO ₂ e) 排放量 (噸二氧化碳當量)	Total Emission (in percentage) 總排放量 (百分比)
溫室氣體排放範圍	排放來源		
Scope 1 Direct Emission 範圍一 直接排放	Petrol consumed by the fleet of the Company 本公司車隊油耗之汽油	16.44	16%
Scope 2 Indirect Emission From Energy 範圍二 間接排放	Electricity consumption 電力消耗	88.70	83%
Scope 3 Other Indirect Emission 範圍三 其他間接排放	Waste (waste paper) landfill Water supply and wastewater treatment 廢棄物(廢紙)填埋 自來水及污水處理	1.19	1%
Total Emission 總排放量		106.33	100%

Note: The aforementioned methods for calculating the emission volume of greenhouse gas (in tonnes of CO₂e) are based on the appendixes and guidances of the HKEX. The emission coefficient of electricity is calculated using 0.76 tonnes of CO₂e/MW of North China Power Grid.

附注：以上溫室氣體(以噸二氧化碳當量計)排放計算方法，參考港交所附例指引。電力的排放系數採用華北電網以每兆瓦0.76噸二氧化碳當量計。

A1.3 Hazardous Waste

The Group does not calculate hazardous waste as it does not generate production-related hazardous waste and has very limited hazardous waste produced from waste batteries, printer cartridges and waste electronic products and lamps in offices. The Group disposes of hazardous waste based on their different categories. All printer cartridges are reused instead of abandoned immediately and waste electronic products are stored for further treatment.

A1.3 有害廢棄物

本集團無生產相關有害廢棄物的產生，辦公相關的廢舊電池，打印墨盒，報廢電子產品及燈管等產生量極少，故無相關數據統計。集團按照不同有害廢棄物類型進行後續處理。打印墨盒全部重新回用，未有直接廢棄。廢舊電子產品先行存放待後續處理。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

A1.4 Non-hazardous Waste

Non-hazardous waste produced by the Group is mainly waste paper from offices. Only a very small amount of other domestic refuses are generated and handled by the management office of the building. 220kg of office paper in total was purchased during the reporting year. No data of Kuaihuika is available as its paper is not purchased by the office itself. No specific calculation was conducted in respect of diversion of waste paper, which is collected by the management office and handled by the municipal environmental hygiene departments.

A1.5 Emission Reduction Measures

As a technology company with low emissions, the Group mainly encourages its employees to work and behave in low-carbon ways for the purpose of emission reduction. The Group advocates paperless office to reduce paper consumption, and uses recycled paper to minimize related indirect emissions and abuse of natural resources. It also requires employees to turn off their computers and lights after work to prevent waste of electricity.

A1.6 Waste Reduction Measures

Despite of an absence of formal policies and guidance, the Group has been striving for waste reduction. The Group has designated recyclers to recycle and refill printer cartridges in the long-term and its employees are accustomed to single-sided printing for drafts and double-sided printing.

A2. Use of Resources

A2.1 Energy Consumption

During the reporting period, the Group directly consumed electricity of 116,742 kWh which was calculated based on the electricity bills provided by Jinhui Building. The additional electricity consumption resulted from air-conditioning during overtime work in the summer was not calculated as the management office did not calculate or charge for it based on actual electricity generation. Petrol consumption of the Group was translated into electricity consumption. After such translation, the total energy consumption for the reporting year was 170,798 kWh.

A1.4 無害廢棄物

本集團產生的無害廢棄物主要為辦公廢紙。其他生活垃圾產生量極少並由大廈管理處統一處理。報告年度一共購買220公斤辦公用紙。快惠卡由於紙張不由辦公室自行購買故無數據統計。廢紙的具體分流亦無統計，管理處收集後由市政環衛部門統一處理。

A1.5 減排措施

由於本集團屬於低排放的科技型企業，主要的減排措施集中在鼓勵員工綠色辦公和低碳行為。本集團主張無紙化辦公，減少紙張的消耗，並採用環保再生紙，以盡量減低相關的間接排放及對自然資源的破壞。集團要求員工下班後關閉電腦、關閉電燈，以杜絕浪費電力現象。

A1.6 減廢措施

雖未有正式政策宣導，集團不斷為減少廢棄物而努力。集團長期有指定回收商回收打印機墨盒，重灌碳粉後再用；員工習慣使用單面紙打印草稿及雙面打印。

A2. 資源消耗

A2.1 能源消耗

報告期間，集團直接消耗電力為116,742千瓦時。電力由金輝大廈提供的電費單據進行估算，夏天加班產生的額外空調用電由於大廈管理處未按照實際電力運行進行統計和收費故未進行計算。集團所消耗的汽油亦折算為電力單位。折算後，報告年度總消耗能源為170,798千瓦時。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Type of Energy	Direct Consumption in 2018	Consumption Intensity in 2018 (Average consumption per person)	Consumption in 2018 (in kWh after translation)
能源類型	2018年直接消耗量	2018年消耗密度 (平均每人消耗量)	2018年消耗量 (折算為千瓦時)
Direct Electricity Consumption 直接電力消耗	116,742 kWh 116,742 千瓦時	1,978.7 kWh per person 每人 1,978.7 千瓦時	N/A 不適用
Vehicle Petrol 車用汽油	6,100 litres 6,100 升	103.4 litres per person 每人 103.4 升	54,056 kWh 54,056 千瓦時

Note: The coefficients in the translation are based on the Energy Statistics Manual of IEA and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

附註：折算系數參考了IEA能源統計手冊和2006年IPCC國家溫室氣體清單指南。

A2.2 Water Consumption

Water in the office building is supplied by municipal water utilities. Natural resources such as surface water or groundwater are not used and there is no problem regarding access to water. During the reporting period, water consumption of the Group was 1,665 M³ in total.

A2.2 水資源消耗

辦公樓由市政統一供水，沒有使用任何地表水或地下水等天然資源，沒有關於獲取水源方面的任何問題。在報告期間，集團總共使用1,665立方米自來水。

Water Consumption

Consumption in 2018

Consumption Intensity in 2018 (Average consumption per person)

水資源使用

2018年消耗量

2018年消耗密度 (平均每人消耗量)

Municipal water supply
市政自來水

1,665 M³
1,665 立方米

28.2 M³ per person
每人 28.2 立方米

A2.3 Energy Saving Measures

The culture of energy conservation is popular at the Group, which encourages each employee to turn off the electric equipment (including computers) before he/she leaves the office. Employees are required to turn off electric lamps and computers at their work stations when they are off duty, and once violations are found, rectification will be required by the department head. For the time being, the Group has no policy in place which explicitly requires that energy-saving products shall be selected when purchasing electrical or electronic products. However, products with energy-saving labels have been used in the course of operation. After the Group relocated to the new office building, energy-consuming equipment such as electric lamps and air conditioners are collectively managed by the management office, which is beyond the control of the Group, hence there are no relevant policies or daily regulations in place.

A2.3 節能措施

集團極力提倡節能文化，每位員工離開辦公室時都會關掉用電設備，包括計算機。集團規定員工在下班時須關閉自己工位的電燈和電腦，若發現違規情況，部門負責人將責成改正。集團暫時沒有在政策上明文規定採購電器或電子產品時，必須選擇節能產品，但在運作過程中，均考慮帶有節能標志的產品。搬入新辦公大廈後，電燈、空調等耗能設備均由管理處統一管理，不在集團可控範圍內，故無相關政策或日常規範。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

A2.4 Water Saving Measures

The Group only engages in general office operations which generate low per capita water consumption. Apart from the use of urban tap water, the Group does not use any natural resources, such as surface water or groundwater. Therefore, water consumption does not have any significant impact on the environment. The Group shares the public water source of the building with other companies, and the management office of the building collectively manages water conservation, such as installing automatic induction faucets, to prevent unnecessary waste of water resources.

A2.5 Packaging Materials

The Group's operations do not involve the use of packaging materials, so no relevant policies or materials have been formulated.

A3. Environment and Natural Resources

As a technology company, the Group has no substantial production and operation and no consumption of any raw materials, thus no significant use of resources took place. The Group only engages in general office operations and emissions arising from its principal activities come from the use of electricity, petrol, water and paper during the reporting period. As the Group's business does not involve related air emissions, water quality and land pollutions regulated by national laws and regulations, theoretically no significant impact has been caused on the environment.

As the Group's business attributes determine its low impact on the environment, and many are not under its own control (e.g., related emissions arising from the power source of the office building and the energy structure of its power system are not under the control of the Group), the Group has not specifically formulated policies on reducing the Group's significant impact on the environment and natural resources. Currently, there are no specific related research and development projects. However, as a responsible citizen company, the Group continues to commit itself to incorporating energy conservation and emission reduction into its daily operations, and continuously improve the employees' environmental awareness.

A2.4 節水措施

本集團只有一般辦公室運作，人均耗水度甚低，除使用一般城市自來水外，並沒有使用任何地表水或地下水等天然資源，耗水不對環境構成任何重要影響。集團與其他公司共用大廈公用水源，大廈管理處統一進行節水管理，比如安裝自動感應水龍頭以避免不必要的水資源浪費。

A2.5 包裝材料

本集團的運營不涉及包裝材料的使用，故無相關政策或數據。

A3. 環境及天然資源

本集團是一家科技企業，無實體生產運作，無任何原材料耗損，不存在任何大量資源使用。本集團只有一般辦公室運作，集團於報告期間，主要活動而產生的排放包括使用電力，汽油，水及紙張，本集團之業務並不涉及受國家法律法規規管所產生的相關空氣，水質及土地污染，理論上並不對環境構成任何重要影響。

由於本集團業務屬性決定其對於環境的影響較低，且很多不在其自身掌控之內(如辦公大樓的電力來源及電力系統能源結構造成相關排放不是集團可以控制)，故集團沒有具體制定關於減低集團對環境及天然資源產生重大影響的政策。目前亦無特定相關研究及發展項目。但是，作為一個負責任的公民企業，集團不斷致力於將節能減排身體力行貫徹到日常運營過程中，持續提高員工的環保意識。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

B. SOCIAL

1. Employment and Labour Practices

The Group strictly complies with relevant laws and regulations, such as the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China and Salary Payment Regulations of the People's Republic of China, to conduct related management on employment.

During the reporting year, a major update on employment of the Group is that greater emphasis has been placed on anti-discrimination regulations which have been incorporated into our daily operations. During the reporting period, the Group was not aware of any non-compliance with relevant laws and regulations concerning remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversification, anti-discrimination and other interests and benefits.

B1. Employment

The Group regards its employees as the most valuable asset of the Group. As at 31 December 2018, the Group had a total of 59 full-time employees, all from mainland China, and did not have any part-time employees.

As compared with the previous reporting year, the total number of employees of the Group decreased significantly. This is because: (i) the Group disposed of Kuaihuika in 2018; (ii) due to the reduction in profit affected by the overall economic downturn in 2018, the Group implemented a part of downsizing plan. For the employees who have been laid off, the Group has made relevant compensation in strict accordance with the Labor Law of the People's Republic of China. During the reporting year, a total of 34 compensations were approved, totaling RMB 955,512.45.

B. 社會

1. 僱傭及勞動常規

本集團嚴格遵守相關法律法規例如《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國工資支付條例》等執行僱傭相關的管理。

報告年度與僱傭相關的主要更新為集團更加重視並將反歧視條例納入日常運作。於報告期內，並無發現違反有關涉及薪酬及解僱，招聘及晉升，工作時間，假期，平等機會，多元化，反歧視以及其他利益及福利的相關法律法規的情況。

B1. 僱傭

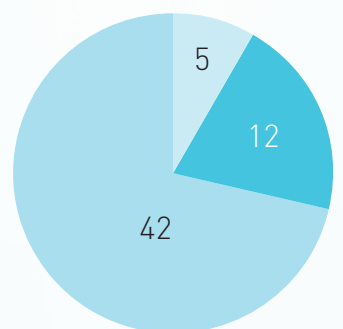
集團視僱員為本集團的最寶貴資產。於2018年12月31日，本集團共有59名全職僱員，無兼職僱員，均來自中國大陸。

較上一報告年度相比，集團總員工人數顯著下降，這是因為：(i)集團已於2018年出售快惠卡；(ii)由於2018年度整體經濟環境下行，集團利潤減少，實施了一部分裁員計劃。對於所裁員工，集團嚴格按照《中華人民共和國勞動法》進行了相關補償。本報告年度共計審批34筆補償金，合計人民幣955,512.45元。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Number of employees by employee category
按僱員類別區分的員工人數

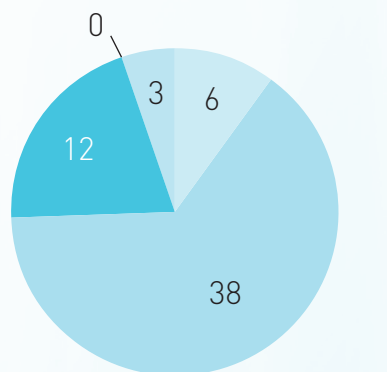


Director, General Manager, Deputy General Manager
董事·總經理·副總經理

General Manager, Deputy General Manager, Manager, Supervisor
經理·副經理·主管

Frontline and other employees
前線及其他僱員

Number of employees by employee's age
按僱員年齡區分的員工人數



18-25
18-25歲

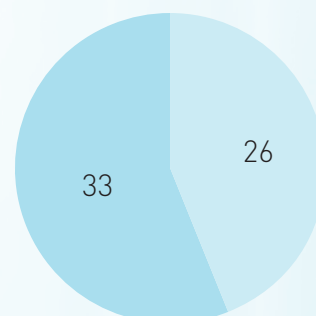
26-35
26-35歲

36-45
36-45歲

46-55
46-55歲

56 or above
56歲以上

Number of employees by employee's gender
按僱員性別區分的員工人數



Male 男性 Female 女性

The Group values anti-discrimination principles and incorporates them into its daily operations. For example, in terms of recruitment, promotion, assessment, training, development and other aspects, employees are not discriminated against or deprived of opportunities due to gender, ethnic background, religion, skin color, sexual orientation, age, marital status or family status. The Group also employs the disabled and ethnic minorities. At the time of recruitment, pregnant candidates will not be treated differently and will be properly taken care of at work after the employment.

The Human Resources Department handles all matters relating to employees. Up to now, the Group was not aware of any unfair treatment or related complaints on its employees. The Group's employees are entitled to two promotion opportunities each year, and any employee with outstanding work ability will get more promotion opportunities. The assessment and salary adjustments are also only based on the performance of employees. All these reflect the meritocracy principle of the Group.

集團日益重視並將反歧視原則納入日常運營。例如，在招聘、晉升、評核、培訓、發展及其他方面，僱員概無因性別、種族背景、宗教信仰、膚色、性取向、年齡、婚姻狀況或家庭狀況而受到歧視或被剝奪機會。集團亦有僱傭殘疾人士及少數民族人士。在招聘時，不會因為候選人是孕婦而差別對待，僱傭後，亦會在工作中適當照顧。

人力資源部處理一切與員工有關的事宜，截至目前，本集團員工還沒有遭受到不公平對待或相關投訴事件。集團員工每年會有兩次的晉升機會，凡工作能力突出的員工，均會得到更多的晉升機會。評核以及薪酬調整亦只考慮員工的工作表現。這反映集團的人事原則是任人唯賢。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

B2. Occupational Health and Safety

As the employees of the Group work in the office environment and involve no high-risk or high hazard work, the Group has no relevant internal policies in place. Meanwhile, the Group strictly abides by relevant laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Provisions on the Administration of Fire Control Safety of State Organs, Organisations, Enterprises and Institutions. There was no incident of casualties and working day loss for injury on duty during the reporting period, and the Group was not aware of any non-compliance with relevant laws and regulations concerning occupational health and safety that has significant impact on the Group.

All employees undergo full body check every year and enjoy medical insurance which entitles them to be reimbursed for 90% of the items within the scope of medical insurance. The Group also organizes fire drills every year in collaboration with the management office of the office building.

B3. Development and Training

The Group keeps providing employees with training opportunities in various aspects, such as improving professional skills, management skills, and customer communication skills. No updates have been made to such policy during the reporting year. There are 59 employees trained during the reporting period, with a total of 295 training hours. The number of employees trained is as the same with the number of employees as above by employee category and gender, with 5 training hours per person.

B4. Labour Standard

All employment and recruitment processes of the Group are strictly complied with relevant laws, such as the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Trade Union Law of the People's Republic of China and Law of the People's Republic of China on the Protection of Minors. The Group prohibits forced labour, illegal labour or child labour.

B2. 職業健康與安全

本集團員工日常於辦公樓環境上班，不涉及高風險或者高危害工作，故未有集團內部相關政策。同時，本集團嚴格遵守相關法律法規例如《中華人民共和國職業病防治法》、《機關、團體、企業、事業單位消防安全管理規定》。在此報告期間亦未發生任何人員傷亡事件，沒有任何因工受傷損失工作總日數，也無發現違反有關職業健康及安全且對本集團影響重大的相關法律法規的情況。

本集團每年為所有員工進行詳細的身體檢查，所有員工均享有醫療保險，可享受醫療保範圍內項目90%的額度報銷。集團亦協同辦公大廈管理處每年組織消防演習。

B3. 發展與培訓

集團不斷為僱員提供提升專業技能，管理技能，客戶溝通技能等不同方面的培訓機會。本報告年度無相關政策更新。報告期間59名員工接受培訓，總培訓時數為295小時。按照僱員類別、及僱員性別劃分，接受培訓的員工人數與上圖所示員工人數相同，人均培訓時數為每人5小時。

B4. 勞工準則

本集團所有僱傭及招聘程序均嚴格遵守相關法律如：《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國工會法》、《中華人民共和國未成年人保護法》等。本集團禁止強迫勞工、非法勞工或童工。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

In the process of recruiting employees, background investigation will be conducted on employees to ensure their ages meet the requirement standard of the law. The Group was not aware of any non-compliance with relevant laws and regulations relating to preventing child and forced labor that has a significant impact on the Group during the reporting period.

2. Operating Practices

B5. Supply Chain Management

The Group's procurements are mainly office supplies. While purchasing products, impacts on environment will be considered during procurement process and products made from renewable materials are preferred. The Group encourages suppliers to pay attention to environmental and social issues and maintain a high standard on business ethics and conducts. As the Group does not involve in material production nor consume large amount of raw materials, therefore, there is no record of regional category and specific number of suppliers, and no updates have been made to relevant policy.

B6. Product Responsibility

There is no product safety problem related to products of the Group and no consideration that products have to be recalled due to quality or safety reasons. No non-compliance with relevant laws and regulations relating to the health and safety of the services provided, advertisement, labelling and privacy was identified during the reporting period. A customer service center is established to deal with service complaints. No customer complaints were reported in the reporting period. The Group has delegated professional customer service department to deal with customer complaint relating to its every business.

Data Protection

The Group continually and thoroughly implements relevant measures related to data protection of customers and consumers. The Group strictly prohibits the use of any personal data of customers by other parties without specific affirmative consent of customers.

本集團在錄取員工過程中，會對員工進行背景調查，以確保員工年齡符合法律標準。於報告期間，並無發現任何違反有關防止使用童工及強迫勞工且對本集團影響重大的相關法律法規的情況。

2. 營運慣例

B5. 供應鏈管理

本集團一般採購均為辦公用品，採購任何產品均會考慮其環境影響，盡量採購以再生物料製造的產品。集團鼓勵供應商關注環境社會議題並維持高水平的商業道德及行為。由於集團不涉及物料生產亦沒有消耗大量原材料，所以沒有對供應商按照地區劃分及具體數目進行記錄，亦無相關政策更新。

B6. 產品責任

本集團無實體產品相關的產品安全問題，也無因質量或安全原因而需要回收的考量。於報告期內，並無發現違反有關所提供服務的健康及安全，廣告，標籤及隱私的相關法律法規的情況。本集團設有客戶服務中心，應對服務投訴。此報告期間無客戶投訴。集團各項業務均有專業客服部門處理客訴相關事宜。

數據保護

本集團繼續深入貫徹保護客戶和消費者資料的相關措施。本集團禁止其他方在未經客戶明確同意的情況下使用客戶的任何個人資料。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

The Group provides customers with payment platform which involves a great number of public users. It is evident that customers' privacy is essential. The Group adopts such encryption methods as 3des, rsa and md5 to store customer data and protect data by means of some ways like hardware firewall, software firewall and data isolation.

Intellectual Property

The Group attaches great importance to protect its own and business partners' intellectual property. The Group has signed the agreement of not using pirated software of which all softwares are genuine. A policy of the Group stipulates that pirated software is forbidden to be downloaded or used in the Company. There are no updates to the policies related to the protection of the intellectual property and privacy of the Group and its business partner during the reporting period.

Leveraging the expertise and experience accumulated in the development of online transaction services and the previous investments in companies mainly carrying out businesses of blockchain technology, the Group has developed its R&D capacity and is able to explore the application of blockchain technology in cryptocurrency and its daily application in software and hardware. During the reporting period, the Group has developed cloud blockchain exchange infrastructure namely MasterDAX, where its customers are using this platform to provide blockchain exchange services and digital asset management service to individuals.

本集團為客戶提供支付平台，當中涉及大量公眾客戶，客戶隱私的重要性不言而喻。本集團通過3des、rsa、md5加密方式存儲客戶數據，並以硬件防火牆、軟件防火牆及重要數據隔離等複合方法，進行數據保護。

知識產權

本集團非常重視自身及業務夥伴知識產權的保護。本集團已簽署不使用盜版軟件合約，使用所有軟件均為正版，本公司並有政策在全公司範圍內嚴禁下載或使用盜版軟件。報告期內無關於保護集團及商業夥伴的知識產權和隱私的政策更新。

集團憑借開發網上交易服務所得的專業知識及經驗，以及其對主要從事區塊鏈技術的公司的過往投資，已構建其研發能力，探索區塊鏈技術應用於加密貨幣及於軟件及硬件方面的日常應用。報告期內，本集團已開發並推出雲區塊鏈交換基礎設施即MasterDAX，本集團客戶利用該平台為個人提供區塊鏈交換服務及數字資產管理服務。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

B7. Anti-corruption

The Group regards integrity and fairness in business operation as its core values. The Group strictly complies with laws and regulations and rejects any illegal acts, such as corruption and bribery. The Group was not aware of any non-compliance with relevant laws and regulations relating to corruption, bribery, fraud and money laundering that has a significant impact on the Group during the reporting period. There was no case of violation of laws and regulations relating to anti-corruption against the Group or the Group's employees for the reporting year. The labor contract of the Group also stipulates that employees who neglect their duty, commit malpractices and cause great damages to the interests of the Company shall be dismissed.

Moreover, the Group has sound purchasing policy in place. While selecting important suppliers, Purchasing Department, User Department, Internal Control Department and General Manager will form an assessment team to evaluate suppliers in terms of reputation, finance and quality control, etc. The assessment team has to submit assessment report and sign to confirm it after assessment. Suppliers assessed to be disqualified cannot be registered in the supplier list. Sound purchasing policy makes illegal kickbacks impossible.

B8. Community Investment

The Group did not invest in communities due to its continually decreased profits in the reporting year. The Group will actively play its role and make contributions to communities in the next fiscal year if its financial situation is improved.

B7. 反貪污

本集團將誠實正直以及公正的經營業務視為企業核心價值。本集團嚴格遵照法律法規，拒絕任何貪污、受賄、行賄等不法行為的發生。於報告期間，並無發現違反有關貪污、賄賂、欺詐及洗錢且對本集團影響重大的相關法律法規的情況。此報告年度亦無針對本集團或本集團僱員的有關違反反貪污法律及法規的訴訟案件。本集團的勞動合同亦列明嚴重失職，營私舞弊，對公司的利益造成重大損害，將被解除勞動合約。

另本集團有完善的採購政策。在選擇重要供應商時，採購部門會聯同使用部門、內控部及總經理組成評估小組，對供應商進行評估，主要考慮其公司信譽、財務能力、質量控制等。評估後，評估小組需提交評估報告並簽字確認，評估不合格的供應商不得進入採購供應名錄。完善的採購政策杜絕非法收受回扣的可能。

B8. 社區投資

本報告年度集團利潤持續降低，並未有參與任何社區投資。若經濟情況發生改善，本集團會於下一財政年度積極考慮參與，對社區作出貢獻。

Independent Auditor's Report

獨立核數師報告



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TO THE SHAREHOLDERS OF CHINA BINARY NEW FINTECH GROUP
(previously known as “China Binary Sale Technology Limited”)
(incorporated in the Cayman Islands with limited liabilities)

致：神州數字新金融科技集團各股東
(前稱「神州數字銷售技術有限公司」)
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of China Binary New Fintech Group (previously known as “China Binary Sale Technology Limited”) (the “Company”) and its subsidiaries (together the “Group”) set out on pages 77 to 200, which comprise the consolidated statement of financial position as at 31 December 2018, and 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.

意見

吾等已審核載列於第77至200頁神州數字新金融科技集團(前稱「神州數字銷售技術有限公司」)(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於2018年12月31日之綜合財務狀況表，以及截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2018年12月31日之綜合財務狀況及 貴集團截至該日止年度之綜合財務表現及綜合現金流量，並已根據香港《公司條例》之披露規定妥善編製。

意見基準

吾等已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審計。該等準則要求吾等遵守的道德規範將在吾等報告的綜合財務報表部分的審計責任中進一步說明。根據香港會計師公會頒佈的「專業會計師道德行為準則」(「準則」)，吾等獨立於 貴集團並按照準則履行了其他的道德責任。吾等相信，吾等所獲得的審計憑證能充足和適當地為吾等的意見提供基準。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended 31 December 2018. 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.

Valuation of unlisted financial assets at fair value through other comprehensive income

Refer to note 19 to the consolidated financial statements

The Group had unlisted financial assets at fair value through other comprehensive income of approximately RMB76,281,000 and RMB126,607,000 which were measured at fair value as at 1 January 2018 and 31 December 2018 respectively.

The fair values were assessed by management based on valuations performed by an independent valuer (the "Valuer") engaged by the Group. The valuations of the unlisted financial assets at fair value through other comprehensive income involved significant judgement and estimates, including the determination of valuation methodology and the selection of appropriate inputs to the valuation models.

We identified the valuation of unlisted financial assets at fair value through other comprehensive income as a key audit matter as it requires management to exercise significant judgement and estimation, and was assessed by us to be a significant risk of material misstatement.

Our response:

Our procedures in relation to management's valuation assessment included:

- Assessing the competence, capabilities, independence and objectivity of the Valuer;
- Assessing the valuation methodology used and the appropriateness of the key bases and assumptions used, and discussing these bases and assumptions with management and the Valuer;
- Challenging the reasonableness of the key bases and assumptions and inputs based on our knowledge of the investees' businesses and industries;
- Obtaining supportive evidence for the significant judgements and estimates of the valuation and the key inputs used in the valuation; and
- Checking the mathematical accuracy of the valuation.

關鍵審計事項

根據吾等的專業判斷，關鍵審計事項為吾等審核於2018年12月31日及截至該日止年度之綜合財務報表中最重要之事項。吾等在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

按公平值計入其他全面收益的非上市金融資產的估值

請參閱綜合財務報表附註19

於2018年1月1日及2018年12月31日，貴集團的按公平值計入其他全面收益的非上市金融資產分別約為人民幣76,281,000元及人民幣126,607,000元，乃按公平值計量。

公平值乃由管理層根據一名由貴集團所聘請的獨立估值師(「估值師」)進行的估值而評定。按公平值計入其他全面收益的非上市金融資產的估值涉及重大判斷及估計，包括釐定估值方法及挑選估值模型適當的輸入數據。

由於按公平值計入其他全面收益的非上市金融資產須管理層作出重大判斷及估計，因此吾等將其視為關鍵審計事項及評估其存在重大錯誤陳述之重大風險。

吾等的應對措施：

吾等就管理層之估值評估所進行之程序包括：

- 評估估值師的勝任能力、專業能力、獨立性及客觀性；
- 評估所採用的估值方法及所採用的主要基礎及假設是否適當，以及與管理層討論此等基礎及假設；
- 根據吾等對被投資方業務及行業的認識，質詢主要基礎及假設及輸入數據的合理性；
- 就估值的重大判斷及估值以及用於估值中的主要輸入數據取得佐證；及
- 核對估值的數學準確度。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Impairment assessment of prepayments, deposits and other receivables

Refer to note 24 to the consolidated financial statements

As at 31 December 2018, the total carrying amounts of the Group's prepayments, deposits and other receivables, net of impairment as at 31 December 2018, were approximately RMB10,913,000.

Management assesses whether the credit risk of prepayments, deposits and other receivables has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their expected credit losses. The measurement model of expected credit losses involves significant management judgments and assumptions, primarily including (i) selection of appropriate model and determination of relevant key measurement parameters, including probability of default, loss given default and exposure at default; (ii) criteria for determining whether or not there was a significant increase in credit risk or a default; and (iii) economic indicators for forward-looking measurement, and the application of economic scenarios and weightings.

We have identified the impairment assessment of prepayments, deposits and others receivables as a key audit matter because of significance of these amounts to the consolidated financial statements and because applying the impairment assessment under the expected credit loss model involves a significant degree of judgement by management.

Our response:

Our procedures in relation to management's impairment assessment of prepayments, deposits and others receivables included:

- Analysing and testing, on a sample basis, the accuracy of the ageing profiles of prepayments, deposits and others receivables by checking to the underlying invoices and other source documents, to ensure that it was appropriate for management to use them for impairment assessment;
- Conducting a detailed discussion with management to understand the management's identification of significant increase in credit risk, defaults and credit-impaired loans, corroborated management's explanation with supporting evidence; and
- for forward-looking measurement, assessing the reasonableness of economic indicator selection, economic scenarios and weightings application, and assessing the reasonableness of the estimation by comparing with industry data.

預付款、按金及其他應收款項之減值評估

請參閱綜合財務報表附註24

於2018年12月31日，貴集團預付款、按金及其他應收款項扣除於2018年12月31日的減值後之賬面總值約為人民幣10,913,000元。

管理層評估預付款、按金及其他應收款項的信貸風險自其首次確認以來有無大幅增加，並應用三階段減值模式計算其預期信貸虧損。預期信貸虧損的計量模式涉及管理層作出大量判斷及假設，主要包括(i)選擇適當的模式及釐定有關的主要計量參數，包括違約概率、違約損失率及違約風險；(ii)釐定信貸風險大幅增加或違約的標準；及(iii)前瞻性計量的經濟指標，以及應用經濟情景及比重。

吾等將預付款、按金及其他應收款項的減值評估確定為一項關鍵審計事項，原因是該等金額就綜合財務報表而言屬重大，而且應用預期信貸虧損模式項下的減值評估涉及管理層作出重大判斷。

吾等的應對措施：

吾等就管理層的預付款、按金及其他應收款項減值評估執行的程序包括：

- 透過檢查相關發票及其他原始文件，抽樣分析及測試預付款、按金及其他應收款項賬齡情況的準確性，以確保管理層將其用於減值評估屬適當；
- 與管理層進行詳細討論，以了解管理層如何識別信貸風險的重大增加、違約及信貸減值貸款，並以佐證支持管理層的解釋；及
- 就前瞻性計量而言，評估所選擇的經濟指標、經濟情景及比重應用是否合理，以及通過比較行業數據以評估估計是否合理。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Determining whether the Group is acting as a principal or as an agent in respect of online transaction services

Refer to note 5(d) to the consolidated financial statements

During the year ended 31 December 2018, the Group recognised online transaction services income of RMB4,427,000, all of which is presented on a net basis since the Group considered that it is acting as agent rather than as principal.

The Group is acting as a principal only when it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. The features of an entity when it is acting as a principal included (i) being primarily responsible for providing goods or services; (ii) exposure to inventory risk; and (iii) establishing price. The directors of the Company assess whether the Group is acting as a principal or as an agent by reviewing all the relevant facts and circumstances and the substance of the online transaction services provided.

We identified the accounting for revenue from provision of online transaction services as a key audit matter as it requires management to exercise significant judgement on determining the position of the Group in providing the online transaction services, and was assessed by us to be a significant risk of material misstatement.

Our response:

Our procedures in relation to management's assessment of whether the Group is acting as a principal or as an agent in the provision of online transaction services included:

- Evaluating whether the Group's presentation of revenue on a gross basis (as a principal) versus a net basis (as an agent) was in conformity with the applicable revenue recognition framework;
- Reviewing the key factors in the underlying business model, including the Group's inventory level, and sales and purchase contracts (on a sampling basis) to determine whether the Group has exposure to the significant risks and rewards associated with the provision of online transaction services;
- Performing IT systems audit to confirm our understanding about the Group's business model and substance of the provision of online transaction services.

釐定 貴集團是否就網上交易服務擔任委託人或代理

請參閱綜合財務報表附註5(d)

於截至2018年12月31日止年度，貴集團確認網上交易服務收入人民幣4,427,000元，由於貴集團認為其擔任代理而非委託人，故該等款項全部按淨值基準呈列。

貴集團僅於其面臨商品銷售或提供服務相關之重大風險及獎勵時擔任委託人。一間實體於擔任委託人時具有的特徵包括(i)主要負責提供商品或服務；(ii)面臨存貨風險；及(iii)設定價格。貴公司董事透過審閱獲提供之網上交易服務之全部相關事實及情況以及材料評估貴集團是否擔任委託人或代理。

由於來自提供網上交易服務之收入之會計法須管理層就釐定 貴集團於提供網上交易服務時之定位作出重大判斷，因此吾等將其視為關鍵審計事項及評估其存在重大錯誤陳述之重大風險。

吾等的應對措施：

吾等就管理層評估 貴集團於提供網上交易服務時是否擔任委託人或代理所進行的程序包括：

- 評估 貴集團按整體基準之收益(作為委託人)對比按淨值基準之收益(作為代理)之呈列情況是否與適用收益確認框架一致；
- 審閱相關業務模式之主要因素，包括貴集團存貨水平，及買賣合約(按樣本基準)，以釐定 貴集團是否已面臨提供線上交易服務相關之重大風險及獎勵；
- 進行IT系統審核以確認吾等理解 貴集團之業務模式及提供網上交易服務之內容。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The audit committee of the Company ("Audit Committee") assists the directors in discharging their responsibility in this regard.

年報中的其他資料

董事負責其他資料。其他資料包括本公司年報內所載資料，但不包括綜合財務報表及核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對該等其他資料發表任何形式的鑒證結論。

結合吾等對綜合財務報表的審計，吾等的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或吾等在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於吾等已執行的工作，如果吾等認為其他資料存在重大錯誤陳述，吾等需要報告該事實。在這方面，吾等沒有任何報告。

董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》的披露要求編製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編製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。

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

董事亦負責監督貴集團的財務申報過程。貴公司審核委員會（「審核委員會」）就此協助董事履行彼等職責。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

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

核數師就審計綜合財務報表承擔的責任

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

吾等的目的是獲取綜合財務報表作為一個整體是否不存在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合理保證，並出具一份包含吾等意見的核數師報告。吾等按照委聘條款僅向閣下(作為整體)報告，除此之外本報告別無其他目的。吾等概不就本報告內容對任何其他人士負責或承擔責任。

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

合理保證屬高層次的保證，惟不能保證根據香港審計準則進行的審核工作總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

依據香港審計準則，作為吾等審計的一部分，吾等在整個審計過程中進行專業判斷並保持專業懷疑態度。吾等亦：

- 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
- 識別及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、設計及執行審計程式以應對該等風險，以及獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，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。
- 瞭解與審計相關的內部控制，以設計適當的審計程式，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用的會計政策之恰當性和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。如果吾等認為存在重大不確定性，則有必要在核數

Independent Auditor's Report (Continued)

獨立核數師報告(續)

related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

BDO Limited

Certified Public Accountants

Alfred Lee

Practising Certificate Number P04960

Hong Kong, 22 March 2019

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，則吾等應當修改意見。吾等的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督和執行。吾等僅為審計意見承擔責任。

吾等與審核委員會溝通了(其中包括)計劃的審計範圍、時間安排、重大審計發現等，包括吾等在審計中發現的內部控制的任何重大缺陷。

吾等還向審核委員會提交聲明，說明吾等已符合有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響吾等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。

從與董事溝通的事項中，吾等確定哪些事項對本期綜合財務報表的審計最為重要，因而構成主要審計事項。吾等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，如果合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，吾等決定不應在報告中溝通該事項。

香港立信德豪會計師事務所有限公司

執業會計師

李嘉威

執業證書編號P04960

香港，2019年3月22日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2018 截至2018年12月31日止年度

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Revenue	收入	7	32,979	26,413
Cost of revenue	收入成本		(12,644)	(15,090)
Gross profit	毛利		20,335	11,323
Other income and gains	其他收入及收益	7	9,666	38,053
Fair value loss on intangible assets	無形資產的公平值虧損	16	(2,435)	—
Selling and distribution expenses	銷售及分銷開支		(5,851)	(5,084)
Administrative expenses	行政開支		(55,278)	(43,845)
Expected credit losses on financial assets	金融資產的預期信貸虧損	24	(42,876)	—
Expected credit losses on contract assets	合約資產的預期信貸虧損	23(a)	(19)	—
Share of losses of associates	應佔聯營公司之虧損	20	(678)	(267)
Finance costs	融資成本	8	(3,593)	(794)
Loss before income tax credit	除所得稅抵免前虧損	9	(80,729)	(614)
Income tax credit	所得稅抵免	12	1,678	1,455
(Loss)/profit for the year	年內(虧損)/溢利		(79,051)	841
Other comprehensive income	其他全面收益			
Item that will not be reclassified to profit or loss:	不會重新分類至損益的項目：			
Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax	按公平值計入其他全面收益的股本工具公平值變動，除稅淨額		32,552	—
Items that may be reclassified subsequently to profit or loss:	其後或會重新分類至損益的項目：			
Change in fair value of available-for-sale financial assets	可供出售金融資產的公平值變動		—	23,727
Reclassification of investment revaluation reserve upon disposal of available-for-sale financial assets	出售可供出售金融資產時重新分類投資重估儲備	19(c)	—	(18,777)
Other comprehensive income for the year	年內其他全面收益		32,552	4,950
Total comprehensive income for the year	年內全面收益總額		(46,499)	5,791
(Loss)/profit for the year attributable to:	以下各項應佔年內(虧損)/溢利：			
Owners of the Company	本公司擁有人		(76,136)	7,041
Non-controlling interests	非控股權益		(2,915)	(6,200)
			(79,051)	841
Total comprehensive income for the year attributable to:	以下各項應佔年內全面收益總額：			
Owners of the Company	本公司擁有人		(43,584)	11,991
Non-controlling interests	非控股權益		(2,915)	(6,200)
			(46,499)	5,791
(Losses)/earnings per share (RMB cents)	每股(虧損)/盈利(人民幣分)			
— Basic	— 基本	14	(15.86)	1.47

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2018 於2018年12月31日

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	3,813	2,406
Intangible assets	無形資產	16	2,418	776
Prepayments for acquisition of property, plant and equipment	收購物業、廠房及設備的預付款	24	1,679	1,679
Other non-current assets	其他非流動資產	18	12,000	—
Available-for-sale financial assets	可供出售金融資產	19	—	136,833
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產	19	171,922	—
Interests in associates	於聯營公司的權益	20	3,665	2,733
Goodwill	商譽	21	—	509
Long term prepayments	長期預付款	24	—	3,500
Total non-current assets	非流動資產總額		195,497	148,436
Current assets	流動資產			
Trade receivables	貿易應收款項	22	374	773
Contract assets	合約資產	23(a)	3,693	—
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	24	10,913	116,634
Inventories	存貨	25	1,760	5,087
Pledged bank deposits	已抵押銀行存款	27	104,715	65,015
Cash and cash equivalents	現金及現金等價物	28	108,927	83,319
Total current assets	流動資產總額		230,382	270,828
Liabilities	負債			
Current liabilities	流動負債			
Trade payables	貿易應付款項	29	6,101	7,997
Contract liabilities	合約負債	23(b)	431	—
Other payables and accruals	其他應付款項及應計費用	30	5,148	17,613
Bank borrowings	銀行借款	31	91,500	61,000
Current tax liabilities	即期稅務負債		471	521
Total current liabilities	流動負債總額		103,651	87,131
Net current assets	流動資產淨值		126,731	183,697
Total assets less current liabilities	總資產減流動負債		322,228	332,133

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

As at 31 December 2018 於2018年12月31日

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅務負債	32	5,068	7,099
Total non-current liabilities	非流動負債總額		5,068	7,099
<hr/>				
NET ASSETS	資產淨值		317,160	325,034
<hr/>				
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Issued capital	已發行股本	33	2,941	2,941
Reserves	儲備		312,999	320,720
<hr/>				
Non-controlling interests	非控股權益		315,940	323,661
			1,220	1,373
<hr/>				
TOTAL EQUITY	總權益		317,160	325,034

On behalf of the Board
代表董事會

Wei Zhonghua
魏中華
Director
董事

Sun Jiangtao
孫江濤
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2018 截至2018年12月31日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益									
		Issued capital	Share premium	Capital reserve	Statutory reserve	Investment revaluation reserve	Fair value through other comprehensive income reserve	Retained earnings	Total	Non-controlling interests	Total equity
		已發行股本	股份溢價	資本儲備	法定儲備	投資重估儲備	按公平值計入其他全面收益儲備	保留盈利	總計	非控股權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 34(a))	(note 34(a))	(note 34(b))	(note 34(c))	(note 34(d))	(note 34(e))	(note 34(f))	(note 34(f))	(note 34(f))	(note 34(f))
		(附註34(a))	(附註34(a))	(附註34(b))	(附註34(c))	(附註34(d))	(附註34(e))	(附註34(f))	(附註34(f))	(附註34(f))	(附註34(f))
At 1 January 2017	於2017年1月1日	2,941	47,899	1,371	17,110	34,717	—	206,382	310,420	11,285	321,705
Profit/(loss) for the year	年內溢利/(虧損)	—	—	—	—	—	—	7,041	7,041	(6,200)	841
Change in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	—	—	—	—	23,727	—	—	23,727	—	23,727
Reclassification of investment revaluation reserve upon disposal of available-for-sale financial assets (note 19(c))	出售可供出售金融資產時重新分類投資重估儲備 (附註19(c))	—	—	—	—	(18,777)	—	—	(18,777)	—	(18,777)
Total comprehensive income for the year	年內全面收益總額	—	—	—	—	4,950	—	7,041	11,991	(6,200)	5,791
Capital injections from non-controlling interests (note 17)	非控股權益注資 (附註17)	—	—	—	—	—	—	—	—	490	490
Acquisition of a subsidiary (note 40)	收購一間附屬公司 (附註40)	—	—	—	—	—	—	—	—	(320)	(320)
Acquisition of non-controlling interests of subsidiaries (note 17)	收購附屬公司非控股權益 (附註17)	—	—	—	—	—	—	1,250	1,250	(3,882)	(2,632)
Appropriation to statutory reserve	撥入法定儲備	—	—	—	182	—	—	(182)	—	—	—
At 31 December 2017 as originally presented	如原先呈列的於2017年12月31日	2,941	47,899	1,371	17,292	39,667	—	214,491	323,661	1,373	325,034
Initial application of HKFRS 9 (note 3)	首次應用香港財務報告準則第9號(附註3)	—	—	—	—	(39,667)	76,009	(479)	35,863	(16)	35,847
Restated balance as at 1 January 2018	於2018年1月1日的經重列結餘	2,941	47,899	1,371	17,292	—	76,009	214,012	359,524	1,357	360,881
Loss for the year	年內虧損	—	—	—	—	—	—	(76,136)	(76,136)	(2,915)	(79,051)
Change in fair value of financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產公平值變動	—	—	—	—	—	32,552	—	32,552	—	32,552
Total comprehensive income for the year	年內全面收益總額	—	—	—	—	—	32,552	(76,136)	(43,584)	(2,915)	(46,499)
Transfer upon disposal of financial assets at fair value through other comprehensive income (note 19(c))	出售按公平值計入其他全面收益的金融資產時轉撥 (附註19(c))	—	—	—	—	—	(3,137)	3,137	—	—	—
Disposal of subsidiaries (note 41(a))	出售附屬公司(附註41(a))	—	—	—	—	—	—	—	—	2,778	2,778
At 31 December 2018	於2018年12月31日	2,941	47,899	1,371	17,292	—	105,424	141,013	315,940	1,220	317,160

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Loss before income tax credit	除所得稅抵免前虧損	(80,729)	(614)
Adjustments for:	經調整：		
Interest income	利息收入	(1,831)	(485)
Interest expenses	利息開支	3,593	794
Depreciation of property, plant and equipment	物業、廠房及設備折舊	637	434
Amortisation of intangible assets	無形資產攤銷	216	360
Fair value loss on intangible assets	無形資產的公平值虧損		
— cryptocurrencies	— 加密貨幣	2,435	—
Return from other non-current assets (note 18)	其他非流動資產的回報(附註18)	(750)	—
Impairment loss on intangible assets	無形資產減值虧損	585	—
Expected credit loss on financial assets	金融資產的預期信貸虧損	42,876	—
Expected credit loss on contract assets	合約資產的預期信貸虧損	19	—
Impairment loss on inventories	存貨減值虧損	—	278
Impairment loss on trade receivables	貿易應收款項減值虧損	—	1,397
Share of losses of associates	應佔聯營公司之虧損	678	267
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產的收益	—	(35,687)
Gain on disposal of a subsidiary	出售附屬公司的收益	(900)	(767)
Loss/(gain) on written off/disposal of property, plant and equipment	撇銷/出售物業、廠房及設備的虧損/(收益)	469	(66)
Loss on disposal of financial assets at fair value through profit or loss	按公平值計入損益的金融資產出售虧損	—	420
Gain on disposal of intangible assets	出售無形資產的收益		
— cryptocurrencies	— 加密貨幣	(64)	—
Written back of trade payables	貿易應付款項之撥回	—	(1,315)
Operating loss before working capital changes	營運資金變動前經營虧損	(32,766)	(34,984)
(Increase)/decrease in trade receivables	貿易應收款項(增加)/減少	(3,160)	6,515
Decrease/(increase) in prepayments, deposits and other receivables	預付款、按金及其他應收款項減少/(增加)	15,439	(132)
Decrease in inventories	存貨減少	3,327	14,567
Decrease in amount due from a related company	應收關連公司款項減少	—	484
Decrease in trade payables	貿易應付款項減少	(1,896)	(80,396)
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用(減少)/增加	(4,854)	6,527
Increase in contract assets	合約資產增加	(3,712)	—
Increase in contract liabilities	合約負債增加	431	—
Cash used in from operations	營運所用現金	(27,191)	(87,419)
Income taxes paid	已付所得稅	(403)	(18,393)
Net cash used in from operating activities	經營業務所用現金淨額	(27,594)	(105,812)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Cash flows from investing activities	投資活動所得現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(2,656)	(1,440)
Purchase of intangible assets	購買無形資產	(1,684)	—
Purchase of financial assets at fair value through other comprehensive income	購買按公平值計入其他全面收益的金融資產	(3,045)	—
Purchase of available-for-sale financial assets	購買可供出售金融資產	—	(37,070)
Refund from/(prepayments of) long term investments (note 37(b))	長期投資的退款/(預付款)(附註37(b))	3,500	(3,500)
Prepayment for acquisition of property, plant and equipment	收購物業、廠房及設備的預付款	—	(1,679)
Proceeds from disposal of financial assets at fair value through other comprehensive income	出售按公平值計入其他全面收益的金融資產所得款項	24,950	—
Proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產所得款項	—	117,660
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產所得款項	—	1,959
Proceeds from disposal of subsidiaries, net of cash disposed (note 41)	出售附屬公司(扣除出售的現金)所得款項(附註41)	(1,196)	1,999
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	—	145
Proceeds from disposal of intangible assets	出售無形資產所得款項	1,093	—
Payment for acquisition of a subsidiary in prior year	去年收購附屬公司之付款	—	(290)
Net cash inflow arising from acquisition of a subsidiary	收購附屬公司所得現金流入淨額	—	35
Payment for interest in an associate	聯營公司權益付款	(1,400)	(3,000)
Repayment from an investment classified as available-for-sale financial asset and its fellow subsidiaries	向分類為可供出售金融資產之投資及其同系附屬公司收取還款	—	9,101
Repayment from/(advances to) independent third parties	向獨立第三方收取還款/(提供墊款)	29,292	(34,101)
Refund/(deposits paid) for business development projects, net	業務發展項目的退款/(已付按金)淨額	15,310	(18,950)
Release of pledged bank deposits	解除已抵押銀行存款	65,008	—
Placement of pledged bank deposits	存置已抵押銀行存款	(104,708)	(65,015)
Interest received	已收利息	1,831	485
Net cash from/(used in) investing activities	投資活動所得/(所用)現金淨額	26,295	(33,661)
Cash flows from financing activities	融資活動所得現金流量		
Proceeds from borrowings	借款所得款項	91,500	61,000
Repayment of bank borrowings	償還銀行借款	(61,000)	—
Interest paid	已付利息	(3,593)	(794)
Capital contribution from non-controlling equity holders of a subsidiary	來自附屬公司非控股權益持有者的注資	—	410
Payment for acquisition of non-controlling interests of a subsidiary	收購附屬公司非控股權益之付款	—	(2,632)
Net cash from financing activities	融資活動所得現金淨額	26,907	57,984
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	25,608	(81,489)
Cash and cash equivalents at the beginning of year	年初現金及現金等價物	83,319	164,808
Cash and cash equivalents at the end of year	年末現金及現金等價物	108,927	83,319
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash and bank balances (note 28)	現金及銀行結餘(附註28)	108,927	83,319

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

1. GENERAL INFORMATION

China Binary New Fintech Group (previously known as “China Binary Sale Technology Limited”) (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 11 May 2011. Its issued shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office and principal place of business are located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands and Room 1506, 15/F, Jinhui Building, Qiyang Road, Wangjing, Chaoyang District, Beijing, the People’s Republic of China (the “PRC”) respectively.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the business as set out in note 6.

2. BASIS OF PRESENTATION AND PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

1. 一般資料

神州數字新金融科技集團(前稱「神州數字銷售技術有限公司」)(「本公司」)於2011年5月11日在開曼群島註冊成立為獲豁免有限公司。本公司已發行股份於香港聯合交易所有限公司(「聯交所」)GEM上市。本公司的註冊辦事處及主要營業地點分別位於P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands及中華人民共和國(「中國」)北京朝陽區望京啟陽路金輝大廈15樓1506室。

本公司為一間投資控股公司。本公司及其附屬公司(統稱「本集團」)主要從事附註6所載的業務。

2. 呈報及編製基準

(a) 合規聲明

綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(以下稱「香港財務報告準則」)及香港公司條例之披露規定編製。此外，財務報表載有聯交所GEM證券上市規則規定之適用披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

2. BASIS OF PRESENTATION AND PREPARATION (Continued)

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for the financial assets at fair value through other comprehensive income and certain intangible assets — cryptocurrencies, which are measured at fair value.

(c) Functional and presentation currency

The consolidated financial statements have been presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

3. ADOPTION OF HKFRSs

(a) Adoption of amendments to HKFRSs — first effective on 1 January 2018

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

2. 呈報及編製基準(續)

(b) 計量基準

綜合財務報表乃根據歷史成本法編製，惟按公平值計入其他全面收益的金融資產及若干無形資產—加密貨幣除外，該等資產按公平值計量。

(c) 功能及呈列貨幣

綜合財務報表乃以人民幣(「人民幣」)呈列，而人民幣亦為本公司的功能貨幣。

3. 採用香港財務報告準則

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效

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	客戶合約收入
2014年至2016年週期的香港財務報告準則年度改進	香港財務報告準則第1號的修訂，首次採納香港財務報告準則
2014年至2016年週期的香港財務報告準則年度改進	香港會計準則第28號的修訂，於聯營公司及合營企業投資
香港財務報告準則第2號的修訂	股份支付交易的分類及計量
香港財務報告準則第15號的修訂	客戶合約收入(對香港財務報告準則第15號的澄清)
香港會計準則第40號的修訂	投資物業的轉撥
香港(國際財務報告詮釋委員會)—詮釋第22號	外幣交易及墊付代價

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

A. HKFRS 9 – Financial Instruments

HKFRS 9 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: (1) classification and measurement; (2) impairment; and (3) transition. The Group has adopted HKFRS 9 from 1 January 2018. The Group has not restated comparative information as permitted by the transitional provisions in HKFRS 9. The transition adjustments were recognised against the opening balance of equity at 1 January 2018.

(i) *Classification and measurement of financial instruments*

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss (“FVTPL”), where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities. However, it eliminates the previous HKAS 39 categories for financial assets of held-to-maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of HKFRS 9 has no material impact on the Group’s accounting policies related to financial liabilities and derivative financial instruments. The impact of HKFRS 9 on the Group’s classification and measurement of financial assets is set out below.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 – 首次於2018年1月1日起生效(續)

A. 香港財務報告準則第9號 – 金融工具

香港財務報告準則第9號於2018年1月1日或之後開始的會計期間取代香港會計準則第39號「金融工具：確認及計量」，將入賬處理金融工具的所有三個方面匯總起來：(1) 分類及計量；(2) 減值；及(3) 過渡。本集團自2018年1月1日起已採用香港財務報告準則第9號。本集團並無重列香港財務報告準則第9號過渡性條文所容許的比較資料。過渡性調整已就於2018年1月1日的權益的期初結餘而確認。

(i) 金融工具的分類及計量

香港財務報告準則第9號繼續香港會計準則第39號提出對金融負債作出確認、分類及計量的要求，惟就按公平值計入損益（「按公平值計入損益」）的金融負債而言，負債的信貸風險出現變化而產生的公平值變動金額於其他全面收益中確認，除非此舉會形成或擴大會計錯配。此外，香港財務報告準則第9號保留香港會計準則第39號中有關終止確認金融資產及金融負債的要求，但取消香港會計準則第39號先前有關持有至到期日金融資產、貸款及應收款項及可供出售金融資產的金融資產分類。採用香港財務報告準則第9號對本集團有關金融負債及衍生金融工具的會計政策並無重大影響。香港財務報告準則第9號對本集團在分類及計量金融資產上的影響載列於下文。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

A. HKFRS 9—Financial Instruments (Continued)

(i) Classification and measurement of financial instruments (Continued)

Under HKFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with HKFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. A financial asset is classified as: (i) financial assets at amortised cost; (ii) financial assets at fair value through other comprehensive income (“FVOCI”); or (iii) financial assets at FVTPL. The classification of financial assets under HKFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the “solely payments of principal and interest” criterion, also known as “SPPI criterion”). Under HKFRS 9, embedded derivatives is no longer required to be separated from a host financial asset that is within the scope of HKFRS 9. Instead, the hybrid financial instrument is assessed as a whole for the classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

A. 香港財務報告準則第9號 — 金融工具(續)

(i) 金融工具的分類及計量(續)

根據香港財務報告準則第9號，除若干貿易應收款項(即根據香港財務報告準則第15號不含重大融資部分的若干貿易應收款項)外，實體於首次確認金融資產時應按其公平值另加(如金融資產並非按公平值計入損益)交易成本計量。金融資產乃分類為：(i)按攤銷成本計算的金融資產；(ii)按公平值計入其他全面收益(「按公平值計入其他全面收益」)的金融資產；或(iii)按公平值計入損益的金融資產。根據香港財務報告準則第9號對金融資產作出分類普遍以兩種條件作為基礎：(i)管理金融資產的業務模式；及(ii)其合約現金流量特徵(「純粹本金及利息付款」標準，又稱「SPPI標準」)。根據香港財務報告準則第9號，嵌入式衍生工具不再被要求從屬於香港財務報告準則第9號範圍內之主金融資產分開，取而代之，分類混合式金融工具時作出整體評估。

金融資產如符合以下兩種條件，且並無指定為按公平值計入損益，則按攤銷成本計量：

- 其於一個目的為持有金融資產以收取合約現金流量的業務模式下持有；及
- 金融資產的合約條款於特定日期帶來符合SPPI標準的現金流量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

A. HKFRS 9—Financial Instruments (Continued)

(i) *Classification and measurement of financial instruments (Continued)*

A debt investment is measured at FVOCI if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

On initial recognition of an equity investment that is not held for trading and not contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combination” apply, the Group could irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVOCI as described above are classified as FVTPL. This includes all standalone derivative financial assets and financial assets with embedded derivatives. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group designated all of its equity investments at FVOCI as at 1 January 2018 and 31 December 2018, and there was no de-designation during the year ended 31 December 2018.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 – 首次於2018年1月1日起生效(續)

A. 香港財務報告準則第9號 – 金融工具(續)

(i) 金融工具的分類及計量(續)

債務投資如符合以下兩種條件，且並無指定為按公平值計入損益，則按公平值計入其他全面收益計量：

- 其在一個目的為收取合約現金流量及出售金融資產的業務模式下持有；及
- 金融資產的合約條款於特定日期帶來符合SPPI標準的現金流量。

於首次確認一項股本投資時，倘其並非持作買賣，亦並非收購方於一宗香港財務報告準則第3號「業務合併」適用的業務合併中所確認的或然代價，則本集團可不可撤回地選擇在其他全面收益中呈列該投資其後的公平值變動。此項選擇乃按個別投資而作出。所有其他並非如上述般按攤銷成本或按公平值計入其他全面收益分類的金融資產乃分類為按公平值計入損益，包括所有單獨的衍生金融資產及具有嵌入式衍生工具的金融資產。於首次確認時，本集團可不可撤回地指定在其他方面符合按攤銷成本或按公平值計入其他全面收益要求的金融資產，指定為按公平值計入損益，前提是該項指定可消除或大幅減少原本會產生的會計錯配。於2018年1月1日及2018年12月31日，本集團對其所有按公平值計入其他全面收益的股本投資作出指定，且於截至2018年12月31日止年度內並無終止指定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

A. HKFRS 9—Financial Instruments (Continued)

(i) Classification and measurement of financial instruments (Continued)

The following accounting policies would be applied to the Group's financial assets as follows:

Financial assets at FVTPL
按公平值計入損益的金融資產

Financial assets at FVTPL are subsequently measured at fair value. Changes in fair value, dividends and interest income are recognised in profit or loss.

按公平值計入損益的金融資產其後按公平值計量。公平值變動、股息及利息收入於損益中確認。

Financial assets at amortised cost
按攤銷成本計算的金融工具

Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

按攤銷成本計算的金融工具其後採用實際利率法計量。利息收入、匯兌收益及虧損及減值於損益中確認。因終止確認而產生的任何收益於損益中確認。

Financial assets at FVOCI (equity instruments)
按公平值計入其他全面收益的金融資產(股本工具)

Equity investments at FVOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss.

按公平值計入其他全面收益的股本投資按公平值計量。股息收入於損益中確認，除非股息收入明確代表收回部分的投資成本。其他收益及虧損淨額於其他全面收益中確認，但不重新分類至損益。

The Group did not have debt instruments classified as financial assets at FVOCI as at 1 January 2018 and 31 December 2018.

於2018年1月1日及2018年12月31日，本集團並無任何分類為按公平值計入其他全面收益的金融資產的債務工具。

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

A. 香港財務報告準則第9號 — 金融工具(續)

(i) 金融工具的分類及計量(續)

以下會計政策將會適用於本集團的金融資產如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs — first effective on 1 January 2018 (Continued)

A. HKFRS 9—Financial Instruments (Continued)

(ii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group's accounting for impairments by replacing HKAS 39 on 1 January 2018 incurred loss with a forward-looking expected credit loss (“ECL”) approach.

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at FVOCI, financial guarantee contracts that are not accounted for at FVTPL under HKFRS 9, to be recorded based on an ECL model either on a 12-month basis or a lifetime basis.

Upon adoption of HKFRS 9, the Group has applied the simplified approach and recorded lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade debtors and contract assets. The results of the revision at 1 January 2018 have not resulted in any material change in impairment provision or any material impact on the carrying amount of the Group's financial assets.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

A. 香港財務報告準則第9號 — 金融工具(續)

(ii) 金融資產減值

於二零一八年一月一日採用香港財務報告準則第9號已改變本集團對減值的會計處理方法，以具前瞻性的預期信貸虧損(「預期信貸虧損」)方法取代香港會計準則第39號的已產生虧損方法。

香港財務報告準則第9號要求以12個月為基準或以全期基準根據預期信貸虧損模式，對按攤銷成本記賬或按公平值計入其他全面收益的債務工具、並非根據香港財務報告準則第9號按公平值計入損益的融資擔保合約的減值記賬。

採用香港財務報告準則第9號後，本集團已應用簡化方法，並將根據其所有貿易賬款及合約資產剩餘年期所有現金差額的現金所估計得出的全期預期虧損記賬。於二零一八年一月一日作出該項修改的後果並無導致減值撥備出現任何重大改變，或對本集團金融資產的賬面值產生任何重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

A. HKFRS 9—Financial Instruments (Continued)

(ii) *Impairment of financial assets (Continued)*

For other debt financial assets, the ECLs are based on the 12-month ECLs. The 12-month ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The increase in loss allowance for prepayments, deposits and other receivables upon the transition to HKFRS 9 as of 1 January 2018 was RMB595,000. The loss allowances further increased for RMB42,876,000 for prepayments, deposits and other receivables and RMB19,000 for contract assets during the year ended 31 December 2018.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 – 首次於2018年1月1日起生效(續)

A. 香港財務報告準則第9號 – 金融工具(續)

(ii) *金融資產減值(續)*

就其他債務金融資產而言，預期信貸虧損以12個月預期信貸虧損為基礎。12個月預期信貸虧損為全期預期信貸虧損當中因金融工具自報告日期後12個月內可能發生的違約事件而產生的部分。然而，如信貸風險自產生以來大幅增加，則撥備會以全期預期信貸虧損為基礎。在釐定金融資產的信貸風險有否自首次確認以來大幅增加時及估計預期信貸虧損時，本集團考慮相關且現有而毋須付出不必要成本或努力的合理及有根據資料，包括根據本集團過往的經驗及知情的信貸風險評估及包括前瞻性資料的定量及定性資料及分析。

截至2018年1月1日，因過渡至香港財務報告準則第9號以致預付款、按金及其他應收款項虧損撥備增加的金額為人民幣595,000元。截至2018年12月31日止年度內，預付款、按金及其他應收款項虧損撥備進一步增加人民幣42,876,000元，合約資產虧損撥備進一步增加人民幣19,000元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

A. HKFRS 9—Financial Instruments (Continued)

(iii) Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the consolidated statement of financial position as at 31 December 2017, but are recognised in the consolidated statement of financial position on 1 January 2018. This means that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application of HKFRS 9 (the “DIA”):

- The determination of the business model within which a financial asset is held;
- The designation of certain investments in equity investments not held for trading as financial assets at FVOCI.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

A. 香港財務報告準則第9號 — 金融工具(續)

(iii) 過渡

本集團已應用香港財務報告準則第9號的過渡性條文，使香港財務報告準則第9號獲全面採納，沒有重列比較資料。因此，由新的預期信貸虧損規則所引起的重新分類及調整並無反映在於2017年12月31日的綜合財務狀況表，但於2018年1月1日在綜合財務狀況表內確認。這意味著採用香港財務報告準則第9號而產生金融資產及金融負債的差額在於2018年1月1日的保留盈利及儲備中確認。故此，就2017年所呈列的資料並不反映香港財務報告準則第9號而是反映香港會計準則第39號的要求。

以下評估乃根據於香港財務報告準則第9號首次應用日期(「首次應用日期」)存在的事實及情況而作出：

- 釐定持有金融資產的業務模式；
- 指定若干於並非持作買賣的股本投資的投資為按公平值計入其他全面收益的金融資產。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

A. HKFRS 9—Financial Instruments (Continued)

(iii) Transition (Continued)

The following table summarises the impact on changes in the classification and measurement of financial assets and ECL impact on 1 January 2018, the date of initial application of HKFRS 9:

	HKAS 39 measurement category	HKFRS 9 measurement category	Effect on adoption of HKFRS 9 對採用香港財務報告準則第9號的影響			
			HKAS 39 carrying amount at 31 December 2017 於2017年12月31日的香港會計準則第39號賬面值 RMB'000 人民幣千元	Re-classification 重新分類 RMB'000 人民幣千元	Re-measurement (including ECL impact) 重新計量(包括預期信貸虧損影響) RMB'000 人民幣千元	HKFRS 9 carrying amount at 1 January 2018 於2018年1月1日的香港財務報告準則第9號賬面值 RMB'000 人民幣千元
Trade receivables 貿易應收款項	Loans and receivables	Financial assets at amortised cost 按攤銷成本計算的金融資產	773	—	—	773
Prepayment, deposits and other receivables 預付款、按金及其他應收款項	Loans and receivables	Financial assets at amortised cost 按攤銷成本計算的金融資產	116,634	—	(595)	116,039
Pledged bank deposit 已抵押銀行存款	Loans and receivables	Financial assets at amortised cost 按攤銷成本計算的金融資產	65,015	—	—	65,015
Cash and cash equivalents 現金及現金等價物	Loans and receivables	Financial assets at amortised cost 按攤銷成本計算的金融資產	83,319	—	—	83,319
Available-for-sale financial assets: 可供出售金融資產：						
Equity securities (notes (a), (b)) 股本證券(附註(a)、(b))	Available-for-sale financial assets 可供出售金融資產	Financial assets at FVOCI 按公平值計入其他全面收益的金融資產	136,833	(136,833)	—	—
Financial assets at fair value through other comprehensive income (notes (a), (b)) 按公平值計入其他全面收益的金融資產(附註(a)、(b))	Available-for-sale financial assets 可供出售金融資產	Financial assets at FVOCI 按公平值計入其他全面收益的金融資產	—	124,833	36,442	161,275

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

A. 香港財務報告準則第9號 — 金融工具(續)

(ii) 過渡(續)

下表概列於2018年1月1日(香港財務報告準則第9號的首次應用日期)對金融資產分類變動的影響及預期信貸虧損影響：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

A. HKFRS 9—Financial Instruments (Continued)

(iii) Transition (Continued)

Notes:

(a) As of 1 January 2018, investment in listed equity investments were reclassified from available-for-sale financial assets to financial assets at FVOCI. The Group intends to hold these listed equity investments for long term strategic purposes. Under HKFRS 9, the Group has designated these listed equity investments at the date of initial application (i.e. 1 January 2018) as measured at FVOCI. As a result, financial assets with a fair value of RMB84,994,000 as at 1 January 2018 were reclassified from available-for-sale financial assets at fair value to financial assets at FVOCI and cumulative fair value gains of RMB39,667,000 were reclassified from the investment revaluation reserve to the FVOCI reserve on 1 January 2018.

(b) As of 1 January 2018, unlisted equity investments were reclassified from available-for-sale financial assets at cost to financial assets at FVOCI. These unlisted equity instrument has no quoted price in an active market. The Group intends to hold these unlisted equity investment for long term strategic purposes. Under HKFRS 9, the Group has designated such unlisted equity instrument at the date of initial application (i.e. 1 January 2018) as measured at FVOCI. As a result, financial assets of RMB39,839,000 (measured at cost less impairment under HKAS 39) were reclassified from available-for-sale financial assets at cost to financial assets at FVOCI and, the difference between the previous carrying amount and the fair value of RMB36,442,000 was included in the opening FVOCI reserve on 1 January 2018.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

A. 香港財務報告準則第9號 — 金融工具(續)

(ii) 過渡(續)

附註:

(a) 截至2018年1月1日，於上市股本投資的投資自可供出售金融資產重新分類至按公平值計入其他全面收益的金融資產。本集團計劃持有此等上市股本投資作長期策略性目的。根據香港財務報告準則第9號，本集團已於首次應用日期(即2018年1月1日)將此等上市股本投資指定為按公平值計入其他全面收益計量。因此，於2018年1月1日，於2018年1月1日公平值為人民幣84,994,000元的金融資產按公平值計量的可供出售金融資產重新分類至按公平值計入其他全面收益的金融資產，而人民幣39,667,000元的累計公平值收益自投資重估儲備重新分類至按公平值計入其他全面收益儲備。

(b) 截至2018年1月1日，非上市股本投資自按成本計算的可供出售金融資產重新分類至按公平值計入其他全面收益的金融資產。此等非上市股本工具在活躍市場上並無報價。本集團計劃持有此等非上市股本投資作長期策略性目的。根據香港財務報告準則第9號，本集團已於首次應用日期(即2018年1月1日)將該等非上市股本工具指定為按公平值計入其他全面收益計量。因此，於2018年1月1日，人民幣39,839,000元(根據香港會計準則第39號按成本減減值計量)的金融資產自按成本計算的可供出售金融資產重新分類至按公平值計入其他全面收益的金融資產，而先前的賬面值與公平值之間的差額人民幣36,442,000元計入期初的按公平值計入其他全面收益儲備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

A. HKFRS 9—Financial Instruments (Continued)

(iii) Transition (Continued)

The following table summarises the impact of initial application of HKFRS 9 on the Group's equity as at 1 January 2018:

		Investment revaluation reserve	FVOCI reserve	Retained earnings	Non-controlling interests
		投資重估儲備	按公平值計入其他全面收益儲備	保留盈利	非控股權益
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
HKAS 39 carrying amount at 31 December 2017	於2017年12月31日的香港會計準則第39號賬面值	39,667	—	214,491	1,373
Transfer (note 3(a)A(iii)(a))	轉撥	(39,667)	39,667	—	—
Remeasurement of financial assets at FVOCI (note 3(a)A(iii)(b))	重新計量按公平值計入其他全面收益的金融資產(附註3(a)A(iii)(b))	—	36,442	—	—
Remeasurement of ECL impact	重新計量預期信貸虧損影響	—	—	(579)	(16)
Transfer from retained earnings to FVOCI reserve (note)	自保留盈利轉撥至按公平值計入其他全面收益儲備(附註)	—	(100)	100	—
Balance at 1 January 2018, as adjusted	於2018年1月1日的結餘(經調整)	—	76,009	214,012	1,357

Note: Certain unlisted equity instruments classified as available-for-sale financial assets were previously carried at cost less impairment. Upon initial application of HKFRS 9 at 1 January 2018, difference of RMB100,000 between the carrying amount and fair value was adjusted from retained earnings to FVOCI reserve.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

A. 香港財務報告準則第9號 — 金融工具(續)

(ii) 過渡(續)

下表概列首次應用香港財務報告準則第9號對本集團於2018年1月1日的權益產生的影響：

附註：若干分類為可供出售金融資產的非上市股本工具先前乃按成本減減值列賬。於2018年1月1日首次應用香港財務報告準則第9號後，賬面值與公平值之間的差額人民幣100,000元自保留盈利被調整至按公平值計入其他全面收益儲備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs — first effective on 1 January 2018 (Continued)

B. HKFRS 15—Revenue from Contracts with Customers (“HKFRS 15”)

HKFRS 15 supersedes HKAS 11 “Construction Contracts”, HKAS 18 “Revenue” and related interpretations. HKFRS 15 has established a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The directors consider that the application of HKFRS 15 does not have a material impact on the timing and amounts of revenue recognised.

The Group has adopted HKFRS 15 using the cumulative effect method without practical expedients. Based on the assessment of the Group, no adjustments to the opening balance of equity at 1 January 2018 have been made on the initial application of HKFRS 15. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

B. 香港財務報告準則第15號 — 客戶合約收入(「香港財務報告準則第15號」)

香港財務報告準則第15號取代香港會計準則第11號「建築合約」、香港會計準則第18號「收入」及相關詮釋。香港財務報告準則第15號建立一個五步驟模式以入賬處理來自客戶合約的收入。根據香港財務報告準則第15號，收入按反映實體因交換貨品及服務而預期應得代價的金額確認。

董事認為，應用香港財務報告準則第15號並不對所確認收入的時間及金額產生重大影響。

本集團已採用累計影響法採納香港財務報告準則第15號，而沒有採用簡易實務處理方法。根據本集團作出的評估，並無於首次應用香港財務報告準則第15號時對權益於2018年1月1日的期初結餘作出調整。按香港財務報告準則第15號所容許，本集團只對於2018年1月1日前尚未完成的合約應用新要求。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

B. HKFRS 15—Revenue from Contracts with Customers (“HKFRS 15”) (Continued)

Details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group’s various goods and services are set out below:

Note	Product/service	Nature of the goods or services, satisfaction of performance obligations and payment terms 貨品或服務的性質、滿足履約責任的情況及付款條款	Nature of change in accounting policy and impact on 1 January 2018 會計政策變動的性質及於2018年1月1日的影響
(a)	Provision of online transaction services 提供網上交易服務	Revenue for the provision of online transaction services, being mobile top-up service and distribution of online game products services, are recognised at point in time when the services have been rendered. Invoices for these service income are issued on completion of services. 提供網上交易服務(即手機話費充值服務及網上遊戲產品分銷服務)所得收入於已經提供服務的時間點確認。此等服務收入的發票於服務完成時開具。	Impact HKFRS 15 did not result in significant impact on the Group’s accounting policies. 影響 香港財務報告準則第15號並無導致對本集團的會計政策產生重大影響。

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 – 首次於2018年1月1日起生效(續)

B. 香港財務報告準則第15號 – 客戶合約收入(「香港財務報告準則第15號」)(續)

與本集團各類貨品及服務有關的新主要會計政策及前會計政策變動性質的詳情載列如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

B. HKFRS 15—Revenue from Contracts with Customers (“HKFRS 15”) (Continued)

Note	Product/service	Nature of the goods or services, satisfaction of performance obligations and payment terms 貨品或服務的性質、滿足履約責任的情況及付款條款	Nature of change in accounting policy and impact on 1 January 2018 會計政策變動的性質及於2018年1月1日的影響
附註	貨品／服務		
(b)	Provision of micro financing facilitating services 提供小額融資中介服務	Under the provision of micro financing facilitating services provided by the Group, the Group enters a contract with the customer and performs two to four performance obligations. After the adoption of HKFRS 15, the total transaction price receivable from customers is allocated among all identified performance obligations of the Group in proportion to their respective standalone selling price. The Group determines that revenue from provision of micro financing facilitating services, including loan introduction service, credit review service, repayment reminder service, fund collection service, are recognised at point in time when the service are rendered. For the performance obligation related to the financial guarantee service, revenue is recognised over time as the customers simultaneously obtain benefit from the service. 根據本集團所提供小額融資中介服務的條款，本集團與客戶訂立合約並履行兩至四項履約責任。於採用香港財務報告準則第15號後，應收客戶的交易價格總額於本集團所有已識別的履約責任中按其各自單獨銷售價格的比例作出分配。本集團確定，提供小額融資中介服務(包括貸款介紹服務、信貸評估服務、還款通知服務、收款服務)所得收入於提供服務的時間點確認。至於有關融資擔保服務的履約責任，收入隨著時間確認，因客戶同時從服務中取得好處。	Impact HKFRS 15 did not result in significant impact on the Group’s accounting policies. However, upon the adoption of HKFRS 15, the Group has to made reclassification from other payables to contract liabilities since under HKFRS 15, if there is any advances received from customers but where the Group does not completed the performance obligation, the Group shall recognise a contract liability. 影響 香港財務報告準則第15號並無導致對本集團的會計政策產生重大影響。然而，於採用香港財務報告準則第15號後，本集團需自其他應收款項重新分類至合約負債，原因是根據香港財務報告準則第15號，如從客戶收到任何預付款，但本集團並未完成履約責任，則本集團應確認合約負債。

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

B. 香港財務報告準則第15號 — 客戶合約收入(「香港財務報告準則第15號」)(續)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

B. HKFRS 15—Revenue from Contracts with Customers (“HKFRS 15”) (Continued)

Note	Product/service	Nature of the goods or services, satisfaction of performance obligations and payment terms	Nature of change in accounting policy and impact on 1 January 2018
附註	貨品／服務	貨品或服務的性質、滿足履約責任的情況及付款條款	會計政策變動的性質及於2018年1月1日的影響
(c)	Provision of advertising services	Customers simultaneously obtain benefits of the services when the services have been completed over the service period. Revenue is thus recognised on a straight-line basis over the service period as the service is provided. There is generally only one performance obligation.	Impact HKFRS 15 did not result in significant impact on the Group’s accounting policies.
	提供廣告及推廣服務	客戶於服務在服務期內已經完成的同時取得服務的好處。因此，收入以直線法於服務期內隨著服務的提供而確認。普遍來說，只有一項履約責任。	影響 香港財務報告準則第15號並無導致對本集團的會計政策產生重大影響。
(d)	Provision of information technology services	Revenue for the provision of information technology income, being advisory services, is recognised at point in time when the services have been rendered upon delivery of service reports to customers. Invoices for these service income are issued on completion of services.	Impact HKFRS 15 did not result in significant impact on the Group’s accounting policies.
	提供信息技術服務	提供信息技術服務(即顧問服務)所得收入於服務藉向客戶交付服務報告而已經提供的時間點確認。此等服務收入的發票於服務完成時開具。	影響 香港財務報告準則第15號並無導致對本集團的會計政策產生重大影響。

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

B. 香港財務報告準則第15號 — 客戶合約收入(「香港財務報告準則第15號」)(續)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

B. HKFRS 15—Revenue from Contracts with Customers (“HKFRS 15”) (Continued)

Note	Product/service	Nature of the goods or services, satisfaction of performance obligations and payment terms 貨品或服務的性質、滿足履約責任的情況及付款條款	Nature of change in accounting policy and impact on 1 January 2018 會計政策變動的性質及於2018年1月1日的影響
附註	貨品／服務		
(e)	Provision of software technology services 提供軟件技術服務	The Group has determined that for contracts with customers under software technology services, being design and development of tailor-made cryptocurrencies trading platform systems, there is one performance obligation. The Group has determined that its performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Thus, the Group concludes that the services shall be recognised over time. 本集團已確定，就與軟件技術服務(即訂製加密貨幣交易平台系統設計及開發)項下的客戶所訂立的合約而言，有一項履約責任。本集團已確定，其履約行為並不創造對本集團而言具有其他用途的資產，而本集團具有可強制執行的權利收取至今已完成履約行為的付款。因此，本集團認為服務應隨著時間而確認。	Impact HKFRS 15 did not result in significant impact on the Group’s accounting policies. However, upon the adoption of HKFRS 15, if there is any satisfied performance obligation but where the Group does not have an unconditional right to consideration, the Group shall recognise a contract asset. The Group also has to made reclassification from other payables to contract liabilities since under HKFRS 15, if there is any advance from customers but where the Group does not completed the performance obligation, the Group shall recognise a contract liability. 影響 香港財務報告準則第15號並無導致對本集團的會計政策產生重大影響。然而，於採用香港財務報告準則第15號後，如有任何已滿足的履約責任，但本集團沒有收取代價的無條件權利，本集團應確認合約資產。本集團亦需自其他應收款項重新分類至合約負債，原因是根據香港財務報告準則第15號，如從客戶收到任何預付款，但本集團並未完成履約責任，則本集團應確認合約負債。
(f)	Sale of smart hardware products 銷售智能硬件產品	Revenue from sale of smart hardware products is recognised at point in time when the goods are delivered to, and have been accepted by, customers. Invoices for these service income are issued on delivery of goods. 銷售智能硬件產品所得收入於貨品交付並獲客戶接收的時間點確認。此等服務收入的發票於交付貨品時開具。	Impact HKFRS 15 did not result in significant impact on the Group’s accounting policies. 影響 香港財務報告準則第15號並無導致對本集團的會計政策產生重大影響。

Except as discussed above, the adoption of HKFRS 15 has no material impact on the Group’s financial statements.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 — 首次於2018年1月1日起生效(續)

B. 香港財務報告準則第15號 — 客戶合約收入(「香港財務報告準則第15號」)(續)

除上文所論述者外，採用香港財務報告準則第15號對本集團的財務報表並無重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2018 (Continued)

C. Others

Amendments HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The adoption of these amendments has no impact on these financial statements as the Group had not previously adopted HKFRS 15 and took up the clarifications in this, its first, year.

HK(IFRIC)-Int 22 – Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies 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 thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The adoption of these amendments has no impact on these financial statements as the Group has not paid or received advance consideration in a foreign currency.

3. 採用香港財務報告準則(續)

(a) 採用香港財務報告準則的修訂 – 首次於2018年1月1日起生效(續)

C. 其他

香港財務報告準則第15號的修訂 – 客戶合約收入(對香港財務報告準則第15號的澄清)

香港財務報告準則第15號的修訂包括對澄清履約責任的識別；委託人與代理的應用；知識產權的許可；及過渡性要求。

採用此等修訂對此等財務報表並無影響，原因是本集團過往並無採用香港財務報告準則第15號，並已於本年度首次採納有關澄清。

香港(國際財務報告詮釋委員會) – 詮釋第22號 – 外幣交易及墊付代價

該詮釋就為釐定用於涉及以外幣支付或收取預付代價的交易的匯率而釐定交易日期，以及確認非貨幣資產或非貨幣負債提供指引。該等詮釋指明，釐定首次確認相關資產、開支或收益(或當中部分)所使用之匯率之交易日期為實體首次確認支付或收取預付代價產生的非貨幣資產或非貨幣負債之日。

採用此等修訂對此等財務報表並無影響，原因是本集團並無支付或收取任何外幣墊付代價。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 16	Leases ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a business ²
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ³
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 3, Business Combinations ¹
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 11, Joint Arrangements ¹
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 12, Income Taxes ¹
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 23, Borrowing Costs ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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 The amendments were originally intended to be effective for periods beginning on or after 1 January 2017. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

3. 採用香港財務報告準則(續)

(b) 已頒佈但尚未生效的新頒佈／經修訂香港財務報告準則

以下可能與本集團財務報表有關之新訂／經修訂香港財務報告準則已頒佈，但尚未生效亦未經本集團提早採納。本集團目前擬定於該等準則生效之日開始採用該等變動。

香港財務報告準則第16號	租賃 ¹
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理之不确定性 ¹
香港財務報告準則第3號的修訂	業務的定義 ²
香港財務報告準則第9號的修訂	具有反向補償的提前還款特徵 ³
香港會計準則第28號的修訂	於聯營公司及合營企業的長期權益 ¹
2015年至2017年週期的香港財務報告準則年度改進	香港財務報告準則第3號的修訂，業務合併 ¹
2015年至2017年週期的香港財務報告準則年度改進	香港財務報告準則第11號的修訂，合營安排 ¹
2015年至2017年週期的香港財務報告準則年度改進	香港會計準則第12號的修訂，所得稅 ¹
2015年至2017年週期的香港財務報告準則年度改進	香港會計準則第23號的修訂，借款成本 ¹
香港財務報告準則第10號及香港會計準則第28號的修訂	投資者與其聯營公司或合營企業之間的資產出售或投入 ³

¹ 於2019年1月1日或以後開始的年度期間生效

² 於2020年1月1日或以後開始的年度期間生效

³ 該等修訂原本擬定於2017年1月1日或以後開始的年度期間生效。生效日期現已被延遲／取消。該等修訂繼續獲准提前採用。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

3. 採用香港財務報告準則(續)

(b) 已頒佈但尚未生效的新頒佈／經修訂香港財務報告準則(續)

香港財務報告準則第16號 – 租賃

香港財務報告準則第16號由生效當日起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就為期超過12個月的所有租賃確認資產及負債，除非相關資產為低價值資產則作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產(表示其有權使用相關租賃資產)及租賃負債(表示其有責任支付租賃款項)。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債的現金還款分類為本金部分及利息部分，並於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定行使選擇權延續租賃或不行使選擇權終止租賃的情況下，將於選擇權期間內作出的付款。此會計處理方法與承租人就租賃採用的會計處理方法顯著不同，因後者根據原準則香港會計準則第17號分類為經營租賃的租賃。

就出租人會計處理而言，香港財務報告準則第16號大致繼承香港會計準則第17號的出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同會計處理。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 16 – Leases (Continued)

As at 31 December 2018, the Group had non-cancellable operating lease commitments of approximately RMB10,594,000 as disclosed in note 37(a). A preliminary assessment indicated that these arrangement will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-to-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The interpretation supports the requirements of HKAS 12 “Income Taxes” by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

3. 採用香港財務報告準則(續)

(b) 已頒佈但尚未生效的新頒佈／經修訂香港財務報告準則(續)

香港財務報告準則第16號 – 租賃(續)

於2018年12月31日，誠如附註37(a)所披露，本集團擁有不可撤銷經營租賃承擔約人民幣10,594,000元。初步評估顯示，該等安排將符合香港財務報告準則第16號項下租賃的定義，因此，本集團將就所有該等資產(除非彼等符合應用香港財務報告準則第16號基準的低價值或短期租賃)確認使用權資產以及相應的負債。此外，新規定的應用可能導致上文所示的計量、呈列及披露發生變動。

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

該詮釋透過就如何反映所得稅會計處理涉及的不確定性因素的影響提供指引，支持香港會計準則第12號「所得稅」的規定。根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更佳預測不確定性因素的解決方法。實體亦須假設稅務機關將會查驗其有權檢討的金額，並在作出上述查驗時全面知悉所有相關資料。倘實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。倘實體釐定稅務機關不可能會接受一項不確定稅項處理，則採用「最可能金額」或「預期值」兩個方法中能更佳預測不確定性因素解決方式的方法來反映釐定稅項涉及的不確定性因素。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

Amendments to HKAS 28

The amendment clarifies that HKFRS 9 applies to long-term interests (“LTI”) in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

Annual Improvements to HKFRSs 2015–2017 Cycle – Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015–2017 Cycle – Amendments to HKFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

3. 採用香港財務報告準則(續)

(b) 已頒佈但尚未生效的新頒佈／經修訂香港財務報告準則(續)

香港財務報告準則第9號的修訂 – 具有反向補償的提前還款特徵

該等修訂澄清，倘符合指定條件，則具有反向補償的可預付金融資產可按攤銷成本或按公平值計入其他全面收益計量 – 而非按公平值計入損益。

香港會計準則第28號的修訂

該項修訂澄清，香港財務報告準則第9號適用於聯營公司或合營企業中屬於該等聯營公司或合營企業淨投資一部分的長期權益（「長期權益」），並訂明香港財務報告準則第9號先於香港會計準則第28號減值虧損指引應用於此等長期權益。

2015年至2017年週期的香港財務報告準則年度改進 – 香港財務報告準則第3號的修訂，業務合併

該等於年度改進過程中頒佈的修訂對現時並不明確的準則作出微細及不急切的變動，當中包括香港財務報告準則第3號的修訂，其澄清當業務的一名聯合經營者取得聯合經營的控制權時，即為分階段達成的業務合併，故先前持有的股本權益應重新計量為其收購日期的公平值。

2015年至2017年週期的香港財務報告準則年度改進 – 香港財務報告準則第11號的修訂，合營安排

該等於年度改進過程中頒佈的修訂對現時並不明確的準則作出微細及不急切的變動，當中包括香港財務報告準則第11號的修訂，其澄清於參與（但並非擁有共同控制權）為一項業務的聯合經營的一方隨後取得聯合經營之共同控制權時，先前持有的股本權益不應重新計量至其收購日期的公平值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

3. ADOPTION OF HKFRSs (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Annual Improvements to HKFRSs 2015–2017 Cycle – Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Annual Improvements to HKFRSs 2015–2017 Cycle – Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

Except for HKFRS 16, the Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

3. 採用香港財務報告準則(續)

(b) 已頒佈但尚未生效的新頒佈／經修訂香港財務報告準則(續)

2015年至2017年週期的香港財務報告準則年度改進 – 香港會計準則第12號的修訂，所得稅

該等於年度改進過程中頒佈的修訂對現時並不明確的準則作出微細及不急切的變動，當中包括香港會計準則第12號的修訂，其澄清股息的所有所得稅後果與產生可分派溢利的交易採取一致的方式，於損益、其他全面收益或直接於權益中確認。

2015年至2017年週期的香港財務報告準則年度改進 – 香港會計準則第23號的修訂，借款成本

該等於年度改進過程中頒佈的修訂對現時並不明確的準則作出微細及不急切的變動，當中包括香港會計準則第23號的修訂，其澄清專為取得合資格資產而作出的借貸，如於相關合資格資產可作其擬定用途或可供出售後仍未償還，便會成為實體一般借入資金的一部分並因而計入一般資產池內。

香港財務報告準則第10號及香港會計準則第28號的修訂 – 投資者與其聯營公司或合營企業之間的資產出售或投入

該等修訂本澄清實體向其聯營公司或合營企業出售或投入資產時確認收益或虧損的程度。當交易涉及一項業務時，收益或虧損將全數確認；相反，當交易涉及不構成一項業務的資產時，所確認的收益或虧損將僅以無關連投資者於合營企業或聯營公司的權益為限。

除香港財務報告準則第16號外，本集團尚未能說明此等新頒佈是否會導致本集團的會計政策及財務報表產生重大變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES 4. 主要會計政策

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities (including structured entities) now comprising the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

(a) 綜合基準

綜合財務報表包括本公司及本集團現時旗下實體(包括結構實體)的財務報表。集團公司間的交易及結餘連同未變現溢利於編製綜合財務報表時全數對銷。未變現虧損亦予以核銷，除非交易有證據證明所轉移資產出現減值，在該情況下虧損於損益確認。

年內收購或出售附屬公司的業績計入自收購日期起或至出售日期(倘適用)的綜合全面收益表。倘需要，應對附屬公司的財務報表進行調整，使彼等的會計政策與本集團其他成員公司所採用者一致。

收購附屬公司或業務以收購法入賬。收購成本按所轉讓資產、所產生的債務及本集團(作為收購方)所發行的股本權益於收購日的公平值總和計量。所收購的可識別資產及所承擔負債主要按收購日的公平值計量。本集團事先於被收購方中所持有的股本權益按收購日的公平值重新計量，產生的收益或虧損則於損益內確認。本集團或可以逐筆交易的基準選擇按公平值或被收購方可識別的資產淨值的適當份額計量代表目前於附屬公司擁有權益的非控股權益。所有其他非控股權益乃以公平值計量，惟香港財務報告準則規定的其他計量基準則除外。收購產生的費用以開支列賬，惟發行股本工具所產生的費用從權益扣除。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (1) power over the investee, (2) exposure, or rights, to variable returns from the investee, and (3) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4. 主要會計政策(續)

(a) 綜合基準(續)

當本集團喪失對附屬公司的控制權時，處置損益計算為(i)收到的對價的公平值與任何留存權益的公平值的總額與(ii)該資產的以前賬面金額(包括商譽)，以及該附屬公司的負債和任何非控制性權益之間的差額。先前在與該附屬公司相關的其他全面收益中確認的金額，會按相關資產或負債處置時所需的相同方式處理。

收購後，代表附屬公司當前所有權益的非控制性權益的賬面價值是起初確認時的權益金額加上該非控制性權益在後續權益變動中所佔的份額。全面收益總額歸屬於該等非控制性權益，即使這導致非控制性權益會出現虧絀結餘。

(b) 附屬公司

附屬公司為本公司能行使控制權的受投資方。控制權乃於本公司具有：(1)對受投資方的權力，(2)承擔或有權獲取受投資方所帶來的可變回報，及(3)能夠使用其權力影響其回報而實現。倘有任何事件及情況表明控制權之任何該等因素發生變動，控制權予以重新評估。

於本公司的財務狀況表內，附屬公司的投資按成本減去減值虧損(如有)列賬。本公司按已收及應收股息作基準，將附屬公司的業績入賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

4. 主要會計政策(續)

(c) 聯營公司

聯營公司為一間本集團擁有重大影響力而並非為附屬公司或合營安排權益之實體。重大影響力乃有權參與被投資公司之財務及經營政策決定而非控制或共同控制該等政策。

聯營公司乃採用權益法入賬，據此聯營公司按成本初步確認，此後其賬面值於聯營公司之資產淨值內調整以反映本集團應佔收購後變動，惟超過本集團於聯營公司之權益之虧損不會確認，除非有推定責任彌補該等虧損。

本集團與其聯營公司之間的交易產生的損益僅於不相關投資人於聯營公司擁有權益時方才確認。該等交易產生的投資人分佔聯營公司溢利及虧損與聯營公司的賬面值對銷。倘未變現虧損證明資產轉移的減值，則即時於損益確認。

聯營公司已付任何溢價高於已收購本集團應佔可識別資產、負債及或然負債的公平值撥充資本，計入聯營公司的賬面值。倘客觀證據證明聯營公司投資有減值，則投資的賬面值按與其他非金融資產相同的方式檢測減值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The depreciation rates, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The depreciation rates are as follows:

Office equipment	5 years
Computer equipment	5 years
Motor vehicles	5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

4. 主要會計政策(續)

(d) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列賬。物業、廠房及設備的成本包括其購買價及收購該等項目的直接應佔成本。

其後的成本僅當與該項目相關的未來經濟利益將有可能流向本集團及該項目的成本能可靠地計量時，計入資產的賬面值內或確認為獨立的資產(如適用)。被重置部分的賬面值須予終止確認。所有其他維修及保養乃於其產生的財政期間的損益內確認為開支。

物業、廠房及設備以直線法於其估計可使用年內計提折舊，以撇銷其減去預計殘值後的成本或估值。折舊率、殘值及折舊方法於各報告期末被檢討及作適當的調整。折舊率如下：

辦公設備	5年
電腦設備	5年
汽車	5年

倘資產的賬面值高於其估計可收回金額，則須即時被撇減至其可收回金額。

出售物業、廠房及設備項目的收益或虧損為出售所得款項淨額與其賬面值的差額，並於出售時在損益確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Lease

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 lessee, rentals payable under operating leases net of any incentive received from the lessor are charged to the profit or loss on the straight-line basis over the lease terms.

(f) Intangible assets

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

The amortisation expense is recognised in profit or loss and included in administrative expenses. Amortisation is provided on a straight-line basis over its useful life as follows:

Computer software	5–10 years
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Cryptocurrency acquired separately are initially recognised at cost and carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. Increases in value arising on revaluation, if any, are recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve. Decreases in value arising on revaluation are first offset against increases on earlier valuations in respect of the same assets and thereafter recognised in profit or loss. Any subsequent increases are recognised in profit or loss up to the amount previously charged and thereafter to the revaluation reserve.

4. 主要會計政策(續)

(e) 租賃

資產所有權的絕大部分回報及風險由出租人保留的租賃乃列為經營租賃。倘本集團為承租人，經營租賃的應付租金(扣除收取出租人的任何獎勵後)按租約年期以直線法於損益扣除。

(f) 無形資產

(i) 已收購無形資產

獨立收購的無形資產初步按成本確認。於業務合併中收購的無形資產的成本為收購日期的公平值。其後，具有有限可使用年期的無形資產按成本減累計攤銷及累計減值虧損列賬。

攤銷開支於損益確認，並列入行政開支內。無形資產以直線法按下列的可使用年期計提攤銷撥備：

電腦軟件	5–10年
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分開收購的加密貨幣初步按成本確認並按重估金額(即其於重估日期的公平值減其後任何累計攤銷及其後任何累計減值虧損)列賬。因重估而引致的價值增加(如有)在其他全面收益中確認，並累計於重估儲備標題下的權益。因重估而引致的價值減少首先與相同資產早前的估值增值對銷，其後在損益中確認。其後任何增值於損益中確認至最多先前扣除的金額，其後自重估儲備扣除。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets (Continued)

(ii) Internally generated intangible assets (research and development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product; and
- sale of the product will generate future economic benefits; and expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

(iii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired (see the accounting policies in respect of impairment losses of non-financial assets in note 4(g)).

4. 主要會計政策(續)

(f) 無形資產(續)

(ii) 內部產生無形資產(研發成本)

內部開發產品的開支如證實符合下列條件，則可作資本化：

- 開發該產品作銷售用途在技術上可行；
- 具備足夠資源以完成該項開發；
- 有意完成並銷售該產品；
- 本集團能銷售該產品；及
- 銷售產品將產生未來經濟利益；而該項目的開支能可靠地計量。

資本化開發成本於本集團預期銷售所開發產品的獲利期間內攤銷。攤銷開支於損益確認，並計入行政開支內。

不符合以上條件的開發開支及內部項目研究階段的開支，乃於產生時在損益確認。

(iii) 減值

當有跡象顯示資產可能出現減值時，會對具有有限可使用年期的無形資產進行減值測試(見附註4(g)非金融資產減值虧損的會計政策)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment, intangible assets, long term prepayments, and investments in subsidiaries and associates to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the assets and the estimated future cash flows are discounted to their present value by using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit (see note 4(q)), 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 or cash generating unit.

4. 主要會計政策(續)

(g) 非金融資產減值

於各報告期末，本集團檢討物業、廠房及設備、無形資產、長期預付款及於附屬公司及聯營公司的投資的賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損，或先前確認的減值虧損不再存在或可能已減少。

倘估計資產的可收回金額(即減去銷售成本的公平值與使用價值間的較高者)低於其賬面值，則資產的賬面值須減少至其可收回金額。減值虧損即時確認為開支。計算使用價值需要董事估計預計來自有關資產的未來現金流，而估計未來現金流乃使用可反映目前市場對貨幣時間價值及資產特定風險的評估的除稅前貼現率折算至其現值，該未來現金流估計為未經調整。

倘減值虧損其後撥回，則資產的賬面值增至其可收回金額的經修改估計值，惟所增加的賬面值不得高於倘過往年度並無就該項資產確認減值虧損時原應釐定的賬面值。撥回的減值虧損即時確認為收入。

使用價值乃根據預期將自資產或現金產生單位(見附註4(q))的估計未來現金流量釐定，按使用可反映金錢時間值的現行市場評估以及對資產或現金產生單位屬特定風險的稅前貼現率貼現。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)A Financial instruments (accounting policies applied from 1 January 2018)

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

4. 主要會計政策(續)

(h)A 金融工具(自2018年1月1日起應用的會計政策)

(i) 金融資產

金融資產(除非其為並無重大融資部分的貿易應收款項)初步按公平值另加(就並非按公平值計入損益的項目而言)與收購或發行該資產直接應佔的交易成本計量。並無重大融資部分的貿易應收款項初步按交易價格計量。

所有以常規方式購買或出售的金融資產於交易日(即本集團承諾購買或出售該資產的日期)確認。以常規方式購買或出售指要求於一般根據市場規例或慣例確立的期限內交付資產的金融資產購買或出售。

就具有嵌入式衍生工具的金融資產而言，在釐定其現金流量是否純粹本金及利息付款時，會作整體考慮。

債務工具

債務工具的後續計量乃視乎本集團管理資產的業務模式及資產的現金流量特徵而定。

攤銷成本：為收取合約現金流量而持有且該等現金流量指純粹本金及利息付款的資產按攤銷成本計量。按攤銷成本計算的金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損及減值在損益中確認。任何因終止確認而產生的收益於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(i) Financial assets (Continued)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

4. 主要會計政策(續)

(h)A 金融工具(自2018年1月1日起應用的會計政策)(續)

(i) 金融資產(續)

股本工具

於首次確認並非持作買賣的股本投資時，本集團可不可撤回地選擇在其他全面收益中呈列該投資其後的公平值變動。此項選擇乃因應個別投資而作出。按公平值計入其他全面收益的股本投資按公平值計量。股息收入於損益中確認，除非股息收入明確代表收回部分的投資成本。其他收益及虧損淨額於其他全面收益中確認，但不重新分類至損益。所有其他股本工具分類為按公平值計入損益，據此，公平值變動、股息及利息收入在損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets

The Group recognises loss allowances for ECL on trade receivables, contract assets, financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

4. 主要會計政策(續)

(h)A 金融工具(自2018年1月1日起應用的會計政策)(續)

(ii) 金融資產的減值虧損

本集團就貿易應收款項、合約資產、按攤銷成本計量的金融資產確認預期信貸虧損的虧損撥備。預期信貸虧損按以下任何一項基礎計量：(1)12個月的預期信貸虧損：即報告日期後的月份；及(2)全期預期信貸虧損：即於金融工具的預計年期內因所有可能發生的違約事件而產生的預期信貸虧損。在估計預期信貸虧損時考慮的最長期間為本集團承擔信貸風險的最長合約期限。

預期信貸虧損是信貸虧損的或然率加權估計。信貸虧損按根據合約本集團應付的所有合約現金流量與本集團預期收取的所有現金流量之間的差額。該差額之後按資產原來的實際利率約數貼現。

本集團已選擇採用香港財務報告準則第9號的簡化方法來計量貿易應收款項及合約資產的虧損撥備，並已根據全期預期信貸虧損計算預期信貸虧損。本集團已建立撥備矩陣，其以本集團過往的信貸虧損經驗為基礎，並已就債務人及經濟環境特定的前瞻性因素作出調整。

就其他債務金融工具而言，預期信貸虧損以12個月預期信貸虧損為基礎，但如信貸風險自產生以來大幅增加，則撥備會以全期預期信貸虧損為基礎。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets (Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

4. 主要會計政策(續)

(h)A 金融工具(自2018年1月1日起應用的會計政策)(續)

(ii) 金融資產的減值虧損(續)

在釐定金融資產的信貸風險有否自首次確認以來大幅增加時，本集團考慮相關且現有而毋須付出不必要成本或努力的合理及有根據資料，包括根據本集團過往的經驗及知情的信貸風險評估及包括前瞻性資料的定量及定性資料分析。

倘金融資產已逾期30日以上，本集團便會假設該金融資產的信貸風險已大幅增加。

在以下情況，本集團會認為金融資產生信貸減值：(1) 借款人大不可能在本集團沒有追索權採取變現抵押(如持有)等行動的情況下向本集團全數支付其信貸債務；或(2) 金融資產已逾期90日以上。

信貸減值的金融資產的利息收入按該金融資產的攤銷成本(即賬面總值減虧損撥備)計量。就非信貸減值的金融資產而言，利息收入按賬面總值計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVOCI are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

The Group's financial liabilities at amortised cost, including trade payables, other payables and accruals, bank borrowings, and amounts due to a related company and subsidiaries, are initially recognised at fair value, net of directly attributable transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策(續)

(h)A 金融工具(自2018年1月1日起應用的會計政策)(續)

(iii) 金融負債

本集團因應金融負債的產生目的而進行金融負債分類。按公平值計入損益的金融負債初步按公平值計量，而按攤銷成本計算的金融負債則初步按公平值扣除已產生的直接應佔成本後計量。

本集團按攤銷成本計算的金融負債(包括貿易應付款項、其他應付款項及應計費用、銀行借款以及應付一間關連公司及附屬公司款項)初步按公平值減所產生的直接應佔交易成本確認，於其後以實際利息法按攤銷成本計量。有關利息開支會於損益內確認。

當負債終止確認及進行攤銷時，收益或虧損於損益中確認。

(iv) 實際利息法

實際利息法為計算金融資產或金融負債的攤銷成本及於有關期間分配利息收入或利息支出的方法。實際利率指可透過金融資產或負債的預期年期或(如適用)在較短期間內準確貼現估計未來現金進款或付款的利率。

(v) 股本工具

由本公司發行的股本工具按已收所得款項扣除直接發行成本入賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the accounting policy set out in note 4(h)A(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15 "Revenue from Contracts with Customers".

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired.

4. 主要會計政策(續)

(h)A 金融工具(自2018年1月1日起應用的會計政策)(續)

(vi) 財務擔保合約

財務擔保合約乃規定發行人向持有人支付指定金額，以補償持有人由於指定欠債人未能根據債務工具原始或經修訂條款於到期時付款而蒙受的損失。由本集團發出的並非指定為按公平值透過損益列賬的財務擔保合約初步按公平值減發出財務擔保合約直接產生的交易成本予以確認。初步確認後，本集團按以下各項較高者計量財務擔保合約：(i)虧損撥備金額，即根據附註4(h)A(ii)所載的會計政策的原則計量得出的預期信貸虧損撥備；及(ii)根據香港財務報告準則第15號「客戶合約收入」的原則首次確認的金額減(如適當)所確認的累計攤銷。

(vii) 終止確認

本集團在與金融資產有關的未來現金流量合約權利屆滿，或金融資產已轉讓，且該轉讓根據香港財務報告準則第9號符合終止確認條件時，終止確認金融資產。

倘於有關合約的指定責任獲解除、註銷或到期時，則會終止確認金融負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)B Financial instruments (accounting policies applied until 31 December 2017)

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. Accordingly, the comparative financial information provided continues to be accounted for in accordance with the Group's previous accounting policy.

(i) Financial assets

With reference to HKAS 39 issued by the HKICPA, the Group recognises its financial assets when it becomes a party to the contractual provisions of the instrument and classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Financial assets at fair value through profit or loss

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

4. 主要會計政策(續)

(h)B 金融工具(適用至2017年12月31日的會計政策)

本集團已追溯應用香港財務報告準則第9號，但已選擇不重列比較資料。因此，所提供的比較財務資料繼續根據本集團以往的會計政策入賬。

(i) 金融資產

根據香港會計師公會所頒佈的香港會計準則第39號，本集團於訂立工具的合約條文時確認其金融資產，並在初步確認時，視乎收購資產的目的分類其金融資產。按公平值計入損益的金融資產初步按公平值計量，而所有其他金融資產初步按公平值加收購金融資產直接應佔的交易成本計量。以常規方式購買或出售的金融資產按交易日基準確認及終止確認。以常規方式購買或出售指根據合約(其條款要求於根據有關市場規例或慣例確立的一般時間框架內交付資產)購買或出售金融資產。

按公平值計入損益的金融資產
該等資產包括持作買賣的金融資產。分類為持作買賣的金融資產是指購入時以短期出售為目的金融資產。於初步確認後，按公平值計入損益的金融資產按公平值計量，公平值變動於產生期間於損益確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)B Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(i) Financial assets (Continued)

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to clients (trade debtors), and also incorporate other types of contractual monetary asset. They are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. At each reporting date subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unlisted equity instruments, they are measured at cost less any identified impairment losses.

4. 主要會計政策(續)

(h)B 金融工具(適用至2017年12月31日的會計政策)(續)

(i) 金融資產(續)

貸款及應收款項

該等資產為附帶固定或待定付款的非衍生金融資產，且並無在活躍市場報價。貸款及應收款項主要透過向客戶(貿易債務人)提供貨品及服務產生，當中亦包括其他類別的合約貨幣資產。貸款及應收款項初步按公平值加收購金融資產直接應佔的交易成本計量。於初步確認後各報告日期，貸款及應收款項乃採用實際利息法按已攤銷成本減任何已識別減值虧損列賬。

可供出售金融資產

該等資產被界定為可供出售或不計入金融資產其他分類之非衍生金融資產。經初步確認後，該等資產按公平值列賬，其公平值變動於其他全面收益表確認，惟減值虧損及貨幣工具之匯兌收益及虧損除外。減值虧損及貨幣工具之匯兌收益及虧損於損益內確認。

在活躍市場上並無報價且公平值無法可靠地計量之可供出售股本投資，與該等非上市股本工具有關並須以交付該等工具結算之衍生工具，則須按成本減任何已識別減值虧損計量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)B Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty; and
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

4. 主要會計政策(續)

(h)B 金融工具(適用至2017年12月31日的會計政策)(續)

(ii) 金融資產的減值虧損

本集團會於各報告期末評估金融資產有否出現減值的客觀跡象。倘有客觀減值跡象顯示金融資產初步確認後發生的一項或多項事件，而該事件對能夠可靠估計的金融資產估計未來現金流有所影響，則金融資產出現減值。減值的跡象可包括：

- 債務人出現重大財務困難；
- 違反合約，如拖欠或欠付利息或本金付款；
- 因債務人有財務困難而授予寬免；及
- 債務人很可能破產或進行其他財務重組。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)B Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(ii) Impairment loss on financial assets (Continued)

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have had the impairment not been recognised.

For available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

For available-for-sale equity investment that is carried at cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

4. 主要會計政策(續)

(h)B 金融工具(適用至2017年12月31日的會計政策)(續)

(ii) 金融資產的減值虧損(續)

就貸款及應收款項

倘有客觀跡象顯示資產出現減值，則減值虧損會於損益中確認，並按資產賬面值與按原實際利率貼現的估計未來現金流量的現值間的差額計量。

倘資產的可收回金額增加客觀地與於確認減值後所發生的事件有關，則減值虧損會於隨後期間撥回，惟撥回減值當日的資產賬面值不得超過假設並無確認減值而原本應有的已攤銷成本。

就可供出售金融資產

倘公平值減少構成減值之客觀憑證，虧損金額於股本中扣除並於損益確認。

如投資公平值之增加客觀上與確認減值虧損後發生之事件相關，則任何可供出售債務投資之減值虧損其後會從損益中撥回。

就可供出售股本投資而言，減值虧損後之任何公平值增加乃於其他全面收益內確認。

就按成本列賬的可出售股本投資而言，當有跡象顯示資產出現減值時於損益內確認減值虧損，且其減值虧損金額按資產賬面值與按類似金融資產之現行市場回報率折現估計未來現金流量之現值間之差額計算。該項減值虧損不會撥回。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)B Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(iii) Financial liabilities

With reference to HKAS 39 issued by the HKICPA, the Group recognised its financial liabilities when it becomes a party to the contractual provisions of the instrument and classifies its financial liabilities at initial recognition, depending on the purpose for which the liabilities were incurred.

The Group's financial liabilities at amortised cost, including trade payables, other payables and accruals, bank borrowings, and amounts due to a related company and subsidiaries, are initially recognised at fair value, net of directly attributable transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策(續)

(h)B 金融工具(適用至2017年12月31日的會計政策)(續)

(iii) 金融負債

根據香港會計師公會所頒佈的香港會計準則第39號，本集團於訂立工具的合約條文時確認其金融負債，並在初步確認時視乎所產生負債目的分類其金融負債。

本集團按攤銷成本計算的金融負債(包括貿易應付款項、其他應付款項及應計費用、銀行借款以及應付一間關連公司及附屬公司款項)初步按公平值減所產生的直接應佔交易成本確認，於其後以實際利息法按攤銷成本計量。有關利息開支會於損益內確認。

當負債終止確認及進行攤銷時，收益或虧損於損益中確認。

(iv) 實際利息法

實際利息法為計算金融資產或金融負債的攤銷成本及於有關期間分配利息收入或利息支出的方法。實際利率指可透過金融資產或負債的預期年期或(如適用)在較短期間內準確貼現估計未來現金進款或付款的利率。

(v) 股本工具

由本公司發行的股本工具按已收所得款項扣除直接發行成本入賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h)B Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contact at the higher of: (i) the amount determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 "Revenue".

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired.

(i) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and applicable selling expenses.

4. 主要會計政策(續)

(h)B 金融工具(適用至2017年12月31日的會計政策)(續)

(vi) 財務擔保合約

財務擔保合約乃規定發行人向持有人支付指定金額，以補償持有人由於指定欠債人未能根據債務工具原始或經修訂條款於到期時付款而蒙受的損失。由本集團發出的並非指定為按公平值透過損益列賬的財務擔保合約初步按公平值減發出財務擔保合約直接產生的交易成本予以確認。初步確認後，本集團按以下各項較高者計量財務擔保：(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額；及(ii)初步確認金額減(如適當)根據香港會計準則第18號「收入」確認的累計攤銷。

(vii) 終止確認

本集團在與金融資產有關的未來現金流量合約權利屆滿，或金融資產已轉讓，且該轉讓根據香港會計準則第39號符合終止確認標準時，終止確認金融資產。

倘於有關合約的指定責任獲解除、註銷或到期時，則會終止確認金融負債。

(i) 存貨

存貨初步按成本確認，其後按成本及可變現淨值的較低者確認。成本包括所有採購成本、轉移成本及將存貨達致其目前地點及狀況所產生的其他成本。成本以先入先出法計算。可變現淨值相當於一般業務過程中的估計售價減去達致完成的估計成本及適當的銷售開支。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j)A Revenue recognition (accounting policies applied from 1 January 2018)

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

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

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

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

4. 主要會計政策(續)

(j)A 收入確認(自2018年1月1日應用的會計政策)

來自客戶合約的收入於貨品或服務的控制權轉移至客戶時，按反映本集團預期因該等貨品或服務交易所應得代價的金額(不包括代表第三方收取的金額)確認。收入不包括增值稅或其他銷售稅項，並已扣除任何貿易折扣。

視乎合約的條款及適用於該合約的法律而定，貨品或服務的控制權可隨著時間或於一個時間點轉移。在本集團以下履約行為下，貨品或服務的控制權乃隨著時間轉移：

- 提供由客戶同時收取及耗用的所有利益；
- 隨著本集團的履約行為而創造或提升客戶控制的資產；或
- 並不創造對本集團具有其他用途的資產，以及本集團擁有可截至當日已完成的履約行為收取付款的可強制執行權利。

倘貨品或服務的控制權隨著時間轉移，則收入於合約期限內按照完成滿足該履約責任的進度而確認。否則，收入於客戶取得貨品或服務的控制權的時間點確認。

當合約包含融資部分，就向客戶移交貨品或服務而向客戶提供超過一年融資的重大利益時，收入按應收款項的現值計量，並使用於訂立生效時反映於本集團與客戶之間另行訂立融資交易內的貼現率貼現。倘合約包含融資部分，向本集團提供重大融資利益，則根據該合約確認的收入包括根據實際利息法依附於合約負債的利息開支。就付款與移交已承諾貨品或服務之間的期間為一年或以下的合約而言，交易價格採用香港財務報告準則第15號中的簡易實務處理方法，不會就重大融資部分的影響予以調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j)A Revenue recognition (accounting policies applied from 1 January 2018) (Continued)

- (i) Revenue from online transaction services represents service fees received from mobile subscribers and online game users, net of monies shared with the online game operators pursuant to the terms of the cooperation agreements with online game operators or the costs of mobile top-up credits sourced from PRC telecommunication companies and their distributors. Customers obtain benefit of the online transactions services when the mobile top-up or distribution of online game product services have been completed, and thus the revenue recognised at point in time. There is generally one performance obligation.
- (ii) Under the provision of micro financing facilitating services provided by the Group, the Group enters a contract with the customer and performs two to four performance obligations. The total transaction price receivable from customers is allocated among all identified performance obligations of the Group in proportion to their respective standalone selling price. The Group determined that revenue from provision of micro financing facilitating service, including loan introduction service, credit review services, repayment reminder service, fund collection service, are recognised at point in time when the services, are rendered. For the performance obligation related to the financial guarantee service, revenue is recognised over time as the customers simultaneously obtain benefit from the service.
- (iii) The Group has determined that for contracts with customers under software technology services, being design and development of tailor-made cryptocurrencies trading platform systems, there is generally one performance obligation. The Group has determined that its performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Thus, the Group concludes that the revenue shall be recognised over time by using input method. Upon the adoption of HKFRS 15, if there is any satisfied performance obligation but where the Group does not have an unconditional right to consideration, the Group shall recognise a contract asset.

4. 主要會計政策(續)

(j)A 收入確認(自2018年1月1日應用的會計政策)(續)

- (i) 網上交易服務所得收入指向手機用戶及網上遊戲用戶收取的服務費，扣除網上遊戲運營商根據合作協議條款與網上遊戲運營商攤分的款項，或向中國電信公司及其分銷商購買的手機話費充值金額的成本。客戶於話費充值或網上遊戲產品分銷服務已經完成時取得網上交易服務的好處，因此收入於該時間點確認。普遍來說，只有一項履約責任。
- (ii) 根據本集團所提供小額融資中介服務的條款，本集團與客戶訂立合約並履行兩至四項履約責任。應收客戶的交易價格總額於本集團所有已識別的履約責任中按其各自單獨銷售價格的比例作出分配。本集團確定，提供小額融資中介服務(包括貸款介紹服務、信貸評估服務、還款通知服務、收款服務)所得收入於提供服務的時間點確認。至於有關融資擔保服務的履約責任，收入隨著客戶從服務同時取得好處的時間確認。
- (iii) 本集團已確定，就與軟件技術服務(即訂製加密貨幣交易平台系統設計及開發)項下的客戶所訂立的合約而言，普遍來說有一項履約責任。本集團已確定，其履約行為並不創造對本集團而言具有其他用途的資產，而本集團具有可強制執行的權利收取至今已完成履約行為的付款。因此，本集團認為收入應採用輸入法隨著時間而確認。於採用香港財務報告準則第15號後，如有任何已滿足的履約責任，但本集團沒有收取代價的無條件權利，本集團應確認合約資產。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j)A Revenue recognition (accounting policies applied from 1 January 2018) (Continued)

- (iv) Revenue from sale of smart hardware products is recognised at point in time when the goods are delivered to, and have been accepted by, customers.
- (v) Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.
- (vi) Rental income is recognised on a straight-line basis over the term of the lease.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract asset is recognised when the Group completes the software development work under software technology services contracts but not billed at the reporting date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the output method, then the Group recognises a contract liability for the difference.

4. 主要會計政策(續)

(j)A 收入確認(自2018年1月1日應用的會計政策)(續)

- (iv) 銷售智能硬件產品所得收入於貨品交付並獲客戶接收的時間點確認。
- (v) 利息收入按時間基準就未償還本金按適用利率計算。
- (vi) 租金收入按直線法於租賃期限內確認。

合約資產及負債

合約資產指本集團因本集團已向客戶轉移服務的交易而收取代價的權利，而該權利尚未成為無條件；相反，應收款項指本集團收取代價的無條件權利，即代價到期支付前僅需時間推移。

合約負債指本集團因本集團已從客戶收取代價(或代價當中已到期的金額)而負有向客戶轉移服務的責任。

合約資產於本集團根據軟件技術服務合約完成軟件開發工程但於報告日期尚未開具賬單時確認。任何於先前已確認為合約資產的金額於開具發票予客戶之時重新分類至貿易應收款項。倘代價(包括從客戶收取的墊款)超過根據輸出法確認至該日的收入，則本集團就差額確認合約負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j)B Revenue recognition (accounting policies applied until 31 December 2017)

Revenue from online transaction services represents service fees received from mobile subscribers and online game users, net of monies shared with the online game operators pursuant to the terms of the cooperation agreements with online game operators or the costs of mobile top-up credits sourced from PRC telecommunication companies and their distributors. Revenue is recognised when online transactions have been completed.

Revenue from micro financing facilitating services represents service fees received from individual borrowers and lenders for facilitating online loan transaction between them and provision of related services. Revenue is recognised when the services are provided.

Revenue from provision of financing guarantee services is recognised on a straight-line basis over the guarantee period.

Revenue from provision of information technology services is recognised when services are provided.

Revenue from advertising services is recognised in the period in which the advertisement is displayed or promotion is performed on a straight-line basis, and when collection of the receivable is probable.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

(k) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

4. 主要會計政策(續)

(j)B 收入確認(適用至2017年12月31日的會計政策)

網上交易服務收入指向手機用戶及網上遊戲用戶收取的服務費，扣除網上遊戲運營商根據合作協議條款與網上遊戲運營商攤分的款項，或向中國電信公司及其分銷商購買的手機話費充值金額的成本。收入於網上交易已經完成時確認。

小額融資中介服務收益指就促進個人借款人與放貸人間線上貸款交易及提供相關服務時向彼等收取的服務費用。收益於提供服務時確認。

提供融資擔保服務所得收益於擔保期間內按直線法確認。

提供信息技術服務的收益於提供服務時確認。

廣告及推廣服務收入於刊登廣告或進行推廣期間按直線法及於應可能收到應收款項時確認。

利息收入按時間基準就未償還本金按適用利率計算。

(k) 所得稅

年內所得稅包括即期稅項及遞延稅項。

即期稅項以日常業務的溢利或虧損為基礎，並就所得稅而言毋須課稅或不可扣稅的項目作調整，以及採用於報告期末已制定或實質制定的稅率計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Income taxes (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised to other comprehensive income in which case the taxes are also recognised in other comprehensive income.

(l) Foreign currency

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

4. 主要會計政策(續)

(k) 所得稅(續)

遞延稅項就財務匯報而言的資產及負債的賬面值與就稅項而言採用的相關金額之間的暫時性差額確認。除不影響會計及應課稅溢利的已確認資產及負債外，所有暫時性差額須確認遞延稅項負債。倘應課稅溢利將可能用以抵銷可扣減暫時性差額，則確認遞延稅項資產。遞延稅項根據報告期末已制定或實質制定的稅率，按預期清償負債或變現資產的期間內適用的稅率計量。

遞延稅項負債乃就於附屬公司的投資所產生的應課稅暫時性差額確認，惟倘本集團能控制暫時性差額的撥回及暫時性差額將不可能於可見將來撥回除外。

所得稅於損益確認，惟倘其與已於其他全面收益確認的項目相關除外；在此情況下，稅項亦於其他全面收益確認。

(l) 外幣

集團實體以其經營所在主要經營環境的貨幣(「功能貨幣」)以外的貨幣進行的交易，乃按交易進行時的匯率入賬。外幣貨幣資產及負債按報告期末當時的匯率換算。以外幣計值按公平值列賬的非貨幣項目按釐定公平值當日匯率重新換算。以外幣按歷史成本計算的非貨幣項目不作重新換算。

結算與換算貨幣項目產生的匯兌差額於其產生期間於損益確認。重新換算按公平值列賬的非貨幣項目產生的匯兌差額計入期內損益，惟重新換算有關收益及虧損於其他全面收益內確認的非貨幣項目產生的差額除外，在此情況下，匯兌差額亦於其他全面收益內確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee benefits

(i) Pension schemes

The employees of the Group's subsidiaries which operate in the PRC are required to participate in central pension schemes operated by the local government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension schemes.

(ii) Other benefits

The Group contributes on a monthly basis to defined contribution housing, medical and other benefit plans organised by the PRC government. The PRC government undertakes to assume the benefit obligations of all existing and retired employees under these plans. Contributions to these plans by the Group are expensed as incurred. The Group has no further obligations for benefits for their qualified employees under these plans.

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. 主要會計政策(續)

(m) 僱員福利

(i) 退休金計劃

本集團於中國經營的附屬公司的僱員須參與地方政府所運作的中央退休金計劃。附屬公司須向中央退休金計劃作出薪俸成本某百分比的供款。供款乃於其根據中央退休金計劃的規定到期支付時自損益扣除。

(ii) 其他福利

本集團每月向中國政府所籌辦的界定供款住房、醫療及其他福利計劃作出供款。中國政府負責承擔此等計劃下所有現時及退休僱員的福利責任。本集團對此等計劃作出的供款於產生時核銷。本集團並無就此等計劃下的合資格僱員的福利承擔其他責任。

(n) 撥備及或有負債

倘本集團因過去事件須承擔法定或推定責任，而履行有關責任很可能引致可合理估計經濟利益的流出，則會就未確定時間或金額的負債確認撥備。

當不可能需要產生經濟利益流出時，或金額無法可靠估計，則該債務須披露為或有負債，除非產生經濟利益流出的可能性極低，則當別論。純粹憑一宗或多宗未來事件是否發生而確定存在的潛在債務，除非產生經濟利益流出的可能性極低，否則亦同時披露為或有負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(p) Borrowing costs

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

(q) Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4(g)), and whenever there is an indication that the unit may be impaired.

4. 主要會計政策(續)

(o) 政府補貼

政府補貼於合理假設將可收取及本集團將遵照所附有關條件時予以確認。就所產生之開支向本集團賠償之補貼，於產生期間按系統基準於損益表中予以確認為收益。就資產成本向本集團作出賠償之補貼，乃從資產之賬面值中扣除，其後以透過已減折舊開支按資產之可使用年期於損益表中有效地予以確認。

(p) 借款成本

所有借款成本均在彼等產生期間於損益內確認。

(q) 商譽

倘可識別資產及負債之公平值高於所付代價之公平值、於被收購方之任何非控股權益之金額以及收購方先前於被收購方持有之股本權益之收購日期公平值的總額，則超出部份於重估後於收購日期在損益內確認。

商譽乃按成本減去減值虧損計量。就減值測試而言，收購產生之商譽分配予預期會受惠於收購協同效益之各相關現金產生單位。現金產生單位是其產生的現金流入基本上獨立於其他資產或資產組別的現金流入的最小可識別資產組合。獲分配商譽之現金產生單位會每年透過將其賬面值與其可收回金額(見附註4(g))作比較而進行減值測試及於有跡象顯示該單位可能出現減值時進行減值測試。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Goodwill (Continued)

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(r) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

4. 主要會計政策(續)

(q) 商譽(續)

就於財政年度內進行收購所產生之商譽而言，獲分配商譽之現金產生單位會於該財政年度結束前進行減值測試。當現金產生單位之可收回金額少於該單位賬面值時，減值虧損會首先分配至撇減該單位獲分配之任何商譽之賬面值，繼而基於該單位內各資產之賬面值按比例分配至該單位之其他資產。然而，分配至各項資產之虧損將不會令到個人資產之賬面值減至低於其公平值減出售成本(如可計量)或其使用價值(如可釐定)(以較高者為準)。商譽之任何減值虧損於損益確認，而不會於隨後期間撥回。

(r) 關連方

- (a) 倘屬以下人士，則該人士或該人士的近親家庭成員與本集團有關聯：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司的主要管理層成員。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a); or

4. 主要會計政策(續)

(r) 關連方(續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)；
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司的集團成員公司的聯營公司或合營企業)；
 - (iii) 兩間實體均為同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 實體為本集團或與本集團有關連的實體就僱員利益而設的離職後福利計劃；
 - (vi) 實體受(a)所識別人士控制或受共同控制；或

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Related parties (Continued)

(b) (continued)

- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (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 Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. 主要會計政策(續)

(r) 關連方(續)

(b) (續)

- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 向本集團或本公司之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

一名人士的近親家庭成員指預期在與實體的交易中可影響該人士或受該人士影響的家庭成員，包括：

- (i) 該人士之子女及配偶或家庭伴侶；
- (ii) 該人士配偶或家庭伴侶之子女；及
- (iii) 該人士之受養人或該人士之配偶或家庭伴侶。

5. 主要會計判斷及估計

採用本集團的會計政策時，董事須對資產及負債的賬面值作出判斷、估計及假設，其未能從其他渠道可靠獲得。該等估計及相關假設乃基於過往經驗及其他被視為相關的因素而作出。實際結果或會有別於該等估計。

該等估計及相關假設須持續檢討。倘會計估計的修訂僅影響作出修訂的期間，則有關修訂會在該期間確認，而倘修訂對現時及未來期間均有影響，則須在作出修訂的期間及未來期間確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

(a) Impairment allowances for trade receivables, prepayments, deposits and other receivables, and financial guarantee contracts

The Group estimates the impairment allowances for trade receivables, prepayments, deposits and other receivables, and financial guarantee contracts by assessing the ECL based on historical credit loss experience, forward looking factors, and the economic environment. This requires the use of estimates and judgments. Allowances are applied to trade receivables and prepayments, deposits and other receivables, and financial guarantee contracts where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and prepayments, deposits and other receivables, and financial guarantee contracts and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment allowances at the end of each reporting period.

(b) Useful lives of intangible assets and property, plant and equipment

The Group's management determines the estimated useful lives for the intangible assets and the property, plant and equipment of the Group. The estimate is based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which would affect the related amortisation and depreciation charges included in the consolidated statement of comprehensive income.

5. 主要會計判斷及估計(續)

(a) 貿易應收款項、預付款、按金及其他應收款項及融資擔保合約的減值撥備

本集團根據過往的信貸虧損經驗、前瞻性因素及經濟環境，通過評估預期信貸虧損來估計貿易應收款項、預付款、按金及其他應收款項及融資擔保合約減值撥備。這須要作出估計及判斷。倘有事件或情況的轉變顯示餘款未能收回，則會就貿易應收款項及預付款、按金及其他應收款項及融資擔保合約計提撥備。倘預期貿易應收款項及應收票據以及預付款、按金及其他應收款項的可收回水平與原先估計不同，有關差額將會影響貿易應收款項及預付款、按金及其他應收款項及融資擔保合約的賬面金額，從而影響估計變更期間的減值虧損。本集團於各報告期末重新評估減值撥備。

(b) 無形資產及物業、廠房及設備的可使用年期

本集團的管理層負責釐定本集團無形資產及物業、廠房及設備的估計可使用年期。有關估計乃基於過往經驗及類似性質及功能的有關資產的實際可使用年期作出。由於技術革新會影響到列入綜合全面收益表內的相關攤銷及折舊支出，故估計可使用年期可能改變。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

(c) Estimate of income and deferred tax provisions

The Group is subject to taxation in various jurisdictions. Significant judgment is required in determining the amount of provision for taxation and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income and deferred tax provisions in the period in which such determination was made.

(d) Revenue recognition in respect of online transaction services

The Group assesses its business relationships with users of the online transaction services and suppliers of online transaction services and determines that the Group is providing online transaction services in the majority of transactions by facilitating transactions between online game operators and online game users, and providing online transaction services to mobile subscribers and online game users, and accordingly reports revenue derived from such services on a net basis.

In determining whether the revenue from online transaction services shall be recorded on net basis or gross basis, the Group has made reference to indicators and requirements stated in HKFRS 15 "Revenue from Contracts with Customers". Determining whether the Group is acting as a principal or an agent requires judgment and consideration of all relevant facts and circumstances, and the Group considers itself has an agency relationship with online game operators under HKFRS 15 by assessing the following features that are arising from its operations:

- It is the primary responsibility of the PRC telecommunication companies and the online game operators, and not the Group, for processing the mobile top-up associated with the mobile top-up credits provided to the mobile subscribers and the delivery of online game products to the online game users, respectively.

5. 主要會計判斷及估計(續)

(c) 所得稅及遞延稅項撥備的估計

本集團須繳納多個司法權區的稅項。釐定稅項撥備數額及支付相關稅項的時間時，須作出重大判斷。倘最終稅項結果有別於初始入賬的金額，則該等差額會影響作出相關釐定期間的所得稅及遞延稅項撥備。

(d) 網上交易服務收入確認

本集團評估與網上交易服務用戶及網上交易服務供應商間的業務關係，並釐定本集團透過促進網上遊戲運營商與網上遊戲用戶間的交易以及向手機用戶及網上遊戲用戶提供網上交易服務來提供大部分交易中的網上交易服務，故按淨額基準呈報來自該等服務的收入。

於釐定網上交易服務收入應否按淨額基準或總額基準入賬時，本集團已參考香港財務報告準則第15號「客戶合約收入」所述的指標及規定。釐定本集團是否以委託人或代理人身份行事時，需要對所有有關事實及情況作出判斷及考慮，透過評估以下因其營運產生的特點，本集團認為自己根據香港財務報告準則第15號與網上遊戲運營商具有代理關係：

- 處理與手機用戶獲提供的手機話費充值金額相關的手機話費充值以及為網上遊戲用戶提供網上遊戲產品，乃中國電信公司及網上遊戲運營商(而非本集團)的首要責任。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

(d) Revenue recognition in respect of online transaction services (Continued)

- The Group has minimal inventory risk for the transactions with mobile top-up credits sourced from the online game users as those mobile top-up credits are used to top up the mobile subscriber's requests instantaneously. Although the Group sources some mobile top-up credits from the PRC telecommunication companies and their distributors as buffer stocks in case there is a shortage of mobile top-up credits from online game users, these stocks are used solely to facilitate the transactions.
- The service fees are usually predetermined pursuant to the terms of the cooperation agreements with online game operators.

After assessing the above features, the Group considers itself has an agency relationship with online game operators.

5. 主要會計判斷及估計(續)

(d) 網上交易服務收入確認(續)

- 由於該等手機話費充值金額乃按手機用戶要求用作即時充值，故本集團就從網上遊戲用戶獲取的手機話費充值金額的交易而承擔的存貨風險不大。儘管本集團從中國電信公司及其分銷商獲取部分手機話費充值金額作為網上遊戲用戶提供的手機話費充值金額不足時的緩衝存貨，該等存貨僅用於促進交易。
- 服務費通常根據與網上遊戲運營商的合作協議條款預先釐定。

經評估以上特徵，本集團認為其與網上遊戲運營商有代理關係。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

(e) Control over Beijing Tianjiyilian Technology Co., Ltd. (“Beijing TJYL”)

Beijing TJYL has been wholly owned by Mr. Sun Jiangtao (“Mr. Sun”) and Mr. Wei Zhonghua (“Mr. Wei ”), the directors and shareholders of the Company, and Mr. Wei Chunming, the then director of the Company, since its establishment. Under the prevailing laws and regulations in the PRC, companies with foreign ownership are prohibited from engaging in the internet information services business in the PRC. In order to enable the Company to obtain control over Beijing TJYL and its directly or indirectly owned subsidiaries, Beijing Shenzhoufu Technology Co., Ltd. (“Beijing Shenzhoufu”), Beijing Youxiping Technology Co., Ltd. (“Beijing Youxiping”), Wanlefu Technology Limited (“Wanlefu Technology”), Xinjiang Shenzhou Binary Investment Management Limited (“Xinjiang Shenzhou”), Xinjiang Nine Domain Digital Venture Capital Limited (“Xinjiang Nine Domain”), Beijing Kuaihuika Technology Co., Ltd. (“Beijing Kuaihuika”) (acquired on 1 January 2017 and disposed of on 30 September 2018, see note 40 and 41(a) for details), Hainan Shenzhou Binary Microfinance Limited (“Hainan Shenzhou”), Shenzhen Qianhai Huisantong Internet Financial Service Limited (“Shenzhen Huisantong”) (disposed of on 30 September 2018, see note 41(a) for details) and Beijing Fenxiangti Information Technology Limited (“Beijing Fenxiangti”), certain structured contracts (the “Structured Contracts”) were effectuated among Beijing TJYL, Mr. Sun Jiangtao, Mr. Wei Zhonghua, Mr. Wei Chunming and Shenzhoufu (Beijing) Software Technology Co., Ltd. (“Shenzhoufu Software”) (a 100% indirectly owned subsidiary of the Company) on 22 June 2011, pursuant to which Shenzhoufu Software undertakes to provide Beijing TJYL with certain information consulting and technical supporting services in return for fees which represent a substantial amount of the profit generated by Beijing TJYL from its operation of online transaction services in the PRC.

5. 主要會計判斷及估計(續)

(e) 對北京天機移聯科技有限公司(「北京天機移聯」)的控制權

北京天機移聯自成立以來一直由本公司董事及股東孫江濤先生(「孫先生」)及魏中華先生(「魏先生」)及本公司當時董事魏春明先生全資擁有。根據中國現行法律法規，外商擁有的公司不得在中國從事互聯網信息服務的業務。為使本公司能獲得北京天機移聯及其直接或間接擁有之附屬公司北京神州付科技有限公司(「北京神州付」)、北京遊戲瓶科技有限公司(「北京遊戲瓶」)、玩樂付科技有限公司(「玩樂付科技」)、新疆神州數字投資管理有限公司(「新疆神州」)、新疆九域數字創業投資有限公司(「新疆九域」)、北京快惠卡技術有限公司(「北京快惠卡」)(於2017年1月1日被收購及已於2018年9月30日被出售，詳情見附註40及41(a))、海南神州數字小額貸款有限公司(「海南神州」)、深圳前海匯三通互聯網金融服務有限公司(「深圳匯三通」)(已於2018年9月30日被出售，詳情見附註41(a))及北京紛享體信息技術有限公司(「北京紛享體」)的控制權，於2011年6月22日，北京天機移聯、孫江濤先生、魏中華先生、魏春明先生與神州付(北京)軟件技術有限公司(「神州付軟件」)(本公司的間接全資附屬公司)簽立了若干結構性合約(「結構性合約」)，據此，神州付軟件承諾向北京天機移聯提供若干信息諮詢及技術支援服務以收取費用，該費用相當於北京天機移聯在中國經營其網上交易服務所賺取溢利的相當金額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

(e) Control over Beijing Tianjiyilian Technology Co., Ltd. (“Beijing TJYL”) (Continued)

To determine whether control exists over Beijing TJYL and its subsidiaries, the Group has considered the following factors in accordance with HKFRS 10 paragraph 7:

- The power over an investee to direct the relevant activities that significantly affect the investee's return was granted to Shenzhoufu Software through the exclusive consulting and services agreement, under which Shenzhoufu Software is able to appoint directors, general manager and senior management personnel of Beijing TJYL, and thus is able to direct all major business decisions of Beijing TJYL. Further, Shenzhoufu Software is able to cast the majority of votes at shareholder meetings. This right was transferred to Shenzhoufu Software as stated in the shareholder voting right entrustment agreement.
- Pursuant to the exclusive consulting and services agreement, substantially all profits of Beijing TJYL were transferred through consulting and technical supporting services fees payable by Beijing TJYL to Shenzhoufu Software, which expose the Group to variable returns from its involvement with the investee, and the shareholder voting right entrustment agreement gives Shenzhoufu Software the rights of the original shareholders including the rights to any dividend.

5. 主要會計判斷及估計(續)

(e) 對北京天機移聯科技有限公司(「北京天機移聯」)的控制權(續)

為釐定對北京天機移聯及其附屬公司的控制權是否存在，本集團已根據香港財務報告準則第10號第7段考慮下列因素：

- 根據透過獨家諮詢及服務協議授予神州付軟件指導對受投資方回報具有重大影響的相關活動的權力，神州付軟件可委任北京天機移聯的董事、總經理及高級管理人員，故可指揮北京天機移聯的所有主要業務決策。另外，神州付軟件能於股東大會上投大多數票。此權力已按股東表決權委託協議所述轉讓予神州付軟件。
- 根據獨家諮詢及服務協議，北京天機移聯絕大部分溢利以北京天機移聯應付的諮詢及技術支援服務費的形式轉讓予神州付軟件，使本集團承擔其參與受投資方業務所帶來的可變回報，而股東表決權委託協議賦予神州付軟件原股東的權利，包括任何股息權利。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

(e) Control over Beijing Tianjiyilian Technology Co., Ltd. (“Beijing TJYL”) (Continued)

- The Group has the ability to use its power over the investee to affect the amount of its returns as it exercises its power over Beijing TJYL on its own behalf and for its own benefit. The Group has complete decision making authority over Beijing TJYL and the Group's decisions will significantly affect the amount of its returns (i.e. the amount of the profits of Beijing TJYL which it can obtain through the consulting and technical supporting services fees charged to Beijing TJYL).

As a result of the effects of the Structured Contracts, Beijing TJYL, Beijing Shenzhoufu, Beijing Youxiping, Wanlefu Technology, Xinjiang Shenzhou, Xinjiang Nine Domain, Beijing Kuaihuika (before disposal), Hainan Shenzhou, Shenzhen Huisantong (before disposal) and Beijing Fenxiangti are accounted for as subsidiaries of the Group for accounting purposes.

(f) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

(g) Valuation of unlisted financial assets at FVOCI

The fair value of the unlisted financial assets at FVOCI that are not traded in an active market, is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each of the end of reporting period. The Group has used discounted cash flow analysis and net asset value model for the unlisted financial instruments that are not traded in active market.

5. 主要會計判斷及估計(續)

(e) 對北京天機移聯科技有限公司(「北京天機移聯」)的控制權(續)

- 本集團可使用其對受投資方的權力以影響其就本身及以本身的利益行使對北京天機移聯的權力的回報金額。本集團具有北京天機移聯的全部決策授權，而本集團的決定將重大影響到其回報的金額(即其透過向北京天機移聯收取諮詢及技術支援服務費可獲取的北京天機移聯溢利金額)。

由於結構性合約的影響，北京天機移聯、北京神州付、北京遊戲瓶、玩樂付科技、新疆神州、新疆九域、北京快惠卡(被出售前)、海南神州、深圳匯三通(被出售前)及北京紛享體就會計目的而言被視為本集團的附屬公司。

(f) 商譽減值

釐定商譽是否減值須要估計獲分配有關商譽之現金產生單位使用價值。計算使用價值須要董事對預期可自現金產生單位獲得之未來現金流量以及適合計算現值之折現率作出估計。

(g) 按公平值計入其他全面收益的非上市金融資產的估值

並無於活躍市場上買賣的按公平值計入其他全面收益的非上市金融資產的公平值，乃採用估值方法釐定。本集團運用判斷選擇各種方法，並主要基於各報告期末存在的市場條件作出假設。就並無於活躍市場上買賣的非上市金融資產而言，本集團已採用貼現現金流量分析及資產淨值模式。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

6. SEGMENT REPORTING

The chief operating decision-maker has been identified as the Company's executive directors. During the year, the Group established, among others, new business segment, resulting in a change in composition of reportable operating segments. The segments are managed separately as each business offers different services and requires different business strategies. The Group's service lines identified as reportable operating segments are as follow:

- (i) Online transaction services (including provision of information technology services and advertising services);
- (ii) Micro financing facilitating services (including provision of financial guarantee service); and
- (iii) Software technology services (being design and development of tailor-made cryptocurrencies trading platform systems) and sale of smart hardware products (new segment during the current year).

All of the revenue from external customers and non-current assets of the Group are derived from activities or located in the PRC. Accordingly, no geographical information is presented.

6. 分部報告

主要經營決策人已確定為本公司執行董事。於年內，本集團設立(其中包括)新業務分部，致使可呈報經營分部組成變動。由於各業務提供不同服務及要求不同業務策略，各分部管理獨立。本集團確定為可呈報經營分部的服務項目如下：

- (i) 網上交易服務(包括提供信息技術服務及廣告及推廣服務)；
- (ii) 小額融資中介服務(包括提供融資擔保服務)；及
- (iii) 軟件技術服務(即訂製加密貨幣交易平台系統設計及開發)和智能硬件產品銷售(本年度的新分部)。

所有本集團外部客戶及非流動資產收益均來自在中國的活動或位於中國。故概無呈列地區資料。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

6. SEGMENT REPORTING (Continued)

The following is an analysis of the Group's revenue and results, assets and liabilities and other information by reportable and operating segments:

6. 分部報告(續)

以下載列本集團按可呈報經營分部的收益及業績、資產及負債以及其他資料之分析：

		Online transaction services 網上交易服務 RMB'000 人民幣千元	Micro financing facilitating services 小額融資中介服務 RMB'000 人民幣千元	Software technology services and sales of smart hardware products 軟件技術服務和智能硬件產品銷售 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2018	截至2018年12月31日止年度					
Segment revenue — External	分部收益 — 外部	4,427	13,058	15,494	—	32,979
Segment results	分部業績	(40,126)	(8,451)	(4,100)	—	(52,677)
Unallocated income	未分配收入					8,831
Unallocated expenses	未分配開支					(35,205)
Loss for the year	年內虧損					(79,051)
Assets	資產					
Segment assets	分部資產	21,669	1,061	23,101	—	45,831
Unallocated assets	未分配資產					
— Financial assets at fair value through other comprehensive income	— 按公平值計入其他全面收益的金融資產					164,580
— Other non-current asset	— 其他非流動資產					12,000
— Pledged bank deposits	— 已抵押銀行存款					104,715
— Cash and cash equivalents	— 現金及現金等價物					88,896
— Others	— 其他					9,857
Total assets	總資產					425,879
Liabilities	負債					
Segment liabilities	分部負債	45,530	412	25,698	—	71,640
Unallocated liabilities	未分配負債					
— Bank borrowings	— 銀行借款					29,000
— Others	— 其他					8,079
Total liabilities	總負債					108,719
Other information	其他資料					
Interest income	利息收入	62	7	5	1,757	1,831
Interest expense	利息開支	(944)	—	(208)	(2,441)	(3,593)
Loss on written off of property, plant and equipment	撇銷物業、廠房及設備的虧損	(54)	—	—	(415)	(469)
Gain on disposal of intangible assets	出售無形資產的收益	64	—	—	—	64
Gain on disposal of subsidiaries	出售附屬公司的收益	—	900	—	—	900
Share of losses of associates	應佔聯營公司之虧損	—	(210)	(453)	(15)	(678)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(272)	(63)	(11)	(291)	(637)
Amortisation of intangible assets	無形資產攤銷	(116)	(33)	(65)	(2)	(216)
Fair value loss on intangible assets — cryptocurrencies	無形資產的公平值虧損 — 加密貨幣	—	—	(2,110)	(325)	(2,435)
Expected credit loss on financial assets	金融資產的預期信貸虧損	(36,888)	(4,159)	(49)	(1,780)	(42,876)
Expected credit loss on contract assets	合約資產的預期信貸虧損	—	—	(19)	—	(19)
Impairment loss on intangible assets	無形資產的減值虧損	(585)	—	—	—	(585)
Income tax (expense)/credit	所得稅(開支)/抵免	(352)	—	—	2,030	1,678
Addition to property, plant and equipment	物業、廠房及設備添置	107	134	90	2,325	2,656
Addition to intangible assets	無形資產添置	1,029	—	4,128	750	5,907
Equity accounted for investments in associates	應佔聯營公司投資的權益	—	—	2,280	1,385	3,665

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

6. SEGMENT REPORTING (Continued)

The following is an analysis of the Group's revenue and results, assets and liabilities and other information by reportable and operating segments: (Continued)

6. 分部報告(續)

以下載列本集團按可呈報經營分部的收益及業績、資產及負債以及其他資料之分析：(續)：

		Online transaction services 網上交易服務 RMB'000 人民幣千元	Micro financing facilitating services 小額融資中介服務 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2017	截至2017年12月31日止年度				
Segment revenue — external	分部收益 — 外部	12,035	14,378	—	26,413
Segment results	分部業績	(17,085)	(6,348)	—	(23,433)
Unallocated income	未分配收入				35,745
Unallocated expenses	未分配開支				(11,471)
Profit for the year	年內溢利				841
Assets	資產				
Segment assets	分部資產	140,854	10,794	—	151,648
Unallocated assets	未分配資產				
— Available-for-sale financial assets	— 可供出售金融資產				119,689
— Pledged bank deposits	— 已抵押銀行存款				65,015
— Cash and cash equivalents	— 現金及現金等價物				56,554
— Others	— 其他				26,358
Total assets	總資產				419,264
Liabilities	負債				
Segment liabilities	分部負債	75,407	7,168	—	82,575
Unallocated liabilities	未分配負債				11,655
Total liabilities	總負債				94,230
Other information	其他資料				
Interest income	利息收入	397	46	42	485
Interest expense	利息開支	(794)	—	—	(794)
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產收益	865	—	34,822	35,687
Loss on disposal of financial assets at fair value through profit or loss	按公平值計入損益的金融資產出售虧損	(420)	—	—	(420)
Gain on disposal of a subsidiary	出售一間附屬公司收益	767	—	—	767
Share of loss of an associate	應佔一間聯營公司之虧損	(267)	—	—	(267)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(404)	(30)	—	(434)
Amortisation of intangible assets	無形資產攤銷	(120)	(33)	(207)	(360)
Impairment loss on trade receivables	貿易應收款項減值虧損	—	(1,397)	—	(1,397)
Impairment loss on inventories	存貨減值虧損	(278)	—	—	(278)
Written back of trade payables	貿易應付款項撥回	1,315	—	—	1,315
Income tax credit/(expense)	所得稅抵免/(開支)	1,175	(464)	744	1,455
Additions to property, plant and equipment	物業、廠房及設備添置	1,196	244	—	1,440
Equity accounted for investment in an associate	應佔一間聯營公司投資的權益	2,733	—	—	2,733

There is no single customer which contributed to 10% or more revenue to the Group's revenue for the year ended 31 December 2018 (2017: nil).

於截至2018年12月31日止年度，概無單一客戶佔本集團收入的10%或以上(2017年：無)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

7. REVENUE, OTHER INCOME AND GAINS

7. 收入、其他收入及收益

An analysis of revenue, other income and gains is as follows:

收入、其他收入及收益分析如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Revenue:	收入：		
Recognised at point in time:	於時間點確認：		
Provision of online transaction services	提供網上交易服務	4,427	11,441
Provision of micro financing facilitating services other than financial guarantee service	提供小額融資中介服務 (融資擔保服務除外)	12,051	13,885
Sale of smart hardware products	銷售智能硬件產品	3,528	—
Provision of information technology services	提供信息技術服務	—	583
		20,006	25,909
Recognised over time:	隨著時間確認：		
Provision of software technology services	提供軟件技術服務	11,966	—
Provision of financial guarantee service	提供融資擔保服務	1,007	493
Provision of advertising services	提供廣告及推廣服務	—	11
		12,973	504
		32,979	26,413
Other income and gains:	其他收入及收益：		
Gain on disposal of available-for-sale financial assets (notes 19(c) and (d))	出售可供出售金融資產的 收益(附註19(c)及(d))	—	35,687
Gain on disposal of subsidiaries (note 41)	出售附屬公司的收益 (附註41)	900	767
Interest income	利息收入	1,831	485
Government grants	政府補貼	4	80
(Loss)/gain on written off/disposal of property, plant and equipment	撇銷/出售物業、廠房及 設備的(虧損)/收益	(469)	66
Loss on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的 金融資產的虧損	—	(420)
Gain on disposal of intangible assets — cryptocurrencies	出售無形資產的收益 — 加密貨幣	64	—
Written back of trade payables	貿易應付款項之撥回	—	1,315
Exchange gain	匯兌收益	5,449	—
Rental income (note 37(a))	租金收入(附註37(a))	1,127	—
Return from other non-current assets (note 18)	其他非流動資產的回報 (附註18)	750	—
Others	其他	10	73
		9,666	38,053

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

7. REVENUE, OTHER INCOME AND GAINS (Continued)

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers.

		31 December 2018 2018年 12月31日 RMB'000 人民幣千元	1 January 2018 2018年 1月1日 RMB'000 人民幣千元
Trade receivables	貿易應收款項	374	773
Contract assets (Note 23(a))	合約資產(附註23(a))	3,693	—
Contract liabilities (Note 23(b))	合約負債(附註23(b))	(431)	—

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on revenue related to the provision of software technology services, of which revenue is recognised over time. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group gives the invoice to the customers. The contract liabilities mainly relate to the advance consideration received from customers.

The Group has applied the practical expedient to its software technology services contracts and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the software technology services contracts that had an original expected duration of one year or less.

7. 收入、其他收入及收益(續)

下表提供有關來自客戶合約的貿易應收款項、合約資產及合約負債的資料：

合約資產主要有關於本集團因已完成但於報告日期未就提供軟件技術服務的相關收入開具賬單的工作而收取代價的權利，有關服務的收入隨著時間而確認。當該等權利成為無條件時，合約資產便轉撥至應收款項。這種情況通常會於本集團向客戶發出發票時發生。合約負債主要有關於從客戶收到的預付代價。

本集團已對其軟件技術服務合約應用簡易實務處理方法，因此，以上資料並不包括有關本集團於履行其於原預計年期為一年或以下的軟件技術服務合約項下餘下的履約責任時將會獲得的收入的資料。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

8. FINANCE COSTS

8. 融資成本

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Interest on bank borrowings	銀行借款利息	3,593	794

9. LOSS BEFORE INCOME TAX CREDIT

9. 除所得稅抵免前虧損

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

本集團除所得稅抵免前虧損經扣除/(計入)下列各項後得出：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	637	434
Amortisation of intangible assets	無形資產攤銷	216	360
Fair value loss on intangible assets — cryptocurrencies	無形資產的公平值虧損 — 加密貨幣	2,435	—
Impairment loss on intangible assets	無形資產減值虧損	585	—
Expected credit loss on financial assets (note 24)	金融資產的預期信貸虧損 (附註24)	42,876	—
Expected credit loss on contract assets (note 23(a))	合約資產的預期信貸虧損 (附註23(a))	19	—
Exchange (gain)/loss	匯兌(收益)/虧損	(5,449)	3,913
Impairment loss on inventories (notes 25)	存貨減值虧損(附註25)	—	278
Impairment loss on trade receivables (notes 22)	貿易應收款項減值虧損(附註22)	—	1,397
Minimum lease payments under operating leases for buildings (note (b))	樓宇經營租賃的最低租金 (附註(b))	5,392	1,476
Development costs (note (a))	開發成本(附註(a))	9,395	11,344
Employee benefit expenses (including directors' remuneration) (note 10)	僱員福利開支 (包括董事薪酬)(附註10)		
Wages and salaries	工資及薪金	23,727	22,784
Pension scheme contributions	退休金計劃供款	2,367	2,353
Auditor remuneration	審計師薪酬	774	556

Notes:

附註：

(a) Development costs mainly comprise staff costs RMB8,779,000 for the year ended 31 December 2018 (2017: RMB11,103,000), which are also included in the employee benefit expenses disclosed separately above. The Group did not capitalise any development costs for the year ended 31 December 2018 (2017: nil).

(a) 開發成本主要包括員工成本，截至2018年12月31日止年度為人民幣8,779,000元(2017年：人民幣11,103,000元)，亦計入上文個別披露的僱員福利開支內。截至2018年12月31日止年度，本集團並無將任何開發成本撥充資本(2017年：無)。

(b) The Group sub-leased certain office premises to independent third parties and generated rental income of RMB537,000 (2017: nil) during the year ended 31 December 2018.

(b) 截至2018年12月31日止年度內，本集團將若干寫字樓物業分租予獨立第三方，並產生租金收入人民幣537,000元(2017年：無)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

10. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the GEM Listing Rules and Section 383 of the Hong Kong Companies Ordinance, (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G), is as follows:

10. 董事薪酬

根據GEM上市規則及香港公司條例(第622章)第383條及公司(披露董事利益資料)規則(第622G章)所披露,董事於本年度的薪酬如下:

		Fee	Salaries, allowance and benefit in kinds*	Pension scheme contributions	Total
		袍金 RMB'000 人民幣千元	薪金、津貼及實物利益* RMB'000 人民幣千元	退休金計劃供款 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Year ended 31 December 2018	截至2018年12月31日止年度				
<i>Executive directors</i>	<i>執行董事</i>				
Mr. Sun	孫先生	—	253	33	286
Mr. Tang Bin	唐斌先生	—	92	25	117
<i>Non-executive directors</i>	<i>非執行董事</i>				
Mr. Wei	魏先生	—	—	—	—
Mr. Lan Xi	蘭希先生	—	—	—	—
Mr. Li Jianguang	李建光先生	—	—	—	—
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>				
Mr. Hou Dong	侯東先生	68	—	—	68
Mr. He Qinghua	何慶華先生	68	—	—	68
Mr. Yang Haoran	楊浩然先生	68	—	—	68
		204	345	58	607
Year ended 31 December 2017	截至2017年12月31日止年度				
<i>Executive directors</i>	<i>執行董事</i>				
Mr. Sun	孫先生	—	255	38	293
Mr. Tang Bin	唐斌先生	—	255	38	293
<i>Non-executive directors</i>	<i>非執行董事</i>				
Mr. Wei	魏先生	—	—	—	—
Mr. Lan Xi	蘭希先生	—	—	—	—
Mr. Li Jianguang	李建光先生	—	—	—	—
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>				
Mr. Hou Dong	侯東先生	67	—	—	67
Mr. He Qinghua	何慶華先生	67	—	—	67
Mr. Yang Haoran	楊浩然先生	50	—	—	50
		184	510	76	770

* These are in connection with the management of the affairs of the Company and its subsidiaries.

* 與本公司及其附屬公司之管理事務有關。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year ended 31 December 2018 (2017: nil).

於截至2018年12月31日止年度內,概無董事放棄或同意放棄任何薪酬的安排(2017年:無)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

11. FIVE HIGHEST PAID EMPLOYEES

During the year ended 31 December 2018, none (2017: two) of the five highest paid employees were directors of the Company. Details of the remuneration of the remaining five (2017: three) highest paid employees of the Group are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,910	1,176
Pension scheme contributions	退休金計劃供款	498	193
		3,408	1,369

The remuneration of all the five highest paid employees fell within the band of nil to Hong Kong Dollar ("HK\$") 1,000,000 for each of the reporting periods.

During the years ended 31 December 2018 and 2017, no remuneration was paid by the Group to the directors or any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office. None (2017: none) of the persons, who were directors, waived or agreed to waive any emoluments during the year.

11. 五名最高薪僱員

於截至2018年12月31日止年度，五名最高薪僱員中概無人員(2017年：兩名)為本公司董事。本集團其餘五名(2017年：三名)最高薪僱員的薪酬詳情如下：

於各報告期間，五名最高薪僱員的薪酬介乎零至1,000,000港元(「港元」)的範圍。

於截至2018年及2017年12月31日止年度期間，本集團概無向董事或任何五名最高薪僱員支付酬金，作為加入本集團時或加入之後的獎勵或離職補償。於本年度，概無(2017年：無)身為董事的人員放棄或同意放棄任何酬金。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

12. INCOME TAX CREDIT

Taxes on profits assessable in the PRC have been calculated at the applicable tax rates, based on existing legislation, interpretations and practices in respect thereof.

Pursuant to the relevant laws and regulations in the PRC, the PRC enterprise income tax rate of all the PRC subsidiaries, except for Shenzhoufu (Beijing) Software Technology Co., Ltd. ("Shenzhoufu Software") (see note (a) below), was 25% on their taxable profits for the years ended 31 December 2018 and 2017.

The Group is not subject to any taxation under the jurisdiction of the Cayman Islands during the year ended 31 December 2018 (2017: nil). No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31 December 2018 (2017: nil).

The amount of income tax credit charged to the consolidated statement of comprehensive income represents:

12. 所得稅抵免

中國應課稅溢利稅項乃根據相關現有法例、詮釋及慣例為基準按適用稅率計算。

根據中國相關法律及法規，截至2018年及2017年12月31日止年度，所有中國附屬公司(不包括神州付(北京)軟件技術有限公司(「神州付軟件」)(見下文附註(a))的中國企業所得稅稅率均按其應課稅溢利的25%計算。

本集團於截至2018年12月31日止年度毋須繳納開曼群島司法權區任何稅項(2017年：無)。由於本集團於截至2018年12月31日止年度並無在香港產生任何應課稅溢利，故概無作出香港利得稅撥備(2017年：無)。

在綜合全面收益表內扣除的所得稅抵免金額指：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Current tax — PRC enterprise income tax	即期稅項—中國企業所得稅		
— tax for the year	— 年內稅項	8	751
— Under/(over) provision in respect of prior year	— 上一年度撥備不足/ (超額撥備)	345	(1,274)
		353	(523)
Deferred tax (note 32)	遞延稅項(附註32)	(2,031)	(932)
Income tax credit	所得稅抵免	(1,678)	(1,455)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

12. INCOME TAX CREDIT (Continued)

The income tax credit for the year can be reconciled to the Group's loss before income tax credit per the consolidated statement of comprehensive income as follows:

12. 所得稅抵免(續)

本集團於本年度的所得稅抵免與綜合全面收益表內的除所得稅抵免前虧損對賬如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Loss before income tax credit	除所得稅抵免前虧損	(80,729)	(614)
Tax on loss before income tax credit, calculated at 25% (2017: 25%)	除所得稅抵免前虧損的稅項，按25%計算(2017年：25%)	(20,182)	(153)
Effect of different tax rates in other jurisdictions	其他司法權區不同稅率的影響	(210)	392
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	20,242	3,888
Tax losses not recognised	未確認稅務虧損	1,237	4,263
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(1,079)	(7,691)
Withholding tax arising on undistributed profits in a subsidiary (note (b))	附屬公司未分派溢利產生的預扣稅(附註(b))	(2,031)	(880)
Under/(over)-provision in respect of prior year	上一年度撥備不足/(超額撥備)	345	(1,274)
Income tax credit	所得稅抵免	(1,678)	(1,455)

Notes:

- (a) Shenzhoufu Software successfully obtained the "National High Technology Enterprise" status as at 30 October 2014 and renewed on 6 December 2017, and this qualification is valid for another 3 years starting from 2017 and the applicable PRC enterprise income tax rate was 15% for the year ended 31 December 2018 (2017: 15%).
- (b) Pursuant to the relevant laws and regulations in the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. Accordingly, Shenzhoufu Software, being a wholly foreign-owned enterprise established in the PRC, is liable to a 10% withholding tax on its accumulated undistributed profits as determined in accordance with the PRC accounting rules and regulations.

附註：

- (a) 神州付軟件於2014年10月30日成功取得「國家高新技術企業」稱號並於2017年12月6日續新，資格有效期由2017年起為期三年，截至2018年12月31日止年度，其適用的中國企業所得稅稅率為15%（2017年：15%）。
- (b) 根據中國相關法律及法規，於中國成立的外資企業向外國投資者宣派的股息須徵繳10%預扣稅。倘中國與外國投資者所在司法權區訂有稅務條約，則較低的預扣稅率可能適用。因此，神州付軟件（為一間於中國成立的外商獨資企業）須就根據中國會計規則及條例所釐定的累積未分派溢利繳付10%預扣稅。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

13. DIVIDEND

No dividend was proposed or paid during the years ended 31 December 2018 and 2017.

14. (LOSSES)/EARNINGS PER SHARE

The calculation of the basic (losses)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company and the weighted average of 480,000,000 ordinary shares (2017: 480,000,000) of the Company.

No diluted (losses)/earnings per share is presented as there were no potential ordinary shares in issue during the year ended 31 December 2018 (2017: nil).

13. 股息

於截至2018年及2017年12月31日止年度概無建議或派付任何股息。

14. 每股(虧損)/盈利

每股基本(虧損)/盈利乃基於本公司擁有人應佔年度(虧損)/溢利及本公司普通股加權平均數480,000,000股(2017年: 480,000,000股)計算。

截至2018年12月31日止年度並無潛在已發行普通股，故並未呈列每股攤薄(虧損)/盈利(2017年: 無)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

15. PROPERTY, PLANT AND EQUIPMENT 15. 物業、廠房及設備

		Office equipment 辦公室設備 RMB'000 人民幣千元	Computer equipment 電腦設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2018	2018年12月31日				
Cost:	成本：				
At 1 January 2018	於2018年1月1日	265	3,307	1,942	5,514
Additions	添置	12	1,969	675	2,656
Written off	撇銷	(255)	(1,743)	(692)	(2,690)
Disposed through disposal of subsidiaries (note 41(a))	透過出售附屬公司而出售(附註41(a))	—	(170)	—	(170)
At 31 December 2018	於2018年12月31日	22	3,363	1,925	5,310
Accumulated depreciation and impairment:	累計折舊：				
At 1 January 2018	於2018年1月1日	247	2,356	505	3,108
Charge for the year	年內扣除	2	344	291	637
Eliminated on written off	撇銷時對銷	(245)	(1,567)	(436)	(2,248)
At 31 December 2018	於2018年12月31日	4	1,133	360	1,497
Net book value:	賬面淨值：				
At 31 December 2018	於2018年12月31日	18	2,230	1,565	3,813
31 December 2017	2017年12月31日				
Cost:	成本：				
At 1 January 2017	於2017年1月1日	265	3,106	1,193	4,564
Additions	添置	—	243	1,197	1,440
Disposal	出售	—	(7)	(448)	(455)
Disposed through disposal of subsidiary (note 41(b))	透過出售附屬公司而出售(附註41(b))	—	(35)	—	(35)
At 31 December 2017	於2017年12月31日	265	3,307	1,942	5,514
Accumulated depreciation:	累計折舊：				
At 1 January 2017	於2017年1月1日	243	2,040	776	3,059
Charge for the year	年內扣除	4	325	105	434
Eliminated on disposals	出售時對銷	—	(9)	(376)	(385)
At 31 December 2017	於2017年12月31日	247	2,356	505	3,108
Net book value:	賬面淨值：				
At 31 December 2017	於2017年12月31日	18	951	1,437	2,406

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

16. INTANGIBLE ASSETS

16. 無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元	Cryptocurrencies 加密貨幣 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2018	2018年12月31日			
Cost:	成本：			
At 1 January 2018	於2018年1月1日	3,283	—	3,283
Additions (note (a))	添置(附註(a))	655	5,252	5,907
Disposal	出售	—	(1,029)	(1,029)
At 31 December 2018	於2018年12月31日	3,938	4,223	8,161
Accumulated amortisation and impairment:	累計攤銷及減值：			
At 1 January 2018	於2018年1月1日	2,507	—	2,507
Charge for the year	年內扣除	216	—	216
Fair value adjustments	公平值調整	—	2,435	2,435
Impairment loss (note (b))	減值虧損(附註b)	585	—	585
At 31 December 2018	於2018年12月31日	3,308	2,435	5,743
Net book value:	賬面淨值：			
At 31 December 2018	於2018年12月31日	630	1,788	2,418
31 December 2017	2017年12月31日			
Cost:	成本：			
At 1 January 2017	於2017年1月1日	5,357	—	5,357
Disposed through disposal of subsidiary (note 41(b))	透過出售附屬公司而 出售(附註41(b))	(2,074)	—	(2,074)
At 31 December 2017	於2017年12月31日	3,283	—	3,283
Accumulated amortisation:	累計攤銷：			
At 1 January 2017	於2017年1月1日	2,355	—	2,355
Charge for the year	年內扣除	360	—	360
Eliminated on disposal (note 41(b))	出售時對銷(附註41(b))	(208)	—	(208)
At 31 December 2017	於2017年12月31日	2,507	—	2,507
Net book value:	賬面淨值：			
At 31 December 2017	於2017年12月31日	776	—	776

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

16. INTANGIBLE ASSETS (Continued)

Notes:

- (a) During the year ended 31 December 2018, the Group generated cryptocurrencies from its investment in cryptocurrencies mining fund (note 18) and provision of software technology services of approximately RMB750,000 and RMB3,473,000 respectively and these are non-cash transactions.

During the year ended 31 December 2018, the Group purchased cryptocurrencies of approximately RMB1,029,000 from the market.

- (b) During the year, the online transaction service business experienced a loss and management expected that the carrying amount of the related computer software may not be recoverable in its daily operation. An impairment loss of RMB585,000 was recognised in administrative expenses to fully write-off the carrying amount of the computer software. The recoverable amount was based on the fair value less costs of disposal of the computer software estimated by reference to recent market transactions in similar assets adjusted for differences in condition. The fair value less costs of disposal of the computer software is classified as a level 3 measurement.

16. 無形資產(續)

附註：

- (a) 截至2018年12月31日止年度內，本集團分別自其於加密貨幣礦業基金(附註18)的投資及提供軟件技術服務產生約人民幣750,000元及人民幣3,473,000元的加密貨幣，兩者均屬於非現金交易。

截至2018年12月31日止年度內，本集團從市場購買的加密貨幣約為人民幣1,029,000元。

- (b) 年內，網上交易服務業務出現虧損，管理層預期，相關電腦軟件的賬面值未必可於其日常運作中收回，因此在行政開支中確認人民幣585,000元的減值虧損，以全數撤銷電腦軟件的賬面值。可收回金額乃根據電腦軟件的公平值減出售成本得出，乃參考近期市場上類似資產的交易估計，並就條件差異作出調整。電腦軟件的公平值減出售成本被分類為第三層級計量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

17. INVESTMENTS IN SUBSIDIARIES

17. 於附屬公司的投資

The particulars of the Company's principal subsidiaries as at 31 December 2018 are as follows:

於2018年12月31日本公司主要附屬公司之詳情如下：

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Issued and fully paid share capital/ registered capital 已發行及繳足股本/註冊資本	Attributable equity interests held by the Company 本公司所持應佔股本權益		Place of operation and principal activities 經營地點及主要業務
			Direct 直接	Indirect 間接	
Shen Zhou Xing Limited ("Shen Zhou Xing") 神州行有限公司 (「神州行」)	Hong Kong, 19 May 2008 香港, 2008年5月19日	Issued and fully paid HK\$1 for 1 ordinary share 已發行及繳足股本 1股1港元普通股	100%	—	Investment holding in Hong Kong 於香港投資控股
Shenzhoufu Software ¹ 神州付軟件 ¹	PRC, 3 July 2008 中國, 2008年7月3日	Registered capital of RMB110,906,740 註冊資本人民幣110,906,740元	—	100%	Provision of consulting and technical supporting services to group companies in the PRC 於中國向集團公司提供 諮詢及技術支援服務
Beijing TJYL ² 北京天機移聯 ²	PRC, 1 July 2005 中國, 2005年7月1日	Registered capital of RMB10,000,000 註冊資本人民幣10,000,000元	—	100%	Provision of online transaction services in the PRC 於中國提供網上交易服務
Beijing Shenzhoufu ² 北京神州付 ²	PRC, 25 May 2011 中國, 2011年5月25日	Registered capital of RMB10,000,000 註冊資本人民幣10,000,000元	—	100%	Provision of online transaction services in the PRC 於中國提供網上交易服務
Beijing Youxiping ² 北京遊戲瓶 ²	PRC, 2 August 2012 中國, 2012年8月2日	Registered capital of RMB10,000,000 註冊資本人民幣10,000,000元	—	100%	Software technology services 軟件技術服務
Prajna Technology Limited ("Prajna Technology") Prajna Technology Limited (「Prajna Technology」)	British Virgin Islands ("BVI"), 30 April 2015 英屬處女群島 (「英屬處女群島」), 2015年4月30日	Issued and fully paid United States Dollar ("US\$") 1 ordinary share 已發行及繳足股本 1美元(「美元」)普通股	100%	—	Investment holding 投資控股
Joy Credit ³ Joy Credit ³	Cayman Islands, 3 February 2015 開曼群島, 2015年2月3日	Issued and fully paid US\$9,460 ordinary shares 已發行及繳足股本9,460美元普通股	—	70.4%	Software technology services 軟件技術服務
Lexiang Online Net Limited ⁴ 樂享在線網絡有限公司 ⁴	Hong Kong, 16 February 2015 香港, 2015年2月16日	Issued and fully paid HK\$1 ordinary share 已發行及繳足股本 1港元普通股	—	70.4%	Investment holding 投資控股
Wanlefu Software Technology Limited ⁵ 玩樂付軟件科技有限公司 ⁵	PRC, 11 September 2015 中國, 2015年9月11日	Issued and fully paid US\$1,950,000 ordinary shares 已發行及繳足股本 1,950,000美元普通股	—	70.4%	Investment holding 投資控股
Wanlefu Technology ² 玩樂付科技 ²	PRC, 25 November 2014 中國, 2014年11月25日	Registered capital of RMB1,350,000 註冊資本人民幣1,350,000元	—	66.60%	Micro financing facilitating services 小額融資中介服務
Shenzhou Net Technology Limited 神州網絡科技有限公司	Hong Kong, 3 June 2016 香港, 2016年6月3日	Issued and fully paid HK\$1 ordinary share 已發行及繳足股本1港元普通股	—	100%	Investment holding 投資控股
Xinjiang Nine Domain ² 新疆九域 ²	PRC, 6 April 2017 中國, 2017年4月6日	Registered capital of RMB30,000,000 註冊資本人民幣30,000,000元	—	100%	Investment holding 投資控股
Beijing Fenxiang ⁶ 北京紛享體 ⁶	PRC, 28 September 2017 中國, 2017年9月28日	Registered capital of RMB1,000,000 註冊資本人民幣1,000,000元	—	100%	Sales of smart hardware products 銷售智能硬件產品

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

17. INVESTMENTS IN SUBSIDIARIES (Continued)

Notes:

1. Shenzhoufu Software, a 100% directly owned subsidiary of Shen Zhou Xing, is registered as a wholly foreign-owned enterprise under the laws of the PRC.
2. Interests existed by virtue of certain contractual arrangements as described in note 5(e).
3. On 29 August 2017, Prajna Technology acquired 20,700,000 ordinary shares of US\$0.0001 par value per share of Joy Credit from a non-controlling shareholder, at cash consideration of approximately US\$396,000 (equivalent to RMB 2,632,000). After that, the Group's equity interest in Joy Credit increased from 48.52% to 70.4%.
4. Lexiang Online Net Limited is a 100% directly owned subsidiary of Joy Credit.
5. Wanlefu Software Technology Limited, a 100% directly owned subsidiary of Lexiang Online Net Limited, is registered as limited company under the laws of the PRC.
6. The above table lists out the principal subsidiaries of the Company as at 31 December 2018 which, in the opinion of the directors, principally affected the results for the year or form a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

17. 於附屬公司的投資(續)

附註：

1. 神州付軟件為神州行的直接全資附屬公司，根據中國法律註冊為外商獨資企業。
2. 藉附註5(e)所述的若干合約安排擁有權益。
3. 於2017年8月29日，Prajna Technology以現金代價約396,000美元(相當於人民幣2,632,000元)自一名非控股股東手中購得Joy Credit的每股面值0.0001美元的20,700,000股普通股。此後，本集團於Joy Credit的股權由48.52%上升至70.4%。
4. 樂享在線網絡有限公司為Joy Credit的直接全資附屬公司。
5. 玩樂付軟件科技有限公司為樂享在線網絡有限公司的全資附屬公司，根據中國法律註冊為有限公司。
6. 上表載列本公司於2018年12月31日的主要附屬公司。董事認為，該等公司對本年度業績起著重要影響或構成本集團大部分淨資產。董事認為，若提供其他附屬公司的詳情會導致資料篇幅過於冗長。

18. OTHER NON-CURRENT ASSETS

On 9 August 2017, the Group entered into two agreements with an independent company for investing a cryptocurrencies mining fund (the "Fund"). An individual fund managing company (the "Fund Manager") is engaged in managing the operation of cryptocurrencies mining in Canada. Pursuant to the agreements, the Group agreed to invest, in total, RMB12,000,000, representing 23.3% investment value of the Fund. Any cryptocurrencies produced from the fund would be distributed to the Group in accordance with the percentage of interest in the Fund after deduction of fund operation costs. The Group did not have significant influence over this company, evidenced by (i) the instrument is not an equity instrument; (ii) the instrument does not give the Group any voting power regarding the financial and operating activities of the Fund and (iii) the lack of any direct or indirect involvement at board level, in particular the financial and operating policy decisions of the Fund, and no right to appoint or remove the Fund Manager. Since the return of the fund is cryptocurrencies, which is not a financial asset, the fund is classified as other non-current assets and measured at cost less impairment. During the year ended 31 December 2018, the Fund generated cryptocurrencies of approximately RMB750,000 (2017: nil), which is included in other income (note 7).

18. 其他非流動資產

於2017年8月9日，本集團為投資一個加密貨幣礦業基金(「該基金」)與一間獨立公司訂立兩項協議。一間個別的基金管理公司(「基金經理」)在加拿大從事加密貨幣採礦運營管理。根據該等協議，本集團同意總共投資人民幣12,000,000元，佔該基金投資價值的23.3%。任何生產自該基金的加密貨幣將根據於該基金的權益百分比並扣除基金營運成本後分配予本集團。由於(i)該工具並非一項股本工具；(ii)該工具並未授予本集團有關該基金融資及運營活動的任何投票權；及(iii)缺乏董事會層面的任何直接或間接參與，尤其是在該基金的財務及經營政策決策上，且無權委聘或解聘基金經理，故本集團對此公司並無重大影響力。由於該基金的回報為加密貨幣，而加密貨幣並非一項金融資產，故該基金被分類為其他非流動資產，並按成本減減值計量。於截至2018年12月31日止年度內，該基金產生約人民幣750,000元(2017年：無)的加密貨幣，並計入其他收入(附註7)內。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

19. 可供出售金融資產及按公平值計入其他全面收益的金融資產

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Available-for-sale financial assets	可供出售金融資產		
– Unlisted equity securities, at cost (note (a))	– 非上市股本證券，按成本(附註(a))	—	51,839
– Listed equity securities, at fair value (note (a))	– 上市股本證券，按公平值(附註(a))	—	84,994
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產		
– Unlisted equity securities, at fair value (notes (b) and (d))	– 非上市股本證券，按公平值(附註(b)及(d))	126,607	—
– Listed equity securities, at fair value (note (c))	– 上市股本證券，按公平值(附註(c))	45,315	—
		171,922	136,833

Notes:

- (a) The Group's available-for-sale financial assets are reclassified as financial assets at fair value through other comprehensive income and other non-current assets as at 1 January 2018 upon initial application of HKFRS 9 as mentioned in note 3(a)A.
- (b) The amount represents investment in 14 (2017: 13) private companies in the PRC, which are engaged in Bitcoin trading, social communication, development of Blockchain technology and cryptocurrencies, IT system development, peer-to-peer lending service platform, online media platform, retailing business, and investment holding business in the PRC. The directors of the Company decided to hold these investments for long term strategy purpose and have no intention to dispose of the financial assets at the end of reporting period.
- (c) During the year ended 31 December 2017, the Group disposed of a total of 124,936,000 shares of Chong Sing Holdings Fintech Group Limited ("Chong Sing") at cash consideration of RMB113,795,000, of which all was settled in the year ended 31 December 2017. The Group recognised a gain of disposal of available-for-sale financial asset of approximately RMB34,822,000 in profit or loss, and reclassified investment revaluation reserve of RMB18,777,000 to profit or loss upon the disposal.

During the year ended 31 December 2018, the Group disposed of a total of 31,344,000 shares of Chong Sing at cash consideration of RMB22,950,000, of which all was settled in the year. Accordingly, the Group recognised a gain on disposal of financial assets at FVOCI of RMB3,137,000 in other comprehensive income, included in the fair value change.

附註：

- (a) 於首次應用附註3(a)A所述的香港財務報告準則第9號後，本集團於2018年1月1日的可供出售金融資產被重新分類為按公平值計入其他全面收益的金融資產及其他非流動資產。
- (b) 該金額指於中國14間(2017年：13間)私營公司的投資，有關公司在中國從事比特幣交易、社會通訊、區塊鏈技術及加密貨幣開發、IT系統開發、P2P借貸服務平台、網絡媒體平台、零售業務及投資控股業務。於報告期末，本公司董事已決定持有此等投資作長期策略目的，且無意出售金融資產。
- (c) 截至2017年12月31日止年度，本集團以現金代價人民幣113,795,000元出售中新控股科技集團有限公司(「中新」)合共124,936,000股股份，其中全部已於截至2017年12月31日止年度內結算。本集團於損益中確認出售可供出售金融資產的收益約人民幣34,822,000元，並於出售時將人民幣18,777,000元的投資重估儲備重新分類至損益。

截至2018年12月31日止年度，本集團以現金代價人民幣22,950,000元出售中新合共31,344,000股股份，其中全部於年內結算。因此，本集團於其他全面收益中確認人民幣3,137,000元的出售按公平值計入其他全面收益的金融資產的收益，並計入公平值變動內。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Notes: (Continued)

- (d) On 12 May 2017, the Group disposed of an unlisted available-for-sale financial asset which was principally engaged in software development, at cash consideration of RMB3,865,000. The consideration was fully settled in 2017 and the Group recognised a gain on disposal of RMB865,000 in profit or loss.

On 31 May 2018 and 23 July 2018, the Group disposed of two unlisted financial assets at FVOCI which were principally engaged in IT system development and online media platform at cash consideration of RMB1,500,000 and RMB500,000 respectively. The consideration was fully settled and they are disposed at breakeven.

- (e) The fair values of the unlisted equity investments held are determined by reference to valuation carried out by an external independent valuer by using the income approach or cost approach.

In applying income approach, the Group has selected comparable discount rate in the same or a similar industry and applying an appropriate growth rate that is a relevant performance measure for its investments. The valuer also adjusts the indicated fair value to give the effect of the discount for lack of marketability compared to the publicly traded peer group when it determines that the market participants would take this into account when pricing the investment. The discount for lack of marketability is quantified on the basis of relevant restricted stock studies and represents the most significant unobservable input applied to arrive at the fair value measurement of equity securities. The valuer determines 30 to 40% discount for lack of marketability as the significant unobservable inputs. If the discount for lack of marketability was 5% higher/lower, the fair value of the investment and other comprehensive income would decrease or increase by approximately RMB3,400,000 (2017: nil). Management believes that reasonable possible changes to other unobservable inputs would not result in a significant change in the estimated fair value.

In applying cost approach, the valuer assessed the fair value of the investments' assets and liabilities. If the net book value of the investments was 5% higher/lower while all other variable were held constant, the carrying amount of the investments and other comprehensive income would increase/decrease by approximately RMB1,000,000 (2017: nil).

19. 可供出售金融資產及按公允價值計入其他全面收益的金融資產(續)

附註：(續)

- (d) 於2017年5月12日，本集團以現金代價人民幣3,865,000元出售主要從事軟件開發的非上市可供出售金融資產。代價已於2017年全部結清且本集團於損益賬中確認出售收益為人民幣865,000元。

於2018年5月31日及2018年7月23日，本集團分別以現金代價人民幣1,500,000元及人民幣500,000元出售兩項主要從事IT系統開發及網絡媒體平台的按公平值計入其他全面收益的非上市金融資產。代價已全部結清且出售收支平衡。

- (e) 持有的非上市股本投資的公平值乃參考一名外聘獨立估值師採用收益法或成本法所進行的估值而釐定。

在應用收益法時，本集團已挑選同一或類似行業的可比較貼現率，並應用對於其投資而言為相關績效計量的適當增長率。估值師在認為市場參與者於為投資定價時會加以考慮時，亦調整所示的公平值，以反映較上市同業集團欠缺的流通性的折讓。欠缺流通性的折讓乃根據有關受限制股票研究定量，相當於為達致股本證券公平值計量所應用的最主要不可觀察輸入數據。估值師釐定30%至40%的欠缺流通性折讓為主要的不可觀察輸入數據。倘欠缺流通性折讓上升/下降5%，則投資的公平值及其他全面收益將會減少或增加約人民幣3,400,000元(2017年：無)。管理層相信，對其他不可觀察輸入數據作出的合理可能變動將不會導致估計公平值出現重大改變。

在應用成本法時，估值師評定投資的資產及負債的公平值。倘投資的賬面淨值增加/減少5%，而所有其他變量保持不變，則投資及其他全面收益的賬面值將會增加/減少約人民幣1,000,000元(2017年：無)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

20. INTERESTS IN ASSOCIATES

20. 於聯營公司權益

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Share of net assets of associates	分佔聯營公司淨資產	440	348
Goodwill	商譽	3,225	2,385
		3,665	2,733

The Group acquired 30% equity interest in Zhuhai Aerfaniu Technology Limited for a cash consideration of RMB3,000,000 on 24 March 2017.

本集團於2017年3月24日以人民幣3,000,000元之現金代價收購珠海阿爾法牛科技有限公司的30%權益。

The Group acquired 40% equity interest in Beijing Yunhuicai Technology Limited at a cash consideration of RMB1,400,000 on 1 February 2018.

本集團於2018年2月1日以人民幣1,400,000元的現金代價收購北京雲慧財科技有限公司的40%股本權益。

The Group disposed 30% equity interest of Beijing Kuaihuika to independent third party on 30 September 2018 (note 41(a)). Upon the completion of disposal, the Group hold 21% equity interest in Beijing Kuaihuika, and it became an associate of the Group.

本集團於2018年9月30日向獨立第三方出售北京快惠卡的30%股本權益(附註41(a))。於出售完成後，本集團持有北京快惠卡的21%股本權益，該公司成為本集團的聯營公司。

As at 31 December 2018, Beijing Kuaihuika had contingent liabilities of RMB122,286,000 in relation to guarantees given to financial institutions in respect of financial guarantee provided to independent third parties.

於2018年12月31日，北京快惠卡就向獨立第三方提供的金融擔保向金融機構提供的擔保而承擔人民幣122,286,000元的或然負債。

Details of the Group's associates at 31 December 2018 are as follow:

本集團聯營公司於2018年12月31日之詳情如下：

Name 名稱	Place of incorporation, operation and principal activity 註冊成立、營運及主要活動地點	Percentage of ownership interests/ voting rights/profit share 擁有人權益/投票權/分佔溢利百分比
Zhuhai Aerfaniu Technology Limited ("Aerfaniu")	Quantitative Trading in the PRC	30% (2017: 30%)
珠海阿爾法牛科技有限公司 ("阿爾法牛")	於中國進行量化交易	30% (2017年: 30%)
Beijing Yunhuicai Technology Limited ("Yunhuicai")	Quantitative Trading in the PRC	40% (2017: Nil)
北京雲慧財科技有限公司 ("雲慧財")	於中國進行量化交易	40% (2017年: 無)
Beijing Kuaihuika	Provision of micro financing facilitating services in PRC	21% (2017: Nil)
北京快惠卡	於中國提供小額融資中介服務	21% (2017年: 無)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

20. INTERESTS IN ASSOCIATES (Continued)

20. 於聯營公司權益(續)

Summarised financial information of the associates, adjusted for any difference in accounting policies, is as follows:

聯營公司之概述財務資料(已就會計政策之任何差異作出調整)如下:

		Aerfaniu 阿爾法牛		Beijing Yunhuicai 雲慧財		Beijing Kuaihuika 北京快惠卡		Total 總計	
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	
As at 31 December	於12月31日								
Current assets	流動資產	387	4,125	626	1,552	2,565		4,125	
Non-current assets	非流動資產	1,061	48	737	159	1,957		48	
Current liabilities	流動負債	(1,799)	(3,013)	—	(10,298)	(12,097)		(3,013)	
Net assets/(liabilities)	淨資產/(負債)	(351)	1,160	1,363	(8,587)	(7,575)		1,160	
Group's share of the net assets of the associates	本集團應佔聯營公司淨資產	(105)	348	545	—	440		348	
Year ended 31 December	截至12月31日止年度								
Revenue	收入	52	—	—	15,144	15,196		—	
Loss for the year	年內虧損	(1,511)	(890)	(37)	(1,023)	(2,571)		(890)	
Other comprehensive income for the year	年內其他全面收益	—	—	—	—	—		—	
Total comprehensive income for the year	年內全面收益總額	(1,511)	(890)	(37)	(1,023)	(2,571)		(890)	
Dividends received from associates	收取聯營公司股息	—	—	—	—	—		—	
Group's share of the results of the associates	本集團應佔聯營公司業績	(453)	(267)	(15)	(210)	(678)		(267)	

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

21. GOODWILL

21. 商譽

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At 1 January	於1月1日	509	—
Acquired through business combination (note 40)	透過業務合併收購(附註40)	—	509
Disposal through disposal of a subsidiary (note 41(a))	透過出售一間附屬公司出售 (附註41(a))	(509)	—
At 31 December	於12月31日	—	509

Goodwill arose from a business combination of Beijing Kuaihuika during the year ended 31 December 2017 (note 40).

商譽產生自於截至2017年12月31日止年度北京快惠卡之業務合併(附註40)。

As at 31 December 2017, the recoverable amount of the goodwill has been determined from a value-in-use calculation based on cash flow projections from formally approved budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 3%.

於2017年12月31日，商譽的可收回金額已根據五年期正式批准預算估計的現金流量計算使用價值而釐定。超出五年期的現金流量使用估計加權平均增長率3%推算。

		2017
Discount rate	貼現率	15%
Operating margin*	經營利潤率*	8%–25%
Growth rate within the five-year period	五年期內增長率	10%–50%

* defined as profit before income tax expense divided by revenue

* 計算方法為除所得稅前溢利除以收益

The discount rate is pre-tax and reflects specific risks relating to Beijing Kuaihuika. The operating margin and growth rate within the five-year period were determined based on management expectation and the result of the market research and prediction.

貼現率尚未扣除稅項，且反映有關北京快惠卡的具體風險。經營利潤率及五年期內增長率乃根據管理層預計及市場調查及預計結果釐定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

22. TRADE RECEIVABLES

22. 貿易應收款項

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Trade receivables from:	應收下列人士的貿易應收款項：		
— Third parties	— 第三方	374	2,170
Less: provision for impairment on trade receivables	減：貿易應收款項減值撥備	—	(1,397)
		374	773

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. The Group normally does not grant credit period to its customers. For a minor portion of customers who are granted credit period, the credit period is generally 90 days. The Group seeks to apply strict control over its outstanding receivables to minimise credit risk. All the trade receivables are non-interest bearing.

貿易應收款項指於日常業務過程中銷售貨品或提供服務而應收客戶的款項。本集團一般情況下並不給予客戶信貸期。就享有信貸期的少數客戶而言，信貸期一般為90天。本集團致力嚴格控制尚未收回應收款項以盡量減低信貸風險。所有貿易應收款項均為免息。

The aging analysis of trade receivables (net of impairment losses) based on transaction date are as follows:

貿易應收款項(扣除減值虧損)基於交易日的賬齡分析如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
0 to 3 months	0至3個月	342	773
3 to 6 months	3至6個月	—	—
6 months to 1 year	6個月至1年	32	—
		374	773

The analysis of the Group's trade receivables that were past due but not impaired as at the end of each of the reporting periods is as follows:

於各報告期末，本集團之逾期但尚未減值之貿易應收款項的分析如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Neither past due nor impaired (note (a))	既未逾期亦未減值(附註(a))	374	773

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

22. TRADE RECEIVABLES (Continued)

Movements in provision for impairment of trade receivables are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At beginning of the year	於年初	1,397	—
Impairment loss recognised	確認減值虧損	—	1,397
Bad debt written off	壞賬撇銷	(1,397)	—
At the end of the year	於年末	—	1,397

Note:

- (a) The balances that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

The Group recognised impairment loss based on the accounting policy stated in note 4(h).

22. 貿易應收款項(續)

貿易應收款項減值撥備變動如下：

	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At beginning of the year	1,397	—
Impairment loss recognised	—	1,397
Bad debt written off	(1,397)	—
At the end of the year	—	1,397

附註：

- (a) 未逾期及未減值的結餘與近期並無拖欠記錄的大量客戶有關。

本集團根據附註4(h)所列的會計政策確認減值虧損。

23. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

		31 December 2018 2018年 12月31日 RMB'000 人民幣千元	1 January 2018 2018年 1月1日 RMB'000 人民幣千元	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
Contract assets arising from:	合約資產來自：			
Software development services	軟件開發服務	3,712	—	—
Impairment	減值	(19)	—	—
		3,693	—	—

23. 合約資產及合約負債

(a) 合約資產

		31 December 2018 2018年 12月31日 RMB'000 人民幣千元	1 January 2018 2018年 1月1日 RMB'000 人民幣千元	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
Contract assets arising from:	合約資產來自：			
Software development services	軟件開發服務	3,712	—	—
Impairment	減值	(19)	—	—
		3,693	—	—

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

23. CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

23. 合約資產及合約負債(續)

(a) Contract assets (Continued)

Typical payment terms which impact on the amount of contract assets are as follows:

Software development services

The Group's software development contracts include payment schedules which require stage payments over the development period once milestones are reached. These payment schedules prevent the build-up of significant contract assets.

The expected timing of recovery or settlement for contract assets as at 31 December 2018 is as follows:

		RMB'000 人民幣千元
Within one year from 31 December 2018	自2018年12月31日起計一年內	3,693
Total contract assets	合約資產總額	3,693

The movements in the loss allowance for impairment of contract assets are as follows:

		2018 RMB'000 人民幣千元
At beginning of year	於年初	—
Net impairment losses	減值虧損淨額	19
At end of year	於年末	19

(a) 合約資產(續)

影響到合約資產金額的一般付款條款如下：

軟件開發服務

本集團的軟件開發合約載有付款時間表，要求於開發期內當達到進度指標時支付分期付款。此等付款時間表可預防主要合約資產積存。

於2018年12月31日合約資產的預期收回或結付時間如下：

		RMB'000 人民幣千元
Within one year from 31 December 2018	自2018年12月31日起計一年內	3,693
Total contract assets	合約資產總額	3,693

合約資產減少虧損撥備變動如下：

		2018 RMB'000 人民幣千元
At beginning of year	於年初	—
Net impairment losses	減值虧損淨額	19
At end of year	於年末	19

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

23. CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

23. 合約資產及合約負債(續)

(a) Contract assets (Continued)

Software development services (Continued)

An impairment analysis is performed at each reporting date using a simplified approach to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. 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 forecast of future economic conditions.

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

(a) 合約資產(續)

軟件開發服務(續)

本集團於各報告日期採用簡化方法進行減值分析，以計量預期信貸虧損。由於合約資產及貿易應收款項來自相同的客群，故計量合約資產預期信貸虧損的撥備率以貿易應收款項的預期信貸虧損為基礎。計算反映或然率加權結果、金錢的時間價值及於報告日期可得而有關過往事件、當前條件及未來經濟條件預測的合理及有根據資料。

以下載列有關採用撥備矩陣計算本集團合約資產信貸風險承擔的資料：

At 31 December 2018	於 2018 年 12 月 31 日	%
Expected credit loss rate	預期信貸虧損比率	0.51
		RMB'000 人民幣千元
Gross carrying amount	賬面總值	3,712
Expected credit losses	預期信貸虧損	19

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

23. CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

23. 合約資產及合約負債(續)

(b) Contract liabilities

(b) 合約負債

	31 December 2018 2018年 12月31日 RMB'000 人民幣千元	1 January 2018 2018年 1月1日 RMB'000 人民幣千元	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
<i>Contract liabilities arising from:</i> 合約負債來自：			
Software development services 軟件開發服務	431	—	—

Typical payment terms which impact on the amount of contract liabilities are as follows:

影響到合約負債金額的一般付款條款如下：

Software development services

Where discrepancies arise between the milestone payments and the Group's assessment of the stage of completion, contract liabilities can arise.

軟件開發服務

倘進度指標付款與本集團對完成階段作出的評估之間有所偏差，便可能產生合約負債。

Movements in contract liabilities

合約負債變動

	2018 RMB'000 人民幣千元
Balance as at 1 January 於1月1日的結餘	—
Increase in contract liabilities as a result of billing in advance of software development activities 由於在軟件開發工作前開具賬單導致合約負債增加	431
Balance at 31 December 於12月31日的結餘	431

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

24. 預付款、按金及其他應收款項

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Prepayments in respect of online transaction services (note (a))	線上交易服務預付款 (附註(a))	1,091	52,653
Other prepayments	其他預付款	1,679	5,179
Advances to independent third parties (note (b))	向獨立第三方提供墊款(附註(b))	4,809	34,101
Other receivables (note (c))	其他應收款項(附註(c))	3,736	29,797
Deposits	按金	1,277	83
		12,592	121,813
Less: Prepayments for acquisition of property, plant and equipment	減：收購物業、廠房及設備之預付款	(1,679)	(1,679)
Long-term prepayments	長期預付款	—	(3,500)
		10,913	116,634

Notes:

(a) The Group's prepayments were prepayments to online game operators and distributors of telecommunication companies. As at 31 December 2017, the prepayments were in amount of RMB52,653,000, of which, RMB18,595,000 were refunded to the Group during the year ended 31 December 2018. As at 31 December 2018, the prepayments after impairment in amount of RMB31,074,000 were impaired, and the net carrying amount was RMB1,091,000.

(b) As at 31 December 2018, the advances are unsecured, interest free and repayable by 31 December 2019.

As at 31 December 2017, the advances are repayable by 31 December 2018, of which, advances of RMB24,781,000 are secured by corporate guarantee, with interest charged at 3% per annum. The advances are fully settled during the year ended 31 December 2018.

(c) As at 31 December 2018, included in the Group's other receivables were mainly (i) deposits for potential business development projects of RMB1,640,000 (2017: deposits of RMB18,950,000 paid for potential business development projects and such development projects were cancelled in 2017 and 89% of the deposits were subsequently refunded in 2018 and the remaining 11% were impaired in 2018); (ii) advances to staff for business development of RMB380,000 (2017: RMB2,154,000); (iii) required guarantee funds deposited to online game operators of RMB438,000 (2017: RMB840,000), which is refundable on demand. Under cooperation agreements with the online game operators, the Group is required to make guarantee funds of a pre-agreed amount to the online game operators upon entering into the relevant cooperation agreement.

附註：

(a) 本集團的預付款為向網上遊戲運營商及電信公司分銷商預付的款項。於2017年12月31日，預付款為人民幣52,653,000元，其中人民幣18,595,000元已於截至2018年12月31日止年度內退還予本集團。於2018年12月31日，人民幣31,074,000元的預付款已經減值，扣除減值後的賬面淨值為人民幣1,091,000元。

(b) 於2018年12月31日，該等墊款為無抵押、免息及須於2019年12月31日前償還。

於2017年12月31日，墊款須於2018年12月31日前償還，其中人民幣24,781,000元的墊款以企業擔保作抵押，按年利率3%計息。該等墊款已於截至2018年12月31日止年度內全數結清。

(c) 於2018年12月31日，計入本集團其他應收款項乃主要為(i)潛在業務發展項目按金人民幣1,640,000元(2017年：已付潛在業務發展項目按金人民幣18,950,000元，該等發展項目已於2017年取消，且其中89%的按金已其後於2018年獲歸還，餘下11%於2018年內減值)；(ii)向業務發展員工提供的墊款人民幣380,000元(2017年：人民幣2,154,000元)；及(iii)須向網上游戲運營商交付的保證金人民幣438,000元(2017年：人民幣840,000元)，該款項可按要求退還。根據與網上游戲運營商訂立的合作協議，本集團須於訂立有關合作協議時向網上游戲運營商作出一筆預先協定金額的保證金。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

The movements in the loss allowance for impairment of prepayments, deposits, and other receivables are as follows:

		2018 RMB'000 人民幣千元
At 1 January 2018 as originally presented	如原先呈列的於2018年1月1日	—
Initial application of HKFRS 9	首次應用香港財務報告準則第9號	
— Charged to retained earnings	— 計入保留盈利	579
— Charged to non-controlling interests	— 計入非控股權益	16
Restated balance as at 1 January 2018	於2018年1月1日的經重列結餘	595
Charged to profit or loss (note)	計入損益(附註)	42,876
At 31 December 2018	於2018年12月31日	43,471

Note: The impairment mainly represents lifetime ECL on prepayments to game operators and distributors of telecommunication companies in amount of RMB31,074,000.

24. 預付款、按金及其他應收款項(續)

預付款、按金及其他應收款項的減值撥備變動如下：

附註：該減值主要指向遊戲運營商及電信公司分銷商提供預付款人民幣31,074,000元的全期預期信貸虧損。

25. INVENTORIES

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Raw materials	原材料	269	—
Finished goods:	製成品：		
— Pre-paid mobile top-up credits	— 預付手機話費充值金額	—	5,068
— Online game products	— 網上遊戲產品	10	19
— Smart hardware products	— 智能硬件產品	1,481	—
		1,760	5,087

At 31 December 2018, a provision of none (2017: RMB278,000) against the carrying amount of pre-paid mobile top-up credit has been made.

25. 存貨

於2018年12月31日，並無就預付手機話費充值金額賬面值計提撥備(2017年：人民幣278,000元)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

26. AMOUNT DUE FROM A RELATED COMPANY

	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Beijing Qiandaibao Payment Technology Ltd. 北京錢袋寶支付技術有限公司 ("Beijing QDB") (「北京錢袋寶」)	—	—

The related company is either controlled by the directors of the Company or significant influenced by the directors of the Company, and the balance is non-trade in nature, unsecured, interest-free and repayable on demand. During the year ended 31 December 2017, Beijing QDB was disposed of to an independent third party and ceased to be a related company of the Group.

Maximum amount due from the related party is as follows:

26. 應收一間關連公司款項

關連公司受本公司董事控制或受本公司董事重大影響，而該結餘為非貿易性質、無抵押、免息及應要求償還。截至2017年12月31日止年度，北京錢袋寶被出售予獨立第三方並不再為本集團之關連公司。

應收關連人士的最高款項如下：

	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Beijing QDB 北京錢袋寶	—	484

27. PLEDGED BANK DEPOSITS

The pledged bank deposits represent deposits placed to certain banks as securities in return for the banks to provide loans to the Group (note 31). These pledged bank deposits have a maturity of 1 year as at 31 December 2018 (2017: 1 year). At 31 December 2018, pledged deposits carry interests at an average rate of 1.75% (2017: 2.21%) per annum.

27. 已抵押銀行存款

已抵押銀行存款指存於若干銀行的存款作為銀行向本集團提供貸款的抵押(附註31)。該等已抵押銀行存款於2018年12月31日的到期日1年(2017年：1年)。於2018年12月31日，已抵押存款按平均年利率1.75%(2017年：2.21%)計息。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

28. CASH AND CASH EQUIVALENTS

28. 現金及現金等價物

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Cash and bank balances (note (a))	現金及銀行結餘(附註(a))	108,927	83,217
Cash and cash equivalent held on behalf of a director of a subsidiary (note (a) and (b))	代表一間附屬公司之董事所持有的現金及現金等價物(附註(a)及(b))	—	102
		108,927	83,319

Notes:

- (a) The cash and cash equivalents of RMB18,505,000 was denominated in RMB at 31 December 2018 (2017: RMB48,056,000). RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC Government.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

- (b) The Group maintains segregated account with authorised institutions to hold client's monies arising from its provision of micro financing facilitating services business. The Group has classified the client's monies as cash and bank balances held on behalf of a director of subsidiary under the current assets section of the consolidated statement of financial position and recognised the corresponding liabilities as other payables (note 30) to respective client on the grounds that it is liable for any loss or misappropriation of client's monies (see note 36(a)(i) for details). The Group fully repaid the fund to its clients during the year ended 31 December 2018 and did not hold any client's monies as at 31 December 2018.

附註:

- (a) 於2018年12月31日，現金及現金等價物為人民幣18,505,000元(2017年：人民幣48,056,000元)，以人民幣計值。人民幣為不可自由兌換貨幣，故將資金匯出中國須受到中國政府施加的匯兌限制的規限。

銀行現金乃根據每日銀行存款利率的浮息率賺取利息。銀行結餘乃存放於近期並無違約記錄信譽良好銀行的存款。

- (b) 本集團維持與獲認可機構的獨立賬戶以持有客戶因提供小額融資中介服務業務而產生的金額。本集團已將客戶的款項分類為綜合財務狀況表的流動資產部分項下的代表一名附屬公司董事持有的現金及銀行結餘，並將相應負債確認為對相關客戶的其他應付款項(附註30)，理據為其須就任何客戶款項的損失或被挪用而負責(詳情見附註36(a)(i))。本集團已於截至2018年12月31日止年度內向其客戶全數償還資金，且於2018年12月31日並無持有任何客戶資金。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

29. TRADE PAYABLES

29. 貿易應付款項

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Trade payables to	應付下列人士的貿易應付款項：		
— Third parties	— 第三方	6,101	7,997
		6,101	7,997

Trade payables are non-interest bearing. The Group is normally granted credit terms ranging from 1–30 days.

貿易應付款項為免息。本集團一般獲授的信貸期介乎1至30天。

The aging analysis of trade payables based on transaction date are as follows:

貿易應付款項基於交易日的賬齡分析如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
0 to 3 months	0至3個月	6,083	4,035
3 to 6 months	3至6個月	—	2,534
6 months to 1 year	6個月至1年	—	248
Over 1 year	1年以上	18	1,180
		6,101	7,997

30. OTHER PAYABLES AND ACCRUALS

30. 其他應付款項及應計費用

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Receipts in advance	預收賬款	—	2,010
Other payables and accruals	其他應付款項及應計費用	5,148	14,679
Liabilities arising from financial guarantee contracts	融資擔保合約產生之負債	—	822
Amount payable to a director of a subsidiary (note 36(a)(i))	應付一名附屬公司董事款項 (附註36(a)(i))	—	102
		5,148	17,613

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綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

31. BANK BORROWINGS

31. 銀行借款

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Bank loans due for repayment within one year (note (a))	一年內須償還銀行貸款(附註(a))	91,500	61,000

Note:

(a) The bank loans are secured by bank deposits of US\$15,200,000 (equivalent to RMB104,715,000) (2017: US\$9,950,000 (equivalent to RMB65,015,000)) (note 27). The bank loans bear interest at the rate of 4.35% (2017: 5.0025% to 6.5250%) per annum and are repayable within one year.

附註：

(a) 該等銀行貸款以15,200,000美元(相當於人民幣104,715,000元)(2017年：9,950,000美元(相當於人民幣65,015,000元))的銀行存款作為抵押(附註27)。該等銀行貸款按年利率4.35%(2017年：5.0025%至6.5250%)計息，且須於一年內償還。

32. DEFERRED TAX

32. 遞延稅項

Details of the deferred tax liabilities recognised and movements during the current and prior year:

於本年度及過往年度已確認遞延稅項負債及變動詳情：

Deferred tax liabilities

遞延稅項負債

		Undistributed earnings of PRC subsidiary 中國附屬公司的未分派盈利 RMB'000 人民幣千元	Revaluation of intangible assets 無形資產的重估 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	7,979	519	8,498
Charged to profit or loss	計入損益	(880)	(52)	(932)
Reversal upon disposal of a subsidiary (note 41(b))	出售一間附屬公司時撥回(附註41(b))	—	(467)	(467)
At 31 December 2017	於2017年12月31日	7,099	—	7,099
Charged to profit or loss	計入損益	(2,031)	—	(2,031)
At 31 December 2018	於2018年12月31日	5,068	—	5,068

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

32. DEFERRED TAX (Continued)

Deferred tax liabilities (Continued)

At 31 December 2018, the Group had unused tax losses of RMB48,070,000 (2017: RMB24,971,000) which would expire in five years' time. No deferred tax asset has been recognised in respect of the unused tax losses as the directors considered that the impact is minimal.

Expiry years of unrecognised tax losses:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
2018	2018年	—	107
2019	2019年	962	962
2020	2020年	2,240	2,240
2021	2021年	4,611	4,611
2022	2022年	9,311	17,051
2023	2023年	30,946	—

32. 遞延稅項(續)

遞延稅項負債(續)

於2018年12月31日，本集團的未動用稅務虧損為人民幣48,070,000元(2017年：人民幣24,971,000元)，將於五年內到期。由於董事認為影響不大，故並無就未動用稅務虧損確認遞延稅項資產。

未確認稅務虧損的屆滿年期：

33. SHARE CAPITAL

Authorised and issued share capital

		2018		2017	
		Number 數目	RMB'000 人民幣千元	Number 數目	RMB'000 人民幣千元
Authorised	法定				
Ordinary shares of US\$0.001 each	每股0.001美元的 普通股	1,000,000,000	6,148	1,000,000,000	6,148
Issued and fully paid	已發行及繳足				
Ordinary shares of US\$0.001 each	每股0.001美元的 普通股				
At beginning and end of the year	於年初及年末	480,000,000	2,941	480,000,000	2,941

33. 股本

法定及已發行股本

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

33. SHARE CAPITAL (Continued)

Capital management policy

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.

The capital structure of the Group consists of bank borrowings disclosed in note 31, cash and cash equivalents disclosed in note 28, and equity attributable to owners of the Company, comprising paid up share capital and reserves. The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost and the risks associated with each class of the capital.

Based on the recommendation of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

The Group monitors capital using gearing ratio, which is net debts divided by total equity attributable to owners of the Company. The gearing ratio as at the end of the reporting period is as follows:

33. 股本(續)

資本管理政策

本集團管理資本的主要目標為保障本集團能持續經營，並維持理想的資本比率，以支持其業務。

本集團資本架構由附註31所披露之銀行借款、附註28所披露之現金及現金等價物及本公司擁有人應佔權益組成，包括繳足股本及儲備。本公司董事定期審閱資本架構。作為審閱的一部分，董事認為成本及風險與每級資本有關。

根據董事的推薦意見，本集團將透過支付股息、新股發行以及發行新債務或贖回現有債務來平衡其整體資本架構。

本集團使用資產負債比率(即債務淨額除以本公司擁有人應佔權益總額)監控資本。截至報告期末的資產負債比率如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Debt	債務	91,500	61,000
Less: Cash and cash equivalents	減：現金及現金等價物	(108,927)	(83,319)
Net debt	淨債務	(17,427)	(22,319)
Total equity attributable to owners of the Company	本公司擁有人應佔總權益	315,940	323,661
Gearing ratio	資產負債比率	N/A 不適用	N/A 不適用

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

34. RESERVES

Details of the movements on the Group's reserves are set out in the consolidated statement of changes in equity. Movements on the Company's reserves are set out below:

Company	本公司	Share premium 股份溢價 RMB'000 人民幣千元 (note (a)) (附註(a))	Accumulated losses 累計虧損 RMB'000 人民幣千元 (note (f)) (附註(f))	Total 總額 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	47,899	(19,373)	28,526
Loss and total comprehensive income for the year	年內虧損及全面收益總額	—	(2,572)	(2,572)
As 31 December 2017 and 1 January 2018	於2017年12月31日及 2018年1月1日	47,899	(21,945)	25,954
Loss and total comprehensive income for the year	年內虧損及全面收益總額	—	(4,076)	(4,076)
As 31 December 2018	於2018年12月31日	47,899	(26,021)	21,878

34. 儲備

本集團的儲備變動詳情載於綜合權益變動表。本公司的儲備變動載列如下：

(a) Share premium

Amount subscribed for share capital in excess of nominal value, less of share issuing costs.

(a) 股份溢價

股份溢價指認購股本金額超出面值之款項，並扣除股份發行成本。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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34. RESERVES (Continued)

(b) Capital reserve

The reserve is arising from the capital contribution from equity holders resulted from the Reorganisation and also from the deemed contribution from equity holders in connection with the tax losses incurred by the related parties in prior years.

The deemed capital contribution from equity holders represents the savings of income tax payable to tax authority for the Group's business operated by the related parties that should otherwise be incurred should the related parties be not in a tax loss position, and the Group records this tax savings as capital contribution from the equity holders and the equivalent amount as income tax expense for the period.

(c) Statutory reserve

As stipulated by the relevant regulations in the PRC, the Company's subsidiaries established and operating in the PRC are required to appropriate 10% of their profit after tax (after offsetting prior year losses), as determined in accordance with the PRC accounting rules and regulations, to the statutory reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve shall be made before distribution of dividend to equity owners. The statutory reserve fund can be used to make up prior years' losses, if any.

(d) Investment revaluation reserve

The amount represents cumulative net gains and losses arising on recognising financial assets classified as available-for-sale at fair value.

(e) FVOCI reserve

Balance represents the cumulative net change in the fair value of equity investment designated at FVOCI under HKFRS 9 that are held at the end of the reporting period.

(f) Retained earnings/accumulated losses

The amount represents cumulative net gains and losses recognised in profit or loss.

34. 儲備(續)

(b) 資本儲備

儲備乃因重組導致權益持有人注資以及視為權益持有人就關連人士於過往年度產生的稅務虧損作出的注資而產生。

視作權益持有人注資指就關連人士經營的本集團業務應付稅務機關的所得稅積蓄，倘關連人士並無稅務虧損，則會出現所得稅積蓄，而本集團分別將此稅項積蓄入賬為權益持有人注資及等同金額入賬為期內所得稅開支。

(c) 法定儲備

按照中國有關法規規定，本公司於中國成立及經營的附屬公司須根據中國會計規則及法規將除稅後溢利(經抵銷過往年度虧損)10%轉撥法定儲備，直至儲備結餘達註冊資本50%為止。對此儲備的轉撥須於向權益持有人分派股息前作出。法定儲備基金可用作抵銷過往年度虧損(如有)。

(d) 投資重估儲備

該款項指確認按公平值分類為可供出售金融資產產生的累計收益及虧損淨額。

(e) 按公平值計入其他全面收益儲備

結餘指公平值儲備，包括於報告期末持有根據香港財務報告準則第9號指定為按公平值計入其他全面收益的股本投資的累計公平值變動淨額。

(f) 保留盈利／累計虧損

該金額指於損益確認的累計收益及虧損淨額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 35. 本公司財務狀況表

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Assets	資產			
Non-current assets	非流動資產			
Interest in subsidiaries	於附屬公司權益	17	47,530	34,207
Prepayments for acquisition of property, plant and equipment	收購物業、廠房及設備的預付款		1,029	1,679
			48,559	35,886
Current assets	流動資產			
Prepayments and other receivables	預付及其他應收款項		956	399
Cash and cash equivalents	現金及現金等價物		1,639	2,065
Total current assets	流動資產總額		2,595	2,464
Current liabilities	流動負債			
Amounts due to subsidiaries	應付附屬公司款項		26,036	8,699
Other payables and accruals	其他應付款項及應計費用		299	756
Total current liabilities	流動負債總額		26,335	9,455
Net current liabilities	流動負債淨額		(23,740)	(6,991)
NET ASSETS	資產淨額		24,819	28,895
Equity	權益			
Issued capital	已發行股本	33	2,941	2,941
Reserves	儲備	34	21,878	25,954
TOTAL EQUITY	權益總額		24,819	28,895

On behalf of the Board
代表董事會

Wei Zhonghua
魏中華
Director
董事

Sun Jiangtao
孫江濤
Director
董事

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

36. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in this announcement, the Group had the following material related party transactions:

(a) Related party transactions

- (i) During the year ended 31 December 2017, Mr. Zhang Ming Fung (“Mr. Zhang”) being a director of a subsidiary, entered into an arrangement with the Group under which the Group provides services to manage the funds for Mr. Zhang and introduces certain individual borrowers, through the Group’s online micro financing platform, to borrow monies from Mr. Zhang. The retained amount of the funds of RMB102,000 are recognised as cash and cash equivalents held on behalf of a director of a subsidiary as disclosed on note 28 and corresponding liabilities as other payables as disclosed in note 30. The gross amount of the funds lent to individual borrowers for the year ended 31 December 2017 were RMB49,060,000. The Group generated micro financing facilitating services income of approximately RMB1,500,000 from Mr. Zhang during the year. The credit risk of the loan receivables from individual borrowers belongs to Mr. Zhang, and the Group did not provide any financial guarantee service to Mr. Zhang. There were no such transactions and the services were terminated during the year ended 31 December 2018.
- (ii) On 1 January 2017, the Group acquired 60% equity interests in Beijing Kuaihuika from Mr. Sun and Mr. Wei, being Directors, through Beijing Youxiping at consideration of RMB30,000, of which, RMB18,000 was outstanding to Mr. Sun as at 31 December 2017. See note 40 for further details.

36. 關連人士交易

除本年度報告其他地方所披露者外，本集團曾進行以下重大關連人士交易：

(a) 關連人士交易

- (i) 截至2017年12月31日止年度，附屬公司董事張明峰先生（「張先生」）與本集團訂立了一項安排，據此，本集團為張先生提供服務以管理資金並通過本集團的網上小額融資平台引入若干個人借款人向張先生借款。剩餘資金人民幣102,000元確認為代表附屬公司董事持有的現金及現金等價物（見附註28披露）以及其他應付款項的相應負債（見附註30披露）。截至2017年12月31日止年度，借給個人借款人的資金總額為人民幣49,060,000元。本集團於年內為張先生的小額融資中介服務所得收入約人民幣1,500,000元。應收個人借款人貸款的信貸風險歸屬於張先生，本集團並未為張先生提供任何融資擔保服務。截至2018年12月31日止年度內並無該等交易且服務被終止。
- (ii) 於2017年1月1日，本集團透過北京遊戲瓶自董事孫先生及魏先生收購北京快惠卡60%的股本權益，代價為人民幣30,000元，於2017年12月31日，其中的人幣18,000元未支付予孫先生。進一步詳情請見附註40。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

36. RELATED PARTY TRANSACTIONS (Continued)

(b) Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the Directors is as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	2,367	1,819

The remuneration of the Group's key management personnel fell within the band of nil to HK\$1,000,000 for the years ended 31 December 2018 and 2017.

36. 關連人士交易(續)

(b) 主要管理人員薪酬

本集團的主要管理人員薪酬(包括已支付予董事的金額)如下:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	2,367	1,819

於截至2018年及2017年12月31日止年度，本集團主要管理人員的薪酬幅度介乎零港元至1,000,000港元。

37. COMMITMENTS

(a) Operating lease commitments

Operating leases – lessee

The Group leases certain properties under operating leases. The leases for properties usually run for an initial period of three months to two years.

At the end of each of the reporting periods, the total future minimum lease payments under non-cancellable operating leases are payables as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within one year	一年內	4,757	1,759
One year to two years	一至兩年	5,837	2,470
		10,594	4,229

37. 承擔

(a) 經營租賃承擔

經營租賃 – 承租人

本集團根據經營租約租賃若干物業。該等物業租約通常初步為期三個月至兩年。

於各報告期末，本集團根據不可撤銷經營租約應付的未來最低租賃款項總額如下:

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

37. COMMITMENTS (Continued)

(a) Operating lease commitments (Continued)

Operating leases – lessor

The Group's sub-leased its office premises and leased its equipment to a number of tenants for varying terms. The rental income from sub-lease of office premises and lease of equipment during the year ended 31 December 2018 were RMB537,000 (2017: nil) and RMB590,000 (2017: nil) respectively.

The minimum rent receivables under non-cancellable operating leases in relation to office premises and equipment are as follows:

37. 承擔(續)

(a) 經營租賃承擔(續)

經營租賃 – 出租人

本集團將其寫字樓物業分租及將其設備出租予多名租戶，租賃期各有不同。截至2018年12月31日止年度內，分租寫字樓物業及出租設備的租金收入分別為人民幣537,000元(2017年：無)及人民幣590,000元(2017年：無)。

根據不可撤銷的寫字樓物業及設備經營租約最低應收租金款項如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Not later than one year	不遲於一年	1,410	—
Later than one year and not later than two years	遲於一年及不遲於兩年	737	—
Later than two years and not later than five years	遲於兩年及不遲於五年	212	—
		2,359	—

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

37. COMMITMENTS (Continued)

(b) Capital commitments

		Group 本集團	
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Commitments for acquisition of:	收購承擔：		
— Property, plant and equipment	— 物業、廠房及設備	5,339	5,339
— Business (note)	— 業務(附註)	—	31,500
		5,339	36,839

Note: On 12 September 2017, Xinjiang Nine Domain, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement (the "Agreement") to acquire the entire interests in Maanshan Anxin Small Loan Limited, Maanshan Bai Yi Industrial Co., Ltd., Maanshan Yu Ao Network Technology Co., Ltd. and Jiangdong Sales Electricity Co., Ltd. for an aggregate consideration of RMB35,000,000. Up to 31 December 2017, the Group has paid refundable deposits of RMB3,500,000 to the vendors.

On 9 February 2018, the vendors and Xinjiang Nine Domain entered into a termination agreement, in which, it is agreed that the Agreement is terminated and the vendors will refund the deposits on or before 28 February 2018. Please refer to the announcement dated 9 February 2018 for further details. On 28 February 2018, the deposits of RMB3,500,000 were fully refunded to the Group.

37. 承擔(續)

(b) 資本承擔

附註：於2017年9月12日，本公司的全資附屬公司新疆九域訂立買賣協議（「該協議」）以收購馬鞍山安信小額貸款有限公司、馬鞍山拜蟻實業有限公司、馬鞍山雨傲網路科技有限公司及江東售電有限公司的全部權益，代價總額為人民幣35,000,000元。直至2017年12月31日，本集團已付予賣方之可償還按金人民幣3,500,000元。

於2018年2月9日，賣方與新疆九域訂立終止協議，同意終止協議以及賣方將於2018年2月28日或之前退還按金。有關進一步詳情，請參閱日期為2018年2月9日之公告。於2018年2月28日，按金人民幣3,500,000元已全部退還予本集團。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

38. FINANCIAL INSTRUMENTS BY CATEGORY

38. 按類別劃分的金融工具

Fair value estimation

(a) Financial assets and liabilities

The carrying amounts and fair value of each of the categories of financial instruments as at the end of each of the reporting periods are as follows:

公平值估計

(a) 金融資產及負債

於各報告期末的各類按類別劃分的金融工具的賬面值及公平值如下：

		2018		2017	
		Carrying amount	Fair value	Carrying amount	Fair value
		賬面值	公平值	賬面值	公平值
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial assets	金融資產				
<i>Available-for-sale financial assets:</i>	<i>可供出售的金融資產：</i>				
— Unlisted equity securities	— 非上市股本證券	—	—	51,839	N/A不適用*
— Listed equity securities	— 上市股本證券	—	—	84,994	84,994
<i>Financial assets at fair value through other comprehensive income:</i>	<i>按公平值計入其他全面收益的金融資產：</i>				
— Equity investments	— 股本投資	171,922	171,922	—	—
<i>Loans and receivables:</i>	<i>貸款及應收款項：</i>				
— Trade receivables	— 貿易應收款項	374	374	773	773
— Contract assets	— 合約資產	3,693	3,693	—	—
— Financial assets included in prepayments, deposits and other receivables	— 計入預付款、按金及其他應收款項中的金融資產	10,913	10,913	116,634	116,634
— Pledged bank deposits	— 已抵押銀行存款	104,715	104,715	65,015	65,015
— Cash and cash equivalents	— 現金及現金等價物	108,927	108,927	83,319	83,319
		400,544	400,544	402,574	350,735
Financial liabilities	金融負債				
<i>Financial liabilities measured at amortised cost:</i>	<i>按攤銷成本計量的金融負債：</i>				
— Trade payables	— 貿易應付款項	6,101	6,101	7,997	7,997
— Contract liabilities	— 合約負債	431	431	—	—
— Financial liabilities included in other payables and accruals	— 計入其他應付款項及應計費用中的金融負債	5,148	5,148	15,603	15,603
— Bank borrowings	— 銀行借款	91,500	91,500	61,000	61,000
		103,180	103,180	84,600	84,600

* As at 31 December 2017, the available-for-sale financial assets are measured at cost less impairment, and no fair value can be determined due to the range of estimation is significant.

* 於2017年12月31日，可供出售金融資產按成本減減值計量，由於估計範圍較大，故無法釐定公平值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

38. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. 按類別劃分的金融工具 (續)

公平值估計(續)

(a) 金融資產及負債(續)

下表提供透過公平值層級按公平值列賬的金融工具分析：

第1層級：在活躍市場就相同資產或負債取得之報價(未經調整)；

第2層級：以第1級報價以外之資產或負債之可觀察輸入數據，無論是直接(即價格)或間接(即按價格推算)；及

第3層級：指透過運用並非基於可觀察市場數據之資產或負債輸入數據(不可觀察輸入數據)。

		2018			
		Level 1	Level 2	Level 3	Total
		第1層級	第2層級	第3層級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產				
— Listed equity securities at quoted market price	— 上市股本證券市場報價	45,315	—	—	45,315
— Unlisted equity securities	— 非上市本證券	—	—	126,607	126,607
		45,315	—	126,607	171,922

		2017			
		Level 1	Level 2	Level 3	Total
		第1層級	第2層級	第3層級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Available-for-sale financial assets	可供出售金融資產				
— Listed equity securities at quoted market price	— 上市股本證券市場報價	84,994	—	—	84,994

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

38. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

There were no transfers between levels during the year.

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

38. 按類別劃分的金融工具 (續)

公平值估計(續)

(a) 金融資產及負債(續)

層級之間於年內概無轉撥。

根據重大不可觀察輸入數據(第3層級)就按公平值列賬的金融工具進行的對賬如下：

		Financial assets at fair value through Other Comprehensive income (Unlisted equity securities) 按公平值計入其他全面收益的金融資產(非上市股本證券) RMB'000 人民幣千元
Opening balance at 1 January 2018 as originally presented	如原先呈列的於2018年1月1日的期初結餘	—
Transfer from available-for-sale financial assets	轉撥自可供出售金融資產	39,839
Initial application of HKFRS 9 (note 3)	首次應用香港財務報告準則第9號(附註3)	36,442
Restated balance as at 1 January 2018	於2018年1月1日的經重列結餘	76,281
Additions	添置	3,045
Disposals	出售	(2,000)
Fair value gain recognised in other comprehensive income	確認於其他全面收益的公平值收益	49,281
Closing balance as 31 December 2018	於2018年12月31日的期末結餘	126,607

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE

The Group has various financial assets and liabilities such as cash and cash equivalents, trade and other receivables, financial assets at FVOCI, trade and other payables, and bank borrowings.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group's monetary assets, liabilities and transactions are principally denominated in RMB, which is the functional currency of the Company. Therefore, the risk on foreign currency risk is minimal.

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to currency risk is limited to its bank balances denominated in US\$ as majority of the Group's transactions, monetary assets and liabilities are denominated in RMB.

The carrying amounts of the Group's material monetary assets that are denominated other than RMB at the end of reporting period are as follows:

		Assets 資產	
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
HK\$	港元	880	30,556
US\$	美元	90,940	4,707
EUR	歐元	98	—
		91,918	35,263

39. 金融風險管理及公平值

本集團有多項金融資產及負債，如現金及現金等價物、貿易及其他應收款項、按公平值計入其他全面收益的金融資產、貿易及其他應付款項，及銀行借貸。

本集團的金融工具所產生的主要風險為外幣風險、信貸風險及流動資金風險。董事會審閱並同意管理各項風險的政策，概述如下。

外幣風險

本集團的貨幣資產、負債及交易主要以人民幣計值，人民幣為本公司的功能貨幣。因此，外幣風險極微。

外幣風險指金融工具之公平值或未來現金流量因外幣匯率變動而波動之風險。本集團承受之貨幣風險限於以美元計值的銀行結餘，乃由於本集團的大部分交易、貨幣資產及負債以人民幣計值。

於報告期末，本集團除以人民幣計值外的主要貨幣資產之賬面值如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

Foreign currency risk (Continued)

Sensitivity analysis

The following table indicates the approximate change in the Group's profit before income tax expense for the year in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. A positive number below indicates an increase in profit or decrease in loss.

		Effect on profit for the year 對年內溢利之影響	
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
HK\$ to RMB	港元兌人民幣		
Appreciated by 3%	增值3%	26	917
Depreciated by 3%	貶值3%	(26)	(917)
US\$ to RMB	美元兌人民幣		
Appreciated by 3%	增值3%	2,728	141
Depreciated by 3%	貶值3%	(2,728)	(141)
EUR to RMB	歐元兌人民幣		
Appreciated by 3%	增值3%	3	—
Depreciated by 3%	貶值3%	(3)	—

The sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred at the end of reporting period and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date.

39. 金融風險管理及公平值(續)

外幣風險(續)

敏感度分析

下表列示於報告期末對本集團有重大風險承擔的匯率所可能出現的合理變動對本集團於本年度除所得稅開支前溢利的概約影響。下列的正數表示溢利上升或虧損下降。

敏感度分析乃假設外匯匯率於報告期末有所變動且所有其他變量(尤其是利率)保持不變而釐定。所列示的變動指管理層對期內直至下個年度報告日期匯率之合理可能變動作出的評估。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

Credit risk

The Group's credit risk is primarily attributable to its trade receivables, other receivables, financial assets at FVOCI and cash and cash equivalents and the contingent liabilities in relation to financing guarantees provided by the Group as disclosed in note 43. There was no history of default for other receivables, and the bank deposits are placed in the banks with high credit-ratings.

In respect to trade receivables, the Group trades only with recognised and creditworthy customers and the receivable balances are monitored on an ongoing basis and on an individual basis. However, the Group had a certain degree of concentration of credit risk on trade receivables. The trade receivables from the five largest debtors as at 31 December 2018 represented 100% (2017: 99%) of total receivables, respectively, while the largest debtor represented 75% (2017: 44%). Given the credit worthiness and reputation of the major debtors, the directors believe the risk arising from concentration is manageable and not significant.

In relation to the Group's provision of guarantees to financial institutions to secure obligations of borrowers for repayment of their borrowings under the Group's micro financing facilitating services, if there is a default in repayment by these borrowers, the Group is responsible for repaying the outstanding borrowings owed by the borrowers to financial institutions up to 50% of the unsettled loan principal amounts. The financial institutions can exercise the financial guarantee contract if the borrowers default in repayment by not more than 90 days. Such guarantees will be released by financial institutions upon the full repayment of the underlying loans. In order to minimise the credit risks of these loans, only short term guarantees of within 1 year are granted. Besides, the credit department of the Group conducts detailed background and credit searches and assesses the financial position of each borrower based on the results before the guarantee is granted. In addition, the credit department performs loan review regularly to ensure follow up action is taken to recover overdue debts, if any. In this regard, the directors of the Company consider that the Group's credit risk on such guarantees is significantly reduced. Based on the historical information, the default rate was only 0.3% in 2018 (2017: 0.75%), and the directors of the Company consider that the financial guarantee liability is sufficient and no additional provision is necessary. Since the disposal of Beijing Kuaihuika, the Group ceased to provide guarantee and there was no such liability as at 31 December 2018. Detailed disclosure of these guarantees is set out in note 43.

39. 金融風險管理及公平值(續)

信貸風險

本集團的信貸風險主要來自其貿易應收款項、其他應收款項、按公平值計入其他全面收益的金融資產及現金及現金等價物以及有關本集團所提供融資擔保的或然負債(見附註43披露)。其他應收款項並無拖欠記錄，且銀行存款存放在高信貸評級的銀行。

就貿易應收款項而言，本集團僅與知名且信譽良好的客戶交易，且應收結餘乃按持續及個別情況進行監察。然而，本集團在一定程度上存在貿易應收款項集中情況。於2018年12月31日，來自五大債務人的貿易應收款項分別佔應收款項總額的100%(2017年：99%)；而最大債務人則佔75%(2017年：44%)。鑒於主要債務人的信譽及聲譽，董事相信集中產生的風險為可控制及並不重大。

本集團為本集團的小額融資中介服務項下借款人償還借款義務向金融機構提供擔保，倘該等借款人違約還款，本集團負責向金融機構償還借款人達50%的未償還貸款本金額。倘借款人還款逾期不超過90天，則金融機構可行使金融擔保合約。該等擔保將於全額償還相關貸款後由金融機構予以解除。為最小化該等貸款的信貸風險，本集團僅授予一年期內的短期擔保。另外，本集團信貸部門於授予擔保之前根據業績對各借款人進行詳細的背景及信貸調查，並評估其財務狀況。此外，信貸部門定期進行貸款審核以確保採取後續行動收回逾期債務(如有)。就此而言，本公司董事認為，本集團有關該等擔保的信貸風險大幅降低。根據過往的資料，於2018年的違約率僅為0.3%(2017年：0.75%)，且本公司董事認為，融資擔保負債充足且並無必要額外撥備。由於出售北京快惠卡，本集團已終止提供擔保，故於2018年12月31日並無該負債。該等擔保的詳細披露載於附註43。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

Credit risk (Continued)

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for contract assets as at 31 December 2018:

		Expected loss rate 預期虧損比率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	0.51%	3,712	19

Expected loss rates are based on actual loss experience over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment (see note 4(h)B(ii)). As at 31 December 2017, trade receivables of RMB1,397,000 was determined to be impaired. The ageing analysis of trade debtors that were not considered to be impaired was as follows:

Neither past due nor impaired	既未逾期亦未減值			2017 RMB'000 人民幣千元
				773

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

39. 金融風險管理及公平值(續)

信貸風險(續)

本集團按相等於全期預期信貸虧損的金額計量貿易應收款項及合約資產的虧損撥備，而全期預期信貸虧損乃採用撥備矩陣計算。由於本集團以往在信貸虧損方面的經驗並無顯示不同客戶群出現顯著不同的虧損模式，故根據逾期情況得出的虧損撥備並無於本集團不同客戶群之間作進一步區分。

下表提供有關本集團於2018年12月31日的信貸風險承擔及合約資產預期信貸虧損：

預期虧損比率乃根據過去5年的實際虧損經驗計算得出。本集團對此等比率作出調整，以反映收集歷史數據期間內的經濟條件、當前條件，以及本集團對應收款項預計年期的經濟條件的看法。

於2018年1月1日前，本集團只會在出現客觀的減值證據才會確認減值虧損(見附註4(h)B(ii))。於2017年12月31日，人民幣1,397,000元的貿易應收款項被釐定為已減值。視為未減值的貿易應收款項的賬齡分析如下：

既未逾期亦未減值的應收款項與大量近期並無欠款紀錄的客戶有關。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

Credit risk (Continued)

Movement in the loss allowance account in respect of trade receivables and contract assets during the year is as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Balance at 31 December under HKAS 39	根據香港會計準則第39號計算的於12月31日的結餘	1,397	—
Impact of initial application of HKFRS 9 (note 3(a)A)	首次應用香港財務報告準則第9號(附註3(a)A)的影響	—	—
Adjusted balance at 1 January	於1月1日的經調整結餘	1,397	—
Amounts written off during the year	年內撇銷金額	(1,397)	—
Impairment losses recognised during the year	年內確認的減值虧損	19	1,397
Balance at 31 December	於12月31日的結餘	19	1,397

Movement in the loss allowance account in respect of prepayments, deposits and other receivables during the year is set out in note 24.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash flows from operations. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The maturity profile of the Group's financial liabilities as at the end of each of the reporting periods, based on the contractual undiscounted payments, was less than one year.

39. 金融風險管理及公平值(續)

信貸風險(續)

貿易應收款項及合約資產虧損撥備賬於年內的變動如下：

	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Balance at 31 December under HKAS 39	1,397	—
Impact of initial application of HKFRS 9 (note 3(a)A)	—	—
Adjusted balance at 1 January	1,397	—
Amounts written off during the year	(1,397)	—
Impairment losses recognised during the year	19	1,397
Balance at 31 December	19	1,397

預付款、按金及其他應收款項的虧損撥備賬於年內的變動載於附註24。

流動資金風險

本集團的目標為透過利用經營業務現金流量在持續獲取資金與靈活性之間保持平衡。本集團定期檢討其主要資金狀況，確保有足夠財務資源應付其財務承擔。根據已訂約未貼現付款，本集團於各報告期末的金融負債到期日少於一年。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

40. BUSINESS COMBINATIONS

On 1 January 2017, the Group acquired 60% equity interests in Beijing Kuaihuika from Mr. Sun and Mr. Wei, being directors and shareholders of the Company, through Beijing Youxiping. The remaining 40% equity interests were held by two independent non-controlling individual shareholders. Beijing Kuaihuika was principally engaged in provision of mobile payment facilitating services at the time of acquisition. The acquisition was made with the aim to expand the Group's existing scale of operation.

The fair values of identifiable assets and liabilities of Beijing Kuaihuika as at the date of acquisition were:

		RMB'000 人民幣千元
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	203
Cash and bank balances	現金及銀行結餘	35
Accruals and other payables	應計費用及其他應付款項	(1,037)
Non-controlling interest	非控股權益	320
Net liabilities assumed by the Group	本集團承擔之負債淨額	(479)
Consideration transferred:	轉讓代價：	
— Cash consideration payable (included in other payables)	— 應付現金代價(包括在其他應付款項)	18
— Consideration net off with other receivables	— 經扣除其他應收款項之代價	12
Add: Net liabilities assumed	加：承擔之負債淨額	479
Goodwill	商譽	509
Net cash inflow arising from acquisition:	因收購產生之現金流入淨額：	
— Cash and bank balances acquired	— 購入之現金及銀行結餘	35
Net cash inflow	現金流入淨額	35

The fair value of deposits and other receivables amounted to RMB13,000. The gross amount of these receivables is RMB13,000. None of these receivables have been impaired and it is expected that the full contractual amounts can be collected.

The goodwill of RMB509,000, which is not deductible for tax purposes, comprises the acquired workforce and the value of expected synergies arising from the combination of the acquired business with the existing operations of the Group.

40. 業務合併

於2017年1月1日，本集團通過北京遊戲瓶收購孫先生及魏先生(即本公司董事及股東)於北京快惠卡的60%的股權。餘下40%的股權由兩位獨立非控股個人股東持有。於收購時，北京快惠卡主要從事提供移動支付中介服務。該收購旨在擴大本集團現有的營運規模。

於收購日期，北京快惠卡可識別資產及負債之公平值為：

		RMB'000 人民幣千元
按金及其他應收款項	的公平值	13,000
該等應收款項	的總額	13,000
該等應收款項	概無減值，且預期可收回全部合約款項。	
不可扣稅的人民幣509,000元商譽	包括所獲勞動力及所收購業務與本集團現有業務相結合產生的預期協同效益價值。	

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

40. BUSINESS COMBINATIONS (Continued)

Since the acquisition date, Beijing Kuaihuika has contributed revenue and loss of approximately RMB2,063,000 and RMB7,735,000 respectively to the Group for the year ended 31 December 2017.

The Group has measure the non-controlling interest in Beijing Kuaihuika based on the proportionate interest in the recognised amounts of the assets and liabilities of Beijing Kuaihuika. The amount of the non-controlling interest at the acquisition date amounted to RMB320,000.

The acquisition-related costs were immaterial and had been expensed and were included in administrative expenses for the year ended 31 December 2017.

40. 業務合併(續)

自收購日期起，截至2017年12月31日止年度，北京快惠卡分別為本集團帶來收入及虧損約人民幣2,063,000元及人民幣7,735,000元。

本集團已根據北京快惠卡資產及負債的已確認金額中的權益比例計量北京快惠卡的非控股權益。非控股權益於收購日期的金額為人民幣320,000元。

截至2017年12月31日止年度，收購相關成本已減值並已支銷且已計入行政開支。

41. DISPOSAL OF SUBSIDIARIES

(a) On 30 September 2018, the Group disposed of Beijing Kuaihuika and its subsidiary, Shenzhen Huisantong, both of which are engaged in the provision of micro financing facilitating services. The net liabilities of Beijing Kuaihuika and Shenzhen Huisantong at the date of disposal were as follows:

41. 出售附屬公司

(a) 於2018年9月30日，本集團出售北京快惠卡及其附屬公司深圳匯三通，兩間公司乃從事提供小額融資中介服務。北京快惠卡及深圳匯三通於出售日期的淨負債如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	143
Goodwill	商譽	509
Trade receivables	貿易應收款項	86
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	2,209
Cash and bank balances	現金及銀行結餘	1,496
Other payables and accruals	其他應付款項及應計費用	(7,611)
Non-controlling interests	非控股權益	2,778
		(390)
Gain on disposal of a subsidiary included in loss for the year in the consolidated statement of comprehensive income (note 7)	綜合全面收益表內計入年內虧損的出售一間附屬公司的收益(附註7)	900
Total considerations	總代價	510
Total considerations:	總代價：	
Cash consideration	現金代價	300
Acquired investment in an associate	已收購於一間聯營公司的投資	210
Total considerations	總代價	510
Net cash outflow arising on disposal:	出售產生的現金流出淨額：	
Cash consideration received	已收現金代價	300
Cash and bank balances disposed of	已出售之現金及銀行結餘	(1,496)
Net cash outflow	現金流出淨額	(1,196)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

41. DISPOSAL OF SUBSIDIARIES (Continued)

41. 出售附屬公司(續)

(b) On 31 December 2017, the Group disposed of its subsidiary, Shijiazhuang Aiqiqi Information Technology Co. Ltd. ("Aiqiqi Information"), which is engaged in the provision of information technology consultancy services, application and development services in the PRC. The net assets of Aiqiqi Information at the date of disposal were as follows:

(b) 於2017年12月31日，本集團出售其附屬公司石家莊愛企奇信息技術服務有限公司(「愛企奇信息」)，該公司於中國從事提供信息技術諮詢服務、應用及開發服務業務。愛企奇信息於出售日期之資產淨值如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	26
Intangible assets	無形資產	1,866
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	194
Cash and bank balances	現金及銀行結餘	1
Accruals and other payables	應計費用及其他應付款項	(387)
Deferred tax liabilities	遞延稅項負債	(467)
		1,233
Gain on disposal of a subsidiary included in profit for the year in the consolidated statement of comprehensive income (note 7)	綜合全面收益表內計入年內溢利的出售一間附屬公司收益(附註7)	767
Total cash consideration	總現金代價	2,000
Net cash inflow arising on disposal:	出售產生的現金流入淨值：	
Cash consideration received	已收現金代價	2,000
Cash and bank balances disposed of	已出售之現金及銀行結餘	(1)
Net cash inflow	現金流入淨值	1,999

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

42. NOTE SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

42. 綜合現金流量表之附註

Reconciliation of liabilities arising from financing activities:

來自融資活動負債對賬：

		Bank borrowings
		銀行借款 (note 31) (附註31) RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	—
Changes from cash flows:	現金流量變動：	
Proceeds from new bank loans	新銀行貸款所得款項	61,000
Interest paid	已付利息	(794)
Total changes from financing cash flows	融資現金流量變動總額	60,206
Other changes:	其他變動：	
Interest expenses (financing)	利息開支(融資)	794
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日	61,000
Change from cash flows:	現金流量變動：	
Repayment of bank borrowings	償還銀行借款	(61,000)
Proceeds from new bank loans	新銀行貸款所得款項	91,500
Interest paid	已付利息	(3,593)
Total changes from financing cash flows	融資現金流量變動總額	26,907
Other Changes:	其他變動：	
Interest expenses (financing)	利息開支(融資)	3,593
At 31 December 2018	於2018年12月31日	91,500

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

43. CONTINGENT LIABILITIES

43. 或然負債

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Guarantees given to financial institutions in respect of financial guarantee provided to independent third parties	就向獨立第三方提供之金融擔保向金融機構提供的擔保	—	17,492

Details about the management of credit risk by the Group regarding these financing guarantees are set out in note 39.

本集團就該等融資擔保的信貸風險管理詳情載列於附註39。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

44. NON-CONTROLLING INTERESTS

- (i) Wanlefu Technology, a 66.60% (2017: 66.60%) owned subsidiary of the Company, has material non-controlling interests ("NCI").

Summarised financial information in relation to the NCI of Wanlefu Technology, before intra-group eliminations, is presented below:

44. 非控股權益

- (i) 玩樂付科技為本公司擁有66.60% (2017年: 66.60%) 權益之附屬公司, 其擁有重大非控股權益(「非控股權益」)。

有關玩樂付科技非控股權益在集團內部對銷前的財務資料概述呈列如下:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
For the year ended 31 December	截至12月31日止年度		
Revenue	收入	41	14,153
(Loss)/profit for the year	年內(虧損)/溢利	(3,817)	1,387
Total comprehensive (loss)/income	全面(虧損)/收益總額	(3,817)	1,387
(Loss)/profit allocated to NCI	分配至非控股權益之(虧損)/溢利	(1,275)	321
Dividends paid to NCI	已付予非控股權益之股息	—	—
For the year ended 31 December	截至12月31日止年度		
Cash used in operating activities	經營活動所用現金	1,425	(3,769)
Cash used in investing activities	投資活動所用現金	—	(208)
Cash flows from financing activities	融資活動所得現金流量	(2,500)	2,091
Net cash outflows	現金流出淨額	(1,075)	(1,886)
As at 31 December	於12月31日		
Current assets	流動資產	2,029	7,724
Non-current assets	非流動資產	303	465
Current liabilities	流動負債	(6,789)	(8,829)
Non-current liabilities	非流動負債	—	—
Net liabilities	負債淨額	(4,457)	(640)
Accumulated non-controlling interests	累計非控股權益	(2,247)	(969)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

44. NON-CONTROLLING INTERESTS (Continued)

(i) (Continued)

On 29 August 2017, the Company acquired an additional 3.5% ownership interest in Wanlefu Technology. Following the acquisition, the Company had 66.60% ownership interest. The transaction has been accounted for as an equity transaction with the NCI as follows:

		2017 RMB'000 人民幣千元
Consideration paid for 3.5% ownership interest	已付3.5%擁有權權益之代價	—
Net liabilities attributable to 3.5% ownership interest	應佔3.5%擁有權權益之負債淨額	(213)
Decrease in equity attributable to owners of the Company (included in retained earnings)	本公司擁有人應佔權益減少 (已計入保留盈利)	(213)

44. 非控股權益 (續)

(i) (續)

於2017年8月29日，本公司收購玩樂付科技額外3.5%的擁有權權益。緊隨收購後，本公司擁有66.60%的權益。交易已入賬列為權益交易，涉及之非控股權益如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

44. NON-CONTROLLING INTERESTS

(Continued)

- (ii) Beijing Kuailhuika, a 51% owned subsidiary of the Company as at 31 December 2017, has material NCI. Upon the completion of disposal of 30% equity interest as mentioned in note 41(a), the related NCI are disposed.

Summarised financial information in relation to the NCI of Beijing Kuailhuika, before intra-group eliminations, is presented below:

44. 非控股權益(續)

- (ii) 北京快惠卡為本公司於2017年12月31日擁有51%權益的附屬公司，其擁有重大非控股權益。於附註41(a)所述的30%股本權益出售完成後，相關的非控股權益已被出售。

有關北京快惠卡非控股權益在集團內部對銷前的財務資料概述呈列如下：

		2017 RMB'000 人民幣千元
For the year ended 31 December		截至12月31日止年度
Revenue	收入	2,063
Loss for the year	年內虧損	(7,754)
Total comprehensive loss	全面虧損總額	(7,754)
Loss allocated to NCI	分配至非控股權益之虧損	(3,420)
Dividends paid to NCI	已付予非控股權益之股息	—
For the year ended 31 December		截至12月31日止年度
Cash used in operating activities	經營活動所用現金	(5,173)
Cash used in investing activities	投資活動所用現金	(36)
Cash flows from financing activities	融資活動所得現金流量	6,304
Net cash inflows	現金流入淨額	1,095
As at 31 December		於12月31日
Current assets	流動資產	3,024
Non-current assets	非流動資產	32
Current liabilities	流動負債	(10,639)
Non-current liabilities	非流動負債	—
Net liabilities	負債淨額	(7,583)
Accumulated non-controlling interests	累計非控股權益	(3,250)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

44. NON-CONTROLLING INTERESTS (Continued)

- (iii) Joy Credit, a 70.4% (2017: 70.4%) owned subsidiary of the Company, has material NCI.

Summarised financial information in relation to the NCI of Joy Credit, before intra-group eliminations, is presented below:

44. 非控股權益(續)

- (iii) Joy Credit為本公司擁有70.4% (2017年: 70.4%) 權益之附屬公司, 其擁有重大非控股權益。

有關非控股權益在集團內部對銷前的財務資料概述呈列如下:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
For the year ended 31 December	截至12月31日止年度		
Revenue	收入	5,307	943
Loss for the year	年內虧損	(3,983)	(8,418)
Total comprehensive loss	全面虧損總額	(3,983)	(8,418)
Loss allocated to NCI	分配至非控股權益之虧損	(1,179)	(3,101)
Dividends paid to NCI	已付予非控股權益之股息	—	—
For the year ended 31 December	截至12月31日止年度		
Cash used in operating activities	經營活動所用現金	(3,871)	(7,762)
Cash used in investing activities	投資活動所用現金	(2,474)	—
Cash flows from/(used in) financing activities	融資活動所得/(所用)現金流量	6,949	2,201
Net cash inflow/(outflows)	現金流入/(流出)淨額	604	(5,561)
As at 31 December	於12月31日		
Current assets	流動資產	44,702	4,501
Non-current assets	非流動資產	1,104	2
Current liabilities	流動負債	(46,506)	(1,221)
Non-current liabilities	非流動負債	—	—
Net (liabilities)/assets	(負債)/資產淨額	(700)	3,282
Accumulated non-controlling interests	累計非控股權益	3,467	5,592

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

44. NON-CONTROLLING INTERESTS

(Continued)

(iii) (Continued)

On 29 August 2017, the Company acquired an additional 21.88% ownership interest in Joy Credit. Following the acquisition, the Company had 70.4% ownership interest (note 17). The transaction has been accounted for as an equity transaction with the NCI as follows:

		2017 RMB'000 人民幣千元
Consideration paid for 21.88% ownership interest	已付21.88%擁有權權益之代價	(2,632)
Net assets attributable to 21.88% ownership interest	應佔21.88%擁有權權益之資產淨額	4,095
Increase in equity attributable to owners of the Company (included in retained earnings)	本公司擁有人應佔權益增加 (已計入保留盈利)	1,463

44. 非控股權益(續)

(iii) (續)

於2017年8月29日，本公司收購Joy Credit額外21.88%的擁有權權益。緊隨收購後，本公司擁有70.4%的權益(附註17)。交易已入賬列為權益交易，涉及之非控股權益如下：

45. APPROVAL OF FINANCIAL STATEMENTS 45. 批准財務報表

The financial statements were approved and authorised for issue by the Board of Directors on 22 March 2019.

本財務報表於2019年3月22日獲董事會批准及授權刊發。

神州數字

China Binary New Fintech Group

神州數字新金融科技集團